

ADVICES AND PERSPECTIVES OF ENTERING HEALTH INSURRANCE FIELD FOR KEEP

Produce 404

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Content

- 
- 1 Client
 - 2 Market Overview
 - 3 Consumer Profile & Pain Points
 - 4 Business Model
 - 5 Market Entry Strategies

Basic introduction



Functional Framework

Campaign module; Planning module; community platform module; user management module



Services

Diversified workout plans; Professional video training instructions; Scientific training program; Detailed performance tracking; Share your result and determination



Philosophy

“Self-discipline makes freedom” ;
Aims at creating a new exercising way for the youth

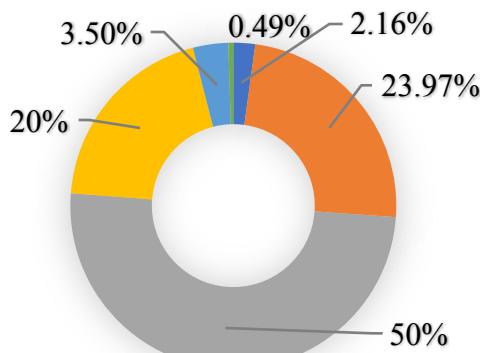
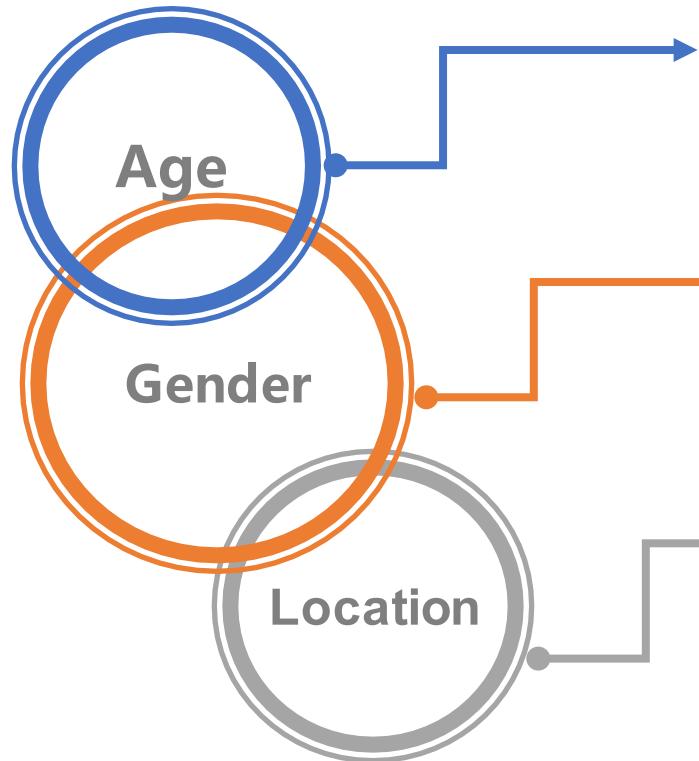


Deficiencies

Single profit model, insufficient liquidity,e-commerce is still in the testing stage, and the exploration of other ways of liquidation is less and less diversified.

User's Portrait of Keep

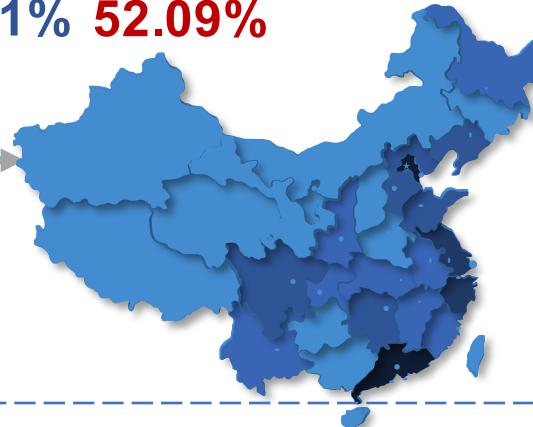
Among the hundreds of sports APPs in China, Keep is the first one to have 1 billion users, making it the largest sports social platform in China.



