



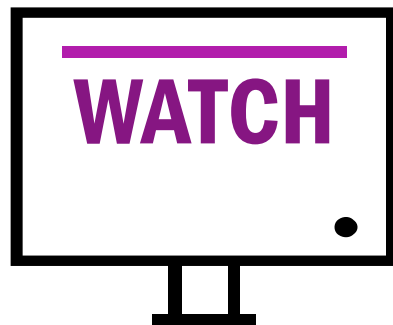
UNDERSTANDING CONSUMER BEHAVIOR TO MANAGE COMPLAINTS

AAUI – 24th INDONESIA RENDEZVOUS 2018

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Associate Director, Consumer Insights
October 26th , 2018

WHAT NIELSEN UNDERSTANDS ABOUT CONSUMERS

WHAT CONSUMERS...



WHAT MEDIA DO CONSUMERS ACCESS?

HOW DIGITAL ARE OUR CONSUMERS?

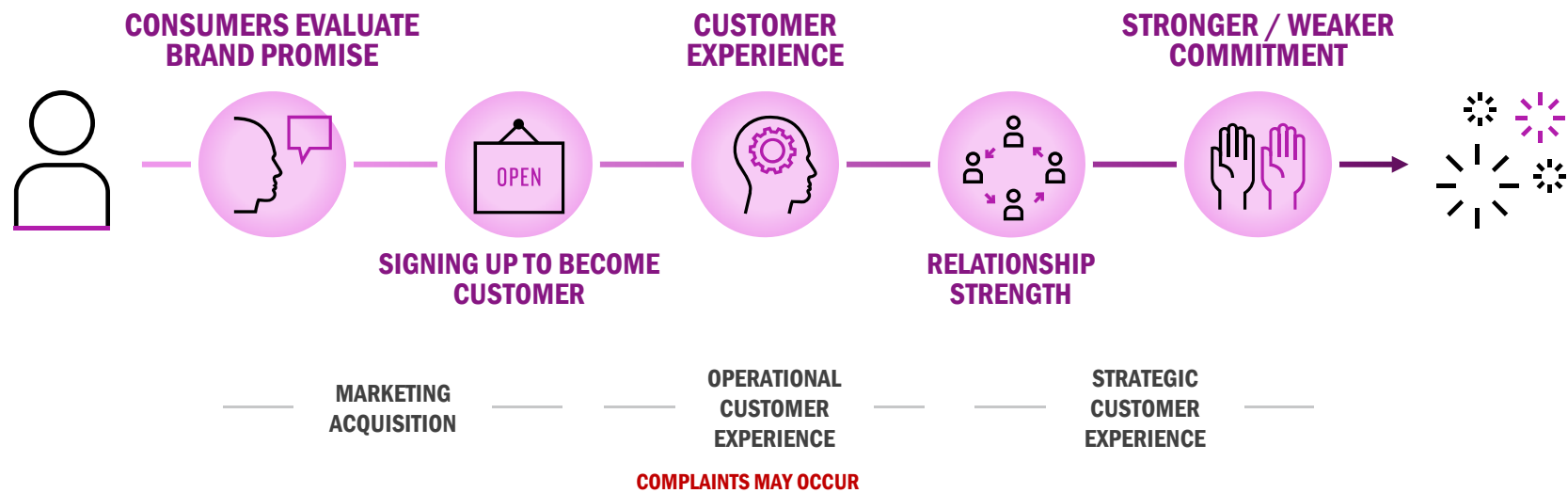
**HOW MUCH INDUSTRIES SPEND BUDGET
FOR COMMUNICATION?**



**HOW DO CONSUMERS SPEND
THEIR MONEY?**

**DOES THEIR PRIORITIES CHANGE OVER
THE YEARS?**

CONSUMER JOURNEY INTO OUR BRAND



Consumers have certain perception towards our brand/company built from what they know / understand about us. When they finally signed up to become our customers, they basically 'buy' our brand promise.

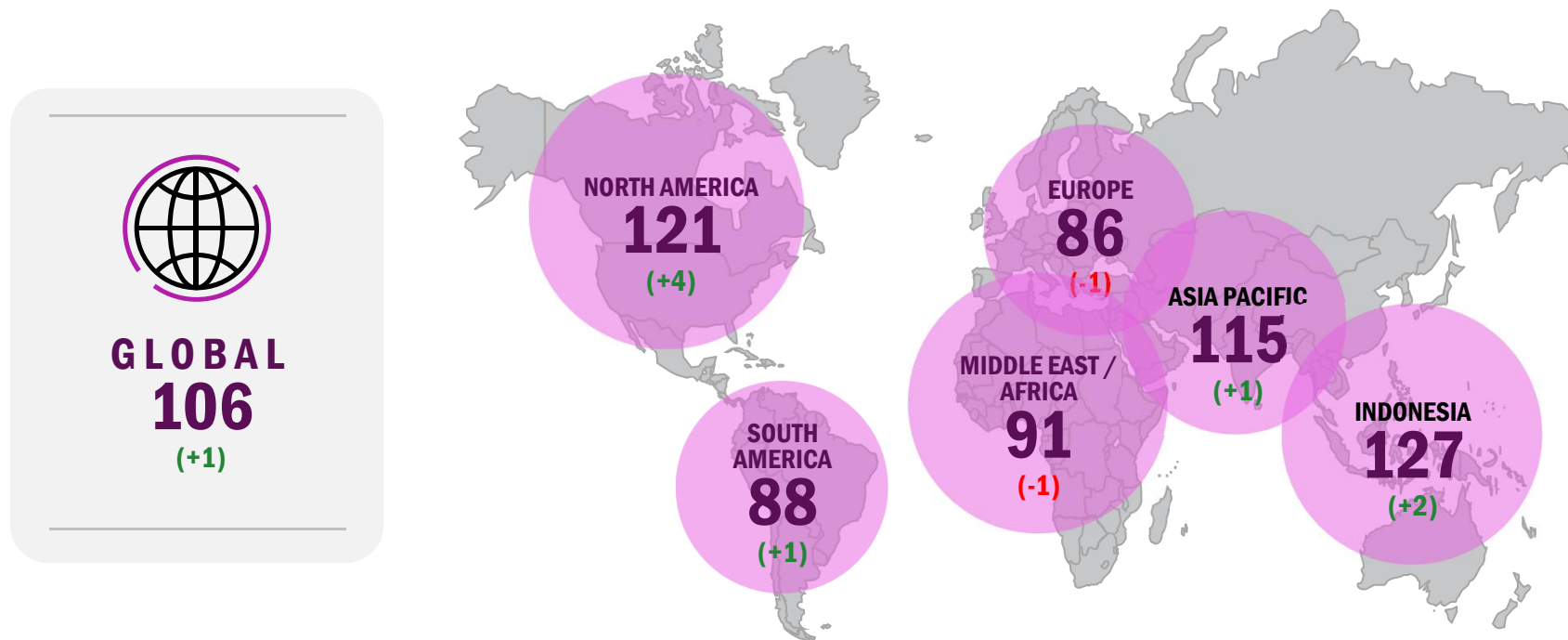
Both positive or negative experience finally determined the type of relationship customers have with brand / service provider.. It is for this reason that several organizations are getting into the measurement of customer interactions real time.

