

# Behavioural Economics

*Simple changes create more 'moments like this'*



What can you do to increase the odds your potential customer will agree to an offer or renewal? How can you get more accurate and honest disclosures? Turns out, sometimes small adjustments can create big changes worth celebrating.

## Summary

- Tap into what makes your customers tick
- Eliminate pain points and influence buying behaviour
- Apply simple changes that often produce surprising improvements

Behavioural Economics (BE) is all about knowing what makes people tick and using that knowledge to improve your business. We tap into the unconscious biases that influence everyday actions, and discover which of them drive your customers' buying behaviour.

And it works! Swiss Re is the only reinsurer with a dedicated, global team of BE experts. By partnering with our clients to conduct live trials, we're already demonstrating a series of tangible, sometimes counter-intuitive results. We pair our behavioural expertise with your

in-depth knowledge of customer pain points to create 'We've done it' moments.

### Our approach

According to behavioural science, people's decisions are not always fully rational and can often be influenced by context. So the only way to understand these unconscious drivers is to move away from surveys and focus groups, and see how people react in the real world.

That's exactly what we do! Through our test-and-learn approach, we're gaining new insights into many of the behaviours important to our clients, from opening letters and answering calls to giving accurate information or clicking on an offer.

We'll work together with you to identify your pain point, then find ways to produce a better outcome.

### What's your pain point?

#### Would you like to increase sales, either direct or through an agent?

In one instance our client nearly doubled the upsell simply by changing a telephone script. For another, we observed a 138% increase in email open rates just by changing the subject line.

#### Do you want more accurate and honest disclosures in applications?

One client gained a 2% increase in disclosure of smoking and drug and alcohol use just by changing the way questions were asked.

#### Do you wish doctors would return medical evidence more quickly?

We kicked up the response rate of doctors by 10% with a simple, but effective improvement to the request letter.

#### Would you like to improve retention at the end of the policy term?

We've seen how re-framing the messages in a renewal letter reduced lapses by 33%.

### A real-life success story

Here's a perfect example of how one simple change can make a big difference. A health insurer was offering customers a small amount of free life cover, with the aim to upsell into full, paid cover during a phone call. But, take-up of the offer was very low and the results were disappointing.

Why? Perhaps people didn't want to pay a premium. Perhaps they didn't understand the true value of insurance protection. While these are all logical possibilities, our behavioural economics team suggested there might be another. Working together with our client, we proposed a change to the script and to the timing of the offer and ran a two-month trial to test the theory.

The result? After just one month of deploying what were simple, inexpensive changes, our client increased their relative upsell by 89%. Today we're working on 12 more trials with the same client, and we have hundreds more in play around the world.

Could this be the time to find out what we can do together to ease your pain point - and share in a 'We've done it!' moment? Contact your Swiss Re representative and let's explore the possibilities.

### We're smarter together

