

As Seen In

THE STANDARD

NEW ENGLAND'S INSURANCE NEWSMAGAZINE

Published Since 1865 Boston, Mass.

April 12, 2024 Vol. 294 No. 8

The State of Marketing: Going Back to Basics and Implementing Technology to Grow Business

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For an industry like insurance that is both complex and often misunderstood by consumers, marketing is a must. Independent agencies have ample opportunities to grow and add new business, but to really drive sales, there must be better, more coordinated marketing efforts.

Insurance agents are largely playing catch-up since marketing has not historically been a priority for this industry segment outside of some local advertising.

Collectively, independent insurance agents have never developed a reputation as early adopters and that has proven to be the case on the marketing front as well. While some agencies have taken steps to implement state-of-the-art agency management systems (AMS) and customer relationship management systems (CRM), many lag behind and are unaware of the options available.

Where does one start to improve marketing when marketing best practices have not previously been foremost on an agency's agenda? Of course, we need to adopt technology and supportive marketing more rapidly than before. Technology aside, simply adopting better training measures can prove incredibly beneficial.

Back to Basics

In many ways, most professionals believe they are skilled marketers. Yet at the same time, many do not possess real marketing experience or know how. Often, the issue is that agencies consider marketing to be

discretionary rather than programmatic. Too often, marketing is not a budget line-item owners believe is necessary, at least, not the same way they view paying the electric bill every month to keep the lights on. While that may be the case, it is still a core business priority.

Agencies need to continuously fill their sales funnels or their sales will drop off, particularly in hard markets like the one we face today. Unfortunately, many agencies do not prioritize marketing training and miss critical opportunities to maintain and grow their business.

Insurance agents should be comprehensively trained to market their business both to prospects as well as existing clients. Agents do not necessarily need the latest marketing technologies to be competitive, but they do need to have the basic knowledge required to reach their ideal target audiences.

This training should include how to communicate, the different communication means available and how to segment those communications. For example, if I have a client who is 24 and has an apartment and automobile insured through my agency, and I want to communicate with them further, how should I best communicate with them? I may opt for a text message or even a direct message through social media if I have a strong rapport with them rather than an email. The most critical marketing training to offer is to help team members understand what communication methods are appropriate and effective to reach an agency's client base.

Good training is important, but agencies also need to have the right infrastructure in place to secure new business and grow existing clients.

Marketing Must Haves

Proper communication is paramount. Agencies need a reasonable email system, some form of social media, in many cases a user-friendly app and a modern website to satisfy existing customers. If a consumer is considering policy shopping and your website looks dated or there are grammar or spelling mistakes, they will likely remove you from consideration. Your public-facing communication platforms speak to your credibility. A renewed effort here is worth the time to ensure the basics are covered.

In terms of prospects, it is important to develop outreach on the right mediums. Email marketing is still a valuable tool. Even if the younger adult demographic may prefer text outreach, when it comes down to accepting or signing deals, people still expect emails. The return on investment is high, in fact, recent data showed a \$36 return for every \$1 spent on email marketing. From a cost perspective, email may serve as another marketing must have.

Social media outreach is also popular, but agencies need to be on the right

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platforms. Is TikTok the right fit for your agency? What about Facebook? Are insureds using X (formerly Twitter)? Can SnapChat help you reach young professionals? These may be popular platforms, but they can also bring controversy that could hurt your business. Consolidating social media efforts to the platforms that best fit your message (and market) can help you manage investments of time and money while ensuring you also reach the right audiences.

Investing in a user-friendly, customized app that addresses your insured's needs, makes communication frictionless and helps to keep them updated about their coverages may also be a wise investment. Millennials and Gen Z, along with Gen X and even many baby boomers, have now been conditioned to engage with apps on their smartphones that display notifications or messages. A tailored app might provide an excellent, real-time communication medium, help agents inform and level-set with their clients about policy changes and increased premiums, as well as assist agents in developing a rich database of information that can produce cross-selling and referral opportunities.

Above all else, understanding the value and power of marketing is essential. Marketing should generate more leads and business, including both new and existing clients. Agencies often overlook existing clients as further sales opportunities, but you should be working to retain and cross sell them. Agencies have already established themselves as the trusted advisor with existing clients, and with the right outreach they can continue to grow these relationships.

There is nothing more frustrating for an existing client than to only hear from their agent about rate increases. Therefore, communicating with existing clients throughout the year is critical. This can be through social media, email communications, newsletters and more.

When you celebrate Employee Appreciation Day, why not stretch it to Client Appreciation Day? Host a virtual cocktail hour with clients to check in and see how they are doing. Send out birthday greetings on their birthdays. Invite them to free seminars or webinars to educate them on issues of importance to them that highlight your expertise regarding risk mitigation strategies. All of this can be made easier through a CRM system. There are concrete, affordable steps agents can take to fortify and improve their position with clients. They just need to be invested in the right technology to streamline marketing efforts.

The Latest in Marketing Technology

In today's insurance world, the right AMS or CRM can make a remarkable difference at any agency. In tandem, a good CRM and AMS can ensure you are messaging and communicating with the right cadence to generate leads and grow business. However, many smaller agencies have yet to adopt these technologies and may not be aware of how to get started. In that case, we recommend partnering with a third-party vendor, who can make integrating the right AMS or CRM relatively seamless.

These systems will allow you to perform basic and advanced marketing functions like the ones discussed here, from emails to newsletters to social media messaging and more. At SIAA, these technologies have been life savers in a time crunch.

Of course, artificial intelligence (AI) is another hot topic in insurance, but I have not seen many agencies implementing AI on the marketing side. When we talk about AI and insurance marketing, the value comes in the intersection between AI and the CRM and AMS. For example, some marketing systems have used AI as a hyper personalization tool. In other words, every solicitation, communication or promotion, whether digital or electronic, re-enforces the one-to-one

approach based on the client's profile in your AMS, such as their first and last name. This makes for better, more focused client outreach.

At SIAA, we are moving to a new CRM and a marketing automation platform through a third-party vendor. Our first question when we began this process centered on how they are integrating AI to improve their system. This is the type of question any agent should be asking of third-party vendors they are approaching about implementing a CRM or AMS. What are you doing with AI to make this platform better than it was yesterday?

Agents also do not need to be experts on AI. The complexities of AI are best left to technologists while, instead, agents should remain focused on developing their insurance expertise. There are several AI systems that can help an agency directly with content development without requiring an investment of IT resources, such as Chat GPT, Gemini or Claude, but AI really is much deeper than these functions. For that reason, agencies should consider partnering with a third-party vendor that can help ensure the benefits of AI are fully integrated into the agency's marketing systems without distracting from the daily business of the agency. Insurance marketing is a rapidly evolving field, but with the right practices in place, independent agencies can experience growth even in this hard market. Regular, comprehensive training, considering the appropriate messaging and platforms to use and implementing the right technology systems can help your agency find new business and grow existing clients. ■



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