

A Work Project, presented as part of the requirements for the Award of a Master's degree in Management from the Nova School of Business and Economics.

**A Consulting Lab on Grupo Ageas Portugal's strategy to create more appealing solutions and provide an emotional and relevant experience to the younger generations**

A Consulting Lab on Grupo Ageas Portugal's strategy to create more appealing solutions and provide an emotional and relevant experience to the younger generations – Reaching and attracting the younger generations.

A Consulting Lab on Grupo Ageas Portugal's strategy to create more appealing solutions and provide an emotional and relevant experience to the younger generations - Educating the next generations to revolutionize their perception of insurance.

A Consulting Lab on Grupo Ageas Portugal's strategy to create more appealing solutions and provide an emotional and relevant experience to the younger generations - Reformulating and tailoring offers for the younger generations.

A Consulting Lab on Grupo Ageas Portugal's strategy to create more appealing solutions and provide an emotional and relevant experience to the younger generations – Improving younger generations' customer experience.

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### **Abstract**

The current project focuses on developing a compelling value proposition for an insurance company, specifically addressing how to create more attractive solutions and deliver relevant experiences tailored to the preferences of younger generations. Grupo Ageas Portugal is the primary beneficiary of this effort. The challenge at hand required a detailed market assessment of the insurance industry and its stakeholders, involving a deep dive into the profile of younger generations. The project aimed at identifying their specific needs, and pain points, and recognizing trends that could be leveraged as opportunities for insurance companies. The primary strategic objective is to bridge the gap between insurance and the preferences of younger generations. The project outcome consists of several recommendations designed to establish authentic connections between the younger generation and insurance, derived from the study of twelve hypotheses. These recommendations cover key areas that will serve as a foundational framework to understand and engage this segment—an accomplishment that no other insurance company in Portugal has successfully achieved. To kickstart this innovative initiative, a new value proposition and pilot setup is proposed.

**Keywords:** Strategy Consulting; Strategy; Insurance; Younger Generations; Innovation; Digital Solutions; Impact.

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## 1. Project Overview

### 1.1. Project Context and Project Governance

Consulting Labs serve as dynamic programs for students to engage in **real-life consulting projects** within a professional context, fostering a collaborative environment between students and organizations. This **symbiotic relationship** generates mutual value as students apply theoretical knowledge to demanding real-world projects. By working on projects tailored to companies' objectives, students enhance their skills, refine methodologies, and gain practical insights. Additionally, these labs offer students an opportunity to delve into specific industries, in this case, the insurance industry, where Grupo Ageas Portugal is inserted, comprehensively understanding organizational operations, business units, and offered products/services. Engaging with proficient professionals, students refine critical-thinking skills, flexibility, and adaptability, ensuring a robust foundation for their future endeavours. Simultaneously, organizations benefit from the fresh perspectives and analytical capabilities of student teams, challenging conventional mindsets and introducing innovative ideas. The external and research-based approach adopted by students provides Grupo Ageas Portugal with unbiased problem-solving methods, contributing valuable insights. In essence, Consulting Labs create a **win-win scenario**, where students gain hands-on experience, and organizations receive tailored solutions from a talented and objective external perspective.

The **project's main goal was to create more appealing solutions and provide an emotional and relevant experience to the younger generations**. The Consulting Team from Nova SBE collaborated with Grupo Ageas Portugal for four months actively contributing with relevant insights and validating ideas to shaping the value proposition and developing the new strategy. The feedback, support, and guidance given by the steering committee, the follow-up team, and the Project Manager were fundamental to the project's success. The **steering committee**, which ensured the recommendations given by the Consulting Lab team were in line

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with business expectations, was composed of Dr. Nuno Gomes Duarte, Dra. Sofia Tomás, Dra. Teresa Bartolomeu, Dr. Miguel Anjos, Dra. Katrien Buys, Dr. Nuno Horta, Dra. Carolina Delgado, Dra. Flávia Nobre and Professor Constança Casquinho. The **follow-up team** comprised Dr. Diogo Figueiredo and Dr. Henrique Figueiredo, who were responsible for offering weekly feedback and assisting the Consulting Team. Additionally, Dr. Diogo Figueiredo was the **Project Manager** and was responsible for giving ongoing support to the project team to ensure fit with Ageas expectations and ensure the consultancy project service provided by the team was tackling the challenge and was going in the right direction.

### 1.2. Project Challenge

In the dynamic landscape of the Portuguese insurance industry, **tapping into the younger demographic has proven to be a challenging endeavour for many companies**, and stands as untapped territory yet. Acknowledging the potential perception of the insurance industry as dull, especially among the younger demographic who may not fully understand the concept of risk or safety or, are not yet in life stages that need insurance services, Grupo Ageas Portugal has already initiated various efforts to explore this territory. One of the initiatives of Ageas was “Backpack,” a research and value proposition design project that emerged as a finalist in Grupo Ageas Portugal’s internal entrepreneurship program, Inside. Additionally, they undertook a substantial quantitative study focused on understanding the insurance purchasing habits and behaviors of individuals aged 20 to 35. Looking internationally, several insurance companies, such as Lemonade, Zurich Klink, and Marmalade, are actively venturing into the vast market segment of younger generations, employing personalized products and more engaging communication strategies.

Therefore, recognizing the potential within the younger generations and understanding that they demand more than traditional insurance offerings, **Grupo Ageas Portugal has embarked on a journey to position itself as the insurance brand that understands, connects with, and**

**ultimately caters to this segment.** To achieve this, the company sought the expertise of the Consulting Lab to navigate the next phase of this venture and create solutions for the target demographic.

### **1.3. Project Scope and Goals**

The Consulting Lab's objective was to **develop a value proposition for Grupo Ageas Portugal**, aimed at understanding how to create more appealing solutions and provide emotional and relevant experiences for younger generations. This project focuses on the **Portuguese market** and specifically targets **long-term young residents aged between 15 and 35 years**. While the primary beneficiaries of this project are the **younger generations**, many other entities stand to benefit, including **Grupo Ageas Portugal, both direct and indirect competitors, insurtech companies, insurance brokers, and the Portuguese government**.

To accomplish the successful development of a value proposition for this group, sub-goals were defined to delineate the direction and trajectory of the project. Initially, the team conducted an **in-depth analysis of younger generations**, encompassing the understanding of their distinct needs and behaviors, benchmarking of national and international insurance companies, identification of purchase and interaction barriers, as well as segmentation within the specified age groups. Subsequently, the **design of a compelling value proposition and associated strategies for the defined targeted insurance segments**, entailing the identification and prioritization of insurance and related products/ services for this demographic, ideation of a value proposition based on findings and the definition of communication and interaction strategies. Ultimately, the **setup of a pilot program**, including the definition of a roadmap outlining key activities for implementation followed by the conduction of a cost-benefit analysis of the solutions that were established to be tested in the pilot.

## 2. Methodology

### 2.1. General Methodology and Project Roadmap

The project unfolds in **four distinct phases** to ensure appropriate and proper development of the project in analysis, each contributing a unique facet to the innovative approach that will be further present.

#### Phase 1: Diagnosis

From September 10<sup>th</sup> and October 3<sup>rd</sup> (3 weeks). The diagnosis phase comprised, on one hand, the **alignment of expectations** and relevant aspects of the project with the innovation team of Grupo Ageas Portugal, through an organized meeting. On the other hand, this phase includes the **understanding of how the insurance industry works and evolves**, the **surrounding environment**, current and future **trends**, as well as, **internally** the Grupo Ageas Portugal. Even within this phase, was developed an **understanding of the reasons why the younger generation is an attractive segment of the industry**. Therefore, this phase encompassed a Situation Analysis, Baseline Research, and the Project Methodology. These aspects were subsequently presented in the initial steering committee meeting, which focused on the introduction of the Kick-Off Document that included all these points.

#### 1<sup>st</sup> Steering Committee

The meeting with the steering members occurred on October 4<sup>th</sup> and its main goal was to present the **Kick-Off** document that comprised the team presentation, the baseline definition, the scope of collaboration, the goals and deliverables, the project methodology, and the calendar. All the topics approached in this steering were based on the findings of the 1<sup>st</sup> phase.

#### Phase 2: Analysis

From October 5<sup>th</sup> to November 13<sup>th</sup> (6 weeks). The analysis phase included the **analysis of the insurance and non-insurance needs and behaviours of the younger generations** residing in Portugal, the identification of **purchase and interaction barriers** related to insurance products and companies, the **benchmark** of national and international insurance companies,

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the identification of **key differences** and segments within the several age groups and the subsequent creation of personas. Furthermore, still in this phase, **preliminary hypotheses** were developed. To carry out all the mentioned points within this analysis, **qualitative and quantitative research** was performed, through interviews and a survey, respectively, and respective analysis and **profile segmentation analysis**.

### 2<sup>nd</sup> Steering Committee

The 2<sup>nd</sup> steering meeting took place on November 14<sup>th</sup> and fulfilled the purpose of presenting the **key findings of the performed qualitative and quantitative research**, the profile segmentation analysis and the hypotheses formulation and prioritization, encompassing the following main areas: client, product and services, communication, and internal initiatives.

### Phase 3: Value Proposition Design

From November 15<sup>th</sup> to December 13<sup>th</sup> (4 weeks). The value proposition design was essentially the development of several recommendations to cover the different preferences, needs and pain points identified in the analysis phase by the younger generation. As the project required a **restructuring of the insurance market**, there was a need to develop several more **general recommendations** within the chosen areas: **education, product, beyond insurance, internal initiatives, touchpoints, promotion, and channels**. Additionally, it should be noted that the **key players** were being referenced in the recommendations. To complement these recommendations was also developed **customer journeys** according to the segments defined.

### Phase 4: Pilot Set-up

From December 1<sup>st</sup> to December 13<sup>th</sup> (2 weeks). During the pilot set-up phase, the team delivered numerous strategic and implementable recommendations to steer Grupo Ageas Portugal in project implementation. This included providing a **roadmap outlining key activities**, establishing relevant **KPIs** and developing a **cost-benefit analysis**.

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**3<sup>rd</sup> Steering Committee** – The 3<sup>rd</sup> steering meeting was held on December 14<sup>th</sup>. This steering united the presentation of both the design and piloting phases, encompassing all the integral aspects of these stages.

### **2.2. Phase 1: Diagnosis**

#### Situation Analysis

The situation analysis was divided into two key components: **External Analysis** and **Internal Analysis**. In the External Analysis, the team conducted a thorough **PESTEL** analysis to gain insights into the macro-environment. Moving on to the Internal Analysis, the team concluded the situational assessment by performing a comprehensive Strengths, Weaknesses, Opportunities, and Threats (**SWOT**) analysis. Subsequently, these insights were integrated into the Threats, Opportunities, Weaknesses, and Strengths (**TOWS**) matrix. It's crucial to highlight that Five Forces insights are spread across the situation analysis, both in external and internal analysis, where pertinent aspects of the model were discussed.

#### Baseline Research

Our study delves into present market trends, accentuating their impact on the insurance industry, while also forecasting future trends and underscoring their significance for both the insurance sector and younger generations.

### **2.3. Phase 2: Analysis**

#### Brainstorming Sessions

The Consulting Lab team conducted several strategic meetings with collaborators from Grupo Ageas Portugal. Each meeting had specific objectives, playing a crucial role in the successful completion of this project stage. On October 16<sup>th</sup>, the team held a meeting with Dra. Carolina Delgado to present the team's idea for project segmentation and receive valuable feedback on the matter. The following day, on October 17<sup>th</sup>, the team met with Dra. Rafaela Mogas to understand the optimized structure for surveys and interviews, ensuring their

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successful implementation and unbiased analysis. Concerning financial literacy, on October 20<sup>th</sup>, the team met with Dra. Sarah Faleiros to comprehend the “No Poupar está o Ganhar” program. Additionally, on November 2<sup>nd</sup>, the team gathered insights from Dra. Maria Armanda Duarte and Dra. Ana Lages to understand the communication strategy and digital presence targeting the younger demographic. For a deeper understanding of Grupo Ageas Portugal’s sustainability initiatives, the team met on November 3<sup>rd</sup> with Dra. Flavia Nobre. These meetings **facilitated the team’s construction of project segments**, aligned our approach with Grupo Ageas Portugal, and assisted in **generating hypotheses for the project**.

### Qualitative Interviews

The qualitative research was a crucial iterative step aimed at gathering insights to construct a comprehensive quantitative survey covering all **key areas**. It played an essential role in **accurately defining segmentation profiles**. This qualitative phase involved conducting 12 interviews, ensuring a balanced gender representation with 50% male and 50% female participants. The age distribution was diverse, with two participants under 18, five between 18 and 23 years old, three between 24 and 29 years old, and two between 30 and 35 years old. The intentional inclusion of participants from several age ranges was imperative to **highlight discernible differences in needs and fears across different segments and life situations**. The detailed questionnaire utilized during the interviews is outlined in Appendix 1.

### Quantitative Research

After gathering insights from the diagnosis phase, the team, in collaboration with Dr. Diogo Figueiredo and Henrique Figueiredo, aimed to better understand younger generations through a quantitative research initiative. A survey created with the Qualtrix base-tool was designed, consisting of 40 questions, with four primary goals: **understand preferences, needs, and dreams** but also **fears, anxieties and frustrations** of younger generations; comprehend their **financial situation** and related strategies; **explore their attitudes towards insurance/current**

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insurance situation; and analyze demographic data. The survey script is provided in Appendix 2.

The survey was spread through the different networks, shared on social media platforms like Instagram and Facebook and to a middle and secondary school. Demographically, 251 people completed the survey, with 70% identifying as female, 28% as male, and the remaining respondents identifying differently. Of these, 61% reported still living with their parents, 15.7% with housemates, 6.9% with other arrangements, 6.5% with their partner, and 2.8% with children. Regarding education, half of the respondents held only a bachelor's degree, and a quarter completed only high school, followed by respondents who possess a master's degree and those who had only completed elementary school. All the data and insights used to formulate the hypothesis and to validate them are present in Appendix 3.

### Hypothesis Formulation

Through market assessments and quantitative and qualitative analyses, the Consulting Lab team gleaned insights into the needs and pain points, subsequently crafting twelve hypotheses. These hypotheses span various domains, including clients, products and services, communication, and internal initiatives, all **tailored to meet the specific preferences of younger generations** within the insurance industry.

## **2.4. Phase 3: Recommendations and Value Proposition Design**

### Brainstorming Sessions

The team met with Dr. Henrique Figueiredo and Dr. Diogo Figueiredo and decided that, given the broad scope of the project, it was preferable to go for more **general recommendations** instead of specific ones. Several areas were worth tackling, thus, creating many proposals would serve as a more useful base for future development of this project internally.

## 2.5. Phase 4: Pilot Set-Up

### Brainstorming Sessions:

Two brainstorming sessions were hosted, one within the Consulting Lab team and Dr. Diogo Figueiredo and the other with the Innovation department. The first one was focused on delineating the most important **recommendations and the respective testing** that could be performed to later evaluate if implementing them was worth it or not. In the second session, the Innovation department recommended that the team defined a **timeline for all pilot initiatives**. This way, the testing could be more phased-out and lower investments would have to be made. Investing in specific recommendations first and only after having positive results and achieving a breakeven, investing in the following ones.

## 2.6. Literature Review

The literature review was focused on the analysis of critical aspects regarding **brands attracting younger consumers**, new insurance landscape and how corporate strategies are changing as new business models integrate **open innovation** and cope with its challenges.

In the contemporary digital landscape, future consumers engage with brands in early stages of their lives. This presents an opportunity for businesses to **establish connections with new audiences** during their formative years. Consequently, creative teams face a distinctive challenge as they endeavor to strike a delicate balance between the preferences and tastes of emerging audiences and those of their existing customer base (Adobe 2022) . **Attraction to brands and consequent loyalty by younger generations** is still an emerging topic in academic literature. Additionally, even though this is the generation spending more time online, the connection between online behaviour and offline brand intentions among younger generations is still not well understood, limited understanding exists about factors influencing consumers' intention to co-create value and their willingness to pay a premium price for brands on social media (Wallace et al. n.d.). However, this study findings emphasize the significance of brand

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love in enhancing both these factors. Moreover, the research highlights the crucial **influence of brand trust in moulding both brand affection and overall brand results**. Marketers are encouraged to capitalize on social media opportunities to nurture strong brand connections with younger consumers.

Corporate strategy is evolving, and companies aim to **provide value to diverse stakeholders and stay ahead of emerging non-traditional competitors**, such as fintech firms and traditionally non-insurance companies. This shift requires a focus not only on traditional market considerations but also on rapidly **developing new capabilities** to be ahead of competition. Expedited acquisition or partnership strategies can effectively integrate essential data, digital, and innovation capabilities (EY 2022). Users external to the firm emerge as a crucial wellspring of functionally novel innovations (von Hippel 2005). **Open innovation paradigm** assumes that there's a lot of talent and knowledge needed for innovative projects located outside the firm (Leckel 2021), and can be defined as "a distributed innovation process that relies on purposively managed knowledge flows across organizational boundaries, using pecuniary and non-pecuniary mechanisms in line with the organization's business model to guide and motivate knowledge sharing" (Chesbrough and Bogers 2014). It serves as an approach to **connect local entrepreneurial ecosystem** (including, for instance, students) with global networks.

To further understand how Grupo Ageas Portugal incorporates and takes advantage of Open Innovation in its strategy, the Consulting Lab team hosted a meeting with Dra. Marisa Loureiro, Innovation Lead of the company. She clarified that the company's concept of Open Innovation is closely tied with **looking at the external environment** to see what is new and challenging/being challenged by other entities to develop innovative projects. The main stakeholders they currently join forces with are universities (through challenges like the Hackathon and the Consulting Lab), clients (they have departments that are in close contact with them and perform market studies), current partners (like Millenium BCP, from which they

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gather client information and brainstorm on strategies), start-ups and other big companies (where they create incubators to test out disruptive ideas). All these initiatives are extremely fruitful, however, Grupo Ageas Portugal also faces some challenges when it comes to Open Innovation, the main ones being scouting (large number of players to work with, which complicates the prioritization and choice of the most appropriate ones), choosing between big companies and start-ups (trade-off between data security, facilitation of processes and degree of innovation), the following phases after idea ideation (discovering the best path for the pilot and implementation, for example), high investments required, different cultures, among others. This **collaborative business model is the future** in all industries.

### 2.6.1. Frameworks and Methodology Concepts

Throughout the project, particularly in the initial stages, the Consulting Lab team employed various strategic frameworks and concepts to facilitate our understanding of the insurance industry, the competitive landscape within which Grupo Ageas Portugal operates, and the sources of competitive advantage for the company. These frameworks proved exceptionally valuable in rapidly grasping the overall landscape, guiding decision-making, and strategically planning to ensure the project's objectives were met.

**[PESTEL]** The PESTEL framework helped comprehend the **external environment** and its impact on the insurance industry. Furthermore, it was used to gain insights into events that could influence the perceptions of the younger generation on insurance and potential risks they could be exposed to. It is a technique for analysing the external business environment, that involves the examination of political, economic, sociocultural, technological, legal, and environmental forces that may have an impact on an organization (Paul, Yeates, and Cadle 2010)

**[SWOT]** The SWOT framework was used to assess Grupo Ageas Portugal's **internal analysis** and to scan future possibilities that may impact the recommendations to target younger

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generations. SWOT is a technique to summarize external pressures facing an organization and the internal capabilities the organization possesses to respond to those pressures. The mnemonic stands for strengths, weaknesses, opportunities, and threats (Paul, Yeates, and Cadle 2010).

**[TOWS]** TOWS Matrix was used to identify the strengths of Grupo Ageas Portugal in conjunction with current and future opportunities, aiming to pinpoint potential sources of competitive advantage to target the younger generation. The matrix matches the environmental threats and opportunities with the company's weaknesses, and especially, its strengths (Weihrich 1982).

**[Brainstorming]** was constantly used throughout the project to guide **the decision-making process**. Brainstorming sessions were conducted within the Consulting Lab team, with the innovation team of Grupo Ageas Portugal, and during meetings with other departments and stakeholders. Brainstorming (BS) is one of the techniques for fostering group creativity, where ideas and thoughts are shared spontaneously among members to reach solutions to practical problems. It helps increase creativity in a corporate context and generates ideas, solutions, and clarifications in higher education (Al-Samarraie and Hurmuzan 2018).

**[Co-Creation]** The Consulting Lab team, as external strategy consultants, worked together consistently to **create the most value for the organization**, holding weekly meetings, and being present at the Grupo Ageas Portugal workplace to maintain human interactions with the team. Additionally, in the qualitative interviews, younger generations were asked questions to prompt them to think about possible solutions to insurance products they would like to have, enabling co-creation. "Co-creation has become a widely used term to describe a shift in thinking from the organization as a definer of value to a more participative process where people and organizations together generate and develop meaning" (Ind and Coates 2013).

**[Open Innovation]** At Grupo Ageas Portugal, the team interviewed a member of the innovation team to understand how the company practices open innovation. Open innovation is a paradigm that assumes that firms can and **should use both external and internal ideas**, as

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well as internal and external paths to market while seeking to advance their technology. (The Oxford Review n.d.).

**[Action Priority Matrix]** After fully developing the hypotheses, we utilized this matrix to identify which hypotheses should be **prioritized for the development of future solutions** targeting younger generations. The matrix facilitates prioritization based on two variables: effort and impact. Divided into four quadrants, actions falling into the first quadrant are Quick Wins, the second are Major Projects, the third is Thankless Tasks, and the fourth is Fill-ins (Covey 1989).

**[Deductive Reasoning]** was valuable to develop the issue tree. Deductive reasoning is characterized by a sequence of statements that provide a **comprehensive understanding of a situation**. The process involves making a statement about a situation, commenting on the first statement with a second one, and drawing a conclusion that highlights the implications of these two situations. It is commonly employed in communication, presenting information in a structured and narrative-like manner (Minto 1987).

**[Inductive Reasoning]** It was also valuable to make the issue tree. Inductive reasoning, which addresses the question of ‘How?’, **involves grouping similar ideas and drawing relevant conclusions**. This process entails recognizing commonalities among various ideas, categorizing them under a unified concept, and deducing a conclusion based on the identified similarities, often encapsulated by a single defining word. Inductive reasoning is reader-friendly, presenting implications or recommendations straightforwardly without exhaustive arguments (Minto 1987).

### 3. Diagnosis

#### 3.1. Situation Analysis

As already referred in the Methodology, the situation analysis was performed by conducting an external analysis of the insurance market and its external forces, namely through PESTEL.

Then, looking inwards, a SWOT analysis was carried out and, merging external and internal analysis, the TOWS analysis was developed.

### **3.1.1. External Analysis**

#### **3.1.1.1. PESTEL Analysis**

Global forces, including climate change, technology, workforce shifts, and economic volatility, are driving the **need for widespread transformation in industries**, including insurance, to remain relevant.

##### Political factors

The country's political environment, regulatory regime, laws and initiatives affect the insurance industry as a whole. Furthermore, political forces could be vital in the attraction of insurance firms.

Regarding the international political landscape, the past few years have been marked by the **rise of geopolitical and energy risks**, with costs for insurance companies. Countries were still starting to recover from the pandemic, having complicated policy environments when **Russia's military aggression against Ukraine erupted**, resulting in a geopolitical *tectonic shift* (IMF 2022). The recent escalation of **Israel-Hamas conflict** not only furthers tension between countries and inflation but also raises concerns regarding personal safety around the world (CNN Portugal 2023a).

Portugal political landscape is marked by **increased instability**, with 15 ministers and secretaries of state resigned, including the Prime Minister (Governo da República Portuguesa 2023a). Through different sectors **strikes and protests** have been taking place across the country. The recurring strikes by public workers have exerted pressure on both the public school system and the national healthcare system (Education International 2023)(CNN Portugal 2023b).

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Nevertheless, some **initiatives targeting younger generations** are taking place such as IRS Jovem, a special IRS tax regime for young workers (Autoridade Tributária e Aduaneira 2023), and the National Youth Plan (Instituto Português do Desporto e Juventude 2022). In addition, following the NextGenerationEU, the government created initiatives such as the Plano de Resiliência e Recuperação, which in turn was followed by Portugal 2030, to develop the Portuguese economy through **sustainability, digitalization, and competitiveness** (Portugal 2030 2023).

### Economic factors

Despite initial strides toward economic recovery from the pandemic aftermath, the year 2022 was marked by a sharp slowdown in global economic activity, **Russia's invasion disrupted the global markets.**

Financial markets witnessed, on one hand, substantial **devaluations in the world's main stock indices**, triggered by heightened uncertainty and the **reversal of the expansionist nature of monetary policy**. On the other hand, there was an increase in government bonds yields, in a context of escalating inflationary pressures and the ensuing expectation of a rise in the general level of interest rates. The changes in interest rates are likely to affect long term products, having a higher impact on life insurance than on non-life insurance.

Portuguese GDP (Gross Domestic Product) continued a **declining trajectory** in the fourth quarter of 2022, reflecting the **contraction in private consumption** and the **weakness of investment**. Nevertheless, considering the remaining quarters, the Portuguese economy registered a growth of 6.7%. It is predicted, for 2023, a significant GDP slowdown (growing 2.7% in 2023 and 2.4% in 2024), penalised by uncertainty over the progress of external demand and the evolution of inflation which, after standing at 8.1% in 2022, is expected to remain high in 2023 (5.4%) (Banco de Portugal 2030).

The **unemployment rate remained at historically low levels**, standing at 6% in 2022, with a decrease of 0.6pp compared to 2021 (Governo da República Portuguesa 2023). According to

OECD and the Bank of Portugal, this **will not be a trend** for the following couple of years, with yearly rate projections of 6.5% in 2023 and 6.7% in 2024. Portugal is the 7<sup>th</sup> country with the highest youth (15 to 24 years old) unemployment rate in the EU, as of September 2023 (OECD 2023). Regarding income, the average monthly salary of a Portuguese person younger than 25 years is approximately 1000€, below the EU's average of approximately 1600€ (2022) (Eurostat 2023). The high rate of inflation, and **deterioration of salaries**, is putting **pressure on younger consumers' ability to pay their premiums**.

**Property prices have been climbing** since 2014, according to Eurostat, reaching an average year-on-year growth of 12.6% over the four quarters of 2022. Over the last two decades, there has been a **decrease in the proportion of young homeowners in Portugal** (Euronews 2023). 70.7% of young adults aged 18-34 are still living with their parents in Portugal (Eurostat 2023).

In 2022, overall insurance business volume decreased by 9.5% in Portugal, with the volume of direct insurance premiums standing at around €12B (Millenniumbcp Ageas 2023).

### Social factors

The demographic landscape in Portugal is marked by an **aging population** and **shifting urbanization trends**. Consequently, there are new needs and preferences. 21% of the total residents in Portugal are aged between 15 to 34 and only 53% of them have voted in every election they were able to (Pordata 2023). According to the United Nations the number of people in Portugal from 15 to 34 years old will continue to decrease, with less than 0,74% of young people in 2025 than in 2023 (United Nations 2022). In 2021, 68% of young people between this range already have some form of income and save on average 27% of their total revenue. Getting **better jobs** is the main **reason to get a higher education**. 35% have completed university education and 20% studied at least one time abroad (FFMS 2021).

The pandemic accelerated the need for change, consumers' spending behaviour shifted, seeking more simple and holistic experiences, **value-added services** included with life, health, auto, and property insurance, and tailored offerings (Majesco 2023). Younger consumers have

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demonstrated an **overall preference for digital channels and e-commerce**. They expect and demand digital capabilities from companies and new products that will align to their activities and behaviours. Furthermore, Gen Z and millennials tend to be **pragmatic**, typically risk neutral, though lean slightly toward risk aversion (McKinsey 2022). This widened the Grupo Ageas Portugal between customer needs and expectations, and traditional insurance companies' capabilities.

**Employment emerged as a crucial issue** for Gen Z and Millennials with a 23% stronger view in finding or keeping a job and 37% in how they would like to work compared to the older generation (Majesco 2023). Environmental, social and sustainability related areas are also of keen interest to the younger generation.

### Technological factors

According to the 2022 EU Digital Economy and Society Index, Portugal ranks 15<sup>th</sup> out of the 27 EU Member States (European Commission 2023), while more than 88% of Portuguese households had internet access (RTP 2022). Yet, most of the young population is, naturally, **technologically proficient**, since Millennials have grown up in an ever-evolving digital landscape while Gen Z never knew a world without advanced technology. The swift digital transformation, accelerated by the impact of the COVID-19 pandemic and geopolitical tensions, has expanded the arena for **cybercriminals**, and both generations are aware and concerned about cyber security and ID theft (Majesco 2023).

### Environmental factors

Growing global risks that can be **unpredictable**, such as **climate change**, are making the **insurance industry's role even more crucial**. Portugal devoted 38% of its Plano de Recuperação e Resiliência budget to the climate objectives (European Commission n.d.). The PRR rightly focuses on improving energy efficiency and promoting sustainable mobility. With 34% of renewable energy in final energy consumption in 2020, Portugal achieved its target.

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(OECD 2023a). Projections indicate that additional policies will be needed to reduce emissions by at least 55% from 2005 levels by 2030 as required by the Climate Law.

The majority of young people in Portugal feel responsible for fighting the climate crisis, however only 8% of young people have boycotted/chosen products for environmental or political reasons (FFMS 2021). They typically consider **ESG factors** in determining who they work for and who they do business with, being relevant for insurance companies to introduce sustainable products and investments that support sustainable causes (Majesco 2023).

### Legal factors

The European Insurance and Occupational Pensions Authority (EIOPA) is one of three European Supervisory Authorities. EIOPA implemented Solvency II in 2016, the regime for insurance and reinsurance undertakings in the EU, which was reviewed in 2020, to uniform and enhance the level of policyholder protection, to monitor the insurers' risk profiles and the quality of their risk management and governance systems and to have a more integrated EU market while also increase competitiveness (EIOPA 2023). The Autoridade de Supervisão de Seguros e Fundos de Pensões is the Portuguese regulatory authority tasked with supervising the activities undertaken by insurance and reinsurance companies (ASF n.d.).

The Portuguese Law No. 58/2019 of August 8 assures the execution in the Portuguese legal system of the General Data Protection Regulation (Diário da República 2019). Approved in 2023, the Data Act aims to boost the EU's data economy by making more data accessible for use through a reinforced data portability right, fostering a competitive and reliable European cloud market, while setting up rules on who can use this data and for which purposes cross all sectors (Cyber Risk GmbH 2023). Aggregating data from multiple users has the potential to develop or enhance digital. In insurance, for example, a car or machinery owner could choose to share data generated by their use with its insurance company.

With the current **uncertain economic and geopolitical climate**, stricter consumer protection laws are being implemented. The European Council, on October 23<sup>rd</sup>, adopted a directive concerning financial services contracts concluded online, via telephone or other at distance forms, increasing consumer protection (Council of the EU 2023).

### 3.1.1.2. Competitive Landscape

The competitive landscape analysis will, non-exhaustively, examine **four categories of companies** and respective examples to illustrate the products or methods they employ to target younger generations.

#### Portuguese market incumbents

These are companies in direct competition with one another and established in Portugal for several years now- 61 companies grouped into 39 groups or independent insurance firms, according to the Portuguese Insurance and Pension Funds Supervisory Authority (ASF). Latest reports reveal that approximately 67% of the market is **controlled by the top 5 companies**: Grupo Fosun with Fidelidade (30% market share), Grupo Ageas Portugal (16%), Grupo Generali (10%), Grupo BPI (7%) and Grupo Allianz (5%), none of which have managed to properly capture younger generations. These percentages reveal the industry is **moderately fragmented** in Portugal.

Some of the mentioned companies will now be briefly analyzed, to understand the strategies being used to attract a broader clientele by **leveraging non-insurance companies** as channels.

**Grupo Fosun** has held the position of Portuguese market leader for the past three years, with a 30% market share on the life insurance segment and 29% on the non-life insurance one. The group's major insurance companies include **Fidelidade** (number one position in terms of market share), Via Directa (29), Multicare (54), and Fidelidade Assistência (61). A notable product offered by Fidelidade targeting younger customers is "Fidelidade Erasmus Travel

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Insurance”, that caters to young individuals heading abroad for studies for up to one year, protecting them against accidents and unforeseen events during their trip.

**Grupo Generali** is the third biggest player in the insurance industry, which is driven mostly by non-life insurance (second in this segment with 18% market share). The group’s main firms are **Tranquilidade** (2) and Europ Assistance (52). Although Tranquilidade’s primary focus is on the non-life sector, they also offer life products tailored to younger generations like “Insurance Vida mais Cool”. This insurance is designed to be **more flexible and cost-effective** for this demographic and provides superior coverage for professional invalidity in comparison to death or other serious diseases, which they are less likely to face. Tranquilidade’s recent growth strategy is now focused on partnering with and acquiring stakes at non-insurance companies with a sizable customer base and credible reputation in the Portuguese market. These partnerships are mutually beneficial, as Tranquilidade accesses new channels to sell its insurance and the non-insurance companies get to provide value-added services. From a **resource-based view**, Tranquilidade seeks partners trusted by their clients, which is a crucial factor when selling insurance, as it involves high investments and personal data collection. This approach also introduces a fresh perspective to insurance, which counters perceptions of lack of transparency and opportunistic behavior often associated with insurance companies, particularly by younger generations. An example of the benefits of these partnerships is Tranquilidade’s €25M agreement with **CTT**, where the former became a shareholder of the latter, and is now distributing life and non-life insurance through its network. (ECO Seguros 2023d).

### Insurtechs

These companies **leverage technology** to support existing insurance companies or sell insurance directly and are gaining traction in the market. They improve efficiency and savings in “underwriting, risk pooling, and claims management” (Cortis et al. 2019). The global investment in this market has experienced significant **growth**, surging from \$1B in 2004 to

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\$14.6B in 2021 (McKinsey 2022). Notably, companies like Lemonade have secured substantial funding, exceeding \$400 million, with major investors such as Google and SoftBank contributing. In Portugal, the insurtech sector is also on the rise, already ranking among the three top areas of fintech (17% of its entire landscape in Portugal) (Andrade 2022).

