

# Navigating digital-first communications

Building digital experiences to reach customers have now become a necessity rather than a good-to-have. With rapid digitalisation and mobile adoption, customers increasingly expect on-demand services and personalised solutions. Businesses need to evolve so they can fulfil customers needs, improve customer experience with their brand and deliver their products seamlessly.



- 5.14 million internet users, with internet penetration standing at 88%, one of the world's highest (as of January 2020)<sup>1</sup>
- Online shoppers formed 86% who used digital payments during the pandemic.<sup>5</sup>
- 77% of companies in Singapore see customer experience as a priority<sup>4</sup>

Singapore has one of the world's highest internet penetration rates at 88%<sup>1</sup> and users spend an average of 6h 48min per day on the internet. During the COVID-19 crisis, local consumers also spent more time online<sup>2</sup> as social distancing measures were implemented, prompting a shift to online shopping and digital payments. However, 40% were not satisfied with their shopping experience<sup>3</sup>, revealing that delivery costs, product prices and delivery time could be better improved. With an increase in demand and the added pressure to meet consumer expectations, businesses are making the customer experience a priority<sup>4</sup>.

Digitising products and solutions, including mobile applications and online platforms, allow SMEs to reach more customers and increase their brand visibility. They can also develop direct relationships with customers, obtain feedback and in turn improve services to enhance growth.

As companies gather more customer data to enhance or personalise user experience, it also raises privacy concerns and people are becoming wary of sharing personal information with companies. Businesses, therefore, have the added responsibility to safeguard customer data and also be prepared for any potential cyber threats.

## RISKS AND PRODUCTS

For companies, it is not a matter of "if", but "when" a cyber-attack will happen. Chubb's cyber solution provides risk engineering services, including pre-loss and incident response solutions to help mitigate against cyber incidents which can cripple a company.

Potential business risk	Chubb products and services available
Storage of customer, employee and partner data in the cloud may increase risk of cyber breaches and electronic theft.	Cyber / Crime
Collection of customer data creates legal risks. Without a full understanding of data privacy regulations, companies may find themselves in violation of laws, and more.	Cyber
Cyber breaches can lead to reputational risk and the need for crisis management.	Cyber
Loss of income due to a cyber breach.	Cyber
Litigation arising from social media interactions.	Cyber / Errors & Omissions (Media Liability)

<sup>1</sup> <https://datareportal.com/reports/digital-2020-singapore>

<sup>2</sup> <https://www.uobgroup.com/web-resources/uobgroup/pdf/newsroom/2020/Singaporeans-help-local-businesses.pdf>

<sup>3</sup> <https://blackbox.com.sg/everyone/2020/05/06/most-countries-covid-19-responses-rated-poorly-by-own-citizens-in-first-of-its-kind-global-survey>

<sup>4</sup> <https://www.cdottrends.com/story/15314/more-sg-companies-see-cx-priority>

<sup>5</sup> Out of 1,000 Singaporean consumers who participated in the survey.

CASE STUDY

# Meet Peter from One Stop F&B

## HIS BUSINESS

Peter runs an online food delivery platform that strives to close the gap between customers and partner restaurants by connecting them virtually. The platform allows customers to browse restaurant menus, place orders and make payment for their purchase.

The system collects and forwards orders to partner restaurants, as well as stores customer information, including but not limited to their addresses and credit card information.

## WHAT HAPPENED

### Coverage Section

Professional Liability 🔍

### Claim

Lawsuit Claims  
Financial Harm

A glitch in the system resulted in orders being mixed up. One Stop F&B only detected the issue a few hours after it first occurred, resulting in thousands of orders being delivered to the wrong customers. Partner restaurants suffered a loss as customers either cancelled their orders and asked for a refund, or requested for a replacement delivery. Chubb's professional liability policy helped Peter respond to lawsuits claiming his services caused financial harm to the partner restaurants because of the costs incurred from the mix-up.



## FINANCIAL IMPACT

### Total costs

Indemnity to impacted customers during mediation settlement	\$40,000
Defense costs of suits	\$30,000
Cost of lawsuit with cyber and professional liability coverage	\$30,000
Cost of lawsuit without cyber and professional liability coverage	\$35,000

# Digital Business Accelerated

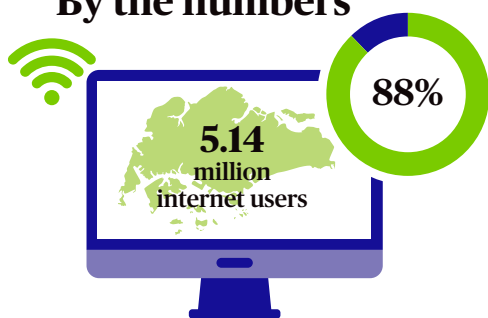
## KEY THEME 1:

### Navigating digital-first communications

Building digital experiences to reach customers have now become a necessity rather than a good-to-have. With rapid digitalisation and mobile adoption, customers increasingly expect on-demand services and personalised solutions. Businesses need to evolve so they can fulfil customers needs, improve customer experience with their brand and deliver their products seamlessly.



### By the numbers



### Going Digital



### Opportunities

- Expand reach and increase brand visibility
- Develop direct relationships with customers
- Facilitate gathering of customer insights to enhance and personalise user experience

### Challenges & Risks

- Customers are increasingly savvy and wary of sharing their information
- Businesses have the responsibility to safeguard customer data and be prepared for potential cyber threats
- Cyber attack becomes a matter of "when", not "if"

1 - <https://datareportal.com/reports/digital-2020-singapore>

2 - <https://www.uobgroup.com/web-resources/uobgroup/pdf/newsroom/2021/UOB-survey-shows-70-per-cent-of-consumers-increased-digital-payment-usage-in-Singapore.pdf>

3 - <https://www.zendesk.com/customer-experience-trends/>

Refer to Risk and Product Factsheet for solutions  
Visit [chubb.com/digitalbusiness/sg](https://chubb.com/digitalbusiness/sg)

