



“ Cha(lle)nger ”

Presented by

Nitchakarn Wongsuttipakorn

Natcha Jiratananun

Pongsakorn Siriwat

Benyapa Siripitikul

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Overview

Situation analysis

Strategy

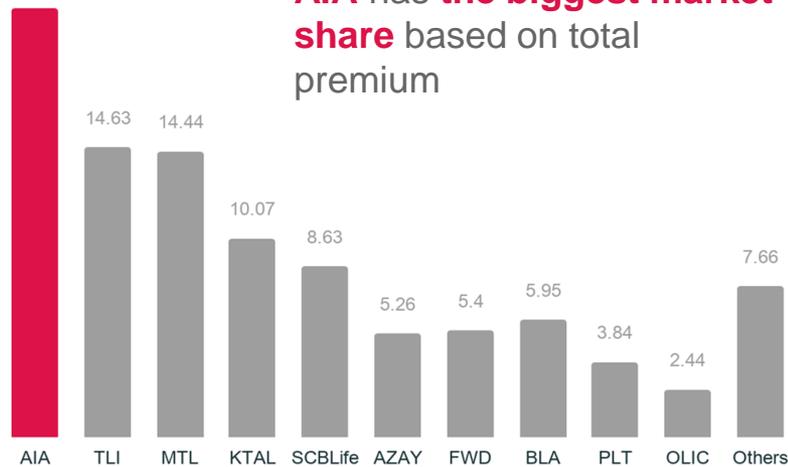
Control

Recommendation

The Story of AIA :

AIA has been **the market leader** for insurance industry in Thailand

21.7%



AIA has **the biggest market share** based on total premium

* updated data on june 2019 by TLAA

Effective distribution channel of AIA products



Life insurance agent :

Thailand total market on **selling** insurance through agent **increases 3.2%** but number of **passing applicants on Agency License Examination decreases 7.3%***.

AIA gets **FA program** to improve the overall professionalism and productivity of its agency force.



Bank :

Partnering **with Bangkok Bank**, AIA **increases** around **1,200 distribution channels** following the number of Bangkok Bank branches in Thailand.

In 2019, AIA will be focusing on 3 propositions - each of them representing a unique differentiator for AIA



Luxury insurance for high net-worth individuals



Flexible insurance for customers who prefer flexibilities over their plans



Insurance for **health-conscious** customers

* reference from TLAA annual report 2019

Overview

Situation analysis

Strategy

Control

Recommendation

Performance Overview: AIA Prestige offers diverse product choices with unique benefits for high net-worth customers

Summary

- > The **diverse choices and benefits** should remain focused to offer most refined experience to customers
- > Leverage the WOM in growing high-income community to **expand customer base**
- > Focus on **branding and privilege service** by agents to overcome competition

Strength

- **Diverse Choices** of insurance plans to fit each customer
- **Effective Legacy Planning Tool** for customers to pass wealth to later generations
- **Attractive Privilege Benefits** via AIA Prestige Club e.g. offering fast-track services

Opportunity

- **Growing Economy in High-income** population class will determine growth in AIA Prestige product demand
- **Decrease in Birth Rate** makes inheritance more significant

Weakness

- **Need Experienced Agents** to deal with customers to offer best service
- **Challenge in Communication** since it's a luxurious product, should not be overly promoted
- **WOM in High-income Community** can spread fast if customers were not satisfied

Threats

- **Economic Recession**
- **Competition** with other insurance products



Customer's persona

- High net-worth individuals
- Planning for family members' future or inheritance
- Need high life protection coverage
- Looking for a wealth management tool

Performance Overview: AIA Issara Plus gives freedom to design your own insurance by managing your own premiums and investment



Summary

> Maintain minimum premium but **offer more privileges** for customers to support brand image (AIA is more premium than others)

> **Simplify brochure and sales sheet** to make conditions easier to understand

Strength

- **Gain high returns** from investing in the right funds
- **Premium can be changed** based on customer decision and condition of insurance policy
- **Customizable Insurance Policy**

Weakness

- **High minimum insurance premium** compared to competitors
- **No privilege** for customer
- **Insurance policy is complicated**, difficult to understand all conditions

Opportunity

- Most millennials are interested in **fund investment**
- Millennials tend to be more interested in **personalization**

Threats

- **Increasing in number of competitors'** similar insurance plans (unit-linked)
- **Economic recession** makes people hesitate to invest



Customer's persona

- Need life protection and return on investment at the same time
- Tolerable to risks

Performance Overview: AIA Vitality is outstanding among millennials compare with other packages but still lacks awareness

Summary

- > AIA Vitality matches **millennial lifestyle** and **social trend**
- > **High engagement** with target (closer to target than other products)
- > It doesn't only insure but also **participate in customer daily lives**
- > Still **lack awareness** and deep knowledge of the product functionality

Strength

- **High engagement** with customers through activities already incorporated in their daily life
- **Good partners** in terms of privileges (e.g. major cineplex), and distribution channels (e.g. Bangkok bank)
- **Unique selling point** among usual insurance (higher age but lower premiums if they're healthier)

Opportunity

- **Healthy trend** is very popular among the target
- Growing **Technology Advancement**
- **Government policy** such as tax reduction

