

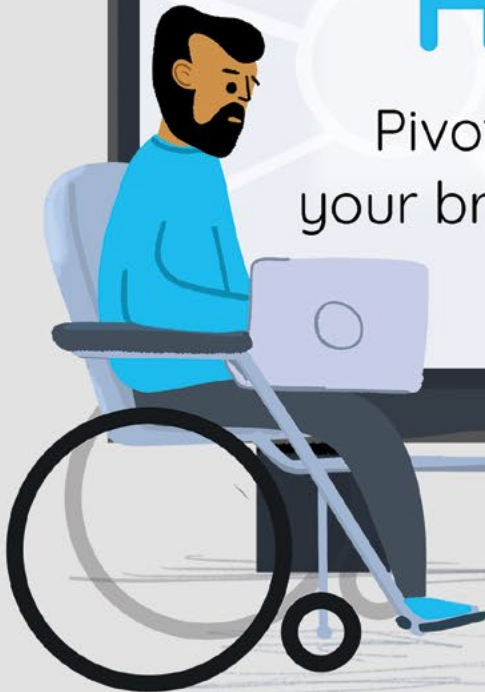


YOU ARE HERE

MOMENTS  
THAT MATTER IN

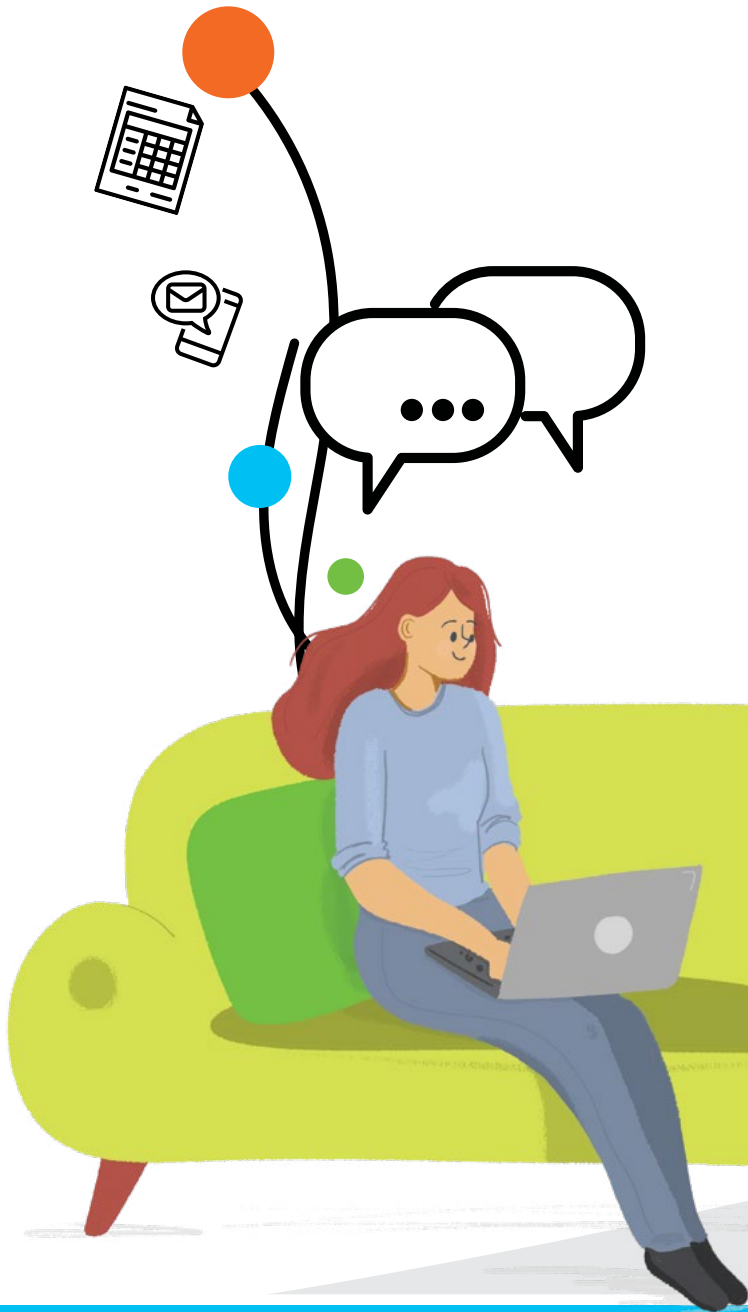
# INSURANCE AND HEALTHCARE

Pivotal opportunities to differentiate  
your brand and **enchant your customers**



**nirva**

Smarter Customer Communications



# Introduction

Today, customers expect every experience they have with a brand or provider to be fast, easy, and convenient. With the ability to communicate regardless of where they are, customers don't distinguish between online and offline. They don't think about brands as brick-and-mortar + phone + mobile + website, etc. To them, it's one brand/one channel. In other words—omnichannel. To provide an exceptional customer experience, brands must start thinking the same way, especially those in more traditional industries such as financial services, insurance, telecom, and utilities whose operations are throttled by regulations, legacy technology, and organizational/data silos.

While each of these industries has many touchpoints, the key is to identify the critical ones and execute consistent, relevant, and personalized experiences—every customer, every time.

