



TIN

**THE INSURANCE
NETWORK**

The Insurance Network eBook

**Achieving a 21st Century
customer experience**

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The COVID crisis has created a burning platform for change and a renewed desire for customer focused digital transformation, but will that make it easier to achieve a 21st Century customer experience?



About this eBook

Even before the now infamous virus stripped back to basics corporate cultural values, traditional processes and operating models across the industry, digital transformation was still at the forefront of The Insurance Network's conference event agendas... not to mention our competitors too.

So what exactly has changed?

Has lockdown, #WFH and the most recently forbidden phrase "new normal" superseded boardroom bureaucracy? Are we genuinely entering a new chapter of the 21st century that values human connection over an array of technological advancements and must-have whizz-kid solutions?

That's what we at TIN are seeking to discover for you through our webinars, virtual events and, suffice to say, our zoom discussion calls (yes, we've joined the corporate zoom bandwagon!).

We've really enjoyed our enforced 'pivot to digital'. It hasn't been easy, but we are adapting too. What with finding new ways to gather a healthy mix of insights from our network of expert speakers, discovering the pains of our audience in order to help them overcome their challenges and diving deep into how organisations are adapting through these unprecedented times. Now is the time to benchmark success and plan for the future ...it's only just the beginning. We've put together these findings in this eBook in the hope they will help you navigate a course out of the crisis.

Enjoy!

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Delivering a customer-first strategy in insurance

I'd like to share some thoughts following the TIN webinar on a customer-first approach in insurance in the context of the Covid-19 crisis. I'd like to thank the panel, Sam Smithson-Biggs from Aviva, Jo Verheyden and Owen Kilbane from Kofax, who were kind enough to sponsor the webinar.

I'm grateful to all 3 panellists for candidly sharing some insights into how organisations are coping in the crisis, and the way they are actively changing/transforming off the back of it. The panel answered a range of pre-prepared questions submitted by the audience in advance and live from participants on the day. We also asked participants the same questions in the form of polls, the results of which you'll find in the relevant sections below.

The good news is almost 80% of webinar attendees feel their organisations are fully adjusted and starting to think post-crisis. However, the insurance sector has been slow to accept change is needed. And this has been detrimental to both its customers and its reputation. It remains to be seen whether the crisis will act as a catalyst for the change the sector so desperately needs.

Working in a virtual world was the main challenge for all panellists. How to balance the needs of staff and customers, attract talent and develop the right mindset were all mentioned. As Owen said:

"How can organisations develop a remote-first mindset? How can they think differently about the way they engage with both employees and customers?"

How do you define "customer first" when you're forming your transformation strategy? How has the definition changed following Covid-19?

The panel didn't think the definition of customer-first had changed: continuing to provide what the customer needs remains paramount. What has changed is how this is delivered to the customer when you are working in a different environment. Can insurers provide the service in the digital form that customers now need and expect?

As Owen said:


"Are organisations truly digital? Are they still forcing people to go through a non-digital process in order to complete the end result? The crisis has highlighted the importance of leveraging the smartphone or tablet or a web browser as the number one interface."

The panel discussed the massive challenge and undertaking of moving to a remote way of working and still supporting the customer effectively. There was the logistical side of providing everyone with the equipment to work from home on top of people aspects to organise. For example, supporting leaders through the transition and training them on how to lead a virtual team while still providing high-quality customer service.



Lockdown has emphasised
the need for our
consideration of people's
different circumstances

There is a need for greater flexibility
to engage all our people



Are your organisations looking to build on the enforced work from home environment and drive through deeper digital transformation?

The panel agreed working from home in the future was something that should be considered, especially in terms of the work-life balance it offers staff. Points to consider include whether employees needed to be in the office five days a week or could a more flexible approach be taken. Making sure staff have access to the right equipment and information would be key to this being done successfully.

While change has been forced onto companies, and many have adapted well, working from home was not the preferred option for everyone. Some may not have a comfortable space to work in at home. For others, the routine and companionship an office environment provides are important. Sam advised taking a cautious approach.

“I don’t think one size fits necessarily all. People have been forced into working from home that potentially aren’t that comfortable working from home, that don’t have a workspace where they can actually be tracked. Do they work when they’re at home? And what about the people that have been furloughed? How do you reintegrate those properly into the workforce?”

