

WHITE PAPER

# Unlocking Marketing Maturity in Insurance

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October 2024

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The marketing industry is particularly sensitive to economic shifts and downturns, and that is especially the case for the insurance sector. Economic pressures affect not only operational costs but also brands' ability to invest, often leading to slowed-down or deprioritized marketing investments. In this challenging landscape, insurance companies should focus on leveraging the right technology to drive growth and invest in mid- to long-term projects that can deliver sustainable progress in the coming years.

In the context of insurance, investing in marketing is essential not only to enhance brand awareness but also to strengthen the direct online channel. This focus is crucial to increase competitiveness in a market that still predominantly relies on offline agents and where online interactions are often intermediated by aggregators. By prioritizing investments in digital marketing and technology, insurance companies can achieve greater market penetration, improve customer engagement, and drive top-line growth. Even though over 60% of sales still occur offline, the customer journey typically begins online, where customers initially gather information or quotes.<sup>1</sup> Moreover, the usage of digital platforms for communicating with insurers started to rise during the pandemic, and it is expected that digital interactions will reach beyond 50% in the coming years.<sup>2</sup> In this context, insurance companies face the critical challenge of integrating their strategy, traditionally based on offline sales channels and managed by agents, with digital business. This transition is not merely about transferring existing processes online but reimagining them to build a real omnichannel experience.

In this paper, we examine specifically the implications of marketing strategies for insurance companies. In our extensive research [Accelerating AI-Driven Marketing Maturity](#) report, we have uncovered that marketing maturity is closely linked to business KPIs (profitability, productivity, and overall competitiveness). Indeed, higher-maturity brands demonstrate a responsiveness to market changes that is 3.4 times greater than that of their peers with lower maturity levels, and experience a higher increase in productivity (+39%) and double the growth in profitability. These findings highlight the tangible benefits of advancing marketing maturity within the insurance sector.

1. BCG – Global Insurance Distribution Customer Survey
2. BCG – Moment of Truth for Health Insurance

## Marketing Maturity Framework

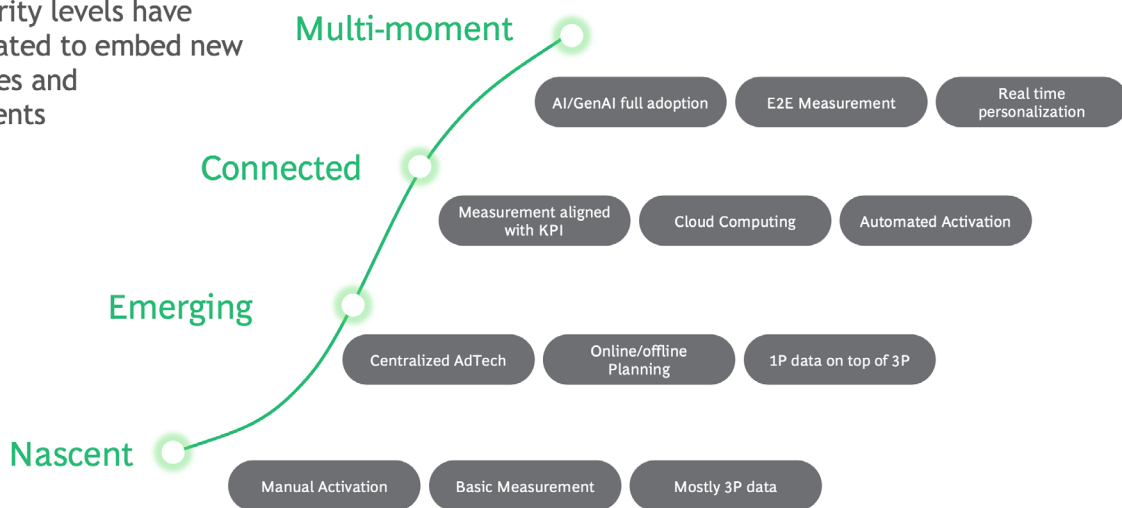
The marketing maturity framework is designed to explore and identify key success factors in marketing maturity. Initiated in 2018, the framework has undergone significant development due to major changes in the marketing industry, with enhancements in 2021 and a last update built in 2024.

The marketing maturity framework classifies companies into four stages of marketing maturity based on their ability to adopt and integrate digital technologies. These stages are nascent, emerging, connected, and multi-moment, with each stage representing an increasing level of sophistication and integration in using technology to enhance marketing outcomes (see Exhibit 1). The framework also identifies four “unlocks” companies can achieve as they progress through these stages, enhancing their marketing capabilities (see Exhibit 2).

By leveraging the insights and framework outlined in the Accelerating AI-Driven Marketing Maturity report, this paper identifies the current maturity stage of insurance companies.

