2016 INSURANCE

MULTICHANNEL CUSTOMER EXPERIENCE STUDY

eptica
MEANINGFUL CONVERSATIONS

/ CONTENTS

1/ EXECUTIVE SUMMARY

Across the insurance industry, customer experience is a key driver of loyalty and improved financial performance. This is particularly true as it moves to digital channels such as the web and email, alongside the telephone and mail. According to McKinsey satisfied customers are 80% more likely to renew, and insurers that provide best in class customer experience grew new business between two to four times compared to poor performers, and had 30% higher profitability[1].

To find out how insurers are performing, multichannel customer service software company Eptica evaluated 100 U.S. insurers, split between ten sectors. The 2016 Eptica Insurance Multichannel Customer Experience Study researched their ability to answer routine questions on five digital channels (the web, email, Twitter, Facebook and chat), with the results analyzed for accuracy, speed and consistency between channels.

The key findings were of a sector that is struggling to deliver digital customer experience. Overall, just 28% of all questions were successfully answered across the web, email, Twitter and Facebook channels, with many insurers taking days to respond to emails, all impacting the customer experience that consumers receive.

This management report provides more detail on the Study findings, broken down by channel and with results for each sector analyzed to highlight good practice. Based on the research, and Eptica's experience, ten areas for focus have been identified, with the aim of helping insurers successfully embrace digital customer experience.

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[1] Source: McKinsey "The growth engine: Superior customer experience in insurance"

2/ INTRODUCTION

The U.S. insurance industry is at a crossroads. The rise of digital, increasing competition (including from new market entrants), and greater regulation are all impacting insurers' operations and profits. More savvy customers are demanding a better online experience, accessed via their mobile devices, and technologies such as the Internet of Things are allowing more real-time monitoring and therefore more personalized premium setting.

Insurers know they need to react – Accenture research found that 81% plan to make the sales process wholly digital, without agent involvement except to provide advice[1]. However, of the companies polled just 24% are fully digital now, with 57% moving towards digital in the next three years or longer. It isn't easy – traditional models, and existing technology and business structures, mean that becoming digital requires major re-engineering of how insurers operate.

The danger is that many may leave it too late – consumers view insurance as a grudge purchase and are increasingly focused on cost and the experience they receive. They want a seamless, digital journey that matches their needs – and have little loyalty towards their existing suppliers. 79% say they want to use a digital channel for insurance interactions, according to management consultancy Bain[2].

If brands such as Google, Amazon or Facebook were to enter the market, using their knowledge of individuals and focus on the customer experience, the fear is that they could quickly take market share – 41% of insurers saw these tech brands as a threat, with nearly a quarter of Generation Y consumers open to buying from them[3]. Google is already licensed to sell insurance in around half of U.S. states according to Forrester Research[4].

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[1] Source: Accenture "Reimagining insurance distribution"
[2] Source: Bain & Company "Nearly half of insurers say they lack an achievable plan to carry out a successful digital transformation"
[3] Source: CBR / Capgemini "How Google & Amazon could bring disruptive innovation to insurance companies"
[4] Source: The New York Times / Forrester "Insurance via Internet Is Squeezing"

How far down the path to digital transformation are U.S. insurers? To find out customer service software company Eptica surveyed 100 leading insurers, spanning multiple sectors, across the email, web, Twitter, Facebook and chat channels. Mirroring previous research carried out in the U.K., the 2016 Eptica Insurance Multichannel Customer Experience Study aimed to provide a real world view of the customer experience that actual consumers receive. To supplement this analysis, we asked consumers about the level of experience they expected, specifically how long they were willing to wait for answers to their questions across different channels and how easy it was to find information online.

Researchers tried to find answers to ten sector-specific questions on each company's website, and asked a single question via each of the email, Twitter, Facebook and chat channels. These questions were deliberately pitched to be similar to those that consumers were asking, such as around discounts for taking multiple policies, managing policies online and how long before the policies began. As well as channel-by-channel performance, the research also measured consistency – were insurers giving the same answers on different channels or were they taking a silo-based approach to responses?

The key findings are detailed below, but show that digital transformation is patchy at best. Overall just 28% of queries were answered through digital channels, with 14% of companies failing to answer on either email, web, Twitter, Facebook or chat. Email is the best channel for answers, with 37% of companies providing a successful response – but the average time to receive an answer was just under 2 days. With new entrants waiting in the wings, the danger for existing insurers is that they are not embracing digital fast enough to deliver the service that consumers require, risking their future survival.

3/ KEY FINDINGS

1. INSURERS ARE NOT DIGITAL

Despite the rise of digital, insurers still seem to be stuck in an analog world. They could only answer 28% of queries via the web, email and social media, and just 5% had chat. The overwhelming push was to switch consumers from digital to telephone channels – 68% of responses to email and social media asked consumers to call. While this makes sense later in the sales process, this stops consumers getting the answers they need quickly in the research phase, before they want to speak to an agent to find out more.

2. INSURERS ARE OUT OF STEP WITH CONSUMERS

Consumers increasingly want to use digital channels to research and buy insurance. And they judge insurers by the same high standards that they've come to expect from other companies on the web, such as retailers. They want fast, accurate and consistent responses, whatever channel they use to make contact.

For example, in Eptica's consumer research nearly 6 in 10 (57%) said they wanted a response to their email within an hour – just 10% of insurers met this target. 61% said they couldn't find information online over half the times they looked for it, which tallies with the fact that Eptica researchers found just 30% of answers to queries on the web.

Insurers need to focus on consumers if they want to meet their changing needs.

3. EMAIL IS ON TOP FOR ACCURACY

Looking across the web, email, Twitter, Facebook and chat, the highest percentage of successful responses came on email, with 37%. However, this means the vast majority of companies (63%) either didn't offer email, failed to respond, or sent a reply that didn't answer the question.
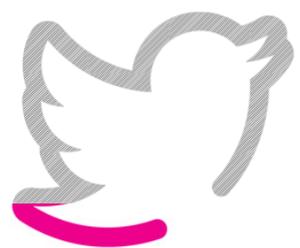
**37%**   **30%**   **23%**   **12%**

4. ANSWERS ARE NOT FAST ENOUGH

When researching insurance consumers want the process to be seamless and quick. Nearly half of consumers (46%) will only spend 5 minutes searching for information on an insurer's website before moving to a rival, for example. They don't want to be waiting around for answers to their queries, yet there is a wide gap between their expectations and reality.

Bridging this gap is vital, not just for customer satisfaction, but also for efficiency. Consumers that fail to receive an answer may switch to rivals or alternatively move to higher cost channels such as the telephone, increasing volumes unnecessarily without helping sales.

57% expect a Twitter response in 30 minutes

26% deliver

43% expect an email response in 30 minutes

6% deliver

51% expect a response in 30 minutes

28% deliver

71% expect a Twitter response in an hour

29% deliver

57% expect email response in an hour

10% deliver

63% expect a response in an hour

34% deliver
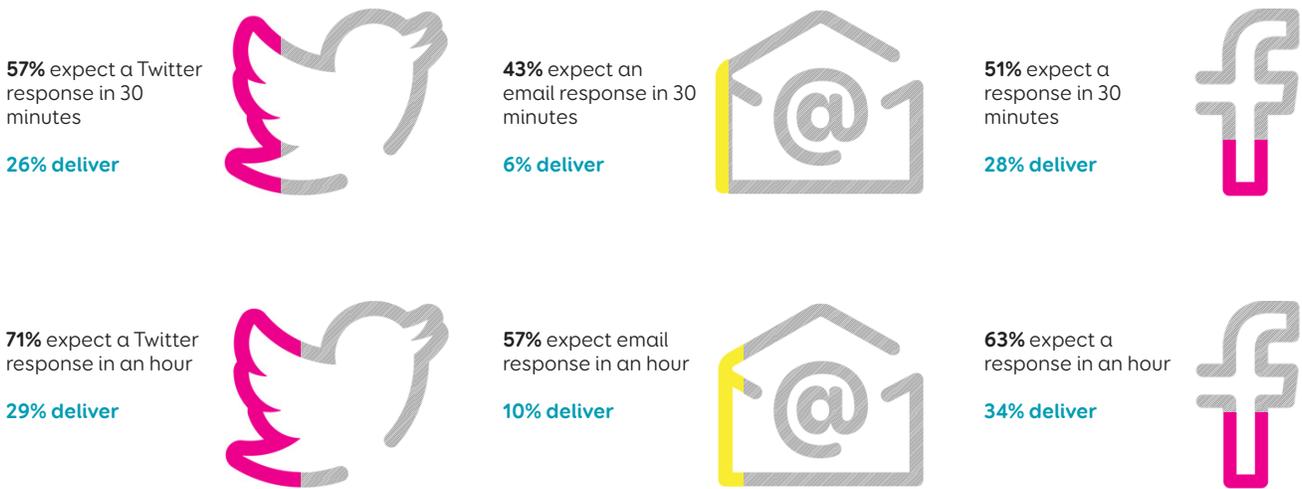
There is a wide gap between consumer expectations and reality

