SA Insurance Index report

2023

In collaboration with

Table of Content

	Foreword	03
	Introduction	04
01	Industry benchmark	05
02	Customer servcie	15
03	Insurance products	30
04	Reputatonal and campaign performance	34
05	Governance	38
06	Conclusion	47
07	Methodology	50

Foreword

While the COVID-19 pandemic has receded and the once prominent risks have become less visible, organisations and people continue to navigate through the most transformative period in history. From the rapid technological advancements, socio-political tensions and significant economic shocks to the cultural shifts impacting consumer mindsets and behaviours - *disruption* has become synonymous with today's business environment.

These macro influences have a sustained relevancy within the insurance landscape. Insurance, by its very nature puts consumers at the centre of anticipating the unanticipated at their point of purchase. Insurers need to be cautious of adding complexities to an already complex decision making process. In today's challenging environment, consumers are foregoing brands that fail to remove friction before their purchase experience or to meet them at critical moments that matter across their lifecycle, according to our latest Global Consumer Insights Pulse Survey, which surveyed 9,180 consumers across 25 territories.

Fortunately, organisations that have evolved to navigate industry disruptions, while meeting the ever-changing needs of consumers, reveal a golden thread to their success - advancing their digital and customer transformation journeys supported by the right investments, breaking down business silos and integrating capabilities to deliver the services their customers actually want. Where do we see South African insurers across the spectrum of disruption?

The Evolving Customer: Profile of a Winner

Through the unsolicited and real time insights drawn from social media, this year's Insurance Sentiment Index, in collaboration with DataEQ, revealed that despite the digital transformation trends shaping the industry, consumers continued to rely heavily on telephonic support, praising staff for their exceptional service while navigating the operational friction points. While human touch remains a critical success factor in the customer experience, the cost associated with high-touch experiences necessitates the need for focussed interventions that take customers on a journey that educates and motivates them to self-service through the relevant digital touchpoints.

The overall sentiment, while showing a significant improvement, highlights the need for insurers to focus on creating greater alignment between human-centred and tech-enabled systems as a way to empower your staff and your consumers with the necessary tools, information, technology and support for their decision-making and experience with your brand.

It will not be enough to take a piecemeal approach to your digital and customer transformation journey. To thrive as a customer champion in the coming years, insurers need to focus on five interconnected and mutually reinforcing strategic imperatives: become a digital ecosystem orchestrator; tap into customer-centric ecosystems to create new value; demonstrate your ethos around ESG in your actions more than your words ; build an outcome-orientated organisation and hyper-focus your talent strategy to prepare employees to adapt, stretch and grow in response to the constant industry changes.

Introduction

For the third consecutive year, PwC has collaborated with DataEQ to benchmark consumer sentiment on social media towards 15 of South Africa's major insurers.

In an environment characterised by increased consumer scrutiny and a rapidly evolving digital landscape, insurance emerged with positive Net Sentiment that outshone other FSP industries measured by DataEQ.

This year's index tracked over 530 000 public non-enterprise posts across X (formerly known as Twitter), Hellopeter, and other online sources for the period of 1 April 2022 to 31 March 2023. These posts were then processed using DataEQ's unique Crowd and AI technology[1].

One of the key highlights of this year has been the dramatic improvement in customer service sentiment, an aspect that rebounded from -68.1% Net Sentiment in 2022 to a commendable +25.3%. This report delves into the reasons for this impressive swing, including increased praise for staff on Hellopeter as a result of the efforts insurers have made to improve online responsiveness.

This report aims to present the sentiments of South African consumers in relation to their experiences with claims handling and insurance staff, as well as views expressed regarding short and long term insurance products. The report further analyses the social responsibility and market conduct of the insurance industry against the Treating Customers Fairly (TCF) Framework in light of issues surrounding the claims process and other key concerns raised.

With these insights, industry stakeholders can better align their strategies to meet consumer expectations and address areas requiring urgent attention, ensuring not just short-term gains but also laying the groundwork for sustainable success for many years to come.

The DataEQ Crowd is a proprietary crowd sourcing platform comprising a network of trained and vetted local language contributors. The full DataEQ methodology can be found in the Appendix.

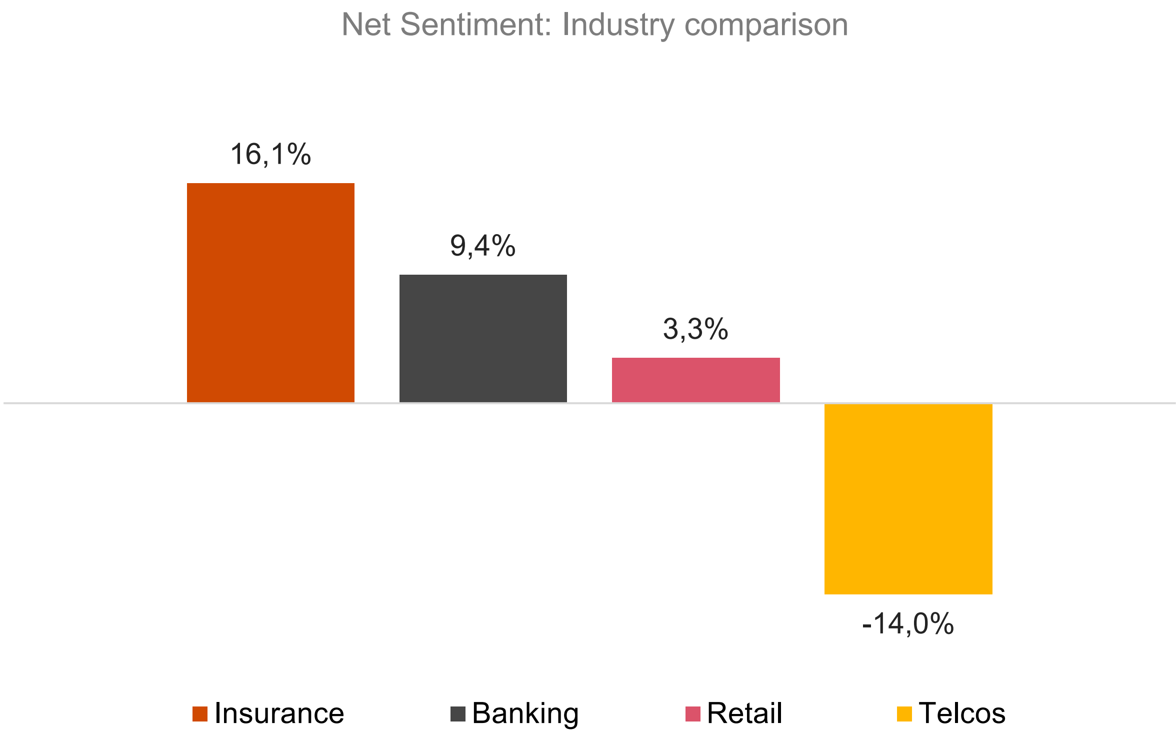
[1] The DataEQ Crowd is a proprietary crowd sourcing platform comprising a network of trained and vetted local language contributors. The full DataEQ methodology can be found in the Appendix.

01

Industry benchmark

Insurance industry leads in Net Sentiment

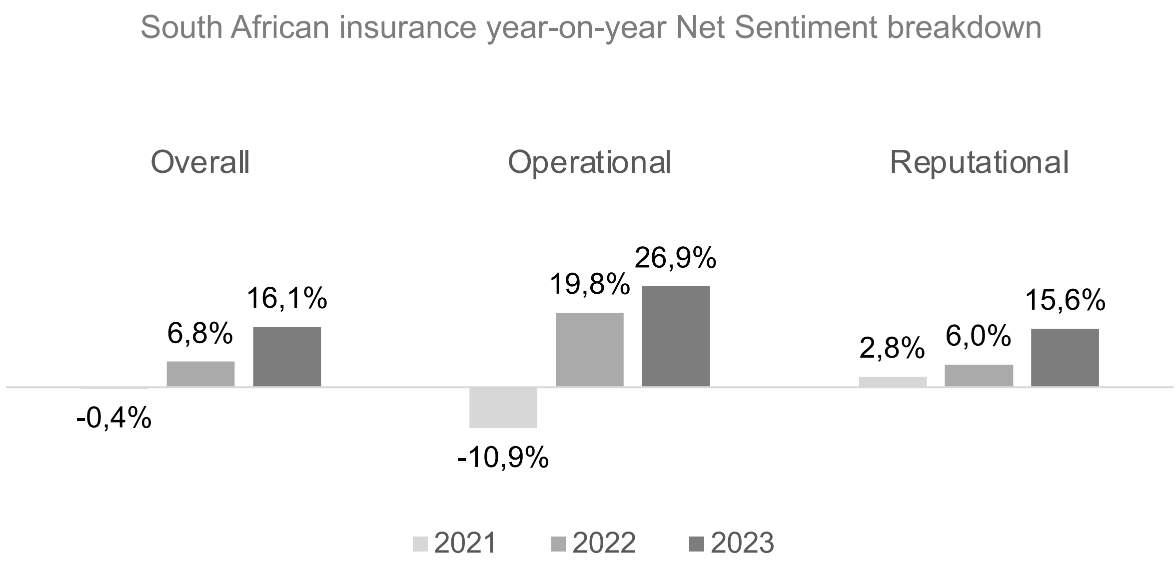
The South African insurance industry set the benchmark for Net Sentiment, outshining banking, retail, and telecommunications. Year-on-year data showed that the insurance industry demonstrated significant improvement from -0.4% Net Sentiment in 2021, to a positive 6.8% Net Sentiment in 2022, and then rose even higher to a 16.1% Net Sentiment score in 2023.



Banking followed in second place with a Net Sentiment of 9.4%, largely attributed to improved customer experience in branches and successful campaigns around products and loyalty schemes. Retail ranked third with a 3.3% Net Sentiment rating, with its growth influenced by an improved product range and pricing. However, certain retailers' Net Sentiment was pulled down by underperforming customer service. Telecommunications was significantly behind other industries with a Net Sentiment of -14%, mainly due to consumer dissatisfaction with customer service and network quality, exacerbated by frequent load-shedding and infrastructure vandalism.

Insurance increases Net Sentiment in all categories

The three primary Net Sentiment categories—overall, operational, and reputational—all saw consistent growth over the past three years. The 'Overall' graph referenced the total Net Sentiment score, 'Operational' considered only consumer mentions that referenced experiences directly with insurers, and 'Reputational' looked at engagement with press or campaign posts that were not linked to operational themes.



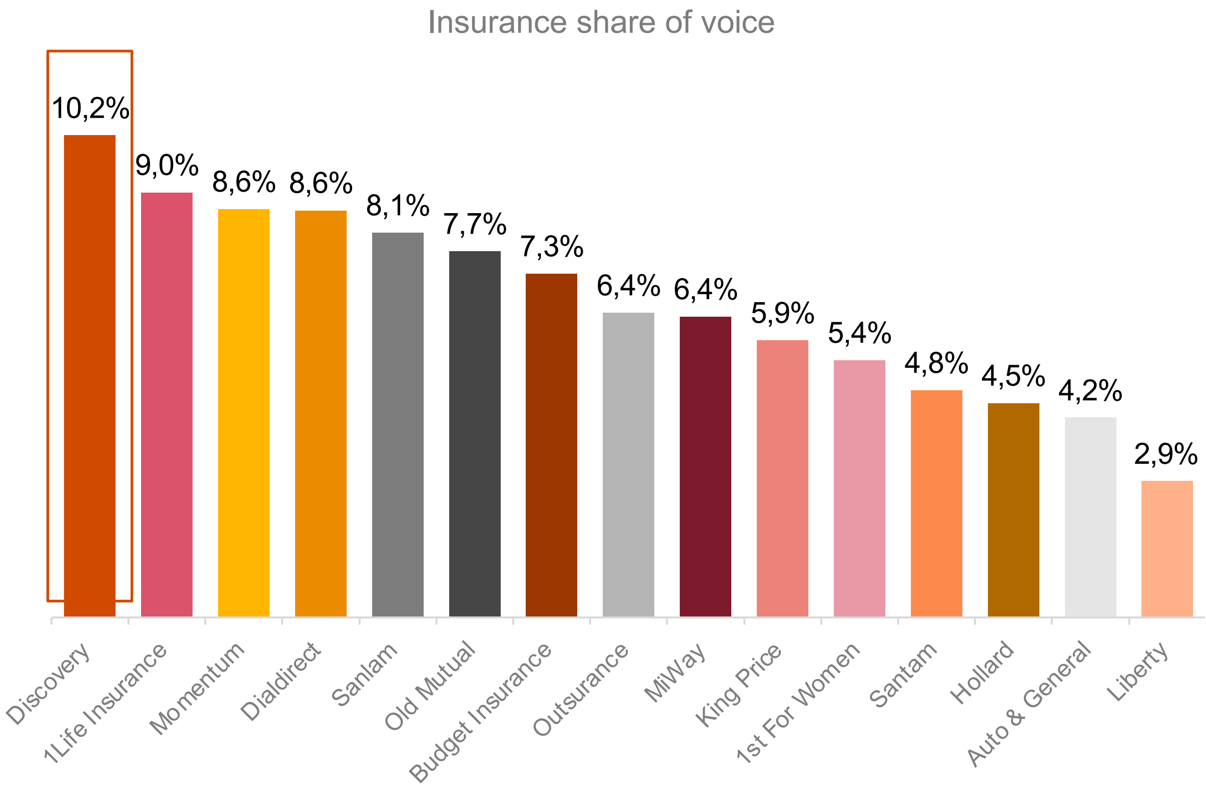
PwC Insight:

Reputational Net Sentiment also continued to play a part in driving positive consumer conversation, with well executed strategic campaigns and brands linking their ESG efforts to societal impact and initiatives that publicly highlighted their response to the demands of corporate responsibility. Brands who have made societal impact a core ethos of their purpose in an actionable and transparent manner have reaped uplifts in consumer perception and bridging the value gap of insurers. It remains a priority for insurers to elevate the understanding of ESG in both the internal organisation and external market.

Hellopeter is a key driver of positivity

The past year saw a concerted effort by insurers to respond to consumers online, most notably on the Hellopeter platform. The increased responsiveness is linked with the rise in overall industry Net Sentiment, indicating that the platform was pivotal in driving positive experiences.