“ Understanding consumers is the key to manage customer experience ”

CHAPTER 1 :
**ZOOMING OUT INDONESIA CONSUMER
BEHAVIOR TREND**

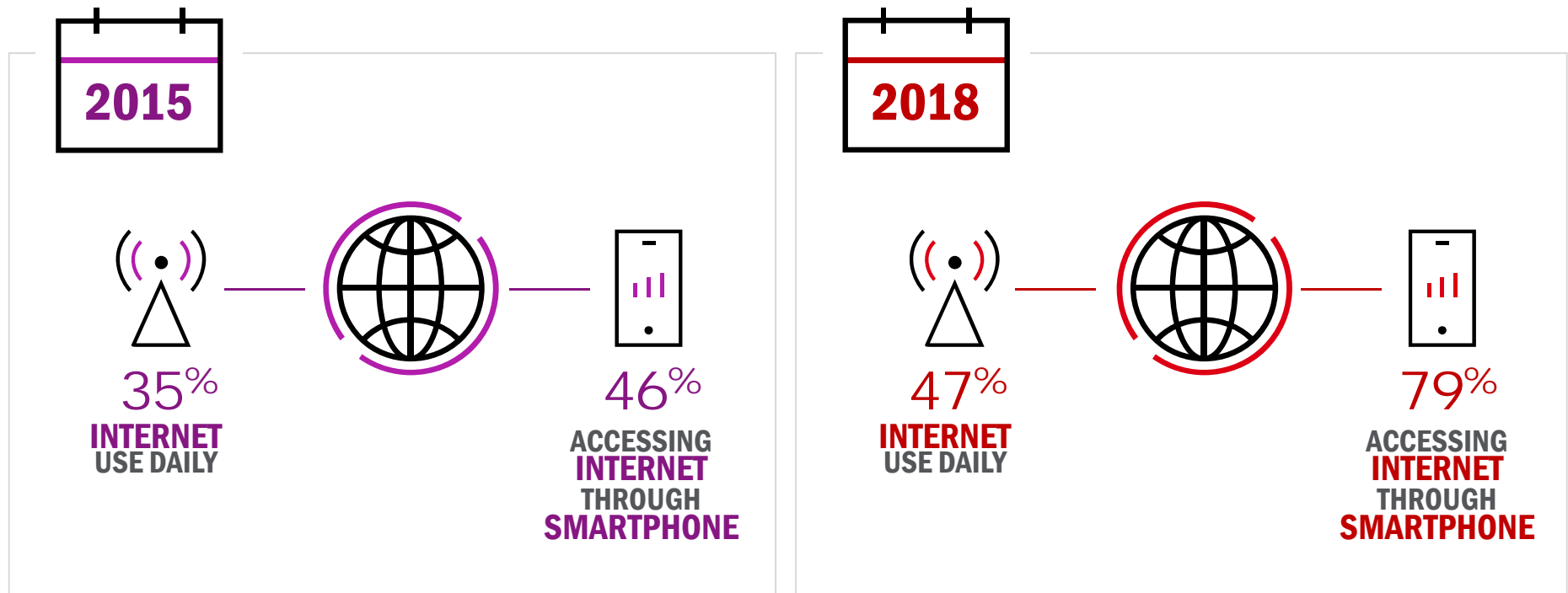
CONSUMERS ARE GETTING MORE CONFIDENCE GLOBALLY ...AND SO IS **INDONESIAN** CONSUMERS

CONSUMER CONFIDENCE | Q1 2018 VS Q4 2017 | GLOBAL



Source: Conference Board @ Global Consumer Confidence TMSurvey in Collaboration with Nielsen Q1-2018

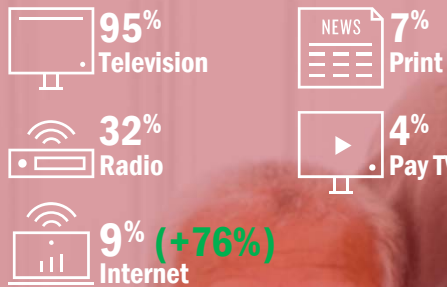
DIGITAL WORLD IS DRIVEN BY SMARTPHONE



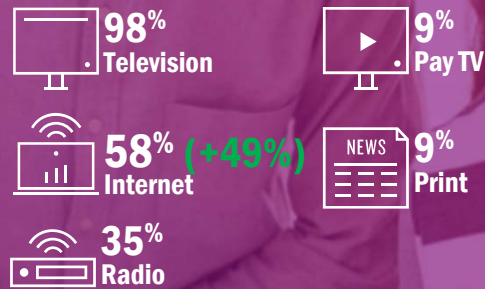
Source: Nielsen Consumer & View Q2 2015 vs 2018, in %