Weakness

- **Customers aware but don't adopt**
- **Limited partners**
- **Poor Touch-point Operations** e.g. call center has poor reputation
- **Inconvenience for millennials** e.g. insurance application must be face-to-face with agents

Threats

- **High competition in millennial market**
- **Economic recession**
- **Low financial knowledge**



Customer's persona

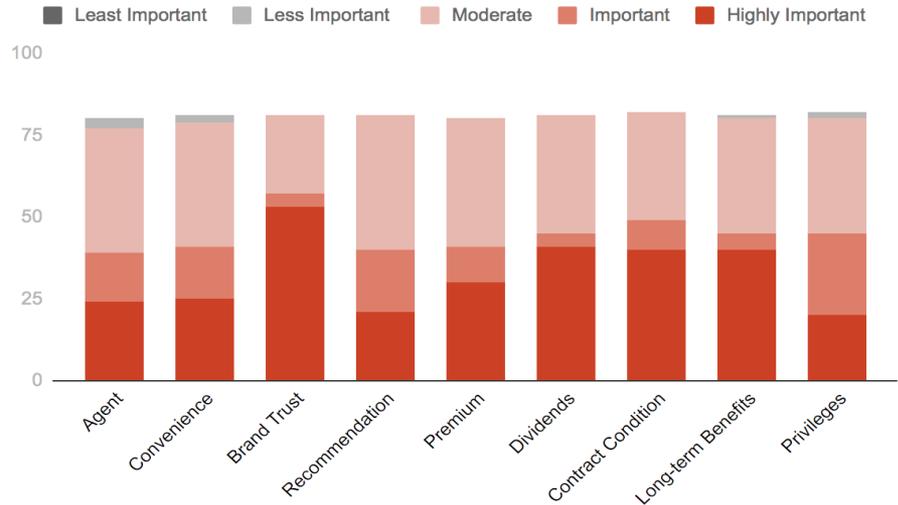
- Take care their health : exercise, consumption, and mental health
- Love challenging themselves

Key success factors for life insurance

AIA life insurance has already secured these key success factors,

Still, the performance of earlier three propositions didn't show great results

Important Factors for Life Insurance Purchase Decision



1 Brand Trustworthiness

65% of surveyed targets* perceive 'Brand Trustworthiness' as being most important to their life insurance purchase decision

2 Customer centric Service

2nd most important is insurance contract details (premium, payment policy) and long-term benefits (tax reduction, retirement income)

3 Privileges

Millennials perceive privileges offered by partners (e.g. fitness membership discounts) scored as 3rd most important factor

Actions

Focus on branding and ensure brand trustworthiness when communicating with millennials

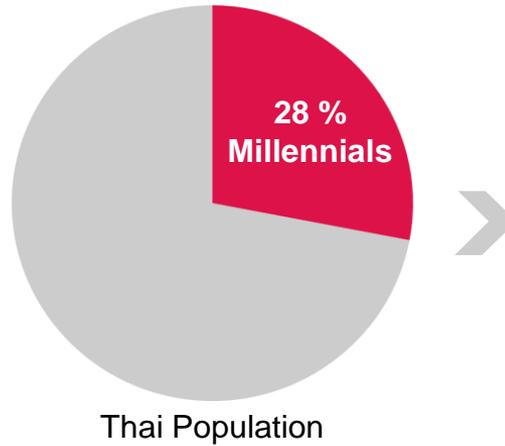
Offer customized life insurance contract based on individual customer preferences and highlight long-term benefits

Offer exclusive privilege to millennial customers linked to their favorite lifestyle services

Understanding : Insurance products & Millennials

Millennial is the biggest segment with growing purchasing power

But AIA products for millennials seem to have limited growth



Insights

- > AIA is **top of mind** brand among millennials
- > Millennials **interested in AIA Vitality** when informed with the product attributes

But ...

most of millennials' insurance plans are **bought by their parents**

Why is that so?

Through our research

100 questionnaires 20 depth interviews



20 - 35 years old
Single / In relationship
Student / Working
Avg. income 30,000 THB per month



Millennials have ...

- > Perception that **life insurance is a distant issue**
- > **Poor awareness and knowledge** about insurance products

Why distant perception / poor awareness & knowledge?

Millennials think life insurance is **irrelevant to them 'now'**

No efficient bridge linking millennials to agents
(insurance primarily bought by parents)

Life insurance contracts are **complicated**



Following that, Pain Point Identification

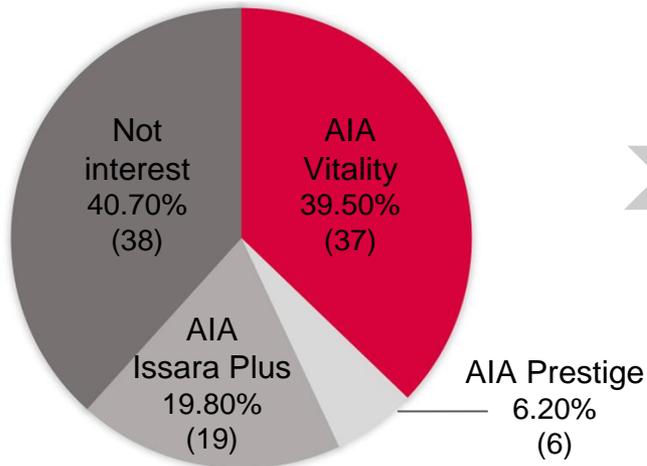
To tackle the challenges and successfully capture millennial market segment and become their 1st choice for life insurance product within the next 3 years, we need to focus our strategy on the pain point

Pain point : Millennial's perception

Insurance = irrelevant, complicated, old & far away

AIA should start from prioritizing leverage on current customer interest & preference of AIA Vitality. Then, move to other products in the portfolio later on.

