



Get personal:

5 WAYS TO CONNECT MORE DEEPLY WITH POLICYHOLDERS

For insurers, attracting and retaining customers has always been key to premium growth. Recently, established brands have been spending big to draw in new policyholders — often with promises of lower premiums. In fact, the industry as a whole forked out more than \$6 billion for advertising last year, with 11 companies accounting for 83% of that.¹

But study after study has shown that it's not so simple to spend your way to retention. Gains in policy count often proves short term, since appealing to customers on price means policyholders are easily poached by competitors.

Instead, insurers are finding they can improve their long-term premium growth by standing out based on customer satisfaction. Policyholders that report high levels of satisfaction are worth 3 times more than the average customer in terms of lifetime premiums and referrals.² So finding ways to encourage loyalty and improve the customer experience is a great way to spur long-term growth, especially if your ad budget isn't north of ten figures.

5 ways to connect more deeply with policyholders

TODAY'S CUSTOMERS WANT THEIR VOICES HEARD

So how can you go about creating enthusiastic customers? It comes down to communication, choice, and control.

Studies show that satisfaction is more than doubled when policyholders hear from their insurer more often, and that delivering on those touchpoints is the most effective way to build customer loyalty.⁴

Utilizing tools to collect customer data at every customer interaction, and sharing it along distribution and service chains, are crucial to creating a seamless customer experience.

Beyond that, customers with high satisfaction numbers also want to resolve issues through a

variety of different online, mobile, and offline channels, and to be able to decide which channel they'd like to use and when. In fact, 83% use multiple channels to address their needs.⁵

Today's insurers must make sure that interactions with their distributors leave policyholders with the same positive feelings they get from their insurer. If a customer provides information on an application, they don't want to provide it again when they fill out an online form or contact the call center.

With that in mind, here are five ways to set yourself apart from the competition by strengthening your relationships with customers and earning all-important loyalty and referrals.

Step 1

Get to know them over time

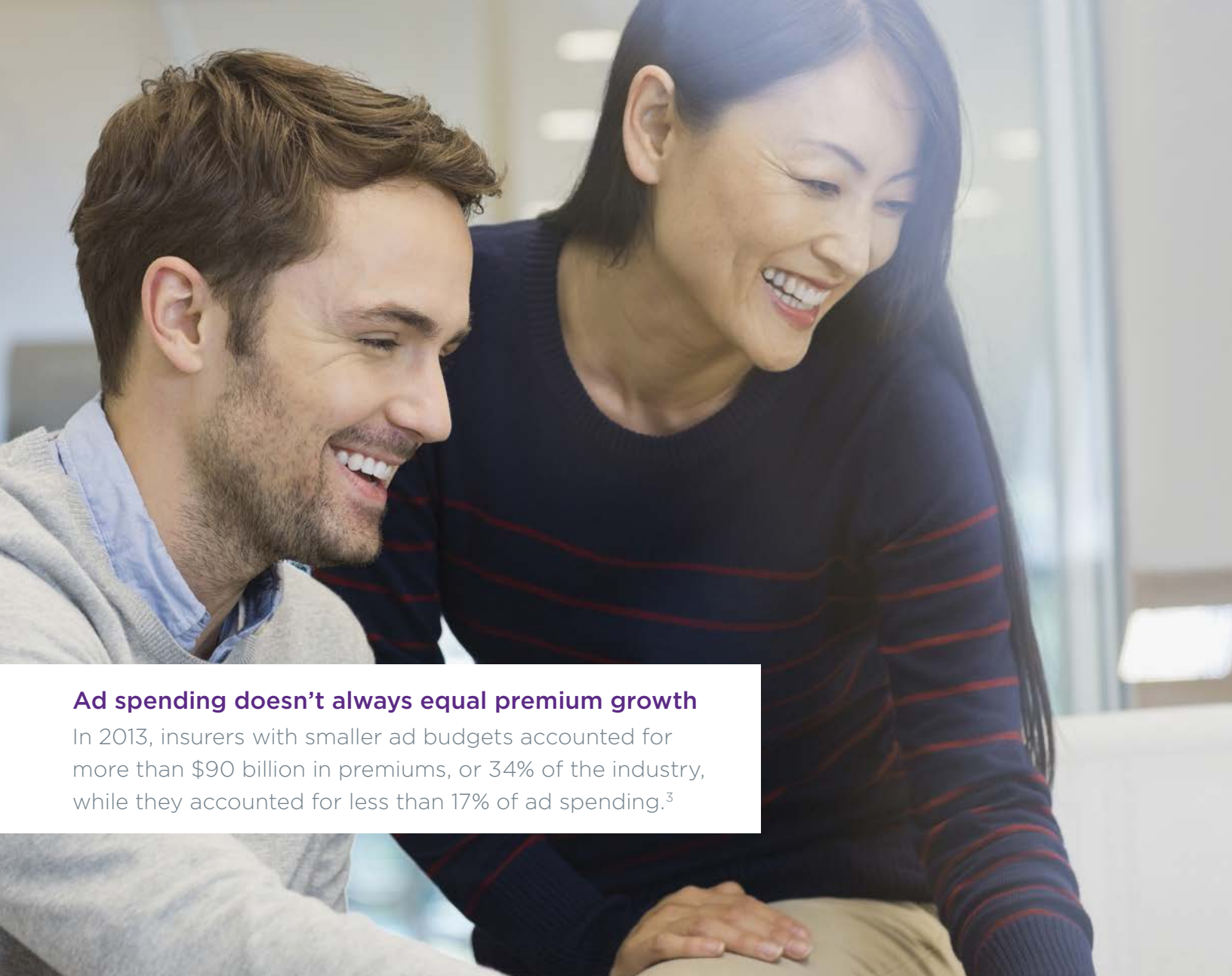
Being aware of your customers' needs is the best way to keep them happy. But that no longer means spending time with them in person or on the phone. In fact, the number of customers that deal with their insurer most often on digital channels is expected to double in the next 3-5 years.⁶

