

J.D. Power & Associates Reports: Insurance Websites Perform Better in Policy Servicing Than Policy Shopping

Esurance, Progressive and GEICO Websites Receive High Shopping and Servicing Scores

WESTLAKE VILLAGE, Calif.: 22 May 2013 — Automotive insurance customers indicate that using insurance company websites to service an existing policy is generally easier than using them to shop for a policy, according to the J.D. Power & Associates 2013 Insurance Website Evaluation StudySM (IWES) released today.

The study measures online customer experiences while performing shopping and servicing tasks based on a scale of 1-5, with 1 being “very difficult”; 3 being “neither difficult nor easy”; and 5 being “very easy.” The study examines functional aspects of websites rather than aesthetic aspects, such as look and feel. Task ratings are used to compute an overall experience index for shopping and servicing based on a 500-point scale. The industry average for the overall shopping index is 347, and 414 for the average overall servicing index.

“More than one-half of all insurance shoppers today use the Web to scout their options, and many further seek to obtain quotes online,” said Jeremy Bowler, senior director of the global insurance practice at J.D. Power & Associates. “Since policy shopping frequently includes the tasks of finding policy information and requesting a quote, it is understandable that customers who did not find those tasks to be particularly easy tend to abandon one brand in favor of others, often providing a low rating for that site.”

Similarly, when customers find it easy to perform such servicing tasks as viewing their policies and changing contact information, they are much more likely to return to the site and recommend both the website and their insurer to friends and colleagues.

Website Experience Influences Customer Preference

The study’s shopping evaluation includes the following tasks: requesting a quote; comparing policies; finding policy information; finding discount information; and finding company contact information. After customers rate these tasks, each task is weighted to determine the extent to which it influences the website’s overall usability. The two most heavily weighted tasks—finding policy information and requesting a quote—are the hardest tasks to perform, with customers providing ratings of 3.6 and 3.8, respectively. Finding company contact information is the easiest task to perform, with a rating of 4.2.

While policy price is a significant factor in a shopper’s decision-making process, the study finds that a positive website experience may still influence customer preferences. As would be expected, a higher rated

KEY FINDINGS

- Industry average for the overall servicing index is 414, which is 67 points higher than the overall shopping index.
- Requesting a quote and finding policy information are the two most difficult tasks among online shoppers.
- Only 16 percent of customers with a negative website experience say they would recommend the company’s website to others.

site that also offers a lower price quote tends to close the shopper's business a majority of the time (90%); however, a higher rated site that provides a higher quoted price still closes a majority of the time (60%).

"Since customers indicate that finding contact information is easier than requesting a quote, at least some of them will use that contact information to obtain quotes by other means, such as contacting a company's call center," said Bowler. "The cost of using human resources to address these questions and requests is much higher than an automated system on a website, which means that companies may be able to realize savings by improving the process through which shoppers request quotes online."

Policy Servicing Experience Affects Website Recommendations

In the servicing portion of the study, policyholders were asked to evaluate their current insurance carrier. Tasks evaluated in the servicing index include account log-in; profile management; paying bills; viewing policy information; researching claims processes; requesting a replacement insurance ID card; adding a driver or vehicle; and enrolling in paperless billing. The easiest task is paying bills, receiving a rating of 4.5, while it is marginally harder to print or request a replacement insurance ID card and add a driver or vehicle to a policy, at 4.2 and 4.2, respectively.

"A positive online experience for customers has measurable benefits for insurers, both in terms of existing customer satisfaction and attracting additional shoppers to their websites," said Bowler.

More than two-thirds (68%) of customers who had a positive experience say they "definitely will" return to the website, compared with 21 percent of those who had a negative experience. Additionally, 65 percent of customers who had a positive online experience say they "definitely will" recommend the website to others; conversely, only 16 percent of those who had a negative online experience say they "definitely will" recommend the website to others.

Among the 20 insurance websites included in the study, Esurance, Progressive and GEICO perform particularly well in the ease of use for both shopping and servicing with their websites.

The 2013 Insurance Website Evaluation Study (IWES) is based on more than 7,000 evaluations. The study was fielded in March and April 2013.

About J.D. Power & Associates

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