Most interesting package for millennials



Action plan

Create strategy to catch millennials who perceived insurance as a distant issue, **change their mind**, and pass on to our best distribution channel : agents

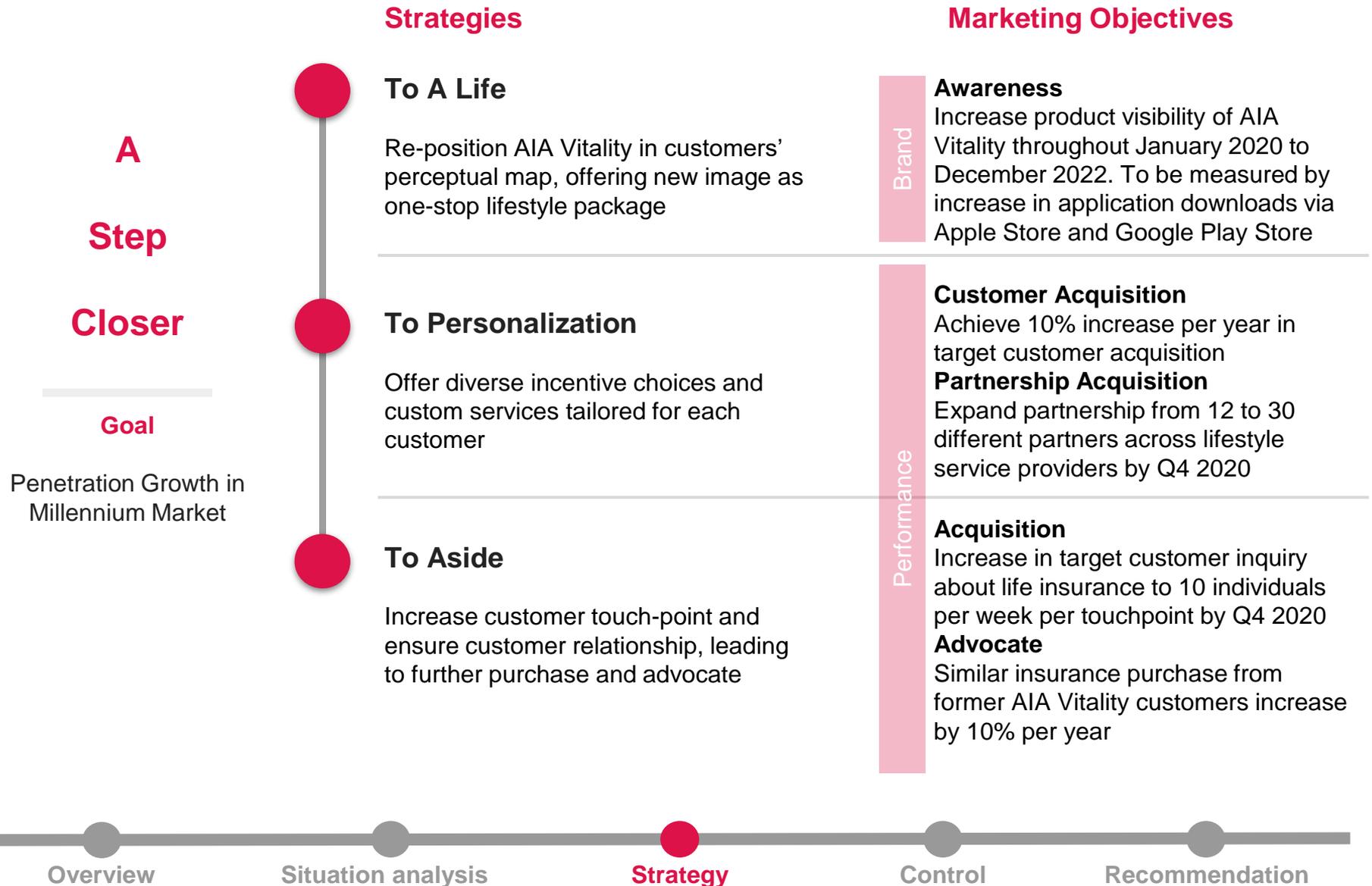
So, we come up with the big idea named...

