

## **Insurers: Is digital the only choice now for successful customer communication?**

There's no doubt that the pandemic would have been even more disruptive for the insurance industry had it happened before digital communication.

We've quickly become accustomed to working from home with video meetings rather than face-to-face. And perhaps we've even become more efficient in some ways, through having to communicate digitally with our colleagues, distributors and supplier partners.

Many in the industry already think that they'll never go back to the "old" way of working - and to a large extent, they're probably right.

But what about communications with the people we're ultimately here for: our customers?

Some commentators are predicting a "new normal" where face-to-face human contact is effectively banished to the realms of history and all communication takes place through digital channels.

At Riverside, we generally agree with the view that there will be less face-to-face contact in the future. But we also think that a total switch to digital channels could be an unwise move - especially when it comes to communications between insurers and their existing customers.

Our view is based on helping insurance companies around the world communicate effectively with their customers over the past 15 years.

Almost all of our successful communication programmes don't actually involve any face-to-face contact – but many of them are also not digital, or at least not digital-only.

This is because we find that our most successful communications take full account of the channels that the individual customers we're talking to expect the insurance company to use – based on their past experience.

## **How do your customers expect you to communicate with them?**

In the life sector we often work with insurers whose customers first took out their policies 10, 20 or more years ago. Those customers are used to receiving information in print. Such customers might also feel that printed information is more permanent and trustworthy – even if they are now comfortable with digital communication in their daily lives.

There's no doubt that for many people of all ages, the arrival of a well-presented and targeted written communication in the post is still far more attention-grabbing than any of the dozens of electronic communications they might receive every day.

In the same way, “old-fashioned” voice-only telephone is often an ideal way for the customer to respond as they wish to communications (digital or not) that they receive from their insurer.

None of this means that digital is not hugely important, of course. Nor that digital channels will not continue to proliferate and become natural choices for an ever-growing percentage of the public over time.

However, it's likely that remote channels without personal contact will be much more prevalent after the current pandemic ends, than before. And it's important to consider the full range of remote communication channels rather than exclude everything non-digital.

### **Different channels work well in combination**

At Riverside, for example, we've developed a technique to provide personalised urls and QR codes in printed communications that customers receive by mail. To respond to an offer, or find out more, the customer can key the personalised url into a browser or simply scan the QR code. The printed communication (with its high attention factor) can thus transform into a digital dialogue, which may be supplemented by email and “traditional” telephone conversations to and from the customer.

A targeted mix of channels also allows agents to participate in the communication programme as appropriate and benefit fully from it. In fact, agents warmly welcome the communication programmes we produce and are likely to be even more enthusiastic now, with their traditional contact channels impacted heavily by the pandemic.

The communication programmes we run, using traditional offline channels plus digital communications, typically generate response rates of 10%-30%, delivering NPV of €2 million - €5 million for every 100,000 customers contacted.

What's more, our programmes clearly demonstrate that customers appreciate relevant targeted communications, through channels that are appropriate for them as individuals. Lapse rates on existing policies held typically reduce by 12%-30% (as measured against a control group not contacted).

We also share extensively in the costs of every programme we run. So we can only be successful if the insurance company is successful too.

We'd be delighted to tell you more about the benefits of working with Riverside – including the extensive customer insight that our analysis invariably provides for every insurer we work with.

To arrange an online discussion, via Zoom or any other platform of your choice, just send us an email at [info@riversidegroup.nl](mailto:info@riversidegroup.nl) and we'll be delighted to arrange things.