



# Insurance Marketing Benchmarks Report

2017

# Introduction

“How can I attract and maintain policyholders?”

That’s a question successful insurance agents ask themselves on a regular basis. Better coverage, competitive rates, top-notch customer service — many factors differentiate one agency from the next. However, there’s one thing most everyone in the industry will agree on: it’s all about building solid relationships and providing value to policyholders. This makes it especially important for agents to invest in marketing channels that help them do just that.

Insurance agents have tried everything from traditional advertising to digital methods such as email and social media marketing, all in an effort to grow their business. But what’s most effective?

To answer that question, we went straight to the source. We asked more than 240 insurance agents how they find new policyholders and here’s what they said.

## What's inside?

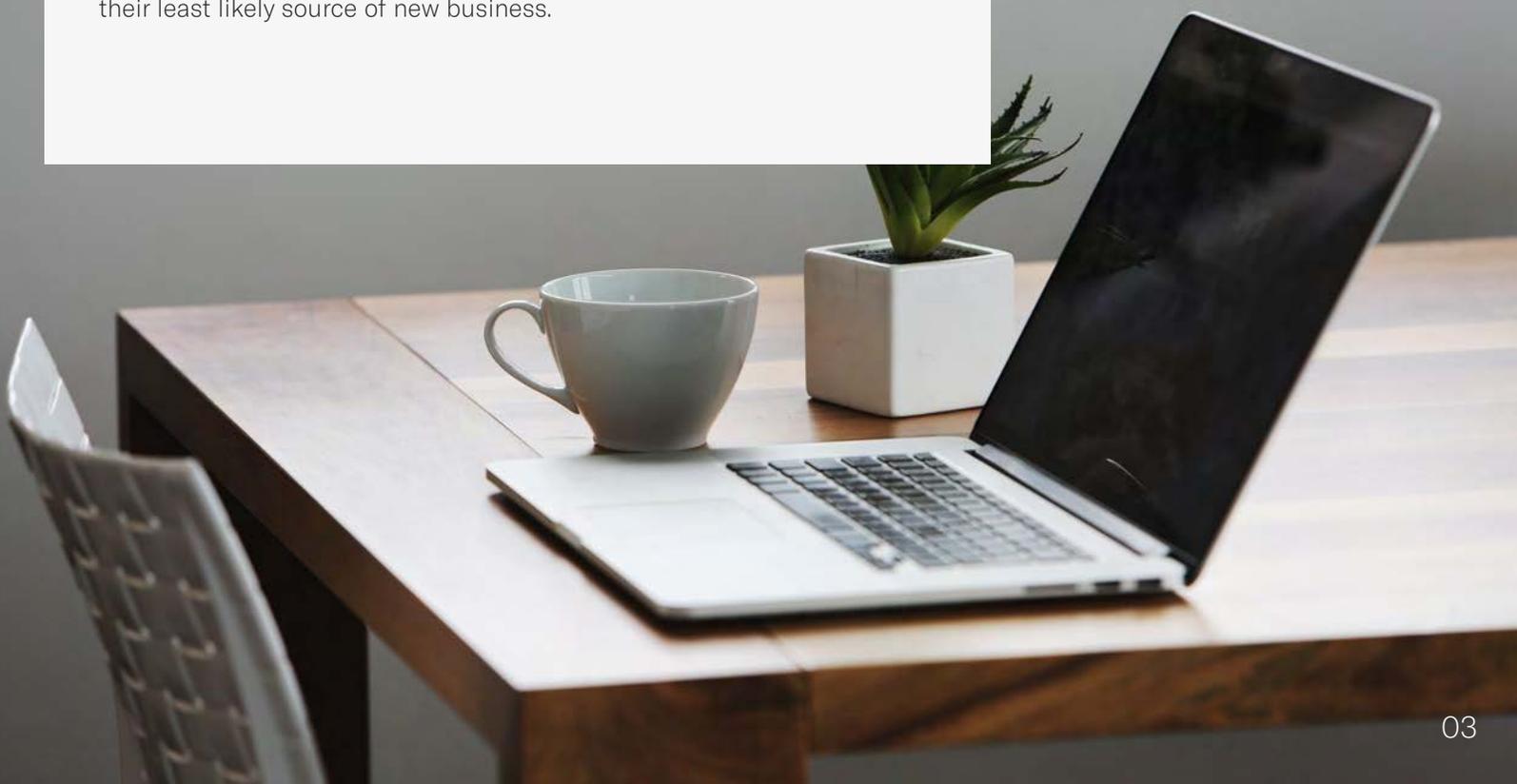
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# Key Takeaways

