

Growing your income

A guide to cross-selling General Insurance

With the current situation in the mortgage market, businesses are considering more creative ways to maintain their income.

You are probably already considering this yourself and we would like to help you by offering you the tools you'll need for one of the most effective ways to do this - by cross-selling general insurance to your existing customers. After all, in uncertain times they need reassurance and protection more than ever.

However, it's not always easy to get started, so our cross-selling toolkit can help you put your thinking into action. It provides you with advice on how to plan and execute a successful email or mailing campaign, along with some useful hints and tips - it is also available online at www.paymentshield.co.uk/toolkit.

See how much you could boost your income - try our commission calculators in the 'Broker Tools' section of the website.

Action Plan

Get to know your customers

Preparing your database

Analysing your data

Selecting your data

Plan your communication strategy

Define objectives

Define target audience

Choose the right time

Define campaign elements

Campaign Execution

Draft letter and emails

Source support material

Ensure regulatory compliance

Define pilot exercise

Follow-up

Campaign execution

Measure success and feedback

Step 1

Get to know your customers

If you have detailed information about each of your clients on your database, you have a very powerful tool for executing your direct marketing campaign.

You know your customers best and will already hold quite a lot of information about each of them. Your records could be telling you the following:

- Personal contact details
- Preferred form of communication
- What types of policy they hold
- Renewal dates of policies
- Existing revenue value

An up-to-date and organised client database can be a very powerful tool for executing direct mailing campaigns

Preparing your database

While compiling all your customers' relevant information in one place may appear daunting, it isn't as complicated as it might seem.

With a relatively small extra workload, you can have a significant effect on your sales levels - because it can alert you to any cross-selling and up-selling opportunities. It could be as simple as some basic data-entry to ensure that all your customers' details are up to date and captured in a manageable spreadsheet or 'database'.

Analysing your data

Once you have all your customers' data sorted and in one place, you will then need to start segmenting your data into different groups. These groups should be based on factors such as:

- Client recency - when they last took advice from you
- Client frequency - how often have they bought from you
- Client value - how much their business is worth to you

They will also be determined by what you are offering and therefore who it will be appropriate for. For example, if you want to cross-sell general insurance, you should also segment by product - allowing you to identify opportunities where clients don't already hold GI policies with you.

Select your data

Once you have segmented your database, you can then start to identify which groups are your best prospects. For example, you may decide that the customers who are most likely to respond are those who have taken out a mortgage 10-11 months ago and did not take out any Buildings and Contents Insurance with you. So you would select these two groups or segments and cross-reference them to choose only the customers with both criteria. This final group will therefore become your target audience.

Make sure you have your clients' permission to market to them and that your final database does not contain any duplications before sending out any communication. There is nothing worse than a client receiving the same communication twice.

Remember: Maintaining a good relationship with your current clients through timely and relevant contact is essential to growing your business - it's just common sense. So, even if your client does not buy from you on this occasion, they will appreciate that you have taken the time to check they have the right level of protection in place.

Step 2

Plan your communication strategy

Careful planning can mean the difference between whether your campaign is a success or failure. You can use our business action plan to do this.

Set your campaign objectives

Decide what you want to achieve and remain focused on your goals. Tailor all your activities to meet your objectives, and make sure they're measurable.

Decide how to reach your target audience

What sort of marketing will be most appropriate for your customers? Consider whether an email or mail pack would be more likely to reach them, and which is more likely to get a response.

Choose the right time

Timing can be key, so be tactical about it. Avoid the obvious slow times of the year like school holidays or Christmas - but also consider what is happening in the news.

Coverage about unemployment figures and house repossessions gives you an excellent opportunity to talk to your customers about Mortgage Payment Protection Insurance

Campaign checklists

You can download the checklists and direct mailing templates from our website at www.paymentshield.co.uk/toolkit where you will also find a number of other useful tools to assist you when implementing your campaign.

