

THE TECHNOLOGY REVOLUTION

A guide to using digital marketing to
increase sales and retention.



THE INSURANCE INDUSTRY IS CHANGING.

Consumers prefer to use the internet to research insurance companies, coverages, and even agents over traditional methods.

As the following paper outlines, **if your agency is not ready or prepared for these changes, your company is going to quickly be left behind.**

We know this “digital revolution” can be overwhelming for agency owners, which is why we have put together this guide as a resource for your agency. We want insurance agencies to understand the process consumers now use to make purchases and help equip them with ideas to ensure their success.

The following report is broken down into 3 sections to help provide some insight into the drastic changes the insurance industry is currently experiencing:

- Insurance Purchasing Behavior
- The Digital Consumer
- The Power of Email

Insurance Purchasing Behavior

Purchasing insurance is becoming a digital process. Consumers are researching coverages, companies, and prices through the internet now rather than through traditional methods.

In fact, the latest *comScore Insurance Study*¹ and *J.D. Power and Associates Insurance Shopping Study*² both revealed some startling facts about insurance consumers:

- Since 2008 there has been a **19%** increase in quotes submitted online and a **22%** increase in policies purchased.
- Just last year alone there were **37 million** quotes submitted and **2.9 policies** purchased online.
- Almost **60%** of Generation 'Y' (those born between 1977 and 1992), which comprises more than 70 million people, are using the internet to research insurance companies.
- Almost **80%** of the survey respondents who did not purchase a policy online in the last year plan on doing so in the future.

While the statistics above may be a little disheartening, not all of the findings from the two studies were terrible for traditional agents. There were actually some very enlightening statistics as well:

- **80%** of consumers who start their research online are still purchasing their policies offline with over 61% still using an agent to purchase their policy in person or over the phone.
- Price is only one of many factors consumers evaluate. In fact, **price accounts for only 28% of overall customer satisfaction** as opposed to policy offerings (29%) and distribution channels (43%).

“Consumer preferences and attitudes toward online insurance channels indicate a growing regard for these channels as a better way to search for policies and engage with issuers. As more issuers build out their online channels and become more sophisticated in acquiring and servicing customers, we expect to see a contenting shift toward the used of these online channels for conducting auto insurance transactions.”

Susan Kleinman, comScore Analyst³

- **12%** of the respondents to the J.D. Power and Associates study actually **FORFEITED** savings of over \$250 for other factors like customer service and coverage offerings.

The most important thing to take from these two studies is that consumer’s insurance purchasing process begins on the internet, and the companies that creatively attract potential customer through digital means will be the ones that experience dramatic success.

Simply put, consumer behavior is radically changing and the following section highlights how purchases are now being made the digital consumer.

The Digital Consumer

The digital revolution completely changed the way consumers interact with companies. Consumers now prefer to begin their product and company research online before ever considering a purchase.

In fact, depending upon what study you read, only 5-25% of the traffic on your website is ready to buy at that moment they are searching⁴. Most of the traffic simply comes from individuals taking time to research your company and products for a *possible future purchase*.

Even more interesting is that fact Gleanster Research estimates that 50% of the leads *with qualified buyers* your company receives are still NOT ready to purchase immediately⁵. And, if you call these leads up and push them into making a decision right away, you will likely lose them!

Hard sell tactics simply do not work with digital consumers anymore because they know there are a number other options available through a simple search on the internet.

Importance of Nurturing

Rather digital consumers now need to be nurtured. You need to take time to actually create a dialogue with potential leads through digital means just to have a shot at their business now.

The great part about this, though, is that by “nurturing” the digital consumer, it actually allows you the opportunity to establish trust, show your expertise, and maintain communication with prospects in a non-invasive way that will keep you at the forefront of their mind when they are ready to make a decision.

In fact, a Genius.com study revealed that “66% of buyers indicate that consistent and relevant communication provided by both sales and marketing organizations” is a key influence in choosing a solution provider.⁶

In addition to that a Market2Lead study actually showed that **nurtured leads have a 23% shorter sales cycle.**⁷

So what does all of this mean? It means that consumers now want to interact with companies online by receiving valuable insight and information before they will consider purchasing a product from your company.