**Lemonade** is a disruptive insurtech with an innovative, customer-centric business model, that was founded in 2015 and went public in July 2020. In 2022, the company had 1,807,548 customers and revenues of \$256.7M, along with a loss of \$297.8M (Lemonade 2023a). Lemonade **disrupts insurance** with a digital-first strategy and AI integration, which allows it to simplify purchases, processes, and claims. They focus deeply on **tech-savvy young individuals**, who crave user-friendly platforms, transparency, and efficiency. Even though the customer base has grown, they still currently operate at a loss due to rapid expansion challenges (for example, regulatory compliance). Ultimately, their strategy is centered around becoming a market leader in a future where a large percentage of younger people have **digital literacy** and they aim to leverage technology such that it provides authentic digital experiences. are

**Habit** is a Lisbon-based Insurtech that seamlessly integrates insurance into daily experiences to **meet modern-day consumers' demands for simplicity**. Operating as a platform with a unified insurance distribution API and orchestration technology, Habit empowers distribution partners with full control over the policy lifecycle, minimizing IT efforts and facilitating rapid go-to-market strategies (ECO Seguros 2023e). Examples of Habit's work applications will be further explained in the Embedded Insurance Hypothesis section of this Thesis.

**Lovys**, is also a Portuguese Insurtech, a completely digital neo-insurance company that offers personalized insurance products tailored to the needs of new generations, accompanying them at every stage of their lives. It provides a monthly insurance subscription that can be canceled at any moment, which answers flexibility preferences, and that is highly customizable. A powerful example of its **strategic positioning** for the younger generations is the partnership

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with ECF, a network of driving schools that trains 250,000 new drivers per year. This collaboration aims to provide economical and personalized insurance to driving students (ECO Seguros 2022a) through a simple, personalized and flexible service.

### Non-Insurance Companies

While certain non-insurance companies integrate insurance products into their customer journey, these products are still underwritten by traditional insurance companies. On the other hand, some non-insurance firms have developed services and products in risk protection and prevention that act as **substitutes for less customized and basic insurance products**.

**Altice Portugal**, the largest telecommunications company in Portugal, took a significant step in diversifying its main subsidiary MEO's portfolio by introducing five service packages aimed at "the comfort and well-being of families". These solutions, under the MEO Care brand, encompass five categories: Home, Pets, Health, Seniors, and Technology.

This strategic move signifies MEO's progression towards **becoming a comprehensive services company** rather than just a telecommunications operator (Oficina I 2022). For instance, 'MEO Care Animais' costs €9.99 per month and includes perks like 6 days in an animal hotel, 12 pet walks, petsitting, 2 baths for the pets, 1 veterinary appointment, and discounts of up to 20% on various services within the AnimaDomus network, including food, pet hairdressers, training, and hotels (Dinheiro Vivo 2022). These packages could disrupt traditional pet insurance by prioritizing pet well-being, minimizing risks, and decreasing the demand for comprehensive coverage. Compared to insurance, these services offer **upfront cost transparency**, a **quick customer journey**, and provide an opportunity for Altice Portugal to establish an **ecosystem**. Services for MEO subscribers come with benefits, discounts, and convenient billing on the MEO invoice.

### GAFSA companies

The big tech GAFSA companies include Google, Amazon, Facebook, and Apple, which possess a **substantial user base** and are **highly recognizable brands**. These have been **slowly**

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**entering the insurance market** since the 2010's through the health sector (Ozalp et al. 2022). Developing Partnerships with Traditional Insurance companies and creating subsidiaries that directly affect the market (Wavestone 2023) has served as their gateway into the insurance world, as they gain know-how while waiting for regulatory openings that may allow them to become licensed insurance brokers (instead of only intermediaries, as they currently are).

The main steps these companies have taken towards entering the market are exposed next:

**Google** now possesses *Granular Insurance* (which belongs to Google's subsidiary *Verily*), which plans to provide a new data-based approach to employer stop-loss in order to help them manage risks, and costs and achieve better outcomes (Verily 2021).

**Amazon** currently has partnerships in the Health Insurance sector with Cigna, J.P Morgan, and Berkshire Hathaway and in the Life Insurance space with John Hancock and through the use of a Halo wearable device. There's even the *Amazon Insurance* space now, dedicated to the Home and Auto Insurance fields, where participants like Ageas, Co-op and LV, for example, are already present (Amazon 2023).

**Facebook** is the least mature actor of these four companies, but it is already focusing on chatbots through WhatsApp and Messenger. In India, it has already partnered with local financial institutions to offer insurance and other financial services through the previously mentioned messaging platforms (Landi 2020).

**Apple** possesses data and tracking devices such as the Apple Watch that can serve as vital tools in the Health Insurance market, which the company is set to enter in 2024 (Jimmy 2022). Their goal is to improve Health through Tech and some doctors have already spoken out about the importance this entrance represents "Apple is democratizing healthcare, providing on-demand access to accurate sensors and software that can help consumers develop real healthcare literacy and inform how daily choices impact their health." (Dr Leslie A. Saxon).

Ultimately, these companies represent a **potential threat to traditional insurance companies** due to the **data and tracking devices** they possess, their already existent large

customer base and well-developed digital platforms (internal factors) as well as a portion of clients already stating they would feel comfortable buying insurance from a non-insurance company – 15% of our survey respondents and 36% of Gen Y globally according to a study performed by Statista (Statista 2017).

### **3.1.1.3. Younger Generations' Profile**

To evaluate the actual **potential of the younger segments for the insurance world**, and even if it is worth it for Grupo Ageas Portugal to go after this project's goal, it is essential to understand their weight in today's world and their specific characteristics.

#### Statistical data about younger generations

From 2021 to 2022, there was an increase in young people in Portugal, with the 15 to 34 years old demographic totalling approximately 2 201 518 people (Pordata 2023b). Globally, Millennials are now the **largest generation** in the world, and Gen-z's are starting to make big life decisions and entering the workforce, being expected that 75% of it, by 2025, will be comprised of Millennials and Gen-z's. As Gen-z's disposable income (€329 778M globally in 2022) (Molenaar 2023) grows, now may be the time to start targeting them and taking advantage of their new-found money.

#### Qualitative characteristics of younger generations

When asked about their attitudes when it comes to risk, in a study conducted by the SOA Research Institute about the perception of younger generations on risk and insurance (Sondergeld and Ammar 2021) 23% of young respondents considered themselves to be risk-averse and 63% being neutral to it, meaning, only 14% identified themselves as being risk-tolerant. However, many considered that, in their routine, they were prone to engage in risky behavior across Financial, Health, Recreational, and Ethical domains, which clearly shows a **disconnect between their perceived likelihood of risk and their actual concern over it.**

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Insurance is not only risk, but also prevention, and research indicates younger generations perceive it as a way to foster wellness (Ypulse 2022). They show a growing awareness and **interest in preventive strategies**, not in every aspect of their lives, but in some contexts that resonate with their lifestyles and values.

Additionally, these demographics also show more willingness to share their data in exchange for rewards and discounts, which demonstrates their **prioritization of price** over other factors. They are also hypercognitive in terms of comparing the multitude of product options available to them, which, allied with their low-price preferences, has led them to be less loyal to brands and, instead, choose the **best product for each specific need** without sticking to only specific brands. Despite these efforts put into research and analysis, they still **value convenience and crave exceptional customer service** (AgentSync 2022). These characteristics also apply to their insurance preferences.

### The optimal offers for younger generations

Considering these insights, their perception of an **optimal product** has a low cost, requires a low commitment, allows for high flexibility (Ng and Nicholas 2022), and is integrated into an ecosystem. Thus, developing strategies for younger audiences often involves taking on additional risks for companies.

## **3.1.2. Internal Analysis**

### **3.1.2.1. Company Overview**

Operating in Portugal since 2005, Grupo Ageas Portugal is **one of the leaders in the Portuguese insurance market** and much of this is due to the **strategic entry** into the Portuguese market through the Médis and Ocidental brands in **partnership with Millenium bcp which is the current most profitable channel of sales** (Grupo Ageas Portugal 2023b). However, only in 2014, the group became 100% shareholder from Médis and Ocidental. Another significant strategic step in Ageas's path was the acquisition, in 2016, of AXA Portugal

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and Direct, now operating as Ageas Seguros and Seguro Directo. Currently, Ageas's insurance brand-related portfolio is composed of several brands, including, Ageas Seguros, Médis, Seguro Directo, Ageas Pensões and Ocidental. Nevertheless, to diversify the business, and to be closer to its clients, Grupo Ageas Portugal has also in its portfolio various brands to meet the client's needs and preferences beyond the insurance ones, namely Ageas Repara, Clinica Médis, PétiS, Kleya and Livo.

Grupo Ageas Portugal had significant figures in 2022, namely a **client portfolio of 1,8 million clients**, a **net result of 130 million euros**, and a **global market share of 15,9%** (17,8% in life and 14,2% in non-life). This group is highly committed to fostering growth through **strong partnerships** and actively **contributing to the country's progress and societal well-being**. Therefore, Grupo Ageas Portugal aims to provide an emotional and relevant experience in clients' lives, with the overreaching vision of being a welcome presence in every Portuguese family, cultivating sincere and multigenerational connections based on trust, care, and a deep understanding of the different phases of life. This **commitment** extends to the initiatives of the Fundação Ageas, aimed at positively impacting the country and to the **Impact24 strategy**. This strategy has five focus areas and key initiatives that cover essentially the delivery of relevant customer experiences, the development of holistic solutions, the building of an agile, learning-driven culture, the unlocking of technology and data as well as the creation of a positive action that delivers a new impact for communities and the planet (Grupo Ageas Portugal 2023a).

To foster the development of ongoing offerings that align with the needs of clients and potential clients, and to generate meaningful value in their lives, Grupo Ageas Portugal is supported by the **Innovation Team** that actively engages with employees of different business areas as well as **external partners**, such as startups and universities that introduce innovation proposal for processes, products and services. Grupo Ageas Portugal has their innovation initiatives structured into four programs: Inside, Incampus, Insure and Inhouse. One of the

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primary focuses of the Group, particularly of the Innovation team is to explore the untapped customer segment of the younger generation. To achieve this, initiatives like the BackPack project have been developed. This project aimed at creating an insurance product tailored for the 15 to 24-year-old age group and was one of the finalists of the internal entrepreneurship program Inside. However, Grupo Ageas Portugal, by recognizing that the insurance industry may be **perceived as boring and unexciting**, especially by the younger generation who might not fully grasp the concept of risk or are not yet in life stages that need insurance services, has additional projects underway. One example of the ongoing efforts regarding the ambition of reaching the youngest is the current Consulting Lab which wants to ensure that everything, from the product offers and promotion to the channels utilized, is **aligned** with the needs and perceptions of this demographic.

### 3.1.2.2. SWOT Analysis

A Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis was performed for Grupo Ageas Portugal to gain a deeper understanding of its **internal and external environment**. As per this Consulting Lab's scope, this assessment was conducted focusing on younger generations and all factors that may influence the creation of appealing and relevant experiences for them, both in the Insurance Market in general and for Grupo Ageas Portugal specifically. This structured framework served as a tool for **strategic planning and hypotheses formulation** later on in the project.

#### Internal Environment

**[Strengths (S)]** Grupo Ageas Portugal offers a wide range of insurance products in all major areas (auto, life, health, work accidents, personal accidents, traveling & leisure, home, saving and investing, domestic animals) which not only caters to a broad spectrum of customer needs but also accompanies them through pivotal moments of their life where they may need to make decisions that require acquiring insurance coverage.

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Grupo Ageas Portugal's evolving **customer-centric approach** is also remarkable, with *Seguro Directo* (one of its brands) being considered a best practice in Portugal in the field of "Customer Centricity Management"- as it was one of five Portuguese brands in 2023 to be granted with the "Escolha de Excellentia" award (Forbes 2023a). This focus on the customer as well as the dedication to being digitally up to date translate into the creation of user-friendly platforms that are appealing and more practical to tech-savvy younger customers, the "App Cartão Mundo Ageas" (Ageas Seguros 2023) is an example of.

Lastly, its **vast network of partners**, brands and brokers gives them an advantage in terms of **possessing expertise in different financial fields**. This is particularly evident in their **Bancassurance partnership**, where Millenium BCP serves as a channel to sell Occidental's insurance (Millennium bcp 2023). This partnership is one of Grupo Ageas Portugal's strongest capabilities, with brokers and Millenium BCP sales accounting for 85% of the total volume of premiums of the group. The bank's wide market coverage functions in favor of Grupo Ageas Portugal, which, by itself, would probably have difficulties in penetrating the Portuguese market so easily. Millenium BCP's reputation in Portugal as one of the most trusted Banks by Portuguese citizens also helps when it comes to sales, with clients feeling safe buying insurance through this channel (Joshi 2023). Even though this may decrease Grupo Ageas Portugal's brand recognition, as some clients may not now that the coverages they are buying are from the company and not "directly" from the Bank, it can also boost sales, which results in a tradeoff that the company is content with. Additionally, this partnership also fosters client information and know-how sharing between financial areas and respective companies. Millenium BCP, as a Bank, has many more touchpoints with clients than an insurance company ever could, thus, they know more about the client than the latter. This client knowledge and other resources can easily be leveraged to adapt offerings and also provide educational content and tools for younger generations to understand the importance of having insurance at every stage of life.

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**[Points of improvement (W)]** Although Grupo Ageas Portugal's portfolio may offer a wide range of products and services, younger generations are not fully aware of their existence and their importance. This is even more evident for products that may be particularly of interest for them, like "Seguro de Viagem On-off" (ActivoBank 2023), an on-demand insurance that possesses all qualities they seem to desire (easy accessibility, low price and ease of understanding the coverage) but that they are not aware that exists.

Despite this product, which is specifically tailored to their needs, it seems there is a **lack of a clear value proposition** from Grupo Ageas Portugal **to younger generations**, with other products not being tailored to their lifestyles nor being financially bearable for them.

Access to information also presents some hurdles. The high number of partners/brands that Grupo Ageas Portugal congregates make it complex to find all desired offers on one platform without having to scour to another partner's ones (e.g: easily finding information about "Seguro de Viagem On-off" on Activobank's app or on Occidental's website but not finding it on Ageas website). This, along with most of the information only being displayed in Portuguese and not in other languages, can represent another obstacle for foreign students or immigrants to buy insurance products from the Grupo (O'Hare n.d.).

### External Environment

**[Opportunities (O)]** With younger generations being characterized for interests like Sustainability and fighting for causes they believe in, Technology and Entertainment, for example, several opportunities arise to **connect with them**. Creating more Sustainability clauses/products and taking an active role on our world's protection can make Grupo Ageas Portugal extremely attractive for them, as it is known that "88% of young consumers (Millennials and Gen Z) would rather buy from a brand that is committed to sustainability" (Manley, Seock, and Shin 2023). Leaning towards the trend of **Gamification** is also a possibility, as by adapting digital platforms to be more interactive, insurance can transform its more traditional ways into a more appealing and interactive experience for young people.

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There also seems to be a **disconnect between younger generations' risk perception**, as they acknowledge they engage in risky behaviors in Financial, Health, Recreational and Ethical domains, but they don't believe their actions have negative/dangerous consequences (Sondergeld and Ammar 2021) . The **possibility for Education** arises to attenuate this. Also, by convincing the younger audiences of the economic uncertainty that is ahead of them, they may feel moved to set some money aside to invest in insurance products.

**[Threats (T)]** Economic uncertainty, at the same time, is leading young clientele to **prioritize other financial goals** and limit their budget in terms of investments in insurance premiums (Mseka Ayo 2023). This, as well as **lack of awareness regarding insurance value**, can also lead to an underestimation of the risks they face and to an interest loss regarding insurance products. This loop is difficult to break and can be a major threat.

At last, **competition is fierce** from insurtechs (that may have more competitive offerings and tailored solutions that capture younger demographics), Portuguese incumbents, GAFA companies (who are entering the market as intermediaries but that may want to become licensed insurance brokers) and even non-insurance companies who are infiltrating the market. Competitor's analysis will be further explained in the "Competitive Landscape" part of this Thesis.

### 3.1.2.3 TOWS Analysis

The utilization of this framework helped the group analyze how Grupo Ageas Portugal can leverage their strengths to explore market opportunities for the younger generations and to avoid threats, as well as define ways to attenuate the impact of their weaknesses on the respective factors.

Regarding the **SO Strategies**, Grupo Ageas Portugal can take advantage of their current brand reputation (top 40 in the 2023 study conducted by Merco on Portuguese Enterprises and Leaders) (Merco 2023) to **reach** the younger demographics as a trustworthy insurance

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company. The brand recognition can also be used, alongside other resources, to launch educational and informative campaigns of financial literacy for the younger generations. Lastly, understanding their needs to **adapt product offerings to their lifestyles** is also facilitated due to the understanding the Grupo has of current clients and the information they get from partners and brands.

For the **ST Strategy**, the threat of tech-forward companies (both GAFA companies and insurtechs) in the insurance market can be mitigated through the **development of strategic partnerships**/exploration of possible acquisitions, which Grupo Ageas Portugal is already skilled in (Jornal de Negócios 2016), to enhance technological capabilities. This also serves as a way to keep up to date with customers' evolving needs and be in closer contact with them.

In terms of the **WO Strategies**, adapting offerings to go accordingly with younger generations interests is difficult for Grupo Ageas Portugal due to the high number of Partners. An adaptation in product offerings and the respective way to promote it requires compliance from all partners, as they must agree to communicate it in the intended way, which may be hard to convince and even harder to track and measure. If a “middle-ground” is found between all Partners on the most appropriate and cohesive way to reach younger generations, then, the adaptation of value propositions can be more desired by younger clients, who are eager to adopt products specifically tailored to them.

Lastly, concerning **WT Strategies**, by streamlining and revamping the current platforms to aggregate information on all insurance products offered by Grupo Ageas Portugal, **accessibility would be facilitated** and would counter international in high-tech and evolved platforms. Also, by providing multilingual support and eliminating possible language barriers, the interface could become even more user-friendly and competitive.

## **3.2. Baseline Research**

### **3.2.1. Current Market Trends**

#### Multi-channel distribution

The complexity and antiquated insurance processes, especially in the distribution of insurance products, have a significant impact on the growth and profitability of business lines.

Digital channels are increasingly becoming more relevant over the years, especially for younger generations, such as Generation Z and Millennials. However, in the insurance industry, traditional channels such as brokers/agents remain important, as an insurance product is often customized to each individual's needs and can be a significant investment. Therefore, human support remains important in selling insurance products (Majesco 2023).

Digital channels, for instance, include an insurance company website, an insurance comparison website, an online investment adviser, a retailer's website, or an event sign-up website/app. According to the Majesco study 'Enriching Customer Value, Digital Engagement, Financial Security, and Loyalty by Rethinking Insurance' (2023), several of the digital channels for Gen Z and Millennials have a high level of interest respectively, for an insurance company website (87% and 80%) as for a traditional channel (84% and 78%).

This trend supports the resilience and importance of traditional channels, especially for more expensive insurance products (e.g., life insurance and home insurance). Additionally, there is a growing opportunity to leverage digital channels to cater to tech-savvy younger generations, especially for less complex insurance products that customers prefer to handle independently and need quickly. A multi-channel strategy proves to be crucial to target younger generations.

#### Focus on health and wellness products

The interest in health services and products has been increasing in the past years due to an increased awareness of the importance of a healthy lifestyle for a long and healthy life. Technology has also been driving this trend because it is currently possible to track sleep cycles,

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fitness activities, and heartbeats with devices like wearable bands or smartwatches. These same devices can collect a tremendous amount of data about consumers, enabling tailored health insurance products for specific individuals, optimizing the insurance business, and making risk assessment more accurate. there is currently a need and desire for health insurance products, and the trend is expected to only increase with time.

The awareness about the lack of financial literacy has been driving the demand for financial wellness services. According to the Majesco report (2023), Gen Z and Millennials have much more interest in these types of services than any other generations, with interest ranging from 62% to 83%. The top six preferred financial services that the younger generations would like to see from their insurance companies are the following: credit monitoring service, cyber or identity theft insurance, financial planning/coaching, money management/budgeting, debt management/coaching, and school loan debt repayment.

### Customer Journey: Value-added Services and Products

Majesco's (2023) market study indicates that 72%-85% of Gen Z and Millennials, respectively, have a particularly high interest in value-added services connected to the core product. In the case of insurance, where the core business is about risk protection, providing additional offerings is very important to stay relevant within the younger generations, for instance in risk prevention to fend off customers from experiencing a loss in the first place. A good practice example is the partnership between Tranquilidade (a Portuguese insurance company) and Securitas Direct (ECO Seguros 2023b), a company with capabilities in risk precaution that provides house protection systems against intruders and other risky events. The partnership will provide embedded insurance solutions and assistance in Securitas Direct products, through the co-creation of new global solutions for Home and Business Protection. Both companies have complementary but different capabilities that result in clear synergies; together, they can create a better value proposition. As incentives, for the insurance company, it means having more customers and providing an integrated solution to its clients, thus making

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them feel protected. Additionally, the insurance company will benefit from the lower probability of the client incurring a claim attempt, which drives profitability. For Securitas Direct, it means offering an embedded and optional value-added service (insurance) to its product offering. Moreover, insurance companies should also consider extending additional value to their products, such as discount alerts, wellness apps, and more.

Another critical insight gathered from Majesco's (2023) study is that the younger generations are willing to share their data about their lifestyle, personal risks, fitness trackers, prescribed drugs and drugs purchased, general purchases, grocery purchases, genetics, and much more. Thus, the younger generations demand more personalized offerings tailored to their needs, requiring a change in the traditional approach by insurance companies, which have focused on forcing the sale of their products. This has resulted in a perception among younger generations that insurance lacks value, is time-consuming, and complex.

### New ways of working

Most businesses had to digitize during the pandemic, accelerating the adoption of remote and hybrid work modes. Workers' expectations evolved, and employment emerged as a crucial issue for Gen Z and Millennials, they are more likely, than any other older generation, to have independent jobs or multiple jobs and are less likely to expect this period of financial insecurity to end (Majesco 2023). Besides considering work-life balance one of the most important criteria, they want more autonomous work and diverse projects, thriving in agile and creative workplaces (Forbes 2022a). Younger generations tend to pursue independence and passion, and the rise of young entrepreneurs is reshaping industries (Forbes 2023b).

This impacted insurance companies, there's a demand for different insurance products and new opportunities to find solutions to meet the specific needs of businesses with remote workforces. Besides the adaptation of insurance products to cover new businesses, it became crucial to revise policies and adjust premiums considering the new remote-work landscape (e.g. review of offerings covering, cybersecurity, travel, vehicle usage, health, and well-being, etc.).

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Insurance companies need to recognize the diverse needs and risks associated with remote work and the new ways of working by younger generations, adapting the offerings to provide relevant and comprehensive coverage to both individuals and businesses in this evolving work landscape.

### 3.2.2. Future Market Trends

#### Future Insurance Market Trends

The future of the Insurance industry's products, protocols, and processes is still uncertain due to several variables that play their role in it, such as the development of AI tools and the future of data protection. However, some insurance companies are already hopping on some trends such as **On-Demand Coverage**, turning insurance into an "on and off" product, when and wherever clients need it, a seamless process where clients only pay for the protection when needed, allowing risk customization, data-driven insights (customers' behaviour and risk patterns) and market expansion (KPMG 2017). Some challenges for insurance companies will emerge such as possible increase of fraud risks.

The use of **Blockchain** technology is also gaining traction within the industry, allowing data to be shared with all parties in real time as well as providing transparency and security. It can streamline claims processing and accelerate reporting automation. Yet, its implementation and integration are costly and complex, there's a lack of industry standards and regulation is still volatile and evolving (McKinsey 2016b).

Regarding **Risk**, the emphasis will shift from mere risk transfer to the creation of **resilience strategies** (Sheehan et al. 2023). Opportunities to develop new predicts will appear, with additional revenue streams and collaboration opportunities, but raising clients' awareness of proactive risk management can be challenging. Insurtechs have been adopting and adapting these technologies early on in their operations.

#### Predicted future trends with impact on younger generations

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Social, technological, and economic trends evolve, and people face changing lifestyles, increased longevity, and different needs.

### Embedded Insurance – Digital ecosystems and customer centricity

There's a new consumer paradigm based on **personalized, integrated, digital, and pay-per-use solutions**. Consumers are increasingly looking for experiences rather than just products. Furthermore, younger generations value unbureaucratic and **transparent processes**. With these new preferences and the undergoing **digital transformation of the insurance industry**, the current insurance experience will lose value. Instead, it will become just another feature of a product, provided by companies from other industries. Insurance becomes part of new digital ecosystems, where different players interact to offer greater value to the consumer, enabling insurance companies to integrate their offerings into a broader experience (Deloitte 2023).

By integrating insurance into non-insurance products, customers can purchase insurance at the point of sale, saving their time and efforts, while enhancing the overall customer experience, and fostering brand loyalty. Simultaneously, companies can reduce the cost of acquiring new customers and have a **competitive advantage** in the market. Using advanced technologies, that younger consumers are familiar with, allows insurance companies to manage risk more effectively, creating a **seamless and trustworthy experience**. Ecosystems that **enable data sharing** will provide insurance companies with enhanced access to comprehensive information (McKinsey 2021). The convergence of tech trends will enable the companies to offer more dynamic and **responsive coverage** for individuals. It is estimated that in 2023, embedded insurance, already in its second phase promoting closer collaboration between insurance and non-insurance industries as an opportunity to help close protection gaps and grow the global value of the insurance industry (Deloitte 2023), could account for around 16% of total global insurance distribution, and, in Europe, the market is expected to reach 60 billion dollars by 2070

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(Torrance and LebBanc 2022). With Embedded Insurance, new products will be created based on behavioral and real-time data collected in an increasingly integrated environment.

### Rethinking Mobility

Due to continued remote work, COVID-19 habits may lead to a sustained preference for individual car use and reduced overall driving.

Mobility is increasingly multimodal, especially among younger generations. Younger consumers are less likely to use private cars nowadays and plan to increase their use of public transit and micro-mobility, often preferring shared and more sustainable modes of transportation. According to a McKinsey survey, 49% of respondents under 30 years old use public transport, shared mobility modes, and micro-mobility options regularly (more than 4 times a week) (McKinsey 2023a).

For the insurance industry, this means product offerings **should be reassessed**, **emerging mobility needs** should be addressed, new technologies such as **telematics can be used to monitor** and collect data on the behaviour of vehicles and drivers, enabling flexible policy options in the future, and **vehicle ownership preferences of future** generations should be analysed to tailor insurance offerings to specific needs.

### Longevity

The Portuguese population is aging faster than in most European countries, and the natural balance (due to the increase in average life expectancy and the fall in the birth rate) has worsened, pressuring the social safety nets (Público 2023). Portugal is expected to be, in 2045, the EU country with the highest dependency ratio: “people over 65 in retirement will represent 66% of the total working-age population.”, reflected in increased financial responsibility for younger generations, which may face higher burdens to financially support a larger elderly population (Expresso 2023). Resulting in new **financial planning challenges** for younger generations. They are already struggling with the decreasing of economic opportunities, saving for retirement becomes more difficult, and the confidence in the sustainability of social

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safety nets like pensions is decreasing due to the fewer active workers contributing to pension funds for each retiree (McKinsey 2023b).

The insurance industry must adopt a holistic approach toward individuals' lives and provide tailored services through adaptation and innovation in offerings, addressing these pressing challenges. Insurance companies may introduce products designed to bridge the gap left by strained social safety nets, providing additional financial security for younger policyholders (development of safety net gaps), prioritize offering affordable and accessible insurance products, develop savings and investment products tailored to the needs of younger generations, helping them build assets and financial resilience over time, and reevaluate risk assessment models to accommodate longer policyholder lifespans.

### Climate Migration – Climate refugees and multicultural settings

Extreme weather, rising temperatures and damaged ecosystems are threatening the lives of millions around the world (Zurich 2022), according to the Institute for Economics and Peace (IEP) there could be 1.2 billion climate refugees by 2050. On one hand, there's an **increasing concern** and **anxiety**, especially among younger generations, about their well-being in the future due to climate change and natural hazards (TIME 2023). On the other hand, the migration inflows of climate refugees have been rising, and coping, and adapting to these multicultural settings may be challenging due to cultural clashes and communication barriers. It is an opportunity for cultural exchange, learning, and collaboration.

For insurance companies, this can translate into new opportunities regarding tailored offerings such as cultural integration services, the development of high-risk assessment capabilities and solutions to mitigate challenges arising from multicultural settings, and increased awareness towards social responsibility and sustainability.

## 4. Analysis

### 4.1. Market Segmentation & Targeting

#### Brainstorm session:

To initially understand the most methodical way to approach the segmentation of the younger generation market, the team met with Dr. Rafaela Mogas, a UX Researcher and Strategist at Grupo Ageas Portugal, and with Dr. Diogo Figueiredo, who provided the team with recommendations and gave feedback on the initial Proto-personas (Gothelf 2012). Another meeting was set-up with them in preparation for the final stage of the project to integrate new segments recommended by the steering committee.

The project's scope of 15 to 35 years old englobes people in completely different stages of their life, so, our group felt the need to further segment this age group.

First, the goal of **creating Proto-personas** was defined. To do that, the first step was creating **four main variables to group people**: life situation (if the person still lives with their parents or not), occupation (if they study, work or are unemployed/between jobs), if they already have kids or not and if they have financial priorities like saving money defined yet or not. By combining these variables, the Proto-Personas were adapted and finalized. These served as a starting point that would later suffer several adaptations up until the definition of what the team believes to be the **Personas** (Cooper 1983) that Grupo Ageas Portugal should consider targeting.

#### Segmentation:

A **Needs-based Segmentation** (Smith 1956) was developed, taking into consideration the 4 variables defined previously as well as age (15 to 17, 18 to 23, 24 to 29 and 30 to 35 years old).

**12 segments** were considered: type 1- high school students, type 2- impoverished high school students, type 3- broke college students, type 4- college students, type 5- graduates & early careers starters, type 6- single workers, type 7- young couples, type 8- remote workers

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residing in Portugal, type 9- financially struggling individuals, type 10- established professionals, type 11- couples with kids and type 12- budget-conscious parents (Appendix 4).

### Targeting:

Targeting (Kotler 1969) all these segments would not be feasible nor efficient, therefore, the **focus for this project** would be on types 3, 4, 5, 6, 7, 9 and 10 (Appendix 5). These targets were all entering important phases of their life that will most likely imply the purchase of insurance and they were also the ones that the Consulting Lab team possessed the most data about (they represented the majority of answers from our quantitative research), so, they could more accurately adapt offerings for them. At the same time, the choice to **go for both financially stable and unstable segments** was made in an effort to foster loyalty with the highest number of young clients possible and to not discriminate nor ignore those in more delicate financial situations. Instead, the team wanted to **develop mechanisms** to aid them (Bandyopadhyay 2023).

In terms of the **segments with the least potential** that were not chosen to be the targets, type 1 and 2 were considered to not be the target for Grupo Ageas Portugal's offerings (as they are minors who can't buy insurance on their own) but would definitely be one of the **targets for the project's Education recommendations**. Regarding type 8, as not enough data about their needs was gathered on the Quantitative and Qualitative Analysis, the **potential was not as high** as with other segments (POLITICO 2023) and the team received the information that there was already an internal ongoing project being designed in the company regarding them, so, they were left out. Lastly, for types 11 and 12, which corresponded to young individuals who were already parents, it was decided not to develop specific offers for them, as they have more "**standardized needs**", hence the belief that they will resort to Grupo Ageas Portugal's current panoply of offers, instead of a tailored one for younger clients.

## 4.2. Hypothesis Ideation and Validation

Hypotheses are developed through internal and external analyses, incorporating best practices for engaging younger consumers, evaluating Ageas' products, and refining communication strategies. Using both quantitative and qualitative research, the process aims to understand the needs, behaviors, preferences, fears, and concerns of the target audience.

The hypotheses were formulated using an Issue Tree (Appendix 6) following the **MECE principle**, ensuring distinct and comprehensive components. The tree included categories such as **Clients, Products and Services, Internal Initiatives, and Communication**. Framed as 'Yes' or 'No' questions, these hypotheses were substantiated by desk research, best practices, surveys, and interviews, fostering an action-oriented mindset. Additionally, the validation of these hypotheses was accomplished through these tools, ensuring robustness and reliability. **These formulated hypotheses paved the way for discussions in team meetings and steering committee sessions** at Grupo Ageas Portugal, where feedback on feasibility and viability was sought.

### **1. Should Grupo Ageas Portugal define certain targets within the segments already defined and consider parents?**

It is imperative to identify various segments within the specified demographic range, encompassing residents aged 15 to 35 in Portugal. It comprises individuals with diverse lifestyles, wants, needs, and disposable income, navigating different life stages. Insurance companies need to look beyond demographics and consider other factors such as lifestyle data in order to create a **holistic customer profile** (Hertel n.d.), so a customer-centric approach was used to define the segments. Recognizing and understanding these nuances is pivotal for effective segmentation and targeting, to tailor offerings and marketing strategies that resonate with the specific characteristics and aspirations of each segment. At the same time, it optimizes

resource allocation and maximizes the potential for engagement, reaching the right way the target groups (KAIZEN Institute n.d.).

Based on qualitative interview insights, **62%** of the surveyed young individuals indicated a **reliance on family** members for insurance advice, and **46%** expressed a **perception of lacking autonomy** when purchasing insurance. It was not possible to conclude what was the predominant factor influencing this. However, a discernible trend emerged, revealing that **5 out of 7 respondents** who stated having **autonomy in insurance decisions were found to have a source of income**. Additionally, those who perceived a lack of autonomy uniformly reported an absence of income. Furthermore, **5 out of 13 respondents acknowledged parental influence in their decision to purchase insurance** products. A parallel observation from Grupo Ageas's survey underscores this influence, indicating that **72%** of individuals **with insurance coverage engage in decision-making processes alongside a household member**. Considering these findings, it is essential for Grupo Ageas Portugal to have a strategic approach ensuring a comprehensive understanding of the dynamics involved in the entirety of the insurance purchasing process, by not only contemplating the different previously selected targets in the formulation of new offerings and promotional strategies but also by recognizing the influential role families play in it.

