



# ***Gen Y and Gen Z: What are the life goals of insurance customers and what can insurers do to help?***

Customers, Technology and Services: The New Frontier of Insurance

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Article

## Goal Setting, Personality Traits, and the Role of Insurers and Other Service Providers for Swiss Millennials and Generation Z

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**Abstract:** Service providers are developing more sophisticated offerings, and it is important for them to understand the demographics and specific context by which individuals might procure their services. This allows companies to stay relevant to their customers. The target of this paper is to investigate the types of goals Millennials and Generation Z individuals are pursuing and what role different service providers may play in supporting these endeavors, with the aim of providing actionable insights for insurers. Furthermore, it is to investigate how personality traits may relate to differences in individuals' preferences. The study is based on a survey of 854 Swiss university students. The results indicate that goals are concentrated in a few categories, and educational institutions and healthcare providers are well-positioned to support goal achievement. Insurers, on the other hand, rank low among the preferences, and their profile is largely undifferentiated. This result indicates that insurers need to further focus their efforts to gain relevance among younger customers. Supporting goals relating to self-fulfillment and ability for high-conscientious and/or low-honest/humble customers by focusing on risk education and risk management seems a particularly interesting strategy for insurers.



1. What are the **main goals** individuals are trying to pursue?  
(in the context of the COVID-19 pandemic)
2. What role can **service providers**, especially insurers, play in **supporting** the pursuit of individual goals?
3. How does **personality** impact customer preferences for support on goal attainment?
4. What is the “**sweet spot**” for insurance companies to play a unique and sustainable role in supporting customers' goals?

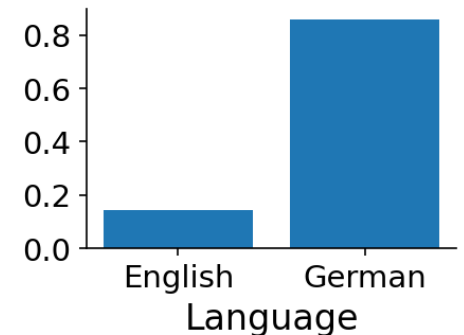
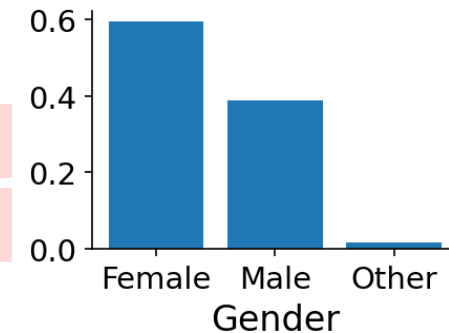
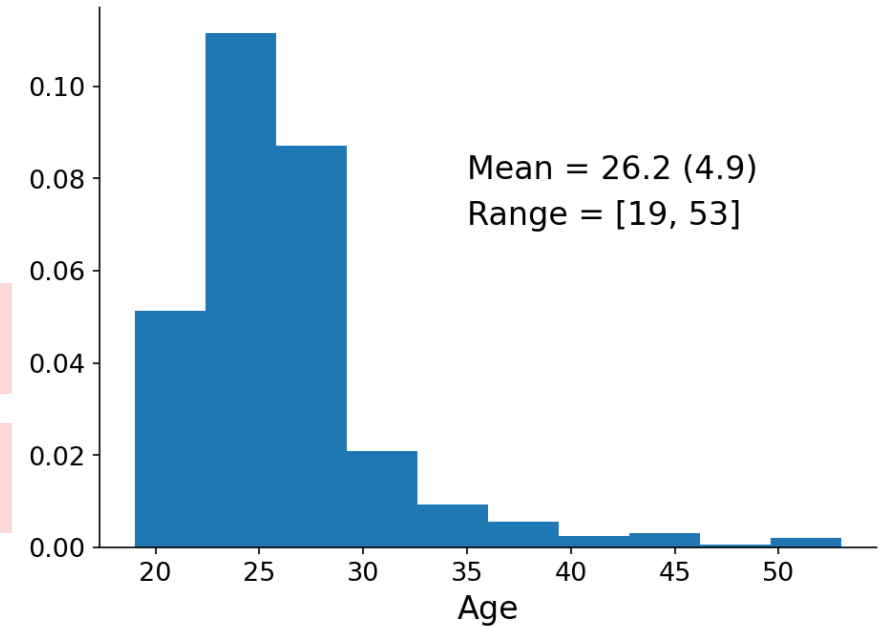
# Study methodology and demographics

