


CASE STUDY: Competitor pricing benchmarking for customer acquisition in Insuretech sector

COGNITION

CLIENT

Emerging digital insurance platform provider



INDUSTRY

Insuretech



PRODUCTS

Usage-based auto insurance, customizable home insurance plans, and bundled coverage options



TARGET GEO

Global



BUSINESS OBJECTIVE

- The client aimed to evaluate competitors’ pricing strategies for usage-based auto insurance to better align their offerings with customer preferences.
- With increasing competition from established players and evolving customer expectations, the client sought to refine their pricing structure and positioning to drive customer acquisition and retention.

OUR SOLUTION

- **Competitor Pricing Analysis:** Benchmarked competitors’ pricing models for usage-based insurance, including factors such as driving behavior, mileage tiers, and dynamic pricing algorithms; Analyzed the pricing elasticity of demand across different customer segments, highlighting opportunities to optimize premiums and discounts.
- **Customer Sentiment Mapping:** Leveraged social listening tools and expert consultations to assess sentiment around competitors’ pricing transparency, value propositions, and perceived fairness; Identified customer pain points such as hidden fees, insufficient customization, and lack of clarity in premium adjustments.
- **Strategic Pricing Insights:** Recommended a hybrid pricing strategy that incorporated competitive base rates with dynamic discounts based on driving behavior; Proposed bundling options for auto and home insurance to increase value perception and attract multi-policy customers.

OUTCOMES

1

Implemented a competitive pricing model with transparent discounts, resulting in 8% increase in new customer acquisitions within the first quarter.

2

Addressed pricing concerns and introduced personalized premiums, leading to a 12% improvement in customer retention rates.

3

Captured an additional 7% market share in the usage-based insurance segment by aligning offerings with customer expectations and preferences.