Insurance and Customer Communications Management (CCM) – Give Consumers What They Want
For a long time, insurance companies were in the driver’s seat when it came to customer communications. Not anymore. A combination of rapidly expanding digital technology and changing demographics has transformed the interactive landscape and the customer engagement model.

Digital consumers are changing the rules of the game. The customer is now in control more than ever before, with numerous purchasing options, vast online research tools and multiple touch points. For many transactions, consumers increasingly prefer digital channels, which make content universally accessible by mixing media (graphics, text and video), tailoring messages (providing discounts, location or demographic information) and adding social connectivity (allowing communities or friends to build around themes and needs).

These hyper-connected consumers are using smartphones and mobile technology to research, shop and purchase insurance according to their individual needs, wants and preferences – all at a fair price. And they expect insurers to communicate with them on a personalized, relevant and contextual basis. In the mobile mind shift, insurance customers expect that they can get what they want, right when they need it, thanks to that mobile device constantly at their side. These assumptions have been shaped and reinforced in millions of transactions and interactions in the modern retail and service economy.

**So the big question:** are insurers adapting to this new model? Can they communicate effectively with digital natives when, how and on whatever platform they demand? The answer is: not fully. But times are changing. Many insurers are developing and executing strategies focused on Customer Communications Management (CCM).

The path to successful digital mastery, however, is a long road riddled with obstacles, including legacy technology, organizational inertia, operational inefficiency and the need for top-down corporate leadership. For most insurance companies, effective digital CCM is a journey, not a destination.

This paper will explore the significant shift in consumer communication expectations, the traditional hurdles that insurers face and how these can be overcome with a broad CCM vision based on practical, achievable business goals. The fact is that insurers have not kept pace with rapidly emerging customer needs.

It is critical to be relevant and speak to the customer in their voice. If you can’t communicate with customers in the way they want, someone else will.
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Changing Landscape: Demographics and Mobile Reality

The impact of demographic shifts, given that people under the age of 35 have a clear preference to purchase insurance online using mobile or tablet devices, is difficult to overstate. The proportion of the U.S. population under age 35 will increase by nearly 10% by 2020, according to U.S. Census data. Meanwhile, the number of citizens aged 55 and over is set to grow 25-30% by 2020. By that same year, the number of citizens between the ages of 35 and 55 will shrink by 3%.

Nearly two-thirds of Americans are now smartphone owners, and for many these devices are a key entry point to the online world, according to the Pew Research Center. 64% of American adults now own a smartphone of some kind, up from 35% in the spring of 2011. Smartphone ownership is especially high among younger Americans, as well as those with relatively high income and education levels.

Smartphones are used for much more than calling, texting or basic web browsing. Users are turning to these mobile devices for a wide range of activities, including checking real estate listings, submitting a job application or inquiring about a health condition, Pew Research notes. For example, 57% have used their phone to do online banking.

One of the largest generations in history – the Millennials – is about to move into its prime spending years. This cohort is poised to reshape the economy; their unique experiences will change the ways we buy and sell, forcing companies to examine how they do business for decades to come.

In particular, the affinity for technology will, and already is, reshaping the retail space. With product information, reviews and price comparisons at their fingertips, these digital natives are turning to brands and services that can offer maximum convenience at the lowest cost. Insurance will be no different.

Consumers are unique, but there are general trends in how these connected customers expect to communicate in the digital economy: choice, convenience and personalized service.

Tailored communications, product offerings and messaging
• **Choice and Multi-Channel Access.** While brokers and agents remain a core sales touch point for many lines in the insurance industry, today’s customers are “always on” and rely on a variety of information sources — via a convergence of media platforms — to gain information and quickly influence a buying decision. Social media platforms, websites, and mobile sources, including smartphones and tablets — once unknown to the insurance industry — are now critical sources of information for customers. Messaging must be consistent across all channels.

• **Convenience and Comparison.** Technological innovations have allowed customers to get faster information about product benefits and price comparisons in the retail environment. This fingertip convenience helps them choose which products and pricing best match their profile, with little effort. With the increasing use of mobile technology, customers increasingly prefer to gather information on products and services offered by multiple insurers and to compare before making a final decision. The rapid growth of mobile technology shows that this is the preferred method of obtaining comparative information and buying online.

• **Personalized Service.** Digital natives want, and expect, tailored communications, product offerings and messaging. Reaching customers with messages that are clear, relevant and contextual provides an opportunity to increase their knowledge, loyalty and satisfaction concerning a company and its products. According to a report from Accenture, Technology Vision for Insurance – 2015: “In the emerging interconnected environment, insurers have the customer insight (from big data analytics) and the customer interfaces they need to build tailored products and services and to more accurately price risk for individuals, specific businesses and their contexts.”

Insurers can expect a seismic shift to heightened transparency, pressure on lower policy costs (and commissions) and increasingly interactive communications in the realm of the modern consumer. Other trends will include web-based self-service options, the proliferation of larger market aggregators/price comparison sites and more direct to consumer distribution models.

