



Execs In The Know

CX Viewpoints: Insurance

A Survey of Retail Customers of Insurance Products

In partnership with:



Published August 2022

TABLE OF CONTENTS

Introduction	3
Partner Commentary	5
The Current Customer Experience*	8
Consumer Perceptions*	15
Key Takeaways and Considerations	18
About the Study's Authors	19

About the Methodology

Survey data captured June 21 – July 3, 2022 using the Google Consumer Survey platform. All results based on a sample size of N=300 or greater.

Google Consumer Surveys reports on the inferred age and gender of anonymous respondents based on the websites users visit, as well as their location based on IP addresses. Income and urban density are then approximated using census data for particular geographic regions. Inferences, as they relate to these categories, may not be available for all survey participants. Please note that it's possible that Google Consumer Surveys may mis-categorize people.

Provided the complexities of participant screening questions throughout the study's body of surveys, we present unweighted findings. When targeting an audience representing the adult U.S. internet population, Google Consumer Surveys attempts to find respondents that match the distribution of people in the U.S. by age, gender, and location as reported in the U.S. Census Current Population Survey (CPS). If outliers were observed in the data as they relate to the inferred age, income, gender and urban density, we have highlighted these insights as a part of our analysis.

*Results in the "Current Customer Experience" section reflect responses from prescreened consumers who have had a recent interaction with an insurance company, while results in the "Consumer Perceptions" section reflect the general adult U.S. internet population.

Experience is Everything

Although every industry has its own unique set of intricacies when it comes to delivering on customer experience (CX) expectations, there are some common threads. Regardless of vertical, consumers continue to want simplified experiences and speedy resolutions. In fact, experience has never mattered more, and consumers are more willing than ever to walk away if their experience expectations aren't fully met.

In this report, *CX Viewpoints: Insurance – A Survey of Retail Customers of Insurance Products*, the experiences insurance product customers (primarily Home, Auto, Life, and Disability) are explored from a variety of vantage points. Drivers of both loyalty and churn are explored, and also included are a number of questions that seek to benchmark the experiences of insurance industry customers against those of other verticals.

Taken as a whole, the results in this research make it clear that the insurance industry is, in many ways, playing catchup with other industry verticals when it comes to CX. Granted, the types of engagements common to the insurance industry are often trust-driven, more complex, and less transactional, but this should only provide cause for CX leaders in the industry to be even more laser-focused on the end-to-end experience. It's also clear that demographics play a significant role in attitudes, expectations, and preferences, so perhaps more than any other industry, brands operating in the insurance space should strive to know their customer and seek to create personalized experiences when it comes to the channels, solutions, and customer tools on offer. The good news is consumers are very clear on what they want, and they are willing to share those expectations with brands who are interested in listening.

Special thanks to Lori Pon from AAA Auto Club Group for providing her perspective on simplifying the customer care experience (page 13), as well as Genesys, superb partners in the development and publication of this research. Please be sure to check out the special commentary by Manan Sagar, Managing Director, Global Insurance Practice at Genesys, for his thoughts on how insurance companies can create more empathetic customer experiences.



PARTNER COMMENTARY

Empathetic Customer Experiences Deliver Premium Returns

by Manan Sagar
Managing Director, Global Insurance Practice



When customers purchase an insurance policy, they're buying a promise to make them "whole" in case they experience an accident or loss. Insurance is uniquely a product that customers are paying for but hope to never use. And when they do, they're likely to be under duress. How can insurers provide exceptional experiences in this scenario?

At a time when 70% of consumers globally say [a company is only as good as its customer service](#),¹ yet a mere 18% say [insurers provide exceptional customer service experiences](#),² answering that question is imperative.

Increasingly, it's the experience that makes or breaks customer loyalty. But less than half of surveyed consumers were very satisfied with their most recent interaction with an insurance company, and 43% say customer service from insurers had become worse in recent years.

Insurers have always closely monitored their combined operating ratio. Our research indicates that there is a close relationship between empathetic experiences and efficiency. Consumers want a first-contact resolution and want to be listened to and understood so their issue can be resolved quickly. Providing a speedy resolution improves both the experience for consumers and efficiency for the insurer.

It's Time For a New Policy

Traditionally, in-person or phone interactions with insurance agents and brokers were the primary channels for customers. Remote call centers and service centers offered new interaction channels for advice, purchase, servicing and claiming by phone at first, and then online. Over time, offering digital interactions became the new standard.

Today, insurers continue to interact with their customers across multiple channels. But these conversations are fragmented, with customers often having to repeat themselves and questioning, "Does my insurer know me?"




Empathetic Customer Experiences Deliver Premium Returns, cont.

Insurance companies focused on optimizing individual channels or functional areas (e.g., claims, policy administration or underwriting) instead of complete customer journeys are less likely to provide an experience that avoids that situation. They might be facing technology constraints and legacy processes that inhibit their ability to provide what's best for their policyholders.

At Genesys, we believe that every moment matters. Every insurer should not only know their customers, but also understand them and provide them with what they need – at the right time. We refer to this as empathy. This means remembering them and treating them as individuals. It means proactively engaging with them at the right time to give them the optimal offer, product information, service or support.

We partnered with Execs in the Know to understand why, when, and how customers are interacting with their insurance carriers, agents, and brokers. We believe this will help you in your journey to foster loyalty, retain customers, improve your combined operating ratio, and promote your brand in the experience economy.



Manan Sagar
Managing Director, Global Insurance Practice
 GENESYS™

Manan Sagar is currently Managing Director, Global Insurance Practice at Genesys. He has spent the last two decades driving growth, managing acquisitions and delivering organization-wide change at brokers and carriers. Prior to joining Genesys, Manan held many senior positions across the insurance sector, including as CEO of Lockton Singapore.

