

# 2016 INSURANCE

MULTICHANNEL CUSTOMER EXPERIENCE STUDY



**eptica**  
MEANINGFUL CONVERSATIONS

# / CONTENTS

1/ EXECUTIVE SUMMARY.....	3
2/ INTRODUCTION: UNDERGOING RADICAL CHANGE.....	4
3/ SECTOR COMPARISON .....	5
4/ KEY FINDINGS.....	6
ON THE WEB.....	7
EMAIL.....	7
TWITTER.....	8
FACEBOOK .....	8
CHAT.....	9
CONSISTENCY.....	9
5/ KEY TAKEAWAYS .....	10
6/ ABOUT EPTICA .....	11
APPENDIX 1: METHODOLOGY .....	39

# 1/ EXECUTIVE SUMMARY

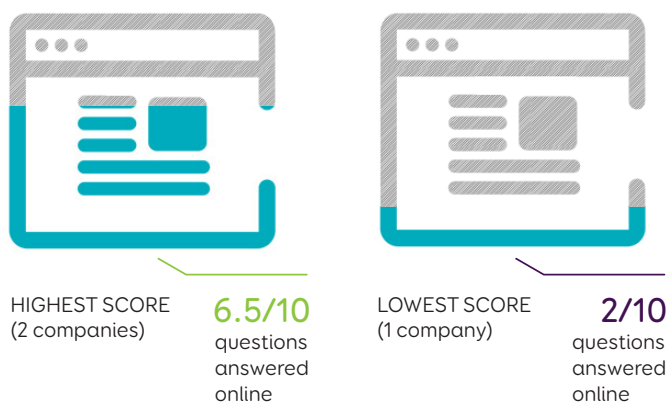
The internet and digital technology are transforming the UK insurance market. Greater competition and the rise of price comparison sites are impacting revenues and margins, while customer loyalty is a thing of the past. Consumers are demanding more from their insurers, and want a seamless, high quality experience, however they choose to make contact. In order to enable these meaningful conversations, insurers need to focus on delivering what customers want, efficiently, across a growing number of channels.

To find out how the UK's top insurers are meeting these challenges, the Eptica Multichannel Customer Experience Study evaluated their performance when it comes to customer service. The Study measured them on their ability to provide answers to ten routine questions via the web as well as their speed and accuracy when responding to a question sent via email, Twitter, Facebook and web chat. Part of a larger, multi-sector study of 100 major UK brands, it repeats research that has been carried out over the past five years.

Performance is improving, but is neither consistent nor multichannel, according to the study findings. The sector is delivering excellent service on email (answering 80% of questions), but lags behind on the web (providing responses to just 45% of queries), Twitter (50%) and Facebook (40%). Response times range from 8 minutes to over 5 days and few companies deliver consistent answers across different channels.

How can these challenges be addressed? This guide sets out to help insurers efficiently meet the needs of today's customers, provides a channel-by-channel view of performance, and outlines areas where insurers can improve how they operate.

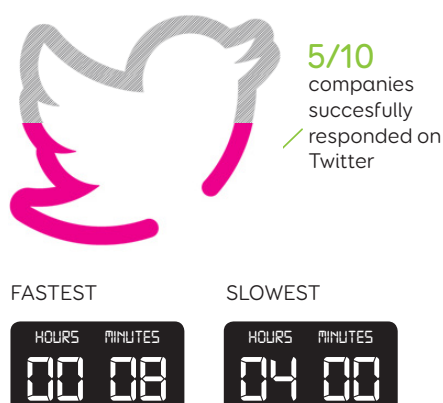
## WEB QUESTIONS ANSWERED



## EMAIL MANAGEMENT



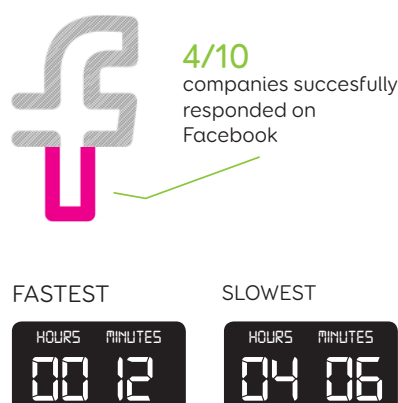
## TWITTER



## CHAT



## FACEBOOK



## 2/ UNDERGOING RADICAL CHANGE

Insurance is going through radical change, driven by technology, increasingly demanding customers, more regulation and greater competition. Technology is affecting the industry in multiple ways – it is opening up digital channels such as the internet and social media for sales, claims and customer service, while it is also providing insurers with the ability to understand customers better through Big Data and closer analysis of their behaviour in order to deliver more tailored policies. Innovations such as real-time monitoring through the Internet of Things, vehicle telematics and even driverless cars are also poised to transform operations.