- < 19
- 19-25
- 26-35
- 36-45
- 46-55
- > 55

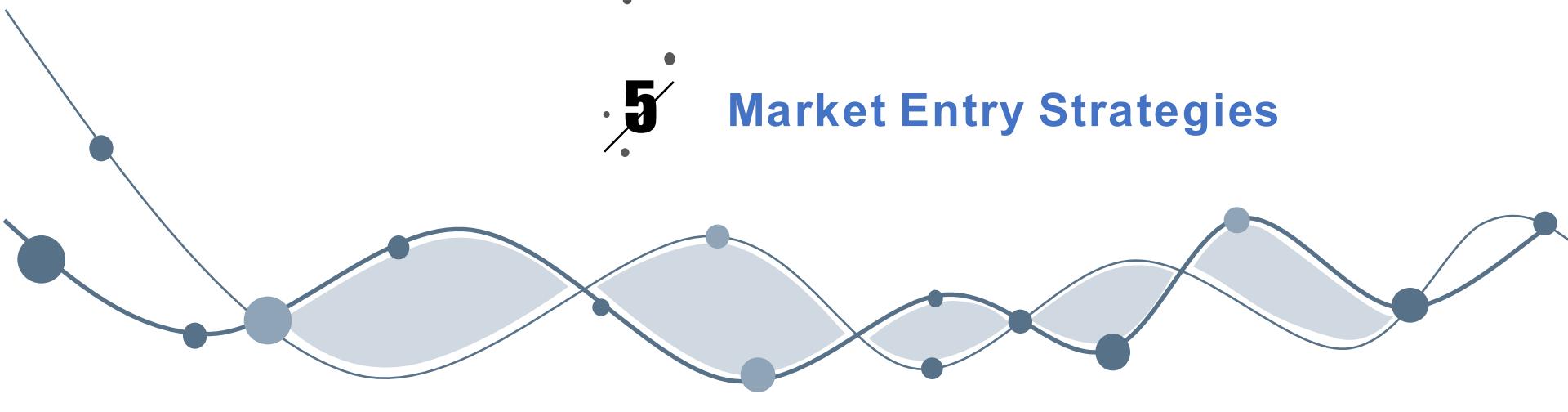
*Data comes from Keep

47.91% 52.09%



AIMS: KEEP wants to develop its insurance business and drive the development of existing industries by cooperating with existing mature insurance companies to launch personalized health insurance products and further realize the "healthy ecology".

Content

- 
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Health insurance market: steady development & huge prospects

a. Market development status

● International aspect

In 2016, the private health insurance industry surpassed 1.3 € trillion in global revenues, a figure forecast to double by 2025.

Global GWP growth among private payors,
2015-2025

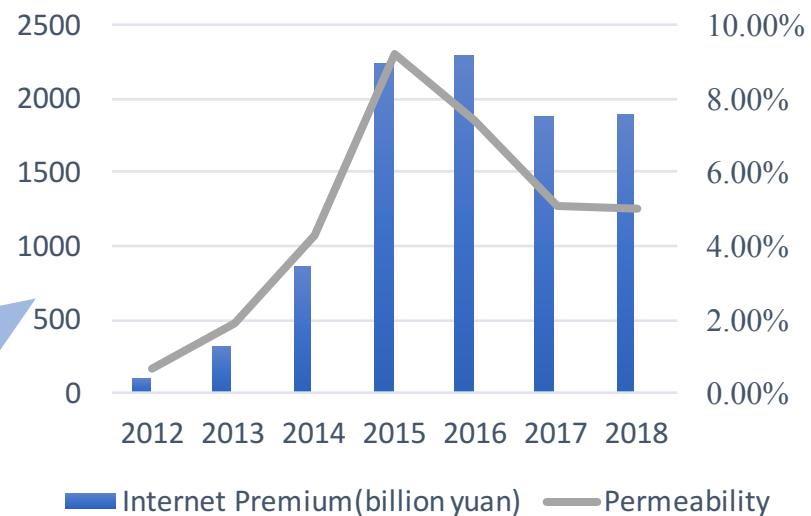


● Domestic aspect

- The national policy on health insurance is constantly improved.

"We will speed up the development of commercial health insurance, enrich the supply of Health insurance products, make full use of the personal income tax policy of commercial Health insurance, and study to expand the scope of insurance products-2020/2/25 China State Council."

