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Gaining a Competitive Advantage through Improved Customer Experience

**A WEBINAR BROUGHT TO YOU BY:
PITNEY BOWES SOFTWARE**

April 26, 2012



Insurance-Canada.ca

Speaker: Patrick Surry, PBS

Sponsor: Pitney Bowes Software

Moderator: Doug Grant, Insurance-Canada.ca

Technical Moderator: Joe Golobic, Insurance-Canada.ca



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Marketing

the process used to determine what products or services may be of interest to customers.

the strategy to use in sales, communications and business development.

generates the strategy that underlies sales techniques, business communication, and business developments.

an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.



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Dr. Patrick Surry,

Global Solutions Owner for Customer Analytics, Pitney Bowes Software

**Gaining a Competitive Advantage
through Improved Customer Experience**

Gaining a Competitive Advantage through Improved Customer Experience

Using analytics to deliver relevant, 1:1 customer
communications and effective cross-channel dialogue



Dr. Patrick Surry, PhD
Global Solutions Owner for Customer Analytics
Pitney Bowes Software

Pitney Bowes: A company built on trust

- Our heritage is built on helping organizations communicate with their customers
- Relationships are founded on emotions of trust, empathy & respect built from experiences created by communication
- We are a leader in both physical and digital customer communication management
- Over 300 Insurance customers worldwide trust PBS.



A woman with blonde hair tied back, wearing a dark jacket, is holding a large blue umbrella. She is looking off to the side, away from the camera. The background shows green foliage and a bright sky, suggesting an outdoor setting. The image has a soft, slightly blurred quality.

“In an industry where every company is providing the same value, the only way to break away from a price war with the competition is by offering a superior customer experience ...

“ ... customer experience is highly correlated with three key attributes of loyalty: willingness to buy products, reluctance to switch providers and likelihood that customers will recommend a provider to others.”

