



# DAS UK: CUSTOMER UNDERSTANDING

Kevin Neal, Strategy & Innovation Manager

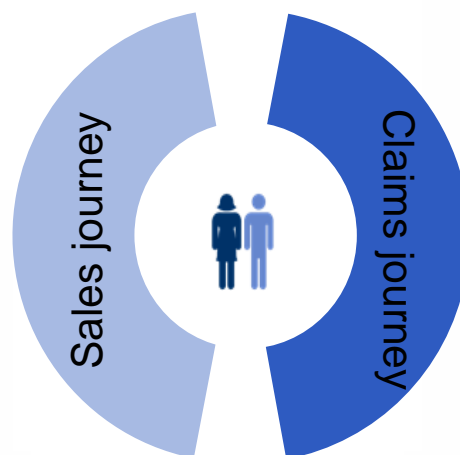


**FIRST FOR JUSTICE**

# THE CUSTOMER JOURNEY

## The sales journey

- Owned & delivered by Business partners
- No consistent approach
- Legal Expenses Insurance (LEI) is sold as a small part of a larger insurance sale e.g. home insurance
- LEI must 'compete' for sales adviser time and customers' attention



## The claims journey

- Owned & delivered by DAS
- Complex customer journeys due to multiple products and claim types
- Product is often white-labelled and so customer awareness of 'DAS' is low



**CUSTOMER  
EXPECTATIONS**



# UNDERSTANDING LEGAL INSURANCE



"It is an insurance that I always take out for peace of mind should the need arise, to reduce the effort, the cost and to control the financial burden."

"I just assumed it would cover any legal proceedings."

"I think there is a certain amount of trust comes in. If you are dealing with well known companies they wouldn't be offering legal cover if there was no value to it if I needed it. If I tick the box I expect there to be good legal cover – so If something happened they would put me in touch with someone to give me legal advice."

"The cost added onto the premium, spread over a year, was not worth worrying about."



"I don't really know, something to do with our property I think. If something happens to it we are covered."

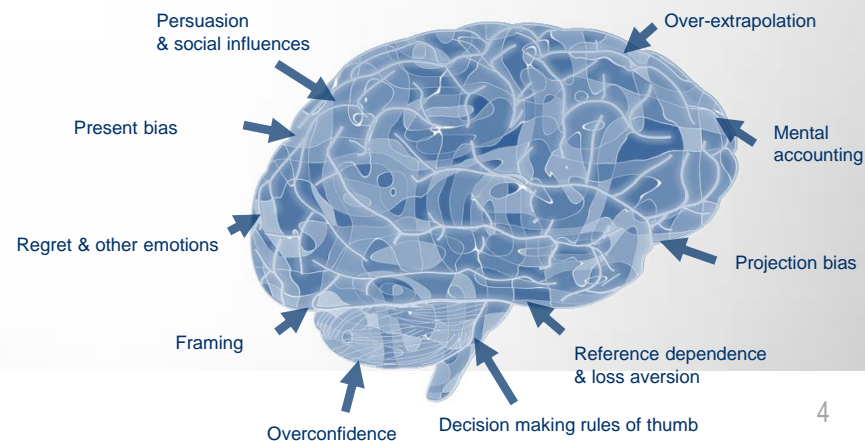
"I assume if I had a dispute there would be a solicitor from the insurance company to advise me."

"Now I am thinking, why did I get it - I didn't even read it!"



# BEHAVIOURAL ECONOMICS

- Uses psychology to understand how and why customers act and make decisions
- We are all pre-programmed with a long list of 'behavioural biases' that affect how we act– from the information we choose to engage with through to the purchase decisions we actually make.
- We all like to think we make rational, well thought through and logical decisions, when in reality the opposite is often true.
- But.... we all tend to make the same *irrational* choices and take the same 'short-cuts'. (i.e. predictable irrationality)
- Small differences in the way we receive information can have a large impact on how we act and the decisions we make.
- Understanding these biases can help inform more effective engagement



# BEHAVIOURAL ECONOMICS example

## Framing – ‘the decoy effect’



Huber & Puto beer choice experiment  
'Market boundaries and product choice' 1983

# BEHAVIOURAL ECONOMICS example

## Framing – ‘the decoy effect’



Huber & Puto beer choice experiment  
'Market boundaries and product choice' 1983