## Participants:

- **854** undergraduate and graduate students at the ZHAW

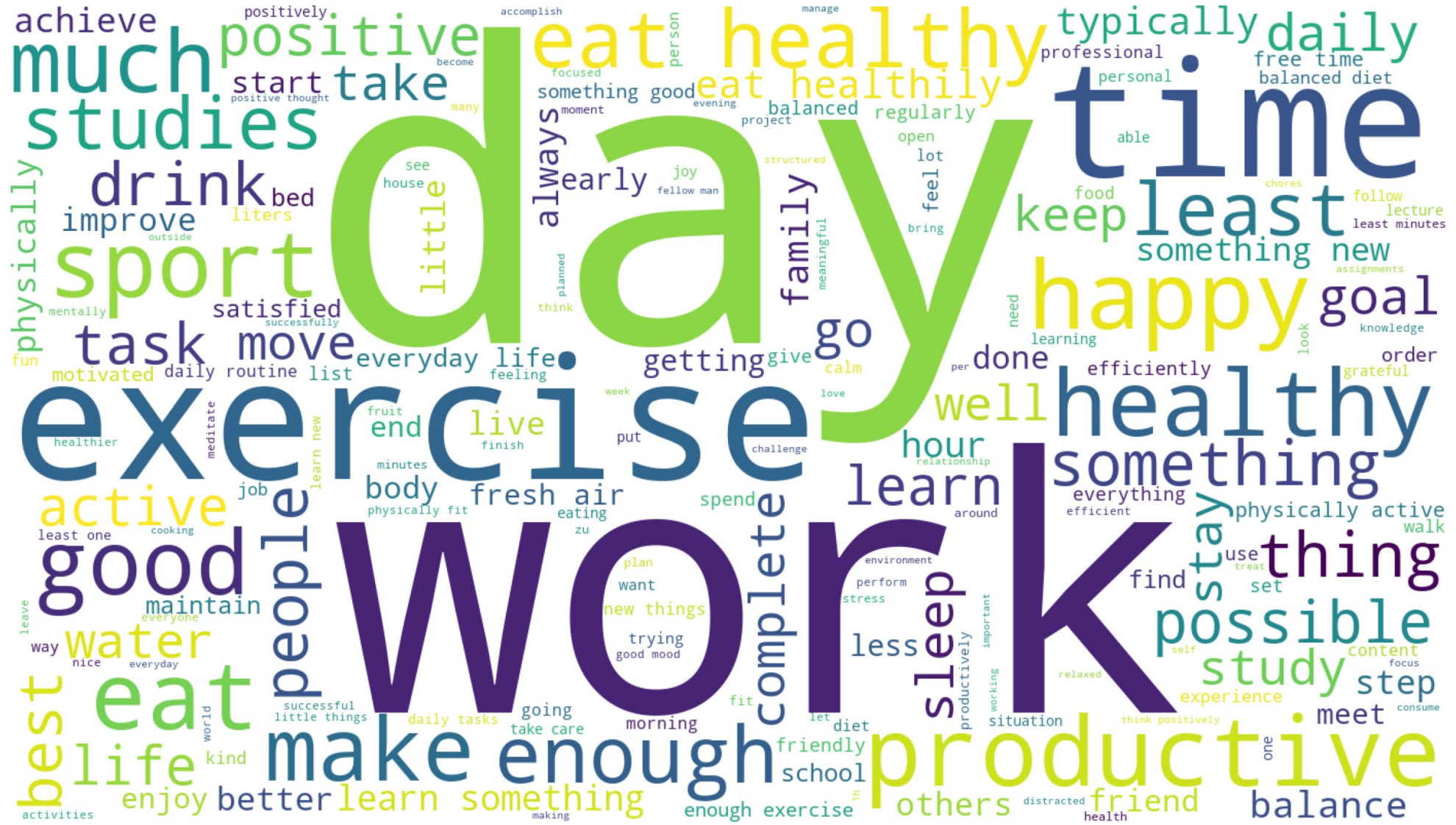
## Survey:

- 2 everyday goals  
(e.g., *"I typically try to get in better shape"*)
- Value ratings  
(*Importance, confidence, difficulty, emotional challenge, previous success*)
- Obstacles and Benefits
- Actions taken / could have been taken
- Personality questionnaire (based on the Big-5 and HEXACO models)
- Service provider support ratings in achieving the goals
- Communication type preference rating (in person, chat, phone, etc.)
- Insurance trust and interaction sentiment



