

QUALITY CUSTOMER SERVICE:

*Not as Easy as it
Might Seem*



COMMENTARY

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The customer is king. The customer is always right. Customer-centric this, customer-centric that.

There is no shortage of quips attesting to the critical importance of providing the best possible customer service. And there certainly is nothing new about acknowledging the strategic benefits of doing what is needed to retain clients as pundits for years have lamented about how much more expensive it is to obtain a new customer than retain an existing one. Yet, in light of the slowly improving economy and expectations of lower than normal market growth, customer service as a link to client retention is likely to receive renewed attention as insurers review their strategic plans.

While the importance of providing quality customer service may be readily apparent, the nuts and bolts of accomplishing this lofty goal for insurance carriers in today's business environment are less straight forward. Technology developments have in many ways enabled the possibility of providing exemplary service but at the same time introducing additional challenges. When you carefully look at all the moving parts and the associated requirements, one thing becomes quite clear – providing exemplary service is not as easy as it might seem.

To get an understanding of the service landscape for insurers, the role of the Internet is a reasonable place to start. To begin, as the public has gained experience making use of the Internet for the whole gamut of popular online activities, their online

experience has had a dramatic effect on expectations for the manner in which they should be able to interact with the companies with which they do business. If Amazon.com can serve me suggestions for items that I might have an interest in (based on my behavior on its website), why wouldn't I expect other companies not to bombard me with endless messaging that has absolutely no value to me? And – if I can do pretty much whatever I need to do online with my bank, and whenever I please to do so – isn't it only natural that I would expect to do the same with other financial services providers, including my life insurance company?

The immediacy of interactions on the Internet – combined with the current norm of the public generally feeling hard-pressed for time – has also influenced expectations for service. Such a demand for responsiveness adds tremendous pressure for insurers to solve service issues far more quickly. At a recent meeting a colleague shared with me an anecdote that is right on target in support of this issue: "In today's day and age, *immediate gratification* is all too often not seen as being soon enough." This mentality and the expectation for immediate resolution of all problems create considerable challenges in trying to provide exemplary service.

As insurers have introduced online self-help options for many desired service transactions (both to address consumers' expectations and to pursue cost efficiencies), it seems to me that they have had to deal with what I refer to as the *online service dilemma*.

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This dilemma refers to the disconnect we consistently see when consumers are asked to communicate the value and interest of online services they perceive in comparison to their *actual* usage of these offerings. Both their perceived value and interest tend to be quite high in using online service options, while actual usage of available options tends to be limited. For those insurers that are offering online services, I imagine this disconnect is a source of frustration. While I can't say if expenses associated with these online services are, at this point in time, considered table stakes, I have to believe that increasing usage — so that more of the efficiencies can be realized — is a priority issue.

As online service options have been added to the mix, another complicating factor is the necessity to integrate customer information across all of the possible points of contact. With multiple channels available, the ability to provide quality service requires that up-to-date information be available regardless of the channel used. More and more discussions are going on about implementing “click, call, or come in” models which will allow customers

to choose how they want to interact with companies while receiving a similar experience regardless of the mode they choose. The *linchpin* to integrating multiple channels is an effective customer relationship management (CRM) system. While considerable progress has been made in implementing such systems, having effective CRM in place is by no means a given. Carriers that have figured out the CRM puzzle will likely be at a competitive advantage in this domain for the foreseeable future.

It is also worth pointing out that although much of this discussion focuses on complexities associated with online service, the ever growing number of communication tools adds even more complexity to the service landscape. Adding to the mix, such options as mobile Web access, text, and chat make the integration of information even a greater challenge.

There is no question that customer service is critically important and, given the state of the economy, it is likely to remain in the spotlight. In reviewing all that is involved, one thing becomes quite clear — providing quality service is not nearly as easy as it might seem. 🌐