

From solos to symphony: How insurers can harmonize customer communications

Learn how improved customer communications management can help insurers better connect with their customers.



The heart of the matter

Customers today are overwhelmed with irrelevant and inconsistent messages from their insurance carriers. While many carriers know this, solving the problem is easier said than done. Developing a customer-centric communications strategy involves a commitment to collaboration that puts shared corporate objectives ahead of departmental goals. To make this work, insurers need the right technology and governance to support consistency, reuse, and personalization of content.

Jack and Monica, a 30--something married couple in San Francisco, became customers of UNeed Insurance when they had their first child and moved out to the suburbs. Although they got a 25% discount when they bought an auto, home, and life insurance bundle, they soon realized that these bundled policies had nothing in common except a marketing strategy.

After an initial flurry of correspondence for each policy containing coverage details (which differed from those set out on the company's self-service web portal), they began receiving three separate monthly bills from UNeed, as well as a blizzard of promotional flyers—often for policies they already had. Even when Monica signed up for paperless billing, the mail kept coming.

The couple received a complimentary check-in call during which they were offered auto insurance, a product they already owned. Jack and Monica started to wonder why no one at the company seemed to have an overview of the coverage they already had.

Thinking about the apparent lack of coordination among the company's different departments, they began to worry what would happen if they ever needed to make a claim. After researching some other providers online and checking out social media to see reviews, they decided to switch to a different insurance company.

Property and casualty insurance carriers today recognize that Jack and Monica's story is by no means atypical. Many insurance companies are unable to provide good cross-channel communications for optimal customer experience. Carriers know they need to create order from the chaos by crafting a customer-centric communications strategy. But it's easier to say you want a customer-centric communications strategy—where customers get only the communications they need and want, in the form they want them—than to implement the required structures and capabilities to actually make it happen.

To implement a truly customer-centric strategy that avoids these problems, we believe insurance carriers need two things. The first is an enterprise-wide governance framework that coordinates and sets rules for the creation, use, management, and distribution of content across business functions and channels. This commitment requires different parts of the business to collaborate and put shared corporate objectives ahead of departmental goals. The second is adequate investment in customer communications and content management technology.

With the right technology capabilities and governance framework in place, a carrier can move away from a disparate collection of “solo” communications and towards a “symphony” of content that is harmonized across the organization.

In our view, a lack of centralized governance is one of the main reasons customers receive too many irrelevant, inconsistent, and sometimes even conflicting communications