# OBJECTIVE

Improve customer understanding of legal expenses insurance



**COMMUNICATE**



**MAKE IT  
EASY**



**EDUCATE**



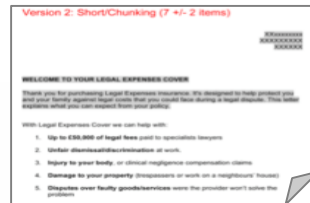
**ENGAGE**

# SMARTER COMMUNICATIONS

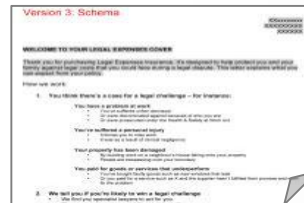
- Objective: to develop the most effective communication structure
- Informed by 'Behavioural Economics' insight
- Evidence based approach
- Communicate product benefits and exclusions



'As is'



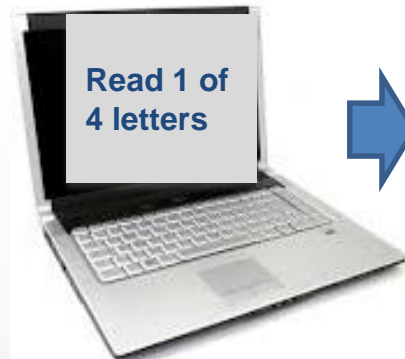
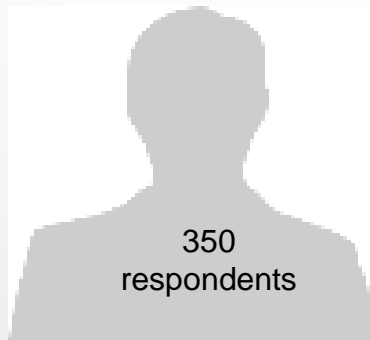
'Short chunking'



'Schema'



'Narrative'

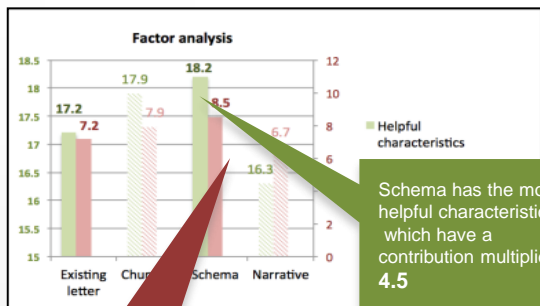
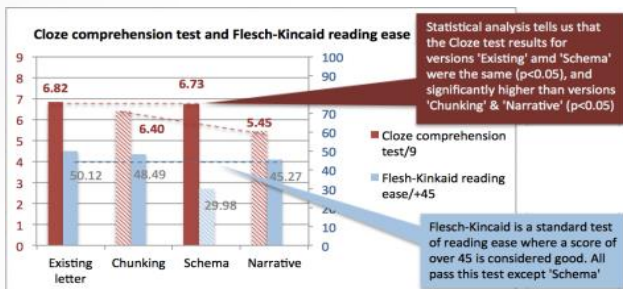


Tested for:

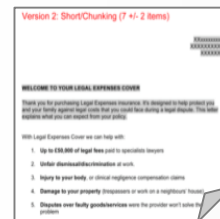
- Comprehension
- Reading ease
- 'Contribution'



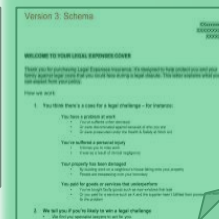
# SMARTER COMMUNICATIONS



'As is'



'Short chunking'



