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Suliman, Mohamed Ameen

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Understanding The role of digitalisation in funeral insurance claims in South Africa

Mohamed Ameen Suliman

Student number 441931

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Management in the field of Digital Business

Johannesburg, 2024

Supervisor – Dr George Tweneboah

DECLARATION

I, Mohamed Ameen Suliman, declare that this research project is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements of the degree of Master of Management in the field of Digital Business at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Name: Mohamed Ameen Suliman



Student number: 441931

Email: 441931@students.wits.ac.za

Phone number: 082 829 2822

Signed at Pretoria on the 23rd day of October 2024

ABSTRACT

This research report studies the role of digitalisation in funeral insurance claims in South Africa. The study seeks to understand the benefits as well as the challenges faced by digitalisation in funeral insurance claims in South Africa.

A qualitative research study was undertaken within a large funeral insurer based in South Africa. Semi-structured interviews were conducted with employees of the organisation who had expert knowledge of funeral insurance claims. Inductive thematic analysis was the method of choice for understanding the results.

The study's findings were that digitalisation has a role to play across multiple points in the claims journey. Benefits of digitalisation include driving efficiency of back-end processes with applications like automation of the claims process as well as supporting fraud detection with artificial intelligence.

Challenges of digitalisation include the adoption of digital tools by the insurer and the customer, cybersecurity and the socio-economic dynamics of customers in rural areas.

Insurers would benefit from digitalising their workflows to unlock efficiencies within their existing claims processes. Customers would benefit from these efficiencies, as well as the enhanced customer experience that digital channels can provide.

The study was limited to employees within a single funeral insurer in South Africa. Further study could be to replicate the study across the broader funeral insurance industry, capturing more players within the market. Additionally, further study on the interactions between particular technologies and their effect on the claims process would be valuable.

KEYWORDS

Funeral Insurance

Claims

Digitalisation

Digital Divide

South Africa

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In the name of Allah (God), the most beneficent, the most merciful.

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DEDICATION

I dedicate this to my late father, Noormohamed Suliman. I miss you every day.

I am, because of you.

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LIST OF ACRONYMS

AI	artificial intelligence
ASISA	Association for Savings and Investments South Africa
DBaaS	Database as a Service
DIT	Diffusion of Innovation Theory
EIOPA	European Insurance and Occupational Pensions Authority
GDPR	General Data Protection Regulations
IaaS	Infrastructure as a Service
ICT	information communication technology
IoT	Internet of Things
IT	information technology
PaaS	Platform as a Service
POPIA	Protection of Personal Information Act
RPA	robotic process automation
SaaS	Software as a Service
TAM	Technology Adoption Model
TPB	Theory of Planned Behaviour
UTAUT	Unified Theory of Acceptance and Use of Technology
WEF	World Economic Forum

CHAPTER 1. INTRODUCTION

1.1 Purpose of the Study

This **qualitative study** investigates the role of **digitalisation** in **funeral insurance claims** in South Africa.

1.2 Context of the Study

A FinScope study conducted in 2019 found that a third of South Africans surveyed had experienced an unforeseen event putting them under financial strain. A death in the family was reported as the most significant driver of those who had experienced an unforeseen event. This is due to the cost of funerals in South Africa. It was also found that the majority of participants (53%) have a funeral cover product Finscope (2020). This is further corroborated by a Cenfri (2014) report that suggests funeral insurance is the most popular form of microinsurance in South Africa.

The Association for Savings and Investments South Africa (ASISA) reported more than 13.9 million in-force funeral insurance policies, with total in-force premiums of R32.45.9 billion as of 2023. Additionally, over 470000 death claims were processed in the first half of 2023 (ASISA, 2024).

The payment of claims is core to the insurance business model, and insurers strongly emphasise claims payments (Eckert & Osterrieder, 2020). Major funeral insurers in South Africa require several steps to be fulfilled by a claimant before registering a claim. These include but are not limited to providing documentation such as multiple claim forms, certified copies of death certificates, certified copies of identity documents of parties to the policy, proof

of bank account details for the claimant, as well as various other documents or forms depending on the nature of the claim (1Life, 2024; Clientele, 2024; Hollard, 2024; Sanlam, 2024). Once a claim can be lodged, several internal claims administration processes occur within the insurer, including verification of documents and personal details and forensic investigations in the instances of suspected fraudulent claims.

Digital technologies have made significant advances in the recent past and are driving disruption across industries. In the age of the fourth industrial revolution (Bernstein, 2018), the consideration is what role digitalisation has on the claims process of funeral insurers.

1.3 Research Problem

Eckert and Osterrieder (2020) conducted a systematic overview of digital technologies and use cases for the insurance industry. The opportunities brought on by digital transformation in insurers are clear and exist across the value chain, as elaborated on by Bohnert et al. (2019) and Eling and Lehmann (2018).

Catlin and Lorenz (2017), Lee and Deng (2018), and Puschmann (2017) have noted the risk of incumbents falling behind with the rising wave of digital insurers disrupting the insurance market with innovative digital solutions. These digitally advanced insurers (referred to as InsurTechs) challenge existing business models by providing unique value propositions to customers. These unique value propositions make operations more efficient, including digitalised claims processes (Pillay, 2018). A South African insurance market survey conducted by KPMG (2020) discussed areas of inefficiency within South African insurers. A primary area of focus identified was the process of claims administration. Some insurers have made advances by linking to Home Affairs databases and implementing automation projects, but the uptake by insurers has been slow (KPMG, 2020).

More recently, industry practitioners have noted the importance of digital technologies in funeral insurance claims expressly. A claims executive at a large South African funeral insurer reported a surge in funeral claims due to the COVID-19 pandemic. Accordingly, the insurer implemented robotic process automation (RPA) and artificial intelligence (AI) solutions to register most death claims within 4 minutes and have them paid out within 9 hours (1Life, 2021).

Funeral insurance, by design, is meant to pay out quickly and efficiently, given the lack of underwriting (Metropolitan, 2021). The COVID-19 pandemic has proven a challenge to funeral insurers, from the sheer scale of death claims to the changes in operations due to social distancing and lockdown regulations (ASISA, 2021). This indicates that there is room to understand the role of digitalisation within funeral insurance claims in South Africa.

1.4 Research Objectives

The study aims to investigate the role of **digitalisation** in **funeral insurance claims** in South Africa. The research objectives that support this aim are:

1. Understand the role of digitalisation in funeral insurance claims,
2. Understand the benefits of digitalisation in funeral insurance claims and
3. Understand the challenges of digitalisation in funeral insurance claims.

1.5 Significance of the Study

The significance of digitalisation in insurance is well understood (Bohnert et al., 2019; Eckert & Osterrieder, 2020; Eling & Lehmann, 2018; Pillay, 2018). Digitalisation has an impact across the value chain for insurers. Eling and Lehmann (2018) describe the automation of processes like claims settlement as an area of fundamentally creating value for insurers.

Bohnert et al. (2019) likewise found a positive relationship between business performance and the expression of a digital agenda among 41 publicly traded European insurance companies, which confirms Eckert and Osterrieder (2020) assertions that digitalisation is a relevant topic for insurers to consider. Additionally, Bagus et al. (2020) suggest that it is vital for African insurers to have a digital agenda that includes back-office process automation.

Zarina et al. (2019) suggest that digitalisation in the claims process would rapidly decrease the combined ratio of an insurer, i.e. the money flowing out of an insurer due to expenses, losses and dividends. The benefits are driven by consistent claims handling (KPMG, 2017), a 40% decrease in Information Technology automation costs (McKinsey, 2015) and a decrease of up to 10% in premium costs and 8% in claims expenses (Bosisio et al., 2018).

Situationally, funeral insurance claims are essential in the South African context. Research suggests that South Africans, on average, spend the equivalent of a year's income on an adult funeral (Case et al., 2013). This finding explains why a report highlighted the critical role of affordable insurance products in reducing financial strain in unforeseen events.

The study aims to contribute to the body of knowledge by understanding digitalisation's role in this important aspect of a critical economic sector.

1.6 Delimitations of the Study

The study focuses on the digitalisation of the insurance claims process within a single funeral insurer in the South African market. Other industry players, industries and markets were not considered. It focused on the benefits of digitalisation as well as the challenges of digitalisation within the realm of funeral insurance claims.

1.7 Definition of Terms

Eling and Lehmann (2018) discuss several approaches to defining digitalisation. They contrast the narrow definition from Ingleton et al. (2016) that focuses on the technical aspect of information storage within databases with the broader definition from Berghaus et al. (2016) that takes a far more holistic view of digitalisation having cultural and business aspects.

Armstrong and Lee (2021) define digitalisation as the "*reconceptualization and reconfiguration of processes and systems (from analogue- and physical-centric forms) into maximally digital-centric forms*". This is congruent with the Eling and Lehmann (2018) definition that combines analogue and digital worlds using new technologies. Eling and Lehmann (2018) add further detail to their definition by enhancing customer interactions, data availability, and business processes.

1.8 Assumptions

Participants were honest with their views on the subject, considering the confidentiality and not anonymity associated with participation.

Funeral insurance companies want to digitalise their funeral claims processes.

1.9 Chapter Summary

South Africans spend a large proportion of their annual income on funerals. As such, Bester et al. (2005) assert that funeral insurance is different from other forms of insurance as it is a more proactive purchase rather than a grudge purchase. Funeral claims processes are loaded with documentation and require intensive manual administration by claimants and insurers. The COVID-19 pandemic has placed a bigger lens on death claims by adding layers of

complexity and scale. Further understanding of the role of digitalisation in funeral insurance claims is thus timely and relevant.

1.10 Chapter Outline

Chapter 1 outlines the introduction and provides an overview of the purpose and context of the study. The chapter outlines the research problem and objectives next before considering the significance and delimitations of the study. Finally, the chapter presents the study assumptions, chapter summary and outline of the paper.

Chapter 2 outlines the literature reviewed and provides an overview of the background before delving into the role of digitalisation when processing funeral insurance claims. The sections that follow consider the benefits and challenges associated with digitalisation for funeral insurance claims. Finally, the chapter presents the study's theoretical framework and concludes with a chapter summary.

Chapter 3 outlines the methodology and provides an overview of the research approach and design. Data collection methods are outlined before considering the study population, sample and sampling method. Next, the chapter outlines the procedure for data collection, analysis and interpretation. Study limitations are considered next, along with an overview of the steps taken to improve data trustworthiness. Finally, the chapter considers the demography of the participants and presents the ethical considerations of the study before concluding with a chapter summary.

Chapter 4 outlines the findings of the study and starts with an overview of the sample before presenting the outcomes of the inductive thematic analysis, where themes, sub-themes and supporting quotations have been presented to understand the primary research question better. The chapter closes with a summary of the main findings of the empirical data collection and analysis.

Chapter 5 outlines the discussion of the findings of the study and provides an overview of the discussions pertaining to the three secondary research objectives. Each objective is considered in terms of the sub-themes from Chapter 4, and a comparison is made to the literature reviewed in Chapter 2. The chapter closes with a summary of the evidence-based assessment with emerging and actionable insights outlined in Chapter 6.

Chapter 6 outlines the conclusions and recommendations of the study and considers the following outcomes associated with the discussion and study findings, i.e., main findings and conclusions associated with the research objectives, recommendations, study limitations and areas for future study.

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

The introduction highlighted the importance of funerals in South Africa and touched on the significant financial implications of funerals on the affected household. Based on this, funeral insurance was noted as an essential step in protecting the financial stability of families in the event of the unexpected death of a loved one or family member.

The topic of digitalisation is explored to extend the reach and ease of access to services, such as funeral insurance claims, in general as well as in the rural population. While digitalisation within the insurance industry is lagging relative to counterparts within the financial services industry (Lee & Shin, 2018; Skan et al., 2016), there is evidence of value in digitalisation efforts in insurers, with Zarina et al. (2019) finding a clear link between digitalisation and claims handling speed within insurers in Baltic countries. Locally, a large funeral insurer has shared that internal advances in digitalisation have enabled them to meet the extended demand from excess deaths due to the COVID-19 pandemic (1Life, 2021).

The literature review delves deeper into the existing body of knowledge regarding digitalisation within insurers, focusing on claims and the claims process. Attention is given to the broad aspects of digitalisation that can be implemented within insurance claims, discussing the benefits and challenges within the South African context.

2.2 Background

Eckert and Osterrieder (2020) give an overview of previous academic research regarding digitalisation in the insurance industry with two categories of focus: the holistic strategic view and the specific view. The holistic view provides a birds-eye view of the direction insurers should take, accounting for various factors in the digitalisation journey, while the specific view zooms in on particular digital technologies and their role within the insurance industry.

Eling and Lehmann (2018) and Bohnert et al. (2019) describe the holistic strategies to leverage digitalisation across the insurance value chain.

Much of the rest of the academic literature, according to Eckert and Osterrieder (2020), focuses on the specific technologies applied in the digitalisation within the insurance industry (Desyllas & Sako, 2013; Fang et al., 2016; Gatteschi et al., 2018; Huang & Meng, 2019; Owadally et al., 2019; Spender et al., 2019; Zhang et al., 2019).

The South African insurance industry has shown signs of disruption by InsurTechs, which are companies focused on streamlining the insurance claims process using artificial intelligence and mobile app technologies. These technologies are then used to deliver insurance solutions to customers (Pillay, 2018). Eling and Lehmann (2018) describe the technological impact of these digital technologies across the insurance value chain in their own value chain and technology matrix. Some of these digital technologies include big data, artificial intelligence and blockchain, which offer enhancements as described below.

Big data and artificial intelligence have applications within fraudulent claims detection and automated claim payout calculations. Blockchain enables automated claim payouts, with apps being a digital platform for lodging claims at the claimant's convenience.

2.3 Role of Digitalisation in Funeral Insurance Claims

2.3.1 Funeral Insurance in South Africa

Van Niekerk (2001) traces the history of funeral insurance to early Roman mutual societies. The history of funeral insurance in South Africa was traced back to 1795 with the example of "*Laws and Regulations of the European Burial Society, at the Cape of Good Hope, Established 1795*" (Van Niekerk, 2001).

Funeral insurance in South Africa is the most popular form of microinsurance (Cenfri, 2014). ASISA (2024) notes that as of June 2023, there were more than 13.9 million funeral policies in force. A Finscope (2020) survey – nationally representative, benchmarked to the StatsSA 2019 population estimates – found that 53% of participants had a funeral product.

South Africans spend a significant portion of their annual income on funerals. Roth (2000) and Ramsay and Arcila (2013) suggest that a funeral can cost 15 times a monthly household income. This is further corroborated in research done by Case et al. (2013), which suggests that South Africans, on average, spend the equivalent of a year's income on an adult funeral.

