
The elusive omni-channel advantage: How to make the complex simple using scalable technology

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Abstract Omni-channel customer experience is re-emerging as a top business priority. With consumers now using so many different digital channels, businesses are struggling to keep pace with their customers' demands to engage on their preferred channels. This paper details how Security First Insurance uses scalable technology to differentiate itself in the market and communicate with customers in a timely, relevant manner. The paper defines a typical customer journey, outlines where and why businesses may lose customers, and explains how to harness the power of data, describing the technology required to transform the customer experience.

KEYWORDS: omni-channel, martech, customer experience, scalable technology, insurance

DIGITAL DISRUPTION, REVISITED

Interest in omni-channel reached its peak in 2018¹ but has since re-emerged as a top business priority thanks to COVID-19 and the pandemic's ongoing impact on how consumers and businesses interact. According to McKinsey,² companies have accelerated the digitisation of their customer interactions by three to four years, and the share of digital products in their portfolios has accelerated by seven years.

As an increasing number of consumer experiences migrate to digital, this digital drive has affected customer expectations. Customer experience (CX) leaders recognise

implications beyond the current situation and into the long term:³

- 79 per cent have seen an increase in digital customer interactions;
- 55 per cent say customers are now more likely to self-serve using digital tools; and
- 50 per cent say customers now expect more seamless, integrated digital experiences.

Customer expectations of digital experiences are increasing.

Consumers want more personalised, more seamless, more integrated experiences —

true omni-channel. But 87 per cent of consumers⁴ are convinced that businesses are not set up to engage their customers on the customer's channel of choice and do so in a way that is personalised to the individual.

Nearly 80 per cent of US consumers say that speed, convenience and friendly service are the top three aspects of a positive customer experience.⁵ Experiences that do not meet those expectations can wreak havoc on an organisation's bottom line:⁶ even when people love a company or its product, 59 per cent of US consumers will abandon a brand after several bad experiences, while 17 per cent will stop doing business with a brand they love after a single bad experience.

CUSTOMER EXPERIENCE INVESTMENT TRENDS

In response to these evolving market conditions, CX leaders are increasingly focused on using data to deliver more seamless and personalised customer experiences. According to Corinium Intelligence,⁷ the top priority for CX leaders (60 per cent) is investing in upgrades to their data integration, data integrity or data enrichment technologies to serve as a stronger foundation for customer experiences. CX leaders are also making the following investments:

- integrated, multichannel CX platforms (46 per cent);
- chatbots with 'live takeover' functionality (42 per cent);
- digital self-service platforms (37 per cent);
- interactive voice response phone systems (33 per cent); and
- interactive and personalised video (32 per cent).

These investments enable data-driven, personalised customer engagements across channels — and even across the disparate segments or silos of a given organisation. Adopting technologies that enable

collaboration across departments — and using data to drive better outcomes and decisions — is essential for the consumer experience and is also emerging as a key workplace trend,⁸ with employees expecting consumer-grade experiences within their workplace environments.

INSURANCE INDUSTRY TRENDS

The insurance industry is not immune to the digital disruption affecting the overall business landscape. Sixty-six per cent of insurance executives report that the pace of digital transformation is accelerating, while 80 per cent say that their organisation's business and technology strategies are becoming inextricably linked.⁹

According to Gartner, insurers are struggling to keep pace with consumer demand for omni-channel capabilities, with insurers self-reporting that:¹⁰

- 28 per cent have 'low' sophistication in their multichannel sales and service channel strategy (eg channels are not integrated);
- 66 per cent have 'moderate' sophistication (eg some integration, but clients cannot switch seamlessly between channels); and
- 6 per cent have 'high' sophistication (eg channels are integrated and enable clients to seamlessly switch among channels).

Significantly, analysts estimate that broader use of technology will propel global insurance premiums from US\$5.5tn in 2019 to US\$10tn by 2030.¹¹

CASE STUDY: SECURITY FIRST INSURANCE

Established in 2005, Security First Insurance is a privately owned insurance provider for homeowners. The company has over 400 employees across the state of Florida and services 300,000 policyholders.¹² One of the key challenges to its business is the

complexity of insurance packages. In the words of Ben Bomhoff, Vice President of Enterprise Systems at Security First Insurance: ‘The average policy package can run 80 pages long . . . No one wants to read it’.¹³

As a result, customers sometimes face unpleasant surprises when disaster strikes, and they learn that their coverage for ‘water damage’ applies to damage caused by broken pipes rather than damage caused by floodwaters. In a hurricane-prone environment like Florida, that distinction is critical and can be costly.

