

Improving the customer experience using communication engineering to solve a defection problem.



A confusing billing statement was the #1 customer complaint for one of the top insurance companies.

Background

One of the top insurance companies in America wanted to address a challenging, industry-wide problem: costly customer defections that hurt its bottom line...and its brand.

The Challenge

The company conducted some initial research, and discovered that an often overlooked document—the customer billing statement—was a key factor in a large number of defections.

Customers didn't know what to pay or when. They didn't understand how their premiums were calculated. They also didn't know what to do if they had a problem or question.

The problems were significant enough to be one of the top reasons for customer complaints. In fact, some customers were even leaving the company, resulting in costly policy cancellations.

The company had tried to resolve the problems with internal document re-design efforts. But those initiatives failed to make a significant, measurable impact.

As a result, company executives decided that they needed to bring in outside expertise to help them eliminate all sources of customer confusion and dissatisfaction in the billing statement and dramatically improve related documents like policy declarations and customer I.D. cards.

After thoroughly investigating the capabilities of leading consultants in the field, the insurance leader hired our communication engineering experts from Xerox.

Re-engineering customer communications.

Transforming their business.

The Solution

Communication engineering is a disciplined methodology that uses sound behavioral science and proven design techniques to re-design documents to achieve specific business goals.

The first step in the process is a Knowledge Exchange Workshop (KEW) that reviews all of the documents used to communicate with customers and identifies the ones that will generate the most important business benefits after the design improvement process is completed.

The KEW also gathers detailed information on every aspect of the documents targeted for improvement from client organizations with an important stake in the re-design effort. In addition, our KEW team gathers critical insights from the Voice of the Customer.

When the insurer's KEW was completed, our team clearly understood all of the client's requirements for the documents as well as the root causes of its customers' concerns and complaints. The team then used this information to implement more than 80 specific ways to improve the billing statements, policy declarations and I.D. cards.

Our communication engineers then worked closely with the client team to develop, test and refine document designs to implement the improvements and achieve the insurance company's goals.

The Results

The results were tested online with nearly 100,000 policyholders. The key document—the billing statement—was also tested against bills from competitors by an independent research firm.

Customers confirmed that the re-engineered documents were superior to the originals and made it much easier to do business with the company. In particular, they liked the fact that critical information was easier to find and understand.

Independent research also confirmed that the documents delivered a much better customer experience than competitive documents.

Based on these results, the insurance company initiated a broad-based rollout of the improved documents. The company then launched additional communication engineering projects with us to achieve high-priority business goals.

Case Study Snapshot

The Challenge

- One of the top customer complaints was a confusing billing statement
- The bill contributed to a customer defection problem costing millions every year
- Previous internal re-design efforts failed to fix the problems
- I.D. cards and policy declarations also needed improvement
- The existing document designs did not build loyalty or facilitate cross-selling

The Solution

- Our communication engineering team led an in-depth effort to improve the documents
- A Knowledge Exchange Workshop gathered information, analyzed the documents and identified more than 80 improvements
- The re-designed documents were tested and refined prior to rollout

The Results

- The re-design effort eliminated causes of customer confusion and improved the customer experience
- Innovative changes built customer loyalty and facilitated cross-selling
- The re-designed documents were tested online with nearly 100,000 policyholders
- The vast majority preferred the re-designed documents to the originals and to similar documents from competitors

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