The research by Roth (2000) on South African funerals points to the social and cultural significance that funerals have in society. There was a clear emphasis that the expenses incurred in funerals were to preserve and ensure the dignity of the deceased. The socio-economic benefit of funeral insurance has been described in a Deloitte (2017) report, which implies that affordable insurance products play a critical role in the lives of many South Africans.

Affordable insurance products provide a modicum of financial resilience in unforeseen expenses, for example, the death of a loved one. Research suggests that South Africans realise this critical role, with Bester et al. (2005) describing the purchase of funeral insurance as a proactive decision to insulate a household from financial shock.

2.3.2 Funeral Insurance Claims South Africa

South African funeral insurers reported 470111 death claims for funeral benefits for the first half of 2023 (ASISA, 2024).

Prior to an insurance payout, an individual will need to follow the steps of the claim process, which begins with lodging a claim. The major funeral insurance providers in South Africa list several requirements to lodge a claim. While each provider may have slight differences in their claims process, the majority of the documentation required is the same across providers. A summary of what a claimant is required to provide is included in Table 2.1.

Table 2.1: Summarised requirements from funeral insurance claimants by selected funeral insurers

Minimum Requirements	A claim form completed by the claimant
	Certified copy of death certificate
	Certified copies of identity documents of the insured and claimant
	Proof of bank account details
	POPIA consent form
Additional if required	Police report in the event of an accidental death
	Medical records, if deemed necessary by the insurer

Source: adapted from 1Life (2024), Clientele (2024), Hollard (2024), Metropolitan (2024) and Sanlam (2024).

Once the required documentation is received by the insurer, several administrative processes take place. Insurers take steps to verify the validity of claims being submitted by verifying that the provided documentation is accurate and matches details on the insurer's policy administration system. This process

is a significant pain point for customers, particularly during emotional distress and grief. It tends to be a time-consuming and frustrating process (KPMG, 2020).

On the part of the insurer, these checks are necessary to curb funeral insurance fraud. In 2022, 1922 fraudulent funeral claims were identified to be worth a value of R90.6 million (ASISA, 2022). For 2019, funeral insurers detected 1783 fraudulent claims to the value of R54.2 million, a reduction from the R176.4 million from 1915 detected claims in 2018 (ASISA, 2020). The single largest contributor to fraudulent claims was the submission of fraudulent documentation. The fraudulent findings, as reported by insurers to ASISA, are shown in Table 2.2.

Table 2.2: Summary of findings from fraudulent claims reported by funeral insurers

Type of fraud	2019		2018	
	Cases	Value	Cases	Value
Misrepresentation/ Material Non-Disclosure	666	R25.6 million	625	R25 million
Fraudulent Documentation	1095	R27.8 million	1127	R147.5 million
Syndicate Involvement	20	R0.8 million	156	R3.5 million
Beneficiary Involvement in Death	1	R0.02 million	7	R0.4 million
Adviser/Broker Involvement	1	R0.02 million	0	R0
Overall	1783	R54.2 million	1915	R176.4 million

Source: ASISA (2020).

2.3.3 Digitalisation of Insurance Claims

The fourth industrial revolution brings with it "*Profound and Systemic Change*" (Schwab, 2017) that cuts across industries, disrupting the comfort of incumbents (Bernstein, 2018). This is no different in the insurance industry, with

incumbents at serious risk of being left in the wake of digitally savvy new entrants (Catlin & Lorenz, 2017; Lee & Deng, 2018; Puschmann, 2017). Disruption in the form of unique value propositions being offered to tech-savvy customers by InsurTechs is a serious threat to the current insurance business model (Pillay, 2018).

While the threat is real and serious, all is not lost for incumbents.

Eckert and Osterrieder (2020), according to Eling and Lehmann (2018) and Kotalakidis et al. (2016), include the major digital technologies for consideration as "*big data, artificial intelligence, the internet of things, cloud computing and the distributed ledger technology".* Additionally, RPA is a major technology to consider as it combines several of the technologies mentioned above.

Each of these major technologies has specific use cases for insurance claims. Insurers do not have to implement all of the technologies to obtain benefits but rather a combination of them, with many of them interlinked. A definition and example use case of each technology follows below.

2.3.3.1. Big Data

De Mauro et al. (2016) argue that there is no single definition (of big data) due to its ubiquity. Gartner (2012) defines big data in terms of the 3V's, namely volume, velocity, and variety of data, emphasising the processing of said data to enable better business outcomes. This definition is primarily agreed with by Laney (2001) and Owadally et al. (2019).

One use case for big data for insurers is to utilise the data for pattern recognition algorithms (expanded on in further detail in 2.3.3.2) to enable more effective fraud detection (Eling & Lehmann, 2018; Garde, 2017). Zhang (2019) asserts the value of applying big data analytics within the customer relationship management aspect for insurers as being noteworthy.

2.3.3.2. Artificial Intelligence

Russell and Norvig (2002), Anyoha (2017), and Kelley et al. (2018) define artificial intelligence as human cognitive functions being conducted by machines, with machine learning being a popular contemporary subset. One of the most important applications of machine learning within insurance claims is to ingest the so-called "Big Data" and detect anomalous claims that are likely to be fraudulent (Gruhn, 2018; Eling & Lehmann, 2018).

Artificial intelligence is also the basis of image recognition algorithms, which have myriad applications in automating clerical tasks common in claims management. For example, the reviewing of documentation, capturing of handwritten forms, and comparison of faces in images can be accomplished with advanced image recognition algorithms, thereby enabling more efficient processes (Shang, 2018).

2.3.3.3. Internet of Things (IoT)

Atzori et al. (2010) refer to the Internet of Things (IoT) as the interconnection, interaction and cooperation of a wide variety of devices (things) through unique communication identifiers. Practically, the networked interaction of devices continuously monitors and shares information to reach a common goal. Armstrong and Lee (2021) define the IoT as a connected network of devices that can be monitored and managed in advanced ways through digitally powered systems. Practically, for insurance claims, knowledge of customers' device usage can enable better detection of fraud by corroborating claimants' testimony with digital tracking info (Behm et al., 2019; European Insurance and Occupational Pensions Authority [EIOPA], 2019).

2.3.3.4. Cloud Computing

Armstrong and Lee (2021) adapt their definition of cloud computing from Staten et al. (2008) as the infrastructure used for computing purposes that is

abstracted, scalable and managed with the capability to be billed by consumption and fulfil hosting requirements for customer applications. There are several delivery models of cloud computing, including Software as a Service (SaaS), Platform as a Service (PaaS), Infrastructure as a Service (IaaS), and Database as a Service (DBaaS) (Marinescu, 2017).

Cloud computing as a back-end enables the more efficient use of artificial intelligence models as well as connecting IoT devices, forming a part of a holistic digital strategy (Moodley, 2019).

2.3.3.5. Blockchain

Blockchain is the most common form of distributed ledger technology (Eckert & Osterrieder, 2020). Distributed ledger technology enables forgery-proof transactions that do not require the approval or intervention of intermediaries (Davidson et al., 2018). Davidson et al. (2018) and Grima et al. (2020) describe an insurance use case that discusses real-time claims settlement through blockchain technology by setting predefined conditions within a smart contract, which will immediately authorise payment in the event of the conditions being met. This can greatly reduce administration.

2.3.3.6. Robotic Process Automation (RPA)

Armstrong and Lee (2021) define RPA as "*a software tool that mimics and replicates manual and repetitive human actions in software space to automatically fulfil a process or part of a process, with the ability to work with and between multiple programs and the ability to either include human intervention or be completely automated*". Cranfield and White (2016) describe how RPA enabled a claims team of four people to handle and process around 3000 claims a day. The benefit of RPA was that a service without RPA implementation would require a team three times larger to accomplish the same output.

2.3.4 Proposition 1

The role of digitalisation in funeral insurance claims includes the use of digital technologies like big data, artificial intelligence, the IoT, cloud computing and blockchain.

2.4 Benefit of Digitalisation in Funeral Insurance Claims

2.4.1 Benefits of Digitalisation

Research has outlined various digital technologies and use cases to bring value to insurers (Eckert & Osterrieder, 2020). These digital technologies bring benefits all across the value chain, from the marketing of products to claims management (Bohnert et al., 2019; Eling & Lehmann, 2018).

Taylor et al. (2002) suggest that information technology can reduce the cost base of an insurer by improving the efficiency of back-end claims processes. In a study by Bedi (2024) on the digital trends and hindrances in digital adoption, it was found that key benefits of digitalisation were less paperwork due to digitisation and increased organisational efficiency.

Buyana (2022) conducted a study on the effects on employment in the insurance sector in Cape Town as a result of digitalisation and the fourth industrial revolution. A key finding of Buyana (2022) was that insurers that implement digitalisation within their process could unlock multiple benefits in the form of productivity benefits and the emergence of new products and services.

Another benefit of digitalisation in the claims process is consistent claims handling (KPMG, 2017). McKinsey (2015) showed that information technology (IT) automation costs can decrease by 40% by focusing on claims management. Bosisio et al. (2018) came to a similar conclusion and found that technology shifts in claims can decrease premium costs by 10% and claims expenses by 8%.

In South Africa, several areas of inefficiency that digital technologies could alleviate were identified, with a primary area being claims administration (KPMG, 2020). Accordingly, Eling and Lehmann (2018) describe the automation of claims processes as fundamentally creating value. Zarina et al. (2019) showed that claims handling speed could be improved with digitalisation efforts in Balkan insurers.

The improved detection of fraudulent claims is also described as a critical benefit to insurers (Behm et al., 2019; Eling & Lehmann, 2018; Garde, 2017; Gruhn, 2018; Ravi & Kamaruddin, 2017; Singer, 2019).

Park et al. (2021) also contend that there is a strong relationship between customer experience and the digitalisation of an insurer. This is not just related to the insurance industry. The importance of customer experience is acknowledged via studies in other industries (Cebulsky et al., 2018; Lyskawa et al., 2019; Arora and Narula, 2018)

Jahnert and Schmeiser (2021) as well as Pooser and Browne (2018) contend separately that increased customer satisfaction has beneficial impacts on insurer profitability. Jahnert and Schmeiser (2021) furthered the work started by Pooser and Browne (2018), finding that a strong relationship exists between customer satisfaction and profitability. Their contention is that the profitability driver is primarily from premium income and not from the combined ratio of the insurer. This agrees with the findings of Pooser and Browne (2018), which suggest that the profitability benefit arises from satisfied customers being less likely to move away from the insurer and also refer other customers, thereby decreasing the cost of new business acquisition.

Osterrieder (2023) contends that various forms of digitalisation play a role in improving aspects of the insurance value chain, including customer interaction, as previously mentioned (Venkatesh, 2019). Customer experience benefits from digitalisation come in the form of transparency and standardised processes.

Furthermore, in the evaluation by Osterrieder (2023), the findings (EIOPA, 2019) noted that a comprehensive customer journey powered by digital tools could have a positive impact on customer experience.

The findings of Osterrieder (2023) indicate that various digital methods, served at different customer touchpoints, enhance and empower the insurer's capability when interacting with customers. Osterrieder (2023) found that there was a positive effect on two key indicators of customer satisfaction, namely, perceived service quality and perceived value.

Cappiello (2018) also asserts that across the insurance value chain, multiple benefits are found all the way from product development to claims servicing.

2.4.2 Proposition 2

The benefits of digitalisation in funeral insurance claims include faster claims handling speeds, operational cost reductions, and enhanced fraud detection.

2.5 Challenge of Digitalisation in Funeral Insurance Claims

2.5.1 Challenge of Digitalisation

Existing insurers face significant challenges in the digitalisation of processes, starting from within. As a 300-year-old business model, incumbents have had little incentive to adapt and remain relevant (Catlin & Lorenz, 2017; Lee & Deng, 2018; Puschmann, 2017).

Since incumbents have had little reason to change, organisations have the burden of legacy systems to contend with. Eckert and Osterrieder (2020) note the challenge of legacy systems as mentioned by (BaFin, 2018). Eckert and Osterrieder (2020) further highlight the challenge and complexity that legacy systems bring to digitalisation efforts, as previously noted by Urbach and Ahlemann (2016).

This was further examined by Mantyi (2020), who studied the challenges faced by a South African bank due to legacy systems and noted a finding by Hess et al. (2016) that the integration of new digital technologies remains one of the biggest challenges in digital transformation.

A study by Mataruse (2020) on the role of leadership within financial services as it pertains to cybersecurity noted the importance of alignment within senior leadership to achieve transformational goals. Mataruse (2020) notes that leaders have the responsibility to articulate the strategy to gain buy-in from the whole organisation. This is especially true for digital transformation projects within the insurance industry, as it impacts the entire value chain (Eling & Lehmann, 2018).

Eckert and Osterrieder (2020) go further to emphasise, based on the work of Kimmig (2020), that the various technologies at play in the digitalisation playground are interrelated and require thoughtful planning and preparation from the side of the insurer to ensure success in implementation. They additionally assert the importance of deeply considering the technologies that insurers would like to implement and come up with holistic strategies for achieving their digitalisation goals.

Another internal factor related to the success of digitalisation efforts is the specialist skills required to implement digital technologies effectively (BusinessTech, 2019; World Economic Forum [WEF], 2018).

A major challenge in digitalisation efforts is data privacy and data security in the context of the Protection of Personal Information Act (POPIA) in South Africa and the General Data Protection Regulations (GDPR) enacted abroad. Fundamentally, personal data usage is under scrutiny, and all data users (including insurers) are required to comply. Specifically, in claims administration for insurers, it is the partnerships insurers have with third parties and the determining of risk as to whom the responsible party is deemed to be (KPMG, 2020).

A study by Mbatha (2020) on the factors influencing cyber security adoption warns all businesses of the reality of cyber attacks in an ever-increasingly

digitalised environment. As companies push on with the digital agenda, they become increasingly vulnerable to cyber attacks if the appropriate steps are not taken, as noted (Leitner & Stiefmueller, 2019).

The topic of cybersecurity is one known to be of concern throughout the population, even when the general population does not always understand the intricacies, security in place or the risk. This is confirmed by Ozili (2018), who suggests that people avoid using and lose trust in digital channels when they are aware of their data being prone to cyber-attacks. Ozili (2018) also highlights that the cost of securing data might outweigh the service offering cost, which in turn can impact the profitability of digitalisation as well as the efficiencies.

Other compliance risks also affect digitalisation, with compliance taking precedence over digitalisation projects. With compliance efforts, there is a tendency for manual processes to be added as stop-gaps and ad-hoc responses to requirements, which make digitalisation efforts down the road more challenging as solutions become fully tailored (KPMG, 2020).

