

The Power of Customer Connection: Success in Group Benefits

INTRODUCTION

Like so many of today's modern enterprises, group benefits insurance is grounded in technology, with complex, omnichannel platforms necessary for processing millions of claims and other client data. But long-term success in group benefits is firmly rooted in meaningful customer connections. The power of emotional experiences to build and sustain client relationships is key to ongoing engagement. For group insurers to successfully compete in a crowded and commoditized industry, human-centered, data-driven design must be at the core of their digital interactions to reinforce the emotional connections that drive revenue.

DIGITAL CAPABILITY = EMOTIONAL CONNECTION

Players in the greater data-driven world, including Amazon, Starbucks, and Netflix, are well-versed in connecting data to design, and people to personal experiences by putting human-centered design at the core of their products. Recent research that surveyed roughly 430 multigenerational group insurance customers about their emotional connection to their group benefits providers revealed that only 24% felt extremely connected to their group benefits carrier, while 19% felt no connection at all.¹ Further study revealed that group benefits providers' collective NPS (net promoter score, a measurement of customer loyalty) was poor, at a -28.² This was derived from other pertinent questions about quality of service, technology and tools provided, and how likely customers would recommend their carriers to friends. Most telling of all was the question that asked customers about how their primary group benefits provider performed in terms of emotional connection, in areas such as responsiveness, insight, and trustworthiness. Not surprisingly, carriers that are considered "Digital Enthusiasts" in terms of digital persona use scored highest, while companies considered "Digital Laggards," in terms of digital persona use scored the lowest.³

The conclusion of this research is that digital customer outreach matters, and that the group insurance industry has significant room for improvement. This begs the question of how group insurers can raise the bar of customer connection to drive revenue and customer retention. Although there is some correlation between a high NPS score and the use of personas, the best methods are through more data and analytics to deliver experience at scale, to facilitate emotional connections that resonate throughout the customer base.

BRINGING EMOTIONAL CONNECTION TO LIFE

One obstacle to bringing an emotional connection to group insurance customers is the very structure of group benefits. With an employer, rather than an agent as a representative, the potential for customer connection is immediately curtailed. What can take an agent's place are streamlined omnichannel experiences, reimagined customer interactions, scalability, and flexibility in customer delivery to meet customers where they are and at the appropriate time. In this way, client interactions are "experience led," rather than "systems led," with the goal of driving deeper emotional connections that can also be measured for effectiveness and long-term impact.

CONCLUSION

In the group insurance market, it has been said that customer experience, rather than price, product, and reputation, is the last battle for customer loyalty. To set a high standard for customers' emotional connection, group insurers need the building blocks of measured, individualized customer data and analytics to build powerful digital experiences that matter. Powerful connections with emotional resonance make for repeated and meaningful touchpoints that can add value and mark the start of a genuine and long-term group insurer/customer relationship.

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1 "Making a Deeper Customer Connection," Craig Weber, Cognizant, August 2022

2 Ibid.

3 Ibid.