Insurance agents consider referrals to be their most valuable source of new business. However, most agents do not actively invest in referral marketing to spread word-of-mouth about their services.

Other effective sources of new business, after referrals, are professional associations/networking, and social media (Facebook, LinkedIn, Twitter). These channels, when used right, help insurance agents be remembered by their network and generate referrals from happy policyholders. The issue? An effective online marketing strategy requires a lot of time and expertise. In fact, the majority of survey respondents cited their biggest challenge to be that they do not consider themselves to be marketing experts, and are unsure where to focus their marketing efforts.

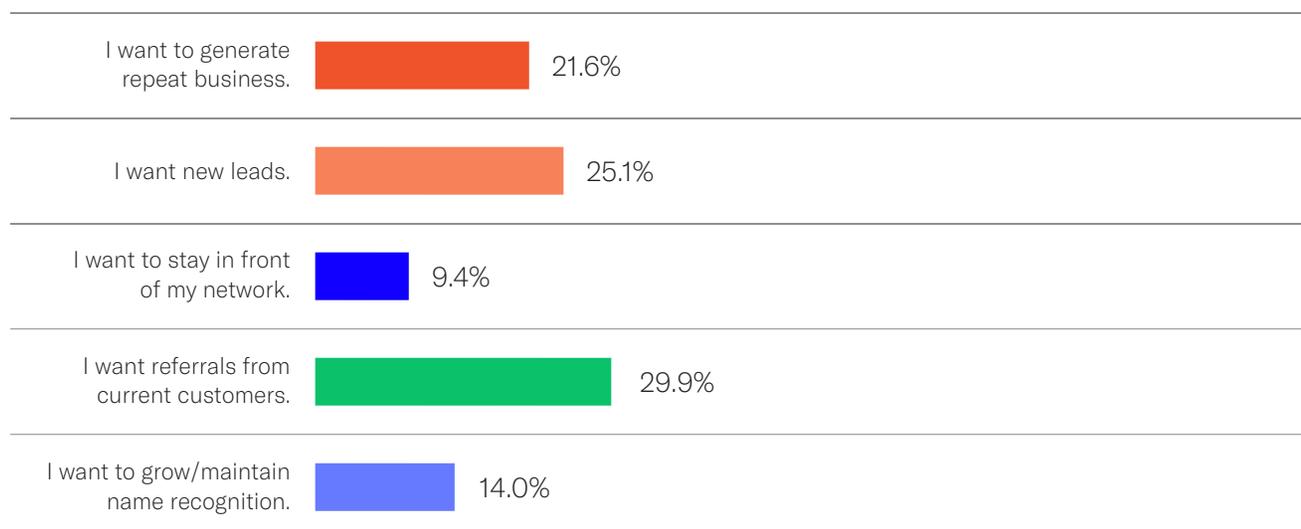
Finally, our survey uncovered some interesting findings regarding leads. Insurance agents ranked getting new leads as one of their highest priorities, but in reviewing the areas where agents spend their marketing dollars, they reported purchased leads to be the most expensive, but also their least likely source of new business.



# Top Areas of Focus for Agents

When surveyed, insurance agents say they are most focused on generating one of three things: referrals from current policyholders, new leads, and repeat business. All three of these business drivers work to fuel one another. When policyholders have their insurance agent's name top of mind, they are more likely to give that agent repeat business and referrals.