### Exhibit 1 – What maturity means has evolved

The maturity levels have been updated to embed new capabilities and requirements



Source: Accelerating AI-Driven Marketing Maturity, 2024

### Exhibit 2 – Four universal unlocks to Brands’ Higher Maturity

Unlocks and underlying capabilities

#### Strategic decision making

- Strategic KPI setting
- End-to-end measurement
- Test and learn culture
- Integrated planning
- Target tech stack

#### Integrated teams

- Agile collaboration
- Specialist skills
- Adtech centralization
- Data-driven decision making
- GenAI workflow reimagination



#### Actionability of data

- User identification
- Targeting audiences and data sources (0P, 1P, 2P)
- Consumer value and trust
- Privacy readiness for a cookieless future
- Data enrichment and monetization

#### Smart execution

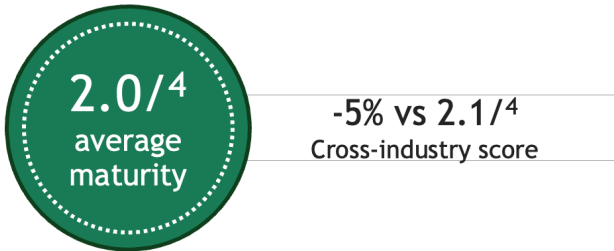
- Data-driven content
- Predictive power and embedded AI
- Data-enabled media activation
- Personalized experiences

Note: KPI = key performance indicator; 0P = zero party; 1P = first party; 2P = second party | Source: Accelerating AI-Driven Marketing Maturity, 2024

## Current State of Marketing Maturity in Insurance

The marketing maturity of the insurance sector is at an “emerging” to “connected” stage with an average maturity score of 2.0 (-5% compared with cross-industry score; see Exhibit 3).

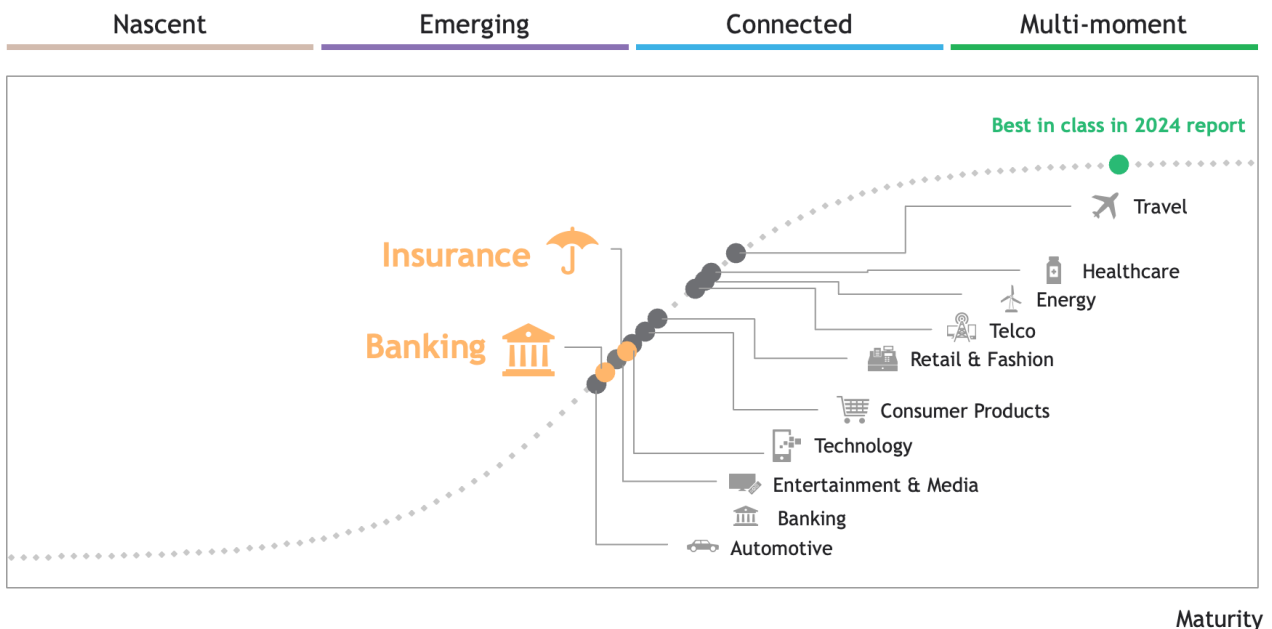
### Exhibit 3 – Marketing maturity score position Insurance at the beginning of connected stage



Source: Accelerating AI-Driven Marketing Maturity, 2024

The industry’s performance starkly contrasts with best-in-class sectors like travel and healthcare, which have a higher maturity level (+16% and +12% compared with insurance, respectively), as well as with industries that have similar business models (such as telco and energy), positioning insurance as one of the least mature industries (see Exhibit 4).

