

Ron Baker, Founder
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Is Any Insurance Product a Commodity?

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Is Insurance a Commodity?



Is a share of stock a commodity?

How do you differentiate one share of stock?





Theodore Levitt

“There is no such thing as a commodity. All goods and services are differentiable.”

Where's Walter?



A \$100 Hamburger?



A \$1,000 Omelet?



\$2,000 vs. Free



A \$30,000 Mobile Phone?



A Flawless \$70,000 Cocktail?



From \$3 million in 1982 to \$1.2 billion in 2008—Candles!



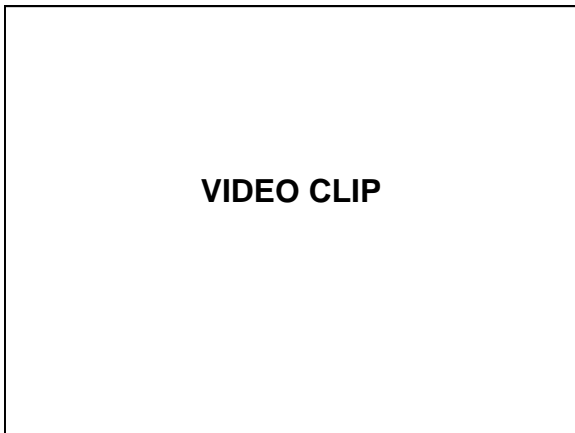
Lettuce! \$1.7 billion industry!



4 Bucks











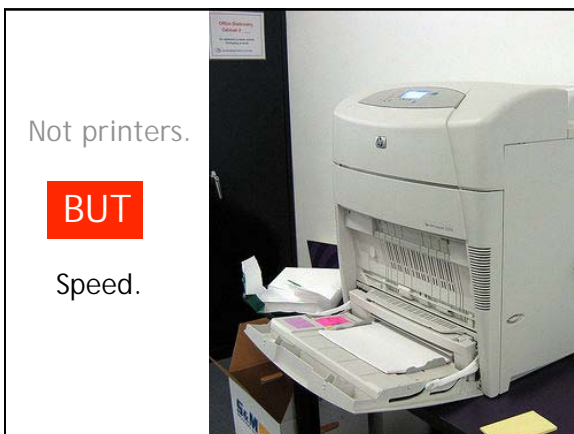
Not jet engines.

BUT

Flying time.



Not cement. **BUT** On-time delivery.



Not printers.

BUT

Speed.

Charles Revson, Founder,
Revlon



"When it leaves the factory, it's *lipstick*. But when it crosses the counter in the department store, it's *hope*."

What's the primary value of a brand?

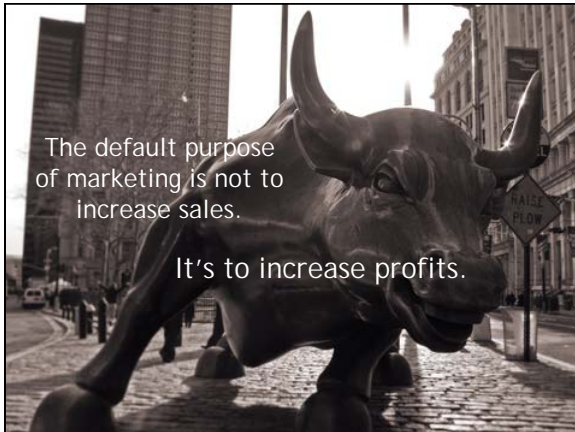


Brands command a higher price.

What's the value of a higher price?



Higher profits.




The default purpose of marketing is not to increase sales.
It's to increase profits.

Richard Branson, Founder, Virgin



"Tell me ten things you never hear said about this industry?"

--Branson's challenge before entering a new industry



Peter Drucker

"The customer never buys a product. By definition the customer buys the satisfaction of a want. He buys value."

Thank You!



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