And for those companies prepared to do so, this actually creates a fantastic opportunity to bring on a myriad of new clients by simply exploiting some existing technology in creative ways.

The Power of Email

Here are some interesting statistics from EmailStatCenter in regards to using email communication:

- Email is the preferred method of commercial communication by 74% of all online adults.⁸
- 94% of daily email users subscribed to marketing messages.⁹
- 56% of US Internet users interact with brands only via marketing emails, compared to 1.3% who interact only via twitter and 0.7% by facebook.¹⁰
- 57% of internet users worldwide said they are more apt to buy a product in a store after getting a marketing email.¹¹

From the statistics above you can see that email is currently the primary communication device between companies and their consumers. People want to communicate with brands; and, if the email marketing is done properly it can definitely have a positive influence on consumers.

Content is King

Emails can be extremely useful in communicating with existing and potential clients. However, it is vital that each email provide value.

In fact, one of the biggest mistakes with any email marketing campaign has to do with the content. Consumers are looking to interact with companies and brands via email *as long as the content is relevant and interesting*.

If you are not creating smart, engaging, and useful content then all you are doing is spamming your client and your emails will actually *drive* clients away rather than attracting them.

Did you know that according to ExactTarget, 49% of people who unsubscribe from permission emails said the reason was “content was repetitive or boring over time.”¹²

As you create an email campaign, you need to ask yourself the following questions:

- **What is goal I want to achieve with each email?**
- **What value does the email provide to the consumer?**
- **What is the next step I want the consumer to take after reading the email?**
- **Is the information provided content-driven and pressure free?**

The Beauty of Automation

The great thing about email marketing is that the entire process can be automated. The initial process requires tremendous work as you plan your strategy, create the content, construct the email sequences, design the email, and import customer information. However, once you have completed all of those steps, it is just a matter of dropping the lead into the correct sequence and letting the software take over.

The Importance of Nurturing

Email marketing also allows you to “nurture” potential clients. This is especially vital in insurance as the buying process can take months or even years. It’s important to know that buyers will go through multiple stages, and your ability to provide them with valuable content at the appropriate time will help ensure the sale.

Nurturing clients appropriately through email also enables you to position yourself as a thought leader and consultant to potential buyers without having to hard sell. By providing relevant, creative content, consumers will begin to trust your opinion and value the services you offer.

The Significance of Video

Emails combined with video can also dramatically increase the success of any email campaign.

In fact, emails that direct consumers to videos have a 60% greater chance of being opened. And many companies have experienced 200-300% growth in leads just by combining video and email together! ¹³

Video can be tricky, though, because the length, content, and appearance all have a significant effect upon its success. Done correctly and you can experience remarkable success; done incorrectly, and you may not be able to get the client to open another email that comes from your company.

The Bottom Line

For those companies using email correctly, it can have a tremendous effect on sales and revenue. For example, in a recent study by EmailStatCenter on companies currently using email marketing, over 1/3 of the respondents said that “email contributed 75-100% of total company revenue.”¹⁴

Given that fact it is shocking to see that in a recent survey of 500 companies only 1% are sending out emails to engage new and existing clients.¹⁵

Conclusion

Consumers are using the internet more than ever to discover the companies they want to do business with. Your ability to engage these potential customers is extremely important as the agencies that are unable to do so will quickly be left behind.

There are a number of ways you can engage your customers and email is simply one of the tools that, if used correctly, will set you apart as a leader within the “insurance digital revolution.”

Schedule an Appointment

Goma Marketing provides your insurance agency with a marketing system that will increase client retention, deliver new customers, and catapult revenue.

We have developed complete marketing systems for insurance agencies guaranteed to engage your audience and brand your agency as an industry leader. Through email, ebooks, videos, landing pages, and whitepapers, we will completely transform the way you interact with your consumers.

Every message is tailored around our Value Marketing concept, which means we're focused on bringing value to your clients first and selling second.

Because we customize every program to integrate with our client's existing marketing program, we feel the best way to get started is with a product demonstration and marketing consultation. It will take approximately 20 minutes, but it will allow us to see if our product will work for your agency.

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