



Insight

# Allianz Coffee Guide to: Chatbots

Broking business is busier than ever, and staying on top of the latest insurance and risk management buzzwords can sometimes fall by the wayside. So, harking back to the coffee shop origins of insurance, Allianz is offering a series of short and snappy insights that pull on our commercial expertise. A perfect way to catch up on what's hot!

On this week's agenda: Chatbots.

We hope the following comes in handy next time you're awaiting a cappuccino in your local coffee house and a fellow coffee customer turns to you and says...

**Coffee Customer:** *Urgh! I'm trying to plan a holiday - it's so annoying that different aspects are on separate mobile apps.*

**You:** You're not alone in your frustrations. Average app downloads per month is actually decreasing\* and research suggests that most people only use around five apps regularly – the majority of which are for messaging. Having info in separate apps, although individually helpful, doesn't provide the whole picture in context to the task the user is trying to complete. Chatbots could be their replacement, offering a one-stop-shop for research through to delivery.

\*Mubaloo

**Coffee Customer:** *Chatbots?*

**You:** It's a computer software programme that uses artificial intelligence (AI) to communicate with us as humans and customers. At large, we don't even realise when we're talking to a computer!

**Coffee Customer:** *Ok. So will they be used be for customer service?*

**You:** And so much more! Earlier in 2016, Facebook Messenger was opened up to chatbots. This means companies can use their chatbots inside apps to answer user's requests and questions. Using high tech programming combined with access to the user's profile and historical transactions, the technology could offer a contextualised, personalised and conversational experience right from research through to purchase and delivery. Perhaps this technology puts into question the role and need for apps and websites as the chatbot could offer the complete customer journey.

**Coffee Customer:** *So is all this technology brand new?*

**You:** No. The insurance industry has been using it (in a less evolved state) for over ten years. Take Allianz Australia's virtual online assistant, Allie – answering customer's questions 24/7. However, there's been lot of innovative development in this area following the opening up of Messenger. Insurance tech start-ups like SPIXXI are using AI chatbots to engage with customers dynamically, through their preferred medium of communication – text. Not only does this give greater personalisation over web forms, but allows underwriting automation based on dynamic data.

**At this point, your drink will be served and you can smile modestly knowing that your coffee catch up went well.**



## Insurance implications at a glance:

- High tech programming and access to data can enhance customer insight for a more accurate underwriting risk assessment.
- Chatbots could offer a highly personalised and interactive customer experience – both for insurers and intermediaries.
- Impact on insurance product distribution and marketing.

# Allianz