5. COMPANIES ARE NOT MULTICHANNEL

Consumers want to make contact on their channel of choice. They don't want to be forced to switch channels (or pick up the phone) to find basic information. Yet just one company, in the health insurance sector, responded on all four channels of email, Twitter, Facebook and chat. Most companies offered at least three channels, yet simply failed to respond on them, showing that resources are being spread too thinly across their operations.

14% answered on 0 channels

32% answered on 1 channel

32% answered on 2 channels

21% answered on 3 channels

1% answered on 4 channels
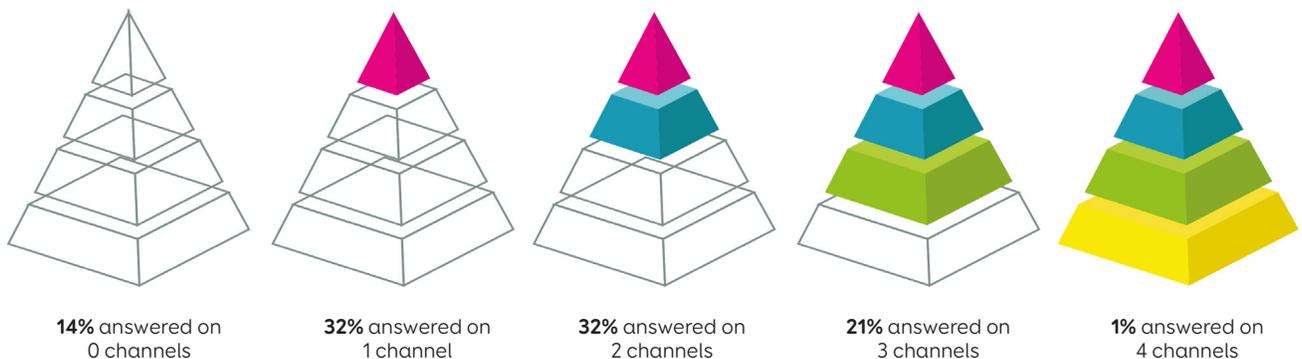
6. LACK OF CONSISTENCY PUSHES UP CUSTOMER SERVICE COSTS

Nearly half (47%) of insurers failed to provide consistent answers between different channels. Just 6% were consistent on three channels, and the one health insurer that answered on four channels failed to deliver similar answers.

This meant that a consumer making contact on email or Twitter would receive different responses, and points to an inefficient, silo-based approach to service. This lack of knowledge sharing within insurers pushes up costs and confuses customers.


*Just **6%** of insurers were consistent across three channels*

7. CHAT IS AN UNDERUSED CHANNEL

Chat offers big advantages for both consumers and insurers. It is faster to get responses, while it is much cheaper to operate than the telephone channel, as agents can take part in multiple chats at the same time. Yet, insurers are failing to embrace it. 17% claimed to offer chat, but when revisited just 5% had it available for consumers. Showing the lack of focus on chat, one company even asked the researcher to switch to the telephone to get an answer!

8. BIG DIFFERENCES BETWEEN SECTORS

Insurance covers a wide range of policy types, and the Study researched ten specific sectors within the industry. These included more consumer-facing areas such as pet, auto and travel insurance, as well as more complex policies such as Life and Long Term Care. What the Study found was that while some consumer sectors such as pet scored highly, others (such as auto and home) failed to answer significant numbers of questions.

| 53%	42%	37%	32%	25%	25%	20%	19%	19%	18%
Pets	Extended Warrenty	Dental	Travel	Auto	Life	Home	Speciality	Long Term Care	Health
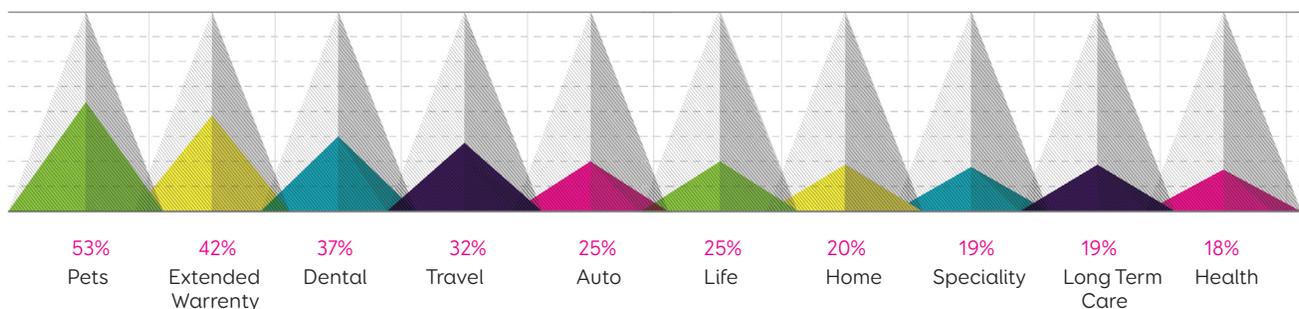
4/ CUSTOMER SERVICE VIA THE WEB

The internet is the primary research source for consumers looking to buy goods and services, and the insurance market is no exception. People expect the same ease of use from insurers as they do from ecommerce websites, meaning that it is vital that the customer experience is seamless, information is simple to find and that there are obvious ways to escalate queries.

However, the Eptica Study found that many insurance websites were simply not fit for purpose. Four companies failed to provide answers to any of the ten routine questions that they were asked, while a further six could only give a single, partial response. Poor performance was not confined to one or two sectors – the worst performing insurers in nine sectors scored 3 out of 10 or less.

Overall, just 30% of web queries were answered by the 100 insurers surveyed. In comparison, in a similar study conducted earlier in 2016, U.K. insurers answered 45% of questions online[1]. This poor performance is mirrored in the consumer research. 61% of consumers said they found it hard to find information online on insurance company websites half the time or more. Just 39% said it was easy to locate information, every time they visited.

There was a wide variety inside some sectors – two extended warranty providers scored 7, yet one only provided the answer to a single question. Given fierce competition, this is likely to lead to a flight to quality, as consumers sign up with the insurers that give them the information they need to make informed decisions when buying their policies.

One of the factors holding back insurers is the technology they use to provide information. Most still rely on consumers scanning through their site to find information, or locating static FAQ pages and hoping that the answer to their query is included. Just 21% had self-service systems, which allow customers to ask questions in their own words and receive fast, accurate answers. Forrester reported that 76% of consumers now use self-service[2] – even more than the 73% that use the telephone channel. Adopting self-service systems will not only improve the customer experience, but is likely to improve efficiency as routine queries are deflected from higher cost channels such as email and telephone.