Market trends

More Products



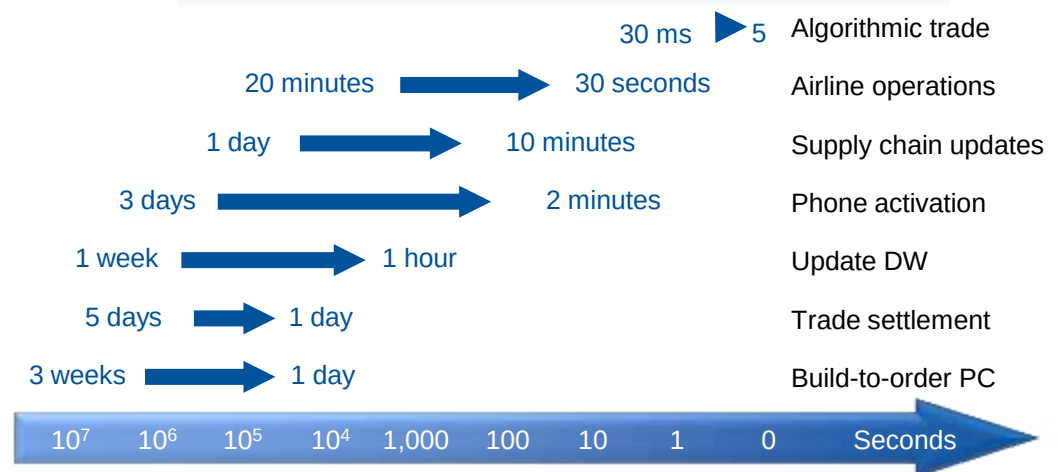
Higher Expectations



More Channels



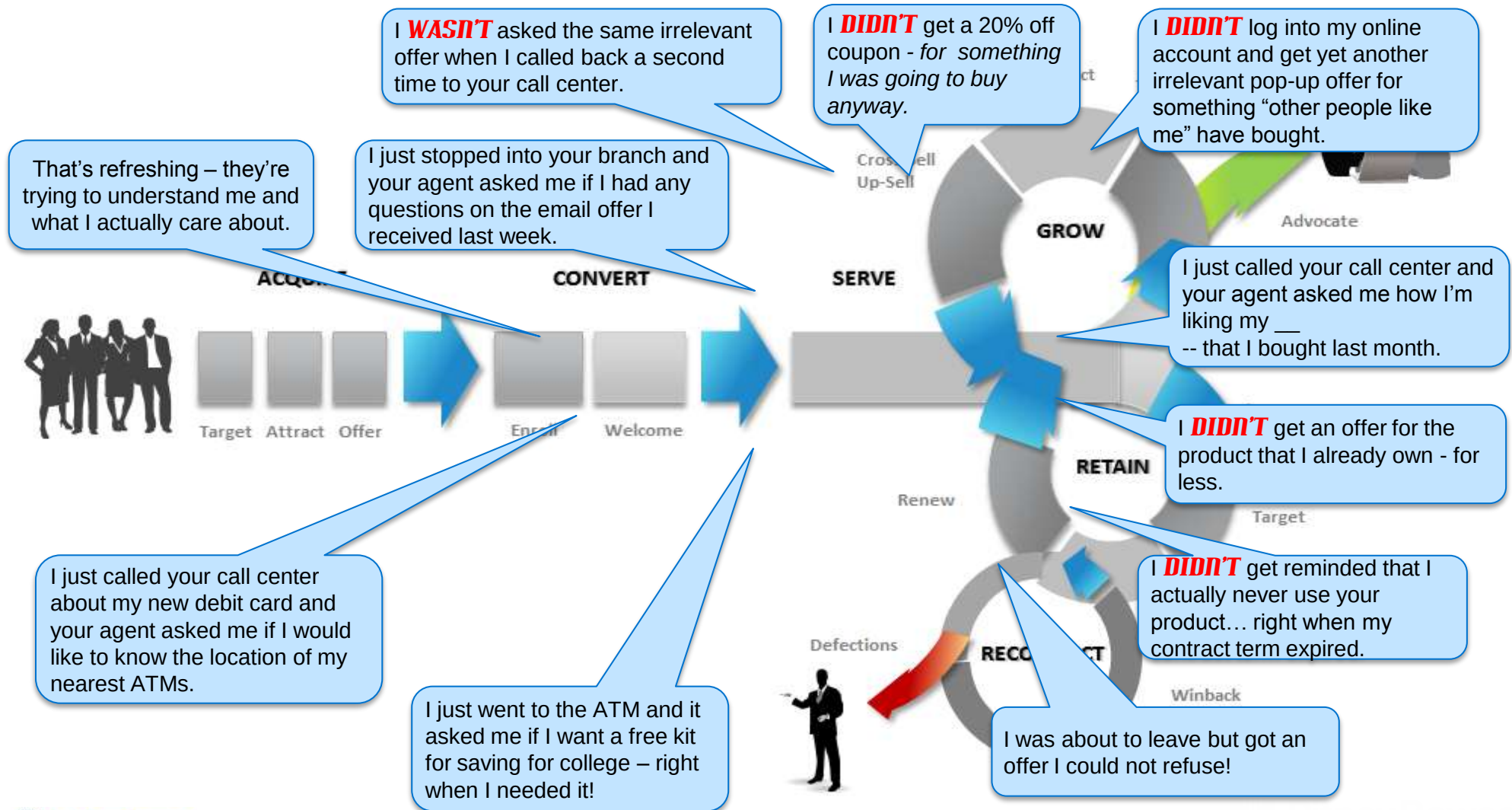
Lower Latency



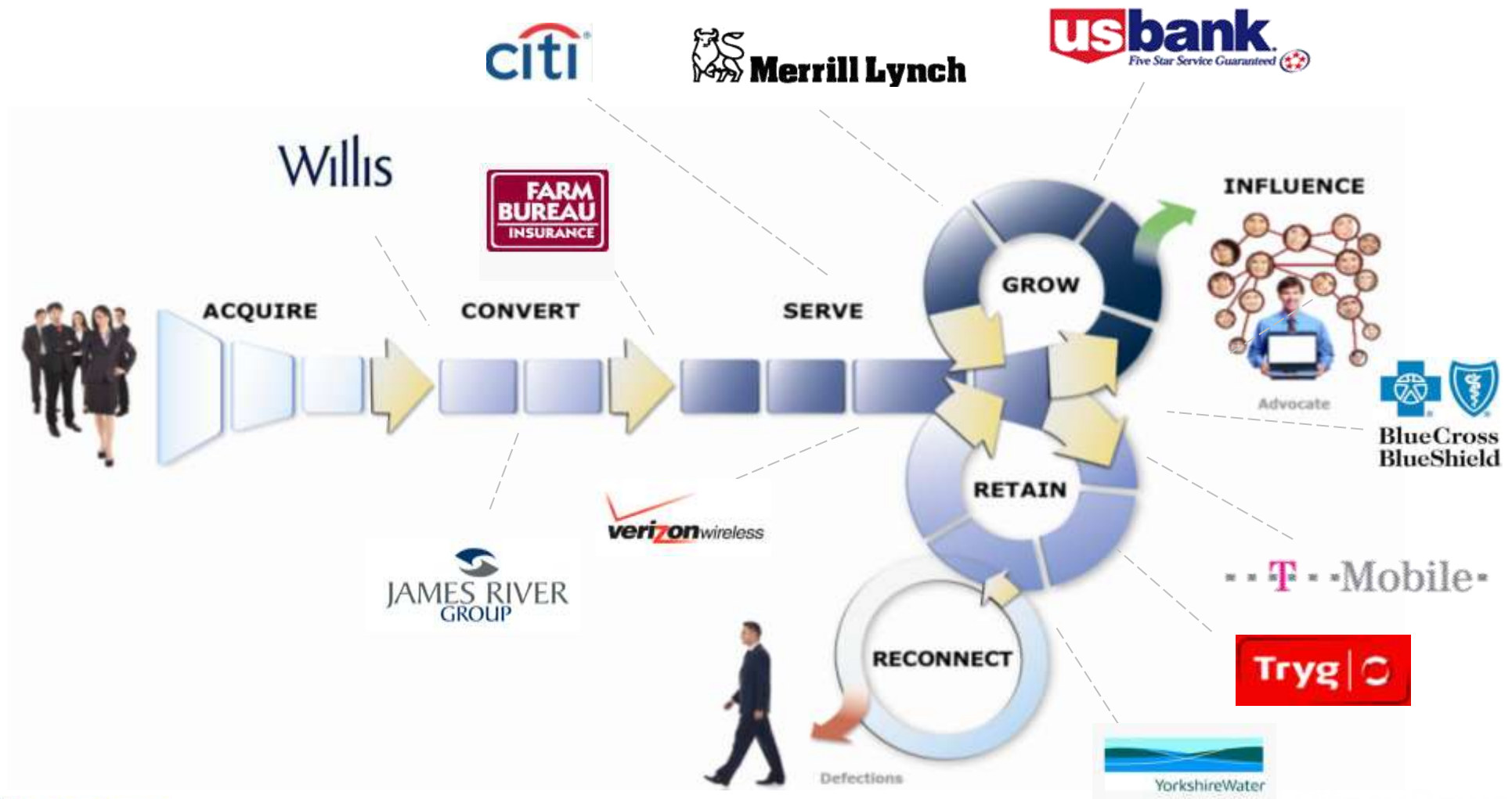
Keep the customer at the center of every interaction



