

EBOOK

AIG

Customer feedback drives
cost savings, improved
business processes, and
new opportunities for AIG

 **Forsta**



About AIG

American International Group, Inc. (AIG) is a leading international insurance organization serving customers in more than 100 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States.

AIG is a multi-year winner of the Forsta ACE (Achievement in Customer Excellence) Award. They were also recognized with the 2009 ACE Innovation Award for innovative use of enterprise feedback management, the 2011 ACE Award for Best Use of EFM in the Contact Center, and the 2012 ACE Award for Best Use of EFM for Voice of the Partner.

"Our Forsta solution has provided valuable customer insights that allow us to improve business processes based on the truth, not opinions. Since we started working with the Forsta team, the growth of our customer feedback program has been rather remarkable—it's a living, breathing, evolving program. It delivers the information we need to create better customer experiences across business areas, and has positively supported our efforts to retain existing customers."

CANDY MICHAEL

Vice President of Customer Feedback AIG

Challenge

As part of their goal to institutionalize a focus on the end customer buying AIG products, AIG wanted to:

- Install customer feedback mechanisms and resulting action processes for key customer interaction points
- Identify service improvements and provide customer intelligence to support key projects and marketing opportunities
- Develop organizational communication and support to raise customer awareness and promote employee engagement

Solution

Forsta provides an advanced enterprise feedback management solution and expert consultant guidance to help AIG capture daily transactional data across business groups, respond to and resolve issues in real time, and improve the business processes that impact customer satisfaction.

Results

- **A reduction in costs** and an ability to allocate funds based on customer feedback
- **Improved business processes** drive customer satisfaction and retention
- **New business opportunities** resulting from survey outreach
- **Employees motivated** around customer satisfaction
- **A competitive edge** with a reputation for great customer service

Business challenge

"We wanted to get more of an 'outside-in' view of the company, to be able to respond to what consumers in the marketplace wanted, so that we are making decisions based on factual data rather than perceptions."

SIMON LEECH

Senior Vice President Insurance Services AIG

AIG is collectively one of the top issuers of insurance in the U.S., with more than 15 million policies in force, offering a broad range of life insurance, fixed annuities, accident and health insurance products, and worksite benefit plans. The company's insurance products are sold primarily through a blend of independent and employee agents and brokers who market and sell to the end customers, the policy and contract owners.

Historically, the company relied on their distribution partners for customer feedback. However, they recognized the need to have a disciplined approach to the customer experience—a voice of the customer program to improve customer experience, and raise customer satisfaction and loyalty.

In 2006, the company set forth its vision and guiding principles for creating a customer experience strategy. Their Customer Feedback Office was formed with the purpose of developing ways to better hear the voice of the customer, satisfy customer needs, and make customer satisfaction a primary focus throughout the organization. Led by insurance industry veterans Candy Michael, Vice President Customer Feedback, and Simon Leech, Senior Vice President Insurance Services, the Customer Feedback team identified the need to collect unfiltered, direct feedback from customers as a top priority.

Solution

AIG engaged with the Forsta team in Spring 2007 to implement a solution that would enable them to capture direct customer input, act on both positive and negative feedback, and measure progress.