As previously mentioned, the demographic range under consideration spans a **diverse spectrum of individuals**. Despite this diversity, fears and anxieties are almost the same across segments, primarily attributed to the prevailing Portuguese economic and political landscape. Within the 15 to 17 age group, the predominant concern is the **prospect of having to leave the country for better opportunities**, followed closely by the **risk of unemployment**. For individuals aged 18 to 23, **housing costs** emerge as the foremost concern, followed by the apprehension of potential unemployment. Those aged 24 to 35 years old express shared anxieties regarding housing costs and the fear of **not having job flexibility**.

Financial priorities display age-dependent variations. Respondents aged **15 to 17** **predominantly prioritize saving**, a trend that diminishes with increasing age. Conversely, the **prioritization of expense payments gains prominence with age**. Common priorities across age groups include **budgeting and expense control**, and **consumption**. Notably, individuals aged **30 to 35** are the only ones including **saving for retirement and investing** within their top four financial priorities.

Exploring the motivations behind savings reveals several distinctions among age groups. Respondents aged **15 to 17** were the only ones with less than **50% of people selecting financial security as a saving goal**. All ranges had the **realization of dreams and goals** as most selected answers, except for the range 30 to 35 years old. This range exhibits the same number of answers for financial security, preparedness for emergencies, and the realization of dreams as compelling reasons to save. Before 30 there's a heightened motivation to save connected with lifestyle and desires. This nuanced understanding of age-specific financial behaviours **underscores the importance of tailoring products and services**. Each target has different fears, needs, and priorities. Ageas can offer **customized solutions** based on the **specific priorities of each target**. See Appendix 7.

## **2. Should Grupo Ageas Portugal prioritize customer experience through the development of digital solutions?**

Positive results can happen if insurance companies manage to capture younger generations' targets by **offering solutions tailored to their specific needs through digital platforms and new technologies**.

With the emergence of fintech companies, customers have now a greater variety of financial services with multiple different providers. There is an opportunity for insurance companies to **offer a more holistic approach than the traditional one** (Accenture 2023). In the Portuguese market, facilitating policy comprehension has been vital for customer satisfaction and retention.

Even though younger generations are more tech-savvy, **the ease of use** contributes to the perceived control which positively influences the affective dimension of the customer experience.

In our interviews, when queried about their ideal customer experience, **69% of responses underscored the significance of intuitive and user-friendly digital solutions or platforms.** These features enable seamless information retrieval, facilitating a streamlined benchmarking process. Additionally, respondents expressed a preference for **reduced face-to-face interactions**, emphasizing a desire for frictionless engagements, and being reached out by companies only when deemed necessary.

These insights were further validated by our survey, particularly through questions about attitudes towards insurance companies and products. Notably, **54% of respondents indicated a preference for digital platforms**, and a substantial **76% appreciate conducting research beforehand to instill confidence in their insurance purchasing decisions.** It is noteworthy, however, that **some respondents value in-person assistance**, particularly in transactions involving expensive services or products.

Additionally, an important topic is the **complexity of understanding the processes** and the products, with **78% of respondents conveyed a preference for having their services within a single insurance company or with as few as possible.** When probed about the features that define an ideal purchasing experience, **customer service emerged as the most frequently selected option**, with 21.69% of respondents choosing it. This was closely followed by a preference for **quick and easy answers and solutions**, along with an emphasis on the ease of navigation across digital platforms.

Examining industry competitors and benchmarking against best practices, Zurich Klinc distinguishes itself by providing **on-demand insurance services**, offering clients an **innovative and engaging digital experience** allowing them to buy coverages whenever they need it in a personalized way satisfying their unique needs. (Gasc 2019). Revolut is a mobile application-

based banking institution that exclusively provides digital solutions, harnessing cutting-edge technology to deliver a seamlessly integrated and cost-effective financial platform. This innovative approach is perfectly tailored to the preferences of tech-savvy younger generations (Hancock n.d.). Other players are **incorporating new technologies to enhance their services**. Lemonade has implemented AI assistants and chatbots, providing paperless processes for renters and homeowners insurance. Additionally, Sproutt has introduced an AI-powered 15-minute assessment, employing advanced algorithms to match individuals with life insurance plans that align seamlessly with their unique circumstances (Sharma 2023).

In conclusion, **young generations favour** effective digital solutions for their **seamless experience and quick access** to products and information. However, people still value human support in insurance due to the complexity and price of certain insurance products. Grupo Ageas Portugal should offer a **blend of physical and digital engagement options** for those with diverse preferences. Additionally, Ageas should incorporate **AI tools** to improve customer satisfaction. See Appendix 8.

### **3. Should Grupo Ageas Portugal reformulate its offerings for the younger generation?**

Grupo Ageas Portugal currently lacks a well-defined value proposition specifically tailored for Gen Z and Millennials. Despite having products within the various brands portfolios that cater to these segments, such as *Seguro de vida YOLO*, *Vida - solução jovem*, *Poupança e investimento - PRR+*, *Automóvel Protec*, *Acidentes pessoais - volta - módulo viagem* and *módulo jovem*, *Viagem - Viagem Segura*, *Acidentes pessoais - individual - estudante sem fronteiras*, *Viagem ON/OFF*, there exists an **opportunity to formulate a more targeted and strategic approach to address the unique needs and preferences** of these specific consumer segments.

Considering the developed qualitative analysis, a predominant concern emerged, with **anxiety** ranking as the number one worry, closely followed by the **fear of failure**. The nature

of this fear varied with age, manifesting as apprehension about academic performance among younger generations and evolving into anxieties about broader life and career failures for the more mature demographic of the considered age range. The third most common concern was **not being able to leave their parents' house**. Despite a shared landscape of fears, divergent aspirations emerged based on age and life circumstances. The younger demographic wish to **maintain a pace and lifestyle aligned with their peers**, those in their early to mid-20s seek financial stability and professional success, while individuals aged 28 to 35 prioritize leisure time, rest, and achieving a greater work-life balance. Although **retirement savings** may not be the primary concern or financial priority, there exists apprehension regarding the adequacy of the **social pension system**. While respondents express a general propensity towards buy products thinking of future utility, their priorities often center on the **moment**, driven not only by **disposable income** constraints but also by heightened **anxiety about the future**, as indicated by 69% of respondents.

The survey reveals that the most pressing current concern is the challenge of **sustaining housing costs**. Only respondents with 15 to 18 years old didn't have this as top concern, for them the primary concern revolves around the **prospect of leaving the country for better opportunities**.

When confronted with their current lifestyle a substantial majority expresses contentment. However, a certain **discrepancy emerges concerning their perceptions of future realities**, priorities, and the country's economic landscape. While 91% believe they will achieve financial stability, only 21% anticipate they won't have a good car (considering their own standards). This dichotomy in perspectives underscores the complex interplay between individual expectations, aspirations, and the broader socio-economic context. Considering other believes, **56% wish to work remotely, 82% desire to travel and 87% want to have an active role to society and social causes**.

When asked about other about fears while travelling **65.35% have never felt scared while travelling**, overall people didn't seem to be worried with only 20% **fearing personal goods security** and 17.57% concerned about **health and injury problems at destination**. The third most common fear was **delays or cancellations of flights or other transportation modes**. About mobility, **most respondents use public transportation and/or ridesharing**. This validates the data from the interviews too, with financial reasons as the main motivation for the interviews.

The findings highlight that younger generations are prone to **utilize a diverse combination of travel methods** on a regular basis and demonstrate a relatively **lower level of concern regarding pensions** compared to other pressing issues. There is a **discernible misalignment with projected trends** when prioritizing concerns regarding their future. Grupo Ageas Portugal **should adjust its product offerings** in alignment with the discerned needs and preferences of these demographics. Additionally, exploring **flexible policies** can ensure the delivery of cost-effective and tailored solutions, and proactively **educating consumers** on the significance of pensions and the anticipated rise in living costs is recommended to foster informed decision-making. See Appendix 9.

#### **4. Should Grupo Ageas Portugal incorporate new technologies in their products/services?**

Technologies in insurance are a current trend valued by younger generations. However, in the Portuguese insurance market, there are still no relevant initiatives towards the personalization of product offerings by leveraging technologies. Although Gen Z and Millennials emphasize the **value of personalized products** more than any other generation, already analyzed by the consulting lab team, these developments are still gaining traction in Portugal.

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Insurance companies have been testing and implementing a new technology referred to as 'Telematics.' The rationale behind telematics is that when **premiums are tied to true risks**, policyholders are motivated to adopt risk-minimizing behaviors that would translate into **lower insurance costs** and large-scale societal benefits (Tian et al. 2020). Moreover, the strategic mechanisms of transaction cost economics behind the technology improve insurance company operations by **mitigating moral hazard, adverse selection, and lessening information asymmetry**.

The fastest-growing insurance telematics technology is in **automotive insurance**, described as the integration of telecommunications and informatics technologies applied in transportation insurance. The main objective is to **reduce premium payments and promote safe driving**. Younger drivers (18 – 24 years old) at Grupo Ageas Portugal pay on average 17% more for automotive insurance than drivers aged 25 to 34 and 27% more than people over 55. Telematics proves to be an optimal solution for younger generations since individuals will not be **penalized based on statistical parameters**, and there is also a social responsibility effect by promoting safe driving, potentially leading to government support initiatives for those adopting telematics.

With Seguro Directo program *Seguro ao km*, through photos of the vehicle odometer and manually entered corresponding kilometers, clients can receive a discount on the next year's policy premium. For 0 to 2000 km per year, the client receives a 30% discount; for 2001 to 4800 km, they receive a 20% discount per year, and for up to 5000 km per year, they receive 10%. Although this initiative is a first step towards offering a flexible policy, it is not ideal for younger generations, as they need to practice driving to become more proficient and incur fewer risks in the future.

As a best practice, Marmalade is a UK-based insurance company that provides young drivers and their parents innovative solutions. Marmalade uses telematics for young drivers' flexible policies and, to promote the business develops strategic partnerships with driving schools, the first checkpoint for most younger generations to learn how to drive. Ageas UK is

one of the underwriters for Marmalade, providing the potential to learn more about automotive telematics insurance and gain valuable insights into operations and financial performance.

Besides the overall benefits of having **flexible policies**, telematics can create a more **appealing customer experience** and **additional touchpoints** between the client and the customer. This fosters brand loyalty if the connections are positive. Therefore, Grupo Ageas Portugal should **adopt technologies that enable flexible policies without penalizing individual young clients** (see Appendix 10).

### **5. Should Grupo Ageas Portugal explore the embedded insurance market?**

To prove this hypothesis, the Consulting Lab Team analyzed the embedded insurance market in Portugal in three dimensions: the **direct competitors** of Grupo Ageas Portugal making moves into this growing market, **insurtechs with the technology** to facilitate embedded insurance transactions, and industries or activities **where younger generations spend the most money** by age group. These dimensions are not mutually exclusive, as incumbents are partnering with insurtechs to develop embedded insurance solutions.

Insurance companies benefit from embedded insurance due to a distribution advantage, as it can be purchased where **customers are and from brands they trust**. According to the survey, 85% of respondents do not feel comfortable purchasing insurance from a non-insurance company. For instance, firms in the telecommunications business that sell insurance give credit to their underwriter for credibility purposes with their customers. Also, for many customers, the idea of purchasing a single insurance policy to protect, for example, a new asset may seem like a burdensome and unnecessary effort. In contrast, insurance that is built into other product purchases allows customers to protect themselves with unprecedented (or no) involvement and provides the perfect opportunity to offer relevant coverage at the exact moment customers are most likely to notice its value (Marketeer 2022).

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Overall, embedded insurance allows insurance players to thrive in the current B2B2C environment, while **reducing acquisition costs** and **creating the opportunity to grow the market**.

Tranquilidade, has taken its first step towards embedded insurance by partnering with Securitas Direct and selling seamless insurance through them, as explained previously.

NOS, a large telecommunications company in Portugal, besides selling smartphone insurance to its customers, now offers bill protection (in partnership with MetLife), used smartphone protection (in partnership with Allianz Partners), and travel insurance with personal accidents coverage (underwritten by Fidelidade). To develop these embedded insurance solutions, in addition to the large traditional insurance companies mentioned before, the capabilities of Habit Analytics, a specialized insurtech providing technical resources and expertise to develop these solutions, were also necessary (ECO Seguros 2021). The biggest advantage is that these insurance products can be generated completely digitally in the NOS App, then included in the client's monthly NOS bill. By using Habit Analytics technology, NOS can quickly figure out the client's risk profile and the exact insurance they need at the right moment, as well as calculate the insurance premium charged to the client. This is the value insurtechs offer to their partners and to the end consumer, working as enablers and providing **superior, faster, and simpler risk assessments** to incumbents and insurance retailers like NOS.

Another example of embedded insurance in Portugal is the partnership between Global Data, Allianz Partners, and Habit Analytics. Global Data, a computer shop, started to include a 24-month post-warranty breakdown insurance in its Kingsmod gaming PCs, resulting in a 5-year warranty on its equipment, differentiating itself from the rest of its competitors. Global Data aims to guarantee that the clients feel their investment was worth it and that they are safeguarded in case of an accident (ECO Seguros 2023a).

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Companies operating in different industries like Global Data and NOS, are seeking to differentiate from their competitors through a **mix of innovative solutions to enhance offerings with attractive add-ons**, including insurance.

According to the survey conducted by the Consulting Lab team, younger generations (15 to 35 years old) allocate their spending as follows: 25.26% on restaurants, followed by entertainment at 17.70%, leisure at 17.18%, clothing at 15.81%, transportation at 11%, health at 5.84%, finance at 2.58%, tech products at 2.41%, and other at 2.32%.

Therefore, Grupo Ageas Portugal should **capitalize on the growing trend** of embedded insurance, aligning with competitors that have already ventured into partnerships with insurtechs and potential insurance sellers (e.g., NOS). This strategy involves **prioritizing activities** where younger generations **spend the most money** and focusing on areas that make economic sense for insurance. Additionally, Grupo Ageas Portugal should **encourage its partners to adopt embedded insurance practices** and foster more partnerships in sectors where younger generations are significant spenders. See Appendix 11.

### **6. Should Grupo Ageas Portugal explore new beyond insurance options?**

There are two main reasons to consider this hypothesis. First, beyond insurance is **already part of Grupo Ageas Portugal corporate strategy**, with brands like Petis, Ageas repara, Clínica Médis, Kleya, and Livo. During the project, it was desired to explore beyond opportunities. Second, beyond insurance is a **key growth strategy** for incumbents in the insurance industry.

The relevance of beyond insurance stems from traditional insurance companies entering a cycle of commoditization. Clients often do not distinguish between insurance companies and the products and services they offer, leading to pressure on profit margins, cost-cutting, and customer erosion, especially when competition is primarily based on price.

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Since insurance companies have **access to extensive client data**, such as consumption habits and behavior, they can potentially **expand the ecosystem** and provide additional products or services to help clients in their daily lives by offering solutions to keep them safer, healthier, and more productive.

According to "Why Insurers Should Look Beyond Insurance" (Bain & Company 2017), 42% of US home insurance customers interested in ecosystem services are willing to switch to insurance companies that provide them. Additionally, 36% of home insurance customers using ecosystem services are willing to pay higher premiums. The companies with the best net promoter score for US home insurance providers are **the ones that offer more services**. This **reduces price sensitivity, reverses the commoditization** of traditional insurers, **attracts new customers**, and **fosters brand loyalty** by increasing touchpoints with the client. Another important insight for the development of ecosystems within the younger generation is that, according to the conducted survey and interviews, 80% of the participants **value interconnected services** and prefer to use them.

As a result, in developing ecosystems, insurance companies need to consider which services they will provide to each customer segment. The Consulting Lab team inquired about the **main fears and anxieties** of younger generations in the survey and interviews to better understand how to support them. The outcome was clear: 73% fear not being able **to pay rent or purchase a house**, 70% fear **failing at their work**, and 30% fear not being able to maintain their lifestyle in the future.

Therefore, Ageas Grupo Portugal should **prioritize and address these negative feelings** by providing opportunities in the **housing and renting market** and addressing **work-related fears**. In addition, Grupo Ageas Portugal's beyond insurance strategies should focus on the asset ownership phase, where younger generations face the most challenges. For instance, Livo, a Grupo Ageas Portugal brand focused on home improvement, does not address the needs of younger generations, as their key issue is finding and financing a house. See Appendix 12.

## 7. Should Grupo Ageas Portugal develop new ways to access the products?

With the evolution of technology in the last decades and the consequent development of websites and apps, there has been a growing preference for user-friendly and interconnected platforms. This is especially true for younger generations, who are **more demanding** than ever when it comes to responsive and easy to navigate platforms (SPINX Digital n.d.). Ultimately, young demographic customer experience and the chances of them recommending a brand/company to their peers is directly tied to their judgment of how easy and interactive it was to find a product/service, understand it and purchase it.

This data was verified both in our quantitative and qualitative analysis. When asked which aspects they considered were most impactful and relevant for them to have an **ideal customer experience**, 61% of respondents chose ease of navigation, 60% a clear and transparent communication and 52% how easy it was for them to understand offers. These are all factors highly dependent not only on product/services descriptions', but also on the way they are presented on digital platforms.

Coincidentally, 54% of young respondents stated they **prefer digital services** versus in-person/physical stores ones. Other relevant topics also mentioned by the younger generations during our interviews when it comes to ways of accessing products were that they "value interconnectedness of services due to its practicality" and "prioritize quick purchasing". However, some also referred not being a fan of interconnected ecosystems due to making them feel "**too committed**" to a brand, a feeling that seems to be quite frequent among young clients.

Grupo Ageas Portugal current platforms don't necessary meet the needs previously mentioned. The website is not product-oriented but more focused on the company's branches, and only then, in each branch's own platform, more intuitive regarding the offers. Also, not all offers are in Grupo Ageas Portugal's website, with some only being available in their partners/brands ones and discounts available on the app. All these platforms are, thus, **not optimized** because it forces clients to switch between several ones to get an overview of all

products, prices and rewards. This is highly **inconvenient and may discourage** younger demographics to buy from Grupo Ageas Portugal.

Therefore, it is imperative for Grupo Ageas Portugal to **keep “moving online”** and bet on the new interfaces and features valued by young clients if they want to stay relevant and foster deeper connections with them. A best practice that can be considered to develop new ways of accessing products can be Geico Insurance, which has multiple channels with relevant features to cater to tech-savvy customers. See Appendix 13.

### **8. Should Grupo Ageas Portugal connect with their customers based on Sustainability and Ethical Beliefs?**

Research states that younger generations are, more than ever, **advocating and standing up** for Sustainability and other specific ethical beliefs of theirs (The Momentum 2023), and incorporating certain practices into their lifestyle in this sense. However, the team felt the need to investigate if these priorities could be a good basis for fostering a connection with younger generations or not, as there was the possibility of their concerns being exacerbated and not actually as intense as they made them to be. Several factors were examined.

Firstly, it was asked if they were willing to pay more for a general non-described sustainable product in comparison to a similar non-sustainable one, and, if so, how much more in comparison to the non-sustainable one's base price? **More than 80% of respondents stated they were.** So, even though WTP (willingness to pay) varies between types of products and their initial base prices, it is possible to conclude that, generally, people are, in fact, **willing to pay more for Sustainability.** Then, in terms of their concerns, 56% said they worry about the consequences of climate change, being the third highest ranked option out of ten concerns presented. Looking into the most used modes of transportation, 57.92% said they use public transportation and/or ridesharing, while only 21.29% usually use personal cars and/or motorcycles. This choice of mode of transportation also showed some signs of being a

Sustainability decision as those who previously said they were willing to pay more for a sustainable product were also the ones who used their personal car and motorcycle less.

This topic also seems to translate directly into the products and the brands young demographics buy from, with Sustainability and Social Responsibility ranking the fifth and fourth criteria, respectively, out of nine, most valued by them when it comes to buying a product.

For these reasons, younger generations do seem to be, in fact, **invested and willing to connect more with companies** that care about these same topics just like them. Hence the importance for Grupo Ageas Portugal to connect with the younger audience through these matters. However, the team also acknowledges this is not the number one defining factor for a young client to buy insurance, so, this hypothesis may not be the one with the most impact. See Appendix 14.

### **9. Should Grupo Ageas Portugal implement additional touchpoints for client interaction?**

A big difficulty for the insurance industry is the balancing between not bombarding clients regularly with information (59% of survey respondents said they only want their insurance companies to interact when necessary), but also being able to **interact with them more than once/twice a year when they're renovating contracts**. The type of product/service and the companies that provide them, by themselves, are not attractive enough, in the client's perspective, to engage constantly with them without it feeling overwhelming. This leaves insurance companies with very little touchpoints with their clients throughout the year, except, if their clients end up needing to file a claim, which is inherently a negative experience for the latter.

Thus, the Consulting Lab team believes the **sweet spot** to interact with young clients would be by being **present where they are**, instead of actively reaching out to them, and the team's

quantitative analysis seemed to indicate so as well. 50% of respondents stated they **prefer brands that are present at events related to their hobbies**, while the other 50% were indifferent to that.

So, through the survey, young clients' main activities were questioned in order to understand the “not-at-home” activities they participate in more and see if Grupo Ageas Portugal could potentially be there. Socializing with friends and family, practicing sports/going to the gym, and **attending concerts and music festivals** seemed to be a common occurrence for most young respondents, thus, being there could foster **casual interactions** between them and the company and facilitate the **creation of a bond**. Another possible place to be present could be **university-related events**, as it would be an additional touchpoint right when students are entering an important phase of their life where they might start searching or actually buying personal coverages, depending on their age.

Some best practices that reveal the importance of this hypothesis are RedBull (Digital Agency Network n.d.) and Santander (Santander 2023), that are establishing relevant points of contact, mainly at sports events and universities, respectively, and clearly gaining from it.

In summary, the **implementation of additional touchpoints** between young generations and Grupo Ageas Portugal can **accelerate young clients' first contact with the company**. Once they need insurance in their lives, a brand recall phenomenon might happen, and they may resort to the company (McKinsey 2016a). See Appendix 15.

#### **10. Should Grupo Ageas Portugal be an educational sponsor to empower younger generations with awareness and knowledge about insurance?**

According to a study conducted for the European Commission, Portugal ranked second lowest among the 27 EU countries in correctly answering a question about inflation. The basic question aimed to gauge respondent' expectations regarding the purchasing power of a 1000 euros gift one year later, given a 2% inflation rate during that period. Participants were asked

whether they anticipated being able to buy more, the same, or less with the gifted amount compared to their current purchasing capacity. According to the responses, a **significant financial illiteracy among the Portuguese population was evident**, with only 55% answering correctly, 32% believing they could buy the same, 9% thinking they could buy more, and 5% stating that they didn't know the answer. In the same study, was also apparent that 46% of Portuguese respondents are confident that the investment advice they receive from their bank, insurer, or financial advisor is primarily in **their best interest** (Eurobarometer survey 2023).

With a Forbes Advisor survey, it was also possible to extract relevant data for the validation of this hypothesis. On one hand, the majority of the respondents report **learning valuable insights** through open conversations about money or finances with others, with 68% of Millennials and 55% of Generation Z stating that have learned valuable financial insights. On the other hand, people of different generations **agreeing that early financial education is beneficial**, including 26% of the Generation Z advocating that the perfect age for starting to learn about money is in middle school, whereas 27% of Millennials preferred elementary school (Forbes Advisor 2023).

According to the survey realized by the Consulting Lab team, it was possible to observe that the lack of knowledge or information ranked among the **three reasons why respondents do not have insurance**, with 15,66% of respondents stating this. This significant percentage underscores a **potential literacy gap** within the insurance industry. Additionally, through the survey was apparent that Saving and Investment is one of the least self-purchased insurance categories. However, not only is the current generation of young investors larger than any that came before them, but they are also **more prone to taking risks**, whether they are aware of it or not (Kacey Tollefson n.d.). Therefore, the underutilization of this insurance might be due to a lack of awareness and information about the insurance and its benefits by the younger generations, similarly indicating insurance illiteracy. During the conducted interviews, financial illiteracy was also evident through the following insights: One respondent, aged 28,

utilized financial products such as treasury investments and saving certificates; between the ages of 15 and 22, all participants expressed difficulty in comprehending insurance plans; only four respondents mentioned understanding the pros and cons of insurance, within the age range of 28 to 35; a respondent aged 18 believes that there are no physical insurance stores.

Looking at the market to understand existing efforts in promoting financial literacy, given the concerning data from our analysis, two notably interesting and relevant initiatives that Ageas should consider as valuable examples were identified. One of these **two best practices** is the European Money Quiz, which is an online European competition designed to enhance the financial literacy of young people and assess their knowledge in areas such as savings and household budgeting, among others. (Associação Portuguesa de Bancos n.d.). The other best practice that the Consulting Lab team identified was the “Todos Contam” portal developed by the Banco de Portugal, Comissão do Mercado de Valores Mobiliários and the Autoridade de Supervisão de Seguros e Fundos de Pensões and is a key part of the National Financial Education Plan's implementation. This portal offers information and practical tools for effective personal finance management and provides supportive information for making financial decisions at different life stages (Plano Nacional de Formação Financeira 2023).

In light of the challenges associated with the understanding and awareness that young people possess regarding finance and insurance matters, Ageas should consider adopting a sponsorship role. See Appendix 16.

### **11. Should Grupo Ageas Portugal create specific promotion strategies for the different targets, considering their different lifestyles and age gap?**

To understand if Grupo Ageas Portugal should create promotion strategies for different targets, considering the diverse lifestyles and age gaps, the team used some research. On one hand, the team verified that in Portugal 95.5% of 16 to 24 years old individuals and 91.1% of people aged 25 to 34 years old participated in social networks in 2022, showing similarity in

the interest of this type of network among young people (Statista 2023). However, it was found that there are **key differences between Gen Z and Millennials**, generations where the targets are defined, namely in platforms that are valued by each generation.

Millennials favor platforms like Facebook, Twitter, and LinkedIn, responding well to text and visuals. Gen Z's, on the other hand, lean towards short-form video on platforms like YouTube and TikTok, through, for instance, user-generated content (European Labour Authority 2023).

Analysing the survey's results, the Consulting Lab team detected that despite 54% preferring digital services, only 6% and 4% seek information on insurance company websites and social media, respectively. This fact indicates a **potential mismatch** between the information that young people want to obtain and what they currently find on insurance company websites and social media, representing a need to develop specific strategies to attract the different defined targets.

Thus, Grupo Ageas Portugal should **implement tailored promotion strategies** to address different customer needs and preferences of the different targets and enhance its online presence, especially on its website and social media, to connect with the younger generation, given their increasing reliance on digital channels for insurance information. See Appendix 17.

## **12. Should Grupo Ageas Portugal improve brokers and agents' communication with younger consumers, which could also allow a better product offering?**

Through the desk research, it was noted that the average age of brokers over the past decade ranged between 51 and 53 years. Additionally, in 2021, 9% of registered brokers at ASF were under 35 years old, indicating an aging professional class. Moreover, a **decline of brokers in the market** has been observed due to the implementation of the new insurance distribution law and increased corporate consolidation (ECO Seguros 2023c). Furthermore, the trend towards increased digitalization in interactions with insurers and customers is on the rise. Insurers are

increasingly incorporating digital actions on the broker side, such as conduction simulations, managing claims, among others (ECO Seguros 2022b). However, this **growing digitalization may pose challenges for some older or less tech-savvy brokers**. This digitalization represents one of the **intergenerational conflicts** that may arise. However, this intergenerational conflict is also linked with the potential difficulty that may arise on understanding the needs and preferences of younger individuals, as well as the communication established between them and businesses (Urlick et al. 2017).

Despite the seemingly discouraging scenario around mediators, the insights obtained from the survey point towards their significance, particularly in terms of advice. 24,21% of respondents stated that **mediators were the most important to them when advising on insurance** coverage and features, making them the second most chosen option, with family and friends being the first choice. This reveals that mediators still play a **vital role** in advising on insurance coverage. In addition, through the survey was possible to verify that 76% of the respondents prefer conducting **more detailed research to feel confident in their decision** before buying insurance. Therefore, brokers become indispensable in simplifying the complex decision-making process and ensuring well-informed choices. Another noteworthy aspect present in the survey is that some buying experiences valued by young individuals are clear communication and a thorough understanding of offers, both of which brokers can provide as part of their role.

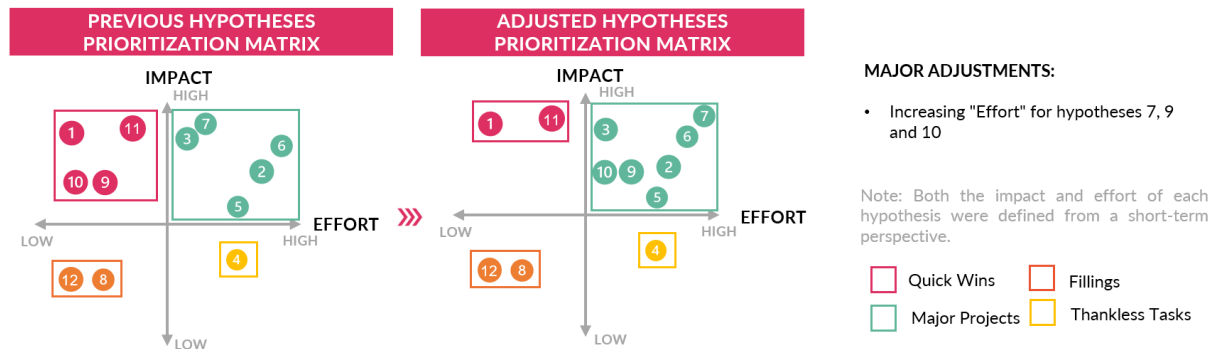
Thus, Grupo Ageas Portugal should **improve the communication** established between brokers and agents with younger generations to address communication challenges, develop insurance tailored to the younger generation, mitigate the consequences of an aging workforce, and leverage the continued importance of brokers.

This hypothesis appears to have a low impact, as it may not directly incentivize the younger generation to engage with brokers and agents, however it does signify an enhancement in service. See Appendix 18.

### 4.3. Hypothesis Prioritization

To prioritize the hypotheses mentioned earlier, the team utilized The Action Priority Matrix. For syndication purposes, the team made some adjustments to align the hypothesis prioritization with what the steering committee members consider important for the group.

Figure 1 - Hypotheses Prioritization Matrix



## 5. Recommendations and Value Proposition Design

### 5.1. Education Recommendations

The younger generations hold the key to the future of insurance consumers. Delving into their perceptions and understandings, the Consulting Lab team uncovered not just a financial lack of knowledge and risk awareness but also a disinterest in insurance. Skepticism and a sense of bad faith were also felt towards insurance and its provider companies.

Recognizing this, Grupo Ageas Portugal should change its strategy and embark on a **transformative journey of promoting insurance education** and lifelong educative accompaniment, rather than simply selling insurance products and services. This should be the cornerstone of all the company's future efforts.

#### Current Education efforts of Grupo Ageas Portugal:

The company has a partnership with Fundação Cupertino de Miranda in place to promote financial literacy. However, two main **weaknesses** stand out when analyzing this initiative. First, by solely acting as a financial sponsor, Grupo Ageas Portugal doesn't fully convey its **commitment and eagerness to promote financial literacy** and engage closely with young

individuals. Additionally, the company specifically sponsors the “No Poupar está o Ganho” program, which is primarily aimed at teachers interested in teaching financial literacy concepts to their students, indicating a **lack of direct connection** with the students themselves (FACM 2023).

Therefore, the following recommendations arise as a way for the company to directly impact the young demographic’s financial knowledge and engage more closely with them. The **goal will be to become an education sponsor**, which can be achieved in **two distinct ways**.

Grupo Ageas Portugal as an education sponsor: Fostering relationships with universities:

Unfortunately, the current partnership initiative with Cupertino Miranda only reaches pre-school and high-school students, so, efforts should be made towards connecting with university students, as most of them will start their careers in the following years and may potentially make life decisions that require buying insurance.

To boost these connections, the team proposes the creation of an *Ambassador Program*, which consists in appointing university students as representatives to promote the company among their peers. This program came under scrutiny during the third phase of the project, as some committee members raised concerns that it might be discouraging for an insurance sector company to have it from a sales perspective. The team acknowledges this viewpoint, however, the primary goal is to establish a profound connection with young clients. The aim is, then, to convey the notion that the insurance sector can be an attractive workplace, much like what EDP has successfully demonstrated with notable results (EDP 2023).

The benefits of this program would be immense, both for Grupo Ageas Portugal and for university students. For the company, two main groups of benefits arise: enhanced brand image and community engagement, socially responsible projected image, and increased talent pool attraction (benefits to attract) as well as, increasing digital online presence and receiving vital feedback from Ambassadors, which allow for a better adaptation of tailored marketing and product strategies (benefits to better adapt).

For the younger generations, the advantages offered are opportunities for professional development and skill diversification, gaining access to internships and job offers, and networking. The program also impacts the community by linking the group with colleges through opportunity-sharing and understanding students' job market needs.

In addition to this program, it is also suggested that Grupo Ageas Portugal *increases the frequency of participation in university events*, like “Unleash Yourself” in Católica Lisbon SBE, “Career Fair” in Nova SBE and “Mostra” in Universidade do Porto. This way, the company showcases its presence, shares insights about the insurance industry and fosters meaningful interactions with potential talents in a dynamic and evolving environment.

An example of a university event where Grupo Ageas Portugal was present was the Ageas Innovation Hackathon, which resulted from a collaboration between the company and Nova SBE, and that the team was informed by Dr. Diogo Figueiredo that has since been interrupted. The recommendations would, then, be to reopen this initiative and extend it beyond Nova SBE to other universities, both in Lisbon in other regions so that it can involve a larger number of students with different lifestyles and perspectives (Expresso 2022). By participating in these events, especially in innovation competitions, Grupo Ageas Portugal can explore challenges beyond the company's capabilities. This underscores the significance of **open innovation**, as universities emerge as essential partners for industries, contributing valuable insights and solutions that might otherwise elude individual efforts (Ivascu, Cirjaliu, and Draghici 2016).

Conducting *webinars, seminars, guest lectures, and workshops in universities* is also highly advisable, as it allows the company and students to get insights into industry-relevant information.