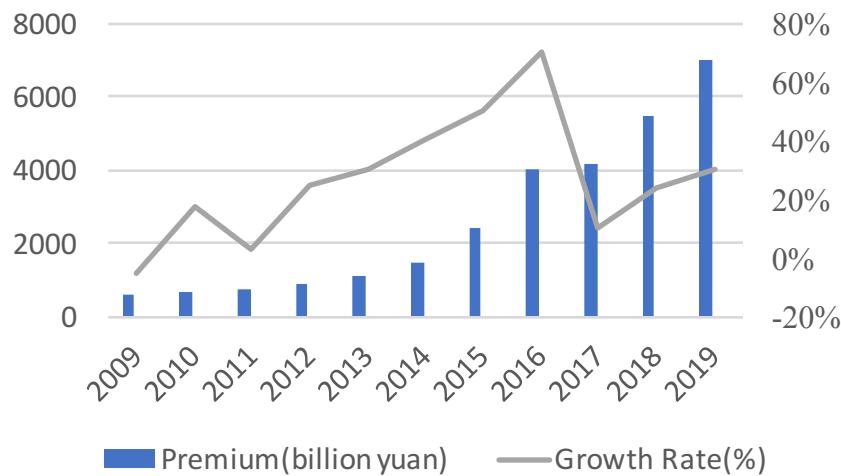
2012-2018 Market Size of Internet Insurance in China



Health insurance market: steady development & huge prospects

b. Substantial returns

Health insurance premium & growth rate after 2009



The data shows that health insurance is one of the fastest growing insurance types in recent years.

- From 2009 to 2019, premium increased from **57.4 billion yuan to 706.6 billion yuan**, soaring more than 12 times, with a compound annual growth rate of **28.5%**.
- Health insurance is expected to maintain a growth rate of **over 20%**.

c. Increased public attention to health

Affected by the new COVID-19, residents' awareness of health protection has greatly increased, as well as the popularity of health insurance.

Reference to the "SARS" period, the SARS epidemic was effectively controlled from May to August 2003, and the monthly growth rate of health insurance single premiums was as high as 309%, 265%, 158%, and 131%.

- Contribute to the development of health insurance;
- Benefit to the expansion and sinking of health insurance consumer groups;
- Health insurance will usher in a new round of outbreaks.

Health insurance market: steady development & huge prospects

d. Existing market development opportunities: the health insurance industry still has shortcomings

Diversified needs are not met

- chronic diseases and sub-health fatigue ↑
- Health awareness ↑



Stimulate the demand for personalized commercial health insurance.

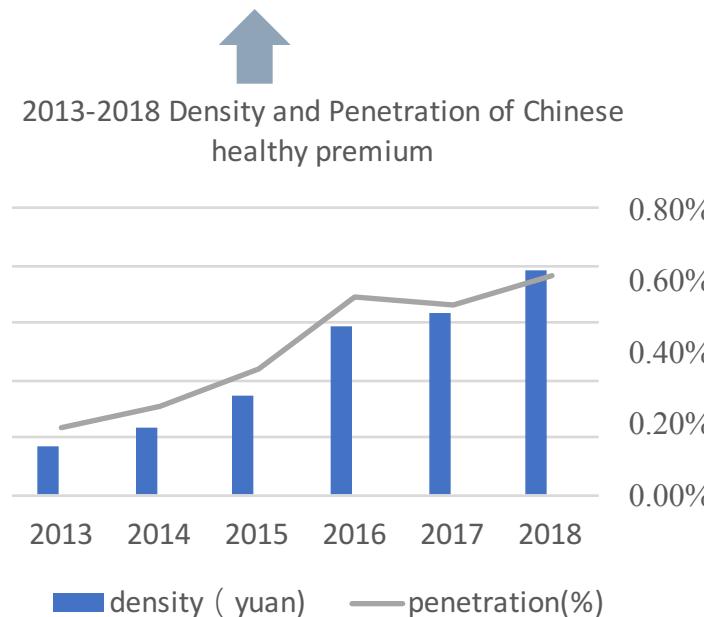
Insufficient coverage

- the coverage rate of commercial health insurance is less than 10%



low penetration rate

The awareness rate of health insurance is high but propaganda is not enough and consumers do not know enough.



