

Improving Customer Retention through Evaluating and Improving the New Customer Experience

Industry & Client Situation

A leading direct insurer of autos experienced a noticeable decline in new customer retention coupled with a marked increase in calls from customers in their initial months with the company. New customer satisfaction was being eroded. Some executives thought that this had to be a symptom of poor quality in the new business being written and, perhaps, overly aggressive sales practices. However, some internal data contradicted this assumption, and a robust fact base was not available to make a thorough diagnosis of the problem or action plan.

Bridge was engaged by the CFO and leader of the Sales function to help the organization better understand the drivers of new customer defection and craft a path forward that would improve business performance.

Approach

As part of our approach we:

- Developed and prioritized hypotheses around defection drivers
 - Reviewed available reports, staff insight, customer feedback and other data
 - Developed hypotheses around defection drivers (and prioritized according to likely impact)
 - Continually revised hypotheses based upon results of the analyses
- Executed rapid, targeted analysis and summarized findings
 - Reviewed of each step of the sales and policy issuance processes to identify operational breakdowns
 - Surveyed new customers who experienced operational breakdowns and subsequently cancelled
 - Analyzed the performance of sales reps to understand their roles in operational breakdowns
 - Analyzed service calls for new customers to understand the reason for calling
 - Developed and summarized findings
- Identified opportunities for improvement
 - Improved and streamlined processes for on boarding the new customer to reduce multiple contacts
 - Identified common errors committed by sales reps and ways to avoid them
 - Identified key ways to make initial company interaction seem less impersonal, bureaucratic, and uncoordinated
 - Improved the management of follow-up documentation, a key driver of customer dissatisfaction

Results

Among other key findings, Bridge Strategy determined that a mismatch in expectations set in the selling and on boarding process contributed significantly to reduced customer satisfaction and increased defection. Working closely with the client, Bridge developed and executed a program to quickly implement the organizational and process changes necessary to address the issues identified. One aspect of the program included the introduction of new customer ambassadors, charged with ensuring customers understood their new policy and expectations for any follow-up documentation. The new program achieved expected improvements in business performance, improving customer satisfaction, increasing retention by multiple percentage points and reducing customer calls associated with new customer on boarding.