1 <https://www.genesys.com/resources/the-connected-customer-experience>
2 <https://www.genesys.com/resources/state-of-cx-report>





SURVEY RESULTS

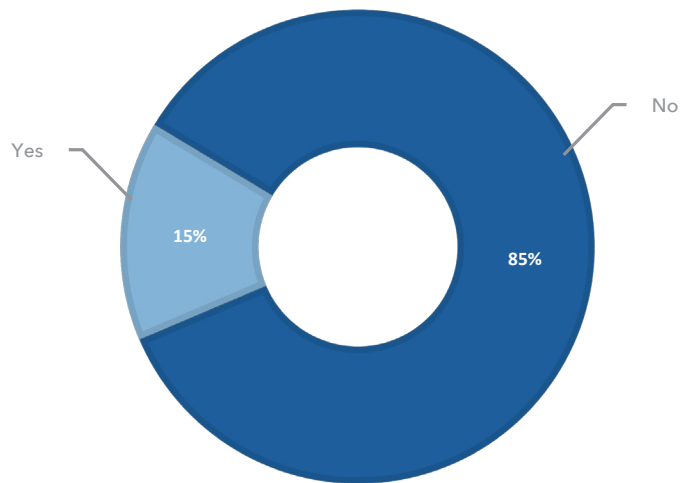
THE CURRENT CUSTOMER EXPERIENCE

Occurrence of Interactions and Type of Insurance

Our surveying began with a very simple screening question, filtering for individuals who have had a recent interaction with an insurance company. Of the 3,449 U.S. adults surveyed, 15% met the screening criteria and were advanced to additional questions about their experience.

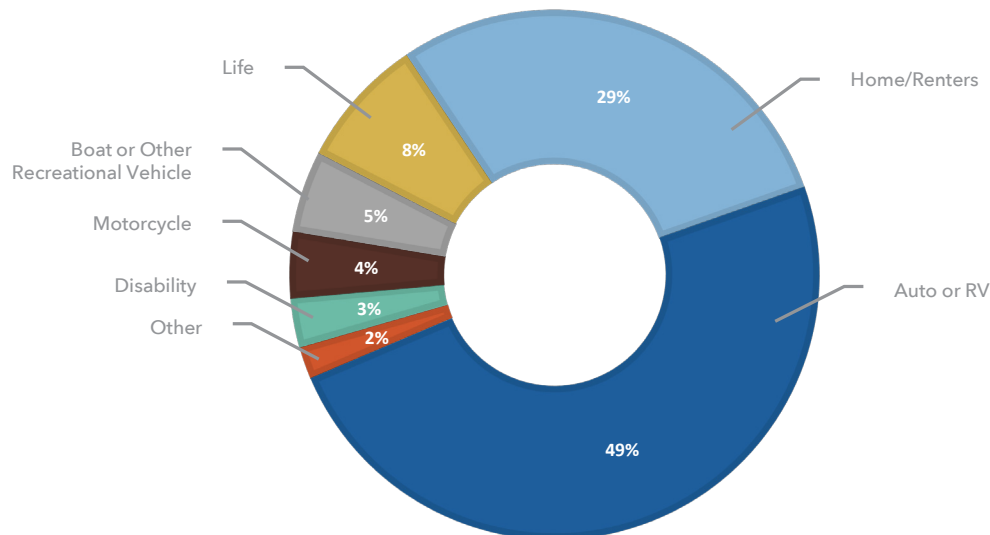
In terms of screening, age seemed to play a significant role, as respondents ages 18 to 44 years were less likely to have had an interaction (12%) versus those ages 55 years and older (18%). Companies should strive to understand how demographics drive contacts (and even the frequency of contacts), while also understanding how expectations and preferences can vary by age.

Have you had any recent interactions with an insurance company (home, auto, life) including speaking with an agent or using a self-service tool (chatbot, mobile app, etc.)?



Among those admitted into to the full survey (represented by the 15% who responded "Yes" in the above result), respondents provided strong representation for the three most popular forms of consumer insurance (excluding health insurance), that is, Auto/RV, Home/Renters, and Life. Together, consumers of these three insurance products formed 86% of the survey cohort. Insurance for motorized vehicles (excluding Auto/RV) accounted for 9% of the total.

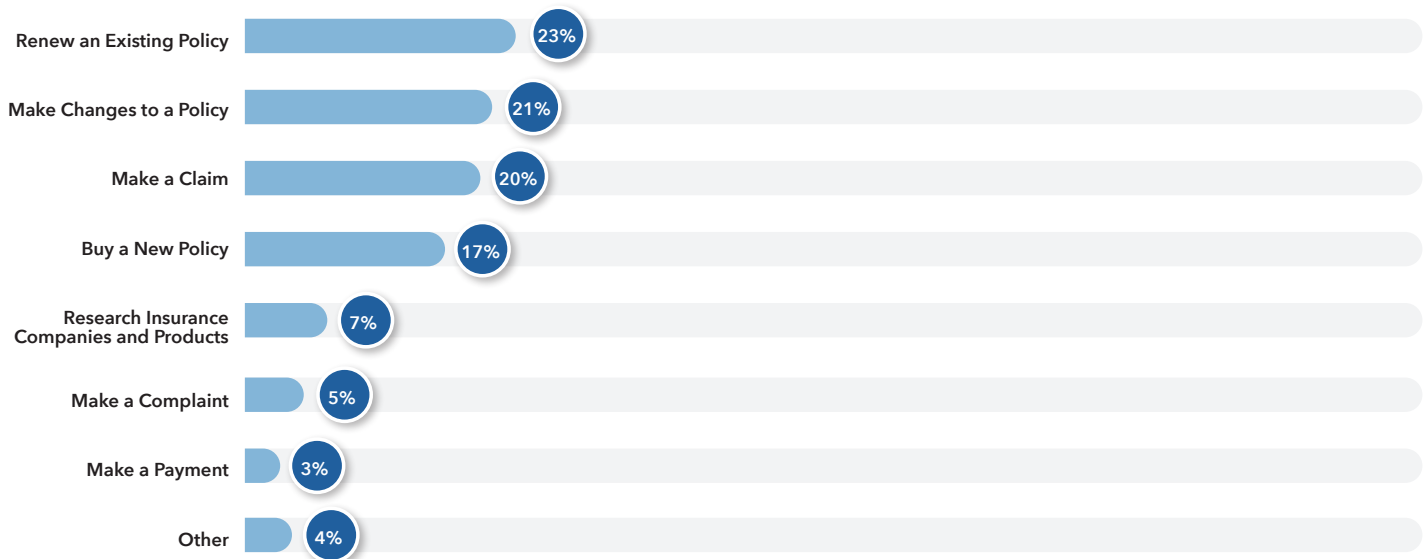
What type(s) of insurance was the interaction in regard to?



Reason For Interaction and Channel(s) Used

Not only were survey respondents asked about the insurance product that was the subject of their interaction (previous page), they were also asked about the purpose of their interaction. Not surprisingly, renewals and policy change topped the list of reasons for contact. Worth highlighting is the third most popular response: Make a Claim. Claims are perhaps the most delicate and complex types of interactions a customer can have with an insurance company. They are the types of interactions where companies have the opportunity to truly differentiate, especially when considering the results on page 12 highlighting loyalty factors, where 37% of respondents said "Excellent Customer Care" was the biggest factor in earning their loyalty.