INTERNET IS FOR ALL GENERATIONS

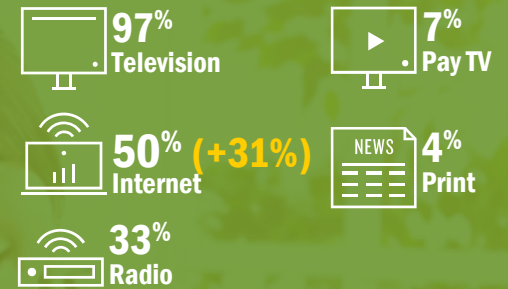
BABY BOOMERS BORN ROUGHLY 1946-1964



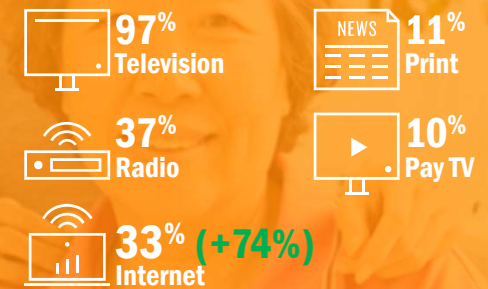
MILLENNIALS BORN 1980 TO LATE 1990S



GENERATION Z BORN EARLY 2000S AND ON

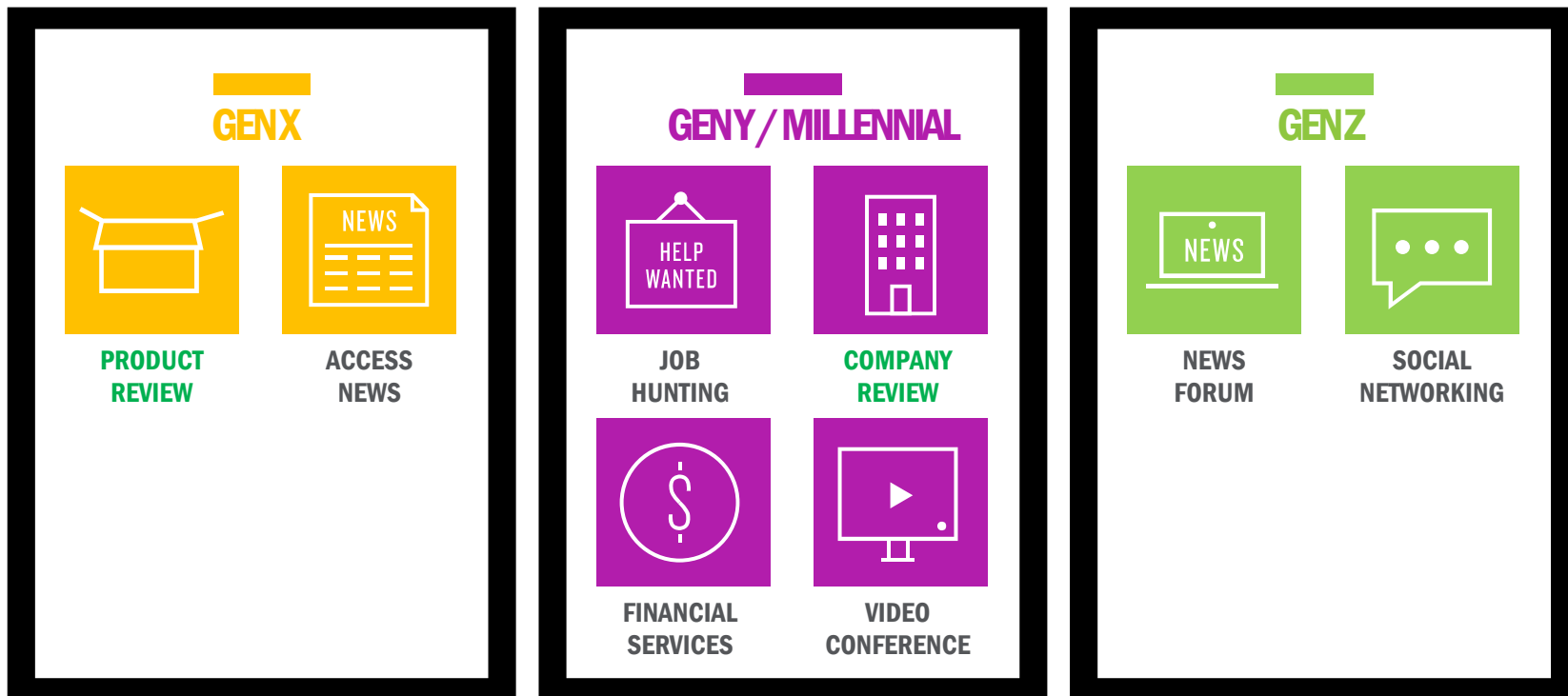


GENERATION X BORN EARLY 1960 - 1980



DIFFERENT FAVORITE ACTIVITIES IN ONLINE CHANNEL

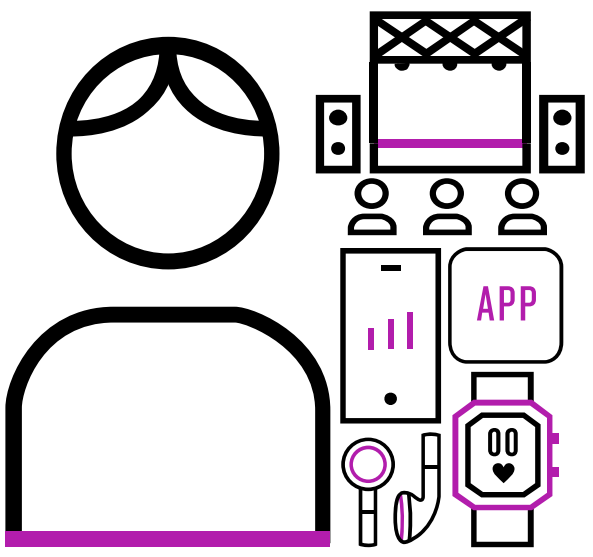
Each generations have prominent different activities in online environment...



