Mixed Messages:

The Insurer's Challenge to Fulfill Its Brand Promises

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Throughout 20+ years as a communications professional, I've been privileged to participate in multiple branding (and rebranding) efforts. Big hopes are pinned on the back of a name: it can symbolize a fresh start, spur growth, convey quality (or the lack thereof), signify recovery from crisis, and the list goes on.

A brand launch or brand refresh usually kicks off with great fanfare and a sizeable marketing investment. Yet in today's era of customer centricity, advertising alone cannot pave the path to success. A brand's meaning may be suggested through a clever campaign, but it's cemented by the collective experiences of those who engage with it: customers, intermediaries, employees, shareholders and the media, to name a few.

The inadvertent disconnect between a brand's veneer and its underlying behavior can arguably be corrected with buy-in from all levels of the organization, but for many well-established corporations that is a herculean task. Longstanding insurance institutions often face implementation challenges that more nimble businesses can sidestep. In the pages that follow, we'll explore common areas of breakdown, as well as opportunities for change, particularly with regard to the U.S. personal lines marketplace.

But before we do that, I'd like to share a story.

When I consider the scores of brands with which I've personally and professionally interacted, one in particular leaps to the forefront. For years it captivated both my heart and wallet share, but ultimately this story ended in tragedy. The onetime object of my affection? JetBlue.

Once upon a time in the early 2000's, I arrived at JFK airport for my first JetBlue experience. I had read the buzz about the new airline that was upending the industry with its upbeat personality and affordable fares. That inaugural trip did not disappoint. I recall the gracious and chatty agents at both the security line and gate. The pilot cracked jokes over the loudspeaker as we boarded, bringing joy to what was usually a cut-throat battle for overhead space. As I settled into my extra-large leather seat, I perused the directory of 36 TV channels—*Free television!*—that would occupy my time during the excursion. I was smitten before we had even reached cruising altitude.

For years, I sang the praises of JetBlue whenever the opportunity presented itself. I joined the frequent flyer program and signed up for a JetBlue credit card to fuel future travel adventures. I wasn't alone in my admiration. Since its 1999 launch, JetBlue had racked up countless awards for branding, advertising, service and customer satisfaction—from JD Power and Associates, Travel + Leisure, and other reputable outlets.

Fast-forward to December 2009. A blizzard pummeled New York City the day before I was scheduled to fly to Florida. Two years prior, JetBlue was caught wildly unprepared for wintry weather, but CEO David Neelman's reported transparency and remorse upheld my esteem for the brand:

"[Mr. Neeleman] is hoping to win quick forgiveness from customers and to demonstrate that he takes the airline's failings seriously. 'This is going to be a different company because of this,' Mr. Neeleman said. 'It's going to be expensive. But what's more important is to win back people's confidence.'"[1]

Anticipating the weather impact of my impending flight, I called JetBlue the day prior to reschedule. I spent hours on hold, and ultimately never got through to a single person. The website crashed as well. While flight cancellations were inevitable under the circumstances, the once-approachable airline proved impossible to contact. In the days that followed, I eventually reached someone who began the fare reimbursement process, but the empathy I had come to expect had vanished. It's interesting to note that JetBlue continued to earn accolades during this same point in history, such as "Most Customer-Friendly Airline" and "#1 Airline Brand"[2]. For me, however, the romance was over. In the coming years, I was particularly attuned to increased restrictions in the frequent flyer program and credit card rewards. After learning of 100 passengers once again stranded on a tarmac for seven hours in 2011, I canceled the credit card and now only fly JetBlue as a last resort.

None of these experiences was particularly alarming for the airline industry as a whole, but JetBlue broke its promise…to me. I've found it hard to forgive and forget, even now as the airline makes significant strides on behalf of its customers worldwide.

Also worth noting is that this scenario is repeated time and again across all industries, including our own. It only takes one negative interaction to lose a customer for life. The stakes are even higher today, now that social media gives every consumer a platform to amplify their experiences to countless others.