It’s not just people’s working space that needs to be taken into consideration. As one contributor said:

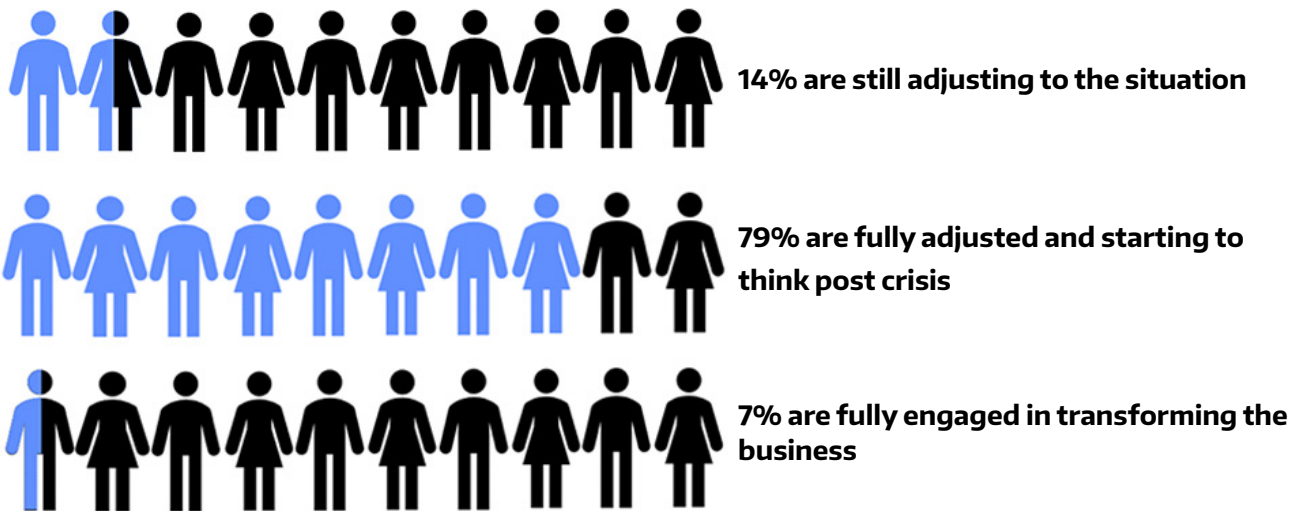
“Lockdown has emphasised the need for our consideration of people’s different circumstances - people with young children, people living alone in city centres. There is a need for greater flexibility to engage all our people.”

The amount of change being dealt with needs to be taken into account: as well as the working environment, the communication channel mix and type of customer query have also changed.

What is clear is customers want and need a digital solution, and the insurance industry is going to have to continue to provide it.



What best sums up where your organisation is in terms with dealing with the crisis?



Results taken from Delivering a customer first strategy in insurance webinar on 13th May 2020

How is innovation going to evolve?

The panel agreed that the enforced change was an opportunity to get innovative with both communication and ways of working. One example in the context of employee engagement was putting on virtual events to make sure the social aspect of work isn't lost, and teams remain connected to each other.

They also felt there were positive aspects to remote communication - like being able to reach many people quickly and the ease of communicating with people in different locations.

One webinar attendee told us:

"We're finding that going virtual has actually created deeper connections with our geo diverse employees."

So will we see a return to offices?

The panel thought there wouldn't be a wholesale return to working in offices, rather a combination of office and home-based working practices. Jo said:

"There are those that live alone and don't have that social interaction where the office provides that need. But I don't think we'll see that traditional everybody will come in from nine-to-five Monday to Friday. I don't think we'll see people getting

on a train on a Monday morning and going home on a Thursday afternoon. I think we will see a percentage return to the office."

Webinar participants also felt there should be a more flexible approach:

"I've always been of the opinion that work is something you do that delivers outcomes, not somewhere you go. I hope that some business leaders/owners that have been resistant to flexible working will have been forced to reconsider their approach."

The panel thought environmental factors would be taken into account when making decisions on whether to return to office-based working. This echoes [news reports](#) about the positive effect coronavirus has had on the environment with carbon emissions falling, better air quality and cleaner water attracting wildlife.

Additionally, with restrictions on travel likely to be in place for quite some time yet, there is likely to be a permanent shift away from business travel. A digital approach will become far more integrated into BAU as businesses have been successfully holding meetings and hosting events from home, perfectly effectively, and saving both time and money.



60% of webinar participants believed their organisations would transform the operating model

A change in operating model will be necessary for post-Covid-19 trading. However, 40% of webinar participants were either unsure whether their organisations would make the change or thought they wouldn't.