Grupo Ageas Portugal as an education sponsor: Partnerships with Doutor Finanças, Inspiring Future and Uniarea:

The second approach the company should follow to become an education sponsor is to *establish strategic partnerships with three important entities: Doutor Finanças, Inspiring Future and Uniarea.*

Considering this project's target audience, these seem like the most adequate and qualified partners for Grupo Ageas Portugal to join forces with. While Uniarea and Inspiring Future primarily focus on students up to secondary and higher education levels, Doutor Finanças targets both young audiences and older individuals seeking to improve their financial and insurance knowledge out of genuine interest and/or to make more informed decisions. So, a wide range of different young individuals can be covered.

For the first two partnerships, the company can create numerous **articles** under its name, such as "**Powered by Ageas**", written on topics like lifestyle, concerns, traveling safely and securely, Erasmus adventures, among others, while promoting financial literacy and its insurance offers. Regarding Doutor Finanças, and given the platform specializes in facilitating improved financial decision-making, more in-depth and complex topics should be covered in articles, as well as the **development of interactive simulators** like a Retirement Savings Simulator, given the longevity trend referred in Section 3.2.2. Through it, users could make decisions on contributions, investments, and retirement age in a more informed manner, as well as receive feedback on their readiness for retirement. Essentially, these partnerships would allow the company to leverage the substantial base of young individuals already familiar with the mentioned institutions and achieve a greater conversion rate amongst the youth, however, this should be further validated.

Additionally, Grupo Ageas Portugal could *produce educational videos* featuring financial internal or external experts/spokespersons, to cover topics like insurance policies and risk management. To enhance engagement, the team strongly advises the integration of storytelling and real-life examples, by using **AI technology** for animated video creation, without spending

resources (financial and timewise). These would also fall under the “Powered by Ageas” tag and could, optionally, redirect to a tab dedicated to the group’s commitment for education.

In the medium-term, the aim is to **integrate all these educational resources** into the company’s institutional website and, later, onto the new brand’s website, as explained further in our thesis on Section 5.7. Despite **potential IT limitations** highlighted by Dr. Flávia Nobre from the Steering Committee, **overcoming these challenges is feasible** within the recommended timeline.

Beyond the educational resources already mentioned, Grupo Ageas Portugal in the suggested new brand’s website should also *establish an online community* focused on insurance education, to serve as a hub for peer-to-peer learning networks. Potential ideas for this hub could be: discussion forums categorized by type of insurance, weekly discussion topics to encourage active participation, a peer-to-peer mentorship program to connect experienced members with newcomers, as well as a real-case corner showcasing real-world examples and practical cases. *Educational courses* could also be integrated, with varying topics and levels of difficulty aka expertise on the topic, to consider different ages and degrees of knowledge. Their completion would allow users to take advantage of exclusive packages and discounts on Grupo Ageas Portugal’s products and with its partners.

If all recommendations are followed, an **appealing and comprehensive educational ecosystem** that pulls young clients towards the insurance world, while fostering a sense of community and support can be created within the company.

Leveraging Brokers knowledge to cater to younger generations:

The team trusts that **brokers**, one of Grupo Ageas Portugal most important channels to reach and interact with clients, can also improve from specialized educational-oriented recommendations to help revolutionizing the younger generations’ insurance perception. With this said and given the age gap between young clients and most current Portuguese brokers, the team designed some solutions to elevate the efficiency of communication between them.

Firstly, the company should *host annual Workshops* to educate older brokers and agents on the optimal way to reach young clients. Two main hurdles stand out when analyzing brokers situation: their base of education needs to be ASF's exam and, brokers cannot independently choose which targets to go after, as they are typically advised by superiors to go after older people who can pay higher premiums, as referred in the meeting with representatives from Rede Private and Rede Multimarcas by Dr. Orlando Pereira Cardoso.

Given this, the proposed workshops would be an additional source of education to complement the knowledge they already possess and guide them toward younger clients. This could be done by addressing topics such as the young clients of today becoming the higher paying ones in the future, techniques on simplifying information to be easily digestible for those with lower insurance knowledge, understanding each client's preferred way and channel for communication and developing design-thinking moments for professionals of the area to come up and discuss innovative ideas to tackle younger generation's needs, for example.

The second recommendation intends to directly lower the average age of brokers in Portugal through means of hiring younger people for the profession. The proposal is, then, for Grupo Ageas Portugal to *take an active role in the promotion of insurance brokers as a "sexy" profession for younger generations* so that they feel compelled to enter this market early-on in their lives. Three main strategies were delineated to achieve this. First, once again, by **fostering relationships with universities** through means of creating Internships/Apprenticeships/Ambassadors programs specifically for broker positions within the company, that is already known to be mutually beneficial and lead them to enter the market once they finish their studies. Simultaneously, developing specialized courses and certifications targeted to recent graduates might be another way to pull them in. This strategy is particularly relevant for Rede Private of Grupo Ageas Portugal (ECO Seguros 2020), as they are the channel that welcomes new brokers who have never worked in this industry. The second strategy would be to **change current communication and modernize the industry's perception** by

## Group Part

appealing to those with Entrepreneurial mindsets and flexibility desires. The introduction of technologies, the ability to work remotely, and the idea that building a customer portfolio is a lifelong thrilling goal should all be highlighted, as Real Estate has managed to do and be successful. Lastly, would be to **offer more competitive and high commissions/rewards** for younger workers to attenuate their fears regarding the volatility of the job.

If Grupo Ageas Portugal is successful in its efforts of revolutionizing the broker position, then, it will have a **panoply of workers** from all ages, ranging from older possibly more trusted ones to younger brokers who may be able to attract and connect with young clients more easily.

### 5.2. Product Recommendations

In order to not overwhelm the younger generations, particularly considering their preferences for simplicity, the Consulting Lab team proposes a funnelling and streamlining of Ageas' product portfolio. This entails making only the most relevant products be available to them, while also implementing additional changes and introducing new products.

#### Auto and moto

The proposed products portfolio for young individuals included both auto and moto insurance, aligning with the offerings of Seguro Directo. While the proposed insurance products for these categories remain constant, the team recommends the **integration of telematics** for enhanced benefits, particularly for younger individuals who are often less experienced drivers in society because a driving license is typically obtained only after turning eighteen. The recommendations for incorporating telematics have two aspects. On one hand, the team believes that the group should give the chance to auto and moto insurance owners to put a discrete in-car device that assesses driving habits, through for instance the concerns, braking, speeding, smoothness, etc. Therefore, this incorporation would allow the user to benefit from a lower price on the car insurance renewal. This proves to be quite beneficial for young individuals who seek accessible and affordable premiums, especially as they are often burdened

by high insurance costs due to their limited experience. Furthermore, this measure considers that not all young drivers are inherently dangerous, avoiding a blanket judgment of this demographic. Beyond the potential for more accessible premiums, the incorporation of this telematic would enable regular feedback, driving updates and free theft tracking. This type of telematics has been implemented by Veygo, which the team considers a best practice. It is also essential to highlight that Ageas could source equipment through companies like Pixida and Cambridge Mobile Telematics.

As a second proposal for incorporating telematics, the team took inspiration from the company Ravin. Therefore, the other recommendation involves the group implementing telematics featuring AI-enabled 360° scanning for comprehensive damage capture. This innovation enables customers to swiftly capture damages post-incident and it facilitates seamless damage documentation, empowering customers in the claims process. Moreover, insurers receive a detailed assessment to aid repair decisions, contributing to informed evaluations. Overall, the benefits for Grupo Ageas Portugal include a reduction in claim cycle time and reduced costs. It is essential to highlight that besides being more efficient, this process is simpler and more technologically advanced, which is highly valued by young individuals. Moreover, 59% of respondents in the survey performed by the team indicated they prefer their insurance company to interact only when necessary, and with this telematics system, it would be possible to avoid unnecessary contacts by providing an alternative means of communication with the insurer.

#### Savings and Investments, Travels and Gadgets

Regarding the Savings and Investments category, the team recommends that the **Easy Invest insurance**, available at Millennium BCP and Activo Bank, should also **be included in the insurance offerings for young individuals**. Similarly, in the **Travel** (*Viagem On/Off*) and **Gadgets** category, the offerings should **extend beyond Millennium and Activo Bank** and be part of the suggested portfolio for young individuals. Regarding the *Viagem On/Off* insurance,

this insurance must be part of the product portfolio for young individuals due to the flexibility and the sense of not feeling trapped be highly valued by the youth, making on-demand insurance a meaningful choice for this demographic. As for incorporating gadget insurance, it makes sense due to the widespread ownership of technological devices among young individuals. Additionally, it sets the stage for implementing embedded insurance.

#### Personal accidents

Regarding the personal accidents category, there is an option called *Extra Option for students without borders* in the insurance offered by Ageas Seguros. The team suggests **transforming the *Students without Borders* option into an insurance product itself.** Concerning the insurance currently present in Millennium's "Volta" cover, the recommendation is to exclude "Home Medical Assistance" from the package. This is because offerings should be simplified for young individuals, covering only what is effectively used by them. Additionally, there is a perception among young individuals that they are invincible, and nothing will happen to them, making this coverage in the insurance unnecessary.

#### Health

Regarding the health category, it is suggested to **incorporate into the product offerings for young individuals the Médis Dental and Médis Light insurances**, available in Médis's portfolio. Additionally, there is a recommendation to **create a new product, Médis Mental.** The recognition of the need for this insurance was based on some data from desk research and from the survey performed by the team. After the team's research, it became apparent that Portugal ranks 5th in OECD countries for antidepressant and anxiolytic consumption. Additionally, Portugal leads the EU in having the highest risk of burnout (Innovarisk Underwriting n.d.). Furthermore, the National Health Service (SNS) is overwhelmed, and an alternative is the private sector, however, a counseling session costs an average of €55, which can be quite costly in the month's expenses (PÚBLICO 2021). Therefore, a first recommendation, the team suggests that Ageas should leverage its expertise in mental health

coverage to develop an insurance product and **expand the service provider network** to enhance access to mental health care. Secondly, Ageas should **integrate artificial intelligence into its operations** for conducting initial assessments, considering factors such as purpose, preferred specialist attributes, and suitable locations for individuals seeking services. This would enable users to connect with psychologists and therapists who are the best fit for them. A best practice example considered by the team is BetterHelp. Thirdly, Ageas should include in Médis Mental the following aspects, not currently covered: vocational and career development psychology; work, social, and organizational psychology, and alternative medicine. These aspects are quite significant for young individuals, namely since 58% of the survey respondents fear not working in their desired area, which is among the top 3 concerns for them.

#### Property

To address the housing crisis in Portugal and to explore potential opportunities in the renting industry, the Consulting Lab team proposes two insurance products created with both the landlords and/or the tenants' best interests in mind. The main interest of the Consulting Lab team in creating this housing insurance is as mentioned due to the housing crisis but also because through the performed survey, it was possible to observe that 73% of the respondents are concerned about affording housing costs, being the first one main concern of them.

One of them is the *Ageas Rent*, which is a Consulting Lab team's suggested insurance, applicable to both tenants and landlords, provides **security for both parties by covering rent** payments in the event of the tenant's temporary or absolute incapacity, unemployment, or hospitalization. This insurance is tailored to individual needs, and it offers options for coverage ranging from three to five months of rent. For younger generations, this insurance provides crucial financial protection during uncertain times, addressing the uncertainties they may face in their careers and personal lives but also, delivers flexibility and customization options catering to their needs and accommodating potential job changes and career transitions.

Furthermore, the insurance supports independent living, enabling young individuals to pursue their dreams with the assurance that they can meet financial commitments even in unexpected circumstances. An important best practice in this regard is the *Seguro Proteção Rendas* by Tranquilidade.

In the current rental landscape in Portugal, tenants often face the immediate financial burden of providing 2 to 4 cash deposits and/or rent. In response to this challenge, the team suggested the introduction of *Ageas Homey*. This insurance aims to **replace conventional cash deposits with a small**, non-refundable premium, offering cost-effective surety bonds. Both tenants and landlords are required to enrol in this insurance, providing a range of advantages for both. For landlords, the benefits include cost efficiency as well as the possibility of the coverage be customizable to address specific needs, providing risk mitigation against potential financial losses. Additionally, the claims process is simplified, and the property becomes more attractive due to lower move-in costs. Tenants, on the other hand, benefit from affordability options, with the choice of a non-refundable one-time premium or a lower non-refundable monthly premium. Additionally, the insurance assures coverage for potential damages or skipped rent, **reducing the upfront financial** burden during the initial phase of the lease. Furthermore, the processes during move-in and at the end of the lease term are streamlined for greater simplicity. As a best practice, the team considered Jetty when formulating this innovative solution to address the challenges associated with rental payments and deposits in the Portuguese market.

#### Pétis ecosystem

According to the survey performed by the team, was possible to observe that 60% of the respondents have pets. Therefore, Grupo Ageas Portugal should consider **incorporating into the products portfolio for the younger generation access to Pétis**, but not creating a new product since the brand has already a well-developed ecosystem.

#### Entertainment

To proactively address potential industry competition, Grupo Ageas Portugal may strategically fortify its position by **forming partnerships with key stakeholders across different areas of business** that hold significance for the younger generations.

Younger generations actively seek **experiences and value-added services**. According to our research, **entertainment** is a predominant sector in which young individuals in Portugal allocate a significant portion of their expenditures. For example, in 2022 a total of 41 388 live shows were hosted across the country, attracting 14.9 million spectators, and generating revenue amounting to 147.3 million euros. Music was the performing art with the most performances held spectators and revenues (INE 2023). Establishing **strategic partnerships with leading ticket companies**, such as See Tickets, presents an opportunity for insurance companies to **embed** coverages directly into the ticket purchasing process. Grupo Ageas Portugal has the potential to be a pioneer, creating the ultimate concert experience in Portugal by providing a seamless experience through comprehensive coverage for a range of unforeseen circumstances (e.g. ticket reimbursement, travel-related expenses, lost or stolen belongings during the event). This approach involves tailoring options to meet specific needs and it can enhance attendees' interest in insurance products. Insurance coverages should include the ticket price, fees, and if applicable, shipping charges. Event ticket insurance should also **include access to an Ageas 24-hour assistance hotline/chatbot**, with staff available to help with medical, legal, or travel-related emergencies that may impact attendance at the event. This collaborative partnership should **feature exclusive benefits for clients**, such as clients-only access to a collection of VIP packages, events, and on-site perks. Furthermore, clients could enjoy the privilege of securing tickets to highly anticipated events ahead of the general public, thereby enhancing the appeal and exclusivity of the insurance offerings.

Several major international ticket companies have already established partnerships with banking entities. For instance, Capital One has collaborated with Ticketmaster in the United States (Capital One 2023), while Mastercard has initiated a partnership with Live Nation, with

offerings starting in 2024, across 19 markets in Asia and Europe, excluding Portugal (Mastercard Newsroom 2023). These strategic alliances highlight a global trend wherein financial institutions are leveraging partnerships with ticketing platforms to offer enhanced services and benefits to their clientele, while attracting new segments of consumers through their preferred activities.

#### Bundling strategy

Having recommended the products viewed as essential for young individuals, the Consulting Team underscores the relevance for Grupo Ageas Portugal to introduce the option of bundling. The concept of an insurance bundle entails **acquiring multiple policies** from a **single insurance provider**, offering various advantages (Liberto 2021). Firstly, bundling presents an opportunity for lower overall costs, translating into insurance cost savings. The convenience and simplified management provide mean policyholders can access all their policies with ease and have a single point of contact for claims or questions. Moreover, bundling allows for tailored coverage that aligns with the specific needs of younger generations, facilitating the customization of policies to cover aspects they care about. Beyond the flexibility of creating customized bundles, the team recommends Grupo Ageas Portugal to introduce **pre-defined bundles**, for instance, a Student Bundle tailored for those living away from home. This bundle could cover home insurance, Médis Light, and gadget insurance, offering a comprehensive solution for the unique needs of this demographic in this condition.

#### Partnership with GAFA and Insurtech companies

To stay relevant in the competitive insurance market, carriers must evolve beyond updating products and channels. They must embrace true customer-centricity by continually understanding and meeting policyholders' unique needs, regardless of time or location (Gasc 2019). Recognizing the transformative landscape of the insurance industry, it is imperative for traditional insurance companies to closely scrutinize competitors, including GAFA and emerging insurtech firms. **Partnering with these entities** is crucial to foster innovation, adapt

to evolving customer expectations, and ensure sustained relevance within the dynamic and competitive market.

Considering GAFA competitive previously discussed, it is advisable for Grupo Ageas to explore a **strategic partnership with Amazon.es**. Drawing inspiration from the successful Ageas UK initiative, which involved a collaboration with Amazon.co.uk to establish an insurance marketplace offering customers a simple and convenient way to shop for home insurance, this presents an opportunity for Grupo Ageas to offer customers in Portugal a straightforward and convenient platform to shop for insurance. Regarding collaborations with insurtech firms, critical criteria should be considered, including performance benchmarking, innovation and differentiation, industry expertise, risk assessment and talent and skills assessment. The Consulting Lab **identified key players** that Grupo Ageas Portugal should consider within different categories such as Srpout.ai (claims automation engine), XCover (simple policies), Fluxe (Digital tools), Habit (risk assessment platform), and Lovys (100% Digital insurance). Acquisitions are only advisable if the target insurtech possesses valuable, rare, and hard-to-imitate capabilities. The various risks arising from collaborating with insurtechs and startups need to be revised and differences mitigated, such as the different departments' composition, IT preparation, and processes duration.

Recognizing the importance of establishing genuine connections with consumers, Grupo Ageas Portugal should **connect with them through their experiences and activities**. A noteworthy avenue for this engagement lies in the Erasmus+ program, there were 36 543 students departing Portugal for international experiences in 2022. Grupo Ageas Portugal is encouraged to **forge partnerships with such initiatives** (*“making sure you have the time of your life without worries”*). The program leaves it up to project organizers to seek the most suitable insurance policy (Erasmus+ n.d.). By partnering with **universities**, when applying to the programmes the students should be offered the option to have the *students without borders* insurance. Additionally, starting in 2024, every high school graduate in Portugal will be eligible

to receive an intrarail pass. Grupo Ageas Portugal could **establish partnerships with ANDA Conhecer Portugal and CP**, involving the development of a comprehensive travel insurance plan, encompassing medical assistance, loss of travel documents, gear protection, and trip cancellation. Furthermore, **optional coverage for diverse experiences or activities**, such as scuba diving, surfing, skiing, etc., could be incorporated into the insurance offering, aligning with the varied interests and pursuits of the target group (ANDA 2023).

### 5.3. Beyond Insurance Recommendations

After covering the importance of going *Beyond Insurance* for incumbents and detailing Ageas Grupo Portugal's strategy, the Consulting Lab Team analyzed the main fears and anxieties of younger generations, which are related to the housing market, workplace wellness, and career development. Thus, the proposal is the *creation of a Housing Marketplace*.

#### Housing Marketplace

The Consulting Lab Team identified three favorable reasons for developing this marketplace: the **market is not saturated** yet, checking a housing marketplace is the **first step** for younger generations **toward acquiring or renting assets**, and there is a **strategic fit** with Grupo Ageas Portugal's strategy and other Beyond Insurance brands.

Currently, Portugal is experiencing a **housing market crisis** explained by the **law of supply and demand**. Since 2012, the number of housing transactions has more than doubled, driven by the increase in demand. Several factors increased demand, including the decline in interest rates from 2012 until 2022 and other assets like stocks becoming more attractive, thus making real estate investments more appealing for those with savings. Despite the increase in demand, it would be expected that the supply would also increase, but that did not happen (ECO Seguros 2022c). This supply of houses fell drastically during the 2008 financial crisis when many banks held a lot of real estate assets because people were unable to pay their loans. After the 2008 financial crisis, economic activity increased due to the decline in interest rates, and the housing

market started to rejuvenate, causing prices to rise. It was expected that the supply would increase at higher rates, but the construction sector was not ready to meet the demand, lacking the operational resources and capabilities to keep up. Additionally, the construction sector is highly regulated, and licenses to start developing projects and building residential accommodations can take a long time. It also takes a significant amount of time to build, so real estate or construction companies deciding to build new houses will only see them ready to be sold to the end consumer a few years later.

The solution to address this issue in the future will most likely involve **increasing the supply of houses**, which has been in constant debate by the Portuguese government and media. Therefore, there is **potential for new housing marketplaces with value-added features and offers** to play a crucial role in facilitating this increase in housing supply.

Digital Housing Marketplace in Portugal is currently dominated by Idealista, providing a meeting point for all people who are looking for houses (shops, buildings etc.) or are property owners, to sell, buy or rent. They were established in Portugal in the year 2000 and their mission is to help everyone overcome their anxieties and frustrations about finding a house. Idealista holds the 38th position among the most visited websites in Portugal, with no other housing marketplace in the top 100.

Digital channels play a crucial role in the housing market sector, serving as the **initial step** for individuals aged 18 to 35 to conduct due diligence before purchasing or renting a property. Therefore, Grupo Ageas Portugal, by being present at this initial stage and supporting them in finding a house, can **foster this relationship** to include many other products and services. Besides, younger generations are at the **beginning of their independent life**; if the firm is capable of locking in the client, their **spending will increase with time** and last for many years.

Developing a Grupo Ageas Marketplace **aligns strategically** with other beyond-insurance housing brands and housing insurance brands within Ageas Grupo Portugal. Brands such as Livo (focused on home efficiency) and Ageas Reparar (focused on risk prevention) provide

strong incentives for clients to stay with Grupo Ageas Portugal, given their advanced position in the asset ownership cycle. The housing marketplace should **implement mechanisms to ensure clients return to Grupo Ageas Portugal** when facing home-related issues, acquired or rented through Ageas Market Place. This ecosystem provides **cross-selling opportunities** between brands and serves as **a promotional channel for each brand**.

Grupo Ageas Portugal's housing marketplace aims to differentiate itself through the **seamless integration of renting insurance, housing insurance, and item protection**, offering a unique bundle not present in the current dominant marketplace. **Ecosystem integration** involves incorporating other housing brands to foster brand loyalty through the marketplace and other brands' engagement. **Additional services**, potentially included through partnerships, could encompass home loan deals (Millennium), utilities connection (e.g., Vodafone), international clients (Kleya), and house moving services (Urbanos).

**Incentives for Ageas** include reducing price sensitivity, increasing contact points to foster brand loyalty, expanding the customer base and revenues, and accessing more personalized data for tailor-made solutions. **For younger generations**, incentives include value-added services, embedded insurance, simplified processes addressing time constraints and lack of knowledge, potential premium discounts on other insurance products, and benefits for the broader housing ecosystem, resulting in a feeling of safety and saving time and mental energy. **Landlords** benefit from insurance coverage to protect rented properties against potential damages, providing financial security. **Real estate agents** gain a competitive edge by being part of a housing marketplace, attracting clients seeking a one-stop solution for housing needs, and tapping into Grupo Ageas Portugal's extensive customer base.

The Grupo Ageas Portugal marketplace should cover **four crucial areas** for an **immersive customer experience**: a customer-centric approach, value-added services, educational content, and tailored customer support. ProprHome, a Portuguese housing marketplace with a partnership with Tranquilidade, serves as a best practice.

In summary, **entry barriers** in the housing market can be high due to **network effects** enjoyed by incumbents, but Grupo Ageas Portugal can leverage its **large customer base** (1.8M people) and **established housing brands** to incorporate value-added services, hence increasing **switching costs**, and reducing **transaction costs**. This capability provides a potential **competitive advantage**. The Consulting Lab team suggests that Grupo Ageas Portugal partners with a current marketplace to sell insurance, creating **learning opportunities** about the housing marketplace. Subsequently, Grupo Ageas Portugal can acquire the marketplace, rebrand it, introduce its other brands, or build the housing market itself.

#### 5.4. Internal Initiatives Recommendations

The team recommends **tackling 3 main areas**: 1<sup>st</sup> take younger generations' **Sustainability and ethical beliefs** worries into consideration, 2<sup>nd</sup> help **segments undergoing financial distress** and increase their chances of staying loyal and, 3<sup>rd</sup> **enhance** young client's **relationship with Brokers**.

##### Sustainability and ethical beliefs:

For this, the team recommends the implementation of the ***Impactful Premiums Program***, which consists in, once a year, a small portion of unclaimed premiums- premiums not used in operational costs nor to pay out claims- being given to an organization of the client's choice. The specific percentage taken from unclaimed premiums towards this program would be decided internally by the company. The criteria for the charities' choice could be either a yearly rotation or direct partnerships that Grupo Ageas Portugal already has in place. From then on, the client would select the one he wishes his contribution goes to.

The benefits of this initiative would be: **showing commitment to causes** before fully settling a binding Corporate Social Strategy, which requires much more planning and investing and, since it would appear as a feature on client's platforms, it would seem **organic** without incurring in promotion costs.

This program was based on *Lemonade's Giveback Program* (Lemonade 2023b) which has provided young clients with a positive sense of responsibility and their perception of the company has also improved, so, the team believes the same could be done for Ageas.

Foster loyalty with young clients undergoing financial distress:

Then, to address financially struggling young individuals like the company wanted the Consulting team to- as they believed these segments could have an unexplored hidden potential in terms of longevity and fostering loyalty- a proposal was created. The ***Flexible Methods of Payment Program*** could serve to help these clients maintain their insurance even in temporary fragile situations, like unemployment. **Four possible mechanisms** can be used: the *Financing* way, where the company understands how much the client can pay of their current insurance, covers the rest and, later, the client pays back what he owed plus a small fee; *Adjusted* approach one, where the client pays the portion that he is able to and the coverages are adapted according to that amount; *Preventive* way, which functions as a “personal unemployment cover”, where the client always pays an extra for his premiums and, if he needs to recur to this program, these extras can be amounted and used to cover his expenses and, lastly, the declaring a *Guarantor* approach, who would most likely be his/her parents, to cover the client's expenses if he can't. The best approach to be implemented should be discussed internally.

Enhance young client's relationship with Brokers:

Finally, the team proposes the creation of a ***Marketplace to match clients with the best broker for them.***

Currently, Grupo Ageas Portugal's clients only have the ability to search for Brokers according to their location, which provides a general non-tailored address of brokers' stores in the desired area. The recommendation is that a questionnaire is provided for clients to answer, which covers topics like the client's base insurance knowledge, desired frequency of monitoring, preferred communication channels, among other compatibility factors. These

answers would be used to generate a **tailored list** of the most appropriate brokers for the client's preferences and characteristics.

This way, young clients entering the daunting and complex world of insurance can easily find a broker who can most appropriately understand his financial literacy and product needs. This is expected to increase: sales per client, their chances of sticking with one broker for long periods of time (possibly, for his whole life) and, consequently, customer satisfaction.

### **5.5. Touchpoints Recommendations**

The need to **establish more casual interactions** with the younger demographic has already been demonstrated. Therefore, the Consulting Lab team strongly encourages Grupo Ageas Portugal to be present at **three distinct types of events**: high school competitions, concerts and music festivals and university events.

These events boast **substantial attendance numbers**, with school competitions like the yearly one hosted at Universidade de Aveiro having more than 6.000 participants from more than 160 schools (Universidade de Aveiro 2022). Similarly, the biggest summer music festivals attract more than 200.000 individuals aged between 15 and 34 years old (Marketeer 2023). Additionally, universities and similar-level studies institutions welcome more than 50.000 new students every year (Governo da República Portuguesa 2023c).

Thus, Grupo Ageas Portugal could easily monetize on their already appealing and young visual image and logo and easily integrate it into these events. The proposed strategy could be **establishing tailored Booths** at these events (Appendix 19) which could aesthetically be adapted to resonate with each distinct brand of Grupo Ageas Portugal's ecosystem.

At **high-school competitions**, simpler yet engaging booths could be created to serve as an initial point of contact with students early on in their lives. There, interactive financial literacy mini games could be played to teach essential knowledge in a fun and simple manner in a casual setting.

At **music festivals**, the approach would be to create more high-tech booths so that immersive VR games could be played to educate attendants on risk assessment basics. Furthermore, the team believes distributing merchandise would reinforce the company's visual presence among the younger generations, especially at events of this type, where photos and videos are taken and content is generated which would feature Grupo Ageas Portugal colors and logo.

**Universities** are also the right setting to place temporary booths during special occasions, like first and open days events. These would serve as a physical place for students to seek insurance-related guidance and take their insurance doubts without any judgement.

### **5.6. Promotion Recommendations**

Grupo Ageas Portugal should develop a promotion strategy for younger consumers aiming to close the gap between the wrong perceptions of younger generations, their actual knowledge about insurance and Grupo Ageas offerings.

When choosing how to communicate it is imperative to recognize that this demographic prefers straightforward and uncomplicated information, prioritizing price and quality over other factors when choosing a brand or a product. Therefore, promotional efforts should emphasize the transparency of cost, providing clear insights into the initial value while disseminating pertinent information about the product.

Additionally, this segment places significant importance on mission, values and brand identity. To resonate with this audience, it is essential to establish a distinct brand positioning that aligns with Grupo Ageas' values. Authenticity can be achieved by incorporating relatable and organic content, such as user-generated content, into the communication strategy. Incorporating a language that mirrors Ageas' values and focuses on transparency, inclusiveness, and authenticity will be pivotal. Communication efforts should extend beyond product features

to include the promotion of **financial literacy** and the advocacy of **recommended programs** and **products**.

Execute a strategic approach primarily centered on **pull strategies**, naturally drawing attraction of consumer interest towards Ageas' brand and products. In accordance with findings derived from the Consulting Lab survey, companies should establish a presence where younger generations are, ensuring a nonintrusive engagement. This segment places significant value on experiencing an authentic connection, demonstrating a preference for interaction on their terms.

Grupo Ageas Portugal promotes its brands by digital and traditional channels. However, it is crucial to consider certain elements when targeting Gen Z and Millennials. For instance, the number of **streaming platforms'** users in Portugal, like Netflix, increased to 44,1% in the 2nd semester of 2022 (Jornal de Negócios 2022), younger generations tend to prefer music streaming platforms such as Spotify and Apple music. This is also the generation that most time spends on digital platforms. We suggest shifting towards digital marketing (American Marketing Association n.d.), pursuing strategies just like **search engine optimization**, improving companies' ranking within major search engines to increase online traffic and be the first seen by potential consumers, **digital advertisement** such as paid placement in search results and pop-up ads, **content marketing**, using a company's owned media channels to target prospective customers, and **social media marketing**, reaching customers and communicating efficiently. Social media platforms continue to provide **fast, versatile**, and **cost-effective** ways to reach young audiences with corporate messages.

Grupo Ageas Portugal should use digital marketing channels to this segment, however there's a clear difference between where the company is present and where younger generations can be found. While Grupo Ageas is present in Facebook, Instagram, and LinkedIn, being present also in other platforms with some brands of the Group, young people can be found mostly on TikTok, YouTube (Shorts), Twitter, Instagram, Facebook, and streaming platforms, namely Spotify and Netflix.

TikTok ranks number one globally for ad equity, meaning it's the preferred ad environment for both brands and consumers (TikTok for Business 2023). There are different ways of promotion on these platforms, such as paid ads, video promotions and posts. Even though the different targets within the considered segment tend to use the same platforms, the promotion should be adequate to each of them. When using content creators, choose the ones according to the target.

#### How to create content and connect with Gen Z and Millennials

Designing a brand's digital image in an ever-evolving landscape is an ongoing process, marked by the emergence of new trends and relevant topics daily. In digital platforms, characterized by complex algorithms, the ascendancy of trending content is no longer solely dependent on follower count.

Selected strategies can be implemented gradually to be tested among the defined targets. The implementation of these strategies will have no discernible impact on the brand image among other consumer segments. This is attributed to the strategic utilization of channels predominantly frequented by younger consumers, leveraging algorithmic mechanisms, as well as employing geo and demographic targeting in both advertisements and content.

Firstly, it is essential to recognize and understand the power of being influenced by peers. **User-Generated Content (UGC)** is a brand-specific content created by customers that can be strategically disseminated across Grupo Ageas Portugal social media platforms and other channels. Even though there are already UGC creators in Portugal, this approach not only proves to a cost-effective way to create organic and updated content but also underscores the goal of fostering a brand robust enough to naturally inspire spontaneous and cost-free UGC. Best practices include Appel's hashtag #ShotOnIphone and Barbie movie promotional strategies that included the possibility for viewers to have their own Barbie posters generated with AI.

The company should engage in **collaborations with digital influencers**, leveraging the trust and credibility that they have among their followers, and reaching new audiences, in a way that is cost-effective, and the intended target will be reached. Besides being a way to develop new ideas and see unique perspectives, it also allows the company to have content in diverse formats. Influencers suggestion for lifestyle, travel, finance, and mental health, divided by types of audiences can be found in Appendix 20.

A significant portion of promotional efforts can be effectively executed through **Grupo Ageas Portugal own content**. The company should develop more content like “Conversas de Jardim” and “Por Falar em Comida” videocasts, targeting younger generations, but with content related to their lifestyles, financial advice, and target offerings. It is important to share the value and small descriptions for this generation. Grupo Ageas should develop campaigns regarding different important **milestones and experiences**, including getting their first job, moving out, getting into college, travelling, having their first child, etc. As best practices, there are already international brands taking over social media among younger generations. Ryanair, Flixbus and Duolingo are some of them, engaging with viewers through content about complains and customers’ experiences.

Younger generations exhibit a preference for brands that actively sponsor their activities, representing a non-intrusive presence that resonates positively. This presence can be extended into the digital realm through **marketing sponsorships**. Be where they are, for instance, according to Spotify Wrapped 2023, “Extremamente Desagradável” was the most streamed podcast in Portugal. Lastly, **digital advertising** proves to be an efficient method for reaching the desired audience. Social ads, strategically placed within social media feeds across various platforms, allow showcasing products to the intended demographic. Further examination is advised, particularly in the context of understanding the preferences and behaviors of Gen Z and millennials for a more targeted and effective advertising approach.

### **5.7. Channels Recommendations: Development of a new brand**

All previous recommendations lead to this last one, which represents the **culmination of this project**. The Consulting Lab team believes that **introducing a new brand** into Grupo Ageas Portugal's ecosystem would be the right strategic move to create more appealing solutions and provide an emotional and relevant experience to the younger generations.

#### Creation of the new brand- *Your Way*

This brand, created by youngsters and for youngsters with their specific needs in mind, would be the representation of a **new chapter** for Grupo Ageas Portugal, one where young individuals dive into the insurance world and have a more prominent role than ever in it. Its edgy, glitchy and colorful logo (Appendix 21) represents the new pulse of innovation- the younger demographics- disrupting the static insurance world and inviting this new transformative segment in.

