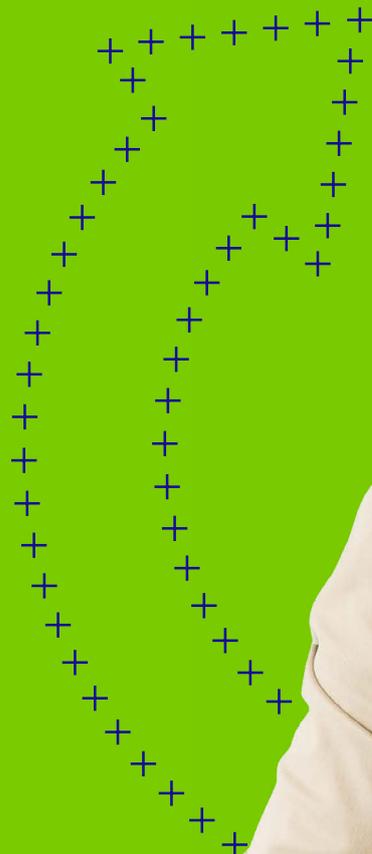


# Selling in Uncertain Times: *Research report - Part 1*<sub>1/4</sub>

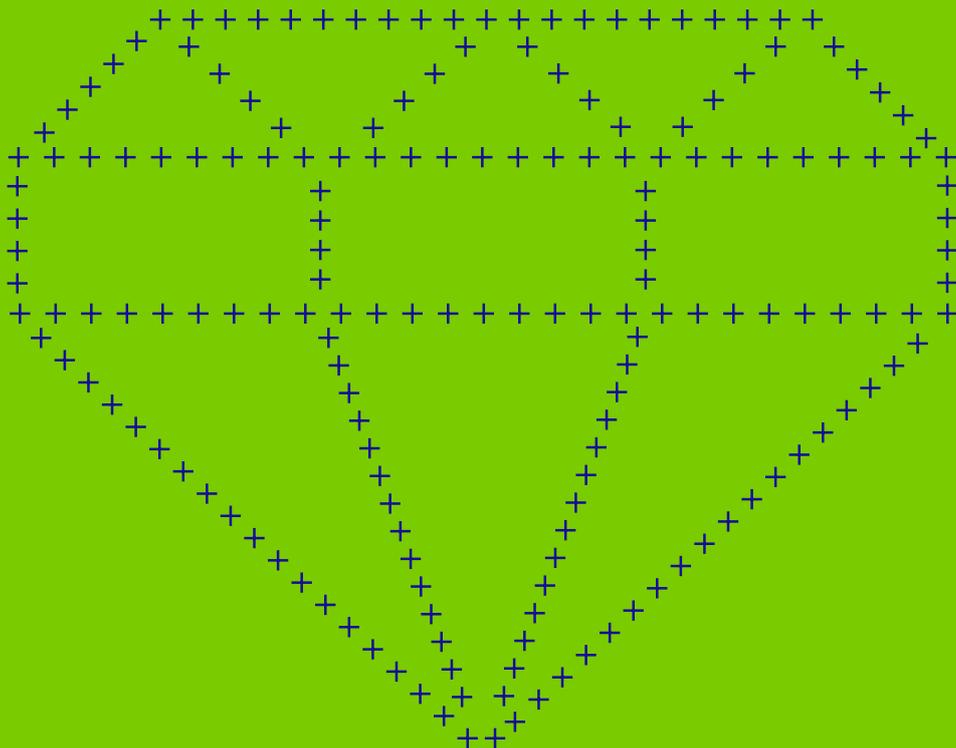
How brokers can create value for clients and make themselves the most important piece of the puzzle.



## REPORT 1

# Value: *The secret weapon*

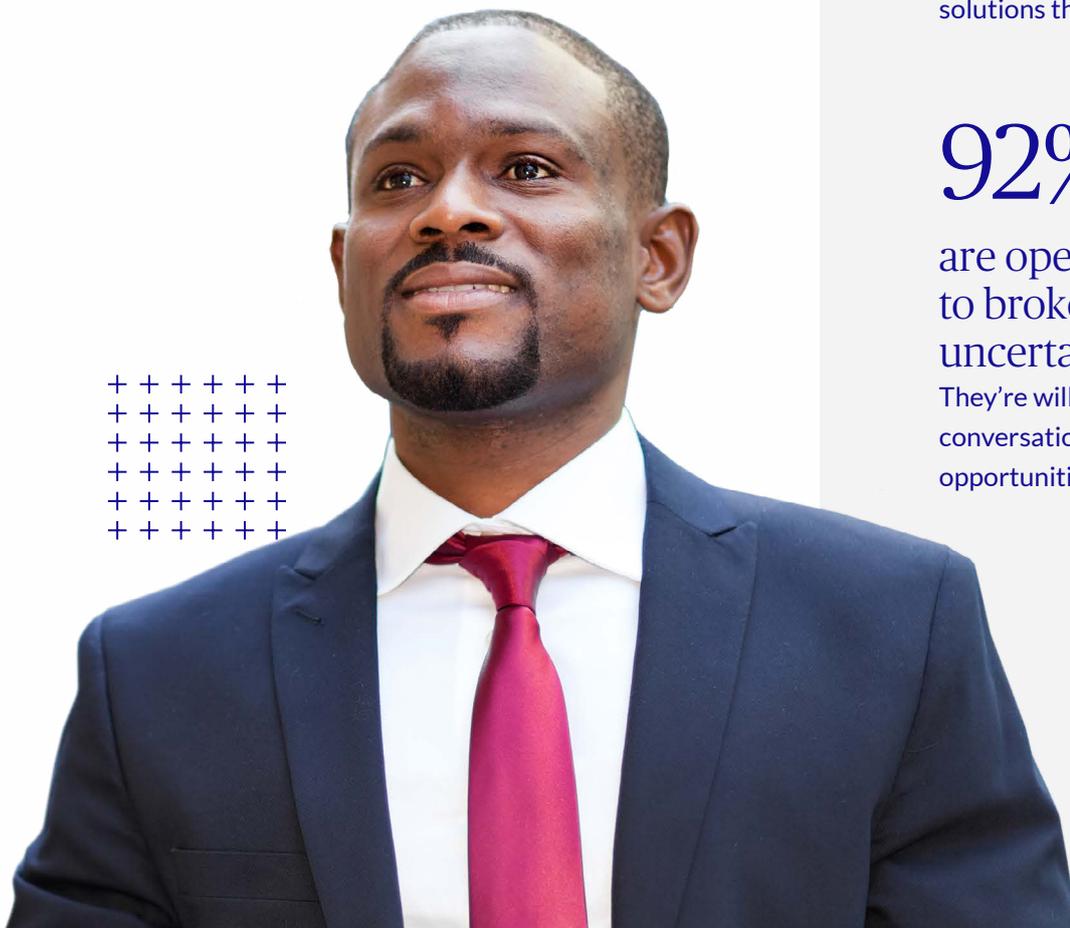
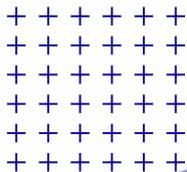
No matter the market, clients always want value. And it's crucial to keep in mind that the value they're looking for is personal, and often based around specific outcomes that they want to see.



Clients' perception of value is also heavily influenced by the environments they find themselves in. In an uncertain environment, their definition of value can evolve, and it's up to brokers to understand how and why it's happening.

A solution doesn't create value until the client determines that it does. And because value is so personal, this process isn't always rational, with emotions and perceptions playing a significant role.

But, when understood and leveraged, value can be a bigger driving factor in clients' purchasing decisions than price. This is critical in today's uncertain market, with more price-sensitive clients who have greater difficulty differentiating between solutions that seem similar, from their point of view.



How has uncertainty affected respondents?

# 92%

are more price-sensitive than before the pandemic.

And with increased price-sensitivity comes a greater need for insurance to deliver value and impact that goes beyond coverage.

# 84%

spend more time comparing prices.

It's important to steer clients away from their focus on price, and offer **valuable** information alongside solutions that fit their needs.

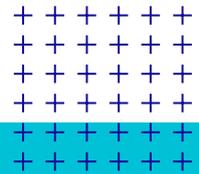
# 92%

are open to speaking to brokers to reduce uncertainty.

They're willing to have more conversations, which can provide new opportunities to present value.

REPORT 1

# The Value *Formula*



## Every client defines value differently.

But understanding this value formula helps to reveal each individual client's understanding of value, which gives brokers a strong platform to dig deeper into their wants and needs. So how does it work?

In essence, value is a delicate balancing act, where benefits need to either cancel out, or ideally overcome, drawbacks like sacrificing time or money. The more the client gains, the greater the value.





**Value** = Price + Cost + Utility + Impact

In the formula, the four factors that determine Value are Price, Cost, Utility, and Impact:

## Price

is straightforward and concrete. It's the premium or rate that clients pay for the insurance solution, and it's often the main barrier to overcome.

## Cost

can be defined as anything the client has to sacrifice, like time, money, or interruptions to normal business operations. Brokers can help by reducing the cost with the experience and solutions they provide.

## Utility

is the basic function of what a product or service does. The core utility of insurance is coverage in the event of a loss. Like price, utility is straightforward and concrete. But it's also the most commoditised aspect of any solution, and therefore one of the hardest to differentiate.

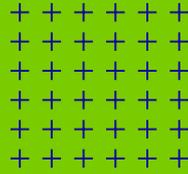
## Impact

is where value-added solutions really shine. It's broadly defined as: how a client experiences a solution. For example, buying cyber insurance to protect against loss after a cyberattack is the solution's utility. But the business owner's peace of mind knowing they're covered – regardless of whether they ever make a claim – is the greater impact.

Where other parts of the value formula are relatively fixed, impact is where brokers can bring more to the table, so with each opportunity it's important to ask: **"How does experiencing my solution affect this client?"**

Answering this question starts to define the impact of each solution. That could include peace of mind, risk mitigation, enhanced protection, increased profitability and cash flow, or increased satisfaction and a deeper, more profound working relationship.

# About the research



During 2021, Chubb commissioned a global survey asking business decision-makers and consumers about their views, attitudes and priorities in uncertain times.

2,250 business decision-makers in small to mid-sized businesses across multiple industries and 1,000 consumers based in 15 major markets around the world participated in this survey. All statistics cited in this document are taken from the global results of this survey, so are not specific to an individual country or region.

## Countries/Regions surveyed

Argentina	France	Mexico
Australia	Hong Kong	Singapore
Brazil	Indonesia	Spain
Canada	Italy	United Kingdom
Colombia	Malaysia	United States

## Chubb. Insured.<sup>SM</sup>

All content in this material is for general information purposes only. It does not constitute personal advice or a recommendation to any individual or business of any product or service.

Chubb European Group SE (CEG) is an undertaking governed by the provisions of the French insurance code with registration number 450 327 374 RCS Nanterre. Registered office: La Tour Carpe Diem, 31 Place des Corolles, Esplanade Nord, 92400 Courbevoie, France. EG has fully paid share capital of €896,176,662.

UK business address: 100 Leadenhall Street, London EC3A 3BP. Authorised and supervised by the French Prudential Supervision and Resolution Authority (4, Place de Budapest, CS 92459, 75436 PARIS CEDEX 09) and authorised and subject to limited regulation by the Financial Conduct Authority (FS Register number 820988). Details about the extent of our regulation by the Financial Conduct Authority are available from us on request.