

## **Video transcript: Next Prudential Customer and Distribution Strategy**

### **Lilian Ng – Managing Director, Strategic Business Group**

Hello, I am Lilian Ng.

In the Age of the Customers, consumers are empowered by information and choice, so companies need to embrace a business model that revolves around the customer.

Our strategic pillars on Customer and Distribution are enhancing and transforming our delivery

We want to be our customers' trusted partner, enriching their life journey by **driving advocacy to increase the lifetime value of customers**

and

We are **future-proofing our scaled multi-distribution platform** by driving a high-performing agency force and deepening penetration in our bank partners' customer base.

### **OUR RIGHT TO WIN**

Today's customers are not buying products anymore, they are buying experiences and this experience bar is rising.

Research shows that Advocacy leaders who invest in providing great customer experience deliver up to 3 times faster revenue growth.

With our mid-quartile net promoter scores, our customers are telling us that it is time to make a move if we want to be their trusted partner.

To remain relevant, we are moving from "inward looking product-focused" to "outward looking customer centric" and look through the lens of the customers to optimise outcome.

Prudential has an advantaged platform with over 18 million customers and a trusted brand, to unlock this growth potential.

## **BECOMING CUSTOMER ADVOCACY LEADER**

To achieve our ambition as an Advocacy leader, we are taking major steps to address customer needs and investing to deliver remarkable experiences.

We have 4 imperatives in our integrated customer strategy.

First, Who are our customers? We put in place a consistent segmentation analysis to group our customers by life stages using insights to understand their wants and needs

Second, What is our value proposition? We combine products with health, wellbeing, and wealth services to present comprehensive solution for our target segments

Third, How do we reach customers? To attract and connect prospective customers, we expand our social media presence, and personalise engagements with advanced analytics.

Finally, How do we deliver on our promise? To make every interaction remarkable, we curate end-to-end customer journeys on a unified digital platform for seamless experiences.

Our integrated strategy is already making a difference. In Indonesia, we connected customers on social media platforms with personalised marketing, this has uplifted customer retention rate by 3 points and increased value by 6% in 2023.

## **OUTWARD LOOKING CUSTOMER CENTRIC DELIVERY**

Let me provide more colour on 2 areas: customer proposition and customer experience.

**First**, on proposition. We complement segment data with emotional attributes to boost our understanding of the ideal customer persona, so we could build out relatable proposition.

We are strong in the Young and Family segments.

Our **We Do Family** proposition was warmly received in the Philippines. We were first to introduce a sharable critical illness solution for up to 4 family members. This has attracted 16,000 new customers, generating new business value of US\$20m in 2023

We are developing holistic solution to tap further into the Golden Age and Advanced Affluent segments.

When I visited our Guangzhou office in June, I witnessed first-hand how we are enriching customer's health and wealth journey with the integrated butler service. Our Retirement platform offers home-based care services in 22 cities; and the award-winning Legacy platform offers advice on trust and estate planning.

This has been instrumental in engaging customers, delivering 64% growth in new business value for our Guangdong's high net worth segment this year.

**Next**, on experience. To make Customer Experience remarkable, we need to impress on every touch point to build lifelong relationships.

There are massive opportunities from social media and ecosystem partnership to attract prospects. Our digital leads platform, PRUleads, enables the engagement of prospects, nurturing of leads, and integration of activity management for conversion.

In 2022, we pumped 7 million leads into PRUleads, acquired over 450,000 policies and generated 330m dollars of new business profits.

From our customer survey, we know customers value digital first, smooth, and straight through experience for every journey, anytime, anywhere.

These include the buying journey “from awareness to consideration to purchase”, and the service journey “from servicing to claims to continuous engagement”.

I met a customer in Hong Kong last year, she complained about the hassle of booking appointment for a blood test and then waited for days before we confirmed cover; the journey took over 9 days and she nearly canceled the application.

With this feedback, we worked with Prenetics in 2023 to launch “self-serve” blood collection kit, that could be administered anytime, anywhere. Test kits are collected, and results are passed to Prudential within 48 hours to confirm acceptance of the policy.

Our commitment to enhance customer experience increased the purchase transactional net promoter score in Hong Kong by 24 points.

We are reworking the journeys using human-centric design, to deliver superior, connected experiences at scale.

To connect a convenient experience to a great experience is the Human touch. The key is to infuse the customer DNA of an “always eager to serve” mindset into our people.

We go about this by, firstly treating customers with care and empathy; then listening to the voice of customers before making decisions and lastly, aligning reward of our people to customer centric scorecard.

Delivering to this customer vision will allow us to acquire more customers, create more promoters and move to the top quartile of relationship Net Promoter Score by 2027.

To illustrate the power of customer centricity, let us show case how our agents are engaging and serving customers to give them peace of mind.

### **Leading Multi-Distribution Franchise with Scale Across Agency & Banca**

Distribution plays a critical role in our business to reach, attract and retain customers.

The life insurance industry is shifting to quality and sustainability, given regulatory focus on market conduct and changing customer expectations.

Customers are more sophisticated, they look for holistic advice, comprehensive solutions; and demand digital experience as part of the advisory journey.

