



Customer Satisfaction Tracker

11th May 2012

Crowne Plaza Hotel

 **SBO**Research
www.sboresearch.co.ke



Background

- **The Customer Delight System is an industry wide measure of service delivery**
 - It is an initiative steered by AKI
 - It aims at providing highlights that will assist industry players develop and apply strategies that can improve their customer satisfaction and loyalty

➔ Approach

Target

The survey targets two segments of policy holders; **individuals** and **business (SMEs)**

Methodology

A **quantitative approach** involving **face-to-face interviews** is used for data collection

Sample

- 1,000 Individuals per wave
 - 200 SMEs per wave
 - 100 policy holders who deal with Intermediaries
 - Nationwide coverage
 - Cutting across AKI membership
- ← Sample included in Dec-11

So far three (3) waves have been conducted (Mar-11, Aug-11, Dec-11)



INDIVIDUAL CUSTOMERS + SMES

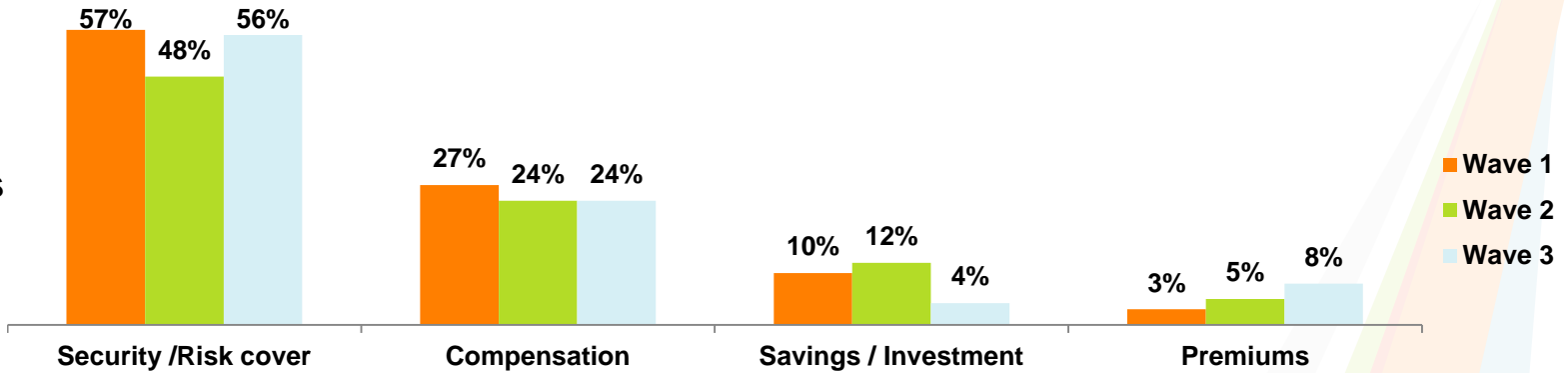


Industry perceptions

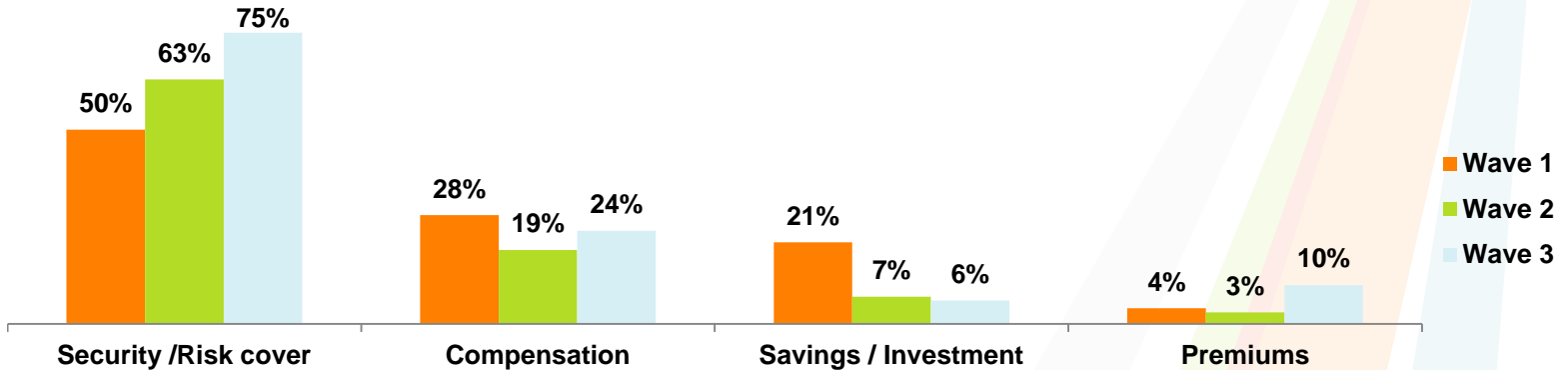
What comes to mind when one thinks about insurance

Top of mind mentions

Individuals



SMEs



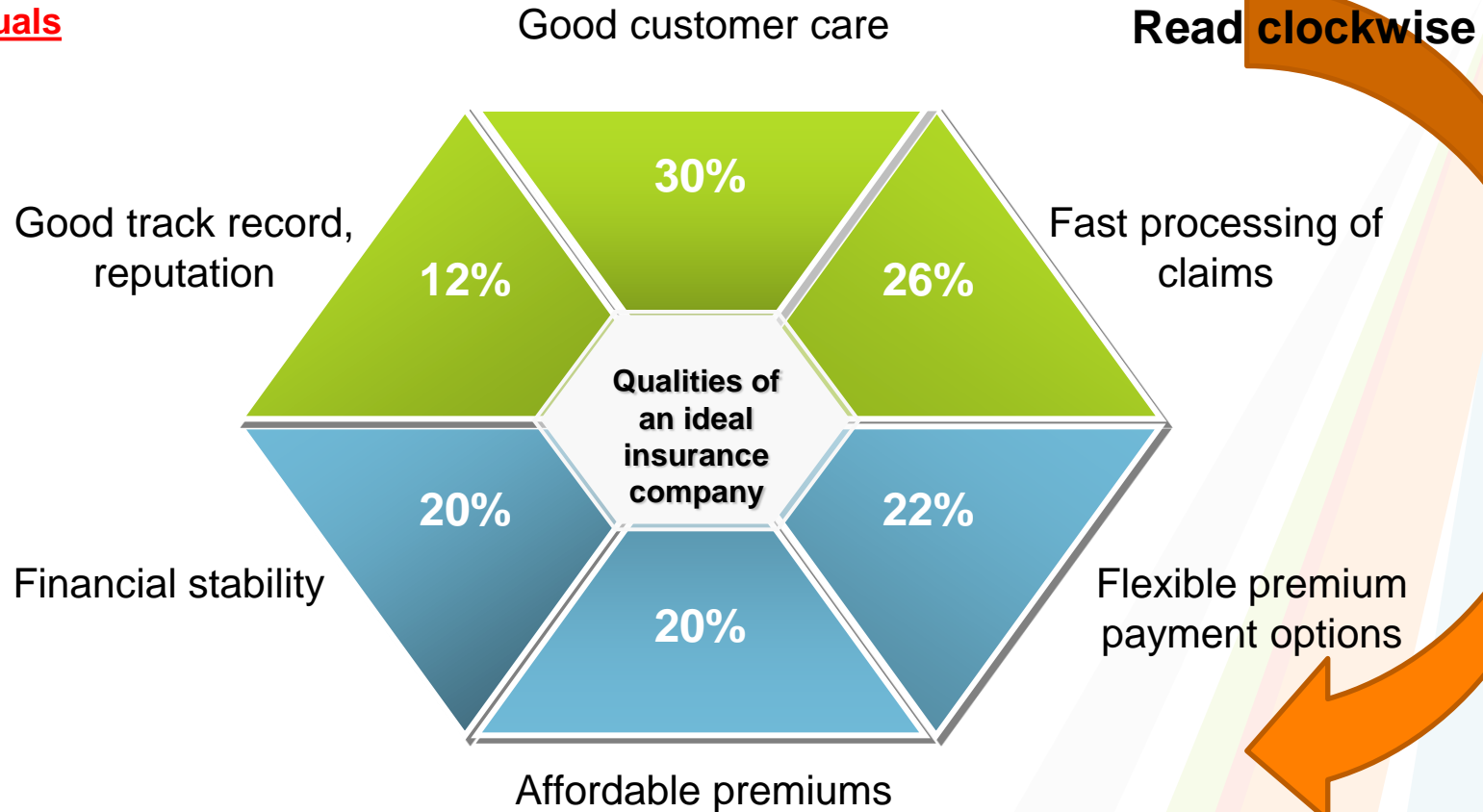
Individuals Base: Wave 1=1000, Wave 2=1000, Wave 3=1000
SMES Base: Wave 1=200, Wave 2=200, Wave 3=200

- What should be most salient for the industry?
- What sentiments do we want consumers to hold?
- Have we done enough?