Cloud computing brings along its risks, with Wierse and Riedel (2017) noting that given the specialist domain knowledge required, insurers will be dependent on cloud providers for a vast array of services to ensure maximum benefit to be enjoyed. This is a consequence not envisioned in the initial stages of cloud adoption.

The other side of digitalisation is the effect of digital inclusion within the customer base of funeral insurers. It does no good to have advanced digitalised customer interactions when the customers they are meant to interact with prefer more traditional means of communication. A study by Agwu (2021) found that in the case of traditionally financially excluded groups, individuals had a preference for the human touch and interacting in informal settings.

Shava and Ndebele (2023) note the widening digital divide for those who are data marginalised. They note the definition of data marginalised as referring to those members of society who are excluded from utilising digital tools. Additionally, Shava and Vyas Doorgapersad (2023) show this data

marginalisation as a strong deterrent to financial inclusion and participation within the economy, particularly for individuals based in rural areas.

This is supplemented by Munyoka (2022) and Sharma et al. (2022), who separately note the usage and ubiquitous nature of mobile devices contribute further to the data marginalisation mentioned.

2.5.2 Proposition 3

The challenge of digitalisation in funeral insurance claims includes organisational inertia, data privacy regulations, future skills and new partner relationships.

2.5.3 Theoretical Framework

Armstrong and Lee (2021) demonstrate a framework for understanding modes of technological disruption. This framework is built upon the definition of disruption developed by Kilkki et al. (2018). The framework extends into understanding the drivers of disruption in terms of their impact upon the profits of firms or industries.

The framework defines 14 sources or modes of disruption and then groups them into three separate categories namely, demand disruption, supply disruption and market engagement disruption. These categories broadly apply to modalities found internal to the company (supply side), external to the company (demand side) or at the interface of supply and demand side (market engagement).

These modes of disruption form a lens with which to understand the role of digitalisation in funeral insurance claims be it from the supply, demand or market engagement perspective.

Of particular focus to digitalisation in funeral insurance claims are the modes of automation, improved resource utilisation, digitalised access, price differentiation and lastly the mode of customer insights.

In addition to Armstrong's modes of disruption, socio technical theory provides a valuable framework for understanding the role of digitalisation in funeral insurance claims, particularly when it comes to the benefits and challenges associated with digitalisation efforts.

Socio-technical theory places emphasis on the optimisation of social aspects as well as technological aspects for organisations (Abbas & Katina, 2023). It sees the digitalisation of work resulting in a change in the nature of work and requiring the organisational adaptation for these changes (Govers & van Amelsvoort, 2023).

Abbas & Katina (2023) further describe socio technical theory as concerned with three primary dimensions namely, social, technical and environmental. Each dimension has close relatedness and interaction which are considered in the joint optimisation of the human and technical elements.

This goes hand in hand with the imperative discussed in section 2.5.1 of carefully considering any digitalisation efforts before implementation as emphasised by Eckert and Osterrieder (2020). Govers & van Amelsvoort (2023) further discuss the unavoidable interconnectedness of digital technologies within organisations, suggesting that all layers within a firm embrace digitalisation holistically.

Additionally, Change Management theory is also appropriate for examining the role of digitalisation in funeral insurance claims. Traditional change management theory is described by Lewin's (1947) three-step model, which follows the form of first unfreezing and then applying the change and refreezing.

More recently, the Digital Transformation Compass, as proposed by Westerman et al. (2014), incorporates traditional change management theories and applies them to the digital transformation problem. The Digital Transformation Compass has four phases, namely

1. Frame the digital challenge
2. Focus investment
3. Mobilise the organisation
4. Sustain the transition

2.6 Chapter Summary

Funerals in South Africa can place a large financial burden on individuals. In this context, funeral insurance is a key enabler of resilience for South Africans Deloitte (2017).

South African funeral insurers serviced 470111 death claims in the first half of 2023 (ASISA, 2024). The claims process is burdensome on claimants and administratively intensive on insurers (KPMG, 2020). Insurers have checks in place to mitigate against fraud, a major concern in the industry, with R90.6 million in fraudulent claims being detected by insurers in 2022 (ASISA, 2022).

The digitalisation of insurance runs across the value chain Eling and Lehmann (2018). Major technologies have specific use cases in insurance claims, as indicated by the literature. The technologies encompass artificial intelligence (Shang, 2018); blockchain (Davidson et al., 2018; Grima et al., 2020); cloud computing (Moodley, 2019); and big data (Eling & Lehmann, 2018).

The benefits of digitalisation are well understood by academics, with several studies showing benefits including improved claims handling speed (Zarina et al., 2019), consistent claims handling (KPMG, 2017) as well as internal cost decreases (Bosisio et al., 2018; McKinsey, 2015).

South African funeral insurers are taking steps to digitalise their claims processes (1Life, 2021), but there is further room for understanding the role digitalisation plays in funeral insurance claims.

2.6.1 Proposition 1

The role of digitalisation in funeral insurance claims includes the use of digital technologies like big data, artificial intelligence, the IoT, cloud computing and blockchain.

2.6.2 Proposition 2

The benefits of digitalisation in funeral insurance claims include faster claims handling speeds, operational cost reductions, and enhanced fraud detection.

2.6.3 Proposition 3

The challenge of digitalisation in funeral insurance claims includes organisational inertia, data privacy regulations, future skills and new partner relationships.

CHAPTER 3. RESEARCH METHODOLOGY

3.1 Introduction

Chapter 3 begins with the research approach, followed by an elaboration of the research design and data collection method. Thereafter, the population, sample, sampling method, and research instrument used are outlined. The selected approach for collecting and analysing data is highlighted and discussed next. The chapter is then concluded by addressing transferability and credibility.

3.2 Research Approach

The research approach was a qualitative study. The qualitative study was undertaken in the form of semi-structured interviews with employees familiar with the funeral insurance claims process. Edmondson and McManus (2007) indicate that the research methodology's fit can be guided by the state of prior research. As such, the understanding of digitalisation in insurance globally exists with prior research elaborated in Chapter 2. However, limited academic study has been devoted specifically to funeral insurance claims in South Africa, which confirms the choice of a qualitative study to enable the researcher to collect enriched data to identify broader themes (Campbell, 2014).

Mack and Woodsong (2005) indicate that to understand the behaviour and underlying sentiment on a topic, a qualitative research approach was deemed appropriate.

Several approaches to research are proposed within the literature. (Leavy, 2022) describes five of these approaches, namely Quantitative, qualitative,

mixed methods research, arts-based research and community-based participatory research.

Qualitative research was chosen since it fits best when attempting to explore, explain, understand or describe a phenomenon by digging deeper into the experiences of people within a particular domain (Leavy, 2022). Since the study was to understand the role of digitalisation in funeral insurance claims, it was explorative in nature.

3.3 Research Design

The study aimed to understand the perspective of experts within the funeral insurance claims industry, deemed to be explorative research. According to Stebbins (2001), exploratory research has as its outcome the examination, analysis or investigation of a topic.

Exploratory research can provide a deeper understanding and insight to better understand the role of digitalisation in funeral insurance claims (Baxter & Jack, 2008).

Since there have been few similar studies conducted on the role of digitalisation in funeral insurance claims, it is understood by Thomas and Lawal (2020) that exploratory research is preferred.

Since the research relies strongly on the expertise and perspective of participants as experts within the field of funeral insurance claims, a constructivist worldview was the basis for designing the research (Creswell & Creswell, 2018).

The research also followed the inductive reasoning methodology as it was based on the observations from experts in the industry through qualitative research (Abrams, 1980). The role of digitalisation, as well as its benefits and challenges, were understood based on the underlying themes emerging from the output of the research activities (Creswell & Creswell, 2018).

The research took the form of semi-structured interviews with questions being descriptive and open-ended (Creswell et al., 2007; Saunders et al., 2009).

3.4 Data Collection Methods

Data was collected through conducting semi-structured face-to-face (or screen-to-screen) interviews, following the theoretical underpinning as elaborated in Chapter 2. The interviews were conducted over MS Teams, the video conferencing platform of choice for the organisation. This was chosen due to social distancing regulations in place as well as the company's hybrid working arrangements at the time of the data collection process.

The interviews were conducted according to the interview guide attached in Appendix D. The interview guide was developed according to the research objectives and aligned with the theoretical framework. It, therefore, consisted of questions related to funeral insurance claims, the digitalisation of funeral insurance claims, the benefits of digitalisation in funeral insurance claims, and the challenges of digitalisation in funeral insurance claims. The questions remained open-ended in nature (Saunders et al., 2009). The question structure and delivery by the interviewer were adhered to and not deviated from, and participants were not overly probed or directed to obtain as true a reflection as possible (Silverman, 2011).

3.5 Population and Sample

3.5.1 Population

This research study was conducted within the bounds of claims practitioners within funeral insurers in South Africa and similar markets. The population consisted of employees with an intimate knowledge of the current funeral insurance claims process. Employees working within the area of study were best placed to offer insight into the role that digitalisation plays within their

sphere of influence. The employees working closely with the claims process were also best placed to share their perspectives on the role that digitalisation plays in funeral insurance claims, together with being at the sharp end of understanding the benefits and challenges that digitalisation brings.

3.5.2 Sample and Sampling Method

The sampling frame for the study was defined to choose a single company in the funeral insurance sector as the target population. This was chosen due to the availability of participants for the study.

Saunders et al. (2009) indicate that qualitative research interviews continue until the saturation point. For this purpose, 11 interviews were conducted to ensure that saturation was reached. The 11 participants consisted of employees exposed to the claims process within a funeral insurer across levels of seniority. Participants included administrative as well as executive leadership to gain perspective across different levels within the organisation.

As such, the sampling method used was purposive sampling due to the participants being chosen for their domain knowledge and expertise in funeral insurance claims (Palinkas et al., 2015).

3.6 The Research Instrument

The research instrument used was a semi-structured interview conducted by the researcher.

The research instrument is included in Appendix D and was structured to answer the research objectives for the study, namely:

Understand the role of digitalisation in funeral insurance claims as described in section 2.3 of the literature (Eckert & Osterrieder, 2020; Eling & Lehmann, 2018; Kotalakidis et al., 2016).

Understand the benefits of digitalisation in funeral insurance claims as described in the literature section 2.4 (Bohnert et al., 2019; Eling & Lehmann, 2018; Zarina et al., 2019).

Understand the challenges of digitalisation in funeral insurance claims as described in the literature section 2.5 (Catlin & Lorenz, 2017; KPMG, 2020; Lee & Deng, 2018; Puschmann, 2017; Wierse & Riedel, 2017).

Part of the research instrument is the researcher, given the nature of the one-on-one interview, with the researcher being the interface and interpreting entity (Maguire & Delahunt, 2017).

The questions were derived from the research propositions and theoretical base. Given the open ended nature of the semi structured interview, the main themes of the interview were:

- The role of digitalisation in funeral insurance claims
    - This included an opening question to probe the level of digitalisation within the organisation
- The benefits of digitalisation in funeral insurance claims
- The challenges of digitalisation in funeral insurance claims

The questions were formulated by the student and a focus group was conducted with individuals in the organisation to refine the wording and order of questions.

3.7 Procedure for Data Collection

The semi-structured interviews were conducted over an online conferencing platform within the organisation, namely MS Teams. Meetings were pre-arranged to suit the timings of participants and conducted with the researcher and participant present only.

The research instrument (Appendix D), participant information sheet (Appendix B) and informed consent form (Appendix C) were shared in the meeting invitation prior to the meeting.

Participants were requested to sign the consent form (Appendix C) as well as consent to the recording of the interview, and the recording only took place with the participant's express permission. Once the interview was completed, the interview was transcribed for analysis.

3.8 Data Analysis and Interpretation

Thematic analysis is an appropriate method of understanding the qualitative data generated from the semi-structured interviews. Data to identify patterns and themes related to digitalisation within funeral insurance claims (Braun & Clarke, 2006; Kiger & Varpio, 2020; Maguire & Delahunt, 2017).

Moules et al. (2017) and Elliott and Timulak (2005) describe a six-phase thematic analysis framework, as mentioned by Braun and Clarke (2006), that was used to analyse the transcribed data. The six phases are listed:

1. Familiarisation with the data
2. Generating initial codes and categories
3. Searching for themes
4. Reviewing themes
5. Defining and naming themes
6. Producing the analysis

3.9 Limitations of the Study

The limitations of the study are identified below:

1. The participants sampled are employees of the organisation and may not answer as truthfully or as candidly as independent participants.
2. The sample size was constrained by the nature of purposive sampling, specifying experts in the field of funeral insurance claims.
3. The study is valid for the organisation in question as all participants belong to the same organisation, even though the participants may have had experiences at other organisations.

3.10 Data Trustworthiness

3.10.1 Credibility

Tracy (2010) describes credibility criteria that include detailed descriptions, explicit descriptions of tacit knowledge and showing rather than telling. These reports empower confidence in readers.

The study meets the credibility criteria by gathering detailed information from participants through the research instrument designed to answer the research questions so that the responses were shown to be congruent with the objectives. Analysis and interpretation of responses is to be an accurate reflection of the responses from participants, with the biases of the researcher excluded.

3.10.2 Dependability

Shenton (2004) describes the establishment of dependability as replicating the research work with the same setting, methods, and participants. Dependability in the research study is ensured by detailed documentation of research design, data collection, analysis and interpretation to enable future researchers to replicate this study.

3.11 Demographic Profile of Participants

Participants are employees of a corporate funeral insurer exposed to the claims process. As such, they are comprised of adults aged 18 or older. Participants were chosen across levels within the organisation and included claims administrators as well as the insurer's chief information officer. The experience levels of the participants varied between 3 years to 27 years in the field.

The profile of the participants is summarised in Table 4.1 below. From the table, it can be gleaned that participants had diverse roles within the insurance industry with varying levels of experience.

Table 4.1: Profile of Participants

Participants	Job Role	Gender	Experience
RPT1	Business Analyst Team Lead: Claims Automation	Female	27 years
RPT2	Digital Transformation Manager	Male	7 years
RPT3	Chief Information Officer	Male	21 years
RPT4	Chief Data and Analytics Officer	Female	26 years
RPT5	Claims Operations Manager	Male	3 years
RPT6	Data Scientist	Male	3 years
RPT7	Business Analyst Product Owner	Female	8 years
RPT8	Senior Manager: Digital Engagement	Female	15 years
RPT9	Head of Enterprise Architecture	Male	12 years
RPT10	Senior Quantitative Analyst: Claims	Male	17 years
RPT11	Head of Claims: Life Solutions	Male	12 years

The participants held different roles, ranging from chief information officer, head of enterprise architecture, lead data scientist, payments team leader, and business and data analyst, amongst others. These confirm the relevance of the sample. In addition, the sample of 11 interviews is within the proposed range of five to 25 for semi-structured interviews (Saunders & Townsend, 2016).