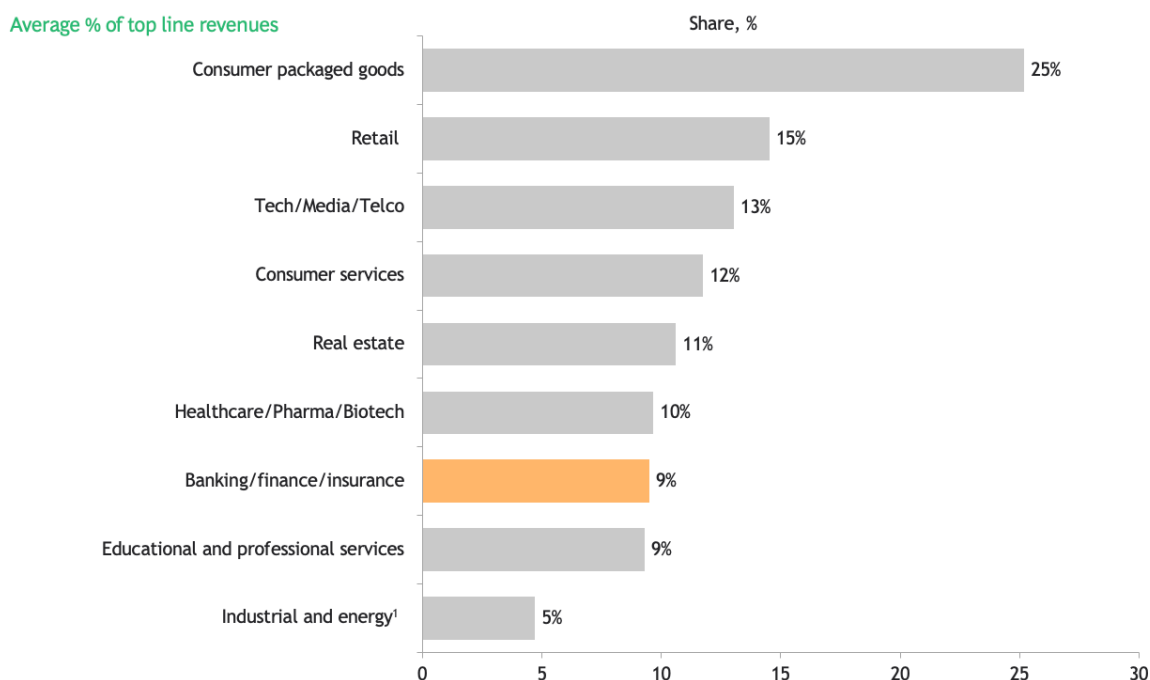
### Exhibit 4 – Insurance is lagging and has a significant opportunity to invest in digital marketing and sales to bridge the gap with more mature industries



Source: Accelerating AI-Driven Marketing Maturity, 2024

The reason is that marketing is often deprioritized in the insurance industry and is perceived as less relevant compared with other industries (see Exhibit 5).

## Exhibit 5 – Financial industry is deprioritizing marketing investment vs. other industries



1. Industrial incl. Mining, Construction, Manufacturing | Note: 316 respondents; among marketers from for-profit companies | Source: BCG analysis

*“Marketing is often perceived as a very basic function of the company, primarily for raising awareness. Its potential to directly drive business revenues is not fully recognized.”*

*VP of Global Marketing Operations,  
Channels, and Analytics of a large insurance company*

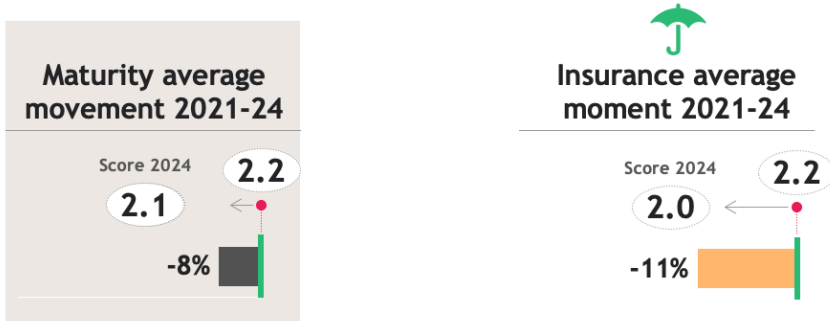
Indeed, industries like retail or consumer packaged goods (CPG) invest heavily in marketing and communication, with the challenge to prove immediate sales results. Conversely, insurance and similar sectors such as energy and telco rely on long-term customer relationships, with sales processes characterized by repeated interactions and a focus on lifetime value rather than single transactions. Hence, the focus for insurance companies should be on building a reliable data strategy encompassing an articulated customer journey to improve upsell and cross-sell and build a comprehensive omnichannel strategy.

This fundamental difference demands a distinct approach to marketing, where the focus shifts from a transactional approach to sustained engagement and retention and places even more emphasis on having end-to-end measurement solutions in place.

Additionally, while traditional insurance businesses leverage marketing mostly to build awareness, direct insurance channels focus on the critical last mile at the bottom of the sales funnel. The gap between the goals of the two channels significantly increases digital acquisition costs for insurance companies.

