

Bridging the insurance relationship gap with digital customer communication

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Traditional insurers have never faced as much competition for their customers' attention as they do now. A whole litany of tech-centric startups are coming for their lunch and they're doing so by making life much simpler for customers. In order to remain competitive, therefore, insurers need to focus on building stronger relationships with customers. And the best way to do that is through digital customer communication.



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Doing so might mean breaking long-held ways of doing things. After all, insurers traditionally only contact their customers when they purchase or renew a policy, or when they make a claim. Even then, the actual point of contact might be an agent or broker, rather than the insurer itself.

While that may once have sufficed, consumers have become used to the levels of engagement they get from other companies. As a result, they'll quickly notice when a company doesn't meet their expectations. In a digital world where everyone is online all the time, they'll also be aware of the experiences offered by industry upstarts. With little to no control over customer touchpoints and the associated communications, insurers find themselves in the dangerous position of having a weak relationship with their policyholders.

The relationship gap

In fact, there is a distinct gap between what insurers can offer their customers and what customers expect. According to a recent Salesforce report, there "is misalignment in priorities between insurance buyers and insurers".

For instance, “Knowledgeable salespeople” is the #1 requirement of customer experience that policyholders want, yet it appears relatively low on the insurer’s priority list. The report also points out that mobile apps are considered a top priority for insurers, but are relatively low down on the customer’s list of priorities.

That gap can only come from not understanding customer wants and needs. The end result is that customers don’t get the experiences they’re looking for.

Building direct relationships

Customer communication via digital channels is key to building those experiences. Good customer experience is, after all, based on building positive relationships and you can’t do that in silence.

The trouble for traditional insurers is that there have been relatively few opportunities to engage with their customers. In many instances, the only guaranteed interaction between an insurance provider and a policyholder is the bill or annual policy renewal.

When these touchpoints are managed by the broker or via self-service on a portal, the insurer is left with little to no opportunities to connect and engage with the customer. That does not mean, however, that insurers can’t interact with customers outside of these instances. In fact, they should.

Insurers sit on vast amounts of data, which they can use to anticipate life events and send out communications that are timely, personalised, and relevant to each individual customer.

The heart of digital CX

Ultimately, this underlines just how important customer communication is to creating great customer experiences. Knowing that’s key is, of course, very different to being able to build those experiences.

Fortunately, there are some simple steps insurers can take when it comes to using customer communication to create great digital customer experiences. These include:

- Digitising the customer communication experience by offering customers the option to receive bills, policies and other communication by email or online
- Track customer behavior to improve the relevance of customer communication and create personalised communications which drive customer engagement, loyalty and ultimately, customer experience.
- Insert custom offers into transactional messaging. Customers appreciate relevant marketing information that is personalised according to their interests and life stage.

These steps should form part of a defined customer communication management strategy that includes both the customer and the broker/agent that holds the relationship. This strategy should focus on removing any friction in the communication experience and on adding value to both broker and policyholder.

Transform now and thrive

Digital technologies are transforming insurance just as quickly as any other industry. Traditional insurers that don’t recognise this, risk falling behind and losing customers. Those that do, however, can build great, relationship-based experiences for their customers, maintaining loyalty, and helping to grow the customer base even further.

ABOUT THE AUTHOR

Ross Sibbald is the commercial director, Africa at Striata. He is focused on leveraging the power of digital communication to achieve the desired results for his clients.

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