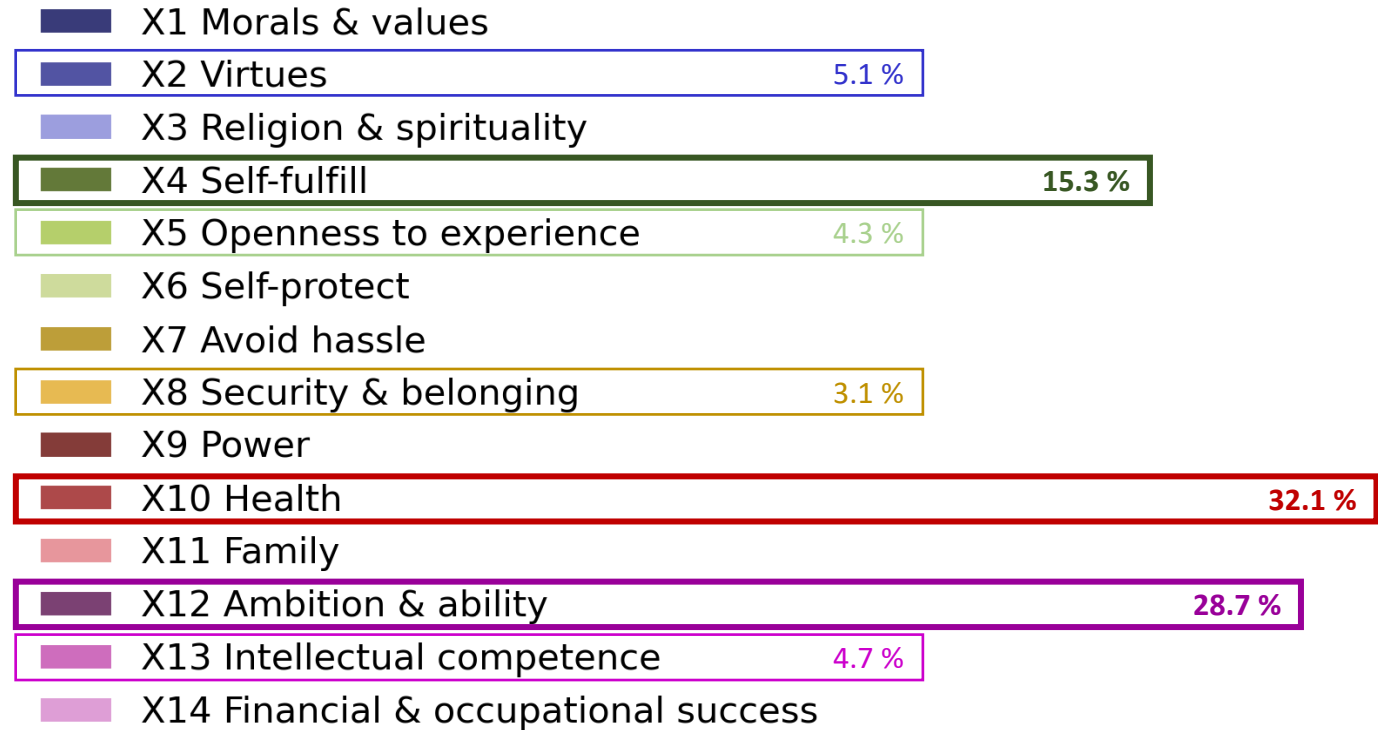
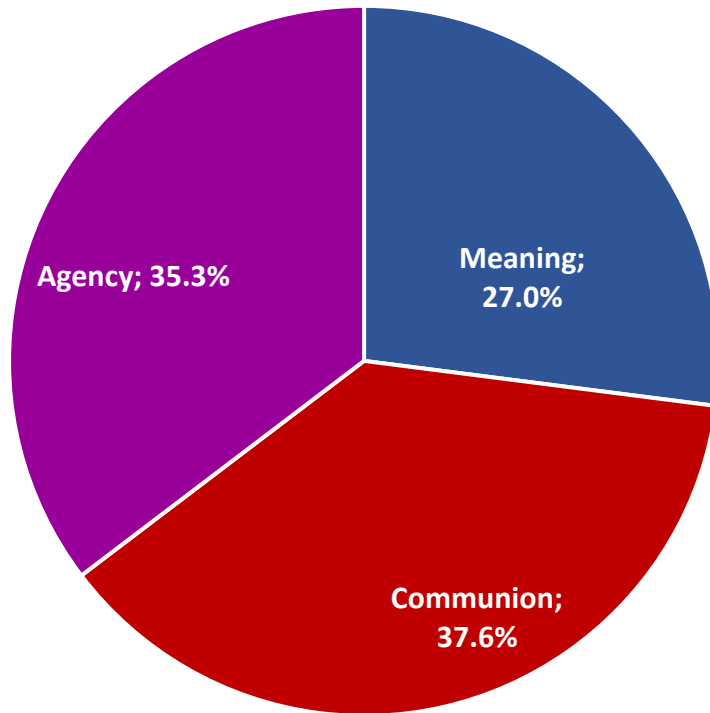