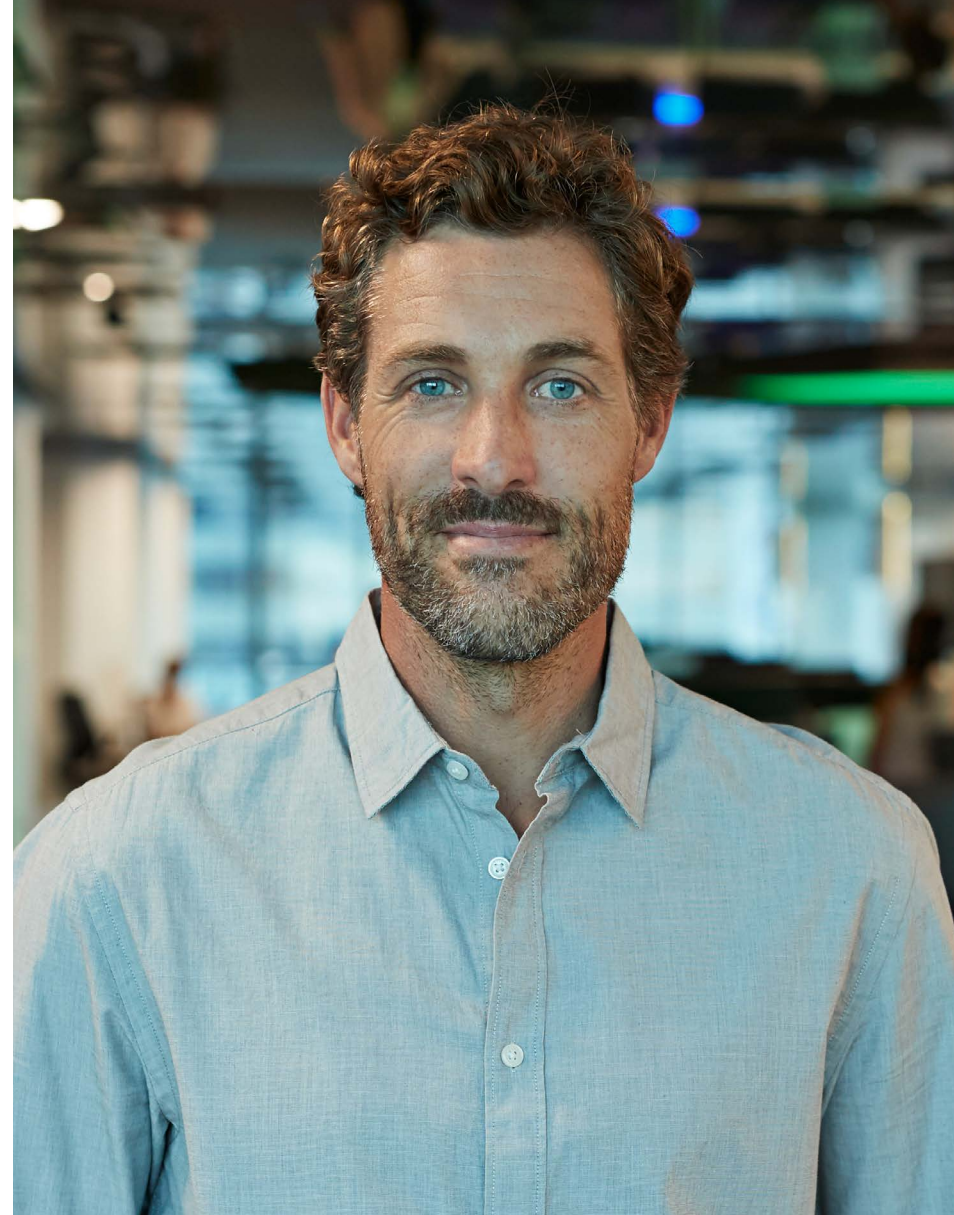
Robust enterprise feedback management capabilities

The Forsta team worked with AIG to set up an enterprise feedback management (EFM) system with Forsta, integrated with AIG's customer database to support comprehensive data analysis. AIG began using Forsta to survey customers within their life insurance business, then expanded with feedback programs across the majority of their businesses, including annuities, accident and health, group benefits, and more. Forsta automatically delivers an email invitation for a specially tailored touch point survey when a transaction with a customer service representative (CSR) or online self-service activity is completed. The company now processes thousands of surveys from customers, agents and brokers each year.

Expert guidance from customer feedback consultants

The Forsta team of consultants helped AIG design their customer feedback program and develop surveys and reporting tools. Today, the company conducts a variety of surveys, including:

- Ongoing daily transactional surveys across various customer touch points including New Business, Customer Self-Serve website, customer service, and contact centers.
- Product research surveys to assess potential new products such as life insurance and longterm care insurance.
- Agent and Broker surveys about underwriting, vendor services and the policy purchase experience.
- Ad Hoc surveys about specialized customer service interactions and other customer experiences.



AIG's surveys were developed with a 1-10 scale for responses, and include questions about the particular type of transaction or service at the touch point plus a standard set of customer satisfaction questions that are measured across their businesses: overall satisfaction with the service or experience, overall satisfaction with the company, likelihood of purchasing other products and services in the future, and likelihood of recommending products and services to others.

Forsta consultants continue to support ongoing program management and reporting, and work with AIG's customer feedback team to brainstorm new ideas and discuss survey strategies to achieve their customer feedback goals.

"While we track scores and trends, it is not all about the numbers. It is about business process improvement and an enhanced customer experience."

SIMON LEECH

Senior Vice President Insurance Services AIG

Action management to close the customer feedback loop

Forsta also provides Action Management capabilities to help AIG address critical service and quality issues indicated by individual survey responses, using email alerts and case management tools. The system flags survey responses in the 1-6 range for follow-up, with action alerts immediately emailed to the relevant business owners and designated front-line customer analysts to notify them of issues in real time. Action cases are automatically opened so team members can be assigned as action owners for each specific customer case, then track and report on problem resolution. Team members reach out to customers to remedy the problem and build loyalty through responsiveness.

