salesforce

# WAVE ANALYTICS FOR INSURANCE

## HOW TO USE BIG DATA TO SUPERCHARGE GROWTH

# INTRODUCTION

**We live in the golden age of data.** IDC predicts by 2020 the digital universe will contain nearly as many digital bits as there are stars in the universe. That's 44 zettabytes, or 44 trillion gigabytes, of data.[1] No wonder it's being called "big data."

But according to this same IDC research, while more than 20% of this data would be useful to tag and analyze, less than 5% is currently being put to work.[1] Even the insurance industry, whose existence and profitability is predicated on analyzing data in order to accurately predict future risk, has failed to keep pace with the volume, variety, and velocity of today's big data.

The problem: the legacy business intelligence (BI) tools insurance firms have been relying on. These tools aren't accessible to everyone, lack agility, and don't leverage today's modern cloud and mobile technologies. The result: missed opportunities because data is buried, isolated, or retrieved too late to make a difference.

This is unfortunate because the insurance industry, as a whole, is facing stiff headwinds. Today's volatile, low-yield environment requires firms to rely more on underwriting for profit. Eroding customer loyalty is putting an estimated $400 billion of insurance premiums up for grabs each year.[2] And the rise of new, digitally savvy competitors is causing disruption.

At the same time, today's environment also presents new growth opportunities. For example, as agent-based distribution has shifted to affluent and mass affluent markets, middle-market consumers (households with annual incomes between $25,000 and $100,000) are increasingly underinsured.[3] Simply returning this segment's life insurance participation to 2004 levels could raise annual revenue by $20 billion – and lead to an industry profit pool of $1 billion annually.[3]

# SO HOW CAN INSURERS USE DATA TO EARN THE TRUST OF NEW CUSTOMERS AND KEEP EXISTING CLIENTS?

## ENTER WAVE ANALYTICS

Wave is designed so anyone can explore data, make decisions, and take action – and do it all from any device. With Wave Analytics, you can finally get your hands on the timely insights you need to focus your resources and time on your best opportunities. This e-book explores Wave's key advantages and shows how you and other insurance professionals can benefit from them.

# BUILT IN THE CLOUD FOR MODERN BUSINESS

According to McKinsey & Company, intensive users of customer analytics are 23x more likely to outperform competitors in terms of customer acquisition than companies that don't use data. They're also 19x more likely to be profitable.[4]

So why doesn't everyone use analytics tools? Traditional BI tools weren't designed to keep up with the modern business. But Wave Analytics is built entirely in the cloud, with features designed to meet the needs of everyone in the modern business – from business users and analysts to admins, IT, and the C-suite.

## FASTER TIME TO VALUE

A traditional BI solution can take months, or even years, to implement. Data warehouses, data schemas, and reporting tools have to be designed and constructed before any analytics can begin. Not so with Wave Analytics. Because it's 100% cloud-based, Wave users can be up and running in days, not months. There is no expensive on-premises hardware to install, no maintenance costs, and no specialized personnel required. Once you link Wave Analytics to your Salesforce data, ERP data, mobile app usage data, or even data from a CSV file, you can bring the tool's full power to bear immediately.

## POWERFUL

Besides being faster and more flexible, Wave Analytics is also more powerful than legacy BI platforms or discovery tools. By leveraging cloud capabilities, it can process billions of rows of data at unprecedented speed. Wave uses a search-based data index and a type-agnostic data platform that enables you to access and explore data instantly.

## SECURE

Wave Analytics uses the same multitenant architecture employed by Salesforce users around the globe to keep their data secure, backed up, and available. Because Wave integrates with Salesforce security, you can even open up analytics to all your users without fear of them seeing what they shouldn't.

## HIGH SPEED

The businesses that succeed today move, adapt, and innovate the fastest. You need an analytics tool that can keep up with the pace of innovation. Wave Analytics combines massive power to process billions of rows of data at incredible speed to get you the right answer within minutes instead of days.

## OPTIMIZE DATA

Because it's built on the Salesforce platform, Wave Analytics can sync with your Salesforce data automatically. However, the modern business has data living in multiple locations, and Wave was built to handle all of it. Because it's natively integrated with Salesforce, you can also leverage connectors built by ETL (extract, transform, and load) partners, or upload your own data.

