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A PERSONAL VIEW OF CUSTOMER EXPERIENCE

When I was asked to write about the customer experience, I wondered if I should take a textbook approach and focus on “just the facts.” I chose to take a blended approach by discussing some basic concepts of customer centricity and personal experiences as an insurance executive and consumer, starting with some recent consumer experiences.

I retired from AIG on October 1 and established a consultancy focused on management challenges and business strategy. From that effort emerged a new customer experience—for me.

As a newly formed business, I had to set up bank and cell-phone accounts. Let’s start with the banking experience.

I visited my bank, where I have maintained multiple checking and investment accounts for several decades and where I was considered a “private client”—a supposedly valued and loyal customer. I was well-received by my “private banker,” who quickly set up a checking account in the name of my newly formed LLC. He also completed a credit card application.

Within a few days, I received a form letter advising me that my credit application had been declined for unspecified reasons and that I should call a number in the letter for additional information. I called the number and was greeted by a tinny-voiced robot speaking so low that the words were virtually unintelligible. After about 15 minutes of repeat dialing, I was able to determine that I was rejected because my business was new. Clearly, my three-decades-long relationship went unmentioned in the internal workings of the bank.

I called my buddy, the private banker, and he resolved the problem in a day or so. My cell-phone experience was similar, but I will not bore you with the details, other than to say it took six hours of calls, frustrating duels with automated systems, unresponsive chat bots, and a rancorous email to the carrier’s C-suite.

So, the bottom line of my customer experiences was that I was not treated like a valued and loyal customer and that the technology supporting the customer experience was flawed. I consider myself tech-savvy and can’t imagine what customers who have difficulty with technology do to resolve problems.

Business leaders need a strong dose of empathy when designing customer relationship management processes and service infrastructures. Each process and infrastructure should allow companies to know their customers by linking all elements of customers’ relationship with them.

Too often, companies think they know their customers, but make incorrect assumptions about how their customers want to be touched during the various moments of truth in the relationship. Why are incorrect assumptions made? There can be many reasons: poor market research, weak market segmentation, cost-savings, one-size-fits-all products and services, and poorly developed technology platforms.

In my career, I witnessed too many instances where companies made assumptions about customer needs and priorities without really talking to the customer. There was no framework in place for bringing the customer into the discussion before assumptions about customer preferences were made by the company.

We use many overlapping terms like “customer service,” “customer experience,” and “customer journey.” But in the eyes of customers, the question is simple: Are their needs being met in a timely and effective manner so that they are left with a positive feeling about the business and brand?

Positive customer engagement builds loyalty, improves customer retention, and expands the product and service connection beyond one sale. It leads to word-of-mouth recommendations that are critical in maintaining a strong brand and acquiring new business.

The challenge is to consistently focus on engagement with the customer so that an emotional connection is established. There are several conventional approaches to tracking engagement, which I will cover briefly.

The basic tenets of tracking customer satisfaction and engagement include listening to customers as they define their needs; gaining regular feedback from customers and salespeople; exhibiting flawless delivery of service and products; and providing prompt, painless problem resolution. Another important point is that customer service is just one part of the overall customer experience.

Many companies use Net Promoter Scores (NPSs) to determine customer loyalty based on customers' answers to a single question. However, NPS alone is not enough to understand the overall customer experience. It must be supported by other metrics, including:

- Customer Effort Score (CES)—As the name implies, this pertains to the effort a customer had to make relative to a particular experience. For example, it covers the range of ease and difficulty relative to filing a claim and receiving payment.
- Time to Resolution (TTR)—This metric manages the time it takes to resolve a problem and requires a fair amount of discipline and the support of a complaint resolution and tracking system. If you think about my banking experience, it is likely that TTR did not factor in as a metric unless my friend the tin robot set up a problem ticket behind the scenes.
- Customer Satisfaction Score (CSAT)—This is a measurement of the level of satisfaction a customer had with a specific product or service. It is more specific than NPS since it tracks a particular transaction, whereas NPS speaks to the emotional connection a customer has with a company.

These metrics may assist in telling the story relative to the customer journey, but they can only reflect the investment that a company makes in understanding the needs of their customers and an almost ruthless attention to detail, beginning with market analysis and product development based upon sound analysis. A customer-oriented company will back up strong analysis and design with laser-like attention to detail in distribution, quality control, fulfillment, problem resolution, and customer engagement. If corners are cut, customer discontent and loss of market share will follow.

Just one last comment. As part of my cell-phone experience, I was walking in a parking lot when I received a call from a person supposedly from the “executive offices” of the cell carrier. This person did not offer a name and tried to explain that my problem was resolved. I wasn't in the mood for a lengthy conversation, so I cut her off by informing her that my problem was resolved a month ago. Dead silence.

I'm not sure if my experience will make it to the CSAT calculation!



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About the Author:

Ralph Mucerino began his professional insurance career with The Travelers and joined AIG in 1979. He held several roles in the Domestic Brokerage Group earlier in his career including Senior Vice President of Commerce & Industry and Senior Vice President of American Home and National Union where he was responsible for several business units and operations. During a distinguished forty-one-year career with American International group, Ralph led multiple diverse businesses which highlighted his leadership, vision, creativity, adaptability, and emotional intelligence. In 1996, he assumed the CEO role for the Africa-Middle East Region. He then relocated to Japan, where he served as President of the Far East Region, AIG's largest general insurance operation outside of the United States. In November 2008, he was appointed Chief Operating Officer of AIU for the company's international businesses. During his career, Ralph had a wide range of roles in both consumer and commercial insurance, including multiple regional management roles for domestic and overseas businesses, multiple product manager roles in commercial and consumer insurance, multiple leadership roles in distribution, marketing and client management and leadership positions in reengineering of AIG's overseas businesses. Mr. Mucerino retired in October of 2020 as Senior Vice President of AIG.