

Why Buy Insurance From You?

By Chris Burand

As many of you already know, I have asked hundreds (and probably thousands) of agency personnel why anyone should buy insurance from them. I estimate 95% (and yes, I am estimating the 95%. I have not kept an exact running count to the dismay of at least one reader) answer, "We provide great service." Unfortunately, few can prove they provide great service. In fact, few know what great service is.

Even if an agency can define great service, is great service an advantage? Not if every other agency provides great service too. An advantage must be unique. For example, if a wide receiver can run a 4.0 second 40-yard dash, what advantage would he have if everyone on the field can run a 4.0 second 40-yard dash? Similarly, great service is not an advantage if everyone offers it—which apparently most do.

Many companies have positioned themselves in an even worse situation. They do not even try to rise above average. They do not want to be the best. Instead, how often have you heard (or if you are a company employee maybe you have said), "ABC company does not want to have the lowest price or the best coverage. We want to be average!"? How many successful businesses have the goal "To be Average!"?

Agencies must find some way to stand out even if it is just cosmetic. As an example, think about fast food hamburgers. The price is about the same, as is the nutritional value (I am guessing), and so is the taste according to many people. But McDonalds, Burger King, and Wendy's all have distinct reputations and different target markets. McDonalds targets kids. Burger King boasts charbroiled hamburgers to give their burgers a unique taste and cooking method. Wendy's appeals more to people without young kids, their hamburger patties are square (as if that makes a difference), and they have a grandfather looking CEO as their chief spokesperson.

Because all agencies are selling the same insurance (i.e., hamburgers), what makes people buy from you? Do you really customize coverages for each account? Do you use coverage checklists with every account? Or do you quote whatever is requested or whatever coverages the client currently has (which are probably inadequate)? Do you have a unique, or at least memorable, personality that really stamps an impression on peoples' minds? Do you give away a lot of cheap (or expensive) goodies to get customers? What are you doing differently?

Many sources estimate that 300+ insurance company groups and 25%-50% of all independent agencies will be eliminated in the next three to five years. The ones eliminated will be the ones that do not give customers a special reason to do business with them. Why should customers buy from you?

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