

**Building Loyalty through Superior Care**  
Raising standards in an age of self-service



*The days of merely “satisfying” a customer are gone. Progressive employers expect more than just the lowest price when they purchase group benefits. They want the latest innovations in benefits technologies — and offered in a form compatible with their HRIS platform. They want personalized enrollment materials, but not at an added cost to plan implementation. They want exceptional service from all of their service providers. Those companies able to consistently provide such service reap exceptional rewards.*

## The real opportunities in providing exceptional service

When companies consistently provide exceptional service, they are building the foundation for successful, long-term customer-company relationships. These relationships inspire loyalty, and foster active collaboration between client and service provider. Loyal customers not only make additional purchases, but they regularly refer others to you.

In his book, *The Ultimate Questions: Driving Good Profits and True Growth*, loyalty expert and Director Emeritus at Bain & Company, Fred Reichheld, suggests companies ask their customers one simple question: How likely would you be to recommend our company to a friend? Regardless of industry, the answer to this question has proven to be the single most reliable indicator of a company’s ability to grow. The Net Promotor® score is derived by starting with the total number of customers who would recommend you (Promoters), and subtracting the total number of customers who would not recommend you (Detractors).

It is not difficult to understand why the results of the equation hold true. Loyal customers, the Promoters, continue to buy current products and services from you, and are more likely to buy others in the future. Most importantly, they will tell their friends and associates about you. On the other hand, the Detractors are more likely to pass along bad news about your products and services. Less-than-stellar service can easily result in the loss of a customer and the accompanying revenue, as well as the costs of acquisition.

How do you get on the road to winning client trust and loyalty? You have real opportunities to provide exceptional service when you:

- Recognize excellent service among service providers.
- Help clients increase their lifetime value.
- Serve as a resource.
- Build a relationship for the long haul.
- Partner with the best.

## Recognizing excellence among providers

### Know your clients' definition of excellent service

In a recent survey<sup>1</sup>, Minnesota Life asked benefits intermediaries to share their clients' definition of excellent service. They responded with these key elements:

- Meeting needs and expectations.
- Answering questions and resolving issues.
- Delivering contracts and employee literature in a timely manner.
- Paying claims swiftly and correctly.
- Willing to be flexible.
- Offering technology that is user-friendly.

## Help clients increase their lifetime value

### Customer loyalty can be measured

There's a lot of talk in the business press about customer satisfaction versus customer loyalty. However you define customer value, the bottom line is beyond semantics: Repeat customers grow a company's profits and earnings. You can impress your clients when you share with them the hard evidence to illustrate the "customer loyalty" concept.

The metrics of customer loyalty:

- A 5 percent increase in retention can create a 145 percent increase in profit.
- A 10 percent increase in loyalty can translate into a 20 percent increase in sales.
- Extending customer life cycles by three years can triple profits per customer<sup>2</sup>.

Furthermore, according to a recent study, problems don't always end in dissatisfaction: a speedy response to a problem can add 25 percent to customer loyalty<sup>2</sup>.

## Serve as a resource

### Know what your clients need ... and provide it

Once the sale is made, your work has just begun. Now is your chance to become a trusted source of information on benefits trends, program enhancements, industry benchmarking, regulatory issues and technology innovations.

With reduced benefits staff, employers are seeking intermediaries who will step in to provide education when needed and become an extension of their human resources department when challenges arise. In the role of trusted advisor, you can take on any number of tasks your clients cannot manage on their own<sup>3</sup>:

- **Provide communications materials** to help clients inform their employees about benefits and prompt them to take action to enroll.
- **Conduct on site benefit fairs** to give employees face time with benefit vendors and get their questions answered. As an extra value-added service, you may offer not only to participate in fairs as a representative, but also to coordinate the entire event — taking a huge burden off the shoulders of the benefits administrator.
- **Help benefit administrators** find their way through the evolving legal and regulatory environment by providing opportunities for education. Consider offering seminars on HIPAA, FLMA, ERISA and HR Compliance. You will become a valued resource and partner. When they turn to you to answer their questions, it's another chance to uncover a potential need, and therefore, the potential to make an additional sale.

A recent market research study identified the top concerns of brokers and employers in today's environment of high health care costs. A trusted advisor also plays a role in resolving these concerns:

- **Solutions to help their benefits dollars go farther.** Most are looking for creative, long-term strategies to help manage benefits costs, yet still provide employees with choices to help fill gaps in coverage.
- **Professional, reliable enrollment and benefits communications.** Employees need help not only to understand the value of the benefits their employer provides, but also to understand their coverage options so they can make wise decisions at enrollment time.
- **Hassle-free voluntary benefits.** Employers want the enrollment data, billing capabilities and all processes to work with their systems, and not the other way around. In addition, employers and brokers want a wide variety of enrollment capabilities — the flexibility to conduct enrollment through one-on-one benefits sessions, group meetings, call centers and online self-enrollment.

## Build a relationship for the long haul

### A strong partnership can weather any storm

Building strong relationships is possibly the most important thing you can do to meet clients' needs and, in turn, create customer loyalty and repeat business. Clients still value strong broker relationships as an avenue to adding value and solving problems<sup>5</sup>.

Having learned your client's business, you are in a position to help them solve their business problems. One way to do that is to share your knowledge. According to a report published by PricewaterhouseCoopers and the Economist Intelligence Unit, when striving to meet customer needs:

- Share data across product lines and eliminate product silos.
- Get a full picture of your customers (across all product lines) and tailor your products to meet their needs.
- Provide a champion for the customer — someone who will advocate for the customer and find solutions that fit the need.
- Train and motivate staff to offer solutions not pat responses.
- Measure customer loyalty from both non-financial and financial standpoints.