At the same time customer loyalty continues to fall. Insurance is seen as a grudge purchase, and many consumers simply pick the cheapest policy, helped by online aggregators that make comparisons straightforward. This hits renewals and impacts margins – 55% of UK consumers surveyed in the Accenture 2015 Claims Customer Survey<sup>1</sup> said they were ‘very/quite likely’ to switch provider when their contract was up. 35% of UK consumers have changed motor insurer more than four times<sup>2</sup>.

As in many markets, digital brings down the barriers to entry, allowing new competitors to enter the insurance market. For example, 59% of insurers believed that companies such as Amazon and Google would eventually offer insurance, based on their combination of deep customer data, strong consumer relationships and trusted brand<sup>3</sup>.

These challenges are driving three business imperatives:

### 1. INCREASE EFFICIENCY

Over a third of premiums are currently spent on acquiring and administering policies, according to think tank the Geneva Foundation<sup>4</sup>. Technology is central to reducing costs and increasing efficiency by moving to digital channels and creating a more agile, flexible organisation that is focused on the customer.

### 2. IMPROVE CUSTOMER EXPERIENCE

80% of consumers have switched provider at least once, and 68% have spent two years or less with their current insurer<sup>2</sup>. While much of this is down to price, 32% of those that switched said it was down to poor customer service<sup>2</sup>. Insurers therefore need to look at technologies, such as self-service and chat, that bring down costs while improving the experience if they want to increase loyalty.

### 3. EMBRACE MULTICHANNEL

Over the next few years 79% of consumers say they will use a digital channel to interact with insurers<sup>5</sup>. Ensuring that these conversations are meaningful and increase satisfaction and loyalty is therefore vital. Insurers need to adopt a joined-up, multichannel approach that delivers a seamless experience across the customer journey, from pre-purchase research to claims and renewal. For example, many car insurers now allow consumers to send smartphone pictures of damage from the scene of the accident, speeding up the claims process and increasing efficiency. Moving to digital, multichannel technology also positions insurers to benefit from the opportunities around Big Data, enabling them to analyse interactions with customers to minimise risk and deliver tailored, competitive products.

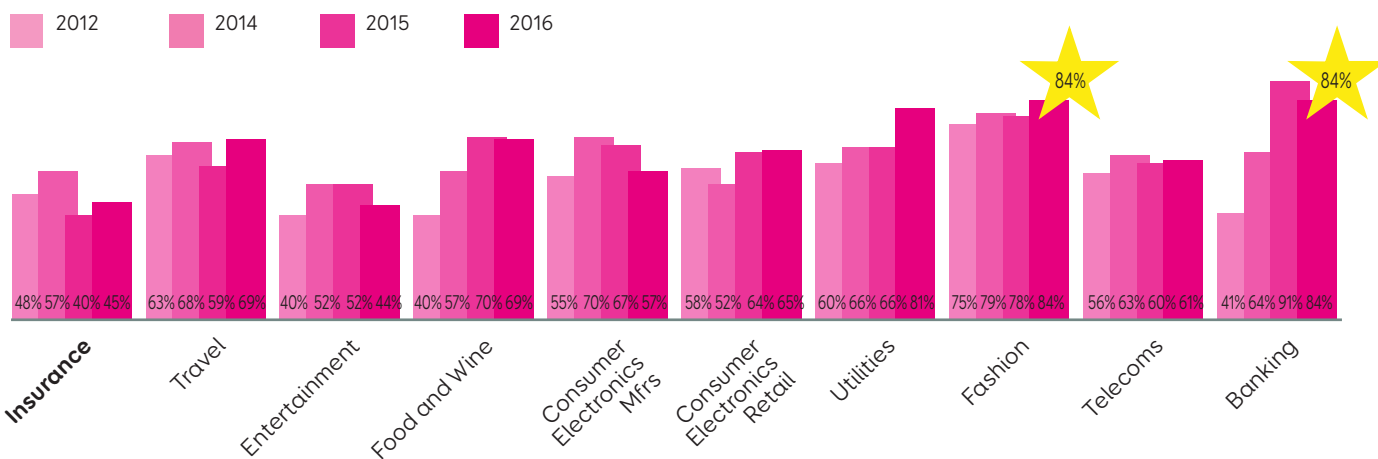
1. Source: Accenture insurance claims customer survey results  
2. Source: SPA Future Thinking ‘Let’s compare the Market’  
3. Source: Accenture Digital Innovation Survey

4. Source: Geneva Association ‘Digital Transformation Insurance’  
5. Source Bain & Company: Global Digital Insurance Benchmarking Report