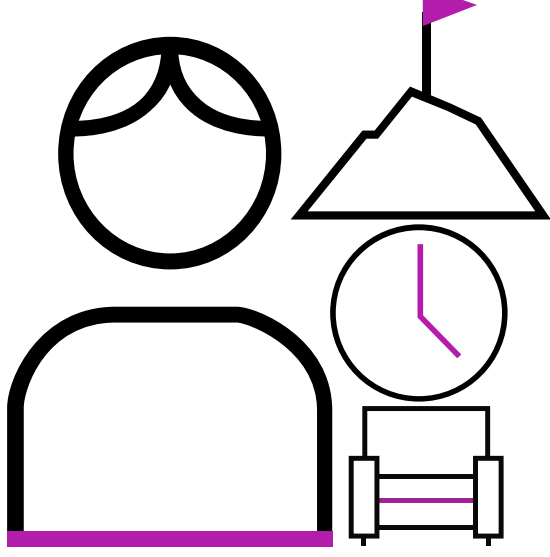
Source: Nielsen Consumer & Media View Q4 2017, Use Internet Yesterday, in Index

THE IMPACT OF DIGITAL TECHNOLOGY ON CONSUMER VALUES

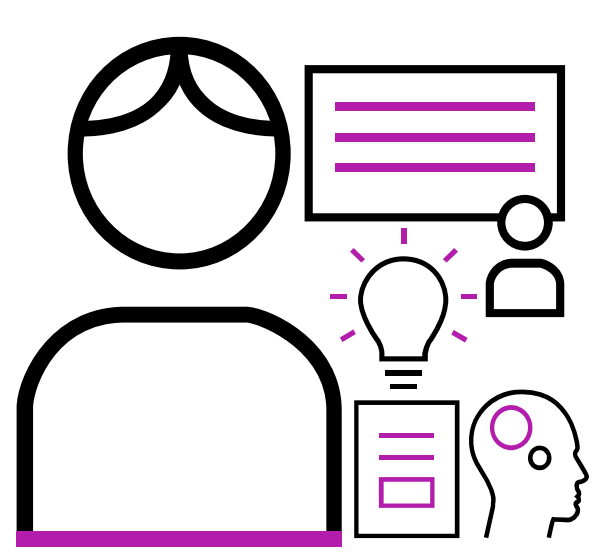
I want to look Cool...!!



I need a quality time and great experiences..

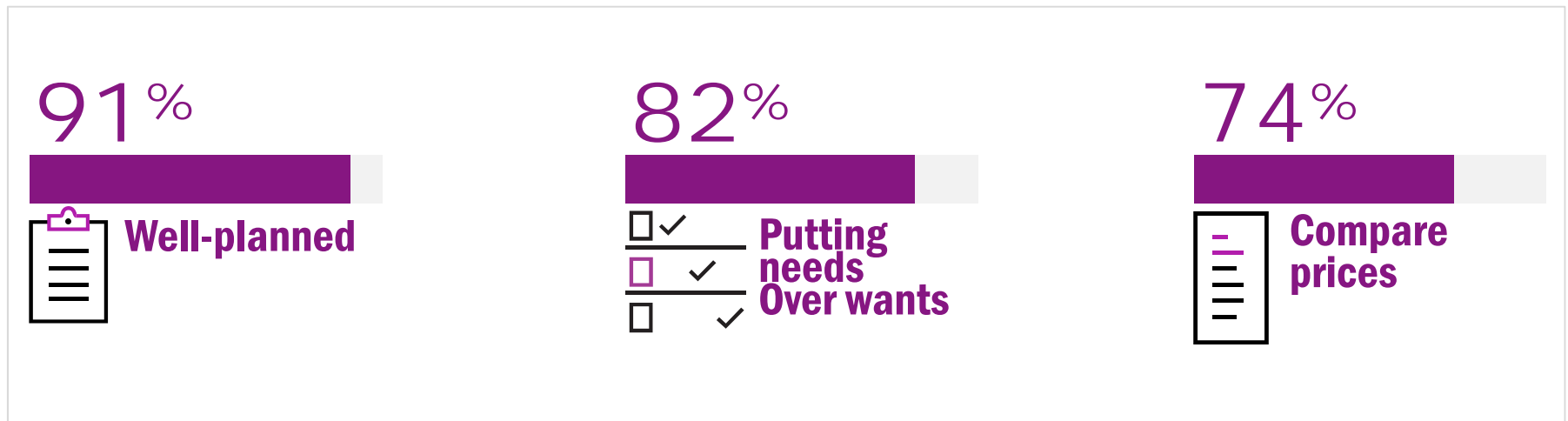


I don't make rush Decision..!



THE IMPACTS TO SHOPPING BEHAVIOR

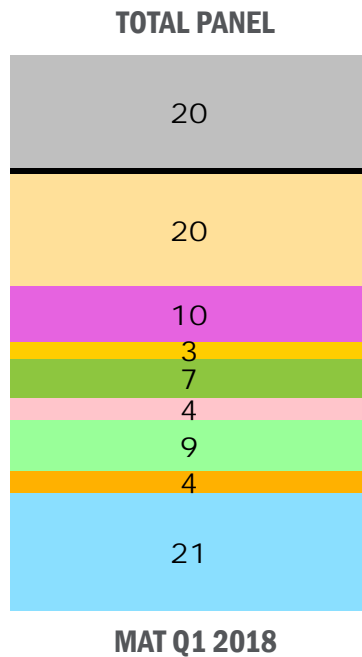
CONSUMERS ARE MORE...



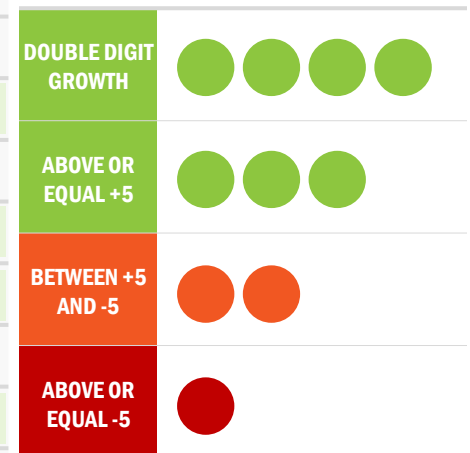
HOUSEHOLD IS REPRIORITIZING SPENDING BUDGET

Leisure and lifestyle, along with health, education, transportation and food are all pockets which have **more than 5% growth** as compared to last year.

