

Insurance industry warned: Ignore m-commerce and face being marginalised

By [Published by Ovum, part of the Datamonitor group](#)

23 Aug 2010

LONDON, UK: Insurance companies that ignore m-commerce face marginalising themselves as younger generations come of purchasing age, according to Ovum.

In a new report* the independent technology analyst looks at the effect m-commerce will have on the insurance industry and concludes that companies that avoid it could be bypassed when younger generations come to make their first purchase.

According to the report, m-commerce is a 'game changer' for the insurance industry, due to its high speed capabilities, and companies must begin to offer it to customers in 2010 to maintain market presence.

Barry Rabkin, author of the report and an Ovum insurance technology analyst, said: "The speed that m-commerce is conducted at obliterates both distance and time. When commerce is conducted at this speed, it creates heightened customer expectations of availability, responsiveness and fulfillment and puts insurance companies on a path to offering a world class customer experience.

Ignore m-commerce at your peril

"Some insurers may feel that m-commerce is not a viable channel for them to sell their products, believing that their clients do not live or work in areas with adequate wireless service.

"However, we believe that if they decide to ignore m-commerce, they will marginalise themselves as quickly as younger generations arrive at their first purchasing decision."

The report points out that the definition of m-commerce goes beyond financial transactions and also includes the role it plays in providing information to customers before and after a purchase, as well encompassing a wide range of devices.

It also states that to successfully embrace m-commerce, companies need to tick several boxes, including having strong connectivity, reliable and secure infrastructure and adequate resources.

Rabkin adds: "For insurance companies to benefit from m-commerce they need to ensure they are truly viewing the picture from the customer perspective. Only by doing so will they ensure their m-commerce environment will be one that their customers need or appreciate."

**The impact of m-commerce on the insurance industry*

For more, visit: <https://www.bizcommunity.com>