A Step Closer

- Closing the distance in every moment -



Strategy Overview - A Step Closer to A Life, A Step Closer to Personalization, A Step Closer to Aside



We're going to catch millennials who perceive insurance as a distant issue, change their mind, and pass on to our best distribution channel : agents

Re-defining Customer Decision Path:
AIDA Model

**A Step Closer to
Aside**

A Step Closer to Personalization

Advocate

A Step Closer to A Life

Desire

Behavior
Customer develop brand loyalty and purchase other insurance plans
Source
> Re-targeting communications
> Past customers recommend to new customers

Interest

Behavior
Customer research and decide to purchase AIA Vitality package
Source
> SEO marketing
> Chatbots
> Call center
> Agents
> Pop-up store

Awareness

Behavior
Customers process messages and become attracted to AIA Vitality
Source
> 1st impression of product & service
> SEO marketing

Behavior
Customers exposed to brand & AIA Vitality
Source
> Marketing & communication
> Community recommendation
> Self-experience



Strategy Overview

	Current	Issues with Current	Trend	New Offering	AIA Direct Incentives
To A Life	<ul style="list-style-type: none"> > AIA sells insurance and gives premium discount according to health status with privilege offerings from AIA partners 	<ul style="list-style-type: none"> > Millennials think insurance is a distant issue 	<ul style="list-style-type: none"> > Millennials focus more on enjoying activities happening 'here and now' > one-stop service 	<ul style="list-style-type: none"> > one-stop lifestyle package that customers can customize on their own preferences > new marketing messages 	<ul style="list-style-type: none"> > Brand knowledge to product attribute level > Better perception about insurance; not too hard-sale > Low transition cost, high impact since it's similar to current product > Millennial target penetration > More data acquired which can integrate AI to convert it to income
To Personalization	<ul style="list-style-type: none"> > AIA have partnership with 12 different partners across health and fitness sectors 	<ul style="list-style-type: none"> > Current partners do not cover all lifestyle aspects 	<ul style="list-style-type: none"> > Increase in personalized product demand > Customer willing to pay for value-added services 	<ul style="list-style-type: none"> > Customizable package including 30 lifestyle services 	<ul style="list-style-type: none"> > AI fueled chatbot respond more accurately matching with customers' need via cloud computing > More distribution channel
To Aside	<ul style="list-style-type: none"> > Customers have to contact agents face-to-face / call center 	<ul style="list-style-type: none"> > Millennials feel face-to-face is better for buying insurance, but they still prefer convenience 	<ul style="list-style-type: none"> > Location services > Advanced AI and cloud technology 	<ul style="list-style-type: none"> > More convenient touch-point e.g. 'Agents near you' feature > Integrated cloud computing for better customer service 	

Overview

Situation analysis

Strategy

Control

Recommendation

Strategy I : A Step Closer to A Life - AIA Vitality is more than just a life insurance, it's your lifestyle package

Objective : Awareness

Increase product visibility of AIA Vitality throughout January 2020 to December 2022



Former marketing message

“AIA Vitality **insurance** gives you premium discounts according to your health status with privilege offerings from AIA partners”



New message

“AIA Vitality is a **one-stop lifestyle package** including insurance plan, fitness membership, and many other health services plans that you can customize monthly according to your preference”

AIA incentive

> **low cost but high impact** since it's similar to current product, just change the way we communicate

> **better perception** about insurance; not too hard sales

> **better cash flow** due to monthly paid and partners course

> increasing **knowledge** about product level (AIA Vitality) among millennials

Strategy I : A Step Closer to A Life - AIA Vitality is more than just a life insurance, it's your lifestyle package



Tactics

Launch a new package “**one-stop lifestyle package**” that customers can customize privileges following their desire and show discount for next month

Month	Lifestyle package	Full price	Points	Discount	Actual Paid
1	Fitness First	1,000	-	-	3,000
2	Fitness First + Air Asia	4,500	500	100	4,400
3	Major Cineplex	1,000	900	180	820
4	Tops Daily + Absolute you	2,500	600	120	2,380

AIA incentive

> **low cost but high impact** since it's similar to current product, just change the way we communicate

> **better perception** about insurance; not too hard sales

> **better cash flow** due to monthly paid and partners course

> increasing **knowledge** about product level (AIA Vitality) among millennials

Why one-stop lifestyle package?

Millennials see insurance as distant from their lives. They feel more comfortable paying for current services they're interested in (e.g. traveling, fitness memberships, restaurant discount). Moreover, they feel better to get discount for what they love instead of premium discount