HH SPENDING CONTRIBUTION %



GROWTH %	2017 VS 2018
SAVING & LOAN	● ●
INSURANCE	● ● ●
LEISURE & LIFESTYLE	● ● ● ●
FMCG	● ●
HEALTH	● ● ● ●
EDUCATION	● ● ● ●
COMMUNICATION	● ● ●
TRANSPORTATION	● ● ● ●
HOUSING RELATED	● ● ●
FOOD (Fresh & Staples)	● ● ● ●



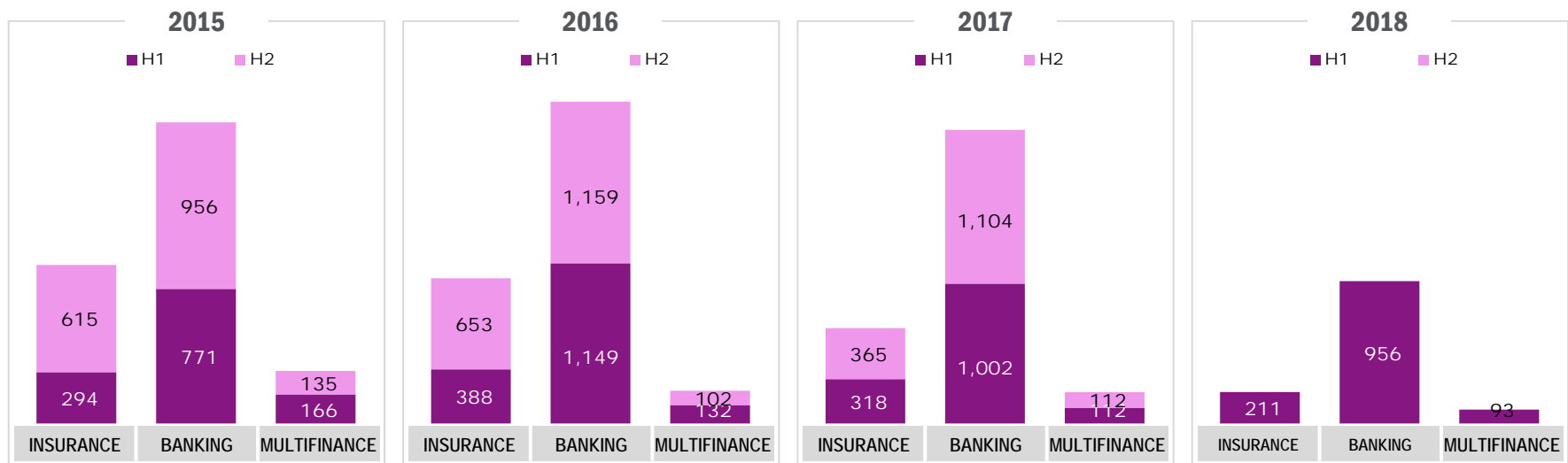
CHAPTER 2 :

INSURANCE CONSUMER LANDSCAPE

HOW HEAVY INSURANCE INDUSTRY HAS EDUCATED THE MARKET?

ADSPEND (TV, PRINT & RADIO) TREND OF INSURANCE vs. BANKING AND MULTIFINANCE

Adspend of total insurance industry over the course of 4 years, has been **less than half total banking industry spending**. In 2018, even only **one fourth of total banking industry**.



Source: Nielsen Ad Intel 2015-H12018

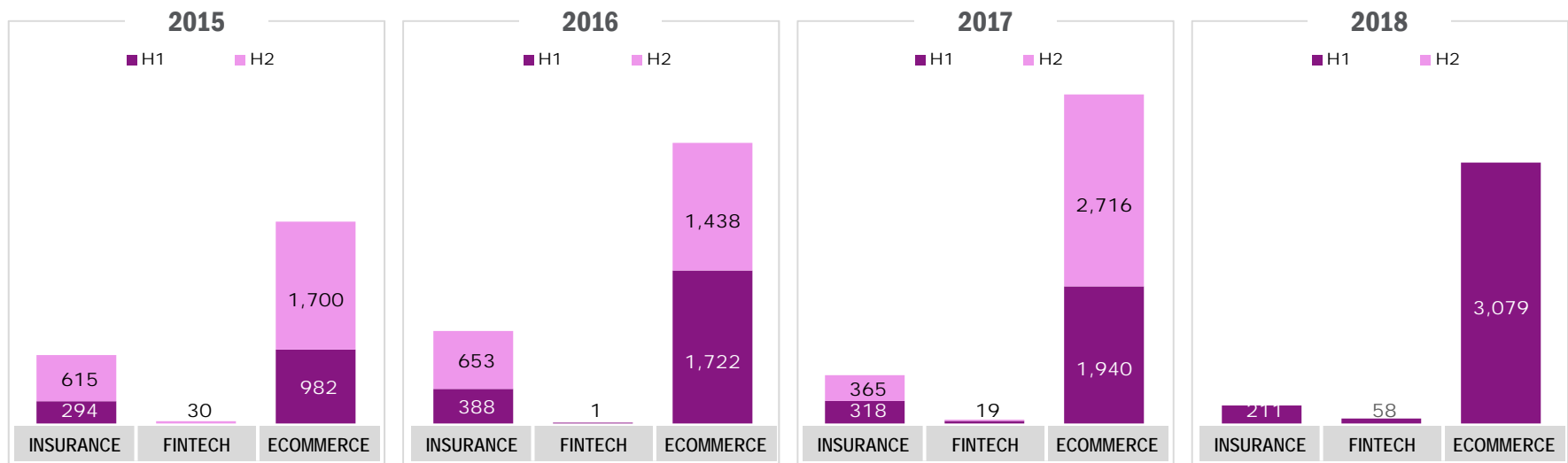
Commercial product ad spending on TV & print based on gross rate card (doesn't calculate discount, promo, bonus, etc.), in Rp Billion

Radio adex is starting on 2016

HOW HEAVY INSURANCE INDUSTRY HAS EDUCATED THE MARKET?