Purchase drivers

What customers look for in an ideal insurance company

Individuals

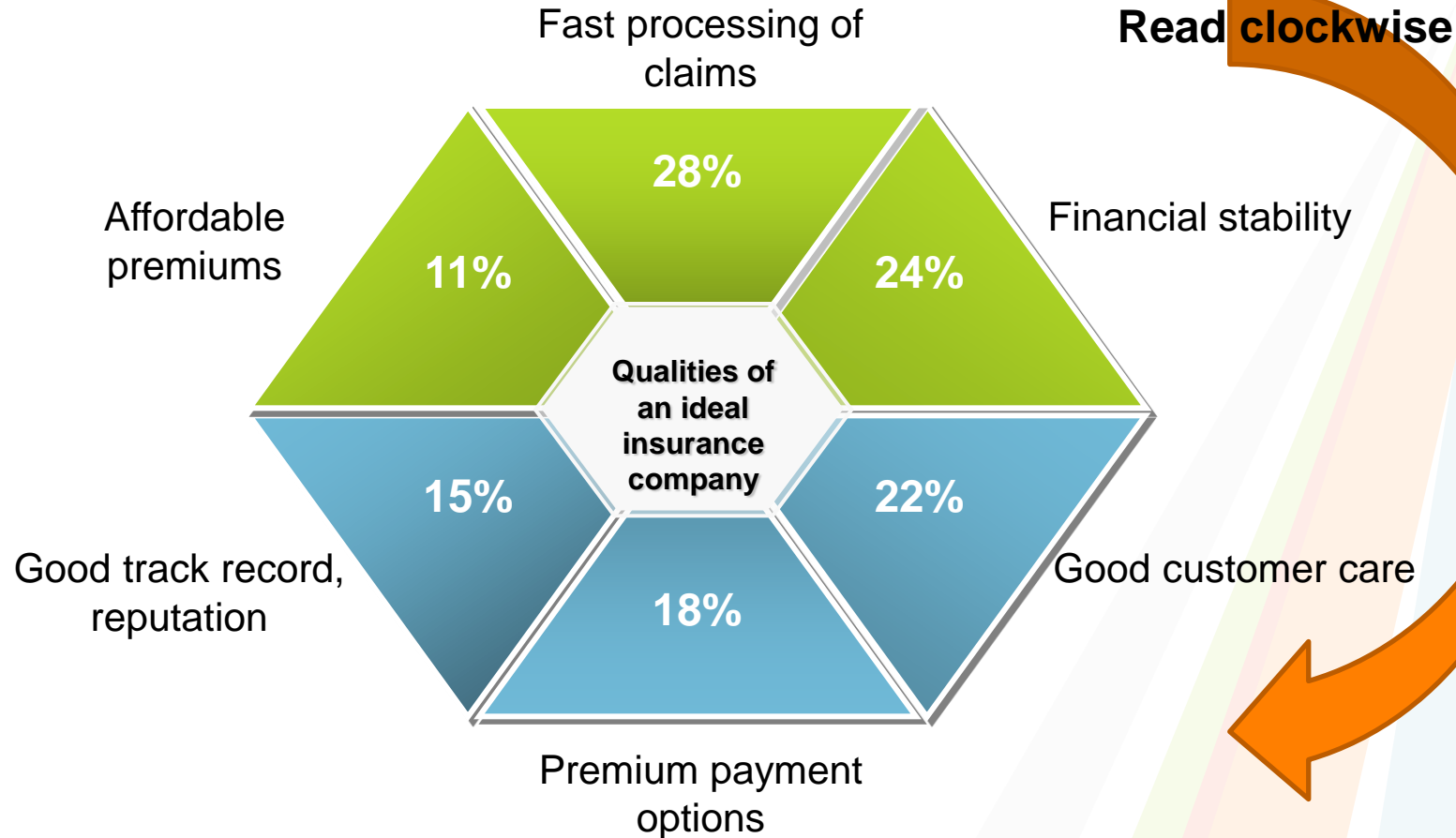


Base: N=3,000 Individual customers

Purchase drivers

What customers look for in an ideal insurance company

SMEs



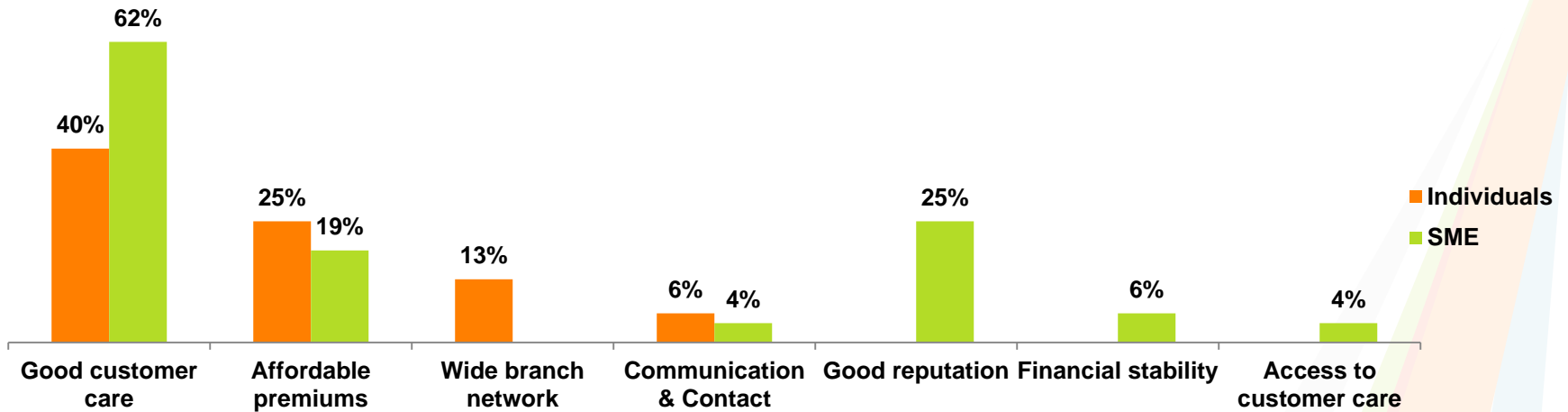
Base: N=600 SMEs



Perception drivers

Positive drivers

What is liked most about own insurance



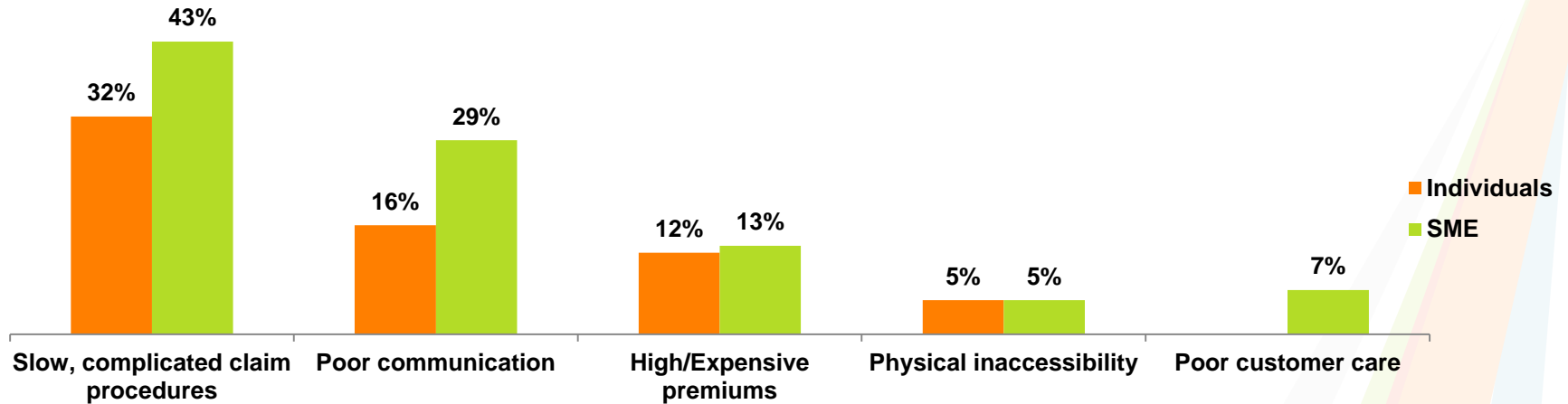
- Appeal is mainly driven by good customer care and value for money in product offering
- For SMEs brand reputation (i.e. credibility, transparency, track record) also matters a lot