When comparing the current situation to 2021, we see that insurance brands' maturity score is decelerating faster than other industries', which suggests that insurance companies have reacted to changes in the marketing industry (such as the rise of AI and generative AI, cloud data and privacy) more slowly than peers in other industries (see Exhibit 6).

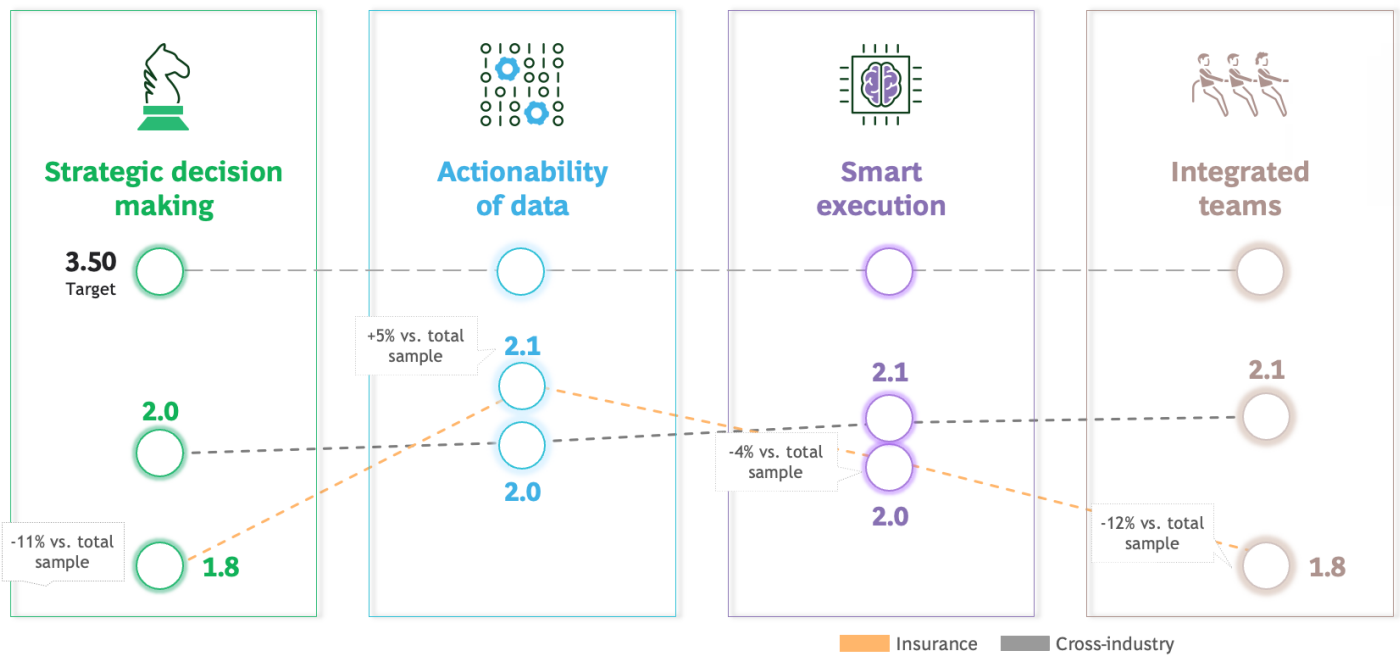
## Exhibit 6 - Marketing Maturity is moving backwards for the first time: 8% cross industry and insurance by 11%



Source: Accelerating AI-Driven Marketing Maturity, 2024

An analysis of the four unlocks outlined in the framework reveals that insurance lags behind in most marketing maturity dimensions, having a major weakness in strategic decision-making (see Exhibit 7). This drop in marketing maturity can indicate that insurers, driven by a focus on short-term profitability due to the current economic environment, have been slower than cross-industry peers to recognize the needs of long-term investment on marketing evolution. As a result, they have prioritized quick fixes over long-term transformative initiatives.

## Exhibit 7 – Insurance currently performing below cross-industry’s average, mainly in strategic decision making and Integrated teams



Source: Accelerating AI-Driven Marketing Maturity, 2024

Finally, the lower maturity on strategic decision-making of insurance companies compared with other industries is a direct result of the disconnect between the KPIs of the traditional channel compared with the direct channel. As stated before, the traditional channel focuses mainly on awareness while the direct channel focuses on conversion. Given the separation between channels at every level (in some cases they are even different legal entities), it's difficult for insurance companies to leverage data and customer insights across the full funnel, making it hard for insurers to get the full value of marketing activities.

## Industry's Key Challenges

Across the insurance sector's marketing landscape, we've identified three primary areas that, if tackled effectively, could offer significant competitive advantages.

**Data strategy (utilization and personalization):** Insurance companies gather vast amounts of data, but the challenge lies in effectively using this data to personalize marketing efforts and product offerings. Advanced analytics, AI, and machine learning are necessary to analyze and interpret this data to tailor products, prices, and services to individual customer needs. On this specific point, the insurance sector shows notable difference compared with other industries. Insurance companies not only collect highly sensitive personal and behavioral data, such as health records, driving behavior, and personal financial information, but operate in a heavily regulated environment. In addition, in the insurance industry, the traditional sales channel dominated by offline agents still accounts for most business. Unlike similar sectors such as telco or energy, where companies can directly collect and manage most of their customer data, insurance firms do not have full control over the data of their end users, which remains mostly in the possession of the agents.