Consumer data will be at the core of the engagement revolution and insurance carriers without a single unified view of the customer and a customer-focused approach will risk losing market share. Customer data, analytics and insights are a prerequisite to compete in the digital age.

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Insurer Limitations: Internal Legacy Issues

When digital natives turn to the insurance industry, they have similar expectations as any other service provider. They want the same kinds of experiences from insurers that they have with retailers, banks and airlines. Many consumers, however, remain disappointed by the level of access, personalization and communication offered in the insurance process.

According to a global insurance company survey by EY, “almost 80% of respondents do not see themselves as digital leaders, and are instead trailing the spectrum in customer engagement, analytics and adoption of mobile and social media. The majority believe instead that they ‘only play the digital game’ or are ‘still learning to use digital capabilities for a competitive advantage.’”

Another poll of global insurers by Accenture found that only 47% had a digital strategy that covers the entire value chain. Further, only 25% of companies had a single view of the customer or see customer-centricity as a pillar of their business. “The survey clearly indicates that while insurers see digital technologies as the catalyst for transforming the insurance value chain over the long term, the reality is that many are still at the early stages of the journey,” notes Accenture in its study, The Digital Insurer – Digital Innovation Survey, 2014.

There are several obstacles on the digital journey for insurers. Many of these exist within the companies themselves. “Internal factors — legacy technology, slow pace of delivery and cultural constraints — are hindering digital progress,” notes EY in its digital report and insurer survey. “The main inhibitors of digital progress are legacy technology constraints (80%), slow pace of delivery (64%) and agent strength or resistance (40%).”

The cumbersome nature of existing technology infrastructure, or legacy systems, affects virtually every insurance company. Legacy systems create a significant barrier for insurers when it comes to supporting modern communications. Organizations should be looking for legacy service enablement technologies to try and minimize big core system changes, as well as looking at solutions to offload work from the mainframe.

Several years after the appearance of the first insurance apps, insurance executives have rolled out a widening range of functionality across mobile platforms. However, many of these early strategies represent false starts. Mobile strategies go sideways when firms fail to understand evolving customer expectations or outline clear business objectives. In today’s rapidly changing competitive environment, insurance companies can’t afford to make the wrong digital decisions.

“Going digital” for many insurers has meant putting paper-based processes online or attaching PDFs to various contact points in the policy lifecycle. This is not the solution that consumers want or need. It is a static, non-interactive approach to clients’ digital expectations. Consumers expect to see content and services easily explained and optimized, not just a web page or PDF attachment on a mobile phone.
According to EY, 68% of insurers believe they have delivered some easy quick “wins,” but have not made transformation progress in omnichannel communications. This often means that digital communication channels are “siloe’d” from traditional business models and service units.

A fragmented approach to customer communication and interaction has the potential to make the service experience even worse for clients who receive information from three (or more) different departments or channels.

However, many insurance companies are realizing that the game has changed. Customer experience expectations, their willingness to consider a growing array of new options to buy insurance and new competitors creeping into insurance are pushing traditional insurers into new digital strategies. Insurance companies can now embrace new ways of doing business, explore new types of products and leverage new technologies as they strive to meet digital customer requirements for more choice, more personalization and more convenience.

Customers are gaining an expectation that organizations will communicate with them effectively regardless of their preferred channel. The customer experience is now the aggregate of all communications. This will require insurers to view communication processes in a new way that crosses functional, business-unit and channel boundaries.

GMC Inspire's omnichannel capabilities deliver relevant communications to the customers’ preferred channel.

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Needed: An Integrated CCM Platform

For insurance companies, the goal is clear – a transformation in customer communications management capabilities. This is readily achievable in today’s digital technology environment. With eyes wide open, insurers can address issues such as legacy integration, operational efficiency, enhanced presentation/content and multi-channel coordination.

First and foremost, insurers need the ability to streamline and modernize legacy customer communications with a single, easy-to-deploy platform. Companies require solutions that seamlessly produce highly personalized, cost-effective correspondence on demand, interactively, or in high-volume batches for delivery via print, e-mail, web and/or mobile – without ripping out and replacing legacy systems.

Today, secure and reliable modular IT enterprise solutions enable access to legacy customer data and content and transform it into new communications aligned with individual consumer preferences. Benefits include the ability to consolidate to a single production run using multiple native data sources, regardless of whether output is in several languages or fonts or multiple delivery channels – including print, webpage, instant message, email or smartphone.

In this way, legacy systems are seamlessly turned into a streamlined, cost-efficient, modern communications system that drives revenue, reduces cost and meets the business-to-consumer demands of the new insurance market.

An effective CCM strategy also means insurers can do more with less when it comes to operational efficiency. Automated workflows in scalable enterprise solutions translate into improved compliance when it comes to including or excluding specific content based on effective dates for regulatory filings and changing regulation. They select and place appropriate content automatically, reducing the opportunity for human error.

Additionally, modern CCM solutions integrate seamlessly with existing databases, making it possible to update legacy forms and provide accurate, on-demand access to information. This represents a cost-effective approach for creating and delivering highly targeted, concise print and electronic communications that reduce dependency on IT resources.