Base: N=3,000 Individual customers
Data for waves 1+2+3 consolidated

➔ Perception drivers

Negative drivers

What is disliked most about own insurance

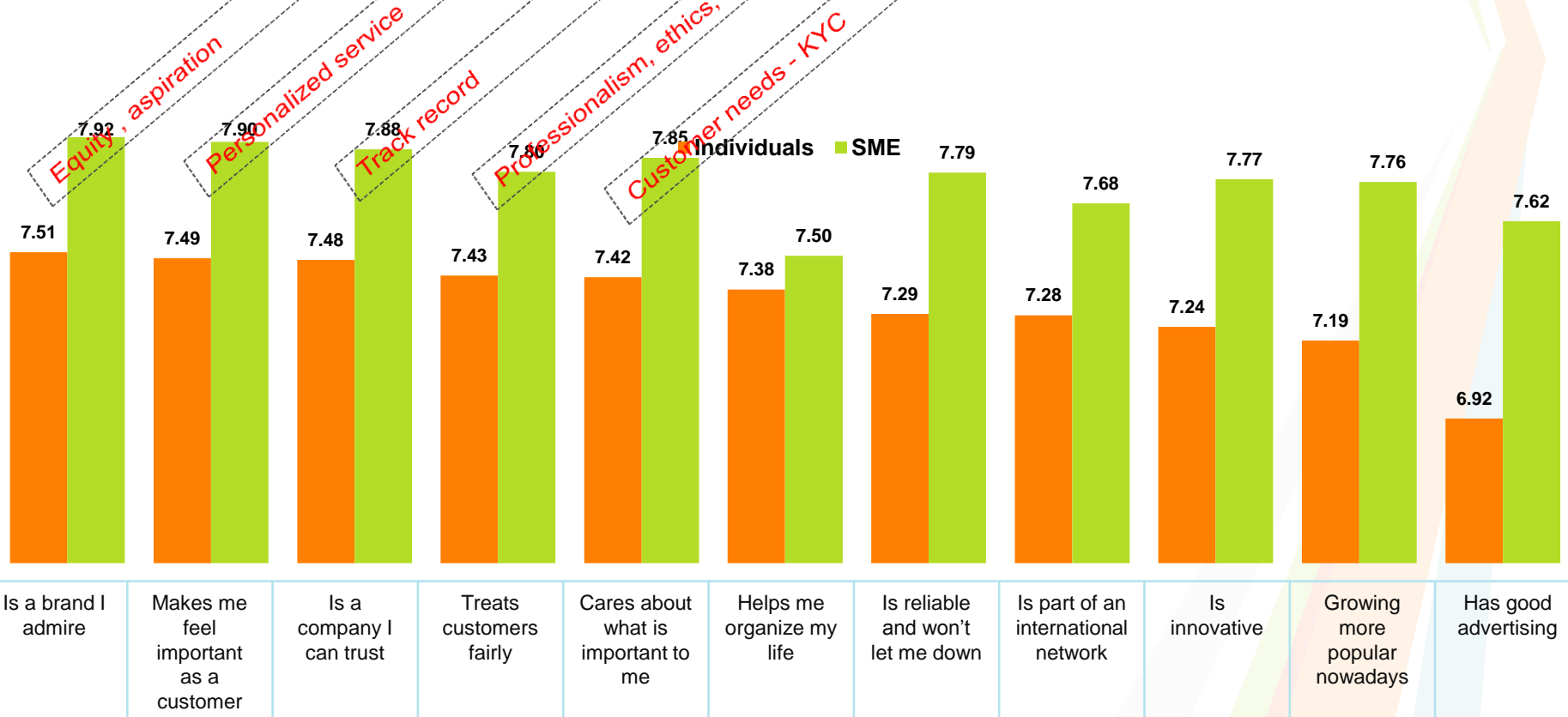


- Long, complicated compensation procedures are a key pain point
- Lack of proper customer engagement in terms of *frequency, use of appropriate channels and quality of sensitization* generates concern
- Derivation of value for money also matters

Base: N=3,000 Individual customers
Data for waves 1+2+3 consolidated



Brand perception drivers



- Equity of the brand is key...BUT focus on the 'me' is paramount
- The brand that will appear to understand customers more will have a constructive advantage
- There is need for continuous value conversations with customers

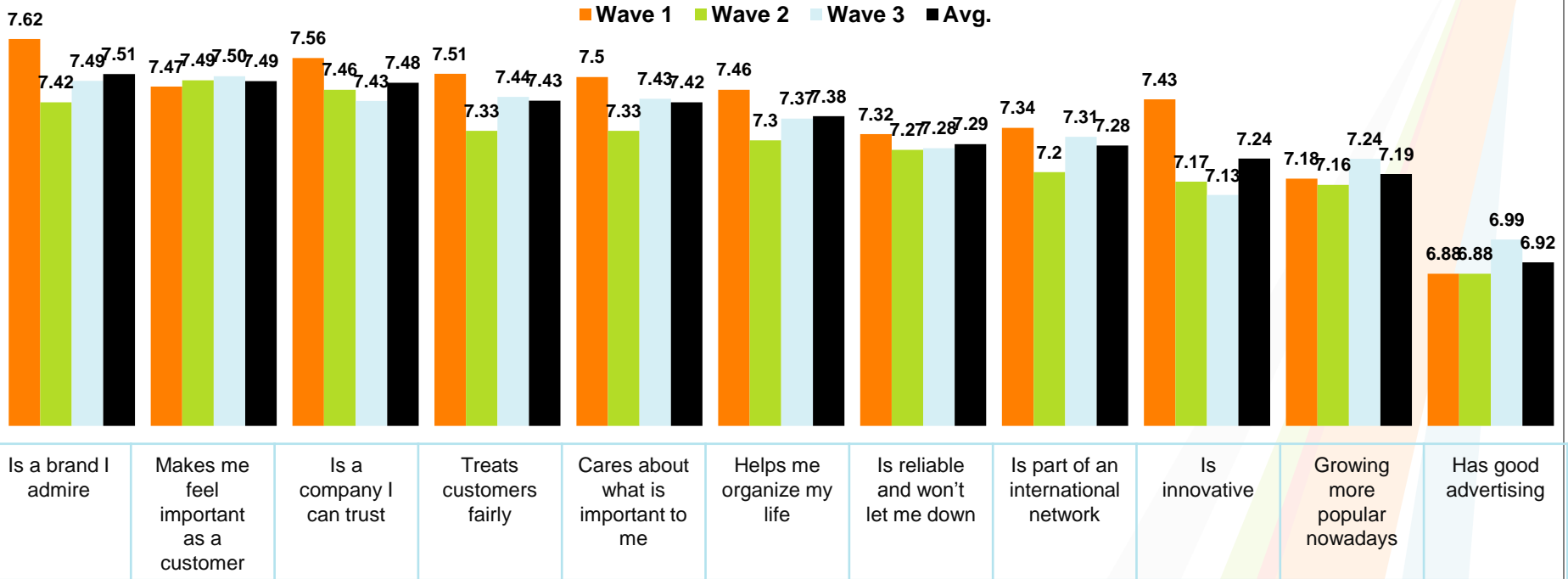
Individuals Base: N=3,000
 SME Base: N=600
 Data for waves 1+2+3 consolidated