## What are ‘moments of truth’?

Moments of truth are make-or-break instances along a customer’s journey that present a decision point. If executed well, the customer continues on their journey doing business with the brand; if executed poorly, it’s likely the customer will stop doing business with the brand. Each moment of truth is an opportunity for the brand to differentiate.

Research done by Richard Normann, who developed the concept of “moments of truth,” uncovered that it takes 12 positive moments of truth to counter one failed moment. Given that, it’s imperative to remove friction from the experience and ensure each moment of truth is executed with a positive outcome.

“

IT TAKES 12 POSITIVE MOMENTS OF TRUTH TO COUNTER ONE FAILED MOMENT.

Source: Richard Normann, Moments of Truth



“

15 YEARS AGO, THE AVERAGE CONSUMER TYPICALLY USED TWO TOUCHPOINTS WHEN BUYING AN ITEM AND ONLY 7% REGULARLY USED MORE THAN FOUR. TODAY CONSUMERS USE AN AVERAGE OF ALMOST SIX TOUCHPOINTS, WITH 50% REGULARLY USING MORE THAN FOUR.

Source: Marketing Week, “Why marketers are failing to target customers at key life events”

# Moments that matter in Insurance and Healthcare

Brands across all industries must innovate and do things differently. Customers are more informed and have higher expectations of brands overall, putting more traditional insurers and healthcare payers at risk of disruption. There are so many creative and innovative ways to use technology that could facilitate a more efficient and effortless experience for customers. When insurers talk about sending faxes to generations who've never seen, much less used, a fax machine, it's time for an upgrade!

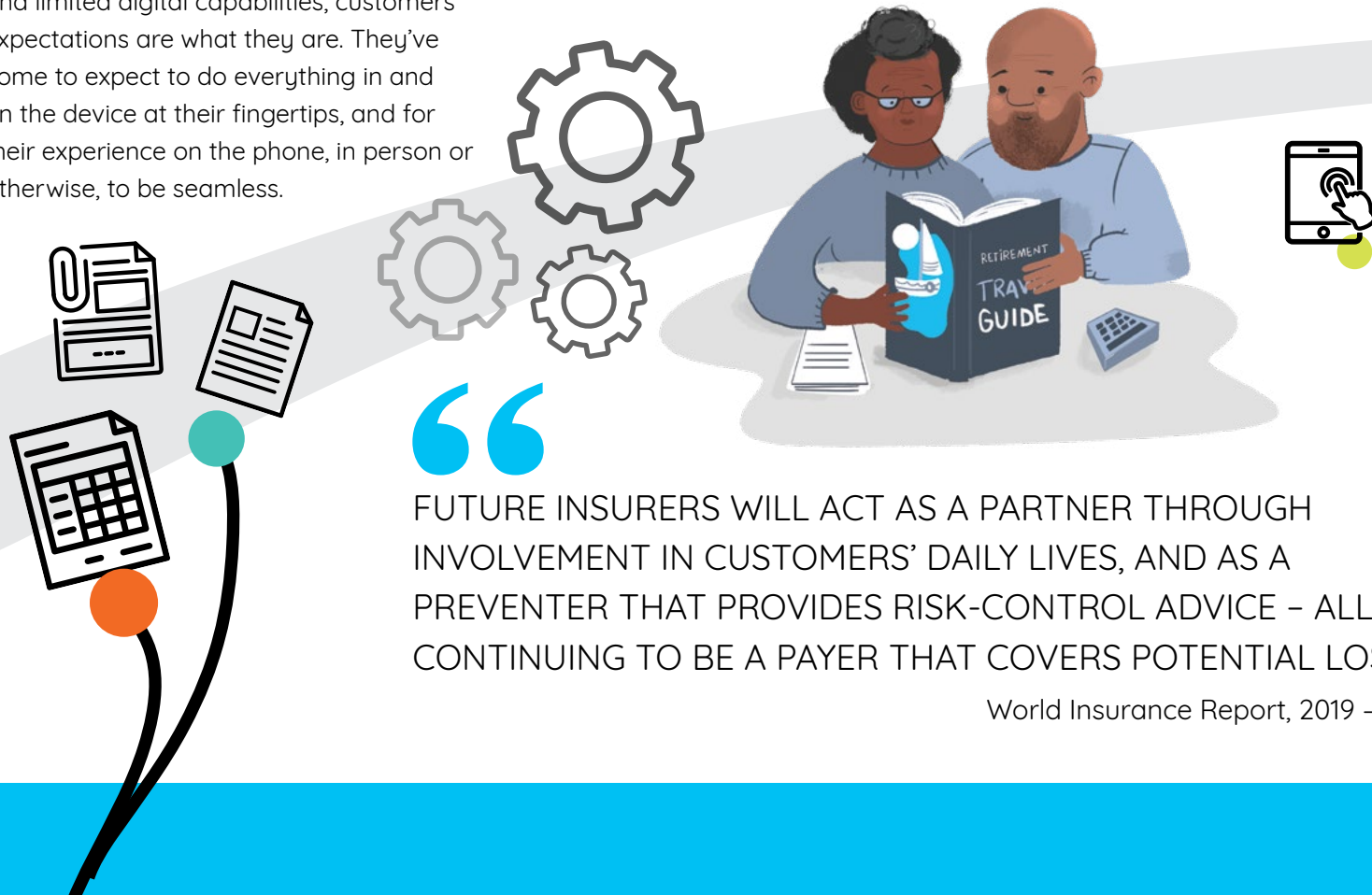


# Digital transformation

Without a doubt, customers' expectations for a real-time, simpler, and more digital experience have been shaped by experiences with brands in other industries. And while the insurance and healthcare industry are rife with legacy technology and limited digital capabilities, customers' expectations are what they are. They've come to expect to do everything in and on the device at their fingertips, and for their experience on the phone, in person or otherwise, to be seamless.