ADSPEND TREND OF INSURANCE vs. FINTECH AND E-COMMERCE

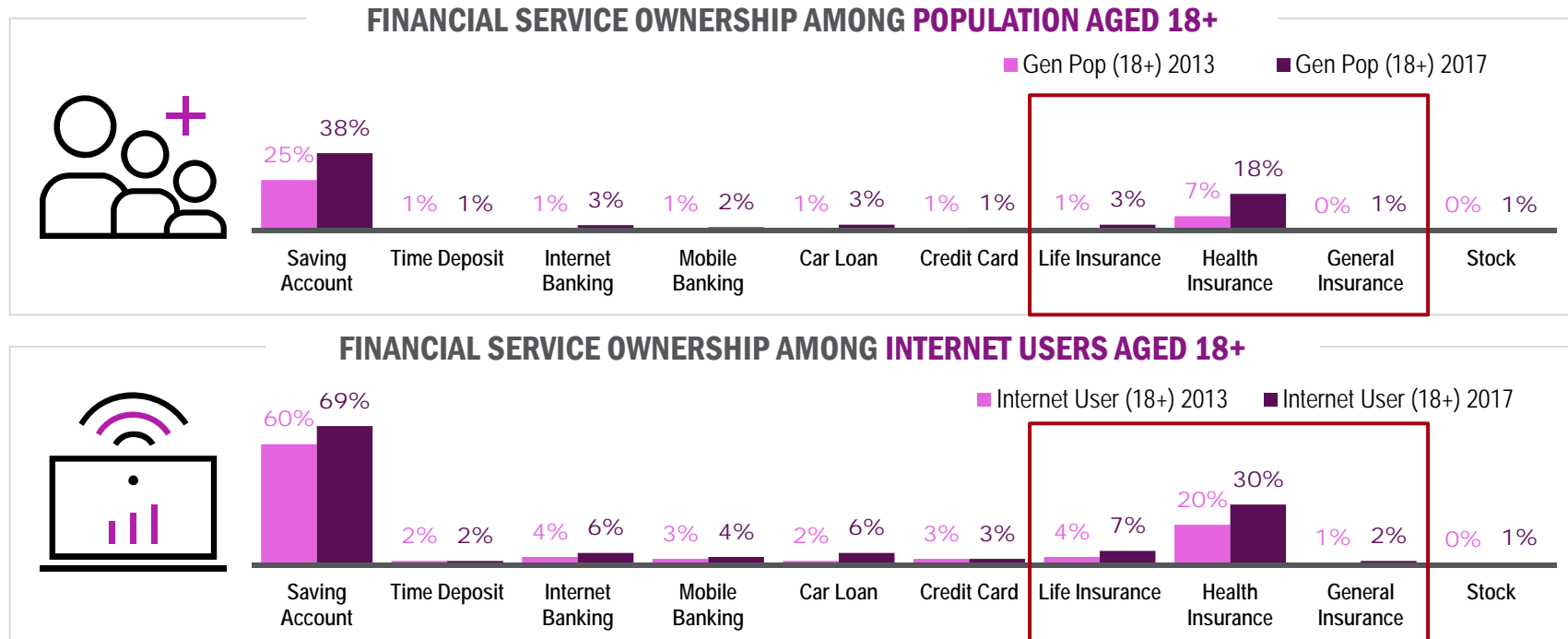
E-commerce players have been consistent in communicating their services, made it **more than double the expense of insurance players.**



Source: Nielsen Ad Intel 2015-H12018
 Commercial product ad spending on TV & print based on gross rate card (doesn't calculate discount, promo, bonus, etc.), in Rp Billion
 Radio adex is starting on 2016

BASIC OWNERSHIP OF FINANCIAL SERVICE PRODUCTS

Ownership of financial services products is still basic, yet the penetration of insurance is doubled among internet users.



Source: Nielsen Homepanel – additional spending +76 fmcg homepanel 2018

INSURANCE MARKET IN INDONESIA: STILL HAVE OPPORTUNITY TO GROW

Despite of having 'the right' characteristic for insurance products, the country is still showing **way lower than its potential.**

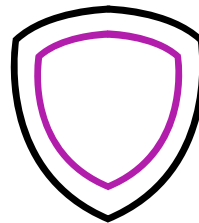
1% - 5%

ESTIMATED OF INSURANCE
PENETRATION AMONG
PRODUCTIVE AGE GROUP



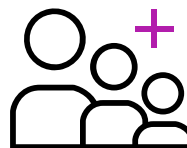
THOSE WHO ARE BUYING
INSURANCE PRODUCTS ARE THOSE
WHO ARE **FAMILIAR WITH**
BANKING SERVICE, THEY HAVE
BANK ACCOUNT & CREDIT CARD

2 KEY MOTIVES OF BUYING **INSURANCE PRODUCTS** :



BACKUP PLAN

“ AS MY **BACKUP PLAN** IF **SOMETHING HAPPENED** WITH ME AS THE **BREADWINNER**, GOOD FOR MY FAMILY

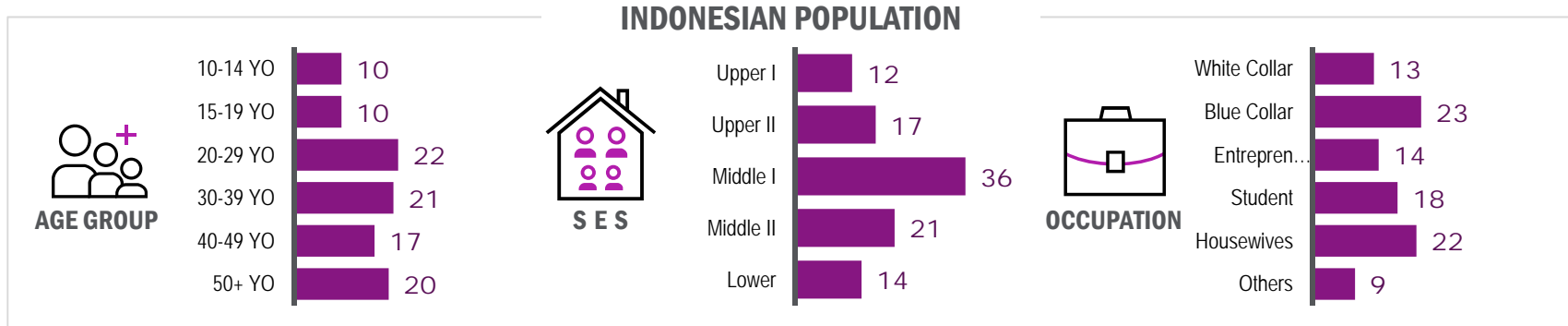
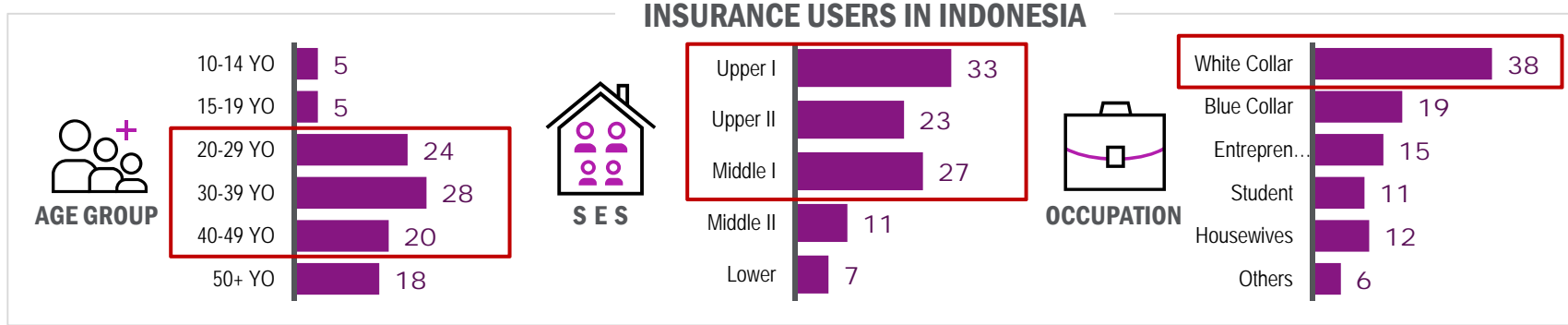