....SMEs have a stronger sense of brand affiliation rating than individuals



Brand perception drivers

Individuals

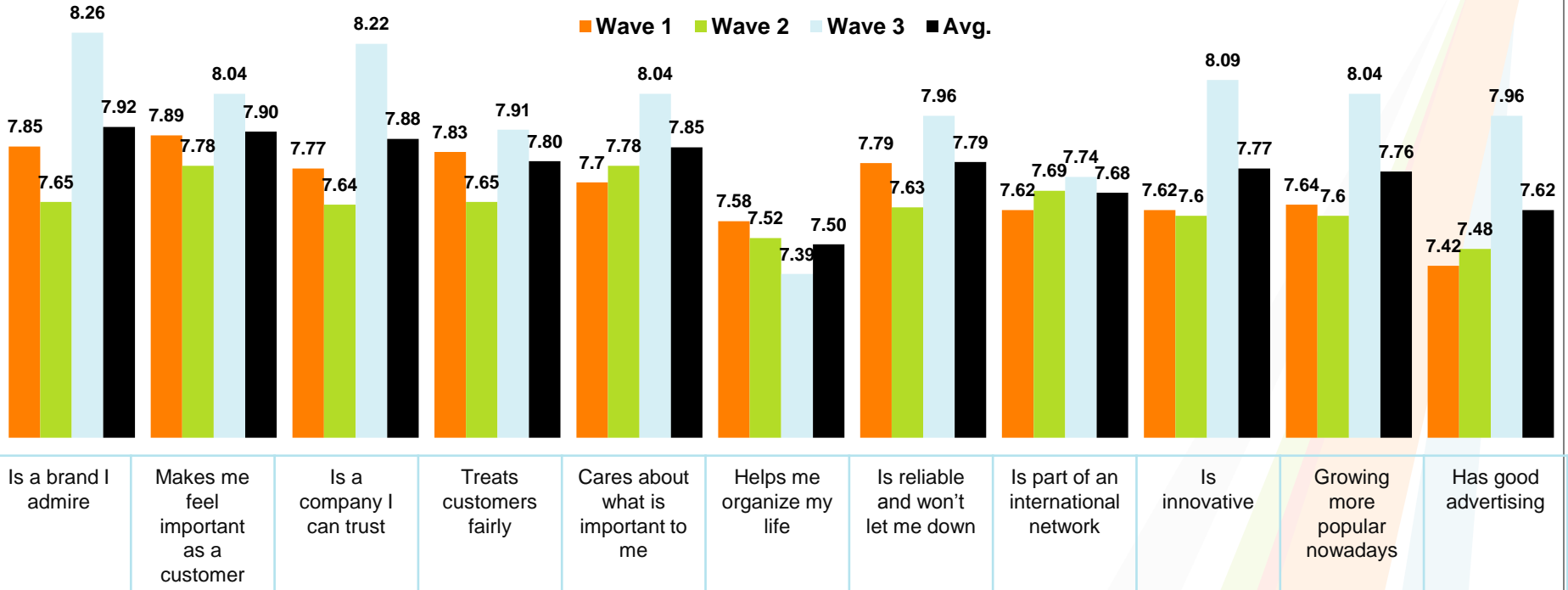


Individuals Base: Wave 1=1000, Wave 2=1000, Wave 3=1000



Brand perception drivers

SMEs

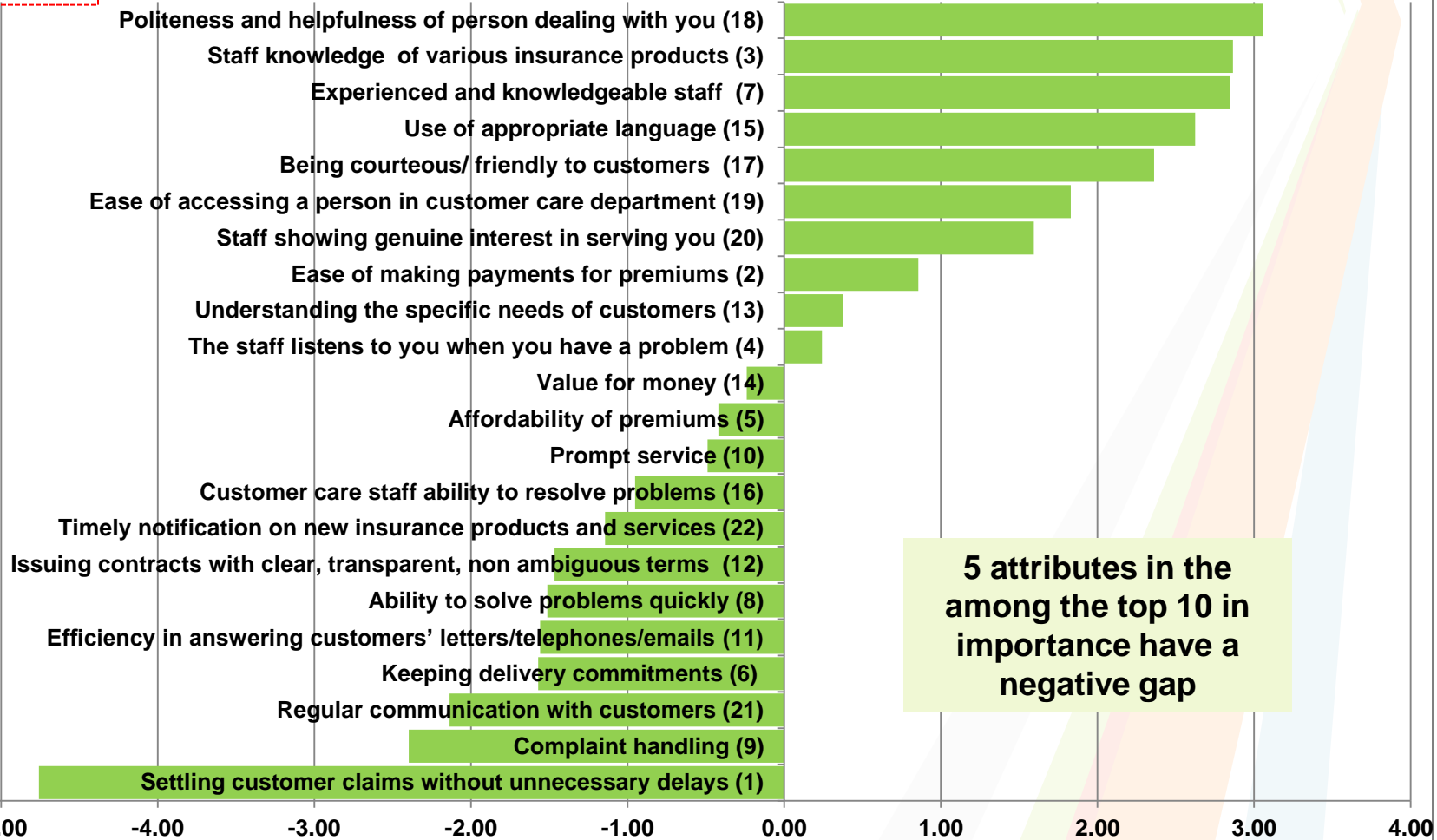


SMES Base: Wave 1=200, Wave 2=200, Wave 3=200



Gap analysis - service delivery

INDIVIDUALS



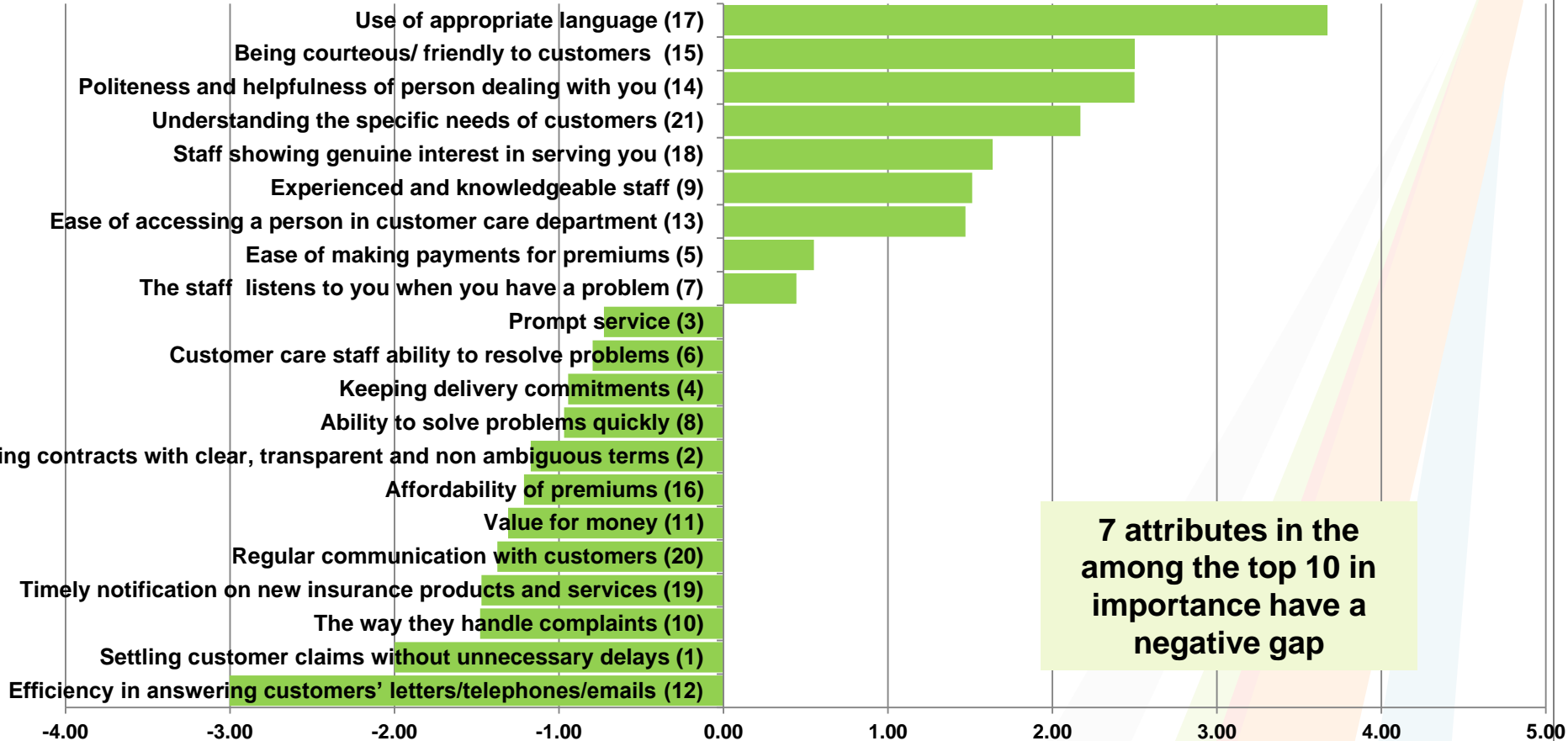
5 attributes in the among the top 10 in importance have a negative gap

• How to read the data: A positive gap implies that what the customer expected and what they experienced was closely matched BUT how important is the specific attribute in driving customer satisfaction (i.e. are the attributes with the highest ranking in terms of importance having a positive or negative gap?)



Gap analysis – service delivery

SMEs



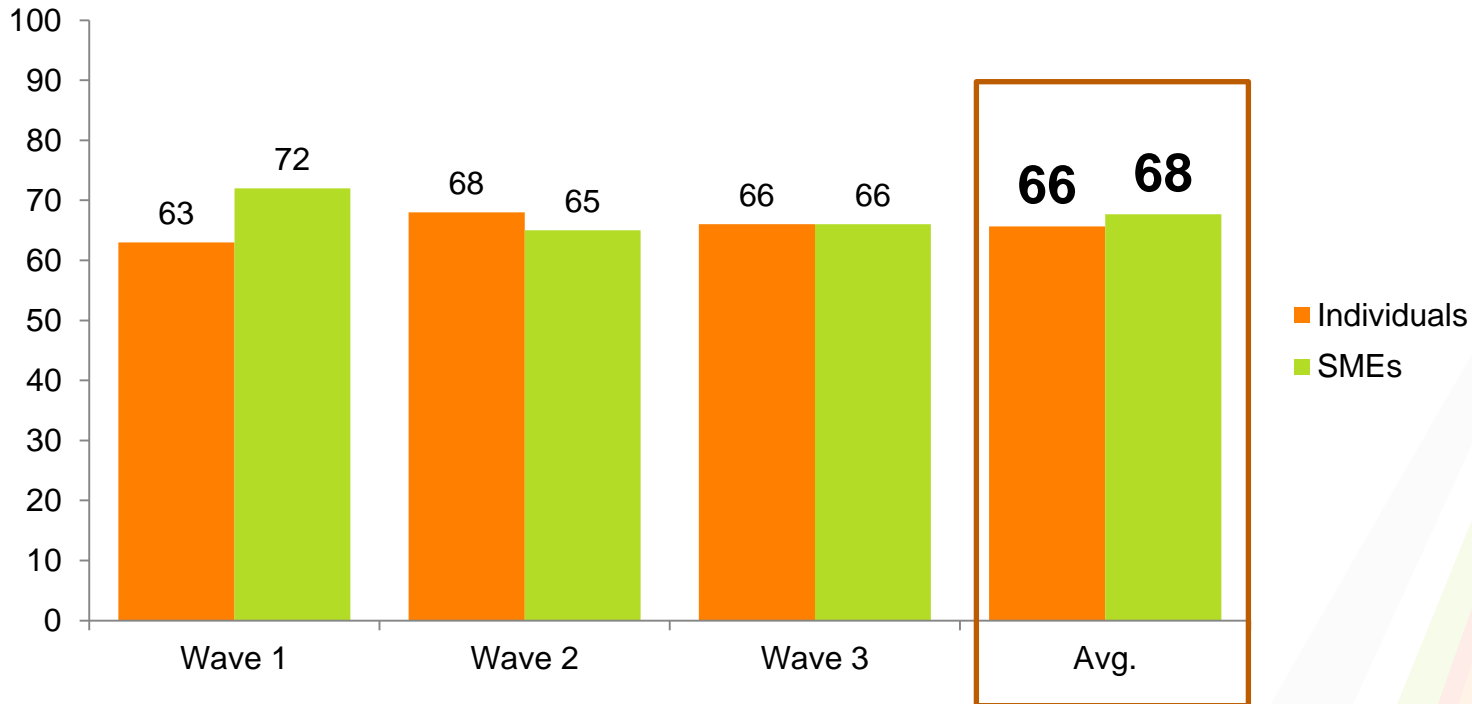
7 attributes in the top 10 in importance have a negative gap

• How to read the data: A positive gap implies that what the customer expected and what they experienced was closely matched BUT how important is the specific attribute in driving customer satisfaction (i.e. are the attributes with the highest ranking in terms of importance having a positive or negative gap?)



