

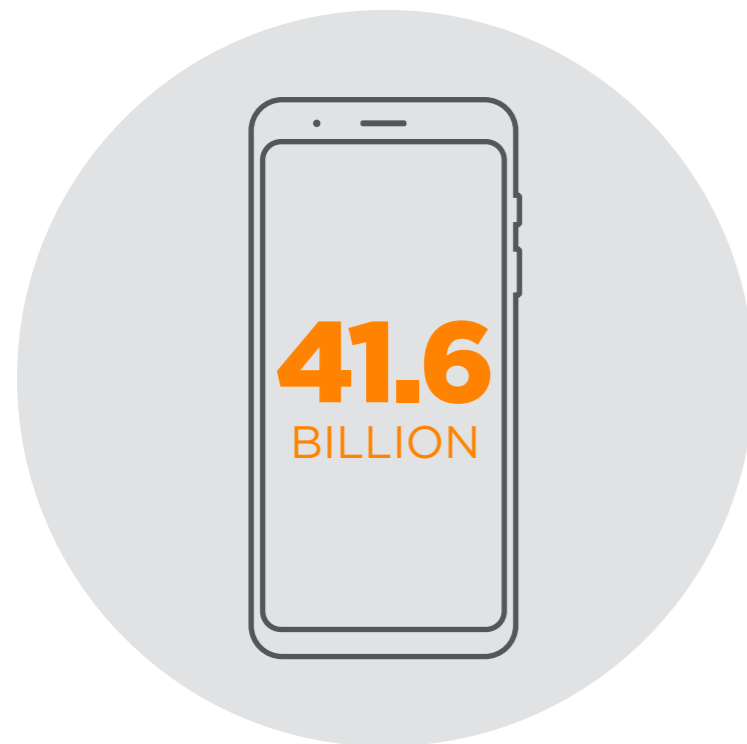
# UNLOCKING THE FULL PICTURE

Delivering impactful customer experiences with a digital-first approach



# The smartphone revolution

Since its introduction in 2007, Apple's iconic iPhone has transformed our digital lives as we know it:



The number of devices that will be connected to the Internet by 2025<sup>i</sup>



The average number of tech devices in an American household in 2022<sup>ii</sup>



Percentage of the global internet population which uses a mobile device to go online<sup>iii</sup>

# The smarter way of staying connected

From keeping us connected with loved ones during the pandemic to facilitating knowledge sharing and learning, smartphones have proven to be an indispensable tool that enhances many facets of our everyday lives. Americans agree, with nearly two-thirds of users stating that smartphones have made their lives better.<sup>iv</sup>

Hence, it's no surprise that many of us view smartphones as an extension of ourselves. They influence our social interactions as well: social media usage and smartphones are inextricably linked, with 91% of social media users accessing these platforms via their mobile devices.<sup>v</sup> According to Pew Research Center, 72% of Americans are on some type of social media platform, with YouTube being the most popular (81%), followed by Facebook (69%) and Instagram (40%).<sup>vi</sup> Aside from seeking entertainment and curating their social circles, users also gravitate towards following brands they like or patronize on social media. This can range from their favorite clothing retailers to restaurants and also insurance carriers.

With nine out of ten users willing to purchase from a brand they follow on social media, it is crucial for insurers to connect with the digitally-savvy

customer and ensure a seamless transition down their policy-purchasing pipeline.<sup>vii</sup> PwC found that before committing to a policy, 71% of consumers will digitally research insurance products by comparing coverage or price points to find one that is tailored to their needs.<sup>viii</sup> Your social media pages are likely one of the first digital touchpoints that potential policyholders will interact with for inquiries or more information — and they want quick responses.

Upon commenting or leaving a message, 79% of users expect a response in the first 24 hours.<sup>ix</sup> Poor customer experiences will put your brand perception and revenue gains at risk, as more than half of consumers say they will walk away from a trusted brand after several bad experiences.<sup>x</sup>

The smartphone, coupled with ever-growing social media engagement, has radically changed the face of customer relationships and helped usher in the digital transformation movement. Better communication with the customer — and faster innovation to meet their needs — is at the very heart of this and the key to becoming a successful insurer in the 21st century.