3.12 Ethical Considerations

Ethical considerations for this study encompassed the following:

- Informed consent by participants in the study. The background and purpose were explained, with any detail provided as requested to ensure participants were fully aware of their participation.
- Informed consent forms were completed and signed by each participant in line with the requirements of Wits Business School.
- Participant data was kept strictly confidential on encrypted storage drives and used only for this study. The information will be kept for five years and destroyed after that.
- Participants were informed that their participation was entirely voluntary. If a participant at any time feels uncomfortable in answering any question or with the process, they are under no obligation to continue with the study.

3.13 Chapter Summary

Chapter 3 discusses the research approach, design, data collection method, population, sample, sampling method, and research instrument used in a qualitative study on digitalisation in funeral insurance claims. The study was conducted through semi-structured interviews with employees familiar with the funeral insurance claims process. The research design was exploratory, focusing on the perspective of experts within the industry. The research

followed a constructivist worldview and inductive reasoning methodology, focusing on the role of digitalisation, its benefits, and challenges.

Data was collected through semi-structured face-to-face interviews conducted over MS Teams, a video conferencing platform chosen due to social distancing regulations and company hybrid working arrangements. The interviews were open-ended and adhered to the interview guide. The population consisted of practitioners within funeral insurance claims departments in a large funeral insurer in South Africa, with employees working within the area of study best placed to offer insight into the role of digitalisation within their sphere of influence.

The sampling method used was purposive sampling, with participants from administrative and executive leadership to gain perspective across different levels within the organisation. The study aimed to understand the role of digitalisation in funeral insurance claims and its benefits and challenges. The findings can be applied to other industries and practices, providing valuable insights into the role of digitalisation in funeral insurance claims.

The research instrument used in this study was a semi-structured interview conducted by the researcher, which was designed to understand the role of digitalisation in funeral insurance claims. The interviews were conducted over an online conferencing platform, MS Teams, with the researcher acting as the interface and interpreting entity. Thematic analysis was used to understand the qualitative data generated from the interviews, identifying patterns and themes related to digitalisation within funeral insurance claims.

The study has limitations, such as the participants being employees of the organisation and the sample size being constrained by purposive sampling. However, the study is valid for the organisation in question, as all participants belong to the same organisation. The study meets credibility criteria by gathering detailed information from participants, ensuring that the analysis and interpretation of responses are accurate and without researcher bias.

The demographic profile of participants was comprised of employees of a corporate funeral insurer, with experience levels ranging from 3 years to 27

years in the field. Ethical considerations for this study included informed consent, confidentiality of participant data, and voluntary participation. The study meets the credibility criteria and is dependent on detailed documentation of research design, data collection, analysis, and interpretation to enable future research.

CHAPTER 4. FINDINGS OF THE STUDY

4.1 Introduction

The primary objective of this study is to comprehensively examine the impact of digitalisation on funeral insurance claims within the context of South Africa. This was investigated using qualitative research methods, and 11 semi-structured interviews were conducted. This investigation is underpinned by three distinct research objectives: to understand the role of digitalisation in funeral insurance claims, the benefits of digitalisation in funeral insurance claims, and the challenges of digitalisation in funeral insurance claims. This chapter presents the findings of the study, and these findings are discussed in the next chapter.

4.2 Role of Digitalisation

The first objective of the research was to understand the role of digitalisation in funeral insurance claims. The first research objective seeks to delve into digitalisation's multifaceted role in shaping the landscape of funeral insurance claims. The participants highlight the role of digitalisation as being to strengthen the functional responsibilities in the insurance claims, role in process efficiency and optimisation, automation of claims, improve client/insurance interaction during the claim process, data science for decision-making and improve fraud detection and prevention (Figure 4.1).

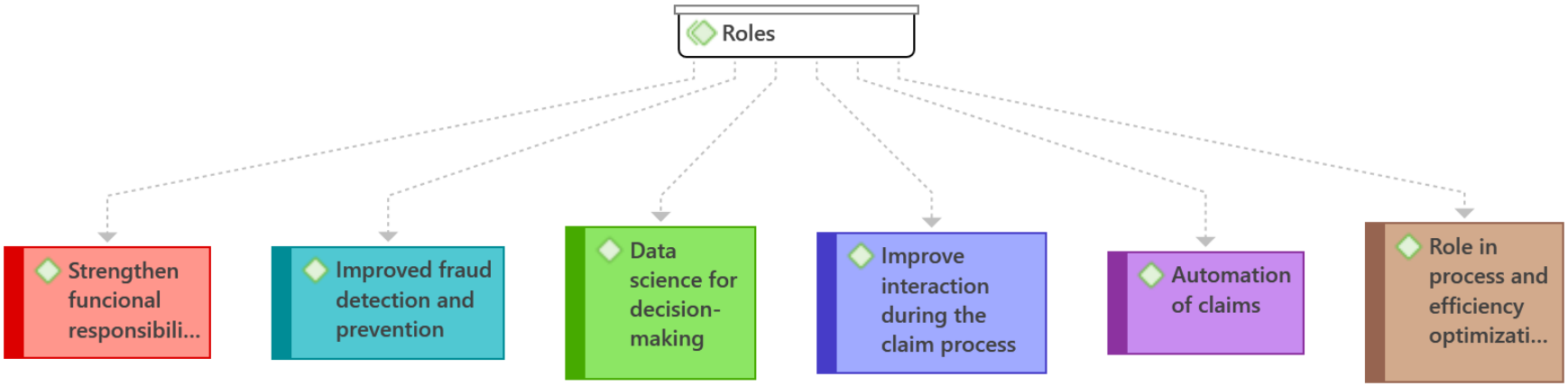


Figure 4.1: Thematic map for the benefits of digitalisation

4.2.1 Strengthen Functional Responsibilities

Multiple responsibilities include claims management, data science, and analytics responsibilities. Claims management: Oversee various areas, such as direct claims, partner business, and payments team.

> I've got the direct claims area that reports to me or that's headed up by one of my team leaders, and I've also got the ex-partner business that came on board this year. [RPT10]

Data Science and Analytics Responsibilities. Lead data analytics, AI, digital transformation, and IT platform system architecture are the responsibilities that participants were tasked with in their various funeral insurance claims industry organisations.

> So, if they need data analytics, data science, or anything digital like the latest employee engagement portal, that would be in my team. RPT11

> My role in the business at the moment is to head up enterprise architecture for life solutions. RPT4

> I'm responsible for maintaining all existing solutions as well as bolding new solutions within elements of data science. RPT5

> In terms of what my primary responsibilities are, to really just standardise how we conduct business analysis. RPT1

> I'm primarily responsible for making sure that the world and IT platform that we invest in is correct and that we positioned it for business growth. RPT9

It was found that the propositions of blockchain, IoT and cloud computing playing a role in the digitalisation of funeral insurance claims were not explicitly mentioned through the research process by participants.

4.2.2 Role In Process Efficiency and Optimisation

The role of digitalisation within the funeral insurance claim arena is one characterised by its profound impact on process optimisation and efficiency. Participants in this domain have recognised the transformative potential of digital technologies, with a strong emphasis on three key aspects: streamlining processes, optimising workflows, and achieving enhanced efficiency through the strategic integration of automation. Streamlining processes is a paramount objective in the modernisation journey facilitated by digitalisation. Traditional, paper-based methods of handling insurance claims have often been time-consuming and prone to errors.

> In terms of the business itself, it didn't streamline the process as you can get guys off doing the manual tedious task associated with administration. RPT2

> In using current systems, uhm, as well as consolidating the different businesses and processes within life solutions. RPT4

Optimising workflow is another cornerstone of the narrative. By leveraging digital technologies and platforms, participants in the funeral insurance claim arena are able to orchestrate a more cohesive and coordinated sequence of actions. This optimisation involves the strategic allocation of tasks, efficient communication channels, and a holistic view of the entire claim's lifecycle. The result is a reduction in redundancies, bottlenecks, and costs, enabling a smoother progression from claim initiation to payout.

> The second and third waves of people were sending, and that's where the backlog was for someone to actually look at those emails, type out the parameters into the system, attach documents and then push it through for assessments. So, the bottleneck then became. RPT4

Central to this narrative is the transformative power of automation. Participants achieve unprecedented efficiency by introducing automation into various stages of the claims process. Routine tasks, such as data validation and basic documentation, can be handled by algorithms and AI-driven systems. This accelerates the process and liberates human resources to focus on more complex and value-added aspects of claims management. Automation also minimises the risk of human error, enhancing the accuracy and reliability of the entire process.

> Upbringing, automation and digitalisation into our business processes which have been characterised as. RPT7

> Living through the system is automated, and the AV, as well as verification of the account it's been linked to the system because we used to open a lot of systems. RPT8

> You could have, for example, a claim and one that he picked up this week that there was a process error on the indexing part, and they win the indexer tried to resolve it, but they were flooded; we actually doubled up your claim value. RPT10

4.2.3 Automation of Claims

The contemporary landscape of the insurance industry is undergoing a profound paradigm shift driven by digital transformation. Central to this evolution is the necessity to enhance operational efficiency and customer experience, leading to the introduction and implementation of claims automation and streamlined workflow processes. This subtheme delves into the pivotal role of claims automation in reshaping traditional insurance practices, focusing on its implementation, benefits, and potential challenges. The insurance sector, historically reliant on personal visits and manual and paper-based processes, is progressively embracing technological innovations to expedite operations and reduce human intervention, which may be fraught with errors.

> We are starting to see some as well as some benefits when we start rolling out this straight-through processing and the workflow. RPT7

> We are imagining the operational process, which will include claims workflow, right? RPT5

Pioneering the path of process optimisation, diligent hands were at work. Every task, from communication to record-keeping, was entrenched in labour-intensive manual methodologies.

> …..had to travel to see a person, face to face. RPT3

Claims automation, a critical component of this transformation, involves the integration of advanced technologies such as artificial intelligence (AI) and others into the claims processing workflow. This infusion of automation promises to expedite claims handling, minimise errors, and optimise resource allocation.

> Now, *let's* look at that question. I mean, we are looking at Company A. I mean, we recently embarked on the *claim's* automation project. Those projects have been on the go for the past two years. And finally, *we've* seen some traction with that. RPT10

4.2.4 Improve Interaction During the Claim Process

Digital platforms and technologies have revolutionised how customers engage with insurance providers, particularly during the claims process. Traditional methods of claims submission, often involving cumbersome paperwork and manual documentation, have given way to streamlined digital interfaces. Policyholders now have the convenience of submitting claims online from the comfort of their own homes.

> Being able to do that for the customer means that I don't have to struggle around trying to find money to actually bury my loved one. So, the product that I paid for is at the instance where I need to use it. [RPT7]

This digital leap eliminates the need for physical visits, postage, and extended waiting times, translating to heightened customer satisfaction and engagement.

> They can get their payouts much quicker than if it was all manual. [RPT2]

> I think I even like that submission of data. So, if you can turn a death certificate into a digital entity, you don't need to get a document from the client. You don't need all of that stuff. If you can digitise, it means a much better customer experience. [RPT9]

4.2.5 Data Science for Decision-making

In the context of the funeral insurance claims industry, the importance of well-informed decision-making cannot be overstated. In this regard, the strategic incorporation of data science and artificial intelligence (AI) techniques emerges as a fundamental pillar in the pursuit of streamlined and effective claims processing. The intricate landscape of funeral insurance claims necessitates a meticulous approach to decision-making. Given the multifaceted variables and considerations involved, relying solely on conventional methods might fall short of providing optimal outcomes. It is here that the combination of data science and AI comes in handy.

> So again, if I can now, on the one hand, automate those decision rules that allow me to make sure I don't approve claims where I shouldn't approve them. RPT11

4.2.6 Improved Fraud Detection and Prevention

Fraud prevention is yet another dimension where data science and AI showcase their transformative potential. The complexity of fraudulent activities requires a proactive and adaptive response. Conventional rule-based systems often struggle to keep up with the evolving tactics of fraudsters. In contrast, data-driven technologies enabled by AI are able to identify suspicious behaviours, flagging them for further investigation swiftly.

> The other thing is digitalisation. That's where obviously data science and AI come in, which, in your definition as part of it, what that allows is to drive better decisions and around claims. The key aspect that we have to deal with as an insurer is obviously fraud. RPT11

> We've been able to do a lot more than the standard process that was followed before we did the digitalisation automation of the claims. We were able to do a lot more checks in terms of the FCRM or the fraud detection. RPT2

Efficiency in claims processing, a crucial concern in the funeral insurance domain, finds its optimisation through the integration of data science and AI. The intricacies involved in verifying and processing claims demand a sophisticated mechanism that minimises errors and accelerates the overall procedure. By automating repetitive tasks and harnessing predictive models, AI can expedite the assessment process while maintaining accuracy. Data science, in conjunction with AI, further aids in resource allocation, ensuring that claims are directed to the appropriate channels for prompt resolution.

> The manual process. Send it straight through for assessment. Within 30 seconds, it assists and pushes it through to the payment queue. If there's nothing wrong with it. RPT4

> It's effective, and you don't wait for the call centre to respond to your core. It's immediate. RPT5

Amidst the digitisation revolutionising the insurance landscape, the critical role of data science in identifying and preventing fraudulent claims has emerged as a paramount concern. This ultimately bolsters accuracy in claims assessment and ensures the integrity of the insurance ecosystem.

> We are relying on assessment because we need to assess those claims because there are a lot of fraudulent claims that people can open the account on your behalf using the people in the dentists indicating the bank and all that. So, we need to check on our side of the assessment. RPT8

> You are managing custody crime. So, like how much manual effort you put into it and time to make the claim right, but also trying to manage fraud and everything at the same time, it's one big optimisation problem, really. RPT9

4.3 Benefits of Digitalisation

The second research objective centres on understanding the benefits of digitalisation in Funeral Insurance precipitated by incorporating digitalisation into funeral insurance claims. The findings show that digitalisation provides a dual purpose of inward-looking by improving efficiency and productivity and outward-looking by means of enhanced customer experience (Figure 4.2).

4.3.1 Improving Efficiency and Productivity

In the realm of insurance, the digital age has ushered in a wave of transformative changes, redefining conventional processes and delivering unparalleled convenience to both insurers and policyholders. One area where digitalisation is making significant strides is funeral insurance claims. This includes data logging and structured databases, auditing and logging ease,

time-saving convenience, prompt response and efficiency, as well as effective data management.

