Finance, Management, & Operations

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Customer Service for the 21st Century

Tuesday, March 18 at 9:00am

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ILTCI

14th Annual Intercompany Long Term Care Insurance Conference

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The Changing Service Demands of Seniors

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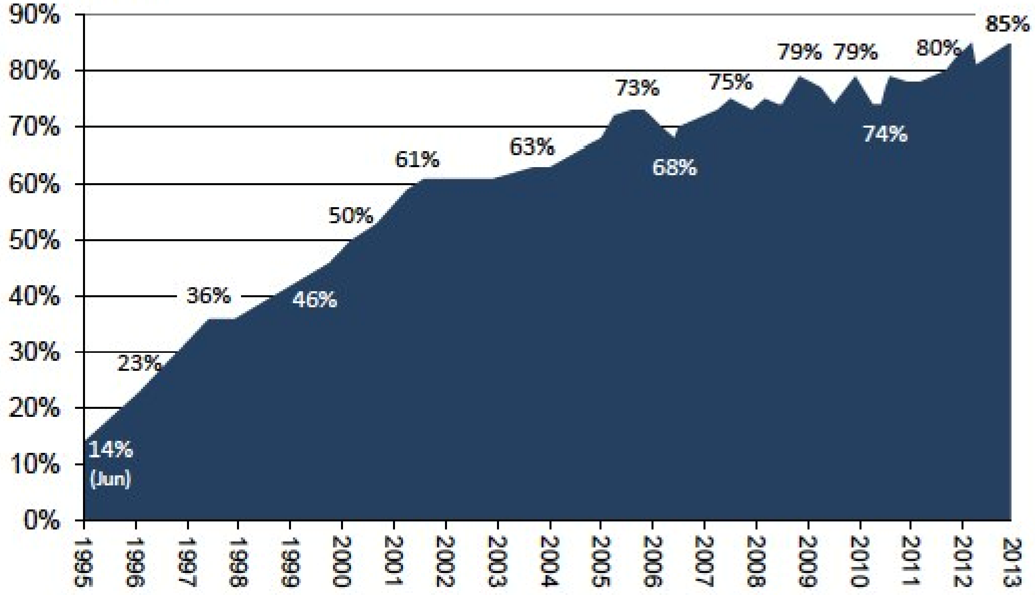
Stereotypical Technology for Servicing Seniors

Phila. Pa
Dec. 1, 1907
Dear Folks: I think it is about
time I was writing to you
Dec. 5, 1907
welcome
postcards
Mrs. D. D. Willard
Bellefonte

By 2013, 85% of American adults were online

Internet adoption, 1995-2013

% of American adults (ages 18+) who use the internet, over time. As of May 2013, 85% of adults use the internet.



Source: Pew Research Surveys, 1995-May 2013.

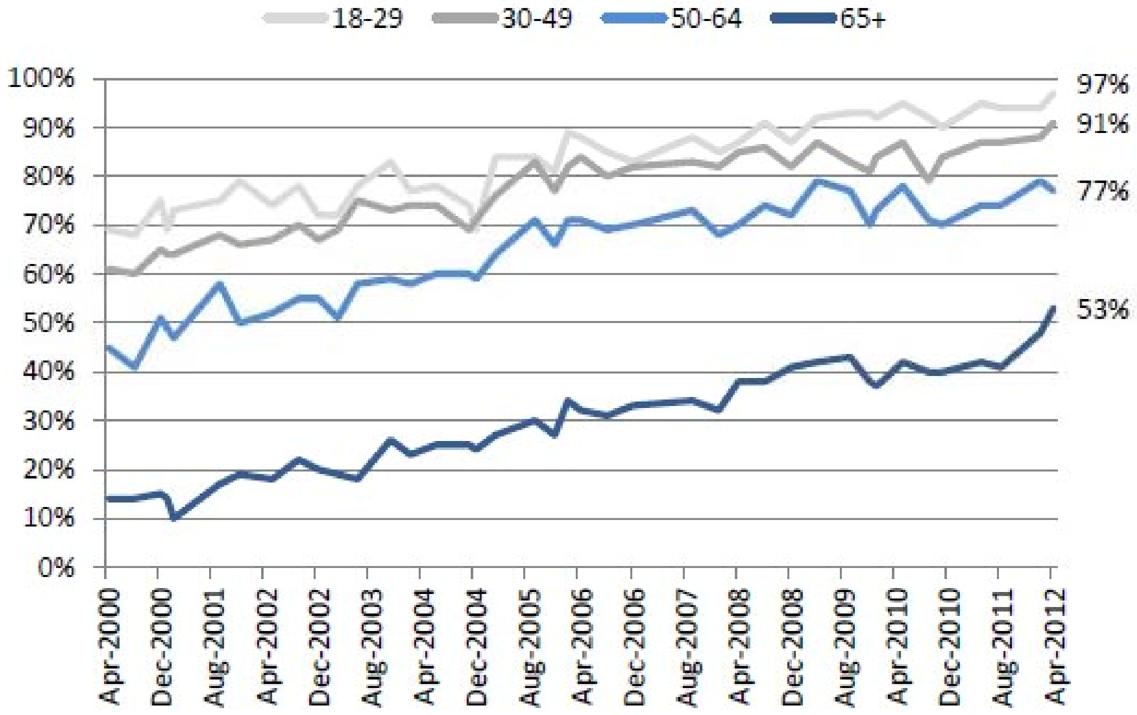
More: http://pewinternet.org/Trend-Data/Internet-Adoption.aspx