Branding and Business Impact

Branding as a discipline is defined in multiple ways, but there are generally two classifications. The first encompasses why and how we name businesses, products and services. The second description, which applies to this paper, is more experiential: "A brand is the sum of all expressions by which an entity (person, organization, company, business unit, city, nation, etc.) intends to be recognized."[3]

Consumer packaged goods companies such as Procter & Gamble are credited with originating the notion of brand building in the 1950's. It became a means to differentiate products, first by quality and subsequently by establishing an emotional connection. "The consumer relationship…was supposed to be based on trust. [Early marketers] tried to build a trust bias, an emotional shortcut to stir purchase decisions and to ensure customer preference and loyalty."[4]

A laundry detergent promises stain-fighting ability, but there are countless additional cues that marketers control to make consumers feel confident in the brand they choose: the packaging, the scent, the placement on a store shelf, etc. Unlike packaged goods, insurance companies and other financial service providers are challenged to build brand affinity around intangible propositions: breadth of protection, trustworthiness, service and responsiveness among them. The reasons to believe in a particular provider play out very differently in these instances. For example, marketers don't wield the same control in determining the outcome of a claim or the demeanor of a customer service representative.

Experience shapes perception. And in all circumstances, the way in which consumers feel about a particular brand will inevitably impact its financial success. According to Kantar Millward Brown, brand strategy consultants and publishers of the BrandZ brand equity database, "Companies that invest in building valuable brands grow their topline faster; and organic top-line growth is the greatest determinant of total shareholder return."[5]

More broadly, the most common metrics used to measure brand health are financial impact, degree of exposure, customer experience and overall reputation.[6] In addition to readily accessible measurements such as customer retention, media impressions and complaint rates, organizations may use tracking surveys to assess "softer" attributes such as familiarity, favorability and purchase consideration.

Insurance Opportunities and Pitfalls

Consumer insurance brands, particularly in the U.S., work tirelessly to shake the stigma of being viewed as a necessary evil that can't be trusted. Insurance agents are stereotypically portrayed either as impersonal pencil pushers or ruthless solicitors. Consequently, insurance companies comprise many of the nation's top advertisers in an effort to change consumer perceptions.

According to Advertising Age's ranking of Leading National Advertisers, Geico is the "Most Advertised Brand," with $1.4 billion in annual spending.[7]

Conversely the BrandZ brand equity database featured only one insurance company in its Global Top 100 Brands 2018 list: Ping An, which earned the #43 position. The Top 100 U.S. list featured only three insurance brands: State Farm at #62, Geico at #86 and Progressive at #96. If advertising were the primary driver of brand favorability, one could reasonably expect Geico in particular to jump the queue.

Temkin Group, a customer experience consultancy, cites that "companies need to use their brand as a blueprint for how they treat customers. To do that, they must focus on the promises that they make to customers through three steps:

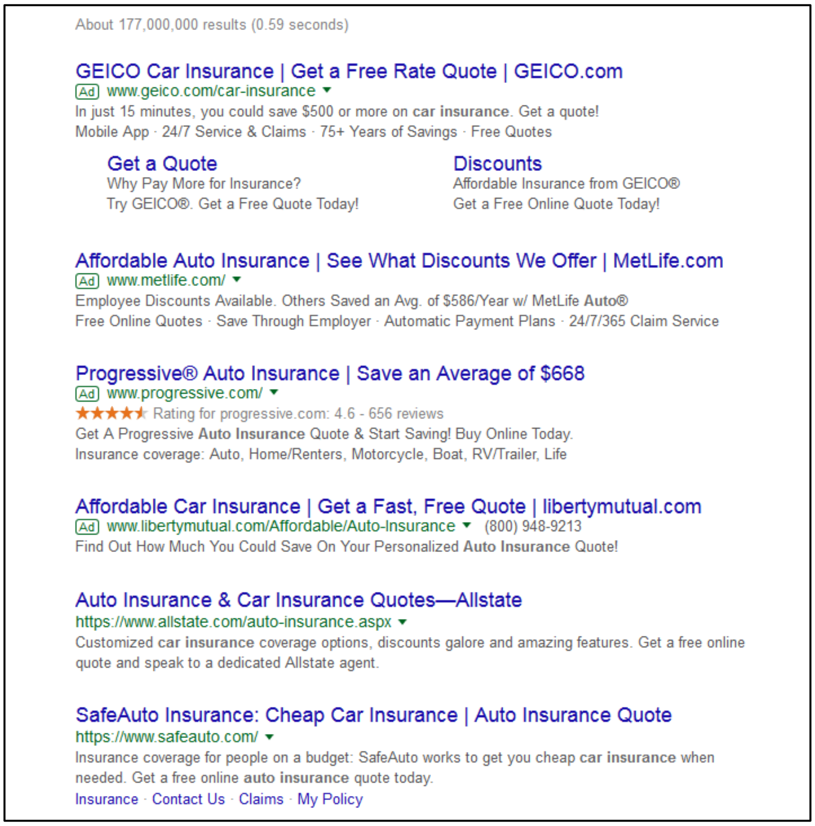
1. Make Promises. Ensure promises are clearly and explicitly defined.
2. Embrace Promises: Help employees understand their critical role in delivering on the promises.
3. Keep Promises: Hold the organization accountable to fulfilling the promises."[8]