**Of the following options, what are you most focused on as a small business owner?  
Select your top two priorities.**



# Biggest Challenges for Agents

When asked about their biggest challenges, most insurance agents cited not having the expertise or time to handle their own online marketing. A number of agents also said that it's difficult to determine which marketing channels are driving a return on investment.

**Expertise:** 24.08% of agents say that they are not a marketing expert, and are not sure where to focus their efforts.

**Time:** 21.22% of agents say they know they need to stay in front of their network, but they don't have enough time.

**Proof:** 16.73% of agents say they have a hard time measuring which of their marketing efforts are most effective.

Managing marketing effectively for insurance agents is a full-time job in and of itself. In fact, a study from Small Business Trends shows that the average business owner spends **20 hours** each week on marketing. It's easy to understand why so much time is being spent on marketing when **75 percent** of businesses say that online marketing brings customers in the door.

But with so much weight being placed on the value of online marketing, why are **34 percent** of business owners allocating less than 10 percent of their marketing budget to online channels?

Maybe it has to do with the premium prices most third-party marketing firms charge agents for solutions that don't quite meet their needs. It's just not in the budget, and it doesn't do the trick. But it doesn't have to be that way. We understand that every dollar and minute matters for insurance. That's why we offer an affordable, done-for-you **online marketing solution** that's customized to meet the needs of insurance agents. Why do it yourself when you could have an expert do it for you?

Which of the following best describes the challenges you face in marketing your business?

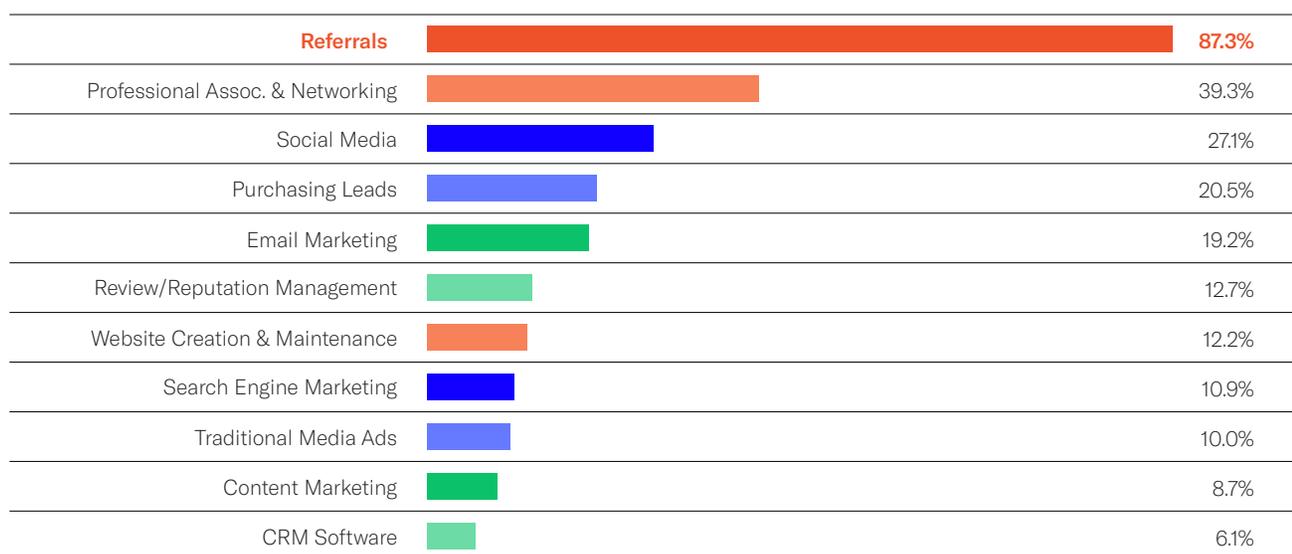


# Most Successful Marketing Tactics for Agents

Referrals from current policyholders win by a landslide, followed by professional associations/networking. Insurance agents know that the best avenue for securing new business lies within the network of people they know. And that's backed up by a Nielsen study reporting that **92 percent** of people trust recommendations from friends and family, more than all other forms of marketing.