Just as importantly, today's consumer expects a personalized experience from the moment of first contact until they are loyal, lifetime policyholders. So engagement starts with building a presence on social networks, where 73% of American adults spend an hour or more every day.⁷ By using social listening tools, insurers can gain insights on customer pain points and hone in on areas where the customer

experience can be improved. It's basically a continuous, low cost focus group.

After that, insurers should be gathering and assessing data at every customer interaction, and sharing all that information efficiently with distribution and support partners.

Global insurer AXA not only has implemented a social listening program to aid in marketing and increase cross-sell opportunities, it also connects its sales team to customer information via iPads, so they can send and update contracts more efficiently. By having this data easily accessible in a central location, the insurer can make sure it is always on the same page with agents and customers alike.⁸



Ad spending doesn't always equal premium growth

In 2013, insurers with smaller ad budgets accounted for more than \$90 billion in premiums, or 34% of the industry, while they accounted for less than 17% of ad spending.³

Step 2

Cater to their specific needs

The right mix of products is the single most important factor in building customer loyalty.⁹ Part of providing a personal touch is matching customers with products that are most suited to their needs.

This is where customer data gathered at each touchpoint can be put to good use. A robust database of customer information, available throughout the company and to distributors, allows insurers to make insights on behaviors and tie those insights to customer characteristics. Targeted insights on the

customer pool, or microsegmentation, can give insurers vital information to help market to particular customer groups or anticipate their needs.

For example, if a policyholder has a child that recently turned 16 years old, not only can insurers send that policyholder information about car insurance, they can also take personalization a step further by providing targeted offers for safe-driver and good-grade discounts.

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Step 3

Be there in good times and bad

Filing and getting payment on a claim are two touchpoints likely to drive customer enthusiasm, but insurers still need to pay close attention to non-claim issues as well. Getting accurate product information and quotes on demand, and having questions answered to the policyholder's satisfaction, are not far behind in the customer's estimation. In fact, being left in limbo on policy status and having questions unresolved are two of the top pain points for policyholders.¹⁰ Customers want to know that their insurer is there to help anytime they need it, not just when something has gone wrong.

