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# Getting Personal: A deeper understanding of the customer and personalized service is vital to best-in-class customer experience



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## Getting Personal: A deeper understanding of the customer and personalized service is vital to best- in-class customer experience

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### Getting personal:

#### A deeper understanding of the customer and personalized service is vital to best-in-class customer experience

The gold standard for insurance used to be one-to-one care, either in-person or over the telephone. Today, this is still the gold standard. The importance of a personal relationship between carrier and customer has not changed. But the channels have.

Some say that the pandemic has driven customers online in droves and that is true. But the fact is that the move to not just a digital but omnichannel experience has been underway for some time. It has only, to a greater or lesser extent, been accelerated by the pandemic.

With digital, there is the potential to reach a vast audience quickly, cheaply and effectively. But it's about more than big numbers. With the levels of data analysis and information available about customers online – behavior, demographic, preferences – digital also allows for personalization at scale. Insurers have the ability to deliver that historical one-to-one in-person care, but at a level of one-to-thousands.

That is not to say that providing high-level omnichannel personalization is simple. It can involve the complex interaction of systems to make sure data is shared effectively between channels and departments, human and machine. It can be tempting to provide a 'just good enough' service to avoid having to completely retool legacy IT systems or recalibrate organizational cultures.

But refining omnichannel personalization is worth doing. In the healthcare insurance sector, research from Accenture suggests<sup>1</sup> that 70% of customers would choose a provider that sends them personal reminders for their follow-up healthcare and 68% would choose one that let them manage their healthcare online. Another Accenture study suggests that 69% of consumers would share data about their health and driving habits in exchange for lower premiums, up 19% on two years ago<sup>2</sup>. The message is clear: Treat me like an individual and you will be rewarded with my premium.

This paper explores what carriers understand by personalization and the level to which it penetrates the organization, the challenges companies face in doing it well and the standards they should be looking to achieve, both now and in the near term.

### Define personalization

Personalization is often identified as the key to improving customer experience (CX). However, all too often companies allow their CX to be guided by the way they define personalization, rather than what the customer would identify as a truly personalized relationship. Understanding what personalization really means, then, is the first step to creating a best-in-class CX.

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1 [https://www.accenture.com/\\_acnmedia/pdf-94/accenture-2019-digital-health-consumer-survey.pdf](https://www.accenture.com/_acnmedia/pdf-94/accenture-2019-digital-health-consumer-survey.pdf)

2 <https://www.accenture.com/gb-en/insights/insurance/guide-insurance-customers-safety-well-being>

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Brent Korte, Chief Marketing Officer, Ameritas defines personalization as: “The opportunity to understand your customers in a personalized and intuitive manner. Whenever they’re engaging with you on any type of digital platform, they’re only seeing things that matter to them.”

This is something that is enacted from the very first encounter with the customer, Korte suggests. Online, this would mean dynamic web experiences that show only the most relevant content to the visitor – workers compensation and additional driver insurance to families; health or investment-related information to seniors.

Tom Warden, Chief Data and Analytics Officer, Employers, suggests that carriers can’t afford to wait when it comes to personalization: “From the time you first make contact with a company, do they treat you as an individual? Do they take the time to ask questions thoroughly because they’re asking questions from the get-go. And then, how well do they leverage that data.”

How well they leverage that data is key. The consumer is now well-used to being asked for information in any scenario, both on and offline. There is in general little reticence to providing it. But there is an expectation that data will be used well and wisely.

“I would hope to see CX transformation evolve to the point where companies are able to anticipate more accurately what’s on the minds of consumers. How, perhaps, you can send them something based on what AI infers about their current needs that they simply appreciate,” Warden muses.

Joye agrees but adds that much CX success involves simply living up to promises: “Do carriers set the right expectations about the experience and then live up to those expectations? Do they make sure customers get guided to the best channel to get their particular job done? Knowing the customer’s situation and then helping them find the coverage they want while explaining the details is personalization you can’t fake.”

This is a fine line to tread. On the one hand, the more information, the better a picture the carrier is able to paint of the customers and their needs. On the other, too much information triggers the law of diminishing returns. Expensive to gather and maintain, and with a finite number of use cases, it is important to collect data that is of value, not just collect data, suggests Scott Steele, Chief Marketing Officer, Church Mutual: “There’s value in hyper-personalization but the quality of the data gathered is more important than the quantity.”

It’s also important to anticipate the customer’s expectations in terms of how much data they need to provide whenever they reach out, like to report a claim or update their policy. Carriers have a vast amount of information about their policyholders and the risks that they insure. “Customers within any industry expect to have to provide only a minimal amount of information for their service provider to demonstrate that they know who they are. When the auto claim reporting process begins with asking the policyholder for the year, make, and model of their vehicle, the customer – who is likely already stressed following an accident – is now concerned if not frustrated. The customer experience with their carrier has missed the mark and you never get a second chance to make a great impression,” insists Meredith Barnes-Cook, Head of Global Insurance, Ushur.