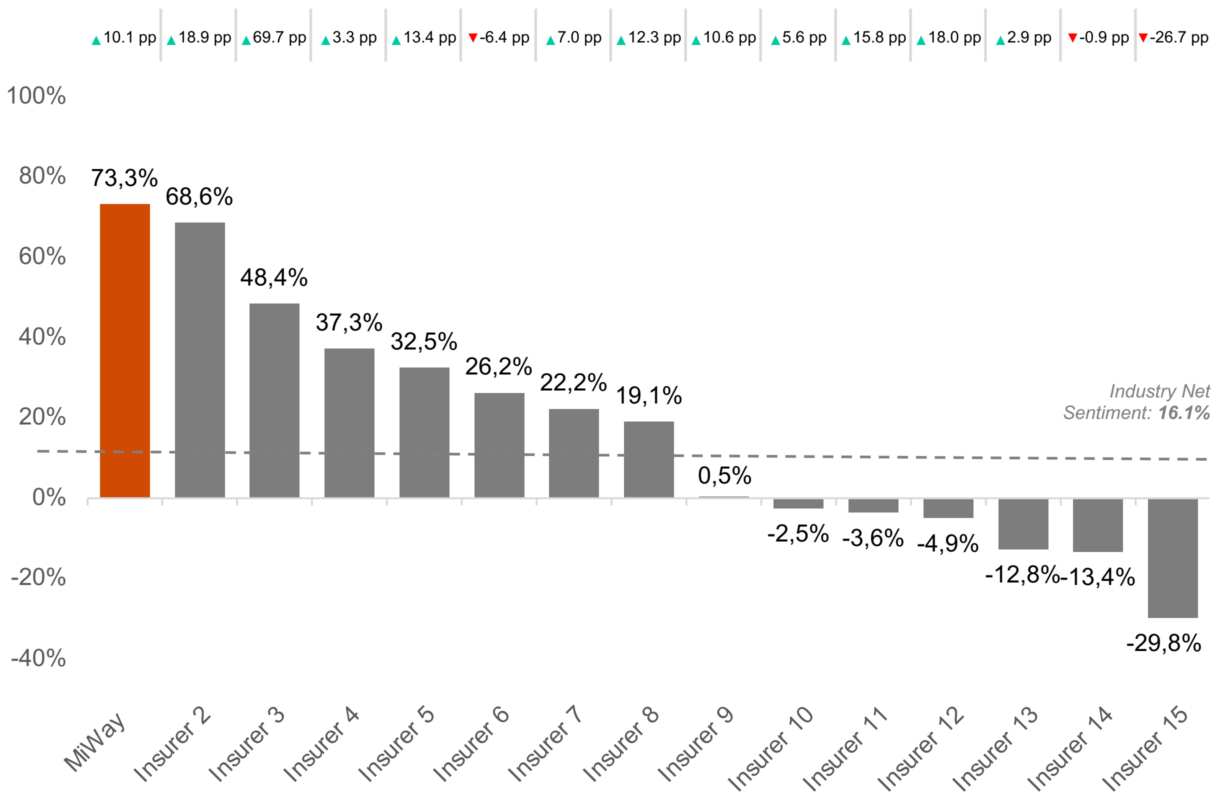
Discovery holds the highest share of voice



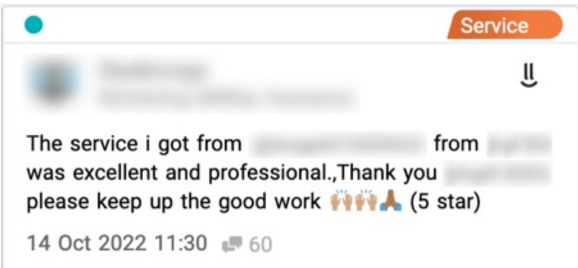
Discovery held the largest share of insurance conversation with 10.2%. The brand is more than an insurance provider, offering an ecosystem of medical aid, banking, investment and insurance services. While the data in this report was cleaned to exclude overt mentions of banking, investments and medical aid, general mentions of the brand were still included. This contributed to Discovery's high share of voice.

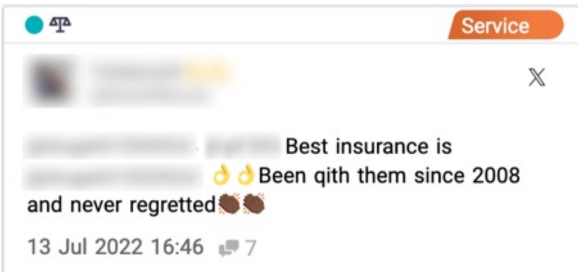
MiWay maintains Net Sentiment lead

Overall Net Sentiment performance



Holding on to its first-place position from 2022, MiWay again recorded the highest Net Sentiment among individual insurance providers in 2023 – rising 10.1 percentage points to reach 73.3%. Employee praise and commendations on Hellopeter and educational marketing campaigns were key contributing factors to MiWay's performance.

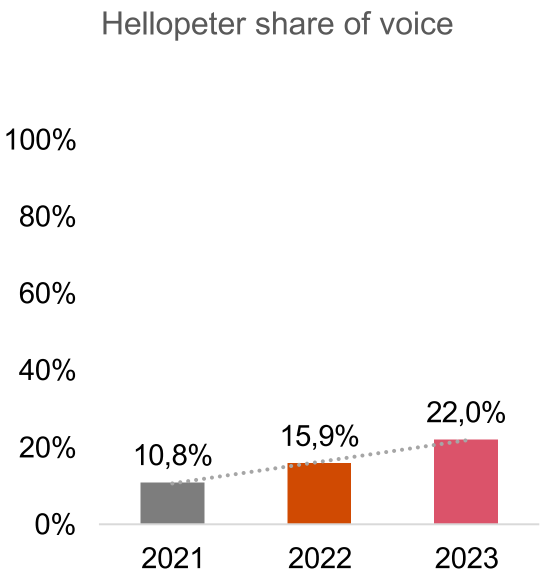


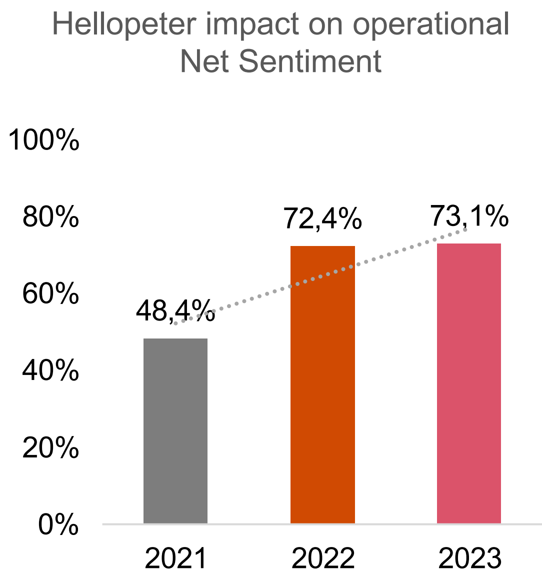


The insurance industry measured an aggregate Net Sentiment of 16.1%, with eight of the industry players performing above this aggregate. Although the industry saw widespread improvement, three insurers experienced a decline in their Net Sentiment from the previous year.

Recurring themes within drivers of negative sentiment were customers venting their frustrations over delayed payouts, poor customer service, and billing issues. Unauthorised deductions and difficulties with the claims process led to concerns about a lack of transparency in both the sales process and ongoing management of insurance products.

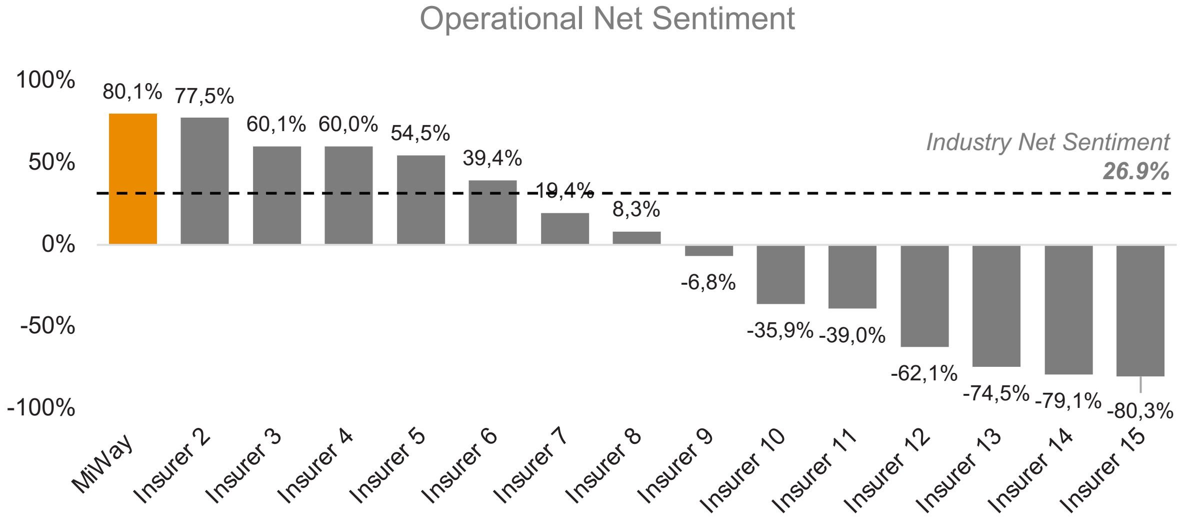
Hellopeter's influence has increased year-on-year, boosting operational Net Sentiment by over 70 percentage points

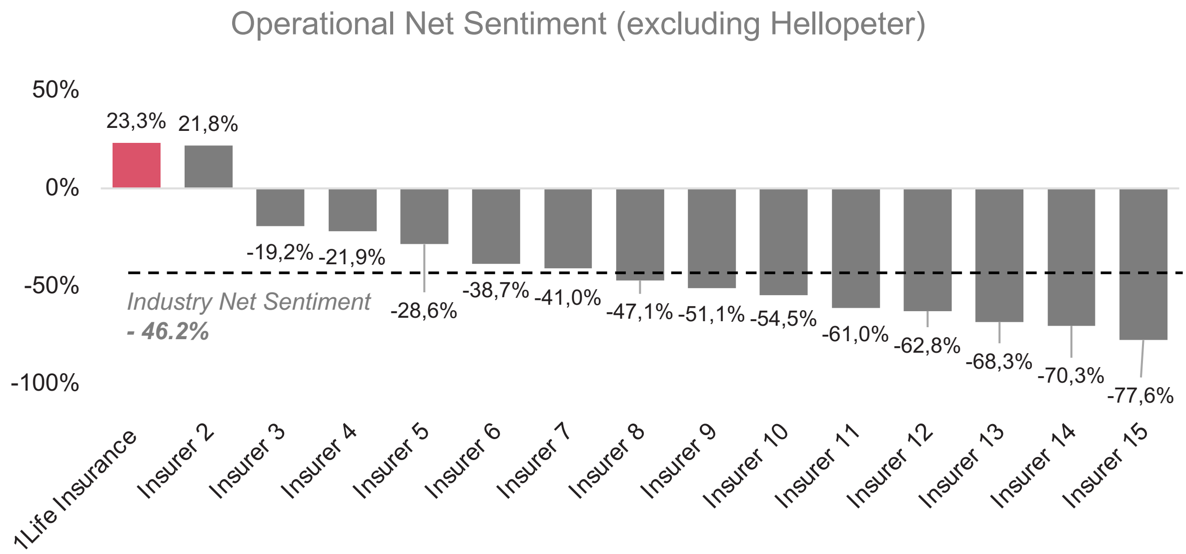




Hellopeter's operational Net Sentiment impact in 2023

Our analysis revealed that Hellopeter had a major influence on operational sentiment within the insurance industry. Excluding Hellopeter data would have drastically altered the industry scores, particularly operational Net Sentiment, which would have decreased from 26.9% to -46.2%.

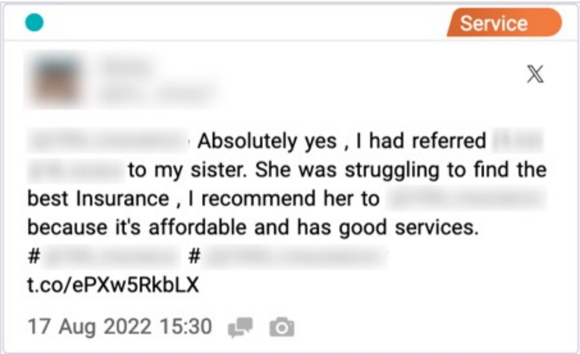




In 2021, only 10.8% of insurance-related conversations took place on Hellopeter. This figure grew to 15.9% in 2022 and climbed again to 22% in 2023, demonstrating a trend of consumer's increasing use of Hellopeter to engage with insurers.

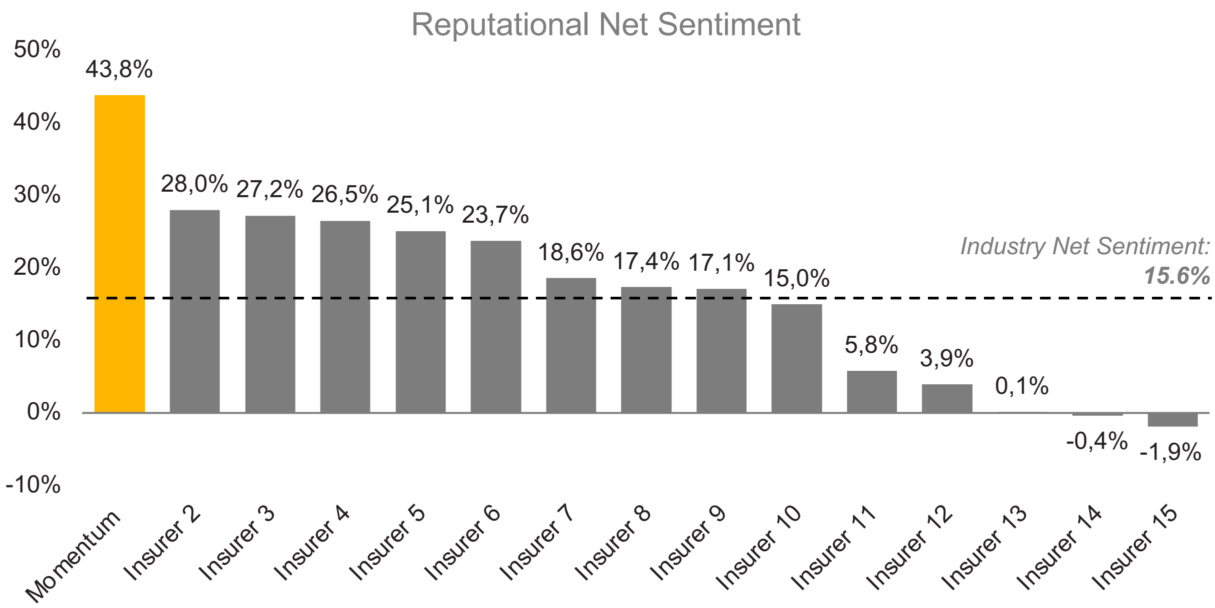
Interestingly, as Hellopeter conversations increased, so did the industry's Net Sentiment. This suggests that insurance companies may be encouraging customers to leave positive reviews on Hellopeter. However, people are unlikely to compliment services they're not happy with, so the rise in positive reviews likely reflects a real improvement in customer satisfaction.

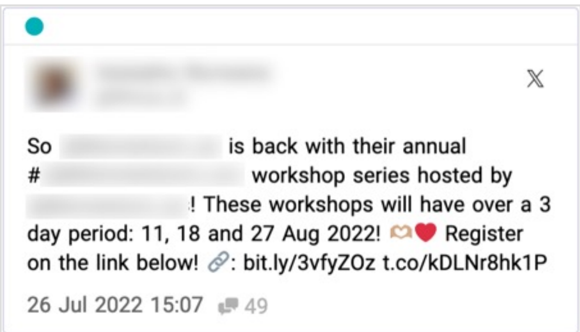
1life Insurance relied the least on Hellopeter for positive sentiment, with the majority of conversation found on X. The insurer drove positive sentiment through its #WinningWednesday weekly competition series. The competition required entrants to share a time they referred 1Life to friends or family, and why they did so.