Optimizing the customer journey



Better customer relationships at each stage drives millions in revenue



Building deeper customer relationships

UNDERSTAND YOUR CUSTOMERS

Gain the 360° view you need to target more effectively

OPTIMIZE EVERY INTERACTION

Integrate real-time decisioning and analytics into every process.

RECOGNIZE TRUE LOCATION RISK

Visualize opportunities that your competitors will miss

ENGAGE CUSTOMERS ACROSS CHANNELS

Deliver a consistent experience based on policyholder preferences

Data quality



UNDERSTAND
YOUR CUSTOMERS

*Gain the 360° view you need
to target more effectively*

- Improving customer data quality
- Customer data enrichment
- Data integration
- Accessing, profiling and remediating data
- Relationship mapping



A customer is more than a name and address



Female
Between 15 and 25 years of age



Female
Age 22
Buenos Aires, Argentina
Married



Female
Age 22
Buenos Aires, Argentina
Married with 3 children
Online consumer
Rents apartment
Owns 5 year old Toyota
Existing customer of one product
No life insurance
Part time job
Lives 5 minute drive time from my branch/store
Match profile of my best customer
Prefers email correspondence

Marketers are overwhelmed by (big) data...

Adobe

The New CMO Challenge

How to turn Big Data into your company's biggest asset



IBM Big Data Platform
Understanding Big Data

McKinsey & Company

McKinsey & Company

Are you ready for the era of 'big data'?

...tion, constant experimentation, and novel business
... of competition as companies capture and
... you should know.

McKinsey & Company

Are you ready for the era of Big Data?

Radical customization, constant experimentation, and novel business models will be new hallmarks of competition as companies capture and analyze huge volumes of data. Here's what you should know.

SEPTEMBER 2011 • Brad Brown, Michael Chul, and James Manyika

Global Institute

JOIN

- Thought Leadership
- Professional Development

For more information...

Radical customization models will be new hallmarks to analyze huge volumes of data. Here's what you need to know.

OCTOBER 2011 • Brad Brown, Michael Chui, and James Manyika
Source: McKinsey Global Institute

 DMA
INCREASE YOUR MARKET ABILITY

[illegible]

JOIN
THE
DNA

- Through Loadings
- Proportional Densification
- Volume or porosity

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The New Age of Digital Marketing: How Big Data and Advanced Analytics Are Reshaping the Marketing World

Complimentary Research

Aberdeen Group
A Harte-Hanks Company

Access Now

Big Data Mgmt:
Achieve High Satisfaction Rates

In-Memory Computing: A Discussion on Lifting the Burden of Big Data Learning from the Customer Experience

Aberdeen Group
A Harte-Hanks Company

Executive Webinar Sponsored by



An HP Company

Mobile BI & Big Data Delivering Analytics to the People



Social media and unstructured data



Wordle of Gartner's Magic Quadrant for Social CRM (2011)

Location intelligence

RECOGNIZE TRUE LOCATION RISK



- Automated underwriting
- Risk aggregation
- Risk appetite
- Accurate policy pricing
- Claims readiness
- Territory definition
- Agent location
- Policyholder location
- Premium tax

