

# Insurance All Channel Experience – An Introduction



# Introduction



Customer experience has always been important to insurance companies. The *World Insurance Report 2013* from Capgemini and Efma shows that recent industry trends have reinforced its significance, showing a strong link between customer experience and customer loyalty. reinforced its significance, showing a strong link between customer experience and customer loyalty.

Why? Because rapid escalation in the adoption of digital and social media has created a dramatic shift in the balance of power between customers and the organizations who serve them.

Now, thanks to digital media, it is possible to develop a close, individual relationship with each customer. This means that it's no longer enough just to provide a great product or service.

“Customers now expect sales and service when they choose, from where they choose, using the device they choose.”

Organizations need to think about what constitutes a positive and memorable customer experience throughout an end-to-end customer journey, delighting customers from the moment they come into contact with the company or your product information, all the way through product selection, use of the product, and their interactions with other existing or potential customers.

At a fundamental level, customers expect:

- Useful products and services that they understand
- Offerings that meet their specific requirements
- Fast answers to their questions; and
- Trustworthy businesses, as validated by a customer's peers.

And we now understand that delivering a great customer experience face-to-face is great, but it's not enough. The challenge being presented now is to deliver great customer experience in a multi-channel, digital world. The reason for this is simple: customers now expect sales and service when they choose, from where they choose, using the device they choose. They expect a seamless customer experience across all communication and service channels.

They expect an “ALL CHANNEL EXPERIENCE”.

These expectations of great customer experience have been recognised and acted on by leading retail organizations, travel companies, entertainment businesses and publishers. And yet, interestingly, it seems that insurers have not been as quick to capitalize on this powerful opportunity to respond to clients' demands and develop these relationships.

In fact, a recent study<sup>1</sup> shows that online customer experience provided by U.K. insurers has deteriorated over the last year, with insurers responding successfully to just 30% of emails from prospects and customers.

And a recent Capgemini survey<sup>2</sup> showed that two thirds of all customers are at risk of taking their business elsewhere due to poor customer experiences. That's a worryingly high number, if better alternatives are available.

1 Eptica (software) Multi-channel customer experience study: <http://www.eptica.com/Insurance-Multichannel-Experience.html>

2 World Insurance Report 2013, Capgemini and Efma

**“** *It's not just about revenue assurance enhancement. Insurers who deliver an excellent All Channel Experience can also make significant reductions to their cost base.”*

## So what's in it for your organization?

Statistics around customer experience show a clear opportunity for insurers. And with more than 80% of consumers looking for information on insurance online<sup>3</sup>, opportunities to attract new customers has never been so good.

Conversely, it's also clear that a failure to provide the right information and customer experience will drive potential customers away to competitors who do.

But it's not just about revenue assurance enhancement. Insurers who deliver an excellent All Channel Experience can also make significant reductions to their cost base by:

- Finding new business opportunities by utilizing social media to better understand customer needs
- Guiding customers more effectively from first contact to sale by using engagement technologies which support more touchpoints without increasing customer service staff
- Setting more accurate prices with less actuaries through data that provides more information about an individual customer's behavior
- Driving down operational costs by creating straight-through processes and eliminating paper; and
- Reducing the number of fraudulent claims by employing stronger analytics earlier in the customer relationship

Executed well, the Insurance All Channel Experience delivers both revenue and cost benefits and also reduces the insurer's risks.

## Take action to improve customer experience across all channels

For insurers to be successful over the next few years, they must provide customers and intermediaries with an All Channel Experience—similar to leading retailers and other digitally-adaptive companies—to meet each customer on their terms. They can't adopt retailers' All Channel Experience techniques indiscriminately, however. Insurers must recognize and account for the differences in the insurance business model to create an All Channel Experience tailored to the unique needs of customers interacting with their insurer.

For this reason Capgemini's Insurance All Channel Experience framework is specifically designed to frame the changes required for the insurance industry and help insurers benefit from putting customers at the heart of their business.

<sup>3</sup> Eptica (software) Multi-channel customer experience study: <http://www.eptica.com/Insurance-Multichannel-Experience.html>

## Tangible benefits of delivering what your customers demand of you

The Cappgemini All Channel Experience framework enables insurers to engage cost-effectively with their customers at every stage of the Quote and Buy, Service, and Claims journeys. It supports this across all of their channels, providing customers with personalized interactions and offerings, whenever and wherever the information is needed, helping insurers deliver a better customer experience with better results including:

- Increased, more relevant traffic across the insurer's digital real estate
- Higher conversion rates
- Improved cross-sell, up-sell and retention rates
- Enhanced claims experiences with reduced claims leakage; and
- Better customer retention

## What does the Insurance All Channel Experience entail?

The All Channel Experience involves many individual elements, pathways and tactics, all of which must be integrated to create a holistic experience for both end-customers and intermediaries.