Satisfaction Index

This is based on all the 22 attributes measured

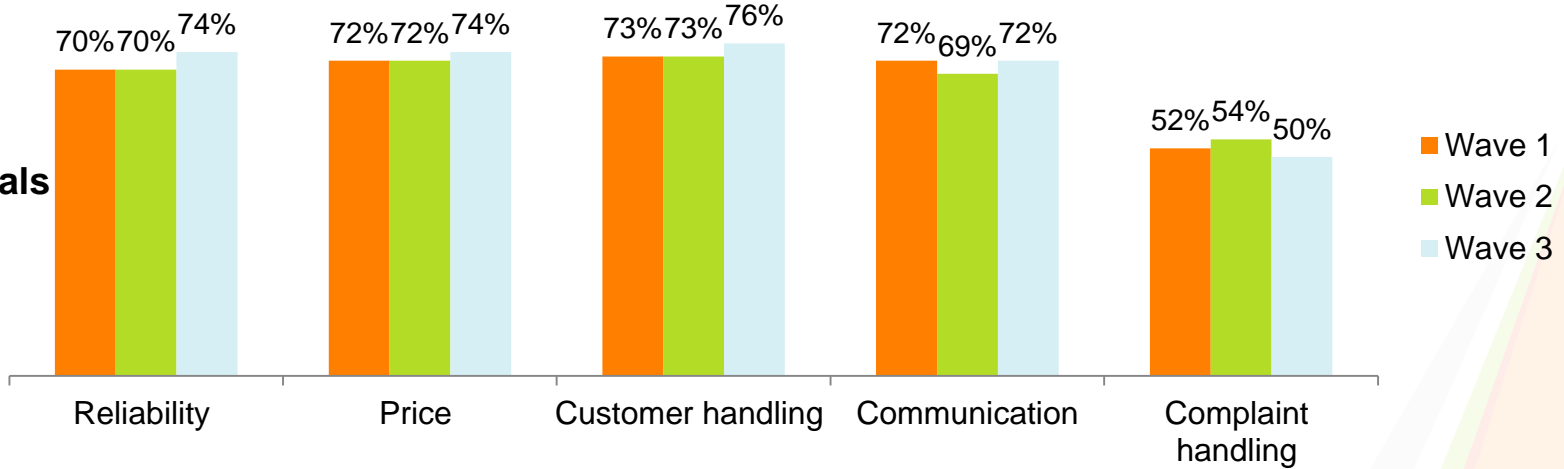


- The satisfaction index for both Individuals and SMEs is closely matched
- The average Index stands at 67%

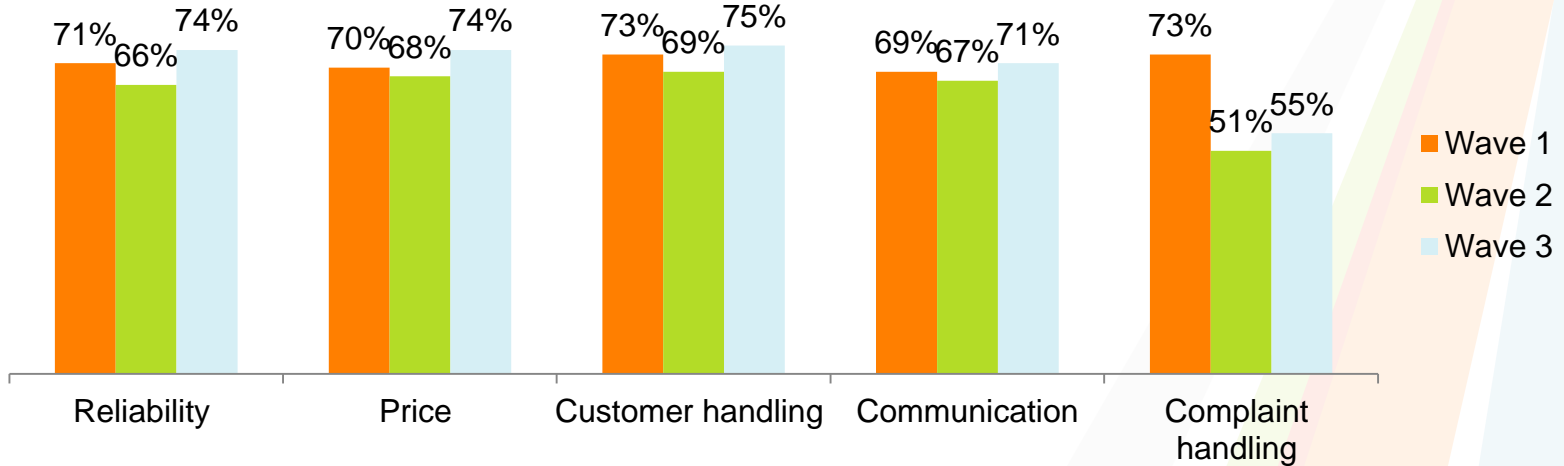


Satisfaction Index

Individuals



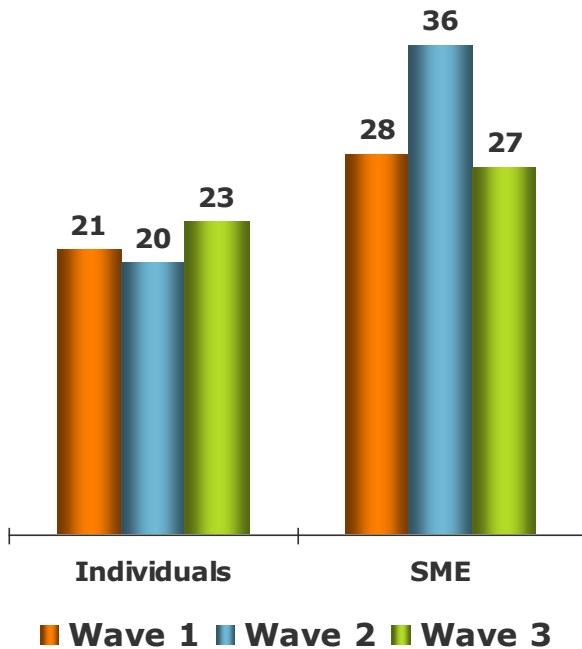
SMEs



▪ Customer handling is under-performing compared to other service delivery areas

Complaint handling

The incidence of lodging complaints has remained low during the period of tracking



% who have ever lodged a complaint with their insurance company

Individuals

Why they did not report complaint

1. It couldn't make a difference/ take too long to solve issues – 26%
2. Don't know who to complain to/where/procedure to follow – 21%
3. Didn't think anything would be done – 11%
4. Didn't have time to go to the branch – 5%
5. Felt it would be a waste of time – 5%

There' a sense of indifference among a considerable proportion of customers

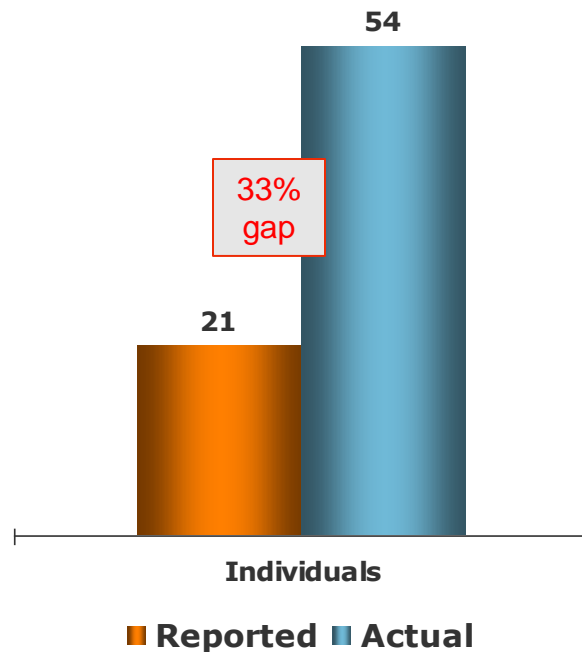
Individuals Base: Wave 1=1000, Wave 2=1000, Wave 3=1000
SMES Base: Wave 1=200, Wave 2=200, Wave 3=200

Complaint handling

- The incidence of complaints is indeed higher than reported

Individuals

It couldn't make a difference/
take too long to solve issues
(26%)
+
Didn't think anything would be done
(11%)
+
Felt it would be a waste of time
(5%)



