

Difficult to Impress - Generation Y Wants Better Service from its Insurer

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Guidewire study shows why insurers need to rely on new technologies in the future

LONDON & MUNICH--(BUSINESS WIRE)--May 16, 2017-- According to a recent [survey](#) commissioned by Guidewire Software (NYSE:GWRE), a provider of software to property and casualty insurers, while young insureds in Germany depend on household insurance, the service quality leaves much to be desired. On average, only half of all the 20 to 30-year-old Germans surveyed were happy about service levels. In Central Germany it is even lower (42%). The study shows that the call for omni-channel solutions is getting louder. Thus, it is important for the majority (82%) to have a human contact in the event of a claim. At the same time, however, the issue of digitization is becoming more and more important: more than half (55%) of the interviewees say that they might manage contracts and losses online as well. The survey shows that insurers should make the customer journey as comfortable as possible, especially when it comes to the long-term commitment of younger customers.

Younger generation hard to impress

Almost one-third (32%) of the 20 to 30-year-olds who have household insurance have reported a claim to their insurer. Only half (48%) of them say that the claim process ran smoothly. Especially younger customers are hard to impress with regard to service. Thus, in the group of 20 to 23-year-olds, only a quarter shared this view (23%). Among the 27- to 30-year-olds the satisfaction rate was more than half, which is above the national average (59%). The study also revealed that regional differences exist. In the east of Germany, only 5% agreed with the statement that the claims handling was "laborious and did not impress me," and more than a quarter (26%) shared this opinion in southern Germany. The reason for low satisfaction levels is often due to outdated systems, which can contain faulty and incomplete customer data, thereby slowing down claims processing, or making it worse overall. Especially when customers consult comparison sites increasingly for their advice, this leads, at worst, to a customer migration. Insurers need to upgrade their systems in order not to lose out to the competition.

Generation Y wants to be understood

According to the study, only 50 percent of the 20 to 30-year-olds who have insured their household against damage felt that their needs were understood by their insurer and that they receive offers adapted to those needs. In the UK, it is only 30 percent, as seen in a parallel [study](#) commissioned by Guidewire. Individuality is important in both countries. Although it is often assumed that personal contact with their insurer is of less significance, especially in the younger generation, the study proves the opposite: 82 percent of German 20 to 30-year-olds want a real contact in the event of a claim. This was the same in Great Britain. At the same time, just over half of the surveyed Germans (55%) claim to manage contracts and claims online as well. In the case of the British, 83 percent of the interviewees want the possibility of online administration. For insurers, this means that multi-modal touchpoints and synchronized communication channels will be indispensable in the future to meet the growing demands of Generation Y.

New technologies for better customer retention

The call for individuality is getting louder in this time of digitization. If insurers want to connect with their customers successfully, now and in the long term, they should employ modern technologies that focus on the customer. In order to be able to supply tailor-made offers, corresponding core systems are essential. These ensure that customer data is synchronized at all times, and on each channel, thus enabling the best possible service. "Generation Y is quite rightly demanding, especially in terms of service," says René Schoenauer, EMEA Product Marketing Manager at Guidewire. "To meet this high expectation, insurers must understand the needs of their customers. With the right platform, they can ensure that customers are served optimally across all touchpoints, and that all information is available at all times."

About Guidewire Software

Guidewire delivers the software that general insurers need to adapt and succeed in a time of rapid industry change. We combine three elements – core operations, data and analytics, and digital engagement – into a technology platform that enhances insurers' ability to engage and empower their customers and employees. More than 300 general insurers around the world have selected Guidewire. For more information, please visit www.guidewire.com. Follow us on twitter: [@Guidewire_PandC](https://twitter.com/Guidewire_PandC)

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