Digital is more than just putting a PDF version of your explanation of benefits or your claims settlement letter online for customers to view and download. If you haven't developed an app, engaged with customers on social media, and moved your data to the cloud, you're not there yet. While each of those is a difficult 'ask' in an industry that lags in technology and

digital experiences, brands that accomplish them operate more efficiently, are able to make better decisions, engage with their customers based on customer preferences, and innovate at a faster pace than ever before. Organizations that become digital businesses will win the hearts and wallets of customers.



“

FUTURE INSURERS WILL ACT AS A PARTNER THROUGH INVOLVEMENT IN CUSTOMERS' DAILY LIVES, AND AS A PREVENTER THAT PROVIDES RISK-CONTROL ADVICE – ALL WHILE CONTINUING TO BE A PAYER THAT COVERS POTENTIAL LOSS

World Insurance Report, 2019 – Capgemini



## What's holding insurance and healthcare companies back?

Many organizations remain hamstrung by internal factors (legacy technology, operational inefficiencies, organizational inertia, and cultural constraints) and external factors (regulatory and compliance requirements, agent or provider pushback, etc.). Together, these have a negative impact on the rate of change.

In their Making of a Digital Insurer report, McKinsey notes that 90% of providers are struggling to develop the technology infrastructure they need to support digitization, citing the size and complexity of their legacy systems as a/the barrier. They advise developing parallel capabilities (a foundational IT architecture centered on transactional systems, and a high-speed, agile IT model that focuses on customer

engagement systems) to keep the business moving forward, while at the same time maintaining safe and secure transactions throughout the upgrade process.

That's sound advice. Customers with higher expectations for interacting with brands may be easy pickings for a disruptor that enters the space and simplifies painful touchpoints along the value chain.



THE BATTLE BETWEEN EVERY STARTUP AND INCUMBENT COMES DOWN TO WHETHER THE STARTUP GETS **DISTRIBUTION** BEFORE THE INCUMBENT GETS **INNOVATION**.

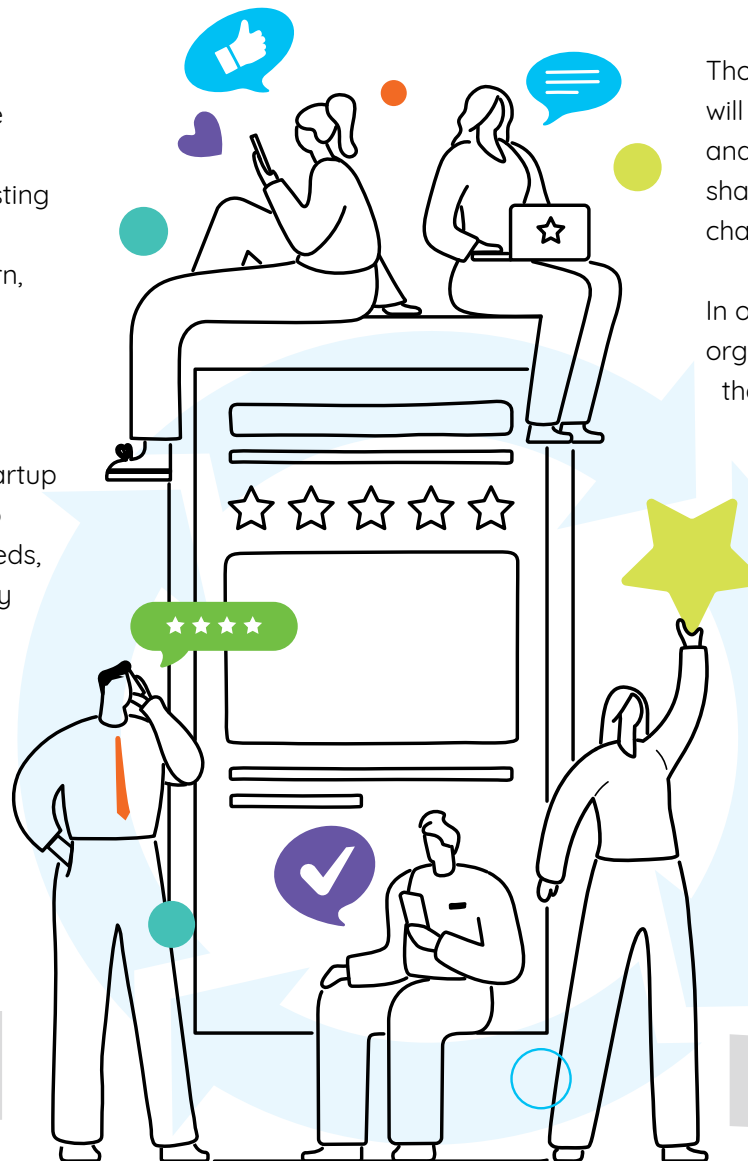
- Alex Rampell, A16



## The customer experience challenge

It's not enough for insurance and healthcare organizations to modernize their technologies and to digitize the experience; they must also update existing products and processes to meet the needs and the standards of the modern, connected customer.