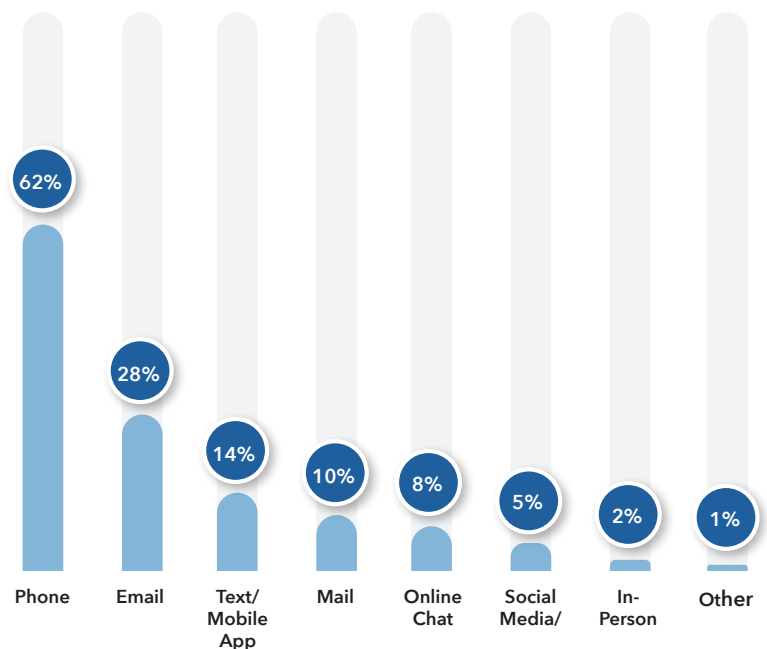
What was the nature of your most recent interaction with that insurance company (Home, Auto, or Life)?



Engagement by Phone (62%) outshined all other channels of engagement, more than double the second most popular channel, Email (28%). Again, age played a significant factor in channel use, especially when it came to Phone use. Only 59% of those ages 18 to 54 years of age selected Phone as a recently used engagement channel compared to 67% of those 55 years of age and older – an eight-point delta. This result, combined with the demographic insights from the previous page, present another opportunity for insurance companies to align an experience with the specific expectations of a particular demographic. In other words, if Phone were to cater to a specific demographic, it should be those ages 55 and older, whereas other channels are better suited for catering to the needs and expectations of those ages 54 years and under.

Also worth noting is the fact that 20% of respondents took a multichannel approach in their most recent engagement. In other words, they used two or more distinct channels during their journey, highlighting the importance of creating frictionless transitions between channels.

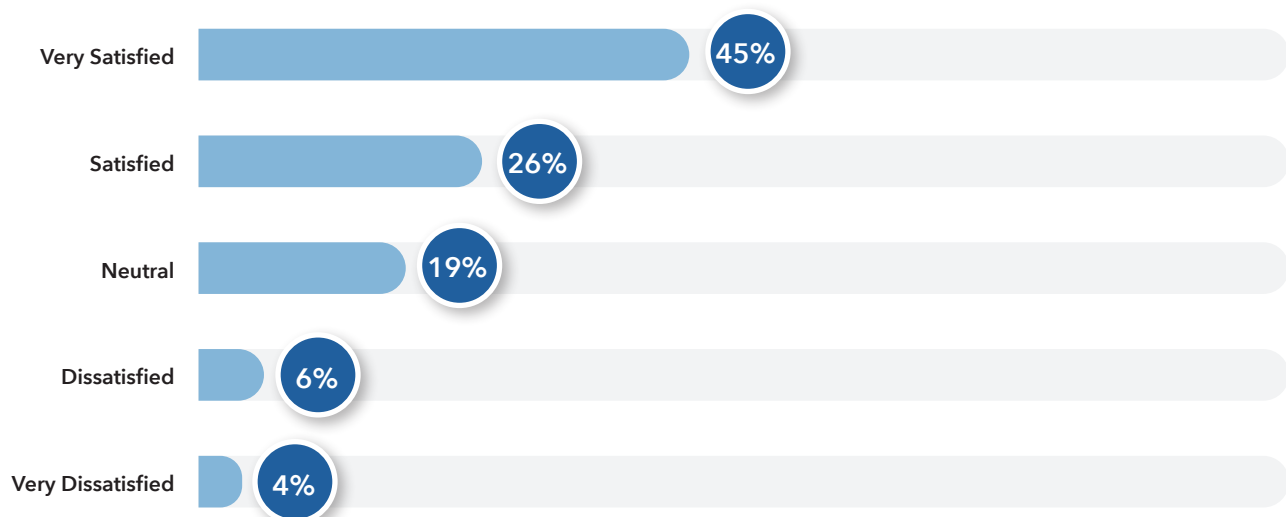
Which channel(s) or solution(s) did you use during your most recent engagement, including all channels used to resolve a single issue, question, or transaction? (Select all that apply)



Satisfaction and Engagement Preference

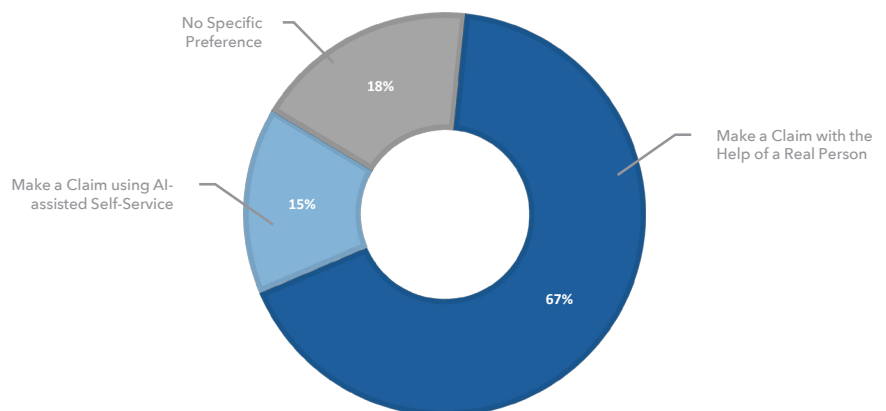
Customer satisfaction (CSAT) strongly reflects the potential for business success. Reflecting on their most recent interaction, 71% of survey respondents were either “Satisfied” or “Very Satisfied,” with almost half (45%) indicating the latter. When cross-referencing these results with the question regarding the purpose of the most recent interaction, Renewals, Policy Changes, and New Policies make up the bulk (68%) of the “Very Satisfied” responses, while 77% of “Very Dissatisfied” responses were composed of Claims, Complaints, and Renewals. It may be the case that this dissatisfaction is primarily driven by process complexities, especially given the results on page 13 (when asked where insurance companies should focus their improvement efforts, “Simplifying Processes” was the number-one answer).