- Know your customers ✓
- Set out your objectives ✓
- Decide how to reach your customers ✓
- Agree timing ✓
- Conduct a successful pilot ✓
- Launch campaign ✓
- Follow up leads ✓
- Monitor results ✓

Make your campaign manageable

If you are planning an email or direct mail campaign, stagger the communications to make sure you can manage response and follow-up calls or quotes. But remember to send out more emails/letters than your target weekly figure. For instance, if you can manage 20 follow-up calls a week, then send out 30 communications a week, to allow for customers who are not available or have moved address.

Brief your team and manage resources

Before launching your campaign, take some time to brief the key people involved in this activity. Make sure they understand the objectives, what timescales you are working to and how the campaign will be measured.

Launch and monitor the campaign

Pre-launch, it is a good idea to do a trial run or 'pilot' to test its effectiveness, gather feedback and make a note of what you learn. Whilst the campaign is running, it is important to monitor its performance, as this will allow you to assess whether or not you should continue with the same strategy. See Step 3 for further information on pilot testing.

Follow up leads

As your campaign begins to generate interest, make sure you have a process in place for follow up. If you do not follow up your letter or email with a telephone call, you are unlikely to get many responses. You should plan to contact them within three to five days of the mailing landing. Never forget that your existing client is someone else's prospect. You will rarely have all their business - so don't lose any through inaction.

Step 3

Campaign Execution

There are a number of communication channels you can use to target different groups when undertaking a marketing campaign.

In order to get you started straight away, we have created a checklist and some sales materials for two main methods of direct communication to your existing client database:

1. Direct Mail
2. Email

These letter and email templates can be updated with your own company details. We have created templates for cross-selling both Mortgage Payment Protection Insurance and Buildings & Contents Insurance, as well as a more generic letter, should you prefer. These direct marketing materials have been designed to help you when communicating to your clients*.

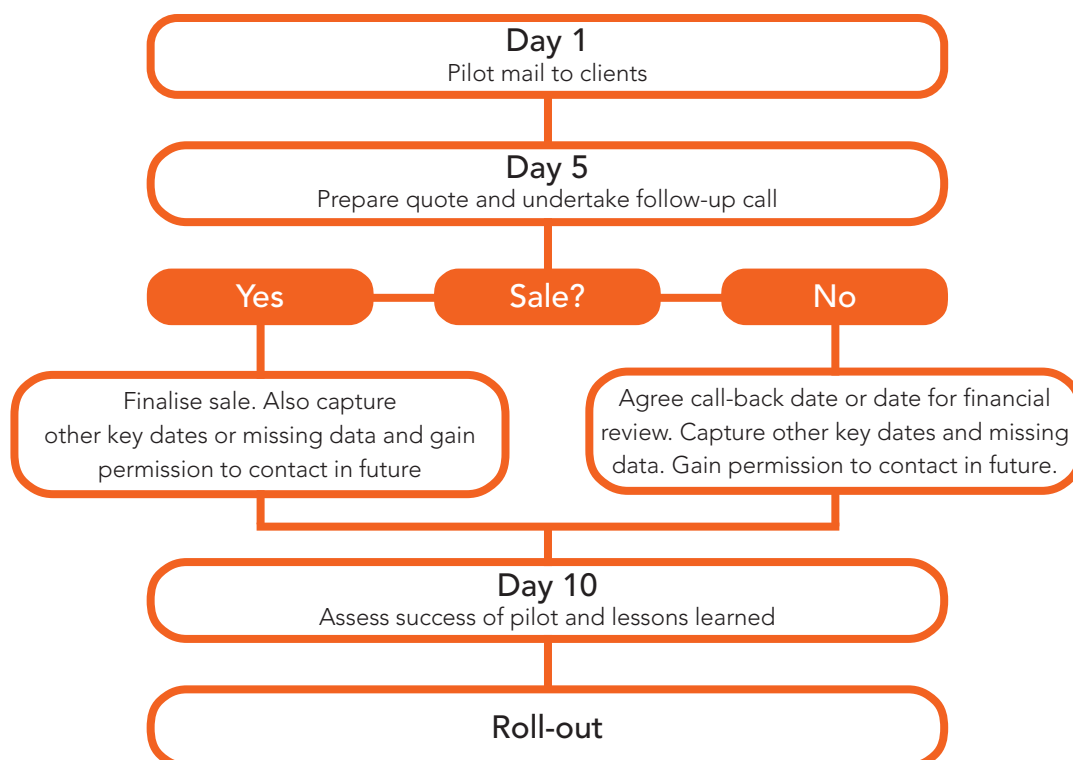
*Paymentshield cannot accept any liability for changes you make to these documents.