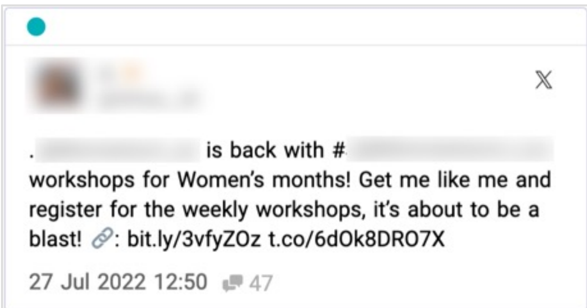


Momentum leads in reputational Net Sentiment

Insurance's Reputational Net Sentiment aggregate stood at 15.6%, with Momentum leading by 28.2pp with a Net Sentiment score of 43.8%. A large portion of Momentum's reputational success can be attributed to the #SheOwnsHerSuccess campaign and workshop series.







Major topics driving conversation across the insurance industry

Volume		Net Sentiment
46.9%	Customer service	25.3%
16.4%	Reputation	16.5%
13.8%	Claims process	-45.5%
9.7%	Pricing or fees	2.0%
9.2%	Shorter-term insurance	-22.4%
7.1%	Account admin	-41.0%
5.7%	Longer-term insurance	-61.2%

Source: DataEQ

Proactive staff, campaigns and customised solutions are key drivers of positivity

Customer service emerged as the primary driver of industry conversation and garnered the highest positive Net Sentiment. Net Sentiment for this topic also improved substantially, increasing from -68.1% in the previous index, to 25.3% in 2023. Many brands encouraged customers to share their positive reviews of staff on Hellopeter. Satisfied customers often mentioned rapid and helpful responses from staff, including times when they were called back when their line dropped, or airtime ran out. Others highlighted the smooth process when claiming on policies with claims being paid out quickly and without hassle.

The industry had a favourable Net Sentiment in terms of reputation, primarily due to its successful campaigns. Brands like Momentum and 1st For Women saw high positive engagement from socially-relevant campaigns. Other brands like 1Life Insurance used campaigns to draw attention while promoting their products. For example, the company utilised its #ChangingLives campaign to engage people in competitions while also highlighting its diverse range of policies, including life cover up to R10m.

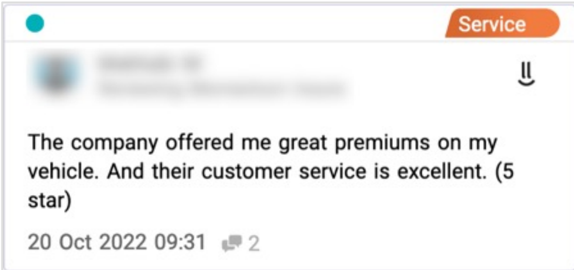
Pricing and fees also garnered a positive Net Sentiment score. Customers were satisfied with reduced premiums achieved through annual reviews or by consulting with insurance advisors who assisted in identifying more tailored coverage options. Notably, even those who didn't benefit from premium reductions found value in securing more comprehensive policies within their budget constraints.

Dialdirect, for example, drove positive sentiment through its #YadaYada streetsmart combo: an insurance package offering car, pothole and home cover for R499 per month. The insurer also used influential authors to promote the deal.


Service
Clinton managed to reduce access while also keeping premiums low (5 star)
14 Apr 2022 14:06


Service
3 combos in one with less # ? Talk about Streetsmart fr 🤩
13th Feb 10:07 1


Service
It's really streetsmart insurance. All value for money and no # 🤩
13th Feb 10:19 3


Service
The company offered me great premiums on my vehicle. And their customer service is excellent. (5 star)
20 Oct 2022 09:31 2

Claims process and account admin are the main issues impacting negative sentiment

The claims process is a significant area of concern, with customers voicing dissatisfaction over delayed or denied claims, leading some to speculate that certain insurers deliberately avoided making payments.

Communication and processing times were criticised, especially for short-term insurance. One viral post alleged that an insurer continued deducting premiums despite not providing coverage. This post garnered significant engagement, with nearly 1.8k interactions, creating a snowball effect that saw dozens of people who called for policy cancellations. This case points to risks associated with poor customer service and expectation management.

Longer-term insurance saw similar issues. Customers expressed frustration and dissatisfaction due to unauthorised deductions from their accounts. There was also significant discontent caused by delayed claims payout, with some allegedly burying their loved ones while awaiting pending payments.

The account administration aspect of the industry also experienced a decline in sentiment, mainly due to issues like slow payment turnaround after claims, unauthorised deductions and insurers not debiting customers on specified dates.

02

Customer service

Staff had the largest volume of mentions and the highest Net Sentiment

Staff was the most spoken about customer service topic. This topic was also the only one to receive a positive Net Sentiment score, largely due to favourable reviews on Hellopeter. Customers frequently acknowledged the efficiency and helpfulness of staff members, drawing direct comparisons between different insurers and the industry at large. However, a segment of customers expressed discontent, often pointing to delays in service, occasionally attributing these to staff competency.

Major topics analysis

	Volume	Net Sentiment	
Staff	48.5%	54.6%	▼3.8pp
Turnaround time	24.4%	-19.9%	▼4.3pp
Feedback given by a brand representative	11.3%	-1.4%	▲9.6pp
Contact difficulties/issues	9.1%	-80.3%	▲12.6pp
Vehicle insurance	7.1%	-24.2%	▼14.0pp

Source: DataEQ

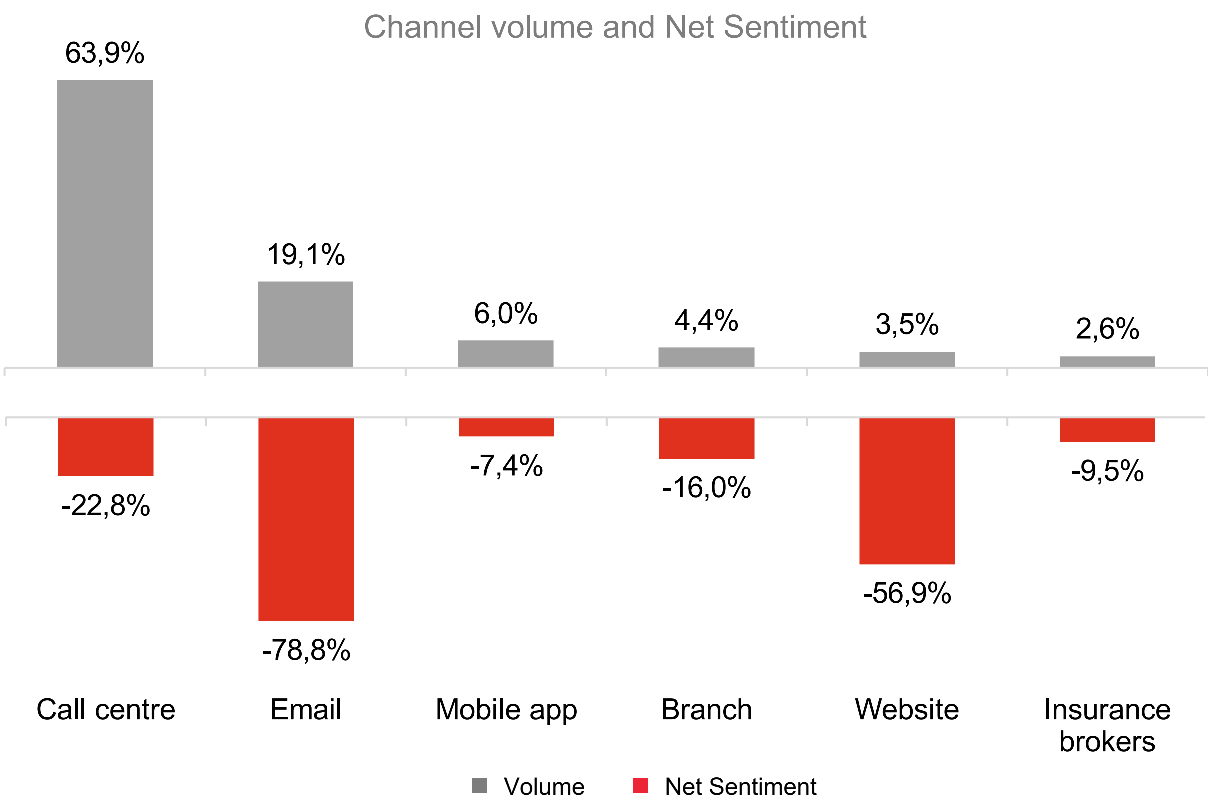
Turnaround time held the second-largest share of conversations but, in contrast, registered a negative Net Sentiment of -19.9%. Here, the crux of dissatisfaction lay in communication delays, especially where claim information and the status of logged claims were concerned. Unresponsive or slow communication led customers to voice their discontent under the broader category of contact difficulties, which marked the lowest Net Sentiment at -80.3%.

PwC Insight:

Despite the increasing influence of Hellopeter in positive staff praise, insurers' underlying service processes and organisational structures continued to hamper overall operational efficiency. A lack of proactive communication and visibility for the customer continues to be the dominant pain point for the industry, regardless of channel. PwC's 2022 Customer Loyalty Survey indicates the growing importance of customer experience in every interaction with the brand, specifically in relation to service. Among survey respondents who stopped using or buying from a specific business in the past year, a bad experience with customer service was among the top reasons. This indicates that service recovery and omnichannel capabilities are more important than ever for companies.

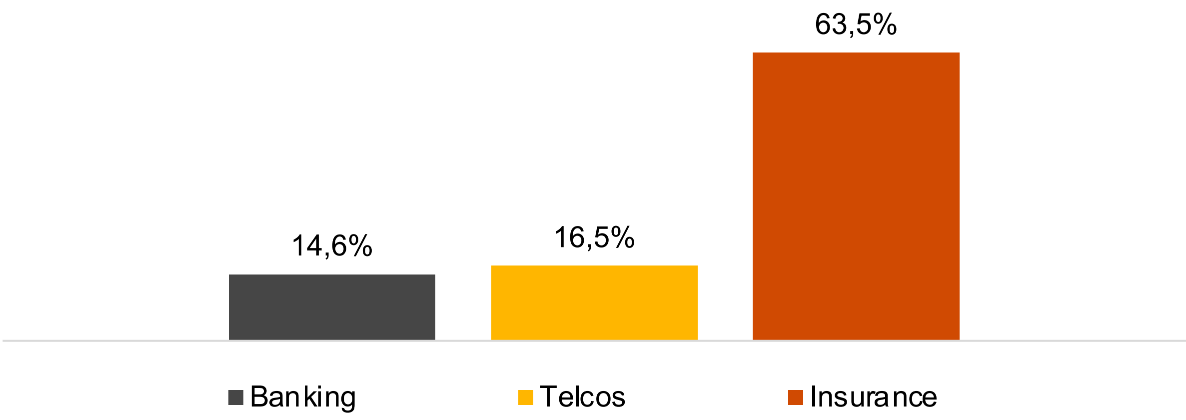
Social media is a last resort when traditional channels fail

Customers often turned to social media as a last resort after encountering issues with getting the answers they were looking for on traditional communication channels. This is seen in the fact that the most common topic of complaint was turnaround time, with customers noting how long they had been waiting for feedback, and unresolved issues.



Call centres dominated the discussion, accounting for 63.5% of all conversations on customer service channels. This has been the leading channel for the industry over the last three years. Call centre conversation was significantly larger in the South African insurance industry than it was in banking (14.6%) or telco (16.5%) industries. Email and app-based services follow a similar trend of unresponsiveness. Some mentions noted requesting callbacks on the app and not receiving them. This situation reveals a need for the insurance industry to invest more heavily in digital solutions.

Volume of call centre conversation: Industry comparison



PwC Future Watch:

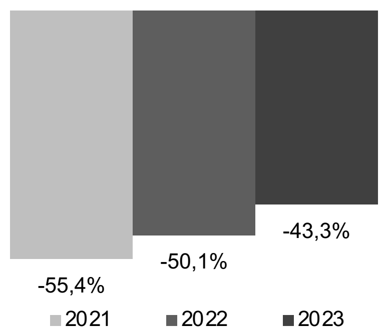
A heavy reliance on the call centre, disparate systems and often siloed business units has resulted in the commonly cited frustration of consumers being transferred to multiple departments before reaching the right one. Effectively addressing customer service queries and complaints will require rethinking the traditional operating model in order to put the customer at the forefront by integrating technology, service and support across different offerings and channels. Market leaders are identifying new ways of engagement through an appropriate mix of optimised channels and processes in order to provide seamless and consistent customer service depending on what the customer needs.

PwC and DataEQ have developed a customer service assessment, providing an evaluation of the current vs future capabilities needed in order to service customers across multiple platforms and resolve those queries efficiently through integrating technology and teams. The future of experiences harmonise the digital with the physical to create blended experiences.

Digital experience sees yearly improvements but remains negative

Over the last three years, the topic of digital experience has seen steady improvement in Net Sentiment. This year, the industry's Net Sentiment was -43.3%, trailing behind the banking industry's -8% Net Sentiment for the same topic.

Year-on-year Net Sentiment for Digital Experience



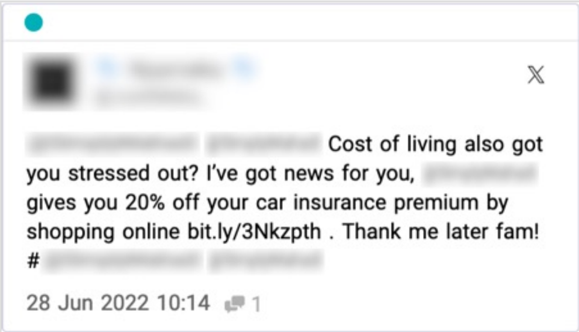
Topics contributing to digital experience

	Volume	Net Sentiment	
Speed or responsiveness of platform	46.6%	-73.3%	▲ 7.3pp
Platform navigation or ease of use	27.9%	-6.2%	▲ 50.2pp
Customer digital security	16.9%	-95.9%	▼ 4.2pp
Login process	13.1%	-52.6%	▲ 30.7pp

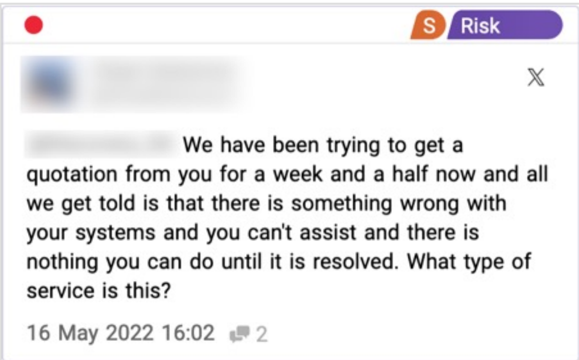
Source: DataEQ

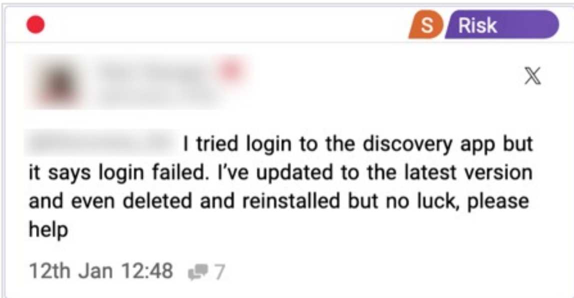
Industry	Industry Net Sentiment
Insurance	-43.3%
Banking	-8.0%

Platform navigation had the highest proportion of positive sentiment. Positive mentions praised intuitive platform functions and quick callback features. Budget Insurance used influential authors with large X followings to drive potential customers to their website by promoting an online-only deal of a 20% discount on car insurance quotes.



Negative sentiment arose from issues related to the speed and reliability of digital platforms, including apps and websites. Several brands had a large number of complaints about their apps/portals being down or not working properly.





PwC Future Watch:

According to **PwC's 2023 Insurance Banana Skins**, the industry was seen by many respondents as a laggard in technology when compared for example with the banking and funds sectors. A respondent from the life side in Luxembourg said "The sector still lags behind many sectors in terms of its ability to fully address the digital challenge and adjust its business model accordingly. Some digital initiatives have been launched, but far too slowly compared to what is required to remain relevant in the future."

This will require a shift from 'digital' capabilities to truly tech-enabled by integrating emerging technologies and advanced analytics that can provide robust data insights for a more targeted understanding of how to meet customer needs, enhance product development, predict behavioural patterns and define relevant customer segmentation. Fully utilising AI can circumvent manual processes to effectively and efficiently service and communicate more proactively with customers, allowing staff to focus on value-adding engagements.

Brands are already leveraging Generative AI in order to improve servicing, a few notable examples include:

1. Using GPTs to summarise call and case notes so that agents can quickly get onto the next call.
2. Using Generative AI tools to analyse customer feedback and reviews to help the brands better understand their audience, thus tailor their service.
3. Employing AI to offer real-time translation services to ensure smooth communication regardless of the language used by the customer.
4. Powering Voice assistance and IVRs with Generative AI to offer personalised customer service over the phone.

Concerns about digital security

Issues around unauthorised debits and data security also contributed to the dialogue, reinforcing the need for more robust digital security measures.

Spam calls through lead generation lists were prominent within consumer concerns about information access and disclosure. Some consumers voiced concerns about receiving unsolicited marketing calls from otherwise reputable insurance companies. This not only jeopardises customer satisfaction but also raises questions about compliance with the Protection of Personal Information Act (POPI). The issue was exacerbated when consumers continued to receive calls despite asking to be removed from lists. This may result in insurers risking both reputation and potential legal action.

PwC Insight:

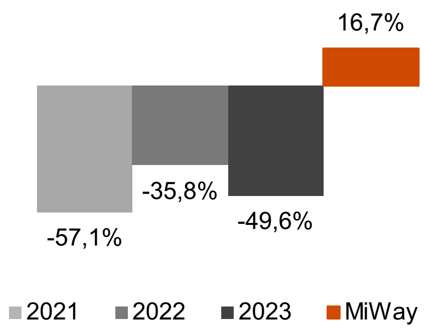
Cyber crime is cited as the greatest threat facing the global insurance industry over the next two-to-three years, according to the 589 practitioners surveyed across 39 territories. Respondents were most concerned about a successful cyber attack jeopardising business continuity and the disastrous reputational consequences of personal data leaks that could affect the entire industry.

The index points to consumer pressure being applied on insurers' practices of maintaining compliant standards when storing personal data. That being said, consumers are willing to share personal data when it is leveraged to enhance their existing experience with the brand, particularly when offering a more personalised product mix or service. According to **PwC's 2022 Customer Loyalty Survey**, 82% of respondents were comfortable to share personal identifiers if they were used to provide more tailored offerings and a better service experience. Consumers' changing behaviours are continuously pointing to a more lifestage-centric way in which they buy and perceive value, requiring insurers to fully operationalise relevant data to facilitate genuinely personalised solutions, whilst balancing the need to maintain data security.

Net Sentiment for the claims process dropped since last year

Claims continued as a pain-point for insurance customers. In 2021 the claims process held a Net Sentiment of -57.1%, in 2022 it was -35.8% but this year it dropped again to -49.6%.

Year-on-year Net Sentiment for claims process



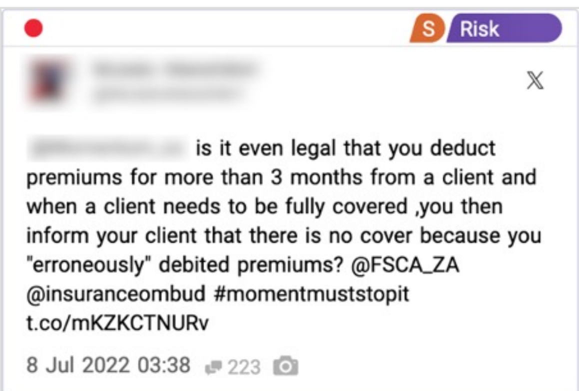
Topics contributing to claims process

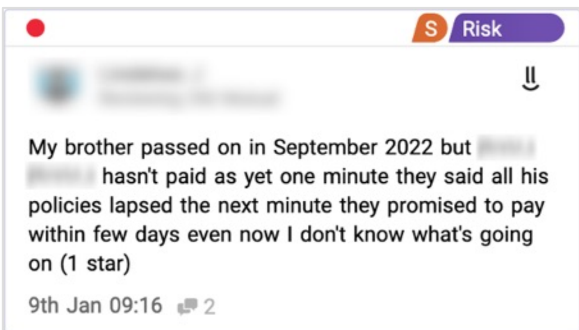
	Volume	Net Sentiment	
Status of claim	44.0%	-83.3%	▲3.5pp
Approved or rejected claims	42.9%	-56.4%	▼7.1pp
Assessors or investigative staff	22.0%	-31.4%	▲18.0pp
Paying out/replacing items	18.5%	-36.4%	▼4.4pp
Repair or installation workers	16.1%	-67.9%	▼26.3pp

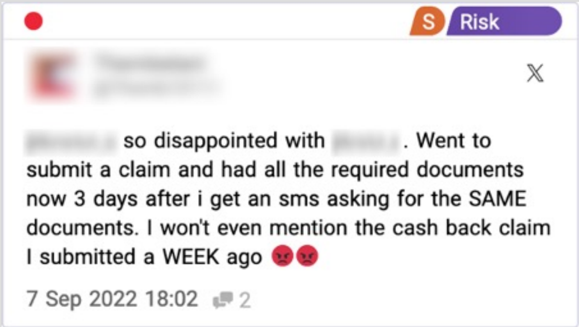
Source: DataEQ

Factors contributing to this negative result included querying the status claims, delayed responses, and inconsistencies in feedback from staff. MiWay stands as an exception, the only insurer to receive a positive Net Sentiment of 16.7%, largely influenced by Hellopeter reviews.

The largest and most negative topic was status of claims. Clients complained about having to constantly follow up on claims that had been lodged or were in the process of being lodged. Customers expressed frustration not knowing if their claim had been finalised. They accused insurers of employing delay tactics to prevent claims from being processed such as constantly asking for different documentation, dealing with multiple staff members, staff giving different conflicting feedback or avoiding communication. Some customers questioned why they should continue paying premiums when their cases are being investigated or delayed.






S Risk

so disappointed with . Went to submit a claim and had all the required documents now 3 days after i get an sms asking for the SAME documents. I won't even mention the cash back claim I submitted a WEEK ago 😡😡

7 Sep 2022 18:02 2


S Risk

is an entire SCAM ‼️ 1.Dec 2020 , filed a claim against them . 2. They claim that their turn around time is 30- 60 days . 3 . June 2022, still no repairs on my car . t.co/qKz44lPQn6

16 Jun 2022 07:20 142

On the topic of rejected claims, customers noted waiting weeks, months and even years (for long-term insurance claims) without receiving a payout. Many felt dissatisfied with the reasons given for rejected claims, specifically when they were not stated on policy documents. Customers felt that insurers would look for any reason not to pay a claim, some of which seemed unreasonable to customers. Another common issue was claims being rejected based on account/admin issues. In these cases, customers questioned why their insurers only brought up these issues at the point of claims and weren't proactive in communicating them before.

PwC Future Watch:

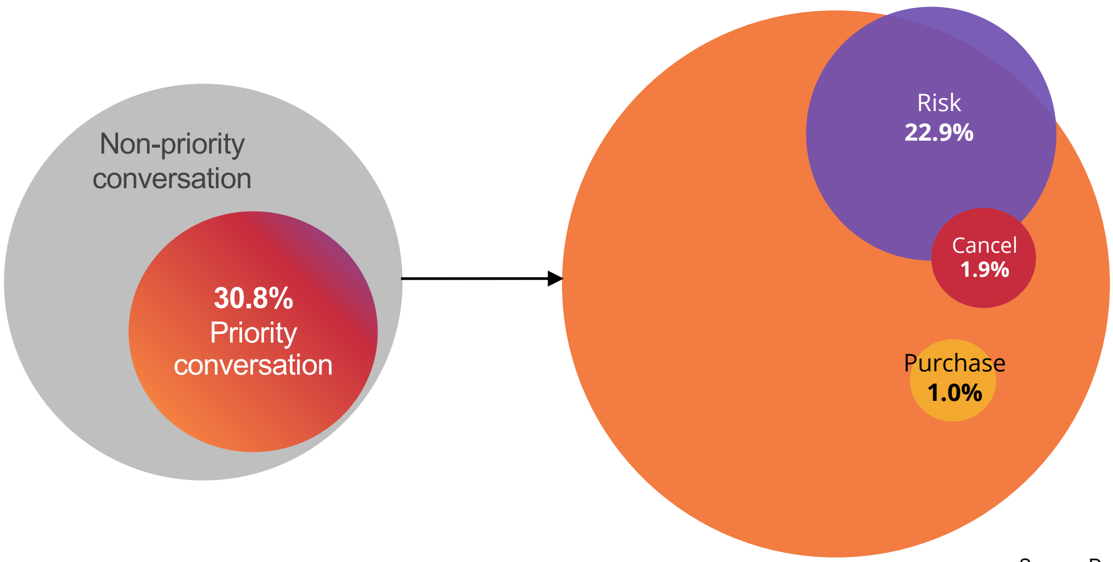
The claims process remains a priority and an opportunity to differentiate, requiring the need to reimagine the journey and a significant shift in how people, process and technology currently operate, as it should be looked at end-to-end rather than in incremental improvements.
As highlighted in previous PwC Insurance Indices, proactive communication and visibility for both the customer and employees are considered the basics.

The Insurance Index and our industry experience also points to the increasing importance of both consumer and staff education and awareness. Redefining the modes and type of education, product information and messaging will help to bridge the gap between a growing distrust of the industry and the perception of value delivered. This can be achieved through simplifying the language, consistent communication and disseminating relevant content through channels that customers are already engaging in.

Most insurers' actionable conversation hidden by noise

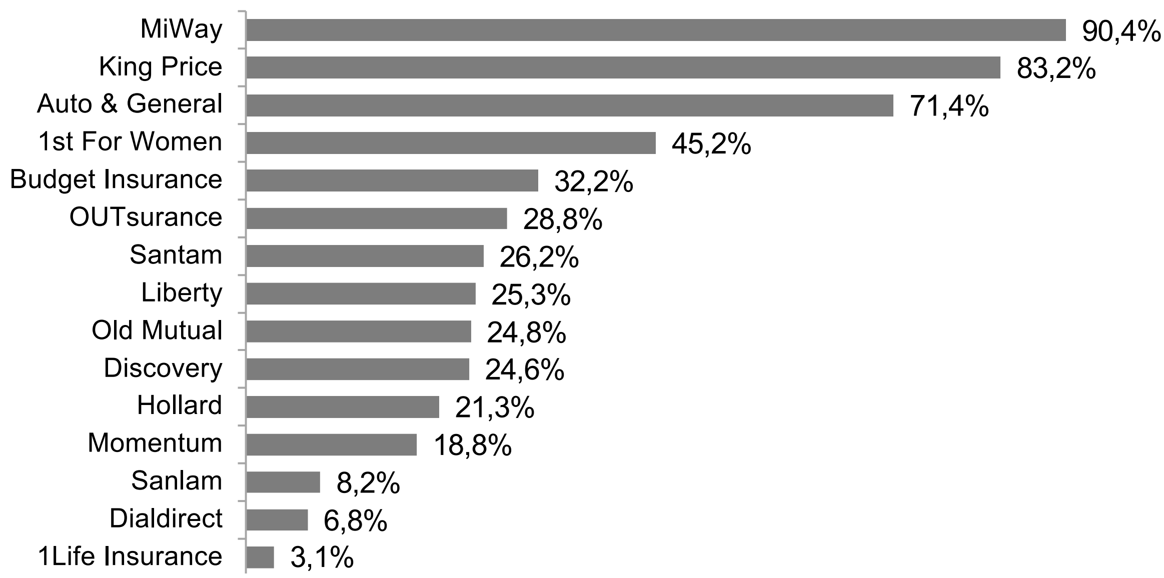
Around 30.8% of the mentions about South African insurers were deemed 'actionable'. The remaining online conversation can be considered 'non-priority' and often creates challenges for service agents to navigate and find the 'actionable' posts that may require a response.

Industry conversation



Source: DataEQ

Proportion of actionable conversation per insurer



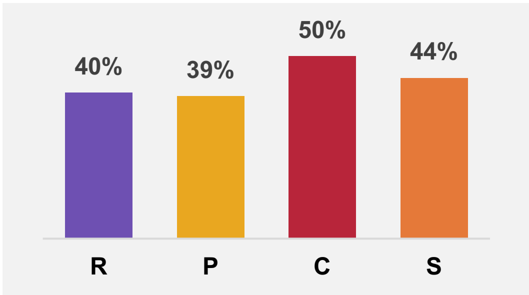
Conversation is considered actionable when it presents potential reputational or operational risk (R), purchase interest or intent (P), cancellation threats or intent (C) and requests for service or general feedback (S). Hellopeter data was a major source of actionable conversation with 68.4% of all actionable mentions found on this platform. This is because the platform aligns with the service segment of customer feedback.

Budget Insurance has the highest response rate

The industry showed varying levels of responsiveness to different types of actionable conversation tagged as risk, purchase, cancel, and service. On average, insurers responded to only 43.3% of these mentions. Response rates were highest for cancellation discussions at 50%. However, the insurance industry's overall response rate was lower than other industries' – slightly lower than the telecommunications industry's 48.9% response rate, and notably lower than the banking industry's 54.5%.

