

# ARE INSURERS REALLY EMBRACING SOCIAL MEDIA?

SOCIAL MEDIA USE AMONG LATIN AMERICAN INSURERS

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# EXECUTIVE SUMMARY

## KEY RESEARCH QUESTIONS

<b>1</b> <i>What are the key benefits of the use of social media?</i>	<b>2</b> <i>What is the current status of the use of social media for Latin American insurers?</i>	<b>3</b> <i>Are insurers investing in social media?</i>
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When applied to business, social media can be very helpful in areas such as consumer experience, sales, sales campaigns, claims, product research, or simply communication to specific groups. It is also related to mobile and web applications, the most popular of which are Facebook, Twitter, YouTube, and Instagram.

Social media is changing the way consumers and companies interact; well managed, it could also change how companies understand their market. Consumers understand that they are interacting with a real person who answers as though they are listening. More importantly, consumers find social media to be a direct, better, and faster way to communicate.

In this report, Celent explores the current state of social media in Latin America and gives an overview of social media use by Latin American insurers. The report also provides insight into social media penetration, trends, and priorities for the insurance industry. The insurance companies we reviewed are located in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Peru, Uruguay, and Venezuela.

Insurers have a great opportunity to exploit some of social media's advantages to integrate various internal processes like underwriting, claims, recruiting, product management, consumer service, marketing, and sales. Moreover, social media also provides insurers a direct link to a large and more responsive audience for different purposes.

The number of social media users increases every minute, including those following different actors from the insurance industry. It is growing increasingly popular, and both followers and insurers are in the game. Our research shows that most insurers use at least one type of social media to communicate with customers and prospects.

The increasing use of mobile devices and social networks in many countries in the region, which even outpaces usage in more developed countries, is creating a different type of consumer as well as a different market to find them. Insurers are reacting to this with a variety of initiatives around the use of mobile devices, social networks, and the Internet. The reaction is currently tepid, but we expect it to be sustained and perfected in the following years.

# INTRODUCTION

## KEY RESEARCH QUESTIONS

<b>1</b> <i>What are the key benefits of the use of social media?</i>	<b>2</b> <i>What is the current status of the use of social media for Latin American insurers?</i>	<b>3</b> <i>Are insurers investing in social media?</i>
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In terms of interaction, social media is becoming as important and established as email has been since the early 1990s. While the introduction of social media was focused on personal use, companies have jumped in, attracted by the potential to reach consumers digitally and directly.

The Merriam-Webster dictionary defines social media as "forms of electronic communication (such as Web sites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (such as videos)."

In practice, social media can be applied to business in areas such as consumer experience, sales, sales campaigns, claims, product research, or simply communication to specific group using sites and apps such as Facebook, Twitter, YouTube, and Instagram—to mention only the most popular ones. Indeed, the proliferation of social media and communication channels poses an interesting challenge for insurers, who must be on top of them, determine which ones best fit their strategy, and manage communication through all of them.

Can you imagine an insurer nowadays without a social media presence? Whether they see it as a necessity to monitor what is being said or part of a well-designed plan to help achieve growth and increase customer satisfaction, insurers are definitely surfing this wave.

Social media is changing the way consumers and companies interact; well managed, it could change how companies understand their market. Consumers understand that they are interacting with a real person who can provide answers as though they are listening. More importantly, social media provides consumers with a direct, better, and faster way to communicate.

The insurance industry in Latin America serves about 20 million people. The impact of well used social media could be enormous from the perspective of communication alone. In terms of sales, micro-focused strategies (directed to niches in the market) is just one example of social media's potential. Even more significant is the fact that people generate vast quantities of data in social media that could have great value to different aspects of insurance (i.e., customer service, underwriting, product management).

There are good examples that demonstrate the potential reach of social media in insurance. In the United States, Esurance's Twitter account ([@esurance](#)) counted more than 108,000 followers at the end of September 2015; Progressive's Twitter account ([@Progressive](#)) has more than 41,000 followers and Flo (the famous character from Progressive's advertisements) ([@ItsFlo](#)) has more than 36,000 followers. State Farm, a multiline insurer, has more than 73,000 Twitter followers ([@StateFarm](#)); more interestingly, its Facebook page has around 1.7 million followers.

These insurers use social media by engaging with customers every day, in a ways that customers want to interact with the company. That is, they do not simply use social media as another unidirectional advertising channel.

In this report, Celent explores the use of social media by the top 10 Latin American insurers from a selection of countries in the region: Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Panama, Peru, Uruguay, and Venezuela. The report discusses social media use among the top 10 insurers in these countries, including the main trends and priorities. Celent's goal is to demonstrate the case for embracing social media in a meaningful way, just as insurers in other regions are doing.

## METHODOLOGY

In gathering the data on social media in Latin America, we used the following methodology.

- We selected the top 10 countries in the region, based on the size of the P&C market measured by direct written premium (DWP).

Table 1: Countries Considered in This Report

COUNTRY	DWP (USD MILLIONS)
BRAZIL	\$27,251
VENEZUELA	\$12,588
ARGENTINA	\$10,839
MEXICO	\$9,496
COLOMBIA	\$4,551
CHILE	\$3,535
ECUADOR	\$1,812
PERU	\$1,630
URUGUAY	\$918
PANAMA	\$791

Source: Celent

- For each country, we examined websites of the top ten P&C insurers and searched for their names in social media. A total of 98 insurers were included in the research.
- We limited our analysis to the most popular social media outlets:
  - Facebook
  - Twitter
  - LinkedIn
  - Google+
  - YouTube

The study does not include social media analysis for insurers beyond the top 10, though the findings are consistent with our market observation and interactions with main stakeholders. Overall, we believe that this analysis provides a good understanding of the use of social media among Latin American insurers.

## SOCIAL MEDIA

Early social networks offered a way to get back in touch with people. Examples include classmates.com in 1995 and sixdegrees.com in 1997, as a more general service. Today, social networks are a growing source of innovation that allow companies to measure public opinion and find, engage with, and increase their consumer base.

A social network is typically defined as a group of individuals and organizations that are linked to each other in some meaningful way. A social network service is a system that enables a social network to interact, although the term “social network” has become synonymous with social network services.

Most social networking sites offer their services for free. The business model centers on allowing third parties to pay for targeted advertising to consumers of the social networking websites. This is what makes them so relevant to digital marketing and insurers.

Another intrinsic characteristic of social media is the expectation of an immediate and personalized response, avoiding the hassle of dealing with an IVR in a call center that offers only standardized pre-defined options. It is not unusual for consumers to get lost among the options that the IVR offers in a call center and become frustrated by the experience. If they are lucky, they may finally be able to talk to a real person.

The time Latin Americans spend on social networks is growing exponentially along with the user base. More smartphones, tablets, and computers are available to the public at even more affordable prices. Apple Inc. reported a 15% increase in sales in the Americas for Q2 2015 and a 19% increase in Europe. Global sales of iPhones soared 59% compared to June 2014. Along with Apple, manufacturers such as Samsung, Huawei, and Xiaomi are seeing great success. The use of social networks through mobile devices is in the rise, especially as these networks make apps available.

Use of social networks will only increase as communications and the Internet become available in regions and areas where they can affect people's lives.

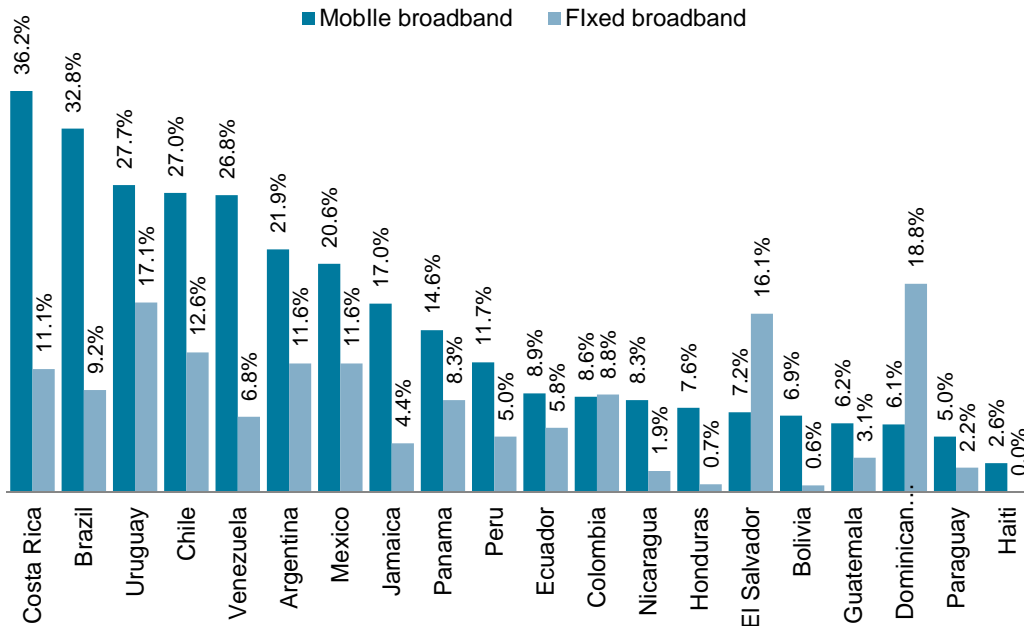
Google is undertaking its balloon-powered Internet project to bring wireless Internet to rural and remote areas. The pilot project began in 2013 and took place in cities in New Zealand, the United States (California), and Brazil. Facebook is proposing to create about 11,000 drones to bring Internet connectivity to Africa.