## EXTENSIVE PARTNER ECOSYSTEM

There's no need to replace your existing analytics investments with Wave Analytics. With Salesforce's comprehensive partner ecosystem, Wave can seamlessly enhance the analytics investments you've already made.
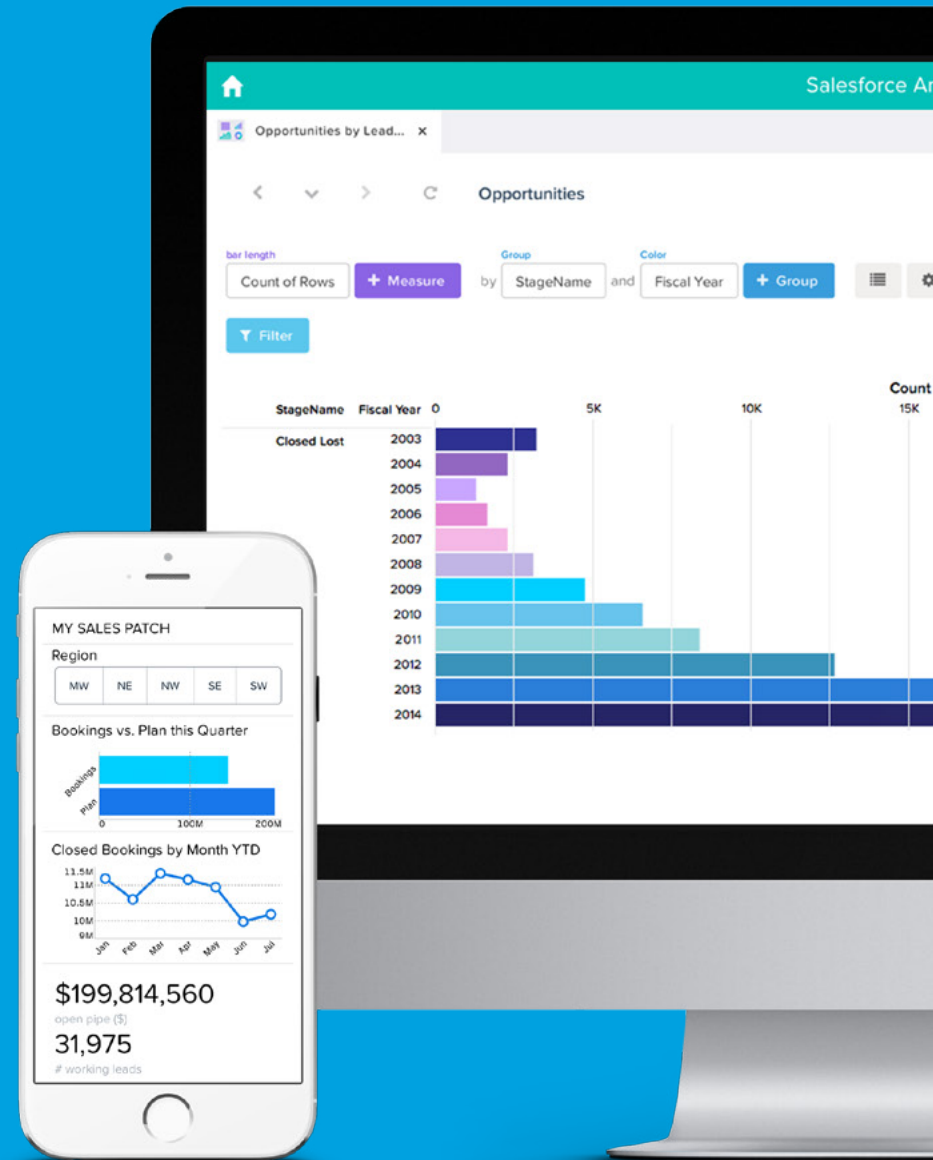
# HOW A 100% CLOUD PLATFORM HELPS YOU

## CREATE A CUSTOMER-FOCUSED ENTERPRISE

Insurance decision-makers don't lack for data, but they are starved for true insight. Multiple, disparate legacy systems that emphasize transactions instead of customer experience have resulted in conflicting, inconsistent, and limited customer views. Wave Analytics changes all that. Since it's cloud-based, Wave helps you bridge data silos and gather all your customer data into a single view. Likewise you're not limited to your own internal data, as Wave lets you access all types of third-party data for a more holistic view. Understand your customers better than ever to drive engagement and limit churn and attrition.

