

Marketing: A Battle of Perception. Are You Winning?

By Chris Burand

An agent asked me the other day how he could get more prospects to call him. His agency had been in the same small town for fifty years. Everyone knew the agency, so name recognition was not a problem. His dilemma was the same faced by most agencies. He needed to let prospects know why they should do business with his agency.

For countless years independent agents have failed to advertise their competitive advantages. They have failed to let people know why consumers should buy from them. In fact, the IIAA's National Survey Results several years ago showed that 67.2% of consumers prefer independent agents because they represent and can select from multiple companies. Yet, independent agents had a market share of less than 30%! This market share is so poor because agents have failed to advertise their biggest competitive advantage. Another IIAA survey showed only 44.1% of independent agency personal lines clients knew independent agents represent multiple companies and more than half of independent agency customers thought their agent was a captive! If our own customers do not know independent agencies offer multiple companies, what do you think our non-customers think?

Independent agents have an advantage that is desired by the vast majority of consumers—they represent multiple companies. Yet, a minuscule number of consumers know independent agents offer what they desire! What would Ford's and McDonalds' fate be if people did not know Ford made trucks or McDonalds made Big Macs?

The competition knows what people desire. They know how important it is to offer a choice of companies. Insurance Internet sites are advertising heavily about how they offer quotes from multiple companies, so now consumers know where to go for what they have wanted for many years (but did not know they could get). They are going to the Internet. Independent agencies are expected to lose almost four market share points to the Internet within the next three years.

Independent agencies missed their first opportunity to use their prime competitive advantage. The good news is it is not too late. In fact, the Internet is providing a great opportunity. Because these Internet companies have been so successful raising people's awareness of the availability of multiple companies, independent agencies must advertise they offer this same advantage. Forget all those slogans about great pricing, great service, and great whatever. Everyone advertises those same advantages to such an extent that no one pays any attention anymore.

Instead, advertise that you offer the choice of multiple companies. Always give customers quotes from at least two companies so they know you represent multiple companies. Then you must raise the ante. Advertise you offer the choice of multiple companies plus you are the only insurance provider that works for the customer. You do not work for an insurance company. Raise the ante even further. Advertise you offer multiple companies, you work for the customer, and you can offer professional advice. No other insurance seller can offer all three advantages and the majority of consumers want these three advantages. Advertise these advantages everywhere. Put it in your proposals. Use it in your sales pitches. Independent agencies must get this message to consumers and then your prospects will know why they should do business with you!

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