*Visualize
opportunities
that your
competitors
will miss*

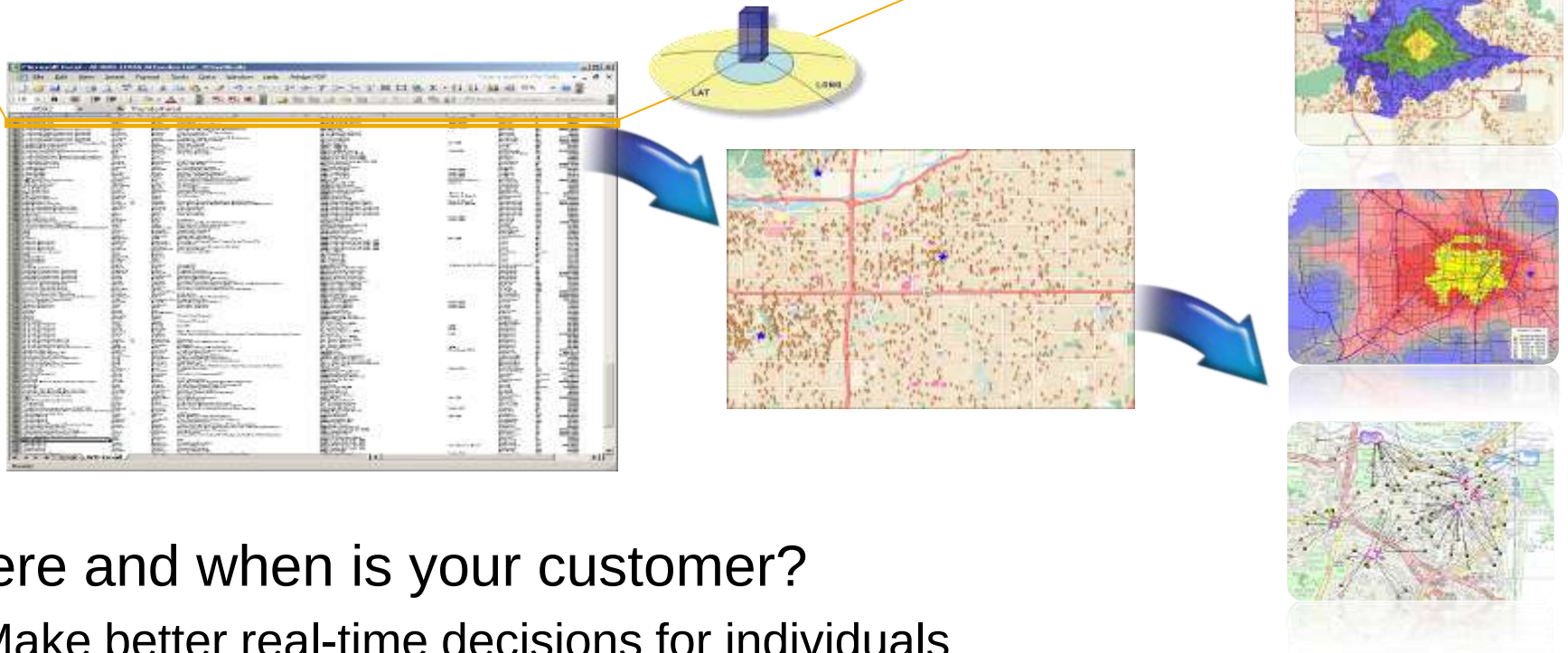


"We were able to provide initial estimates of exposure and potential loss before the storm even hit the shore and then validate these through their on-site inspections."

-- Brian Haney, Vice President & Chief Actuary

Leverage spatial and temporal context

Street	City	State	Zip	Latitude	Longitude
758 Front Street	San Francisco	CA	94123	-122.398925	37.794000



- ❑ Where and when is your customer?
 - ❑ Make better real-time decisions for individuals
 - ❑ Build a richer profile of the customer journey