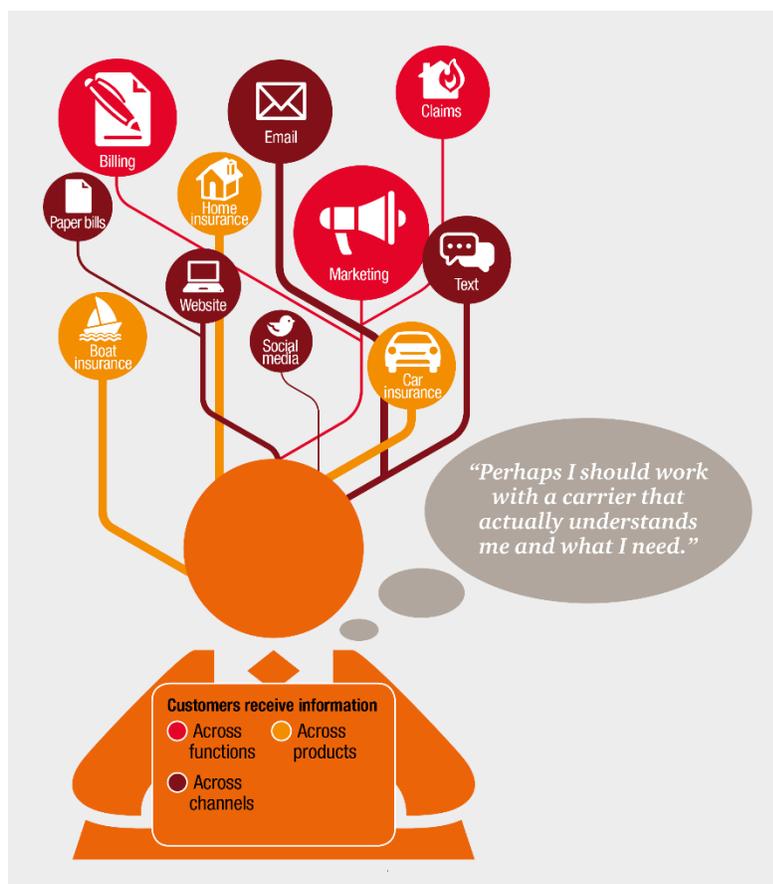
An in-depth discussion

Today's insurance carriers struggle to create coordinated and targeted communications, as Jack and Monica's experience clearly illustrates. As shown in Figure 1, customers receive separate communications from various functions, products, and channels—with different messages, purposes, and formats—rather than coordinated communications that are relevant to their needs. As communication channels have expanded to include websites, email, social media, "Internet of Things", and mobile devices, insurers have found it even more difficult to produce consistent and coordinated content for their customers.

How did this happen?

Historically, different departments and lines of business within an insurance company created, managed, and even distributed their own communications. Without common technology capabilities in place, these processes become labor intensive and unique to each business unit. In most insurance companies today, business units continue to operate based on departmental needs rather than on overarching organizational objectives.

Figure 1: Customers today are overwhelmed with too much information; it is redundant, not personalized, and uncoordinated across functions, products, and channels.



The disjointed approach to managing customer communications in most insurance carriers today impedes the entire content lifecycle, from creation through distribution.

At most carriers, employees use desktop word processing tools to create communications rather than entering the information into a content management system that requires authors to “structure” the communication into defined fields (such as header, subject, greeting, or closing) that the system can parse.

In addition, disparate platforms gather massive amounts of data (such as information from customer interactions, social media, and third parties) to gain insights into customer behavior. However, these platforms are rarely connected.

What is the impact?

The disjointed approach to managing customer communications in most insurance carriers today impedes the entire content lifecycle, from creation through distribution.

The lack of connection between data systems means that carriers can’t make the best use of the data to understand customer needs and preferences and to optimize customer interactions. Instead, carriers often end up flooding customers with too much of the wrong information.

A lack of coordination among departments also leads to an inability to search through and reuse content, resulting in content creators reinventing the wheel. Departments might even store and use their own copies of traditionally shared content (such as a logo or disclaimer), thereby missing important updates made on a central server.

The end product is also compromised, with content often showcasing widespread inconsistencies in look, tone, and messaging across business lines, functions, and communications channels. Furthermore, carriers are unable to personalize messages based on individual customer characteristics.

Even with a good content management system, a carrier can’t necessarily eliminate the “solo” effect. Without a centralized and well-thought-out governance framework for customer communications in place, it is difficult to ensure that authors create structured content, promote collaboration across groups, manage the central storage of content in the appropriate format, and avoid redundant local copies.

While most carriers might have some business rules and processes in place, they are often inconsistent, uncoordinated, and distributed across a number of technology platforms and business divisions.

This can result in carriers contacting customers too frequently, through many different channels, and with messages irrelevant or inappropriate to their lifestyles, situations, and current insurance coverage.

Our recommendations

We recommend a holistic, centralized customer communications strategy that puts in place the right governance structure and technology capabilities.

In our view, there are two pieces to the equation. The first half involves centralized governance for the creation, management, and distribution of both regulated content (such as bills or policy statements) and unregulated content (such as marketing materials). The other half of the equation is the implementation of appropriate technology capabilities to support a firm's chosen customer communications objectives. Once we examine these two pieces, we briefly discuss how to get started.

