



**Prudential**  
Seizing  
the  
**Opportunity**

# **Competitive Advantage Through Multi Distribution**

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PCA LIFE Korea  
November 2004



# Market overview

## Significant life insurance market

- 2<sup>nd</sup> largest in Asia (after Japan)
- 7<sup>th</sup> largest in the world

## Restrictive regulations

- Regulations are restrictive especially on product development, but these are improving

## Strong competition

- Local competitors still dominate
- Foreign competitors have been very aggressive

## Products and Channels

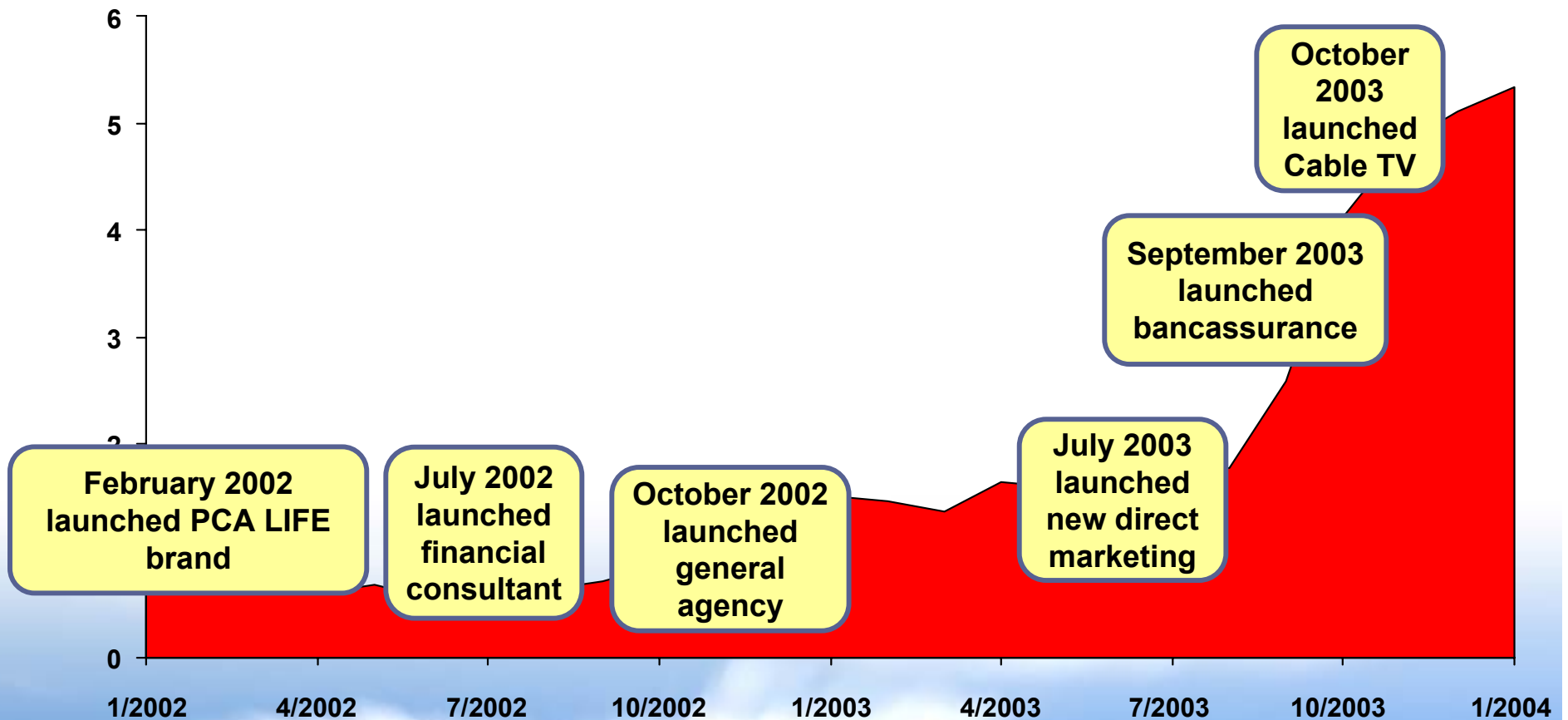
- Competitors still focus on limited channel strategies
- Product diversity remains limited



