



Cathy Summers, Aviva

Aviva winning hearts and minds

Being in charge of cross sell and retention for an insurance company is no easy task at the best of times, and in the current economic climate, it's particularly challenging. But, as Cathy Summers from Aviva knows, very often challenges can be turned into success stories. At the IDMA's 2011 loyalty and retention conference, Cathy talked about tackling the issues faced by the insurance industry in the wake of the recession.

Taking on the downturn

One of the main effects of the recession for business is that people are shopping around and expecting more value for their money. It's a tough environment for any business, but even more so for established companies in the insurance sector, particularly in light of cheaper alternatives being offered by online insurance providers. So how is Aviva's marketing strategy adapting to the recession?

Cathy believes it means offering value initially and then rewarding loyalty: 'You have to win the hearts and minds of your customers. Offering competitive products with great service makes Aviva the logical choice, but winning loyalty is a longer term strategy, one that can only be achieved by rewarding and recognising customers over time.'

Tackling the online market

But what about the newer low cost online insurers? In the light of the economic climate, many customers see these firms as an easy way to reduce their household costs. Hasn't this had a big affect on the 'bricks & mortar' companies?

Cathy believes that this has, to some extent, been tackled by Aviva's own online division. Insurers that operate solely online don't have the same costs as a 'bricks and mortar' company. But, they don't have the history or reputation either. And that's an asset you can't put a figure on.

'It's really a case of maximising all our channels to ensure we're offering the best product at the best price. And, of course, it's not all about price; it's about the product and the benefits to the customer.'

This is clearly something that has been integrated into Aviva's campaigns. The message has been biased towards value rather than price. Aviva are a premium brand and not everyone wants to go for the cheapest option. Even in a recession, many supermarket shoppers will still go for the brand they love and trust, as opposed to the generically labelled option.

Targeting 'word of mouth' loyalty and winning trust

Another element of Aviva's retention strategy has been to focus on 'word of mouth' loyalty, but how can companies do this? Magazines and newsletters are one way, says Cathy.

'Our customer magazine has proven very successful. 25% of all recipients pass the magazine onto a friend or family member. So, in a sense, that is a way of creating a reason for people to talk to their friends about us.'

Certainly, this is all part of Aviva's 'winning hearts' approach, but in a time when people are less likely to put their trust in financial institutions, isn't it more difficult that ever to win the trust of the general public? Cathy believes that's something that can only be built up over time.

'If someone has been with Aviva for a while and made a claim and had great service, then they remember that. It's a case of 'perhaps the grass isn't so green on the other side' and isn't that really what retention is all about?'

Everyone plays their role

Cathy believes that retention strategy is the responsibility of everyone in the organisation. But how can you get buy-in from everyone when, certainly in large organisations, many departments are focused on individual goals?

Cathy answers by saying: 'These days, the focus is on retention across the board in most companies in Ireland, as opposed to acquisition. It's about showing the benefits of the brand you're with, making sure everyone understands the issues faced by the company as a whole and getting people on board with that.'

Direct mail plays its part too

Direct Mail is an important part of Aviva's campaign strategy. For the most part, Direct Mail has been used to 'warm-up' customers for follow

up calls from sales representatives, but that's not its only use. Cathy recalls Aviva's brand migration story:

'Last year when we did our brand migration from Hibernian Aviva to Aviva, the Direct Mail campaign was crucial in order to achieve the highest possible awareness of that shift. All the customer base was targeted, a mailing of some 750,000. The campaign included a competition to win tickets to the stadium.'

However, as it turned out, the campaign did much more. It also generated interest in other products, helping cross-sell. As a result, the campaign was shortlisted for two An Post Direct Marketing awards, and in the Direct Marketing category at the AIM awards.

Embracing new media

Aviva were one of the first Irish companies to create an app for iPhone and Android users. With hundreds of thousands of apps out here all vying for consumer attention, surely it must've been very difficult to get people on board? Not at all, explains Cathy:

'Obviously, our health and fitness app, Health Mate, was relevant for health conscious customers and tied in nicely with our health plans. By promoting the app through email, as well as website and magazine content, the result was a much higher uptake than we expected.'

The future

Of course, going forward, for Aviva, like so many other companies, the big challenge of last year remains the focus for this year – addressing the issues around value and coming out of the recession as strong as before. Cathy believes that by continuing with the 'hearts and minds' strategy and building on insights gained from data is the way to achieve this.

'It doesn't mean spending big money. It just means seeing the opportunities where they exist.'