## By the numbers | Social media and customer service



Minutes spent on average on social media by Americans in 2021<sup>xi</sup>



The percentage which customers are willing to spend more on with a company that responds to customer service requests on social media<sup>ix</sup>



Americans who use customer service as a deciding factor of whether or not to do business with a brand<sup>xii</sup>



The share of B2B businesses that are using Twitter to nurture prospects into loyal customers<sup>xiii</sup>

## Digital disrupters are here to stay

For the modern insurer, this is a challenge. Where the industry was once content with a slow approach to technology adoption, disruption from alternative providers entering the market suggests slow-and-steady will no longer win the race.

“Alternative providers are often at the forefront of the latest technological developments, such as artificial intelligence and process automation, putting them in a unique position to implement this technology and enhance the customer experience in a number of ways,” reports GlobalData in its “State of the Insurance Industry” report. “In areas like deep data analytics, through which personalized products and targeting can be created, these tech-based businesses are capable of providing a far more bespoke product.”

Most of these alternative providers, often Insurtech startups, but also well-established tech giants and new entrants like Tesla offering car insurance for vehicles they sell, leverage their management of customer relationships as a key differentiator. By comparison, the customer relationship between today’s insurer and policyholders usually occurs only at the point of renewal and when filing a claim.

That’s lost opportunity when you consider that technology and big data offer insurers the opportunity to produce more customized products and the ability to know which customers would want them.

For example, “the growth in wearables is also driving new policies that reward an individual’s healthy behavior,” reports GlobalData. “These types of products will evolve as technology evolves to reduce risks through monitoring, early diagnosis, and prevention — putting the customer at the heart of the products.”

You can see how digital transformation is as much about building strong relationships with your customers as it is about implementing innovative technology, embracing digital workflow and becoming a paperless office. Today’s consumers are looking for policies and products that resonate with their personal needs. They want a sincere relationship with their carrier. Carriers should want the same, so they can anticipate needs and communicate changes — both good and bad — before customers ask questions.

But how can you possibly do that if you don’t have a full picture of your customer?

## 3 Insurtech trends defining the future of insurance

Despite the industry's risk-averse nature, digitalization has disrupted the insurance lifecycle significantly. Insurers are embracing change by shifting toward tech-driven, customer-centric operating models. Here are three examples of how customers are at the forefront of modern insurance:



**Insurance premiums are becoming more personalized** as insurers use tech-enabled insight from wearables and other data-gathering devices to evaluate individual risk. Beyond technology, digitally intelligent insurers will build insight through relationships that exist across data sets.



**Lifestyle apps and digital engagement will impact relationships between insurer and insured.** As the insured engage with these lifestyle apps on a daily basis, they become less likely to engage in the annual search for the lowest premium. Insurers benefit from greater insight and more informed risk assessments.



**Claims settlement will become fast, automated and self-service.** Because most claims processes are manual, insurers spend too much of a customer's premium on handling the claims process. Insurtech disruptors want to put the process in the customer's hands. The customer provides information at the first notice of loss (FNOL), and automated reviews of claims make decisions and approve payouts in most instances.



## What if you could connect the dots and unlock the full picture?

“It’s important to have a clear vision of what you are trying to accomplish when it comes to customer experience and the role that communication plays,” says Karlyn Carnahan, Celent’s head of insurance for North America.

However, customer trust in the industry remains low, with convoluted jargon and generic policies contributing to the public’s skepticism.