By 2012, a majority of seniors were online

72% of U.S. adults living with chronic conditions use the internet

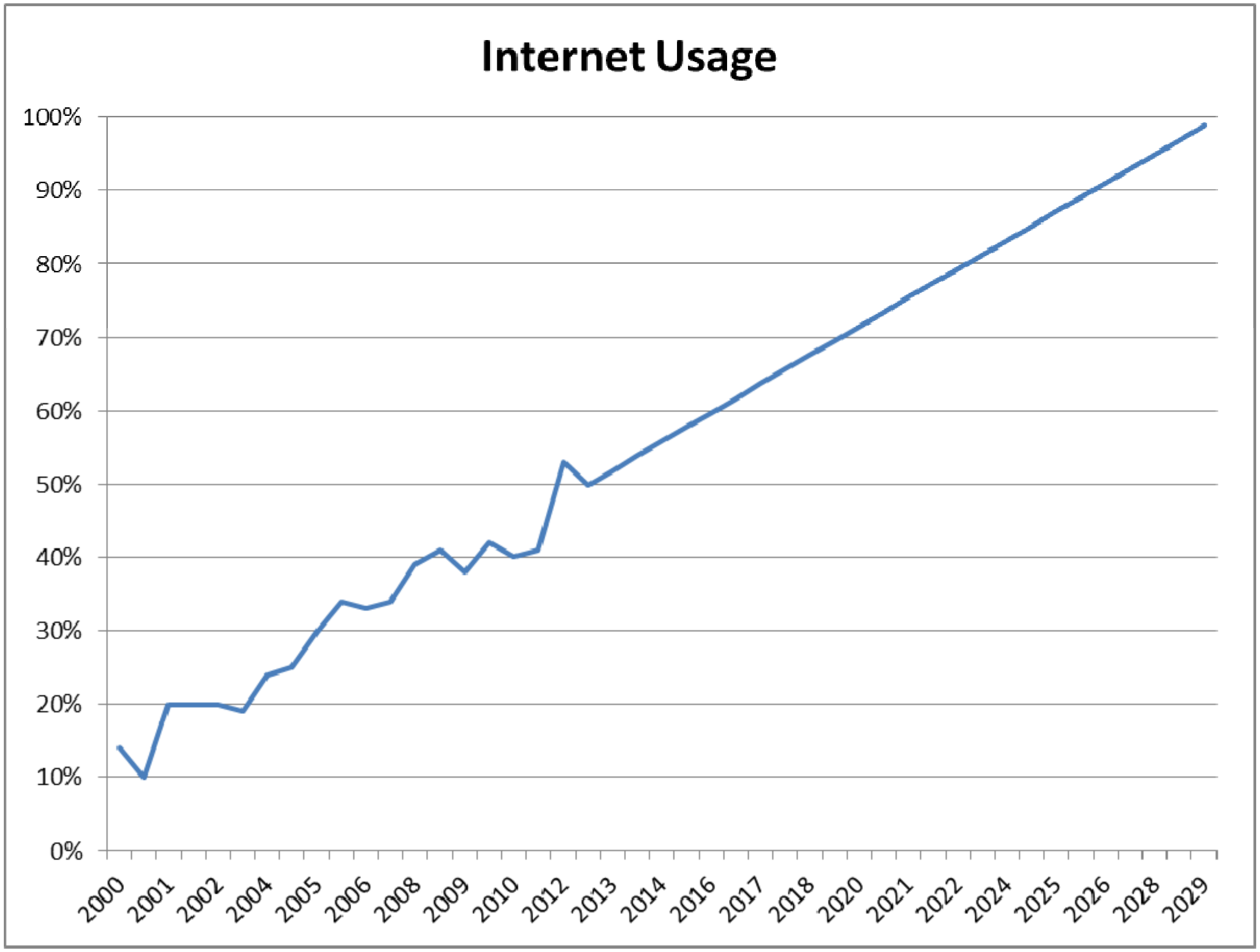
Internet use by age group, 2000-2012

% of American adults age 18+ who use the internet



Source: Pew Internet & American Life Project Surveys, April 2000-April 2012.
More: http://pewinternet.org/Trend-Data/Internet-Adoption.aspx

