

# The Crucial Center of Customer-Centricity

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Digital and Data





# Transactional Isn't Enough

Today's insurers are very well aware of the changes that are driving businesses to re-evaluate their strategies in order to survive, compete and even thrive in this new dimension governed by digital.

Historically, the industry has thought about customer interactions as being transactional, yet complex. Insurance is complicated, so some insurers thought it wasn't possible to offer the type of experience consumers receive elsewhere. But this attitude is quickly changing and insurers are seeing the need for heroic experiences in order to stay competitive.

Celent's [innovation report](#)<sup>1</sup> highlights the fact that insurers are placing their biggest innovation bets on improving the customer experience and driving the underwriting process, followed by investments in claims.

Sometimes there is opportunity in the midst of crisis and Coronavirus, which has caused insurers to launch new products quickly, emphasize self-service and work more remotely. This has been an important reminder that **strong and innovative digital capabilities form the center of a customer-centric approach.**

<sup>1</sup>"North American Insurance Innovation Outlook 2020," Celent. Karlyn Carnahan, March 30, 2020.





# 4 Things Customers Really Crave

1

## “Be There WHEN I Need You”

At the moment of truth – a house fire, death in the family, car accident, serious workplace injury – the last thing insureds want is difficulty getting in touch with their insurer, or to drown in forms/paperwork. Expectations are high, with customers trusting that carriers are going to do right by them and provide fast, personalized solutions.

The way an insurer handles such a claim is THE defining moment for a customer. Even the smallest process error or delay could result in churn. A recent [J.D. Power Survey](#)<sup>2</sup> indicated that 60% of respondents would consider a new provider if they were indifferent or dissatisfied with the claims process. Customers expect:

- **Complete transparency throughout the process**
- **A fast resolution**

2

## “Be WHERE I Need You”

[Statista](#) found that the average American household had access to more than 10 connected devices, including smart phones, tablets, computers, etc. By 2025, the [World Advertising Research Center](#) predicts that 72% of all internet users globally will access the web via their smartphones. Insurers must:

- **Provide multi-channel support:** empower consumers to browse information and insurance options, or contact customer service with questions from any device at any time
- **Be accurate:** data must be available, regardless of how, when or where the customer provided it to you (This is step 1. Step 2 is having a consistent look-and-feel and fast response time, regardless of channel).

<sup>2</sup> “U.S. Property Claims Satisfaction Study,” J.D. Power, February 27, 2020.

# 3

## “Help Me Help MYSELF”

The last few years have changed how customers are interacting with individuals and organizations. This has fundamentally altered claims processing and payment operations. In terms of claims processing, assessing damages will require empowering the insured to quickly document and send evidence of the damages.

Insurers have also had to empower and equip their agents, as entire workforces shifted to work from home (WFH) mode. In short, **self-service**, which was already crucial, is growing even more in importance for both agents and insureds.

# 4

## “Keep It SIMPLE!”

Insurance is complex, but the burden of complexity shouldn't be on the customers or agents. Nearly three-quarters of consumers (73%) would happily pay more for a product or service if their experience is exceptional, according to a PWC Survey. Speed and simplicity are the backbone of an exceptional experience.

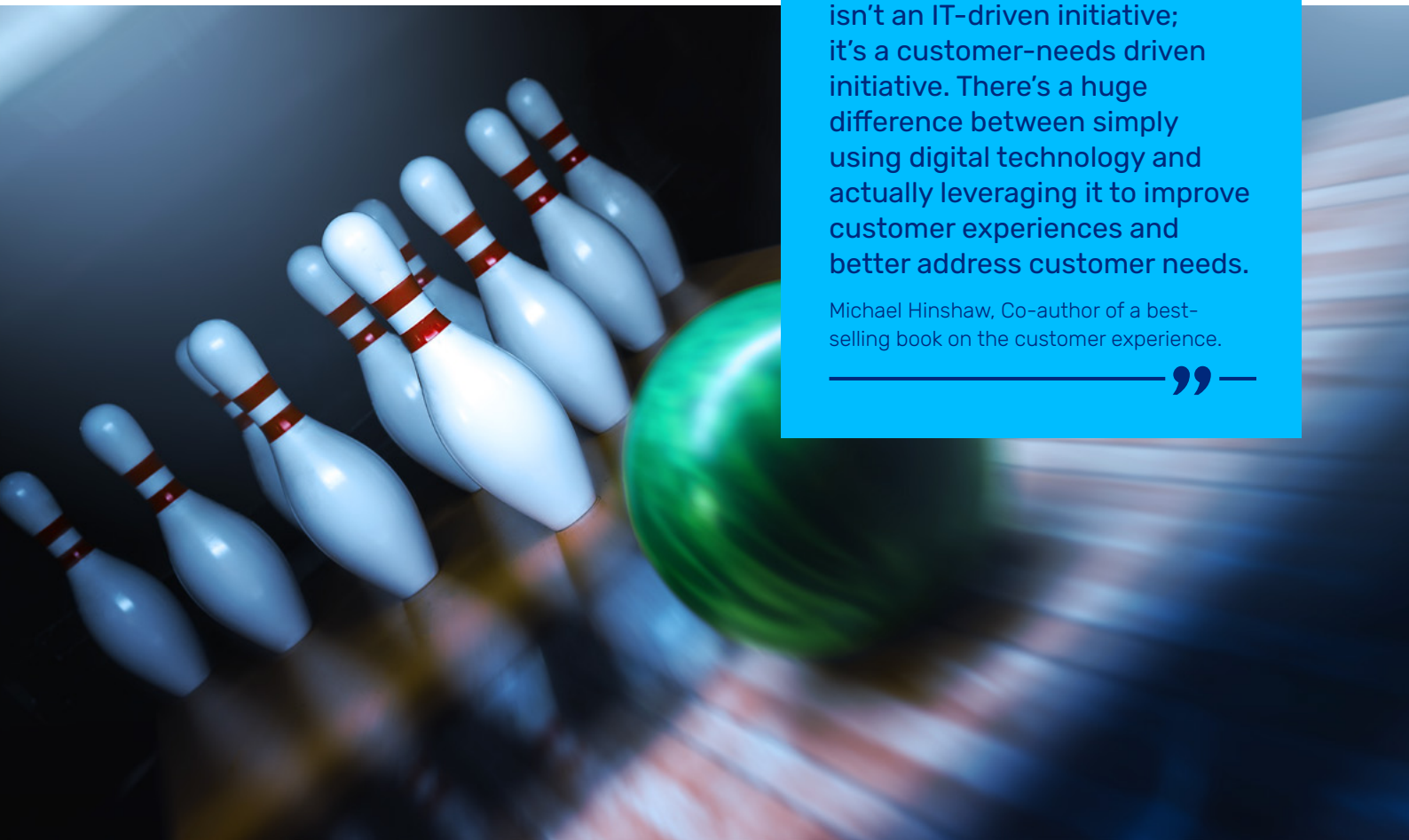
- **Empower, but don't overwhelm, the customer:** provide customers with options, but be concise, clear and task oriented. This applies to new business and servicing, all the way through to a problem's resolution. Don't overwhelm insureds with complex processes and technologies! As mentioned above, self-service is changing the world.