## TAP INTO THE $400 BILLION YEARLY LANDGRAB NOW

There's less customer loyalty than ever before and it's leaving $400 billion in life, property, and casualty premiums up for grabs each year as customers grow more comfortable switching insurance policies.[2] Because it's cloud-based, Wave Analytics can be implemented in days, giving you immediate access to deep insights you can use to pursue customers who are looking to switch, while limiting your own customer churn. Wave provides the kind of insights that apply to both policyholders and producers.=

## SCALE TO LEVERAGE NEW OPPORTUNITIES

Telemetrics. Catastrophe modeling. Cybersecurity. The Internet of Things. The future is filled with growth possibilities for insurers who are prepared to use big data to refine risk, redefine products, and transform customer relationships. The capacity to analyze vast amounts of data will be a key part of this transformation. Wave Analytics is an ideal solution because it offers massive cloud-size scalability. Scale your usage up or down without having to invest in hardware or on-site IT resources.

## THWART NON-TRADITIONAL FIRMS

According to Accenture, 67% of insurance customers worldwide would consider switching to a company that doesn't traditionally offer insurance, including 23% who would consider buying from an online service provider such as Google or Amazon.[2] To combat potentially disruptive all-digital players, traditional insurance firms need to adopt technologies that offer the same leap-frogging capabilities. Wave Analytics enables agile development of Web and mobile apps so you can tap into the creativity of both your internal IT talent, and that of the broader financial services partner ecosystem.

## ATTRACT AND RETAIN TALENT

A recent report found that the millennial generation is not only unfamiliar with the insurance industry, but also doesn't want to work in it. Fewer than one in 10 said they were very interested in working in the insurance industry.[5] Adopting Wave Analytics demonstrates you're serious about implementing technologies that inspire collaboration and modern business processes – something many of your current employees desire and the next generation of talent expects in their workplaces.

# SELF-SERVICE INSIGHTS

Data is the fuel of the 21st century, and from that data, insurance professionals need to be able to turn it into powerful insights so they can more effectively help clients. However, legacy BI systems were designed on a closed-information model instead of the open-data approach that now dominates the digital era.

The result? Many legacy BI tools are overly complex and difficult to use. Everyday business users lack access, have trouble finding answers to their most pressing issues, and rarely have the ability to act upon or share the answers they do find.

Wave reimagines analytics. It's designed for business users – not data experts – and rewards your curiosity with fast, responsive answers you can easily share with your team. Wave is built around the way you ask questions, not around the limits of legacy technology.

## SIMPLE USER INTERFACE

Analytics tools have always been difficult for most business users to leverage. But Wave draws inspiration from consumer-facing apps that are easy to use and even entertaining. Its interface isn't just gorgeous, but also intuitive, and is as easy to navigate as consumer apps like Yelp and Uber.

## EXPLORATION FOR EVERYONE

With this improved user interface comes a dramatic improvement in ease of use. Wave Analytics gives everyday business users the power to endlessly explore their data, exponentially growing the number of analysts at your company and dramatically increasing the number of actionable breakthroughs and insights.

## COLLABORATIVE

Data should be the backbone of your organization, and Wave Analytics has collaboration at its core. It's easy to share data views, collaborate on dashboards and reports, and send results anywhere in the company to teammates who are best positioned to give feedback, perform additional analysis, and take action. For example, sales agents can collaborate more effectively with underwriters on opportunities. Service reps can handle more complex cases in collaboration with product specialists. Claims adjudicators and investigators can jointly make quicker and more informed decisions on large claims.

# HOW SELF-SERVICE INSIGHTS HELP YOU

### CONDUCT WHAT-IF ANALYSES TO IMPROVE FORECASTING

Wave's easy-to-use visual environment lets you mash-up different datasets and build interactive dashboards so you can change assumptions and immediately see their impact. For example, want to know if your profitability will improve if you stop writing flood policies? Easy. Interested in learning the cost impacts of age, gender, and region on future premium pricing? Want to know which makes and models are associated with the recent spike in auto claims? Done. With Wave, your answers – and insights – arrive in time to make a difference.

### OPTIMIZE CROSS-SELLING TO INCREASE CUSTOMER RETENTION

Experience shows that a customer holding two policies with the same company is much more likely to renew than a customer holding a single policy. Wave Analytics gives you the ability to take into account not just your customers' demographics but also their insurance buying behaviors, online experience, households, and life events. Such customer intimacy helps you predict the products your customers want next – and retain your most desirable customers in the process.

### DETECT FRAUD IN A TIMELY FASHION

Wave Analytics lets you point to virtually any data source and immediately begin visualizing it to detect out-of-pattern behavior in a way that has previously been next to impossible. Drill down into your entire claims process. Then roll up with insights to predict and prevent fraud before it happens, or detect it fast and mitigate the impact in the event it does happen.