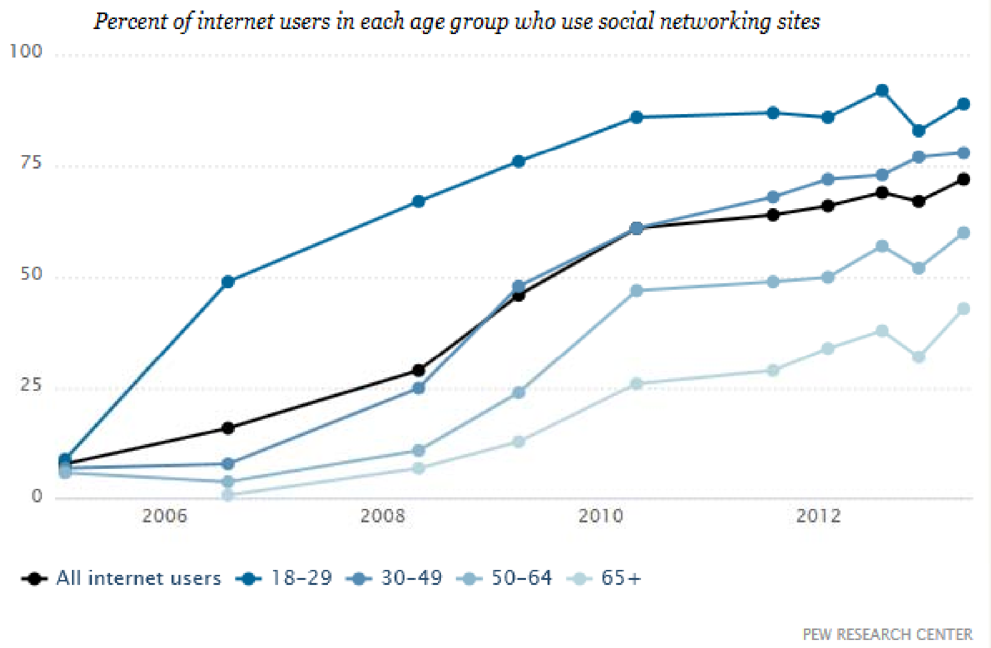
Projected Internet Usage of Seniors



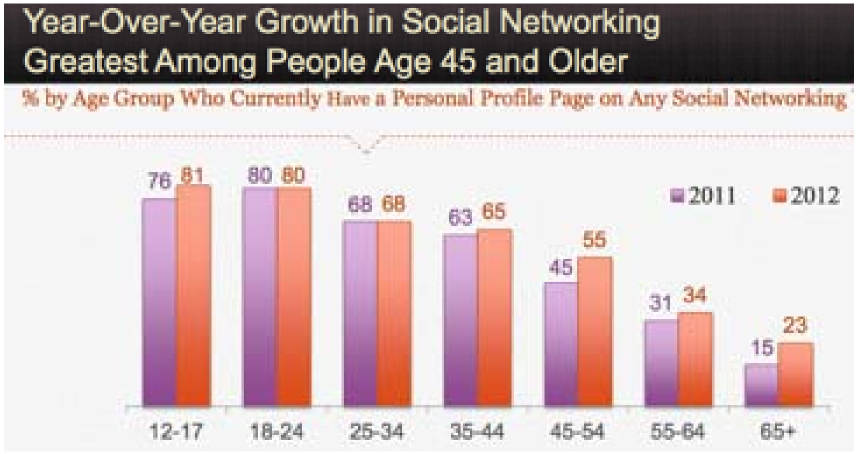
87% of online seniors use email (50% every day)

By 2012, one-quarter of seniors were using social media (43% of online seniors)