Examples of such tactics include:

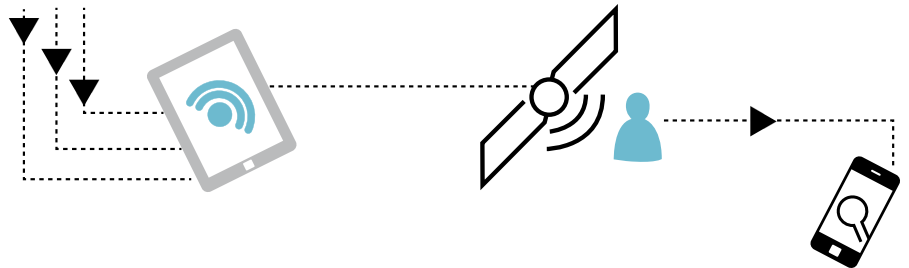
- Using social listening to spot new sales opportunities visible on Facebook, Twitter or other social media
- Responding automatically to those opportunities and using techniques such as gamification to build engagement with the potential customer
- Providing mobile apps to help customers to tailor their insurance, view the formal offer from the Insurer, and conclude the purchase remotely
- Building and maintaining an engaging ongoing relationship with the customer
- Having a complete picture of a customer to be able to fully meet their needs
- Providing unasked-for value-adds to further enhance the relationship
- Using new technologies to develop a greater understanding of customer behaviors and develop new customer propositions
- Ensuring the customer receives rapid, seamless service across multiple distribution and service channels
- Using digital capabilities to enhance intermediaries' relationships with their customers
- Stopping fraudsters in their tracks and preventing fraudulent claims; and
- Settling claims more efficiently, while keeping the customer informed and engaged throughout

“The All Channel Experience involves many individual elements, pathways and tactics, all of which must be integrated to create a holistic experience for both end-customers and intermediaries.”

In Capgemini's view, no insurer currently does all of the above well – yet these capabilities are what customers now expect, based on their experiences of other industries.

Perhaps it's stating the obvious, but as customers we remain the same individuals, no matter what we are buying. As a result, in the new digital landscape, customer expectations of good experience are industry-agnostic, and not based on the type of organization with which they happen to be dealing with at any given moment.

Using our knowledge of customer social psychology and the Capgemini All Channel Experience, your organization can comfortably navigate a course to improved customer experience and enhanced levels of customer retention, with an attendant positive impact on revenue.



## How do insurers deliver a comprehensive All Channel Experience in practice?

Delivering the Insurance All Channel Experience requires technology support in several key areas. These include:

- **A presence across all channels:** Seamless, integrated presence across web, and mobile
- **Powerful analytics:** Monitor and analyze behaviors and outcomes in the spheres of marketing, pricing, “next best actions” and fraud
- **Know your customer:** Comprehensive CRM capabilities provide a single view of the customer and their history with the insurer
- **Telematics:** Enhance customer understanding, risk-based underwriting and usage-based pricing (for motor, home, health, and life protection)
- **Proven back-end functionality:** Robust policy, claims and billing systems, which facilitate straight-through processing; and
- **Efficient utilization of assets** and content, supported by appropriate document and digital asset management solutions

But it's not enough just to know which technologies support the improvement in customer experience. The insurer (or its advisers) must also know how to integrate technologies, whether they are cloud-based or local, taking into account an insurer's existing infrastructure and current or proposed architecture.

All of these elements must be skilfully matched, integrated and orchestrated to help the insurer to provide an effective and holistic end-to-end All Channel Experience for each customer.

### **Seeing is believing: making the All Channel Experience a reality for insurers**

Too difficult? Capgemini doesn't think so. Indeed, Capgemini and its market-leading partners have already designed and built a real prototype, showcasing all of the technology capabilities above, using real software and services already orchestrated in the cloud.

All of this is supported by a comprehensive Capability Maturity Model for the Insurance All Channel Experience, enabling insurers to benchmark where they are today and to decide where to invest for the future.

There is now nothing to prevent the forward looking insurer from delivering the All Channel Experience its customers are looking for - and reaping the financial rewards from doing so.

### **How can Capgemini help insurers with the Insurance All Channel Experience?**

Capgemini's Insurance All Channel Experience solutions can take your insurance company from an initial strategic roadmap all the way through to the underlying technologies you need to deliver the future-proof, integrated, multiple-channel customer experience your customers want – and provide you with a competitive edge.

With the All Channel Experience, a best-in-class customer experience, with the attendant revenue, cost and risk benefits, is within your reach.

If you'd like to know more about how we can help you create an Insurance All Channel Experience, please contact us.

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## About Capgemini

With 128,000 people in 44 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want.

A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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