

How insurance companies can boost sales and profits... through better customer communication.

By: Bill Gilbert, Executive Director, Riverside Group

Published on 22 February, 2017

In today's "always on" world, it's perhaps surprising that there's still an industry where customers are keen to receive more communication and information from the companies they deal with.

It's maybe even more surprising to know that this industry is insurance - not generally viewed as one of the high interest consumer categories.

But research and live experience show this to be true. And that more effective customer communication can significantly boost sales and profits for insurance companies.

For example, the EY Global Consumer Insurance Survey (across 24,000 customers in 30 countries) concludes that "consumers want more frequent, meaningful and personalised communications from their insurance providers".

What's more, the service-focused customer communication programmes that our company, Riverside, runs for insurance companies in Europe and South America typically reduce insurance policy lapse rates by between 12% and 30%. And that's in addition to generating profitable additional sales from up to 30% of the customers included.

So why is it, that so many insurers still leave their customers wanting to hear more from them?

There are a number of reasons – including a mistaken belief that customers actually don't particularly want their insurance companies to contact them.

There's also a traditional view amongst companies who distribute through third-party intermediaries that direct communications from the insurer might not support the company's relationships with the intermediaries.

This is another area in which our experience, over many years and in many countries, tells a very different story.

In fact, we consistently find that effective customer communication programmes from insurers can also deliver a number of valuable benefits for intermediaries, that also build their loyalty to the insurance company.

To provide detailed insights into why and how effective customer communication can help boost insurance sales and improve customer and intermediary loyalty, Riverside has recently produced a new 8-page guide on the subject. Please see below.