Beyond a verbal ask, agents can build referral leads by simply giving clients a place to leave their referrals. We recommend making a conscious effort to initiate referral request conversations in a way that's not pesky or desperate. If an agent delivers value to clients, they may be surprised at what those clients are willing to reciprocate. Happy clients are eager to tell others about excellent service, and it's perfectly acceptable to ask them to.

Which of your current marketing efforts are most successful? Select all that apply.



# Agent's Monthly Spend by Marketing Channel

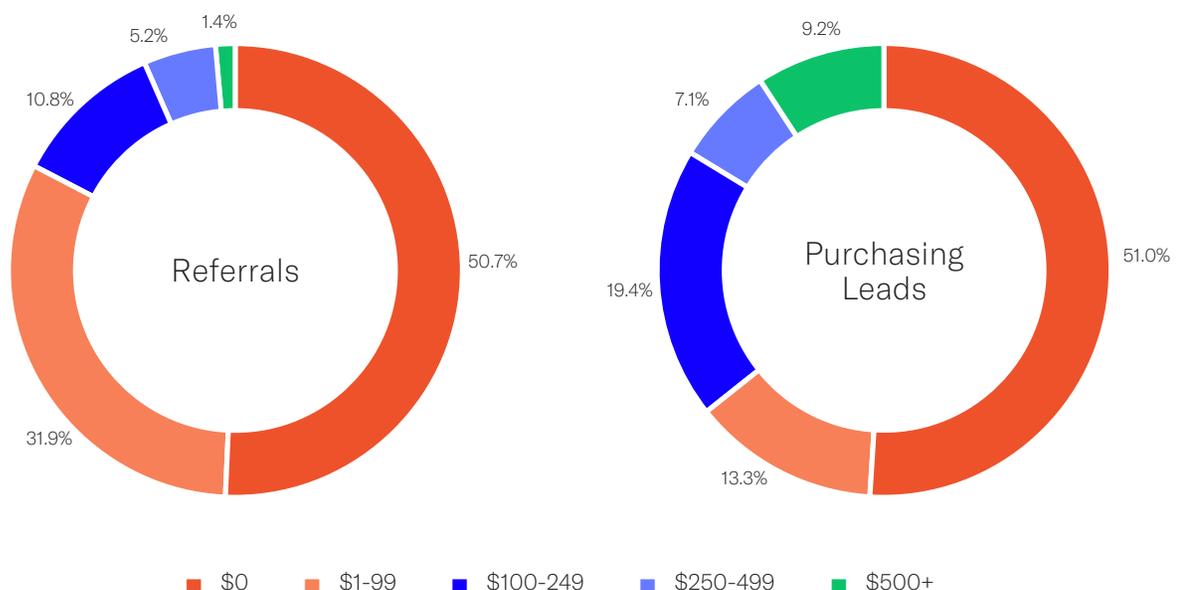
Purchased leads are the most expensive marketing tactic for insurance agents. And while they will grow your list size immediately, they are risky because the steep cost comes with no guarantee of new policyholders. In those instances, what seems like a quick fix actually costs agents marketing dollars.

Another thing making purchased leads risky is that they can harm an agent's reputation. Most people mark emails from unknown senders as spam. Since the leads on a purchased list have never seen the agent's name, they are more likely to send those emails to their spam folder. If this happens too many times, the email account sending to a purchased list will be flagged and

shut down. Why should agents take the gamble purchasing leads when their **customer relationship management** (CRM) system is already full of valuable customer data that will help them attain more policyholders?

