

Ron Baker, Founder
VeraSage Institute



Is Insurance a Commodity?



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Is Insurance a Commodity?



Is a share of stock a commodity?



Peter Drucker

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

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?



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

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Lettuce! \$1.7 billion industry!



4 Bucks





72 oz Steak Challenge



A \$100 Hamburger?



A \$1,000 Omelet?



\$2,500 vs. Free

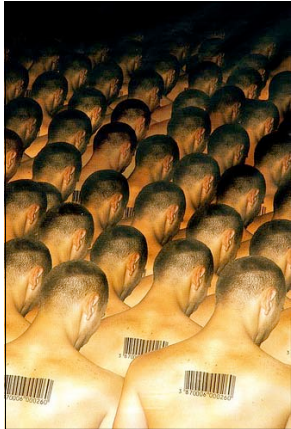


A \$30,000 Mobile Phone?



A Flawless \$70,000 Cocktail?





What are you
really selling?

What are your
customers
really buying?



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.

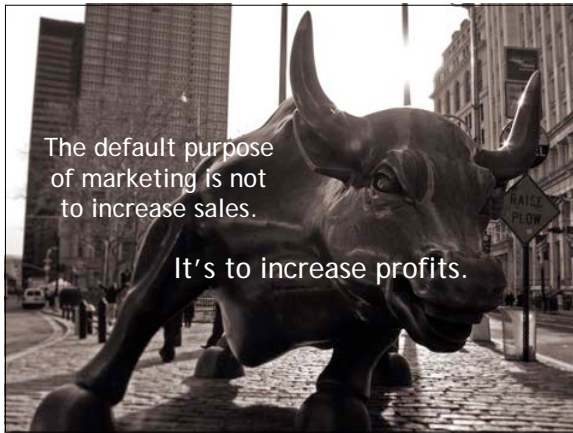
What's the value of a higher price?



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

What if Disney Sold Insurance?





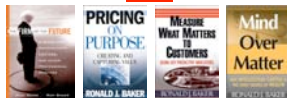
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Thank You!



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