Customer analytics

OPTIMIZE
EVERY INTERACTION

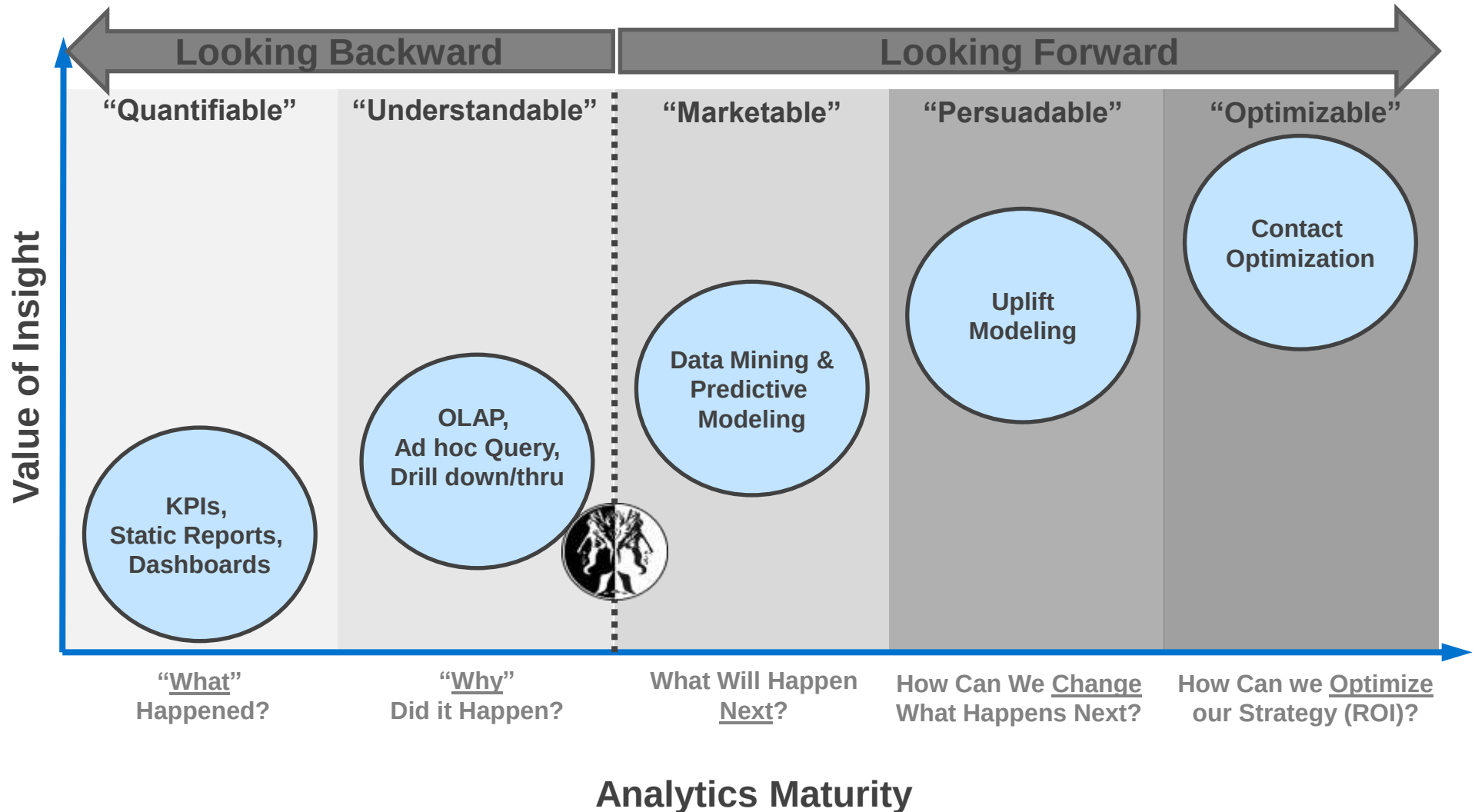


*Integrate real-time
decisioning and analytics
into every process.*

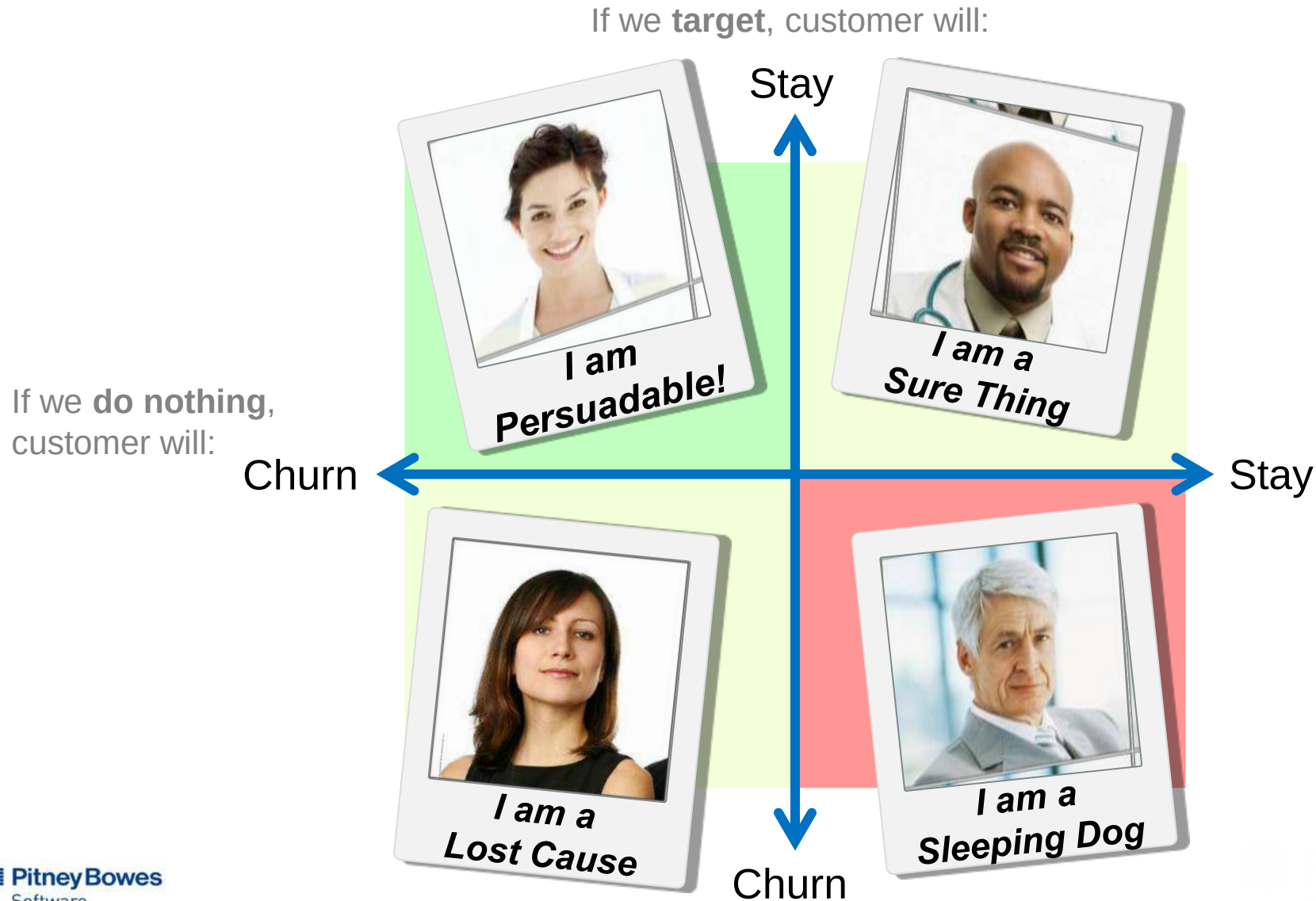
- Policyholder/agent/carrie customer needs
- r interaction optimization • Strategy for best-next action
- (inbound, outbound)
- Manage on-going • Integrated campaign dialogue across channels
- Explore and understand management



What is predictive customer analytics?



Uplift segmentation for retention marketing



Lloyds uplift case study



Business Challenge: Improve customer satisfaction and increase customer retention

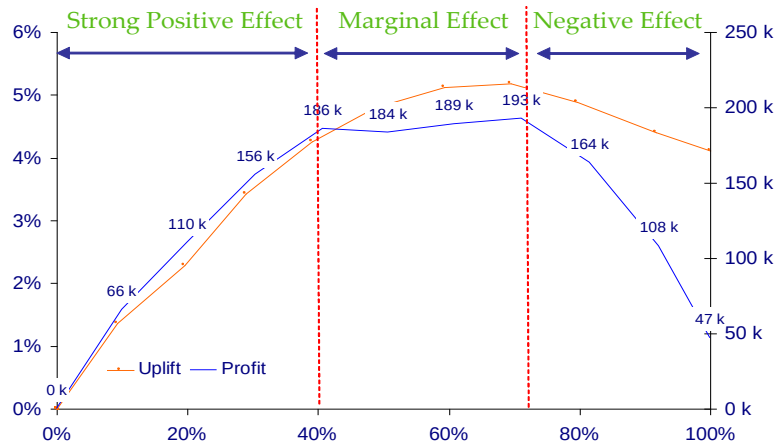
Lloyds TSB is the 5th largest bank in Britain with 70,000 employees and 1,900 branches, operating to 16 million customers.

Portrait allowed Lloyds Banking Group to use Customer Insight as never used before: Leverage Data and Analytical Excellence to increase customer retention and profitability. Portraying a single view of the customer and operating the capabilities to analyze 5m customer with over 200 variables.



Benefits

- Added over £10 million incremental profit per year in the last two years
- Increased the retention rate by 4.09%, 300% better ROI using Uplift
- Increased the marketing response rate by 35%



Initiative	ROI (£/per year)
Customer retention	8,000,000
Customer Cross-sell Cost Savings	400,000
Customer Loyalty Cost Savings	1,100,00
Customer Acquisition Growth	600,000
Customer Acquisition Cost Reduction	600,000
Online acquisition cost avoidance	100,000
Total ROI	10,800,000