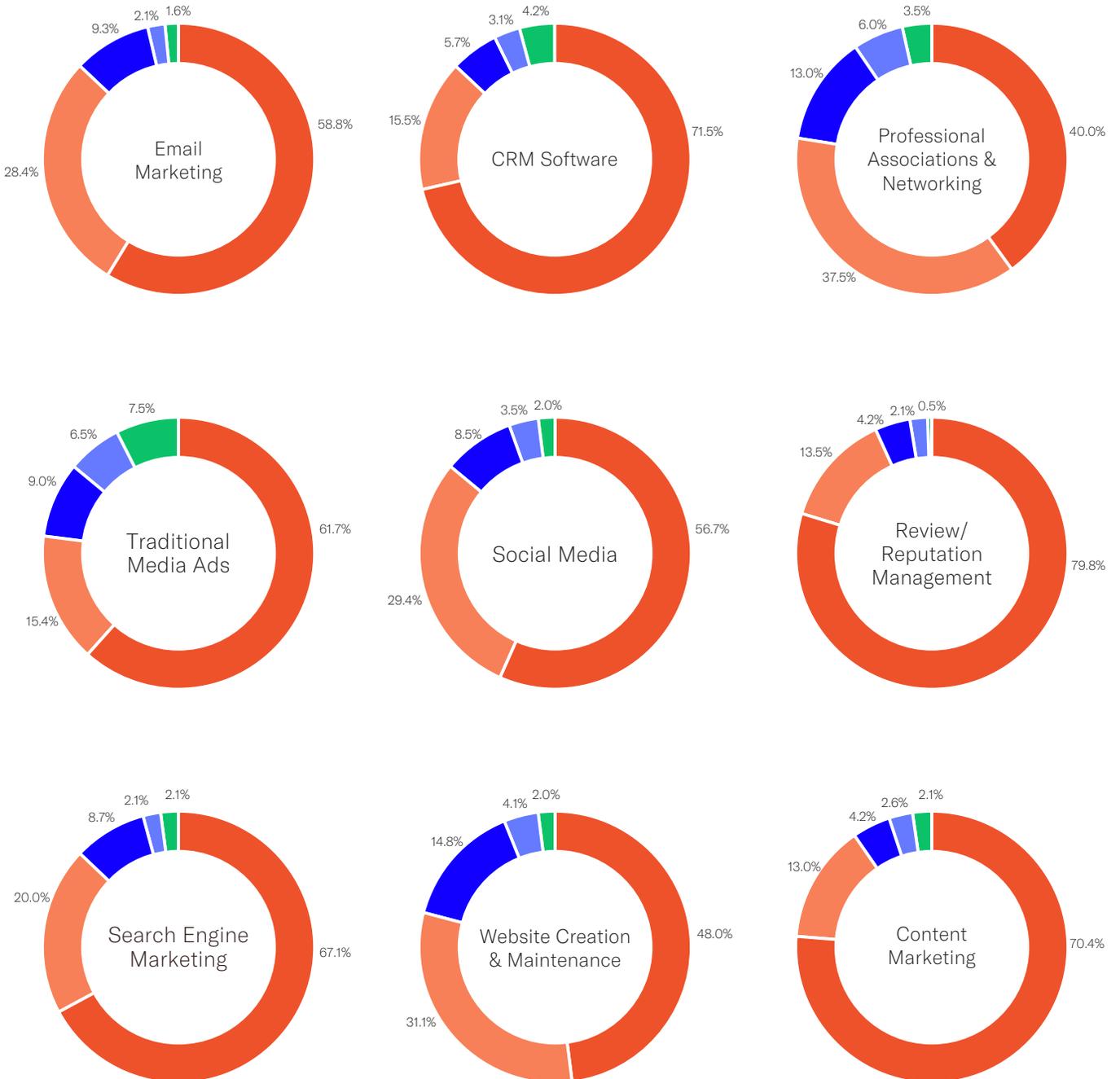
While the idea of instant expansion makes purchased leads sound like a tempting option, agents will do much better if they focus their marketing strategy around staying in touch with their current network. When it's all said and done, relationships are what really matter, and agents can't build trust and loyalty when they don't know the people on their email or dial list.

Average Monthly Marketing Spend, by Category



### Average Monthly Marketing Spend, by Category

■ \$0    
 ■ \$1-99    
 ■ \$250-499    
 ■ \$100-249    
 ■ \$500+



# Where Agents Would Spend Extra Dollars

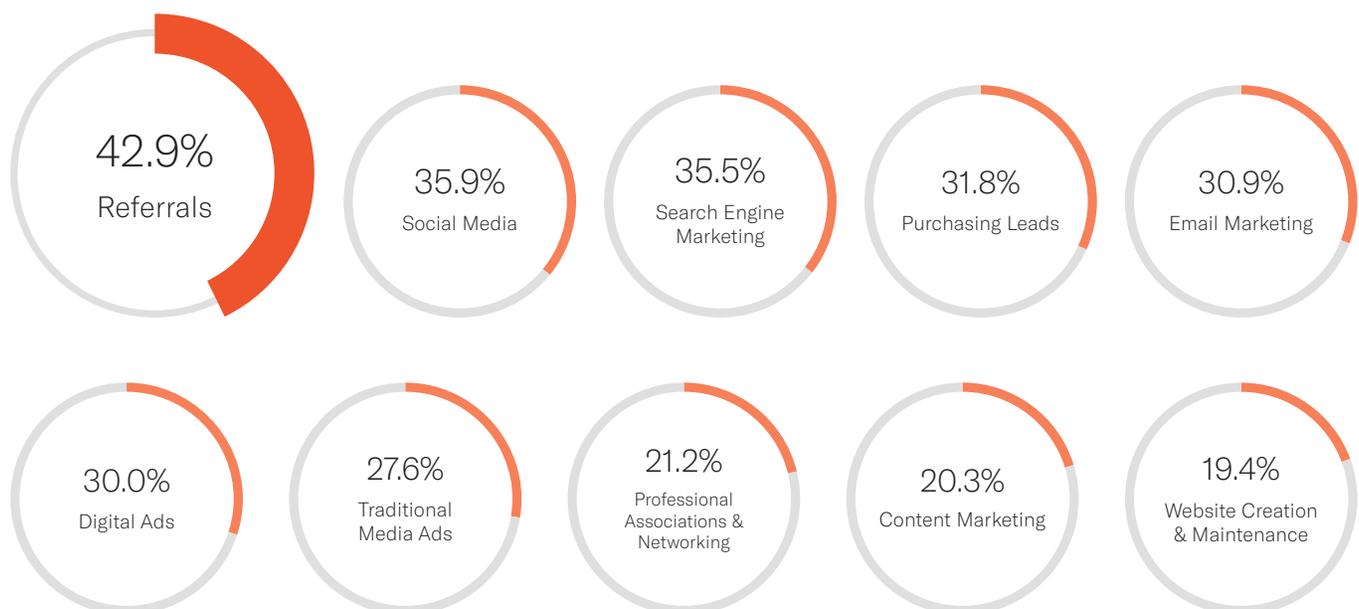
Referral marketing would be the top priority if agents had extra budget to spend on marketing; a close second is social media marketing. Other areas insurance agents are interested in investing are search engine marketing, purchasing leads, email marketing, and digital ads.

and it can get overwhelming. The ideas and stats in this report are intended to give a better understanding of what's working for other agents and inspire ideas about new ways to generate business. Agents can try these ideas, monitor their results, and if they ever need a little help, [we'll always be here](#) to assist.