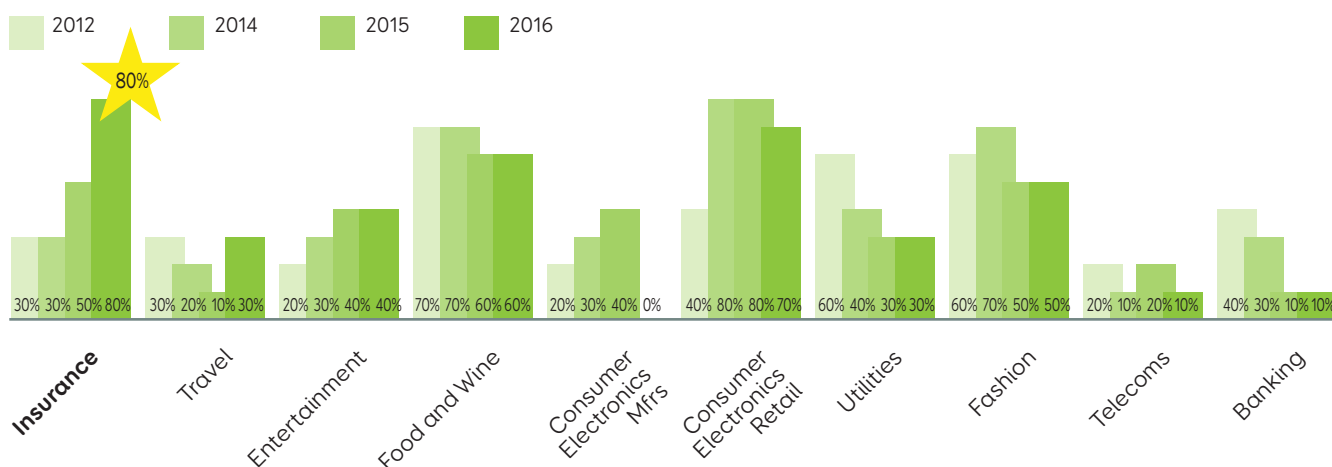
### 3/ SECTOR COMPARISON

#### HOW DOES UK INSURANCE COMPARE TO OTHER SECTORS?

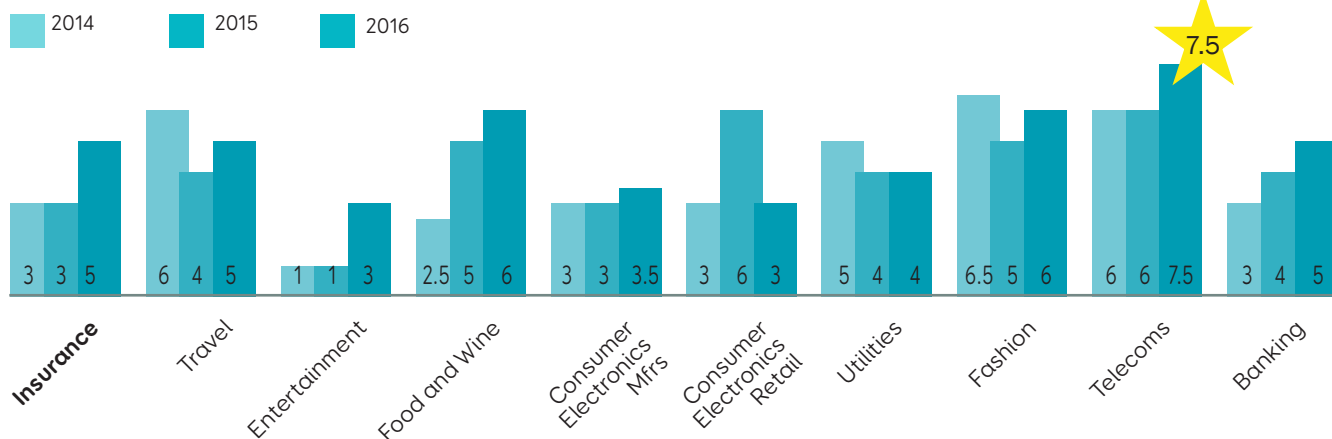
WEB PERFORMANCE BY SECTOR



EMAIL: SUCCESSFUL ANSWERS



TWITTER RESPONSE RATES FOR SUCCESSFUL ANSWERS (OUT OF 10)