Unclear and confusing coverage terms often make the claims process cumbersome and painful. What if a startup came along that allowed customers to design a policy customized to their needs, one that they could start or stop at any time without penalty, and pay only for what they need and then complete the entire purchase transaction and claims process via a mobile app in less than five minutes?



Those startups already exist, and they will be the ones who delight customers and more importantly, capture market share from the old standby brands while changing the industry for the better.

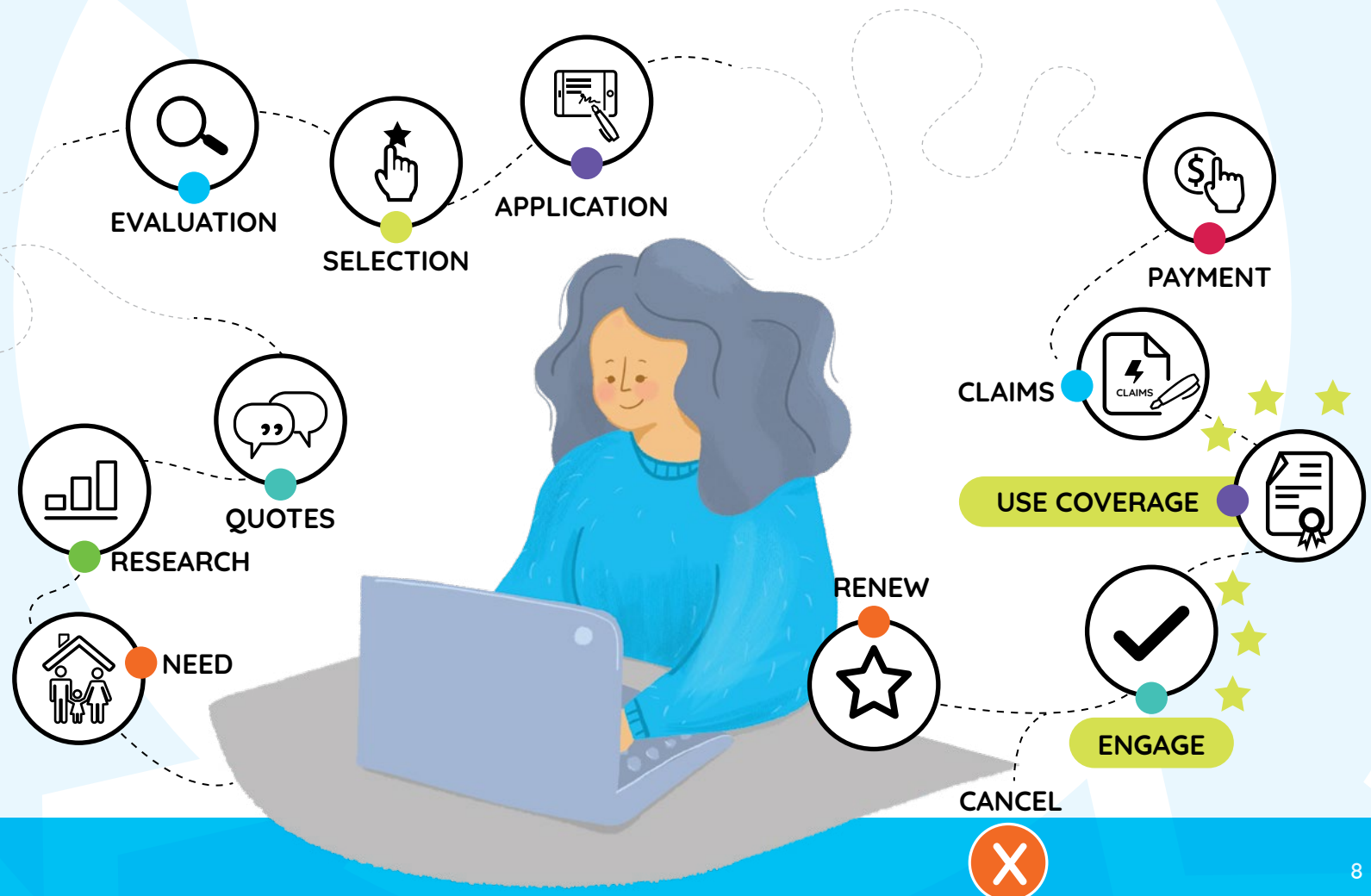
In order to stay ahead of the competition, organizations must put themselves in their customers' shoes and view, and then design the experience from the customer's perspective. They must identify opportunities to provide value by determining gaps between their products and services and customers' needs and expectations. Then implement technology solutions to facilitate and meet (or even exceed) those needs and expectations.