At the heart of digitalisation's impact on funeral insurance claims lies the seamless integration of data logging and structured databases. The traditional paper-based approach to recording and storing information has given way to dynamic, real-time digital systems. Insurers now capture and store policyholder data, documentation, and relevant details in robust databases, ensuring information integrity and accessibility. This transition enables insurance companies to retrieve information swiftly, eliminating the labyrinthine search through stacks of paper documents, ultimately expediting claim processing.

> Is all that information logged and structured in databases correctly? I mean, that's a huge advantage of digitalisation. RPT2

> So, if a client calls in or submits a claim, I mean you have one system to look up the policy details, see the benefits and process the claim. RPT10

> So, for me, having the data structure database is huge, and analytics becomes a lot easier. Reporting becomes a lot easier; tracking becomes a lot easier. RPT5

> From the early days, they were very effective. I think we're now at a point where we need to actually see whether we need to rebuild our models. RPT11

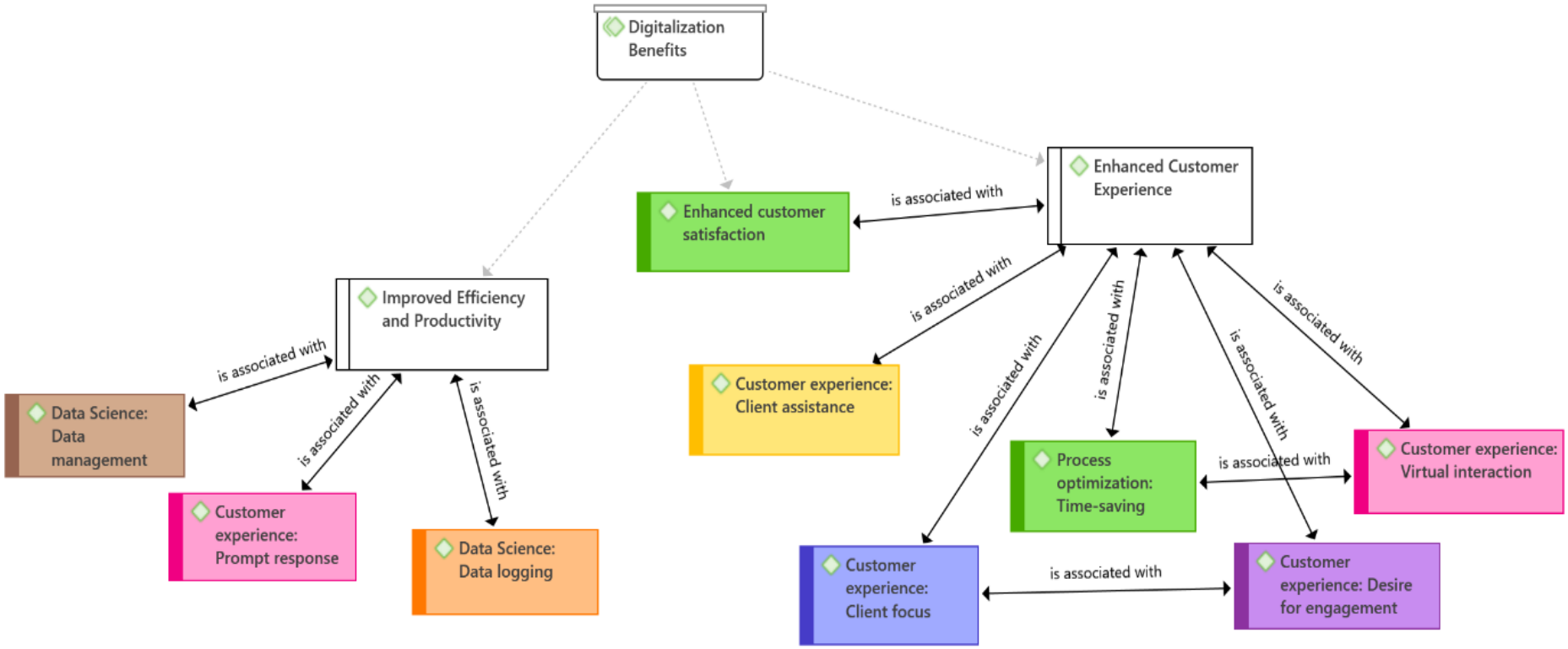


Figure 4.2: Thematic map for the benefits of digitalisation

Digitalisation introduces a layer of transparency and accuracy to the auditing and logging processes within funeral insurance claims. Every interaction and modification is logged with digital records, creating a trail of events. This inherent accountability minimises errors and bolsters trust between insurers and policyholders. Moreover, auditors can now efficiently assess the journey of a claim, enhancing compliance and reducing the likelihood of discrepancies.

> It makes managing the data and auditing and logging much easier. RPT2

> We've got the benefit of integrating with the lack of the Department of Home Affairs and all these providers that can give us accurate information death claim information. RPT6

> You could have, for example, a claim and one that he picked up this week that there was a process error on the indexing part, and they win the indexer tried to resolve it, but they were flooded when we actually doubled up your claim value. RPT10

Digitalisation empowers insurance companies to respond promptly to claims, streamlining the entire process, thus eliminating protracted waiting periods for claimants. Policyholders can submit claims digitally, complete with the necessary documentation. This submission triggers an automated workflow that prompts timely responses from the insurer's end. Such efficiency not only alleviates the stress faced by grieving families but also underscores the insurer's commitment to customer satisfaction.

> It is effective, and you do not wait for a call centre to respond to your core. It's immediate. RPT5

> Our customers expect Company A to fulfil that promise or that trust when it's time to claim. It is only fair that we also respond properly as promptly as we'd want a funeral premium to be paid. RPT4

> The systems they have put in place have allowed them to process those claims in that turnaround time. RPT6

Additionally, the advent of digitalisation has bestowed an invaluable convenience upon funeral insurance claimants: time-saving convenience. In the

past, claimants had to navigate bureaucracy, submit physical documents, and engage in numerous in-person interactions. Now, with digital claims submission and processing, claimants can initiate and monitor the progress of their claims from the comfort of their homes. This convenience reduces stress and empowers claimants during what is undoubtedly a difficult period.

> For a while, you know, from my time there, I know they had the ability to process about 80% of the funeral claims in a four-hour window. RPT6

> I think I even like that submission of data. So, if you can turn a death certificate into a digital entity, you don't need to get a document from the client now. You don't need to do all of that stuff if you can digitise a much better customer experience. RPT9

Digitalisation has also revolutionised data management in funeral insurance claims, enabling insurers to harness the power of data for better decision-making. Advanced analytics tools sift through vast amounts of information, uncovering patterns, trends, and anomalies that could have remained hidden in paper-based systems. This data-driven approach facilitates risk assessment, fraud detection, and the continuous refinement of insurance processes, ensuring that funeral insurance remains both financially viable and beneficial for policyholders.

> There's one system that's where all of your client data is all client information. So, if a client calls in or submits a claim, I mean you have one system to look up the policy details, see the benefits and process the claim. RPT10

> Make the process faster for our client, pick up any fraudulent claims that come through, and identify a lot of risks in order to analyse that data, which will better the company at a later stage, so it makes me very excited when things like this happen. RPT3

> The many teams that I'm a stakeholder in the claims process, including the forward fraud and risk management. RPT4

4.3.2 Enhanced Customer Experience

Digitalisation provides enhanced customer experience from multiple fronts, which includes virtual interactions, Customer Assistance and Engagement, Client Focus and overall improved customer satisfaction. In the realm of funeral insurance claims, a paradigm shift is underway as the industry embraces digitalisation, leveraging its transformative power to streamline processes and enhance the overall customer experience.

Virtual Interaction is one of the key benefits of digitalisation, thus saving claimant's time. Digitalisation has transcended geographical barriers, enabling virtual interactions that redefine customer engagement. Through video conferencing, online portals, and mobile applications, insurers can engage with claimants regardless of physical distance. This is particularly significant in funeral insurance, where claimants might be spread across various locations. Virtual interactions offer a sense of immediacy, enabling policyholders to receive updates, ask questions, and resolve concerns without the constraints of traditional in-person meetings.

> The idea was also to have a virtual agent or screen where a person could walk into a kiosk and engage digitally. [RPT5]

> Digitalisation, I think, is inevitable in this fourth industrial revolution. As much as there's resistance to uptake, I think forthcoming generations are. I mean, digitalisation, I think, is inevitable in this fourth industrial revolution. As much as there's resistance to uptake, I think forthcoming generations are. [RPT5]

> The benefit that digitalisation would bring in is exactly that. So, I should be able as much as I'm able to buy a funeral product online. I should be able to make servicing process claims or submit documents you know easily from the comfort of my home. [RPT6]

4.3.3 Customer Assistance and Engagement

The digital landscape introduces a spectrum of opportunities for insurers to assist and engage with policyholders actively. Interactive chatbots provide instant answers to frequently asked questions, acting as round-the-clock customer support. Furthermore, personalised email communications can offer guidance at crucial moments, such as claim submission and documentation requirements. This heightened accessibility ensures that policyholders are never left in the dark and underscores the insurer's dedication to their needs.

> Have the employee trained on digital platform incompetent on their digital platform and then assist the clients via that digital platform. RPT5

> That can attract, or that can service our various customers in that market. So, the low tech savvy to high tech savvy and we also need to look at it from a perspective. RPT6

Furthermore, it helps with the desire for engagement. Consumers increasingly seek meaningful engagement and interactions with service providers in the digital age. Funeral insurance claimants are no exception. By offering digital platforms for claim submissions, status tracking, and communication, insurers align with the contemporary desire for seamless and convenient engagement. This proactive approach meets customer expectations and positions the insurer as a partner in their journey, demonstrating empathy and understanding.

> The results of that were they weren't interested in that they didn't want to engage. Seriously, they wanted to speak to someone. RPT5

> We should cater for that, and especially with paper and things like that, we are doing away with paper-based stuff. So, we should have alternate means for customers to be able to interact with us. RPT6

It also assists with client focus. Digitalisation allows funeral insurance providers to pivot toward a more client-centric approach. Data analytics and insights are drawn from digital interactions offer insurers a deeper understanding of policyholders' needs, preferences, and pain points. This knowledge informs the development of tailored services, streamlined processes, and improved

communication strategies targeted at different customer groups. The resulting client-focused approach ensures that funeral insurance claims are not mere transactions but compassionate interactions between insurers and families and that bereaved families are treated with compassion, respect, and dignity.

4.3.4 Enhanced Customer Satisfaction

Finally, a resolute commitment to customer satisfaction is at the core of the digitalisation movement in funeral insurance claims. By reimagining traditional processes through a digital lens, insurers can offer a more responsive, efficient, and empathetic experience to grieving families. Swift claims processing, accessible information, and personalised communication contribute to a heightened sense of satisfaction among policyholders, solidifying their trust in the insurance provider during a vulnerable time.

> Ultimately, you know, if you're looking at your CSAT scores, I mean you want to achieve a high CSAT because that talks directly through to your customer experience and how and what experience did when it interacted with the insurer. [RPT10]

> Overall, you know, I think just from a customer satisfaction point of view, you can probably score very highly went from our customer satisfaction point if you are. If you're using digital in your space. [RPT7]

4.4 Challenges of Digitalisation

The third research objective revolves around delving into the challenges and complexities that accompany the digitalisation process within the sphere of funeral insurance claims. Digitalisation comes with its own set of disadvantages. While technology promises efficiency, transparency, and accessibility, it has potential pitfalls. These include the adoption and acceptance of digitalisation, cybersecurity issues, planning and development for digitalisation, migration

from a manual process, Effective team management, and socio-economic dynamics of rural areas (Figure 4.3).

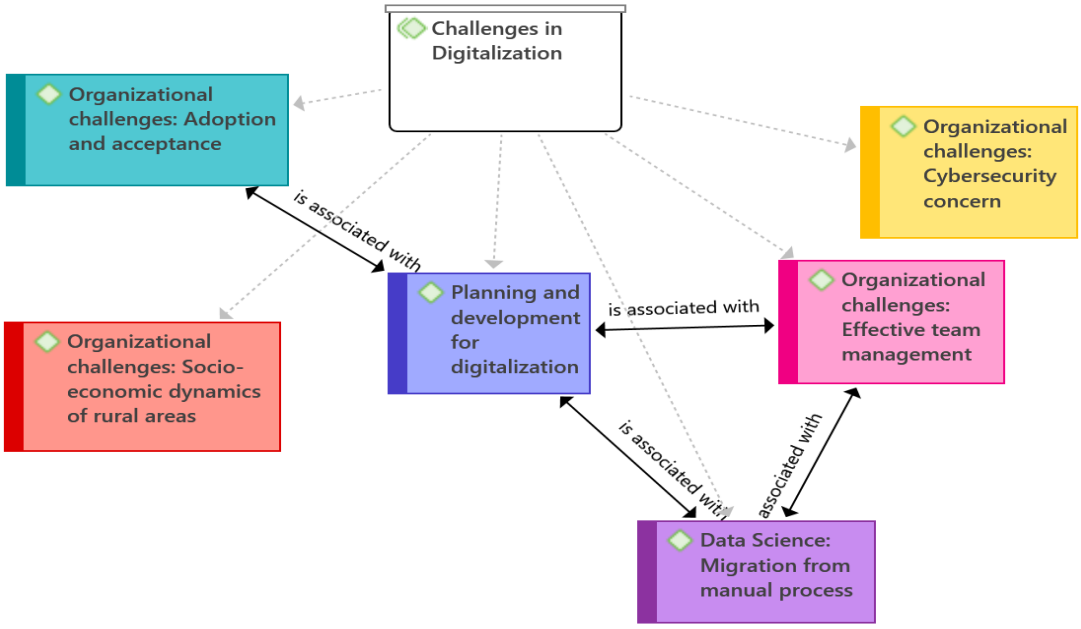


Figure 4.3: Thematic map for the benefits of digitalisation

4.4.1 Adoption and Acceptance of Digitalisation

At the heart of this lies the predicament of inadequate specifications. The fusion of tradition and technology necessitates a meticulous calibration of systems—a delicate symphony where every note must resonate in harmony.

> … Once we built it on their spec, when we actually put it into the ground and had the guys on the ground start working with it, we found many processes and rules in place on the ground. That the management didn't know about. RPT2

> That becomes a challenge in terms of even adoption of the platforms that we actually put out there because, in general, you will find people don't necessarily interact with us that often. RPT7

This dissonance can lead to software solutions that fail to encapsulate the unique intricacies of funeral insurance claims, thereby impeding the very

progress they were intended to facilitate. The lack of verification emerges as a compelling stanza in this narrative. In the age of digital transactions, the veracity of information becomes both the cornerstone and the keystone. However, as the funeral insurance claims industry tiptoes into the digital realm, the challenge of ensuring the authenticity and accuracy of submitted claims emerges as a formidable barrier. The dichotomy between a swift and seamless claims process and the meticulous need for verification embodies a paradox that demands innovative solutions to bridge the divide.

