

Investing in Loyalty to Accelerate Growth

Industry & Client Situation

A leading direct writer of auto insurance was experiencing a noticeable decline in customer retention, coupled with a marked increase in calls from customers in their early months with the company. Customer satisfaction measures were dropping. Some executives saw this as a symptom of insufficient selectivity in the new business being written and overly aggressive sales practices. The data was contradictory on this score, though, and a robust fact base was not available at the time on which to base a diagnosis of the problem and action plan.

Bridge was engaged by the CFO and the SVP of sales to help the organization better understand the drivers of customer retention and to 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, elicited staff insights, and obtained customer feedback
 - Developed hypotheses around defection drivers and prioritized them according to likely impact
 - Continually revised hypotheses based upon results of the analyses
- Executed rapid, targeted analysis and summarized findings
 - Reviewed each step of the sales and policy issuance processes to identify operational breakdowns
 - Surveyed new customers who had 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 root causes
 - Developed and summarized findings
- Identified opportunities for improvement
 - Improved and streamlined processes for onboarding the new customer to reduce the required number of contacts
 - Identified common errors committed by sales reps and ways to avoid them
 - Identified ways of making initial interactions seem less impersonal, bureaucratic, and uncoordinated
 - Improved the management of follow-up documentation, a key driver of customer satisfaction

Results

Among other key findings, Bridge Strategy determined that a mismatch in expectations set in the selling and onboarding processes 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 onboarding.