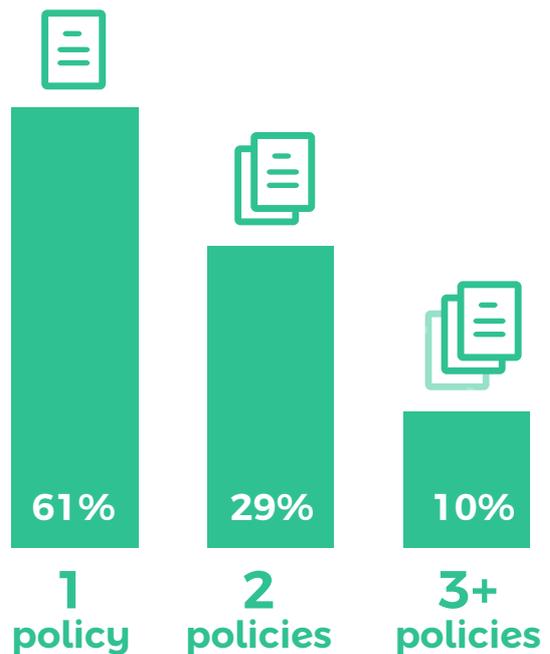


The Optimal Cross Selling Strategy for Insurance Agents

Today's insurance industry is more competitive than ever. It has the highest customer acquisition cost of any industry. In fact, it costs seven to nine times more for an insurance agency to attract a new customer than to retain an existing customer. That's why client loyalty is critical to an insurance agency's success. Cross selling is a key component to customer loyalty.

The statistics don't lie. The cross-selling opportunities for insurance clients are tremendous. These simple facts tell the story:

- 61% of policy holders have only one policy with their agent.
- 29% have two policies with their agent.
- 10% have three or more policies with their agent.



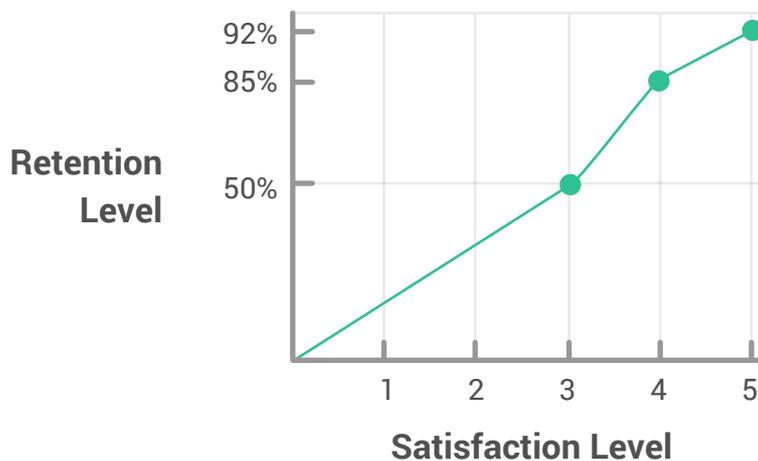
According to Marketing Metrics, your profitability from selling to a new prospect is only 5-20%. Compare that to your profitability of selling to an existing customer, which is 60-70%. Why not focus on your best opportunities for success?



Serving Is Selling

Although clients may say they're satisfied with your agency, there's no statistical correlation that says satisfied customers will remain with you. Customer satisfaction is not always enough to keep them coming back or renewing their policy. In today's world, they expect more, and your competitors are waiting to take advantage of that.

A revealing anecdote by AT&T dispels the myth that a merely satisfied customer is "good enough." In a series of studies, they looked at customer satisfaction levels on a scale of 1-5 and traced it to customer retention. Here's what they learned:



- When customers reported a level 3 in satisfaction, 50% would leave within three years.
- When satisfaction was rated a level 4, retention rose to 85% within three years.
- When they rated it at a level 5, as excellent, 92% of customers remained after three years.

So how can insurance agencies make sure they're more than "good enough?" How can they foster loyal client relationships? By focusing more on "wowing" their existing clients. Truth be told, many agents don't take the time to serve their existing clients because they're more focused with attracting new clients.

That's why having the right tools and client management processes are so important. Agents must be able to easily determine the best cross selling opportunities - in the most efficient way possible. Incorporating the right technology can help you do just that. It helps agents serve customers with smart cross-selling strategies. It's not about product pitches. It's about tailored customer solutions that give consumers the expert, personalized experience that they expect today.



Cross Selling Leads to A Better Customer Experience

As illustrated in the AT&T story, selling today is all about the “customer experience.” To win, you need to help your customers win too. That happens through conversation. Continual client interaction allows you to uncover needs and respond with solutions that meet those needs. That’s what cross selling is really about. It’s not about being pushy or aggressive. While customers may not appreciate hard sales tactics, they do appreciate superior customer service.

Successful sales teams of today are tapping into technology to work smarter and help open the door to more efficient and personalized processes. High-performing sales teams are adapting their approach with smarter selling strategies. In fact, 76% of these sales professionals currently use or are planning to use sales technology to increase efficiency. The most successful insurance agents today are doing the same - adopting new technology to improve their sales performance.

With deeper insight into customers and their behavioral patterns, it becomes a natural process to cross-sell, up-sell and serve clients in a more meaningful way.