> We cannot rely on when we are automating the systems. We cannot rely on what is going to count for the client, like, let's say, we automate their payments. We need to verify that the system can verify that and verify that we are current against the ID number and you. [RPT2]

Embedded within this narrative is the persistent echo of difficulty. The transition to digitalisation is no mere flick of a switch but a serious journey that tests the upper-echelon leaders' attitudes and commitment. The complexity of integrating diverse systems, training personnel, recalibrating procedures, and weaving in extra cybersecurity all magnifies the inherent difficulty of the journey. The orchestra of change must harmonise the digital score with the rhythms of human adaptability.

> I think one of the biggest challenges. I mean, it is automating. [RPT10]

> So, the first challenge was it was difficult to get the claims agents to follow this new process. [RPT2]

In technological transformation, the spotlight often shines brightest on inception—the moment of digital adoption. Yet, a comprehensive transformation journey encompasses adoption, advocacy, and internal promotion, extending to all the stakeholders. The challenge lies in kindling a spark of enthusiasm, fostering a sense of ownership, and nurturing a culture that sustains the digital momentum. The absence of appropriate promotion can relegate even the most promising digital solutions to the periphery of operational efficacy.

> Is there anything else that we're doing over and above it to promote it? [RPT3]

> The other challenge around digitalisation is adoption. [RPT11]

4.4.2 Cybersecurity Issues

Cybersecurity concerns, data breaches, and safeguarding sensitive personal information are problems in this transformative digitalisation landscape. The challenges inherent in preserving the authenticity of digital systems echo the cautionary tale that accompanies every stride toward innovation.

> So, it has its advantages for maybe a customer who's more tech-savvy but disadvantages for maybe someone who lives in a rural area. [RPT3]

> It's a catch-22 because you understand that rate because of the nature of the environment we operate in, and hacking is so easy and things like that. [RPT6]

4.4.3 Planning and Development For Digitalisation

At the forefront of this narrative stands the imperative of development oversight—an organisational challenge that looms large. As the industry navigates the chasm between manual processes and digital integration, the onus of overseeing the development of robust technological solutions becomes a critical responsibility. The transformation demands precise notes and the absence of development oversight risks in digitalisation. This challenge requires good planning and the alignment of every element of digitalisation.

> Integration space means managing and prioritising the teams' backlog, overseeing all of the development stages, and prioritising the needs. However, that also plays a role in me. [RPT3]

> So, it's a bit of a challenge to combine everything and just make one channel for everything. [RPT8]

4.4.4 Migration from a Manual Process

Participants highlight the age of manual processes, where laborious tasks coupled with paperwork were the norm of the day.

> The problem was the life solutions because we have these different processes. Processing claims becomes a more costly exercise. We've always relied on manual processes to be able to do this. [RPT4]

> We have been able to do much more than the standard process that was followed before we did the digitalisation automation of the claims. [RPT2]

Picture an office inundated with stacks of paperwork - a testament to the versatility of human resolve yet bound by the constraints of manual endeavours, making it difficult to adapt and implement digital processes effectively.

> So, they would either call you, or they would come into the offices, and you'd see them face to face, or they would fax some documents. [RPT1]

4.4.5 Effective Team Management

Team management—a challenge that stands as a challenge for organisational cohesion. The transition toward operational efficiency necessitates a collective effort where each member plays their part with dedication and commitment. The composition requires management who can guide, inspire, and ensure the effectiveness of digitalisation.

> When you guys are making sales, how are you educating the client today and saying digital platform you cannot do this? [RPT3]

> To work with a lot of different teams in order to get this thing done. [RPT2]

4.4.6 Socio-economic Dynamics of Rural Areas

The rural tapestry remains interwoven with unique challenges that add to the dynamics of progress. Amidst the resounding promises of digitalisation in the funeral insurance sector, the implementation journey is far from uniform. This narrative unveils the intricate challenges in the context of rural areas, where the embrace of technology encounters the nuances of an uncharted terrain characterised by sporadic network availability, load-shedding, and outages compound the problem. Embedded within the rural landscape is the stark juxtaposition of a low-income market.

> The problem with funeral claims, especially in our business and Africa, is. It's more directed towards your low-income market. RPT5

And more often than not, this market has a number of clients without bank accounts.

> There are people without bank accounts, so you've got the unbanked being an issue. RPT7

4.5 Chapter Summary

Each participant brought a unique perspective that collectively enriched the discussions and broadened the horizons of all involved. The findings of the study revealed that digitalisation has a multi-facet role in funeral insurance claims, and these included strengthening the functional responsibilities in the insurance claims, assisting in process efficiency and optimisation, automation of claims, improving client/insurance interaction during the claim process, data science for decision-making and Improved fraud detection and prevention. This role has the potential to improve the overall performance of the organisation, and it is highlighted by the benefits that the participants indicated in the research. These include inward-looking by improving efficiency and productivity and outward-looking by means of enhanced customer experience. Despite these positives, digitalisation is not without challenges, which include adoption

and acceptance of digitalisation, cybersecurity issues, planning and development for digitalisation, migration from a manual process, effective team management, and socio-economic dynamics of rural areas. These findings are discussed in the next chapter, and the limitations that help to contextualise these findings are provided in the last chapter.

CHAPTER 5. Discussion of the Findings

5.1 Introduction

The purpose of this study was to understand the role of digitalisation in funeral insurance claims in South Africa. In order to accomplish this, 11 semi-structured interviews were conducted with members of the funeral insurance fraternity. This chapter relates the findings of the analysis of these interviews with the findings from the literature review.

The intention of the research was to understand the following research objectives:

1. Understand the Role of Digitalisation in Funeral Insurance Claims
2. Understand the benefits of digitalisation in funeral insurance claims
3. Understand the challenges of digitalisation in funeral insurance claims

Table 5.1 summarises the themes formulated from the previous chapter according to the research propositions defined in Chapter 3.

Table 5.1: Summary of Themes

Research Objective	State Proposition or Hypothesis	Themes
Understand the role of digitalisation in funeral insurance claims	The role of digitalisation in funeral insurance claims includes the use of digital technologies like big data, artificial intelligence, the internet of things, cloud	• Strengthen functional responsibilities • Role in process efficiency and optimisation • Automation of claims • Improve interaction during

Research Objective	State Proposition or Hypothesis	Themes
	computing and blockchain.	the claim process • Data Science for Decision-making • Improved fraud detection and prevention
Understand the benefits of digitalisation in funeral insurance claims	The benefits of digitalisation in funeral insurance claims include faster claims handling speeds, operations cost decreases and enhanced fraud detection	• Improving efficiency and productivity • Enhanced customer experience • Customer assistance and engagement • Enhanced customer satisfaction
Understand the challenges of digitalisation in funeral insurance claims	The challenge of digitalisation in funeral insurance claims includes organisational inertia, data privacy regulations, future skills and new partner relationships	• Adoption and acceptance of digitalisation • Cybersecurity issues • Planning and development for digitalisation • Migration from a Manual Process • Effective team management • Socio-economic dynamics of rural areas

5.2 Discussion Research Objective 1: Understand the Role of Digitalisation in Funeral Insurance Claims

The first research objective was to understand the role that digitalisation has to play in funeral insurance claims. This section delves into greater detail around

the themes identified in relation to research objective one and how they align with the literature presented in Chapter 2. A finding of the study was the gap in literature emphasising the role of technologies like blockchain, IoT and cloud computing but none being explicitly mentioned by participants as playing a role in the digitalisation of funeral insurance claims.

5.2.1 Strengthen Functional Responsibilities

Participants in the interviews highlighted multiple functional responsibilities within the funeral insurance claims space. These responsibilities included claims management, data science, analytics, reporting, enterprise architecture, and fraud and risk management. These functional responsibilities are aligned with the mode of disruption described by Armstrong and Lee (2021) as “improved resource allocation and utilisation”.

Each of the participants highlighted digitalisation as being central to their area of responsibility. This aligns with the meta-study conducted by Eling and Lehmann (2018) that describes the impacts of digitalisation across the value chain of an insurer. It is further emphasized by Bohnert et al. (2019) that insurers see positive benefits by implementing digitalisation within their organisation.

5.2.2 Role in Process Efficiency and Optimisation

Three areas of importance were identified when examining the responses to questions related to the role of digitalisation within funeral insurance claims. These areas were identified as streamlining processes, optimising workflows, and leveraging automation to increase efficiency.

It was noted that digitalisation efforts help to identify redundant processes that can then be combined with other processes or removed entirely, thereby streamlining the entire process. This is in agreement with Taylor et al. (2002), who argue that information technology can reduce insurers' costs by improving the efficiency of back-end claims processes.

The second aspect highlighted was that of workflow optimisation. Participants were keenly aware of inefficiencies present due to manual interventions required within the usual manner of processing claims. Bottlenecks were identified in periods of high claim volume, with the main culprit being too many manual interventions within the claims process. Bedi (2024) agrees, noting that organisational efficiency gains as a result of more digitalised processes.

The third aspect, leveraging automation for efficiency, is expounded upon in greater detail in the next section. Multiple participants expressed that automation has the potential to increase the efficiency of the entire process of fulfilling a funeral insurance claim. Zarina et al. (2019) agree with this finding, showing that digitalisation efforts could improve claims handling speed in Balkan insurers.

5.2.3 Automation of Claims

A key sub-theme identified was the importance of claims automation. The findings of the study indicated that a large focus was being given to the automation of the claims process. This focus was necessitated by the large opportunity provided by an automation effort due to the numerous manual processes that required human intervention. The theoretical backing agrees, with Armstrong and Lee (2021) noting one of the 14 modes of disruption being that of automation within the production processes of the firm.

The findings suggested that automating the claims process has the potential to alleviate the burden of time-consuming tasks like travelling to meet certain claimants face-to-face. The integration of AI tools to enable automation was described as a multi-year project by one participant.

This is in agreement with Shang (2018), who argues that artificial intelligence has myriad applications in the automation of insurance claims tasks, like evaluating documents through image recognition.

Additionally, Cranfield and White (2016) concur with this view, describing how RPA enabled a claims team of 4 people to handle and process around 3000 claims a day.

5.2.4 Improve Interaction During the Claim Process

The study found that along with the business focus of automation of claims, the customer aspect was not lost on participants. The digitalisation of the claims process was noted as having a role to play in improving the interactions with customers that had claimed. This was supported within the theory with the mode of disruption defined as digital access channel integration as an enabler of disruption (Armstrong and Lee, 2021)

Digitalisation and digital tools enabled the customer to be at the centre of interactions, with claimants being able to submit claims and supporting documents at their convenience. Traditionally, claims could only be submitted and initiated at the insurer's convenience.

The additional role that digitalisation was found to play is in the customer's experience of swiftly receiving their claim payout.

This ties in with the attractiveness of InsurTechs and their role as a serious threat to incumbent insurers by offering tech-savvy customers an alternative, as argued (Pillay, 2018).

Park et al. (2021) also contend that there is a strong relationship between customer experience and the digitalisation of an insurer. This is further emphasised in the evaluation by Osterrieder (2023) where the findings (EIOPA, 2019) noted a positive impact on customer experience through digital customer journeys.

5.2.5 Data Science for Decision-making

Digitalisation and its applications within funeral insurance claims are intertwined within the field of data science. A finding of the study was that data science had

a role to play in digitalisation by empowering the insurer to prioritise claims more efficiently as well as automate the decision-making process of whether to approve a claim or not.

This finding is corroborated by Eckert and Osterrieder (2020), who include facets of data science within the major technologies of focus for insurers. This includes the findings of Zhang (2019), where the focus was on applying big data analytics within the customer relationship management context. Shang (2018) additionally emphasises the benefits of image recognition algorithms which form a key part of automation efforts.

5.2.6 Improved Fraud Detection and Prevention

The findings of the study revealed that digitalisation had a key role in improving fraud detection and prevention capabilities. This is no surprise given the scale of fraudulent claims as reported to ASISA (2022) by funeral insurers.

Several participants noted the role that digitalisation plays in supporting fraud detection and prevention efforts. Anomaly detection algorithms, as mentioned by Garde (2017) and Eling and Lehmann (2018), were also noted by participants as being an enabler of improved decision-making around fraudulent claims.

One participant remarked that embarking on the digitalisation journey resulted in more rigorous procedures and the ability to complete more stringent checks on potentially fraudulent claims compared to the pre-digitalised era. This is further agreed upon by the findings of Behm et al. (2019) and (EIOPA, 2019) , noting that digital device information can better enable fraud detection efforts by providing corroborating evidence.

The improved fraud detection capabilities also have a role to play in overall customer experience, with lower-risk claims not being subjected to the same stringent checks as others, enabling faster servicing of claims.

5.2.7 Summary of Discussion Research Objective 1

Participants highlight the ways in which digitalisation has a role to play across the funeral claims process. Noted areas include process efficiency, customer experience, and fraud detection.

Process efficiencies are found with digitalisation, enabling improved claims management through data science and analytics. Various participants mentioned the use of IT architecture and digital tools as being enablers of optimising the claims process. This is aligned with Eckert and Osterrieder (2020), who include the major digital technologies for consideration as "*big data, artificial intelligence, the internet of things, cloud computing and the distributed ledger technology".*

Participants also highlighted the role that digitalisation plays in fraud detection, identifying that the introduction of digital tools was an enabler of more robust screening of potentially fraudulent claims. This aligns with the findings of Gruhn (2018) and Eling and Lehmann (2018) that big data tools enable the detection of potentially fraudulent insurance claims.

5.3 Discussion Research Objective 2: Understand the Benefits of Digitalisation in Funeral Insurance Claims

The second research objective was to understand the benefits of digitalisation in funeral insurance claims. This section delves into greater detail around the themes identified in relation to research objective two, as described in section 4.4 and how they align with the literature presented in Chapter 2.

5.3.1 Improving Efficiency and Productivity

One of the most powerful advantages of digitalisation within funeral insurance claims in South Africa is the ability to store claims-related information in structured databases for fast and easy access. This was a clear benefit of digitalisation noted in the findings. This is a finding agreed upon by Taylor et al. (2002) who posit the efficiency benefits of information technology within claims backend processes.

The benefits efficiency and productivity benefits are tightly coupled to the humans involved in the process and how they respond to the implementation of digital technologies which is appropriate in the context of socio technical theory.