Customer communication



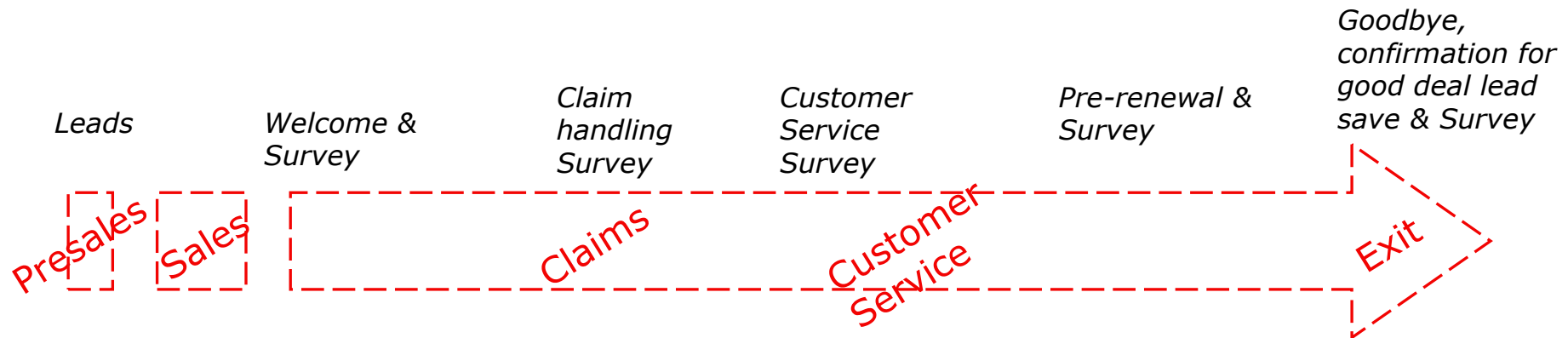
ENGAGE
CUSTOMERS
ACROSS CHANNELS

*Deliver a consistent experience
based on policyholder preferences*

- Coordination across channels of preference
- Deliver consistent (branded) customer experience from paper to digital
- Link touch points across all business processes
- Web-enabled customer self-service
- Real-time interactive claims correspondence



Customer lifetime communication plan



Phone	-	-	✓	✓	✓	✓
Mail	-	✓	✓	✓	✓	✓
Email	✓	✓	✓	✓	✓	✓
Web	✓	-	✓	-	✓	✓
Text	✓	-	-	-	-	-

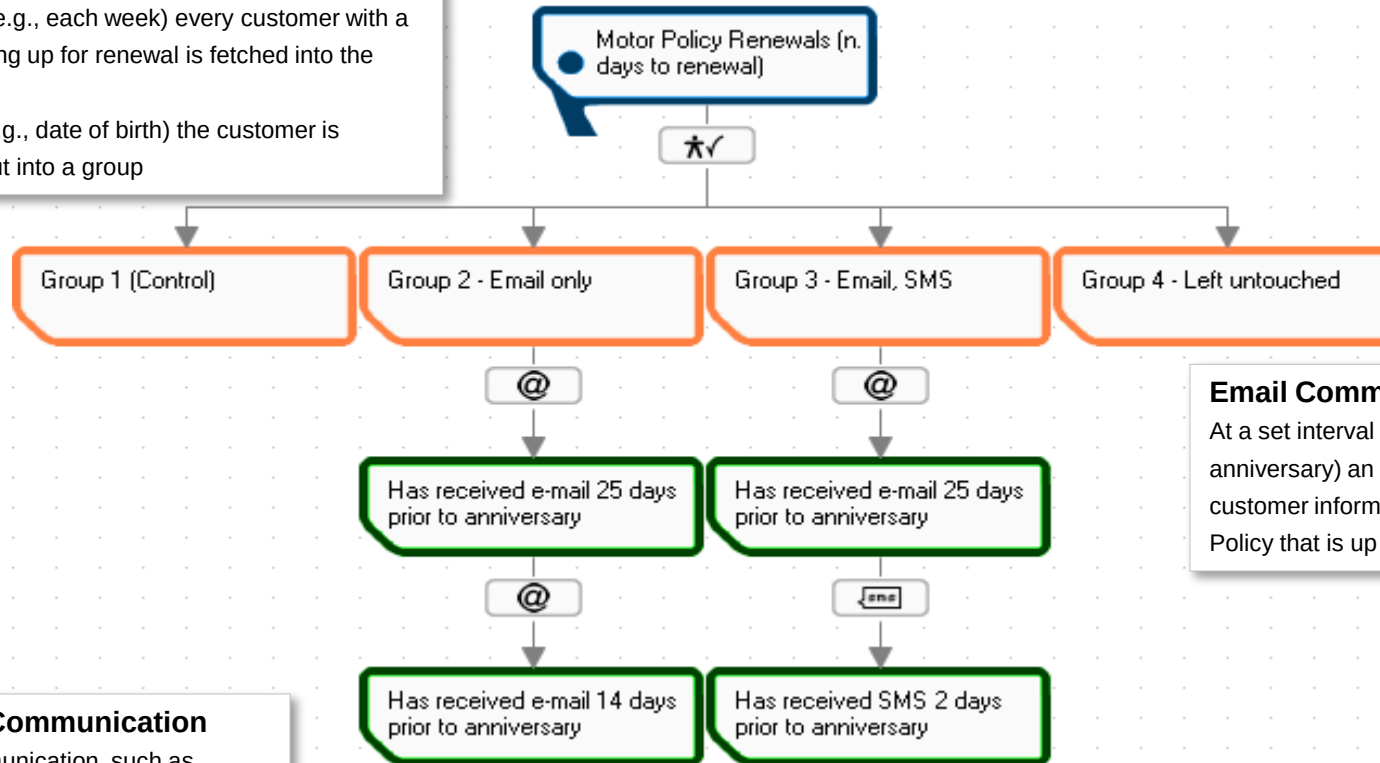
Extras:

