

Get Real Already



Industry
innovation
through
authentic
language



Connecting in a Distracted World

In a joint effort, LIMRA and Maddock Douglas are using the power of analysis and insight to ignite and inspire the insurance industry to innovate around consumer communication.

Communication goes beyond language, and includes images, brands and logos. While these elements have an impact on what consumers think and how they act, in order to create something actionable for industry leaders we purposely narrowed our focus to the language used when talking about products. Our goal in conducting this research is to help companies deliver messages that consumers will hear.

LIMRA and Maddock Douglas want to help companies see the consumer perspective. We began this project by having in-depth, one-on-one conversations with consumers. We listened to them and observed first hand their emotions and feelings related to insurance industry language. We can articulate their pain points.

Next we conducted an online survey that allowed us to quantify consumer attitudes, behaviors, and perceptions related to insurance industry language. Lastly, we scanned and evaluated the language currently used by industry leaders in key consumer touch points. As a result, we have identified opportunities for inspiration and innovation that can help change the industry.

Stuck Shoppers – A Major Opportunity

There are nearly 19 million “stuck shoppers” in the United States. These individuals do not own individual life insurance or pay for voluntary life insurance, though they may be covered under an employer-paid group life insurance contract. Stuck shoppers believe that “everyone should have life insurance,” and either shopped for an individual policy in the past year or plan to do so in the coming year.

These are people who truly see the value of life insurance and think it’s something they should have, but have gotten stuck somewhere in the process. This group is not limited to young, single, unmarried individuals. Many are married, have families, and their income levels are moderate; though the group tends to be concentrated in Generation Y (aged 22 – 33).

Stuck shoppers have mindsets that are similar to those who own individual life insurance, so they do not need to be convinced that life insurance is a good idea. Strong majorities describe themselves as “total planners” and “very good” at managing their money. The stuck shoppers look a lot like people we would expect to own life insurance. But for some reason they’re getting stuck in the process. Why?

Authenticity

Our research uncovered a key factor in the stuck shopper dilemma — communication that lacks authenticity. Authentic communication is more than just using everyday language and layman's terms. It also includes relatable visuals and attainable goals. Within authenticity we discovered six elements.

The Six Elements of Authenticity

1. Easy to Understand — Language that we use everyday
2. Down to Earth — Images that feel realistic
3. Memorable — Communication that is interesting
4. Positive — Messages that are warm and comforting
5. Credible — Sources of information that are trustworthy
6. Relevant — Communication that says the company understands them, and who they are

With these six elements in mind, LIMRA and Maddock Douglas have identified opportunities for innovation that can help the financial services industry more effectively communicate with consumers. Because language is a part of every consumer touch point, it's going to take a new mindset to accomplish real change.



1. Easy to Understand

*“I was overwhelmed...
my brain shut down.”*

*“Make this understandable to people
who don’t do this for a living.”*

Easy to Understand relates to simple, everyday language. Consumers prefer layman’s terms over industry jargon. People like to do their own legwork when they begin the research or shopping process, so it is essential to make the information easy to understand. For many, the first step is to Google it. Even those who work with advisors commonly do their own research online.

Think of it as a confidence builder; and, as their confidence rises, their comfort level grows. Even if a person believes he needs life insurance, he may not feel comfortable enough to take that next step if he doesn’t fully understand how it works. If people understand it, they are more likely to move forward.

How do we change our approach to help people understand the fundamentals without overwhelming them with what they don’t need?

2. Down to Earth

“In order to plan for your own retirement you have to be in a certain economic class... they promise we can have this lifestyle once we retire and I don’t think that’s realistic.”

Down to Earth is about being real, human, and approachable. This is also a very visual aspect. Communication is more than just words on a page, it also includes images. Images do not necessarily need to mirror the consumer, but they must seem realistic and attainable.

As an example, people most closely associate retirement investments with words that relate to a sense of security, like “savings” and “nest egg” and not words like “vacations” and “relaxing.” They’re worried about having enough for a secure retirement and being comfortable. Many feel that relaxation and vacations in retirement are unattainable. Yet, what images do company retirement websites often use? People relaxing and taking vacations, seemingly without a care in the world.



How do we create imagery that conveys realistic goals, rather than those based on some manufactured ideal?

3. Memorable



“When you started reading deep into it, it got a little like ‘what are they talking about?’...when you got into stuff it just kind of bored you.”

Memorable means being interesting and refreshing. In talking to consumers we found that the more tedious and confusing they find the communication, the less likely they are to continue, and retain what they read. This holds true for statements, newsletters, and websites.

Consider the customer experience with other types of products and services. How do customers stay engaged? How does this kind of memorable engagement compare to life insurance companies? Insurers likely have less interaction with their end customers. For many, the only communication is billing notices and policy changes.

How do we cut through the clutter of daily life and engage in a way that sticks?



4. Positive

“Offer a little bit of sunshine with it — it doesn’t have to be a scary thing.”