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## Understand the customer journey

Insurers typically enjoy wide and varied customer bases, even within quite specialized sectors such as commercial lines. Understanding what data to collect, in particular the data that is likely to drive the biggest uptick in CX, can be challenging. This is especially difficult if carriers don't have a full view of their customers' journey.

Korte admits that tracking and keeping customer data current is a difficult task, but it's one his company has allocated significant resource to: "As people move through their lives their needs change so it's very complex. Our data scientists work with the CX and UX teams looking back over the last 10 years of policyholders to understand behavior and groupings. Personas aren't just creative-driven, but data-driven."

Even for carriers like Steele's, whose main data-gathering exercise is still largely human-led due to the complexity of most customer interactions, mapping information is key: "Many of our interactions are tracked in a database so you can say, for instance, how many customers have called up asking for a certificate of insurance. But," he admits, "we're fairly early in the process of aligning customer journeys with data."

Joye advises not so much interrogating every interaction, as exploring the most frequent and the most impactful: "You have to understand where the challenges are and qualify them against the business case because you have to quantify how much acting on them could save in terms of cost or generate improvements in CX."

However, she also notes that the answers to personalization challenges may not be immediately obvious. In some cases, they simply point to challenges that originate in a much different place in the organization: "You also have to get to the root causes, which can be a long way upstream," she says.

## Challenges to acquiring data

For most carriers, saying 'you must ingest, interrogate and use your customer data' is a lot easier said than done. Even some of the most digitally-savvy companies still face challenges in gathering and using customer data effectively. Much of this seems to be down to inherent incompatibilities in technology – but this isn't the only cause.

For Korte, it's been a multi-year journey. "We're a mix of M&A and lots of different core systems that historically haven't talked to each other. It's taken a long time and we have a long way to go."

Steele agrees that old-fashioned tech and something of a patchwork attempt at integration presents barriers to seamless CX: "Our CRM system is out of date and we're replacing it. Having good systems that integrate well with others is an issue that's common with other companies. Silos make it hard to understand how the customer is interacting with marketing, sales and claims." Fortunately for Steele, many of his data woes look set to be short-lived: "We're implementing new systems that will give us a holistic view."

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For Barnes-Cook, it's not just an accidental incompatibility driven by organic tech acquisitions that causes the problem. Insurers are often organized functionally, and it is understandable that the data each department gathers, and how it is structured, is driven by the part of the customer journey that they own. "We're all focused on CX including personalized, data-driven automation. But it is not a small undertaking for a carrier to achieve a unified data design across the full insurance journey. And it's not hard to understand the challenge, especially at larger carriers that would be hard-pressed to pivot their policy, claims and billing to new core systems simultaneously, to achieve one integrated data flow."

This is not just inconvenient, Barnes-Cook warns. "No matter where and why a customer interacts with their insurance company, their experience should feel integrated and consistent, regardless of the degree of actual integration internally between the core systems. Keep in mind that acquisitions introduce additional ecosystems of technology and data which are at least day one their own siloes. And there may not be a compelling business case to integrate these ecosystems, especially if the plan is to maintain the acquired products and brands. A true outside-in approach also aspires to provide a consistent customer experience regardless of internally which systems support their products and enable their services. This not only insulates the customer from experience shifts if the carrier is integrating ecosystems or replacing systems. It also prevents the CX from changing when an existing customer moves to a product supported by a different core system."

Warden also points out that swimming in large volumes of data doesn't necessarily guarantee a best-in-class CX. Without understanding which data sets are working best, carriers could simply be taking even more shots in the dark. "With all this data, you have to figure out when is the right time to use it. Building a well-integrated data collection and interaction systems helps you leverage when cross-sell messages are successful and when they're not and that can be applied to all interactions."

Interestingly, he adds that unless customer service agents are incentivized on data collection and advised what to collect and how much is too much, the whole information gathering process can fall down at the first hurdle: "Data capture can break down if people on the front line aren't engaged with the process. They might skip through screens because they're measured on the clock."

Whether in-person or via an automated or digital channel, the same caveats apply: gather only the data you need, for the right reason and use it in the right way.

### Best-in-class CX

At a time where there has never been more technology promising miraculous solutions, it is tempting to think that it's just a question of 'plug and play' and problems just go away. It would be great if it were that simple.

Technology is an aide, but it is not the solution. In many cases, complex technology isn't even really necessary. Korte suggests, "Sometimes we can overthink tech, so we have to go back and talk to customers to find out what they really want. We have a voice of the customer programme and use net promoter score (NPS) but verbatim answers are really important too." In other

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words, simply diving deep into what the customer needs can reveal fairly simple steps to better CX.

Barnes-Cook, for example, believes that insurers sometimes miss the opportunity to leverage readily available and reliable data not already in their possession, which could revolutionize CX at some of the most commonly expressed pain points. “Consider, is there information that is going to make it easy for customers to generate a quote? What about a connection to public records that have all the details of their property, so the owner doesn’t have to hunt for a copy of a deed or an appraisal? Are you asking your prospect or customer for information that you could confidently source somewhere else? The increasingly digital-savvy customer is asking that very same question.”