## Individuals' goals by their own words



# 1. What are the main goals individuals are trying to pursue – Goal distribution

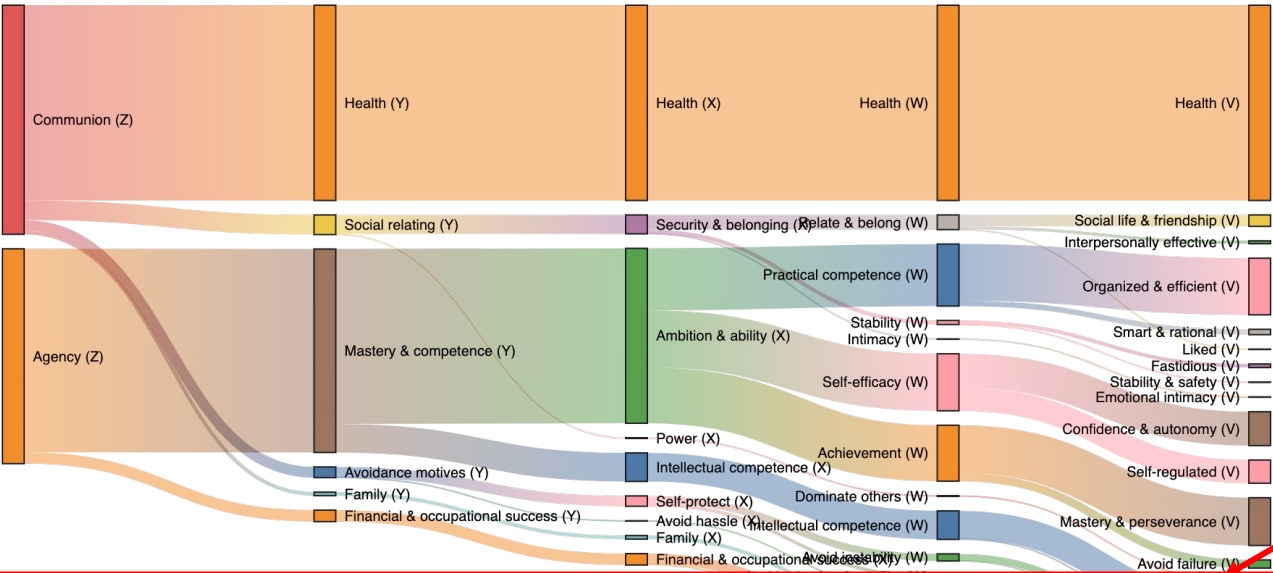
Goal Type  
(for comparison to audience)



➤ **Three categories account for 75% of goals**

- German text was automatically translated using **DeepL's API** (deepl.com)
- **1708 Goals** were classified by 3 independent reviewers following the classification system in Talevich et al., 2017, of **161 motives** clustered across **6 levels**
- A 4<sup>th</sup> reviewer revised the final classification and resolved ambiguities and discordances

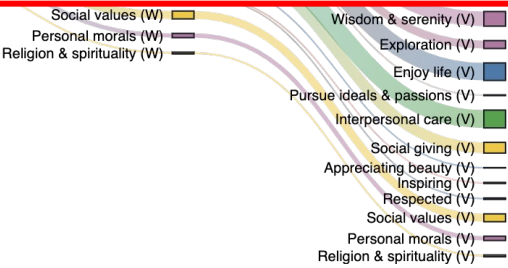
# 1. What are the main goals individuals are trying to pursue – Cross-level goals



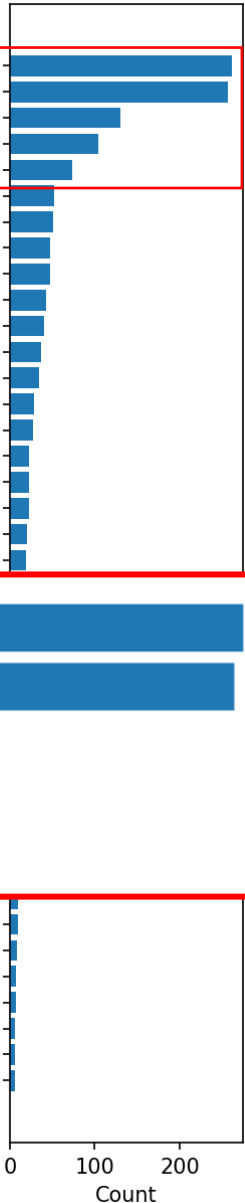
Being physically healthy, e.g., maintaining a healthy weight, eating nutritious foods.  
Being physically active.  
To be efficient, not waste time.  
Being happy and content.  
Mastering what I set out to do.