It's hard to see how those who are resistant to change will survive. Flaws in operational resilience have been exposed and the curse of legacy technology and its lack of agility has most certainly not gone away. An inability on some insurer's part to support vulnerable customers has damaged industry credibility, and new propositions are needed to respond to changing risks. Insurers will need to find solutions which allow them to overcome these issues and meet the changing needs of their customers. Delivering the solutions will require a complete overhaul of strategy and operating model.

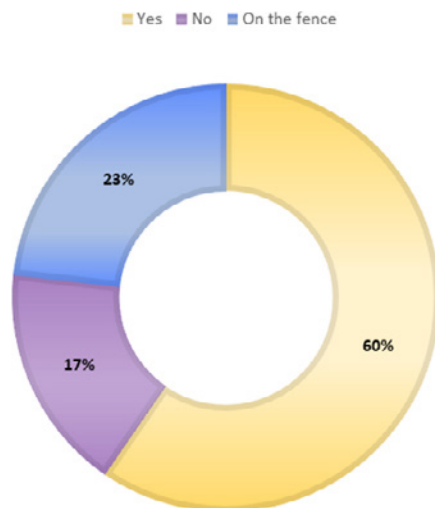
What are the key opportunities to deliver a truly customer-first strategy, and what will be the balance between traditional processes and digital processes? The panel agreed that working predominantly digitally

was already doable; the technology has been available for several years. For example, electronic signatures with formal authentication and access to driving licences direct from the DVLA, so no paper copy is needed. For those insurers already using these types of technology, radical change isn't required, rather some tweaking of current processes. Many are still dealing with legacy systems which don't allow digital processing and are still in the process of putting the basics in place. It will take longer for them to transition to digital despite the enforced change they are facing. Insurers further down the path to digital transformation can use the response to the crisis as a pilot to see if they can move towards a genuinely virtual workplace.

What do you consider to be the key criteria for delivering this kind of large scale digital customer transformation programmes?

The panel was unanimous in their view that the most crucial element of a digital customer transformation

Will your organisation radically transform its operating model post crisis?



60% said yes

17% believed they wouldn't

23% were still on the fence

Results taken from Delivering a customer first strategy in insurance webinar on 13th May 2020

programme was adopting a customer-first culture and mindset. Jo said:

"When people really understand what customer-first really means in your organisation, then they will automatically start doing the right things to deliver your strategy. And that means that you don't need to have your whole transformation plan in place. You don't need to have every little procedure defined. And you can actually empower people a lot more to deliver the right thing for the customer."

The panel also thought insurers need to take into account that customer wants and needs will change as we return to normal after the pandemic. Right now, there is a need for digital interaction. But as things change the panel thought customers would want more human interaction and go back to contacting insurers by phone. Insurers need to cater for and be able to respond flexibly to changing customer needs. Owen advised:

"Never forget that there's always a customer at the end of the line....by changing the dynamic and actually making sure that that customer is kept informed every step of the process is the way that you instil confidence."

As with any change, it's evident that people's mindsets need to change as well. To ensure [change is embedded successfully](#), organisations need to get their people on board by creating a culture which embraces change and innovation. Communication is crucial. As is involving employees in the change process, asking for their input and listening to their concerns. These actions

will help them understand the need for change and feel involved in the process. Leaders should demonstrate their commitment to the change and promote the tangible benefits the new technology will bring to the business. Sam told us:

"I think in terms of the key criteria, it has to be the time from the top. You have to have that senior executive buy-in to transforming the way in which a company operates."

The panel agreed having clear deliverables in place that are objectives driven, and outcomes-driven were important criteria. As most transformation programmes are long term, having a clear idea of what your digital objective looks like will make it easier to achieve, and to be agile and make the necessary changes on the way through. Relevant data also needs to be available for informed decision making, and KPIs set and measured.

The panel agreed that a significant challenge to overcome during digital transformation was getting partners and third parties aligned to your digital transformation. Digital transformation is wider than the internal organisation. Partners need to be able to interact and deliver their services to the same digital level to ensure customers receive a seamless and credible service.

One participant echoed this on the chat:

"If a business operates in an intermediated space where a number of third and fourth parties impact the customer journey and operational processes, they have to come on the transformational journey with you to truly make it effective."

Webinar participants felt culture change and technology legacy were the most significant obstacles to change in their organisations.

These issues have challenged insurers for [several years](#). In respect of legacy technology, boards have been unwilling to make further investment in new technologies for two reasons. First, when legacy technology still meets some business requirements. Second, the cost of replacing legacy technology.