With the industry ranked as one of the weakest customer experience providers in the U.S.<sup>xv</sup>, insurers need to understand the priorities of their policyholders and respond with personalized offerings that support their needs and lifestyles. Customers are also seeking more purpose-driven policies from their insurers as expectations shift from loss reimbursement to risk prevention instead, according to Bain & Company in its “Customer Behavior and Loyalty in Insurance” report.<sup>xvi</sup>

Armed with these insights, it is evident that building a comprehensive profile of your customer and putting their interests first is a stepping stone toward mending the insurer-customer relationship. Moreover, having a holistic view of your customer helps you:

- Drive customer intelligence
- Enable predictive analytics
- Develop greater customer alignment

***Let’s take a closer look at these benefits.***

## Driving customer intelligence

When information works together to provide you with a full picture of the customer, your ability to predict future needs and understand what that customer will positively respond to grows exponentially. You gain insight about the customer, beyond how they shop, when they purchase and what they buy. You see patterns and predict choices they may make in the near future.

For example, a policyholder making a switch from renter's insurance to homeowner's insurance might be open to bundling auto to save — and learning that an accident could put his home in jeopardy if he is at fault and isn't carrying the right coverage. Customers see this less as an opportunity to sell product and more as relevant information passed along from an engaged service provider that understands them as an individual. This personalized interaction builds trust.

Access to all the critical content needed to understand the policyholder's needs is at the core of that personalized interaction. When agents and customer service representatives have access to that data readily available, they have the best opportunity to, as Schaeffer puts it, “solve for the customer, delight the customer, upsell and retain the customer, and deliver relevant, personalized, contextual and predictive customer experiences.”







## Enabling predictive analytics

In many ways, a full picture of the customer is a little like having a crystal ball. When you connect systems and information, you lay the foundation for predictive analytics, or the practice of extracting information from existing data to discover patterns and predict future outcomes and trends. Core systems like Guidewire and Duck Creek offer predictive analytics platforms that turn data into actionable insights and allow for data-driven decisions throughout the insurance lifecycle.

Predictive analytics will not make you a fortune-teller, but it can help you better understand how your customers might react to an upsell campaign or call center incident. Predictive analytics can also help improve claim performance, improve underwriting results and detect fraud and payment abuse.

If information is disconnected or trapped in system silos, the ability to engage in successful predictive analytics becomes difficult.

