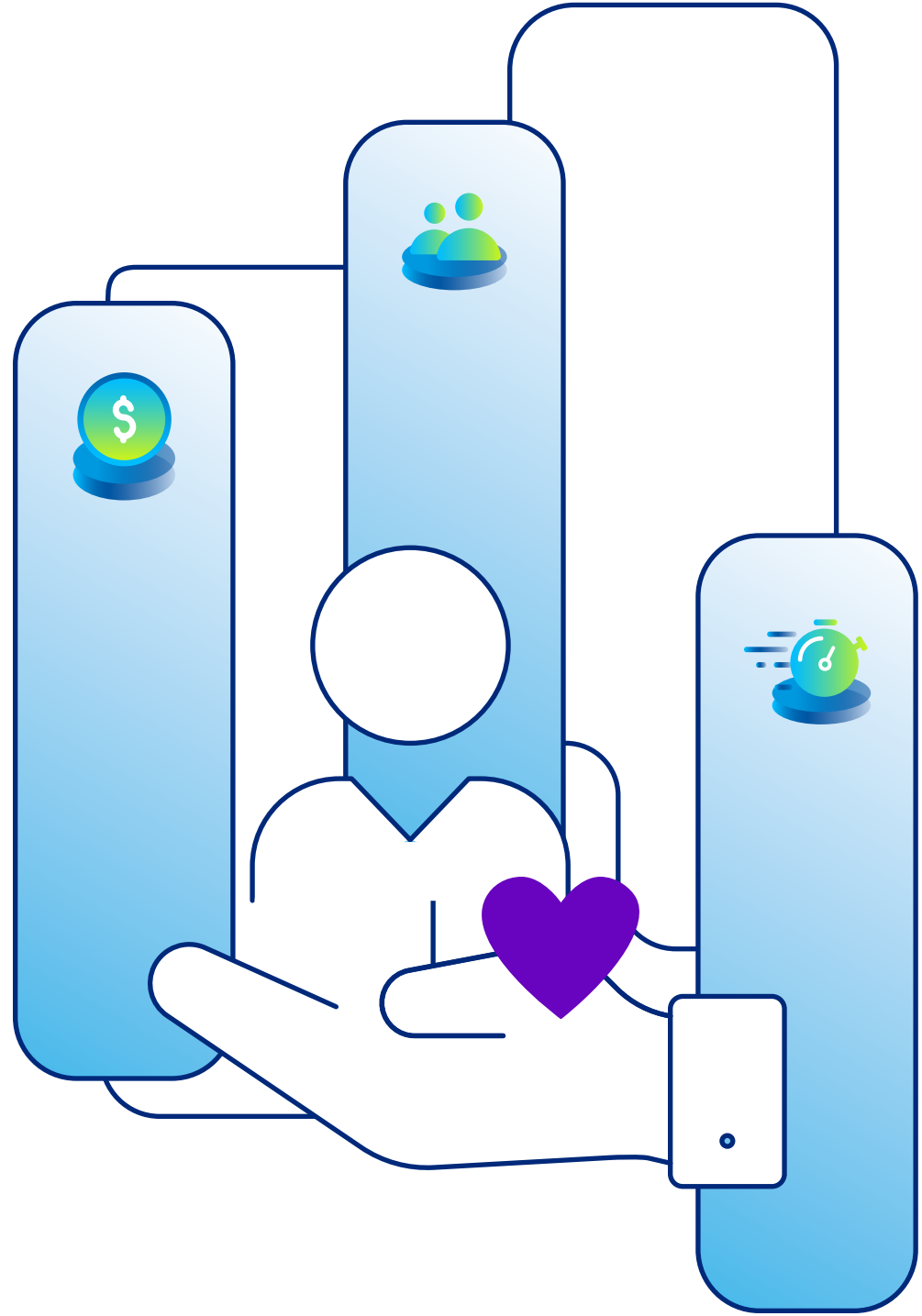
SAPIENS

Cultivating CUSTOMER LIFETIME VALUE

EBOOK



CULTIVATING **CUSTOMER LIFETIME VALUE**

Customer Lifetime Value (CLV) is the comprehensive value generated by a customer's ongoing relationship with a business. Just like personal relationships, cultivating Customer Lifetime Value requires care and nurturing with a human touch - supported by insightful data analysis.

CLV assesses the holistic impact of a customer on a business's profitability and growth, accounting for their sustained engagement and support over time.

CLV helps identify:

- **Customers / segments that should be given higher attention to increase retention and brand loyalty**
- **Customers / segments to cross-sell & up-sell**
- **Customers with similar characteristics to pursue**

88% of consumers demand more personalised insurance products

LOVE THAT LASTS

Data is the language of love when it comes to enhancing customer engagement.

