

[How BFSI companies need to work on NPS and its importance](#)

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As BFSI companies become increasingly digital, the need for measurement of customer experience has risen commensurately. Digital customer experience removes entry & exit barriers and also enhances the ability to measure experience since the footprint is now digital and lends itself to end-to-end tracking. In this context, NPS (net promoter score) serves as a good barometer of experience and helps highlight both strengths to be reinforced and opportunity areas to be worked on.

A good way to work on NPS is to figure out various customer journeys across the entire spectrum. For example, in the insurance industry, pillars can be purchase – lifecycle – claims – renewals. The next step is to inculcate best practices into the overall approach. Some of the points to keep in mind are:

- NPS is not a one-off tool, but a continuous measurement tool. Customer feedback needs to be taken at regular intervals.

- Both relationship NPS (periodic research) and transactional NPS (feedback taken at various touch points) should be leveraged to get rich feedback.
- Action on feedback is most critical. Pray, why measure if the feedback is not acted on? This is a subtle but important point – NPS is not just a measurement tool, but a feedback-oriented action tool as well.
- Enterprise-wide involvement is crucial. NPS is not the task of the customer service department alone. Everyone who interacts with the end customer should be involved.

It is not only about the company, but the entire ecosystem. Today, no firm is an island. Distributors sell on behalf of the company. Service providers interact with the customer on behalf of the company. All these entities need to be involved since they interact with the customer.

Once we enter the arena, maintaining and keeping a track of customer VOC across a large base and various touch points is very important. Leveraging the right platforms & integrating the same with our CRM & databases become very important. During the entire insurance lifecycle, customers interact across multiple touch points such as contact centres, branches, relationship managers, mobile app, customer portal, website, WhatsApp et al and expect a consistent, seamless experience across all these touch points. So, harmony across customer facing assets (front office), the CRM which acts as a middleware and the core at the backend are critical.

Since the key to NPS is action, once the feedback and measurement systems are in place, the accent has to shift to implementation. In this regard, based on our experience, the following factors can help drive the same:

Focus initially on low-hanging fruit – those which are easy to implement and are high on impact so that customers can gain confidence from these quick wins

Ensure focus on both big and small things. Let me illustrate this with an example. For example, when we build customer journeys on digital assets, a recommended way to do it is by focussing on key drivers of traffic into the contact centre rather than focus on niche journeys. At the same time, a focus on details (can we use predictive text, auto-fill to minimize customer effort, availability in multiple languages etc.) can really amplify effectiveness

Understand the unique needs of the various groups – detractors, promoters, neutral folks, segments within these – so that the temptation to apply a one-size-fits-all approach is avoided.

Communication is critical. Often, it is not the lack of action, but the lack of availability of information / lack of awareness which creates issues.

Again, digitization needs to be kept in mind when implementing solutions since digital solutions can reduce deployment cycle times dramatically and also help firms scale up even as they customize. Just to elucidate the same with analogies, based on customer feedback, we implemented the following:

Purchase – QR code based policy issuance (instant – scan, pay and buy)

Lifecycle – self-service for various options such as simple endorsements & AI driven solutions such as Saksham for corporates

Claims (the moment of truth) – from surveyor-driven assessment of car damage to AI & machine vision driven assessment

Renewals – touch-free, 1 click renewals

A strong focus on solutions helps propel these scores through a virtuous cycle of feedback collation, action and repeat feedback collation followed by fresh action. This continuous loop generates all-round goodwill and that is when the power of NPS is truly realized.

Again, firms have realized that there is a big difference between asking a customer's saying yes to "are you likely to recommend us?" and his actually going on to recommend the firm! When the virtuous cycle of feedback-action-feedback-action kicks in, and the trust between a firm and its customers increases dramatically, NPS actually kicks in via strong word-of-mouth referrals. And when this happens, the ultimate benefit of revenue monetization starts to kick in. While a Bain analysis shows that sustained value creators—companies that achieve long-term profitable growth—have Net Promoter Scores (NPS) two times higher than the average company, Forrester research shows that the revenue impact from a 10% improvement in a company's customer experience score can translate into more than \$1 billion.

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