Social Networking Use


Percent of internet users in each age group who use social networking sites

PEW RESEARCH CENTER

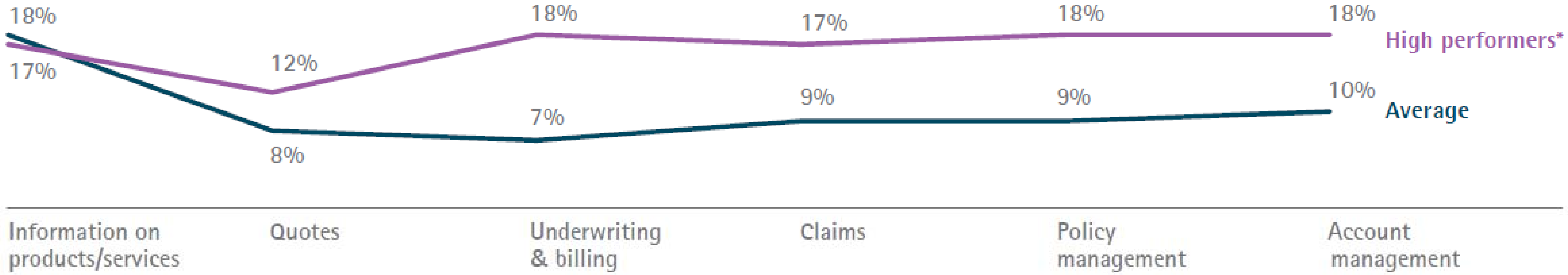

Year-Over-Year Growth in Social Networking Greatest Among People Age 45 and Older

% by Age Group Who Currently Have a Personal Profile Page on Any Social Networking

Insurers aren’t keeping pace…

Figure 12. Most insurers—even the high performers—have been fairly slow to adopt mobile technologies.

% of insurers currently providing services on mobile devices



*High performers: the 20% of the sample with the highest growth rate over the past 3 years

Accenture Insurance Survey

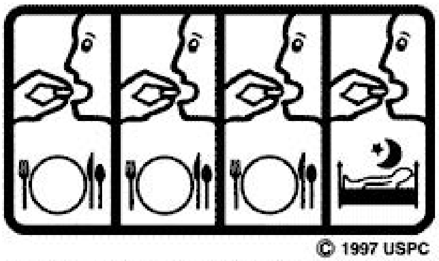
Achieving a Competitive Advantage Through Consumer-Focused Innovation

The Many Benefits of Online Communication with Seniors

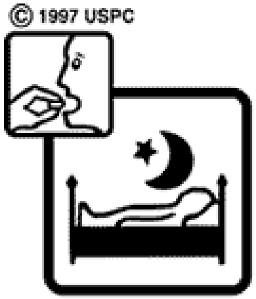
- (Engagement) Provides a means to connect seniors with credible information about their conditions (e.g., medlineplus.gov)
  - 23% of Internet users with a chronic condition chat online with others with the same condition (Pew)
- (Memory/Cognition) Provides written record of interactions for both parties that can be shared with family members
- (Auditory) Circumvents potential problems associated with hearing loss, background noise, misspeaking and mishearing
- (Visual) Font size can be adjusted by client; provides vehicle for displaying visual aids

How to Communicate with Seniors Online: Technical issues

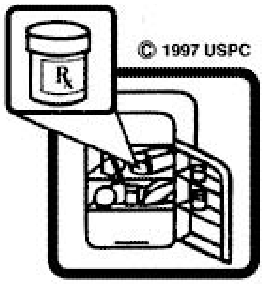
- Ask open-ended questions (not “yes/no”)
- Chunk key ideas instead of using long/complex sentences with embedded clauses
  - Present ideas in a logical chronological sequence (avoid circling back); use right-branching sentences
  - Share an outline of issues to discuss in advance, present them one at a time
  - Use concrete language, not vague language
- Use relevant visual aids to illustrate complex concepts



Take 4 times a day, with meals and at bedtime.



Take at bedtime



Store in refrigerator.

How to Communicate with Seniors Online: Socio-emotional issues

- Show empathy without patronizing (No “honey”/ “sweetie”)
- Address emotional state (“How are you?”) and provide reassurance
  - Connect instructions to positive emotional outcomes (“Do X, and you will have more energy for seeing your grandchildren”)
- Address living situation and social contacts, probe any concerns
- Include the senior in all communications, instead of letting the primary caregiver “speak for” them
  - If caregiver has power of attorney, they can be copied
- Engage senior in decision making
  - Probe for resources, e.g., access to transportation, family support, etc.