Cross-Selling Leads To Customer Loyalty

While it’s always important to gain new clients, keeping customers is just as important. Research shows customer retention rates jump every time they purchase an additional line of insurance. That’s why cross-selling is such an integral part of customer loyalty. According to a recent report by Customer Experience Matters, those who become your loyal customers are five times more likely to repurchase, four times more likely to refer their friends and seven times more likely to try a new offering. These facts are especially relevant to insurance agencies because their success hinges on policy renewals, long term relationships and referrals. What’s more, referred customers are typically more loyal. An article by the The Independent Insurance Agents of Dallas, says referred customers have a 25% higher average retention rate within the first three years than customers who come from other sources.



“I Didn’t Know You Offered That!”

Part of cross selling is making sure clients are well informed. Do your clients associate you with just one product? Don’t assume they know about everything you offer. Provide your clients with a complete overview of your products. Share it on social media, send it by email, create a handout. You don’t want your competitors to answer your clients’ questions instead of you. What happens if you only connect with your clients when there’s a problem with their policy? You never become their trusted advisor. To establish that trust, you need to consistently educate and inform.

It Takes 7 to 13 Touch Points To Generate A Sale

According to the Online Marketing Institute, it takes seven to thirteen touch points to generate a viable sales lead. Even with cross-selling, the road to a successful sale is not always a straight path. It takes many twists and turns. You may sometimes connect in ways that are indirectly related to your business - whether it’s interacting on social media, sending quick email messages, or sharing news articles that might interest them. You may want to contact clients based on policy changes or life events, or create an email campaign on a given day or month. Acknowledging life events such as birthdays, anniversaries, or the birth of a child or grandchild also goes a long way to building a more personal connection. It’s only through consistent, non-sales touch points that clients begin to know and trust you.

Ideally, an efficient customer contact system will enable you to send automated email or voice messages throughout the life of each policy - so that you contact your client at just the right time, with just the right offer. The ability to automate these touch points helps you focus your attention on your most productive activities, rather than on administrative tasks.

With so many sources of information available to consumers today, clients can be immune to impersonal advertising and sales techniques. When you stay in touch, as well as educate and inform your customers on a regular basis, you’re the personal, human touch amidst all the noise. People buy from people. When they’re ready to make a decision, they will turn to you.



The 7 Steps To Optimal Cross-Selling

Step 1: Recognize cross selling opportunities. To increase your success, you want to invest your time on the right clients at the right time. By viewing clients' accounts and seeing their information at a glance, you can determine what additional products might be best for them.

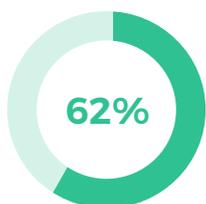
Step 2: Start a conversation. Having the right tools with client information at your fingertips will make a significant impact on how often you start the conversation.

Step 3: Look at the data. Research data to discover potential cross selling opportunities. For example:



Of clients with RV/boat policies hold a second policy with the same agent

Cross-sell opportunity: Clients with RV/Boat policies are your market. Offer to provide them new lines of insurance they need.



Of clients have only Auto policy with an agent

Cross-sell opportunity: Are any of your Auto policy holders in this group? Offer them an additional property policy with a multi-policy discount. Offer them an affordable renters insurance policy.



Step 4: Ask important questions. This will help facilitate cross selling opportunities. Here are some examples:

- If a catastrophic event happens (such as earthquake), how would you recover the cost of your house?
- Does your current auto policy have big enough coverage in case you or someone in your family hit a pedestrian?
- If you were unable to work, how would you meet your financial obligations?

Step 5: Identify the need. Once you've identified a need, determine how you can meet that need. Determine what product would be best for that situation. If your agency does not offer the product, refer the client to a trusted referral partner. This shows the client that you care, even if it means you don't make the commission, and it goes a long way to establishing yourself as the trusted advisor.

Step 6: Take advantage of common cross selling opportunities. Don't forget about the obvious situations. Identify clients that have "this type of coverage but not that type of coverage." For example:

- They have a homeowners policy but not an auto policy
- They have renters insurance but not an auto policy
- They have a motorcycle policy but not an auto Policy

Finally, if your clients aren't currently looking at their insurance coverage, ask them for x-dates. Then a few months prior to renewal, you'll have a reason to reach out and help them evaluate their options. Your customers will view this as good customer service rather than a "pushy" sales tactic.

Step 7: Ask for referrals. As we said earlier, loyal customers are four times more likely to refer their friends. If you've developed a high level of trust, they will be glad to mention it to their friends. Your happy clients can be your greatest source of referrals.

By following these seven cross selling steps, you should be well on your way to making the most of your existing customers. In turn, you'll increase their loyalty and your business.



Conclusion

Why not invest some time into your current client base, rather than spending time and money in acquiring new clients?

Your current customers are your most profitable customers. Stay in contact with them regularly. Inform and educate them. Become their trusted advisor. Make sure you're there at just the right time, with just the right offer. By implementing an efficient strategy using the proper tools, you can optimize your cross selling activities and maximize your profit.

At Agentero we believe in the combination of technology and the trusted advisor. Our technology helps independent insurance agents uncover cross-selling opportunities and automate mundane back-office tasks to unlock the full potential of their agency. Use Agentero to grow your agency with happy customers.