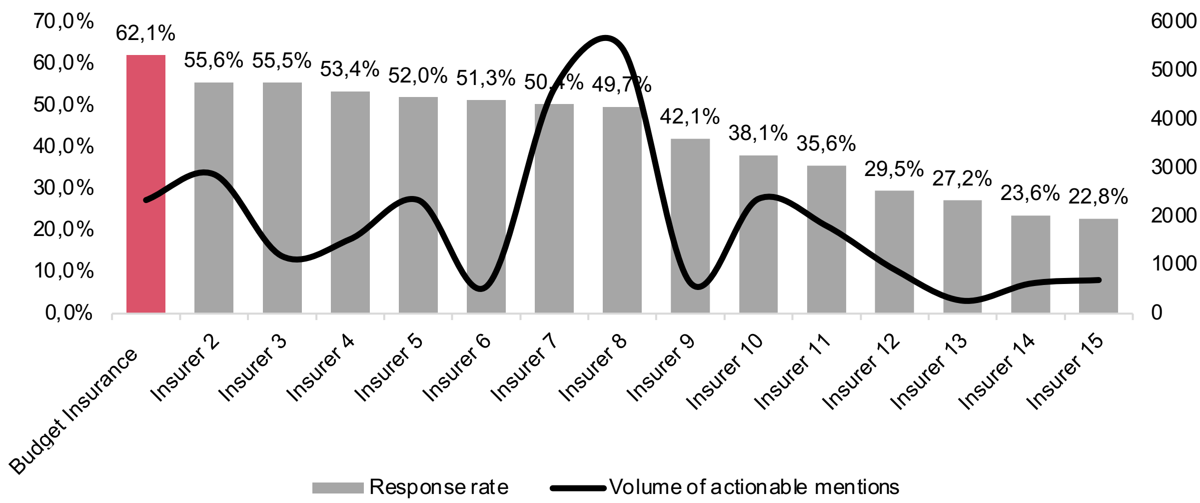
43.3%

of actionable interactions received a response



Source: DataEQ

Response rate to actionable interactions



Budget Insurance led the industry with a 62.1% response rate. Factors such as staff-to-mention volume ratio appeared to influence these statistics. Response rates were generally lower for mentions categorised as risk, as some insurers prefer not to address specific issues in public, particularly those involving allegations of unethical behaviour.

Addressing customer needs beyond traditional working hours

Response time to actionable interactions (business hours)

Average interaction response time:

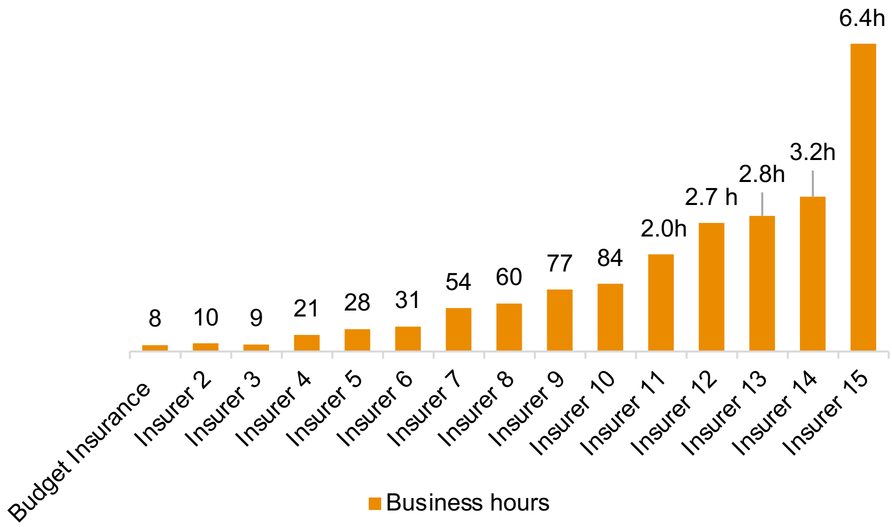
1.6 hours

Average first response:

1 hour

Average follow-up response:

2.4 hours



Responses below 120 minutes shown in minutes and about 120 minutes shown in hours

Given that 47.6% of actionable mentions were posted outside office hours, insurers should consider extending their customer service hours or employing automated responses for off-hours communication. This would help manage customer expectations and prevent the same customer from sending more messages.

Response time to actionable interactions (24 hours)

Average interaction response time:

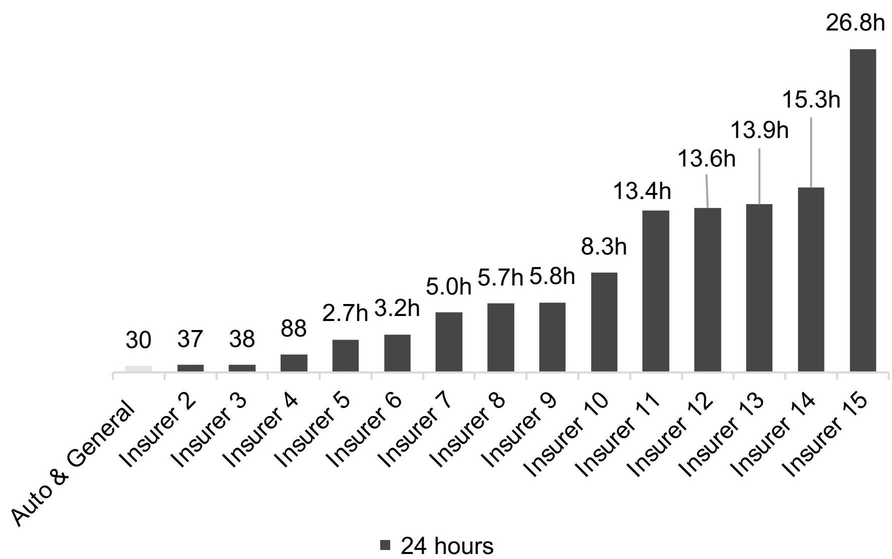
8 hours

Average first response:

7 hours

Average follow-up response:

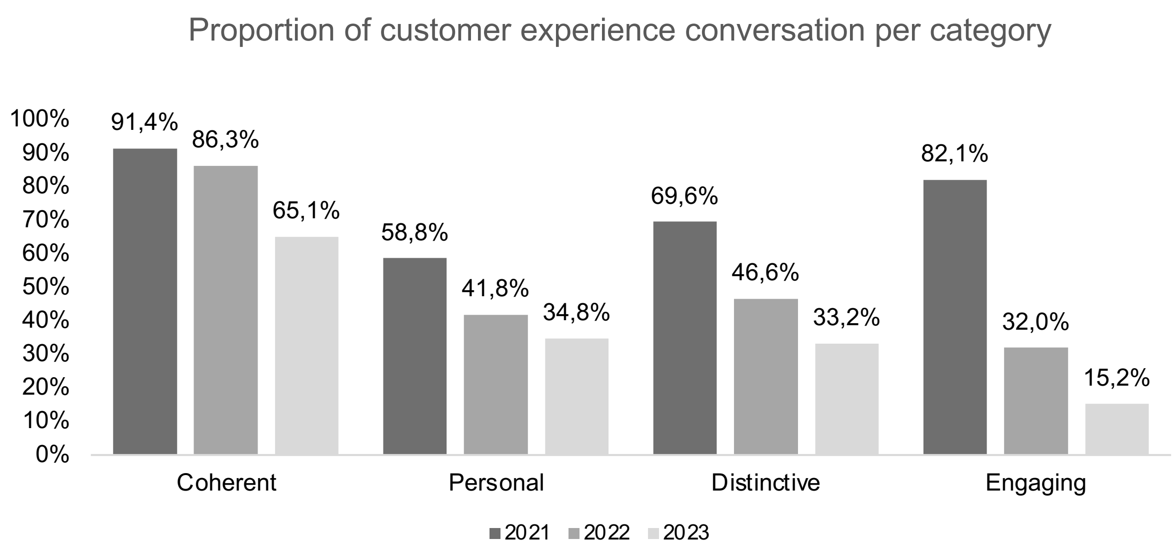
9 hours



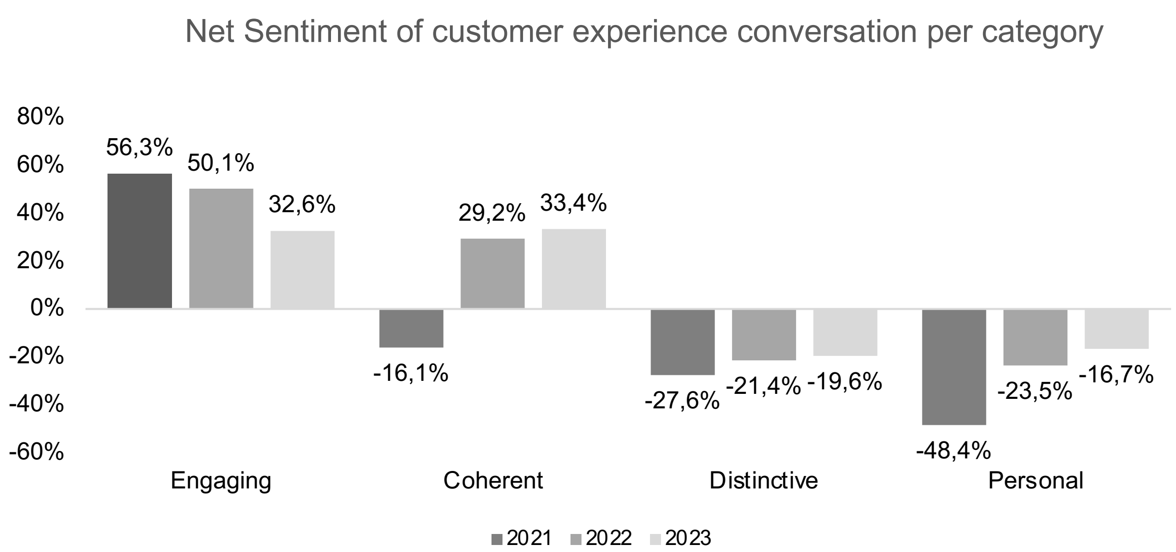
Responses below 120 minutes shown in minutes and about 120 minutes shown in hours

In the 24-hour cycle, Auto & General stood out with the fastest response time of 30 minutes. While the average industry response time is 8 hours, it falls to 1.6 hours when only business hours are considered. Many customers are not aware of business hours and consider their posts to be an emergency and often expect immediate responses at all times of day.

PwC's Coherent experience dimension continues to drive conversation



The PwC customer experience framework was mapped according to DataEQ's child topics. Only customer experience mentions were included – this excludes reshares or enterprise mentions.



The PwC customer experience framework was mapped according to DataEQ's child topics. Only customer experience mentions were included – this excludes reshares or enterprise mentions.

Our latest consumer report, **To win in consumer markets, start with your customer and technology**, notes that leading companies view their customers not just as consumers, but as individuals with unique needs, emotions and aspirations. Recognising the need for companies to deliver services and experiences that truly matter to their customers, the **PwC Growth through Experience framework** identifies that the key to growth for insurers lies in their ability to create and deliver on the four key dimensions of an exceptional customer experience:

- Coherent: Connected, effortless, and effective, i.e. experiences are connected, easy, and seamless.
- Engaging: Multisensory and emotionally considered, i.e experiences captivate the senses and drive positive emotions.
- Personal: Anticipatory, inclusive, tailored, and rewarding, i.e. experiences make consumers feel valued, heard, and included.
- Distinctive: Differentiated, relevant, memorable, and purposeful, i.e. experiences stand out because they're memorable, authentic, and increasingly, sustainable.

In the context of the industry's Net Sentiment, the Coherent experience dimension emerged as the largest driver of conversation throughout 2023. Its year-on-year sentiment has consistently maintained a positive trend. This trend can be attributed to drivers such as staff efficiency, the approval process of claims, as well as the engagements with assessors and investigative staff.

Similarly, the Engaging dimension also continues to remain positive, despite seeing a steady decline in Net Sentiment every year since 2021. Key drivers of this dimension include referrals, charity and outreach, and platform navigation.

In contrast, the Distinctive dimension has shown minimal change in its negative Net Sentiment since 2022, signalling an area that requires focused attention. Some of the negative drivers include conversation about vehicle insurance, brand comparisons and life insurance.

Lastly, the Personal dimension has seen some improvement since last year. However, the Net Sentiment for this dimension remains negative, driven by topics such as monthly fees, status of claims and feedback provided by brand representatives.

There is an opportunity for insurers to think beyond providing coherent and engaging experiences, elevating all four dimensions to differentiate themselves, attract new customers and retain existing customers. Tapping into this, **PwC insights** indicate that the positive impact of these attributes can be seen across common growth metrics such as revenue, retention and reputation.

03

Insurance products

With a ratio of 64.2% to 35.8%, the volume of conversation around short-term insurance outweighs that of long-term insurance. Although both insurance categories showed negative Net Sentiment, short-term insurance fared better, registering a Net Sentiment of -22.4%, while long-term insurance came in at -61.2%.

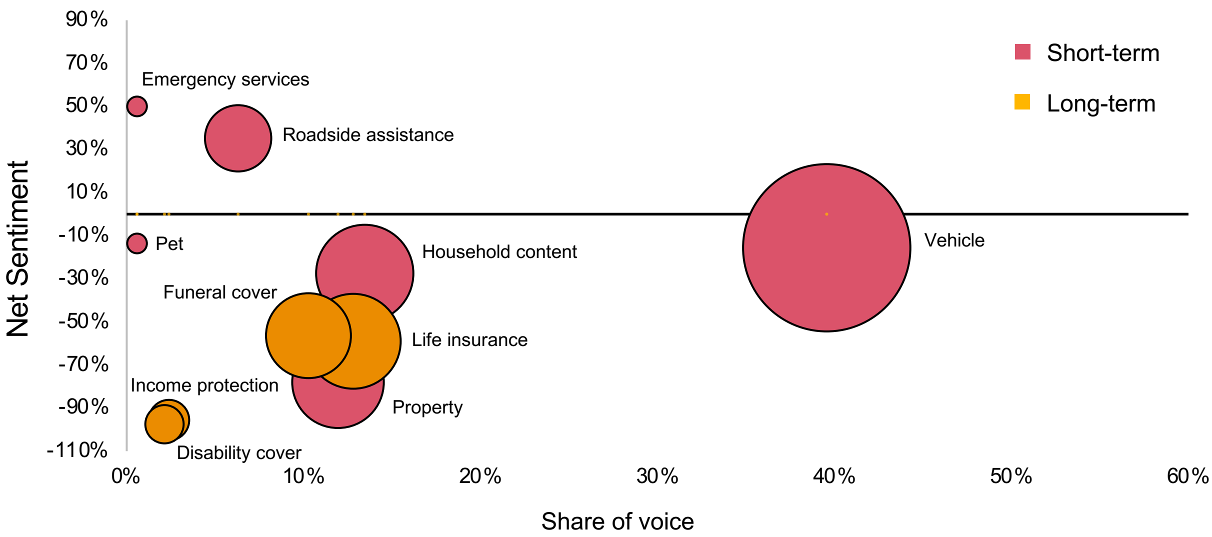
MiWay was an outlier within short-term insurance. The brand captured an impressive Net Sentiment of 51.7%. The source of this positive sentiment came primarily from Hellopeter, with many compliments for MiWay's vehicle and roadside assistance services.

