Customer-centricity

For insurers to serve clients profitably, they need to place the client at the center of business decisions. A customer-centric approach is required to deliver value to clients but also to build business case. Being customer-centric means providing solutions that incorporate clients’ needs and preferences and accommodate their constraints.

Market research and segmentation to understand client needs is fundamental to customizing the value proposition for specific market segments. Adopting a customer-centric approach allows insurers and distributors to make better-informed allocations of marketing resources across customer acquisition, retention and development strategies. These strategies allow organizations to increase the satisfaction and loyalty of strategic customer segments.

Customer-centricity needs to be institutionalized within the entire organization. Insurers and distributors need to shift from a product-centric approach to a client-centric one. This shift requires a shift in culture, performance measurement and incentives structures. Organizations must often go through a systematic change management process to ensure that their organizational structure, culture and partnerships are conducive to creating and delivering client-centric solutions.

The Facility has developed guidelines for practitioners and policymakers [1] how they can improve client value. Further, our client value assessment tool - PACE [2] - was designed in 2012 to help providers examine products from the client’s perspective, and then identify and prioritise changes to improve the value the product offers. The tool assesses value along four dimensions: product, access, cost and experience. This allows providers to get a full picture of the offering they make to clients and the quality of clients’ experiences. We have implemented the PACE tool with close to 20 partners to identify product improvements for their clients (see example of SAJIDA Foundation’s use of PACE).

We are currently using the lessons from these applications to enhance PACE. PACE 2.0 will be more quantitative and easier to apply. It will be available in two levels for different purposes: as a simple index version to assess minimum standard indicators and as a tool with in-depth indicators of the original PACE tool. The new tool will be applied with at least 15 innovation partners over the next 3 years. In addition, versions of PACE 2.0 will be released specifically for agricultural and health products.

Other tools to help providers build a customer-centric culture within their organizations: CGAP’s client centricity toolkit [4].

Source URL: http://www.impactinsurance.org/about/customer-centricity

Links: