

Case Study

Aviva (previously Norwich Union) – Insurance

How the UK's largest insurance company increased customer satisfaction by 23 percentage points, cut its staff attrition rate in half, and reduced costs by 20 percent, adding millions of dollars to the bottom line.

Introduction

Aviva, formerly Norwich Union, is the number-one provider of insurance in the United Kingdom and the fifth largest insurance provider in the world. Darren Cornish was named director of customer experience and was charged with the task of translating high-level objectives into a program focused on customer experience. The company's vision was to be carried through from the boardroom to the front line.

The Challenge

As a leader in the insurance industry, Aviva needed to rehabilitate the public's negative perception of the insurance market and differentiate itself as the firm that sets the standard for excellence in customer experience. Since over 3.5 million customers contact Aviva each year at times of distressing life-changing events, including the loss of a family member, a car accident, a burglary, or a natural disaster, Aviva had to find a way to emotionally engage customers.

When Norwich Union, now Aviva, was formed through corporate mergers in 2000, employees lacked a decisive vision of their purpose that they could be carried through all activities. In some divisions, for example, approximately half Aviva's employees were involved in a performance management process directly resulting from negative customer feedback. The effect was disastrous for both employee morale and customers. At this juncture, Cornish contacted Beyond Philosophy to revitalize Aviva's commitment to customer experience.

At the same time, Aviva sent approximately seven million documents to its customers each year, resulting in 1.7 million calls for clarification regarding these documents.

The Solution

Darren Cornish made great strides. First, he called upon Aviva's senior leadership team to define the company's vision and strategy. Next, he worked with the Beyond Philosophy team to use that information in developing a customer experience statement, or a mission statement designed to lead the company through the process of reaching its customer experience goals. Ensuring that customers also had a voice, he then reached out to the front line and asked them to listen to customers for input. The input pinpointed the discrepancies between the leadership team's vision for the customer and actual customer experience.

This led to Beyond Philosophy's performing a Naïve to Natural assessment of Aviva, which revealed exactly how customer-centric the organization was at that time. Ultimately, Cornish and Beyond Philosophy held sessions with senior leadership to educate them on what changes were needed to improve the company's health.

In addition to utilizing Beyond Philosophy's proprietary Customer Mirror process, Cornish engaged the senior leadership team through "Getting it Sessions," and creation of an internal

blog where directors reached a new level of insight with respect to what it means to provide the ultimate customer experience, rather than bland customer service.

Customer Mirror – Crashing a Car - Auto Claims

Darren gave Beyond Philosophy an interesting challenge: he wanted to see the entire auto claims process from beginning to end, from a customer perspective. He provided a car for the project, which was assigned to a member of the Beyond Philosophy consulting team.

Our task was to purchase an auto insurance policy, crash the car and make a claim. Throughout the entire process, all interactions were recorded using hidden video and audio equipment. The Beyond Philosophy consultant intentionally backed the car into a tree and contacted Aviva in order to initiate the claims process. The “customer” had 23 touch points with Aviva in a confusing and uninspiring web.

Shocking information came to light when the harrowing claim process was initiated; information that would have been completely invisible to Aviva if not for the Customer Mirror. The process was played back to senior executives, who were surprised to see how their company was treating its customers. This acted as a catalyst for change in the organization.

Among other breakdowns in the customer experience, the Customer Mirror revealed the following:

- Aviva’s agent explained a blanket policy that required customers’ vehicles to be towed to a service destination within five miles from their home – not from where the accident occurred. After the consultant explained that he was a few miles from his office, but 100 miles from home – and that he was in a rush to get to a meeting at his office – all the agent could do was apologize while following the rules.
- When the tow truck showed up, another unexpected problem occurred. The consultant, after an arduous debate, was dropped at his office by the tow truck driver. When he asked for a receipt for his car, explaining that he didn’t know the driver and that he’d waited nearly two hours for the truck to arrive, the tow truck driver ripped off the top of a McDonald’s bag and wrote his phone number on it. Upon getting into his office, the consultant called the number provided and found it didn’t work.

Upon watching the videos and conversations from these incidents, one senior executive simply put his head in his hands. The evidence from the Customer Mirror process turned Aviva’s initial 73 percent customer satisfaction rate into mediocrity, and invigorated the leadership team to reach higher.

Customer Mirror – Property Claims

Beyond Philosophy used the Customer Mirror exercise in the property claims division as well. A Beyond Philosophy consultant flooded an apartment with six inches of water and called Aviva’s home insurance. The fictional flooding victim worked with contractors that required a certain percentage of the job be paid immediately and had to take money from an ATM to pay out-of-pocket for the initial expenses. The flooded apartment interaction left the Aviva policyholder feeling like a victim for the second time.

Sharing the Information

There was clearly nothing at all deliberate about Aviva’s customer experience. These Customer Mirrors reveal a typical example of how even huge companies have completely accidental Customer Experiences.

Beyond Philosophy gathered all the information from the Customer Mirror process, developed a series of strategic recommendations that would address the Customer Experience issues, and presented them to Aviva's senior management team.

The Results

Aviva realized that the benefit of standing up for all of its customers far outweighs any concern for potential insurance fraud. The system needed simplification to take the burden off the customer. Cornish incorporates the slogan "no service is good service" to prevent deluging the customer with paperwork and mail.

Highlighting the importance of the subconscious experience, Aviva reduced its inbound calls drastically by changing one word in its dialogue with customers. At the end of each call that required policy information to be sent to customers, they were told their policies "should arrive in five business days." 75 percent of customers who had that interaction – representing millions of interactions – called back to ask about when their documents would be arriving. The cost of dealing with these millions of calls was immense.

Beyond Philosophy, understanding customers have a subconscious and emotional experience, changed one word in the script. Instead of saying their documents "should" arrive, customers were told their documents "will" arrive in seven business days. Within one week, return calls dropped drastically: from 75 percent to six percent, illustrating the power of the subconscious experience and saving Aviva literally millions of dollars.

With Beyond Philosophy, Cornish was able to successfully demonstrate that achieving excellent customer experience does not require excessive expenditure.

By simply listening to the customer, Aviva learned that it could make a significant emotional impact on its customers by making the replacement of child seats standard after car accidents. Beyond Philosophy also inspired Aviva to incorporate a small teddy bear with an Aviva t-shirt as its emotional signature amongst its customers.

Such seemingly small efforts addressed the significant emotional needs of Aviva's customers and resonated well in the marketplace. The very human aspect of going out of its way to provide for accident victims – and their children – earned Aviva a flood of accolades.

The changes Beyond Philosophy helped Aviva make led satisfaction levels to rise from 73 percent to 90 percent. Additionally, the company cut overall costs by 20 percent.

Listening, simplifying and trusting interactions with its customers led to what formerly seemed unimaginable for the UK's largest insurance company: Aviva's Customer Experience efforts added millions of dollars to the bottom line.