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FAN NEWS

FINANCIAL & ADVISORY NEWS

TIGHTENING OF POLICY WORDINGS...

WEATHERING THE RISK OF CLIMATE THREATS

Disability claims
aggregation

FSCA weighs in as
universal life policy
premiums rocket

**Tightening of policy
wordings... likely in the future?**

No short cuts for the short term broker

INVESTMENT LESSONS WORTH SHARING



Tim Allemann
CMO
Fedgroup

CHANNEL STRATEGY...

capitalise on countless opportunities

Throughout history, technological advances have accelerated, out of necessity in times of crisis. The onset of COVID-19 is no exception, with the crisis having fast-tracked innovations by at least 10 years. This has driven many organisations to undergo a digital transformation.

We have seen some tremendous shifts in consumer expectations and behaviour, with customers flocking towards the platforms and channels they previously frequented for pleasure, to now conducting their day-to-day business as well. Whether we like it or not, the world is changing, and those who do not embrace this change, do so at their peril.

Online meeting platforms, Apps and other forms of technology have made it possible for consumers to do almost anything they want, anytime, from anywhere.

New segment of the market

However, before businesses embark on new technology solutions, it's crucial to gain an understanding of the market, its movements and organisations' roles within this changing environment.

The customer journey is still a highly personal one, especially in the financial services industry, where consumer decisions are heavily dependent on trust. Trust in their adviser, trust in the provider, and trust in the channels they are using.

Understanding market needs, and which channels customers frequent, will help organisations to develop or enhance offerings to suit the ever-changing needs and behaviour of existing customers.

Perhaps more importantly, it will assist in developing offerings and channels that expand reach to penetrate previously inaccessible segments and markets.

Notoriously tech-savvy generation

Looking at the fall of Blockbuster Video and the accompanying rise in on-demand streaming platforms, it's easy to understand why the rapid evolution of technology could be a cause for concern in many industries. However, the benefits of branching out into new channels or incorporating new technology far outweigh any concerns providers or advisers might have.

As technology continues to evolve, so too do the consumers using it. Customers who grew up without smartphones now depend on those devices, and use them frequently, while their children – a notoriously tech-savvy generation – represent an entirely new segment of the market. By embracing the channels on which they spend a large portion of their lives, financial advisers and service providers alike can capitalise on countless new opportunities.

However, with new opportunities come new challenges. Innovation without strategy and internal cohesion between people, process and systems is a recipe for disaster. This same consumer base has become accustomed to the self-service movement and, consequently, have a higher expectation of the things they are able to do online or on their mobile devices. Ease of use and an uncomplicated user interface are the order of the day.

This is the era where instant gratification trumps brand loyalty, where time is money, and where simplicity is king, because attention spans are shorter than ever. Businesses that use technology to streamline the experience for consumers will reap the benefits. This is particularly relevant in our industry, which is often viewed as complicated, ruled by jargon, and entrenched with processes that all but demand investors jump through hoops.

Two sides to any coin

There are, of course, two sides to any coin. Making it easier for investors to access financial services means it becomes easier for providers and advisers to access new markets and engage with their clients more often. Empowering consumers to take control of their journey and connect with service providers on their own terms will go a long way towards customer satisfaction and customer retention.

This does not mean that there is no room for human involvement. Investors will always need sound financial advice when assessing investment options and planning for their future, no matter what platform they choose to do it on. By embracing the same channels that they frequent and partnering with providers to provide their clients with financial products that will make investing in their future more attractive, advisers could add tremendous value to clients in both existing and emerging markets. ●