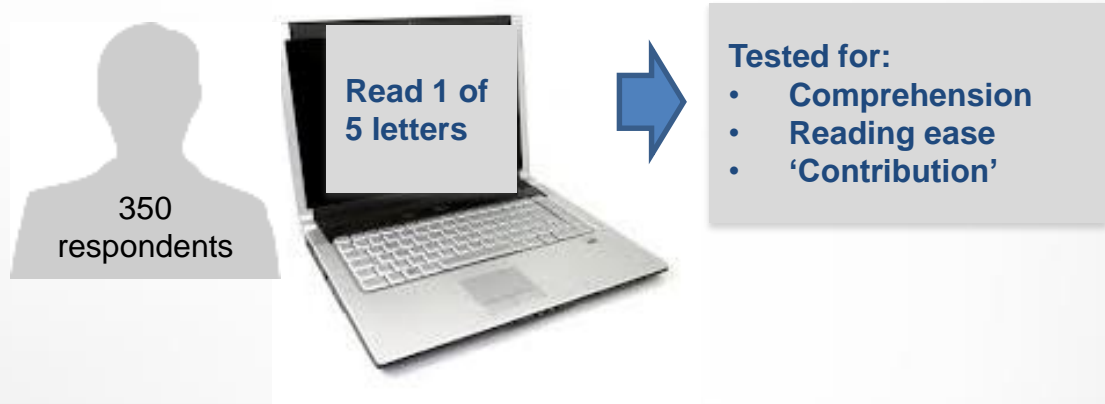
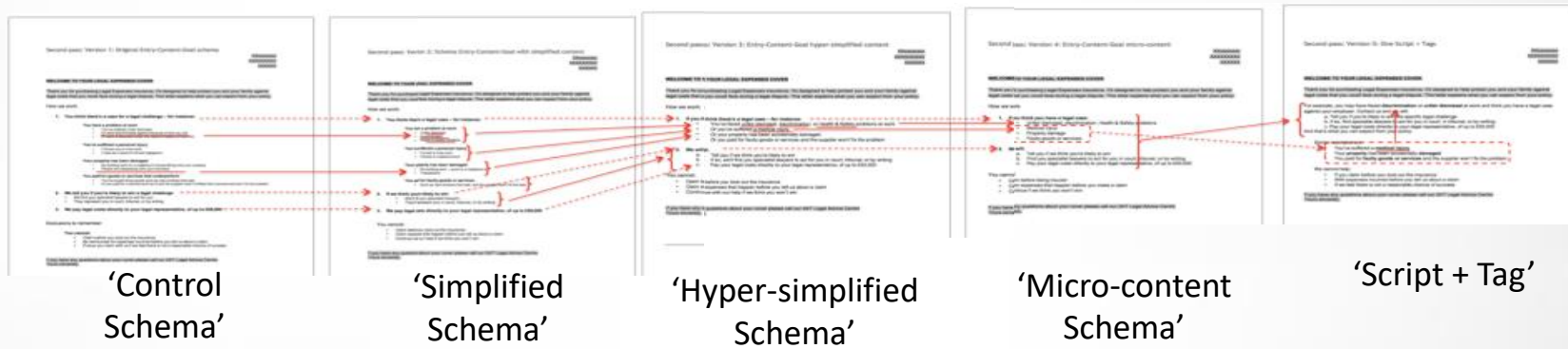
'Schema'



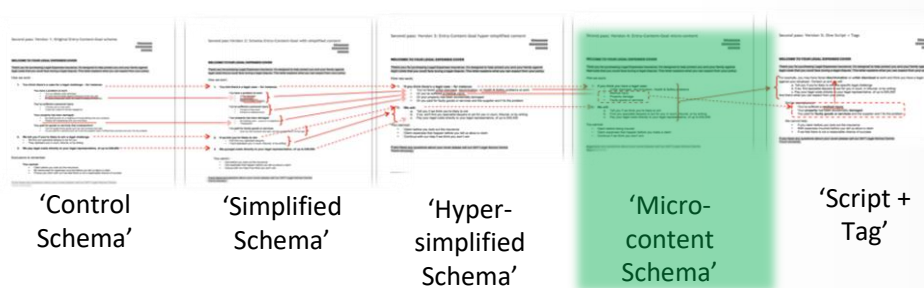
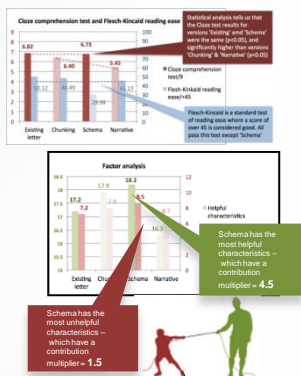
'Narrative'

Schema structure wins

# SMARTER COMMUNICATIONS



# SMARTER COMMUNICATIONS



## Micro-content structure wins



65% reduction in word count

- Original 261 word letter reduced to 91 words
- Reduces ‘cognitive load’



Increased comprehension

NEED TO MAKE A CLAIM OR REQUIRE LEGAL ADVICE? CALL THE NUMBER IN YOUR POLICY

Add your badge/logo here

Address line 1  
Address line 2  
Address line 3  
Postcode

Dear |

**WELCOME TO YOUR LEGAL EXPENSES COVER**

Thank you for purchasing legal expenses insurance. It's designed to help protect you and your family during a legal dispute, providing legal support, assistance and cover against legal costs. This letter explains what you can expect from your policy.

**Here's how it works:**

- You have a legal problem, such as:**
  - Unfair dismissal, discrimination at work
  - Injury from clinical negligence or an accident that wasn't your fault
  - Boundary fence moved onto your land, damage caused by neighbouring trees
  - Faulty goods or services
- We will:**
  - Give unlimited access to our legal advice helpline
  - Find a specialist lawyer to act for you, who will tell you if you're likely to win
  - Pay up to £100k here to enter text: to your lawyer to cover legal costs, and the other side if you lose

**You cannot:**

- Claim for problems that started before you bought the policy
- Claim expenses that incurred before you claim (e.g. the cost of consulting your own lawyer)

**We will not:**

- Continue with your claim if your lawyer doesn't think you will win

Most of our policyholders find it valuable to read the Key Facts document and Policy wording straight away so they can understand the product fully. Terms, conditions and exclusions apply to the policy.

If you have any questions about your policy, please speak to your insurance adviser. If you need advice on a legal problem call our helpline on [Click here to enter text...](#)

Yours sincerely,

*Signature Here*  
Name here

# CUSTOMER UNDERSTANDING TOOLKIT





# CUSTOMER UNDERSTANDING TESTING

New interventions are significantly more effective than current ones



Shows % of respondents getting each question right. **Dark grey** shows a difference of >10% that isn't statistically significant. **Blue colouring** shows any statistically significant differences of 95%, **dark blue** shows significant differences of 99%  
Base: Current interventions (208), new interventions (994)

