

**Product Development Workshop Part 6:
Marketing**

2011 CAS Ratemaking and Product Management Seminar

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Product Development Workshop Part 6: Marketing

Outline

- Issues 3-4
 - Overall
 - Compliance
 - Logistical
 - Expenses
 - Competitive Analysis
 - Others?
- Metrics 5-6
 - Brand Awareness
 - Customer Awareness
 - Specific Campaign for Product

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Issues

- Overall – what type of marketing (mass media or more targeted)?
 - Is there a type that fits the product best?
- Compliance
 - Can marketing materials be sent with certain notices, such as a notification of change in terms and conditions?
 - Required Disclosures
 - How often can marketing materials be sent? Also a philosophical question – many marketers say at least 4 touches per year.
 - Co-branding – if niche is a group. Need knowledge of logo standards to comply with partner’s standards. Important that group leadership be seen as promoting product.
 - Does a group allow on-site visits?

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Issues

- Compliance (continued)
 - Manage database of potential customers against database of opt-out customers
 - Is product available in all states? If not, can national marketing be done?
 - Accuracy of statements – need to send through Legal Department
- Logistical
 - Group – are you the exclusive provider?
 - Targeted segments – consider the niche
- Expenses
- Competitive Analysis - know your competitors' products like your own. Very important in non-exclusive provide situation.
 - Also a compliance issue
- Others?

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Metrics

- Brand Awareness
 - Not the same thing as name recognition – do people realize your company sells a certain product? Typically 4-5 touches are needed to create awareness of your company's product.
 - Measure before and after a campaign
 - General public
 - Within group
- Customer Awareness
 - Voluntary Products
 - Ask existing customers if they are aware they have a product – percentages will surprise you
 - Mandatory Products
 - Ask existing customers if they know which company insures them
 - Anecdotal – surprised by low levels of awareness
 - Use outside vendor

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Metrics (continued)

- Specific Campaign for New Product
 - Subjective Metrics – good predictors of success
 - How do your marketing reps/agents feel about the new product?
 - Goes back to involvement of all departments in product design
 - More involvement leads to more enthusiasm
 - Likewise for key external customers
 - Objective Metrics
 - Expenses
 - Total \$ - relative to Annual Revenue
 - Cost per Policy Acquired
 - Consideration – allocation of costs – % of employee's time
 - New Policies – will vary by channel
 - # Leads Generated
 - # Leads Contacted
 - Conversion Ratio

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