



Managing customer relationships in times of change

Podcast transcript

Intro: Hi and welcome everyone to our RSA Insurance podcast today. I'm your host, Scott Fynn, and in this episode, we take a look at managing customer relationships in times of change with Alex Hardy, Sales and Distribution Director of RSA's UK Commercial Lines Division. Over to you, Alex.

Alex: Hi Scott, thank you. Well, as you said, I'm Alex, and I have the privilege of leading our sales and distribution team here at RSA which principally faces into the majority of our external relationships whether that a broker or whether that be partner, or whether that be our most complex customer relationships. I've been with RSA for about 15 months and prior to that 18 years in the insurance industry which doesn't sound nearly so bad if you say it quickly, that's both in the UK and Ireland in a number of different roles.

So, by way of an introduction, we're in challenging times, more recently perhaps seeing light at the end of the tunnel because certainly that's how it feels. But what changes have we seen in customer behaviour and how can you adapt? The COVID pandemic and the economic turbulence that is almost certain to follow it, is likely to redefine almost every area of the way we do business. It's definitely going to change what we sell, how we sell it, who we sell it to, and maybe even the demand for buying it in the first place. All of those changes are definitely going to alter the relationships that we have with our customers, both existing and prospective. And if you haven't done so already, then over the coming weeks and months you're going to find the attitudes and priorities of your customers radically shift very quickly even where you've built up years of connection and loyalty. But the one thing that businesses and customers have in common is that we're all having to work hard to change and adjust. And so, we're all in it together and in some ways, I think there's a lot to be said for that.

So, what can you do to maintain, evolve or even improve relationships both now and once the pandemic subsides? In this podcast, we'll explore some of the fundamentals about forging ahead with a new type of relationship that's emerging during and potentially after the pandemic disruption. We've seen a lot of proof points. I've had the luxury of speaking to many customers and many brokers over the last few months, that's not anything new, but the conversations have really been quite insightful, and I would say over 70% of them have been very ready to share the sorts of changes that they're thinking about for their businesses, and how it's impacting them. So, the opportunities for collaboration have never really been higher, but really it just underlines the point that changes that both we and businesses that we look after have to fundamentally shift.

So, adapting as customers adapt from personal customers to larger global corporations, good and appropriate relationships in a timely manner are going to be a differentiator. Sometimes that feels like just doing the basics really well but actually there's a huge amount to be said for the stability that provides. Firstly, we all know that customers are going to be in different situations compared to pre-pandemic times. We, both as individuals and businesses have to adapt and therefore our customer touch points or contact strategies that fit with those changes too. Whether we're dealing with end consumers or business customers will vary what we need to do. This is vital whether you deal with

consumers or business customers.

From a consumer perspective, there are currently about nine million people in the UK who have been furloughed, at the same time, businesses are looking at tightening their costs, their financial belts as it were, to try and weather the economic storm, and to keep costs under really strict control. In the worst-case scenario, many of those furloughed workers may be made redundant, and thankfully that is the worst-case scenario as things stand. But certainly, the government's job retention scheme is going to be tapered off, and because of that huge swathes of people will suddenly have to batten down the hatches and cut back on expenditure. And as for businesses, well, many of those are trying to figure out how to survive right now, and any long term plans they might have had about purchasing or even long term planning, in some cases have gone completely out the window.

Either way, spending habits have changed. There's been huge growth in online retail, potentially sparking a wave of diversification. But as we move away from lockdowns and into the period of adjusting to the new normal, whatever that will look like, it's going to be much harder to predict those changes in those habits. What we can say is that people are not going to want a hard sell right now. The last thing they'll want in financially straightened times will be somebody coming along and basically putting the sell before the customer. Because of this, the way you communicate will need to change to suit the changing attitudes. The key to this change, above all else, will be empathy.

People, whether they're businesses or consumers, they're looking for help and guidance in these times of uncertainty. Setting yourself out as a trusted expert partner can pay dividends. What's really important though is to be genuine and you look for areas to complement each other. One way to do this is through communications that are less direct and more about thought leadership. Think about things like training videos, live virtual events, even podcasts like this one that you're listening to right now, they can all play their part in building up some trust and confidence, and that is what everybody is crying out for.

The world has changed and the digital environment is upon us whether we like it or not. Years ago, we talked about the emergence of the connected home or the connected business, or how do you make customer relationships in an ever increasing digital world, and what do they look like. You'll have noticed the suggestions I made around leadership content were digital and virtual. That's no accident. In the weeks and months and years to come, almost everything you do around connecting with your customers and building relationships with them, it's going to be based on taking full advantage of technology. There's every chance that we'll still be relying on face-to-face, but actually even where that is the case, we'll be looking to make the most of technology wherever possible. And I think we have all been surprised and proven that there is a space for both, even in a completely digital world.

But why? Well, think about where you are right now as you listen to this podcast, unless you're one of the few people who are the exceptions, you're probably in the comfort of your own home and streaming this through your computer or device. There are millions upon millions of people over the country just like you who have been working from home ever since lockdown came into effect in March, and there's a good chance for many of them that this is the way things are going to stay for a while. For a number of reasons, there's no real big clamour to get back to normal office environments, and working arrangements that were in place before the pandemic took hold.