*“Particularly in the B2B2C segment, the challenge is to truly understand our customers. Data collection is manual and annual; there is no automated process.”*

*VP of Global Marketing Operations,  
Channels, and Analytics of large insurance company*

**Consumer technology adoption:** As technology continues to evolve, consumer expectations for brand interactions are changing dramatically. Companies need to keep up with advancements such as mobile apps, wearable devices, and smart home technologies, which are influencing both marketing strategies and product offerings. And the pandemic has only accelerated the trend toward digital communication with insurers.

For instance, most insurance companies have developed mobile apps that allow customers to manage policies, file claims, and receive real-time support. Some insurers are utilizing wearable devices to offer personalized health insurance plans based on the user's activity data. Insurance companies now face the critical task of merging their traditional offline sales approaches, which rely heavily on agents, with emerging digital channels. The goal is to create a seamless omnichannel experience that enhances customer satisfaction, improves efficiency, and leverages the strengths of both online and offline interactions. This includes ensuring consistent messaging, providing multiple touchpoints for customer engagement, and using data analytics to better understand and serve their clients.

*“On one side, consumer habits have increasingly shifted to digital. On the other, the more complex the product, the less digital contracting there is. Clients with health policies require close support from a call center.”*

*CEO of insurance online aggregator*

**Customer experience and retention:** In the digital age, customer loyalty is hard to maintain. Insurers face the challenge of engaging customers who increasingly compare options online and switch providers for better rates or services, leading to a commoditization of specific products (for example, car insurance policies) and growing competition. Companies need to leverage technology to provide consistent and personalized customer experiences across all platforms to increase retention. The claims process is another critical moment of truth in customer experience for insurance companies. Enhancing this experience involves technical improvements in process automation, data integration, and customer interaction. Technologies such as AI for claims assessment, mobile apps for easy documentation upload, and chatbots powered by GenAI for instant communication can significantly improve efficiency and customer satisfaction. Streamlining these processes reduces wait times and errors, which directly influences customer retention and brand loyalty. By utilizing technology to handle these routine activities, insurance companies can ensure that agents concentrate on providing a personal, human touch in their interactions with end users, which is a critical element in the customer experience journey.

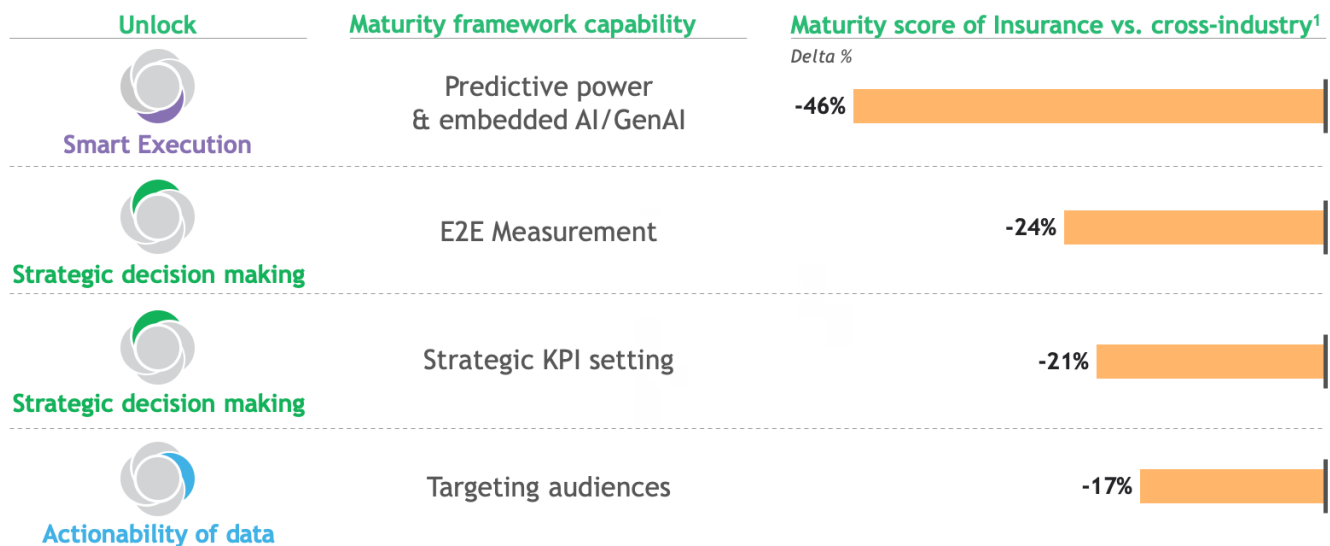
*“A key challenge in the insurance industry is to digitize most processes, allowing agents to focus on client relationships. This strategic shift will transform agents’ role from sales-oriented to consulting-oriented, enhancing customer experience.”*

*Head of Customer Experience of a leading EU insurance company*

## Roadmap to Accelerate Value

Using the overall marketing maturity framework and the comparison between the insurance sector and other industries, we found that insurance companies have a large opportunity across four areas: i) Predictive power & embedded AI/Gen AI, ii) E2E measurement, iii) Strategic KPI setting, and iv) Targeting audiences (see Exhibit 8).