Proportion of customer experience conversation per category

	Share of voice	Net Sentiment
Short-term insurance	64.2%	-22.4%
Long-term insurance	35.8%	-61.2%

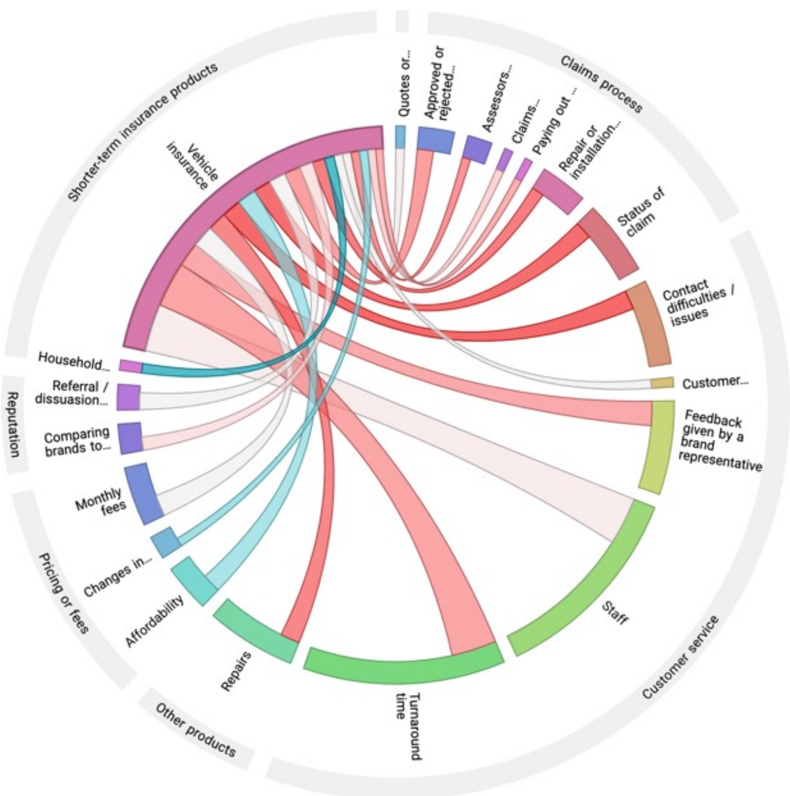
Value-added services measure highest Net Sentiment

Product Net Sentiment and share of voice



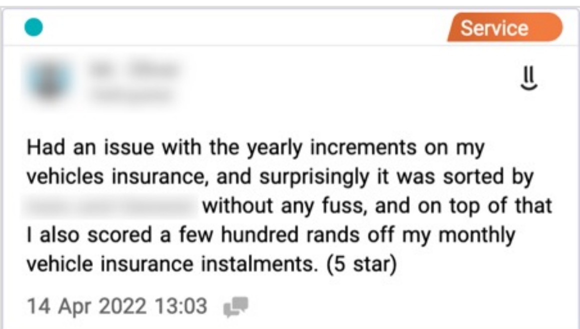
Only two insurance categories surfaced with positive Net Sentiment ratings: emergency services at 50%, and roadside assistance at 35.2%. These categories are regarded as value-added services for the insurance industry, aimed at enhancing the overall customer experience.

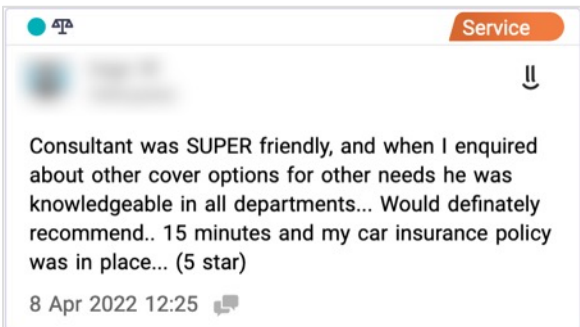
Vehicle insurance co-occurrence wheel



Source: DataEQ

Vehicle insurance, the most frequently discussed category, measured a Net Sentiment of -15.6%. The conversation on this type of insurance is nuanced; while positive sentiments emerge from aspects such as staff assistance, affordable monthly fees, and overall cost-effectiveness, the topic also saw negativity primarily due to issues concerning turnaround time and perceptions of poor staff performance.





Sentiment drivers across insurance categories

Household content insurance

This category registered a negative Net Sentiment of -27.5%. Turnaround time and staff appeared as recurring themes in negative conversations. Positive mentions focused on affordable monthly fees and staff interactions, alongside favourable experiences with vehicle insurance.

Life insurance

Life insurance saw negative Net Sentiment of -59%. Negativity was largely fuelled by regulatory concerns in light of the Competition Commission's price-fixing raids of several insurance companies.

Positive sentiment stemmed from customer referrals and affordability. A great example of an effective referral campaign was 1Life's winning Wednesday competition, which incentivised customers to post the reasons why they referred friends or family.

Funeral cover

Funeral cover registered -56.4% Net Sentiment. The negative sentiment largely originated from issues related to turnaround time, claim processing, and staff interactions. In contrast, positive conversation centred around customer referrals, quotes, and overall pricing structure.

Property insurance

This category was significantly negative, with a Net Sentiment of -78%. Frustrated consumers were primarily searching for answers to the status of claims, an area warranting attention and improved communication from several brands. Despite this, some consumers responded positively to good staff interactions and efficient turnaround times.

Income protection and disability insurance

These categories registered the lowest Net Sentiment with income protection at -95.6% and Disability cover at -97.5%. Effectively all mentions in these categories were negative, with rejected claims as the main concern.

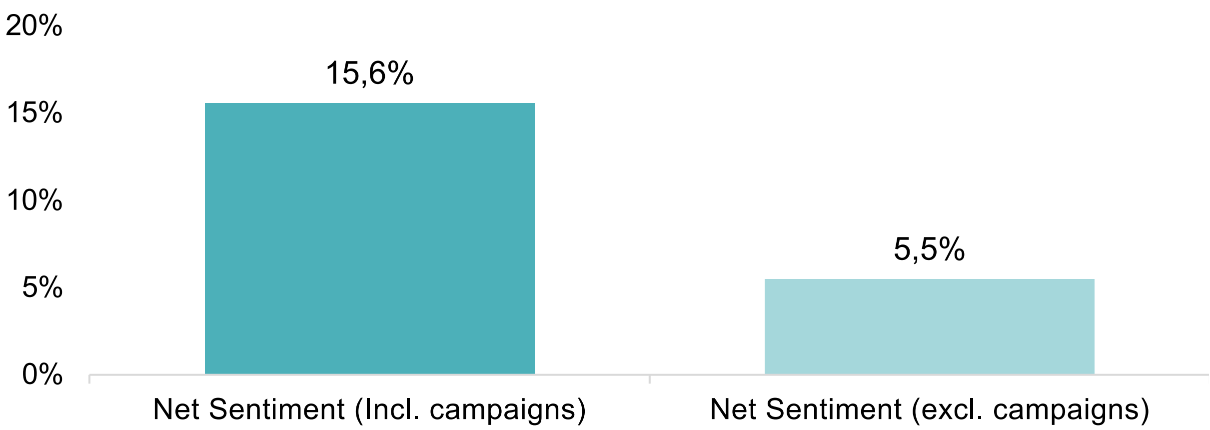
04

Reputational and campaign performance

Strategic campaigns contribute 10 percentage points to industry-wide reputational Net Sentiment

The industry's reputational Net Sentiment aggregate was 15.6%. However, when we exclude some of the insurers' key campaigns, this score drops to 5.5%.

Proportion of customer experience conversation per category



Source: DataEQ

Momentum's campaigns were the most potent in bolstering its reputational Net Sentiment. The #SheOwnsSuccess campaign achieved the highest level of engagement for the brand and significantly elevated the brand's reputation. Excelling in audience engagement, this campaign tapped into the potent theme of female empowerment and accomplishments, resonating with their target audience in a way that amplified Momentum's reputational capital.

Content that captivates

Two central themes emerged among campaigns that achieved substantial impact.

Competitions

Companies like 1Life Insurance capitalised on the ever-popular competition tactic to generate buzz for their brand. They collaborated with multiple radio stations to organise SMS and hashtag competitions where entrants could win cash prizes by messaging in with the '1 Life, Changing Lives' campaign line. Campaigns like these were shown to be effective at heightening consumer participation and nurturing an environment where customers shared their aspirations and stories.

Resonance via influential authors

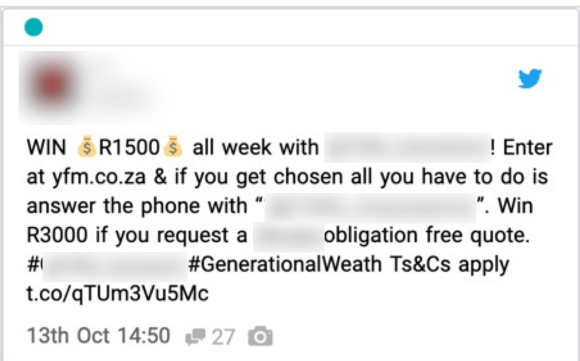
Creating campaign messages that resonated with the target audience was also used to great effect, often amplified by the use of influential authors. Momentum's #SheOwnsHerSuccess and 1st For Women's #Fearless and #Safety1st campaigns were particularly successful examples of this tactic.

The #SheOwnsHerSuccess campaign focused on promoting events and initiatives related to women's achievements and involvement in sports. Notably, the campaign included several facets:

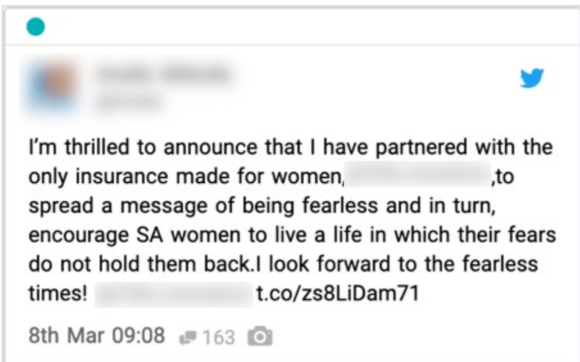
- A prize giveaway for an exclusive women's cricket event viewing,
- Posts celebrating the success of small businesses
- A workshop series featuring accomplished women entrepreneurs

The campaign also advocated for women's sports and equal pay and opportunities for women in various fields. The inclusion of influential authors magnified the campaign's visibility and impact.

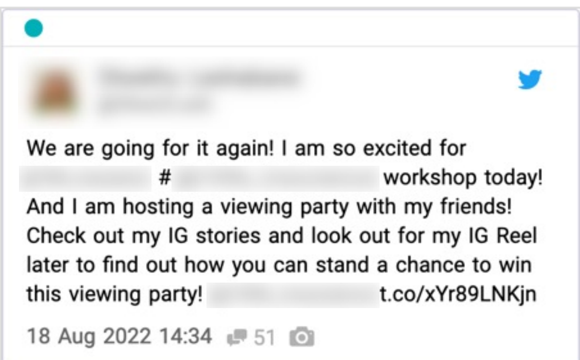
1st For Women's #Fearless and #Safety1st campaigns were praised for supporting women's safety and female empowerment, particularly women who often feel unsafe when walking or driving alone at night. The company didn't merely discuss safety; it offered tangible benefits like free and unlimited trip monitoring, on-call guardian angels for assistance with mechanical breakdowns or flat tires, and emergency panic buttons. The strategic partnership with influential authors, such as @Anele, lent added traction, reach, and impact to these initiatives. However, it is worth noting the lack of transparency and compliance with ARB regulations by paid influencers who did not disclose their commercial motivation for promoting products.


WIN 💰R1500💰 all week with ! Enter at yfm.co.za & if you get chosen all you have to do is answer the phone with " ". Win R3000 if you request a obligation free quote. # #GenerationalWeath Ts&Cs apply t.co/qTUm3Vu5Mc

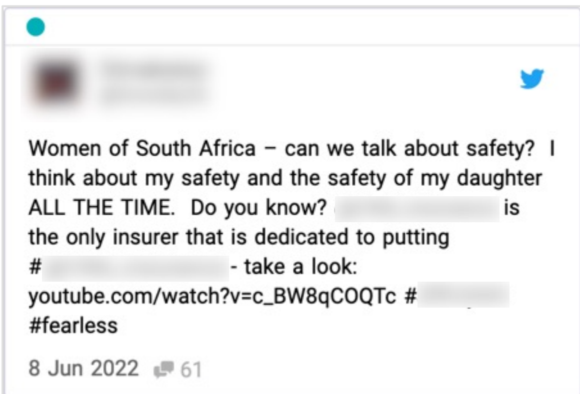
13th Oct 14:50 27


I'm thrilled to announce that I have partnered with the only insurance made for women, ,to spread a message of being fearless and in turn, encourage SA women to live a life in which their fears do not hold them back.I look forward to the fearless times! t.co/zs8LiDam71

8th Mar 09:08 163


We are going for it again! I am so excited for # workshop today! And I am hosting a viewing party with my friends! Check out my IG stories and look out for my IG Reel later to find out how you can stand a chance to win this viewing party! t.co/xYr89LNKjn

18 Aug 2022 14:34 51


Women of South Africa – can we talk about safety? I think about my safety and the safety of my daughter ALL THE TIME. Do you know? is the only insurer that is dedicated to putting # - take a look: youtube.com/watch?v=c_BW8qCOQTc # #fearless

8 Jun 2022 61

PwC Insights:

It is difficult to correlate marketing spend with a direct driver of positive sentiment in the market and an associated return on investment. PwC's *'Marketing Diagnostic Framework'* is an effective approach to score insurers' current state maturity against what is seen across markets and across different sectors as good practice in order to increase return on spend, and ultimately a return both commercially and reputationally. The assessment covers all key components of marketing communication set-up from investment levels, media channel splits, messaging alignment, the application of audiences, the application of data and insight, current marketing technology use as well as how well organised businesses are regarding the commitment of people and processes.

05

Governance

In response to escalating regulatory oversight and a rising tide of consumer expectations for ethical conduct according to the principle of 'do no harm', DataEQ has initiated the development of a Governance Solution. Consumers are more proactive than ever in demanding responsible corporate actions and equitable treatment. They are increasingly utilising social media platforms to discuss governance concerns.

While currently in pilot phase, this report includes an analysis through the lens of Environmental, Social and Governance (ESG) considerations. When analysing ESG risk factors alongside the Treating Customers Fairly (TCF) Outcomes framework, financial services companies can obtain a comprehensive view of their governance performance on social media.

RISK

TREATING CUSTOMERS FAIRLY

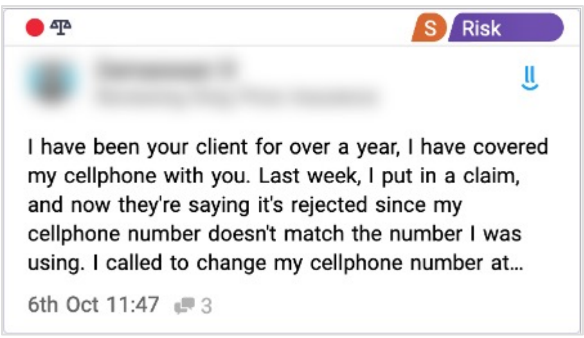
ENVIRONMENTAL, SOCIAL, GOVERNANCE

Increasing risk across the insurance industry raises concerns about market conduct, social responsibility and governance.

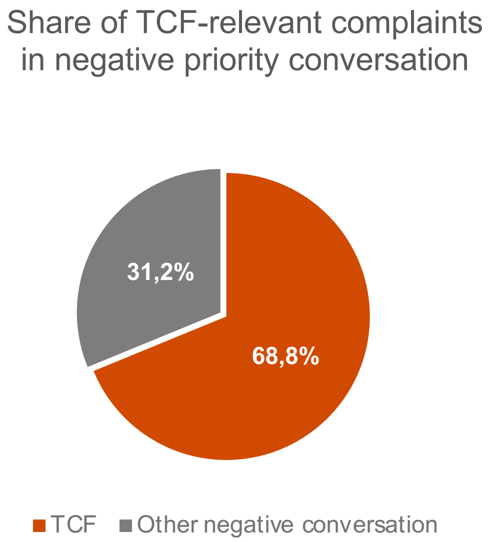
In the latest reporting period, the industry saw a notable uptick in conversations concerning risk. Around 22.9% of the overall industry conversation included at least one risk driver, a proportion higher than in previous years. Seven insurers reported risk levels beneath the 22.9% aggregate, while eight exceeded it.