For a start, offices are going to be difficult places to keep safe and sanitised, and potentially even harder places to enforce social distancing. Time will tell but it's certain that we've got to be more thoughtful about the way that we do these sorts of things in the future. Many employees have found that their businesses function perfectly well with everyone working from home, and so have started to look at ways to cut down the physical real-estate, and embrace new ways of working to save money, control costs on rent and overheads. And for lots of employees, remote working saves them the time and expense of commuting, and gives them more flexibility around their work.

Some organisations in the insurance industry already started to recognise this long term trend by offering business cover for people who work from home. Ask yourself the question, do you want to travel more, be more tired, and be less efficient? When you put it like that, it doesn't really sound like a compelling argument to not continue. It sounds great on the face of it, but the shifting trends will make it harder to put in the leg work, particularly around building relationships with customers. Think of the times you pop over to a client's office for a meeting or catch up in the centre of town for coffee, if they're no longer working anywhere near you and there isn't an office building for you to visit anymore, these informal catch ups, which can be so useful in forging relationships are going to be a thing of the past, perhaps less critical for existing customers, prospective customers and building relationships with new people is definitely made more difficult.

That means you're going to have to innovate and do things in a different way and that way is virtual. We've all got used to video collaboration tools day to day over the last few months but they are now going to be the bread and butter in connecting to existing and prospective customers. Scheduling coffee break style chats, even if it's only for 10 or 15 minutes, will help you gain an understanding of their needs and desires, and give a welcome change of pace. It may also help with anyone who might be feeling slightly isolated through working from home. And who knows? If you normally only connect to a particular contact by phone then using a video call might be a bonus and might, in the long term, help you strengthen that relationship.

Building great customer relationships in times of change means one thing and one thing only, honesty. The next key relates to a stereotype that's often unfairly labelled a lot of business people, sales people in particular, that we're all a bunch of liars who will say or do anything to clinch a sale. Of course, we know that that's absolutely not true, but there are a few bad apples in every walk of life. The old saying cheats never prosper here, lying to customers, bluffing your way through problems or misleading them, either inadvertently or deliberately didn't work in the past, and it's most certainly not going to work now.

As we mentioned earlier, trust is absolutely vital in times like these, honesty and clarity is without a doubt the best policy. Depending on your line of business, this can manifest itself in different ways. For example, if you're providing special offers or promotional rates, they won't want to be caught out by some of the small print or left on the hook for unnecessary purchases to make the most of the offer. But honesty in business can run much deeper than that. We all make mistakes in life. None of us are perfect however hard we try, but it's how you handle those mistakes, learn from them, that is important to help people and, in this case, customers regard you. If you made an error in formalising a customer's new insurance cover or there has been a delay in supply chain, that means you won't reach a customer on time, then be up front, apologise to the customer, explain the

truth behind the situation, there is no point in trying to fob them off with some lame excuse. The dog ate my homework didn't really work at school, and it's certainly not going to work now.

You'll be able to use meaningful customer relationship based on honesty, what you don't want is one that's built on dishonesty. It's also counterproductive in the age of social media, it can be incredibly dangerous. We live in a society where bad behaviour by businesses, even if only relatively minor could be amplified across the world in seconds, and cause real lasting damage to a brand. Do you really want to be known as the company that spreads fake news?

Scott: So, Alex, thanks, you've given us a lot of food for thought here. In closing, how would you summarise the foundations for managing good customer relationships?

Alex: Embedding and managing good customer relationships in times of change starts with perception. Now, we've talked a lot in this podcast about maintaining customer relationships but not very much about creating them in the first place. So the final point is around impressions which in business as in life counts for an awful lot. Most of those first impressions will come from one place—your website, whether it's a place you run e-commerce or whether it's just a hub for information about your business and products, it's the window to your world. Of course, you might have had an online footprint up and running for several years now, I'd be amazed if you didn't, and no doubt you regularly update it and refined it to keep up with business trends and to keep it relevant to your customer base, but never before has such a sudden and large scale shift in what customers want from businesses, so it may be time for a major rethink.

Consider all the points we've covered so far in this podcast and how they might play out on your current website. Is it too much of a hard sell? Are you doing enough, if anything, to inspire trust and thought leadership? Are there offers and promotions that are no longer appropriate with a recession on the way? Are you still inviting customers to come and visit your office for a coffee and chat? Is your website helping you earn new customers and build new relationships? Every business is different, of course, but it may well be that an evolution of your web presence isn't enough and you need full scale revolution that revamps your brand image into something more suitable for a world post-pandemic. And then in uncertain times, when nobody really knows the way things will turn next, there's no time to lose in doing so.

Scott: Thank you, Alex, and thanks to everyone for taking the time to listen to our podcast on managing customer relationships in times of change. If you'd like to get more expert insights on how your business can prosper post-pandemic, you'll find more podcasts, blogs, and other useful resources at our [Knowledge Hub](#) on rsabroker.com.