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Insuring a great customer experience

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The insurance industry is undoubtedly facing difficult times. With a general commoditisation of product, ease of switching and more comparison sites, insurers are searching for ways to differentiate themselves in an ever more crowded market. The less creative have resorted to competing on price. The more creative have turned to customer experience as a way to deliver a long term competitive advantage. And for good reason. According to the IBM Smarter Commerce for Insurance study, 83% of consumers are more likely to engage with brands that allow them to control where, when and how they interact.

While the insurance industry has made significant progress in offering alternative channels to their customers, these channels remain largely siloed, making a seamless customer journey between all these channels another challenge altogether. Added to this is the pressure on customer journeys from the strict compliance requirements placed on insurers that demand visibility, transparency and an audit trail.

So, with customer experience top of the customer's agenda, but with so many obstacles along the way, what steps must insurance companies take to fulfil the needs of their customers?

Omni is the new multi

Omni-channel, where customers can choose any channel at any stage in the journey, is here to stay. With the proliferation and fragmentation of channels, the need to build frictionless journeys that transcend the channel silos is increasingly important.

However, this can be challenging. To achieve an omni-channel experience insurers need to eliminate channel silos that have been designed around the organisation/needs of the business and adopt a customer-centric focus. The insurance company needs to move away from the concept of delivering products and services through a range of channels, to a customer-driven approach that focuses on actual customer journeys and takes into account the different routes that a customer can take to get to the same outcome. This change in focus requires a mindset change away from internal processes and legacy systems to an outside-in view. Insurers who understand that customers want to choose their channel and direct their own journeys will be able to design flexible and frictionless journeys to accommodate their customers.

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Mind the gaps

Very few customer journeys are seamless. Many customer journeys have gaps that result from a variety of causes ranging from requiring paperwork as part of the claims process, sending out compliance documentation for a customer to sign, sending insurance certificates, etc. In many cases, this temporary stall can turn into a permanent break and the loss of a customer.

While gaps in the customer journey are inevitable, they don't have to lead to customer loss. Instead, insurers need to analyse the customer journey on a granular level and identify these possible break points. The challenge then is to find simple and intuitive solutions to these problems.

Technology can help bridge these gaps. Technology can analyse customer data to identify the points in the journey of greatest risk, can give customers the ability to digitally share and sign documents, or even connect the different customer channels to avoid gaps between them. However, while technology can seem like a silver bullet for insurers looking to transform their customer journeys, they also need to avoid falling into the trap of 'tech for tech's sake'. By first exploring where customer experience is failing and then making technology choices based on these failure points, insurers can ensure their projects have a real impact and do not become a redundant 'IT project'.

Delivering transparency

An improved customer experience is nothing if it is not compliant. Clearly it is essential to show transparency in order to protect consumers, build trust and also protect insurers from some of the remediation issues that have so badly affected the industry over recent years.

Finding ways to ensure the customer knows exactly what they are signing and what the products will deliver is vital for the insurance industry. Demonstrating product features in comparison with alternatives in visual, easily digestible ways, for example, builds customer trust and confidence in the decision made. Articulating policy features and benefits verbally is rarely easy – especially if the customer is to walk away from the discussion confident and with full clarity. There is a real opportunity therefore for insurance providers to illustrate these differences at the point of sale, visually, interactively and on an omni-channel basis, thereby enhancing a customer's understanding of their decision, their confidence and ultimately their trust in the provider.

Made to measure CX

The impact of these new approaches is anecdotally obvious, but their precise impact must be measured to enable subsequent improvements. It can be tempting to continue to focus on narrow measurements such as AHT as they have traditionally been the benchmark for efficient service. However, these measures can provide a misleading view of the actual customer experience as they rarely measure the KPIs for entire customer journey for both customer and insurer. For insurers committed to improving the customer experience, measurements must be put in place to track the whole customer journey and provide a holistic view.

Breaking the CX mould

It's clear there is a huge opportunity for insurance companies to use CX to transform the image of themselves and break out of the commoditised market. Options range from changing the way insurance providers interact with their customers, to minimising threats from compliance and combatting comparison engines. Creating a market leading CX strategy will not only create a point of differentiation, it will also deliver measurable results in terms of increased conversion and retention rates and reduced churn and operating costs.