

ANALYST SPEAK

Adam Goodvach Global Reviews

Insurance buyers look increasingly to the web



The internet has revolutionised the insurance industry and totally changed the way it's marketed and sold. Providers can't rely on customer apathy because it's now much easier to compare not just prices but also policies online.

The Global Reviews survey of more than 1,000 UK consumers found that increasing numbers of UK consumers are going online to research and buy their insurance. Some 31% of respondents said that last time they bought insurance they did so through directly at the insurer's website, 31% said they contacted it over the phone, and 17% said they bought through a comparison site. Only 13% bought in person from a branch.

It also found that 54% of respondents were extremely likely to search for home insurance online in the future, and 47% extremely likely to purchase home insurance online. When asked what had been the most useful method of researching providers, 20% of customers cited comparison sites and 19% said browsing individual websites. Only 7% found the phone useful.

Global Reviews set up a benchmark to determine how the quality of the customer experience delivered by insurance websites compares with best practice for both the home and motor insurance industries. The AA led the Motor Insurance benchmark with a score of 53%, followed by Direct Line with 51%, Norwich Union with

50%, Swiftcover and Esure with 49%. Tesco scored 48%, Elephant 46% and Asda 42%.

In the Home Insurance benchmark, Lloyds TSB led with a score of 57%, Saga had 53%, Direct Line 52%, Liverpool Victoria 50%, Churchill, Norwich Union and Kwik Fit 48%, The AA 47%, More Than, Zurich and Nationwide 46%.

However, websites are constantly changing and there have been some significant shifts since the last Global Reviews Home Insurance benchmark earlier this year. Lloyds TSB is still at the top, but its score has moved up from 52% to 57%. The two big movers are Saga and Kwik Fit. The Saga site scored 44% in the last benchmark and 53% this time, while Kwik Fit moved from 39% to 48%.

Overall, insurers' quote and application services scored highly, with Saga leading with a score of 65% for home insurance and Esure with 64% for motor insurance. However, there was a significant difference in the scores for site content. Motor insurance sites scored 43% on average, but all sites in the home insurance benchmark received low scores for content, averaging just 25%.

There are many customers researching and buying home insurance online and providers wanting to attract them need to make sure their website offers what they're looking for.

Adam Goodvach is director of Global Reviews