Describing the impact of customer satisfaction in the insurance industry

Executive summary
This project described the impact of customer satisfaction on consumer behaviour at a large European insurance services provider, AXA Winterthur. Numerous aspects of consumer behaviour were considered, and the impact quantified at both a product and financial level.

Through both exploratory data analysis and predictive modelling, customer satisfaction was shown to have a significant impact in determining subsequent consumer behaviour.

Challenge overview
The market research team at AXA Winterthur has been assessing customer satisfaction relating to key operational processes since 2002. However, prior to this project there had not been any studies carried out to determine what the impact of customer satisfaction is on consumer behaviour.

Of key importance to senior management was identifying and quantifying this impact financially, in order to make a business case for investing further into more customer satisfaction measurements and surveys.

The problem
Whilst a large amount of information relating to customer satisfaction and consumer behaviour was available, these were historically kept as entirely separate data sets within AXA Winterthur. The first challenge therefore was to bring these two data sets together and identify any issues with the way that data was being captured within each data set.

Results and achievements
Results were presented to multiple stakeholders within AXA Winterthur, across several teams within the marketing department (including senior management), and also to operational process owners. Key findings include:

- Customer satisfaction on operational processes had a significant impact on both churn and cross-sales, although the largest impact was on reducing churn.
- This churn reduction effect was consistently noted across a wide number of operational processes and customer segments.
- The impact of satisfaction was shown to continue across two years after the date of the satisfaction survey, although the impact was far greater in the first year than in the second.
- Even accounting for a large amount of information relating to each customer, satisfaction was still shown to be a significant driver behind describing subsequent consumer behaviour.