How satisfied or dissatisfied were you with your most recent interaction?



As we’ve seen numerous times in other consumer-based research conducted by Execs In The Know, consumers continue to have a strong desire to connect with a real person versus use of a self-help solution. This is especially true of complex or critical engagements, such as making an insurance claim. The result in this research further highlights the importance of agent quality within the industry, but also illustrates the importance of a frictionless glide between live and automated assistance. And again, demographics appear to sway results, with 70% of those ages 55 years and older preferring the help of a live person compared to only 47% of those ages 18-24. Also of note is the fact that 42% of those ages 18-24 would prefer to make a claim using AI-assisted Self-Service, significantly higher than the blended result of 15%.

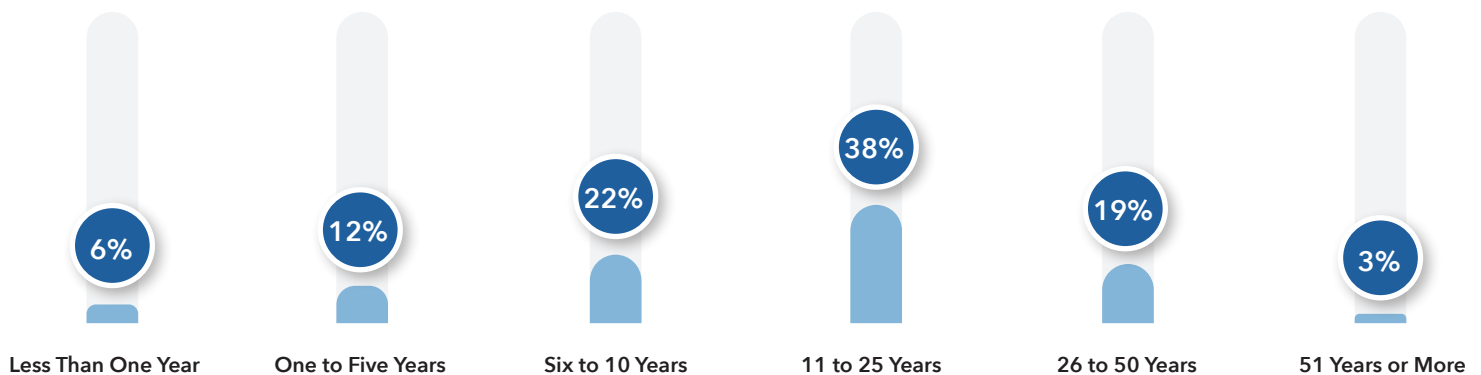
Would you prefer speaking to a real person or using self-service channels to make and resolve a claim?



Loyalty and Churn

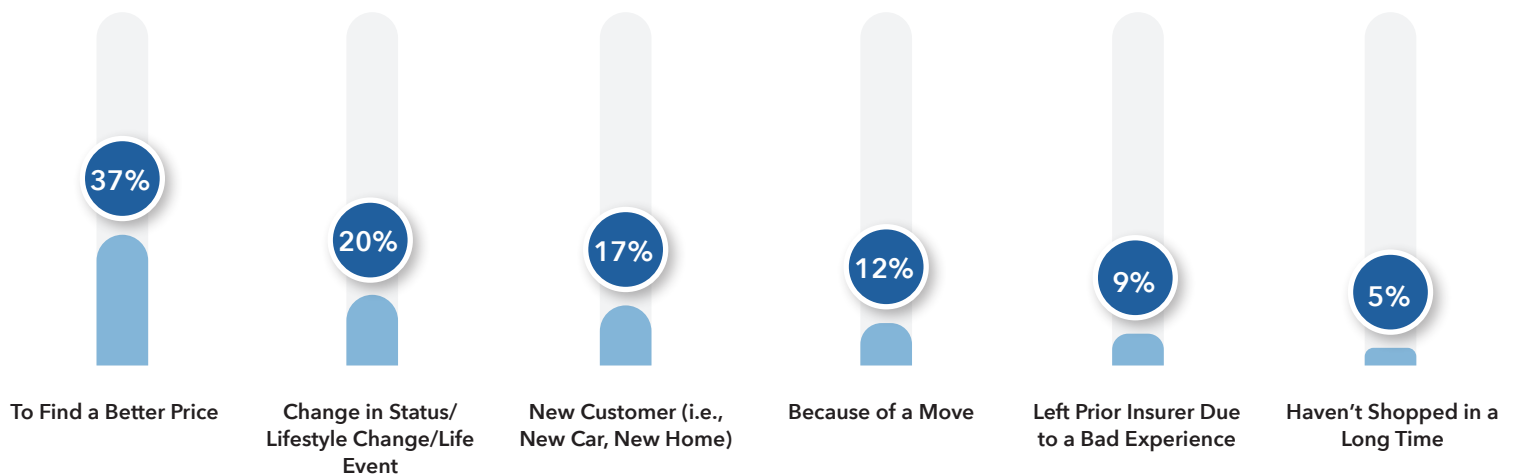
Loyalty is an interesting topic within the consumer insurance space, as many individuals are long-term customers, with a full 60% of the sample cohort maintaining one or more policies for 11 or more years. That said, there is strong competition in the insurance space, and it's clear from the next few results that insurance companies can't compete only on price – they must also compete on the type of customer care experience they provide.

What is the longest time you've maintained a single policy with a specific insurer?



When insurance customers find themselves shopping for new insurance, price is certainly the dominating factor, named by 37% of respondents. These responses can be broken down into two primary reasons for making the switch: voluntary and non-voluntary. Among voluntary reasons would be to find a better price or because of a bad experience. Non-voluntary reasons would be because of a change in status, being new to insurance, or because of a move. When we view these results through this lens, we see that almost one-fifth of survey respondents voluntarily shopped for new insurance because of a prior bad experience. So, while competing on price is important, also of significant consideration should be the ability to create a positive experience for customers at every step of the process, from shopping for insurance to account management and, finally, the claims process. In fact, when cross-referencing these results with the question about the reason for the most recent engagement, "Make a Claim" correlated most strongly with those churning because of a bad experience.