In conclusion…

- Majority (53%) of seniors are ready for online customer service now, leaping to 80% within the next 10 years
  - Prepare now to leverage the many advantages of online customer service
- Social media, as an adjunct to customer service, is exploding:
  - As consumers turn to SM to vent their frustrations you need to be prepared for fast, accurate, responsible, and empathic mass communication
- Build digital customer service programs on the fundamentals of effective communication with seniors

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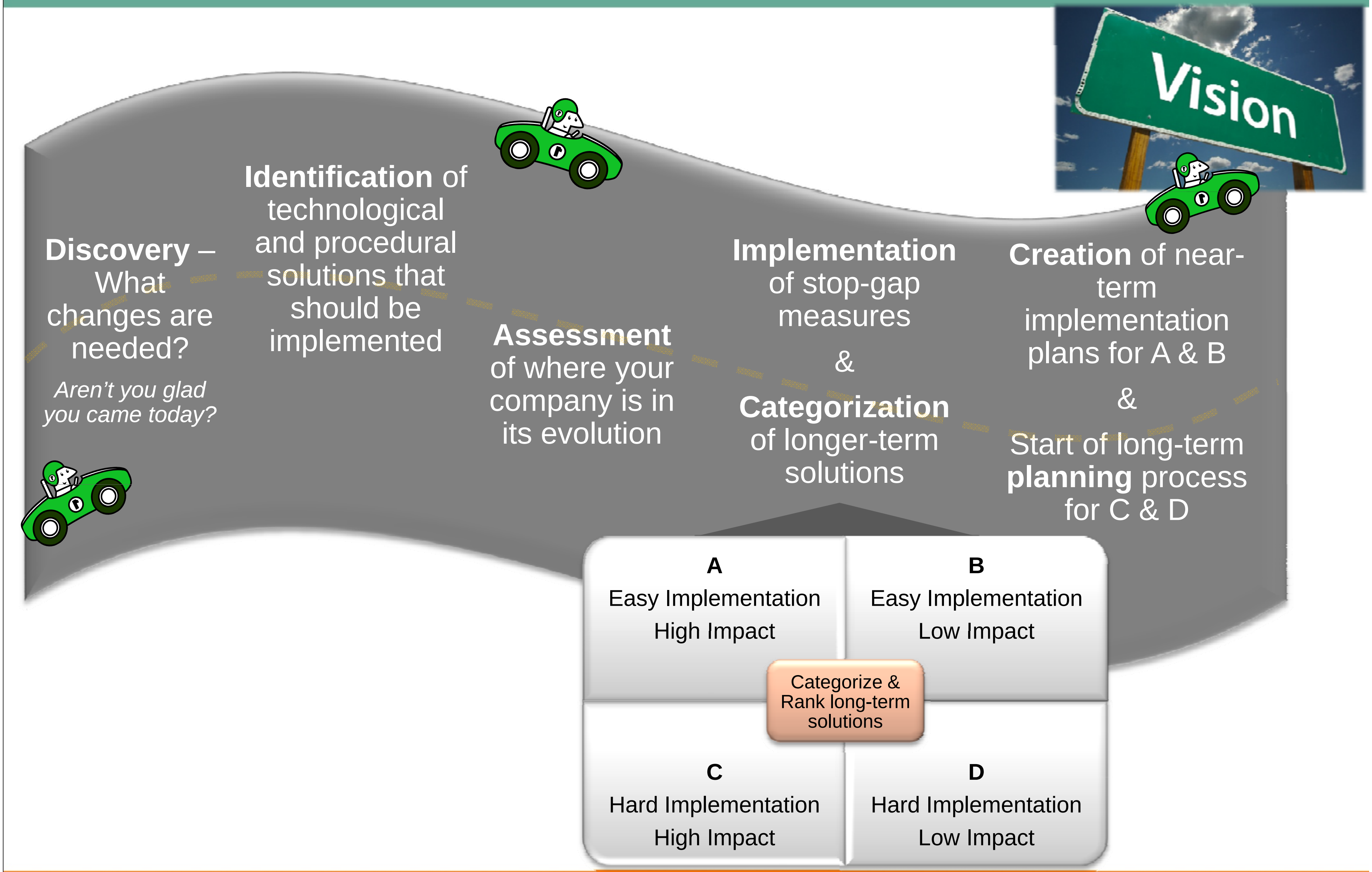
Meanwhile Back at Home Office…

Communication
Ownership
CostBenefit
Knowledge
CompetingPriorities
Resources
ChangeReadiness
Compliance
RapidObsolescence
Sponsorship
SystemConstraints
Budget
BusinessModel

Illustrative End State Vision

- All Customer Service transactions available electronically
- All issues resolved in one phone call or written exchange
- 24 / 7 / 365 Access for Customers

So How Do We Get There From Here?



Discovery – What changes are needed?

Aren't you glad you came today?