### SUPERCHARGE TEAM COLLABORATION

Not only does Wave Analytics make everyone on your team a data analyst, it also makes it easy to share data visualizations, collaborate on dashboards, and send reports anywhere in the company. Such collaboration enables experts to swarm an opportunity or client need, increasing client satisfaction while freeing you up to focus on true, value-added activities.
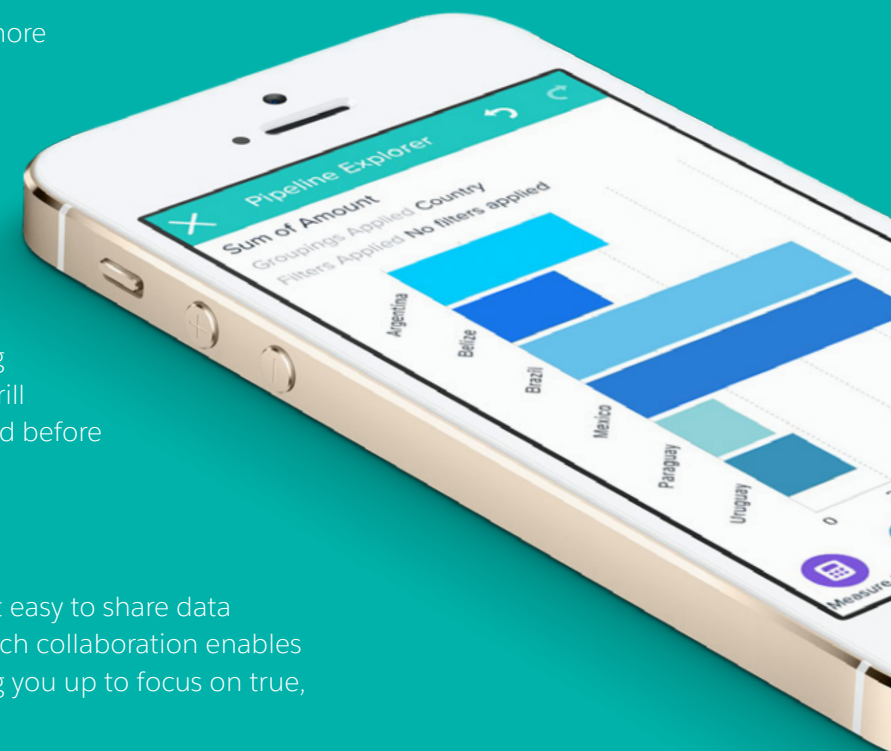
# MOBILE-FIRST

The modern office is everywhere, and the most valuable business tools enhance this shift toward a truly mobile workforce. That's why Wave Analytics was built mobile-first, and designed for every device from desktop or tablet to smartphone or smartwatch. With Wave, you can have the analytics you need wherever and whenever you need them.

## DASHBOARDS

With billions of data points available for analysis, the challenge is no longer finding data, but finding the meaning in the data. Dashboards are the best tools for this task. By presenting complex information visually, Wave Analytics dashboards present all the data you need to make important business decisions at a glance, right in the palm of your hand.

## EXPLORATION

Sometimes gleaning insights from a dashboard still isn't enough. Sometimes you need to be able to answer questions and explore data on the go – and Wave Analytics lets you do this. Complex analyses that would have once required massive databases can now be done from your phone, with a few swipes of your finger.