What we don't know we might not fix...and this could be a potential trigger for churn

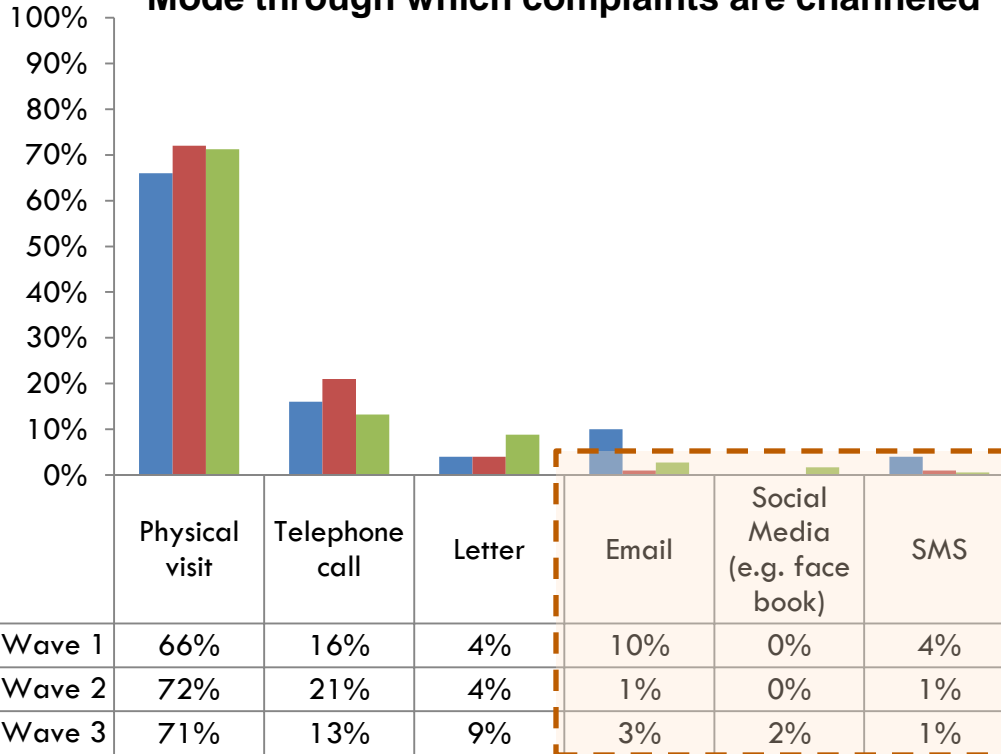
Individuals Base: N=3,000
SME Base: N=600
Data for waves 1+2+3 consolidated



Complaint handling

Individuals

Mode through which complaints are channeled



Where was the complaint reported?



	Wave 1	Wave 2	Wave 3
Branch network	48%	53%	47%
Head office	31%	30%	33%
Agent	13%	8%	8%
Broker	7%	8%	8%
IRA	1%	1%	1%
AKI	-	-	1%

- There is still heavy reliance in physical contact, hence the reason customers are keen about branch networks
- The adoption of emergent technology in communication is still latent

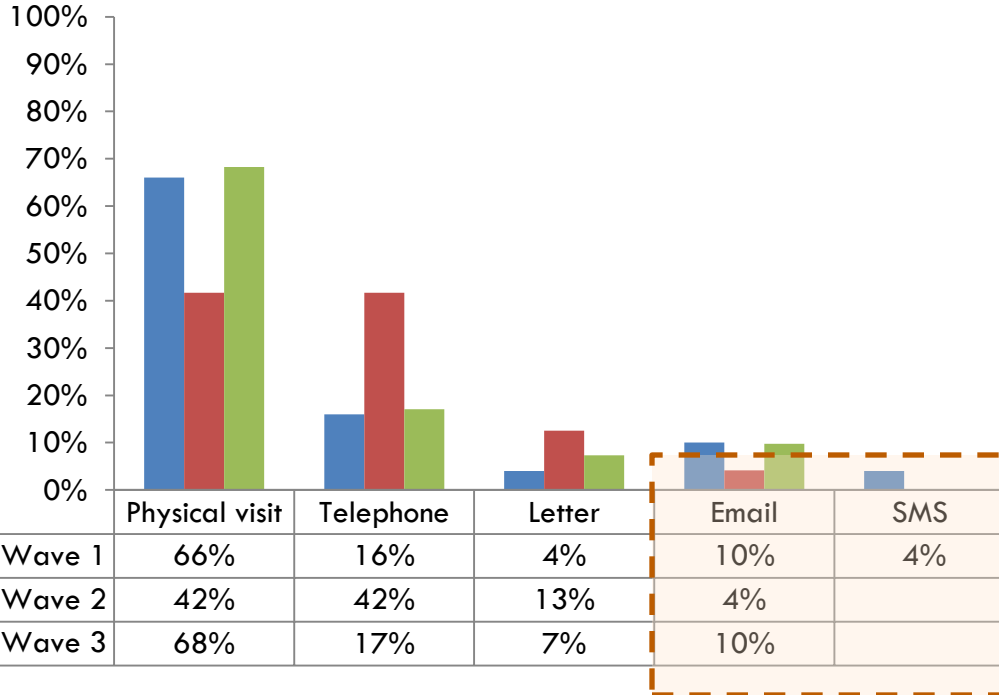
Base: Wave 1=210, Wave 2=200, Wave 3=230 (All who have lodged complaints)



Complaint handling

SMEs

Mode through which complaints are channeled



Where was the complaint reported?



	Wave 1	Wave 2	Wave 3
Branch network	54%	44%	12%
Head office	30%	31%	71%
Agent	8%	17%	2%
Broker	8%	6%	17%
IRA	1%	-	1%
AKI	-	2%	-

- There is still heavy reliance in physical contact, hence the reason customers are keen about branch networks
- Customers
- The adoption of emergent technology in communication is still latent

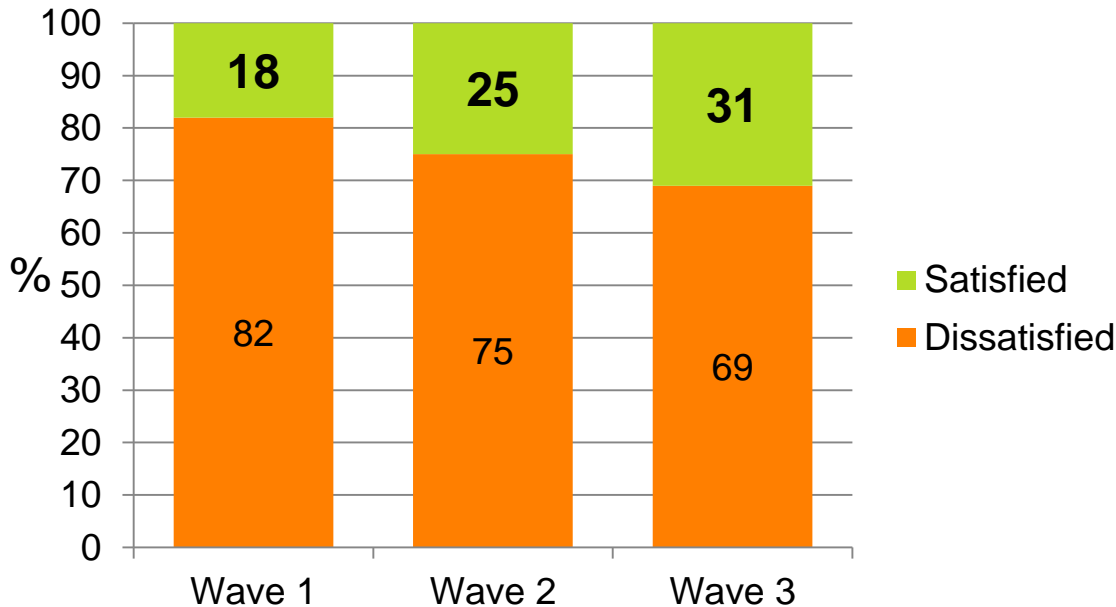
Base: Wave 1=56, Wave 2=72, Wave 3=54 (All who have lodged complaints)



Satisfaction with complaint resolution

Individuals

Whether satisfied with complaint handling



There's improved query resolution for issues brought forward...**BUT the absolute success levels are still low** – this is despite personal visits being the main avenue used for channeling complaints

There's need to encourage customers to engage the industry as sustained progress is made in tackling emerging issues

