



## Financial Advice, Our CX Journey, and Proof Only a Pandemic Can Offer

I originally planned to focus this commentary on Prudential's end-to-end customer experience (CX) as we emerge from the pandemic. But with the Delta variant surging and hospitalizations on the rise — despite increased availability and utilization of vaccines — it seems premature to speculate where we are on the curve. So instead I thought about our CX journey, financial advice, and how the pandemic — despite its horror — has helped accelerate progress that as recently as early 2020 remained elusive. Furthermore, behavioral changes necessitated by the pandemic have shown us that our desired CX destination is attainable, worth the effort, and is the right one for our customers and other stakeholders.

### The Power of (Hybrid) Advice

I strongly believe in the power of advice, and what a traditional financial advisor experience can offer a client. We live in a complex world — an even more complex *financial* world — and there's no replacement for true expert financial advice. Who among us wouldn't benefit from an expert point of view and guidance based on our own unique situation and goals, to help us see beyond our immediate financial concerns? Many types of financial advice don't cost anything — or are relatively inexpensive — compared to the short- and long-term benefits. Yet, only about one third of Americans' financial needs are being addressed through a traditional advisor.

This is why, years ago, Prudential added a hybrid advice option to our portfolio, as well as digital education and advice capabilities that we could deliver to consumers in a variety of ways. We knew we needed to reach more people — not only because there was opportunity, but also, more important, because there was a real need. Despite our best efforts as an industry, and strong belief and commitment to the value of traditional financial advisors, the size of the market has been relatively flat for decades, even as new technological advancements seemingly put more people within reach.



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I remember years ago diligently preparing to build the case for hybrid and digital advice and readying myself to meet resistance from our financial advisors. After all, change is hard. Well, it was apparently harder for me than for them since the advisors accepted it swiftly and with full understanding and cooperation.

Our new world was an intersection of high-tech and high-touch — the best of both worlds — where middle- and mass-market Americans could get help on their terms, how, where, and when they chose to be served. They could transition from a purely digital online space to an advisor — online, via video, over the phone, or through an in-person meeting — with relative ease.

Around the same time, we began to increase our efforts to digitize elements of our life insurance application, underwriting, and health interview processes, all the way through policy delivery. In certain cases, underwriting that would have taken six to seven weeks could be done in 24 to 48 hours, in just a few hours, or even instantaneously in some situations. I still remember the first case we processed this quickly and what an exciting moment it was for us. Digitizing our scheduling and health interview process — which could take weeks to get on the books and complete — now allowed the client to do this on their own time, 24/7, without an appointment.



## Digital Enhances CX Amid Pandemic

Before the pandemic, all of this was in place or in development, promising a better advisor and client experience. Yet utilization was low and uptake was slow. There certainly were benefits to the “old” ways, like more time to build long-term relationships — the foundation upon which we build the advisory experience. But we believed that speed and efficiency would have their appeal. It did for some, but not for most. Whether the slow adoption was reluctance to change, or it was too complicated, or it wasn’t as exciting as we thought it was, the fact is that pre-pandemic only about 3 of every 10 advisors and customers took advantage of these new capabilities.

Then came the pandemic, and the world changed in an instant as legitimate fear and uncertainty took hold. We experienced the best in people as our first responders, healthcare, and other essential workers stepped up and kept us moving through challenges no one was expecting. In our industry, as in most, traditional ways of conducting business changed practically overnight. Something as simple as speaking in-person or meeting someone for a signature became impossible.

On the other hand, researching financial wellness options and solutions online, speaking to an advisor remotely, going through underwriting, completing an on-demand health interview, virtually signing paperwork, and receiving

documents electronically were all very much possible. Financial advisors, by necessity, realized the value of these capabilities because consumers didn’t stop needing financial help when the pandemic began — in fact, they needed it more than ever. Utilization rates increased as high as 90 percent; and, while the pandemic may be easing slightly, we’ve seen these higher rates remain steady over time.

We developed our tools early on based on the concept that customers are purchasing experiences, not products, and understanding their full journey, including all touchpoints, is key to designing the right process and solutions. We also learned through the pandemic that the CX journey is rarely linear. It takes a bit of foresight, but, more important, it takes flexibility and the willingness to listen intently, react, and pivot. Knowing where you want to be is one thing, but how you get there (as we’ve experienced) is a whole other story.

When we do finally emerge from the pandemic, I expect utilization of our digital capabilities may drop a bit, but nowhere near to previous levels. And to be clear, this is not the way Prudential wanted to get here. We would have preferred to see increased utilization of these tools happen organically over time, and I believe that would have happened, eventually. But I am pleased we were ready to serve our advisors and consumers — not in the way they wanted perhaps, but in the way they needed. 🌐



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