The benefit of having easy access to the digitised form of the claims data is that it enables the integration of digital tools across the claims workflow, providing efficiency benefits. Reporting and analysis become much faster and more powerful when the data is stored within databases as opposed to paper copies stacked in filing cabinets or boxes.

Bedi (2024) agrees with the findings of the study and adds that electronic data is better for the economy, is more physically durable than printed records, and enhances customer engagement.

The speed of servicing claims queries was noted to be a key efficiency benefit since a digitalised claims process enabled claims agents to look up all the details of a claim in one single place. Centralised, digitised claims data also enables advanced analytics tools to sift through and analyse the vast amounts of data in a manner humans would not be able to. This unlocks benefits in fraud detection and expediting the process for unsuspicious claims.

The traceability and accuracy of digital records aid the insurer and client by minimising the number of human errors that can take place when dealing with multiple customer interactions with different people and departments within the insurer. Participants noted that this was a benefit to the insurer by making available reliable data as well as seamlessly integrating external data sources. This is in agreement with KPMG (2017), where consistent claims handling is

noted as a benefit of digitalisation within insurance claims. This consistency is brought upon by having reliable data structures in place. Cappiello (2018) is in agreement, noting that digital technologies reduce claims processing times.

Digitalisation has also enabled a streamlined process for customer claims, from the point of initiation to the point of payout. It has removed the blocker for customers waiting for call centres to respond and instead puts the power in the customer's hand. The digitalisation of the funeral claims process was noted by a participant as enabling the insurer to fulfil its promise to pay a claim promptly better, in the same manner, that the insurer expects the customer to pay their premium on time. This agrees with the findings of Buyana (2022), who argues that successful implementation of digitalisation tools can improve insurers' productivity.

5.3.2 Enhanced Customer Experience

The findings of the study suggest that digitalisation enhances the customer experience. The customer is centred on the experience due to the always-available nature of digital interaction points. The relationship between insurer and claimant is in flux due to the changing nature of interactions. Where previously the only interaction a claimant would have with the insurer would be with another human either via a call centre or physical branch, now the claimant can interact virtually with the insurer through various digital channels at their convenience.

This is in agreement with Eling and Lehmann (2018) and Venkatesh (2019), who note the various ways digitalisation affects the way insurers connect with customers. Osterrieder (2023) is in agreement with EIOPA (2019), noting that a digital customer journey at the time of claiming is a customer experience benefit.

5.3.3 Customer Assistance and Engagement

It was found through the study that customers appreciate communication and assistance from the insurer, particularly in a time of need, like a funeral where a loved one has passed on. Having digital tools available provides insurance agents with a platform for servicing customer requests timeously. Osterrieder (2023) and EIOPA (2019) are in agreement, mentioning the positive benefit that a comprehensive customer journey powered by digital tools has on customer experience.

Participants also noted that, in some instances, the human touch was desired by customers who just wanted to speak to someone. This indicated that the human element is still critical in assisting and interacting with customers, who are humans, after all. In this sense, digitalisation of the claims process is there to enhance the human element of servicing the claim by making it easier for agents or claimants to have their claims resolved. This is in strong agreement with the socio technical theory basis which emphasises the joint optimisation of both human related and technological elements.

This view is confirmed by Agwu (2021), who found that for some individuals, there is solace and comfort in the human element borne from traditional informal methods.

5.3.4 Enhanced Customer Satisfaction

The customer satisfaction score was a theme that emerged within the findings of the study. Participants noted the importance of digital tools in enabling customer satisfaction. This shines through with digitalisation being an enabler of a customer-centric focus from the insurer. Utilising digital tools allows the insurer to reimagine the way things work and offer new and innovative solutions not possible before, resulting in heightened customer satisfaction. Where previously, a customer would not be able to interact with the insurer outside of office hours, now, thanks to digital channels, the customer is able to log a claim

or queries, view the status of their claim and feel greater trust that the insurer will not renege on its promise to pay a claim.

This is in strong agreement with the findings of Osterrieder (2023), who found that digitalised applications within the customer journey positively impacted the perceived value and perceived quality of service from the insurer. This in turn has direct profitability benefits to the insurer due to improved customer satisfaction, primarily in the form of improved retention of customers and reduced policy acquisition costs from referrals (Jahnert and Schmeiser, 2021; Pooser and Browne, 2018)

5.3.5 Summary of Discussion Research Objective 2

The responses from participants suggested inward and outward benefits arising from digitalisation in funeral insurance claims. Inward benefits included the enhancement of internal controls and processes as well as improving the productivity of staff that come into contact with the funeral insurance claim. This is in agreement with Zarina et al. (2019), where it is suggested that digitalisation in the claims process would improve claims handling speed, positively affecting the combined ratio of the insurer.

The primary outward benefit was that of enhanced customer experience through greater digitalisation. Participants noted that digitalisation enabled virtual interactions with claimants at the claimant's convenience instead of at the insurer's convenience. This contributes to customer satisfaction, a key metric mentioned by some participants.

5.4 Discussion Research Objective 3: Understand the Challenges of Digitalisation in Funeral Insurance Claims

5.4.1 Adoption and Acceptance of Digitalisation

A key theme that emerged from the findings of the study was that of the difficulty of the digital transformation journey. Participants noted that the digitalisation of the funeral insurance claims process was indeed a journey and not just a switch that could be turned. The socio technical theory base affirms this view, with great emphasis placed on joint optimisation of the social and technological aspects of digitalisation.

This meant that internally, the traditional processes and methods had to be translated into digital steps. This required the organisation and its people to accept the steps of digital transformation, as outlined by Westerman et al. (2014). In particular, phase 3 of the journey, Mobilising the organisation, was found to be critical when evaluating the responses from the interviews. Staff on the ground, interacting with the new processes, were finding that shadow processes existed, were undocumented, and were rendering digitalised solutions moot.

Automating the process was directly identified as one of the biggest challenges. It emerged that getting claims agents on board to use the new processes was difficult. The matter of digitalisation of claims was not simply to create a digitalised solution and let it be released into the wild. The new process required the adoption from within the organisation.

This aligned with the findings of Eckert and Osterrieder (2020) and Mantyi (2020), where it was noted that legacy systems posed a great challenge to the success of digitalisation efforts. The complexity of legacy systems and its challenge to digitalisation efforts was also noted by Urbach and Ahlemann (2016).

5.4.2 Cybersecurity Issues

The risk of cybersecurity breaches was identified as a key theme that emerged from the findings of the study. Participants were keen to point out that the flip side of the convenience of digitalised processes was the inherent risk of losing control of customers' data.

Ozili (2018) confirms this concern, noting that cyber attacks erode the trust that customers have in using digital channels for interacting with companies.

Prominent corporations worldwide have been the target of cyber security attacks (Mbatha, 2020), placing further emphasis on the importance of legislation like POPI and GDPR. The findings of the study further confirm Leitner and Stiefmueller's (2019) view that companies become increasingly vulnerable to cybersecurity threats if they are not managed appropriately in the age of digital transformation.

5.4.3 Planning and Development for Digitalisation

The digital transformation process for the organisation brings with it a requirement of requisite skills to execute the digital transformation agenda. Participants noted that a challenge emerged in the form of integrating the various aspects of the digitalisation agenda, including the planning and implementation of tasks. WEF (2018) and BusinessTech (2019) note the importance of specialist skills to achieving digitalisation goals.

Chartering into the unknown, the planning process becomes more critical to the success of the digitalisation efforts within the organisation. Close oversight over the development was noted as a challenge by participants. Socio technical theory identifies this challenge, leading to the emphasis on including people along the digitalisation journey, seeing them as equal parts of the system, rather than mere consumers of the digitalised claims experience.

This is in strong agreement with the view held by Eckert and Osterrieder (2020), who emphasise the work of Kimmig (2020) by underlining the critical importance of a holistic strategy in tackling the complexity of digitalised solutions that are inextricably linked. Moodley (2019) also highlights some components of a holistic digital strategy, including cloud computing as an enabler for artificial intelligence and IoT devices.

5.4.4 Migration from a Manual Process

The findings of the study indicated that the organisation had entrenched itself into a quagmire of multiple different processes, all reconciled through a set of manual processes run by the claims team. This process bloat created a challenge when migrating the manual processes to a digitalised process, given the level of manual intervention and complexity. The challenge of manual processes is noted and agreed with by KPMG (2020) who describe the effect of compliance requirements leading to manual processes being added as stop-gaps.

This cloud of manual process bloat did have a silver lining in the form of identifying redundant processes existing within the organisation, as discussed in section 5.2.2.

The manual processes alluded to within the findings are a form of legacy system as described by both Eckert and Osterrieder (2020) as well as Mantyi (2020). There is agreement between the findings and the literature that shifting away from legacy/traditional methods towards digitalised solutions is a large challenge for organisations.

5.4.5 Effective Team Management

As with any organisational change effort, a key challenge is that of alignment across the organisation. The findings of the study identified that the

digitalisation journey touched across multiple teams within the business. Sales and claims are at opposite ends of the insurance life cycle, but the promises made at the sales stage are remembered and are to be fulfilled once the customer makes a claim. This requires the entire organisation to be on the same page when it comes to the digital transformation journey.

This is in full agreement with Eling and Lehmann (2018) who assert that digitalisation within insurance impacts the entire value chain. The study conducted by Mataruse (2020) also refers, where the critical importance of leadership and organisational buy-in is underscored for the success of transformational projects. Key to the success of a digital transformation project is that of mobilising the entire organisation (Westerman et al., 2014). This mobilisation is in step with socio technical theory that sees the social element as equally demanding of optimisation together with the technology.

5.4.6 Socio-economic Dynamics of Rural Areas

A key theme that emerged from the findings of the study was the unique position that most funeral insurance policyholders find themselves in. Since funeral insurance is directed to the lower-income market, there is a discrepancy between the digital maturity of the customer base and that of the insurer. Levels of financial literacy and access are also a challenge, given the prevalence of the unbanked, particularly in rural areas

This is further confirmed by the findings of both Shava and Ndebele (2023) as well as Shava and Vyas Doorgapersad (2023), who describe the challenges of the data marginalised and the challenges experienced in accessing parts of the digital economy. Agwu (2021) further described the desire for the human element in customer interaction within traditionally financially excluded groups. This suggests that digitalisation efforts must account for the unique socio-economic position that customers are in.

5.4.7 Summary of Discussion Research Objective 3

The third research objective was to understand the challenges of digitalisation within funeral insurance claims.

Participants noted several challenges to a digitalisation agenda within funeral insurance claims. Some of these challenges include the adoption and acceptance of digitalisation, both internal and external. This ties in with the findings of Catlin and Lorenz (2017), Lee and Deng (2018) and Puschmann (2017), which outline the challenge of change within a 300-year-old business model. The challenge aligns strongly with a digital transformation and change management challenge. The Digital Transformation Compass, as proposed by Westerman et al. (2014), provides a suitable framework for understanding this challenge. Participants noted that framing the digital challenge was underway but not without its challenges in the form of the availability of data and shadow processes running undocumented.

Cybersecurity was also identified as a challenge, with internal risks in handling personal data as well as claimants with limited exposure to technology due to their particular socio-economic dynamics. This is in alignment with KPMG (2020), where it is argued that data privacy laws and regulations are stringent and the appropriate steps are taken to minimise the risk of data breaches.

5.5 Chapter Summary

The findings of the study aligned with the literature for each research objective. The findings showed that digitalisation has a role to play in funeral insurance claims, with benefits accruing from digitalisation efforts as well as challenges in digitalisation in funeral insurance claims

5.5.1 Understand the Role of Digitalisation in Funeral Insurance Claims

Participants agreed that digitalisation plays an important role in funeral insurance claims. Several participants alluded to the importance of big data and artificial intelligence tools as enablers of process efficiency, which is in strong agreement with the literature (Eckert & Osterrieder, 2020). Digitalisation has a role to play in risk management in funeral insurance claims by supporting fraud detection efforts for the insurer.

5.5.2 Understand the Benefits of Digitalisation in Funeral Insurance Claims

Inward and outward benefits of digitalisation in funeral insurance claims were identified as themes by participants. Inward benefits were extracted as improved business efficiency and productivity. Outward benefits were identified as customer-facing benefits in the form of improved customer experience. Customer experience improvements were identified through virtual interactions, and as a result of the inward process improvements, they resulted in faster claims handling speed. These benefits were congruent with the findings of Zarina et al. (2019).

5.5.3 Understand the Challenges of Digitalisation in Funeral Insurance Claims

Participants noted several challenges to digitalisation within funeral insurance claims. The themes that emerged from the analysis indicated that digitalisation in funeral insurance claims is indeed a digital transformation journey that is to be undertaken by both the insurer and the customer/claimant. The Westerman Digital Compass helps to frame the challenge of digitalisation within the participants' universe. The themes of adoption and acceptance suggest that the

investment into digitalisation is present, but the organisation requires additional mobilisation in order to sustain the digital transition (Westerman et al., 2014).

CHAPTER 6. Conclusions and Recommendations

6.1 Introduction

FinScope (2019) found that a third of South Africans experienced an unforeseen event, with death in the family being the most significant driver. Thus, funeral insurance is the most popular form of microinsurance in South Africa, and the Association for Savings and Investments South Africa (ASISA) reported more than 13.9 million in-force funeral insurance policies as of 2023 (ASISA, 2023). Similarly, digital technologies have made significant advances in the recent past, driving disruption across industries. These two forces are investigated in this qualitative study into digitalisation's role in South Africa funeral insurance claims.

The significance of digitalisation in insurance is well understood, and it impacts insurers' value chain. Digitalisation can create value by automating processes like claims settlement and decreasing an insurer's combined ratio. In South Africa, funeral insurance claims are essential, as South Africans spend the equivalent of a year's income on an adult funeral. The study thus focused on the digitalisation of the insurance claims process within a single funeral insurer in the South African market, focusing on the benefits of digitalisation and the challenges of digitalisation within the realm of funeral insurance claims.

This qualitative study on digitalisation in funeral insurance claims was conducted through semi-structured interviews with employees familiar with the process. The research design was exploratory, focusing on experts' perspectives. The demographic profile of participants was comprised of employees of a corporate funeral insurer. Purposive sampling was used to gain perspective across administrative and executive leadership levels. The sample consisted of practitioners within a large South African funeral insurer's claims department.

Data was collected through open-ended interviews over MS Teams, a video conferencing platform. Thematic analysis was used to identify patterns and themes related to digitalisation in funeral insurance claims. Although the study has limitations, it meets credibility criteria by gathering detailed information from participants.

This chapter concludes the study according to the objectives defined in Chapter 2 according to the findings presented in Chapter 4 and discussed in the previous chapter. Recommendations for future study are offered to contribute to understanding digitalisation within the broader funeral insurance claims space.