DAILY BASIS

“ USE **INSURANCE** FOR THE **BENEFITS GIVEN**, **BETTER BUYING POWER** IF COMING TO **HEALTH SERVICES**

Source: Nielsen Homepanel – additional spending +76 fmcg homepanel 2018

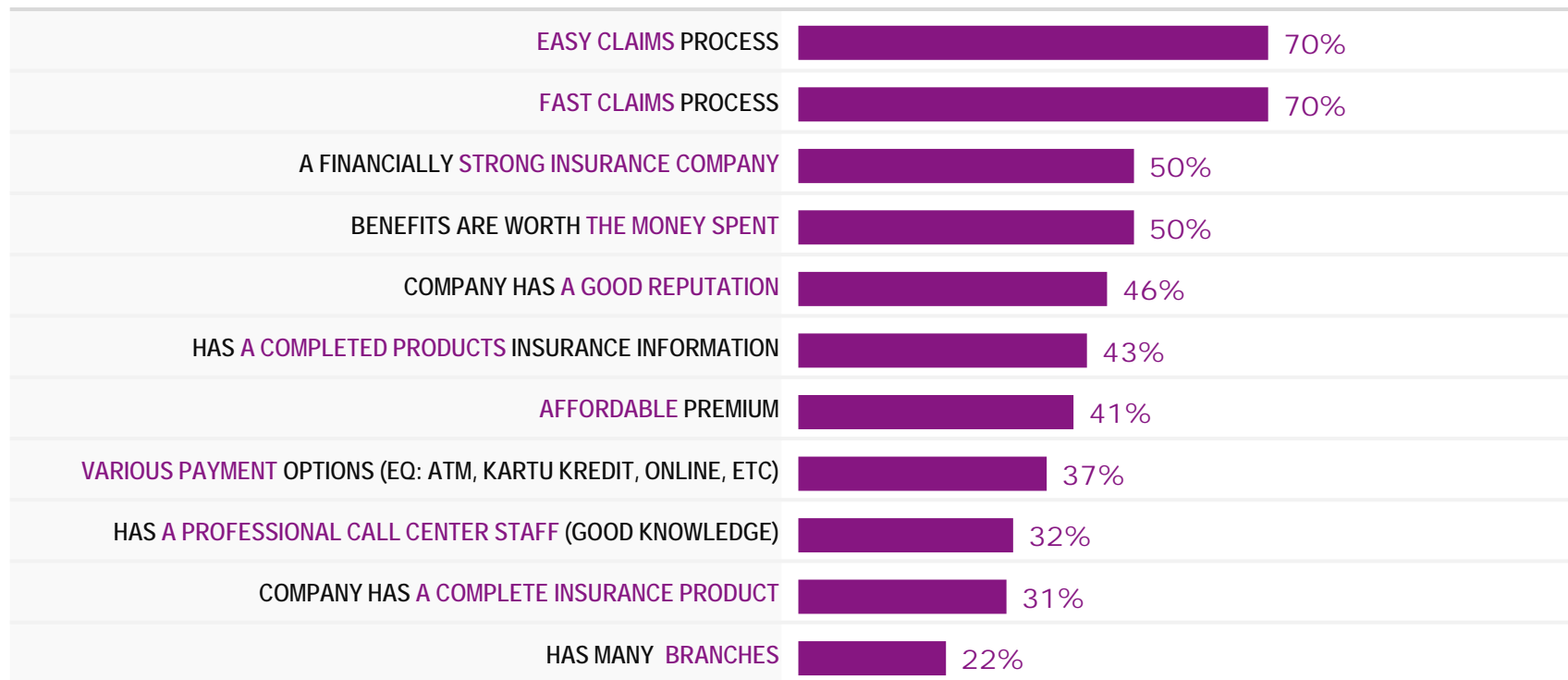
INSURANCE USERS TEND TO BE UPPER CLASS AND MOSTLY ARE WHITE COLLAR



Source: Nielsen Consumer Media View Q1 2018
All 10+, 11 cities

IMPORTANCE ON SELECTING INSURANCE COMPANY

Claiming process is proven to be the highest consideration in choosing insurance, which it's related with trust of the consumers, followed by strong image of the insurance company.



