

TECHNOLOGY

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InsWeb's AgentInsider platform provides agents with a new source for online leads and other tools to enhance their online presence

By Nancy Doucette

Imagine you're a pioneer in online marketing. Your business plan is solid and well conceived. But after a number of years, you discover you're serving only 20% of the marketplace. You were off to a fast start, but you were headed in the wrong direction. It's clear that you need to reevaluate your model.

That's what happened to InsWeb, according to Jaimie Pickles, president and chief operating officer for the online insurance marketplace. "When we first started the company back in 1995, we targeted our product at a self-directed insurance consumer," he recalls. "By 2003, we could see that our model wasn't tracking with consumer behavior."

InsWeb had millions of consumers coming to its site each year for

personal auto and homeowners quotes, Pickles says, which gave the company valuable insight into the insurance buying patterns of online consumers. He says InsWeb's research revealed there are three types of consumers who shop for insurance on the Internet.

The first type is the "self-directed consumer." This is the group that the original InsWeb model served well. They know what they want and



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where to get it. They want to deal directly with the carrier, he explains.

InsWeb categorizes the second type of online consumer as “the indifferents.” They’re not die-hard Internet shoppers. They pursue whatever is most convenient and least expensive.

The third type of consumer InsWeb categorizes as the “information gatherer.” InsWeb’s research revealed that this group made up the majority of the visitors to their site. Consumers would gather information about coverage options, get their quotes, and then take all that to their local agent and buy from that individual, Pickles says.

“InsWeb wasn’t introducing the consumer to the local agent,” he points out. “Candidly, we weren’t getting paid for the information that we were providing. Additionally, though, we weren’t showing consumers who the agents are that are most interested in their business.”

Based on those revelations, AgentInsider was launched in September 2005. Adam Cherubini, senior vice president of client development for InsWeb, explains that the program gives agents control over the personal auto and homeowners

leads they buy. Agents choose the geography they want to target by selecting ZIP codes in their area. The daily maximum lead volume can also be specified. Any of these factors can be adjusted at any time without penalty, he says.

Immediately after the consumer completes the InsWeb online quote form, the agent is notified via e-mail that the lead is available. “For security reasons, the e-mail we send to agents doesn’t contain the lead itself. It includes a link that brings the agent back to our server to access that consumer,” Cherubini explains. “The lead is in the agent’s AgentInsider account. The e-mail is the real time notification.”

In the trenches

New Jersey agent Emmanuel Opoku reports that his agency, Legon Financial Services, caps the number of auto leads it receives at 20 per day. He says the agency marketing representatives are diligent about responding to the leads as they come in. It’s an approach that has served the Union, New Jersey-based firm well. Legon Financial started from scratch in

2003 and by the end of 2006, it had annual premium of \$5.6 million, he says.

Using online leads exclusively isn’t a traditional business model, Opoku acknowledges. And he says some carriers don’t like this way of doing business. “We’ve had to educate some of our marketing reps on how we do the basics,” he says. “We have to explain that GEICO is selling plenty of auto insurance—and they have no offices in New Jersey. It’s amazing that some carriers don’t understand this model.”

It may be just a matter of geography. Andrea Hershfield, operations manager for Hershfield Insurance Agency in Long Beach, California, declares: “Our carriers don’t care where the business comes from. They’re happy with the volume we’re writing.”

In fact, she says, one of the national carriers that the agency represents offers subsidies “to help us with our lead generation because we’re writing so much homeowners business with this carrier.”

Both Opoku and Hershfield agree that the key to success in converting online leads to customers is quick response. Opoku says Legon

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Financial varies its approach, depending on how busy the day is. He says sometimes the marketing rep will call the prospect to let them know that the agency is working on a quote for them. But if it's especially busy that day, they don't have time to make that call. On those days, they simply e-mail the quote to the prospect. Interestingly, he says, "it doesn't seem to matter whether we make that phone call. We still convert about 8% of the leads we receive, which is good, considering the softening market conditions here in New Jersey."

Hershfield says her agency averages about 30 leads per day and they close on about 30%. "Folks who shop for insurance on the Internet expect quick communication," she says. "They want e-mail replies."

Hershfield Insurance opened for business in May 2007. Since then, they've acquired close to 600 clients, largely through using online homeowners leads. So far, they've been able to write additional business beyond the initial policy for about 40% of those accounts.

She says she's heard that some agents have tried using online leads

and either didn't like the approach or didn't have much success. "It's better for us if they don't," she says with a smile.

Opoku cautions: "People may look at our growth and think that using online leads is a gold mine. There are times when our conversion rate is only 2%. Other times we convert 25%. I've talked to agents who try using online leads and quit after three months. You need to give it some time."

The demographics of the online insurance shopper have changed over the past four years, Opoku says. From 2003 to 2005, he says, the auto leads came from people between 26 and 45 years old. They were "typical" households: a husband and wife who own their home, have two cars, full coverage, excellent or very good credit.