Centralize governance

We suggest that carriers:

- Establish a centralized governing body to enforce communications rules and policies across all functions. This body should be responsible for developing and approving the rules for frequency, prioritization, and consolidation of customer communications. For example, the rules might suppress mailings of marketing material to customers who have filed claims or limit marketing messages to three per month across all communications channels.
- Establish common governance processes to support content consistency and reuse, as well as increased collaboration among business units and functions. For example, establish a shared content calendar so teams can coordinate communications and make them relevant to both the activities of other departments and external events.

- Create a centralized communications rules repository and editor to help ensure that all business functions consistently apply production, management, and distribution rules previously distributed across technology platforms. These rules might include triggers, preconditions, or actions for both regulated and unregulated communications. A business-friendly rules editor helps streamline and speed the process for updating these rules.

Identify appropriate technology capabilities

While not all carriers will require the same capabilities, we recommend that you consider the following when investing in content management solutions:

Capability 1: Effective content organization

Federated search and library functions, metadata, and taxonomies facilitate collaboration by making it easier to find content stored on other departments' servers. Library functions, such as check-out/check-in, help ensure version control and leave an audit trail. Metadata and taxonomies make content more useful and searchable. For example, metadata provides structure and context for content while taxonomies, or controlled vocabularies, promote consistent organization.

Capability 2: Efficiency and reusability

Carriers should adopt structured, topic-based authoring with a content management system that requires the use of fields. This enables carriers to take advantage of dynamic publishing and multichannel delivery. In essence, structured authoring gives authors the power to “create once, publish everywhere,” while maintaining a single source document or image. Authors then send consistent content to print, web, and/or mobile outlets. When content is revised, the system automatically updates all related documents regardless of location, presentation format, or channel. The system also automates and streamlines workflow, reduces errors, and permits easy maintenance and reuse of content. One of the primary advantages of this type of system is the inherent separation of content from its presentation, which allows mixing and matching of different information components as needed for different publication formats and multiple presentations of the same content. This decoupling means that authors, editors, and designers can update content and formatting independently.

Capability 3: Customer insight and personalization

Customer interaction and event logs facilitate contact optimization, automated personalization, and cross-functional coordination. Governance rules for contact consolidation and frequency can keep insurance companies from overwhelming customers with content. An interaction log maintains a record of all communications sent, creating a “single view” for each customer that permits even finer calibration of communications.

An event log records all developments in a customer’s life that could potentially trigger a communication. This helps the insurance company to automate personalization and tailor content and presentation based on individual needs and preferences. For example, when a customer’s child becomes old enough to drive, the marketing department might email birthday greetings, along with educational materials for a new driver and any applicable discounts.