Step 3 arguably poses the greatest challenges in the insurance sector. This is not to suggest that insurers mishandle their operations, but a host of underlying transactions and touch points can interfere with—or contradict—the intended brand perception. Some of these factors can be tempered if related investments are contemplated along with more obvious marketing and communications strategies. Others are simply byproducts of our business and the underlying negative attributes we collectively aim to shed.

Using a personal lines insurance customer life cycle as a representative example, consider the following:

Shopping for coverage

From the start, we tacitly set expectations that may not always be realistic to meet. Considering the commoditized nature of personal insurance in the U.S., it's no surprise that the promise put forth by most mainstream insurers is to be faster and cheaper than everyone else. It's a more short-sighted proposition than the offerings sold through independent agents and brokers, where quality of coverage is typically weighted more heavily than the cost. Farmers Insurance Group, for example, touts its diverse claims handling experience to attract new business. Regardless of a consumer's purchase path, however, there is an underlying assumption of ease based on the overwhelming visibility of direct-to-consumer messaging.



A typical internet search result for auto insurance in the U.S.

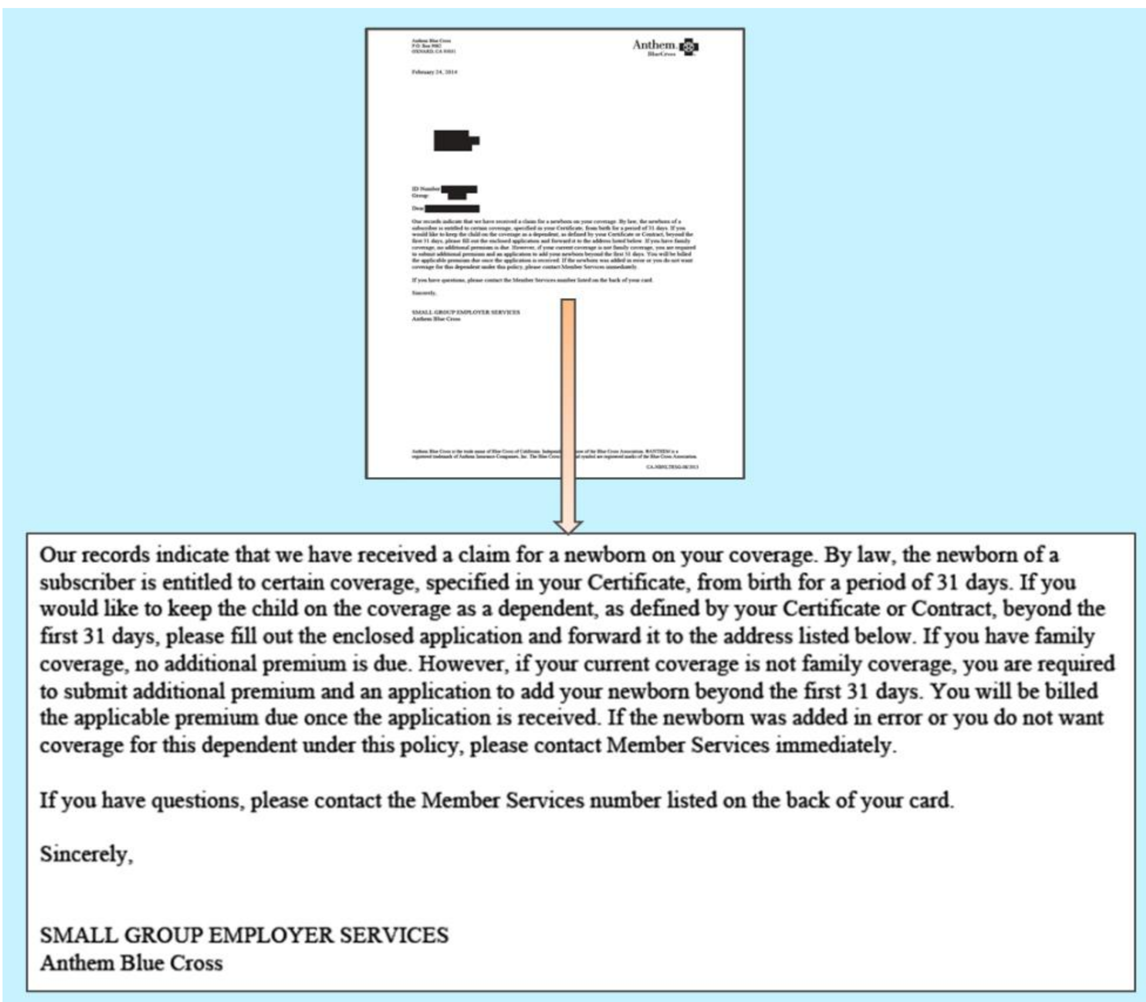
Of course, the expectation of ease is not unique to our industry. Amazon redefined expectations for commerce across the board, and we have yet to see the impact if Amazon does indeed enter our space. Lemonade has taken ease to a new level in its promise of "coverage in 90 seconds."[9] These up-front promises make little-to-no mention of coverage limitations or exclusions, which sets up the potential for disappointment if a claim is denied down the line. There's also no ostensible notion of the customer's own responsibilities as a policyholder, such as mitigation tactics or education on exposures. Insurers invite consumers into a world where we bear the burden to protect property, vehicles and families, no matter what. That is one tough proposition to uphold.

