CASE STUDY

Redpoint's CDP helps a leading insurer improve retention by 20 percent and return on marketing investment by 28 percent.

Overview

A leading global insurer saw powerful opportunities to improve profitability by increasing customer retention through the critical first six months after purchase. It also sought to complement marketing partnerships with new direct sales channels, enable true multi-channel marketing, and increase the visibility and effectiveness of all marketing investments. One key obstacle stood in the way of meeting all these objectives: disparate, fragmented data.

Redpoint Global integrated 450+ data sources into one up-to-date, reliable, and highly-usable data mart. Concurrently, Redpoint automated the collection and analysis of many complex marketing and business metrics.

Using Redpoint Data Management™, the insurer increased retention by 20 percent, and increased return on marketing investment by 28 percent. Building on Redpoint's platform, it implemented true multi-channel marketing for the first time, successfully integrating touch-points ranging from call centers to the web.

Background

One of the world's leading international insurance organizations, Redpoint's client has served commercial, institutional, and individual customers in more than 130 countries and jurisdictions. Its US accident and health insurance group, the subject of this case study, is part of one of the world's most extensive worldwide property-casualty networks.

The Challenges

The insurer's accident and health group had traditionally marketed its products through financial services partners, including some of world's largest banks. For instance, a banking partner might send customer statement inserts promoting the insurer's policies.

In this environment, customer retention was a serious challenge – both for the insurer and the partners who received commissions based on retention.

US law required that even after customers "bought" a policy, they would have several weeks to reverse their decision, and also wouldn't be billed for several weeks. Even after first payment, some customers would quickly cancel policies due to buyer's remorse or other reasons. The net result was tremendous attrition: up to 80 percent of those who purchased new policies might abandon them within three months.

If the insurer and its partners could keep their customers for six months, most of them would continue paying for years to come. In other words, improving retention offered immense opportunities for increasing ROI.

LEADING GLOBAL INSURER

OBJECTIVES

- Use data to increase profits by retaining more new customers through the first crucial six months of the relationship.

- Establish a foundation for reaching customers through new direct channels.

- Establish a true multi-channel marketing program.

RESULTS

- By integrating 450+ disparate data sources into one unified, highly-usable data mart, Redpoint helped this insurer increase retention by 20 percent, new paid sales by three times, and return on marketing investment by 28 percent.

- The identity matching components of Redpoint's data management solution left half as many records unmatched as a previous competitive solution.

- Redpoint automated the collection, analysis, and delivery of key metrics that previously required complex, difficult-to-maintain spreadsheets, including sophisticated lapse curves and "forecast vs. actual" comparisons.

Concurrently, the insurer faced additional strategic challenges. It wished to do more direct selling to customers, rather than relying solely on partners. This would require stronger capabilities for managing customer relationships. The insurer also needed better control of marketing spend, better visibility into marketing performance, stronger capabilities for evaluating the accuracy of forecasts, and more effective financial controls.

One common challenge stood in the way of all these goals: fragmented, disparate data sources. Like many large insurers, the insurer struggled to integrate data from hundreds of locations – ranging from call centers to claims departments to multiple third-party administrators (TPAs) with their own claims processing responsibilities.

The Solution

After comparing several options, the insurer chose Redpoint Data Management™. To simplify deployment and reduce capital costs, it deployed its solution on a SaaS (Software as a Service) basis from Redpoint.

Redpoint's platform integrated 450+ weekly data feeds into a consolidated customer data mart that delivered a single customer view which is up-to-date, exceptionally usable, and easy to maintain via Redpoint's tools.

One key element of this data integration process involved accurately matching customers from multiple data sources. The insurer had previously performed matching through a large outsourced provider. Redpoint's solution proved far more accurate, leaving only half as many records unmatched as a previous competitive solution.

With its comprehensive new customer view, the insurer quickly developed a stronger understanding of which customers – both new and old – were at greatest risk. Even more important, it could quickly compare and refine its methods for retaining them.

The insurer had previously relied on 240 difficult-to-maintain spreadsheets to predict "lapse curves": how many customers would let their policies lapse. Lapse curves are a crucial insurance marketing metric, because the value of a customer won through marketing is highly dependent on how long she keeps paying premiums. Redpoint not only recreated all these calculations within Redpoint Data Management: it automated the entire process of data capture and analysis, automatically generating all lapse curves.

In addition to generating lapse curves, Redpoint's fully automated data management and analysis processes were able to compare forecast vs. actual performance based on a wide range of data feeds.

Beyond these improvements, Redpoint's platform enabled the insurer to establish a closed-loop, multi-channel marketing system that integrated touchpoints across multiple outbound and inbound channels, including call centers and the web. With this foundation in place, the insurer launched its first direct-to-consumer marketing program, as well as its first customer retention and onboarding program.

Before Redpoint, the insurer almost never communicated directly with prospects and customers. With Redpoint's platform in place, it implemented a cutting-edge, multi-dimensional lead generation and retention effort that included search advertising, web site design and promotions, banner ads, direct mail, and call center sales.

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The Results

Using Redpoint's solution, the insurer drove powerful quantifiable results in marketing and business performance. These included:

- A three times increase in new paid sales
- A 20 percent increase in customer retention – transforming "failed" sales into highly profitable sales
- Remarkable 17-20 percent conversion rates from new web sales funnels
- A 28 percent overall increase in return on marketing investment

In addition to these quantifiable benefits, the insurer achieved several long-term strategic benefits. Most notably, it enhanced its ability to design new product offerings based on actual customer behavior. It also gained powerful capabilities for attributing sales to specific communications and channels – helping it systematically optimize return on marketing spend.

About Redpoint Global

Redpoint helps innovative companies ignite the full potential of data to drive superior customer experiences across the enterprise. The Redpoint CDP creates the most complete, timely and accurate unified customer profile to power any business use case, using industry-leading data quality and identity resolution combined with dynamic, no-code segmentation and activation. Marketers and CX leaders rely on Redpoint to fuel hyper-personalized experiences that yield tangible ROI in customer acquisition, engagement, loyalty and retention.

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