Leading the list of risk factors were accusations of unethical behaviour at 48.5%, the primary risk driver for every insurer, followed by claims at 39.7%. Claims played a major role in these accusations, largely driven by customers' frustrations about claim rejection and payout delays. Some clients accused insurers of running scams, purposely delaying payouts or finding loopholes to avoid them altogether.

Other risk factors included downtime (4.1%), discrimination (2.8%) and threats of legal/regulatory action (1.8%), and raids by the competition commission (1.6%).

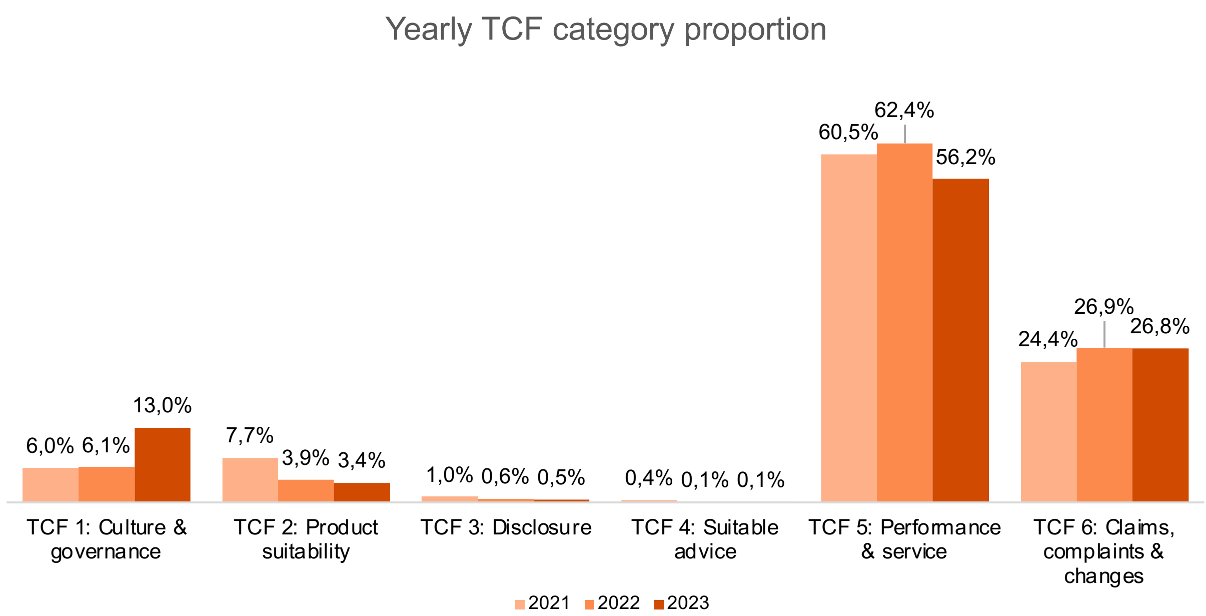


Almost 70% of complaints pointed to TCF infringements



TCF Outcomes	Outcome definition
Outcome 1: Culture & governance	Customers can be confident they are dealing with firms where TCF is central to the corporate culture
Outcome 2: Product suitability	Products & services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly
Outcome 3: Disclosure	Customers are provided with clear information and kept appropriately informed before, during and after point of sale
Outcome 4: Suitable advice	Where advice is given, it is suitable and takes account of customer circumstance
Outcome 5: Performance & service	Products perform as firms have led customers to expect, and service is of an acceptable standard and as they have been led to expect
Outcome 6: Claims, complaints & changes	Customers do not face unreasonable post-sale barriers imposed by firms to change products, switch providers, submit a claim or make a complaint

Product performance and claims were the primary concerns, resulting in mounting unease around culture and governance



TCF 5 encompasses both customer service and the performance of financial products. In light of the frustration consumers have with the claims process and customer service, it becomes evident that products are not performing up to the expectations of the consumers who purchased them. This raises questions about potential expectation gaps between what is marketed to consumers and what is actually delivered. These discrepancies have also increased the level of discussion about the core values of insurance companies and whether they value profit over their duty to consumers.

In addition to the above, reports of ongoing debits from cancelled accounts and uninvited calls marketing insurance products drove further concern around the culture and governance of some insurance entities. Collectively, these grievances cast the industry in a light that prioritises sales and profit generation over delivering quality service, indicating an inclination towards acquiring new customers rather than satisfying existing ones.

ESG is becoming a focal point for financial service providers

Environmental impact | **Social responsibility** | **Governance**

ESG considerations have risen in prominence for financial service providers. Key among them is the prospect of enhanced financial performance, closely tied to a firm's ability to demonstrate long-term sustainability.

In this index, ESG-related topics comprised 15.8% of all Net Sentiment-bearing conversations in the insurance industry. Social issues took precedence with 71.5% of mentions tagged with this topic, followed by governance at 52.5%, while environmental factors received minimal attention of 0.5%.

15.8%

Was the industry ESG proportion of conversation

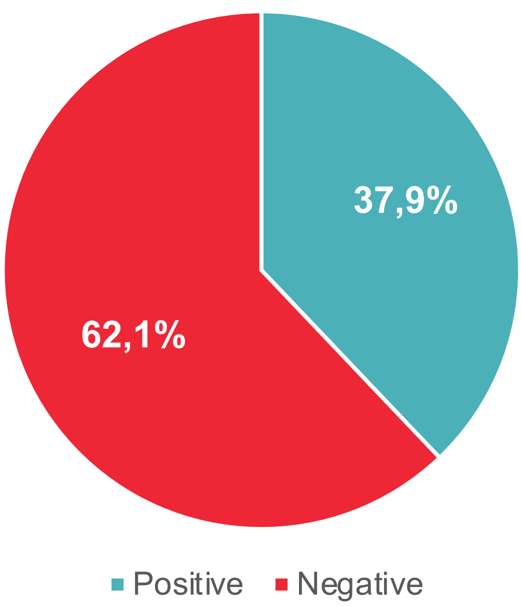
ESG commentary split:

Social: 71.5%

Governance: 52.5%

Environmental: 0.5%

ESG industry sentiment



Source: DataEQ

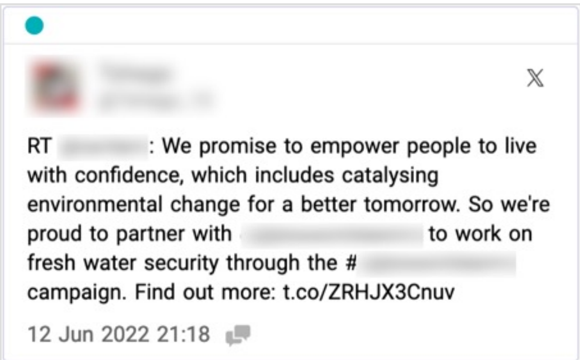
With 37.9% positive and 62.1% negative Net Sentiment, it's clear that the industry experiences a mixed reception on ESG matters. Social issues emerged as a significant driver for negative sentiment, particularly focusing on vaccine mandates and policies set forth by insurers.

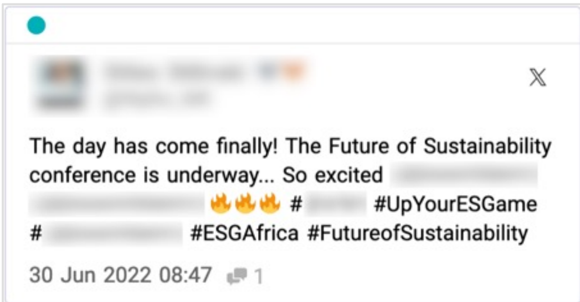
Some people expressed reservations about insurers' measures to mandate vaccines for their employees. This led to heightened social media activity, with some consumers threatening to cancel policies and urging a collective boycott of these companies. Interestingly, the opposition wasn't solely from those sceptical of the vaccine's necessity or safety; it also came from individuals who were pro-vaccine but considered these mandates an abuse of power, especially when employees who refused to get the vaccine were let go.

Positive ESG topics

Environmental campaigns, conferences and sponsorships make the future look brighter

Old Mutual and Sanlam drew praise from proactive sustainability initiatives. Old Mutual's Future of Sustainability Summit represented an effort to bring key stakeholders together to discuss and strategise for a more sustainable future. Meanwhile, Sanlam's collaboration with WWF South Africa on the #JourneyOfWater campaign showed a commitment to environmental concerns, engaging the public on water conservation issues.





Community social investment (CSI) and donations put promises into action

Some insurers contributed valuable resources to civic projects. Santam's donation of firefighting equipment and climate risk mitigation tools to eThekwini municipality helped bolster the community's resilience against natural disasters. Similarly, Auto & General's donation of rakes, spades and saws for the Hennops River Revival Cleanup indicated a commitment to environmental sustainability at the local level.

[redacted]

RT [redacted]: Huge gratitude to [redacted] for the donation of rakes, spades and saws for our #worldcleanupday2022 volunteer River Cleanup and our continuous #Cleanup team action! We truly appreciate your support! Join the #riverlution [redacted] t.co/74wtXhXADZ

15 Sep 2022 21:44

[redacted]

RT [redacted]: South African insurer [redacted] says it'll help the eThekwini municipality (Durban area) with preparing for extreme weather events (floods, droughts, fires etc) as climate change advances. [redacted] has donated firefighting equipment & provided access to climate risk mitigation tools.

23rd Nov 16:14

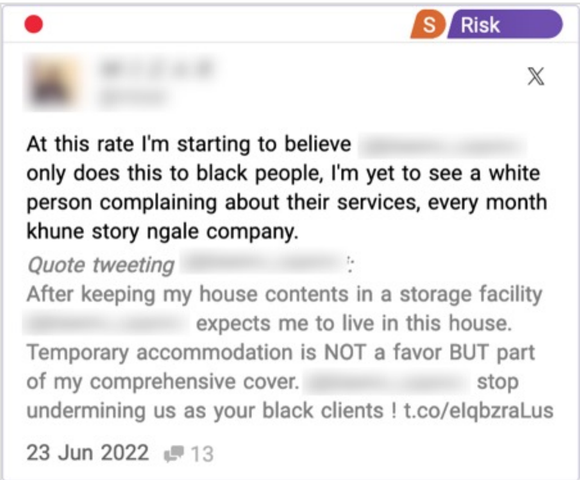
Natural disasters became opportunities to give support and enhance reputation

The core business of insurance—risk management—also factored into ESG considerations. Companies were not just paying out claims in times of natural disasters but also extending offers to cover these eventualities, aligning their business model more closely with societal needs.

Negative ESG topics

Accusations of corruption, scams, and dishonesty sour public perception

There have been damaging accusations against some insurance companies for being dishonest and implementing unethical practices. Clients raised serious concerns about the insurance industry's ethics, often referring to insurers as dishonest or exploitative. This sentiment was particularly acute in conversations about delayed or denied claims, as well as fraudulent accounts and continuous unsolicited contact. These actions not only erode customer trust but also indicate poor governance practices. Competition Commission raids raised concerns about potential anti-competitive behaviour, further exacerbating public distrust of the industry.

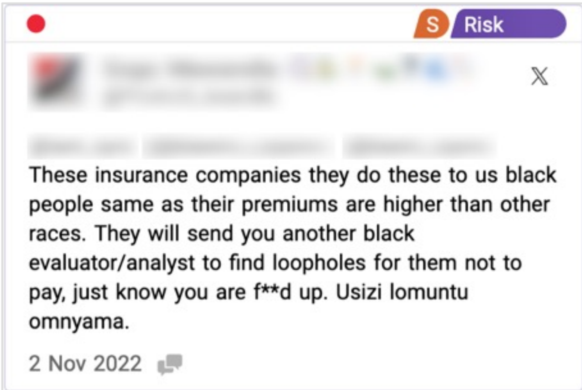

S Risk

At this rate I'm starting to believe only does this to black people, I'm yet to see a white person complaining about their services, every month khune story ngale company.

Quote tweeting :

After keeping my house contents in a storage facility expects me to live in this house. Temporary accommodation is NOT a favor BUT part of my comprehensive cover. stop undermining us as your black clients ! t.co/elqbzraLus

23 Jun 2022 13

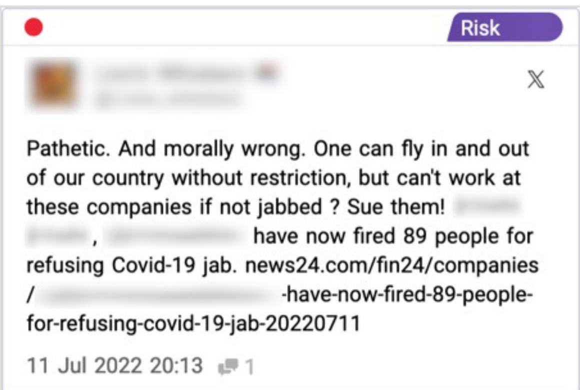

S Risk

These insurance companies they do these to us black people same as their premiums are higher than other races. They will send you another black evaluator/analyst to find loopholes for them not to pay, just know you are f**d up. Usizi lomuntu omnyama.

2 Nov 2022

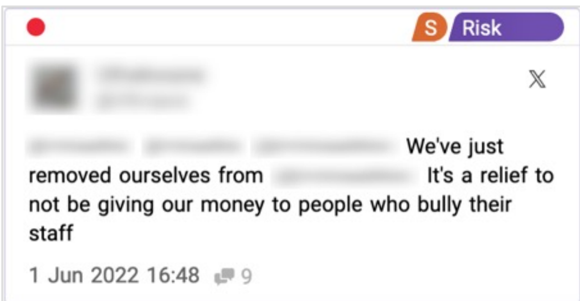
Staff treatment highlights South Africans' care for their people

Ethics in business practices, particularly regarding the treatment of staff and clients, emerged as a salient theme in Net Sentiment-bearing ESG conversations. While mandatory vaccination policies may be seen as a public health necessity, they have generated dissent on social media. There were also accusations of racist staff, unlawful labour practices, and unfair dismissals. These situations suggest that South Africans are increasingly vigilant about negative effects of corporate conduct on staff.