# 4/ INSURERS AND MULTICHANNEL CUSTOMER SERVICE

## STILL STRUGGLING TO CONNECT

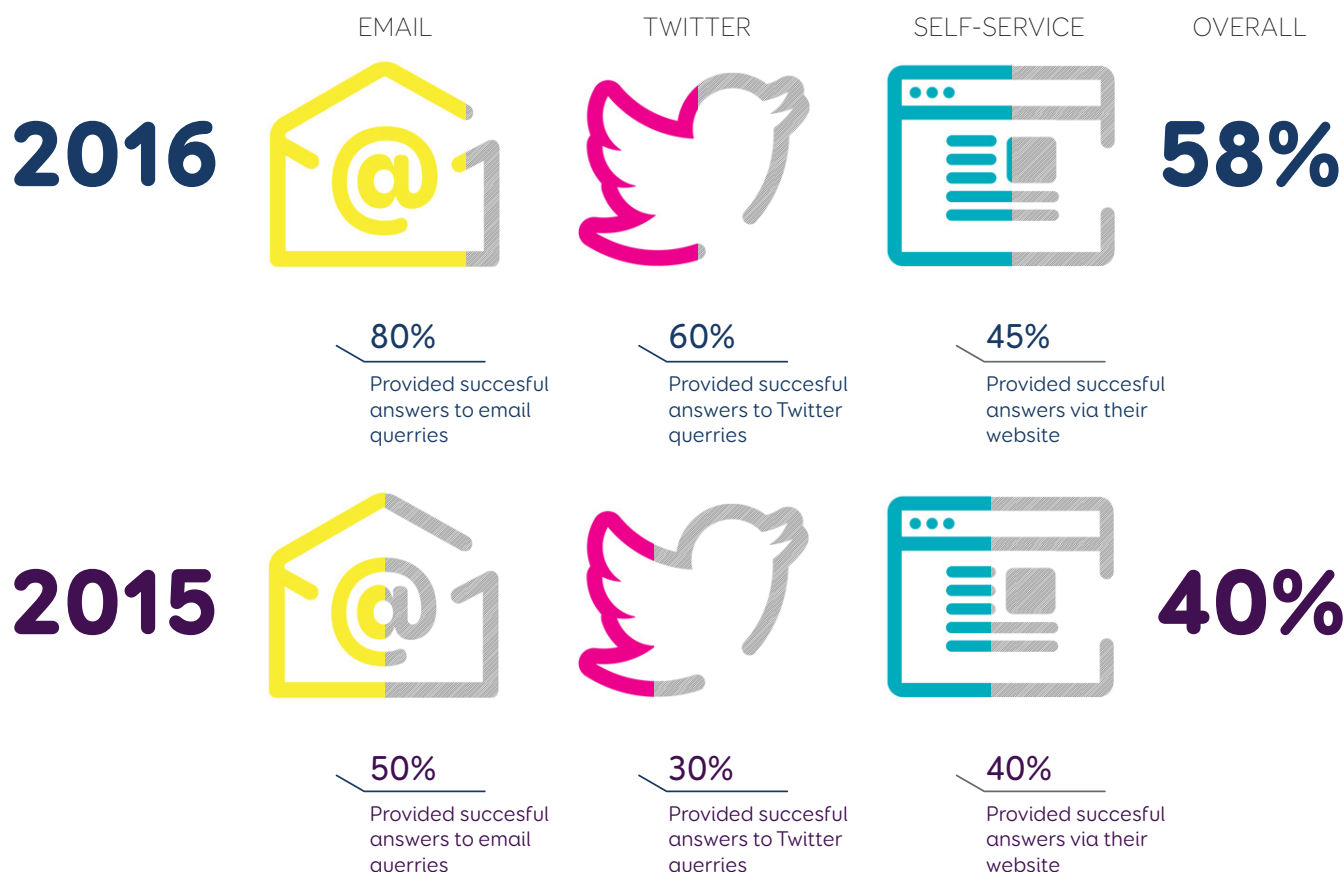
Good customer experience involves meaningful conversations between individuals and brands. Therefore, Eptica evaluated the UK insurance industry from the perspective of consumers by contacting companies and measuring them on their ability to provide successful answers to the routine questions that consumers ask. The Eptica Multichannel Customer Experience Study evaluated ten leading UK insurers, asking them ten questions via the web and measuring their speed and accuracy when responding to single queries asked through email, Twitter, Facebook and chat. Insurers offering home, motor, travel and pet insurance were all surveyed.

Sample questions included:

- Is cash covered under my household/travel policy?
- Does my car insurance cover me to drive in Europe?
- Do you offer a loyalty discount if I take out more than one type of insurance policy with you?

The positive news is that overall performance has improved greatly since 2015, particularly on the email channel. Insurers are successfully answering more questions across every channel, but there are substantial variations between channels and brands. In total, across the web, email and Twitter channels insurers successfully answered 58% of all questions, an 18% increase since 2015.