Sample of application's new interface

Profile interface

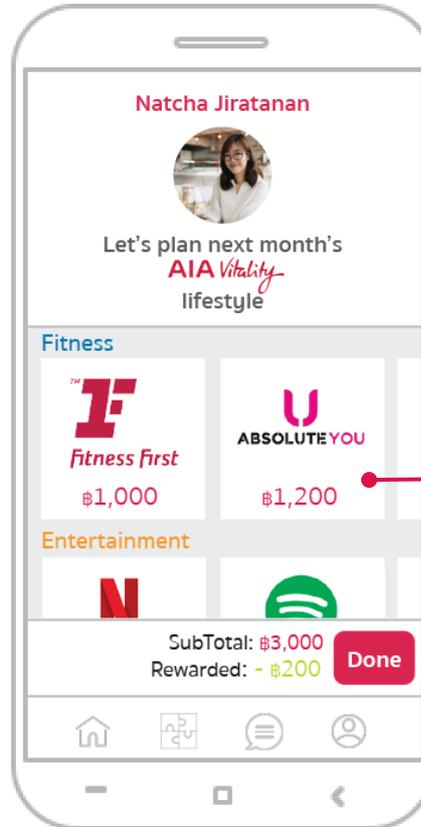


their lifestyle package

historical data

lifestyle package, current fitness hours and saved for next month

Package interface

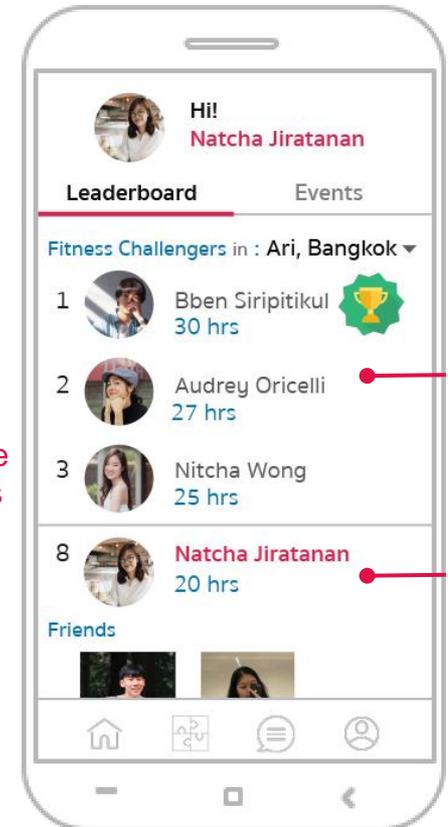


money they can save for next month's package

package choices

customers can customize package on their own preferences

Community interface



Top rank around them

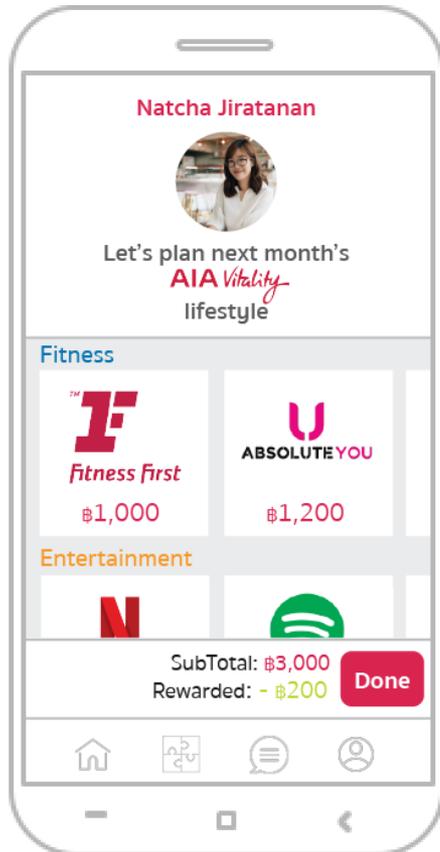
their rank

leaderboard among people in their location such as Ari, Bangkok.

AIA offers additional incentives for top-rank user



Strategy II : A Step Closer to Personalization - design your own and explore your new lifestyle package in every month



Objective

Customer Acquisition

Achieve 10% increase per year in target customer acquisition

Partnership Acquisition

Expand partnership from 12 to 30 different partners across lifestyle service providers by Q4 2020

Tactics

Offer incredible experience allowing customers to try new things and customize their own package

1. New feature that customer can design their own package only by selecting the service they want and the system will automatically calculate the price of the package
2. Expand partnership to offer more package choices by pitching the possible increasing customers after partnering with AIA.

AIA incentive

- > Increase in millennial penetration
- > Receive **numerous data** to be integrated with AI technology to forecast future trends and offer right products to consumers

Why offering personalized package is important?

Millennials love customization. A research shows that 79% of millennials are ready to pay more for customized product in order to meet their unique needs.

Strategy II : A Step Closer to Personalization

“ Every lifestyle can give you a good health if you do it in the right way.

AIA will provide the package to meets every millennials lifestyle”

How to expand partnership ?