In addition, instant alerts are triggered when a customer rates a perfect score of "10" for a phone representative or a service rendered. The company shares kudos with employees for a job well done, and sends a "thank you" reply to the customer for taking the time to provide positive feedback.

Results

“The value of the customer contact is a huge plus in our industry.”

SIMON LEECH

Senior Vice President Insurance Services AIG

A reduction in costs and an ability to allocate funds based on customer feedback

AIG has used customer feedback to identify opportunities to reduce technology costs, avoid expenses, and update business processes in the customer service area, enabling the company to realize significant savings. For example, surveys showed that call center customers were dissatisfied with the automated voice response (IVR) system and tended to abandon the process midstream, frustrated with the amount of time required to complete service requests. AIG resolved the problem by disconnecting the IVR system and using live operators in its place, with specialized customer retention representatives trained to educate the customer on their options and advocate for the customer's best long-term interest. By cutting technology costs and avoiding expenses with a reduction in call volume, AIG is realizing an annual hard dollar savings.

For AIG cost reduction is only a piece of the voice of customer benefit. While reporting numbers and determining cost savings is important, a broader approach is taken to measure business results, with a focus on the business opportunities and improvements that drive the customer experience.

Improved business processes drive customer satisfaction and retention

The guiding principle behind AIG's customer feedback program is to understand how each business area is doing and how it affects the customer. "While we track scores and trends, it is not all about the numbers," Mr. Leech said, "it is about business process improvement and an enhanced customer experience."

Action alerts allow the company to be more proactive and address issues with customers faster. "If we see two or three customers with the same problem, we know immediately something has gone off the grid," Mr. Leech said. "And because we track at touch point levels, when scores go up we know our changes have directly impacted the customer experience."

For example, feedback from eService customers identified a need for expanded online transaction capabilities. AIG followed up by simplifying site navigation and expanding online payment options to additional product lines. Those improvements have not only helped retain

eService customers, they have made it easier for more customers to do business online, opening up additional opportunities to manage customer transaction costs.

New business opportunities resulting from survey outreach

"We were having great success with the Forsta solution for email-based transactional programs, so we began looking for new ways to leverage our survey tools," said Ms. Michael. "We reached out to non-traditional customer segments for valuable insights that would lead to new business processes that positively impact customer retention and acquisition."

First, AIG targeted "lost customers"—individuals who decided to cancel their policies or contracts—to determine why customers left and who may have won their business instead. They also surveyed "lost potential customers"—individuals who applied for life insurance coverage through a direct marketing program and then made the decision not to finish the

purchase process. The insight gained from these surveys helped the company identify appropriate changes in products and strategy moving forward—for example, improving telemarketer scripts to better explain products and premium rates.

AIG's outreach to these customers also delivered valuable leads, with some survey respondents expressing interest in revisiting a relationship and following through to give AIG their business.

Employees motivated around customer satisfaction

Executive support for AIG's customer feedback program extends to the senior leadership team and the president of the company. All of the feedback programs are integrated into the businesses, with scores, comments and recommendations part of a continual improvement process. 170 users across the company access the Forsta system to pull data and reports, with data permissions set up corresponding to 21 different user roles.

"We do not use a centralized team approach to listening, analyzing, and acting on the feedback results. We help the business areas become fully engaged in owning the programs, and this decentralized approach gives them a stake in the results and institutionalizes the programs within the business areas."

MS. MICHAEL.

AIG shares survey results with employees via its Customer Feedback Intranet, and highlights employees who have made a difference with customers on service recovery cases.

"We tell all of our customer advocates, 'Do not focus solely on scores—make sure to read all open text comments. Listen to what our customers want—then deliver the services or solutions that meet those needs,'"

MS. MICHAEL.

A competitive edge with a reputation for great customer service

AIG's customers perceive the company's responsiveness and proactive outreach as evidence of exceptional service, helping them stand out among competitors. AIG has also been recognized for exceptional customer service satisfaction as a five-time winner of the ACE (Achievement in Customer Excellence) award. For its innovative use of enterprise feedback management to target the non-traditional customer segments of lost customers and lost potential customers, AIG was also a winner of the Forsta ACE Innovation Award in 2009, and won the 2011 ACE Award for Best Use of EFM in the Contact Center.





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For more information visit www.aig.com.





Growing Smarter Together

Forsta is the world's leading provider of Experience & Research Technology, working together with our clients to help them discover, understand, and share human-centered insights packed with real action potential.

forsta.com

515 Madison Ave., Suite 8112, New York, NY, US 10022
t. +1 212 660 1800 www.forsta.com/contact/