Risk

Pathetic. And morally wrong. One can fly in and out of our country without restriction, but can't work at these companies if not jabbed ? Sue them! , have now fired 89 people for refusing Covid-19 jab. news24.com/fin24/companies / -have-now-fired-89-people-for-refusing-covid-19-jab-20220711

11 Jul 2022 20:13 1


S Risk

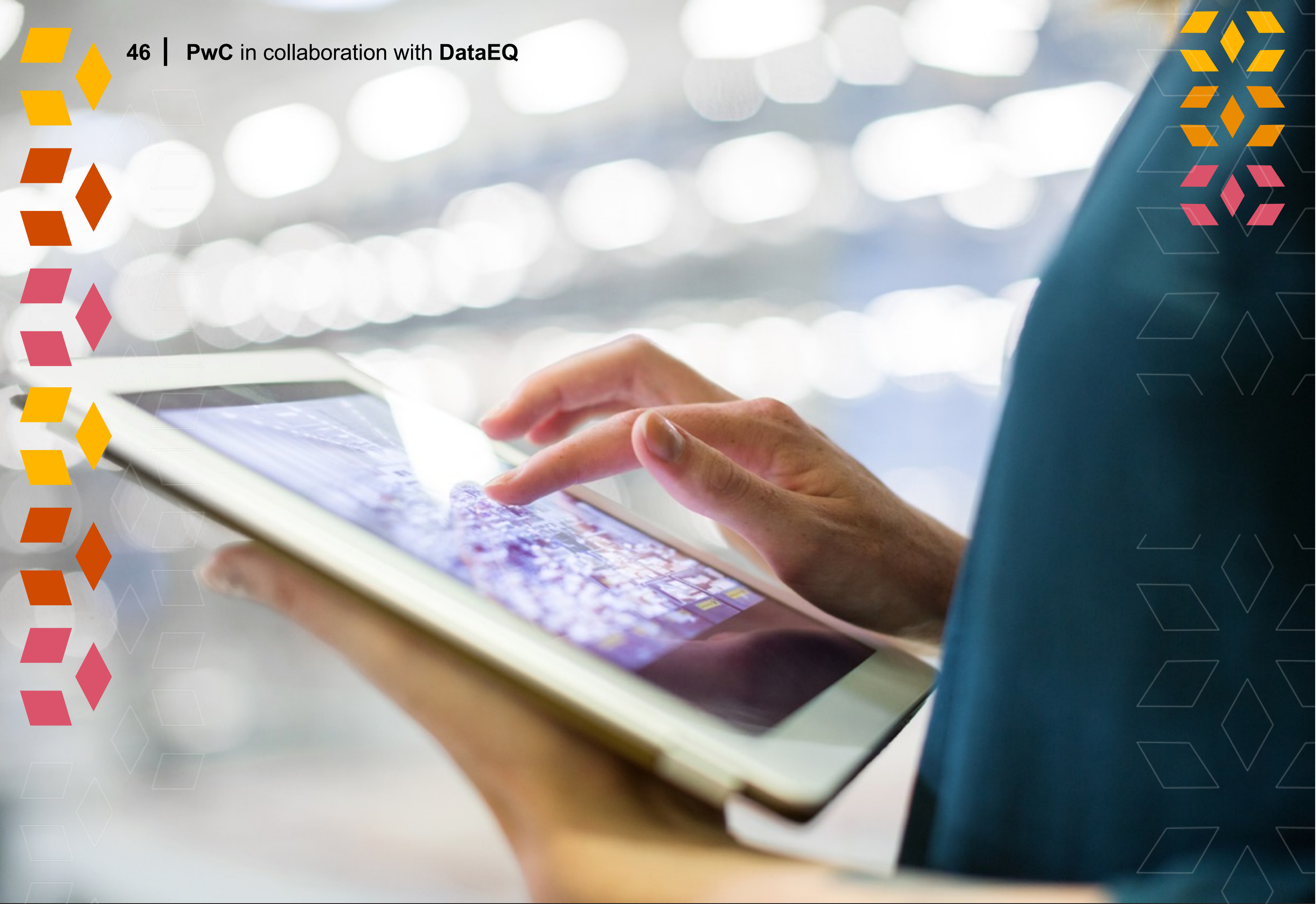
We've just removed ourselves from It's a relief to not be giving our money to people who bully their staff

1 Jun 2022 16:48 9

PwC Future Watch:

The risk to insurers from climate change is now seen as one of the most urgent facing the global industry. Combined with local macroeconomic pressure, South African insurers will remain under pressure to provide value to consumers whilst balancing their responsibility to drive initiatives that positively impact our communities.

With the consumer of today looking to align themselves with brands that share the same values as them when it comes to sustainability, ESG is vital to continuing relevance. This is about more than just meeting reporting requirements and maintaining a positive brand perception. It extends to helping clients and society mitigate - even prevent - natural and human catastrophes, cybercrime and other loss incidents, thereby reducing claims, increasing profitability and enabling viability for the future of the industry and consumers as a whole.



06

Conclusion

The way forward

> The recent natural disasters in South Africa further enforce PwC's Banana Skins survey, outlining climate change as a one of the most urgent risks facing the industry as the growing claims become more prevalent. Priority will need to be placed on assessing these risks accurately, pricing policies accordingly and managing claims to reduce the financial, social and regulatory implications.
>
> *Riaan Singh*
> **PwC**

The South African insurance industry is once again proving to be a multifaceted and dynamic landscape of consumer sentiment. The volume of insurance conversation has grown on social media in the last year, with customers readily voicing their opinions and experiences with brands. This provides a valuable opportunity not only for insurers to better understand their consumers and identify areas of concern in order to improve their services and communication, but to also better service them in their channel of choice.

While there is room for improvement in several areas, the insights gleaned after analysing half a million mentions show that there is much for insurers to be optimistic about – from outpacing other FSP industries in terms of Net Sentiment, to the growing use and positivity seen on Hellopeter, and the beneficial impact of value-added services.

By focusing on the key areas unpacked in the report, insurers can optimise their operations and pave the way towards a more resilient, responsive, and profitable future.

Contact

Riaan Singh

South Africa Customer Transformation Leader
PwC
riaan.singh@pwc.com

Courtney Milne

Manager: Experience, Data Insights & Technology
PwC
courtney.milne@pwc.com

Melanie Malherbe

Managing Director
DataEQ
melanie.malherbe@dataeq.com

Liska Kloppers

Insurance Lead
DataEQ
liska.kloppers@dataeq.com

Lisa Tuch

Lead Analyst
DataEQ
lisa.tuch@dataeq.com

pwc

www.pwc.com/za

DataEQ

www.dataeq.com

07

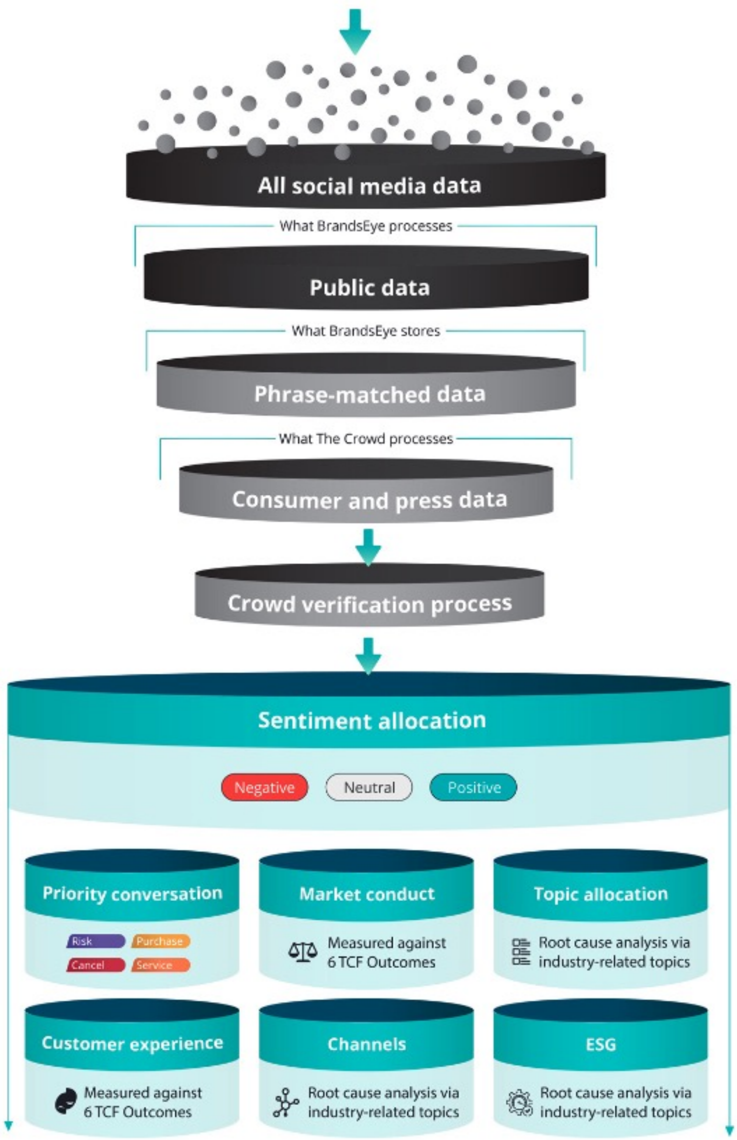
Methodology

Data collection

A total of 532 915 mentions were collected for the period of 1 April 2022 to 31 March 2023. These posts were retrieved from public data sources such as X (formerly known as Twitter), Hellopeter, Instagram and other online sources. Facebook was not included as a data source this year due to data tracking limitations caused by unverified social profiles.

A sample of 117 983 of these mentions was sent for screening to remove mentions relating to banking, investments and medical aid.

Data funnel



Source: DataEQ

Sample sentiment for verification

Once cleaned, a sample of 94 904 mentions were sent through DataEQ's Crowd for verification. This resulted in an overall sampling sentiment Margin of Error (MOE) of **0.3%** at a **95%** confidence interval.

Data sampling

	Population	Sample sent for pre-screening	Final sample	MoE
1Life Insurance	37 423	8 579	8 548	0.8%
1st For Women	12 420	6 244	5 173	1.0%
Auto & General	8 473	5 674	4 017	0.9%
Budget Insurance	23 890	7 886	6 900	1.0%
Dialdirect	41 097	8 504	8 182	0.8%
Discovery	20 2707	15 661	9 679	1.0%
Hollard	7 727	4 778	4 292	1.0%
King Price	2 3847	7 746	5 563	0.7%
Liberty	5 178	3 624	2 730	1.3%
MiWay	4 6595	8 920	6 047	0.6%
Momentum	39 732	10 003	8 113	0.6%
Old Mutual	43 248	9 300	7 329	1.0%
OUTsurance	14 832	6 440	6 107	1.0%
Sanlam	27 856	9 543	7 712	0.8%
Santam	8 616	5 081	4 557	1.0%
Total	532 915	117 983	94 904	0.3%

Topics methodology

Insurance topics

Source: DataEQ

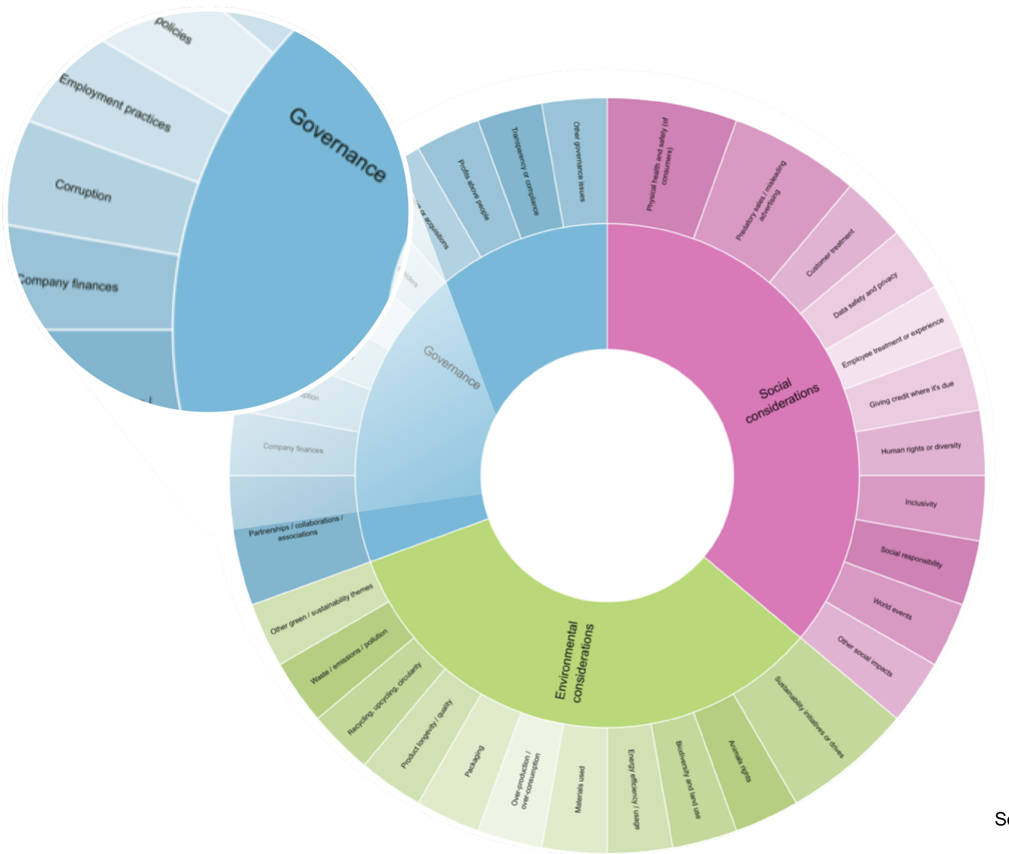
Topic analysis enables a granular understanding of the specific themes driving consumer sentiment.

A sample of 48 126 sentiment-bearing (i.e. positive and negative only) mentions were sent to the DataEQ Crowd for topic assignment.

For the insurance industry, DataEQ has ten major topics encompassing 90 predefined sub-topics to help understand the drivers behind sentiment.
The major topic themes are Account admin, Claims process, Customer service, Digital experience, Physical facilities, Pricing or fees, Reputation, Shorter-term insurance, and Longer-term insurance.

Mentions can be assigned more than one topic, enabling detailed analysis of issues influencing consumer sentiment. This means that totals on topic analysis graphs can exceed 100%.

ESG topics



Source: DataEQ

Market conduct methodology

A random sample of negative conversation was verified by the DataEQ Crowd to surface market conduct complaints. These complaints were segmented according to the six outcomes of the TCF regulatory framework which governs the financial services industry and which, for this report, was adapted to the insurance industry. In order to segment the complaints into the six TCF outcomes, a total of eleven possible labels were applied to the data.

TCF Outcomes

	Outcome definition	Label	Label definition
Outcome 1: Culture & governance	Customers can be confident they are dealing with firms where TCF is central to the corporate culture	1a TCF perception	Customer feels they have been treated fairly/unfairly by the brand
Outcome 2: Product suitability	Products & services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly	2a Product design	The design of a product or related service, especially whether it fits the need of the customer
Outcome 3: Disclosure	Customers are provided with clear information and kept appropriately informed before, during and after point of sale	3a Information provided	Information provided e.g. through documentation for products or services (not advertising)
		3b Advertising	Information provided e.g. through advertising of products or services – is it clear, accurate and complete?
Outcome 4: Suitable advice	Where advice is given, it is suitable and takes account of customer circumstance	4a Advice	Advice given during the process of buying or changing a product
Outcome 5: Performance & service	Products perform as firms have led customers to expect, and service is of an acceptable standard and as they have been led to expect	5a Product performance	Product performance – is the financial product doing what the customer expected?
		5b Customer service	Feedback on customer service e.g. how the brand delas with queries and resolves issues
		5c Channel performance	The quality/availability of self-service channels such as mobile app, website etc.
Outcome 6: Claims, complaints & changes	Customers do not face unreasonable post-sale barriers imposed by firms to change products, switch providers, submit a claim or make a complaint	6a Accessibility and claims	The experience of trying to access funds or make a claim
		6b Complaint handling	Feedback on how a complaint was handled by the brand
		6c Switching	Feedback on the process of cancelling or switching between products or providers

www.pwc.com/za
www.dataeq.com

Thank you

pwc

In collaboration with

DataEQ