Telecommunication companies also play an important role in the use of the Internet. Infrastructure and coverage are constantly improved to offer better data 3G, 4G, and LTE (Long Term Evolution) plans to consumers, making the Internet and social media ubiquitous and providing a faster and more enjoyable experience.

People access the Internet through mobile broadband and fixed broadband. Mobile broadband allows people to connect anywhere they go using SIM (Subscriber Identity Module) cards, and people use fixed broadband when they connect their devices to the Internet from lines in their homes or workplaces.

While fixed broadband was the only way to access the Internet at the beginning (remember dial-up connections?), today mobile has surpassed it in most countries in Latin America. See Figure 1 for a per country comparison between mobile and fixed broadband.

Figure 1: Fixed Vs. Mobile Broadband Penetration 2012



Source: GSMA Intelligence; Telegeography

Overall, the penetration rate of the region is 40%, considering both fixed and mobile broadband. This means, on average, there were 40 Internet users per 100 inhabitants in 2012. As more smartphones and tablets arrive in the region, this ratio is expected to grow in the following years.

The Latin American region is quite behind in terms of Internet users when compared to other regions and countries with more developed economies. For example, the United Kingdom has 84 Internet users per 100 inhabitants, just above the United States, which has 80. In the United Kingdom, 67% of adults make online purchases, and 18% acquired some type of insurance online. On the bright side, the number of Internet users in Latin America is increasing year over year and is expected to reach around 70 users per 100 inhabitants by the end of 2020. In particular, some countries like Argentina, Chile, Uruguay, and Brazil might pass 80 users.

Celent believes that the greater availability of smart devices and the ubiquity of Internet access will boost the use of social media in Latin America.

Table 2 describes the most preferred social media for insurers and followers.

Table 2: Most Preferred Social Network

SOCIAL NETWORK	DECRPTION
FACEBOOK	The famous social network founded in 2004 by Mark Zuckerberg is considered the king of the social networks, having reached 1.4 billion active users. The idea started as a network for Harvard Univesity students only and then expanded to other universities. It is now the most



used social network to keep in contact with family and friends.

#### LINKEDIN

LinkedIn, a professional network, is more oriented to people who want to be in touch with other professionals and learn about articles published by other professionals. It is also used by recruiters to attract new talent to their companies, as well as by professionals pursuing new positions in the labor market.

#### TWITTER

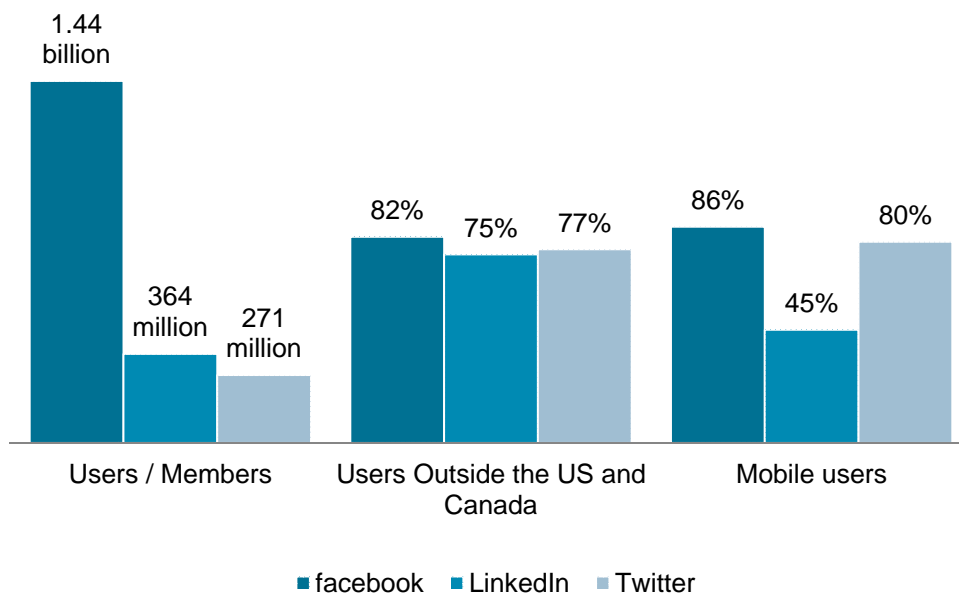
Twitter is a social network more prone to fast communication and makes people (followers) aware of important events that are happening at the very first moment. In other words, it is an effective way to reach the masses.

Source: Celent

Besides Facebook, LinkedIn, and Twitter, there are many others: Snapchat, Wechat, QQ, Instagram, and Pinterest, just to mention a few.

Globally, Facebook is by far the largest social network with more than 1 billion users. Twitter and LinkedIn have about three hundred million users each. But more important, around 75% of users of social networks are from outside the United States and Canada. Around 80% of users access the social networks through mobiles devices.

Figure 2: Social Media in the World as of Q1



Source: Data gathered by Celent from Facebook, LinkedIn, and Twitter

## THE BENEFITS OF USING SOCIAL MEDIA

In the past, insurers had to deal with the hassle of educating the population and making them aware of the benefits of getting insurance, either life or property and casualty. In those days, the insurance industry relied heavily on businesses, especially in markets like Latin America where the culture of insurance was not yet embraced by consumers and it was difficult to sell personal lines of either P&C or life and health.

The new generation of consumers is more demanding and more eager for information, and they want things as soon as possible. Social media now opens the door to a young population that was born in the social media era and has social media in its DNA. Insurers must understand this behavior and go along with it to speak the same language, even if doing so involves some informality. More importantly, insurers should understand that they need to make a connection before they make a sale, if sales ever happen. At the end of the day, if an insurer befriends a person of this new generation first, that person will know whom to call the day she or he needs insurance.

Internally, insurers have a great opportunity to exploit the advantages of social media to integrate various internal processes like underwriting, claims, recruiting, product management, consumer service, marketing, and sales. Moreover, they also have a direct link to a large and more responsive audience for different purposes. For example, by using collaborating channels in social networking, insurers could obtain feedback in order to improve services and products.