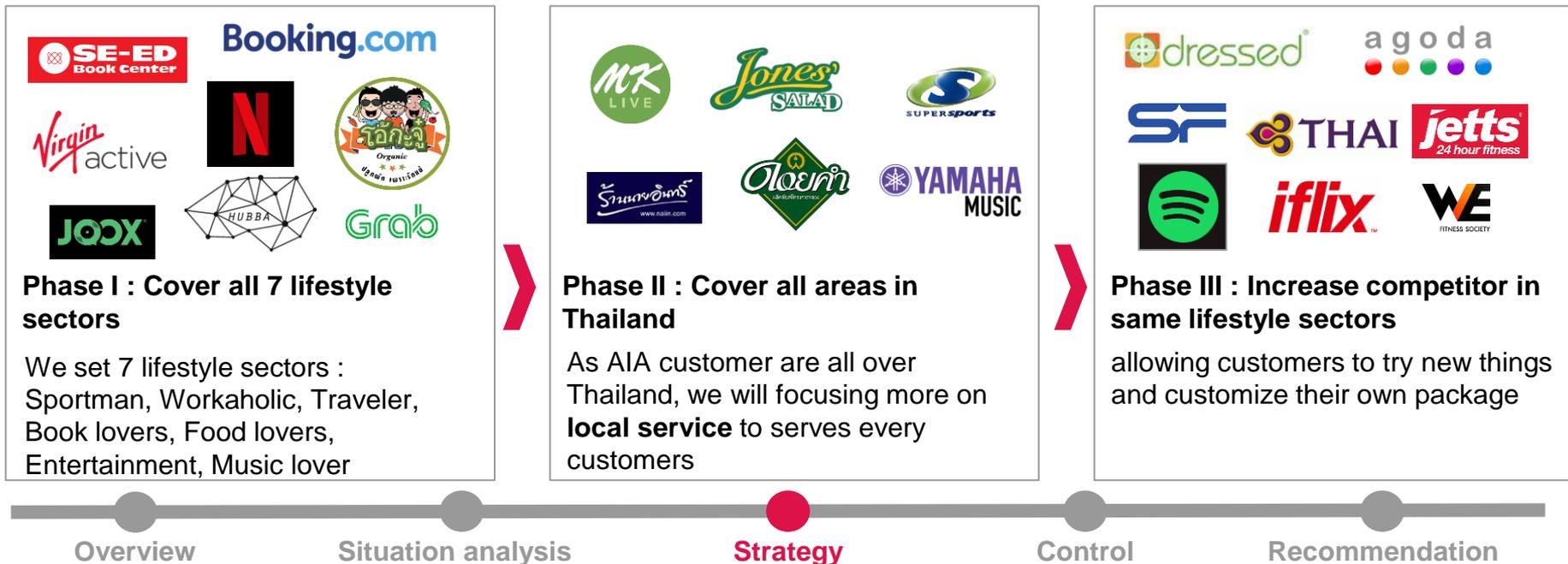
Encourage our partner by showing the possible increase rate of customer after partnering with AIA.

Who will be our partners ?

We will choose only partner that cause good health. We will do it in 3 phases

What partner will get after joining us?

- **Increase** in number of customers by at least 10% per year
- **Fixed income** in each month by selling package with us
- **Being promoted** by AIA without any cost



Strategy III : A Step closer to Aside - enhancing the touchpoint for customers

Objective : Acquisition

Increase in target customer inquiry about life insurance to 10 individuals per week per touchpoint by Q4 2020

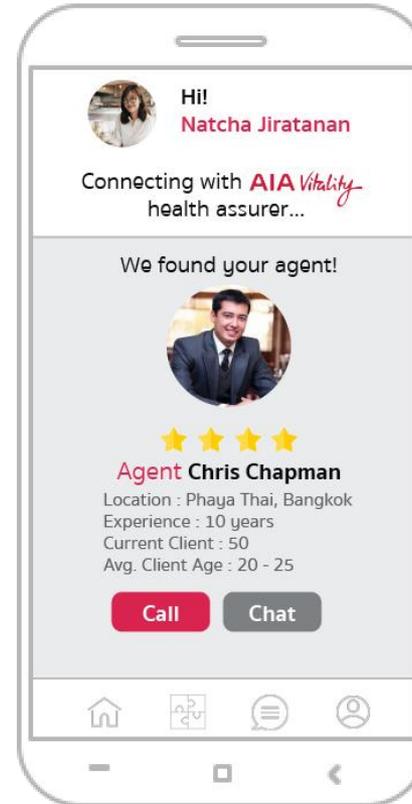
Tactics

I. Chatbot & 'Agents near you' service :

Adding "Agents near you" feature that uses customer's location services to connect to the nearest agents

II. Pop-up Store :

Increasing distribution channels and convenience for customers via pop-up stores where they can easily purchase insurance at high-traffic locations (e.g. BTS/MRT stations)



AIA incentive

- > Increasing **opportunities to sell** by bringing customers closer
- > Introduces new **distribution channels**
- > AI fueled **chatbot respond more accurately** matching with customers' need via cloud computing
- > **fit agents** with clients
- > Gather **more customer data** via location services

Why 'Agents near you' service?

Agents can respond to customers' needs simultaneously. Moreover, agents can push others insurance products that might better fit each customer's lifestyle

Strategy III : A Step closer to Aside - Advocated program

Objective : Advocate

Similar insurance purchase from former AIA Vitality customers increase by 10% per year

Tactics

Direct Communications - offer customized privileges matching with customer personas from data collected from AIA Vitality application

Message example

“ Dear my special customer-Ms. Natcha, we would like to present a new package especially for you “Fitness First + Netflix” at only 1,500 baht / month

If you want to know more information, >click here< ”

AIA incentive

> Increasing
repurchase rate

> Increasing **brand loyalty** and
customers satisfaction

> **Lower marketing cost** because we know personal preferences and offer the right promotion to the right customers