## OVERALL PERFORMANCE HAS IMPROVED GREATLY SINCE 2015

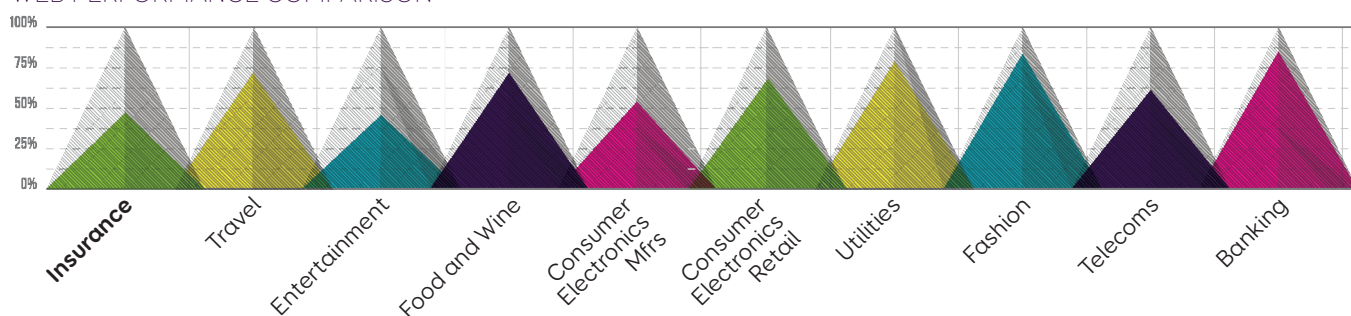




## ON THE WEB

In 2015 insurance was the bottom of ten sectors surveyed when it came to providing answers online. This year performance improved slightly, from 40% to 45%, making it the 9th best industry for web answers. Illustrating the gulf, the best insurer scored 65% - the worst fashion retailer, which scored 70%. The headline figure masked a huge range - one company answered just 20% of questions, while the top scored 65%. Too many insurers made it difficult for consumers to find answers online, either forcing them to use other channels or driving them into the arms of rivals.

### WEB PERFORMANCE COMPARISON



## EMAIL

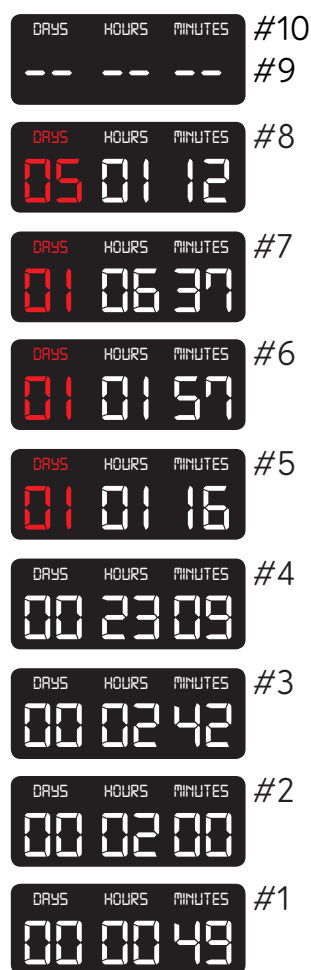
Email appears to be the focus of customer service investment by insurers, showing a dramatic improvement since 2015. Every insurer offered email to non-customers, and 90% of them replied to queries. 8 out of 10 companies successfully answered the question sent to them - the highest sector out of the whole study. In 2015 just half gave accurate answers.

This accuracy does come at a price however. The average time to get a response was 28 hours 4 minutes, up from 20 hours in 2015. Within this range there was an increasing polarisation. The fastest response (49 minutes) was quicker than 2015 (57 minutes), yet the slowest (5 days 1 hour 12 minutes), was much slower last year's 70 hours.

**1** 8 OUT OF 10 COMPANIES SUCCESSFULLY ANSWERED THE EMAIL

THE BEST INSURER SCORED 65%

THE WORST FASHION RETAILER SCORED 70%



EMAIL TIMELINE

SLOWEST

FASTEST

## TWITTER

Insurers seem to be increasingly getting to grips with customer service on social media. All ten were on Twitter, and four of these had a specific Twitter handle for customer service, separate to their corporate presence. However, just 50% provided a successful reply on the channel. While this is up from 2015's 30%, it still means half of tweets remain unanswered.

The average response time of 58 minutes was also much faster than 2015's 8 hours 52 minutes. The slowest response took 4 hours - yet the same insurer answered the same question on email in 49 minutes. This points to a lack of joined-up thinking within the company's customer service - customers want to have meaningful conversations on their channel of choice, rather than being penalised for using social media.

THE SLOWEST TWITTER RESPONSE TOOK 4 HOURS - YET THE SAME INSURER ANSWERED THE SAME QUESTION VIA EMAIL IN 49 MINUTES

### FASTER TWITTER AVERAGE RESPONSE TIMES



2015: 8 HOURS 52 MINUTES



2016: 58 MINUTES

## FACEBOOK

2016 marked the first year that Facebook was evaluated for customer service, and it appeared less developed than Twitter. 60% of insurers were on Facebook, and all responded to a message on their company page. However only 40% provided a successful reply, with the remainder being forced to make contact again if they wanted to receive an answer.

The average response time (1 hour 33 minutes) was faster than email, but Facebook took longer than Twitter to provide answers.

### FACEBOOK - LESS DEVELOPED THAN TWITTER?



60%

companies were on Facebook



40%

companies provided a successful reply

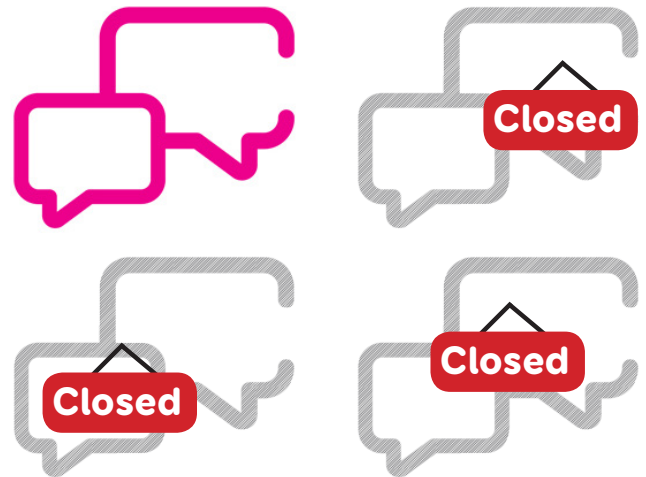


## CHAT

Chat is a perfect channel for insurance as it enables consumers to have a full, meaningful and real-time conversation with an agent, at a lower cost than over the telephone. Yet the majority of insurers are not dedicating sufficient resources to chat.

40% of companies claimed they offered it (double the numbers of 2015), but just one had it operational when evaluated (the same as last year).

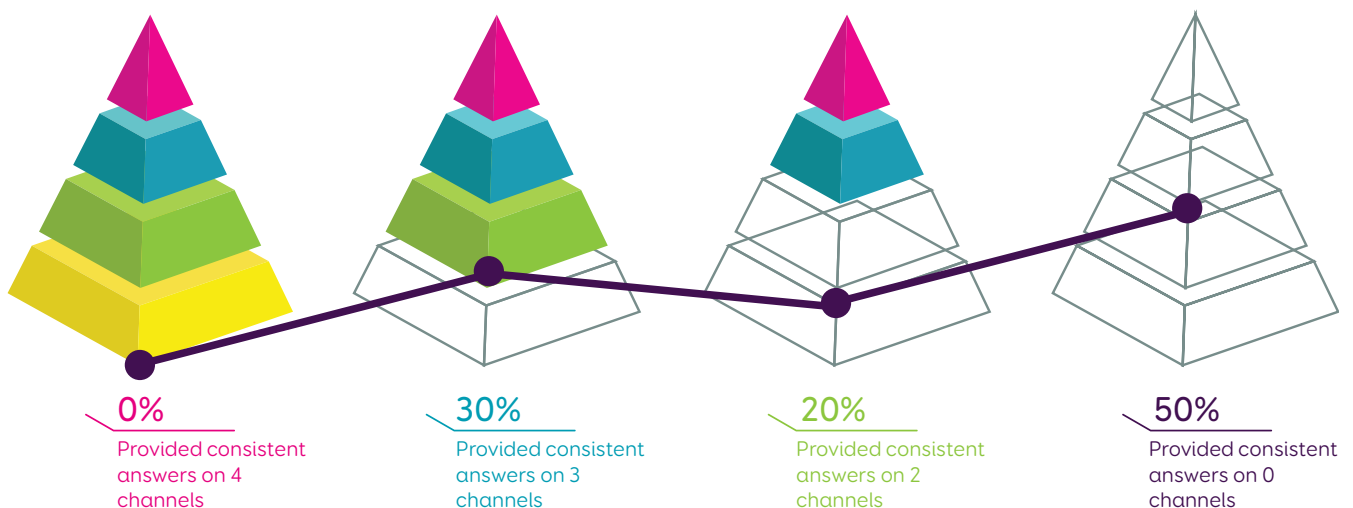
Given that chat was able to answer the query within 2 minutes, it shows the potential of the channel – provided more resources are allocated to it.



JUST 1 COMPANY MADE CHAT AVAILABLE

## CONSISTENCY

Insurers are answering on more channels than ever before, but appear to be buckling under the strain. Many responses are either unhelpful or – even worse – inconsistent between channels.



Only one insurer responded on the four channels of email, chat, Twitter and Facebook. However it gave two sets of replies, both answering the question but giving different responses. Responses on social media matched, but those on email and chat were inconsistent, showing a silo between Twitter/Facebook and email/chat. Overall just half of insurers were consistent on two or more channels, and 20% only answered on one channel.

The quality and depth of the conversations that insurers are having with consumers has improved since 2015, particularly when it comes to email. However, insurers need to broaden their focus to cover all channels and do so consistently and quickly if they want to instil long term loyalty in their customers.

## 5/ KEY TAKEAWAYS

Customer experience is increasingly vital across the insurance industry. Offering seamless, joined-up service that allows consumers to have meaningful conversations on their channel of choice is crucial to winning and retaining their loyalty. Achieving this efficiently across digital channels will position insurers for future growth as we enter the era of Big Data, the Internet of Things and greater competition.

The challenges facing insurers can seem daunting. Focusing on these five areas provides a start point to improve the customer experience and boost revenues:

### 1. ENABLE MULTICHANNEL, MEANINGFUL CONVERSATIONS

Customers want the experience to be seamless, whatever channel they choose to make contact through. While insurers have obviously invested heavily in email, they need to ensure that they are delivering the same high levels of service across every channel. Bring channels such as email, chat and social media together into a single system to increase efficiency and create a centralised knowledge base to provide fast answers to agents and customers alike. Ensure that the customer journey is simple and straightforward and design processes to make them appealing to time-poor consumers, rather than just basing them on your own internal procedures.

### 2. BREAK DOWN SILOS TO DRIVE EFFICIENCY

Today's insurance customer journey spans multiple departments and channels. Removing barriers and allowing teams to work together not only benefits customers, but dramatically increases efficiency. Share knowledge between, design workflows that automate processes where feasible, and use technology such as self-service and chat to further bring down costs, without impacting the experience. Technology can boost productivity significantly and enable you to do more with the same resources, dramatically improving overall performance. Moving forward, consider bringing employees with different skills together into customer hubs to serve consumers better and faster.

### 3. FOCUS ON INNOVATION

The insurance market has undergone rapid change over the last decade. Yet the next 10 years is likely to bring even greater transformation as greater competition and new technologies such as driverless cars, the Internet of Things and wearable health sensors disrupt existing business models. Continual innovation across the customer journey is vital. Consumers continually want a better experience, faster service and innovative products. If you don't provide this, your competitors will.

### 4. LISTEN TO YOUR CUSTOMERS

Alongside email, newer channels such as chat and social media provide the opportunity to have real-time conversations with customers. Not only are they proven to be popular with consumers, but they provide the ability to better understand what customers are saying and thinking. Use advanced linguistic technology to analyse incoming emails, tweets and Facebook messages, prioritising them according to their content and tone, and then use this information to spot areas for improvement over the longer term. This can feed back into product development and enable processes to be changed in order to increase efficiency and support innovation. To enable this ensure that sufficient resources are in place to manage these channels - too many insurers seems to have switched chat off due to shortages of agents, frustrating consumers and pushing them onto other channels.

### 5. CUSTOMER EXPERIENCE IS A JOURNEY, NOT A DESTINATION

Expectations are continually rising - what is considered acceptable or even market leading customer service now, will be seen as average or poor very quickly. Benchmark your performance to see how you compare with competitors and continually test your systems to ensure they are delivering what customers want. Always try and put yourself in the mind of the consumer - what will appeal to your key demographics and make the journey easier, faster and more appealing? Learn from experts in other sectors - after all, in an increasingly fluid market they could well be your future competitors.

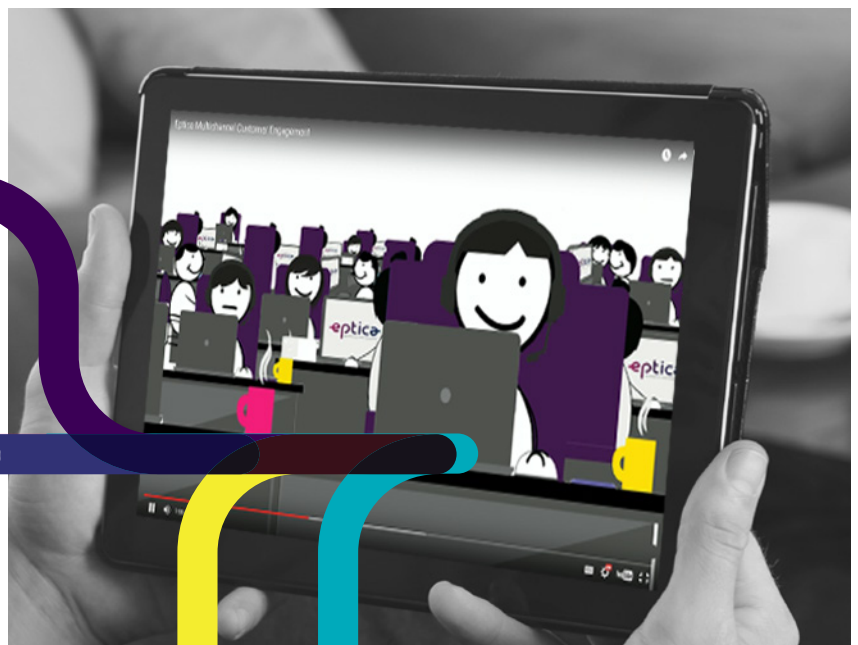
## 6/ ABOUT EPTICA

Eptica is a global leader in multichannel and multilingual customer interaction management software, covering the email, web, social media, web chat and agent channels. Its software helps millions of individuals worldwide to have meaningful conversations with businesses, improving the experience and deepening engagement.