Content

- 
- 1 Client
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Consumer Profile

A Typical Consumer



Name: Flora

Gender: Female

Age: 28

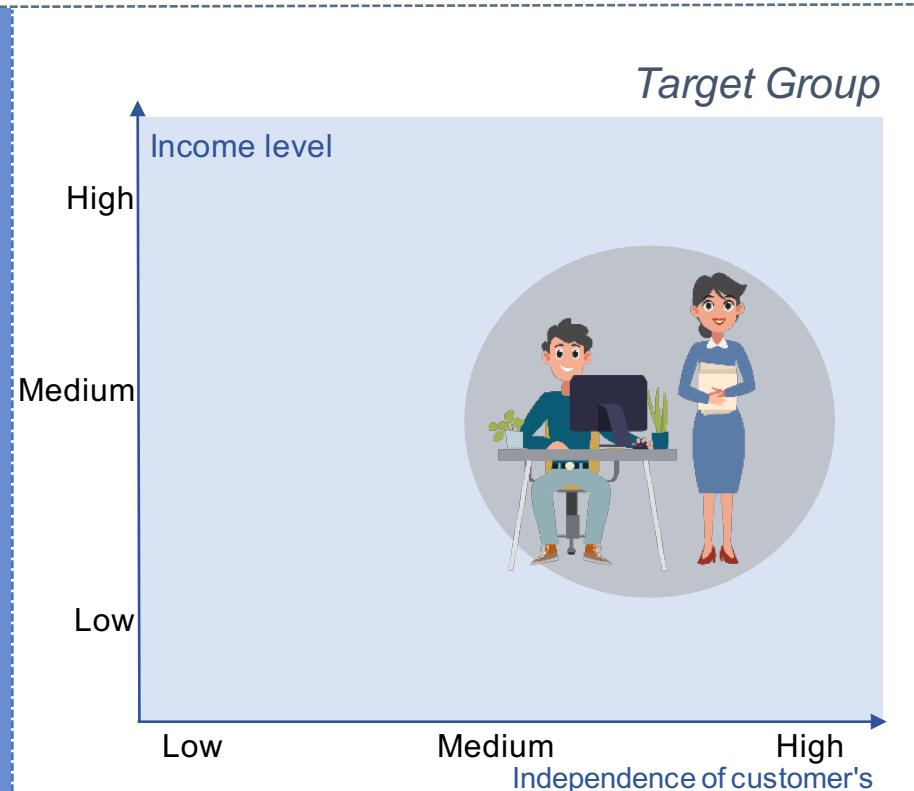
Occupation: White-collar

Location: Shanghai

Education level: bachelor

Income: ¥10000+ per month

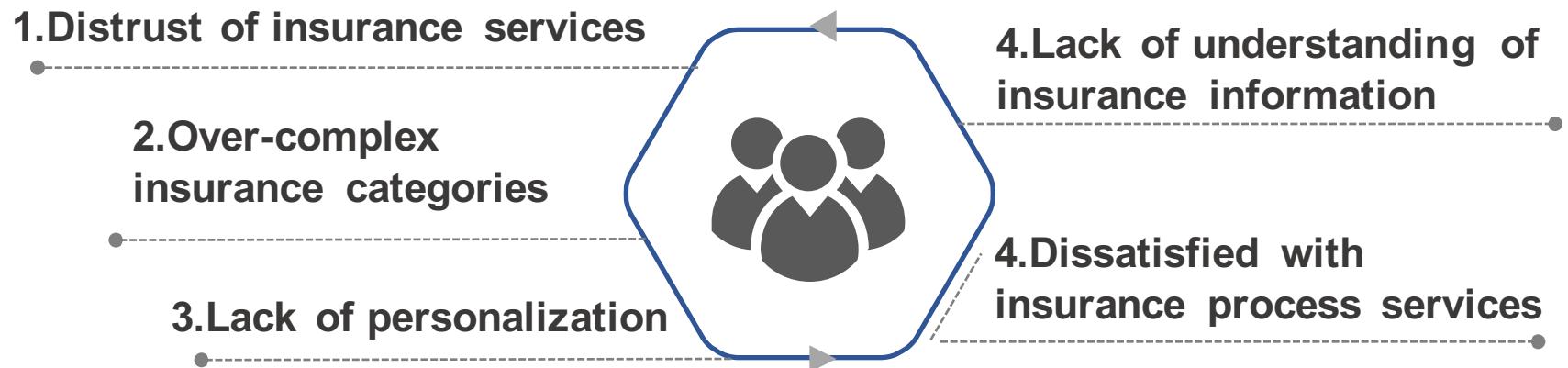
Value: Fashion-oriented; Internet advocate;
focus on price and performance; shop around
before buying something



