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Survey: Electronic Marketing Tools Replacing Traditional Methods

RICHMOND, VA, April 09, 2010 – A survey of American Insurance Marketing & Sales (AIMS) Society members shows adoption of social networking and marketing tools, including LinkedIn and Facebook, is leading to reduced dependence on more traditional media, including Yellow Pages and mailing-list brokers.

Roughly 60% of survey respondents are using social networking sites for business purposes. Three quarters of these (76%) have started using LinkedIn; nearly half are using Facebook. “As Facebook gains a stronghold among the general public and as business-related communities like LinkedIn grow in popularity with professionals, agents and brokers are recognizing the importance of staking a presence on these sites,” says Kitty Ambers, CPIA, CIC, CISR, CPIW, AIMS Society executive director.

“Not only do these online communities offer opportunities to communicate more quickly and broadly,” she adds, “but they represent an increasingly valuable source of referrals. Done right, an agency can use their presence on these sites to generate leads from people with whom they already interact. Plus, through the networks of these contacts, they can extend their reach even further.”

Driving New Business

Clients and third party influencers represent increasingly important ways to reach potential customers, according to survey respondents. Asked to rate sources for identifying prospects, “referrals from existing clients” and “referrals from centers of influence” came out on top, scoring 3.9 and 3.3 respectively, on a scale of 1 (least valuable) to 4. The next closest response was “agency Web site,” which scored 2.1. Least valuable were outdoor advertising (1.5) and mailing-list brokers (1.4).

Agents and brokers are redirecting scarce marketing dollars to maximize prospecting results. Forty-four percent of survey respondents are shifting resources to activities that help them get referrals from existing clients, while none are shifting resources away, resulting in a net gain of 44 points. “Getting referrals from centers of influence” saw a net gain of 26 points, with 26% of respondents moving resources toward this activity and none moving them away.

The use of an agency Web site to get prospects earned third place, with a 20-point net gain. Yellow Pages advertising and the use of mailing-list brokers saw respective net losses of 12 and 10 points, indicating that agents consider these to be less cost-effective vehicles than they once were.

Agency use of carrier-provided marketing resources, including co-operative ad dollars, seems to lag behind this shift. According to survey results, 46% of respondents who make use of such

resources do so for telephone directory advertising. Thirty percent do so for newspaper co-op ads. Both online and e-mail co-operative advertising dollars are used by 15% of respondents.

“Consumers are looking for insurance information online,” Ambers notes. “Carriers need to recognize and respond to this trend by focusing more co-op ad support on new media. More important, agents and brokers need to make use of such resources as they’re made available and encourage carriers to change, if they don’t allow it.”

Using New Tools

As more marketing and networking moves online, agent and broker approaches vary. Among survey respondents who have created a social networking presence, 42% said one or more members of management are using personal accounts for business purposes and 35% have agency staff members participating as they wish, with some benefit to the agency. Roughly one-third (32%) have one specific staff member whose personal account is used for agency-related business. Just over one quarter (26%) of agencies maintain an official agency presence.

The goals agents and brokers established for using these tools appear to be as diverse as the deployment methodologies. Leading reasons cited by those who have made the move into social networking include: communicate with customers (71%); increase sales (68%); build reputation as an expert (52%); and cement position with community (39%).

“The use of sites like Facebook and LinkedIn hold promise for insurance professionals who want to extend their reach and bolster their brand,” Ambers notes. “The cost of entry is negligible, the tools are relatively straightforward, and the sites allow involvement at whatever pace or level is most comfortable.”

As validation of how user-friendly the sites are to use, some agents and brokers indicate that part of the reason they are involved is self-education. Twenty percent of those using social networking sites said one reason they are doing so is to identify what others are doing; 16% said they are using the tools to learn more about them.

Although business use of social networking tools is relatively new, early indications are that agents and brokers are pleased with the results, particularly with LinkedIn and Facebook. Forty-five percent of those using LinkedIn indicate that they are finding success; 43% of those using Facebook are, as well.

About AIMS Society:

Founded in 1968 as The Firemark Society, the AIMS Society (www.aimsociety.org) is a national, member-driven organization that provides practical training, information and networking services designed to increase the personal and agency sales production of property and casualty insurance agents. AIMS Society, the go-to source for building insurance sales and marketing expertise, was the first organization to honor property and casualty agents for sales excellence and to establish the industry’s only sales-based insurance designation—the Certified Professional Insurance Agent (CPIA). Completion of the CPIA designation requirements is not necessary to qualify for AIMS Society membership.

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