

# Six Opportunities for Improving the Lifetime Value of Your Home Warranty Customers



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# Know your Net Promoter Score

A simple Google search on home warranties reveals a growing problem in the industry: a poor customer experience. Post after post ends with “I’ll never do business with [company] again!” Even a handful of negative online reviews like these can impact an organization’s Net Promoter Score (NPS) and its bottom line.

According to Gartner, 81% of marketing professionals say the customer experience is now the biggest factor in beating the competition.<sup>2</sup> A low or falling NPS should serve as a wake-up call for home warranty companies wishing to grow market share. Simply throwing money at your sales and marketing efforts won’t undo the revenue damage caused by a poor customer experience.



**of dissatisfied customers  
tell others about their  
bad experience.<sup>1</sup>**

Implementing ServicePower’s customer portal has proven to increase NPS Scores by 27%.



# Focus on customer retention

Customers have five basic expectations of their home warranty company:



Protecting their budget from costly home repairs;



Having peace of mind that their plan will cover unexpected repairs;



Being able to easily find and schedule a qualified servicer;



Assurance the job will be completed satisfactorily and in a reasonable timeframe; and



Knowing the company lives up to its brand promises.

Organizations can meet customer expectations and improve retention by eliminating systemic issues that cause a poor customer experience in the first place. This can be achieved by implementing a bundle of third-party network management services, AI-enabled dispatch and scheduling software, real-time claims adjudication, and customer portal solutions. Adding additional services through a broader range of warranty plans allows customers to choose the coverage best for their unique needs while creating additional revenue streams.

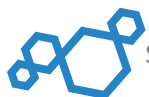
**A customer experience promoter has a lifetime value to a company that is**

**600% to 1,400%**  
**that of a detractor.<sup>3</sup>**

DETRACTOR

PROMOTER

Improving customer satisfaction and retention rates doesn't require a massive overhaul of processes and people.



# Leverage third-party network management services



Nothing hits home warranty companies harder than contractor deserts. Maintaining capacity and quality of field technicians is a significant barrier to meeting customer expectations, gaining a competitive advantage, and growing your customer base. Utilizing independent contractors is a necessity, but that requires the time-consuming process of recruiting, credentialing, and onboarding.

## The top three pressures for service organizations<sup>4</sup>

47% competition in product or service

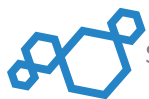
37% struggling to meet customer demands

25% reduced margins

Onboarding services can streamline and simplify the entire process so you can more easily build a reliable network of independent contractors.

Leveraging an already established network of pre-qualified contractors is another cost-effective way to reduce the impact of contractor deserts. Organizations benefit by being able to quickly scale to meet demand fluctuations without having to incur overhead costs and downtime.

Having qualified contractors at the ready enables “drip-feeding” to fill urgent or remote appointments quickly, which helps improve customer satisfaction without disrupting the schedule.

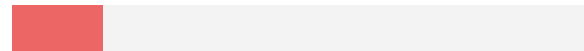


# Implement AI-enabled dispatch

One of the top complaints customers have is getting a field agent to their home quickly. Whether there's a tree through the roof or an appliance malfunction, customers want it fixed fast and the first time.

20%

of field service organizations have "insufficient technology infrastructure."<sup>5</sup>



52%

of field service organizations still use manual processes.<sup>6</sup>



It's no secret that operational efficiencies increase revenues, reduce costs, and improve quality of service. Automating workflows like dispatch and scheduling are the foundation of achieving these goals while meeting customer expectations.

Intelligent dispatch helps home warranty companies seamlessly manage both employed and contracted field agents. This smart technology ensures the most qualified representative for the job is dispatched, while giving representatives the tools to receive, status, and close jobs in real time. It also allows managers to view jobs in progress, assess contractor performance, better utilize all representatives, and avoid costly downtime.

Companies achieve significant improvements to CSAT, NPS scores, and fewer buy-outs using intelligent dispatch technology.



Real-time claim adjudication is a win-win-win for the company, the contractors, and—most importantly—the customer.