### Key Research Question

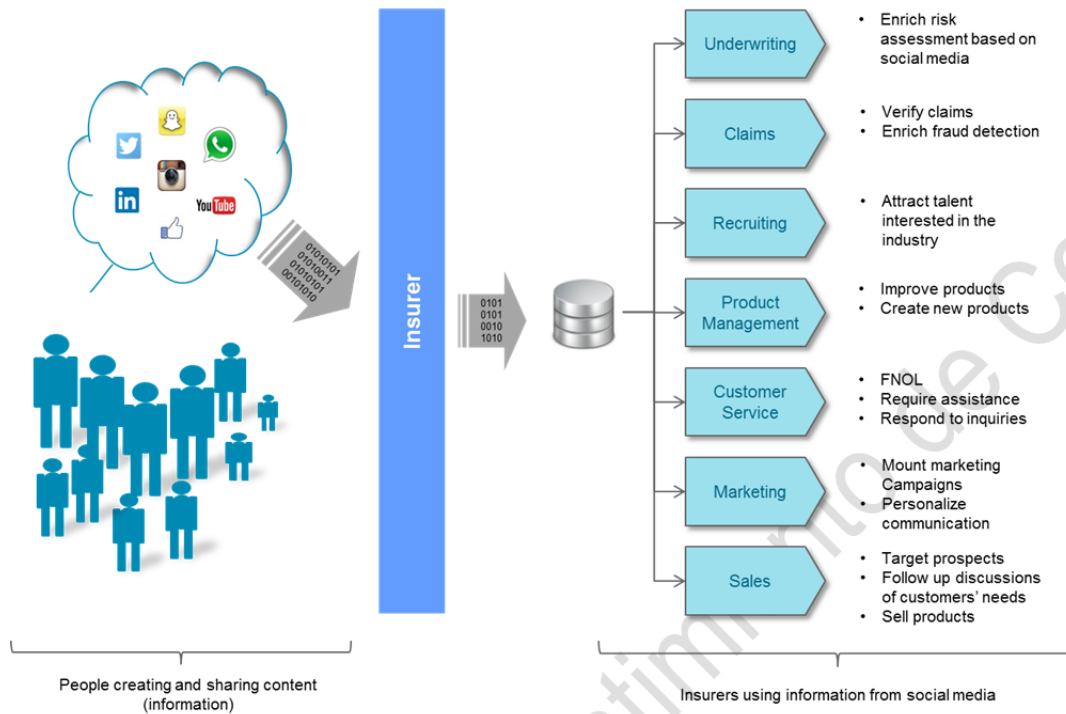
# 1

*What are the key benefits of the use of social media?*

Insurers might have a direct link to a larger and more responsive audience for different purposes: underwriting, claims, recruiting, product management, consumer service, marketing, and sales.

As Figure 3 shows, insurers can enable platforms to capture data from social media. Even though some insurers have started to collect data and interact with consumers through social media, most of these processes are usually labor intensive.

Figure 3: Benefits of Using Social



Source: Celent

Table 3 shows the potential benefits of using social media.

Table 3: Benefits of Social Media

PROCESS	BENEFIT
UNDERWRITING	Insurers could use more variables to assess risk and life style of the insured.
CLAIMS	Social media could help claims representatives and adjusters to verify life events or accidents that can lead to a fraud reduction.
RECRUITING	Recruiters can reach a massive population of candidates just by posting the offered position.
PRODUCT MANAGEMENT	Insurers can listen to large audiences and forums on different channels to understand consumer behavior so that they can correct or launch new products.
CONSUMER SERVICE	Dispatchers at the call center can assist consumers' inquiries at the speed of a click without the hassle of dialing telephone numbers.
MARKETING	Marketing departments can use social media to execute campaigns.
SALES	Sales representatives will be able to contact consumers faster and send relevant information to prospects.

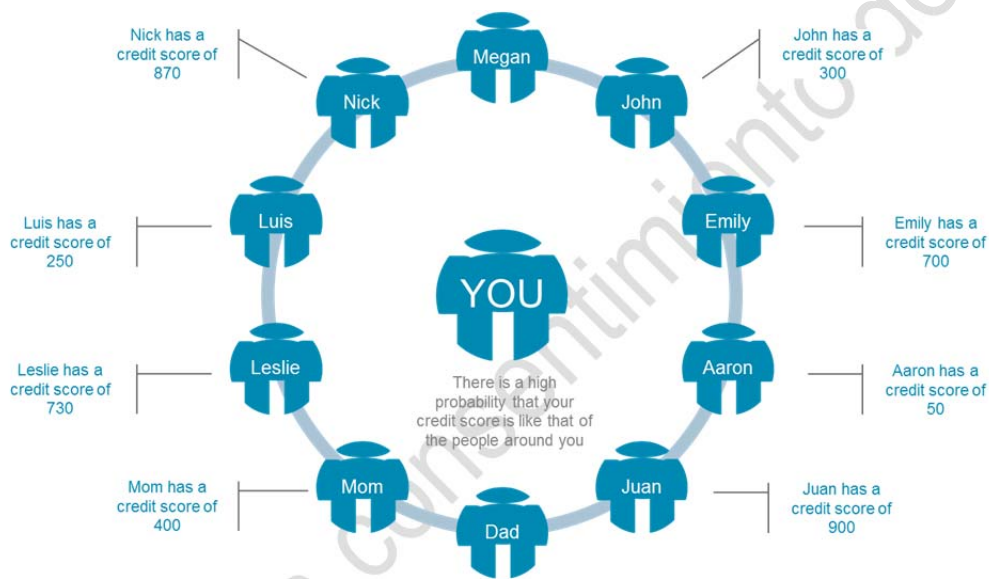
Source: Celent

## Underwriting

Key to good underwriting is understanding and accurately assessing the real risk. Social media can provide some insights into lifestyle and exposure, but it also acts as an alternative source of assessment, particularly in the absence of traditional scoring. This is the case for situations where customers have little or no commercial or credit history, as is the case with many new businesses, young customers, microfinance, and microinsurance companies.

Already some banks have taken the lead in using social media to assess risk by using algorithms to establish character and trustworthiness. If you are interested in this, you may want to read the Celent report *Making Lending Social Again: Social Credit Scoring*, November 2015.

Figure 4: Social Media Credit Score

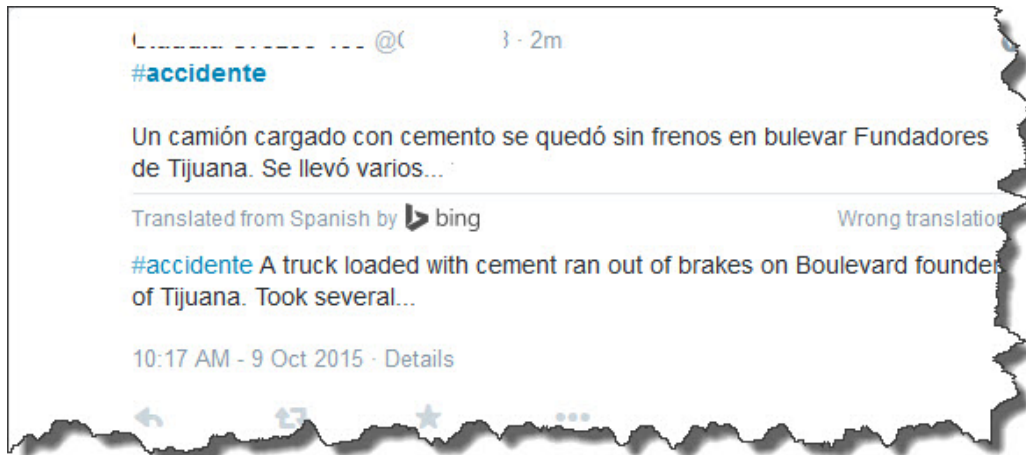


Source: Celent: Making Lending Social Again, Social Credit Score

## Claims

Social media users usually report events or pieces of information that may help other users solve problems. For example, users of GPS devices such as Waze and traffic avoidance platforms constantly report accidents on their way and shortcuts to avoid traffic jams; in some cases, they upload pictures of the event or accident. These work in the area of prevention and already some European cities are working with insurance companies and these platforms to improve traffic flow and reduce claims.

Figure 5: Example of Accident Report in Social Media



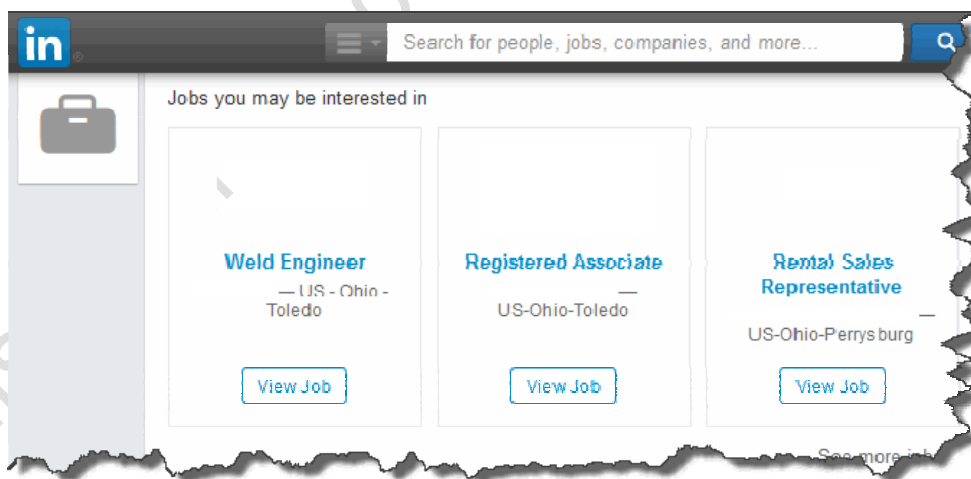
Source: Twitter

Insurers can also use the information from social media to validate the circumstances surrounding certain accidents or events in order to better understand the claim and help prevent fraud.