Email



Send customized offers and via personal email

In-app reminder



Recommend customized package via pop up in application

Agent's recommendations



Suggest customized package from trusted agent

Customers journey map - enhancing every touchpoint through customers experience



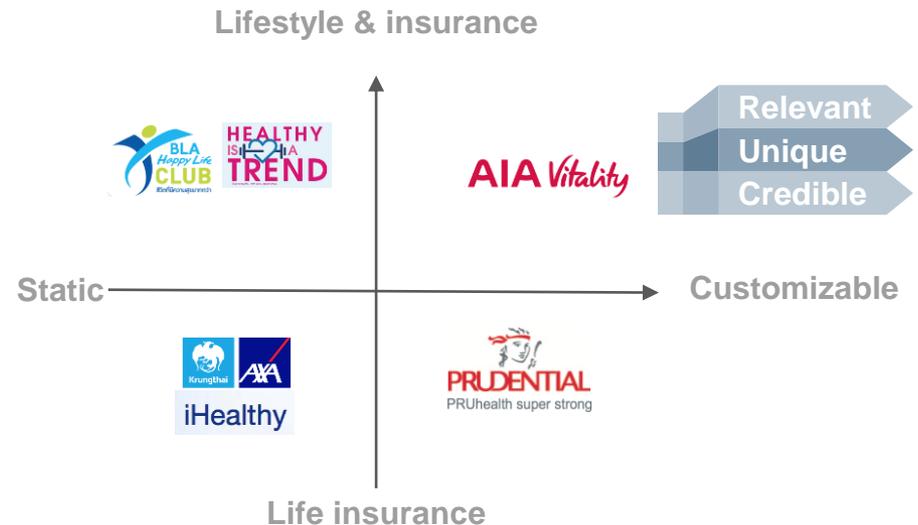
Communicating New Image to Customers

It is crucial to properly communicate new product positioning to customers

Past Issues



- To** Millennials aged 20-35 who value healthy lifestyle and love challenges
- AIA Vitality is** the only one-stop lifestyle package
- That offers** a fully customizable health & fitness service plan that assures consumers' convenient control over their premium lifestyle
- Because** AIA Vitality includes
- > AIA life insurance
 - > 12+ great health and fitness services partners, which consumers can tailor their monthly plans towards their preferences
 - > Easy access to agents



Communications Planning

Aim : Re-define AIA Vitality for target customers as a one-stop lifestyle package and trigger purchase intention

What : AIA Vitality ‘your fitness sidekick’

How : Education and value registration marketing campaign

Key customer touch-point

Transit



- > BTS, MRT stations
- > Bus stops

Billboards



- > Shopping centres
- > Hospitals
- > Office buildings

Pop-up booths



- > Universities
- > Office buildings
- > Shopping centres
- > BTS, MRT stations

Digital landscapes



- > AIA website: chat-bot / agents near you
- > SEO marketing
- > Content marketing
- > Social media & influencers

Who is involved in decision making?

So we can effectively communicate to all key persons involved in decision making with the right message, at the right place and time

Roles	Current key persons involved	Proposed key persons involved
Initiator	Agents' direct-selling	Millennials / Agents at pop-up booths
Influencer	Community Recommendations	Social media influencers, recommendations
Decider	Parents	Millennials
Purchaser	Parents	Millennials / Parents
User	Millennials	Millennials

Gantt Chart

	Q1 20	Q2 20	Q3 20	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22
Application improvement												
1.Coding to develop application												
2.Running test on prototype												
3.Launch application												
A Step Closer to A Life												
1.Calculate package												
2.Promote one-stop lifestyle package												
A Step Closer to Personalization												
1.Expand partnership to get all lifestyle												
2.Expand partnership to have all locations in Thailand												
3.Expand partnership to find competitors in each lifestyle sector												
A Step closer to Aside												
1. Contact venues												
2. Build up a pop-up store												
Continuous Improvement												
1.Check all KPIs and performance												
2.Adapt to trends												



Key Performance Indicator (KPI)

	Tactics	KPI	Goal
To A Life	<ul style="list-style-type: none"> > One-stop lifestyle package 	<ul style="list-style-type: none"> > Application downloads via Apple Store and Google Play Store from millennials 	<ul style="list-style-type: none"> > Increase product visibility of AIA Vitality for 30% throughout January 2020 to December 2022
To Personalization	<ul style="list-style-type: none"> > Partnership extension > Customizable insurance 	<ul style="list-style-type: none"> > Number of partnership > Feedback or satisfaction scores > Number of further brands suggestions > Feedback or satisfaction scores 	<ul style="list-style-type: none"> > Increase number of partnership from 12 to 30 lifestyle service providers > Average satisfaction scores higher than 7 > Number of further brands suggestions increases 1 brand per quarter > Average satisfaction scores higher than 7
To Aside	<ul style="list-style-type: none"> > Search engine marketing > Pop-up store > Chatbot & 'Agents near you' service > Advocate 	<ul style="list-style-type: none"> > Number of visitors > Number of clients who purchase at pop-up store > Number of used & purchased service > Number of new customers purchase from suggestion 	<ul style="list-style-type: none"> > Impression increase by 30% > 5% increase from all agent sales > 20% from all agent sales and 5% for other insurance product > 20% repurchase rate





Top up revenue
545,370,000 BAHT

6% up
agent sales
(from this year)

181,790
customers
(10% increase each year)

3,000
baht/person/month
(average)



