

Three reasons why your prospects don't buy (and what to do about it!)



A Paper for Insurance Brokers looking to Grow

The Key 2 Growth
– Providing Innovative Solutions for
The Insurance Sector



Insurance brokers are looking for growth

CAN THEY OVERCOME THE CHALLENGES?

Everybody wants more business.

However turning this desire into a strategic aim, with the appropriate planning and activity to make it happen, is often crippled with challenges.

This short paper looks at some of the issues affecting the growth of Insurance Brokers, with particular focus on organic growth in the 5-100k premium SME market.

To start with, many Insurance Brokers can claim an excellent 90-95% client retention rate. Although not necessarily related, it is not too hard to see why quoting for new business often means a lot of hard work for the prospective broker and a happy prospect going back to the incumbent broker to get them to match the price.

Looking at this from a potential new broker's perspective, just what is the point of trying to secure business from any incumbent broker? If a referral comes in, great, but just approaching a business because you know their renewal date and your team are brilliant at selling is starting to look like a waste of time and money.

It is not long ago that getting hold of renewal information was seen as some form of mythical 'gold dust'. Certainly in commercial arrangements between a lead generator and an Insurance Broker delivery of appointments at the right time in the cycle was deemed to be all that was needed. Nowadays, failure by the broker to secure the business is often seen as the fault of the introducer for providing poor quality leads. In the end this ultimately leads to the cessation of the commercial arrangement, probably under a bit of a cloud and disagreement about the source of the issue.

It is said that Einstein once defined insanity as: 'doing the same thing over and over again and expecting a different result'. So does it make sense to keep trying the old methods to sell insurance?

If we are to give Einstein some credit for his definition, we must look beyond the perceived inefficiencies of the introducer and instead question if there are other reasons why leads are not converting. Perhaps a good place to start would be to consider the reasons why industry standard retention rates are so high, but first let us take a brief look at how the purchase motivations for insurance have changed, because as you will see this plays an important part in the reasons why your prospects don't buy.

In working to help a number of insurance brokers (from local independents to some of the largest in the UK), The Key 2 Growth have carried out significant research and development in order to deliver an ever-evolving new business program that works in today's market, taking into account both current and future trends.

"I chose The Key 2 Growth because of their insurance knowledge and expertise."

Managing Director, Independent Insurance Broker

Read what our other partners have to say [here](#).

“The Key 2 Growth have performed very strongly for us. They are quick to adapt their campaign based on feedback, which is an extremely important characteristic, and are a pleasure to work with!”

Head of Partnerships, Top 10 Commercial Insurer

Read what our other partners have to say [here](#).

COMPETITIVE ADVANTAGE

The [Insurance Accelerator Product](#) is designed to provide the right partner with a significant increase of market share in the respective areas targeted. The Key 2 Growth only look to secure long term strategic partnerships and as such are prepared to offer the IAP on a shared risk/reward basis.

MAXIMISING SALES CONVERSIONS

If you define and then measure the results of the steps in your sales process, you can identify the areas that require priority attention. Following up with the right actions could potentially [increase your sales by 1000%!](#)



The world has changed

AN EXTENDED SOFT MARKET

The Insurance market has been awash with capital for a number of years now and there appears to always be someone willing to ‘cut corners’ in order to attract market share. In contrast the tightening up of business criteria and the ‘proper’ underwriting of a risk can often lead to that risk being taken up by someone else and the holding insurer losing market share - possibly to a newcomer with little history

All this changes the traditionally held views on the cyclical nature of Insurance and the yo-yo between ‘soft’ and ‘hard’ markets.

In addition to these market indications the power of advertising in the insurance profession as a whole also signals to the customer that insurance is best bought ‘on price’ and ‘on convenience’.

Buying on value has almost been forgotten.

The impact on the holding Broker is that they know that there will be plenty of other Brokers pitching for their clients’ accounts who will be likely to secure a better price. So why then is there such a small ‘churn’ in the market?

Top: Advertising Buzzwords used by comparison sites and below: By Insurers



Images source: The insurance advertising buzzwords - policyexpert.co.uk

Three reasons why your prospects don't buy

If we look a bit deeper then there are a whole stack of reasons why the business stays with the incumbent.

The first reason is 'loyalty'.

The prospects broker may be a family member or friend that provides the service. Alternatively they might have a long standing association with their broker – who to their belief provides an acceptable service and always presents the best price available. Why risk a reduction in service quality by switching to an unknown broker?

Unless there are significant changes to the ownership of either party, Clients in this category tend only to consider moving when their Broker lets them down with a badly managed claim or if they find out that they have been overcharged for years.

Additionally, although this is in part due to the second reason; while it is perceived to be quite a time consuming process to review in the market, and the belief is that the current broker “understands” the prospects business; why should the prospect look to change? This is even more relevant if the prospect feels that there have been no problems so far.