# The customer lifecycle

From an insurance perspective, the linear, traditional lifecycle for insurance customers looks like this:

NEED ► RESEARCH ► QUOTES ► EVALUATION ► SELECTION ► APPLICATION ► PAYMENT ► CLAIMS ► EXPAND ► RENEW/CANCEL

However, the newer customer experience looks something like this:





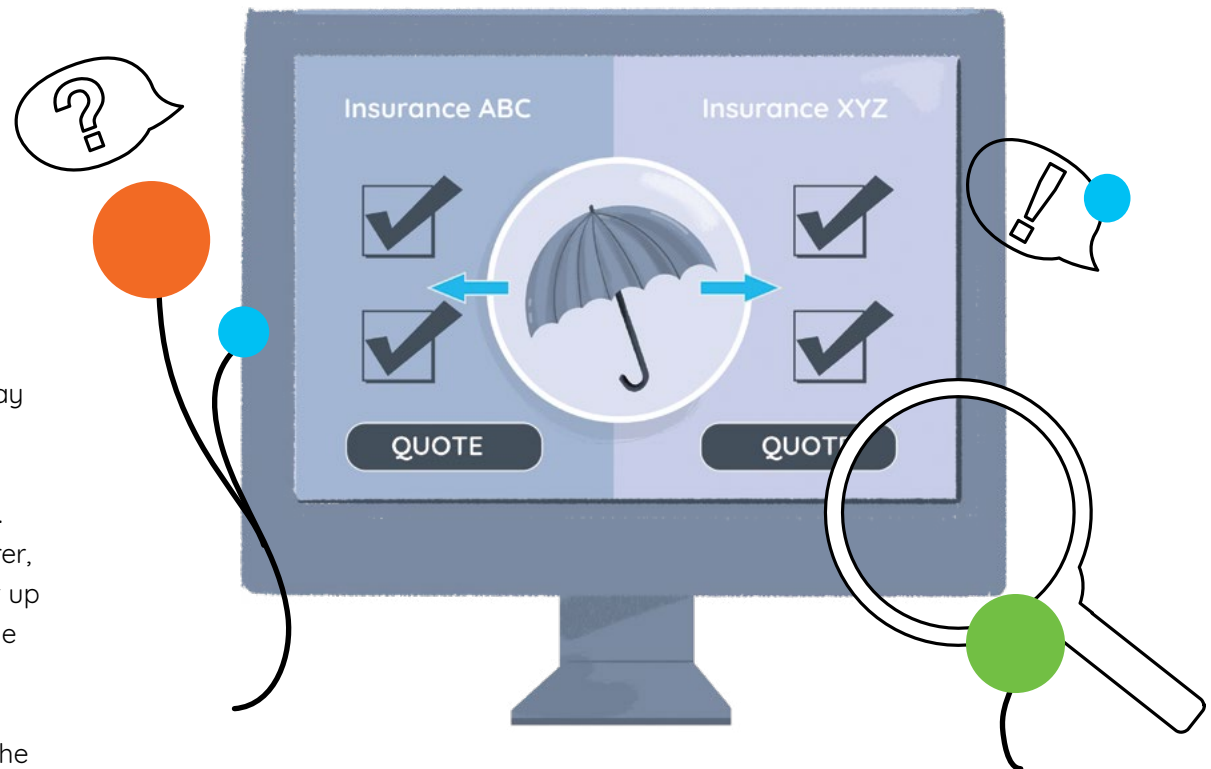
The customer first recognizes that they have a need and starts doing some research, during which they become aware of the various insurers that can offer several coverage options. They may use a price/coverage comparison tool or request a quote directly from several insurers or agents based on their needs. Upon consideration, they select an insurer, apply and sign up for coverage, and set up a payment plan. During the course of the year, they may file a claim and proceed through the claims process. As the year comes to a close, the customer makes the decision whether to renew or not. And if the experience has been a good one, they may consider purchasing other products that the insurer offers. Right?