## Exhibit 8 - Compared to other industries, Insurance exhibits significant opportunity in four key capabilities

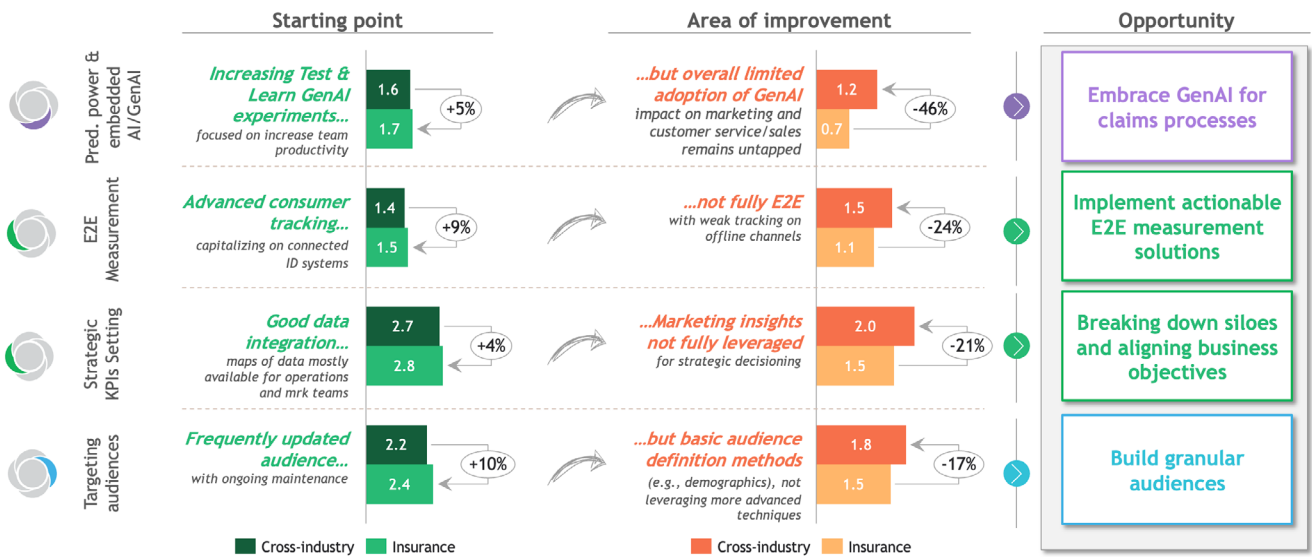


1. Maturity score from 1 to 4 | Source: Accelerating AI-Driven Marketing Maturity, 2024



Furthermore, we found that while insurance companies have a solid foundation in the areas mentioned before— benefiting from a mix of factors such as prior cloud investments and robust privacy and security measures — they are not advancing to the next stage of marketing evolution (see Exhibit 9).

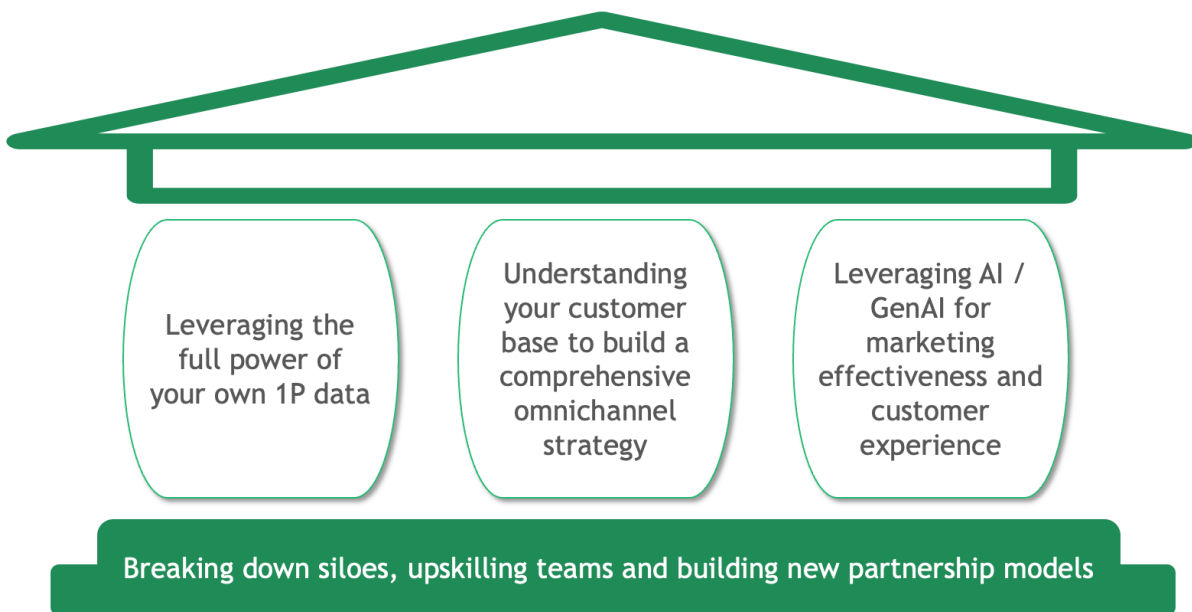
## Exhibit 9 – Insurance can leverage on good foundations to advance to the next stage of marketing evolution