We know there's a lot of different information out there regarding how to best market an insurance business

## If you had extra budget for marketing, which additional areas would you invest in?

*Top 10 categories listed below:*

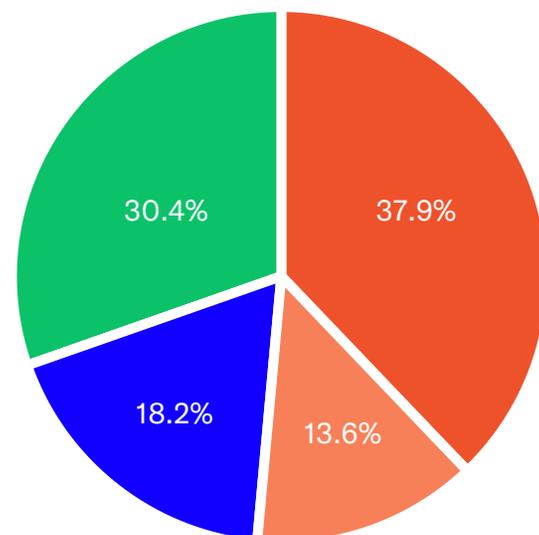


# Why Being Remembered Counts

Driving referrals is the top reason agents want to stay in front of their network. And we agree — it's important to be remembered. Equally important, is making sure an agent is remembered in a positive light. A thoughtful [online marketing strategy](#) is a great way to build and maintain relationships with policyholders. The more value agents show policyholders in their interactions, whether online or in person, the more likely they are to get referral business from their policyholders.

As an example, let's say an agent sold a homeowner's insurance policy to Chuck five years ago when he purchased his first home. Over the next two years, Chuck didn't need to call on his agent, but he did appreciate the email newsletters his agent sent once a month filled with useful tips on topics ranging from renovation to home security. Because of this correspondence, when Chuck's sister asks him for a homeowner's insurance recommendation, he knows just who to suggest and has no trouble remembering his agent's name.

What is the most important reason to stay in front of your network?



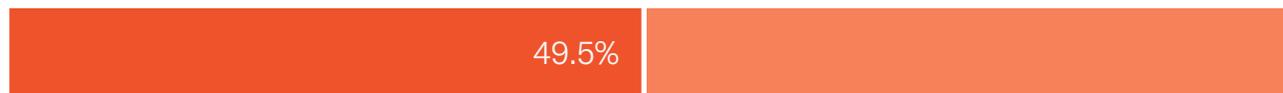
- Drive referrals from current/previous customers
- Make sure people remember me
- Cultivate repeat business
- Generate new leads

# The Best Kinds of New Business

Referrals from current policyholders is the favorite kind of new business for insurance agents. In fact, most every agent we talk to tells us that the majority of their new policyholders come from referrals. Thus, keeping in touch with policyholders helps agents stay top of mind for referral business.

## Which type of new business are you most looking for?

Referrals from current and previous customers



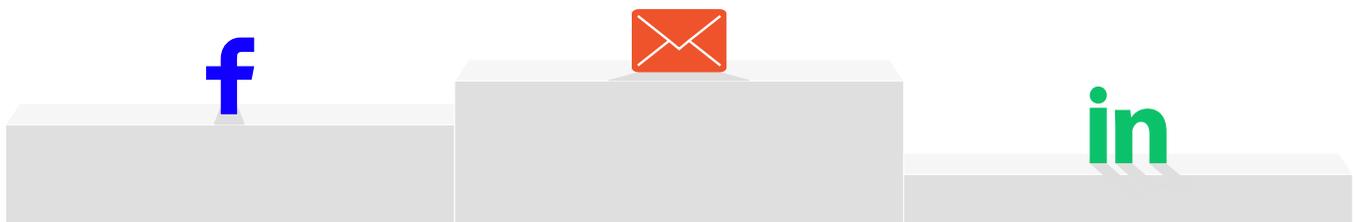
New opportunities outside of my network



Repeat business



# Favorite Online Marketing Channels



Insurance agents say email is their most effective marketing channel, followed by Facebook and LinkedIn.

## Facebook

**Facebook ads** are an inexpensive and effective way to grow an audience, get posts seen more often and increase engagement with posted content. Facebook designed its ad tools to be easily understood by users of all experience backgrounds. But most important of all, the ad platform is designed to help agents achieve a specific end goal, such as showcasing properties or increasing web traffic.