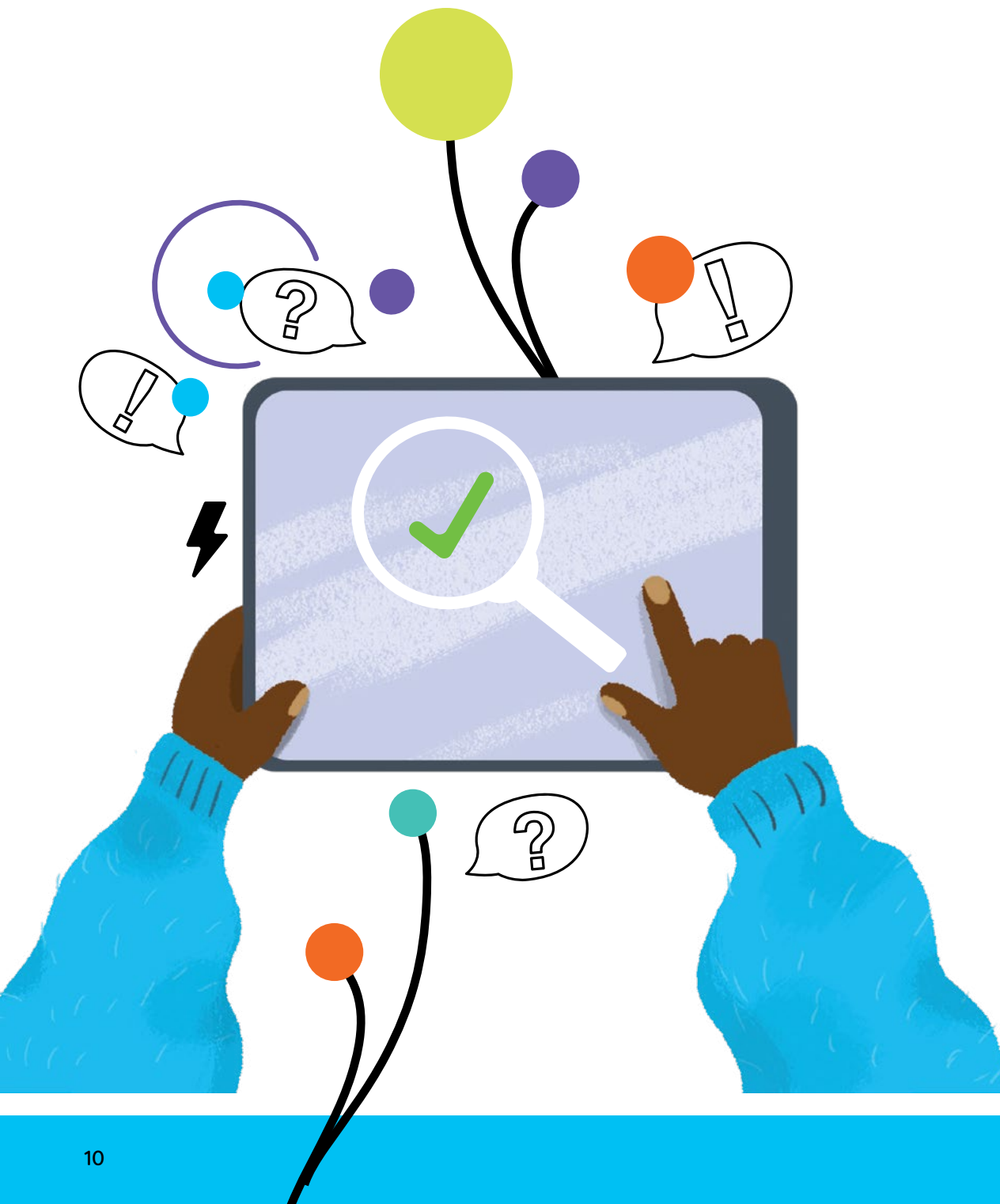
Wrong. Even though it seems people exhibit similar behavior patterns, the truth is that individuals will make different decisions depending on their needs, context and

urgency. Therefore, each person will have a different journey and experience as they seek to purchase, onboard, use and renew (or change) insurance coverage.

This complex customer journey is composed of a myriad of touchpoints and interactions, only a few of which

are mentioned above. To understand the customer journey and improve the customer experience, insurers and payers are looking to understand and optimize the moments that matter most to consumers and to the business. After all, providing a great customer experience drives business growth





## Critical touchpoints

Throughout the year, key moments, such as the quote process, onboarding (including issuing the policy or member enrollment), and the claims process, will impact the customer's decision to renew. You can't compete by focusing on all touchpoints; your job is to identify and understand the moments that matter most to your customers and then ensure that they are delivered to their expectations. Focusing time and resources on those moments will be impactful for the customer and profitable for the business.

The three touchpoints mentioned: quote process, contract process, and claims process, are filled with opportunities to communicate with the customer in a clear, consistent, and timely manner that ensures the customer decides to both choose your company and/or renew their policy for years to come.

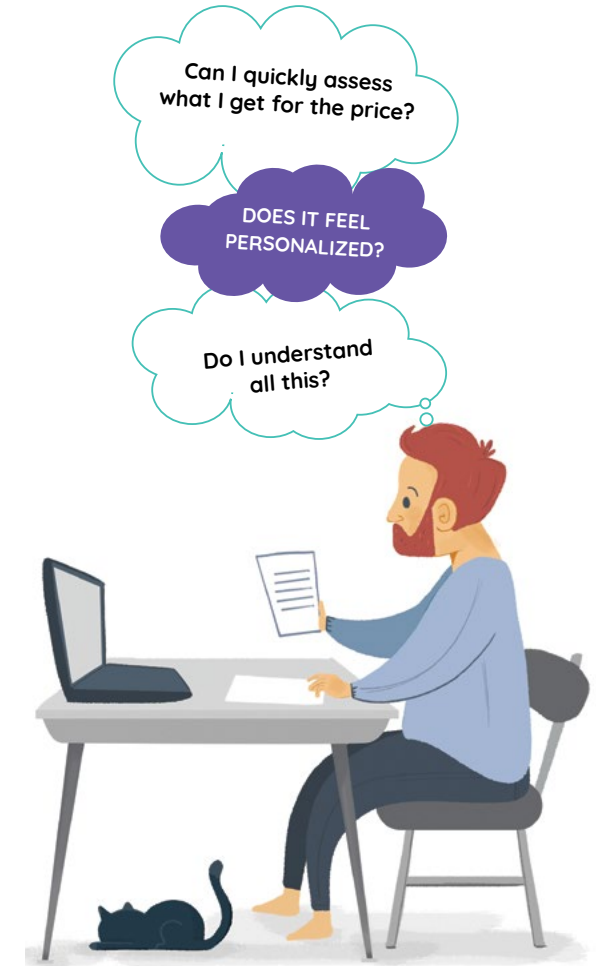
## Moment #1: the quote and application process