Creating omni-channel experiences to improve the customer experience

Based on their understanding of their customers’ needs and preferred engagement channels, Security First Insurance created a digital experience for single-family homeowners explaining their individual policy coverage and limitations in consumer-friendly language. The key digital channels leveraged were e-mail and personalised interactive video.

The animated seven-minute video opens with a friendly spokesperson greeting the policyholder by name and time of day, and then inviting the user to explore personalised information on topics ranging from coverage to deductibles to available discounts. The video then explains, in ordinary language, the policyholder’s unique coverage and policy limitations. The video concludes with calls to action, such as visiting the company’s home safety blog or updating their policies. Viewers can select which ‘chapter’ of the video they want to view.

Security First distributes these videos via e-mail to new customers who have purchased insurance for a single-family home. The e-mail open rate is 55 per cent, and 76 per cent of those who open the e-mail watch the video well into the four-minute mark.¹⁴ This video viewing duration is a key metric for the business because it means viewers are engaging with the most important coverage messages.

The style, tone, and branding utilised in the e-mail and in the personalised interactive video correspond to the branding elements of Security First’s website and television commercials, further enhancing the omni-channel experience for the customer. Leveraging an omni-channel approach, Security First has increased awareness of policy coverage by 20 per cent.¹⁵

Security First has launched similar digital experiences to address other friction points in the customer experience, including an interactive video to explain the claims process.¹⁶ The e-mail for the claims process experience has earned a 76 per cent click-through rate with 71 per cent of video viewers completing the ‘Important To Know’ section. This experience also directs policyholders to confirm their contact information: 14 per cent of video viewers have successfully updated their information, which helps keep costs down and enables Security First to contact customers when needed to keep the claims process moving forward.

Customer feedback on these omni-channel experiences has been positive,¹⁷ with one customer saying, ‘This video made everything easy to understand and I appreciate the effort this company has put in to provide it to its clients’, and another saying, ‘What a wonderful idea and great presentation, I enjoyed it. I will keep the e-mail for future reference. Thank you very much’.

CUSTOMER JOURNEY – RENEWALS

Across multiple industries, the retention of customers is critical to long-term financial viability. Research indicates that increasing customer retention rates by 5 per cent can increase profits by 25–95 per cent.¹⁸ The following outlines a customer retention journey, leveraging multiple digital touch points. This renewal experience will be drawn from the insurance industry, but the use case is broadly applicable to other industries.

Meet Veronica

Veronica is a single professional who is 'time poor' and rents an apartment in the city. She is cynical about the need for a renter's insurance policy, but begrudgingly signed up for one online a year ago because of pressure from her parents. The renewal date for her policy is approaching. She feels brands generally talk about 'relationships' with their customers but are only truly interested in selling her more things she does not need.

Veronica's renewal journey

As Veronica's renewal date approaches, she receives a personalised e-mail from her insurance company inviting her to watch a unique video experience tailored just for her. Intrigued by the imagery and messaging, she taps to view the video. Veronica's personalised and interactive video explains the value of her policy and the options available to her. She decides to renew to avoid disruption to her service but has some questions. The video leads to a data-driven experience with the company's renewals chatbot which answers her questions and helps her complete the renewal process. Upon renewal of her policy, Veronica receives SMS confirmation to reassure her and provide peace of mind.

E-mail

In this omni-channel experience, the renewal e-mail is the trigger point for the connection between Veronica and her insurance company. Having organised and properly segmented its contact lists, the organisation reaches out to Veronica with an appropriate call to action at the perfect time. Given her profile and the first-party data the company has collected from her, the company understands which form of messaging has the highest possibility of engaging her interest.

According to research from Dynamic Yield,¹⁹ 71 per cent of respondents said they look more favourably on e-mails that feel personally written for them. The organisation

in this example personalises the e-mail subject line using Veronica's name and an intriguing question related to her policy. The e-mail's pre-header text complements the story introduced by the subject line. While only 14 per cent of e-mails utilise pre-header text, e-mails that leverage pre-header text garner much higher average open rates — 22.28 per cent compared with 19.33 per cent for e-mails without.²⁰

The subject line and pre-header text work in tandem to tell an engaging story to Veronica. The story conveyed catches her attention enough for her to tap the e-mail to look at it. The body of the e-mail delivers on the promise made by the subject and pre-header text with a clear call to action: to view her personalised video. She opens the e-mail on her mobile device, and the formatting displays appropriately on that device. Should she switch to a laptop or tablet, the e-mail displays appropriately on those devices as well.

Intrigued by the call to action, Veronica taps to view her personalised video.

Video

As illustrated in the Security First Insurance case study, video can be an effective way to engage a customer. When that video is personalised to the individual, leveraging appropriate customer information, an organisation can create an immersive digital experience that exceeds consumer expectations and meets business objectives.

