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Customer Centric Solutions V/s Product Push



Aligning product development and distribution with market needs to improve penetration

FACTS

- Insurance is sold not bought
- Most products are alike and differentiation is mainly geared towards incentivizing distribution channels.
- Sources of financial advice are changing (Social Media)
- New focus areas: Simplicity, quality and transparency.
- New buying trend: “ Buy what you understand and understand what you buy”.

Product Push Strategy

- Focus on the company's profitability and the agent's. There isn't much focus on the customers.
- Agency is required as an intermediary between the company and the customers
- Excessive reliance on this intermediary can easily shift a company's product development efforts away from the customer.



What is Client Centricity?

- A real, sincere and deep understanding of your target clients' true needs
- The company focuses on all three stakeholders equally:



The Insurance company

The Agent

The Customer

Customer Centric Approach

- Mobilizing your business to supply solutions to these identified needs, and then dynamically adjusting our solutions as our clients and the market dictates
- Client centricity is not the same as client focus
- Product profitability should not be done on product level but rather on client segment.



Align Product Development with Market Needs

- Involvement of front office departments in the product development process
- Market research at the outset of any product development exercise
- Understand and analyze the customer needs and expectations.
- Inspire and educate your people on client centricity and across product knowledge

Aligning Distribution with Market Needs

- Insurance companies focus more on Product Push where there is an intermediary between the company and the customer—Agency.
- Currently, any product that meets the company's ROE or other profit margin and compensates Agency sufficiently will be sold.



A Shift in Distribution Towards Consumer Friendly Channels

- Consumers want to access financial products via **simple and convenient channels** such as Banks channel which is more acceptable to customers for buying insurance than any other channel.
- Consumers prefer channels that offer **comfort and safety**
- Traditional channels vs. **technology advanced channels**



Closing thoughts

- To be client-centric, you will focus on a ***lifetime financial partnership & relationship*** with your client
- ... instead of short-term non-sustainable product push approach in the past
- ...Should we increase the number of points of contact with our clients similar to banks....and how?