Now solutions such as SaaS and iPaaS overcome these barriers to new technology implementation. They allow insurers to integrate legacy technology with new technology and bring the cost of investment down.

94% of webinar participants thought their IT departments would have the same or a greater appetite to spend on transformation projects. Interestingly, the panel felt the appetite for transformation should start with the business. The business should define what IT does in respect of investment based on customer needs. Making the right investment in critical processes that best serve the customer and are value for money should be at the heart of the decision on investment.

The panel recognised that investment might be a challenge for some insurers going forward. They've had to spend money in the short-term on setting their staff up for remote working and implementing different customer service processes during the pandemic, and the aftermath is sure to put a pressure on costs and budgets: the stark truth is for many organisations there may not be funds to allocate to further digital transformation.

Despite this, the panel thought that some organisations now understand that they have got to start making changes and fully embrace digital to secure their futures. Owen said:

"This has been a bit of a wake-up call for some of them to realise that they have been too based around bricks and mortar. That they've made their investment in having shiny branches, shiny offices and forcing customers down the channels that they want the customer to interact with rather than the customer's channel of choice."

Thanks once again to all the contributors on this webinar. To find out more, visit www.TIN.events.

What is the key challenge your organisation faces when delivering change?



12% said securing budget



12% noted securing senior buy-in



42% believed technology legacy

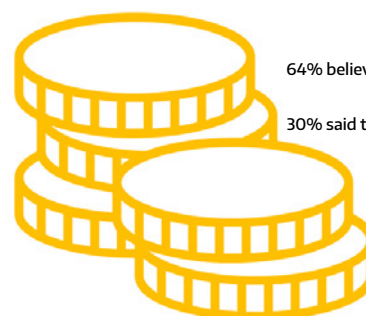


34% said culture change

Results taken from Delivering a customer first strategy in insurance webinar on 13th May 2020

The business should define what IT does in respect of investment based on customer needs.

What is the key challenge your organisation faces when delivering change?



64% believe there will be more spend

30% said they thought there would be the same spend

Only 6% said there will be less spend

Results taken from Delivering a customer first strategy in insurance webinar on 13th May 2020





4 components you need to define and deliver the ultimate CX

The current crisis has brought into sharp focus the need to overcome the operational and organisational challenges to delivering a truly multi-channel next generation customer experience. For many customers the lockdown has become a very digital experience, with digital natives becoming even more tech savvy, and those previously unfamiliar with the channel adopting it - some out of choice, some out of necessity.

Perhaps conversely, the crisis has also highlighted the value of human interaction and where in the process it adds real value. From the insurers perspective it has highlighted which processes can be automated without compromising value and the customer experience, and which cannot.


From 'mobile' and 'digital' to 'customer first'

For many customers 'digital' can be replaced by 'mobile', with many insurers quite rightly spending the last few years designing and delivering strategies to leverage mobile to enhance and extend customer engagement, and making sure it integrates with other customer communication channels, whether digital or not. However, in a post crisis world competitive advantage will only be achieved by moving from a 'mobile first' and 'digital first' to 'customer first' world view, with the focus on reaching a wider range of customers, engaging them more effectively and ensuring each touch point adds value.

Insurance companies should be striving to process information in the same way irrespective of the channel the customer chooses, and ideally that channel should be able to change multiple times throughout a transaction or claims process. For the customer the experience should be seamless, and for the insurer a single process should proceed uninterrupted.

For many customers the lockdown has become a very digital experience [and conversely] highlighted the value of human interaction



A close-up, slightly blurred photograph of a person with dark, curly hair and a beard, wearing a red shirt. They are holding a silver tablet computer. The background shows a white bookshelf with several books, creating a soft-focus effect. The overall tone is professional and modern.

Finding the
technological
solutions that
suit you



Will working from home be the catalyst to enable the insurance industry to truly achieve a 21st Century customer experience?

However, for many there are still many obstacles on the road to this endpoint of multi-channel, multi touch point customer engagement. Current customer communications are in most cases expensive and ineffective, and in a frightening number of cases still very paper focussed. A single view of the customer is still an ambition rather than a reality for many players - and for many customers having to start the whole process again when moving from one channel to another is still the norm rather than the exception. Add to this the ever present encumbrance of legacy technology systems, and the challenges thrown up by the shift to WFH and the critical need to manage disparate and constantly emerging data sets, and achieving a 21st century customer experience becomes easier said than done.