Facebook is still free for agents to use. And while social should be a primary component of an insurance marketing plan, the news feed is getting crowded. That means less organic visibility for posts. Facebook wants agents to succeed, which is why they've built such a robust ad platform to help them do just that.

## Email

Email is a direct line of communication to existing policyholders and prospects. Many agents partake in email marketing in one form or another, but are they doing it right? Maybe they only send emails based on templates from their parent company or perhaps they have an automated program reaching out to their network on special occasions, like the holidays or for their birthday. Whatever the case may be, there's always room for improvement.

Not everyone is in the market to update their policy, but when they are, whoever is top-of-mind is most likely to get a phone call. That's why email is so powerful. Agents can stay in front of their audience by writing newsletters people actually want to open. That means sending content about things related to insurance but not intended to sell anything. For insurance agents, examples of this include tips about home safety or what should go into an emergency kit for your car.

## LinkedIn

Insurance agents understand the value of using LinkedIn as a networking tool. But many agents don't know that LinkedIn is also a great channel to showcase their industry expertise. The LinkedIn long-form posting feature lets users write and publish original content to be featured across the site through its curated news feed, Pulse.

Agents can write and share their own content on LinkedIn's Pulse, gaining an instant leg up on the competition. It takes a long time to build an audience of followers, but with Pulse, an agent's voice is added to a network of individuals who are already tuned in. This strategy gets agents noticed as an expert in their field and boosts their credibility.

# Recommendations

Across the board, agents attribute a ton of value to referrals from policyholders, email and social media marketing. All of these channels are extremely effective in keeping an agent's name top of mind when it's time for someone to update their policy.

There's a big assumption that word of mouth spreads organically, and there's some truth to that. However, when agents invest in marketing channels that help them be remembered, they fuel those recommendations that bring them new business. With all of this in mind, it is clear that insurance agents should invest more in the channels that have a proven ROI, such as [referral](#), [email](#) and [social media](#) marketing.

The big takeaway here? Insurance agents work hard to keep their clients happy. If those clients can't remember their name, they miss out on valuable referrals and repeat business.



# Key Stats by Topic

## Insurance agents want **referrals**.

- 87.3% of insurance agents said that referrals from current and previous clients are one of their most successful marketing tactics.
- 42.9% of insurance agents would invest in referrals if they had extra budget for marketing.
- 50.7% of insurance agents do not spend *any* money on referrals (per month).

## Insurance agents want **leads**.

- 30.4% of insurance agents said that lead generation is the most important reason to stay in front of their network.
- Only 20.5% of insurance agents said they have had success purchasing leads, but purchased leads are the #1 item agents spend \$500+ on.

# Wrap-up

An agent's best opportunities are in their network. Most insurance agents spend time and money on purchased leads and advertising, but it's hard to make an impression on people you don't know and who don't know you.

Your next sale is most likely to come from your happy policyholders, or friends of your happy policyholders. Agents should prioritize the channels where they spend energy based on where they are seeing a return on investment. It's important to focus on building relationships with policyholders to generate valuable referrals and embrace marketing automation tools that help offset the amount of work that agents have to do.

Curious about insurance marketing automation? We help agents leverage existing relationships to generate new business.

[Learn more.](#)

# Bylines & Methodology

## **Author**

Erin Myers

## **Report Design**

Claire Queally

## **Survey Creation & Analysis**

George Angulo, Erin Myers, Claire Queally, Misha Rangel & Sarah Philips

## **Report Methodology**

This report is based on a survey completed by more than 240 insurance professionals in February 2017. Responses were collected via email, offering recipients the chance to win a \$500 Amazon gift card in a lottery following completion of the survey.

# Contact Us

**email:** [marketing@outboundengine.com](mailto:marketing@outboundengine.com)

**website:** [www.outboundengine.com](http://www.outboundengine.com)

**phone:** 800.562.7315