Getting an education.  
Being disciplined, following my intentions with behavior.  
Being confident and assured.  
Being ambitious, hard-working.  
Being in full control of ones life.  
Feeling satisfied with one's life.  
Achieving personal growth.  
To make others happy or to please others.  
Achieving harmony and oneness (with self and the universe).  
Being physically fit.  
Devoting time to amusements, recreation, entertainment, hobbies.  
To strive for perfection.  
Being intelligent or smart.  
Helping others.  
Being curious.

Being physically healthy, e.g., maintaining a healthy weight, eating nutritious foods.  
Being physically active.  
To be efficient, not waste time.  
Being happy and content.  
Mastering what I set out to do.

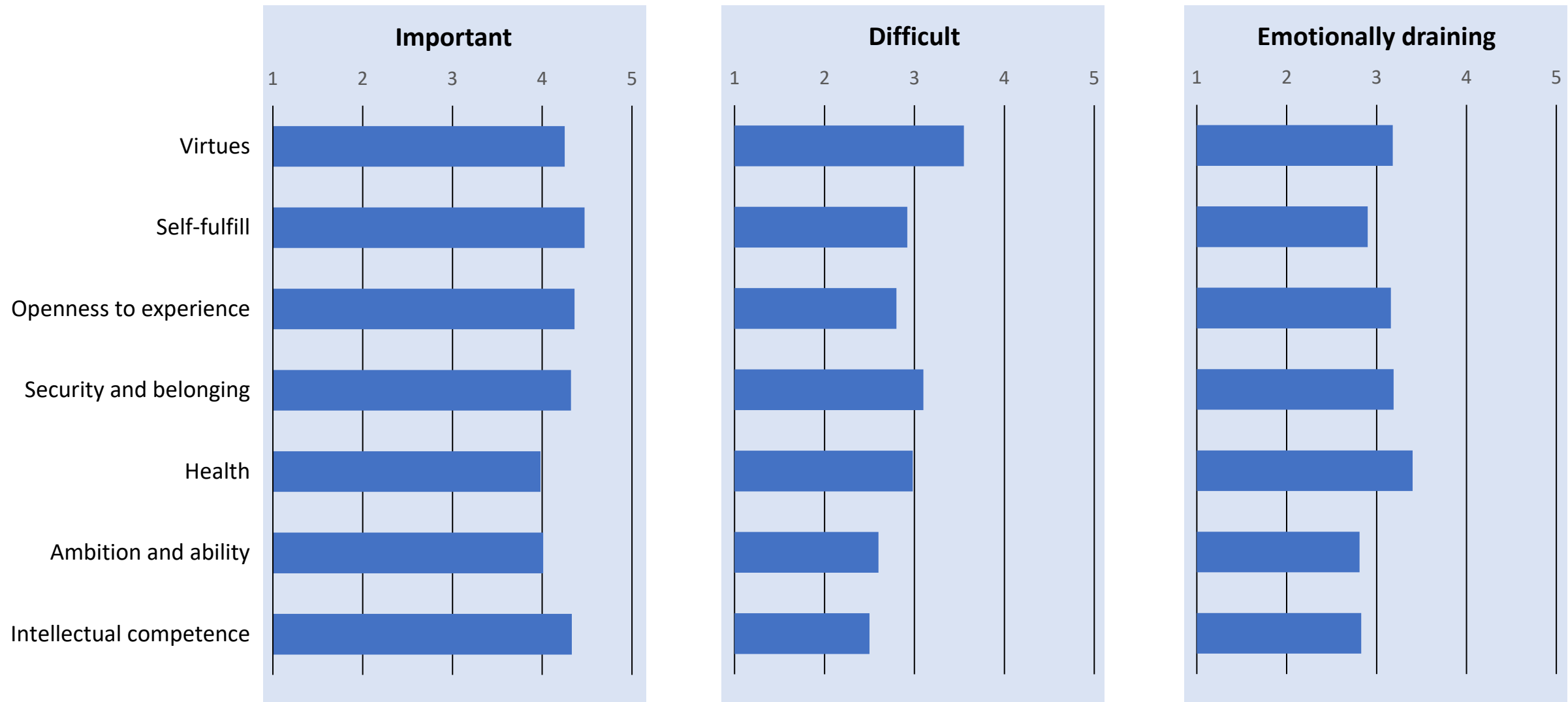


Being playful, carefree, lighthearted, enjoying life.  
To be selfless, to put others first.  
Having a stable, secure family life (with my spouse or children, or both).  
Having wisdom, a mature understanding of life.  
Keeping up to date with career-related knowledge.  
Being clean and neat (personal care).  
Finding higher meaning in life.  
To accept myself, other people, or things as they are.