Since 2005, he says the age range has greatly expanded, going from 17-year-olds who are just getting licensed all the way up to a 78-year-old. "With all the noise that GEICO is making, more consumers are going online to see what all the hype is about," Opoku points out. "And when they get there, they find out there are other insurance options as well."

Refining the data

"I like to say: 'You've seen us, but you may not have noticed us,'" quips Brad Cooper, senior vice president of marketing for InsWeb. He's referring to the banner ads at MSN or Yahoo! that attract the consumers for InsWeb and AgentInsider. Those banner ads, as well as strategic relationships with organizations such as *Kelley Blue Book*, yield about 100,000 leads per month, he says.

Cooper explains that the auto leads are segmented before being sent out to agents. The process begins on the first page of the InsWeb auto application which consists of ZIP code and three yes/no questions, he says. The yes/no questions help InsWeb identify the substandard or nonstandard risks. These consumers are directed to one of InsWeb's "per click" partners—Progressive, Esurance, GEICO—carriers that are better suited to handle that type of customer, he adds. Cooper says the substandard/nonstandard risks represent about 30% of InsWeb's traffic today.

The remaining 70% will continue through the application form providing driver information, vehicle information,



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NET PRESENCE 101

Adam Cherubini, senior vice president of client development for InsWeb, says that agents who wish to expand their knowledge of marketing on the Internet can take advantage of the various tools available at the AgentInsider site.

He says AgentInsider offers Flash presentations that can be viewed anytime. Topics include why it's important to have an online presence and using online leads as a way to grow the agency. Webinars are regularly scheduled as well, which include the basics of online marketing and how to utilize the AgentInsider platform. AgentInsider will also create a one-on-one Webinar for groups of agents wanting to learn more about creating an online presence.

Several national carriers are working jointly with AgentInsider to help educate their agents on the opportunities that come with building an online presence, Cherubini says. Working with AgentInsider, the carriers also help their agents better understand online consumer shopping behavior and how getting their agencies online will help them grow.

basic coverage information and their contact information, he says.

Once they finalize that process, Cooper continues, the information is segmented again based on the consumer's driving history and their self-evaluation of their credit rating.

Consumers seeking homeowners insurance are all categorized the same. There is no segmentation, Cooper says.

"Our main goal is to try to get consumers in front of agents and allow the agents to try to win that business," he states. "AgentInsider is not in the business of selling insurance. We just want to be sure the consumers get the best service possible."

As for agents who haven't used online leads before, Cooper says: "We're not recommending that agents stop doing what they've been doing to attract new customers. But if an agency really wants to grow, AgentInsider can provide agents with an easy way to grow their business. They can 'pay as you go' and assign the parameters in their area that get them the prospects that they need. As a rule of thumb we recommend that agents accept only as many leads as they can respond to in 15 to 30 minutes."

A new vision

AgentInsider is a separate brand from InsWeb, Cooper emphasizes, with its own long-term strategic plan. "AgentInsider isn't simply lead generation," he says. "The vision of AgentInsider is to be a tool that agents can use to help them grow their business."

As part of that vision, AgentInsider has an exclusive arrangement with an organization that provides low-cost printing solutions for AgentInsider agents, Cooper explains. AgentInsider member agents can get discounts on print newsletters, for example, as well as other direct mail pieces.

Another initiative that is part of the AgentInsider vision is the Agent Directory. According to Adam Cherubini, the need for the Agent Directory can be traced back to how consumers use the Internet. "Traditional advertising—Yellow Pages, radio, even billboards—isn't practical anymore because of the Internet," he observes. "As a result, agents need to create an effective online presence. The Agent Directory can be part of that presence."

Having an agency Web site certainly doesn't guarantee that interested prospects will find you. "Any consumer who does an online search using the key word 'insurance' is going to get lots of hits," Cooper says. "With our Agent Directory, we are allowing only eight agents to display in a given ZIP code."

Agents can target any or all counties within 25 miles of the agency ZIP code. The listing can include a link to the agency Web site in addition to other contact information, office hours or languages spoken. Consumers will be drawn to the Agent Directory via the same banner ads that bring consumers into the lead generation portion of AgentInsider, he explains.

Participation in the Agent Directory is by monthly subscription,

Cooper adds. The cost per county is based on the population density in a particular county.

As part of the subscription, agents can log into their account to get a real-time count of consumers who have viewed the agency's listing. Additionally, agents can see how many times a consumer has searched for an agent in surrounding counties.

Jaimie Pickles notes that after launching the Agent Directory, AgentInsider monitored its consumers' behavior. "Customers who chose to view the Agent Directory were not interested in completing our online application," he reports. "They did not pass their information through our lead program."

Pickles says that confirmed another discovery which InsWeb had to confront when deciding to create the AgentInsider brand: "Consumer shopping behavior has changed significantly but consumer buying behavior has not. Online consumers still want to do business with a local agent.

"The Agent Directory is a great opportunity for an agency to stand out and display its brand. It's a great way to get in front of consumers who are using the Internet to find a local agent to contact," Pickles concludes. ■

For more information:

AgentInsider

Web site: www.agentinsider.com