Identification of technological and procedural solutions that should be implemented

Assessment of where your company is in its evolution

Implementation of stop-gap measures

&

Categorization of longer-term solutions

Creation of near-term implementation plans for A & B

&

Start of long-term **planning** process for C & D

A Easy Implementation High Impact	**B** Easy Implementation Low Impact
C Hard Implementation High Impact	**D** Hard Implementation Low Impact

Categorize & Rank long-term solutions

Long-Term Solution Categorization

A
Easy Implementation
High Impact

- IVR Simplification
- Use of “Red Flags” and Trend Analysis to create an Early Warning System

B
Easy Implementation
Low Impact

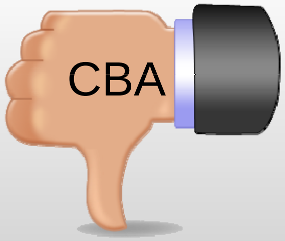
- Downloadable Forms
- Online Form Upload Functionality
- Simplified Forms

Categorize & Rank long-term solutions

C
Hard Implementation
High Impact

- Web Self-Service / E-Signatures
- Hire Up

D
Hard Implementation
Low Impact



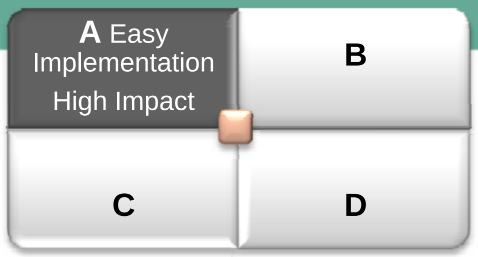
How Do We Bridge the Technology Gap?

Q: Why do customers gravitate toward new technology in the first place?

A:

- Easy
- Fast
- Works on the customer’s schedule

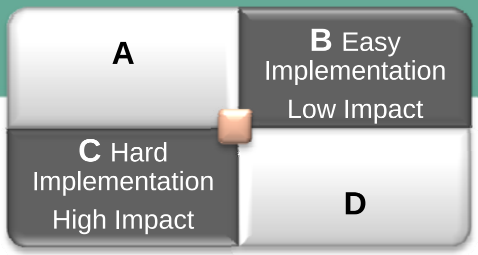
Make It Easy Where It Counts!



A Easy Implementation High Impact	**B**
C	**D**

- IVR Simplification
  - – Seniors may struggle keying long strings of numbers (policy #, DOB, SSN)
  - – Lack of dexterity results in incorrect option selection, leads to delays or inability to get to a live rep
  - – Make it easy for those beginning the claim filing process to get to an associate
  - – Offer callback options during peak periods and closure times

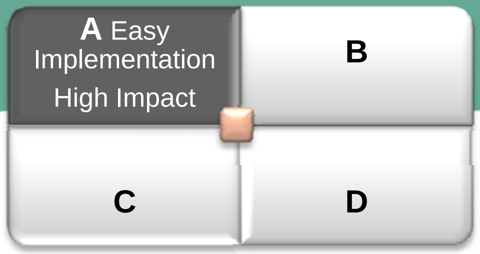
Make It Easy Where It Counts!


A
B Easy Implementation Low Impact
C Hard Implementation High Impact
D

- Online Forms and Functionality
  - – Downloadable forms with online FAQs (B)
  - – Online form upload functionality (B)
  - – Web self service for status and processing requests; e-signatures for authorization (C)

- Simplified Forms (B)
  - – Pare down forms to request only critical info not found on other required documents
  - – Easy to understand instructions

Go Looking For Problems



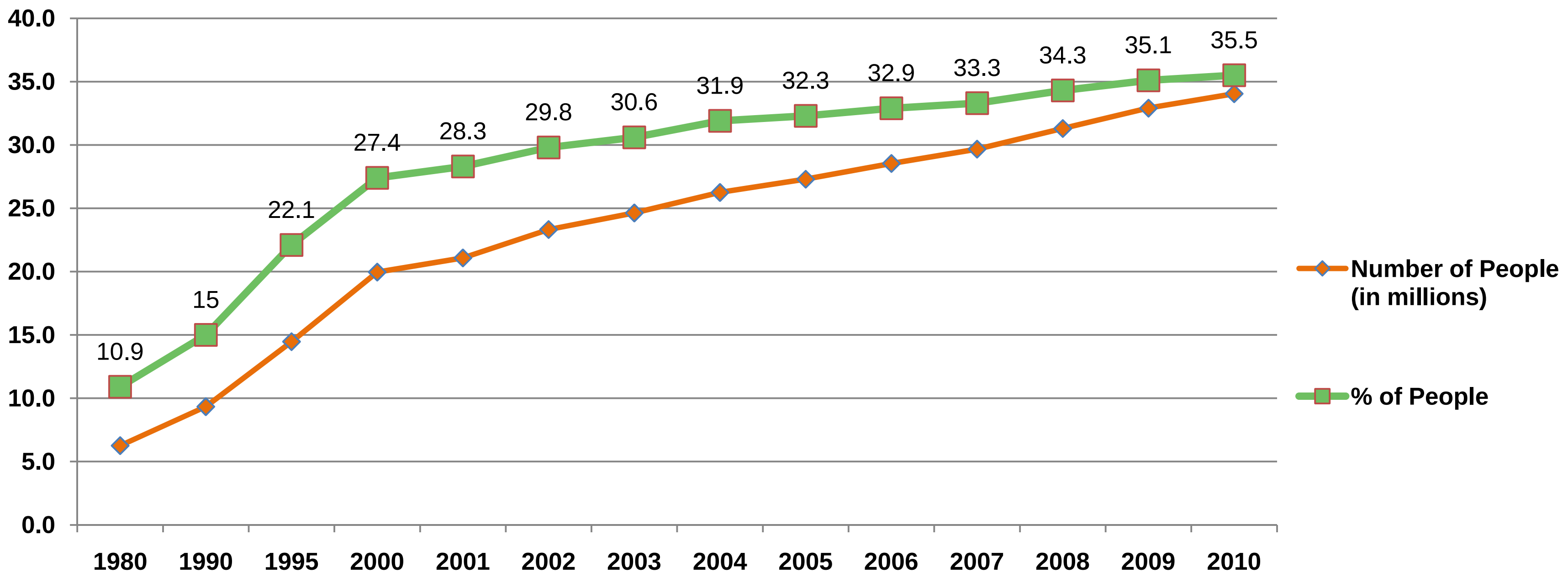
Insurance customers turn to social media as a last resort when they feel they have exhausted all other options

