



Growing Revenues with Service Guarantees

The Challenge

A group insurance plan wanted to set itself apart from the many insurance companies that offered barely adequate service. It asked the Spire Group and Schmalensee Partners to develop a service guarantee that would retain existing customers, help attract new customers, and focus the entire insurance company staff on superior service quality.

Schmalensee Partners' Approach

We studied customers' requirements, determined how to phrase the guarantees in clear, meaningful and unconditional ways, and then helped the insurance company pilot test its guarantee. The pilot test revealed several operational difficulties, which were corrected. Then the service guarantee was implemented – complete with training for employees, marketing materials, and a process for addressing lapses in the guarantee.

Results

The company is recognized as a leader in the industry in customer service. Customer retention is above 90%, and the firm's market share is by far the largest in its market. They describe their guarantee as "the glue that makes us strong."