Available on premise or as a Software as a Service (SaaS) solution, the Eptica customer engagement platform is designed around a central knowledge base, powerful workflow and Eptica Linguistic Services™, advanced linguistic capabilities that enable organisations to quickly understand the tone, sentiment and context of digital interactions and automatically deliver personalised service, helping to provide a competitive edge over their rivals.

Today, more than 400 organisations across all industries and in 15 countries rely on the power of Eptica's platform when talking to their customers. They include AXA, L'Occitane, Dixons Carphone, Crédit Agricole, Domestic & General, AirAsia, Hastings Direct, TUI, Debenhams, Capita and Ageas Insurance Solutions. Eptica's continuing innovation and strong performance has resulted in the company's inclusion in Gartner Magic Quadrants for the last five years.

SEE HOW EPTICA CAN HELP YOUR ORGANISATION



[www.eptica.com/customer\\_engagement\\_video](http://www.eptica.com/customer_engagement_video)

# APPENDIX: METHODOLOGY

The 2016 Eptica Multichannel Customer Experience Study evaluated the customer service capabilities of 100 leading UK companies in five ways – through the web, email, chat, Twitter and Facebook.

Insurance companies surveyed: (in alphabetical order):

Admiral, Aviva, Axa, Churchill, Esure, Legal & General, Liverpool Victoria, More Than, NFU Mutual, Zurich

## WEBSITE METHODOLOGY:

1. Visit each website and look for answers for each of the ten sector-specific questions.
2. Use the following order to look for information:
  - Begin with the home page and scan for the answer.
  - Look for the most obvious search box and ask the question.
  - Look for the help/FAQ section and search under this area.
  - Record the answer – score 1 for a complete answer, 0 for not found or ½ for partial answer.
  - Work to a time limit of 2 minutes per question – stop searching when limit reached.

## EMAIL METHODOLOGY:

1. Visit each website, search for email option.
2. Email 1 sector-specific question if possible, note down if no email option.
3. Record if receive auto-response email.
4. Record if auto-response provides a time frame within which the question will be answered.
5. Record the time taken to respond – was it within the promised timeframe?
6. Did the response answer the question? Score 1 for a complete answer, 0 for not found or ½ for partial answer.

## CHAT METHODOLOGY:

1. Visit each website, search for web chat option.
2. Note down if there is web chat or not.
3. Start chat session and ask sector-specific question.
4. Time the session from initiation of conversation to end.
5. Record whether there was an option to have the conversation emailed.

# APPENDIX: METHODOLOGY

## SOCIAL MEDIA METHODOLOGY:

1. Visit each website.
2. Record if there is a user forum on the site.
3. Record if there is a link to the company Facebook page.
4. Record if there is a link to the company presence on Twitter.
5. Note down if there is a specific customer service Twitter handle for the company.
6. Record if there is a link from the self-service section of the website to the user forum and/or social media as part of the answering process.

## TWITTER METHODOLOGY:

1. Visit each website, see if the company Twitter handle is clearly advertised.
2. Note down if there is a specific customer service Twitter handle for the company.
3. Go to Twitter and tweet the company directly with the sector specific question.
4. Record the time taken to get a response.
5. Did the response answer the question - score 1 for a complete answer, 0 for not found or  $\frac{1}{2}$  for partial answer.
6. Did you have to ask a follow up question? Yes/No.
7. Time the session from first tweet to end.
8. Compare the Twitter answer with those received via Facebook, web chat and email. Were they consistent? Score three if consistent across all three channels, two for two channels and zero if all three answers are different.

## FACEBOOK METHODOLOGY:

1. Visit each website, see if the company Facebook page is clearly advertised.
2. Note down if there is a specific customer service Facebook page for the company.
3. Go to Facebook and message the company directly with the sector specific question.
4. Record the time taken to get a response.
5. Did the response answer the question - score 1 for a complete answer, 0 for not found or  $\frac{1}{2}$  for partial answer. Did you have to ask a follow up question? Yes/No.
6. Time the session from posting the first message to the end of the interaction.
7. Compare the Facebook answer with those received via web chat, Twitter and email. Were they consistent? Score three if consistent across all three channels, two for two channels and zero if all three answers are different.

The research was carried out in Q1 2016.



Find out more...



[www.eptica.com/blog](http://www.eptica.com/blog)

[www.eptica.com](http://www.eptica.com)

@EpticaUK



## **Eptica UK**

200 Brook Drive, Green Park  
Reading  
Berkshire, RG2 6UB  
United Kingdom  
Tel: +44 (0) 118 949 7072

## **Eptica USA**

470 Atlantic Avenue  
4th floor  
Boston, MA 02210  
USA  
Tel: +1 617 273 8101

## **Eptica Singapore**

1 Fullerton Road  
#02-01 One Fullerton  
049213  
Singapore  
Tel: +11 65 6832 5134

## **Eptica France**

63 bis, rue de Sèvres  
92100  
Boulogne-Billancourt  
France  
Tel: +33 (0)1 47 12 68 88