OVERALL % OF QUESTIONS ANSWERED SUCCESSFULLY ON THE WEB

| Pets	Extended Warrenty	Dental	Travel	Auto	Life	Home	Speciality	Long Term Care	Health
57%	44%	37.5%	36.5%	29%	24%	19.5%	19%	17.5%	15.5%
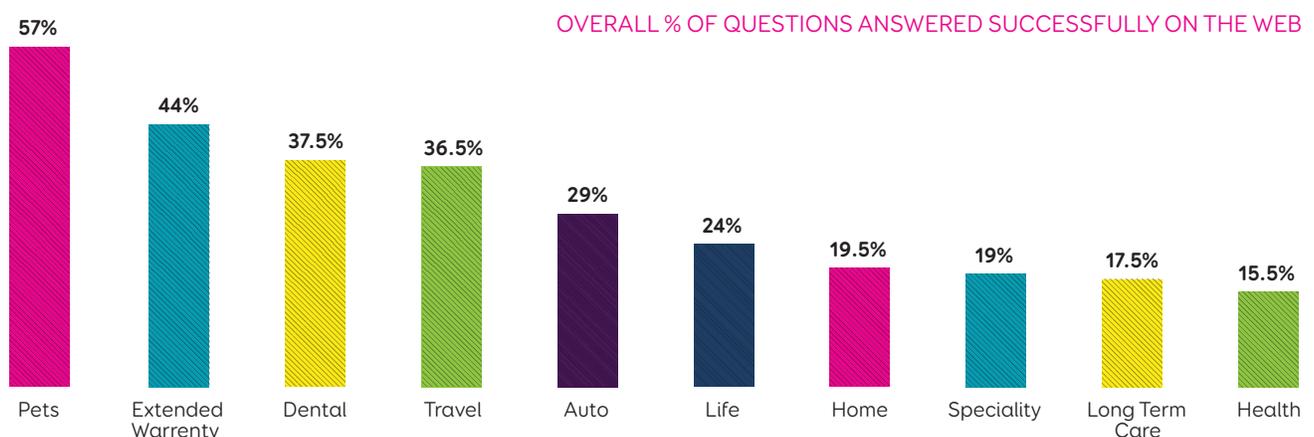
[1] Source: Eptica "UK Insurance Multichannel Study"
[2] Source: Forrester "Customer Service Channel Usage Highlights The Importance Of Good Self-Service"

5/ EMAIL AND CUSTOMER SERVICE

Email has multiple advantages for both insurers and consumers. It is easier and faster to use and process compared to mail and fax, and has a built in audit trail in case of issues. No wonder that more and more emails are being sent - by 2017 analyst Radicati Group predicts that 206.6 billion emails will be sent/received globally every day[1], up from 182.9 billion in 2013. According to Forrester 69% of those born after 1990 (Generation Z)[2] say they want to use email, showing that it is not a channel confined to older generations.

Insurers recognize the importance of email, but are struggling to cope with the volume of interactions they receive through the channel. While over three quarters (76%) offer email, less than half that number (37%) actually deliver a helpful answer. While this was the most successful digital channel surveyed, at every stage of the email funnel, performance seems to worsen, impacting the customer experience by failing to give relevant answers.

76% OFFERED EMAIL

60% RESPONDED

ONLY 37% WITH SUCCESS

When it comes to accuracy the pet insurance sector again leads the way. 100% of pet insurers offered email, 80% responded to email, and all of these answered the question successfully. However, it was appreciably slower than other sectors, with an average response time of around 24 hours, double that of life insurance. In contrast 90% of home insurers provided email contact details, and 80% replied, yet only 30% did so successfully. The bottom sectors were health and specialty, where 20% of companies provided a helpful answer.

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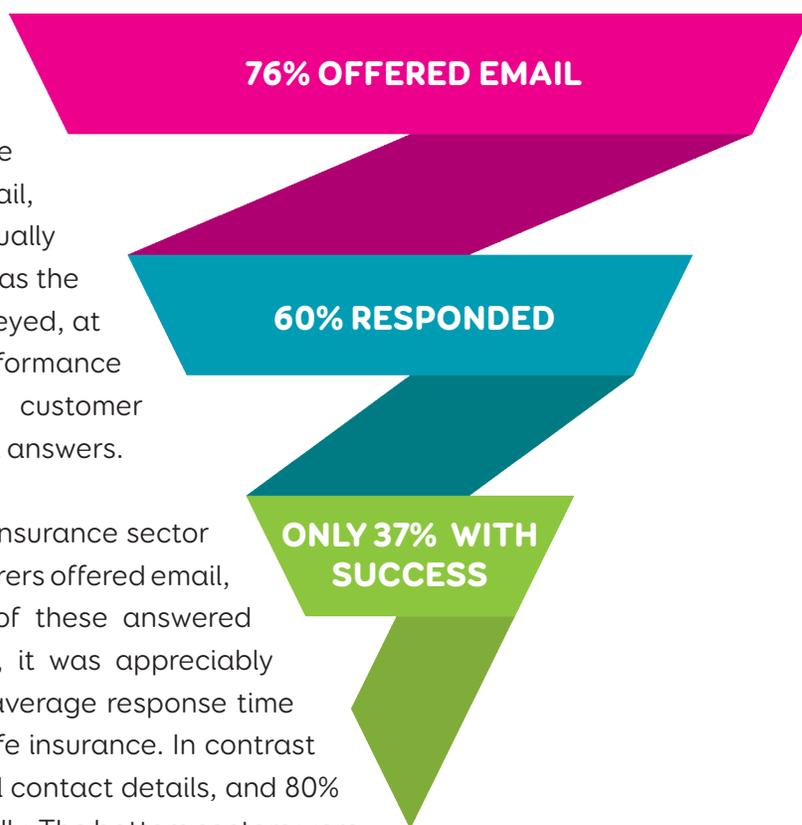
[1] Source: Radicati "Email Statistics Report, 2013-2017"
[2] Source: Forrester "Omni-Channel Communications Technology Adoption Profile"

Customer expectations revolve around accuracy and speed. Nearly six in ten (57%) of consumers expect an email response in an hour. However, just 10% of responses met this timeframe, and the overall average was 1 day 23 hours 38 minutes. This points to a huge mismatch between expectations and reality that is bound to disappoint and annoy time-pressed consumers. Response times varied between 13 minutes (for a dental insurer) and 20 days for a Long Term Care company.

EMAIL PERFORMANCE BREAKDOWN BY SECTOR

SECTOR	FASTEST (DAYS HOURS MINUTES)			SLOWEST (DAYS HOURS MINUTES)			AVERAGE (DAYS HOURS MINUTES)		
AUTO	00	09	05	06	21	48	02	06	11
DENTAL	00	00	13	06	01	46	01	13	22
EXTENDED WARRANTY	00	00	36	01	05	13	00	17	31
HEALTH	00	18	25	03	09	46	01	10	25
HOME	00	02	11	12	16	18	04	12	42
LIFE	00	01	05	00	20	25	00	12	47
LONG TERM CARE	00	01	07	20	17	47	05	08	51
PETS	00	00	54	03	07	00	00	23	33
SPECIALTY	00	00	26	02	23	25	01	05	29
TRAVEL	00	00	14	00	02	06	00	15	22

6/ SOCIAL CUSTOMER SERVICE

Consumers increasingly turn first to social media when they have a customer service query. Two thirds of consumers[1] who contact a company on social media do so for customer service. Given its public nature, failure to respond quickly and helpfully to issues raised on Twitter and Facebook can have a dramatic effect, with complaints being shared across the globe, escalating from a single person to delivering major damage to corporate reputation.

Insurers understand the importance of social customer service at a high level, with 88% having Twitter handles and 84% being active on Facebook. However, the process then seems to break down with under half (43%) of tweets being answered, and just 53% of companies responding to a Facebook message. The majority of companies then fail to provide a useful response, with just 12% of tweets, and 23% of Facebook messages, actually answering the question. To find the information they need, most consumers would have to change channel and pick up the phone – hardly the seamless digital experience that they are looking for.

88% of insurers were on Twitter

43% responded to a tweet

only 12% provided an accurate response

84% of insurers were on Twitter

53% responded to a message

just 23% provided an accurate response
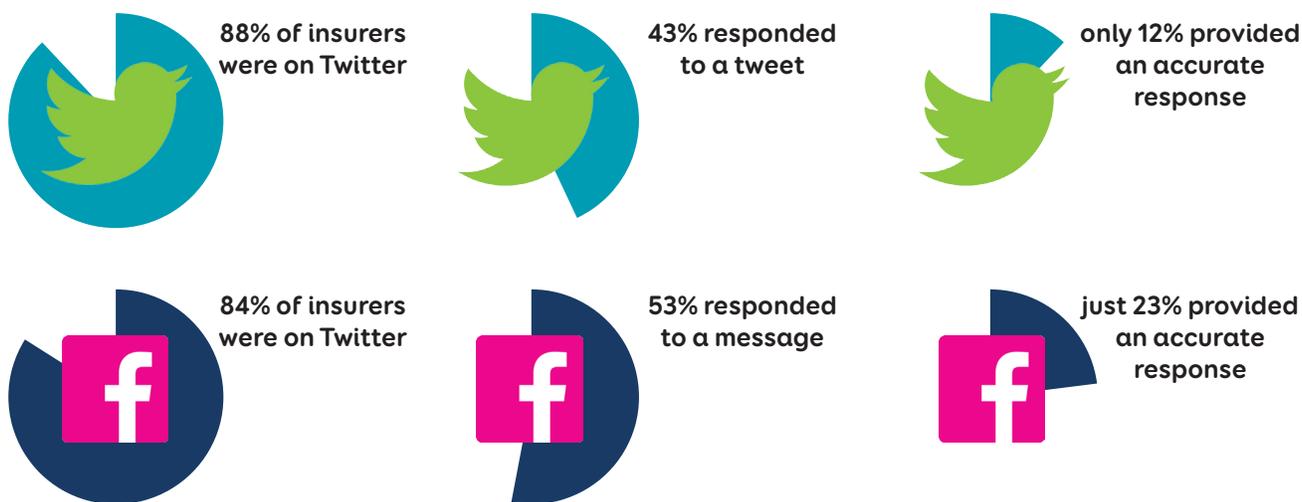
The strongest sectors for Twitter and Facebook varied, although performance on both was not stellar. Topping the charts, 45% of dental insurers successfully answered on Facebook, and 30% of extended warranty insurers responded helpfully on Twitter. Bringing up the rear, travel and life scored zero on Twitter, with travel also failing to answer any Facebook questions. Showing that even the best sectors have areas for improvement, pet insurance (which topped the overall study), successfully responded to just one query on Twitter – even though eight companies offered the channel.

If you want a fast, accurate response Facebook easily beats Twitter. Not only did the channel provide nearly double the number of correct answers (23% vs 12%), it also replied almost twice as fast, at just under 5 hours, compared to over 8 for Twitter. However, very few responses were fast enough to meet customer expectations – 64% expect a Twitter response in an hour, and 56% want an answer on Facebook in the same timeframe. Under a third met this deadline on either channel.

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[1] Source: J.D. Power "Poor Social Media Practices can Negatively Impact a Businesses' Bottom Line and Brand Image"

7/ CHAT AND CUSTOMER SERVICE

Chat is a channel that is particularly well suited to insurance. It provides the personalization of a telephone call, combined with the audit trail of email. Agents can handle multiple chats at the same time, increasing efficiency, while it also allows them to explain potentially complex policies and upsell to customers. Proactive chat, which can be triggered by specific events or at certain points in the customer journey, gives even greater benefits as it reduces abandoned transactions. Thanks to the rise of other messaging technologies, such as Instant Messenger and Skype, consumers are familiar with how chat operates and are happy to use it. Indeed, eDigital Research found that 73% were highly satisfied with chat, while 67% said it was easy to use[1].

However, given these benefits chat is still severely underused by insurers. 17% of companies claimed to offer it, but when researchers returned to test it, just 5 companies had it available. Some had simply switched it off, while others had made it available solely to existing policyholders. For example, three home insurers advertised chat, yet none had it working when tested during normal working hours. This negates the selling benefits of chat and seems to show that it is the first channel switched off when there are pressures on resources.

CHAT AVAILABILITY?

AUTO	DENTAL	WARRANTY	HEALTH	HOME	LIFE	CARE	PETS	LTC	TRAVEL
not available	not available	available	available	not available	x	x	available	not available	available
not available	x	available	not available	not available	x	x	not available	x	x
x	x	not available	not available	not available	x	x	not available	x	x
x	x	x	x	x	x	x	x	x	x
x	x	x	x	x	x	x	x	x	x
x	x	x	x	x	x	x	x	x	x
x	x	x	x	x	x	x	x	x	x
x	x	x	x	x	x	x	x	x	x
x	x	x	x	x	x	x	x	x	x
x	x	x	x	x	x	x	x	x	x

Claimed to offer chat (available)   Claimed to offer chat (not available)

Even for the five companies that provided chat, there was evidence that they are not making the most of the channel. One insurer put the chat session 'on hold' for 12 minutes, presumably due to high demand and low resources, while another recommended using the phone as an alternative. This meant that while some insurers successfully answered questions on chat in 3 minutes, the overall average was a relatively pedestrian 6 minutes.

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[1] Source: eDigital Research "Customer Service Benchmark"

8/ CONSISTENCY

Consistency is one of the hallmarks of successful customer service, and is particularly important in regulated industries such as insurance. Being able to demonstrate that customers were provided with the same information, whatever channel they made contact through helps avoid potential litigation, and most importantly is also more efficient. If customers receive different answers through different channels they are likely to re-contact the insurer to check their answer, pushing up interaction volume, while running each channel separately, with its own knowledge base, is inefficient and expensive.

Currently, insurers seem to be struggling with providing multichannel service. 14% answered on just a single channel and only one replied on email, Twitter, Facebook and chat. The travel, specialty and life sectors each answered an average of 33% of all questions asked on email, Twitter, Facebook and chat. This failure to give information on the customer's channel of choice will drive up costs as consumers switch to more expensive channels such as the telephone, or will simply drive potential customers away.

Insurers are also failing to be consistent across digital channels. Nearly half (47%) were not consistent on any channels and only 6% of companies delivered consistent answers on three channels. Even though one health insurer answered on four channels, it provided a different response on chat to the other three.

MULTIPLE CHANNEL RESPONSES AND CONSISTENCY
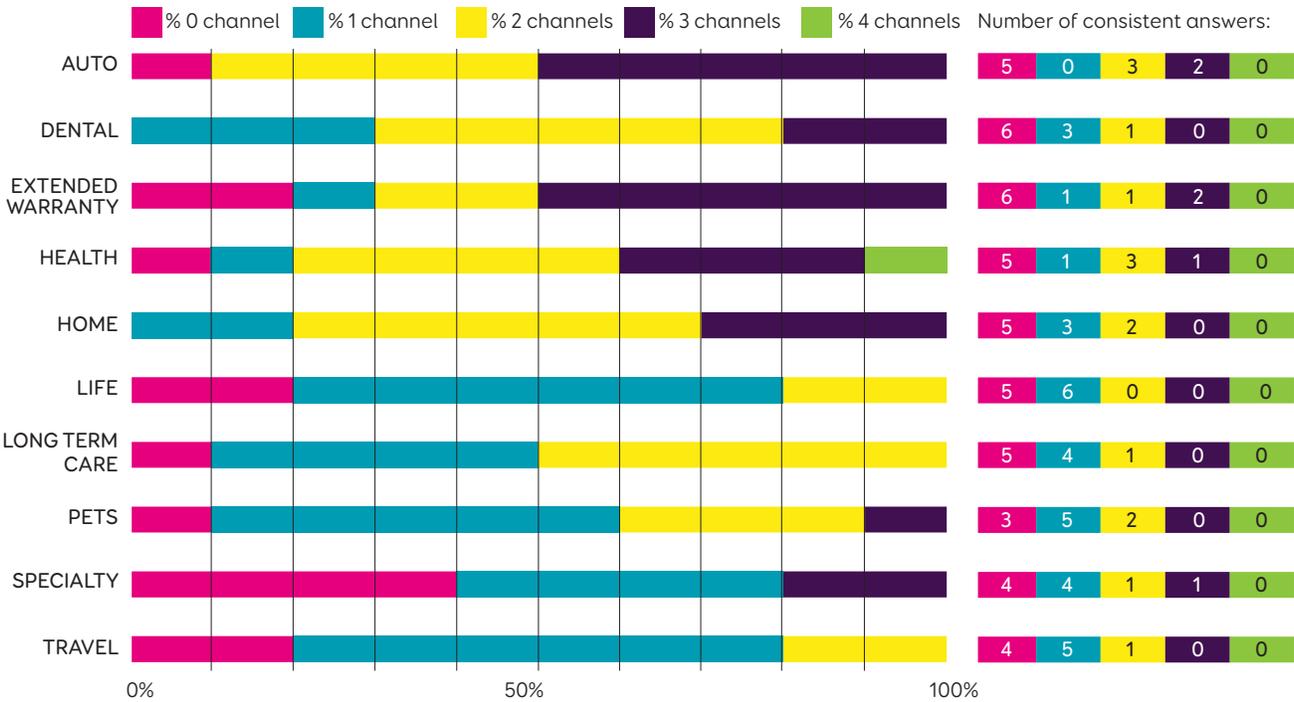
This channel-by-channel approach makes customer service a lottery for consumers. They may get a correct response, hear nothing at all or simply receive a reply that asks them to call – even for the most basic query. This is completely out of step with the needs of consumers and will fundamentally damage the customer experience.