### Recruiting

Recruiters can reach a massive population of candidates by just posting the offered position. In this field, LinkedIn is the main platform that connects prospects and recruiters. Recruiters attract talent by posting advertisements that pop up on the users' screens.

Figure 6: Example of Recruitment through Social Media



Source: LinkedIn

Recruiters can also look at the profile and social media activity of each candidate for a comprehensive assessment.

### Product Management

Insurers can listen to large audiences and forums on different channels to understand consumer behavior so that they can correct, improve, or even launch new products. Insurers can create content (message) and share it on various social networks and invite consumers to join the group, starting a conversation about services, benefits, and products. This conversation can be monitored and can end up creating new products that consumers want to see in the market.

In the example provided in Figure 9, Pacifico Seguros launched a campaign about the benefits of a therapy dog; as a result, consumers started a discussion about the need for pet insurance.

Figure 7: Example of How insurers Can Listen to Social Media to Develop New Products



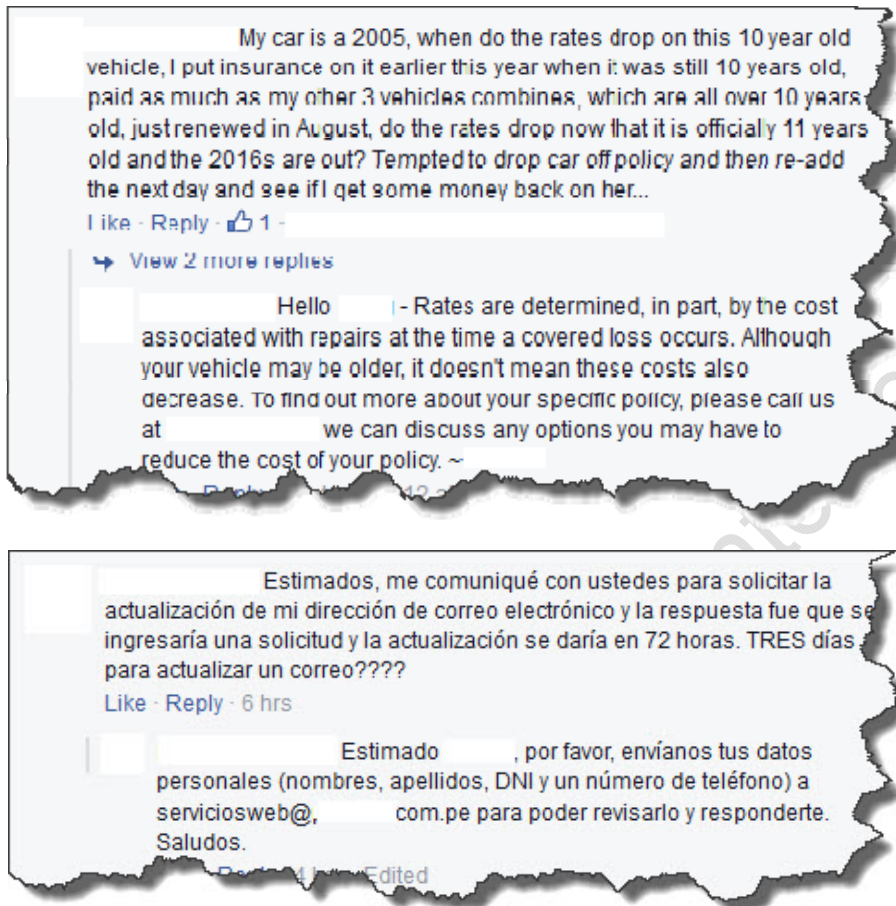
Source: Pacifico Seguros's Facebook fan page

### Customer Service

Dispatchers at the call center can address customers' inquiries. For example, 140 characters are enough for customers today to get the attention of the customer service. No more long waits on IVRs or endless queues.



Figure 8: Example of Customer Service



Source: Facebook

### Marketing

Insurers can use social media for campaigns and to promote new products by targeting specific segments of the population. For example, using a hashtag (#) about homeowner or car insurance could be a very good start for promoting this type of insurance.

Figure 9: Example of a Marketing Campaign through Social Media

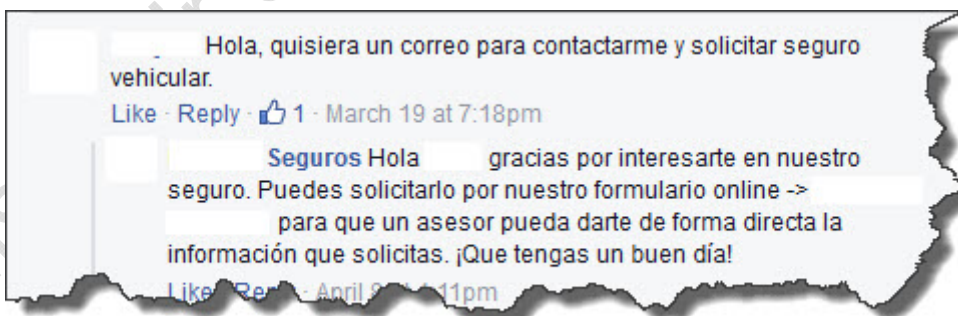


Source: Allstate insurance's Facebook fan page and La Positiva Seguros's Facebook fan page

### Sales

Insurers may increase sales by understanding each social media outlet and taking advantage of what is happening in people's lives. For example, social media users love to post important life events such as the birth of a child or the acquisition of a new home or car—things that they value and, of course, can be insured. These events can trigger conversations on the social network and the need for insurance that insurers should listen to.

Figure 10: Example of Sales through Social Media



Source: Facebook

Insurers could also use social media's money transfer capabilities. Some examples of these are Snapchat or Facebook, which now allow users to transfer money. In the near future, this capability may be used by B2C to collect premiums. Now social media has electronic wallet capability. Insurers should consider how this capability is developed as a channel for sales and collection at the speed of a click.



## THE USE OF SOCIAL MEDIA

The number of social media users increases every minute and the use of social media in the insurance industry in Latin America is becoming popular. Both followers and insurers are now in the game. Most insurers now use one type of social media to communicate with consumers or prospects in the region.

**Key  
Research  
Question**

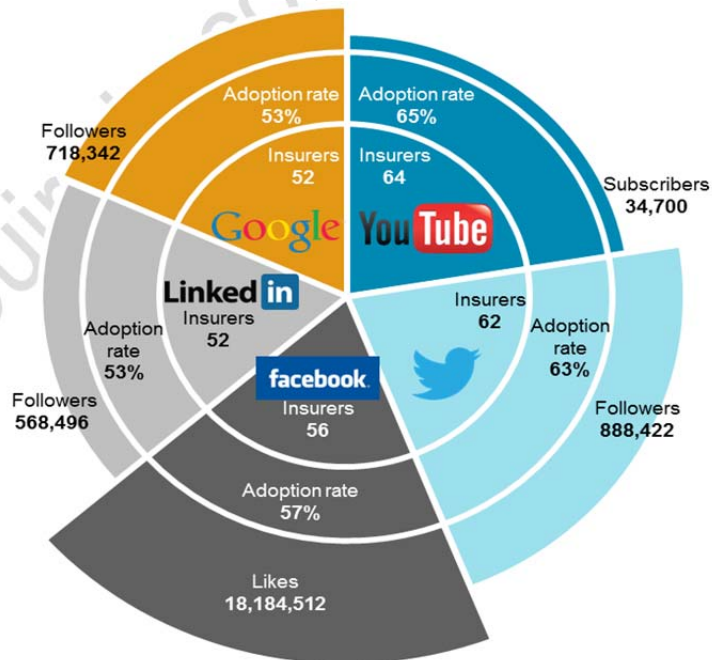
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*What is the current status of the use of social media for Latin American insurers?*

78% of the top ten insurers in Latin America now use at least one type of social media. The most popular social media outlets are Facebook, Twitter, Google+, LinkedIn, and YouTube, and there are more 20 million followers of the industry.