- Customers with higher chance of leaving
- Customers that just left - winback
- Customer with enhanced risk

Simple Orchestration and Segmentation

Customer/Policy Selection

- At a set interval (e.g., each week) every customer with a Motor Policy coming up for renewal is fetched into the dialogue
- Based on data (e.g., date of birth) the customer is segmented and put into a group



Email Communication

At a set interval (e.g., 25 days prior to anniversary) an email is sent to the customer informing about the Motor Policy that is up for renewal.

Second Wave Communication

Second wave communication, such as reminders or follow ups, can be triggered at a certain event or at a set number of days prior to policy anniversary.

Contact info & change (one page)

Front page
(one page)

Kontaktinformasjon
Vi vil gjerne ha melding til å komme i kontakt med deg så raskt som mulig. Deres e-post kontakt.
Opplysningene vi har oppgitt nedenfor skal vi bruke, her vil vi gjerne om å oppdatere dem i tillegg til
hvis:

Operatör Kontakt Information:

— 100 —

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□ □ □ □ □ □

Jeg gir mit samtykke til, at Tryk kan sende nyhedsbrev og andre informationsresourcer vedrørende mit indl. til Tryk på e-post. Skriv venligst din e-postadresse i feltet ovenfor.

Informasjonen du gir Tryg i dette dokumentet vil bli lagret i Tryggs og konsernets kundedatabase.
Tilgangene du har gitt vil bli brukt til:

- Å gjennomføre forskningssatsen du har med Trygg - dette inkluderer oppfølging og retting
- Anonymiserte statistikker for bruk intern i selskapet
- Å gi deg informasjon og service rundt nye og gamle produkter

er oppmerksom på at du i henhold til Personopplysningsloven §26 har rett til å reservere deg direkte markedsføring fra Tryk. Det kan du gjøre ved å henvende deg til oss. Da registrerer vi reservasjonen i vårt interne reservasjonsregister.

etaler i dag dine forsikringer over 2 terminer. Kryds af for om du ønsker å beholde
sterende antal terminer eller om du ønsker å giare endringer.

bag van der A heeft de volgende afschrijvingen aan de overname:

Þú getur fengið 3 vikur til 3 tæmis. Þessu er dæmið 0%.

Das Zentrum ist ein zentraler Punkt, der die gesamte Struktur des Systems darstellt. Es ist ein zentraler Punkt, der die gesamte Struktur des Systems darstellt.

Ing. Andrea B. Costa, M. Sc. & Ing. Roberto A. Costa, M. Sc. *Quemados 27*

ker du å bli kontaktet?
du spørsmål eller noe du gjerne vil ha utlyst, kontaktet vi deg naturligvis

Jeg har andre ordbruges/spørsmål og vil gjerne kontaktes per telefon

hvis ønsker tilbud på andre forskninger og vi gerne kontaktes per telefon

3471446 20082010 0 43 18 0018124501 C 20100829 00

• 66dA
2233
TIME 6/8

Big brother – ein Überwachungs- oder Kontrollsystem, das die Aktivitäten der Bürger überwacht und kontrolliert. (z. B. das Internet, das die Aktivitäten der Bürger überwacht und kontrolliert).



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Pre-renewal campaign



- Our longest running campaign, started September 21, 1999
- Adds significant value:
 - increased loyalty,
 - reduced costs,
 - cross-sell opportunity
 - increased brand recognition,
 - correct coverage for the customer,
 - increased customer insight,
 - improved data quality,
- Reaches 80% of our private customers in Norway each year
 - 95% remember to have received the mail
 - 80% find the mail relevant for them
 - 36% say the mail positively influence them to renew their policy
- Campaign time-to-market improved by 80%
- Loyalty improvements from 3-6%

Key Takeaways

- Superior customer experience is the key differentiator
 - Break away from downward pricing spiral
 - Improve retention by addressing underlying drivers
- Customer analytics drives more effective interactions
 - “Moments of truth” throughout the customer lifecycle
 - Create a cross-channel dialogue with a connected customer view
- Create an analytics roadmap for your organization
 - Consider uplift modeling
 - Take advantage of spatial & temporal customer context
 - Make use of the “big data” you already have
 - Then worry about “Big Data” and “Social”

Thank you! Questions?

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