For Portuguese younger generations, *Your Way* would embody more than a brand. Instead, it would be an invitation to a tailored experience, where innovation meets the traditional insurance world, to which they are now **welcomed and encouraged to enter for the first time** ever.

**All previous proposals** from the Consulting Lab Team would be **incorporated in this brand and in its proposed new channels**.

#### Creation of the new brand's digital channels

As previously mentioned in this thesis, Millennials and Gen-z's have a strong preference for digital platforms where they can easily access all information they need at the distance of a touch. Therefore, the proposal is for the development of a ***Your Way Website*** in the medium-term, and an **App** in the long-term.

#### *Your Way Website*

On one hand, the Website (Appendix 22) would be product/services-oriented, to **facilitate offers' comprehension, accessibility** and to show the **benefits** of being a *Your Way* client. The team believes this channel would be a complimentary one to the App.

#### Your Way App

On the other hand, the App (Appendix 23) would also have all products and services previously recommended but would also function as a channel to send daily messages promoting informative content and encouraging positive habits. This increases the number of touchpoints with clients but also their relevancy, as young users of this channel would feel valued by the brand for caring about their well-being.

Additionally, the Your Way App would be the **ultimate personalization** testament, with the user's profile displaying three topics: the amount they've contributed through the *Impactful Premiums Program*, **gamification elements** like educational games and mini courses on Insurance and the respective **rewards** (the Tokens) for taking those tests. These can be traded for discounts with the brand's partners, discarding the need for the "Cartão Mundo Ageas Seguros" current app, hence its integration in the Your Way App. Important to highlight that the brand's partners were specifically chosen considering current Grupo Ageas Portugal's partnerships and other brands valued by younger demographics.

Lastly, this channel could be used to **test-out certain features** before adding them to the brand. Potential additional features that the team did not have the time to explore but that may be of interest are: AI Chatbots and the ability to claim online in a paperless manner, for example.

#### Conflicting opinions regarding Your Way

During our 3<sup>rd</sup> Steering presentation with Grupo Ageas Portugal's committee, **distinct points of view** and arguments were raised when it came to the creation of the brand. The biggest concerns highlighted were its associated **high cost** and the **possibility of brand cannibalization** phenomenon that could occur.

To attenuate this, some committee members suggested the **development of a new branch** and the **adaptation of the current** umbrella company's **positioning** instead of creating a new brand. However, even though the team acknowledges these concerns, the belief is that the branch would not be as effective as a new brand. Justifications for this will be explained next.

#### Belief on the new brand

In terms of the high costs related to the creation of a new brand, the team is of the opinion that *Your Way* would only be launched in a “perfect” scenario where all proposals are tested beforehand, and a **potential profit opportunity is identified**. Only then would *Your Way* be created to congregate all proposals in an easily accessible manner.

Then, the adaptation of current Grupo Ageas Portugal's positioning to capture this new portion of the market is considered to, potentially, be a tremendously **risky** move for the company. It may **generate confusion** amongst the current client base, with a communication style they are not used to/comfortable with and that can shift their brand perception. Simultaneously, this change of the core positioning may **not be “edgy” and differentiating enough** to get the new targets' attention, so, it could be an effort in vain.

Lastly, regarding the possibility of cannibalization, the opinion is that chances are low, as long as a **clear brand launch strategy** is delineated (ThinkOwl 2023). The products and services recommended are **complementary** to the already existing ones and would only be available in *Your Way*, as to avoid direct competition. The offer was simplified to facilitate insurance comprehension, not to move current clients from one offer to the other. Coincidentally, as long as a **clear brand differentiation** is proven through **strategic communication**, in order to properly convey the idea that *Your Way* belongs to Grupo Ageas Portugal, confusion could be prevented. By doing so, **trust** in the new brand would also be **endorsed**.

In summary and taking into account best practices like WTF and Yorn that have been extremely successful brands launched specifically for the intended younger targets, the team

still believes that the new brand respective channels could be launched by Grupo Ageas Portugal.

### 5.8. Customer Journeys

Embarking on a strategic endeavor, **Grupo Ageas Portugal has crafted tailored customer journeys** for diverse segments within the 15 to 35 age range (Appendix 24). Aligned with the recommendations suggested by the Consulting Lab team, these journeys reflect Ageas's commitment to meeting the of its dynamic audience, spanning from high school to established adulthood.

#### Customer Journey 1: High-School Students (Type 1 and 2)

As high-school students embark on their **educational journey**, **Ageas strategically intersects their path at school career fairs or national competitions**, creating an initial connection. This engagement is further nurtured through the vibrant world of **social media**, where Ageas cultivates a presence aligned with contemporary "meme culture." As these students become increasingly attracted by insurance matters, their proactive **involvement in financial literacy competitions increase**. The team's hope is that as they transition into the phase of legally purchasing insurance products, the established **brand recognition will guide them towards Ageas**, creating a seamless transition from curiosity to brand loyalty. The education, touchpoints, and promotion recommendations served as inspiration for shaping this customer journey.

#### Customer Journey 2: University Students & Early Careers (Type 3 To 5)

For university students and those embarking on early careers, Ageas becomes an integral part of their journey. Spotted at **festivals or university events**, the brand captures their attention. **Opportunities such as Ambassadors and Internships emerge**, providing a deeper connection. A virtual journey proceeds as these individuals explore Ageas's website, **discovering a wealth of educational resources**. This exploration sparks a **realization of the**

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**critical importance of insurance literacy.** Actively **subscribing to affordable coverages**, they embrace offerings beyond parental coverage, **recognizing Ageas as a trusted partner** in their evolving life stages. This customer journey uses all the different project's recommendations.

### Customer Journey 3: Individuals Building Their Lives (Type 6,7 And 9)

As individuals **transition to building their lives**, Ageas stands by them. Present at **festivals**, the brand leaves a lasting impression. **Life decisions that involve insurance purchases** prompt a recall of Ageas as a youthful and trustworthy insurance company. Concerns about the instability faced by young generations lead them to **seek comprehensive coverages**, such as *Homey* and *Ageas Rent insurance*. Actively participating in Ageas **workshops and courses**, they embark on a journey of **continuous learning**, finding both **protection and knowledge** under the Ageas umbrella. Similarly, to the customer journey of university students and early careers, all the recommendations were used.

### Customer Journey 4: Established Individuals (Type 10)

For established individuals **actively seeking insurance solutions**, Ageas becomes a top consideration. The journey begins with **targeted searches** and encounters with **Ageas's paid ads and marketing sponsorships**, drawing attention to the brand's youthful and favourable image. A visit to the **Ageas website deepens the interest**, unveiling a **variety of offers and competitive prices**. Once clients, the **routine engagement with the Ageas app** becomes a source of delight, offering **gamification and educational features** that not only secure their insurance needs but also provide **ongoing rewards**, solidifying a lasting partnership. This customer journey finds its roots in the product, beyond insurance, internal initiatives, touchpoints, promotion and channels recommendations.

## 5.9. Value Proposition Ideation

The McKinsey & Co. industry research paper from 1988 defines a value proposition as "a clear, simple statement of the tangible and intangible benefits the company will provide, along with the approximate price it will charge each customer segment for those benefits." (Twin and Brock 2023). Based on this definition of value proposition, the Consulting Lab team suggest the following value proposition:

*«Tailored Protection for Your Bright Future – Unmatched Insurance Offering  
Comprehensive Coverage and Peace of Mind, Priced for Your Ambitious Goals.»*

It is important to highlight that there is a certain discrepancy between the value proposition mentioned above, based on the McKinsey & Co concept, and the understanding of value proposition by Group Ageas Portugal. According to the Teaser provided at the beginning of the project, the group sees the value proposition as a set of recommendations. While the team's suggested value proposition incorporates the McKinsey concept, it's important to mention that we have also separately outlined the recommendations, recognizing them as distinct elements in our approach.

## 6. Pilot Set-Up

### 6.1 Pilot Project and Monitoring Key Performance Indicators

Companies are perpetually confronted with the task of addressing both current and future consumer expectations, especially in an evolving post-Covid world. An integral aspect of overcoming these challenges involves the development of flexible technology capable of seamless reconfiguration and scalability. Furthermore, significant returns can be realized by investing in pilot projects (Forbes 2022b).

Grupo Ageas Portugal should **implement a pilot project** to identify and address early potential challenges, mitigating some of the risks (Appendix 25). Pilot projects **optimize**

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resource allocation, engage stakeholders, and provide a learning platform to refine strategies based on real-world experiences. This project, based on the previous recommendations is divided in **three phases**. Following deliberations with the Innovation Team, the initial phase is proposed to consist of a **gradual testing period lasting less than a year**. This phase will be focused on initiatives that require **minimal initial investments and costs**. Upon achieving the break-even point, determined later by Grupo Ageas Portugal, subsequent recommendations will be subject to testing. These will include Internal Initiatives such as internal evaluation of the impactful premiums program and test the four approaches suggested for the flexible payment initiative. **Key performance indicators** (KPI's) include renovation contract rate, client churn rate, new CLV estimation, number of new young clients and participation rate. Grupo Ageas Portugal should, at the same time, foster relationships with students and universities, firstly by being present in more college events and seminars. In a more advanced stage, the company should test the ambassadors' program in selected universities, providing training and resources, gathering ambassadors feedback, and considering the number of ambassadors recruited and referral conversion rate. New brand testing should start with the creation of an MVP (minimum viable product) website, with chosen offerings by Médis and Seguro Directo. Simultaneously, suggested promotion strategies should start being tested. Later in phase one, Your Way social platforms should start being developed. There are several KPI's to assess this, including click-through rate (CTR) on Your Way hyperlink on Grupo Ageas Portugal website, website traffic from organic research, cost per acquisition (CPA) and CTR on posts published by Grupo Ageas Portugal and link shared by digital creators. Phase one will be completed with the testing of touchpoints initiative since it is one of the costliest recommendations. It should include research the right event for the considered target, tailoring of Grupo Ageas Portugal touchpoint, and related matters such as content and merchandising, according to the event. Capturing data relevant during the event is imperative, the impact can be measure through social media

mentions during and after the event, pre and post event surveys to measure brand recall and recognition, number of leads captured through follow-up engagement and customer acquisition cost (CAC). Phase two will be composed by the **adjustment of existing offerings according to our recommendations**, and the **initial testing of the suggested new products** *Médis Mental, Ageas Rent, Ageas Homey and Ageas Entertainment*. This phase is expected to start in the last semester of 2024 and continue until mid of 2025. It will be followed by phase three, composed by the **official release of the new products and the new brand**, Your Way, launch.

## 6.2. Costs and Benefit Analysis

The cost-benefit analysis of implementing the **pilot set-up focused on short-term recommendations**, including the *Ambassadors program, a college event with a career fair and a workshop, presence at 1 music festival, collaborating with digital influencers, social media advertisements, and the launch of a new brand*.

Due to strict timelines and the highly strategic nature of the project, a deep dive into the quantitative impact was challenging, as there was the need to **make assumptions** due to limited data and medium degrees of uncertainty.

A scenario analysis was considered with **three outcomes**: pessimistic, realistic, and optimistic. **Table 1's main findings** presented are only for the realistic scenario, so, a **more detailed breakdown** of the whole analysis can be found in Appendix 26.

The **cost** considered for one content production by a micro-influencer for all appropriate platforms was €1,165.00 (Business of Apps 2023). The cost per 1000 people reached was €4.94, the actual total cost is dependent on the company's desired reach (Statista 2023). For the Ambassador program, the associated costs are mostly Marketing and promotion content, covered in the Promotion – Digital advertisement costs. For college events, the team used values for a base normal stand at the Porto University of Economics. The average premium per client

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per year was considered €261.00 – the average auto insurance value for younger generations within Grupo Ageas Portugal.

Table 1 - Total Costs and Benefits

	Total Costs	Impact	Benefits
Ambassadors	-	-	Proximity to young people, cost-effective marketing, community building
Festival	€ 369 314,40	52 potential new clients Breakeven 7 years and 10 months	Large brand exposure, create memorable experiences, social media amplification, staying relevant and trendy
Pilot Website and App	€ 125 130,00	-	Enhanced user experience, convenience, trust and credibility and brand perception
Career Fair Event	€ 1 310,00	9 potential people Breakeven 7 months	Brand exposure, networking opportunities, market insights, brand loyalty and recruitment opportunities
Digital Influencing	€ 1 165,00	104 723 potentially, will take some actions through google search network, 24 435 through display ads, 49 281 with organic social	Powerful channels that effectively resonate with and capture the attention of younger generations.
Social Media Advertisement	€ 4,94	media advertising and 41 068 through paid social media.	Similar power as digital influencing

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The **benefits** of being at a music festival not only bring immeasurable brand recognition and likeability but its costs can quickly be covered by the number of clients captured there. The same applies to Career Fairs. By betting on Promotion, Ageas can reach a wide range of untapped younger clients.

It is crucial to underscore that the **advantages** derived from these efforts **extend beyond immediate financial gains** and, rather, function to guarantee a top-of-mind position for Grupo Ageas Portugal, establish a mutually beneficial relationship with younger generations and build a strong connection with them early-on in life. This strategic approach not only secures future clients but also imparts a competitive advantage, affirming the company as a trusted and preferred choice within the insurance landscape.

### 7. Limitations and Future Research

In this chapter, three main topics will be covered: some **limitations** the team encountered during the project, the **assumptions** they had to make to surpass them, and the **consequent risks** that may arise.

Firstly, the **project's scope is broad** and **data** about Millennials and Gen-z's in Portugal is **limited**. No specific values for their total disposable income, insurance's penetration rate, as well as other information is made easily accessible and publicly available. Therefore, the assessment of these group's quantitative **market potential for the insurance industry is extremely hard to estimate**. To attenuate this, some global data was used, which the team acknowledges to not be as accurate, and it may lead to slightly faulty estimations.

Secondly, the quantitative analysis performed, and its **results** can be, to some degree, **biased** due to the small reach - 251 respondents - and the lack of diversification amongst respondents. The majority were 18 to 23-year-olds, mainly from Lisboa, Porto and Setúbal, with mostly similar backgrounds to the group of this project. The limited time of this analysis restricted the survey's reach, so, mostly friends and acquaintances answered the survey. Making

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decisions with this foundation may not be extremely trustworthy, however, all information was backed up with desk research to more accurately pinpoint younger generations needs and desires. The low number of answers also did not allow the development of Statistical Personas (Laubheimer 2020), but rather **qualitative ones**, based on the small sample, interviews performed, and studies discovered.

Thirdly, the concept of **pricing in the insurance market is extremely complex** due to several factors: frequency and severity of claims, regulatory requirements, among other factors (FasterCapital 2023). Thus, Grupo Ageas Portugal recommended that the project focuses on **more general recommendations** without going into deep specificities on pricing. This, once again, compromises the development of an extensive quantitative-oriented Cost-Benefit analysis, as benefits are more qualitative and their actual impact, sometimes, can only be measured long-term.

Lastly, the **vast number of brands, partners, agents and brokers** of Grupo Ageas Portugal and their respective **high level of “independence”** somewhat limits the possible recommendations and solutions that could be presented to the company. Proposing ideas that would imply other branches of Grupo Ageas Portugal changing their processes can be hard to accept and further implement.

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## Group Part

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## 9. Appendix

1. Interview Guide
2. Survey Script
3. Survey Insights
4. Segmentation
5. Targeting
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8. Hypothesis 2
9. Hypothesis 3
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11. Hypothesis 5
12. Hypothesis 6
13. Hypothesis 7
14. Hypothesis 8
15. Hypothesis 9
16. Hypothesis 10
17. Hypothesis 11
18. Hypothesis 12
19. Events booth
20. Influencer Collaboration Suggestions
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25. Pilot Project and Monitoring Key Performance Indicators

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**Appendix 1 – Interview Guide**

**Introduction:** We are a team of Master's in Management students at the Nova School of Business and Economics. We are conducting this interview as a crucial component of our Master's thesis research. Our primary goal is to gain insights into the needs, preferences, and challenges faced by young individuals aged 15 to 35 within the insurance industry. This understanding will help us identify potential opportunities and innovative solutions that insurance providers can offer to this specific demographic. The interview is expected to take approximately 25 to 30 minutes. Please rest assured that your responses will be used exclusively for the purpose of this research project, and all information you provide will be treated with the utmost confidentiality, maintaining your anonymity. Thank you for your participation.

1. What's your name? How old are you? What's your marital status?
2. Do you study and/or work? In what field?
3. Do you have children? Do you have pets?
4. What do you do in your free time?
5. What is your greatest concern or priority at the moment?
6. Do you have any source of income? What are your financial priorities?
7. Do you usually save money? If yes, why? What strategies do you use?
8. What are your current needs?
9. What are your consumption habits, i.e., what do you usually buy? How often?
10. What criteria do you use to choose a product or service?
11. When you buy a product or service, do you prioritize price over products that align with what you consider ethical? What about your immediate satisfaction vs future pleasure and usefulness?
12. How do you perceive an ideal customer experience?

## Group Part

13. What is your opinion regarding interconnected services and products/brands with developed ecosystems?
14. Are you concerned about environmental issues? Do you do anything to protect the environment and be sustainable? Do you feel that your decisions take into account your concern for the environment?
15. What modes of transportation do you use? Why do you use them? What is your overall view of transportation?
16. What are your fears, frustrations, and anxieties?
17. Do you have a desire to emigrate? What do you feel is lacking in our country?
18. How do you envision your future?
19. Are you satisfied with your current lifestyle? Do you feel that you will be able to maintain or improve your current lifestyle in the future?
20. How do you deal with the future? (anxieties, fears, worries)
21. Are you concerned about the current state of Social Security? Does the idea of not having access to a pension in the future concern you?
22. What comes to mind when you think of insurance? Do you think insurance is useful?
23. Do you have any insurance? If not, why? If yes, what types?
24. Do you find it difficult to obtain insurance? Expensive? Hard to understand plans?
25. Do you know where to find information about insurance?
26. Are you familiar with insurance and its benefits and drawbacks?
27. In which area do you believe insurance is most important?
28. Who is most important to you for advice on insurance coverage and features?
29. Do you feel you have the autonomy to make insurance purchase decisions without your parents or their advice? Do you feel that your parents have acted as promoters of an insurance product for you? Conversely, do you feel that you have influenced your parents to purchase insurance?

## Group Part

30. In your family, are your relatives tolerant or averse to risk?

31. Do you feel that you need protection for something? If you could create an insurance that doesn't exist now, what kind of insurance would you create?

32. What products or services would you appreciate your insurance company offering beyond insurance?

### Appendix 2 – Survey Script

00

Bem vindo/a,

Somos um grupo de estudantes do Mestrado em Gestão na Nova School of Business and Economics e estamos a realizar este inquérito como parte da nossa pesquisa da tese de Mestrado. O nosso principal objetivo prende-se com o entendimento das necessidades, preferências e dificuldades dos jovens (15 aos 35 anos) na indústria seguradora.

O inquérito demorará aproximadamente **9-12 minutos** para ser concluído. De salientar que, as suas respostas serão exclusivamente utilizadas para este projeto e todas as informações que fornecer permanecerão **anónimas**.

Caso tenha alguma questão, não hesite em contactar-nos através do email 53303@novasbe.pt.

Obrigada pela sua cooperação.

Q1

★

#### Critério de elegibilidade:

Confirma que tem entre os **15-35 anos** e pode participar neste estudo?

Confirmo

Não confirmo

▼  Apresentar esta pergunta

Se Critério de elegibilidade: Confirma que tem entre os 15-35 anos e pode participar neste estudo? Não confirmo Está selecionado

#### Fim do inquérito.

Como este estudo não é direcionado para grupos que não tenham entre 15-35 anos, este questionário chega ao fim para si. Agradecemos a sua participação neste inquérito e o tempo despendido.

Obrigada!

## Group Part

### Que **atividades** pratica nos seus tempos livres?

(Pode seleccionar mais do que uma opção)

- Desporto/ Ginásio
- Atividades radicais (bmx, surf, etc.)
- Atividades ao ar livre
- Ler
- Ver filmes e séries
- Ouvir música
- Ir a concertos e festivais
- Meditação e relaxamento
- Socialização com família/ amigos
- Outras

### Em que **setores** é que **gasta mais** do seu rendimento/mesada?

(Pode seleccionar mais do que uma opção)

- Saúde
- Finanças
- Restauração
- Entretenimento
- Lazer
- Vestuário
- Transportes
- Produtos tecnológicos/ Gadgets
- Outras

Enumere por **ordem de importância** os critérios que utiliza para **escolher um produto/serviço**.  
(1: muita importância - 9: pouca importância)

Preço	1
Qualidade	2
Marca	3
Sustentabilidade	4
Valores éticos que representa	5
Recomendação por parte de amigos/ familiares	6
Recomendação por parte de influencers	7
Marketing ao qual fui exposto relativo ao produto/ serviço	8
Outro <input type="text"/>	9

## Group Part

Até quanto estaria **disposto a pagar a mais** (em %) por um **produto que é sustentável** face a um **produto semelhante mas não sustentável**?

- 0% - 5%
- 6% - 10%
- 11% - 15%
- 16% - 20%
- 21% - 25%
- 26% - 30%
- 31% - 40%
- 41% - 50%
- 51% - 60%
- > 60%

Para si, que **características tornam a sua experiência** enquanto cliente na compra de um produto/serviço **ideal**?

*(Pode selecionar mais do que uma opção)*

- Bom atendimento ao cliente
- Respostas e resoluções rápidas e eficazes a perguntas, problemas e reclamações
- Facilidade de compreensão dos produto/serviços oferecidos em todas as plataformas
- Facilidade de navegação em sites, aplicações e outras plataformas
- Personalização das ofertas com base nas suas preferências
- Opção da informação ser disposta noutras línguas (ex: Inglês)
- Comunicação clara e transparente
- Opções flexíveis de pagamento
- Outras

Que **fatores** influenciam a sua **escolha por uma marca**?

*(Pode selecionar mais do que uma opção)*

- Produtos/serviços de alta qualidade
- Preços baixos e competitivos
- Programas de fidelidade ou recompensas
- Responsabilidade social e sustentabilidade
- Relação emocional com a marca
- Experiência omnicanal (boa integração entre loja física e plataformas online)
- Outras

## Group Part

Que **modos de deslocação** utiliza no seu dia-a-dia?

*(Pode seleccionar mais do que uma opção)*

- Carro particular
- Boleias
- Mota
- Autocarro
- Comboio
- Metro
- Bicicleta
- Trotinete
- Serviços de transporte por app (Uber, Bolt, etc)
- A pé
- Outro

Com que **frequência costuma viajar?**

- < 1 vez por ano
- 1 - 2 vezes por ano
- 3 - 4 vezes por ano
- 5 -6 vezes por ano
- 7 - 8 vezes por ano
- > 8 vezes por ano

Já alguma vez sentiu **receio a viajar?**

- Sim
- Não

▼  Apresentar esta pergunta

Se Critério de elegibilidade: Confirma que tem entre os 15-35 anos e pode participar neste estudo?  Confirmo  Está selecionado

E Já alguma vez sentiu receio a viajar?  Sim  Está selecionado

### Que receios já sentiu ao viajar?

*(Pode seleccionar mais do que uma opção)*

- Segurança pessoal e dos meus bens no destino
- Problemas de saúde como doenças ou lesões no destino
- Cancelamentos ou atrasos de voos/outros meios de transporte utilizados para chegar ao destino
- Perda de bagagem ou pertences pessoais
- Desconforto durante a viagem (desconforto físico, medo de voar, etc)
- Despesas imprevistas durante a viagem
- Problemas com acomodação (ruído, falta de condições, etc)
- Preocupações com a situação política ou social no destino
- Problemas com vistos
- Outros

### Quais dos seguintes temas o preocupam?

*(Pode seleccionar mais do que uma opção)*

- Dificuldade em suportar custos referentes à habitação
- Risco de ficar desempregado
- Risco de não receber reforma
- Não trabalhar na área que desejo
- Não ter um trabalho que me dê flexibilidade para escolher como e onde trabalho (presencialmente, teletrabalho, etc.)
- Ter de sair do país em busca de melhores oportunidades
- Não ter acesso a cuidados de saúde
- Consequências das alterações climáticas
- Outros
- Nenhum

### Que atitudes toma para proteger o ambiente e ser sustentável?

*(Pode seleccionar mais do que uma opção)*

- Compra de produtos locais e/ou mais sustentáveis
- Consumo consciente (compras baseadas em necessidades e não em desejos)
- Upcycling (transformar e dar um novo e melhor propósito a um produto/material que seria descartado)
- Compra de produtos em 2º mão (através de apps como a Vinted, Olx, etc.)
- Andar de transportes públicos e/ou micromobilidade
- Economização de energia e água em casa
- Reciclar
- Hábitos alimentares sustentáveis
- Outras
- Nenhumas

## Group Part

### Está **satisfeito** com o seu **estilo de vida atual**?

- Sim
- Não

Classifique de 1 - "Discordo" a 5 - "Concordo" o seu nível de concordância com as seguintes afirmações apresentadas.  
**"No futuro acredito que vou..."**

	1- Discordo	2 - Discordo Parcialmente	3 - Concordo Parcialmente	4 - Concordo
1) Ter filhos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2) Encontrar um parceiro de vida e/ou estabelecer relacionamentos significativos	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3) Ter uma boa casa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4) Ter um bom carro	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5) Alcançar estabilidade financeira	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6) Trabalhar na área que desejo	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7) Trabalhar remotamente	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8) Viajar pelo mundo e explorar	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9) Contribuir para a comunidade e causas sociais	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
10) Ser saudável e ter saúde	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Se acredita **noutros cenários** para o seu futuro, mencione quais.

### Tem alguma forma de **rendimento próprio**?

- Sim
- Não

▼  [Apresentar esta pergunta](#)

Se Critério de elegibilidade: Confirma que tem entre os 15-35 anos e pode participar neste estudo? Confirmando Está selecionado

E Tem alguma forma de rendimento próprio? Sim Está selecionado

Qual o seu **rendimento disponível mensal**?

- 0€ - 750€
- 750€ - 1.500€
- 1.501€ - 3.000€
- 3.001€ - 5.000€
- 5.001€ - 8.000€
- 8.001€ - 10.000€
- > 10.000€
- Não sei, o meu salário é variável

▼  Apresentar esta pergunta

Se Critério de elegibilidade: Confirma que tem entre os 15-35 anos e pode participar neste estudo? Confirmando Está selecionado

E Tem alguma forma de rendimento próprio? Não Está selecionado

### Qual o rendimento disponível mensal do seu agregado familiar?

- 0€ - 750€
- 750€ - 1.500€
- 1.501€ - 3.000€
- 3.001€ - 5.000€
- 5.001€ - 8.000€
- 8.001€ - 10.000€
- > 10.000€
- Não sei, o salário deles é variável

### Quais são as suas prioridades financeiras atuais?

*(Pode seleccionar mais do que uma opção)*

- Orçamentação e controlo de despesas
- Investir
- Pagamento de despesas correntes
- Poupar
- Consumo
- Pagamento de produtos financeiros (dívidas, crédito, juros, etc.)
- Economizar para a reforma
- Construir uma reserva de emergência
- Caridade e doações
- Outras

### Realiza esforços para poupar?

- Sim
- Não

## Group Part

▼  Apresentar esta pergunta

Se Critério de elegibilidade: Confirma que tem entre os 15-35 anos e pode participar neste estudo? Confirmando Está selecionado

E Realiza esforços para poupar? Sim Está selecionado

### Com que finalidade poupa?

*(Pode seleccionar mais do que uma opção)*

- Segurança financeira
- Preparação para emergências
- Ganhar juros
- Realização de sonhos e metas (comprar carro, casa, fazer uma viagem, etc.)
- Outras

▼  Apresentar esta pergunta

Se Critério de elegibilidade: Confirma que tem entre os 15-35 anos e pode participar neste estudo? Confirmando Está selecionado

E Realiza esforços para poupar? Não Está selecionado

### Quais são as razões?

*(Pode seleccionar mais do que uma opção)*

- Considero que o meu rendimento disponível não me permite poupar
- Prefiro consumir bens/serviços no momento em que os desejo e tenho possibilidades de os adquirir
- Não tenho, de momento, preocupações financeiras relativas ao meu futuro
- Não estou suficientemente informado sobre o assunto
- Outras

▼  Apresentar esta pergunta

Se Critério de elegibilidade: Confirma que tem entre os 15-35 anos e pode participar neste estudo? Confirmando Está selecionado

E Realiza esforços para poupar? Sim Está selecionado

### Que estratégia(s) utiliza para poupar?

*(Pode seleccionar mais do que uma opção)*

- Conta-poupança
- Mealheiro
- Resistir ao consumo
- Definição de um orçamento mensal
- Ajuste de comportamentos do dia-a-dia (levar refeições para a escola/trabalho, comprar produtos de marca branca, etc.)
- Outras

## Group Part

### Para mim os **seguros são...**

*(Pode seleccionar mais do que uma opção)*

- Prevenção de riscos
- Segurança e proteção
- Alívio de preocupações
- Despesa adicional
- Complexos
- Pouco transparentes
- Outros

### Tem algum **seguro**?

- Sim
- Não

E Tem algum seguro? Sim Está seleccionado

### Que seguros **adquiriu para si mesmo**?

*(Pode seleccionar mais do que uma opção)*

- Automóvel
- Habitação
- Saúde
- Vida
- Acidentes de trabalho
- Acidentes pessoais
- Responsabilidade civil
- Multirriscos
- Poupança e investimento
- Viagem e lazer
- Estudar no estrangeiro
- Animais
- Nenhum
- Outros


## Group Part

E Tem algum seguro? Sim Está selecionado

### Que seguros adquiriram para si?

(Pode seleccionar mais do que uma opção)

- Automóvel
- Habitação
- Saúde
- Vida
- Acidentes de trabalho
- Acidentes pessoais
- Responsabilidade civil
- Multirriscos
- Poupança e investimento
- Viagem e lazer
- Estudar no estrangeiro
- Animais
- Não sei
- Nenhum
- Outros

▼  [Apresentar esta pergunta](#)

Se Critério de elegibilidade: Confirma que tem entre os 15-35 anos e pode participar neste estudo? Confirmando Está selecionado

E Tem algum seguro? Não Está selecionado

### Por que razões não tem seguros?

(Pode seleccionar mais do que uma opção)

- Custo elevado
- Desvalorização do risco percebido
- Autoconfiança financeira
- Desconhecimento ou falta de informação
- Perceção de má fé das seguradoras
- Escolha pessoal
- Falta de motivação/tempo
- Inutilidade de um seguro anterior
- Outras

## Group Part

Apresentar esta pergunta

Se Critério de elegibilidade: Confirma que tem entre os 15-35 anos e pode participar neste estudo? Confirmando Está selecionado

Quem é mais importante para si no aconselhamento sobre a cobertura e características de um seguro?

(Pode selecionar mais do que uma opção)

- Agente de seguros (mediadores)
- Companhia de seguros
- Redes sociais
- Website da marca
- Avaliações e opiniões online
- Familiares/amigos
- Outros

Que afirmação de cada um dos seguintes pares melhor descreve a sua atitude em relação aos seguros?

	Afirmação 1	Afirmação 2
1: A preocupação de uma empresa pela sustentabilidade não influencia a minha decisão de compra.	<input type="radio"/>	<input type="radio"/>
2: Procuo empresas que demonstrem preocupação com a sustentabilidade ambiental.		
1: Quero que a minha seguradora se relacione comigo de uma forma constante e próxima.	<input type="radio"/>	<input type="radio"/>
2: Quero que a minha seguradora apenas interaja quando necessário.		
1: Prefiro serviços tradicionais (lojas física).	<input type="radio"/>	<input type="radio"/>
2: Prefiro serviços digitais (websites/apps).		
1: Prefiro marcas que patrocinam e estão presentes em eventos relacionados com os meus passatempos.	<input type="radio"/>	<input type="radio"/>
2: Prefiro marcas que patrocinam e estão presentes em eventos relacionados com os meus passatempos.		
1: Prefiro quando as empresas me oferecem acesso a outras ofertas, prémios ou marcas que me interessam.	<input type="radio"/>	<input type="radio"/>
2: Prefiro quando as empresas mantêm as suas ofertas simples e relacionadas com os serviços que tenho contratados.		
1: Estou confortável em realizar uma pesquisa breve antes de comprar de um seguro.	<input type="radio"/>	<input type="radio"/>
2: Prefiro realizar uma pesquisa mais detalhada para me sentir confiante na minha decisão antes de comprar um seguro.		

## Group Part

1: Estou focado no futuro e faço ativamente planos.	<input type="radio"/>	<input type="radio"/>
2: Estou focado no presente e não faço ativamente planos para o futuro.		
1: Prefiro ter todos os meus serviços/produtos numa única seguradora, ou no menor número de seguradoras possível.	<input type="radio"/>	<input type="radio"/>
2: Prefiro ter diferentes seguradoras para diferentes serviços/produtos específico.		
1: Estou disposto a correr riscos para alcançar os meus objetivos.	<input type="radio"/>	<input type="radio"/>
2: Tento evitar ao máximo correr riscos.		
1: Sinto-me financeiramente seguro para esta fase da minha vida.	<input type="radio"/>	<input type="radio"/>
2: Não me sinto financeiramente seguro para esta fase da minha vida.		
1: Sinto-me confortável em comprar um seguro numa empresa não seguradora.	<input type="radio"/>	<input type="radio"/>
2: Não me sinto confortável em comprar um seguro numa empresa não seguradora.		

Gostava que existisse algum produto de seguros que, de momento, parece não encontrar no mercado? Se sim, explique qual.

*(Pergunta não obrigatória)*

Com que **género** se identifica?

- Feminino
- Masculino
- Não-binário
- Outro
- Prefiro não responder

## Group Part

Em que **zona** reside?

[Clique aqui para editar as opções](#)

Viana do Castelo

Que **idade** tem?

- 15 - 17
- 18 - 23
- 24 - 29
- 30 - 35

Qual é o seu **estado civil**?

- Solteiro
- Casado
- Divorciado
- Viúvo

**Com quem vive?**

*(Pode seleccionar mais do que uma opção)*

- Sozinho
- Pais
- Colegas de casa. Quantos?
- Parceiro/a
- Filhos/as
- Outro

Tem **filhos**?