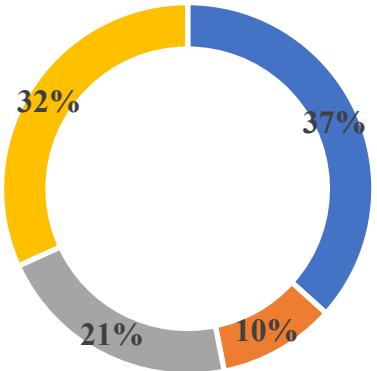
Considerations of 80's and 90's:

Affordable premium Professional marketer Customized insurance plan

Pain Points



Concerns when purchasing health insurance products



- Worried about being cheated
- don't have enough money
- hard to find right products
- don't know which products are suitable for them

In 2019, the China Banking and Insurance Regulatory Commission received 93,719 insurance consumer complaints, a year-on-year increase of 5.95%.

Content

- 
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Evaluating Business Models of other Similar Companies

	Zhongan Insurance	Tencent Wesure	Jingdong Finance		MERCURY INS
Business model	Online-only Insurance Company		JD Insurance	Allianz JD	Online Insurance consulting company
Customer	Residents				High-end Clients
Product	Enrich features for policyholders including AI-powered recommendations, one-click termination of insurance contracts and a well thought-out process to minimize anxiety during the shopping process based on the needs of different user groups, enabling users to buy products that best fit their needs.				3 customized insurance portfolios for each user
Pricing	Manchester United Model		Affordable insurance schemes to everyone	Actuarial Science Model	
Market Strategy	K(key)O(opinion) L(leader) Marketing		Social platform marketing	Users Scenario based on JD platform	

Big Data Analysis

Demand-related data could help personalize insurance products

Evidence from Allianz JD

1 Allianz JD relies on JD platform to get data



Shoppers



Tourists who need accident insurance



Financial investors facing with high market risk

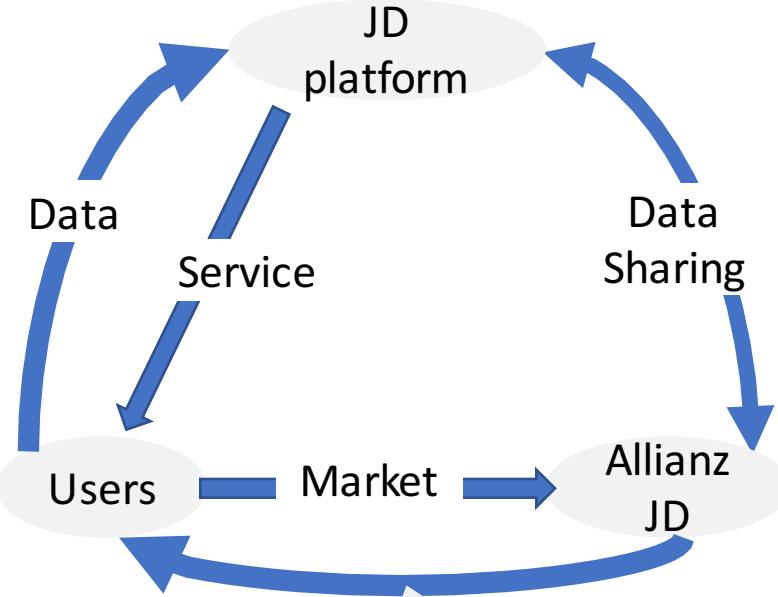


High-end customers



Families that purchase large amount of maternal products

2 Leverage these data



Use the data collected to provide better services and products

3 Digital and advanced analytics

Allianz JD aims to improve its underwriting approach by using machine-learning technology. It builds an AI-powered learning model using historical underwriting decisions and claims experience.

Marketing Strategies

1

Cooperative marketing:

cooperation with various social platforms, online stores, etc.

E-commerce



天猫 TMALL.COM

Health disease



华大基因
BGI



Air travel



中國東方航空
CHINA EASTERN



Consumption and credit

前海征信
QIAN HAI ZHENG XIN
信用·让你我更好互联

58同城
zhaopin.com

智联招聘
芝麻信用
ZHIMA CREDIT

The Cooperation model of Zhongan Insurance

2

Social marketing

Word of mouth

Expand customers

Promote sales

- Insurance red envelopes
- Group purchases
- "Lifebuoy" Series Products

3

Online promotions:

Tencent WeSure:

- "National Security Day"
- With price discounts, friend bargains and one-yuan spike