Once the transaction is made, most carriers or their representative agents will welcome new policyholders with an arsenal of information on whom to call for help and more products to consider purchasing. This is an ideal opportunity to educate people on the realities of their policy contracts and encourage them to take an active role in their personal risk management. In addition to what a carrier may publish, there are dozens of marketing companies offering plug-and-play welcome kits to independent agents. Yet from the information I could glean online, few (if any) "experts" are seizing the opportunity to hone consumer expectations.

Engaging with the provider

There are multiple opportunities to make a meaningful connection with customers throughout their policy life cycle: bill payments, mid-term coverage changes, inquiries regarding one's account, etc. For insurers who sell through intermediaries, these touch points may represent the *only* opportunities to create an impression. Transaction-oriented touch points generally haven't been seen as branding opportunities; in fact, a marketing or communications professional may never actually be involved in the creation of an invoice or endorsement document. But to the end recipient, these instances can carry as much (if not more) weight than a promotional message.

Consider this communications case study provided with permission by Lippincott, a branding strategy and design company. It features a before-and-after view of a standard health insurance provider notification. In the "before" instance, the provider is requesting additional information to extend coverage after the birth of a baby. The detached and technical nature of the request—typical of many insurance providers across all sectors—contrasts starkly against the profoundly personal moment its recipients just experienced.