9/ SECTOR COMPARISON

AUTO   RANK: =5TH

WEB QUESTIONS ANSWERED

24% = average number of questions answered
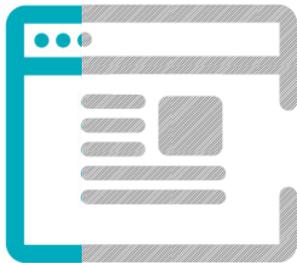
4.5/10
Highest score
(1 company)

0.5/10
Lowest score
(1 company)

EMAIL MANAGEMENT

3 out of 10 companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
06	21	48

Fastest accurate response

DAYS	HOURS	MINUTES
00	09	05

TWITTER

2.5 out of 10 companies responded successfully
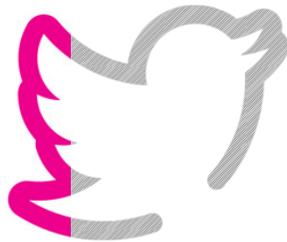
DAYS	HOURS	MINUTES
00	03	18

Slowest accurate Tweet

DAYS	HOURS	MINUTES
00	00	03

Quickest accurate Tweet

FACEBOOK

2.5 out of 10 insurers responded successfully

DAYS	HOURS	MINUTES
00	02	41

Slowest successful response

DAYS	HOURS	MINUTES
00	00	02

Fastest successful response

CHAT

Closed

2 companies claimed to offer chat but none had it operational when surveyed
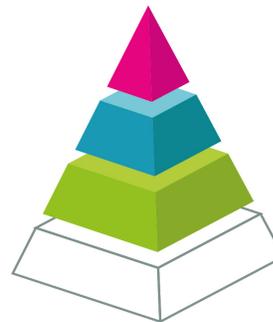
CONSISTENCY

Multichannel responses?
50% companies responded across three channels

Only **20%** companies were consistent across all three channels

Companies surveyed (Alphabetical):
Allstate Insurance Co., American International Group (AIG), Geico, Liberty Mutual, Nationwide Mutual Insurance Co., Plymouth Rock, Progressive, State Farm Mutual Automobile Insurance Co., The Travelers Company Inc., USAA Insurance Group

9/ SECTOR COMPARISON

PETS   RANK: 1ST

WEB QUESTIONS ANSWERED

57% = average number of questions answered
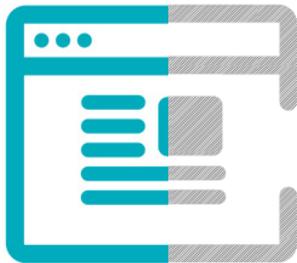
8/10
Highest score
(1 company)

4/10
Lowest score
(1 company)

EMAIL MANAGEMENT

**8 out of 10** companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
03	07	00

Fastest accurate response

DAYS	HOURS	MINUTES
00	00	54

TWITTER

1 out of 10 companies responded successfully

DAYS	HOURS	MINUTES
01	15	12
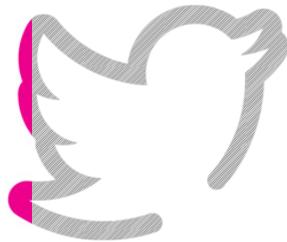
Average accurate response

FACEBOOK

3 out of 10 insurers responded successfully

DAYS	HOURS	MINUTES
00	14	24

Slowest successful response

DAYS	HOURS	MINUTES
00	00	18

Fastest successful response

CHAT

3 companies claimed to offer chat but only **1** had it operational when surveyed

DAYS	HOURS	MINUTES
00	00	08
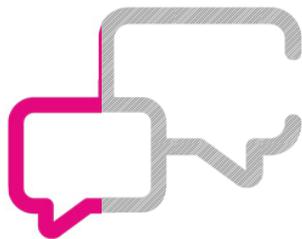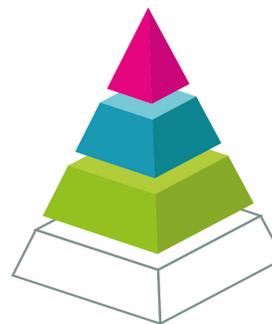
CONSISTENCY

Multichannel responses?
10% companies responded across three channels

No companies were consistent across all three channels

Companies surveyed (Alphabetical):
24PetWatch, AKC Pet Insurance, Embrace, HealthyPaws, Nationwide Mutual Insurance Co., PetFirst, Petplan, PetPremium, PetsBest, Trupanion

9/ SECTOR COMPARISON

HOME   RANK: 7TH

WEB QUESTIONS ANSWERED

19.5% = average number of questions answered

4.5/10
Highest score
(1 company)

0.5/10
Lowest score
(1 company)

EMAIL MANAGEMENT

**3 out of 10** companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
12	16	18

Fastest accurate response

DAYS	HOURS	MINUTES
00	02	11

TWITTER

2 out of 10 insurers responded with partial success

DAYS	HOURS	MINUTES
00	00	09

Slowest accurate Tweet

DAYS	HOURS	MINUTES
00	00	08

Quickest accurate Tweet

FACEBOOK

2 out of 10 insurers responded successfully

DAYS	HOURS	MINUTES
00	00	14

Slowest successful response

DAYS	HOURS	MINUTES
00	00	02

Fastest successful response

CHAT

Closed

3 companies claimed to offer chat but none had it operational when surveyed

CONSISTENCY

Multichannel responses?
30% companies responded across three channels

No companies were consistent across all three channels

Companies surveyed (Alphabetical):
Allstate Insurance Co., American Family Insurance Group, Auto-Owners Insurance, Bunker Hill, Chubb Ltd, Farmers Insurance Group, Liberty Mutual, Nationwide Mutual Insurance Co., State Farm Mutual Insurance Co., The Travelers Company Inc.

9/ SECTOR COMPARISON

TRAVEL   RANK: =4TH

WEB QUESTIONS ANSWERED

36.5% = average number of questions answered
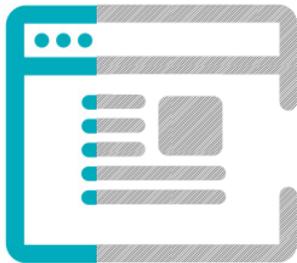
6/10
Highest score
(1 company)

1.5/10
Lowest score
(1 company)

EMAIL MANAGEMENT

**5 out of 10** companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
00	02	06

Fastest accurate response

DAYS	HOURS	MINUTES
00	00	14

TWITTER

NO companies responded successfully
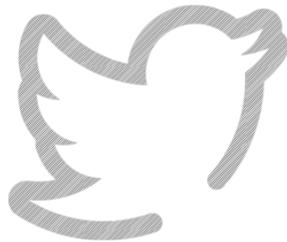
No average
accurate response

FACEBOOK

0 out of 10 insurers responded via Facebook

No average
accurate response

CHAT
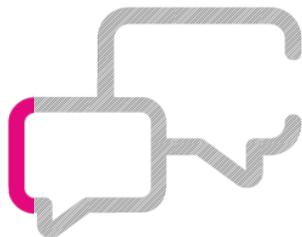
1 company
offered chat and
it was operational
when surveyed

DAYS	HOURS	MINUTES
00	00	12
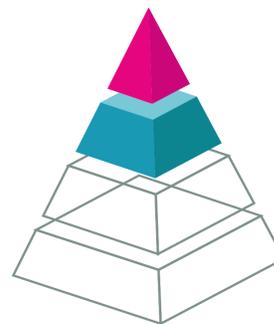
CONSISTENCY

Multichannel responses?
20% companies responded
across two channels

10% companies were
consistent across both
channels

Companies surveyed (Alphabetical):
Allianz Global Assistance, American International Group (AIG) Travel Guard, Berkshire Hathaway
Travel Protection, FrontierMedex, HTH Travel Insurance, InsureandGo, MH Ross, RoamRight Travel
Insurance, Travelex, World Nomads