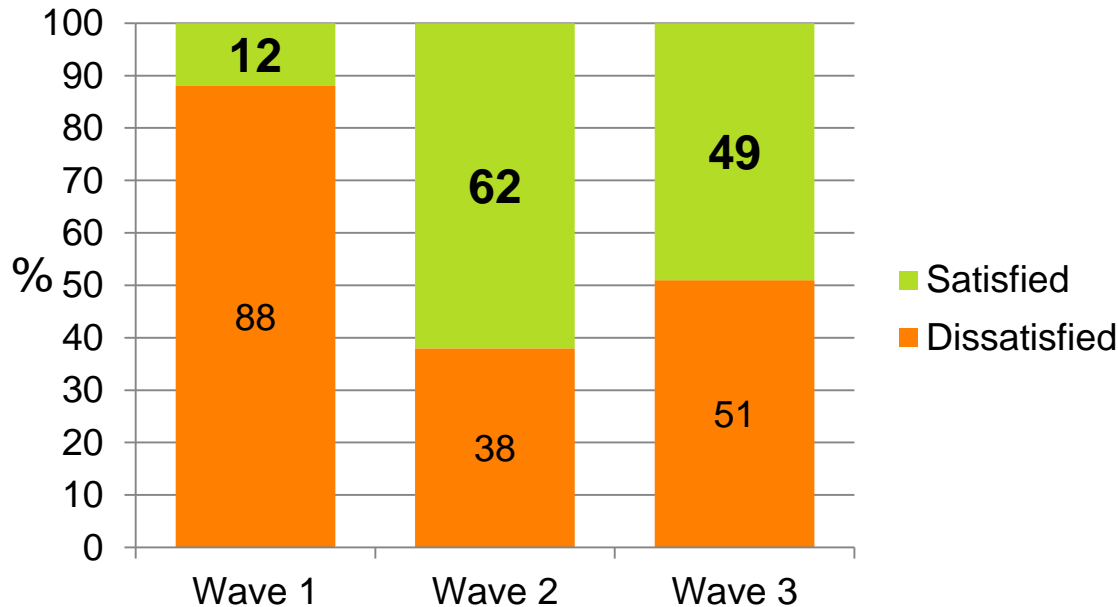
Base: Wave 1=210, Wave 2=200, Wave 3=230 (All who have lodged complaints)



Satisfaction with complaint resolution

SMEs

Whether satisfied with complaint handling



The overall levels of query resolution are slightly better than is the case for individuals....**BUT there are signs of inconsistency**

There's need to encourage customers to engage the industry as sustained progress is made in tackling emerging issues

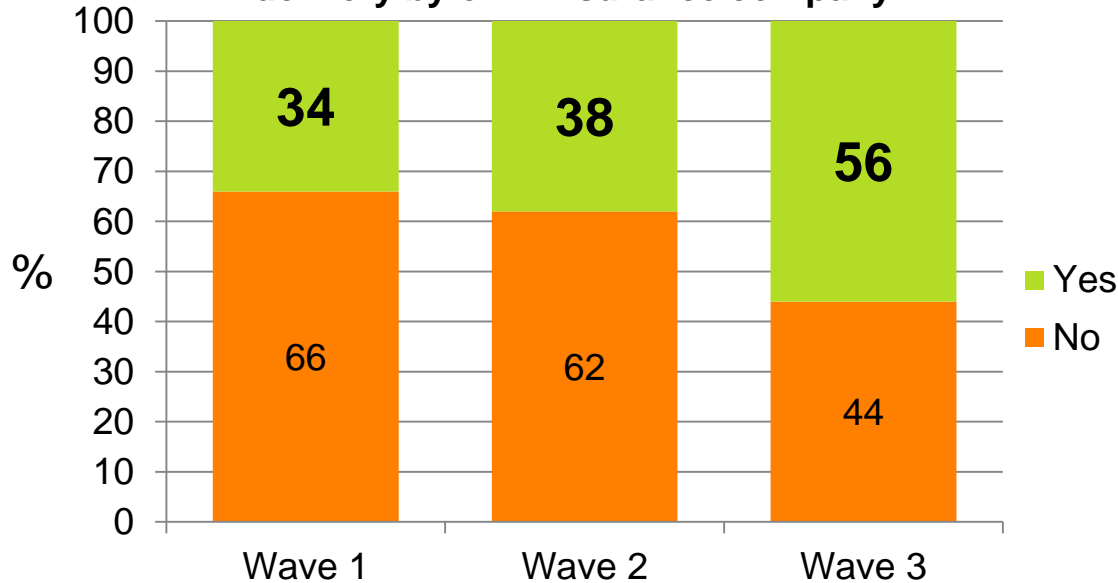
Base: Wave 1=56, Wave 2=72, Wave 3=54 (All who have lodged complaints)



Service Delivery

Individuals

Whether has noted any improvement in service delivery by own insurance company?



Yes, progress is being made towards the enhancement of general service delivery

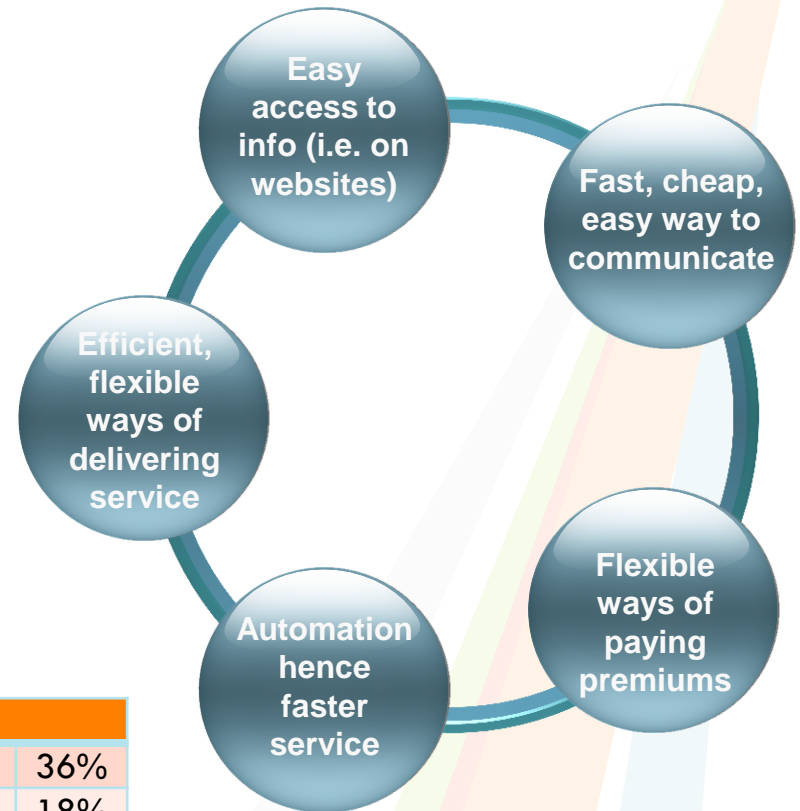
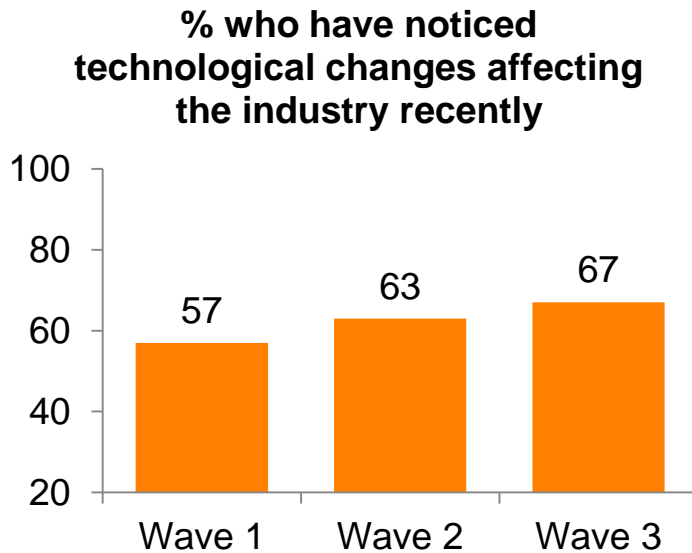
Improvements noted



Efficient/effective customer care	24%
Quick delivery of services	12%
Use of technology e.g. e-mail, websites, mobile phones	12%
Quick response to claims	11%
Easier premium payment i.e. M-PESA	10%
More regular communication	9%
Creating awareness of new services/ policies	11%
Good communication channels	8%

➔ Technological developments

Individuals



SMEs

Changes that have been observed

Fast/ cheap/ more efficient communication	36%
Electronic premium payment methods	18%
Access to more information via internet /website	16%
More and easier ways to advertise hence growth and marketing	15%
Faster service due to computerization	5%

