

AI ENABLES ACCURATE CUSTOMER INSIGHTS FOR SWISS HEALTH INSURER

Capgemini Invent supports a Swiss health insurance provider in developing and scaling an AI model to support customer lifetime value analysis and targeting

The need for data-driven insurance policy

The client, a Swiss insurance company, specializes in health insurance with a widespread network of locations throughout Switzerland. These offices serve a broad customer base with various types of policy models. As is typical for the insurance industry, the business' organization benefits from insights about its customers so that insurance policies can be adjusted in the most efficient way.

The health insurer faced the challenge of improving its operational decision process around customer targeting and insurance policy management. The organization had access to extensive customer data but had no company-wide and consistent definition of customer value or a corresponding analytical engine. Operational decisions were mainly based on calculations using quantitative factors like past revenue and expense figures, which failed to predict future potential by factoring in additional qualitative factors. Based on these particular challenges, Capgemini Invent proposed the application of AI technology to standardize the process.

Lifetime value analysis informs customer targeting

The project team began by creating a concept and common understanding of customer lifetime value, meaning the total amount a customer will spend during their entire relationship with a company. A range of quantitative and qualitative data was taken into consideration, including customer age, gender, place of residence, past service and product usage, and customer satisfaction. Following this, the project team developed an AI model capable of assessing customer lifetime value based on these personal factors.

Overview

Client: Swiss health insurance provider

Industry: Insurance

Location: Switzerland

Client Challenges:

Growing need for customer lifetime value transparency to improve customer targeting

Solution:

Capgemini Invent developed an AI model of customer lifetime value, based on current qualitative and quantitative data. The model was integrated into the client's systems and operations at scale

Results (Benefits):

- Optimized customer targeting directly boosts revenue
- Increased customer satisfaction and lifetime value
- Identification of potential gain in efficiency for further AI-driven operations at scale



Capgemini Invent subsequently supported the end-to-end integration of the AI model into operational backend systems as well as customized user frontends for an automated calculation and presentation of customer lifetime value. In order to implement this process into the organization at scale and make it sustainable, Capgemini Invent also supported the client with best practice trainings and change management initiatives.

The result was a holistic past and future-oriented customer value analysis model with the following benefits:

- Higher revenue from insurance premiums through improved customer targeting
- Increased transparency in all areas of customer analysis and customer contact
- Improved customer satisfaction thanks to personalized product offerings
- Optimized customer retention rate resulted in higher lifetime value per customer
- AI transformation for further business areas.

This project was a successful initial introduction of AI technology within the insurer's processes and has lowered the entry barrier for further use cases throughout the company. Building on the business value gained in the initial project, Capgemini Invent supported the organization in identifying additional use cases that could be powered by AI, such as upselling campaigns and complaint management. One example of the further scaled AI solutions currently in development is a recommendation engine for selecting the most suitable hospital for a patient's treatment. Following the promising initial results, the health insurer and Capgemini will continue to explore further opportunities for leveraging AI technology.

The Collaborative Approach:

To ensure an efficient collaboration with the business as well as a functioning end product, Capgemini Invent applied several methods from the **"Scaling AI toolbox,"** part of its **AI offerings**, including:

- Agile workflow and incremental solution development including frequent feedback loops and A/B testing
- Integrative approach including all relevant stakeholders from business, IT and management to ensure buy-in
- Open communication culture supported by mockups and other advanced visualization tools
- Integration of AI results into existing frontends together with parallel change management and knowledge transfer

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Contact

For more information on this project, please contact:

Dr Sebastian Olbrich
sebastian.olbrich@capgemini.com