9/ SECTOR COMPARISON

HEALTH   RANK: 8TH

WEB QUESTIONS ANSWERED

19% = average number of questions answered
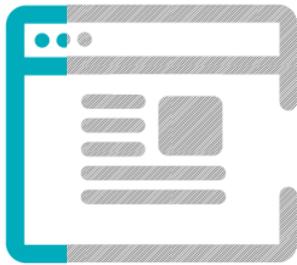
4/10
Highest score
(1 company)

0/10
Lowest score
(1 company)

EMAIL MANAGEMENT

2 out of 10 companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
03	09	46

Fastest accurate response

DAYS	HOURS	MINUTES
00	18	25

TWITTER

1 out of 10 insurers responded with partial success
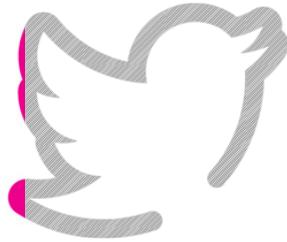
DAYS	HOURS	MINUTES
00	00	11

Average accurate response

FACEBOOK

2.5 out of 10 insurers responded successfully

DAYS	HOURS	MINUTES
00	00	59

Slowest successful response

DAYS	HOURS	MINUTES
00	00	03

Fastest successful response
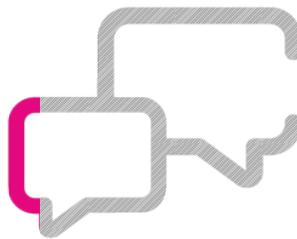
CHAT

3 companies claimed to offer chat but only **1** had it operational when surveyed

DAYS	HOURS	MINUTES
00	00	04

CONSISTENCY

Multichannel responses?
30% companies responded across three channels

10% companies were consistent across all three channels

Companies surveyed (Alphabetical):
Aetna Inc., Anthem, Blue Shield of Northeastern New York, Cigna, CareFirst, Highmark, Humana Inc., Kaiser Permanente, Molina Healthcare Inc., UnitedHealth Group

9/ SECTOR COMPARISON

DENTAL   RANK: 3RD

WEB QUESTIONS ANSWERED

37.5% = average number of questions answered
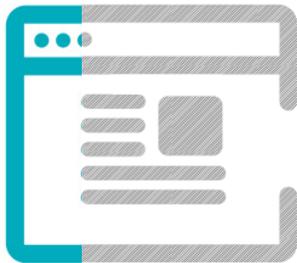
5/10
Highest score
(1 company)

3/10
Lowest score
(1 company)

EMAIL MANAGEMENT

4.5 out of 10 companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
06	01	46

Fastest accurate response

DAYS	HOURS	MINUTES
00	00	13

TWITTER

2 out of 10 insurers responded with partial success

DAYS	HOURS	MINUTES
00	16	11

Slowest accurate Tweet

DAYS	HOURS	MINUTES
00	00	10
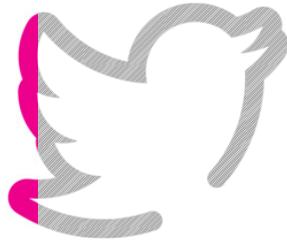
Quickest accurate Tweet

FACEBOOK

4.5 out of 10 insurers responded successfully

DAYS	HOURS	MINUTES
02	03	24

Slowest successful response

DAYS	HOURS	MINUTES
00	00	02

Fastest successful response

CHAT

Closed

1 company claimed to offer chat but it was not operational when surveyed
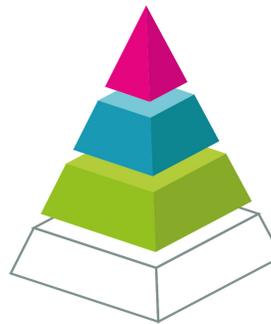
CONSISTENCY

Multichannel responses?
20% companies responded across three channels

10% companies were consistent across all three channels

Companies surveyed (Alphabetical):
Aetna Inc., Ameritas, Spirit Dental, Cigna Inc., Delta Dental, Dental Plans, Guardian, Humana Inc., Physicians Mutual, UnitedHealth Group

9/ SECTOR COMPARISON

SPECIALTY RANK: =9TH

WEB QUESTIONS ANSWERED

17.5% = average number of questions answered
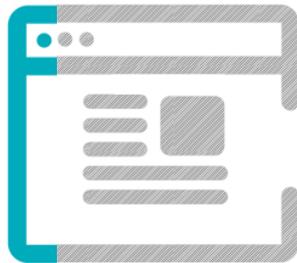
4/10
Highest score
(1 company)

0.5/10
Lowest score
(1 company)

EMAIL MANAGEMENT

**2 out of 10** companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
02	23	25

Fastest accurate response

DAYS	HOURS	MINUTES
00	00	26

TWITTER

2 out of 10 insurers responded with partial success
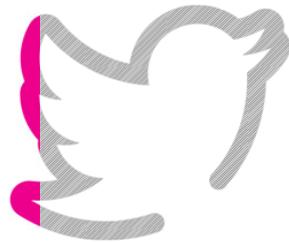
DAYS	HOURS	MINUTES
00	02	07

Slowest accurate Tweet

DAYS	HOURS	MINUTES
00	00	06

Quickest accurate Tweet

FACEBOOK

1.5 out of 10 insurers responded successfully

DAYS	HOURS	MINUTES
02	00	10

Slowest successful response

DAYS	HOURS	MINUTES
00	00	04

Fastest successful response

CHAT

Closed

1 company claimed to offer chat but it was not operational when surveyed
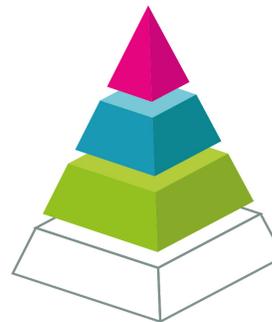
CONSISTENCY

Multichannel responses?
20% companies responded across three channels

10% companies were consistent accross all three channels

Companies surveyed (Alphabetical):
Allied Insurance, Allstate Insurance Co., Arbella, Country Mutual Insurance Co., Liberty Mutual, MAPFRE Insurance, Mercury, Pacific Specialty, State Farm Mutual Automobile Insurance Co., The Hartford

9/ SECTOR COMPARISON

LIFE   RANK: =5TH

WEB QUESTIONS ANSWERED

29% = average number of questions answered
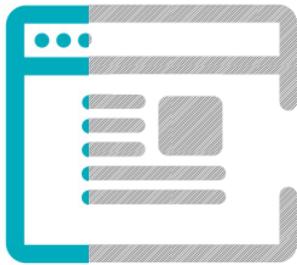
4.5/10
Highest score
(1 company)

0.5/10
Lowest score
(1 company)

EMAIL MANAGEMENT

**3 out of 10** companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
00	20	25

Fastest accurate response

DAYS	HOURS	MINUTES
00	01	05

TWITTER

No companies responded successfully
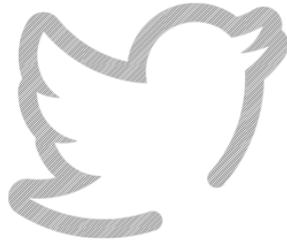
No average accurate response

FACEBOOK

2 out of 10 insurers responded with partial success

DAYS	HOURS	MINUTES
02	17	31

Slowest successful response

| DAYS	HOURS	MINUTES
00	01	31

Fastest successful response
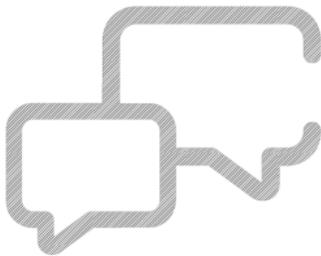
CHAT

No companies claimed to offer chat
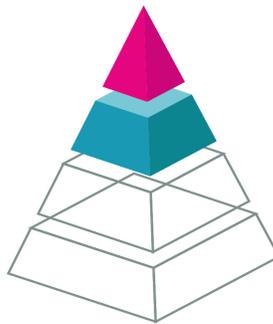
CONSISTENCY