- Use “Red Flags” to identify customers who would benefit from additional attention:
  - High number of calls in a short period of time
  - Use of specific words (“mislead”, “lied to”, “avoid paying”)
  - Multiple errors over time
  - Voice Analytics

- Trend Analysis:
  - Review escalations and complaints for which procedures and regs *were* followed – What are the commonalities? Why the gap in expectations between company and customer?
  - Look for trends that may not be readily apparent: Plan type, state, agent (or lack thereof), age of policy
  - Look further than “it was a mistake”. Why was the mistake possible? Can a procedural or systematic failsafe be developed?

Hire Up

Percentage of individuals aged 50+ in the US who completed a degree more than tripled between 1990 and 2010. Raw number increased five times over.



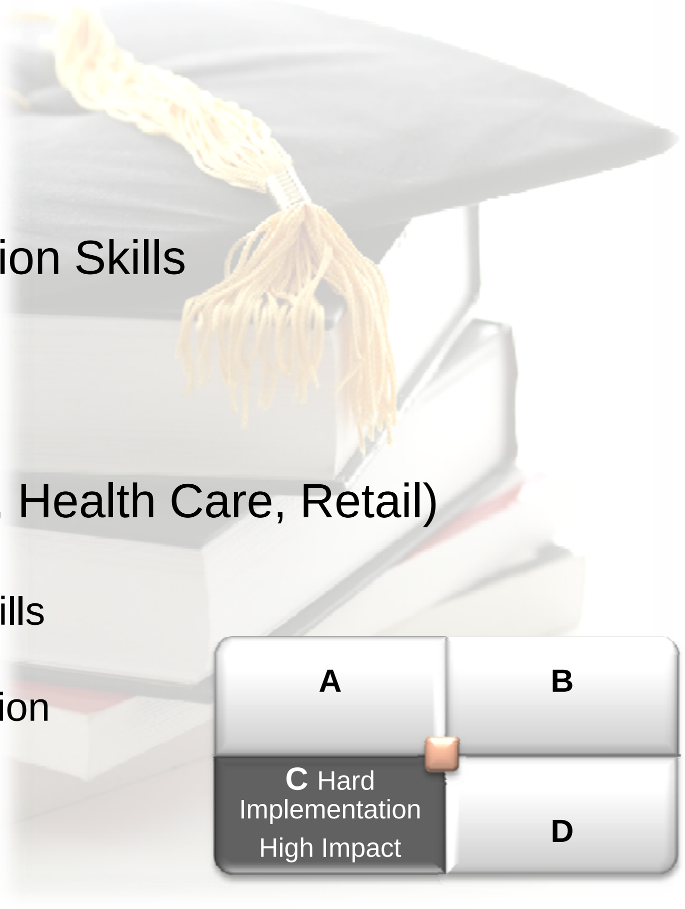
Source: United Nations Economic Commission for Europe Statistical Database
More Info: http://w3.unece.org/pxweb/database/STAT/30-GE/04-EducatAndcommunicat/?lang=1

Hire Up

- As level of customers' attained education increases, expectations increase. A different kind of Customer Service workforce is needed to meet these changing demands.