Mercury Insurance:

- Get free-try online
- Promote sales through insurance experience activities

Personalized solutions – example: MERCURY INS



Insurance AI – intelligent planning system



"Alpha" Insurance Consultant

One on one consultant service



"Wesure butler" Service

Based on theories and models

- Family economic cycle theory
- Model of family risks calculation
- Database of Insurance product
- S&P asset allocation

"All Life Cycle" Planning System

- Family financial analysis
- Pension planning
- Assets allocation
- Education budget planning

Emergency

Daily expenses
Short term account
10%

Leverage account
Basic risk account
20%



Payoff

Safe account
Stable finances
40%

Risk account
Investment account
30%

S&P asset allocation

Our Business Model



Content

- 
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Keep's situation and capabilities

- ✓ **Huge number of users and financial support**
 - 100 million+ registered users, 5 rounds of financing completed in 2.5 years
 - Rapid user growth and financing progress reflect the power of its management team
 - ✓ **Technical capability and big data of users' physical condition**
- “ The 90's generation are more willing to pay ”



Customers who buy sports products cost ¥ 220 on average



*Data comes from Keep

How to entry

Market Segmentation

a. Age based

- 90's
- 80's
- 70's

b. Income based

- College students
- White-collars
- Young women
- High-income elite group

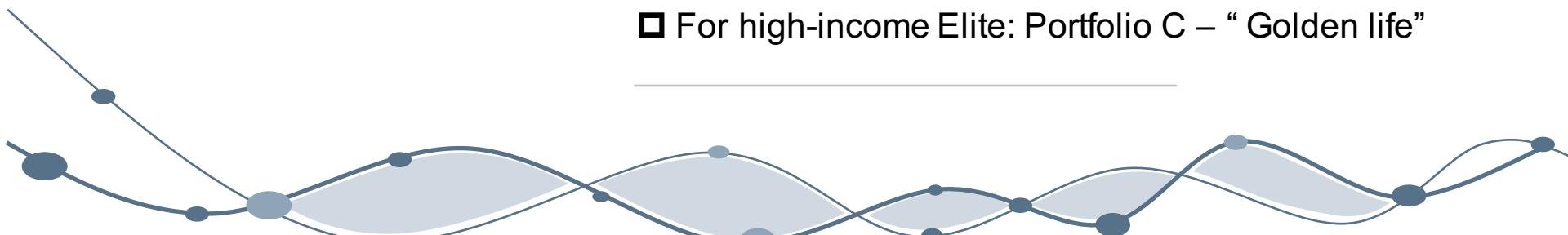
Targeting and Positioning

Insurance type

- a. Disease insurance
- b. Medical insurance
- c. life insurance

Differentiated target market strategy

- For the 80 / 90 generation: Portfolio A – “Colorful life”
- For female white-collars: Portfolio B – “Beautiful life”
- For high-income Elite: Portfolio C – “Golden life”



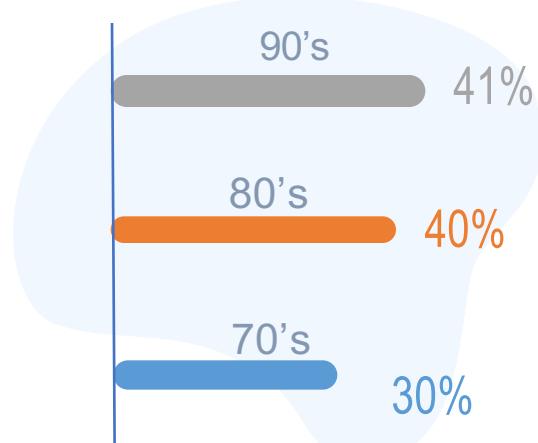
Research findings of target consumer groups

- A. The 80's / 90's have a better awareness of insurance purchase and a stronger willingness to buy multiple types of insurance.
- B. When choosing insurance, they pay more attention to **prices** and products that **meet their own needs**.

C. **Female** customers rely more on professionalism, word-of-mouth, and good services.



Willingness to purchase health insurance:



“ I'm not familiar with health insurance, the reasonable suggestions of salesman will affect my choice.

— Ms. Wang from Zhengzhou

“I would like to try products that my friends recommend to me. And we love warm services.”