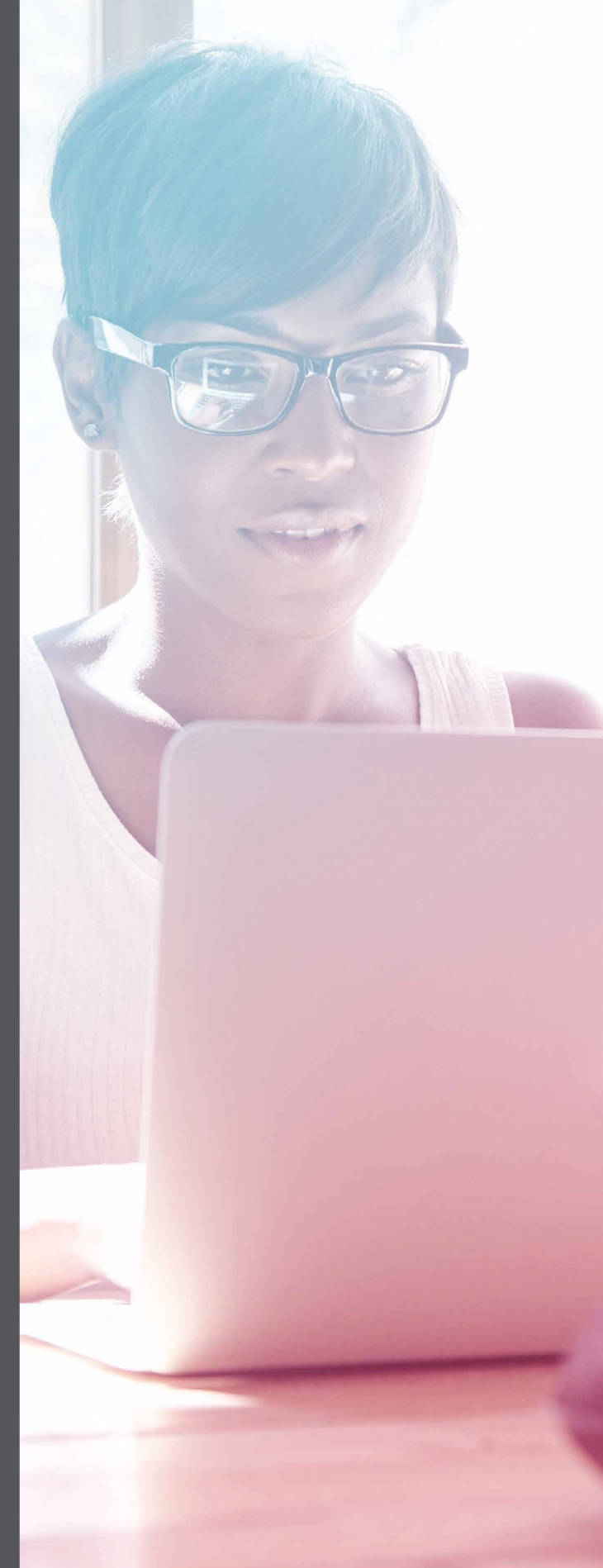
## Prescribing customer alignment


Insurers should “engage consistently and personally” with their customers, Carnahan says. The communication can be automated based on events and time periods, and the content should be delivered on the customer’s preferred channels.

Insurers that have a full picture of the customer have the ability to group them with like-minded customers and create personalized communication for that group.

In many ways, this is the true business side of knowing your customer. Now you can know who your brand champions are and engage with them in a way that is different from casual or at-risk policyholders.

“Defining business processes by customer type or segment is extremely effective in growing revenues and margins from high contribution customers and lowering costs to serve for low or negative margin customers,” writes Schaeffer.





## You have all the pieces — but can you see the whole picture?

Are you now conducting a mental inventory of all the technology you've invested in to better manage information about your customers? That likely includes applications that manage key data about your business processes and handle customer data. It may even include technology “that supports employees as they interact with customers or manage discrete processes within specific departments.”

*It's all there. But is it all connected? Is it easy to access?*

Even front-line software solutions are hindered when disconnected from other information. It creates silos of data, forcing staff to search paper files or different data systems to get a full picture of the information. These systems cannot effectively manage critical related content, from documents and forms to notes and emails. This leaves your employees without easy access to all the information required to make decisions, manage processes and provide customer service.

Priority one is making sure that information is connected.

## See the full picture with the right solution provider

When searching for a solution that can connect the dots and provide a full picture of your customers, choose one that centralizes critical content and data from your core line-of-business systems. This empowers your team with instant access to all relevant information from familiar claims, policy and CRM systems on a single interface, helping to facilitate seamless customer experiences. Ensure the solution:



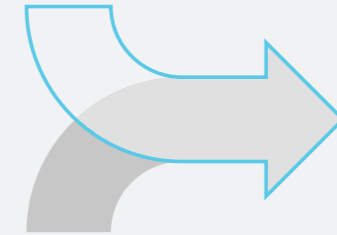
### Centralizes all content

Core systems that are designed to handle data often provide only a basic content repository with limited capabilities. Your solution should deliver a full range of enterprise-class, secure document management capabilities seamlessly integrated with your core system.



### Automates supporting processes

While your core system handles certain processes, there are other processes that are either very expensive to implement or that your system simply wasn't designed to handle. Your solution should allow you to quickly and easily extend existing processes and create new ones.



### Consolidates disconnected data

While your core systems manage specific business data, there are related tasks, activities, conversations and other information being managed outside these systems — via email inboxes, spreadsheets, antiquated databases and legacy applications. You want the ability to consolidate scattered data, tasks and activities living outside your core systems into a single location where they are connected, easily accessible and tracked.

## Get connected

Customer experience is driving digital transformation, and the strength of customer relationships is quickly becoming a key differentiator for those navigating through a fast-evolving insurance industry. Insurers who can leverage innovation to create a personalized experience for their customers will stay a step ahead of the competition and delight the consumers they work for.

*A full picture of the customer makes this possible.*

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Learn more at [Hyland.com/Insurance](https://Hyland.com/Insurance)

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