Seventy-eight percent of the top ten insurers in Latin America now use at least one type of social media. Yet this ratio is lower when look at the adoption rate at a particular social media; adoption rates vary from 53% to 65% per channel or network. The most popular social media sites that insurers use are Facebook, Twitter, Google+, LinkedIn, and YouTube.

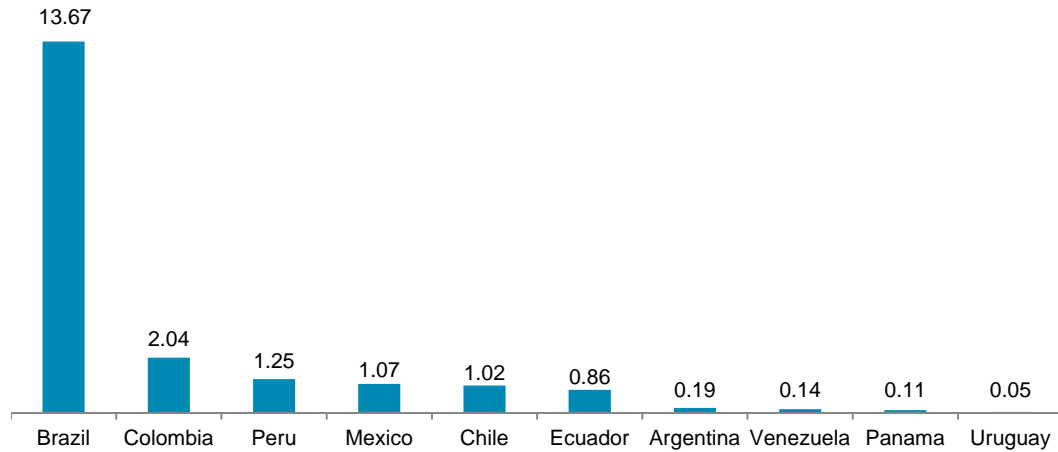
Figure 11: Adoption Rate of Social Media in Latin America



Source: Celent

In the region, more than 20 million social media users follow the insurance industry. The largest population of followers is in Brazil, which has more than 13 million users. Colombia, Peru, Mexico, and Chile have more than a million insurance social media users each.

Figure 12: Social Media Population as of 2015 by country (in millions)



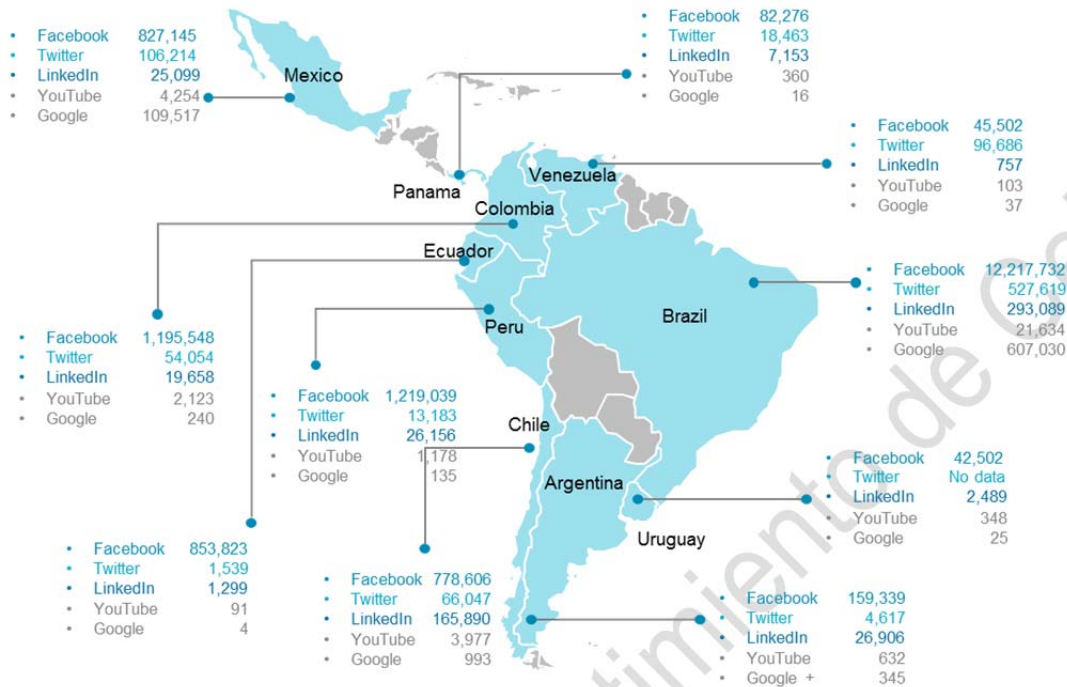
Source: Celent

There is a large population of followers for each social media outlet within a country. This population of followers varies according by country, but more importantly, this population looks for news and information about insurance whether they are policyholders or not.

Thus, insurers in these countries have a great opportunity to respond accordingly to a massive population by providing them with information, educating them, and stimulating their use of insurance. Insurers need to formulate new ways of communication and design a strategy to mount marketing campaigns to be more effective with this new and upcoming generation.

Figure 13 shows the social media population of each country by social network.

Figure 13: Market of Social Media Within Each Country



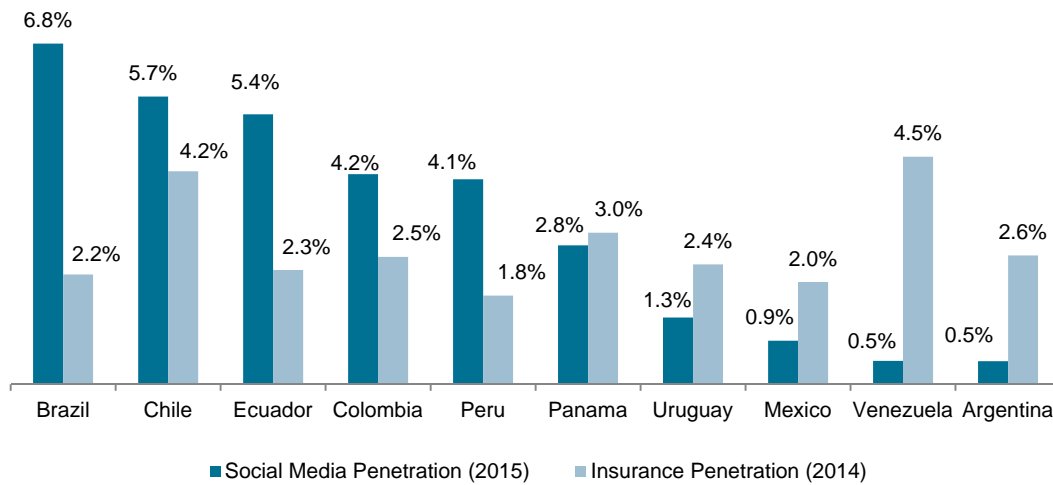
Source: Celent

In insurance, when we talk about insurance penetration, we compare the size of the population with the written direct premium (DWP); that ratio indicates the level of development of the industry. We can use the same approach to assess the penetration of social media in the insurance industry within a country to understand the level of development of the social media in the industry.

Applying this ratio to social media yields some interesting results. In Brazil, Chile, Ecuador, Colombia, and Peru, insurance seems to have developed social media strategies to reach large audiences. Social media penetration (insurance followers divided by population) is higher than the actual insurance penetration (direct written premium divided by gross domestic product).

An intensive use of social media may help increase insurance awareness among the population in the region. In the long run, where the social media penetration for insurance is high, we may possibly see an impact on the insurance penetration ratio.