Perhaps the key point in here is that it takes time to build up trust.

The second reason is 'apathy'.

Whilst there may not be any compelling reason for the client to stay with the incumbent, why should they move? After all everyone does the same job and can get the best price so just what is the point in even considering a change?

Maybe the key point here lies in the client's perception of their purchase.

The third reason is 'technical'

If the incumbent broker already has access to the best markets (either direct or through a wholesale broker), then they might simply 'block' anyone else from approaching them. Furthermore, even if the new broker can get a better deal elsewhere, perhaps from a new entrant looking to grow market share, as likely as not both the incumbent Broker and the holding Insurer will reduce their margins to retain the business.

The key point here lies between market access, maneuvering and timing.



“I can emphatically recommend Ben (Senior Account Manager now Director) and The Key 2 Growth - although not to any of our competitors! I wouldn't want them to achieve the success that we have!”

Business Development Executive,
Top 20 Independent Broker

Read what our other partners have to say [here](#).

**MORE LEADS, BETTER QUALIFIED,
IMPROVED ROI**

Effective Pipeline Management not only provides you with more leads, but with leads that are more likely to convert to sales. Adopting a controlled approach which begins by understanding strategically where you want to grow, allows you to better pre-qualify your prospects, resulting in an improved, and more predictable ROI.

**TO DISCUSS YOUR REQUIREMENTS
CALL 01293 880 180 NOW**



“The Key 2 Growth have been exceptionally helpful, and understanding in my desire to grow the commercial side of my business. They have provided me with consultative advice which is almost priceless and has now led to a joint venture to launch a designated exclusive scheme for an organisation. Not only that, but they have consistently obtained quality leads through the telemarketing division.”

Proprietor, Local Independent Broker

Read what our other partners have to say [here](#).

NEW BUSINESS RETENTION

Successfully nurtured prospects will seek you out for your expertise, and as such will be much more likely to ‘stay on service’ than if they had bought on price and price alone.

Three reasons why your prospects don't buy (...continued)

Of course the ‘problem’ with all three reasons or barriers arguably stems from the client’s perspective on the insurance purchase. We all know that it is not a ‘necessary evil’ purely to be secured as swiftly and as cheaply as possible (even if these are relevant factors). Nevertheless, the buy ‘on price’ and ‘convenience’ is very much the message that the market gives to its consumers!

It is evident that in order to break down the barriers of ‘perceived trust’, ‘apathy’ and ‘blocking of markets’, significant organic growth is going to take something more than just renewal dates, timely appointments and an effective sales team.

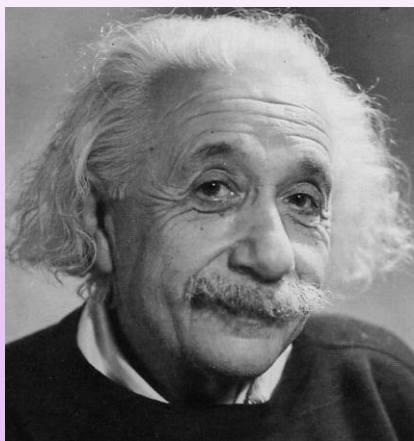
One approach is to increase brand awareness, aiming to position your brokerage as the ‘first alternative’ to a dissatisfied client and then, gently, over time, drip-feeding ‘value’ that will enable the business to recognise that the service they are currently getting could be better - We take a more detailed look at the methodology behind this in our article [‘Why the Structured Nurturing of Your Prospects is The Key 2 Growth’](#).

To help overcome the barriers mentioned in this paper, The Key 2 Growth developed the [Insurance Accelerator Product \(IAP\)](#); an enhanced pipeline management program that is already delivering results to our clients. The IAP offers brokers a big opportunity to meet the demands of the current market and differentiate themselves from the competition. Our ever-evolving program deals with the three challenges already outlined in the following way:

- 1) Loyalty – over a sustained period of time, we drip feed and educate the prospect with relevant and helpful information to help gain their trust, strengthen our partner’s brand, and discreetly encourage them to infer how a brokerage should behave.
- 2) Apathy – we regularly provide them with real reasons to make a change and remind them of the importance of insurance to their business.
- 3) Market Blocking – Amongst other things we encourage the prospects to instigate a sensible review of their options and to use an appropriate strategy in order to secure the best cover for their business.

The differentiation in approach that our process offers has become all the more vital in recent years as more and more brokers cold call the same 'sweet-spot' in the insurance market, and the challenge is to stand out from the crowd.

To find out more, please call Malcolm on 01293 880180 or send an email to rachael@thekey2growth.com.



Professor Albert Einstein



Giving You the Edge

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