It’s not just in form-filling where this comes in useful. Adding context to customer information gives carriers critical insights that allow them to enhance their service propositions. “A carrier knows where their customers are and can convert that location information into data via geocoding. As part of risk management, carriers are also monitoring for potentially catastrophic weather events. Codifying a storm’s path and then cross-referencing that to their customers’ locations empowers carriers reach out with loss prevention guidance and one-click access to report a claim. This type of proactive, meaningful outreach could make the difference when it comes to retention.”

It’s critical not to underestimate the importance of the seemingly simple ‘value add’. “With insurance rarely being a discretionary purchase, it can be perceived more as a commodity where buyers enter into the sale cycle reluctantly, putting the carrier at a disadvantage from day one,” she warns. “Insurance companies have to differentiate themselves on the products and services they offer, and in a highly regulated industry, services can be the easier lever to pull.”

With all this talk of technology and digital, it’s easy to forget that one of the biggest drivers of best-in-class CX is still the human interaction. Technology can still play a role, but its value is in augmenting that human resource, not necessarily replacing it.

From a commercial lines perspective, the human element is still very important. But that doesn’t mean it can’t benefit from digital supplementation. Steele reveals: “We have a 100% human interaction with our customers in customer service and claims. We are building a customer self-service portal, allowing the customer to choose how they want to interact. But they often need guidance, so we have real people available to help as well.”

Korte adds: “We want it to be easy and intuitive to get online. But when you pick up the phone, you also want someone to answer quickly and accurately. People do still want help from people. We have to help augment that with the right type of AI.”

### It’s not all digital

Melissa Joye, Chief Customer Experience Officer, Farmers Insurance agrees that human and technology resources should complement each other, but that it comes down to understanding what customers want, when and why. “We have to use digital to complement the human side. Video can sometimes be better than seeing someone in person,” she adds. Barnes-Cook gives the

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poignant example that, even with something as devastating and difficult as a life insurance claim, some people will welcome the option to not be required to speak to a person to initiate the process.

The prospect of delivering best-in-class can seem daunting. It seems like there is so much to do, giving the impression that the organization needs to be rebuilt from the ground up. It's true that carriers with very aged legacy systems may have to perform some major technology surgery to bring the whole business up to a more modern level but improving CX cannot and should not wait until everything is 'just so'.

Barnes-Cook, "It's not about doing nothing until you can give the customer everything. Where you start is where customers are telling you they are the least satisfied. But two major elements are key. One, the customer needs to be given options and the ability to choose how they engage with you. And two, don't wait for customers ask for information you have, when you can see from your inbound calls and emails what they often want to know, like when a bill is due, their claim will be paid or how to learn about new products they are seeing advertised on television.

Something as simple as introducing a secure SMS-based communication channel can reap large rewards. Barnes-Cook points out that using texts to proactively update customers on the status of their claim led to one carrier seeing inbound call volumes drop by 30%.

Warden notes: "Texting is a great opportunity that isn't leveraged as much as it potentially could be. There was a time when not everyone was comfortable with email but now everyone has an email address. Similarly, now everyone has a smartphone. I can ask my company a question or just get a confirmation via text. It doesn't really require the consumer to do much and leaves a really favorable impression of the company.

Joye adds that it's a question of identifying simple yet effective changes, "making interactions easy and seamless is so important. If the mobile app is easy to use, or the customer can text the company as easily as they text a friend, then you help them feel efficient. It's about making those mundane tasks as easy as possible."

### Progress to the future

Even before the pandemic, the realm of possibility when it came to optimizing CX in the insurance sector was vast. There seemed like there was so much to do. In some ways, the pandemic proved a useful, albeit quite traumatic, catalyst. Many organizations struggling to understand what digital meant to customers within the context of omnichannel were able to understand where their priorities lay. Investments to solve immediate challenges proved to have long-lasting positive impacts. But the process towards data-driven, fully personalized CX is far from over and for some, still only just beginning.

Korte states; "We started this journey two and a half years ago and the pandemic really accelerated that. Our transformation journey is laid out across the next three to five years." Steele agrees: "Our marketing department is partway through its digital transformation, so it continues to evolve. A few of years ago, we did very little personalized marketing. Now, we have data to help us

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understand what different markets are facing, we can understand geographies and demographics so we can customize our message to be relevant.”

There is a temptation to leap on bandwagon as the hype around digital, data, personalization and the omnichannel refuses to die down. There is so much to learn from every corner. “We’ve seen expectations at a whole new level that have converged since the pandemic. Those expectations aren’t industry specific, with the insurance customer expecting a personalized, digital experience similar to when they shop online. That means there are so many other industries to look at for your inspiration to both learn and experiment,” Barnes-Cook says.

Joye insists companies must move at a pace that is right for them. “We’re moving to real customer journey ownership, but you have to be clear about what the business processes are and make sure everyone is in sync about those processes. It can literally change the company culture and having the whole company feel empowered to impact the journey is something that is in our sights.”

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