Figure 14: Insurance Social Media Penetration and Insurance Penetration by Country



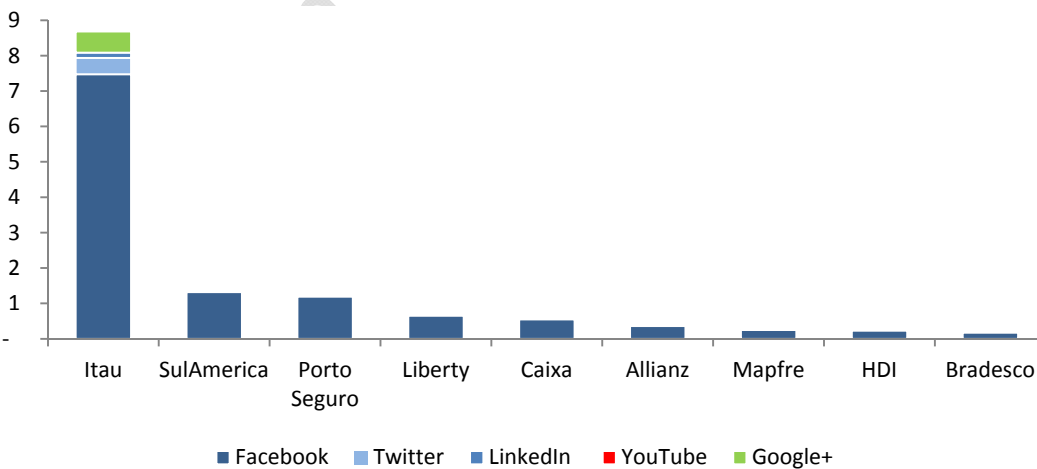
Source: Celent

## SOCIAL MEDIA MARKET SHARE BY COUNTRY (BY DWP)

### Brazil

Brazil has the largest population of social media users in the region, with around 13 million users following nine insurance companies. Itau, although it includes all financial services, has almost 9 million of followers.

Figure 15: Social Media Market Share in Brazil by Company (Millions)



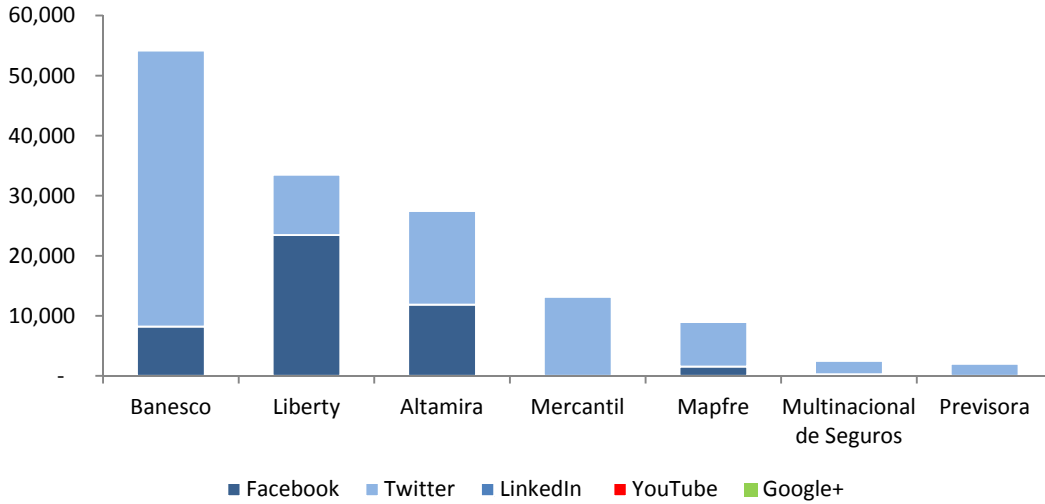
Source: Celent

### Venezuela

The total number of social media users in Venezuela is 143,000. What is interesting about Venezuelan social media users is their tendency to use Twitter instead of

Facebook, which is more popular in other countries. The social media market is dominated by seven companies.

Figure 16: Social Media Market Share in Venezuela by Company

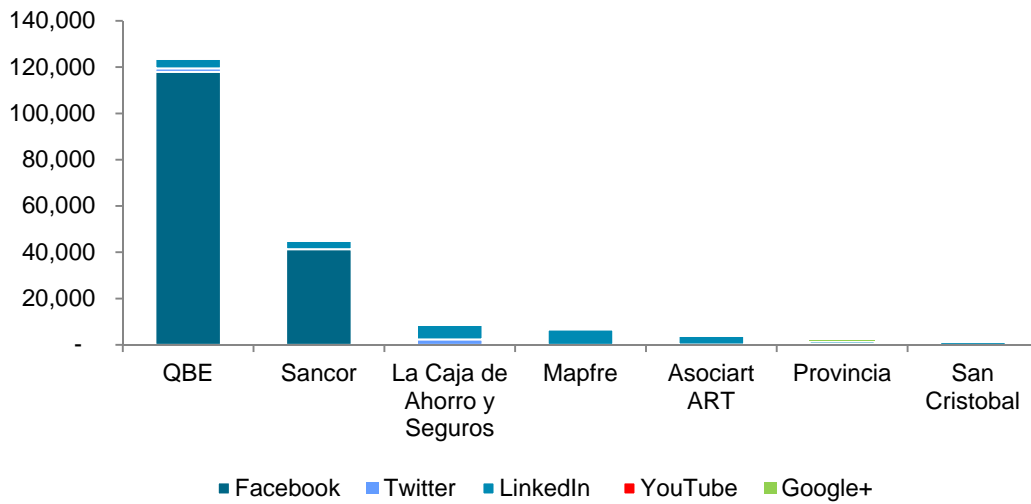


Source: Celent

### Argentina

The total number of social media users in Argentina is around 192,000. The Argentinian social media market is dominated by two companies: QBE and Sancor.

Figure 17: Social Media Market Share in Argentina by Company

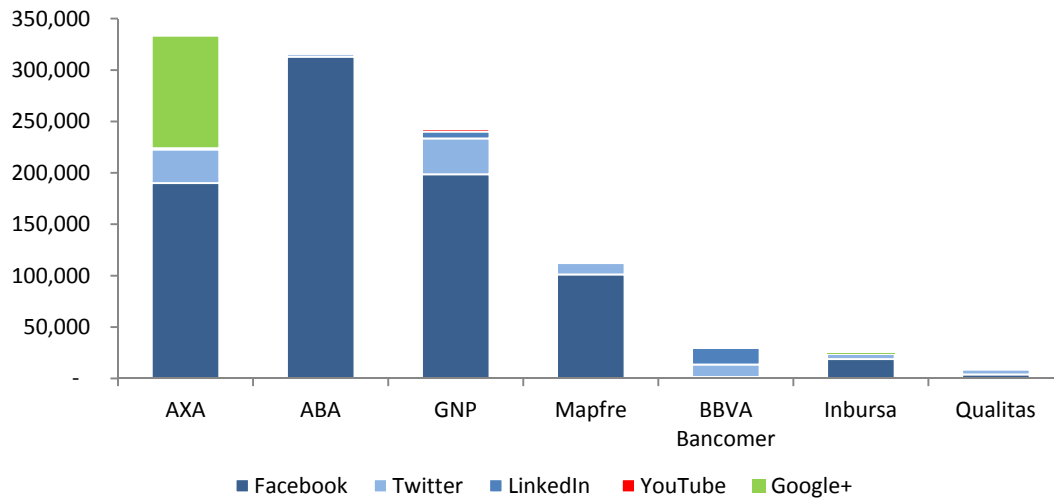


Source: Celent

## Mexico

The total number of social media users in Mexico is around 1 million. The social media market is fairly dominated by three companies: AXA, ABA, and GNP.

Figure 18: Social Media Market Share in Mexico by Company

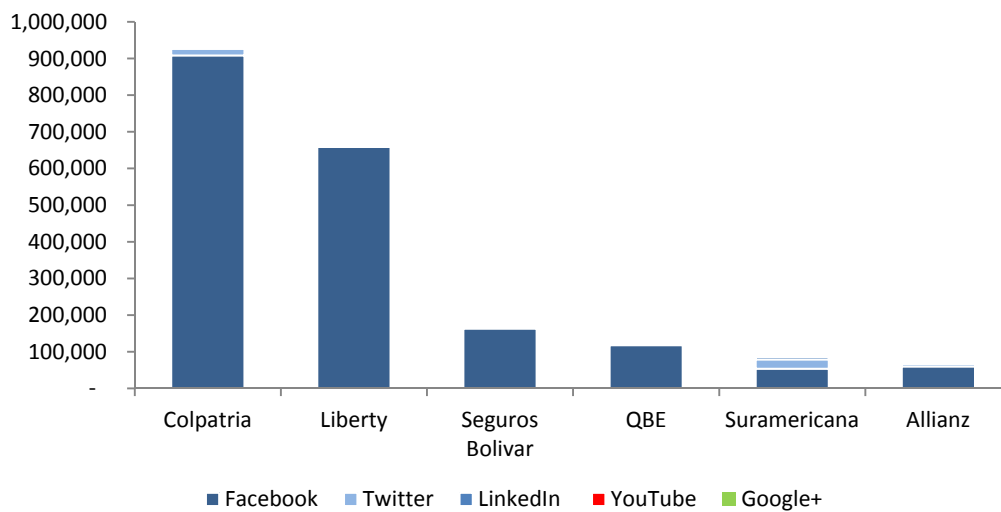


Source: Celent

## Colombia

The total number of social media in Colombia is around two millions of users. The social media market is fairly dominated by two companies: Colpatría and Liberty.