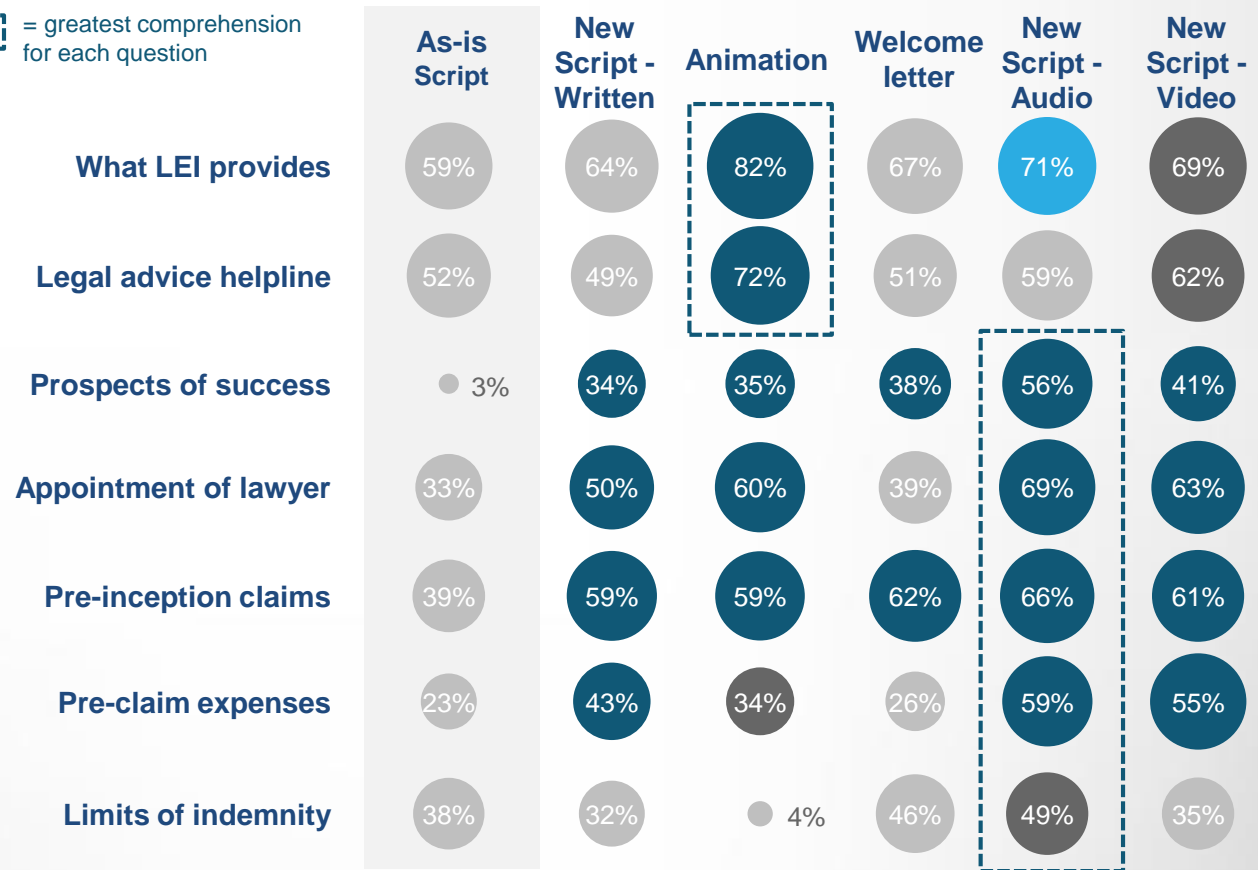


# CUSTOMER UNDERSTANDING TESTING

**New sales script (in audio / video format) and animation film are the most effective single interventions**

They have the highest comprehension for all 7 areas

= greatest comprehension for each question



Shows % of respondents getting each question right. **Dark grey** shows a difference of >10% that isn't statistically significant. **Blue colouring** shows any statistically significant differences of 95%. **dark blue** shows significant differences of 99%  
 Base: Current interventions (208), New sales script (103), Welcome letter (112), Animation film (92), Audio (99), Video (103)



## SMARTER COMMUNICATIONS

- Winning design has been used to develop communication templates and sales scripts for use with our legal insurance
- Business partners are engaged to implementing this to approx. 8 million customers.
- Feedback is that this is ground breaking for the industry and will not only raise awareness and understanding but also increase customer engagement
- Award winning insight - received the Gold Award at the 2015 behavioural insight global awards, and was short-listed at the 2016 AURA Impact awards.





## CONCLUSIONS

- Behavioural insight can improve partner engagement, as well as customer.
- Challenge is how to turn BE theory into practical application.
- Cost is high – focus on key touchpoints. Iterative test and learn process.
- Beware - context can change impact
- Compliance vs understanding



# MEASUREMENT

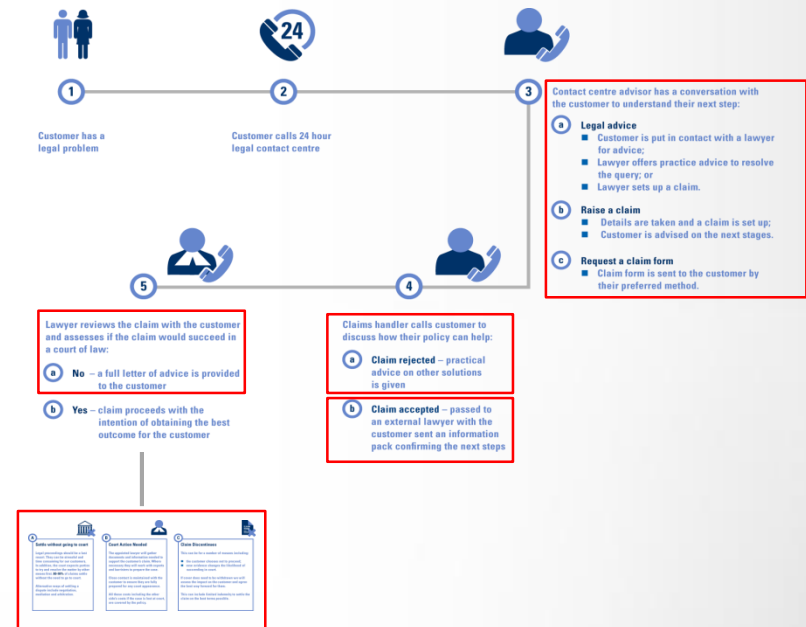


## CUSTOMER NPS

- by product + key touchpoints
- Driver questions help to identify contributory factors
- Care re: NPS comparison



- BUSINESS PARTNER NPS
- BUSINESS PARTNER MYSTERY SHOPPING





**THANK YOU**

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**FIRST FOR JUSTICE**