O VER the last decade, the e-commerce boom has transformed online purchasing from a peripheral consideration to the main preference for a worldwide customer base that continues to grow rapidly.

For businesses, this has meant a great number of benefits as purchasing habits have shifted from the streets to laptops and handheld devices. However, it has also offered a tough challenge to industries that have traditionally thrived on face-to-face interaction.

In order to achieve customer-centricity in today’s thriving digital era, insurance companies like Am General Insurance Bhd (AmGeneral) are defining their digital strategies to respond to these changes in expectations and behaviours, says Luke Boyle, the chief operations officer (COO) of AmGeneral.

In a recent interview with Leaderonomics, Boyle, who is also the head of digital at AmGeneral, revealed that the shift in customer demand has driven year-on-year growth in the company’s digital distribution, which exceeds the insurance industry’s average of 6%-7%.

“In fact, at AmGeneral, our online insurance sales have experienced a double-digit growth from 2015 to 2016,” he says.

What does this mean for AmGeneral’s insurance agents? According to Boyle, because digital and intermediaries (such as agents) are traditionally viewed as competing channels of distribution, delivering digital strategies that complement primary channels while still delivering a great service to customers, is key.

DIGITISATION OF SERVICES

With this in mind, Boyle—who has spent the last 10 years in the insurance industry—has put in place two guiding principles to ensure the interests of AmGeneral’s customers and agents are well-looked-after.

“The first principle is that the digitisation of services will be complementary to what agents offer, and therefore will serve as an enabler for our other distribution channels. The second is to make sure that we listen to, and deliver on customer expectations and offer convenience where there is demand,” he shares.

Boyle and his team have made that option ready and available to customers who are looking to purchase AmGeneral policies online through their devices.

In order to increase engagement levels with customers, and to provide agents with the right communication and support, AmGeneral has devised the following tools:

1. Agent Portal Services
   The first-ever white label online insurance platform in the industry, where customers are able to purchase online from their trusted agent via the AmGeneral platform.

2. Kurnia and AmAssurance One Touch App
   Where customers are able to request for immediate accident and roadside assistance, submit claims information, and connect with their preferred agent.

To bridge the gap between the insurance industry’s digital capability and customer expectations, Boyle has taken a unique approach of equipping his digital team with non-insurance professionals. A diverse team of employees with a unique talent pool is one that he believes would be able to provide fresh insight into what customers seek from insurance companies.

One way his new team gauges customer expectations and needs is through a customer-led digital proposition development approach, or in layman’s terms, the “customer-testing approach”, where ideas are tested with real customers.

However, conducting experiments alone would not suffice. Boyle noted that one of the critical building blocks to progress effectively in the digital space is through data analytics, i.e. monitoring and responding to customer interaction.

This means equipping the team with the ability to gather behavioural and usage-based data about customers in the digital environment. What is more important is the team’s ability to draw insight on understanding what works, what doesn’t, and what customers prefer, so as to ensure they are able to address and meet expectations.

PUTTING ON THE CUSTOMER HAT

It can be agreed that in any business transaction, an organisation’s quality of service delivery shapes the customers’ experiences. For a customer, the better the experience, the more likely it is that they would return. As the old adage goes, “They may forget what you said, but they will never forget how you made them feel.”

Thus, when you look at AmGeneral’s strategic pillars, one of its objectives is to be a genuinely customer-oriented organisation. This means having meaningful relationships with customers based on trust and delivering great services that will be valued.

Leading the way in the execution of this objective is the head of AmGeneral’s customer relations and retention arm, Sreeratha Govindasamy.

Coming from an information technology background and having developed a passion for data-driven marketing and retaining end users, Sreeratha, better known as Sree, works very closely with Boyle and his team, to deliver great customer experiences through AmGeneral’s products and services.

Looking at customers’ behaviours today, Sree says, “Customer research by AmGeneral has demonstrated that they value several qualities when buying insurance: trust and convenience being the most important, followed by level of service and speed of processing claims and inquiries.”

While these may seem like challenging needs to meet, the team at AmGeneral views them as an opportunity to refine its entire value chain, particularly in the area where services are concerned, such as the claims contact centre and communications with customers.

Sree acknowledges that while her team is at the starting point in working towards customer-centricity, progress can already be seen across the company especially in services, such as claims processing.

KEEPING UP WITH THE EVOLVING NEEDS OF CUSTOMERS

ENTERING THE DIGITAL ERA

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MINDSET CHANGE

While implementing changes within an organisation is no easy feat, Sree affirmed that it is crucial to give the necessary support and encouragement to her team to challenge the norm and to be agents of change.

After all, “The world as we have created it is a process of our thinking. It cannot be changed without [first] changing our thinking,” as Albert Einstein once said.

To kickstart this change, Sree and her team have employed a funnel approach to first fix the basics. This includes collating feedback from customers through complaints, social media, focus groups, and transactional surveys, to determine the areas that require attention.

Sree has also begun putting her team through cross-functional knowledge-sharing sessions and training programmes, as this will encourage better understanding of the different key functions within the company and how they individually affect customer touchpoints and experiences.

“Once this has been attended to, our next step is to change the mindset of employees, and to eventually change the organisational processes and system,” she shares.

PARTING THOUGHTS

For any business, the transition to digital is not an easy one as it requires functional, structural and strategic changes. AmGeneral, however, is on track with understanding their customers better, equipping their teams with the right talent, and developing unique yet relevant strategies, as they embrace the digital space. By continuously delivering great service, creating valuable experiences for both customers and their agents, AmGeneral affirms that they are well on their way to becoming Malaysia’s most trusted insurer.