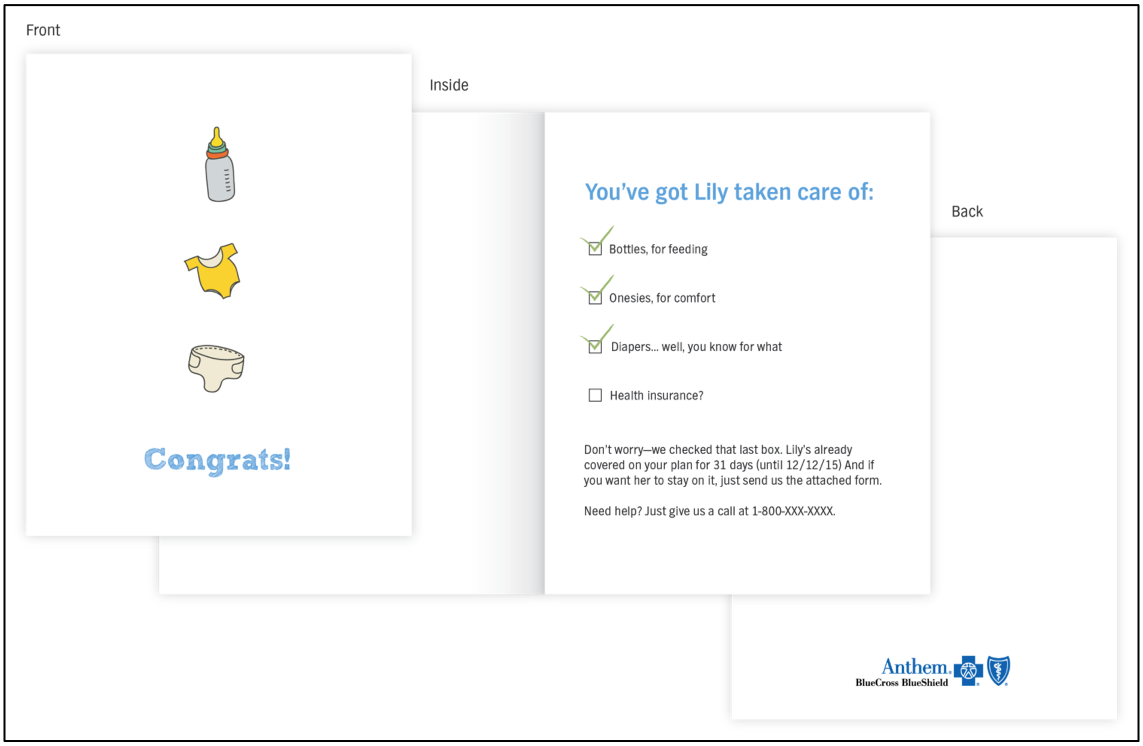
Our records indicate that we have received a claim for a newborn on your coverage. By law, the newborn of a subscriber is entitled to certain coverage, specified in your Certificate, from birth for a period of 31 days. If you would like to keep the child on the coverage as a dependent, as defined by your Certificate or Contract, beyond the first 31 days, please fill out the enclosed application and forward it to the address listed below. If you have family coverage, no additional premium is due. However, if your current coverage is not family coverage, you are required to submit additional premium and an application to add your newborn beyond the first 31 days. You will be billed the applicable premium due once the application is received. If the newborn was added in error or you do not want coverage for this dependent under this policy, please contact Member Services immediately.

If you have questions, please contact the Member Services number listed on the back of your card.

Sincerely,

SMALL GROUP EMPLOYER SERVICES
Anthem Blue Cross

Lippincott Case Study (BEFORE)



Lippincott Case Study (AFTER)

The "after" communication conveys the recommended approach to customer engagement. It is unquestionably more connected to the recipients' emotions and mindset at this pivotal point in their lives. To a marketer charged with branding implementation, this would be an easy call. But frequently overlooked are the operational obstacles that could make executing on this concept particularly tricky. Shifting back to personal lines insurance, these obstacles may include:

- Feasibility and expense of color printing
- Ability to modify message format from a standard document to a folded card
- Ability to personalize data accurately for each recipient
- Compliance requirements pertaining to the outbound message details
- Expense and time to program the changes into an existing print output system

If the teams responsible for managing these variables aren't equally empowered to invest in customer experience improvements, even the most sensible enhancements may never make it out the door.

A similar case can be made for technology investments. Well-established insurance companies, particularly those that rely on intermediaries for direct customer engagement, may not be poised to compete with the technology-driven disruptors now entering the category. For example, "Amazon attracts over 130 million customers to its United States website per month….It uses its vast amount of data on shopping behaviors and purchasing history to target users at an individual level, allowing it to quickly build affinity and convert visitors into long-term, high value customers."[10] This creates an expectation of digital proficiency across all points of engagement. If a company promises in its advertising to be easy to work with, will that hold true for needs that arise after the sale?