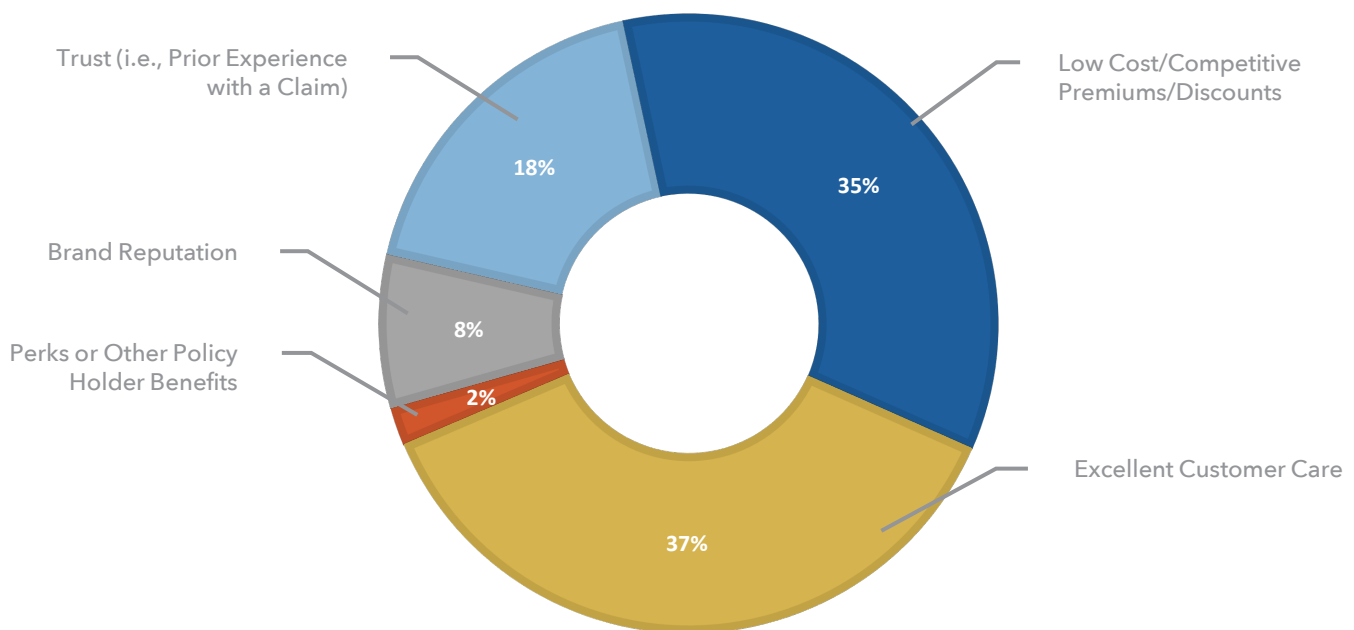
For which reason did you last find yourself shopping for an insurance policy (Home, Auto, or Life)?



Bolstering Loyalty

Loyalty drivers among consumers within the insurance segment fell primarily into three categories: Customer Care (37%), Cost (35%), and Trust (18%). If CX leaders were to put their stake in the ground based on any of the results from this research, this would be the finding to focus on. In many ways, “Excellent Customer Care” and “Trust (i.e., Prior Experience with a Claim)” amount to the same thing. In other words, it would be tough to have a truly trust-building experience without a somewhat positive experience with customer care. That means customer loyalty within the insurance industry is heavily weighted by experience, with customer care sitting at the center of most of these experiences. Once again, price has proven to be a consideration (a very important consideration), but experience is the ultimate differentiator in the insurance industry.

Which of the following is the biggest factor in earning your loyalty as an insurance customer?



Practitioner's Perspective



Lori Pon, Director
Claim Strategy & Innovation

How is your program simplifying the process for your customers (a top consideration among survey participants), thus improving their overall experience?

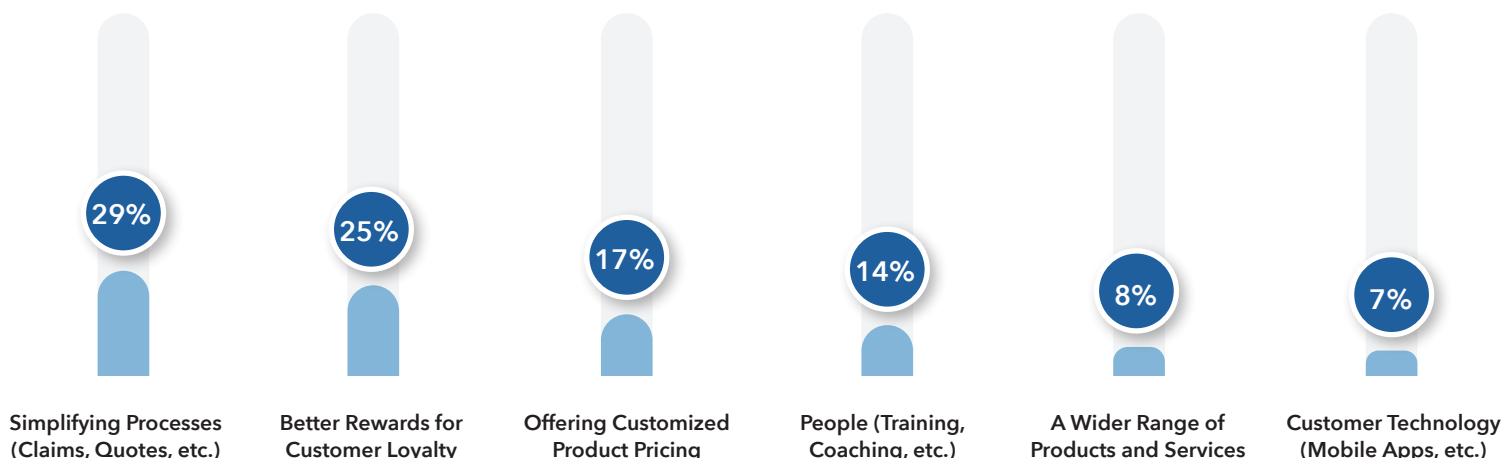
Convenience and ease of doing business are core components in supercharging CX and delivering flawlessly at the moment of truth. We deliver frictionless customer experiences by providing multiple communication channels and expanded self-serve capabilities. We have focused on ease of navigation across channels, anticipating customer needs and proactively reaching out along the customer journey to keep customers informed. Proactive and context-sensitive updates are vital in answering questions customers did not even know they had, ultimately reducing churn and friction. Sentiment analysis across communication channels allows our company to identify and escalate calls to action and address improvement opportunities. Intelligent automation, predictive analytics, Internet of Things (IoT), machine learning, computer vision, and blockchain are exciting innovations being leveraged by our team to deliver differentiated, hyperpersonalized, and effortless service experiences for our customers.