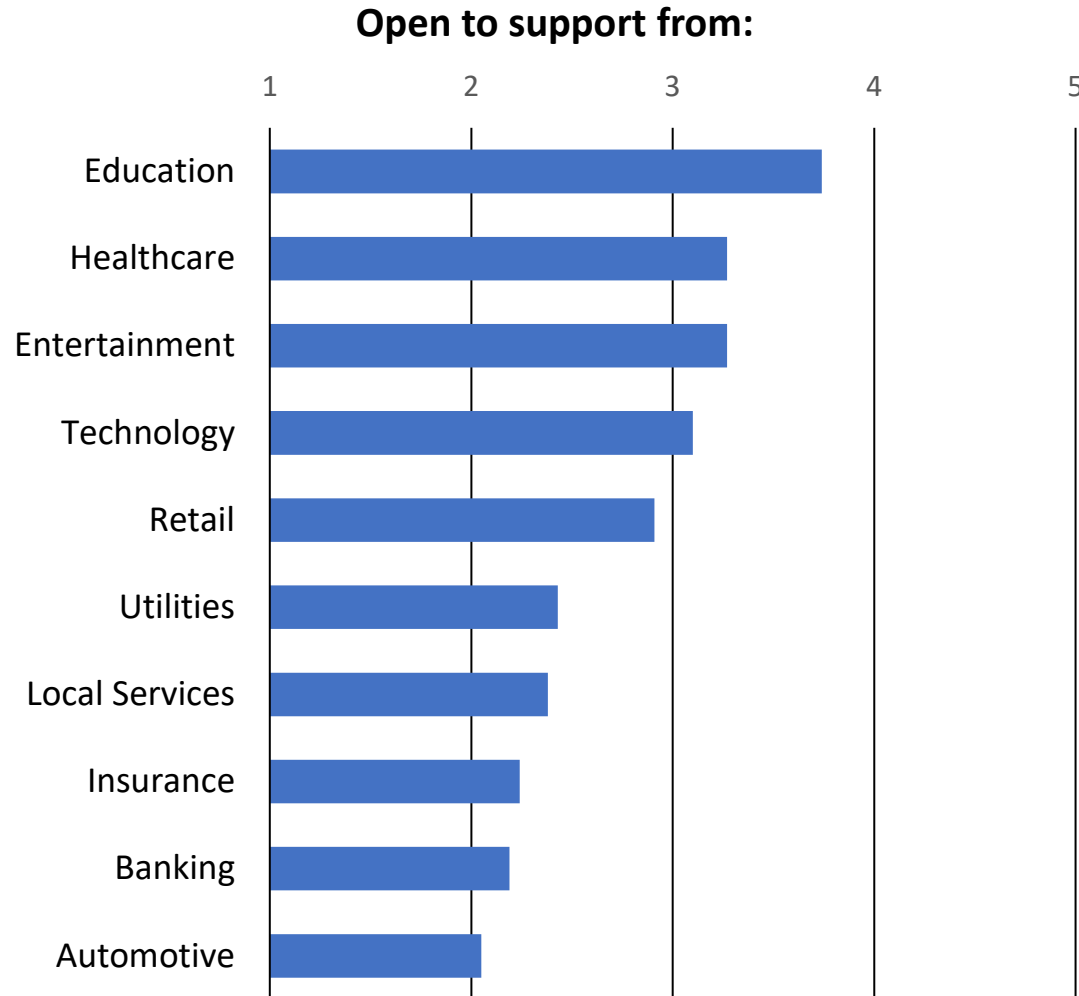
# 1. What are the main goals individuals are trying to pursue – Value ratings

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## 2. Support for goals by service provider

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- Relatively low declared openness for support by service providers
- Men in general more open to support than women
- No difference between Gen Y and Gen Z
- Higher openness towards education and healthcare providers, but also towards entertainment and technology providers
- Lower openness towards support from other established industries, esp. insurance, banking and automotive