# Multi distribution : Evolution

## A true multi distribution business

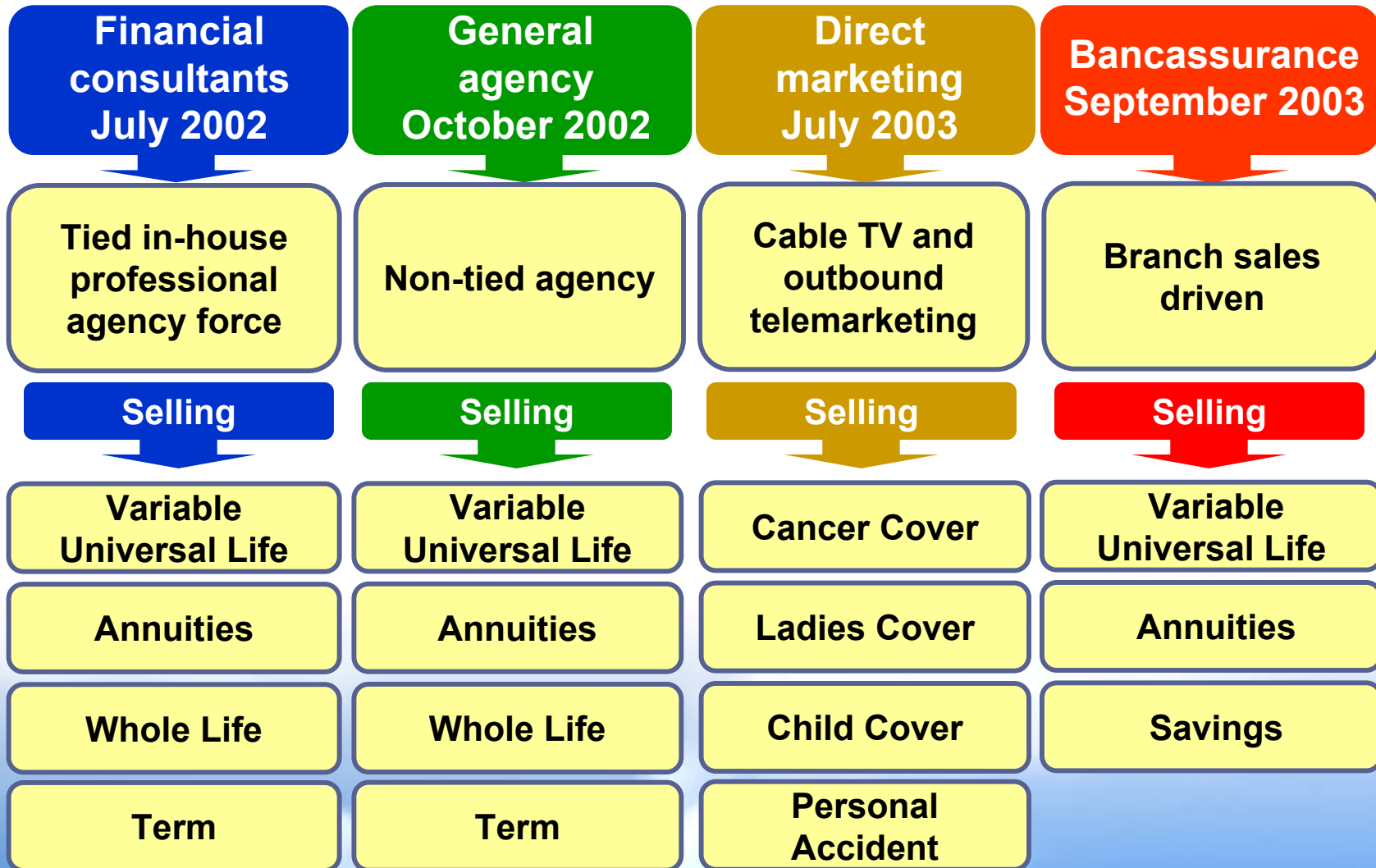
£ million



Constant exchange rates

# Multi distribution : Channel profile

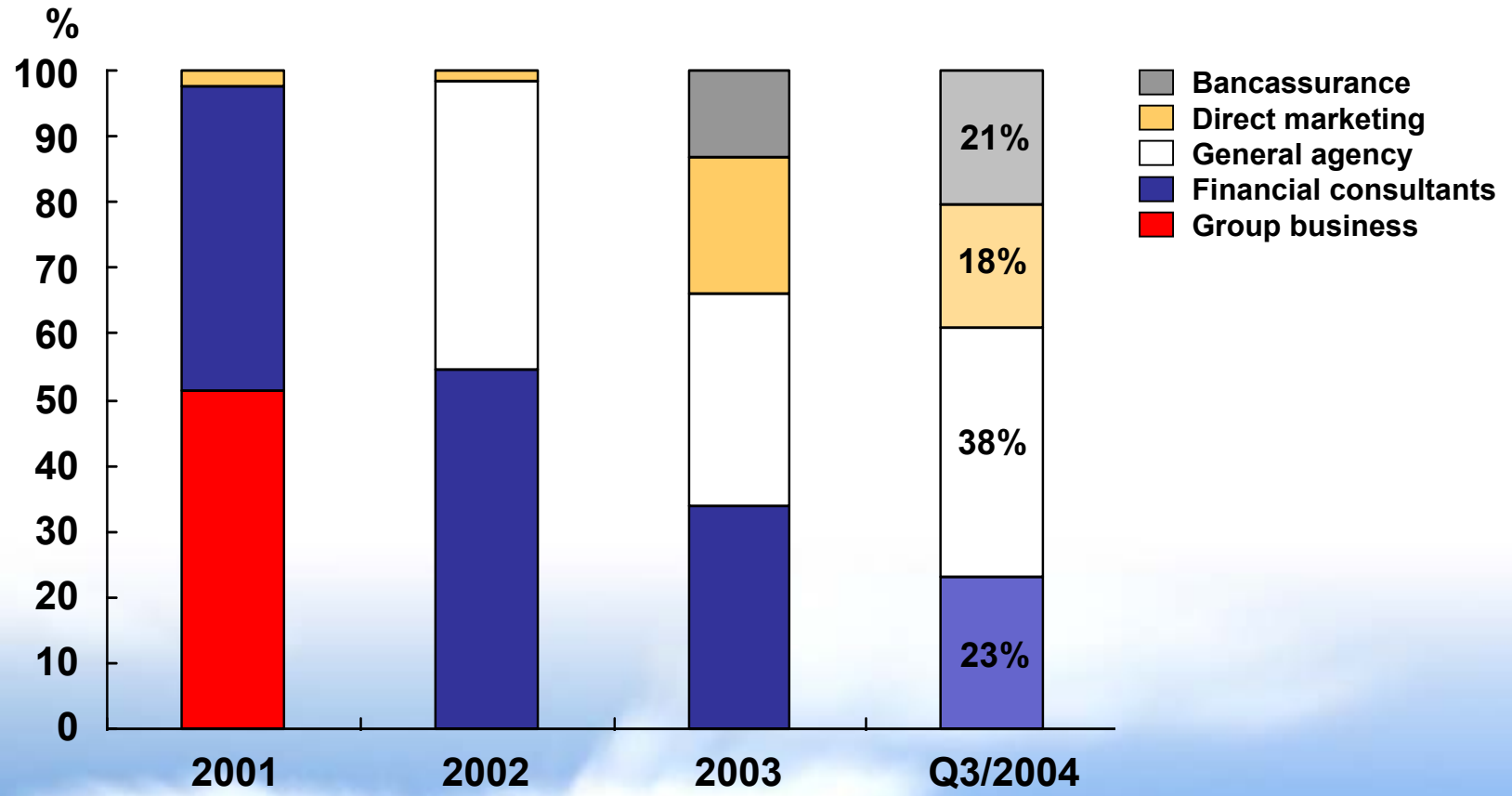
## Four channels





# Multi distribution : Channel contribution

Each of our channels have made a material contribution to the business



# Multi distribution : Partners

Partners have also been key to our multi-distribution success

## Bancassurance

HSBC 

 제일은행

[www.kfb.co.kr](http://www.kfb.co.kr)