The distribution game is moving to more value creation and professionalisation

- with agency moving from “product push” to “trusted advice” and,
- bancassurance evolving from “renting product shelf space” to partnership value creation.

We have a leading, differentiated multi-distribution platform, that gives us the unique “right” to shape the “Distribution of the Future”.

Our leading Agency position in 8 markets and the largest network of 10 strategic alliances, provide us a compelling starting point to tackle the complex transformation challenge.

### **BUILDING A HIGH-PERFORMANCE AGENCY FORCE**

We are transforming our agency as a customer first engagement channel; with a proprietary model that attracts and retains the best talent.

Our Agency Value Proposition offers a career choice that speaks to the agent:

With a technology powered platform and solutions that support their career journey to become a trusted advisor and a professional leader.

To do so, we are shifting our paradigm on each agency discipline:

**First**, we want our leaders to be professional coaches. We equip them with the science of coaching using data driven decision models, to build high performing teams.

**Second**, we focus on strategic talent sourcing using behavioural science and adaptive learning to profile and to activate.

**Third**, we are promoting a professional force that is consistent, resilient, and full-time career focused. This requires on-demand continuous learning and development.

**Fourth**, customers' need is beyond just information, they look for emotional aspects like empathy and trust. It is critical for agents to prove their value as trusted advisors.

**Lastly**, with agents being digital citizens, they are demanding an integrated platform to acquire, onboard and service customers.

### **TECHNOLOGY POWERED SOLUTIONS FOR FUTURE READY AGENTS**

PRUforce is our technology powered platform for agency. This digital workbench empowers the sales force to track and monitor activities, supported by analytics and insights.

PRUforce spans across the agent's journey from on-boarding, development, prospecting and client management.

It also covers the leader's journey from recruiting, learning and performance management.

For recruitment, our AI-powered profiling assessment tool, PruDNA, helps our leaders to select those with propensity to succeed.

For learning and development, we have PRUexpert, an on-demand learning platform with dynamic content and live streaming videos. Our agents clocked up 1.2 million learning hours last year.

For performance management, PruLeads is equipped with intelligent profiling and allocation, to prompt activities for conversion. Agents who embrace PRULEads are 30% more productive.

And to serve customers, we have PRUONE, an interactive sales platform to onboard customers.

The 120 thousand PRUforce users are evidenced to be more productive compared to non-users.

To replicate success and to enhance agent's experience, we are mobilising the adoption of a unified digital agency platform across markets, to drive up activity and productivity for the agency force at large.

### **DEPLOYING NEXT-GEN AGENCY CAPABILITIES**

Our Unique Selling Point is to be a proactive champion to lead the industry in agency transformation. Our next-generation capabilities are replicable across markets to upgrade quality.

We have curated talent sourcing success profile by segments. PruVenture is our signature program for career switchers; and their productivity are 4 to 9 times higher than standard recruits.

We are redefining the role of leaders as team builders through an intensive learning programme, Verge. Over 6,000 leaders have been trained and they were responsible for nearly 50% of the active agents in 2022.

We are embedding a performance culture for career purpose agents. To assemble a professional force, we have deployed capabilities including mentor to mentee programmes, learning curriculum for aspirants and performance-based compensation.

Our future ready agency value proposition and the acceleration of digital enablement, underpin our ambition to triple the agency new business profits by 2027.

### **TRANSFORMING BANCA TO DEEPEN CUSTOMER PENETRATION**

Moving on to our other growth engine - Bancassurance.

Our ambition is to adopt a “Bancassurance Excellence” model, to be the banca partner of choice that creates value for customers and the partnerships.

The transformation is anchored in 6 Steps:

Step1: Tapping into the underserved segments (such as High Net Worth and Mass) by co-creating propositions combining insurance solutions and services

Step 2: Integrating with the bank’s digital platform either as a D2C play or service through virtual face-to-face, so that customers can enjoy seamless experience.

Step 3: Leveraging analytics driven marketing campaigns to personalise offers at scale and engage consumers with insurance solutions.

Step 4: Deploying learning and development to our partners’ teams with an on-demand platform focusing on insurance advisory and sales effectiveness

Step 5: Designing incentives together that reward customer outcomes and value creation

The final and most crucial step is to Modernise the partnership operating rhythm that collaborates and accelerates the pace of change.

Our Unique Proposition for bancassurance is indeed unique, having the largest bancassurance portfolio with global banks, regional banks, and local banks.

In our Hong Kong Standard Chartered partnership, we made progress in the underserved segment, we implemented data driven underwriting to “make it easy” for the sales of health and protection solutions, this resulted in 16pts increase in NBP margin since 2017

Our track record on value integration and transformation, will enable us to penetration the banks’ customer base further to 11% by 2027, and to support our ambition to double new business profit delivery over the same period.

### **UNDERPINNING 2-3X VALUE GENERATION IN 5 YEARS’ TIME**

Our success metrics are aligned to quality and sustainability.

We are incorporating the success of our customers, agents and partners into our scorecard, as we seek to be a loyalty leader in the next chapter of Prudential.

Thank you.