



Product Development Workshop Part 6: Marketing

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Outline

▷ Issues

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- Overall
- Compliance
- Logistical
- Expenses
- Competitive Analysis
- Others?

▷ Metrics

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- Brand Awareness
- Customer Awareness
- Specific Campaign for New Product

Issues

▷ Overall

- Is there a type of marketing (mass media or target market) that fits the product best?
 - Targeting is easier than ever today
- Who are your sellers/ How do they get paid?

▷ 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 a 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 a non-exclusive provider situation.

- Think outside the box – not just competing within your industry
 - Fighting of share of customer's wallet
 - Customer experience expectations
- Also a compliance issue

▷ Others?

Metrics

▷ Brand Awareness

- Not the same thing as name recognition – do people realize your company sells a certain product? Typically 4-5 touches are required 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 level of awareness

Metrics

▷ 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 employees' time (especially from departments other than Marketing)
 - New Policies
 - # Leads Generated
 - # Leads Contacted
 - Conversion Ratio