Cost Structure
37,200,000 baht

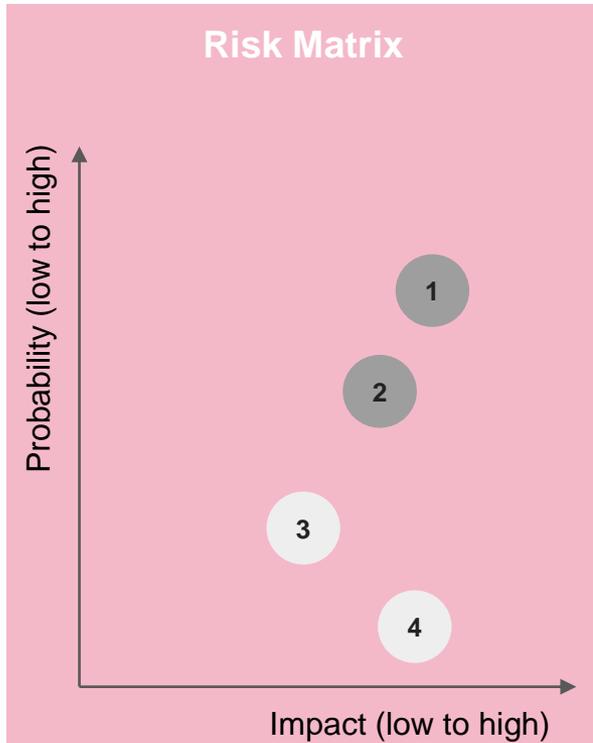
400,000 baht
**Application
Development**

2,000,000 baht
Pop-up store

4,800,000 baht
Overhead cost

30,000,000 baht
Marketing costs

Risk and Mitigation : AIA Vitality key risks can be effectively mitigated



No.	Risk	Mitigation	Contingency
1	New customers alienate the product and confuse existing customers during AIA Vitality re-positioning	<ul style="list-style-type: none"> > Divide transition process into phases > Ensure clear marketing communication to inform current customers of changes in product 	<ul style="list-style-type: none"> > Adjust marketing messages > Attempt to sell other insurance plans to customers who leave AIA Vitality after transition
2	New partnership rejected due to conflicting interests or competitors' presence	<ul style="list-style-type: none"> > Identify each partner's concerns and deal-breakers 	<ul style="list-style-type: none"> > Negotiate and adjust offers to better serve each partner
3	Millennials not interested in new product offerings	<ul style="list-style-type: none"> > Conduct market research to confirm positive feedback after launch > Gain more customer insights 	<ul style="list-style-type: none"> > Look for new incentives > Launch a marketing campaign to push target
4	Strong marketing message of new lifestyle package affect AIA brand image	<ul style="list-style-type: none"> > Incorporate long-term marketing campaign that reflects AIA's identity and values 	<ul style="list-style-type: none"> > Embrace the new image and build on it to align the image with AIA's core value



Long term recommendations - sustain an achievement to maintain leading position in the market

● Freemium Application

Objective : bringing insurance closer to customers and increasing customers penetration

Tactics :

- Extend AIA Vitality application as a freemium application (product for everyone) to engage more with target market
- Build community in-app that customers can track their running history and collect points and see TOP 10 runners dashboard
- Show discount for one-stop lifestyle package that they earn if they buy the package

Incentive for AIA : get more customers data, brand awareness, and can sell ads if it has much traffic in-app

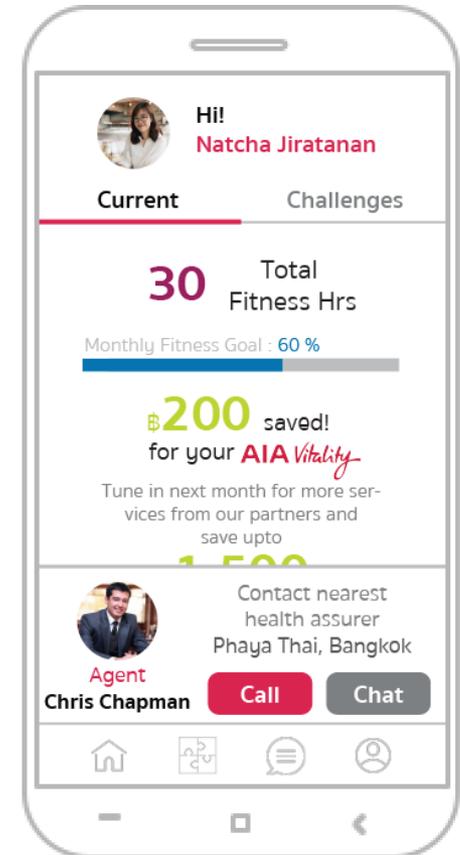
● AIA Wallet

Objective : Increasing repurchase rate and convenience for customers

Tactics : Let customers top-up in e-wallet. After that, they can pay via AIA wallet to give more discount when using partner services,

Incentive for AIA : earn immediate cash in system

Freemium Application



Shows your current fitness hours, how much you will save if you buy one-stop lifestyle package



“ We are not only the CHALLENGER, but also CHANGER to improve your business better ”

- Cha(lle)nger -