To deliver on the entire customer experience, insurers must keep in better contact with customers and make sure that they get the same quality experience from third parties that they receive from the insurer itself.

Step 4

Let them take the reins

Though policyholders no longer rely completely on their agent for policy and claim information, that doesn't mean insurers are off the hook. Customers are asking insurers to provide them with easy access to resources that will allow them to handle issues themselves, whether it's online policy information, customer forums, mobile apps, or resources available on other channels.

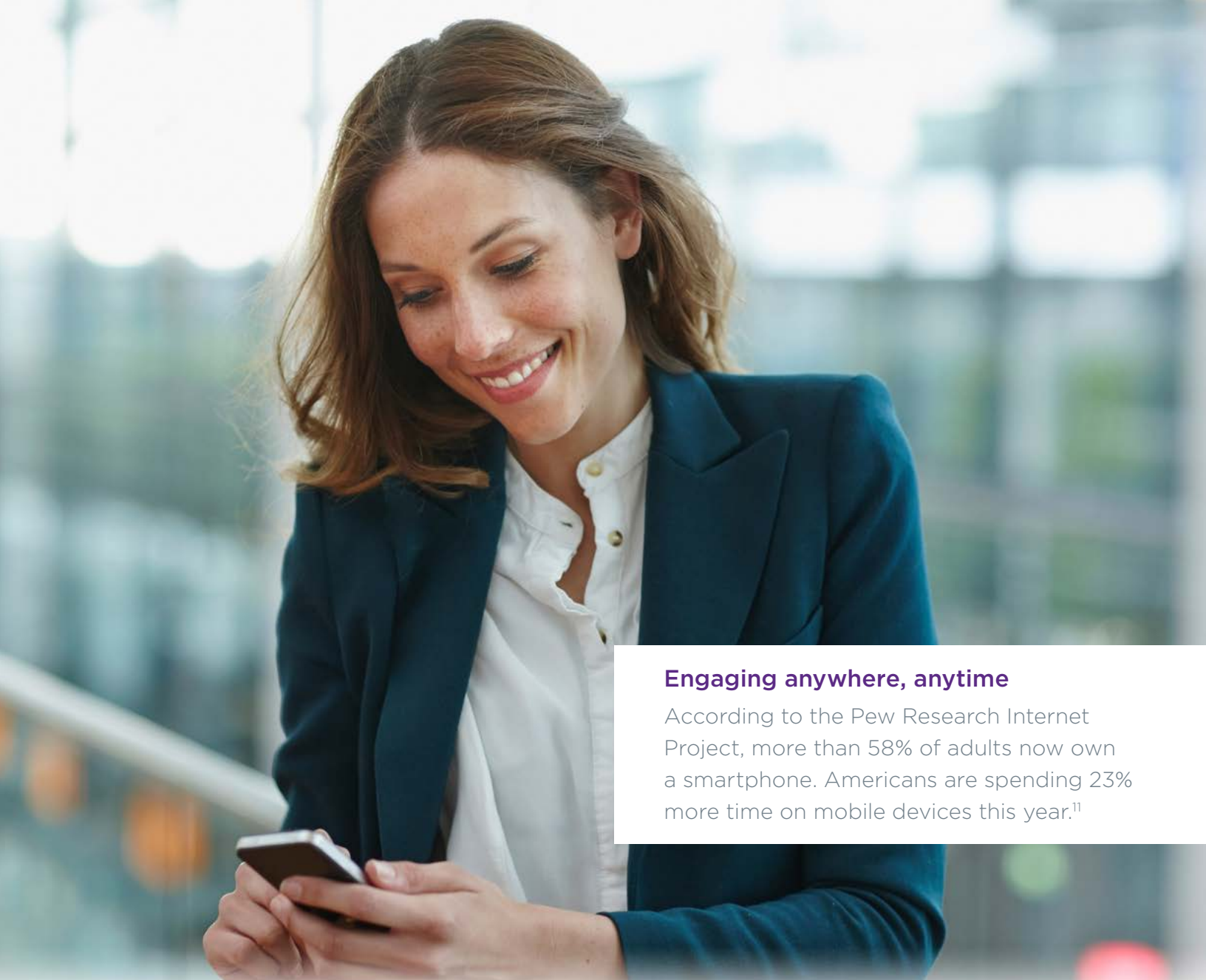
Since today's consumers conduct more and more of their businesses online and on mobile devices, providing a personalized experience

