

ENHANCED CUSTOMER SERVICE IN THE INSURANCE INDUSTRY

Peter Huber of Zurich Global Life Singapore explains how engagement, empowerment and emotions will lead to enhanced customer service in the insurance industry.

“It’s about how do we empower, engage, drive more emotions and ultimately use IT as an enabler for superior performance”

An insurance is both a product and a service and the insurance industry needs to realise that sooner than later. The regulators are pushing for more transparency in the industry, direct sales to the customer and a better advisory model that is reliant on fees instead of commissions.

Consumers on the other hand are getting smarter by the day, are more involved and aware about the products available and of their rights & liabilities. They’re looking to make informed investments and buy products that are useful to them and can help them get the returns or protection they realistically desire.

At the end of the day, all people want is to protect themselves and their loved ones. It isn’t something that is difficult to deliver. Managing the expectations of the customer isn’t as much a challenge for the insurance industry as it is for other investments and asset classes. What matters is how the insurance companies deliver products that the clients need, within the regulatory framework that is being prescribed through agents and channels that the client can connect with.



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Huber suggests that in this new environment, it's about how insurance companies empower & engage customers, drive more emotions and ultimately use IT as an enabler for superior performance. This is the 4E model that Huber evangelises and as customers are increasingly expecting enhanced customer service from the insurance industry, Zurich Life and many firms like it are working towards that goal.

The “4E model” explained

Huber's 4E model is very simple at first glance and doesn't seem to need an explanation but understanding how each impacts the industry will hit the nail on the head with regards to the point about them being a necessity for enhanced customer service in the industry.

“How do you give the power back to the consumers? Make no mistake, they will have it anyway. Sooner or later, if not already”

The insurance industry is a product that offers to protect a consumer and their loved ones. It has a very deep emotional meaning for those who buy it and their expectation from the product manufacturer is that they simply be treated as people instead of policyholders. The insurance industry has lost the human touch somewhere along the way from when it first started.

Instead of trying to drive sales, the insurance industry should try to engage with consumers.

They haven't been doing that very effectively in the past and Huber cites research by Gallup in the US market which suggests that only 36% of customers really feel they're engaged and they invest 3 times more often in financial products with them and stay 4 years longer on an average with the insurer.

Empowering the customer and enabling them using IT isn't really much of a choice for an insurer today. Customers are already empowered and the regulatory authorities are supporting them on this by passing legislations that allow them to directly buy insurance from manufacturers and demand transparency in all areas related to their investment.

There is no clear pattern anymore with regards to how a consumer will buy a product. It could be online or through an agent. They could take advice from their peers or their advisor or even from social platforms. The insurers have to empower the consumer and enable them to seek information and be ready to effect a sale on any platform that he is comfortable with. If one insurance company doesn't, another will be happy to provide the platform and pick up the business.

Appreciation for early adoption of 4E at Zurich Life

Huber seems to practice what he preaches. Zurich Life started an online community some time back. They added 300 current and potential customers to the platform and engage them on a regular basis by showcasing different ongoing projects to them, soliciting feedback about the way they're shaping up against what the market needs and simply making believe that their opinion counts.

Zurich decided to test how robust this platform is and the value that the feedback and engagement can bring to the business. What it did was get the platform involved in the next product it was designing and the results were stunning. The sales almost doubled, says Huber, who was very pleased because his convictions about the platform and the driving thoughts behind them were reaffirmed.

Not only did the business gain in sales, but also delighted the people who were involved in the process. One of the participants of the online community expressed his gratitude and joy at being made part of such a group and explained that the fact that his opinion and those of his peers mattered to them made a huge difference to him and his perception of Zurich.

Other participants had equally glowing reviews about the community or at least felt equally empowered and emotionally connected is no doubt.