The end goal requires innovative deployment of digital technologies, flexible and change responsive operating models and an agile workforce; a blend of human talent and technological capability where the technology empowers teams by taking away the time consuming, frustrating manual tasks leaving them free to focus on serving the customer and adding value where the human touch is required. In this context, enabling more efficient communications driven by systems that reduce errors and free up humans to effectively deal with 'exceptions' can accelerate business processes and improve the customer experience.

As in any context, before thinking about technology solutions, it's critical that the business challenges are identified and prioritised. Having a clear understanding of where your customer journey is failing is the foundation upon which you can start to find solutions... which may or may not be technology driven. How you approach this is a subject for another article... if not essay, but it's worth touching on some of the technologies available and the skills and capabilities needed to deliver them.

4 ways to create a 21st Century experience



1) IDENTIFYING THE RIGHT TECHNOLOGY TO DRIVE UP THE CUSTOMER EXPERIENCE

Once the problems are clearly identified you must identify which technologies will address the business challenges and benefit your customers.

Automation is part of the solution, and the use of online self-service portals and virtual assistants is on the increase. These will allow customers to deal with claims and insurance-related admin when and where they like, and improve productivity and reduce the time spent on routine tasks for insurance providers.

2) BUILD CAPABILITIES FOR SUCCESSFUL INTEGRATION

If you introduce new technology into your organisation, you must build the capabilities required to integrate it successfully into your business. There is a danger that as we start to come out of the lockdown, organisations will have a knee jerk reaction to implementing new technology without thinking about the skills and capabilities needed to deliver them effectively.

To improve your CX, it's crucial you maximise the use of the data you have gathered from different touchpoints along your customer journey.



4) IMPROVE YOUR SALES PROCESS

Developing a data-driven sales approach is likely to get you the best results post COVID. However this will entail a single view of the customer and a full understanding of the customer journey, and probably a central repository for all customer data. Analysing the data intelligently will allow you to identify cross-selling opportunities and ensure your customer has the cover they need. You can also use real-time customer insights to offer a more personalised service and customise your products offerings.

Only time will tell what the new normal will be for insurance, customers and communications but digital technology will be central to all propositions.

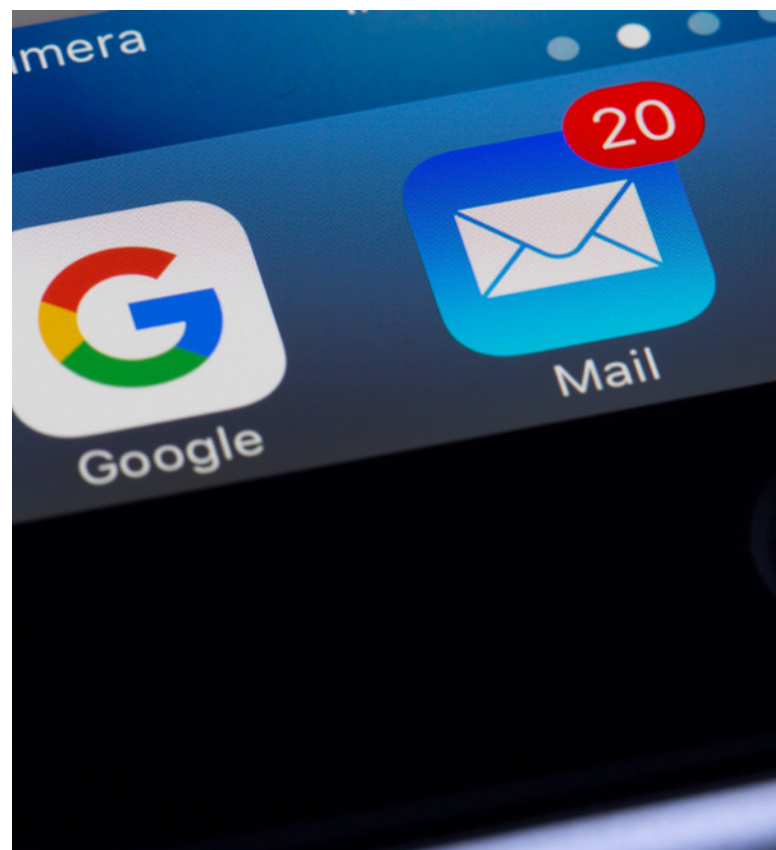
To find out more, visit www.TIN.events.

3) GET THE BEST USE OUT OF YOUR DATA

To improve your customer experience, it's crucial you maximise the use of the data you have gathered from different touchpoints along your customer journey.

