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The impact of time-based factors on outbound life insurance sales in call centres

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ABSTRACT

The end-to-end value chain for outbound life insurance sales in call centres is one that has in-built time-based factors that can affect its overall efficiency, impacting cost efficiency for the insurer.

This research considers two such time-based relationships. The first is the difference in days between an outbound insurance sales call and a customer's salary date and its relationship to the likelihood of the customer purchasing the offered insurance product. The second is the difference in days between the date of the outbound insurance sales call and the date of the first attempt to collect the policy's monthly premium, and its relationship to the likelihood of successfully collecting the premium.

Historical leads of a life insurer's funeral plan book are analysed, and two clear patterns are observed. With regards to likelihood to take up an insurance offer versus days between salary and date of call, there is an initial low average rate of conversion of leads to sales for the first few days of a month. This is followed by a steep spike in conversions with a gradual decline as the number of days between date of call and date of salary increases. In the case of likelihood to successfully collect the first premium, a more linear relationship is seen with average first debit collection rates at their highest when the difference in days between date of call and date of debit orders are at a minimum, with the average rate of collection declining as this difference increases. In both relationships, higher income customers appear to be marginally less sensitive to these time-bound factors.

Recommendations are made to maximise the average monthly sales-to-lead conversions throughout a given month and modifications are proposed for the sales process using the choice architecture concepts to improve the average first debit collection rates.

KEY WORDS: Life insurance, call centres, time-based factors, consumer behaviour