Experiencing a claim

According to the Insurance Information Institute, approximately one out of every 15 insured homes has a claim each year.[11] With regard to auto insurance, an estimated 6.3 million accidents were reported in the U.S. in 2015, with comparable numbers dating back through 2000.[12]

For many insurers and customers alike, a claim represents the most significant touch point in the policy life cycle. It is the proverbial moment of truth. Countless variables can influence the overall customer experience—and by extension one's feeling about the provider—including:

- Whether the loss is covered fully, partially or not at all
- The underlying cause of loss
- Whether anyone was injured
- Extent of damage
- Whether the loss was an isolated incident or part of a broader event, such as a hurricane

Claim scenarios range from minor nuisances to an outright tragedies. The more emotional the circumstances, the more critical one's personal interactions with the provider become. A policyholder may choose to endure future occasional missteps with their account if expectations were exceeded at their time of need.

Because so many influential factors fall outside of an insurance provider's control, such as the path of an oncoming hurricane, established insurance providers may continue to have an edge over technology-driven upstarts. Deep experience in claims handling—coupled with longstanding relationships with reinsurers and regulators—likely enable more entrenched companies to successfully endure inevitable natural disasters and other large-scale "unexpected" events.

Where to Go from Here

The keys to successful brand activation are all around us. Customer Experience is a recognized discipline due to the critical impact that it has on a business's long-term success or failure. Expectations of those who engage with "old school" insurance providers will only heighten as those around us evolve and present new choices. It sounds melodramatic as I write it, but our survival depends on our ability to embrace the notion—and the requisite accompanying investments—of adapting to what policyholders and prospects will ultimately demand with their dollars.

Expense management is always a concern, particularly for companies who answer to their shareholders. Yet there are incremental ways to move in the right direction. Education is an inexpensive, yet critical, example. Internal training departments can consider customer experience and branding tutorials to help those outside of related functions gain an appreciation of its importance. Managers can consider weighing customer satisfaction over more inward-facing metrics when evaluating employee performance. Slowly but surely, the foundation can be set for the meatier investments that will help make 360-degree brand implementation a possibility.

If we had the luxury of creating a new insurance brand today, we may approach it in another way. Today's startups recognize that the operation *is* the brand. Customer experience and customer centricity are the nucleus of a business, not ideologies that need to funnel through functional areas and geographies with their own preexisting priorities. The brand promise would reflect how the business organically executes, rather than serve as a set of manufactured attributes its employees aspire to meet. An insurer starting out today also won't be burdened by legacy systems that make it hard to change course swiftly and nimbly as customer needs or other external circumstances may dictate. But as noted earlier, a new entrant may not have the credibility or resiliency that can only come from decades of experience.

Final Thoughts

As I set out to work on this paper, my original thesis was admittedly biased—and, as it turns out, gravely misinformed. I presumed that fulfilling a brand's potential was as easy as throwing money at the problem. When the company in question has deeply set operational practices across multiple industries and jurisdictions, building or maintaining a strong brand is a perpetual balancing act.

Once I recalibrated, I then began to wonder if I was writing myself out of a job. After all, if brand value is validated by the operational experience, what is the future for an executive sitting in a discrete marketing communications silo?

Fortunately, this experience instead reignited a sense of purpose.

All brands, be they personal or professional, require active care. No one can afford to be complacent, no matter how established the business (or individual role) may be. For me, delving into the more academic side of branding will undoubtedly inspire new ways to deliver value to colleagues, business partners and our shared customers. And with a deeper appreciation of the challenges impacting brand perception, I may even give JetBlue a second chance.

On that note, I'd also like to add that this exploration merely scratched the surface of related challenges and opportunities impacting the insurance sector. The interplay of personal and commercial businesses within a singular "parent" brand impacts many of the most powerful and complex insurance institutions around today, as do questions regarding the role of the provider when business is conducted solely through intermediaries. I will endeavor to make this renewed sense of curiosity part of my personal brand going forward.

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