Where to Focus on Improvements

Throughout the results in this report, it's been established that experience is a key factor in driving loyalty within the insurance industry. But, where can improvements be made? Again, cost is a factor, with a combined 42% of respondents looking for better rewards or customized pricing (i.e., discounts). But truly, the biggest opportunity is in simplifying the process, with 29% of respondents naming this as the top area where insurance companies should be focusing their investments to best improve the experience. Investing in people is also worth highlighting, as it was named by 14% of respondents. A superbly trained customer care agent can go a long way in helping to alleviate shortfalls in terms of process. Furthermore, investing in agent quality not only impacts customer satisfaction by improving performance, it can also improve employee satisfaction.

As a consumer of insurance products, where should insurance companies be focusing their investment efforts to best improve the experience?





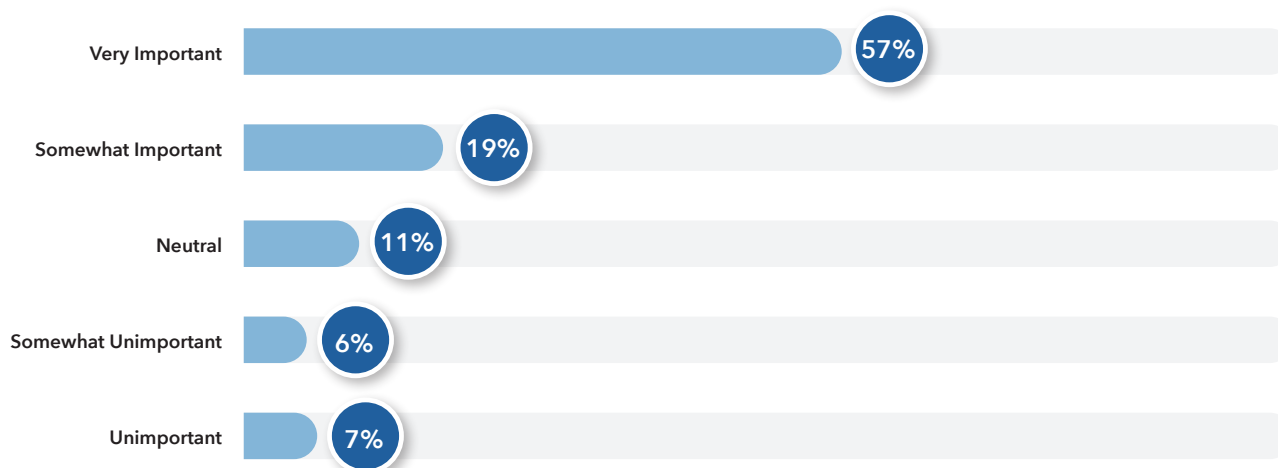
SURVEY RESULTS

CONSUMER **PERCEPTIONS**

Importance of Customer Care and State of Care

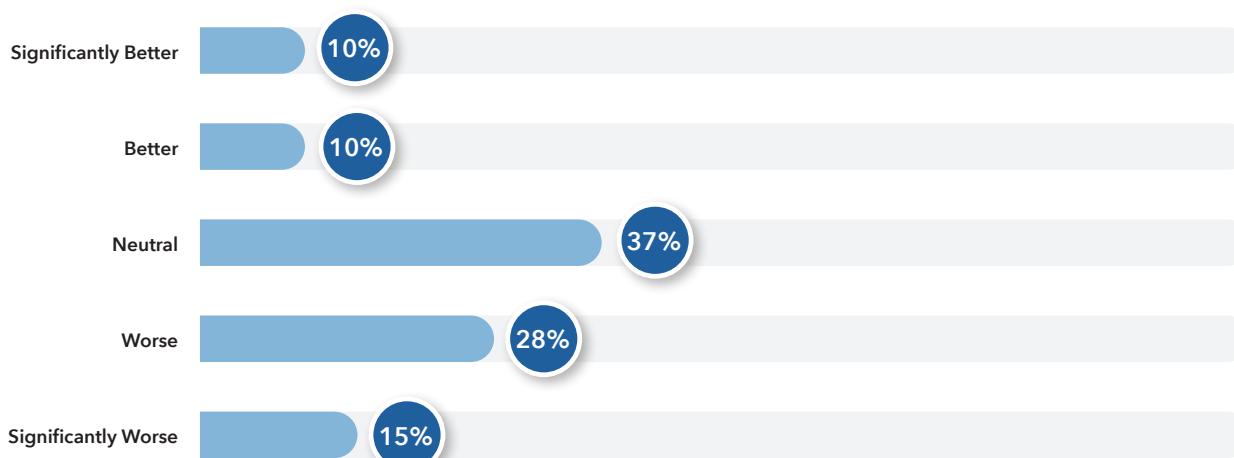
As established in the previous section of this report (pages 12), a positive experience is critical in shaping customer loyalty. But, how does this affect the overall perception of the company? When the general population was asked about the importance of a reputation for good customer service in choosing an insurance company, 76% of respondents indicated such a reputation was “Very Important” or “Somewhat Important.” Once again, consumers are saying experience matters – both as a paying customer and a prospective customer. To best compete, insurance providers need to rally around what matters to their current and future customers.

When it comes to choosing a provider for Home, Auto, and/or Life insurance, how important is the company's reputation for good customer service?



Despite the positive customer care satisfaction results on page 10, 80% of respondents are either neutral or negative about the recent direction of customer care within the insurance industry. That said, it's important to remember that consumers tend to remember the negative over the positive. The CX industry (regardless of vertical) has been challenged in recent years on a variety of fronts, from the pivot to work-from-home, workforce shortages, and reliance on AI-powered and other automated solutions. Regardless, it's important to track and address pain points wherever they might occur during the journey. Comprehensive journey mapping and implementation/management of a strong Voice of the Customer program are two critical steps in addressing CX shortfalls.