Multichannel responses?
20% companies responded across two channels

No companies were consistent across both two channels

Companies surveyed (Alphabetical):
Aegon (Transamerica), Aflac, Lincoln National, MassMutual, MetLife, New York Life, Northwestern Mutual, Prudential Financial, State Farm Mutual Insurance Co., TIAA

9/ SECTOR COMPARISON

LTC   RANK: =9TH

WEB QUESTIONS ANSWERED

15.5% = average number of questions answered

3.5/10
Highest score
(1 company)

0/10
Lowest score
(3 companies)

EMAIL MANAGEMENT

**2.5 out of 10** companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
20	17	47

Fastest accurate response

DAYS	HOURS	MINUTES
00	01	07

TWITTER

1.5 out of 10 insurers responded successfully
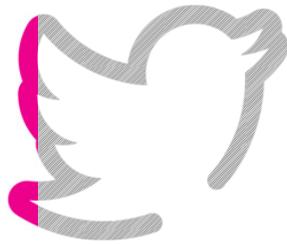
DAYS	HOURS	MINUTES
00	15	07

Slowest accurate Tweet

DAYS	HOURS	MINUTES
00	00	01

Quickest accurate Tweet

FACEBOOK

2 out of 10 insurers responded successfully

DAYS	HOURS	MINUTES
00	14	25

Slowest successful response

DAYS	HOURS	MINUTES
00	00	47

Fastest successful response
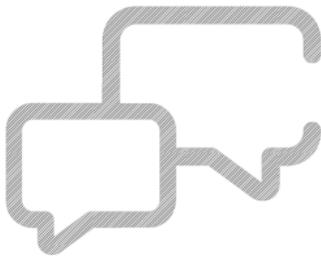
CHAT

No company claimed to offer chat
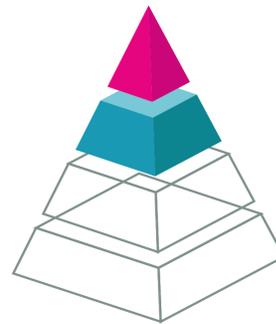
CONSISTENCY

Multichannel responses?
50% companies responded across two channels

Only 10% companies were consistent across both channels

Companies surveyed (Alphabetical):
Genworth Financial, GoldenCare, John Hancock, Life Secure, MassMutual, Mutual of Omaha, New York Life, Northwestern Mutual, State Farm Mutual Insurance Co., Transamerica Long Term Care

9/ SECTOR COMPARISON

EXT. WARRANTY RANK: 2ND

WEB QUESTIONS ANSWERED

44% = average number of questions answered
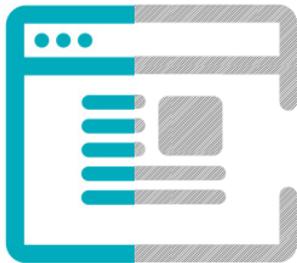
7/10
Highest score
(2 companies)

1/10
Lowest score
(1 company)

EMAIL MANAGEMENT

**3.5 out of 10** companies responded successfully

Slowest accurate response

DAYS	HOURS	MINUTES
01	05	13

Fastest accurate response

DAYS	HOURS	MINUTES
00	00	36

TWITTER

3 out of 10 insurers responded with partial success

DAYS	HOURS	MINUTES
00	02	52

Slowest accurate Tweet

DAYS	HOURS	MINUTES
00	00	25
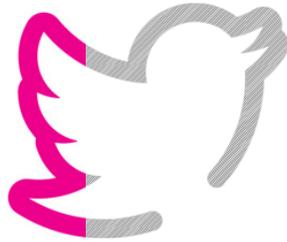
Quickest accurate Tweet

FACEBOOK

3.5 out of 10 insurers responded successfully

DAYS	HOURS	MINUTES
00	16	27

Slowest successful response

DAYS	HOURS	MINUTES
00	00	27

Fastest successful response
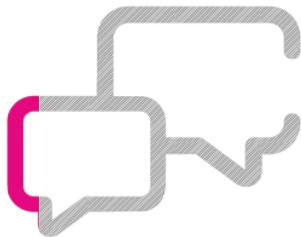
CHAT

3 companies claimed to offer chat but only **2** had it operational when surveyed

DAYS	HOURS	MINUTES
00	00	03

Average
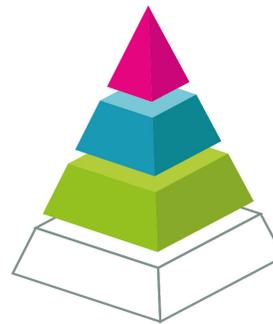
CONSISTENCY

Multichannel responses?
50% companies responded across three channels

20% companies were consistent across all three channels

Companies surveyed (Alphabetical):
Assurant Solutions, Asurion, Consumer Priority Service, Electronicwarranty.com, Mack, ProtectCell, Sears, Roebuck & Co., SquareTrade, Warrantech, Worth Ave. Group

10/ CONCLUSION AND TAKEAWAYS

1. EMBRACE DIGITAL

The benefits of digital transformation, in terms of improved customer experience and increased efficiency, are enormous. Embracing digital will help insurers become more competitive and customer focused, directly impacting the bottom line. It is time to move beyond analog channels such as the phone and offer customers the channels they want – and resource them accordingly.

2. MEET CHANGING CUSTOMER NEEDS

Consumers are becoming increasingly impatient and expect the same high standards from any website or digital interaction – whether it is with a retailer, an insurer or a telecoms supplier. Insurance companies therefore need to better understand what customers want and take action, changing their processes in order to meet their needs.

3. INTEGRATE YOUR KNOWLEDGE

The lack of consistency shown by insurers across multiple channels can stem from a silo-based approach, with each one having its own knowledge base. This is inefficient and costly to maintain, as well as potentially confusing to customers. Create a single, centralized knowledge base that can be easily shared between channels, including the web through self-service systems, to deliver the right answers, first time, on every channel.

4. LEARN FROM YOUR PEERS – WHAT DO THE BEST DO WELL?

While the overall picture of digital customer service was poor, there were pockets of best practice, with certain companies and sectors doing well on particular channels. Study your competitors and learn from how they work to improve your own performance. However, don't stop at direct competitors – look at companies in other sectors known for excellent customer service and see what you can adapt and adopt in your business.

5. TEST YOUR SYSTEMS

The methodology behind the 2016 Eptica Insurance Multichannel Customer Experience Study is simple and straightforward, aiming to replicate consumer behavior. Use similar mystery shopper exercises to test your own performance and analyze the results to see where you need to improve.

6. RESOURCE WEB CHAT PROPERLY

Chat provides all the benefits of the telephone at a fraction of the cost. Yet few insurers seem to be taking it seriously, meaning they miss out on its benefits. Make sure that you dedicate sufficient resources to chat so that it is available when customers require it – consider training and multiskilling existing agents so that you can always offer it at peak times.

7. SORT OUT SOCIAL

Consumers increasingly turn first to social media when they want to interact with organizations, and this is equally true in the insurance market. Make sure you have a clear presence on social media and that you have the processes in place to respond quickly and consistently to consumer queries, if you want to engage with customers on this vital channel.

8. USE TECHNOLOGY TO HELP

Over the decades, insurers have invested heavily in technology. However, often these legacy systems don't focus on customer service, meaning that agents don't have the tools to help them answer incoming queries quickly and accurately. Invest in new technology that empowers agents by analyzing incoming interactions, passing them to the right agent and giving them access to knowledge that can help them quickly provide answers.

9. VALUE CUSTOMER TIME – MAKE IT SIMPLE

It was often difficult to find information on insurers' websites, while many email and social media queries are pointed towards making a telephone call. During the research phase consumers simply don't want to do this – so ensure that you provide clear answers to their questions in a straightforward and easy to understand manner. This will not only reduce the load on your contact center, but more importantly will improve the overall customer experience and your brand reputation.

10. BE MOBILE

Whatever the demographic, more and more people want to use their smartphones to interact with businesses. Ensure that your website is mobile-optimized and that there is clear signposting to customer service options, making it easy for consumers to access the right answers to their queries on their mobile device.

