

**The insurance industry
conundrum...** How to
transform customer contact
from a cost-centre to a
profit-centre

Summary

Insurance providers have always been big users of contact centres – they have more of them than most industry sectors and they tend to be more heavily staffed. That's because the products and services they offer still require human interaction in order to provide a satisfactory customer outcome to issues that are complex or involve transactions that require empathy.

Whether based in the UK or off-shore, contact centres represent a significant investment in human capital. The temptation for the 'C-suite' is to view this as an operational cost centre (to be trimmed) rather than a strategic asset (to be invested in).

At a time of heightened competition and the emergence of challenger and disruptor brands there has never been a more pressing need for leaders in Insurance Operations to demonstrate the value of the contact centre in building strong customer relationships that encourage retention, stimulate advocacy and generate demonstrable value.

Why contact centres will still be needed by the insurance sector

The insurance sector has a long history of being one of the largest employers of contact centre staff in the UK. Despite cost-cutting, mergers and the trend to encourage customers to self-serve online, expectations are that contact centre headcount will remain high. This is primarily due to the complex nature of support and service that insurers need to offer their customers. A large proportion of insurance customers still rely on the reassurance offered by human interaction especially when making important financial decisions or receiving help with distressing situations.

For the insurance companies these moments of personalised communications offer opportunities to deepen the customer relationship, increase loyalty and advocacy and even up-sell. But the increasingly complex nature of the calls (from people who have been unable to self-serve online or who have arrived through comparison sites) means that

a typical call dealt with by the insurance sector is becoming more complicated and requires agents to deploy a greater skillset.




So, herein lies the challenge:

If contact centres are deemed essential (for the foreseeable future) to service and support customers, and customers are becoming more demanding, how can insurance companies transform their customer contact operations from a cost-centre to a profit-centre?

To do so, they need to be able to measure their effectiveness in terms of customer perception and value, engage with disgruntled customers to turn detractors into advocates and refine their agents' performance so that they can optimise contact time and build stronger relationships with their customers.

How Davies can help you extract maximum value from your customer contacts

Davies's customer feedback programmes will provide insurance companies with invaluable insight into their customers' experiences enabling them to intervene with disgruntled customers in 'real-time' to put things right or to build a clear view of strategic priorities in terms of service design, employee training and engagement, and brand management.

-  It costs between £750 & £1500 to deal with a customer complaint.
-  The cost to acquire a new customer can be 5 times more than retaining an existing customer.
-  75% of customers do NOT expect you to call them back when they are unhappy. Doing so can improve advocacy by a factor of three.

'Real time' feedback - The immediacy of our surveys means the feedback you receive carries much greater validity and insight than surveys done a few days or weeks after a customer's experience with your contact centre. Getting information immediately after an interaction means more honest, accurate opinions that you can act on straight away.

A customer's view of their insurance company's brand is shaped by their last experience. Our surveys ensure that you know exactly how your customers feel at this 'moment of truth' and can take remedial action if required.

Prevent disgruntled customers taking their business elsewhere - Our 'real-time' alerts can quickly identify a dissatisfied customer. 'Red flag' alerts can be triggered by any set score or pre-determined word left in a customer's comment. Tailored alerts can then be emailed to nominated individuals who can contact the dissatisfied customer and address their issues. Such immediate attention will save a customer from shopping elsewhere, retaining a poor opinion of your brand or, worse, sharing their experience with the outside world on social media. It can resolve small niggles before they grow into major complaints and has proven to increase brand advocacy three-fold.

Building stronger relationships by listening to the voice of your customer - Understanding what's right and what's wrong at the point of customer contact will help you refine your offering. 'Voice of the Customer' programmes identify improvements you can make to your processes and propositions. Being able to get a visceral response from a customer, and fully understand a problem that needs solving, will help you get one step ahead of your competitors. Plus, it will reduce failure demand and, in turn, improve productivity.

Creating better agent performance - Feedback lets agents learn from 'real-life' scenarios. 'Red-flag' alerts can be delivered to team managers to address issues that arise from agents' calls with customers. With the scenario still fresh in their mind, managers can deliver 'coaching in the moment' to improve an agent's skillset.

“ There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.

Sam Walton
Founder, Walmart





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