PURE brings customer data online

After its policyholders raised concerns about receiving more real-time information and getting better non-claim service, PURE Insurance built a policyholder portal to provide secure access to policy information and documents, online policy management and support resources, and more transparent claims. The insurer has seen customer enthusiasm improve by 12% in the year since the portal went live and expects contact center calls to decrease by 10%-20%.

from quote through claim resolution means enabling customers to interact with you on whatever channel they choose.

This multichannel experience should be delivered with a personal touch. For instance, PURE Insurance created a customer portal that allows policyholders to see the face of their adjuster online before any interaction. This gives their customers not only the convenience of interacting on the channel of their choice, but also the feeling that their adjuster is right there in the living room with them.



Engaging anywhere, anytime

According to the Pew Research Internet Project, more than 58% of adults now own a smartphone. Americans are spending 23% more time on mobile devices this year.¹¹

Step 5

Show them you've been paying attention

It's not enough to provide policyholders a choice of channels through which to resolve their issues. Since they're using multiple channels to resolve issues, insurers must make sure that information is shared effectively and efficiently among those channels.

Not only will customers not have to provide the same information twice, but insurers can use shared customer data to bring different teams and distributors into larger strategy discussions.

Financial services giant AIG took a big step toward a seamless customer experience by creating a portal where agents, brokers, and other distributors could access customer information for more effective interactions with policyholders. Jim Ryan, Senior Vice President of Global Distribution at AIG, says that this portal has helped the company approach the "holy grail" of marketing engagement, where the customer, broker, and insurer are intertwined.¹²

Conclusion

Insurers are making a push to empower customers — and getting promising results. When customers get a consistent, personalized, and seamless experience, they are more likely to remain loyal to their insurer.

As ad spending levels off and price wars lead to disappearing margins, improvements in the customer experience will pay even greater dividends. Policyholders want to feel cared for, even when they don't have a claim to resolve. Brands that deliver on this can both create buzz and build a lasting reputation. That's advertising that billions of dollars can't buy.

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The Salesforce logo, which consists of the word "salesforce" in a white, lowercase, sans-serif font, centered within a blue, cloud-like shape.

¹ <http://www.insurancejournal.com/news/national/2014/07/03/333757.htm>

² <http://www.bain.com/publications/articles/customer-loyalty-and-the-digital-transformation-in-p-and-c-and-life-insurance.aspx>

³ <http://www.insurancejournal.com/news/national/2014/07/03/333757.htm>

⁴ <http://www.bain.com/publications/articles/customer-loyalty-and-the-digital-transformation-in-p-and-c-and-life-insurance.aspx>

⁵ Ibid.

⁶ Ibid.

⁷ <http://www.pewinternet.org/2013/12/30/social-media-update-2013/>

⁸ <https://www.youtube.com/watch?v=od9Bw7jWmmM>

⁹ <http://www.bain.com/publications/articles/customer-loyalty-and-the-digital-transformation-in-p-and-c-and-life-insurance.aspx>

¹⁰ <http://www.bain.com/publications/articles/customer-loyalty-and-the-digital-transformation-in-p-and-c-and-life-insurance.aspx>

¹¹ <http://www.pewinternet.org/2013/12/30/social-media-update-2013/>

¹² <http://insurance-canada.ca/blog/2013/11/24/salesforce-com-and-insurance-putting-a-many-headed-hydra-into-the-game/>