Source: Accelerating AI-Driven Marketing Maturity, 2024

With this in mind, we identified one enabler and three main strategies not only to elevate insurance marketing maturity but also to translate these actions into tangible business results (see Exhibit 10).

## Exhibit 10 – To improve, insurance companies must focus their attention to 3 main strategies and 1 key enabler



Source: BCG analysis

### **Breaking down silos, upskilling teams, and building new partnership models:**

Insurance companies employ distinct strategies for their traditional offline channels and direct online channels. It is essential to align the goals of internal functions with external partners, including agents and media agencies, to optimize marketing and overall business strategies. This alignment helps ensure that data collected by offline agents is shared throughout the organization and that insights from marketing data are effectively utilized. Such strategic use of information can significantly improve business outcomes (see Exhibit 9).

*“We need our C-suite to understand the relevance of digital investments beyond digital media, and obtain their full sponsorship for a comprehensive organizational change.”*

*Head of Digital of bancassurance company*

### **Leveraging the full power of your own first-party data:**

*Connect data internally:* Insurance companies have access to significant amounts of first-party (1p) data, such as personal data, driving behavior, financial status, and health conditions, yet they often struggle to effectively connect and activate this data due to siloed organizations and internal security constraints. If we compare insurance brands’ marketing maturity with that of other industries, we find that the sector is extremely mature in privacy-ready data processes (+15% compared with the cross-industry benchmark, scoring 2.5/4), mostly due to privacy and security regulations being stricter for insurance than for other industries. Insurance companies should implement and leverage cloud technologies that can facilitate secure and efficient data sharing, creating a unified view of customer data that enhances both the speed and accuracy of decision-making processes.

Insurance companies should also develop strategies to encourage agents to share data collected offline within the organization. This will enhance centralized customer relationship management (CRM) activities and create more opportunities for upselling and cross-selling.

*“Our primary challenge is the siloing of data, which is not effectively integrated, particularly in relation to marketing use cases.”*

*Head of Digital of health insurance company*

*Build granular audiences:* While insurance companies are adept at dynamically updating customer segments, they often do not fully exploit advanced segmentation techniques (see Exhibit 9). Incorporating more granular audience definitions, such as reason-to-buy or life-event-based targeting, can significantly improve the relevance and effectiveness of marketing campaigns, improving CAC and reducing overdependency on aggregators. For example, tailoring communication and offers based on specific customer milestones like purchasing a new home or car can dramatically increase conversion rates.

*“Upselling and cross-selling represent a major missed business opportunity for insurance companies. The challenge stems from highly fragmented data and leads that are dispersed across various agents instead of being centralized, which hampers effective utilization.”*

*Head of Insurance Business of tech company*

## **Understanding your customer base and attributing the right value to all the touchpoints to build a comprehensive omnichannel strategy:**

*Implement actionable E2E measurement solutions:* As we have seen in our study, insurance brands are lagging behind other industries due to their offline legacy. Compared with our previous study, insurance brands decelerated significantly (-4%) in maturity score associated with end-to-end measurement solutions. On top of that, their siloed approach prevents insurers from connecting touchpoints. Insurers should be able to attribute value to each step of the customer journey, obtaining insights as a first step toward its optimization. This attribution plays a critical role in determining marketing effectiveness and ensuring that strategies are well-aligned with broader business outcomes (see Exhibit 9).

*“The lack of attribution models results in paying extremely high cost per acquisition.”*

*CEO of insurance online aggregator*

*Implement advanced AI-driven models:* Implementing sophisticated AI-driven models (such as CLTV models) allows insurers to allocate marketing resources more strategically, aligning them more closely with the long-term value of customers. Advanced models can provide deep insights into customer behaviors, helping to identify at-risk customers early on and take proactive steps to reduce churn. This approach ensures that insurers can effectively evaluate and enhance each customer interaction, leading to strategic improvements in marketing tactics and operational efficiency.