### What to do right when things go wrong

Building a client's trust will serve you well in the event things don't always run completely smoothly.

First, take a realistic look at what can go wrong. You've been there: A client is not happy with you or the benefit program purchased through you. Typically, dissatisfaction arises when clients:

- Don't receive what they **expected** or were **promised**.
- Experience what they consider to be **unreasonable delays**.
- Interact with someone who comes across as **rude, patronizing, or indifferent**.
- Feel they're getting the **brush-off** or the **runaround**.
- Are told a **rule** or **policy** is a reason for inaction.

What makes the difference in turning around a difficult situation is how you respond. Handling a problem promptly and with finesse can often result in the original mistake being forgotten, and perhaps entirely forgiven. The approach you take to remedy the situation will be what sticks in your customer's mind. A once dissatisfied customer can become your best ambassador when treated well.

Here are some proven methods for building service recovery into your business mindset:

- **Ask for feedback.** The best service companies make it easy for customers to voice their views. Ask for feedback and you'll get it. Incorporate suggestions from feedback, and you'll succeed.
- **Respond quickly.** Quick, courteous responses will help you improve customer loyalty. Timely or speedy response can add 25 percent to customer loyalty<sup>4</sup>. You may need to change your service model to ensure that customer complaints are quickly addressed.
- **Get it right the first time.** Resolve complaints on the first contact. You'll save money by eliminating unnecessary additional contacts and you'll build customer confidence. Research confirms that resolving a complaint on the first contact reduces the cost by at least 50 percent<sup>4</sup>.
- **Take advantage of technology.** Technology is your friend when it comes to handling complaints. Develop a database of complaints to alert you to service issues, then fix them! The best companies compile customer complaints and present them to everyone — including management — so the organization can improve its commitment to “wowing” customers.
- **Hire the best.** Recruit and hire the best for customer service jobs. Some organizations formally build complaint resolution as a rung on the career advancement ladder.

When you're the one on the front line, these are some customer service basics worth remembering:

- **Put yourself in their shoes.** Try to see the customer's problem as though it were your own.
- **Disregard outrageous claims** or expressions of frustration. Stick to the central issue(s).
- **Acknowledge** your customer's distress and apologize for it (even if it's not your fault).
- **Respond quickly** and as briefly as you can.
- **Offer** a settlement, a compromise, a goodwill gesture, or other options. Never dig in your heels.

## Partner with the best

### Selecting carriers whom you can trust

Working with a carrier who can handle administrative and technological details with no worries or surprises frees you to nurture your relationship with clients.

That's why it's important to team up with a carrier whom you can trust. Prompt claims paying ability is a given. Savvy carriers go a step beyond to take an active role in helping you do your best for your clients. The best of the best:

- **Listen** well.
- **Provide** you with information and research to help drive client loyalty or grow your business.
- **Create** timely sales materials and provide meaningful measures of plan performance.
- **Keep** you up to speed on industry trends and changing regulations.
- **Make** consistently excellent service a standard way of doing business.

Minnesota Life and its New York-licensed affiliate, Securian Life, have a long history of treating customers well, and it has paid off. We carry the highest client retention rate in the group life insurance industry — an impressive 99\* percent. In our most recent customer satisfaction survey, 100\* percent of our respondents said they are satisfied with the overall quality of service from Minnesota Life. The company rates an impressive Net Promoter® score of 87 percent.

For our group life insurance customers, the key drivers of satisfaction are:

- Promoting a high level of trust.
- Fulfilling requests and solving problems.
- Administering plans as agreed.
- Providing meaningful financial reporting.
- Understanding the critical factors to their plan's success.

## Another way to spell customer satisfaction

### R-E-S-P-E-C-T

LifeBenefits.com, the self-service group life insurance site offered by Minnesota Life to its group life insurance customers, received a higher rating than any of the companies listed in the 2006 Insurance Customer Respect Study\* published by The Customer Respect Group (CRG). The Minnesota Life site received a 7.3 rating out of 10; the next highest ranking in the insurance industry was 7.1.

In the analysis, commissioned by Minnesota Life, CRG said the LifeBenefits site has a “well-structured, efficient online policy. You excelled in the areas of ease of use and general navigation and in the treatment of personal data supplied by site visitors. The quality and speed of e-mail responses also were impressive.”

### About Minnesota Life

With \$500 billion of life insurance in force, Minnesota Life Group Insurance is the nation's sixth largest group life insurer. The Company has provided customized group life insurance programs to government, business, and associations for over 90 years, and is highly rated by the major independent rating agencies that analyze the financial soundness and claims-paying ability of insurance companies.

To find out more about Minnesota Life's Group Insurance, call our National Sales Office at 1-800-606-LIFE (5433).

### Source:

<sup>1</sup> Minnesota Life Producer Study, 2004.

<sup>2</sup> *Serving the American Public: Best Practices in Resolving Customer Complaints, Federal Benchmarking Consortium Study Report* (<http://govinfo.library.unt.edu/npr/library/papers/benchmrk/bstprac.html>).

<sup>3</sup> “Is good customer service good enough?” by Tom Martorana, *Benefits Selling*, April 2006.

<sup>4</sup> “Customer Service Falling Short at Financial Institutions,” *CRM Today*, Tuesday, 13 June 2006 based on the report, “Winning the Battle for Growth: Building the Customer-Centric Financial Institution,” *PricewaterhouseCoopers and the Economist Intelligence Unit (EIU)*.

\* December 2006. *Insurance Customer Respect Study*.

## **MINNESOTA LIFE**

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F62382-15 6-2007  
A00458-0207