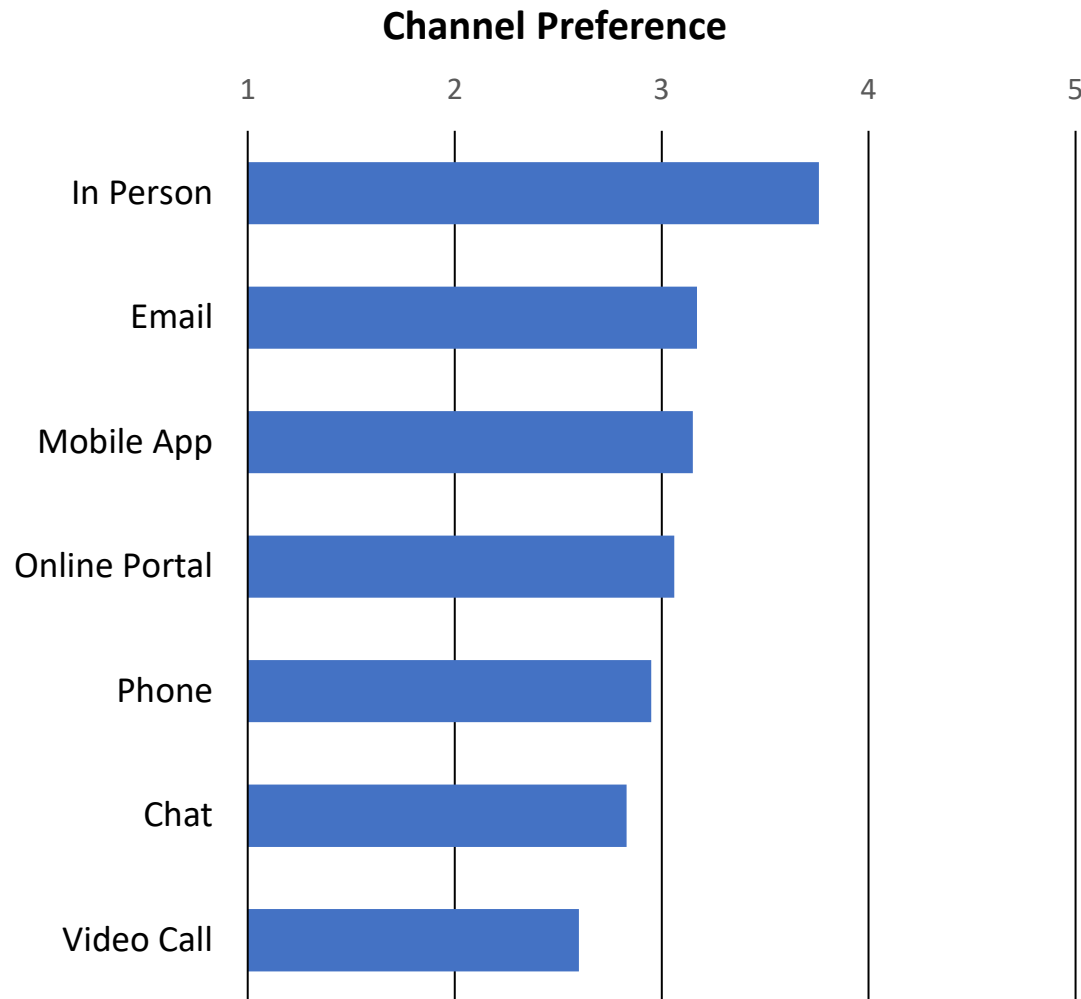
## 2. What role can service providers play in supporting the pursuit of individual goals?

		X1	X2	X4	X5	X6	X8	X10	X11	X12	X13	X14
Service provider	p-Value	Morals and Values	Virtues	Self-Fulfill	Open to Experience	Self-Protect	Security / Belonging	Health	Family	Ambition / Ability	Intellectual Competence	Fin./Occup. Success
Education	<0.001	4.14	4.01	3.90	4.04	3.66	3.81	3.28	3.20	3.88	4.54	4.44
Healthcare	0.09	2.91	3.36	3.37	3.24	3.45	3.00	3.34	3.20	3.18	3.15	3.59
Entertainment	<0.001	3.44	3.54	3.83	4.05	3.24	3.85	2.76	3.50	3.31	3.11	3.22
Technology	<0.001	3.06	3.16	3.04	3.11	2.59	2.81	2.97	2.20	3.25	3.46	3.59
Retail	<0.001	3.12	2.63	2.76	2.99	2.72	2.50	3.18	2.20	2.79	3.05	2.68
Utilities	0.08	2.56	2.48	2.49	2.58	2.38	2.34	2.27	2.50	2.54	2.68	2.28
Local Services	<0.001	2.88	2.45	2.57	2.38	2.41	2.60	2.15	2.50	2.44	2.54	2.34
Insurance	0.31	2.26	2.20	2.31	2.16	1.96	2.06	2.18	2.00	2.28	2.47	2.47
Banking	<0.001	2.21	2.16	2.32	2.27	2.34	1.96	1.93	2.60	2.32	2.59	2.75
Automotive	<0.001	2.26	2.06	2.06	2.26	1.76	2.06	1.81	2.10	2.24	2.31	2.16