- Sim. Quantos?
- Não

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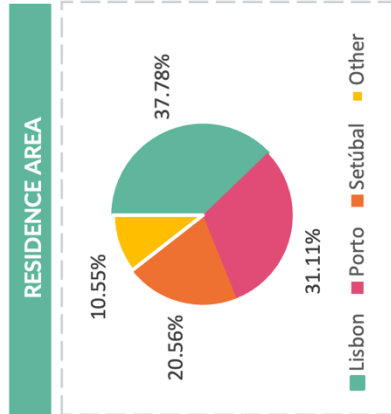
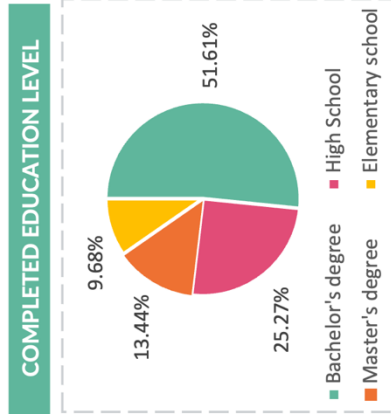
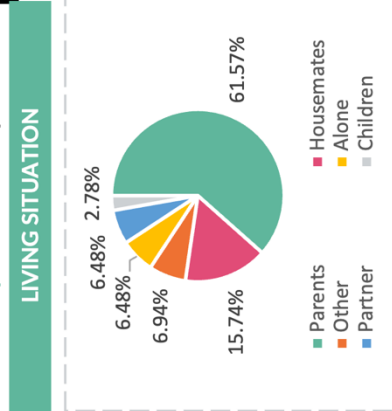
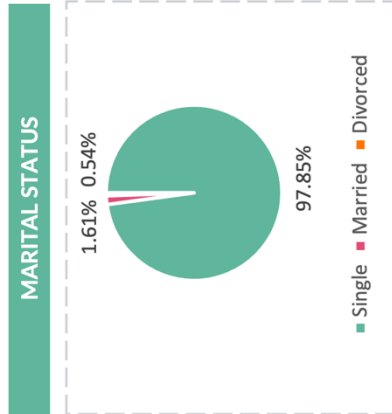
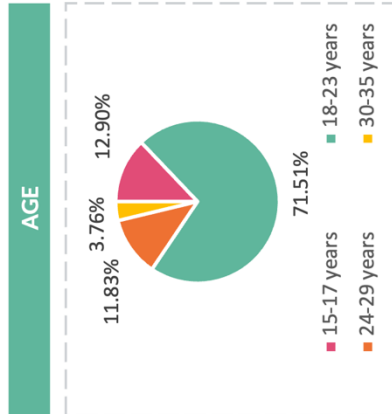
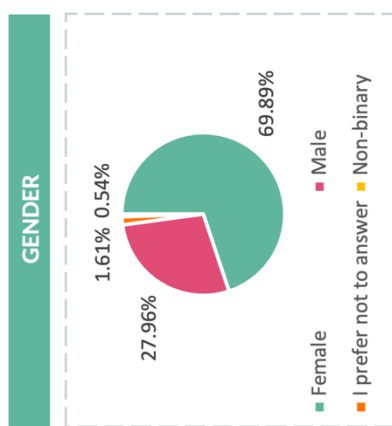
Tem **animais**?

- Sim
- Não

Consulting Lab 2023 | Survey Insights

For a more comprehensive understanding of our respondents, we should delve into their demographic details.

Sample Size: 251 respondents



Sources: (76) Survey and Interviews

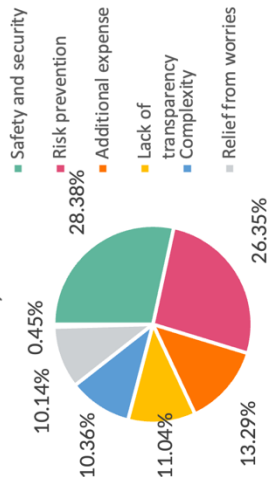
Consulting Lab 2023 | Survey Insights

Insurance is mainly perceived as “safety”, but a minority consider it “an extra cost, unclear, and complex”. Health insurance is also the most purchased category, both by oneself and others.

**PREDOMINANT ASSOCIATIONS WITH INSURANCE**

- 28 % Safety and Security
- 26% Risk prevention
- 13% Additional expense
- 11% Lack of transparency
- 10% Complexity

For me, insurance means:



**DO YOU HAVE ANY INSURANCE?**

70% of the respondents have insurance coverage, while the remaining 30% do not.

**INSURANCES YOU BOUGHT FOR YOURSELF**



When it comes to self-purchased insurance, “Health” and “None” are the most prominent categories. However, “Savings and Investment” and “Civil Liability” are the least selected insurance categories in this age group. It’s important to note that there has been a growing trend in financial product investments, suggesting that an insurance product for savings and investment would be a logical choice. The underutilization of such insurance might be due to a lack of awareness and information about the insurance and its benefits.

**INSURANCES THAT OTHERS BOUGHT FOR YOU**

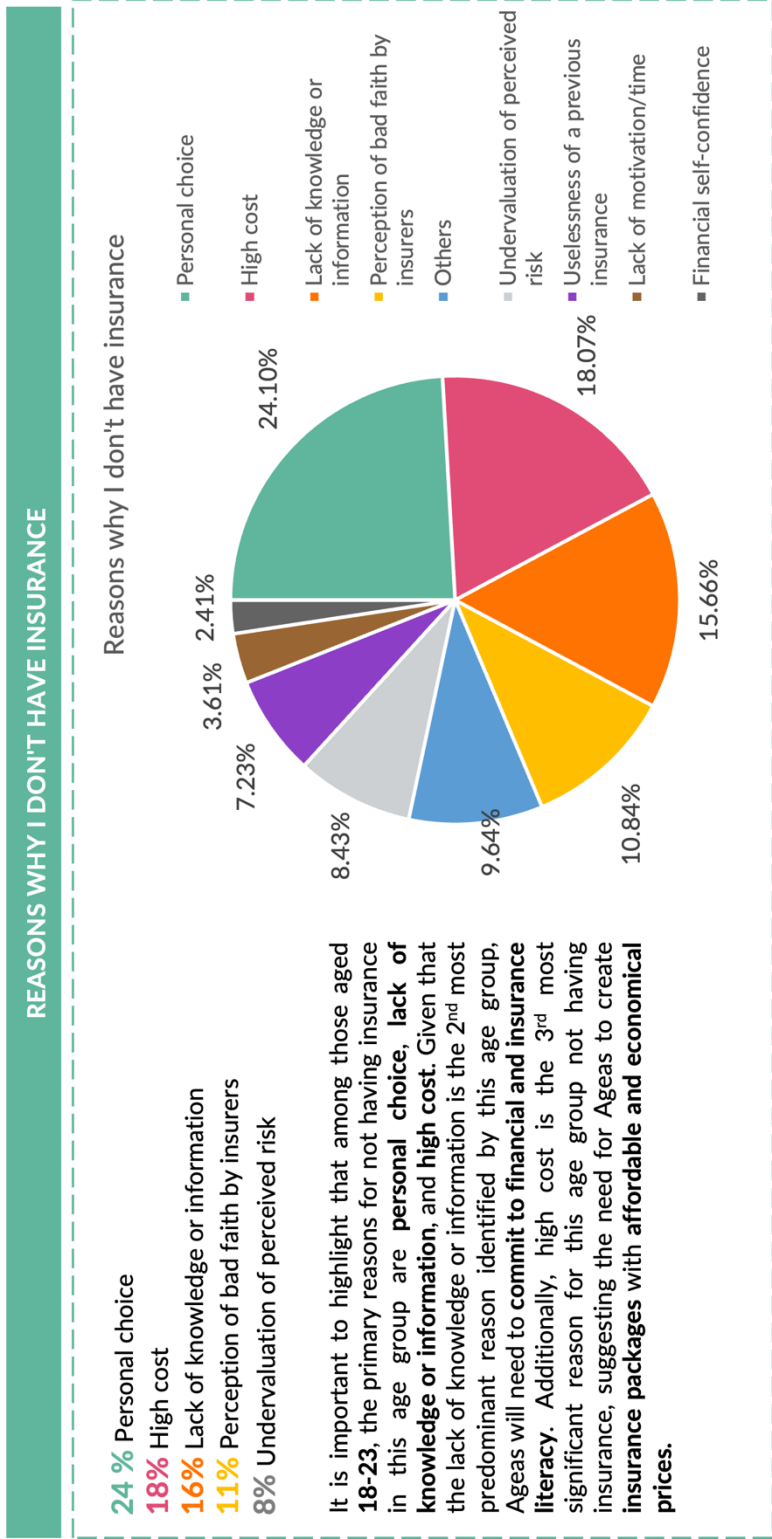


In the insurance policies acquired for someone, health insurance remains the most relevant, followed by auto and life insurance. The most common response within the auto insurance category was found in the 18-23 age group, which is understandable as it’s the age when young individuals typically obtain their driver’s license, and parents acquire insurance for their children. It’s worth noting that the least identified risks for which others acquire insurance for someone are multi-risk and civil liability. Civil liability insurance is once again mentioned among the least-voted options, indicating a potential lack of awareness of its existence.

Sources: (77) Survey and Interviews

Consulting Lab 2023 | Survey Insights

Some respondents don't have insurance due to the high costs and the lack of knowledge or information, revealing potential financial and insurance illiteracy among the younger generation.

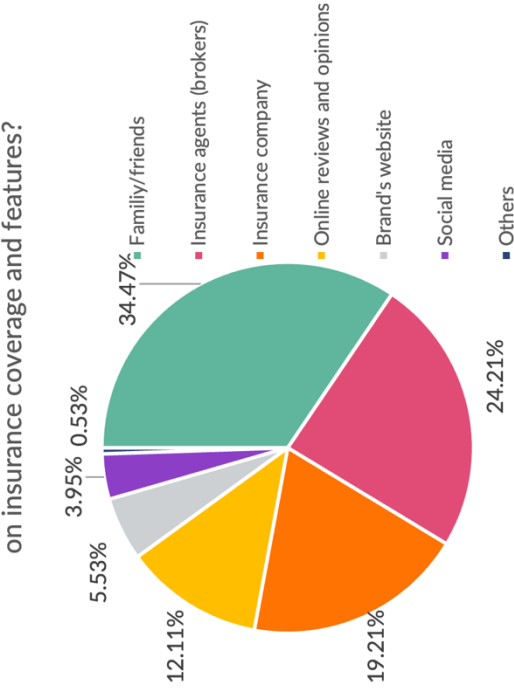


Sources: (78) Survey and Interviews

**Consulting Lab 2023 | Survey Insights**  
**Family/ friends are the most important when advising on insurance coverage and features, however brokers and insurance companies still have a vital role in the advising. Social media and brand's website don't assume surprisingly an important role in the advice.**

**WHO IS MOST IMPORTANT TO YOU WHEN ADVISING ON INSURANCE COVERAGE AND FEATURES?**

Who is most important to you when advising on insurance coverage and features?



- 34 %** Family/friends
- 24%** Insurance agents (brokers)
- 19%** Insurance company
- 12%** Online reviews and opinions
- 6%** Brand's website
- 4%** Social media

- The **increasing digital engagement** is incongruent with the choices made for insurance advice, underlining the necessity for Ageas to **bolster its online presence** (website and social media), especially to connect with the younger generation.
- It is essential to implement an effective **promotion strategy** to encourage **word-of-mouth referrals** and establish Ageas as one of the **top-of-mind** insurance companies within the family and friends network, as their recommendations hold significant weight in insurance advice. Furthermore, **maintaining relevance among brokers** is equally crucial due to their pivotal role.
- Despite 54% preferring digital services, only 6% seek information on insurance company websites, which indicates a potential mismatch between the information that young people want to obtain and what they currently find on insurance company websites and social media.

Sources: (79) Survey and Interviews

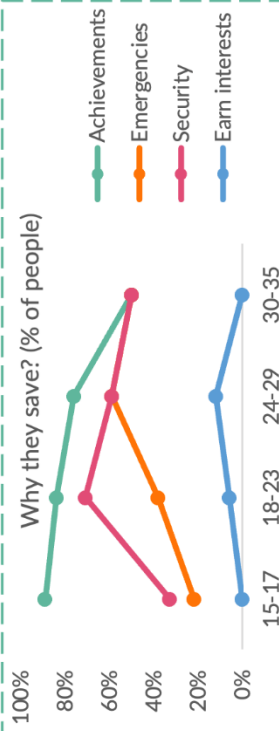
Younger generations attitudes towards insurance are sometimes divisive, as we can see through the following numbers.

#### ATTITUDES TOWARDS INSURANCE

- **65%** seek companies that demonstrate a commitment to environmental sustainability.
- **58%** do not feel financially secure for this stage of their life.
- **85%** do not feel comfortable purchasing insurance from a non-insurance company.
- **59%** want their insurance company to only interact when necessary.
- **54%** prefer digital services (websites/apps).
- **50%** prefer brands that sponsor and are present at events related to their hobbies, while the remaining
- **50%** are indifferent to brands sponsoring or being present at such events.
- **64%** prefer when companies provide them access to other offers, rewards, or brands that interest them.
- **76%** prefer conducting more detailed research to feel confident in their decision before buying insurance.
- **67%** are focused on the future and actively make plans.
- **78%** prefer to have all their services/products with a single insurer or as few insurers as possible.
- **52%** are willing to take risks to achieve their goals.

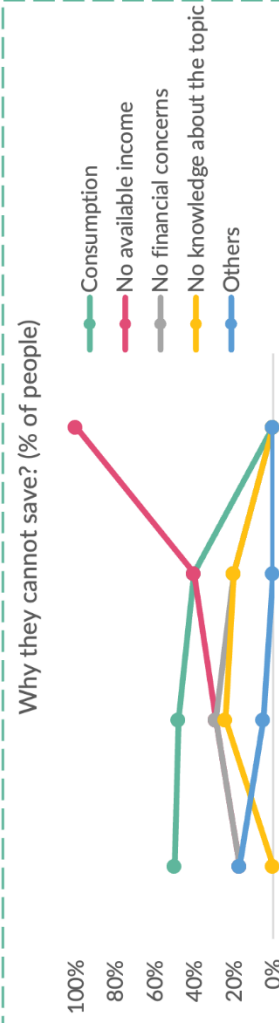
People mainly save with the goal of achieving, but high consumption levels often hinder their ability to save. This suggests a mismatch between their lifestyle and their savings goals.

Young people want to achieve and thus take risks



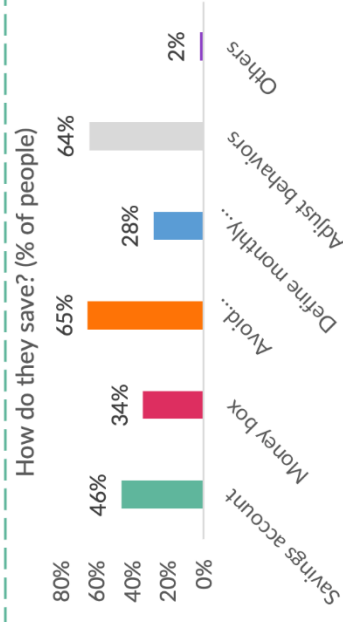
- Save more for achievements, decreasing with age due to growing responsibilities.
- Risk profile becomes more conservative with age, as emergencies gains importance after 23.

No available income and consumption are the primary reasons for not saving



- Consumption is the main reason for not saving between 15-29 years old, dropping 10 pp. within this age group.
- Financial concerns increase after 24 years old (24% cannot save for this reason between 18-23).

Traditional saving methods persist, potentially indicating limited formal financial planning



- 65% and 64% of respondents save by avoiding consumption and adjusting behaviors
- 46% of participants use savings accounts and only 28% define a monthly budget

Potential lack of formalized financial planning

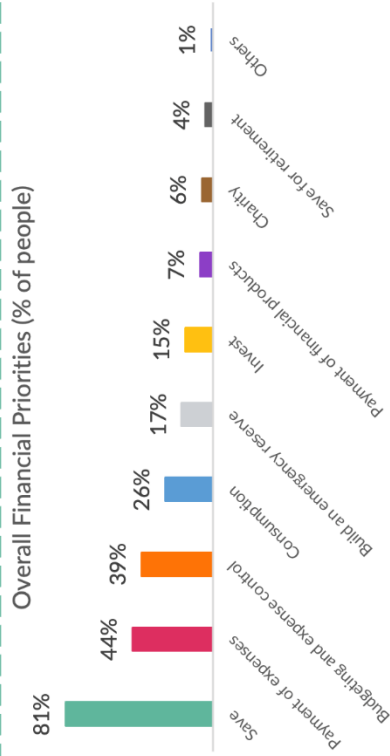
KEY TAKEAWAYS

Ageas can not only provide valuable insurance coverage but also play a significant role in helping individuals improve their financial well-being and achieve their savings goals. This approach can lead to stronger customer relationships and increased loyalty over time.

Consulting Lab 2023 | Survey Insights

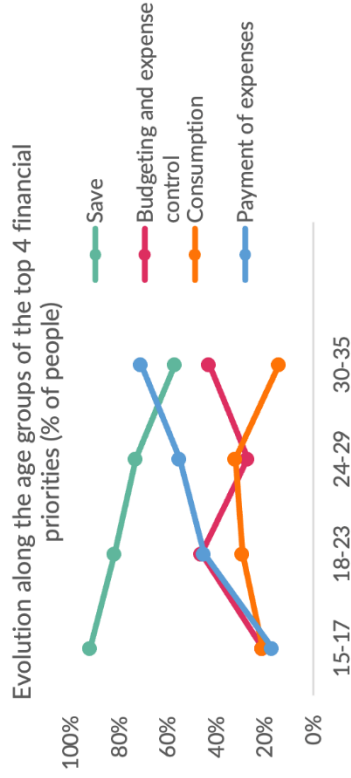
While payment of expenses prioritization increases with aging, savings do the exact opposite. This trend suggests a need to tailor products and services to the evolving financial priorities of different age groups.

Financial priorities naturally shift towards the present



- Save has a much larger weight because 71% of the participants belonged to the age group of 18-23
- Only 4% of the participants save for retirement and the age group which saves the most is from 30-35, although still only 14% of that age group do it

Age groups' financial priorities should align closely with their present responsibilities



- Savings prioritization decreases from 92% in the age group of 15-17 to 57% in 30-35
- Payment of expenses at the age group of 15-17 increases from 17% to 71% at 30-35
- Consumption prioritization peaks between 24-29, even above budgeting by 5 pp.
- Budgeting prioritization decreases by 41% from the age group 18-23 to the 24-29

KEY TAKEAWAYS

Ageas can offer customized financial solutions based on the specific priorities of each age group. While retirement savings may not be the top concern, people are worried about the adequacy of the social pension system. Ageas should proactively educate and bridge the gap between pension values and increasing living costs.

Sources: (81) Survey and Interviews

Appendix 4 – Segmentation

Consulting Lab 2023 | Profile Segmentation Analysis

We came up with 12 potential segments inside the project's age range. Each segment has its own needs and is at different phases of its life.

1/2 - PROFILE SEGMENTATION

- We followed a needs-based segmentation (in relation to insurance) taking age as a main variable:

15-17 years old

**TYPE 1: HIGH SCHOOL STUDENTS**

- Focus on educational/extracurricular activities;
- Require basic insurance education to understand the value of coverage;
- Typically dependent on parents for all financial aspects.

**TYPE 2: IMPOVERISHED HIGH SCHOOL STUDENTS**

- Should receive guidance on insurance basics tailored to more fragile financial situations, aiming to provide future planning options.
- Fully reliable on parent's simpler coverage solutions that cover only essential needs, mainly healthcare.

18-23 years old

**TYPE 3: BROKE COLLEGE STUDENTS**

- Value insurance companies' collaboration with educational institutions to offer discounted/group insurance plans tailored for students, fostering a sense of community;
- Only able to subscribe to personal temporary coverages (e.g. on-demand) with flexible and affordable payment options;
- Flexible payment schemes should allow them to manage premiums in smaller, more manageable installments due to their financial constraints.

**TYPE 4: TYPICAL COLLEGE STUDENTS**

- Transitioning to college life, still covered by parental insurance;
- Starting to explore personal insurance coverages.

18-23 years old

**TYPE 5: GRADUATES & EARLY CAREER STARTERS**

- Seek affordable and flexible insurance that adapts to job changes and potential relocations;
- May need easily accessible mental health services and counseling coverage to address stress that comes with careers transitions;
- Interested in starting to build financial stability with basic coverage.

**TYPE 6: TYPICAL COLLEGE STUDENTS**

- Transitioning to college life, still covered by parental insurance;
- Starting to explore personal insurance coverages.



Sources: (53) Why insurance companies need customer segmentation (Hyperon); (54) Needs-based segmentation (Userpillot).

Consulting Lab 2023 | Profile Segmentation Analysis

We came up with 12 potential segments inside the project's age range. Each segment has its own needs and is at different phases of its life.

2/2 - PROFILE SEGMENTATION

- We followed a needs-based segmentation (in relation to insurance) taking age as a main variable:

<p>24-29 years old</p>	<p><b>TYPE 6: SINGLE WORKERS</b></p> <ul style="list-style-type: none"> <li>Health insurance that accommodates the transition from parental plans;</li> <li>Affordable auto insurance when buying vehicles;</li> <li>Flexibility and digital convenience in insurance service access.</li> </ul>	<p><b>TYPE 7: YOUNG COUPLES</b></p> <ul style="list-style-type: none"> <li>Want life and health insurance that cover both partners;</li> <li>May search for tailored coverage options for rental properties or starter homes also safeguarding belongings;</li> <li>Seek future-oriented insurance coverage.</li> </ul>
<p>30-35 years old</p>	<p><b>TYPE 8: REMOTE WORKERS RESIDING IN PORTUGAL</b></p> <ul style="list-style-type: none"> <li>Require international health insurance and travel-related coverage;</li> <li>Lifestyle-oriented insurance packages (e.g: renting, gadget protection).</li> </ul>	<p><b>TYPE 9: FINANCIALLY STRUGGLING INDIVIDUALS</b></p> <ul style="list-style-type: none"> <li>Need low-cost insurance options, mainly for priority areas like Health (to cover emergency medical expenses or critical illness);</li> <li>May search for Insurance products addressing income protection during unemployment or providing coverage during job transitions.</li> </ul>
<p>30-35 years old</p>	<p><b>TYPE 10: ESTABLISHED PROFESSIONALS</b></p> <ul style="list-style-type: none"> <li>Interested in securing assets and considering retirement planning;</li> <li>Able to afford insurances with more coverages.</li> </ul>	<p><b>TYPE 11: COUPLES WITH KIDS</b></p> <ul style="list-style-type: none"> <li>Looking for comprehensive family-centric insurance coverage;</li> <li>Prioritize health, life and childcare related matters;</li> <li>Focused on funds for the children's future.</li> </ul>
<p>30-35 years old</p>	<p><b>TYPE 12: BUDGET-CONSCIOUS PARENTS</b></p> <ul style="list-style-type: none"> <li>Disposable income is low, thus, the family coverages need to have affordable rates;</li> <li>Insurance plans integrated with savings/educational funds for kids' future.</li> </ul>	

Sources: (55) Why insurance companies need customer segmentation (Hyperon) ; (56) Needs-based segmentation (Userpillot).

Appendix 5 - Targeting

Consulting Lab 2023 | Profile Segmentation Analysis

18-35 year olds who are portuguese/are living permanently in Portugal that don't have kids yet are the targets with the most potential for Grupo Ageas Portugal.



**MORE POTENTIAL**

TYPE 3: BROKE COLLEGE STUDENTS	TYPE 4: TYPICAL COLLEGE STUDENTS
TYPE 5: GRADUATES & EARLY CAREER STARTERS	TYPE 6: SINGLE WORKERS
TYPE 7: YOUNG COUPLES	TYPE 9: FINANCIALLY STRUGGLING INDIVIDUALS
TYPE 10: ESTABLISHED PROFESSIONALS	

- All segments are entering important stages of their life where they will **need to buy insurance**;
- We possess **more data** about these segments' needs and concerns', so, **we can more accurately adapt offerings according to that**;
- Financially stable segments can be **loyal to Ageas** (assuming they will stay in Portugal, unlike digital nomads that may buy the insurances only temporarily). By focusing on them, more data can be collected, which allows the **development of more accurate risk profiles**.
- Segments going through a **more delicate financial situation should not be ignored**, it is possible to **develop mechanisms** to help them so that they stay loyal to Ageas.



**LESS POTENTIAL**

- TYPE 1 & TYPE 2: ALL HIGH SCHOOL STUDENTS**
- **Not Ageas' target for offerings** due to:
    - Lack of personal disposable income;
    - Not autonomous enough to make financial decisions;
    - Often covered by parental insurance coverages.
  - **Target for Education**

**BUT**

**TYPE 8: REMOTE WORKERS RESIDING IN PORTUGAL**

- **Not enough data** gathered about their needs;
- **Market potential may not be as high as for other segments**;
- The exploration of beyond insurance options for this segment is already part of an **ongoing internal project**, and therefore, it is **not a priority** within the scope of our project.

**TYPE 11 & 12: ALL PARENTS**

- **We do not feel that specific offerings should be developed for these segments**, therefore, if they are Ageas clients we believe they will resort to the "usual" panoply of offers Ageas already has available.



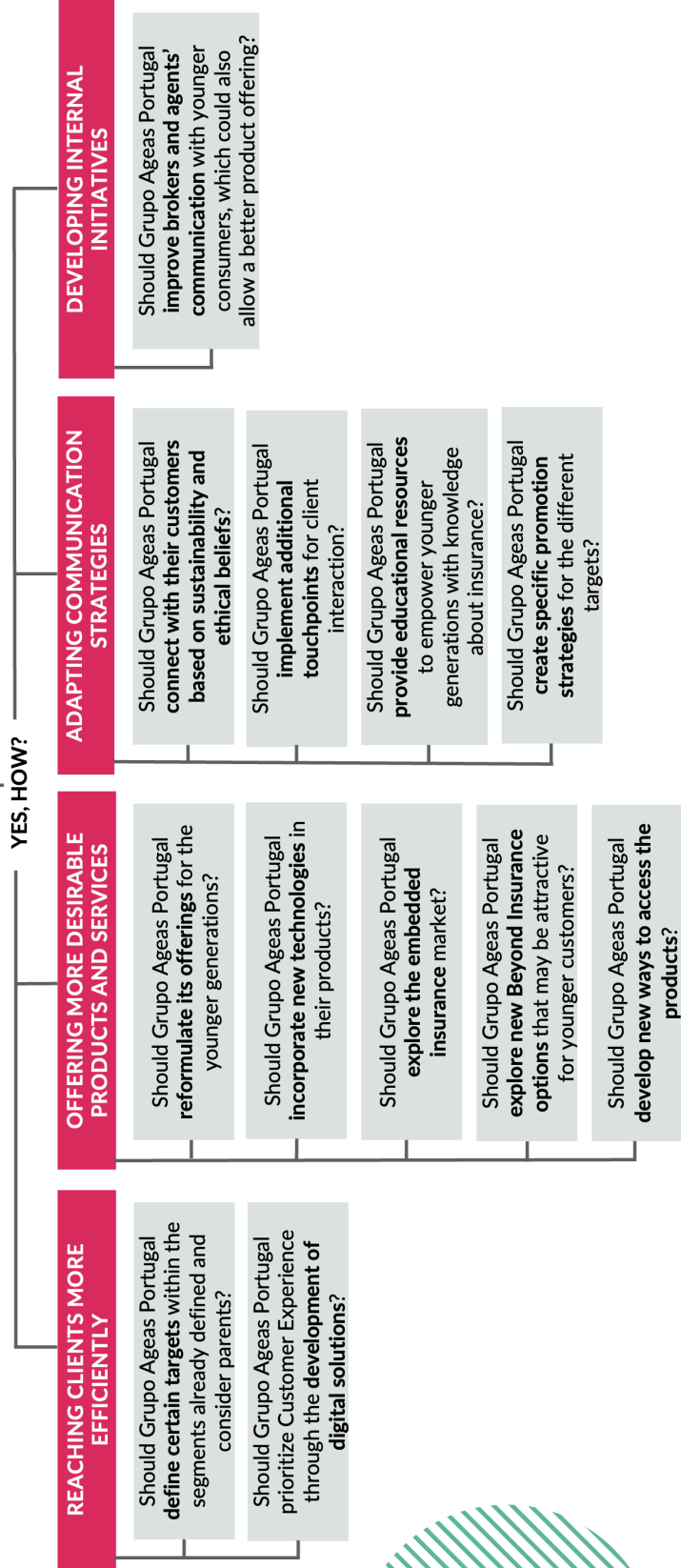
Sources: (57) Survey

# Appendix 6 – Issue Tree

Consulting Lab 2023 | Inductive Analysis

Taking into account all of the research performed by our team and all insights we gathered from meetings with several departments of Grupo Ageas Portugal, we present the following preliminary hypothesis.

## CAN GRUPO AGEAS PORTUGAL CREATE MORE APPEALING SOLUTIONS AND PROVIDE AN EMOTIONAL AND RELEVANT EXPERIENCE TO THE YOUNGER GENERATIONS?



Appendix 7 – Hypothesis 1

Consulting Lab 2023 | Hypothesis Formulation

While payment of expenses prioritization increases with aging, savings do the exact opposite. This trend suggests that each target has different needs and wants, so, there should be tailored products and services for them.

1. SHOULD GRUPO AGEAS PORTUGAL DEFINE CERTAIN TARGETS WITHIN THE SEGMENTS ALREADY DEFINED AND CONSIDER PARENTS?

DESK RESEARCH INSIGHTS

15 to 35 is a wide range which includes people with different lifestyles, wants, needs and disposable income that are living different stages of life. A customer-centric approach was used to define the segments.

INTERNAL INSIGHTS (AGEAS SURVEY)

72% of those who have insurance make decisions about insurance with someone from the same household.

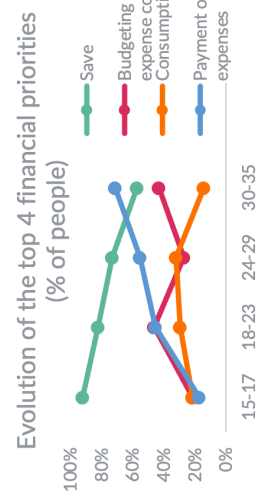
INTERVIEWS INSIGHTS

62% mentioned they ask their family about insurance advices. 46% consider they don't have autonomy to buy insurance without their parents. This is related with age and income.

The majority of the respondents have insurance because they have to or because their parents have it.

5 in 13 felt the parents were promoters when buying insurance.

SURVEY INSIGHTS



- 15-17 Leave the country for better opportunities
- 15-17 Unemployment
- 18-23 Housing costs
- 18-23 Risk of becoming unemployed
- 24-29 Housing costs
- 24-29 Not having a flexible job
- 30-35 Housing costs
- 30-35 Not having a flexible job

Fears & Anxieties

KEY TAKEAWAYS

- Ageas should not only consider the different targets within the 15-35 range but also the parents when developing new offerings and promotion strategies (hypothesis 11).
- Each target has different fears, needs and priorities. Ageas can offer customized solutions based on the specific priorities of each target.
- Even though the fears through the ranges are almost the same, it is due to the country's economic and political context.



Appendix 8 - Hypothesis 2

Consulting Lab 2023 | Hypothesis Formulation

Positive results can happen if insurance companies manage to capture younger generations' targets by offering solutions tailored to their specific needs through digital platforms and new technologies.

2. SHOULD GRUPO AGEAS PORTUGAL PRIORITIZE CUSTOMER EXPERIENCE THROUGH THE DEVELOPMENT OF DIGITAL SOLUTIONS?

INTERVIEWS AND SURVEY INSIGHTS

"I don't want to interact with anyone face-to-face."

"I prefer frictionless interactions, with product information and practical payment modes all in **one platform**."

"I only like to be reached out by companies **when it's needed**."

"Digital solutions make it **easier to benchmark**."

"I like **apps** because they are **very practical**."

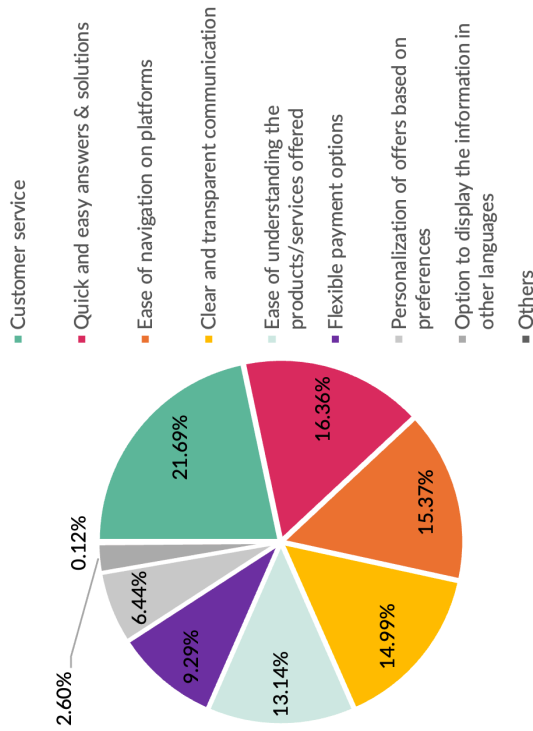
"I do not like **incompetent Chatbots**."

**69%** Mentioned **digital solutions** as part of an **ideal customer experience**

When it comes to the **attitude towards insurance (Survey)**:

- **54%** prefer **digital services** (websites/apps).
- **64%** prefer when companies provide them access to other **offers, rewards, or brands** that interest them.
- **76%** prefer conducting more **detailed research** to feel confident in their decision before buying insurance.
- **78%** prefer to have all their services/products with a **single insurance company** or as few insurers as possible

What features make your purchasing experience ideal? (% of answers)



Positive results can happen if insurance companies manage to capture younger generations' targets by offering solutions tailored to their specific needs through digital platforms and new technologies.





