2015 Insurance Marketing Survey

Generating New Business with Referrals and Social Media
Introduction

The insurance industry is undergoing a long overdue change, with agents competing on two levels – marketing a wider range of products and attracting a consumer base that is younger, tech-savvy and more socially connected.

It’s the age of “The Connected Consumer” and agents must get in sync with their customer’s changing expectations and preferences on how they find and evaluate the right services.

The 2015 Insurance Marketing Survey gathers insights from agents across the US about how they are connecting with their customers, their top marketing channels and lead sources, and what they think will attract the millennial customer. The survey covers all major US cities and both independent and captive agents. Here are the findings.
Referrals are the top marketing channel for agents

Contrary to popular belief, Internet leads, which cost anywhere between $10-$25 per lead, do not deliver value for most agents.
More than half of agents get 40% - 60% of new business via referrals
And yet most do not have a consistent referral marketing process. A staggering 80% rely solely on informal requests.

How Agents Generate Referrals?

The insurance industry lags significantly in adopting technology to create efficient, modern referral programs. According to one major study*, financial services firms which adopted efficient referral marketing programs generated 15x message amplification and 10% new customers per campaign via their referral marketing programs.

(*The Connected Consumer Study)
More than 70% agents see referrals and social media as the main channels to attract millennial customers.

Strategies to Attract Millennials

Millennials not only get influenced, they like to influence. In an Edelman study, 74% of millennials said they influence the purchasing decisions of those around them.
And yet less than 30% of agents engage with customers on social media and even fewer leverage it to generate referrals.

How agents leverage social media?

Data shows that 50% millennials said they seek referrals from friends and family before buying insurance. Most of these millennials are finding these recommendations online – via social media friends. Most insurance agents, however, do little more than create profile pages on Facebook, LinkedIn, etc.

Agents are skeptical and often unaware of how to leverage social media for referrals.
More than 70% of agents said they pay no attention to reviews and ratings sites like Yelp and Angie’s List as they make little to no impact on their business. Reviews and ratings rank as the least effective lead source.
Participation by agent type and size of business

**Agent Affiliation:**
- **65%** Independent Agency
- **18%** Farmers Insurance
- **3%** New York Life
- **10%** Others
- **4%** State Farm

**Size of Business:**
- **48%** 0-1000 customers
- **23%** 1001-2500 customers
- **19%** 2501-5000 customers
- **10%** 5000+ customers
What are the Implications for Insurance Agents?

**Referrals Are Going Digital**

Referrals are the lifeblood of most insurance agents but as consumers migrate to social networks for recommendations, traditional word of mouth tactics are not enough. For agents, it is imperative to join the dialogue and make it easy for customers to spread your message to their social circles. The right technology can help you modernize your referral process, leverage social while tracking and measuring all the outcomes, across channels.

**Rethink Social**

Agents should avoid falling into perception traps such as, social media only generates likes or gathers followers. Social Media connects your customers and is fast becoming the primary channel where conversations about new products and services begin, especially for millennials.
Getting closer to customers and encouraging referrals is a key focus for most agents but if you don’t focus on creating a consistent digital referral strategy, you may be missing the boat.

A simple and easy referral process can turn casual interactions into a long-term advocacy-based engagement.

Pulling all this together in a repeatable and measurable way is what knowncircle can do for your business.

We invite you to take a look at us at

www.knowncircle.com/business