6.2 Main Findings from the Literature

Funerals in South Africa are crucial for families, as they provide financial stability in the event of a death. Digitalisation is being explored to extend access to services like funeral insurance claims, particularly in rural areas. While digitalisation in the insurance industry is lagging, there is evidence of value in insurers' digitalisation efforts. InsurTechs, which use artificial intelligence and mobile app technologies, have disrupted the insurance industry in South Africa. Digital technologies like big data, artificial intelligence, and blockchain offer enhancements in fraudulent claims detection and automated claim payout calculations. Funeral insurance in South Africa is the most popular form of microinsurance, with over 13.9 million policies in force as of June 2023.

South African funeral insurers reported 470111 death claims for funeral benefits in the first half of 2023. The process involves lodging a claim, which requires a claim form, certified death certificate, identity documents, bank account details, POPIA consent form, police report, and medical records. Insurers verify the validity of claims to curb fraud, which was a significant pain point for customers. The fourth industrial revolution has disrupted the insurance industry, with incumbents at risk of being left behind by digitally savvy new entrants. Digital technologies such as big data, artificial intelligence, the IoT, cloud computing, and distributed ledger technology are being considered for their use cases in

insurance claims. RPA is another major technology to consider, combining these technologies to improve claims management.

The IoT is a network of devices that can be monitored and managed through digitally-powered systems. It can detect fraud in insurance claims by corroborating claimant testimony with digital tracking info. Cloud computing, a scalable infrastructure, enables the efficient use of artificial intelligence models and connecting IoT devices. Blockchain, a distributed ledger technology, enables forgery-proof transactions without intermediaries' approval. RPA is a software tool that mimics and replicates manual and repetitive human actions in software space to fulfil a process automatically. Digitalisation in funeral insurance claims includes the use of digital technologies like big data, artificial intelligence, the IoT, cloud computing, and blockchain. The benefits of digitalisation include reduced costs, increased productivity, consistent claims handling, improved fraud detection, and improved customer experience. Digitalisation also improves aspects of the insurance value chain, including customer interaction, and can positively impact customer satisfaction. However, challenges remain in implementing digitalisation in funeral insurance claims.

Existing insurers face significant challenges in digitalising processes due to their 300-year-old business model and the burden of legacy systems. Leaders must align their strategies to gain buy-in from the entire organisation, especially in the insurance industry. Specialist skills are required to implement digital technologies effectively, and data privacy and security are major challenges. Cybersecurity is a concern, and the cost of securing data might outweigh the cost of the service offering, impacting profitability and efficiencies. Compliance risks also affect digitalisation, with manual processes often added as stop-gaps. Cloud computing brings risks, as insurers will be dependent on cloud providers for various services. Digital inclusion within the customer base is another challenge, as customers prefer traditional means of communication. The widening digital divide for data-marginalised individuals is a significant deterrent to financial inclusion and participation in the economy. The study of digitalisation in funeral insurance claims goes hand in hand with businesses adapting and implementing new ways of thinking and working, making both the UTAUT model and the Westerman Digital Compass appropriate.

6.3 Conclusions Related to Research Objectives

6.3.1 Conclusion Research Objective 1: Understand the Role of Digitalisation in Funeral Insurance Claims

Digitalisation has a role to play in funeral insurance claims. The findings of the study are in agreement with the literature that digitalisation has a role to play in multiple aspects of funeral insurance claims.

Eling and Lehmann (2018) describe the impacts of digitalisation across the value chain of an insurer; this was found to be the case in the study as well. The study found that digitalisation's role was internal and external to the organisation. Internal roles emerged in the form of operational efficiencies and functional responsibilities, leading to improved performance of the insurer. External roles of digitalisation included the customer interface as well as detecting criminal elements in the instance of funeral insurance fraud.

6.3.2 Conclusion Research Objective 2: Understand the Benefits of Digitalisation in Funeral Insurance Claims

The second research objective sought to understand the benefits of digitalisation in funeral insurance claims. Once again, the benefits emergent from the study were delineated into internal benefits to the insurer and external benefits to the customer.

A key benefit from the findings was that digitalisation has an effect on improving the efficiency and productivity of the insurer. This benefit was as simple as digitalised record keeping, which enabled consistency and transparency in interaction. More advanced benefits were identified in the form of integrating disparate data sources to leverage data analytics capabilities.

Benefits external to the organisation were found in the ability of digital tools to enable customer-centric solutions. Digital customer journeys were found to be a

benefit within the findings as well as literature (Osterrieder, 2023), but to a point. The findings and literature also pointed out that the human touch is still very relevant when interacting with customers, particularly during an emotional moment like a funeral.

6.3.3 Conclusion Research Objective 3: Understand the Challenges of Digitalisation in Funeral Insurance Claims

Digitalisation within funeral insurance claims was not a switch but rather a journey, the findings suggest. The adoption of digital tools required the framework of a technology acceptance model as well as a digital transformation framework.

Organisations that have not had to update their business model for 300 years are now required to adapt or be swallowed by newcomers. As a result, the study found that insurers must consider a holistic digitalisation strategy that accounts for internal capability enhancement as well as meeting the regulatory and cybersecurity burden.

The findings indicated that the customer can not be forgotten within the digitalisation journey. The socio-economic dynamics of the customer are critical to understanding the challenge of digitalisation. It is of no use for an insurer to create and implement advanced digital customer journeys while the customers are part of the data marginalised. The digital solutions are irrelevant to customers at the wrong end of the digital divide.

6.4 Recommendations

The literature, as well as the findings of the study, clearly show that digitalisation has a strong role to play in funeral insurance claims. The benefits

of digitalisation were found to be both internal and external, with insurers benefiting from improved efficiencies as well as improved customer experience.

Digitalisation, however, is not a simple switch. Challenges are present in digitalisation when it comes to funeral insurance claims. These challenges suggest that a change management approach is taken when it comes to digitalisation efforts. It is a journey as much as it is a destination. Care must be taken to ensure that all stakeholders are on board, both internally and externally. Regulatory concerns are real, particularly in the age of POPI and GDPR.

Insurers would benefit strongly from applying data and analytics in the claims journey to streamline back-end processes. Anomaly detection algorithms can also unlock value for insurers by reducing the number of fraudulent claims that make it through current processes. Digitalising the customer journeys was also noted as a worthy use-case for benefit within the funeral insurance claims landscape

6.5 Limitations of the Study

The study was limited to the employees of a single funeral insurer based in South Africa. As such, the study is limited to the experiences within the South African context based on the customers and employees of the South African funeral insurer.

The participants were also limited to employees with expertise in funeral insurance claims and excluded employees working within other divisions of the insurer working in other parts of the insurance value chain.

The study was also conducted during the COVID-19 pandemic, with the funeral insurance industry under immense strain. This was the immediate lens through which participants were viewing the study.

6.6 Areas for Future Research

To further add to the body of knowledge on digitalisation in funeral insurance claims, the following could be studied:

1. Understanding the level of digital literacy within the typical funeral insurance client
2. How to bridge the "digital divide" by enabling access to financial services to the previously under-served
3. What are the elements of success for incumbent insurers to successfully digitalise their claims journeys
4. What are the cyber-security risks associated with funeral insurance claims, and how can they be mitigated in a digital society?
5. How can elements of blockchain and smart contracts enhance the claims experience of funeral insurers?
6. How can funeral insurers leverage the various digital technologies for the benefit of customers and the insurer?

6.7 Study Conclusion

This qualitative study investigates the role of digitalisation in funeral insurance claims in South Africa, focusing on the benefits and challenges of digitalisation within the funeral insurance industry. Funeral insurance is the most popular form of microinsurance in South Africa, with over 13.9 million policies in force as of 2023. Digital technologies such as big data, artificial intelligence, and blockchain offer enhancements in fraudulent claims detection and automated claim payout calculations.

Insurers verify the validity of claims to curb fraud, which was a significant pain point for customers. The fourth industrial revolution has disrupted the insurance industry, with incumbents at risk of being left behind by digitally savvy new entrants. Digital technologies such as big data, artificial intelligence, the IoT, cloud computing, and distributed ledger technology are being considered for

their use cases in insurance claims. RPA is another major technology to consider, combining these technologies to improve claims management.

The benefits of digitalisation include reduced costs, increased productivity, consistent claims handling, improved fraud detection, and improved customer experience. However, challenges remain in implementing digitalisation in funeral insurance claims, including specialist skills, data privacy and security, compliance risks, and the widening digital divide for data-marginalised individuals.

The study concludes that digitalisation in funeral insurance claims goes hand in hand with businesses adapting and implementing new ways of thinking and working, making both the UTAUT model and the Westerman Digital Compass appropriate.

Digitalisation plays a significant role in funeral insurance claims, improving efficiency and productivity for insurers. Internal roles include operational efficiencies and functional responsibilities, while external roles involve the customer interface and detecting criminal elements. Benefits include digital record-keeping, data analytics capabilities, and customer-centric solutions. However, the human touch remains relevant during emotional moments like funerals.

Digitalisation is not a simple switch but a journey that requires a technology acceptance model and digital transformation framework. Organisations must consider a holistic digitalisation strategy that accounts for internal capability enhancement, regulatory compliance, and cybersecurity burden. The socio-economic dynamics of customers are critical to understanding the challenges of digitalisation, as they are often marginalised in the digital divide.

Recommendations include applying data and analytics in the claims journey, utilising anomaly detection algorithms, and digitalising customer journeys. The study was limited to South African funeral insurer employees and excluded employees working in other divisions of the insurance value chain. The COVID-19 pandemic further strained the industry.

Future research could focus on understanding digital literacy within funeral insurance clients, bridging the "digital divide," identifying success elements for incumbent insurers, mitigating cyber-security risks, leveraging blockchain and smart contracts, and leveraging digital technologies for the benefit of customers and insurers.

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LIST OF APPENDICES

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APPENDIX A: Consistency Table

Table A1.1: Research questions, propositions, data collection and data analysis

RQ #	State Research Question or Objective	Prop/hyp #	State Proposition or Hypothesis	Data collection detail	Data analysis method
1	Understand the role of digitalisation in funeral insurance claims	1	The role of digitalisation in funeral insurance claims includes the use of digital technologies like big data, artificial intelligence, the Internet of things, cloud computing and blockchain.	Interview guide questions 1, 2, 5	Thematic analysis
2	Understand the benefits of digitalisation in funeral insurance claims	2	The benefits of digitalisation in funeral insurance claims include faster claims handling speeds, operations cost decreases and enhanced fraud detection	Interview guide question 3, 3.1	Thematic analysis

RQ #	State Research Question or Objective	Prop/hyp #	State Proposition or Hypothesis	Data collection detail	Data analysis method
3	Understand the challenges of digitalisation in funeral insurance claims	3	The challenge of digitalisation in funeral insurance claims includes organisational inertia, data privacy regulations, future skills and new partner relationships	Interview guide question 4, 4.1	Thematic analysis

APPENDIX B: Participation Information Sheet

REQUEST FOR PARTICIPATION INFO SHEET

STUDENT NO: 441931 DATE OF MEETING:

MASTER OF MANAGEMENT IN DIGITAL BUSINESS

Approval of Meeting ☐

TOPIC: The role of digitalisation in funeral insurance claims in South Africa

Dear participant,

My name is Mohamed Ameen Suliman, and I am a Master's Student in Digital Business at the University of the Witwatersrand in Johannesburg. As part of my studies, I am undertaking a research project that will seek to understand the role of digitalisation in funeral insurance claims in South Africa

The aim of the study is to understand the role of digitalisation in funeral insurance claims, along with any benefits or challenges to digitalisation

I kindly request a one-on-one interview with you that will take approximately 45 minutes and can be conducted through a platform most convenient to you. With your permission, I would also like to record the interview using a digital device. The interview will be confidential, and results will be kept anonymous, although I am aware of your identity. A pseudonym will be used to represent your participation in the final research report. If you have any concerns about the ethical procedures of this study, you can contact the University Ethics Committee at these details; +27(0) 11 717 1408 | Shaun.Schoeman@wits.ac.za

Please confirm which dates from the ones shared with you will work best for your diary.

Yours Sincerely,

……

Researcher Name: Mr Mohamed Ameen Suliman

+27 82 829 2822 | mohamedameensuliman@gmail.com

Supervisor Name: Dr George Tweneboah

+27 11 717 3856 | george.tweneboah@wits.ac.za

APPENDIX C: Informed Consent Form

CONSENT FORM

STUDENT NO: 441931

NAME OF RESEARCHER: Mohamed Ameen Suliman

TOPIC: The role of digitalisation in funeral insurance claims in South Africa

I, ……..., agree to participate in this research project. The research has been explained to me, and I understand what my participation will involve. Please circle the appropriate options below.

I agree that my participation will remain anonymous YES NO

I agree that the researcher may use anonymous quotes in his / her research report YES NO

I agree that the interview may be audio recorded YES NO

…… (signature)

…… (name of participant)

…… (date)

…… Thank You……

APPENDIX D: Research Instrument: Interview Guide

1. How would you define your role in the business? (Participant's self-introduction)

    - What are your primary responsibilities?
    - How long have you been with the company?

2. How would you describe the level of digitalisation within funeral insurance claims?

3. What, in your opinion, are the benefits of digitalisation in funeral insurance claims?

    3.1 Has digitalisation benefitted you or the organisation in terms of funeral insurance claims? If yes, what was the benefit to you or the organisation?

4. What, in your opinion, are the challenges of digitalisation in funeral insurance claims? These may include challenges to you, the organisation or the claimant

    4.1 Have you encountered challenges in working with digital technologies in funeral insurance claims? If yes, what was the impact of the challenges on you or the organisation?

5. Do you have any thoughts on digitalisation in funeral insurance claims not mentioned previously?

APPENDIX E: Ethics Approval

Graduate School of Business Administration
University of the Witwatersrand, Johannesburg

Wits Business School

Wits Business School Ethics Committee
Constituted under the University Human Research Ethics Committee (Non-Medical)

Ethics Clearance Certificate

Ethics protocol number: WBS/DB441931/366

This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below).

Project title	The role of digitalisation in funeral insurance claims in South Africa
Investigator / Researcher	Mr Mohamed Ameen Suliman
Nature of Project	MM (Digital Business)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed confidentialty.
Issue Date of Certificate	2021-08-18
Expiry date	Date of submission of the project report
Chairperson	Prof Anthony Stacey ☎ +27 11 717 3587 +27 82 880 4531 anthony.stacey@wits.ac.za

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Declaration by Researcher

One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

Signature

24/08/2021
Date:

APPENDIX F: Turnitin Report



20240227_Research_Report_MA_Sulima

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