2. SHOULD GRUPO AGEAS PORTUGAL PRIORITIZE CUSTOMER EXPERIENCE THROUGH THE DEVELOPMENT OF DIGITAL SOLUTIONS?

DESK RESEARCH INSIGHTS/LITERATURE INSIGHTS



With the emergence of fintechs, customers have now a **greater variety** of financial services with multiple **different providers**. There is an opportunity for insurance companies to offer a more **holistic approach** than the traditional one.

In the Portuguese market, **facilitating policy comprehension** has been vital for customer satisfaction and retention. Even though younger generations are more tech-savvy, the **ease of use** contributes to the perceived control which positively influences the affective dimension of the customer experience.

BEST PRACTICES

-  **ZURICH klinc**
  - 2019 Efma-Accenture Innovation in Insurance Awards; 
  - **On-demand** insurance service that provides users an innovative and engaging digital experience that allows them to buy cover whenever they need it, satisfying their unique needs.
- Revolut**
  - Leveraged technology to provide a **seamless and cost-effective financial platform**, perfectly tailored to the preferences of **tech-savvy younger generations**.
-  **Lemonade**
  - Provides **paperless** renters and homeowners insurance, using digital solutions such as **chatbots** and an **AI assistant**.
-  **sproutt**
  - Matches individuals with relevant life insurance plans using an **AI-powered 15-minute assessment**. With access to the latest medical research, Sproutt can then make recommendations on life insurance products that fit an individual's unique situation.

KEY TAKEAWAYS

- **Young generations** favour effective digital solutions for their **seamless experience and quick access**. 
  - However, people still **value human support in Insurance** (contrary to other industries) due to the **complexity and price** of certain insurance products. 
- Ageas** should offer a **blend of physical and digital engagement options** for those with varying preferences.

Ageas should incorporate **AI tools** to improve customer **satisfaction**.



Appendix 9 – Hypothesis 3

Consulting Lab 2023 | Hypothesis Formulation

The economic and financial trends do not match with the younger generation's desires. This trend suggests a mismatch between their lifestyle now and in the future.

3. SHOULD GRUPO AGEAS PORTUGAL REFORMULATE ITS OFFERINGS FOR THE YOUNGER GENERATION?

AGEAS OFFERINGS NOW

Seguro de vida YOLO Vida - solução jovem	Acidentes pessoais - volta - módulo viagem e módulo jovem Viagem - Viagem segura
Poupança e investimento - PRR+ Automóvel Protec	Acidentes pessoais - individual - inclui estudante sem fronteiras Viagem ON/OFF

INTERVIEWS INSIGHTS

Wants:

- Youngest > to be able to maintain the same pace and lifestyle as their colleagues.
- Early to mid 20s > to have an income and professional achievement.
- 28 to 35 > free time, rest, greater work-life balance.

Most common concerns:

- 1 Anxiety
- 2 Fear of failing
- 3 Fear of not being able to leave their parents' house

While retirement savings may not be the top concern or financial priority, people are worried about the adequacy of the social pension system.

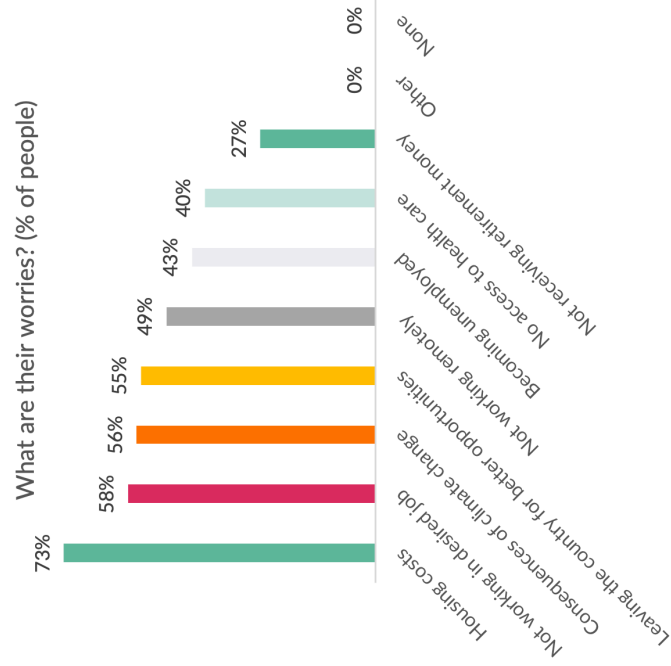
Even though everyone answered they buy products thinking of future utility, when considering priorities, they tend to focus on the moment rather than the future, not only due to disposable income but also due to anxiety about the future (as 69% answered).



The economic and financial trends do not match with the younger generation's desires. This trend suggests a mismatch between their lifestyle now and in the future.

3. SHOULD GRUPO AGEAS PORTUGAL REFORMULATE ITS OFFERINGS FOR THE YOUNGER GENERATION?

SURVEY INSIGHTS



- 8% think will not have a good house;
- 21% think they won't have a good car;
- 91% think they will be financially stable;
- 56% wish to work remotely;
- 82% desire to travel;
- 87% of people want to have an active role to society and social causes;
- 65.35% have never felt scared while traveling.

Fears while traveling (% of answers):

- 20.08% fear personal goods security at destination;
- 17.57% fear health/injury problems at destination;
- 15.06% fear delays/cancellations of flights or other transportation to the destination.

Everyday modes of transportation (% of answers):

- 21.29% use **personal car + motorcycle**
- 57.92% use **public transportation + ride sharing**

KEY TAKEAWAYS

- Younger generations are:
  - likely to utilize a combination of travel methods on a regular basis;
  - not as concerned with pensions as other problems
- **not properly prioritizing their future plans** according to the predicted trends (country's cost of living and future lifestyle).

Ageas should:

- **adjust its product offerings** based on their needs and wants;
- **explore flexible policies** (to guarantee cost-effective and tailored solutions);
- proactively **educate consumers** on pension values and increasing living costs.



Appendix 10 – Hypothesis 4

Consulting Lab 2023 | Hypothesis Formulation

Technology plays a crucial role in attracting new consumers, especially young ones who often have limited income and may present riskier profiles. Therefore, offering flexible policies tailored to individual behaviors is essential.

4. SHOULD GRUPO AGEAS PORTUGAL INCORPORATE NEW TECHNOLOGIES IN THEIR PRODUCTS/SERVICES?

BEST PRACTICES

How technology can support and generate new creative ideas that satisfy clients needs:

What do they offer?

Incentives for younger generations?



Sensors to monitor driving behavior.

Safe driving rewards: Discounts on premiums.



Photos taken of the odometer and the corresponding manually entered km.

Incentives to “drive less” are not ideal, since younger generations need practice to become skilled and reduce risks.



Digital loyalty program FitMit AOK Wearable fitness trackers.

Prioritize Health and well-being. Fitness club rewards, expert nutrition advice.



Connect homeowners remotely to sensors and cameras that can spot intruders, detect smoke, and monitor water leaks.

Close monitoring, house protection and discounts on premiums.



Range of services to support customers throughout their vehicle ownership journey.

Close relationship with the client; 78% prefer to have all their services/products with a single insurer or as few insurers as possible.

KEY TAKEAWAYS

- Technology creates an appealing customer experience.
- It also increases client touchpoints, which fosters brand loyalty.
- Ageas should adopt technologies that enable flexible policies without penalizing younger customers.
- High effort depending on the technologies, it might entail a significant investment, and there is still work to be done on the communication aspect of the technology.
- Low impact because the main goal is to only have a flexible policy.



Appendix 11 – Hypothesis 5

Consulting Lab 2023 | Hypothesis Formulation

Embedding insurance in the customer's journey creates opportunities to grow the market. As the old saying goes: "Insurance isn't bought, it is sold."

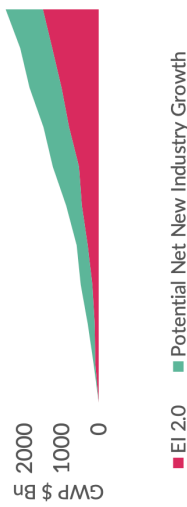
5. SHOULD GRUPO AGEAS PORTUGAL EXPLORE THE EMBEDDED INSURANCE MARKET?

DESK RESEARCH INSIGHTS

WHAT IS EMBEDDED INSURANCE?

Embedded insurance offers new ways to reach customers online and offline. By partnering with brands that have a broad reach, insurers can offer protection to consumers exactly **when they need it, and with trusted brands.**

Potential Size of the EI 2.0 Prize (worldwide, Non-Life and Life Insurance)



Net New Growth (EI 2.0 enables greater insurance penetration of GDP) **1%** → **4%** → **16%**

Value at Stake (EI 2.0 takes share from existing distribution channels) **16%** → **4%** → **1%**

EMBEDDED INSURANCE IS GAINING MOMENTUM IN PORTUGAL

MDS: "Embedded insurance" ou o seguro incorporado

Por: Marketeer — em: 10:08, 30 Mai, 2022

Por André Figueiredo, director de Negócio de Retalho na MDS Portugal

O seguro incorporado ou embutido tornou-se um dos temas mais quentes do setor, para distribuidores, seguradores, insurTechs emergentes e empresas de capital de risco, que o veem como um potencial gerador de receitas de elevada margem e de alto crescimento.

Tranquilidade vai incorporar seguros em produtos Securitas Direct

ECO Seguros 17 Abril 2023

A tendência de embedded insurance começa a dar passos em Portugal e vai ser um eixo da nova parceria da seguradora com a Securitas Direct que será potenciada pela rede distribuição das duas empresas.

Allianz Partners Portugal reforça parceria com Globaldata e Habit

ECO Seguros 27 Maio 2023

Habit fornece plataforma e implementação de seguros vendidos pela NOS

Artículo escrito em 28 Outubro 2021

Novos seguros entraram no portefólio da NOS. Para integração tecnológica destes serviços, componente fundamental do projeto, contou com a Habit Analytics, broker especialista de seguros embutidos.

Companies seek a mix of innovative solutions within the insurtechs and credibility within incumbents.

5. SHOULD GRUPO AGEAS PORTUGAL EXPLORE THE EMBEDDED INSURANCE MARKET?

BEST PRACTICES

**Revolut**



Trip & event cancellation insurance



Metal £12.99/month



Ultra £45/month

Companies seek a mix of innovative solutions to **enhance offerings** with attractive **add-ons, including insurance.**



GLOBALDATA  
we upgrade your life



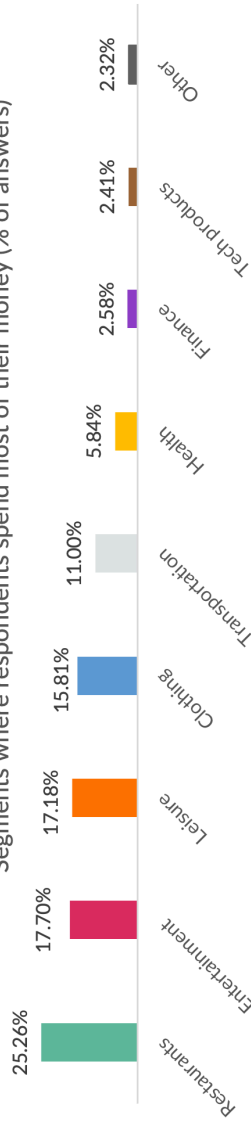
Kingsmod gaming PCs will include a 24-month post-warranty breakdown insurance

KEY TAKEAWAYS

- **Embedded insurance** addresses **young consumers' busy lifestyles** (and areas prioritized by them) and the **perceived complexity of insurance.**
- It **boosts sales and offers a valuable add-on** for its **partners and Ageas beyond insurance businesses.**
- **Brand awareness is only generated within Ageas beyond insurance brands or with like-minded partners** in risk precaution or prevention. However, companies in their **add-ons may promote the insurance brand** for **credibility.**
- **High effort**, as it means creating **partnerships** with many different companies.

INTERVIEWS AND SURVEY INSIGHTS

Segments where respondents spend most of their money (% of answers)



**Prioritize** the areas where people **spend more money** (thus making more sense to have insurance). **Incentivize partners to adopt embedded insurance practices** and **develop more partnerships** where the younger generations may **spend more money**.



Appendix 12 – Hypothesis 6

Consulting Lab 2023 | Hypothesis Formulation

Beyond Insurance is a key component of Ageas' strategy, aimed at creating an ecosystem and enhancing brand loyalty. For younger generations, it signifies active participation in the early stage of the ownership process.

6. SHOULD GRUPO AGEAS PORTUGAL EXPLORE NEW BEYOND INSURANCE OPTIONS?

INTERVIEWS AND SURVEY INSIGHTS

Why go beyond insurance?

80% value interconnected services...

Cross-selling strategies are also accepted by younger generations

Opportunity to develop ecosystems

Attracts new customers



42% willing to switch to companies that provide them

Reduces Price Sensitivity



36% willing to pay higher premiums

What are their main fears, and anxieties?

73% Not be able to have their own house or pay the rent;

70% Fear of failure at work;

30% Not being able to keep up my lifestyle.

Prioritize solutions that address people's negative feelings; Over 30% (probably) unconsciously proposed self-directed solutions to their fears

KEY TAKEAWAYS

- Opportunities lie in the housing and renting market, and to address work-related fears. Requires a significant investment.
- Beyond insurance increases the frequency of customer interactions, and engaged customers are much more likely to be loyal customers.
- Ageas insurance should focus on the asset ownership phase, where younger generations face the most challenges.
- High effort due to overall investment.

GRUPO AGEAS PORTUGAL BEYOND INSURANCE STRATEGY



Ageas is building an ecosystem centered around insurance, with a focus on both risk protection and prevention. For instance, younger generations should inquire about how they are going to acquire a house, incorporating financial planning that aligns with their goals and lifestyle. They should also explore the benefits of selecting Ageas for this, considering the entirety of the ecosystem.



Appendix 13 – Hypothesis 7

Consulting Lab 2023 | Hypothesis Formulation

Our research indicates younger generations value practicality in all aspects of their life, therefore, they want this to be translated into their research and purchasing habits, as well as their ease of accessibility to current insurance products.


7. SHOULD GRUPO AGEAS PORTUGAL DEVELOP NEW WAYS TO ACCESS THE PRODUCTS?

INTERVIEWS AND SURVEY INSIGHTS

Ideal experience when searching/buying a product/service:



BEST PRACTICES

-  Offers insurances for cars, motorcycles, RVs, boats, etc;
- Has **multiple channels** that cater to the preferences of tech-savvy younger customers: **responsive website** for online quotes and policy management, **strong social media presence** and an **app** that allows payments, policy questions, roadside assistance, finding gas while traveling, etc.
- **Revolut** Incorporates additional services like the option to subscribe to a travel insurance through its platform, not limiting it to only payments.

KEY TAKEAWAYS

- Currently, Grupo Ageas Portugal has their website and the app "Cartão Mundo Ageas Seguros" as their platforms.
- To access information clients also use Ageas partners/brands platforms.
- Switching between several platforms is not convenient and may discourage the younger generations to buy from Ageas.



Ageas should adopt an easily accessible platform that comprises all insurance related information and that facilitates cross-selling (which is accepted by younger generations).



Appendix 14 – Hypothesis 8

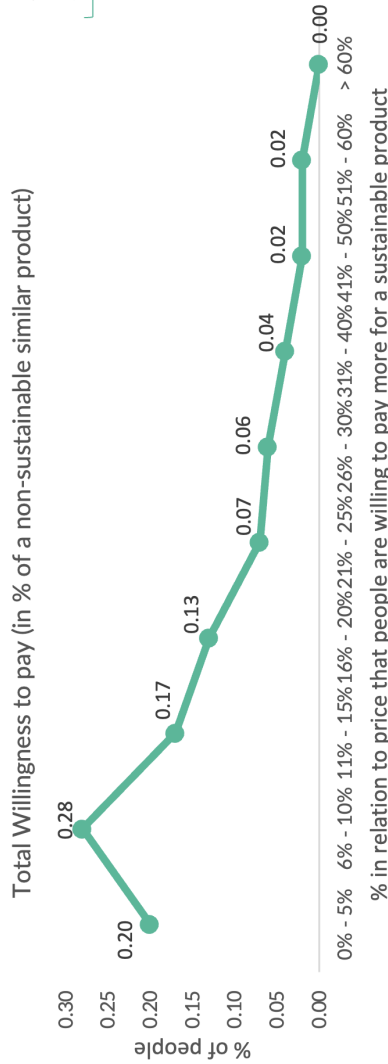
Consulting Lab 2023 | Hypothesis Formulation

Sustainability does not seem to be a trend with an expiration date, especially with younger generations adapting their lifestyles to have a positive impact on the world.

8. SHOULD GRUPO AGEAS PORTUGAL CONNECT WITH THEIR CUSTOMERS BASED ON SUSTAINABILITY AND ETHICAL BELIEFS?

INTERVIEWS AND SURVEY INSIGHTS

Given the choice between a sustainable product and a non-sustainable similar one:



Note: Question referred to a general non-described sustainable product.

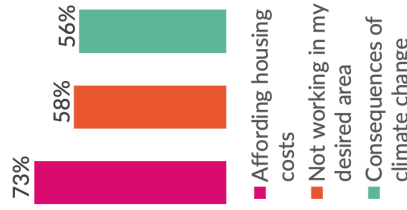
>80% of respondents (from all age groups) are willing to pay more for a sustainable product.

WTP more for a sustainable product will vary within products

HOWEVER

We can infer that people are keen on paying more for Sustainability

Main concerns:



The choice of modes of transportation (intentionally or not) also seems to be greener:

- Total • 21.29% use personal car + motorcycle
- % of • 18.81% walk
- votes: • 57.92% use public transportation + ride sharing



WTP \* = 31% - 40% use less own car/motorcycle.

When asked about active conscious choices taken to be more sustainable:

- Only 0.41% said they didn't do any protective measures. (Options: Recycling, saving water/energy, conscious buying, public transportation/micromobility, buying locally, etc)

Consulting Lab 2023 | Hypothesis Formulation

Brands are now a vehicle for individual impact in the eyes of consumers, thus, the younger generations are more prone to connecting and buying from brands that take an active role protecting the causes they believe in.

8. SHOULD GRUPO AGEAS PORTUGAL CONNECT WITH THEIR CUSTOMERS BASED ON SUSTAINABILITY AND ETHICAL BELIEFS?

INTERVIEWS AND SURVEY INSIGHTS

Criteria to choose products and brands was questioned and these were the most valued factors...



BEST PRACTICES

*Lemonade*

- "Lemonade Giveback" Program:**
- Unclaimed premiums are given to charities chosen by community members;
  - Meetings with charities to guarantee the money is going to the customer's areas of concern;
  - Emails are sent to clients so that they know their impact.
- Sense of Responsibility



- Hippo Insurance:**
- Focuses on smart home insurance;
  - Offers discounts for smart home devices that improve energy efficiency.
- Incentives for Sustainability

KEY TAKEAWAYS

- Sustainability and Ethical Beliefs are now, more than ever, valued by younger generations.
  - +
  - Younger customers are less loyal than the previous generations.
- Then...
- Common points of concern for both companies and clients need to be explored.
  - Low impact because it is not the #1 defining factor when buying insurance.



Appendix 15 – Hypothesis 9

Consulting Lab 2023 | Hypothesis Formulation

There is a fine line in the insurance market between interacting with clients and communication becoming excessive in their perspective, however, touchpoints must be leveraged so that a top-of-mind position can be achieved for insurance companies.

9. SHOULD GRUPO AGEAS PORTUGAL IMPLEMENT ADDITIONAL TOUCHPOINTS FOR CLIENT INTERACTION?

INTERVIEWS AND SURVEY INSIGHTS

Difficulty of the insurance market: **lack of touchpoints with clients**

Options:


- Only interact **once/twice a year** when renovating contracts; **> No opportunity to develop personal connections.**
- Actively reach out and contact them **regularly**; **> 59%** of respondents said they **only** want their insurance company to **interact when necessary.**
- Don't reach out directly to them but **be where they are**; **> 50%** prefer brands that sponsor/are present at events related to their hobbies (other 50% are indifferent).

**SO, where could Grupo Ageas Portugal be at?**

All age groups favorite "not-at-home" activities' were:

1. Socializing with friends/family
  2. Practicing sports/gym 
  3. Going to concerts & music festivals 
- In-person interactions at events aligned with their interests facilitate stronger connections

BEST PRACTICES

-  Often hosts/sponsors sports events, music festivals, and cultural gatherings. By supporting events that align with their brand ethos, they create significant touchpoints with their audience and build brand loyalty.
-  Present at specific university events, which creates an additional touchpoint right as students are entering an important phase of their lives where they might resort to creating an account with a bank.

KEY TAKEAWAYS

Touchpoints early in younger generations' life (even before they need insurance) are essential so that once they do need them, they resort to Ageas.

Ageas should be present where they are:

1. Sports events
2. Concerts & music festivals
3. Universities

More casual interactions can **increase brand recall.**



Appendix 16 – Hypothesis 10

Consulting Lab 2023 | Hypothesis Formulation

Confidence in advice from insurers, valuable insights from financial discussions, and early financial education are crucial factors in addressing financial illiteracy in Portugal, so Ageas should provide educational resources as many established initiatives.

10. SHOULD GRUPO AGEAS PORTUGAL PROVIDE EDUCATIONAL RESOURCES TO EMPOWER YOUNGER GENERATIONS WITH KNOWLEDGE ABOUT INSURANCE?	BEST PRACTICES										
DESK RESEARCH INSIGHTS/LITERATURE INSIGHTS											
<p>In a study conducted for the <b>European Commission</b>, Portugal ranked <b>2<sup>nd</sup> lowest</b> among the 27 EU countries in <b>correctly</b> answering a question about <b>inflation</b>.</p> <p>«You will be given a gift of <b>1,000€</b> one year from now, and over that year, <b>inflation</b> remains at 2%. In a year, with those 1,000€, it would be possible to buy more than today, the same amount, or less than currently?»</p> <ul style="list-style-type: none"> <li>• Only <b>55%</b> answered correctly;</li> <li>• <b>32%</b> believed they could buy the same;</li> <li>• <b>9%</b> thought they could buy more;</li> <li>• <b>5%</b> stated that they <b>didn't know</b> the answer.</li> </ul> <p><b>46%</b> of Portuguese respondents are <b>confident</b> that the <b>investment advice</b> they receive from their <b>bank, insurer, or financial advisor</b> is primarily in their <b>best interest</b>.</p>	<p>According to a Forbes survey...</p> <ul style="list-style-type: none"> <li>• The majority of respondents report <b>learning valuable insights through conversations about money or finances with others</b>.</li> </ul> <table border="1"> <caption>Learn valuable insights by talking about money with others</caption> <thead> <tr> <th>Generation</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Gen Z</td> <td>33%</td> </tr> <tr> <td>Millennials</td> <td>32%</td> </tr> <tr> <td>Gen X</td> <td>26%</td> </tr> <tr> <td>Baby Boomers</td> <td>27%</td> </tr> </tbody> </table> <p>People of different generations agree that <b>early financial education is beneficial</b>. Gen X (33%), Baby Boomers (32%), and Gen Z (26%) advocate for starting in <b>middle school</b>, whereas Millennials (27%) preferred <b>elementary school</b>.</p>	Generation	Percentage	Gen Z	33%	Millennials	32%	Gen X	26%	Baby Boomers	27%
Generation	Percentage										
Gen Z	33%										
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Gen X	26%										
Baby Boomers	27%										
	<p>EMQ is an online <b>European competition</b> designed to enhance the financial literacy of young people and assess their knowledge in areas such as savings, household budgeting, etc.</p> <p>The 'Todos Contam' Portal was developed by the Bank of Portugal, CMVM, and ASF and is a key part of the National Financial Education Plan's implementation.</p>										



Lack of awareness, knowledge, and information, along with challenges in comprehending insurance plans and underutilization of certain insurance products, are clear signs of a literacy gap within the insurance industry.

10. SHOULD GRUPO AGEAS PORTUGAL PROVIDE EDUCATIONAL RESOURCES TO EMPOWER YOUNGER GENERATIONS WITH KNOWLEDGE ABOUT INSURANCE?

SURVEY INSIGHTS

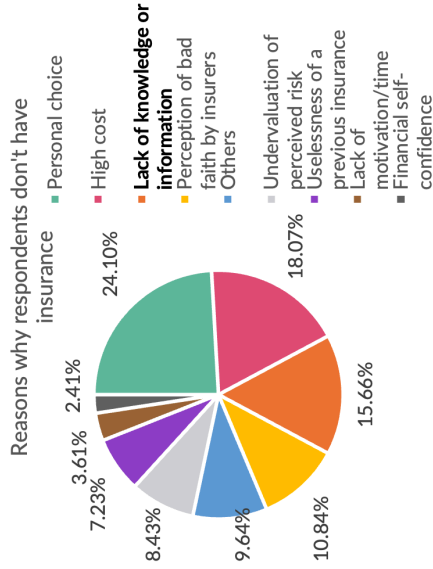
Lack of knowledge or information ranks among the top three reasons why respondents do not have insurance.

This issue underscores a potential literacy gap within the insurance industry.

Savings and Investment is one of the least selected self-purchased insurance categories.

Rising interest in financial investment products.

The underutilization of this insurance might be due to a lack of awareness and information about the insurance and its benefits.



INTERVIEWS INSIGHTS

1 respondent (28 years) uses financial products for savings, like treasury investments and saving certificates.

Between ages 15 and 22, all respondents find it difficult to understand insurance plans.

Only 4 mentioned knowing the pros and cons of insurance, with 3 of them aged 28 to 35. 1 respondent (18 years) believes that there are no physical insurance stores.

KEY TAKEAWAYS

Portugal's financial literacy lags within the EU27, a fact also verified in our survey and through the interviews.

Portuguese trust in financial advice from banks and insurers is notable.

Ageas should collaborate with educational programs to assist younger generations in complex financial decisions, demonstrating commitment and trust, and cultivating lasting customer relationships.



Appendix 17 – Hypothesis 11

Strengthening Ageas's online presence and developing distinct promotion strategies for the established target segment and for the parents will allow Ageas to solidify its presence among the younger generation and cater to their unique needs.

1.1. SHOULD GRUPO AGEAS PORTUGAL CREATE SPECIFIC PROMOTION STRATEGIES FOR THE DIFFERENT TARGETS?

DESK RESEARCH INSIGHTS

- There are key differences between Gen Z and Millennials, generations where our targets are defined.
- Millennials favor platforms like Facebook, Twitter, and LinkedIn, responding well to text and visuals. Gen Z's, on the other hand, lean towards short-form video on platforms like YouTube and TikTok, through, for instance, UGC.
- Despite significant segment differences, they all value authenticity, transparency and inclusiveness when choosing a brand.

UGC\*: User-generated content

SURVEY INSIGHTS

Despite 54% preferring digital services, only 6% and 4% seek information on insurance company websites and social media, respectively.

Indicates a potential mismatch between the information that young people want to obtain and what they currently find on insurance company websites and social media.

- It is essential to develop specific strategies to attract the different already-defined targets below.

TYPE 3: BROKE COLLEGE STUDENTS

TYPE 5: GRADUATES & EARLY CAREER STARTERS

TYPE 7: YOUNG COUPLES

TYPE 4: COLLEGE STUDENTS

TYPE 6: SINGLE WORKERS

TYPE 9: FINANCIALLY STRUGGLING INDIVIDUALS

TYPE 10: ESTABLISHED PROFESSIONALS

KEY TAKEAWAYS

- Ageas should implement tailored promotion strategies to:
- address different customer needs and preferences of the different targets;
  - promote word-of-mouth referrals;
  - establish Ageas as one of the top-of-mind insurance companies.

Furthermore, enhancing Ageas' online presence, especially on its website and social media, is crucial for connecting with the younger generation, given their increasing reliance on digital channels for insurance information.

In addition to promotion of insurance and related information, Ageas should also focus on promotion solely aimed at building an emotional connection with younger consumers without any direct sales intent (eg: sensitive Christmas campaigns).



Appendix 18 – Hypothesis 12

The ageing of brokers, the rise of digitalization, and intergenerational conflicts can be mitigated by Ageas by conducting internal workshops that promote clear communication between brokers and the younger generations.

12. SHOULD GRUPO AGEAS IMPROVE BROKERS AND AGENTS' COMMUNICATION WITH YOUNGER CONSUMERS, WHICH COULD ALSO ALLOW A BETTER PRODUCT OFFERING?

DESK RESEARCH INSIGHTS

- **51** and **53 years** is the average age of brokers over the past decade.
- **9%** of the registered brokers at ASF, in 2021, were **under 35 years old**, indicating an ageing professional class.
- The **digitalization** of relationships with insurers and customers is **increasing**.
- Can be **problematic** for some **older or less tech-savvy brokers**.
- **Inter-generational conflicts** can pose some challenges in:

Comprehending the needs and preferences of younger individuals and with the communication established between them and businesses.

SURVEY INSIGHTS

- Insurance **brokers** and **insurance companies** still play a **vital role in advising on insurance coverage**.

Who is most important to you when advising on insurance coverage and features?



- **76%** of the respondents prefer conducting more detailed research to feel confident in their decision before buying insurance.

Brokers become indispensable in simplifying the complex decision-making process and ensuring well-informed choices.

- Some buying experiences identified by young individuals are **clear communication** and a thorough **understanding of offers**, both of which **brokers can provide**.

KEY TAKEAWAYS

- **Ageas** should develop **internal workshops** for all brokers and agents, to:
  - Address **communication** challenges;
  - Develop **insurance products tailored to the needs of the younger generation**;
  - Mitigate the consequences of an **ageing workforce**;
  - Leverage the **continued importance of brokers and insurance companies**.

- **Low impact**, as it doesn't necessarily drive the younger generation to brokers and agents, but it signifies a service improvement.



Appendix 19 – Events booth

Consulting Lab 2023 | Touchpoints Recommendations

The majority of events allow Sponsors to be present with their own booths. We believe this may be beneficial for Grupo Ageas Portugal, as it represents the creation of a new space in a dynamic laid-back environment that can spark casual interactions.



1/ 1 - BEING PRESENT WHERE YOUNGER GENERATIONS ARE

Place	SCHOOL COMPETITIONS	CONCERTS & MUSIC FESTIVALS	UNIVERSITY EVENTS
<p><b>Proposal</b></p>	<p><b>Grupo Ageas Portugal Play Booth</b></p>  <ul style="list-style-type: none"> <li>• Presence in competitions that high-school students attend;</li> <li>• <b>Educational mini games</b> to entertain high-schoolers during their day;</li> <li>• <b>Merch prizes</b> for winners of each round.</li> </ul>	<p><b>Grupo Ageas Portugal Game Booth</b></p>  <ul style="list-style-type: none"> <li>• Presence in main portuguese music festivals and concert events;</li> <li>• <b>VR-incorporated gameplay</b> focused on <b>risk assessment and survival minigames</b>;</li> <li>• <b>Merch prizes</b>.</li> </ul>	<p><b>Grupo Ageas Portugal Info Booth</b></p>  <ul style="list-style-type: none"> <li>• Presence in portuguese universities' <b>first and open day events</b>;</li> <li>• <b>Informational station</b> for students to casually take doubts about insurance (in case they are looking for one or just wanting to learn).</li> </ul>

\*These booths are a mock-up that should be adaptable for all Grupo Ageas Portugal's brands (including Your Way brand)

Appendix 20 – Influencer collaboration suggestions

Consulting Lab 2023 | Promotion Recommendations

Younger generations spend a lot of time on social media, learning from it. Therefore, it is essential to target them through content creators that align with their needs, bridging the gap between them and what Ageas can offer.

REACHING AND ATTRACTING YOUNG CONSUMERS



PROMOTION STRATEGY - PARTNERS			
FINANCIAL LITERACY	ENTERTAINMENT	MENTAL HEALTH	LIFESTYLE
<b>Renda_maior</b> 32.7k on instagram <b>Contas.em.dia</b> 52.6k on instagram <b>Barbarabarroso</b> 67.5k on instagram <b>Inescorreia_pt</b> 56.3k on instagram <b>Joaozoio_</b> 35.2k on instagram <b>cat.poupanca</b> 42.9k on instagram	<b>Bumbanafofinha</b> 560k on instagram <b>Madalena Abecasis</b> 571k on instagram <b>Lucas With Strangers</b> 2M on TikTok and 414k on instagram <b>Wuant</b> 882k on instagram and 438.7 k on TikTok <b>Catt Ameixa</b> 457.2k on TikTok <b>Afonsantos</b> 397.2k on TikTok	<b>Taniigraca</b> 278k on instagram <b>Joanagentilmartins_psicologia</b> 71.4k on Instagram <b>Helenapaixao.psicologa</b> 16.5k on instagram <b>Averademelo</b> 40.9k on instagram <b>Marianacaldeira.psi</b> 31.1k on instagram <b>Rita.a.psicologa</b> 28.8k on instagram	<b>Antoniocncastro</b> 1M on Instagram and 2.1M on Tiktok <b>Explorerssaurus_</b> 1.3M on Instagram and 960k on Tiktok <b>ruben_rua</b> 492k on instagram <b>Inesribeirooficial</b> 161k on instagram <b>Bysofiaoliveira</b> 118k on Instagram <b>Dicasdosalgueiro</b> 108k on instagram

- Content creators that target mainly Millennials
- Content creators that target mainly Gen Z
- Content creators that target both Generations

Sources: (76) Top 20 Tiktok Influencers in Portugal; Find Portuguese TikTokTokers (MODASH)

Consulting Lab 2023 | Promotion Recommendations

Designing a brand's digital image in a fast-changing world is a continuous process, there are new trends and relevant topics everyday. In digital platforms, with complex algorithms, having trending content doesn't depend only on followers anymore.

HOW TO CREATE APPEALING CONTENT OR CONNECT WITH YOUNGER GENERATIONS

User-Generated Content - The power of digital influencing by peers

UGC is a brand-specific content created by customers that will be published on Ageas' social media and other channels. It is a cost-effective way to create organic and updated content. There are already UGC creators in Portugal.



The goal should be a solidified online brand image that leads consumers to generate content spontaneously, translating in no costs for the company.



Apple: #ShotOnIphone  
Barbie Movie: generated AI poster with fans' pictures and I'm just Ken trend

Digital influencers' collaborations

By leveraging the trust and credibility of influencers, Ageas can reach new audiences and increase its exposure in a way that is authentic and effective. The endorsement of influencers is seen to carry significant weight in driving consumer behavior.