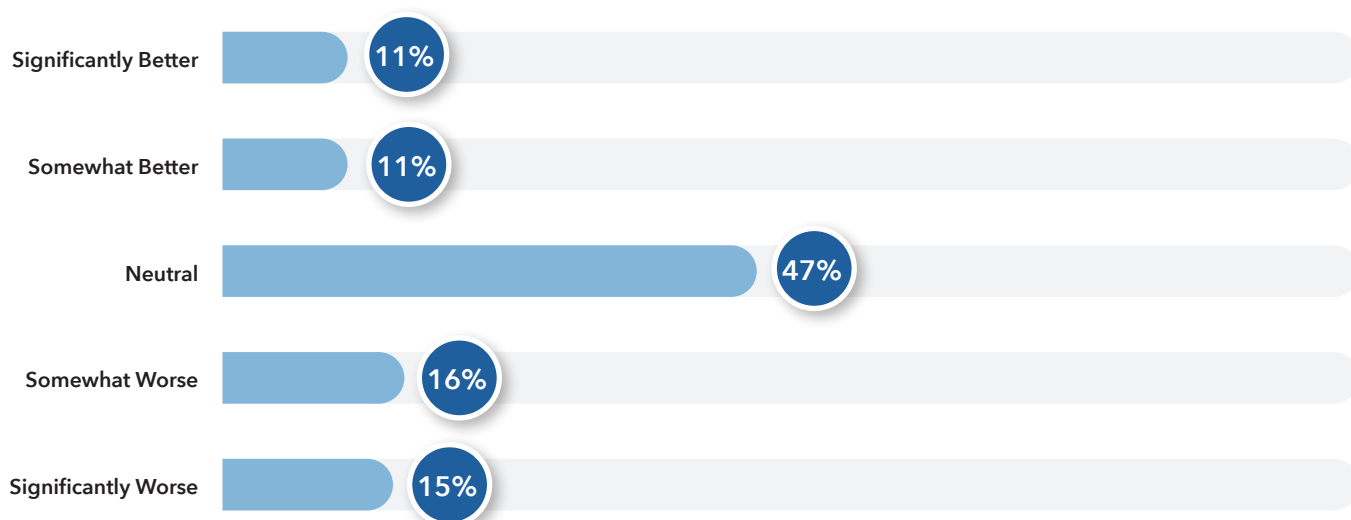
In general, do you think the customer care provided by Home, Auto, and/or Life insurance providers has gotten better or worse in recent years?



Comparing Quality of Care

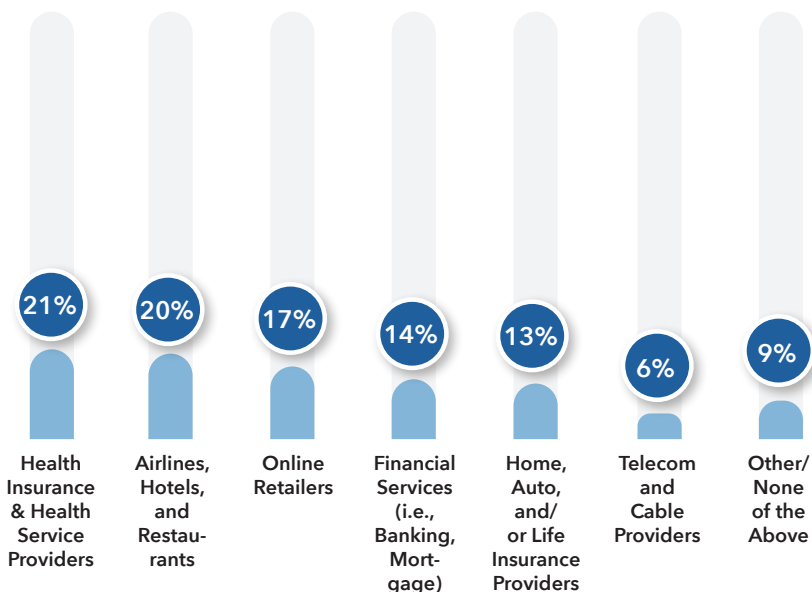
When comparing the customer service of insurance providers to that of other industries, some moderate weakness is revealed. While 22% of respondents felt insurance providers were doing better than other industries, 31% felt the insurance industry was doing worse, with 47% taking a neutral position. No doubt, the types of customer care engagements performed by the industry have their own unique complexities. Therefore, CX leaders within the insurance industry should benchmark not only among competitors, but also look outside of the industry. There is value in focusing on other industries that have added complexity within customer care engagements (industries like healthcare, travel, and financial services), seeking out innovation and novel approaches to use of technology, process, and frontline training/coaching.

In general, how do you think Home, Auto, and/or Life insurance providers compare to other industries when it comes to customer service?



Echoing the results above, insurance providers (Home, Auto, and Life) are near the bottom of the list among the industry options provided in the question at right. This presents CX leaders within the industry an opportunity to learn from their peers in other verticals. Among industries included in "Other/None of the Above," 76% of responses were effectively "None" or "None of the Above," indicating that there is a wider issue with customer service in the minds of consumers. This could have to do with evolving expectations, but it could also have to do with recent headwinds across industries, including the impact of the pandemic, the pivot to automation, and business priorities that may be outcompeting for attention and resources.