*“There’s a significant opportunity to fully understand and leverage the potential of CLTV models, which remain underutilized in the insurance sector compared to similar industries.”*

*Head of Customer Experience of a leading EU insurance company*

## **Leveraging AI and GenAI for marketing effectiveness and customer experience:**

*Leverage AI to optimize marketing effectiveness.* Insurance companies should enhance their technological platforms to integrate AI tools that not only optimize marketing spend but also focus on precision marketing using data-driven content. This approach automates complex processes, reduces operational costs, and boosts overall efficiency. AI enables insurers to strategically allocate their marketing budgets and tailor their marketing efforts, ensuring maximum efficiency and effectiveness in their investments while enhancing target accuracy.

*“Although previously underutilized, leading industry players are now adopting data-driven creatives, such as personalized banners, emulating approaches seen in similar sectors like energy and telco.”*

*Head of Insurance Business of tech company*

Embrace GenAI solutions for customer experience. GenAI applications will create a significant impact across the value chain, yielding substantial efficiency gains and cost savings. The biggest savings, ranging from 40% to 60%, are expected to come from productivity gains in customer service. For example, implementing GenAI for automated claims processing can reduce processing time by up to 35%. While insurance companies have rapidly embraced testing GenAI to enhance customer experience and marketing personalization, their integration of this technology into core business operations like claims processing remains limited. For GenAI to realize its full potential, insurers must evolve beyond pilot projects to full-scale deployment across all business areas (see Exhibit 9)..

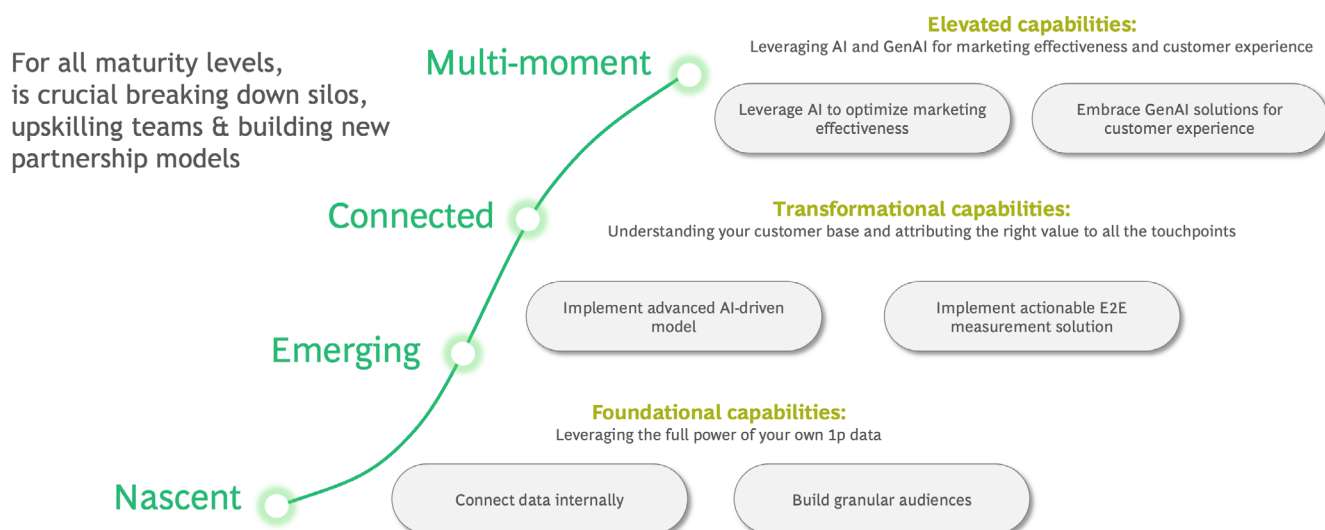
*“GenAI revolutionizes the claims process by saving time (e.g., automating note-taking and suggesting best next steps), enabling agents to focus more on empathy, rather than details. This innovation has shown great success in our company.”*

*VP of Global Marketing Operations, Channels, and Analytics of large insurance company*

The insurance industry faces significant challenges that must be addressed to enhance marketing capabilities and ensure marketing has the right impact. The sector’s relatively low marketing maturity, compared to industries with similar business models (like telco and energy), highlights an urgent need for strategic adjustments and technological integration.

To elevate their marketing maturity and achieve tangible benefits, insurance companies should tailor their strategies to their current maturity level. Firms at the initial stages of maturity can focus on building foundational capabilities, such as fully leveraging their own first-party data. As they progress, understanding the customer base and accurately attributing value across touchpoints becomes essential. Highly mature companies should fully leverage AI and GenAI to enhance marketing effectiveness and customer experience. By adopting this customized approach, insurance firms can effectively boost productivity, profitability, and competitiveness (see Exhibit 11).

## Exhibit 11 – Roadmap to Guide Brands in Ascending the Maturity Steps



Source: BCG analysis

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## Acknowledgments

The authors thank Frank Hohenleitner, Daniele Frigerio, Jose Luis Casas, Zigor Lapera, Pedro Sangro, Maria Alzueta, Borja Raventós, and Gaia Giobbi.

## For Further Contact

If you would like to discuss this report, please contact the authors.