As you can imagine, the quote process is an important decision point for the customer, which makes it a pivotal moment for the insurer, too. Based on the information you provide and how you communicate it, either the customer buys or they do not. The customer realized the need to get insurance, whether it's new health coverage, a new auto policy, or if they are switching insurers, they have chosen your brand as an option to consider. They will likely get multiple quotes or compare several coverage options across different insurers, so it will be important to demonstrate value as early as possible and in a manner that sets you apart from the others. Consumers are evaluating coverage options, needs and price requirements, and are also asking the following questions: can I quickly assess what I get for the price, is the information self-explanatory or complex, does it feel personalized, is it being delivered via my preferred channel

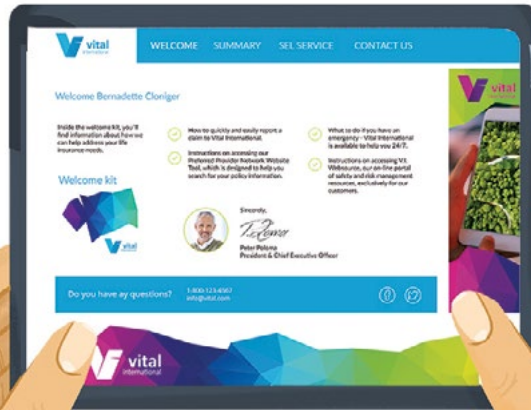
and is it intuitive? Insurers that are able to use data to pre-determine an initial set of requirements and ask only the necessary questions to deliver the most accurate information back are winning at the CX game. Not all insurance purchases are driven by price; oftentimes, customers will have unique needs that not every insurer can meet, and they are willing to pay more to organizations that offer more value. In fact, Accenture's Global Financial Services Consumer Study found there is a strong demand for carrier's "beyond-insurance" offerings.

And let's not forget agents, brokers, providers and all the other groups that either own the direct relationship with the customer or heavily influence the customer experience. While the role of digital is ever-increasing, the role of the trusted broker or provider who serves the best interest of the customer, is also equally important.

For the consumer: is this the best price and coverage for my needs or can I get more value from my insurer?



For the consumer: is the organization easy to do business with?



# WELCOME!

## Moment #2: the onboarding process

The onboarding process is an opportunity for payers and insurers to set the tone for what customers should expect from any future interactions with the organization. At this moment, savvy insurers and payers are establishing a customer-centric experience – similar to first impressions, they know they only get one chance. The most common onboarding mistake is to overwhelm with questions, information, steps and options, so insurers are making every step simple, clear and meaningful. For example: do you really need to ask for their mailing address or last name again? What information do you need

day one and what will you do with this information? If it doesn't add value to the organization or customer, consider not asking for it and use the opportunity to call attention to more important elements or to ask for additional information. During onboarding, simple language, clear steps and an easy-to-navigate experience will win you more customer points (and higher customer engagement) than you might think. An exceptional customer experience is designed to harmonize the experience the customer expects, the organization provides, while aligned to the business needs.

## Moment #3: the claims process

Unsurprisingly, the claims process is another critical moment of truth for insurance and healthcare organizations. It wouldn't be a far reach to state that most individuals, if not all, purchase health, commercial or personal insurance to gain peace of mind, and hope they never have to use it. It is also true that insurers would be quite happy with low risk, healthy customers who pay the premium on time.

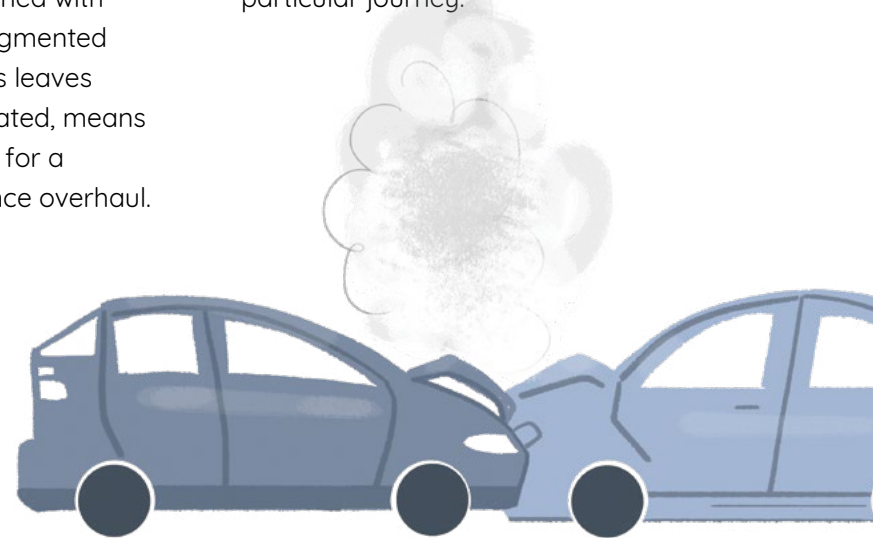
However, accidents happen. People get ill. The claims process can be very emotional for the customer. It can also be easy. Depending on the complexity and severity of the claim, some customers might want a quick resolution while others will want more interactions with the insurer, or the broker or agent with whom they have a relationship beyond receiving a check. The common mistake here is an over-emphasis on digital. The solution is straightforward: digital can and should augment the customer experience, but it will require

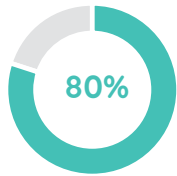
infusing empathy within the process to deliver a frictionless experience, as it can be lost when removing the human and personal aspect of insurance.