Figure 19: Social Media Market Share in Colombia by Company

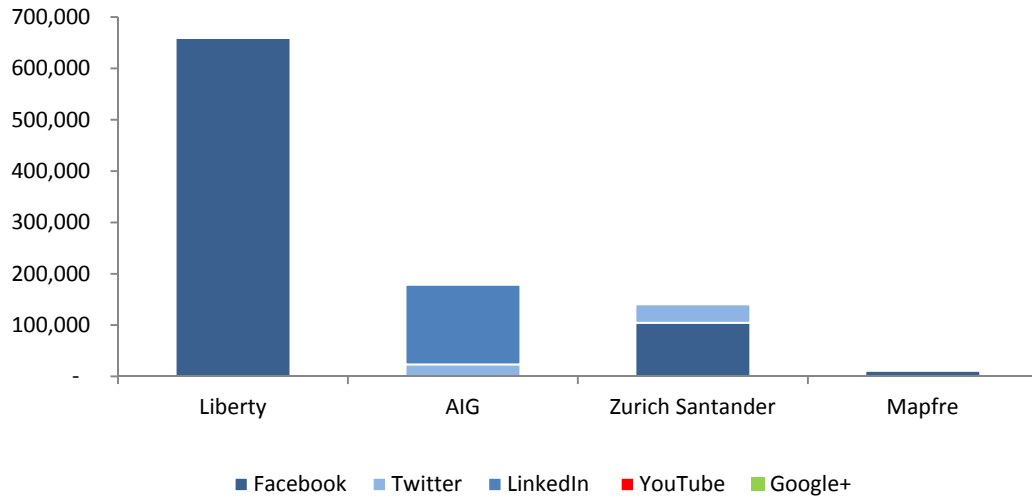


Source: Celent

## Chile

The total number of social media users in Chile is around 1 million. The social media market is fairly dominated by Liberty.

Figure 20: Social Media Market Share in Chile by Company

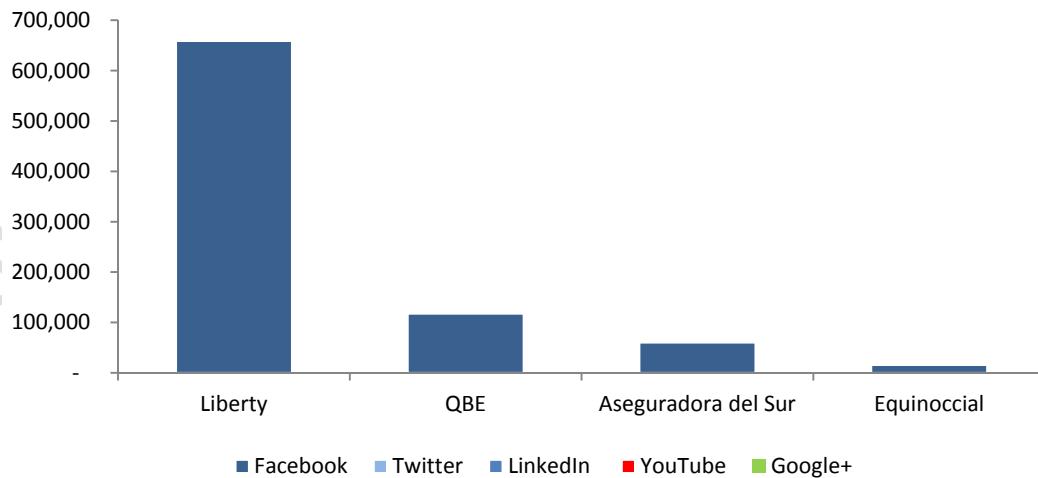


Source: Celent

## Ecuador

The total number of social media users in Ecuador is around 856,000. The social media market is fairly dominated by Liberty.

Figure 21: Social Media Market Share in Ecuador by Company

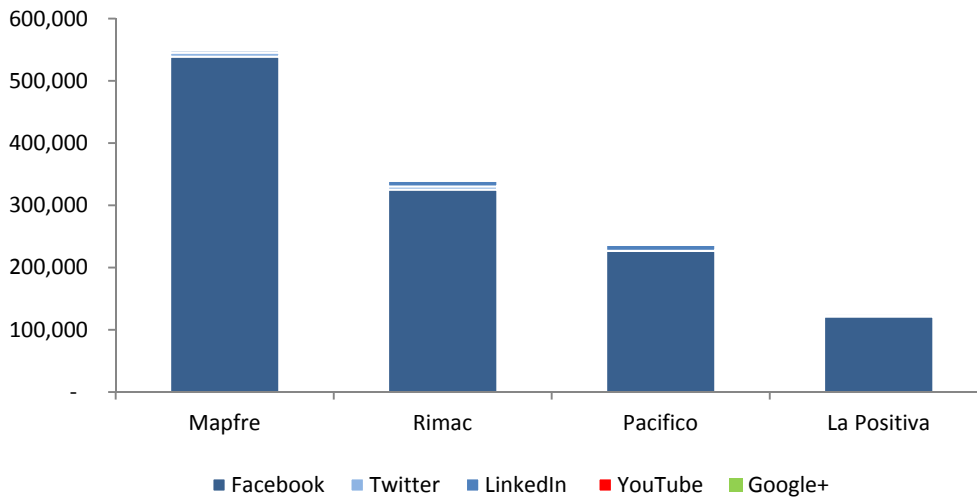


Source: Celent

## Peru

The total number of social media users in Peru is around 1.2 million. The social media market is fairly dominated by four companies: Mapfre, Rimac, Pacifico, and La Positiva.

Figure 22: Social Media Market Share in Peru by Company

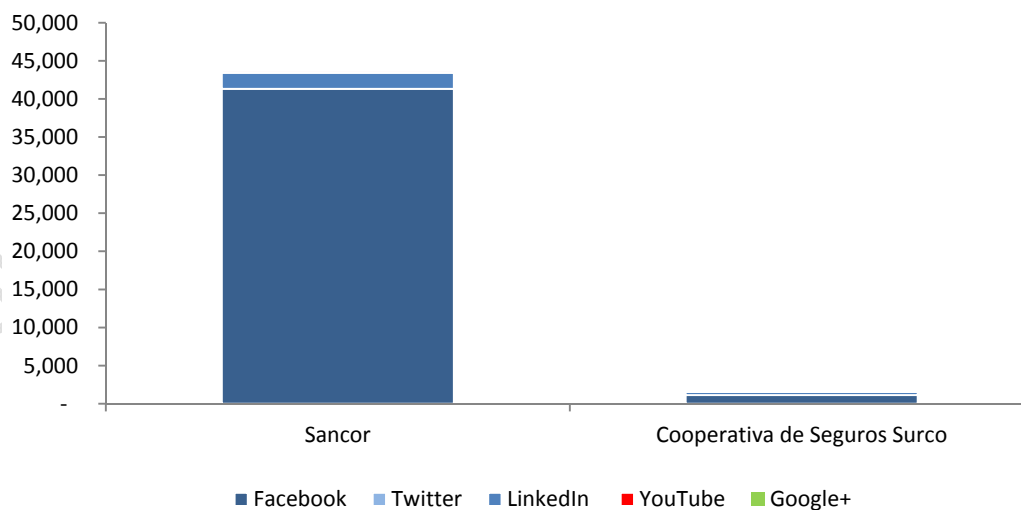


Source: Celent

## Uruguay

Uruguay has the smallest population of social media users for the insurance industry. The total number of social media users in the country is around 45,000. The social media market is fairly dominated by Sancor.

