

Key Words and Phrases

Define or describe the key words and phrases listed below.

Reactive methods

Zero defections

Recoveries

Proactive methods

Target market niche

Focus groups

Mystery shoppers

Internal benchmarking

Competitive benchmarking

Functional benchmarking

Generic benchmarking

New product development

Questions and Exercises

1. Insure-All has established a “hotline” for customer complaints. Is this a reactive or proactive method of listening to the customer? Explain your answer.
2. Why do insurance organizations establish target market niches?
3. The office manager of Lazy Mutual has compared its computer system with the one used by Insure-All and recommended changes as a result of this comparison.
 - a. What type of benchmarking did the office manager engage in?
 - b. What recommendation would you offer to the office manager of Lazy Mutual as the next logical step to improve the company’s computer system?
4. “The insurance business is unique. The experiences of organizations engaged in other businesses simply do not apply to us.” Does the text material support this statement? Give reasons for your answer.
5. Insurance companies and agents often cooperate on the development and use of customer surveys. Why?
6. A broker invited some of its large commercial clients to meet and discuss the broker’s level of service.
 - a. What term describes this meeting?

- b. Is it a reactive or proactive way of listening to customers?
 - c. What might the broker hope to learn from this meeting?
 - d. State one piece of advice you would give the broker to help get the most out of this meeting.
7. In the insurance business, zero defections is often discussed in terms of policyholder retention. Why?
8. "Most successful new insurance products are developed as a result of the identification of an unmet *latent* customer expectation."
- a. Do you agree with this statement? Give reasons for your position.
 - b. Give an example of a new insurance product.
9. The IRC study uses a survey and personal interviews? What advantages result from using this combination of techniques?
10. Describe a potential use of the IRC study for new product development.

11. For your own organization, outline current methods of listening to the customer and prepare recommendations for improvement.
12. Lazy Mutual has compared its billing system with that used by a local mail order clothing store. They are strictly interested in the billing system. What type of benchmarking does this describe?
 - a. Competitive benchmarking
 - b. Functional benchmarking
 - c. Internal benchmarking
 - d. Generic benchmarking
13. Sarah Walker, the office manager of The Walker Agency, sometimes asks a friend to call her office for a quote on auto insurance and tell her about the experience. What method of listening to the voice of the customer is Sarah using?
 - a. Focus group
 - b. Personal interview
 - c. Survey
 - d. Mystery shopper

Faster Is Not Enough

There are days when it seems as if everyone on the planet is in a meeting or, rather, innumerable meetings. What's all the yammering about? It doesn't matter. Meetings are good and necessary ways of doing business today.

You can make the most of meetings when you have the chance to run them by:

1. Scheduling them as early in the day as possible—and never immediately after lunch.
2. Scheduling them only when they have a clearly defined purpose.
3. Starting them on time.
4. Keeping them as brief as possible by setting time limits and sticking to them.
5. Preparing agendas and sticking to them.
6. Alerting those who should attend well in advance.
7. Informing those who should attend how they should prepare.
8. Thanking everyone who attended when they are over.

You can make the most of meetings when you have the chance to attend them by:

1. Asking their purpose.
2. Asking how long they will last.
3. Asking what you should do to prepare.
4. Arriving on time.
5. Arriving prepared.
6. Helping the group stick to the agenda.
7. Thanking the people who ran the meetings when they are over.

While it is true that the greatest benefits of a meeting might flow from discussions that are unrelated to the meeting's purpose or agenda, those benefits are not the result of purposeless, agendaless meetings. Those beneficial byproducts of meetings are more likely to occur if meetings are brief, businesslike, and purposeful. They certainly won't occur when everyone around the table is nodding off. You can help prevent that by the way you run and participate in meetings.

Before You Go On

- _____ I have achieved the educational objectives for this assignment.
- _____ The one idea from this assignment I want to try immediately is

- _____ I have begun to review in preparation for the national examination.