



### Changing World

General insurers face numerous challenges in their quest to build a sustainable and profitable business.

From a financial perspective there is a fundamental need to develop a business that is viable on its own merits and not reliant on 'by product' revenues such as referral fees. At the same time capital requirements need to be managed against increasingly demanding regulatory requirements and the needs of the ongoing business.

Considering brand equity and customer relations, the industry still suffers from levels of trust that remain unsatisfactorily low, partly due to regulatory and legislative changes but also as a result of failing to match customer expectations.

At the same time, insurers need to move from a model based on customer acquisition to one that emphasises retention and development, ideally to the point where customers become advocates.

Achieving this will require a more customer-centric experience, orientating to the needs and behaviours of their customers, rather than policy-holders and making the customer the central platform from which the organisation operates and against which business decisions are evaluated.

By gaining a deeper understanding of the customer, insurers can begin to make sense of the explosion in data, the adoption and shift to online and mobile communications channels and the rise of social media. Building stronger bridges with customers is imperative to driving brands and delivering long term profitability.

### Business Challenges

Achieving customer-centricity is difficult, particularly when it comes to making sense of the huge amounts of data held in different silos across the business. But achieving a single view of the customer provides substantial benefits in terms of enabling retention and development strategies, identifying relevant cross-sell and up-sell opportunities and ultimately in driving brand recognition and endorsement.

Insurers need to engage with customers in ways that transform simple one-way communications into a dialogue, using the channels and mechanisms of customer preference but at the same time managing operational costs. In today's intensely competitive market, customers expect more from their financial engagements and it is they who decide which companies to entrust with their business. Insurers must therefore ensure that they truly understand customers' addressable needs and service expectation levels.

### ANALYST QUOTE

**'Today, customer-centric marketing is the new model for marketing effectiveness. But to make customer centricity real, marketers must implement best practices in metrics, culture and technology.'**

*Peter Kim,  
Forrester Research*

## Strategic Solution

A customer-centric model enables insurers to act and react appropriately whenever a customer interacts with their brand, ensuring that communications become relevant, timely and purposeful, whatever the channel. The strategic imperative is to therefore shift from a policy view to a single customer view.

Customer-centricity must be the platform from which companies focus their energies and resources to ensure that they are effectively servicing customers. But behind the scenes it requires total commitment across all levels of the company.

## Data

Everything depends on data quality and timeliness. Insurers need to integrate, cleanse and standardise data so that it delivers an accurate 360 degree view of the customer. Once this has been achieved, records can be enhanced by linking to socio-economic, demographic, lifestyle or location datasets.

## Insight

Data analytics enable deeper insight, understanding and segmentation of customers, products and markets, allowing for precise targeting and optimised communications. Sales and customer service agents can make real time decisions and truly engage with the customer by presenting the **'best next action'** to meet their individual circumstances and requirements.

## Communications

In an age where customers research, compare and buy online, insurers need to ensure that they are presenting their customer communications in accordance with each customer's lifestyle, needs and preferences.

## Business Benefits

Converting customer interactions into a consistent, meaningful dialogue delivers a better customer experience and also promises to deliver valuable insight into customer trends and behaviours. This enables the maximisation of lifetime values of existing relationships without increasing operating costs as well as smarter acquisition techniques.

In essence customer-centricity is about facing up to the new world order, where customers and their social networks have increasing control over who they trust and how they engage. It is the insurers that recognise this and successfully adapt to this new paradigm that will prosper in the long term by developing more profitable lifetime customer relationships.

# INSURANCE INSIGHT

## CUSTOMER QUOTE

'Personalised marketing is very important when it comes to delivering on the brand promise. In practical terms this means having the functionality that makes it possible to make the right offer to the right customer at the right time.'

*Tryg – the leading general insurer in the Nordics*

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