- Trust
- Target reached
- Unique perspectives
- Diverse content formats
- Cost-effective

Influencers' suggestion for different targets

@Explorersaurus	@Antoniocastro	@cat.poupanca	@Taniagraca
1.3M	1M	42.9k	278k
960k	2.1M		14.6k

\*More suggestions on the Appendix.

\*These strategies can be implemented gradually to be tested. It will not influence older consumers' brand image since this will be applied through channels and using the algorithm to be seen by the younger consumers.

Sources: (49) TikTok Ads Manager, (Tiktok)



Consulting Lab 2023 | Promotion Recommendations

Designing a brand's digital image in a fast-changing world is a continuous process, there are new trends and relevant topics everyday. In digital platforms, with complex algorithms, having trending content doesn't depend only on followers anymore.

HOW TO CREATE APPEALING CONTENT OR CONNECT WITH YOUNGER GENERATIONS

Ageas' own content

Build an emotional connection through Ageas owned content. Be aware of targets needs, lifestyles and and experiences. **Be real and relatable.**

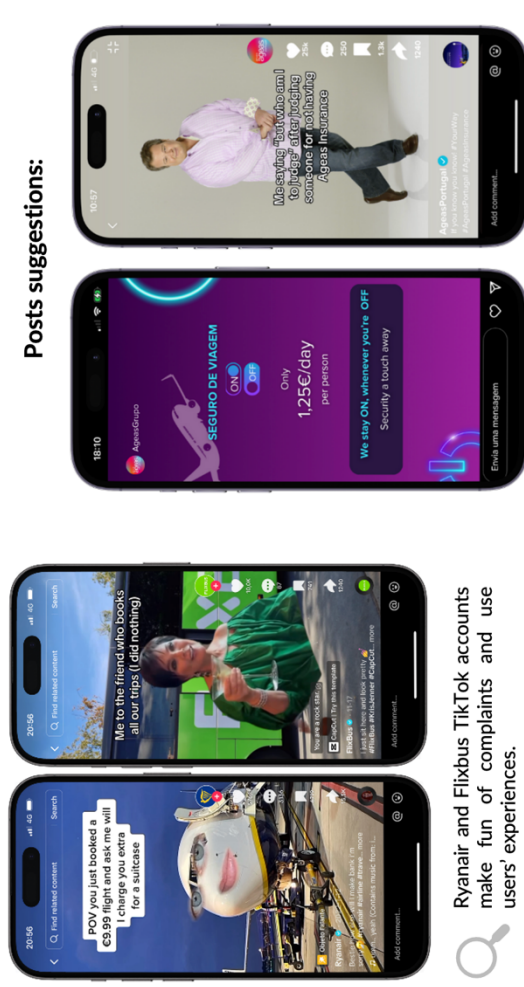
🎤 Ageas should develop more content like "Conversas de Jardim" and "Por Falar em Comida" videocasts, targeting younger generations, developing content related to their lifestyles, financial advises and target offerings.

🏠 Ageas should promote their products with prices and small descriptions.

🗨️ Ageas should develop content regarding different important milestones and experiences, including:

- Getting their first job, moving out,
- getting into college, travelling,
- having their first child, etc.

It's free to post on social media, but all platforms allow users to promote posts to boost its views



Posts suggestions:

🔍 Ryanair and FlixBus TikTok accounts make fun of complaints and use users' experiences.



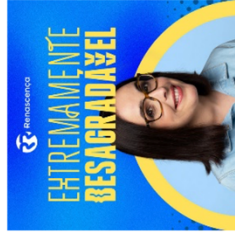
Consulting Lab 2023 | Promotion Recommendations

Designing a brand's digital image in a fast-changing world is a continuous process, there are new trends and relevant topics everyday. In digital platforms, with complex algorithms, having trending content doesn't depend only on followers anymore.

HOW TO CREATE APPEALING CONTENT OR CONNECT WITH YOUNGER GENERATIONS

**Marketing Sponsorship**

Younger generations like brands that sponsor their favorite activities. This can also be made online.



**Be where they are:** according to Spotify Wrapped 2023, "Extremamente Desagradável" was the most streamed podcast in Portugal.



**Paid digital ads**

Is an affordable way to advertise the products to the right audience.

Social ads appear in social media feeds across different platforms.

**Tips for content creation**

- 1 Short videos (max 30 seconds)
- 2 Platforms tend to boost voice-over videos
- 3 Use current trending hashtags
- 4 Be up to date with current video and audio trends
- 5 Post daily content
- 6 Develop storytelling campaigns, targeting life milestones
- 7 Use trends and vocabulary\* according to the target
  - Use TikTok creative center for hashtags, sounds and creators that are performing the best at the moment
  - These trends tend to be the same across different social platforms
  - Rizz was the 2023 word of the year according to the Oxford Dictionary. Other words/expressions on the run were *swiftie*, *beige flag*, *de-influencing* and *situationship*.




\*There's a thin line between cool and cringe words.



Sources: (50) [Collaborating with Digital creators: a Guide for Brands](#) ; (51) [Tiktok Creative Center](#) (Tiktok)

Consulting Lab 2023 | Touchpoints Recommendations

Your Way brand can also be incorporated into the proposed booths to be present in key moments.

Place	SCHOOL COMPETITIONS	CONCERTS & MUSIC FESTIVALS	UNIVERSITY EVENTS
<p><b>Proposal</b></p>	<p><b>Grupo Ageas Portugal Play Booth</b></p>  <ul style="list-style-type: none"> <li>• Young high-school students' first contact with a <b>trendy brand that happens to be insurance-oriented</b>;</li> <li>• <b>Brand image may captivate</b> them to interact with the booth and play available games at the events.</li> </ul>	<p><b>Grupo Ageas Portugal Game Booth</b></p>  <ul style="list-style-type: none"> <li>• Technologically appealing booth that seems fun to engage with;</li> <li>• <b>VR-incorporated gameplay focused on risk assessment and survival minigames</b>;</li> <li>• <b>Merch prizes</b> to spread Your Way image.</li> </ul>	<p><b>Grupo Ageas Portugal Info Booth</b></p>  <ul style="list-style-type: none"> <li>• University students acknowledge the presence of a brand catered for them at <b>universities' first and open day events</b>;</li> <li>• <b>Informational station</b> for students to take insurance doubts with Ageas' younger personnel/University Ambassadors.</li> </ul>

Appendix 21 - Channels Recommendations ‘Brand’

Consulting Lab 2023 | Channels Recommendations

A new identity within the umbrella group Ageas Portugal designed just for young clients should be created to incorporate all previous proposals.



1/ 2 - LAUNCHING THE BRAND “YOUR WAY” TARGETED TO 18-35 YEARS OLD CLIENTS

LAUNCHING “YOUR WAY” BRAND

- TAILORED OFFERS
- INTERCONNECTIVITY
- LIFESTYLE
- SIMPLICITY
- IMPACT
- PRESENCE
- GAMIFICATION
- INTERACTIVE
- BEING HEARD AND UNDERSTOOD
- JUDGMENTS FREE
- BELOING
- DIGITAL
- INDIVIDUALITY
- AFFORDABILITY

Grupo Ageas Portugal should launch the “Your Way” brand exclusively crafted for the younger generations



A modernized brand of Grupo Ageas Portugal, created by youngsters and for youngsters to simplify their relationship with insurance



## Appendix 22 - Channels Recommendations 'Website'

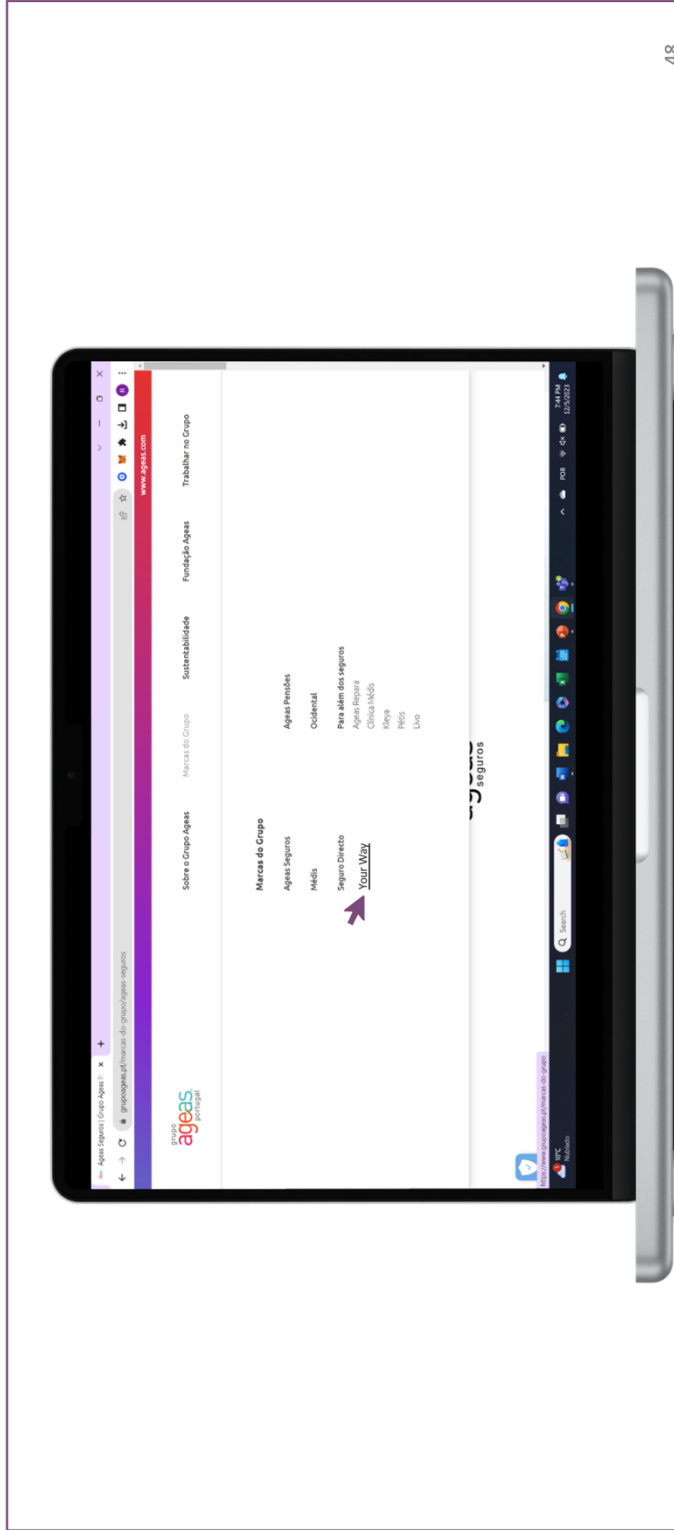
### Consulting Lab 2023 | Channels Recommendations

After launching the brand, a tab specifically for "Your Way" should be added to Grupo Ageas Portugal's website that directly links those interested to the brand's own website.



### 1/ 2 - LAUNCHING THE BRAND "YOUR WAY" TARGETED TO 18-35 YEARS OLD CLIENTS

#### INCORPORATING "YOUR WAY" BRAND IN AGEAS' WEBSITE



Link to website: <https://yourwaybyageas.my.canva.site/>

Appendix 23 – Channels Recommendations ‘App’

Consulting Lab 2023 | Channels Recommendations

This app would be the culmination of all efforts to connect and increase younger generations’ participation in the insurance world.

2/ 2 – DEVELOPING “YOUR WAY” APP



DEVELOPING “YOUR WAY” USER-FRIENDLY APP



- The user enters the app by registering or logging in with their email and password.
- The app then takes them to the home page, where they can explore different insurance options, utilize bundling features, and access the housing and brokers marketplace.
- Furthermore, the app sends internal daily messages promoting informative content and encouraging positive habits.

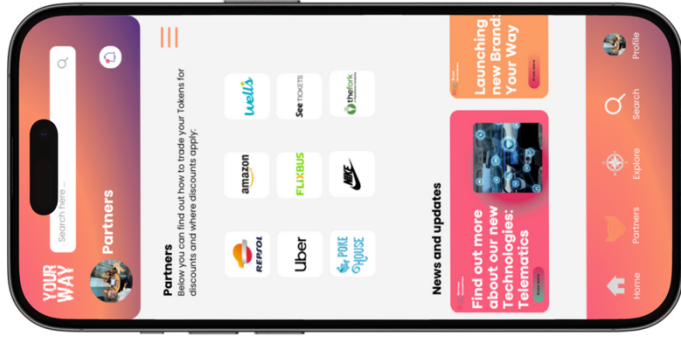
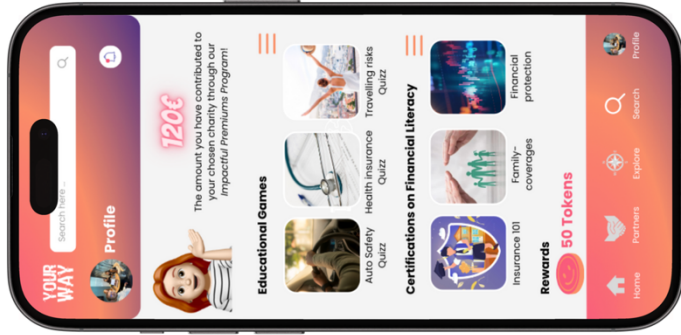
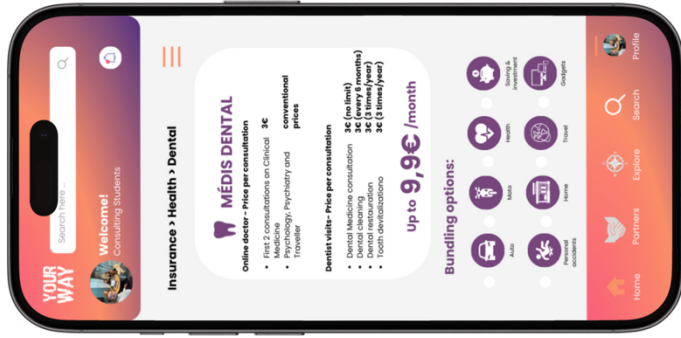
Consulting Lab 2023 | Channels Recommendations

This app would be the culmination of all efforts to connect and increase younger generations' participation in the insurance world.

2/ 2 – DEVELOPING “YOUR WAY” APP



DEVELOPING “YOUR WAY” USER-FRIENDLY APP



- **Gamification elements and rewards systems are in-place to increase interaction with the brand and raise financial literacy awareness.**
- **All partners and news are also shown in an isolated feed for quick and easy understanding.**
- **Additional features should include: AI Chatbot and ability to claim online in a paperless manner.**

Appendix 24 – Customer Journey

Consulting Lab 2023 | Customer Journey

4 customer journeys were developed taking into account the different recommendations previously described and the segments within the age range of this project.

CUSTOMER JOURNEY 1

HIGH-SCHOOL STUDENTS

Type 1 and 2

- Attends a school career fair or a high-school national competition where Ageas is present;
- Follows the company's social media and engages with the "meme culture" it caters to;
- Starts to gain interest in insurance matters and willingly participates in a financial literacy competition.

Once they can legally purchase insurance products, brand recognition will guide them to Ageas (hopefully).

RECOMMENDATIONS USED

- 1 5 6

CUSTOMER JOURNEY 2

UNIVERSITY STUDENTS & EARLY CAREERS

Type 3 to 5

- Attends a festival or university event where Ageas is present;
- Discovers Ambassador and Internship opportunities at Ageas;
- Visits website to get an overview Ageas;
- Slowly comes across all educational resources and realizes the importance of insurance literacy;
- Actively subscribes to affordable coverages that don't fall under parental coverage.

RECOMMENDATIONS USED

- 1 2 3 4 5 6 7

CUSTOMER JOURNEY 3

INDIVIDUALS BUILDING THEIR LIVES

Type 6, 7 and 9

- Attends a festival where Ageas is present;
- Starts to make life decisions that imply the purchase of insurance and remembers Ageas as a youthful and trustworthy insurance company;
- Worries about the instability young generations are facing in Portugal so they look for coverages that may protect them (e.g.: Homey and Ageas Rent insurance).
- Starts actively learning through Ageas workshops and courses.

RECOMMENDATIONS USED

- 1 2 3 4 5 6 7

CUSTOMER JOURNEY 4

ESTABLISHED INDIVIDUALS

Type 10

- Actively search for insurance companies and offers;
- Sees Ageas's paid ads and marketing sponsorships and considers Ageas's youthful brand as a favorable option;
- Visits Ageas's website and becomes interested in the offers and prices that the brand has in place;
- Once they are a client, they routinely use the app and engage with its gamification and educational features to get rewards.

RECOMMENDATIONS USED

- 2 3 4 6 7<sup>56</sup>



Appendix 25 – Pilot Project and Monitoring Key Performance Indicators

Consulting Lab 2023 | Pilot Set-up

The following table includes all the necessary testing stages, KPI's to monitor and period of implementation of all of our short-term and relevant medium-term proposals.

PHASE 1

New Brand Testing	Touchpoints	Students and Universities	Internal Initiatives
<ul style="list-style-type: none"> <li>Creation of an MVP website with chosen offerings by Médis and Seguro Directo.</li> <li>Test the suggested promotion strategies.</li> <li>Start developing Your Way social platforms.</li> </ul>	<ul style="list-style-type: none"> <li>Testing of touchpoints initiative.</li> <li>Research the right event for the target.</li> <li>Tailor your touchpoint according to the event.</li> <li>Capture data relevant during the event.</li> </ul>	<ul style="list-style-type: none"> <li>Test the Program.</li> <li>Provide training and resources and gather the ambassador's feedback.</li> <li>Be present in more college events and seminars.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate internally the Impactful Premiums Program considering its purpose.</li> <li>Test the four approaches suggested in Internal Initiates for the flexible payment method.</li> </ul>

KPI's

- Click-through rate (CTR) on "Your Way" hyperlink on Ageas' website
- Website Traffic from organic search
- # of purchases through website
- Click-through rate (CTR) on posts published by Ageas and by creators that share Ageas links'
- Cost per Acquisition (CPA)
- Follower growth

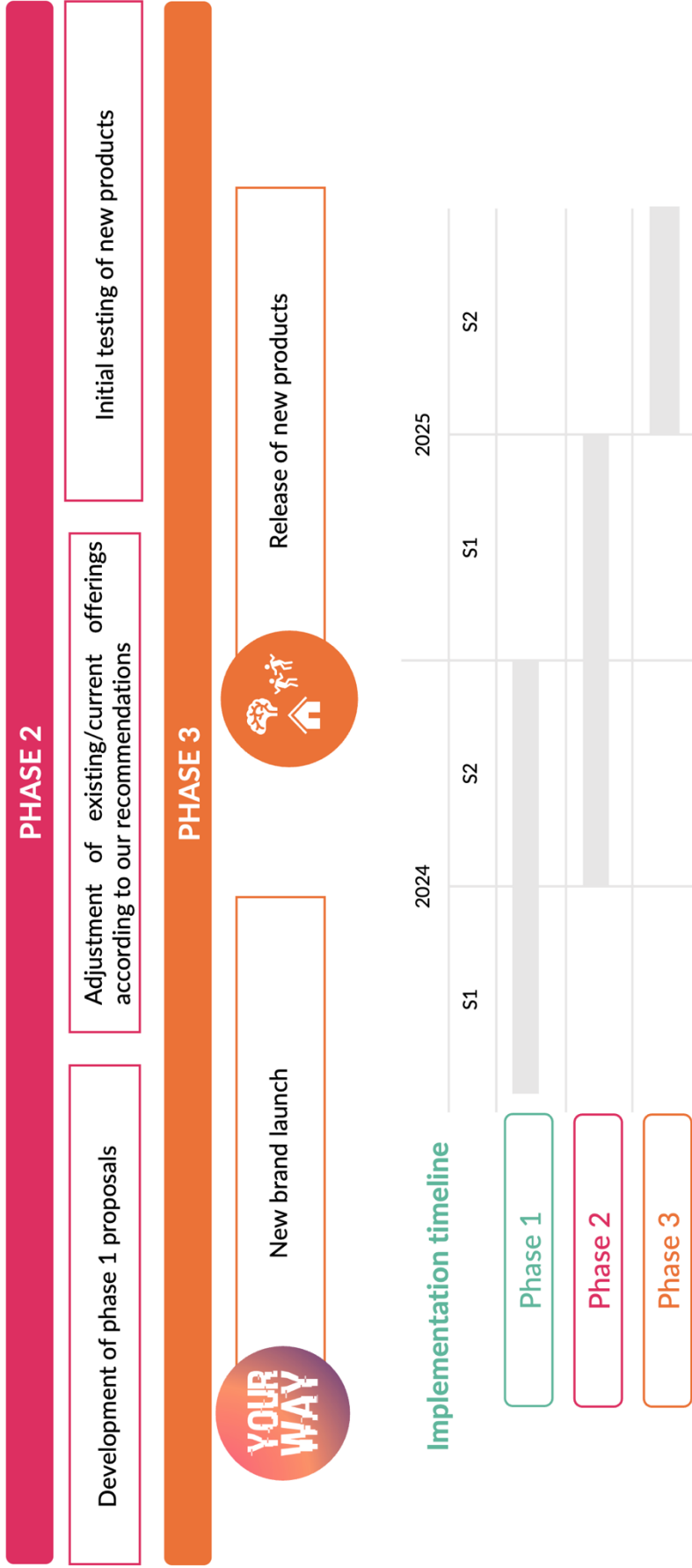
- Social media mentions during and after the event
- Pre and post event surveys to measure brand recall and recognition changes
- # of leads captured through the contact information's collected at the booth (follow-up engagement)
- Customer Acquisition Cost (CAC)
- Website Traffic from organic search

- # of ambassadors recruited
- Referral conversion
- Feedback

- Renovation contract rate
- Client Churn rate
- Net churn rate
- # of new young clients
- New CLV estimation
- Participation rate
- Qualitative & quantitative social impact of the initiative
- Social media appraisal of the initiative

Consulting Lab 2023 | Pilot Set-up

The following table includes all the necessary testing stages, KPI's to monitor and period of implementation of all of our short-term and relevant medium-term proposals.



Appendix 26 – Costs Benefit Analysis

Consulting Lab 2023 | Cost-Benefit Analysis

In the context of the Ambassador program, the benefits, when juxtaposed with the costs, manifest a notably positive equilibrium, with the advantages distinctly surpassing the corresponding expenditures.

AMBASSADORS PROGRAM	
COSTS	BENEFITS
<p><b>Marketing and Promotion and Content Creation:</b></p> <ul style="list-style-type: none"> <li>Allocate resources for advertising and promoting the ambassador program to attract participants.</li> <li>Budget for the creation of promotional materials, branded content, and resources for ambassadors.</li> </ul> <p>See promotion cost analysis</p>	<ul style="list-style-type: none"> <li><b>Enhanced Brand Visibility</b></li> <li><b>Greater proximity to young people</b></li> <li><b>Targeted Audience Engagement:</b> Ambassadors, with their understanding of the target audience, facilitate more targeted and effective engagement strategies.</li> <li><b>Cost-Effective Marketing:</b> Ambassador programs often serve as a cost-effective alternative to traditional marketing channels, leveraging organic, word-of-mouth promotion. Utilizing ambassadors in university booths further contributes to saving money for Ageas.</li> <li><b>Diverse Content Creation:</b> Ambassadors contribute to a variety of content, bringing diversity and authenticity to the brand's messaging.</li> <li><b>Community Building:</b> Ambassador programs foster the development of a community around the brand, creating a sense of belonging.</li> <li><b>Increased Sales:</b> Positive ambassador endorsements often translate into increased sales.</li> </ul>



Being present and conducting activities at universities seems to have a great impact in promoting brand image within the younger generations, clientes and also talented future workers of Grupo Ageas Portugal.

### COLLEGE EVENTS

#### COSTS

##### Event costs

**Venue Rental:** Expenses related to securing space for events at universities. It varies a lot, depending on the category of the stand.

##### Personnel Costs

- **Staffing:** Use the ambassadors.

**Event Supplies:** Expenses for materials needed during events, such as presentation materials or giveaways.

##### Technology Costs

- **Webinar Platforms:** Expenses for any specialized software needed for event management or presentations.
- **Audio-Visual Equipment:** Costs for cameras, microphones, and other equipment necessary for presentations.

#### BENEFITS

- **Brand Exposure:** Increased visibility and awareness through university workshops.
- **Networking Opportunities:** Building relationships with students, faculty, and participants.
- **Educational Impact:** Sharing knowledge and expertise through impactful workshops.
- **Lead Generation:** Identifying potential customers or business partners.
- **Market Insights:** Gaining valuable information about market trends and preferences.
- **Long-term Brand Loyalty:** Building lasting connections with the university community.
- **Recruitment Opportunities:** Assess the potential for identifying talent for recruitment purposes.

**Consulting Lab 2023** | Cost-Benefit Analysis  
 Being present and conducting activities at universities seems to have a great impact in promoting brand image within the younger generations, clientes and also talented future workers of Grupo Ageas Portugal.

**COLLEGE EVENTS**

**POTENTIAL QUANTITATIVE COSTS/BENEFITS OF A CAREER FAIR EVENT WITH WORKSHOPS**

	Normal Stand	Pessimistic Scenario	Realistic Scenario	Optimistic Scenario
<b>Costs (€)</b>				
Event Costs	€410.00	10000	10000	10000
Venue rental	€410.00	15%	18%	20%
Event supplies	€500.00	5%	10%	15%
Technology Costs	€400.00	75	175	300
Webinar platforms	€250.00	1%	5%	10%
Audio-Visual Equipment	€150.00	1	9	30
<b>Total Costs</b>	<b>€1 310.00</b>	<b>€1 310.00</b>	<b>€145.56</b>	<b>€43.67</b>
<b>Customers Acquired (considering a normal stand)</b>				
# expected students				
% of attendants who go to the company's booths on events				
% of attendants who go to the company's website after attending the event				
Web traffic increase (# of people)				
Conversion rate % from Insurance website to client				
<b>Conversion rate from insurance website to client (# of people)</b>				
Costs per client acquired				
Average Premium per client/year				
<b>Years of loyalty needed to cover costs</b>				
		5.02	0.56	0.17

**Assumptions:**

- As a standard example, we have taken the FEP Career Fair.
- For venue rental, we used the rental price of a Normal Stand at FEP.
- For the average premium per client per year, we considered €261.00 – the average auto insurance value for younger generations within Grupo Ageas Portugal.
- The value increases with time, potentially reaching €904.31 average premium per client per year or more.

Sources: (77) FEP Junior Consulting ; (78) Alimmeet - Best Webinar Platforms and Software ; (79) Young Generations - Valores Ageas

### Consulting Lab 2023 | Cost-Benefit Analysis

Worst case scenario, Grupo Ageas Portugal would spend almost €600.000 with the festivals, which we believe can be justified with the benefits we pinpointed previously (CLV of new clients acquired and brand recognition).

## MUSIC FESTIVALS TOUCHPOINTS

### COSTS OF HAVING BOOTHS AT 2 MUSIC FESTIVALS

Assumption from previous calculations: We expect ~56.000 to come to our Booth, so, 56.000 freebies to distribute.

	Pessimistic Scenario	Realistic Scenario	Optimistic Scenario
Booth at Small Festival (SBSR)	€ 100,000.00	€ 87,500.00	€ 75,000.00
Cost of Workers (for 1 festival)*1	€ 1,814.40	€ 1,814.40	€ 1,814.40
Cost of Freebies/Merch to distribute*2	€ 280,000.00	€ 280,000.00	€ 280,000.00
<b>Total costs</b>	<b>€ 381,814.40</b>	<b>€ 369,314.40</b>	<b>€ 356,814.40</b>

#### Auxiliary computations:

Minimum salary per hour in Portugal	€ 4.32	
Hours of work per festival	42	
Total Hours of work (for 2 festivals)	84	Cost per freebie
# of Workers needed at the Booth	5	# freebies
Total Cost of Workers	€1,814.40 *1	Total cost of Freebies/Merch
		€ 5.00
		56000.00
		€ 280,000.00 *2

Sources: (80) Salário mínimo de portugal (2023); (81) Expert Interviews

**Consulting Lab 2023 | Cost-Benefit Analysis**

Grupo Ageas Portugal being present in Music Festivals may potentially take more than 800 clients to make a purchase or take action with Grupo Ageas Portugal on an optimistic scenario.

**MUSIC FESTIVALS TOUCHPOINTS**

**BENEFITS OF HAVING BOOTHS AT 2 MUSIC FESTIVALS**

	Pessimistic Scenario	Realistic Scenario	Optimistic Scenario
<b>Quantitative Benefits:</b>			
# of attendants expected on Small Festival (SBSR)	58,000.00		
Total	58,000.00		
% of attendants who go to company's booths on festivals	15%	20%	25%
# of attendants who go to company's booths on festivals	8,700.00	11,600.00	14,500.00
% of attendants who go to company's website after attending booths	5%	10%	15%
Web Traffic increase (# of people)	435.00	1,160.00	2,175.00
Conversion rate from Insurance Website to client	1%	5%	10%
<b># of potential clients buying from or taking action with Grupo Ageas Portugal</b>	<b>4.35</b>	<b>52.20</b>	<b>217.50</b>
Total costs for booths	€ 381,814.40	€ 369,314.40	€ 356,814.40
Years of Loyalty needed to cover costs*3	97.06	7.82	1.81
Assumption: Average Premium per client per year= €904.31 *3			
<b>Qualitative Benefits:</b>	<ul style="list-style-type: none"> <li>• Brand Recognition;</li> <li>• Brand Recall;</li> <li>• Potential likeability of brand.</li> </ul>		

Sources: (82) 58 mil pessoas no Super Bock Super Rock (Expresso); (83) Nos Alive praticamente esgotado (Eco); (84) Expert Interviews

Each budget campaign will be different depending the amount of content generated, platform where it is placed and the size of influencers

**PROMOTION**

**POTENTIAL COSTS OF SOME OF THE PROMOTION STRATEGIES**

		Engagement rates among Instagram influencers worldwide in 2022, by number of followers					
<b>Digital influencer's collaboration</b>	Nano-influencer	2.53%	IG post 60 €	IG video 100 €	IG story 50 €20 to 200€	Youtube 200 to 200€	tiktok 5 to 25€
	Micro-influencer	1.06%	160 €	240 €	90 €1000€	1000 to 20	25 to 125€
	Macro-influencer	0.91%	500 €	900 €	200 €000€	1000 to 20	125 to 2500€
<b>Organic User-Generated Content</b> Engagement rates among Instagram influencers worldwide in 2022, by number of followers							0€
<b>Digital paid ads</b>					Instagram	Spotify	
					Instagram cost per click ranges from €0.40-€0.70	Minimum of 250€ on a campaign	
<b>Social media average advertising cost-per-mille (CPM) worldwide 2nd quarter 2023</b> Price for the ads to be seen by 1000 potential clients							4.94 €
						Total cost considering one 60-second video of a micro influencer for each platform	1 165 €

\*These values depend on influencers' niche and engagement rate, quality of content and chosen platform.

\*CPM = How much they have to pay to have their ads viewed by a thousand potential customers.

**Consulting Lab 2023 | Cost-Benefit Analysis**  
 More than 90% of younger generations use social networks in Portugal and the average conversion rate for paid social media advertising for all industries is 2%, capturing potentially 41k viewers

**PROMOTION**

**BENEFITS OF DIGITAL PROMOTION**

<b>Quantitative Benefits:</b>																
Average time spending on social media in Portugal 25 to 34 are spending more time on these platforms	111 minutes per day															
Share of individuals participating in social networks in Portugal in 2022	<table border="1"> <thead> <tr> <th colspan="3">Total population by Population on social media by age</th> </tr> <tr> <th>age</th> <th>1086544,00</th> <th>1037650</th> </tr> <tr> <th>95,50%</th> <td></td> <td></td> </tr> <tr> <th>91,10%</th> <td>1114974,00</td> <td>1015741</td> </tr> <tr> <th></th> <td></td> <th>2053391</th> </tr> </thead> </table>	Total population by Population on social media by age			age	1086544,00	1037650	95,50%			91,10%	1114974,00	1015741			2053391
Total population by Population on social media by age																
age	1086544,00	1037650														
95,50%																
91,10%	1114974,00	1015741														
		2053391														
Average conversion rate (google search network) - Finance and Insurance	5.10%															
Average conversion rate display ads - finance and insurance	1.19%															
Average conversion rate organic social media advertising - all industries	2.4%															
Average conversion rate paid social media advertising - all industries	2%															
	104723															
	24435															
	49281															
	41068															
<b>Qualitative Benefits:</b>																
<ul style="list-style-type: none"> <li>• Customer Engagement and Retention</li> <li>• Increased Visibility and Awareness</li> </ul>	<ul style="list-style-type: none"> <li>• Brand Loyalty</li> <li>• Competitive Edge</li> </ul>															
# of potential people taking some action after searching for insurance products, seeing an ad or na organic content																

Sources: (90) Purchases due to social media promoted content (Statista) ; (91) Marketing google ads (WebFX)

On a realistic scenario, ~125.000€ would need to be spent to authenticate the new brand and to launch the respective pilot website and app.

### NEW CHANNELS

#### COST OF DEVELOPING A WEBSITE AND/OR APP

The **website and app created in the pilot** would already have **some of the important features** we presented previously. Thus, the cost to develop these channels already takes that into consideration. If more features are included, this price will increase.

	Pessimistic Scenario	Realistic Scenario	Optimistic Scenario
Registering a new Brand in Portugal	€ 260.00	€ 130.00	€ 33.00
Pilot Website	€ 75,000.00	€ 62,500.00	€ 50,000.00
Pilot App	€ 75,000.00	€ 62,500.00	€ 50,000.00
<b>Total costs</b>	<b>€ 150,260.00</b>	<b>€ 125,130.00</b>	<b>€ 100,033.00</b>

#### BENEFITS OF DEVELOPING A WEBSITE AND/OR APP

- **Enhanced User Experience:**  
User-friendly interfaces will improve customer satisfaction and may foster loyalty;
- **Brand Perception:**  
Translating the new brand image into digital will elevate customer's perception of it, positioning it as innovative and customer-centric.
- **Convenience:**  
Access all insurance information and beyond insurance products conveniently anytime and anywhere;
- **Trust and Credibility:**  
Well-designed platforms will provide credibility and trust on the brand amongst younger demographics, which is crucial for customer acquisition and retention.