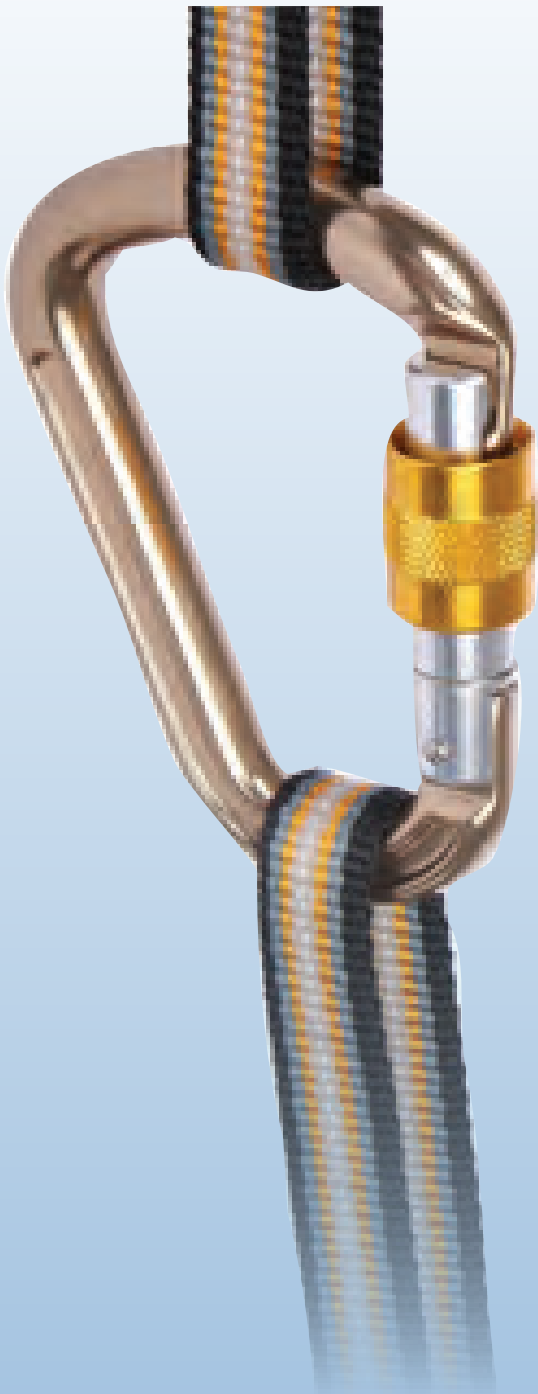
“We’re talking about something ending; we already know how bad that is. Maybe not use such heavy words with it.”

Positive is an expression of warmth, comfort, and encouragement. It combines reality with possibility. The first thing that comes to mind when people think of life insurance is death. We need to reframe it, refocus it — and find the good in it for consumers. This can include acknowledgment of their good health, their ability to qualify for high amounts of protection, and even the value that comes with keeping a permanent policy.

Similar opportunities exist with retirement planning. While the image of owning a sailboat may look unrealistic to the consumer today, remind her that the sooner she prepares for retirement, the more realistic that future becomes.

In many aspects of life, language has a profound effect on the ability to keep people engaged and to build rapport. Positive keeps the conversation going.

How do we find more positives about life insurance?



5. Credible

“I need to talk to someone who knows insurance inside and out.”

“Too much verbiage. Makes me think they’re trying to hide something from the public.”

Credible has two primary aspects: expertise and trust. Expertise — does the consumer believe that the company (or the advisor) has the knowledge to offer the proper advice? Trust — does the consumer feel the company (or advisor) has the consumer’s best interests at heart?

Many consumers are not convinced that companies and advisors are in it to help them. In fact, only a small percentage of people feel that life insurers have their best interests in mind. Consequently, there is a pretty low level of credibility and trust among consumers. Trust is a major factor when consumers choose an advisor or company with which to do business.

How else do we show that we are putting the consumer first?



6. Relevant

“It didn’t seem like it was identifying me personally...I didn’t think they were talking to me. Did they do that on purpose?”

Relevant is about people feeling that the company understands them.

- Do you know and understand me?
- Are you talking to someone like me?

This element of authenticity is a major motivating factor for people during the shopping process. Relevant is not only about words, but also includes images.

Many consumers think companies are communicating to someone else; and as a consequence, these organizations fail to connect, especially with Generation Y. Remember, competitors today are not just other financial services companies, they are also retailers. Consumers expect the same level of customer experience with insurance companies as they get with other companies. Insurers need to understand their target markets and communicate with them in a way that makes it feel like a personalized experience.

Relevancy changes based on generation. Boomers think companies are talking to a younger audience, and Generation Y feels the target is older people. Generation X is more likely to believe companies are targeting them. Recognize that one size does not fit all.

How do we create dialogue that considers who they are?

What does all of this mean for marketing and communication professionals? We must shift our focus from outputs to outcomes. How do we know that our messages are being received the way we intended?

What's Next?

Over the coming months, LIMRA and Maddock Douglas will be releasing the full results of our research. For more information, please contact Scott Kallenbach at (860) 285-7829 (www.limra.com) or David Liefeld at (630) 563-6437 (www.maddockdouglas.com).