## COLLABORATION

All of this action on the go means very little if you can't get the right information in front of the right people. Wave's built-in collaboration features make it easy not only to send reports and dashboards, but also to engage team members in active discussion and collaboration around your data, regardless of where in the world they are.
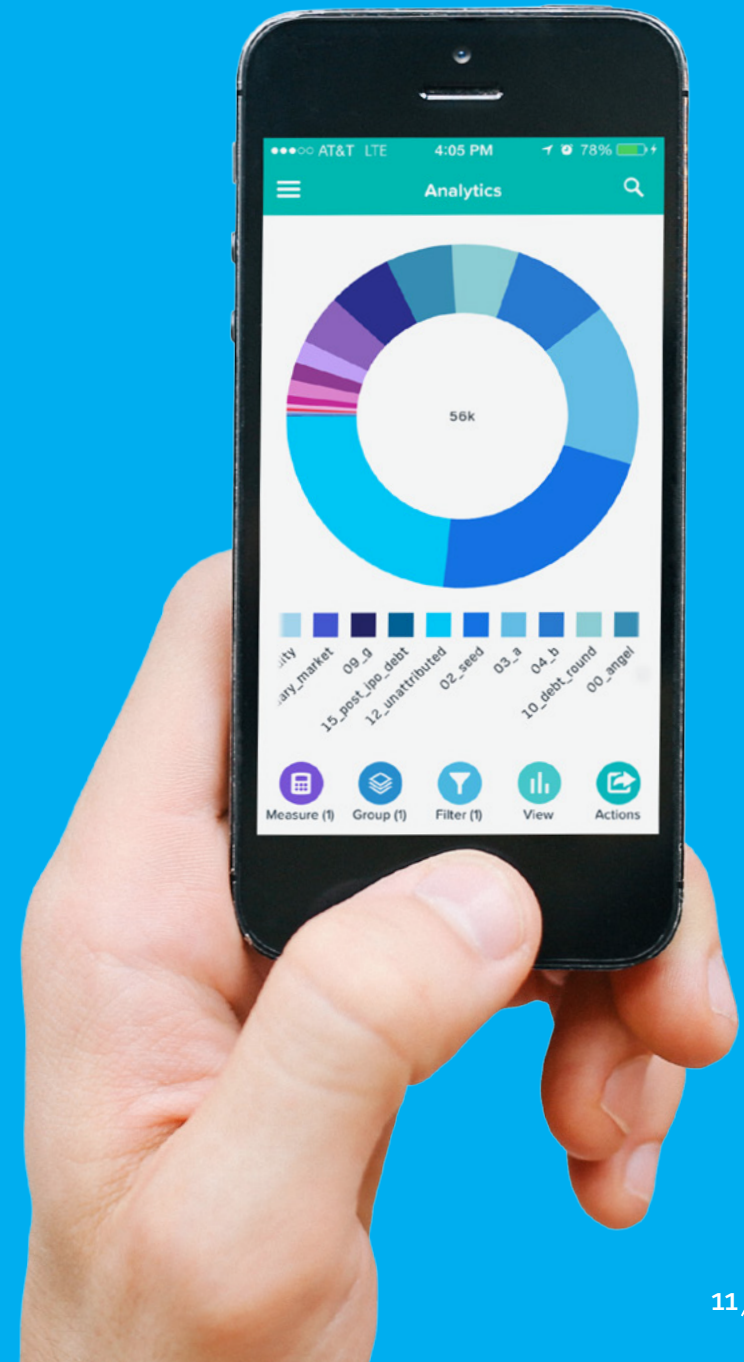
# HOW MOBILE-FIRST HELPS YOU

## PROVIDE THE ANYTIME, ANYWHERE ACCESS CLIENTS WANT

The shift in client demographics, the increasing adoption of mobile devices, and the demand by clients for efficiency, transparency, and convenience make mobile capabilities a must. With Wave Analytics, you can look at your phone, surf complicated datasets, collaborate instantly, and give clients the answers and insights they now expect – anytime and anywhere. Sales agents can learn more about their policyholders before meetings. Field sales leaders on the road can determine which producers to support for which particular products, thus optimizing limited time and resources.

## ENGAGE CLIENTS VIA MOBILE SHOW & TELL

Wave Analytics lets you create dynamic, interactive charts on any mobile device, which you can then adapt and personalize on the fly. Clients can see their own data come to life, making conversations more informed, immediate, and relevant. It's also ideal for in-depth pitches to potential clients.

## RUN YOUR BUSINESS FROM ANYWHERE

Measure. Group. Filter. View. Share. With these five actions, Wave helps you unlock limitless insight right from your phone. It's the only platform that lets you easily navigate every dataset from the palm of your hand. Which means you're no longer tied to your desk because you can have a conversation around data and act on it – anytime, anywhere.

# CONCLUSION

Wave Analytics was built for the modern business user. Faster, more powerful, and more accessible than any BI tool to come before it, Wave helps you to get insight faster and understand your client like never before, because it lets you put massive amounts of data to work from anywhere – no data science degree or ticket-logging required.

Wave helps you turn today's big data into your biggest competitive advantage, because it can enable you to effectively price risk, develop, and market products and improve customer retention and satisfaction.

# ANALYTICS DESIGNED FOR THE BUSINESS USER

Wave Analytics is designed to bring the most powerful analytics tools directly to the people who need it most. No more waiting. No more schemas. No more hardware.

**Just your data as it was meant to be used.**

**LEARN MORE**

**FOOTNOTES**

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2. "The Digital Insurer," *Accenture website*, http://ins.accenture.com/rs/accenturefs/images/Accenture-2013-Consumer-Driven-Innovation-Survey.pdf.

3. Agrawal, Vivek, Guillaume de Gantès, and Peter Walker, "Life Journey: Winning the Life-Insurance Market," *McKinsey & Company website*, March 2014, http://www.mckinsey.com/insights/financial_services/life_journey_winning_in_the_life_insurance_market.

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THE CUSTOMER SUCCESS PLATFORM