— Ms. Huo from Nanjing

Research findings of target consumer groups

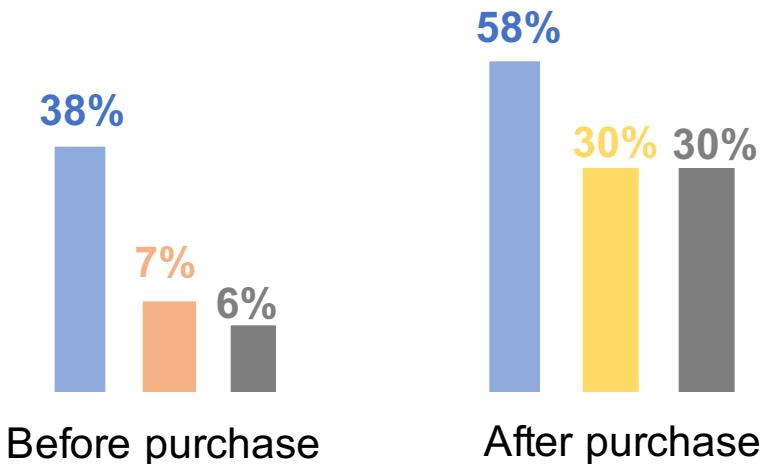
D. **Salesperson** is still important to the 80's / 90's generation

E. 80's / 90's need **regular maintenance** and **daily care** after purchase

Consumers' access to information in traditional insurance purchase scenarios

Salesperson Third party WeChat Official Accounts

Phone call service WeChat Official Account of the insurance company



Scenarios where consumers want to be actively contacted (top four)

- Festival / Birthday 22%
- Changes in insurance terms 19%
- Notification of activities 14%
- Family state changing 14%

"Sometimes the terms of the insurance will change or update. I want to be informed in time."

—Mr. Li from Hangzhou

Market Strategies : Products & Customer Experience

PRODUCTS



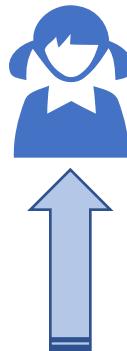
Personalized-products help meet the needs of various group of people

Adjustable Price



Quotes can be reasonably reduced depending on customers' exercise frequency on KEEP App.

Additional Service



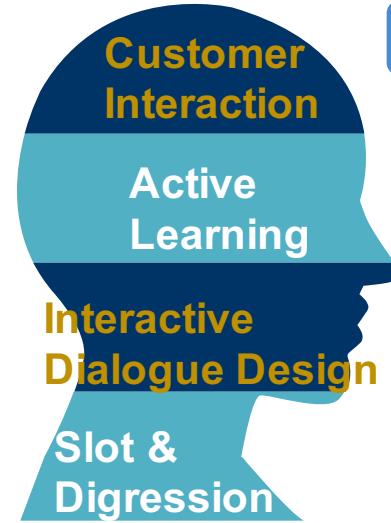
Cooperation with online medical service platform enables our customers to get free medical services.

"Chunyu Doctor", China's largest online medical service platform, has over 65 million users and 200 thousand registered doctors.

Market Strategies

Digital Technology throughout Insurance Journey: enhanced digital capabilities can help carriers increase adviser productivity, improve customer experience.

1. AI + Chatbot



What AI Chatbot can do

Online Assessment

Compare Options

Share Financial and health information

Online schedule for client meetings

Receive quotes and coverage information

2. Build new business

Marketing Ecosystem

Advertise on **KEPP App** and social media

KOL Marketing

To reach the target audience in an authentically and powerful way—through the key opinion leader's (KOL's) content posted on social media.

Social influence: community and User-Generated Content (UGC)

Attract Users with an Inbound Advertising and build trust with consumers

3. Digital Marketing

Physical Data collected from wearable band

Data collected through digital channels

Analyze the online behavioral interaction of customers to conduct personal marketing and create a digital-native business.

Summarize

Market Strategy	Products	Personalize products to meet the needs of various group of people
	Pricing	Pricing is available in real time based on usage and a dynamic, data-rich assessment of risk, empowering consumers to make decisions about how their actions influence coverage, insurability, and pricing.
	Customer experience	take strides to improve their end-to-end customer experience in the areas that matter, meeting the interests and demands of Chinese customers using digital analytics
Future Advice		Get smart on AI-related technologies and trends
Future Advice		Develop and begin implementation of a coherent strategic plan
Future Advice		Create and execute a comprehensive data strategy
Future Advice		Create the right talent and technology infrastructure