Businesses leveraging video for customer communications cite several best practices:²¹

- 81 per cent say videos perform better with music;
- 78 per cent say videos perform better with less text;
- 66 per cent say videos perform better with voiceover.

When Veronica clicked the button in her e-mail, a web page opened with her personalised interactive video. This

immersive, real-time experience combines video, music, voiceover narration, images, text, buttons, input fields, and data to create a unique experience for Veronica, which quickly builds upon the story introduced in the e-mail subject line, pre-header text and body content.

Each scene in the video makes a compelling argument for the final call to action. The experience includes relevant links to the company's website as well, so the viewer can browse the site for more information. To help encourage renewal, the organisation offers a discount for renewing early. Won over by a compelling story of why she should maintain her renter's insurance, and incentivised by the early bird discount, Veronica decides to renew.

Conversational self-service

Usage of chatbots as a communication channel has increased 92 per cent since 2019, with 24.9 per cent of customers using chatbots to communicate with business in 2020 — an increase of 13 per cent from 2019.²² However, customers have mixed feelings about the technology:²³ customers trying to resolve important service issues tend to react negatively when they learn that 'person' they are messaging with is a chatbot. However, if the chatbot cannot resolve the customer's problem, the chatbot revelation triggers a positive customer reaction and customer loyalty can even improve. Customers are more willing to forgive a hapless chatbot than they are an unhelpful human agent.

In the scenario with Veronica, the chatbot has been purpose-built to answer questions specifically related to renewals and escalate to live agents if it encounters scenarios outside of that domain. After she finishes her video, Veronica has a question about renewing. The video's main call to action is a button that leads to the website's online renewal centre. The navigation of the video has a button for chat support. She taps the chat support button, triggering a contextual renewals chatbot experience.

Rather than a generic experience which starts the conversation from the very beginning, this experience picks up from the video, making the experience seamless — again, omni-channel. This is accomplished by passing variables to the chatbot so the conversation can pick up from an informed place, confirming information from Veronica rather than asking Veronica to provide information she may feel the company should already know about her.

Because the chatbot is specifically built to answer the most frequently asked questions about renewals, and the chatbot is aware of which scene the user was viewing when the user clicked for help, the connected chatbot experience can suggest specific questions Veronica may want answered and is able to also accept new questions as well. With her questions answered, Veronica elects to move forward with her early policy renewal.

SMS

SMS is a powerful way for businesses to quickly convey relevant, concise, timely messages to their customers. Because SMS is native to all mobile phones, and the learning curve for users is so low, engagement rates are strong:²⁴ 68 per cent of consumers regularly check their SMS messages throughout the day, leading to a 98 per cent open rate with 90 per cent of text messages read within three minutes.

At this point in Veronica's journey, she has received the personalised e-mail, interacted with her personalised video, had her questions answered by the self-service chatbot, and successfully completed her renewal online. The renewal completion triggers an SMS message to her.

The SMS message greets Veronica by name, confirms the renewal, and reassures Veronica that her mission is complete. The SMS activity also builds loyalty because the business is streamlining the customer experience, helping Veronica keep track of what is happening with her account without forcing her to log back into the app or website.

Analytics

Behind the scenes, omni-channel analytics captures relevant data on how customers are interacting with the various communications that make up the digital experience. With an omni-channel approach, the disparate experiences are linked. As the customer navigates from e-mail to video to the chatbot to the website, all interactions are captured and unified in the reporting, preserving context and generating a more complete profile of the customer.

When used efficiently, omni-channel analytics helps the business optimise operational activities while improving the customer experience. Understanding how customers are interacting with their various touch points, organisations can align their messaging, goals, and design across each channel to deliver a seamless experience and generate higher customer lifetime value.

Key takeaways

The key takeaways from this can be summarised as follows:

- omni-channel customer experiences are designed for customers to move seamlessly from channel to channel, without loss of context, in real time;
- omni-channel customer experiences account for previous customer interactions as well as current customer interactions;
- each touch point in the customer journey must stand on its own while building upon previous interactions, moving the customer forward to the desired objective.

CONCLUSION

Reflecting on the business outcomes generated by Security First Insurance, it is clear that thoughtful, properly executed omni-channel experiences can impact positively on the customer life cycle — helping new customers better understand their purchases, building loyalty by encouraging customers to keep their contact

information up to date, and upselling existing customers to new products that correspond to their evolving needs. Other businesses have deployed similar experiences that deepened engagement to the point that 74 per cent of customers felt that the company truly cared about them.²⁵ In a world where customers generally feel as if they are treated like a commodity, well-executed omni-channel customer engagements can generate the kind of warmth and connection that builds loyalty and creates better results for one's business.

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