SAMSUNG

삼성증권

citibank

KoramBank

## Direct marketing

현대 홈 쇼핑

HYUNDAI HOME SHOPPING

JOINS

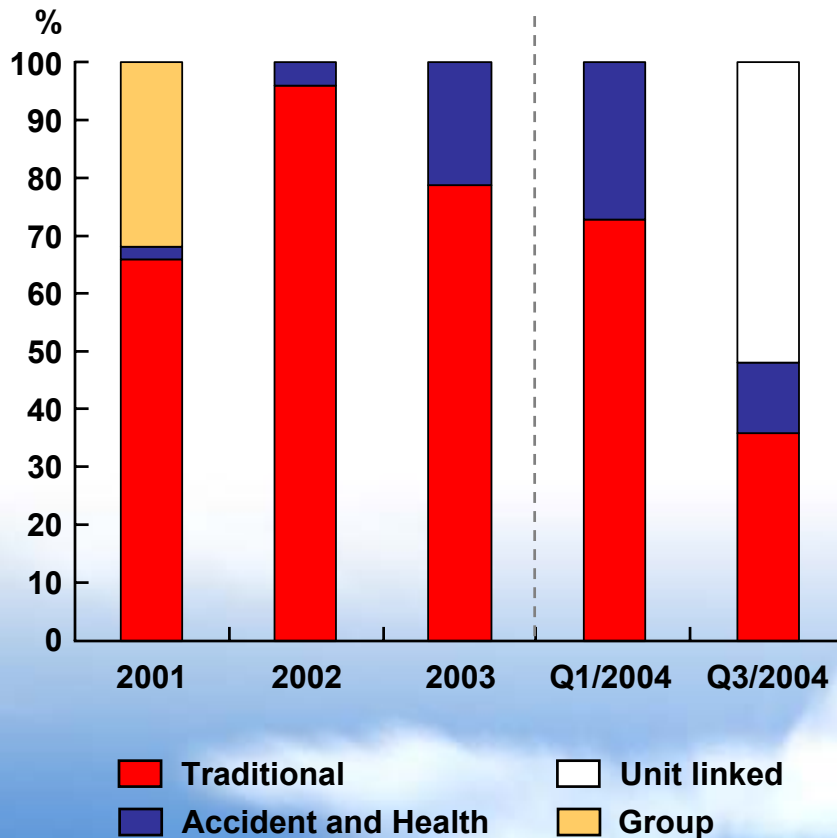
KT SODIS



# Product portfolio

Whilst maintaining channel-specific products, focus has been on increasing unit linked sales

