

Be Where Clients Need You Most

Understanding trends of
technology and consumer
preferences.



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Have you looked at your customer engagement strategy lately? If you are a life insurance broker and have not reevaluated your engagement strategy in recent times, you are not alone. If you want to separate yourself from the masses and set yourself up for success in the new world of insurance, then your customer engagement strategy needs a face lift. With client demographics changing and purchasing behaviors transforming, brokers must adapt in order to sustain their demand and create new opportunities to be discovered.

ADOPTING A NEW ENGAGEMENT STRATEGY

Customer engagement has become common vernacular within the insurance industry, and even more so in life insurance. It is a pressing issue, especially for brokers who are experiencing a shift in the use of technology. As we continue to see a rise in social media and other digital channels, consumers of all ages are becoming more accessible online. To some, this can be perceived as a threat to the insurance broker. But the enhanced access and convenience that digital channels provide should be seen as an opportunity for insurance brokers to increase engagement efficiently and boost sales. Consumers want and expect to obtain insurance information wherever, whenever and however they choose - so whether it is writing a blog, posting about a product, or advising potential customers via online channels - digital outreach is a critical component to a broker's customer engagement strategy.

With digital channels now being accessible to all generations, brokers must take additional care to account for user preferences and generational partiality. You will not find every client or prospect logging in to Facebook for advice, nor each person tuning into their local digest to learn about the community around them. In truth, engaging digitally may only be beneficial to certain clients or prospects. Due to this, it would be a mistake for brokers (or professionals within any industry) to entirely relinquish traditional engagement channels. In today's segmented market, it is imperative for brokers to be flexible and approach their engagement strategy on a client-by-client basis. By ensuring relationships are built through preferred channels, brokers establish trust and accountability for the ever evolving needs of the market.

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CLIENT DEMOGRAPHICS ARE CHANGING

While Baby Boomers are stabilizing in the market, Millennials are challenging brokers by demanding a new type of service, forcing them to utilize new tools and strategies preferred by the growing demographic. According to a study by Nielsen, most Baby Boomers already own some form of life insurance, and are most likely committed to the broker they purchased from years ago. With Millennial ownership netting out at just 33%, brokers are provided with a massive opportunity to serve the younger generation. For those Millennials who don't yet own life insurance, nearly half claim the main reason is the lack of approach from brokers, which further expresses the opportunity that lies ahead. Since distribution preferences and purchasing behaviors vary by client, brokers must stay current with developing trends and rationalize how certain platforms work with their target market. Brokers who believe that the strategies they've used over the past ten years will work for the next ten, risk losing out on opportunities for new sales and lifelong clients.

At the same time, ignoring the Baby Boomers and their engagement preferences to exclusively appeal to Millennials could result in a major opportunity loss for brokers.

Baby Boomers spend nearly double the amount on insurance products than young adults aged 18-34 do, which should remind brokers not to lose touch with their wealthiest clients. Although Baby Boomers typically prefer live conversation during the decision process, they are still online with the Millennials - and actually more so.



According to a study conducted by DMN3, Baby Boomers spend an average of 27 hours per week online, which is two more than Millennials. A broker's online presence, as part of their engagement strategy, is crucial in meeting the expectations of a demographically diverse consumer market.

GOING DIGITAL IS ON TREND, YET PEOPLE STILL PREFER BROKERS

When it comes to the purchasing process, consumers are becoming increasingly educated on their own due to the abundance of information available on the internet. More specifically, research shows that the majority of shoppers go to the web to research insurance products before consulting with a broker, financial advisor, friends or family. As insurance carriers develop digital direct-to-consumer (D2C) channels, some industry experts are predicting a demise of the life insurance broker and believe today's consumers are more likely to embrace digital purchasing. Contrary to what the experts are saying, research tells us that's not true. In fact, consumers of all insurance lines still prefer using a broker at the point of purchase.

GET PERSONAL

Purchasing a policy through an automated environment will always fail to provide consumers with one very important thing - personal connection. Buyers want to make sure they're making the right decision when acquiring a life insurance policy, and they want their questions to be answered by a human. Highlighting the value consumers place on human connection, studies show that while 24% of buyers prefer the web, 63% prefer to speak with a broker either in-person or on the phone when purchasing insurance. Brokers are there to provide answers and education to consumers, but most importantly they offer professional guidance and peace of mind - making the buying experience much more comfortable and customer-centric.

Designing a customer engagement strategy in today's segmented market can be tricky for life insurance brokers. With client demographics changing and digital distribution channels being introduced, the broker landscape offers new challenges, but more importantly, new opportunities. Brokers who overcome these challenges will be successful in utilizing the human element while also engaging digitally to ensure the buying experience is fully customer-centric. By proving their ability to adapt and survive in the ever changing marketplace, brokers will not just survive the changing tides, but rise with them, securing the next phase of life insurance brokerage.

ABOUT LIFE.IO

Life.io is a leading customer engagement and data analytics solution bridging the gap between life carriers and their policyholders. By helping people achieve their goals, Life.io enables carriers to become human again, achieving their promise to help people live healthier, happier lives, while providing them with security and trust. Built on a foundation of science, Life.io uses behavioral economics, social psychology, and personalized content to nurture a community of highly engaged consumers. By utilizing Life.io, carriers capture these insights and use them to build brand loyalty, accelerate growth, minimize policy risk, and streamline the underwriting process.



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