

You Get Me: The Powerful Link Between Emotions and the Policyholder Experience

Communications to policyholders are often stale and impersonal, regarded simply as a tool for information sharing. But they don't have to be. Communications can be a strategic tool in improving the policyholder experience. By making the impersonal personal, insurance companies create emotionally connected – and more loyal – policyholders. Organizations that excel at making every connection count stand to reap the rewards of an engaged policyholder base.

Humans are social beings. In his book “Social: Why Our Brains Are Wired to Connect,” neuroscientist and UCLA professor Matthew Lieberman argues our need to connect with other people is more fundamental than our need for food or shelter. The human brain is wired to be social, to connect on an emotional level.

What does that have to do with business? If insurance companies can connect with customers emotionally – go beyond simply sharing information to designing interactions that tap into what a policyholder is thinking and feeling – it resonates with them on a deep level. They intuitively feel like the organization “gets them.”

For instance, when policyholders interact with an insurance company, they may have an unspoken desire to feel that they are safe. If the organization uses language and product features that reinforce its ability to keep them covered when an accident or tragedy happens, it could form an emotional connection between the insurance company and the policyholder.

Having emotionally connected policyholders is powerful. They “buy more of your products and services, visit you more often, exhibit less price sensitivity, pay more attention to your communications, follow your advice, and recommend you more,” according to the 2016 Harvard Business Review article, “An Emotional Connection Matters More than Customer Satisfaction.” Not surprisingly, those positive actions from customers lead to better financial performance.

“The human brain is wired to be social, to connect on an emotional level.”

Matthew Lieberman, neuroscientist and UCLA professor

Policyholder Experience Drives Emotional Connection

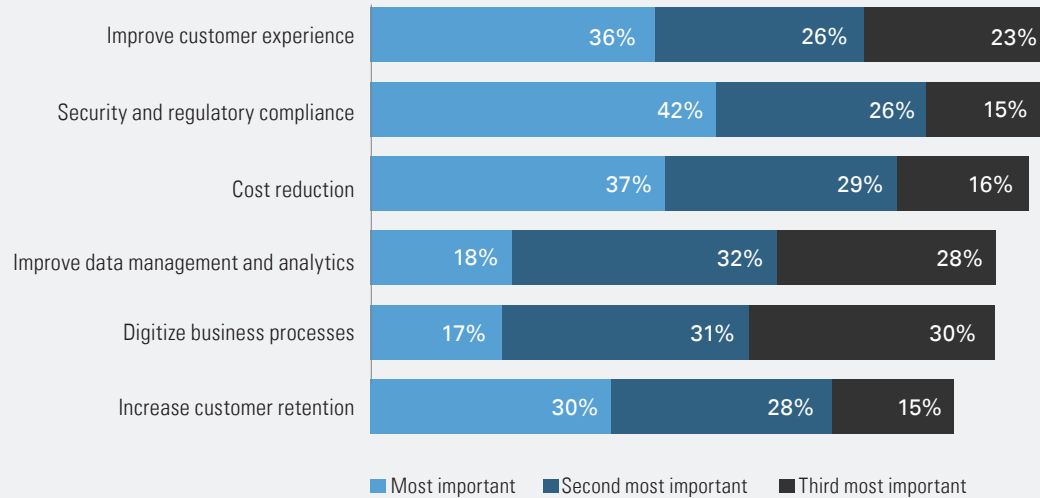
One of the key drivers of a policyholder’s emotional connection to a company is the experience.

For insurance companies – with products and services largely indistinguishable from one competitor to another – the policyholder experience is one of the few ways to differentiate themselves. According to the 2018 Keypoint Intelligence-InfoTrends “Annual State of Transactional Communications Consumer Survey,” 85 percent of companies said “improving customer experience” was one of their top three objectives, edging out both security/regulatory compliance (83 percent) and cost reduction (82 percent).

“An Emotional Connection Matters More than Customer Satisfaction”

Harvard Business Review

How important are the following business objectives to your transactional communication strategy over the next two years?



Source: Annual State of Transactional Communications Survey, Keypoint Intelligence-InfoTrends, 2018

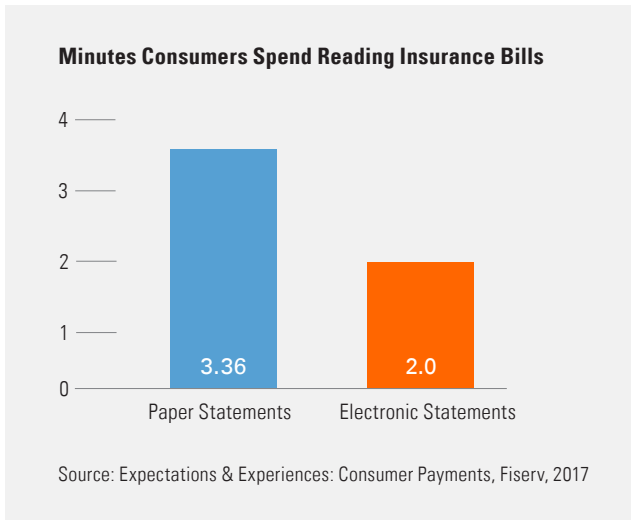
Three areas that can drive a superior policyholder experience are:

- **Being easy to do business with** – Whether reviewing coverage, paying bills online or checking claim status via a smartphone, policyholders want everything easily accessible
- **Being consistent across channels** – We live in a multichannel environment. Policyholders can, and do, interact with insurance companies in a variety of ways. That makes the task of managing consistency across channels more complex than ever. The insurance companies that master consistency throughout the engagement life cycle – for digital and print – stand to reap the benefits
- **Delivering relevant and personalized communications** – Personalization is the new normal. From their coffee order to their car purchase, policyholders are accustomed to “having it their way.” They expect the same level of engagement from their utility service providers

Transactional Communications Impact the Policyholder Experience

Unfortunately, many interactions haven’t been designed using an emotional connection strategy. The negative consequences of those impersonal, auto-generated communications can be substantial. More than 63 percent of people switch providers due to a bad experience, according to the Keypoint Intelligence-InfoTrends research.

On the flip side, enhancing emotional connection with policyholders can be a powerful growth strategy. Researchers analyzed hundreds of brands in dozens of categories to measure and target the feelings that drive customers’ behavior. Analysis published in the Harvard Business Review article “The New Science of Customer Emotions” said “emotional motivators” provide a better gauge of customers’ future value to a firm than any other metric, including brand awareness and customer satisfaction, and can be an important new source of growth and profitability.



Part of any communication strategy should be to re-examine transactional documents such as statements, bills and notices.

Policyholders spend two to three minutes absorbing the information on their monthly bills, according to the 2017 Expectations & Experiences: Consumer Payments survey from Fiserv. Given that the average attention span of an individual is eight seconds, three minutes is an impressive amount of time to spend on a single document.

You have the policyholders' attention. Those documents are an often-overlooked opportunity to positively engage policyholders with easy-to-read content, customized messaging, color formats and brand consistency.

In today's fast-moving world, people want to engage in personalized experiences that anticipate their needs rather than be inundated with what they see as junk mail. Transactional documents are a golden opportunity to improve experiences and create emotionally connected policyholders, deepening their trust in their provider. Insurance companies that are successful at multichannel communications stand to reap the benefits of more engaged policyholders and drive greater distinction from competitors.

About the Author

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Chronis is responsible for product marketing and consumer research functions for Output Solutions. Chronis joined the company in 2009. He has spent more than 30 years in the financial services industry, including 20 in the customer communications management segment focusing on marketing, competitive intelligence, strategic planning and product development.

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