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# **Product Development Workshop Part 6: Marketing**

**2013 CAS Ratemaking and Product Management Seminar**

**March 11, 2013**

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### 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 (physical) 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?

### 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 (on-site visits, excluding opt-outs, etc.)
- Competitive Analysis - know your competitors' products like your own. Very important in non-exclusive provider 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

### 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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