- Old Hiring Model:
  - Education: High School
  - Experience: Call Center, Insurance
  - Qualifications: Strong Verbal Communication Skills

- New Hiring Model:
  - Education: Bachelors Degree
  - Experience: Customer-Facing (Hospitality, Health Care, Retail)
  - Qualifications:
    - Strong Verbal and Written Communication Skills
    - High Computer Literacy
    - Exposure to/Understanding of Senior Population
    - Critical Thinking/Problem Solving Capability
    - Intelligence and Reading Comprehension
    - High Emotional Intelligence

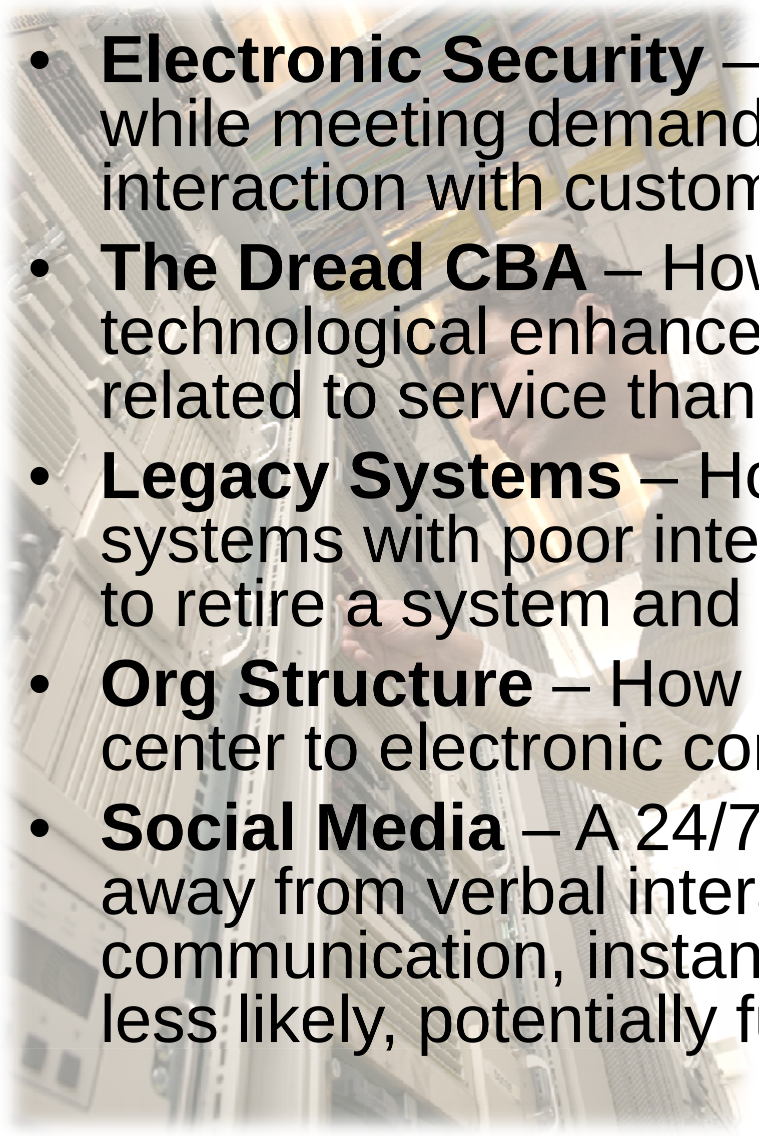


A	B
C Hard Implementation High Impact	D

You found the right people. How do you keep them?

- Keep talented employees engaged and prepared for the job at hand.
  - Robust training
    - Weed out bad hiring decisions early to avoid/minimize customer impact
    - Evaluate behaviors as much as knowledge absorption – Will they be good representatives for your company moving into the future?
    - Solid hires who complete training will not give up their investment easily, aiding retention
  - Ongoing refreshers and feedback to promote consistency in procedure and communication
  - Career Path – Bright, well qualified employees will not remain in Customer Service positions long.
    - Provide developmental activities
    - Create career opportunities
    - Distributing these individuals throughout the org promotes Customer Service mindset in all areas of the company

It Won’t Be Easy – Challenges to Consider



- **Electronic Security** – How to comply with HIPAA regs while meeting demand for increased electronic interaction with customers?
- **The Dread CBA** – How to quantify benefits of technological enhancements that are more directly related to service than sales?
- **Legacy Systems** – How to address older mainframe systems with poor interface capability / When is it time to retire a system and upgrade?
- **Org Structure** – How to make transition from call center to electronic communication center?
- **Social Media** – A 24/7 operation - As society migrates away from verbal interaction and toward online communication, instant response and gratification is less likely, potentially fueling customer frustration

Discussion / Q & A