Modern communication technology enables insurers to centralize and unify all of the communications touchpoints across the organization. Disparate systems and legacy technology create a barrier when it comes to supporting modern communications. That combined with the fact that a siloed and fragmented approach to communications leaves customers feeling unappreciated, means the insurance industry is ripe for a communication and experience overhaul.

In insurance, the customer experience is influenced by all areas across the organization, including sales, marketing, operations, underwriting, claims, and billing, but some customers might be most familiar with, or interact mainly with, their agent. Each line of business will have different messaging with different goals, depending on where the customer is in the lifecycle or in a particular journey.

For the consumer: will the insurer help me beyond a check?





**Satisfied customers are 80% more likely to renew their policies than unsatisfied customers.**



Inventorying and creating a centralized view of each of those communication pieces will be imperative in order to deliver a cohesive experience. A customer experience platform can solve for that in many ways, including allowing users to create a journey map that shows when and where along the journey the customer receives each of the communication pieces, helping insurers to simplify and streamline messaging and the customer experience.

“ IN THE PAST FIVE YEARS, US AUTO INSURANCE CARRIERS THAT HAVE PROVIDED CUSTOMERS WITH CONSISTENTLY BEST-IN-CLASS EXPERIENCES HAVE GENERATED 2-4X MORE GROWTH IN NEW BUSINESS AND ABOUT 30% HIGHER PROFITABILITY THAN FIRMS WITH AN INCONSISTENT CUSTOMER FOCUS, IN PART BECAUSE SATISFIED CUSTOMERS ARE 80% MORE LIKELY TO RENEW THEIR POLICIES THAN UNSATISFIED CUSTOMERS.

Source: McKinsey



According to a 2016 report from McKinsey, “In the past five years, U.S. auto insurance carriers that have provided customers with consistently best-in-class experiences have generated two to four times more growth in new business and about 30 percent higher profitability than firms with an inconsistent customer focus, in part because satisfied customers are 80 percent more likely to renew their policies than unsatisfied customers.” That was true four years ago in the U.S., and it remains true today for insurers and payers around the globe. It’s worth the effort to take a deeper look into your communications and find opportunities to improve the customer experience.



## RELATED RESOURCE

### Quadient named Dominant Provider in Novarica Market Navigator Report

This Novarica Market Navigator report provides an overview of the available stand-alone document management/enterprise content management (ECM) and document creation/customer communications management (CCM) systems currently available to US insurers



DOWNLOAD  
REPORT



## Conclusion

Identifying the moments that matter most to your customers is an important part of the work you'll do to understand how to improve the current customer experience. It's critical that those moments are executed properly to ensure that the customer continues the journey. It's imperative that communications are top of mind for everyone when it comes to those moments: communications that are clear, relevant, timely, personalized, and proactive, and delivered via the channel customers prefer.



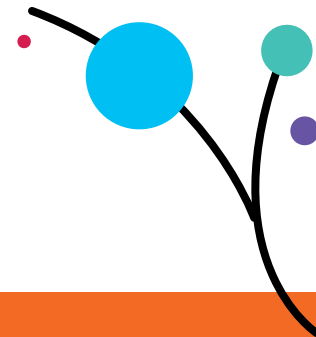
Know this: successful brands will invest aggressively in the touchpoints they know will have the greatest impact on the customer and, hence, on growth and profitability.

How do you identify those critical touchpoints? You're going to start with mapping the customer journey, so that you can see all the steps that the customer must take to complete a task or to solve a problem. But know that the maps themselves don't identify moments of truth; data will do that for you. You've got tons of data—feedback, transaction, interaction, and more—that you can use to identify what matters and how well you're executing.

As you've now learned, some of the most critical touchpoints along the customer journey involve communications, whether as the touchpoint itself, or to mitigate a critical touchpoint fail. The key is to get those communications right. In order to do so, you can't have uncoordinated communications systems throughout the organization causing customers to receive irrelevant or ill-timed communications. Instead, coordinate communication designs, collaborate on messaging, and deliver messaging confidently through multiple channels. Brands are able to unify their communications via a next-generation CCM platform that allows them to do that and view

their communication portfolio as a whole, increase consistency, minimize bad experiences, and reduce operational costs.

When you can save money for the business and improve the experience for the customer, it's a win-win.





**quadient**  
Because connections matter.

## About Quadient

Quadient is the driving force behind the world's most meaningful customer experiences. By focusing on four key solution areas including Customer Experience Management, Business Process Automation, Mail-related Solutions, and Parcel Locker Solutions, Quadient helps simplify the connection between people and what matters. Quadient supports hundreds of thousands of customers worldwide in their quest to create relevant, personalized connections and achieve customer experience excellence. Quadient is listed in compartment B of Euronext Paris (QDT) and belongs to the SBF 120 index.

For more information about Quadient, please call us on +44 (0)20 7692 0616, email us at [enquiries@nirvauk.com](mailto:enquiries@nirvauk.com) or visit [nirvauk.com](http://nirvauk.com)

Quadient® and the Quadient logo are registered trademarks of Quadient group AG. All other company and product names may be trademarks and are the property of their respective owners. All information in this document, including descriptions of features, functions, performance and specifications is subject to change without written notice at any time. [www.quadient.com](http://www.quadient.com)