## Employ real-time claim adjudication

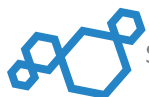
Another frequent customer complaint concerns denied or delayed claims. Customers don't want to live with a leaking roof or warped, water-damaged floor. They just want to get their lives back to normal. A manual, inefficient claims adjudication process lengthens the time it takes to close a claim. From a customer's point of view, it looks like their home warranty company just doesn't care.

Besides a poor customer experience, manual claims processes increases the chance of fraud, depletes warranty reserves, increases costs, and delays contractor payments.

Leveraging a real-time adjudication platform can eliminate all these issues by automating claim processing—from adjudication to audit to validation—to facilitate faster payments. This means only valid claims are paid, which helps protect warranty reserves. It also means faster turnaround times for customers and faster payment for contractors.



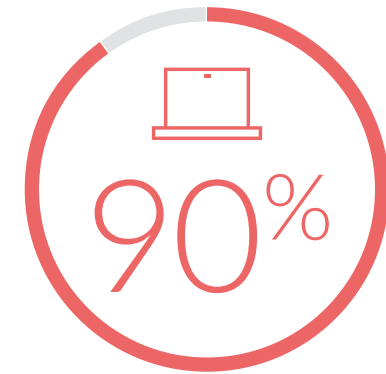
**of consumers say the customer service experience is the “true measure” of how much a company values them.<sup>7</sup>**



# Offer a customer service portal

Consumers now prefer self-service options for their customer support needs. Having a self-service portal is an essential factor in meeting that demand. For home warranty companies, self-service portals can increase customer satisfaction while reducing calls into your call centers.

Customer portals offer home warranty companies a unique opportunity to forge stronger agent ties and deepen policyholder relationships. Customers can use an online portal to report an issue, provide detailed information and photos, and to schedule an appointment with a field agent. Because the portal is connected to a smart scheduling system, only agents with the appropriate skills and availability are shown. Once an appointment is scheduled, customers can track arrival times and receive status alerts about their appointments.



**of consumers expect a business to offer an online self-service portal.<sup>8</sup>**

Portals are a great way to drive revenue by offering real-time contract and service offerings that can be purchased online.





# Putting it all together

The digital age has empowered consumers to easily find and share information about their customer experiences with companies across all industries. This has raised the bar for companies providing products and services such as home warranties.

Moving the needle on your NPS and increasing the lifetime value of your customer relationships requires a new approach to customer service—one that begins by improving operational efficiencies, optimizing contractor effectiveness, and empowering customers with self-service tools. The best place to start is by partnering with industry experts like ServicePower. You can transform your field service experiences with improved first-time resolution, optimized workforces, and exceptional customer experiences.

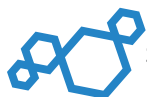
ServicePower delivers a seamless customer journey and a **30% improvement in customer satisfaction rates.**



Each year businesses in the US lose

# \$41 billion

due to poor customer experiences.<sup>9</sup>



# The ServicePower Premier Network

ServicePower enables home warranty companies the ability to tap into a network of 7000+ major appliance and consumer electronics independent contractors nationwide. The ServicePower Premier Network ensures your policyholders get the service they need, no matter when or where they need it.



Increase geographic service areas



Increase customer satisfaction



Eliminate costly locator tasks or warranty buyouts



Improve brand loyalty



Retain contractors through paid jobs, not just leads



Increase contractor loyalty by providing a steady stream of work throughout the year



Achieve new revenue streams through expanded service offerings



Empower contractors with a single platform to submit and get paid for from claims

## Results Delivered

27%

improvement in Net Promoter Scores

39%

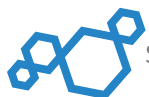
increase in customer satisfaction

\$1.7M

savings from operational efficiencies

26%

improvement in field technician productivity





If you would like to learn how to optimize productivity, reduce costs, and enhance the customer experience at your home warranty company, contact ServicePower today.

ServicePower.com | 703.287.9800



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