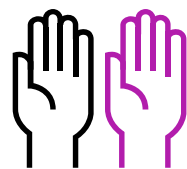
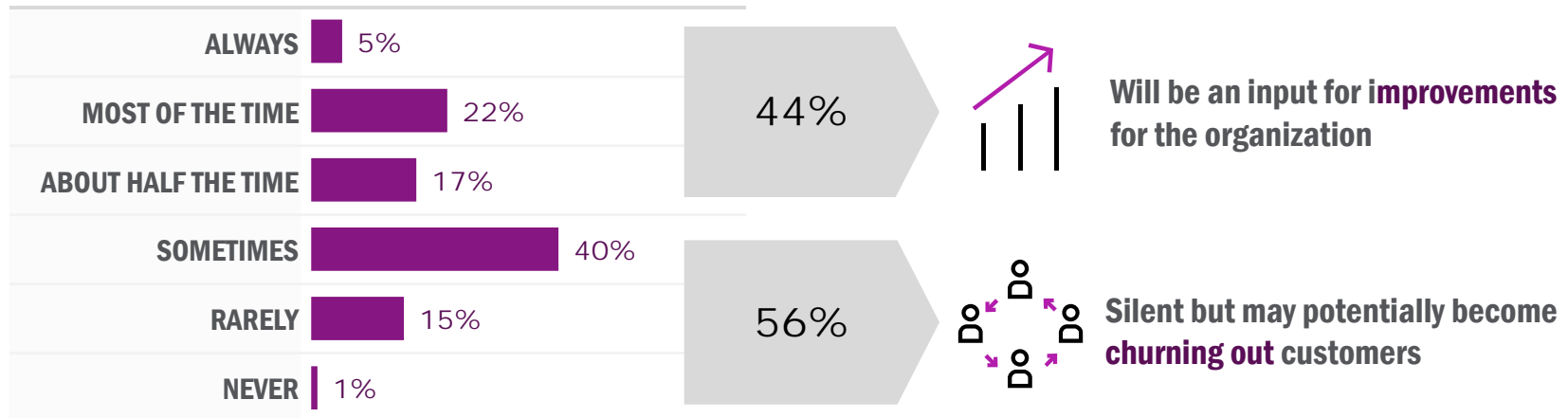
Source: Online Study among 508 respondents in Jakarta, Surabaya, Medan, and Makassar

CHAPTER 3 : MANAGING COMPLAINTS

ARE COMPLAINTS ALWAYS BAD?

COMPLAINTS CAN BE AN INPUT FOR IMPROVEMENT FOR ORGANIZATIONS

“WHEN YOU’RE UNHAPPY ABOUT A PRODUCT OR SERVICE THAT YOU RECEIVE FROM AN ORGANIZATION, DO YOU COMPLAIN?”



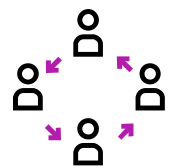
“ WITH REGULAR CUSTOMER EXPERIENCE SURVEY AND COMPLAINT MANAGEMENT RESOLUTION, INPUTS FROM COMPLAINTS CAN BE POINTS OF FOCUS FOR ORGANIZATION TO IMPROVE ”



Source: Complaints Culture Survey National Report, TMI/SOCAP 2005 from Lovelock, Patterson, Wirtz in Service Marketing

COMPLAINTS ARE OPPORTUNITIES

TREAT COMPLAINTS AS OPPORTUNITIES, INSTEAD OF THREATS



“ COMPLAINTS ARE AN OPPORTUNITY TO BUILD STRONGER RELATIONSHIPS ”

source : some surveys in financial services 2017

TOP COMPLAINTS IN GENERAL INSURANCE

PROPORTION OF CUSTOMER COMPLAINTS IN THE LAST 3 YEARS :

	2015	2016	2017
CLAIM PROCESS (SERVICE LEVEL, EASE OF CLAIM REPORTING, ETC)	12%	32%	37%
QUALITY OF SERVICE (EXTERNAL CALL CENTER, HOSPITAL, OTHER PARTNER)	15%	28%	35%
ACQUISITION PROCESS (NEW & RENEWAL, EASE OF PURCHASE, ADMINISTRATION PREMIUM, ETC)	47%	31%	18%
PEOPLE (ATTITUDE, PUNCTUALITY, KNOWLEDGE)	25%	6%	7%
CLAIM SETTLEMENT (SPEED, AMOUNT)	1%	3%	4%
TOTAL CASE	7,107	4,941	4,185



TOP COMPLAINT IS THE MOST IMPORTANT FACTOR IN CHOOSING INSURANCE



FOCUS OF IMPROVEMENT IS IN CLAIM PROCESS AS IT TURNS OUT TO BE CUSTOMER'S PRIORITY IN CHOOSING INSURANCE



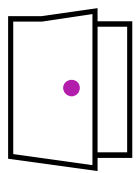
HOW TO MANAGE COMPLAINTS THROUGH UNDERSTANDING CONSUMER BEHAVIOR?



UNDERSTAND YOUR TARGET CONSUMER'S VALUE AND PRIORITY

NOWADAYS, CONSUMERS BEHAVIOR CHANGES VERY FAST. VALUE MIGHT NOT CHANGE, YET BEHAVIORS ARE LIKELY SHIFT AS AN IMPACT OF THE ADVANCEMENT OF TECHNOLOGY

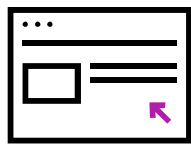
SPECIFY YOUR TARGET MARKET TO BETTER SET YOUR BRAND PROMISE AND DELIGHT YOUR CUSTOMERS



BE OPEN AND TRANSPARENT

IN THE ERA WHERE INFORMATION IS SEARCHED FOR MORE RATIONAL DECISION MAKING, COMPANY NEEDS TO BE MORE OPEN AND TRANSPARENT ABOUT POLICY AND T&C.

BEING TRANSPARENT MAY REDUCE COMPLAINT IN THE NEAR FUTURE.



ONE STOP CHANNEL FOR CUSTOMER SERVICE & COMPLAINT

IT'S IMPERATIVE TO HAVE NOT JUST WEBSITE / ONLINE CHANNEL FOR MARKETING AND ACQUISITION, YET ALSO FOR CUSTOMER QUERIES, SERVICE AND COMPLAINTS.

AS FOR COMPLAINTS, ALLOW MORE SOLUTION FOR CLAIMING PROCESS.

QUICK, EASY AND ON-TIME COMPLAINT RECOVERY IS IMPORTANT TO GAIN BACK CUSTOMER SATISFACTION.

The image features the Nielsen logo centered on a vibrant purple background with a wavy, topographical texture. The word "nielsen" is written in a white, lowercase, serif font. Below the text is a horizontal line of eight white dots.

nielsen
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