- Insurance companies rank low in support for goal attainment across all goals especially in *Self-protect* goals
- Indicates that insurance companies have not established a clear profile in the eyes of Millennial and Gen Z customers

### 3. Support for goals by communication channel

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- In Person support is the most preferred channel for support
- Mobile App very well accepted
- Chat and Video Call not yet widely accepted
- No differences by gender or by generation

### 3. What are the preferred channels for receiving support in the pursuit of goals?

		X1	X2	X4	X5	X6	X8	X10	X11	X12	X13	X14
Type of Contact	p-Value	Morals and Values	Virtues	Self-Fulfill	Open. to Experience	Self-Protect	Security / Belonging	Health	Family	Ambition / Ability	Intellectual Competence	Fin./Occup. Success
In Person	<0.001	4.09	3.97	4.13	4.07	3.90	4.06	3.41	4.20	3.76	3.94	4.09
Email	<0.01	3.09	3.17	3.19	3.25	3.46	2.69	3.02	3.10	3.28	3.38	3.78
Mobile App	<0.001	3.12	2.82	3.04	3.07	3.17	2.51	3.35	2.50	3.10	3.40	3.20
Online Portal	<0.01	3.09	2.67	2.95	3.04	2.97	2.50	3.25	2.30	3.05	3.14	3.25
Phone	<0.001	3.12	3.30	3.15	3.06	3.21	3.06	2.61	3.90	3.03	3.24	3.38
Chat	0.49	2.68	2.95	2.91	3.03	2.72	2.75	2.72	2.50	2.84	2.96	2.97
Video Call	<0.001	2.74	2.89	2.87	2.80	2.82	2.60	2.22	2.60	2.65	3.00	3.28

- General preference for *In-person* conversation, *email* and interaction through a *mobile app*
- *In-person* contact is widely accepted, with the potential exception of *Health* goals
- *Email* is a welcome channel for *Financial & Occupational success* but not for *Security & Belonging*
- *Mobile apps* are less preferred for *Security & Belonging* and *Family* goals
- *Online portals* are less preferred for *Family* goals
- *Phone* conversations are preferred with *Family* but not with *Health* goals
- *Video calls* also do not work well with *Health* but are a welcome communication channel for *Financial & Occupational success*.

## 4. How does personality impact customer preferences for support on goal attainment?

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Service Provider	Openness / Intellect	Conscientiousness	Neuroticism	Extraversion	Agreeableness	Honesty - Humility
Education	0.13	0.02	-0.11	0.19 **	0.29 ***	0.04
Healthcare	0.02	0.07	0.23 ***	0.04	0.17 *	-0.07
Entertainment	0.26 **	-0.14	-0.08	0.24 ***	0.36 ***	-0.01
Technology	0.25 **	0.06	-0.10	0.08	0.11	-0.30 ***
Retail	-0.11	0.14	0.21 **	0.01	0.12	-0.20 *
Utilities	0.13	-0.02	0.02	0.25 ***	0.26 **	-0.24 **
Local Services	0.12	-0.02	-0.01	0.15 *	0.12	-0.10
Insurance	0.02	0.19 **	0.14 *	0.12 *	0.08	-0.23 ***
Banking	0.18 *	-0.03	-0.08	0.24 ***	0.20 *	-0.21 **
Automotive	0.12	-0.10	-0.06	0.23 ***	0.08	-0.26 ***

- In general, Extraversion and Agreeableness are **positively linked with higher ratings of service provider support** while Honesty-Humility is **linked to lower rating of service company support** across the board
- Individuals that are higher on Conscientiousness, Neuroticism and Extraversion are tend to **rate insurance support higher**
- Individuals that are high on Honesty-Humility tend to **rate insurance companies as less supportive** in achieving their goals

## 5. What is the **sweet spot** for insurance companies?

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### Challenge:

- Low scores across all goal types
- Undifferentiated scoring across all goal types

### However:

- High scores for customers with high **conscientiousness**
- Relatively high scores for customers with high **neuroticism**

### Strategies for Insurers

Focus on **Intellectual competence** and **Financial and occupational success** goals:

- These goals are perceived to be difficult and emotionally draining, thus, support should be visible and technical
- Collaborate with established educational providers to develop customers' expertise on financial matters

Focus on **Self-fulfill** goals:

- While important and emotionally draining, these goals are not perceived to be particularly difficult.
- These goals can be satisfied in part through understanding risks and managing it together with a trusted partner
- Potentially requires long-term relationship to manage risk as it evolves over time





***Thank you!***

***Q / A***