11/ ABOUT EPTICA

Eptica provides brands with intelligent and collaborative digital customer engagement platforms driving customer satisfaction and boosting competitive edge. It enables millions of individual worldwide to engage in meaningful and high quality conversations with businesses, making their daily life easier.

Eptica's multilingual software provides more than 400 companies worldwide with flexible and efficient solutions for digital interactions, across channels including email, web, social media and chat. Customers include AccorHotels, AirAsia, Egencia - a division of Expedia, TUI, Virgin Holidays, AXA, Crédit Agricole, Hastings Direct, ING, Capita, Debenhams, Dixons Carphone, Laithwaite's Wine, L'Occitane en Provence, New Look and The White Company.

For more information visit www.eptica.com.

SEE HOW EPTICA CAN HELP YOUR ORGANIZATION
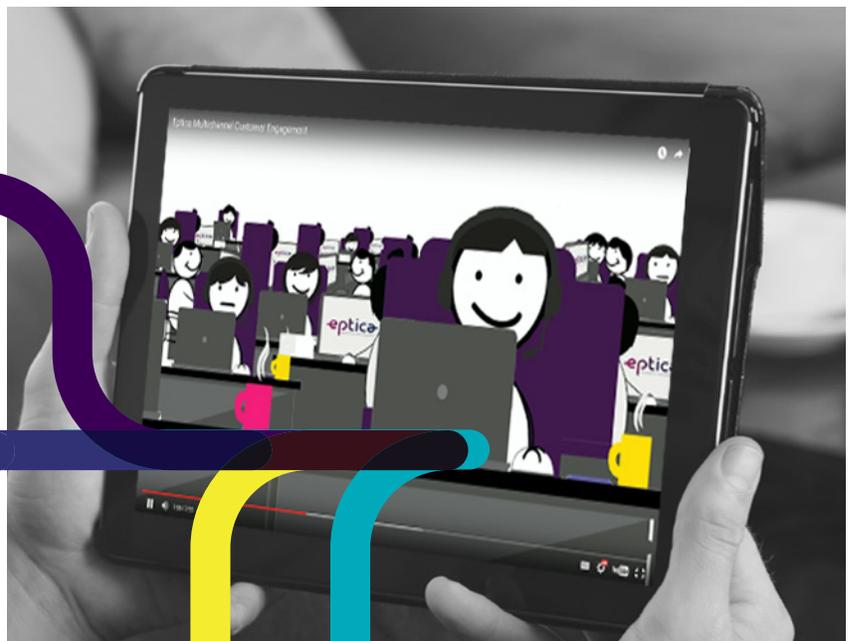
www.eptica.com/customer_engagement_video

APPENDIX: METHODOLOGY

The 2016 Eptica Insurance Multichannel Customer Experience Study evaluated the customer service capabilities of 100 insurers in five ways – through the web, email, chat, Twitter, and Facebook. The aim was to replicate the actual consumer experience to provide effective, meaningful results across each channel.

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.
3. Begin with the home page and scan for the answer.
4. Look for the most obvious search box and ask the question.
5. Look for the help/FAQ section and search under this area.
6. Record the answer – score 1 for a complete answer, 0 for not found or ½ for partial answer.
7. 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 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 no 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 aska single question.
4. Time the session from initiation of conversation to end.
5. Record whether there was an option to have the conversation emailed.
6. Did the response answer the question? Score 1 for a complete answer, 0 for no or ½ for partial answer.

28

APPENDIX: METHODOLOGY

1. Visit each website.
2. Record if there is a link to the company presence on Twitter
3. Note down if there is a specific customer service Twitter handle for the company
4. Go to Twitter and tweet the company directly with the single question.
5. Record the time taken to get a response.
6. Did the response answer the question - score 1 for a complete answer, 0 for no or ½ for partial answer.
7. Did you have to ask a follow up question? Yes/No.
8. Time the session from first tweet to end.

1. Visit each website.
2. Record if there is a link to the company Facebook page.
3. Note down if there is a specific customer service Facebook page for the company.
4. Go to Facebook and send the single question as a message.
5. Did the response answer the question - score 1 for a complete answer, 0 for no or ½ 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.

The research across all five channels was carried out in Q3 2016. Consumer research on channel expectations was conducted by Toluna with 1,000 American consumers in September 2016.

eptica
MEANINGFUL CONVERSATIONS
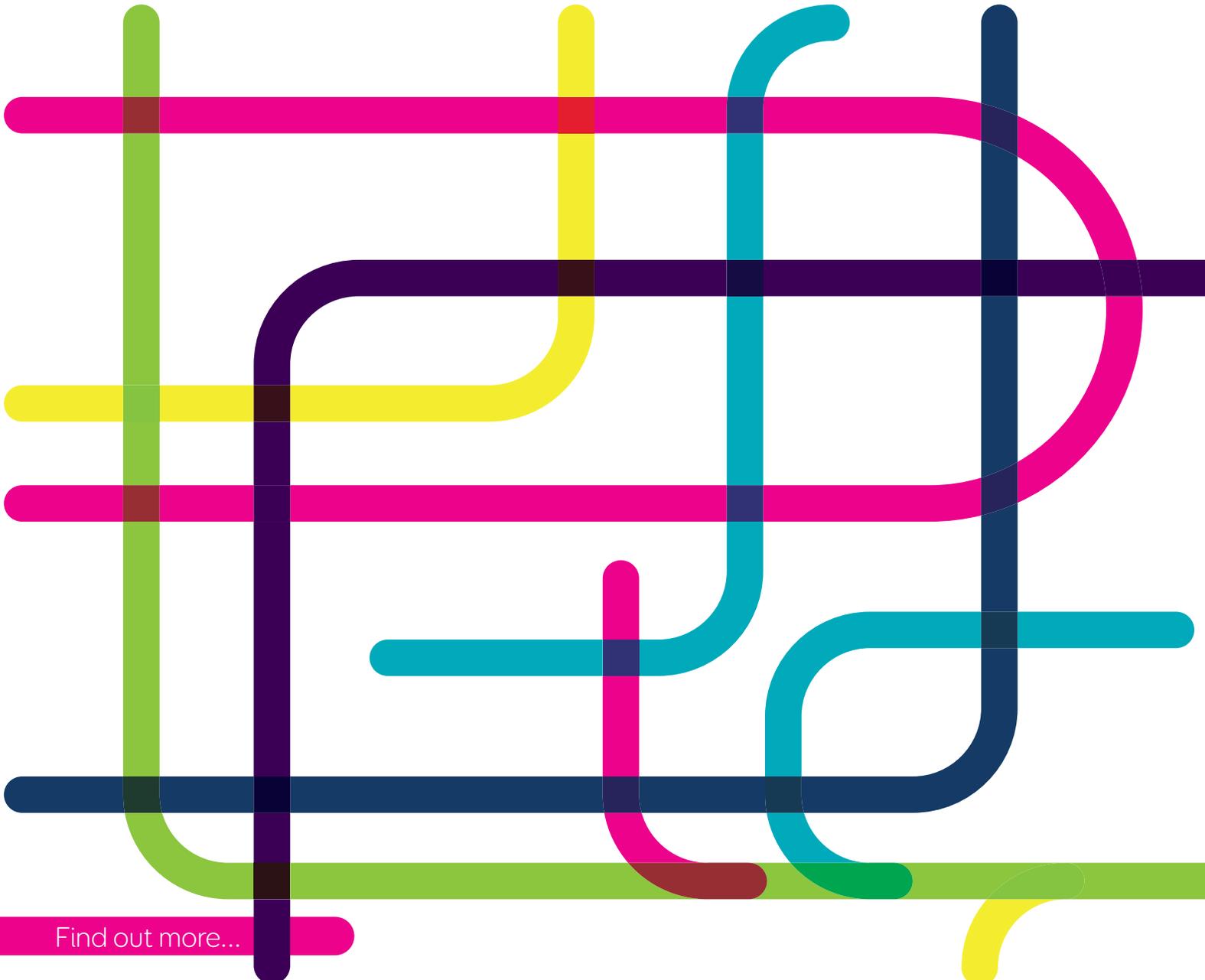
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