



# Personalizing customer journeys to win in today's insurance market

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Crafting superior customer experiences through personalized customer journeys is no longer just an option for insurers. Today's increasingly digitally-active consumers are demanding a significantly higher level of services and a bouquet of choices to earn their continued loyalty. Insurers are at a crossroads, where the challenge of balancing the demands of new age, tech-savvy customers with the requirements of traditional insurance buyers has magnified significantly.

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## Address Both Digital-savvy and Traditional Customers

As digitally-savvy consumers increasingly fuel growth for insurers by opening new markets and sources of revenue, these new age consumers are now one of the most influential slices of pie in the insurance market. They are driving expectations for personalization and service to a whole new level. However, traditional customers, which still have a fair share in the insurance book of business, continue to demand value for money, with basic quality services.

In the current environment, consumers envision having a central role in their relationships with businesses. For insurers, their arm's-length stance of earlier years is resulting in inadequate customer experiences across both the segments. The fact that consumers are constantly pampered by the retail and hospitality industry has elevated the expectation of this customer-centrality and created a new baseline where insurers must operate.

In a commoditized business like insurance, where the customer experience is one of the last bastions left with product managers, insurers need to balance this dichotomy to be effective in marketplace. Achieving both balance and customized journeys is a challenging prospect for insurers. On the one hand, insurers have customers that are cost-prudent, basic service seekers, and on the other hand, are customers that are the histrionic, prima donnas of today's digital world.

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## Bridge the Gap Between Insurers and Customers

Traditionally, insurance policies have been sold and managed through intermediaries, separating the insurance firm from its customers. Further, a quantitative view of the risk pool as ascertained only through actuarial principals, has expanded this chasm. Often, this traditional pool constituted bargain seekers and tranches, which viewed the insurance agent as a surrogate for the firm. This placed insurance in a position with no or little effort to reach the consumer directly, which has led to significant inconsistency in customer experiences. This means that for customers all insurance companies look the same: just a product package.

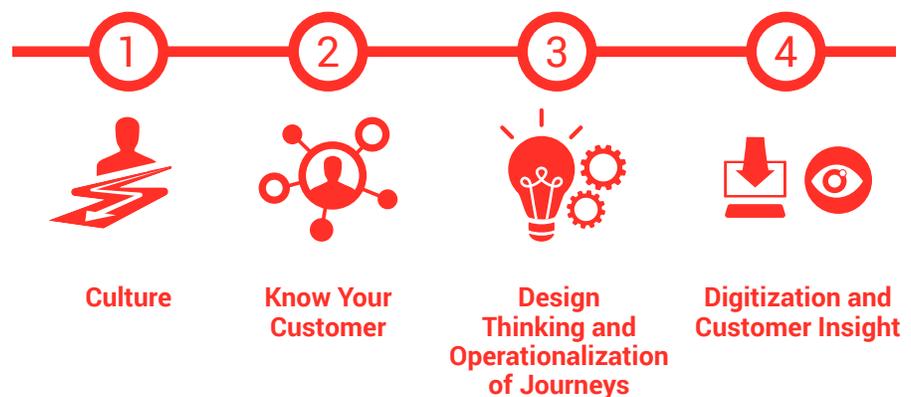
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Delivering a superior customer experience takes a concerted effort across business functions, which relies on creating a single thread of customer centrality and seamless experiences. Here, every customer touchpoint becomes a step in the journey and not a discrete event. This journey typically starts with identifying drivers of customer satisfaction and embedding these into operations, and ultimately crafting customer journeys, with cross-functional ownership and omnichannel experience.

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## Take a 4 Step Process to Win in a Cluttered Marketplace

In our experience, the leaders in the customer experience space are winning by focusing on a few, but very well defined, customer needs and interventions around them. Leveraging digital channels and maintaining continuous customer dialogue through every touchpoint defines the strategy and its ongoing refinement. Below is a four step process which we recommend every insurer to take to win in this cluttered marketplace using the customer experience as a lever:





**1. Culture:** A successful customer experience journey needs a culture of customer centricity in the organization. All processes, interactions and values should be aligned to the centrality of customer needs, and should be put in practice from the CEO's office to front-line executives.



**2. Know Your Customer:** The first step in designing a customer experience framework is to align on the type of experience a segment of customer wants. A data-driven micro segmentation—with need, value and behavior as key dimension—helps in designing the customer experience framework and strategy. Most insurance firms would build their strategies aligned to segments, based on the following levers:

- a. Product and its customization
- b. Trust and transparency
- c. Speed and professionalism
- d. Unified communication and experience



**3. Design Thinking and Operationalization of Journeys:** Radically redesigning the customer journeys based on needs of segments defines the success of any customer experience initiative. A segment with complex insurance needs may require more touch points, longer sales cycles and better articulation of product features. On the other hand, a simple product for a digitally-savvy customer may require a non-intrusive digital sales push. Similarly, the amount of time spent at first notice of loss, the courtesy extended by employees, the speed and ease of tracking claims status, etc., can be designed differently for each customer segment. Using customer empathy and cross functional integration typically forms the backbone of successful operationalization.



**4. Digitization and Customer Insight:** Digitization of processes and interaction helps capture nuanced views of the customer experience and granular data. Digital insight as captured from processes and interaction, coupled with customer experience KPIs defines how successful firm has been in the customer experience journey. NPS, loyalty, churn, external benchmarks, new business, etc., are some of the KPIs which insurers have successfully used in defining success of customer experience strategies.

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## Walking the Walk to Deliver on Customer-Centricity

The opportunities for differentiating through great customer experiences has been established many times by customer experience leaders across industries. USAA, Apple, AMEX have gained significant market share and customer loyalty through their well-crafted customer experience programs. With the ever increasing power of digital consumers, the market leaders will be the ones that create deeper relationships with customers. Each interaction and touchpoint judged by the customer will define whether a carrier is meeting its brand's promise or not. With such a large value at stake, the insurers that deliver on the customer experience journey will win greater market share and space in the minds of consumers.



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