## Product mix (APE basis)



2nd in market with  
Variable Universal Life

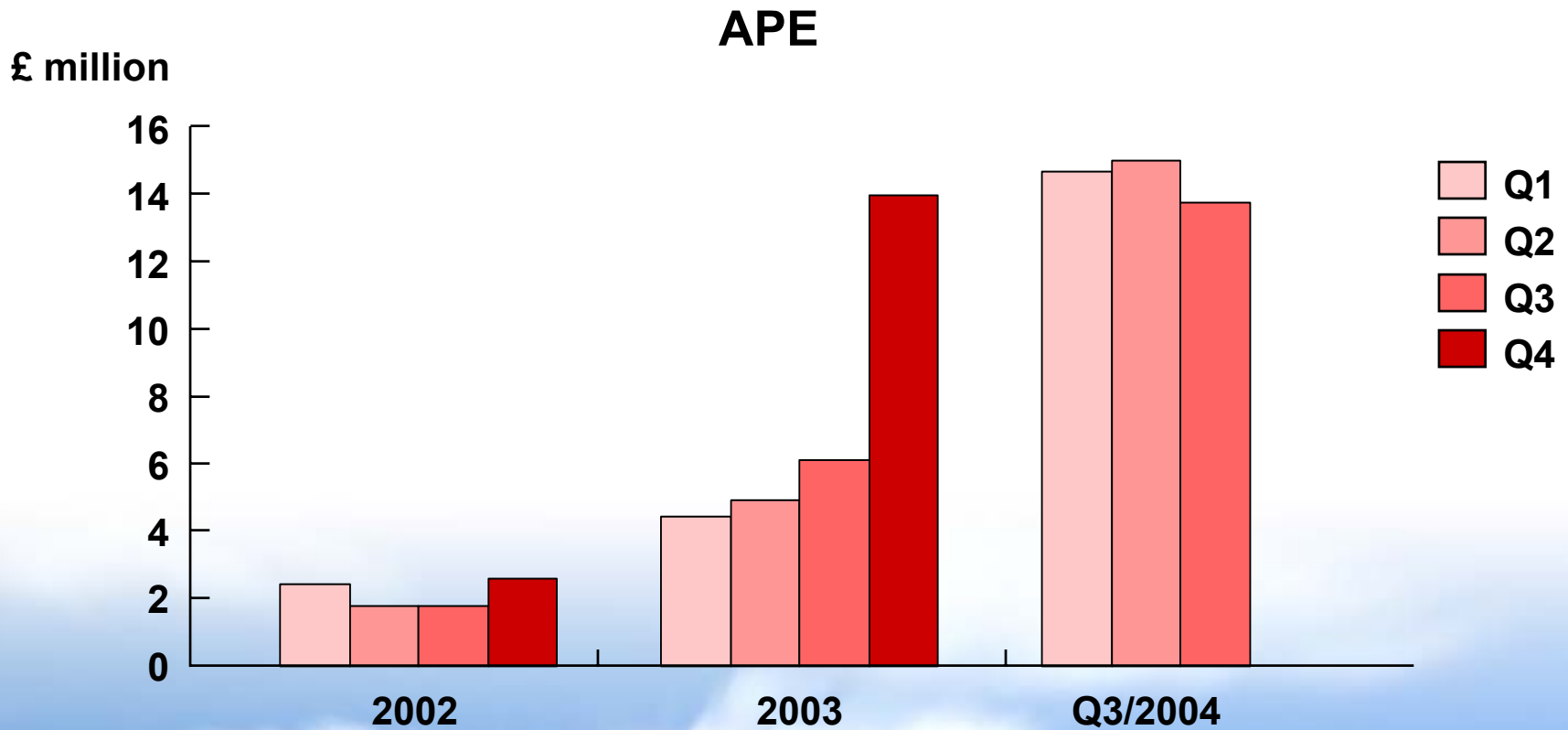
Variable Universal Life now comprises  
over 50% of new business sales

Variable Universal Life marks a  
significant move away from traditional  
guaranteed products