Leading organisations are already using predictive data analysis to help understand customer behaviour, engage with customers at appropriate times and offer them suitable products and services. Customers can get access to up-to-date, relevant information to help them make decisions on their mobile devices.

This meets customer demand for convenience and reduces pressure on contact centre services as well as improving CX.





Leveraging technology to transform the insurance customer experience

In an increasingly competitive market, delivering an exceptional customer experience is now essential for insurance companies to differentiate their brands, build market share and improve retention. Competing solely on price is no longer an option. For example, in the motor insurance market, over [50% of sales](#) come through aggregator sites who push policy features and provide independent ratings of insurance companies' products and service levels.

According to a recent [FCA report](#), some GI firms are not providing their customers with acceptable service levels. This prompted a warning that failing to address these issues will result in the FCA taking regulatory action against offending insurers.

Customers' needs are not complicated. Being able to choose from a selection of reasonably priced policies which meet their needs. Transparent, easy to understand, jargon-free information. Easily accessible communication channels and helpful advisors. A claims experience which eases stress rather than adding to it. So, what tools are available to help your company earn the trust and loyalty of your customers and provide a best in class service that sets you apart from your competitors?

LEVERAGING BEHAVIOURAL CUSTOMER DATA SOURCES

As an insurer, you have access to a wealth of data from multiple touch points which will give you valuable insights into your customers' behaviour. For example:

- Website interactions
- Contact through communication channels
- Devices your customers use
- Customer feedback results
- Social media interaction

It is advisable to collate information from all touch points to ensure you don't miss crucial information and skew the overall picture of the customer journey.

An innovative example of customer data collection is the [Aviva Drive](#) app. GPS monitors driving behaviour and safer drivers get discounts on their car insurance. It also acts as a Dash Cam and automatically saves footage of collisions. Not only do the insurers collect concrete data on driving behaviour to enable them to make underwriting decisions, but recordings can also help assess fault when a claim is made.



OMNICHANNEL CUSTOMER INTERACTION

Linking your communications channels to provide a seamless experience benefits both your customers and your company. A cross-channel strategy allows you to meet customer expectations of being able to contact you using several channels and switch between them at will. Relevant data is accessible from a central storage point, ensuring a consistently high-quality experience and enhanced customer engagement.

Your company gets a 360-degree view of customer interactions to help you track customer behaviour, better respond to their needs and build a relationship with them. This is particularly pertinent for renewals, as acquiring new customers costs more than retaining current ones. Using an [omnichannel](#), personalised approach can improve retention rates and turn customers into brand advocates.

THE ROLE OF AUTOMATION AND AI

Automation is changing the face of insurance, from product development and underwriting, sales and customer service through to claims. Operational efficiencies, enhanced customer relationships and company growth are some benefits seen by insurers who have invested strategically in and embraced [digital transformation](#).

The use of chatbots or conversational agents is prevalent in online customer service across all industries, including insurance. Using AI, they communicate with customers and for example, can automatically resolve the most common customer queries, collect and qualify information, then connect people with customer service agents when necessary.

Technology can also be used to deal with the more mundane tasks and free up staff to help customers in a more meaningful way. For instance, smart media readers can reduce the amount of paperwork involved in setting up a policy or the claims process.

Self-service portals are another area where

Automation is changing the face of insurance

insurers have used technology to transform the customer experience. For example, empowering a customer to complete a change to their policy online or upload evidence to advise of first notice of loss (FNOL) has improved service levels for customers. It has also driven efficiencies for insurers by reducing back-office costs.



DESIGNING AND DEVELOPING DIGITAL CUSTOMER-CENTRIC PRODUCTS

Changing customer expectations put pressure on insurers to keep up with the latest digital technology trends. The challenge of introducing technology valuable to your customers and that has longevity doesn't necessarily mean a dramatic shift from current strategy. More a well-considered integration which ensures you don't waste time implementing technology your customers won't use.

Design products and systems so they can adapt quickly to changing market conditions, customer behaviours and data insights. Adopting an [agile approach](#) can speed up the delivery of new products and services and remove the frustrations of fractured development.

Customer feedback will give valuable insight into improvements needed to the customer journey. Aligning digital strategy with customer expectations will help you avoid making unnecessary changes for the sake of introducing new technology to 'keep up with the Joneses'.

AI and machine learning algorithms can help you create tailored products for different customer segments. By analysing behavioural data, you can identify the relationships between your customer segments and the policies you sell and offer them products that match their needs.

This will improve customer acquisition as you can target the people who are most likely to buy your products. Relationship building by providing current customers with products they want will also increase retention rates at renewal.

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