Individuals Base: Wave 1=1000, Wave 2=1000, Wave 3=1000

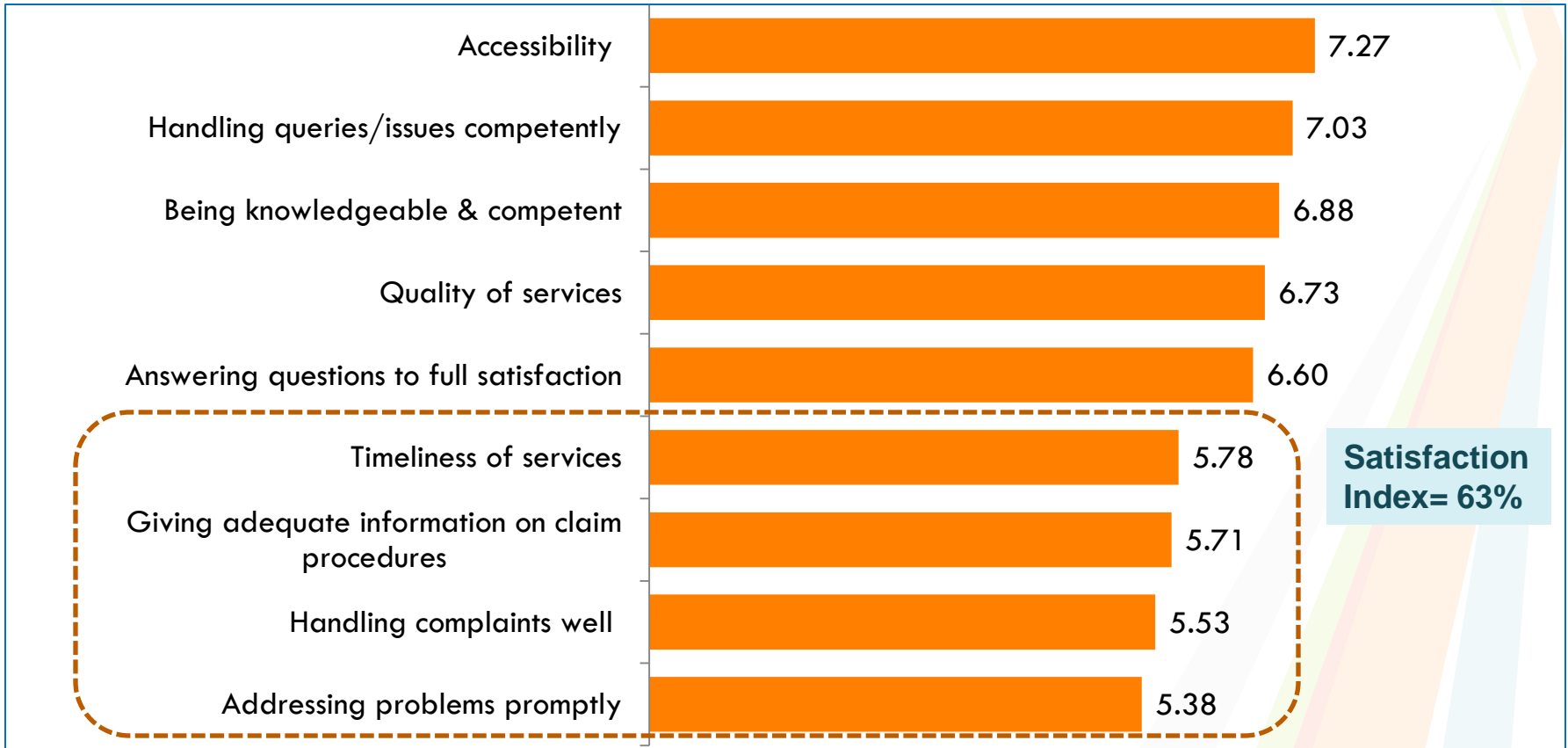
SMES Base: Wave 1=200, Wave 2=200, Wave 3=200



THE INTERMEDIARIES



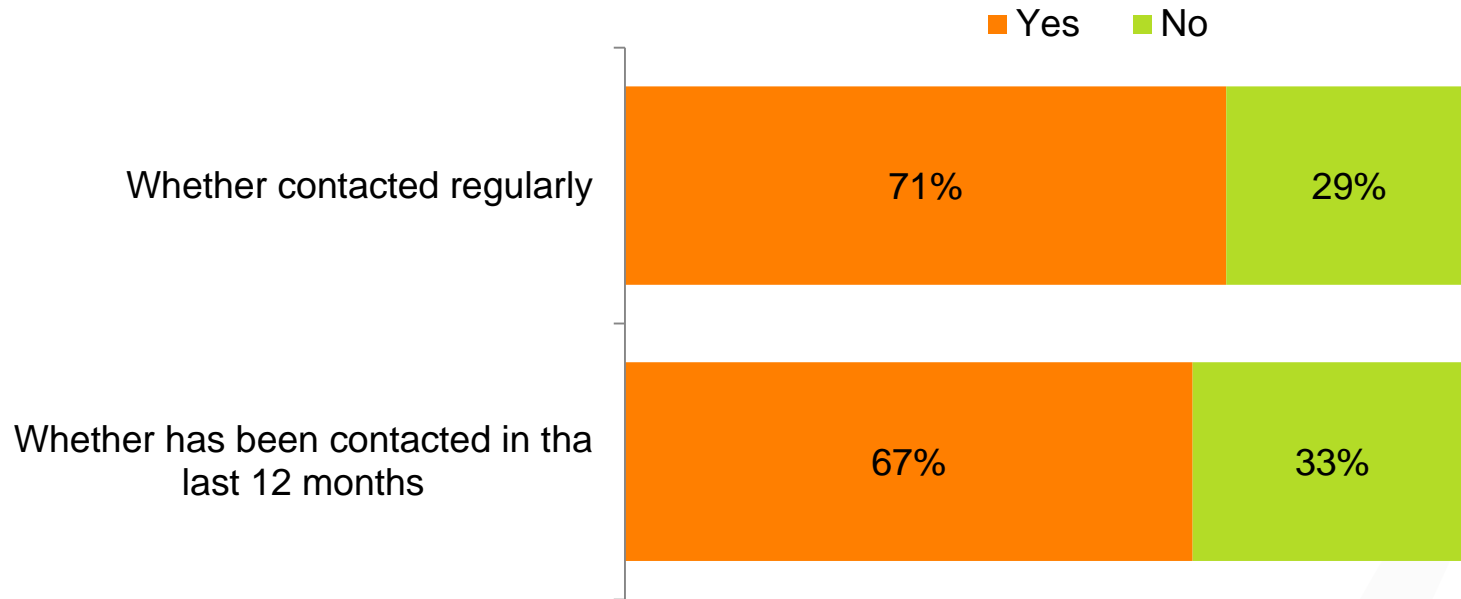
Satisfaction with Intermediaries



▪ Gaps exist in the following areas - Time efficiency in provision of services, query resolution, competency in query handling and clarity of claim processes – insurance companies need to work closely with intermediaries to ensure they have proper support and SLAs are observed



Satisfaction with Communication

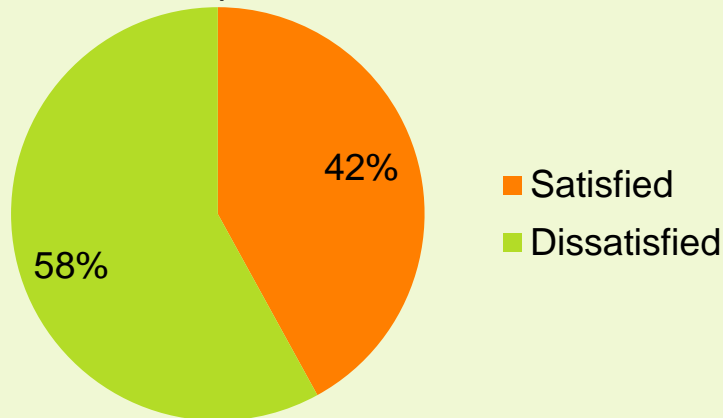


▪ To a large extent Intermediaries maintain contact with most of their customers

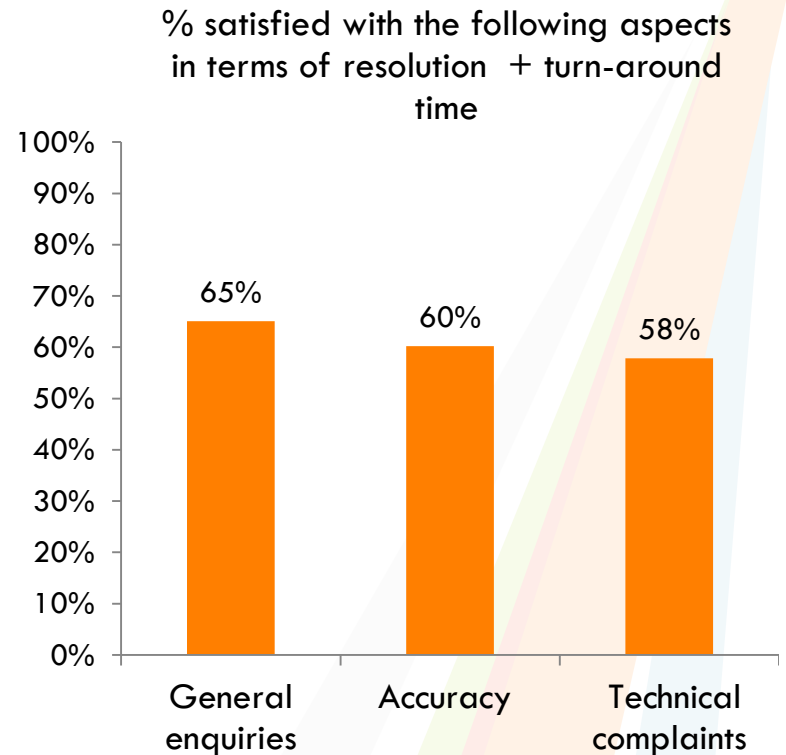
Complaint handling

% who have ever had a complaint with the services received from own intermediary	55%
% who reported the complaint	93%

Whether satisfied with how the complaint was handled



▪ Satisfaction levels are low



▪ Intermediaries require more support in handling of technical complaints and empowerment so as to handle queries more effectively



How the Industry can improve services offered by the business partners

Train /equip intermediaries with information	20%
Encourage them to be trustworthy/reliable	10%
Increase remuneration of intermediaries/motivate them	10%
Audit intermediaries frequently	9%
Give clear and sufficient product/policy information	8%
Encourage them to give regular customer information	8%
Employ qualified people with integrity	7%



RECOMMENDATIONS



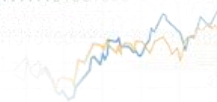
Recommendations

- **Focus on the key service drivers to narrow the gap between expectation and experience**
 - Claim processing
 - Complaint handling
 - Customer engagement
- **Faster adoption of technology**
 - To deliver services more efficiently and effectively
- **Customer centrisism**
 - KYC and align our offering (to need, expectations) in order to create value
- **Customer education and sensitization**
 - Create and manage expectations
 - Address the 'grey' areas



Recommendations

- **Empower and support intermediaries**
 - Their customer service issues are ‘our issues’
 - Training and capacity building
 - Professionalism, more stringent adherence to SLAs



We have an ear to the ground



Thank You!



www.sboresearch.co.ke