Figure 23: Social Media Market Share in Uruguay by Company



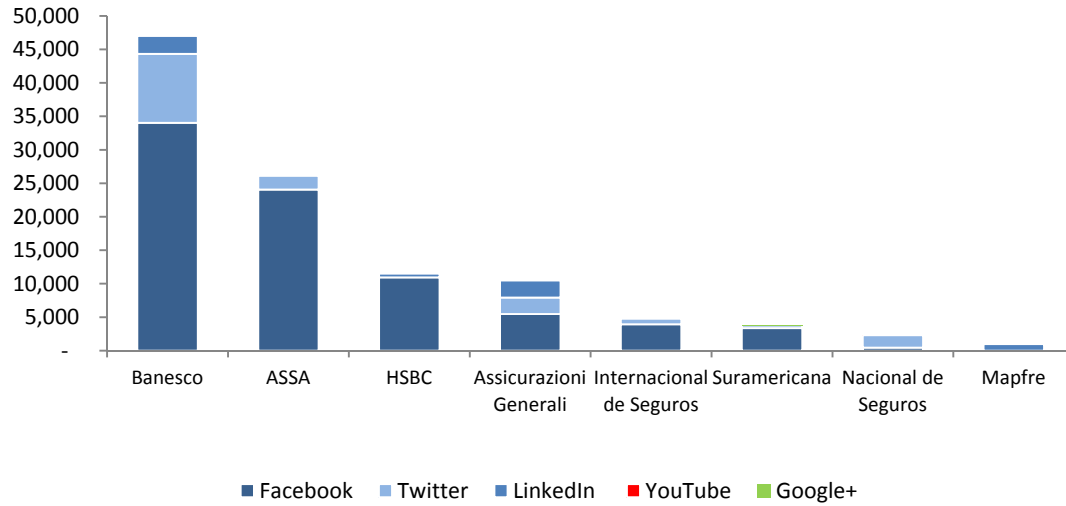
Source: Celent



## Panama

Panama has the second smallest population of social media users for the insurance industry. The total number of social media users in the country is around 108,000. The social media market is fairly dominated by two companies: Banesco and ASSA.

Figure 24: Social Media Market Share in Panama by Company



Source: Celent

## TRENDS AND PRIORITIES OF INSURERS IN SOCIAL MEDIA

Insurance companies that showed some interest in social media are now playing the game. Our findings regarding the adoption of social media in the insurance industry indicate the importance of putting a priority on leveraging social media in our 2014 CIO survey for the region.

Combined, insurers that consider social media as a high and medium priority sum to 59%, between the range of the adoption rate of 53% to 65% per channel or network found in the region.

### Key Research Question

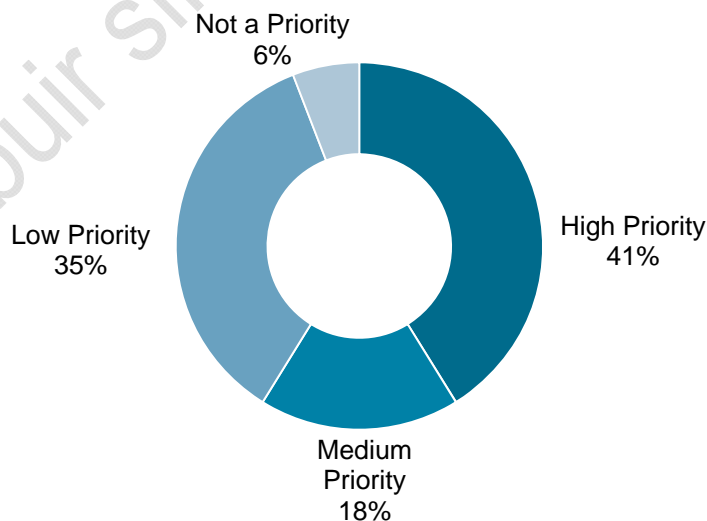
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*Are insurers investing in social media?*

According to the CIO's perspective survey for Latin America, 59% of insurers believe that social media is a high or medium priority, while only 6% says it is not.

Our 2014 CIO survey shows a vast interest in investing in social media by insurers. A total of 41% of the insurers in the sample see it as a high priority for potential use, and 18% of the insurers responded that social media is a medium priority.

Figure 25: Priorities for Leveraging Social Media among Latin American Insurers



Source: Celent—Adapted from “Insurance in Latin America 2014.”

Today, insurers are heavy users of emails, paid keyword searches, and video ads as digital marketing channels. There is broad consensus about the effectiveness of these channels, although current use is still limited. But that said, our CIO survey shows that social networks in marketing, recruiting, and as a mean to collaborate and connect between staff will have a great impact and use in the next three years. The survey also shows that the use of social networks for core activities such as claims and underwriting will increase in the next three years, but few respondents believe that it will have a great use and impact. On the other hand, only 20% indicated that it would not be used, providing a resounding thumbs up to a commercially nascent channel.

Organizations already rely on a wide variety of channels to reach their consumers. Social networks are emerging as another channel by which communication and business can be undertaken. Social networks differ from channels such as e-commerce, phone, email, and mail in a number of important ways. More detailed information can be found in Celent's report series about social media use in insurance.

Figure 26 shows insurers' approach toward the use of social media through 2017.

Figure 26: Latin American Insurers' Approach Toward the Use of Social Networks in 2017



Source: Celent—Adapted from “Insurance in Latin America 2014.”

Many insurers are watching social media and its implications. Few insurers have a formal social media policy. The more advanced area in the use of social media is Human Resources, especially for recruiting. Other areas have much to learn from HR about the use and practices, although automation and integration of data into insurance processes still represent the major challenges for cross-over into other areas.

In Celent's view, some—but few—Latin American insurance companies will be early adopters of social networks for underwriting and claims by 2017, but that wider adoption will come after that as a consequence of a more mature model and service offering around the use of social media in insurance. Many insurers will also take advantage of lessons learned and best practices that come from markets that are more advanced in the use of social networks.

## MAKING SOCIAL MEDIA INTO A SUCCESSFUL CHANNEL

Insurers that think of social media as a channel of communication or as a branch of customer service should consider the following aspects.

### Team

We recommend building a small team of one or two people who know social media very well. The team is responsible for monitoring content and listening to conversations triggered by the messages sent to the network. The team should be small because you do not know how fast or slow your channel will grow; you will need to adjust the size of your team accordingly.

### Strategy

The team must have a clear goal. Members also should know who is going to be their audience and what type of tone they will use in their communications (funny, serious, sarcastic). Most important, they must design the message or content so they will end up providing good feedback for the company.

### Execution

In order to test the waters, insurers should start using a single social media outlet. Once the team members master the network, they can explore other networks and expand their social media team, if necessary.

### Analysis

Once the content is launched, the team should invest time listening to the network for feedback, comments, and suggestions, and to determine what direction the conversion is heading.

### Distribution

After analyzing the data derived from those conversations, the team should allocate the pieces of information by content or areas within the organization that may be interested. Then, after distributing content within the organization, the team will be able to work with the internal feedback to design or redesign the strategy.

## LOOKING FORWARD/CONCLUSION

The intense and increasing use of mobile devices and social networks in many countries in the region, even outpacing usage in more developed countries, is creating more sophisticated consumers. Insurers are starting to react to this trend with a variety of initiatives around the use of mobile devices, social networks, the Internet, and aggregators, and they are providing consumers with a more sophisticated user experience. The reaction is tepid, but we expect that it will be sustained and perfected in the years to come.

In the short term, social networks will improve in their functionality and move to a business level where companies are able to use many of the features to interact with consumers.

At first glance, social media may appear to be simply a means of communication and a great tool for promoting and boosting sales. In the long run, we expect that this perception will change. In a short time, when insurers realize that many social networks are becoming more transactional and come to understand the potential uses, they may want to integrate social media into their core processes.

Although about 78% of the insurers in the regions use at least one social media network, they are not necessarily doing it right; 53% to 65% have adopted the most popular networks. On the other hand, the region has more than 20 million users who follow insurers, most of them located in Brazil. At a country level, just a few players stand out from the rest within each country.

*Was this report useful to you? Please send any comments, questions, or suggestions for upcoming research topics to [info@celent.com](mailto:info@celent.com).*

## LEVERAGING CELENT'S EXPERTISE

If you found this report valuable, you might consider engaging with Celent for custom analysis and research. Our collective experience and the knowledge we gained while working on this report can help you streamline the creation, refinement, or execution of your strategies.

### SUPPORT FOR FINANCIAL INSTITUTIONS

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**Vendor short listing and selection.** We perform discovery specific to you and your business to better understand your unique needs. We then create and administer a custom RFI to selected vendors to assist you in making rapid and accurate vendor choices.

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