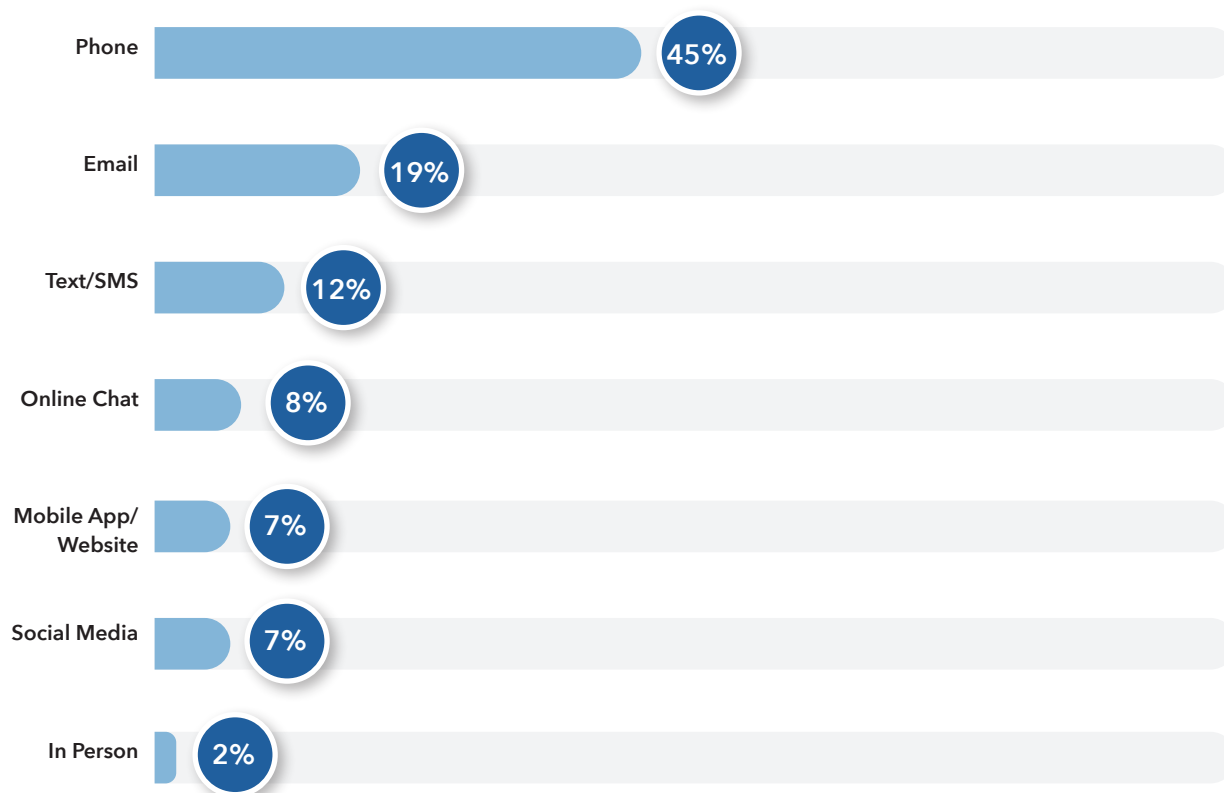
Among the following industries, which do you think provides the highest quality and most responsive customer care?



Preferred Channel

Earlier in this report (page 9) was a question about actual channel use among screened respondents, where Phone (62%) and Email (28%) were the most commonly used channels to engage with an insurer. In contrast, the question below is about preference. Although the earlier question was a “Select all that apply” format, some inferences can be made by contrasting the results below and those of use. Clearly, Phone is still in demand, but the preference for Phone is lower than actual use, indicating customers might turn to Phone out of necessity, as opposed to preference. On the other hand, the preference for Text, Social Media, and Online Chat is very close or beyond actual use, indicating customers might be open to migrating more of their engagements to these channels. Of course, consumers will only be willing to use these channels if they provide the right combination of ease and effectiveness. If insurance companies want to move more traffic on to these types of channels, it will be critical to monitor and manage performance metrics with the same level of attention as paid to the voice channel.

If you had to interact with a Home, Auto, and/or Life insurance provider to resolve a customer care issue, which would be your preferred channel of engagement?



Key Takeaways and Considerations

The Experience Matters

When it comes to customer experience, the insurance vertical is very often a high stakes environment. Engagements are far more complex and emotional in comparison to other industries, and brands must get the experience right in order to build customer loyalty. This is evident in the fact that 37% of survey respondents named "Excellent Customer Care" as the biggest factor in earning their loyalty, while another 18% indicated "Trust" (page 12). In fact, experience has never mattered more, especially as consumers continue to evolve their expectations, and the experiences consumers have with leading brands from across verticals becomes the base case expectation.

The importance of experience is also highlighted when individuals report what has caused them to churn in the past, where one in ten survey respondents indicated they have shopped for a new insurer because of a bad previous experience (page 11). In fact, when looking only at those who voluntarily sought a new insurer, one quarter did so because of a bad experience, as opposed to three-quarters who did so to lower their cost.

Demographics Play a Role

The survey data suggests demographics play a meaningful role in how (and how often) consumers engage with the home, auto, life, and disability insurers. Those ages 55 years and older are about 33% more likely to have had a recent engagement with their insurer compared to those ages 18 to 44 (page 8). Furthermore, significant demographic sway was on display in terms of channel use (page 9), with a much stronger preference for Phone among older survey respondents, as well as a stronger preference for speaking with a live person versus interacting with self-help solutions (page 10).

The significance of these differences is that brands need to be hyper-aware of the needs, expectations, and preferences of those they engage with. Voice of the Customer is a critical piece of the equation, revealing pain points and shedding light on the likelihood of the adoption of new solutions. Again, experience has a huge sway not only on outcomes, but also on future behaviors.

The Importance of Omnichannel

Among survey respondents, 20% used multiple channels to resolve their most recent issue with their insurer (page 9). This data point serves to stress the importance of creating frictionless transitions from channel to channel. Keys to making this a reality include consistent information regardless of channel, access to customer data across silos (or better yet, no silos at all), and an easily navigated off-ramp to a live agent when using self-help.

Effective channel guidance is also a key concern. Even today, not every channel is capable of efficiently handling every type of engagement. Finding ways to clearly communicate with customers which channels are most appropriate for specific issues is a big challenge, as well as an opportunity to differentiate the experience.





About Execs In The Know

Execs In The Know brings together customer experience (CX) leaders from across industries in an effort to advance the conversation and set a new agenda for delivering amazing experiences for consumers. As a global community of the brightest minds in CX, Execs In The Know provides opportunities to learn, share, network, and engage to innovate. Operating under the motto, “Leaders Learning From Leaders,” Execs In The Know facilitates many opportunities for community engagement, such as its bi-annual national event, Customer Response Summit; virtual CX series, CustomerCONNECT; and the private, online community, Know It All “KIA.” There are also exclusive, laser-focused engagements like industry briefings and executive roundtables. Execs In The Know also guides and informs the industry with a rich tapestry of CX-related content that includes *CX Insight* magazine, industry research, webinars, blogs, and much more.

To learn more about Execs In The Know, visit:

<https://execsintheknow.com>



About Genesys

Every year, Genesys® orchestrates billions of remarkable customer experiences for organizations in more than 100 countries. Through the power of our cloud, digital and AI technologies, organizations can realize Experience as a Service®, our vision for empathetic customer experiences at scale. With Genesys, organizations have the power to deliver proactive, predictive, and hyper-personalized experiences to deepen their customer connection across every marketing, sales, and service moment on any channel, while also improving employee productivity and engagement. By transforming back-office technology to a modern revenue velocity engine, Genesys enables true intimacy at scale to foster customer trust and loyalty.

To learn more about Genesys, visit:

<https://www.genesys.com/>



Execs In The Know

www.ExecsInTheKnow.com