When it comes to enhanced presentation and content, insurers need to engage their customers with the right messages at the right time. This means communicating to policyholders according to defined profiles and preferences, optimizing offers based on customer lifetime value, behavior, and needs. Leading companies build technology-driven, personalized treatment plans for customers that comply with business rules and guidelines. They provide interactive, digital correspondence that delivers intuitive and attractive charts, graphs and other pictorial representations of a customer’s insurance information – in real time, on the fly, on or offline.

With a full range of data handling, layout, graphical workflow, color management, content collaboration and message management capabilities, business users should have the ability to use the white space on policies and other policyholder communications (such as billing statements) to cross-sell, up-sell or insert relevant messaging.

With customers accessing information and services via traditional websites, mobile-optimized sites, mobile apps and other channels, it is vital to always provide consistent, high-quality experiences. Integral to achieving this is having a standardized set of tools for central content creation and digital asset management.
Insurance and CCM – Give Consumers What They Want

Insert relevant messaging
Cross-sell
Up-Sell

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Having the ability to determine the communication preferences of each policyholder and deliver to all desired output channels is now an expectation rather than an option. Whether a policyholder prefers to communicate via paper, electronic, mobile devices or a combination, a CCM solution should allow you to incorporate variable designs within a single production run. Creating cost-effective messaging takes dynamic content, converts it on-demand and delivers it via the preferred channel with consistent communications that meet individual customer expectations.
This transformation – in legacy integration, operational efficiency, enhanced presentation and multi-channel access – puts consumers in the drivers’ seat and establishes a more direct, one-to-one relationship between insurer and client. Insurers only have so many limited client touch points to make an impact – these are opportunities to demonstrate outstanding service and transform the customer experience.

The relatively low frequency of insurance interactions, such as claims or policy renewals, can represent a challenge or opportunity. When it’s time to “use” their policy, digital customers will expect quick, seamless and informative communications on their platform of choice. Having a clear multi-device strategy will be key for the consistent delivery of solutions to your customers.

Moreover, insurers should think of digital CCM as more than just a channel. The mobile-digital realm can support new types of insurance products and services that rely on context and deliver more frequent customer engagements. What areas, such as social collaboration, value-added services with digital (or other) partners or re-engagement touch points in critical life stages (i.e. buying a house), can insurers explore to build greater customers loyalty and drive greater revenue?

The shift required is more one of organizational commitment, operational agility and top-down leadership. This strategy has to include existing technology infrastructure, a comprehensive understanding of all distribution channels (broker, agent, direct, online) and a 360 degree view of all customer touch points in the policy lifecycle – from quote to bind to onboarding to continuing service requirements to claims handling.

Creating the strategy and plan means organizing and governing business teams, selecting technology and mobile business partners and following best practices in executing, measuring and continuously improving a digital CCM insurance strategy.
Conclusion: Guiding the Digital Future

With today’s technology, insurers have unprecedented abilities to communicate directly with customers through digital channels. This can help establish a brand, evaluate competition, educate consumers and respond to customer feedback. Effective leveraging of mobile tools can also expand sales, improve communication and lead to insurance innovations. Insurers are able to refine marketing strategies and messages to target specific audiences based on social interactions.

However, this is not a simple proposition or straightforward strategy. According to Accenture: “Insurers that can develop and use all types of data to create targeted services and relevant customer experiences, and to improve their internal operations, will gain the upper hand. To achieve this they will need to build and deepen consumer trust, develop robust enterprise-wide business models that are driven by data, and build entirely new data value chain management capabilities.”

Digital insurance teams must constantly experiment to develop the new thinking needed to continuously improve dynamic communication strategies. What about the Internet of Things and remote devices such as telematics in vehicles or home-based features like automated thermostats, locks and moisture sensors?? How will digital technologies be integrated with traditional distribution channels and existing infrastructure? What changes must be made to the business model and organizational culture to truly embrace a digital strategy? And, perhaps most importantly, how can technology transform the customer communication experience?

The launch of a new digital CCM strategy is not the finish line, but rather the starting point. A clear operating model is critical in order to ensure that customers are continually being engaged, communicated with or serviced effectively. This is not just about back office operations or technical operations, but an organizational change that involves strategy, communications, marketing, distribution and data teams.

“Insurers should be making these investments now within the context of a long-term plan to digitalize, to change fundamentally their business models in order to become digital businesses that are truly customer-centric and that provide solutions rather than just products,” Accenture observes.

A big part of that customer-centric approach is communications. An effective CCM strategy, combined with proven technology, can drive customer satisfaction and cement customer loyalty. The potential of digital technology is to treat every customer as a unique individual, develop a tailored risk profile, then match that customer with truly customized communications about products, pricing and services.

Today’s digital consumers expect no less.
About GMC

GMC Software helps companies communicate with their customers and employees. GMC Software empowers organizations to create stronger engagements with timely and relevant communications. A Neopost Digital Company, GMC Software provides the means for business users to develop contextual, highly individualized communications across all channels that span the entire customer journey. A leader in customer communications, GMC Software supports thousands of clients and partners in banking, insurance, healthcare and service providers around the world.

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