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Digital experience strategy isn't an IT-driven initiative; it's a customer-needs driven initiative. There's a huge difference between simply using digital technology and actually leveraging it to improve customer experiences and better address customer needs.

Michael Hinshaw, Co-author of a best-selling book on the customer experience.

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# 3 Tips for Getting Started

1

## Start with the Basics

Ecommerce is changing how we think about experiences online. Many are finding it difficult to facilitate positive customer journeys across channels. Review current customer engagements around self-service and make sure you are providing your customers with the ability to easily serve themselves. Get the “must-haves” right immediately.

2

## Don't Overdo the Tech

Customers don't want to be dazzled with flashy emerging technologies. They prefer simplicity and for everything to function properly and intuitively – automation should ease the experience.

3

## Build Deeper Customer Relationships

Value what your customers need. As customer expectations grow, the evaluation of experiences will also need to evolve. Constantly measure, test and analyze your customers interactions across every channel and journey. Also, don't lose sight of the human touch.



# Digital – The Center of Customer-Centricity

**Digital is your enabler to becoming more customer-centric.**

## **1. Metrics are Powerful**

Measuring product usage and customer behavior reveals the extent of your customers' product engagement. Shape your actions to increase overall experience and drive value. A system that provides out of the box usage metrics can help you meet customer needs and achieve your goals, even as technology and experience evolve.

## **2. What About the Back End?**

Data and analytics provide valuable insights. Aggregate information into process simplification and use data to drive your customer interaction activities, to enhance the customer experience. Machine learning-based predictive analytics and modeling can help you identify trends and issues related to your customers' behavior in advance, and to proactively plan.

## **3. No “One Size Fits All”**

Focus on customers as individuals, rather than segments. The Internet of Things (IoT) can aid in data collection to better understand your customers and then offer customized advice, coverage and tailored pricing.

## **4. Automation = Customer Satisfaction**

Artificial intelligence (AI) and machine learning have the potential to make almost every process more efficient. This combination, especially when applied to data collection, will help insurers achieve the automation necessary to simplify processes and meet real-time delivery expectations.

## 5. Look Up at the Clouds

Taking advantage of what the cloud and managed services have to offer can help you go from 0 to 60 in no time. The cloud facilitates accessibility anywhere, can enhance personalization through emerging technologies and enables fast access to innovation.

The last few years with the pandemic didn't create a need for more digitalization, it simply accelerated an already strong trend. By now, most insurers realize the benefits of digitalization for some parts of their business. But partial digitalization likely isn't cutting it for the customer of the future. To truly provide an outstanding customer experience, insurance carriers need to reach the next level: holistic, integrated digital systems featuring self-service, automation, advanced analytics and many other important features. This is the way to put your customers in the center.

### About the Author



**Colleen Wells** An innovative, collaborative, visionary strategist and digital evangelist, Colleen possesses extensive business acumen, technology prowess and leadership experience. Passionately committed to all facets of insurtech & keeping a keen eye on digital disruptors and the technologies that drive the insurance industry forward.

### About Sapiens

Sapiens International Corporation empowers insurers to succeed in an evolving industry. The company offers digital software platforms, solutions and services for the property and casualty, life, pension and annuity, reinsurance, financial and compliance, workers' compensation and financial markets. With more than 35 years of experience delivering to more than 600 organizations globally, Sapiens has a proven ability to satisfy customers' core, data and digital requirements. For more information: [www.sapiens.com](http://www.sapiens.com).

**Sapiens can help!**  
To find out more about  
how we can help

**Contact Us**

The Sapiens logo, featuring the word "SAPIENS" in a bold, white, sans-serif font with a blue swoosh under the "I".

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