# What we have achieved : Including 2004

Since launch in Feb 2002, we have achieved significant sales growth



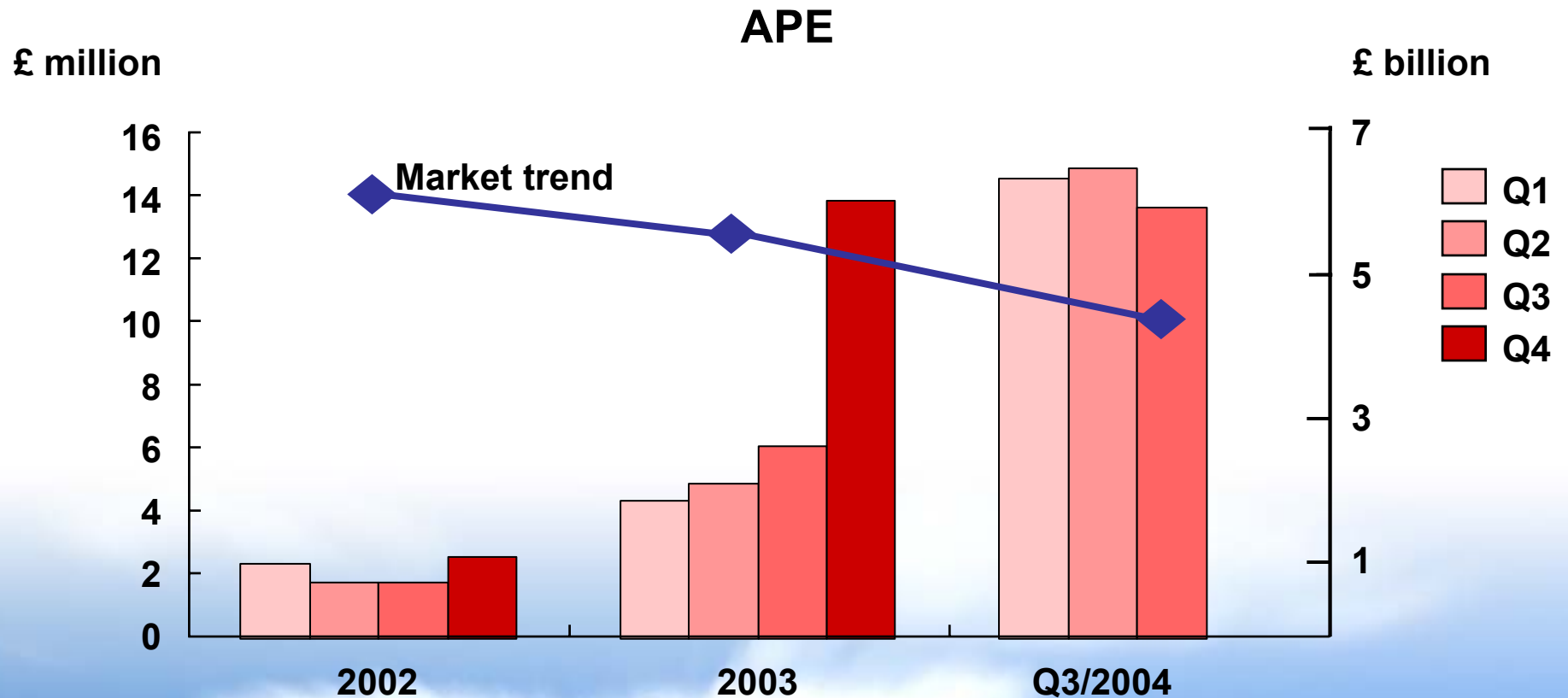
Constant exchange rates





# What we have achieved : Including 2004

Since launch in Feb 2002, we have achieved significant sales growth... despite decline in Korean life insurance market



Constant exchange rates



# Pioneering insurance sales through Cable TV

Now a material channel through understanding Korean female consumers and designing simple needs-based products

## Find and "Win"

## Keep

Identify and understand primary targets

New product development

Distribution choice

Cross sales / Up sales

Housewives "Ajumas" are key decision makers and *they watch lots of TV*

Developed simple and easy to buy products that appeal to mums and wives

Offered direct via Cable TV to reach a nationwide audience

Telemarketers close the sale and also generate leads for financial consultants



# Pioneering insurance sales through Cable TV

## Cable TV sales process

1. Infomercial on Home Shopping channel

2. List generation

3. Outbound sales calls

4. PCA LIFE underwrites and issues

5. External fulfillment





# Pioneering insurance sales through Cable TV

Created a new market and carved out a compelling customer proposition

## What we have achieved



Pioneer of Cable TV distribution

Created a distribution channel  
in its own right

Enhanced brand building  
and public relations efforts

45,500 policies sold since  
October 2003

Cross sale opportunities for our  
financial consultants





## Summary

- **Our strong commitment to multi-distribution**
- **We pioneered Cable TV distribution of life insurance**
- **Specific products developed to meet the needs of each channel and each target audience**
- **Each channel has made a material contribution to the business**





問與答

Câu Hỏi và  
Trả Lời

질문 & 답변

คำถาม  
& คำตอบ

Q & A

Tanong  
at sagot

Tanya  
& Jawab

質問および回答

問與答

प्रश्न और जवाब



# Prudential Seizing the Opportunity



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英國保誠集團