Before starting any marketing campaign you should satisfy yourself that your material meets any regulatory requirements.

Campaign Execution

Now that you have determined the clients that you want to cross-sell to and the method to contact them by, it's time to implement the campaign. You will find a checklist for sending out both mailings and emails on our online toolkit which you may find useful to have at hand when your campaign goes live.

Before you send a communication to your entire target audience, select a small random sample to use for your pilot and put them in a separate database named 'pilot'. This will also help to ensure that you do not send them two lots of the same communication.



Step 4

Follow-up

A successful follow-up call can be one of the most important parts of your campaign.

In order to help you make your follow-up calls more effective, we have listed a few hints and tips below:

Before

Ensure your customers have not 'opted-out' of being contacted. Here are some items to have to hand before you call:

- Customer's information (contact details, policies, etc) from your database
- A copy of the letter or email you sent to them - ensure you know which product(s) you wrote to them about

During

When making the call, remember to:

- Ask to speak to the person you addressed the communication to
- Check you are speaking to the right person, introduce yourself and explain the reason for your call
- Check they have received the information you sent:
 - If they have, ask if they've read it and recap what it was about
 - If they haven't, offer to resend the information and agree to call back on a specific day (and check you've got their correct address details) relate the key points of the communication over the phone there and then
- Ask if they would be interested in having a quote - emphasise that it will only take two minutes to tell them the monthly premium
- If needed, refer to your objection handling sales aid

When ending the call make sure to agree the next steps:

- Quote to be sent? When?
- Meeting to discuss quotation? When? Where?
- Try to get agreement for you to keep in touch in the future

After

Ensure you capture the details of the conversation:

- Note any actions that need to be taken and update any information i.e. preferred time to be contacted or renewal dates, on your database
- It's also important to note any additional information - like how receptive the customer was to being contacted or any issues they may have had

Remember: It is your responsibility to ensure that you meet your regulatory obligations.

Step 4 continued

Follow-up

Here are some handy hints for answering any objections during your telephone call follow-ups.

Home Insurance

Objection: "But I already have home and contents insurance."

Response: "Is it enough cover though? I can give you a quote in just 2 minutes to let you know if your premium is competitive."

Objection: "I get my insurance through my bank and I'm happy with that."

Response: "Yes, but is it competitive? Are you getting enough cover for your needs as they change? Is your current protection still valid?"

Objection: "I would rather look and buy my insurance online."

Response: "This particular insurance provider is not available direct, so it may be worth me doing a quote for you, it will only take 2 minutes - and you could compare it to your findings."

Mortgage Payment Protection Insurance

Objection: "I can't afford to increase my monthly outgoings."

Response: "Introducing additional expenses can be difficult...but the protection you get will give you value for money over the long term and will relieve the worry for you and your family if your income is suddenly stopped or decreased, due to an accident, sickness or unemployment."

Objection: "I don't need it - I have a secure job."

Response: "The slim percentage of risk still leaves you exposed. With Mortgage Payment Protection Insurance, you wouldn't have to dip into your savings, should the worst happen."

Objection: "If anything happens, my husband/wife will cover costs."

Response: "With Mortgage Payment Protection Insurance, you can maintain your standard of living without having to stretch your spouse's income. And you'd be protecting your good payment record too."

Objection: "I am self-employed so surely I can't get, and don't need mortgage protection."

Response: "Mortgage Payment Protection Insurance can provide cover for self-employed people too and covers accident and sickness, not just unemployment* - so you could find yourself in need of this protection."

Remember to update your database with any client objections, so you can reference them for future campaigns.

*To claim for unemployment benefit you will need to provide satisfactory proof that you have involuntarily ceased trading and have declared this to HM Revenue & Customs and proof that you are registered as unemployed with the Department for Work and Pensions.