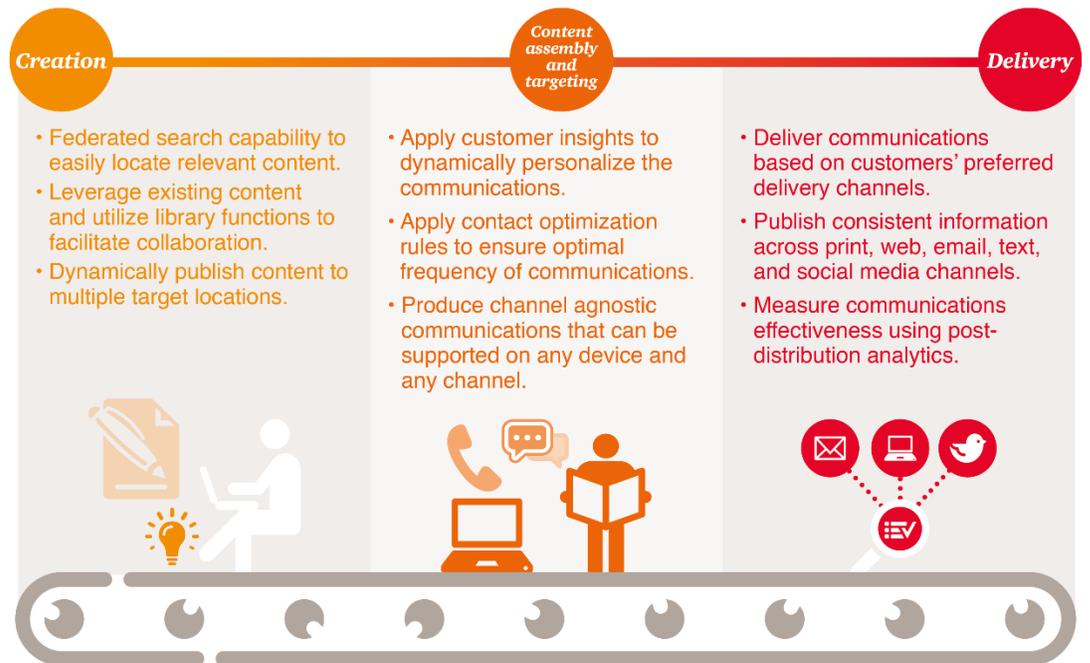
Capability 4: Metrics and measurement

Analytics measure communication effectiveness, assess the engagement level, and inform the creation and production process for further improvement. Methods can include multivariate testing for web channels; click and bounce rates for emails; clicks, likes, and re-tweets for social media; and response rates for direct mail.

Leading insurers tie all these capabilities together across the content lifecycle. In Figure 2, we illustrate what a mature customer communications management (CCM) model should look like.

Figure 2: Robust CCM system capabilities can improve operational efficiency, collaboration, and the customer experience across the content lifecycle.

Leading customer communications management capabilities



Get started

How a carrier implements content governance and management will vary greatly depending on its operating model and organizational culture. Some may opt to start small, piloting the concept in several departments or lines of business before extending it across the organization. Others may take a “big bang” approach that addresses all lines of business, business processes, and content types together.

Some carriers may want to outsource part or all of their implementation, depending on their strategy. In those cases, it is important to keep in mind that, at the moment, no one vendor offers all these capabilities in a single CCM system. However, platforms continue to evolve.

Our research shows a convergence of content creation and distribution management technologies in the market. In addition, many vendors are expanding their suite of offerings by integrating CCM with web content management systems and other digital offerings. Furthermore, some vendors are offering new delivery models, such as cloud-based software as a service, and they continue to incorporate features for social, mobile media, and analytics. As carriers make the move to invest in CCM platforms, they should align their objectives and investments to the future technology landscape based on the vendors with whom they work, since not all vendors support the different capabilities just described.

What this means for your business

Insurance companies face a lack of centralized governance over content creation, management, and distribution. Without coordination among departments or consistently applied rules for why, when, and how often the company should “reach out and touch” each customer, it’s easy for local departmental practices to take over. This not only leads to each department going “solo,” it also results in too many irrelevant, inconsistent, or even conflicting customer communications.

In addition to a lack of governance, most carriers don’t have the technology to support the effective use of multiple channels, such as web, mobile, and social media. Content assembly processes cling to the labor-intensive processes of the 20th century, and systems often don’t make it easy to reuse or share content with different business units and functions.

In our view, leading carriers who implement a mature customer communications management system will gain a competitive advantage in the market driven by cost savings, efficiency gains, and increased customer engagement.

Carriers that lag behind may lose out to competitors whose communications are less irritating and frustrating for customers.

At the end of the day, the goal of any insurance carrier should be to ensure that their customers feel understood, appreciated, and protected. With the proper technology and governance in place, valuable customers—such as Jack and Monica—would have remained loyal customers of UNeed for years to come, most likely purchasing additional products when the time was right.

When carriers move away from a disparate collection of “solo” communications and towards a “symphony” of content that is harmonized across the organization, the results can, indeed, be powerful.

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We would like to thank Arti Mistry for her contributions to this publication.

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"From solos to symphony: How insurers can harmonize customer communications," PwC, October 2015, www.pwc.com/fsi