To engage customers for life, insurers and financial service providers need to leverage data to personalise customer experiences through tailored coverage plans. **Data insights enable insurers to entice, engage, and retain customers as their needs evolve throughout life's journey.**

Cultivating CLV isn't just about financial projections; it's about fostering relationships built on:

TRUST, LOYALTY, AND MUTUAL BENEFIT.

Life insurance software solutions can empower companies to nurture lasting connections by anticipating clients' needs and making personalised offers throughout every step of the journey. Solutions that leverage the power of data maximise your agility to compete in today's digital landscape.

Retaining customers is far more profitable and less labour-intensive than acquiring new ones, making effective retention strategies crucial for profitability, and data is the key to ensuring customer loyalty.

41% are more likely to switch life insurers due to lack of digital capabilities

KEEPING THE **SPARK ALIVE**

Insurers who have long depended on physical meetings to engage customers are struggling to accelerate their digital transformation initiatives. Customers want omni-channel enablement, such as starting a journey in one channel and finishing in another. This has become more pronounced in the post-Covid era, and consumers are more comfortable shopping online for insurance. Customers are willing to provide personal data to get tailored advice, personalised products & services.

Customers are increasingly demanding a digital-first approach for their insurance experience. Today's insurance experience should be seamless and accessible, with clear explanations of coverage readily available at the customer's fingertips. Imagine your customers reviewing their policy details or paying annual premiums on their phone - that's the level of convenience expected by customers in the digital age.

Making changes to their policies, filing claims, and even receiving personalised recommendations should all be facilitated by user-friendly digital tools. By prioritising a clear, convenient, and personalised digital experience, you can ensure your customers feel in control and confident to spread word of mouth as a trusted brand to work with family and friends.

You need a solution that consolidates claims data and product interaction history to provide a single 360 customer view that personalises the customer experience. Using data and AI capabilities, the platform gathers on customer propensity to buy insurance, based on identity matching of customers with similar needs and behaviours. This will enable you to accurately predict which customers would benefit from a cross-sell offer, and to adapt offerings to their evolving needs, resulting in higher conversion and retention rates.

Utilise this opportunity to enhance your digital capabilities and leverage data and AI to offer personalised experiences. Go one step further and provide financial advisers and agents with a full view of their customers so they can recommend customised products and services focused on the customers' life stage.

67% of insurance CIOs say that SaaS will transform the industry within five years

GROWING OLD TOGETHER

Data and AI can significantly improve lapse ratios by enabling you to build personalised marketing campaigns to improve retention & conversion and ultimately growth. If just a small percentage of life insurance customers lapse their policies, reaching out to thousands of lapsed customers through unsolicited communications wastes valuable time and resources.

Only an AI-driven, digital solution that analyses the behaviour of lapsed customers can pinpoint which customers are most likely to reconvert and least likely to churn. Retention strategies like loyalty programs, proactive risk management, and continuous value-add services ensure that customers resist the temptation to leave. Nurturing long-term satisfaction boosts profitability – ensuring a mutually beneficial partnership that maximises CLV.

Companies adept at personalisation yield a **40%** increase in revenue

A MATCH MADE IN DIGITAL HEAVEN

Like skilled matchmakers, insurers need to build customer profiles and pair clients with the perfect coverage match to meet all their insurance needs. **Leverage 360-degree customer view and AI/ML based predictive models like churn, propensity to buy, product recommendations & look-a-like audiences to personalise the customer experience.**

These capabilities can allow you to identify the 'next best action' for the customer, to provide personalised product recommendations, cross-sell or up-sell products based on their needs, or tailor marketing and service messages accordingly.

Cultivating CLV marries the customer experience and your profitability. Long-term unions with customers based on loyalty and trust will enable you to enjoy a profitable journey that weathers all storms to stand the test of time.

Ultimately, personalising the customer experience will result in higher conversion and retention rates leading to a higher share of the customer's wallet and higher revenue growth.

FINDING THE RIGHT PARTNER

Sapiens empowers insurers to achieve these goals by creating dynamic, persona-based scenarios for all lines of business. By offering various insurance personas with out-of-the-box functionality and content, Sapiens enables insurance companies, financial advisers, agents and customers with a superior user experience while providing lower total cost of ownership by continuously updating its functionality based on industry best practices and technology trends.

Sapiens' persona-based experiences are just one of many advanced features of its award-winning, end-to-end platform for insurers across life and pensions. **Enhance your customer's lifetime value with Sapiens.**

About Sapiens

Sapiens International Corporation (NASDAQ and TASE: SPNS) is a global leader in intelligent insurance software solutions. Sapiens' robust platform, customer-driven partnerships, and rich ecosystem empower insurers to achieve operational excellence in a rapidly changing marketplace. A Microsoft Top 100 Partner and the recipient of many industry analyst awards, Sapiens helps insurers harness the power of AI and advanced automation to support core solutions for property and casualty, workers' compensation, and life insurance, including reinsurance, financial & compliance, data & analytics, digital, and decision management.

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