

# Market Separation

## The Productivity and Retention Solution

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Have you wondered if certain marketing strategies are still effective in today's marketplace – marketing components such as pre-approach letters, telemarketers, hard copy advertisements, Web sites or even direct mail campaigns? Evaluating these components requires that one first understands the *new consumer* and the *new environment of market branding*. Don't take this evaluation lightly – it may be critical to your field forces future productivity and retention.

The ultimate goal of market branding is to achieve superior market influence and name specific audience preference, which if accomplished, eventually results in the creation of a competitive advantage and welcomed market access to the prospect. However, the greatest difficulty in understanding this new marketing environment is to first understand that *business thinking* and *brand thinking* are two different ways of thinking.

Traditional business thinking is about immediate cause and effect: What can I do today (get) that has an almost immediate and measurable financial effect on the bottom-line tomorrow – a compelling and motivating consideration. However, the problem with this stereotypical traditional thinking is that the typical traditional solutions that get applied rarely cause business to eventually evolve on its own, or to “flow on its own accord.” Therefore, traditional production-problem thinking normally elicits the same old worn out motivational war cries to be directed to the agent, such as: “You need to close better, prospect better or be more persistent in order to GET the business.” – hardly receptive words to those in the field that are struggling, especially when THEY KNOW that things have changed – and they have. If you are not addressing the issue - *it is harder to get access to the prospect* - your agents know that you are out of touch with reality. The industry's dismal 11% four-year retention ratio can no longer be rationalized away. Stop believing that the cause is due to poor selection, new generational work ethic problems or selling skill issues. It is not. It is about market access difficulty for the agent.

Tragically, many companies - through exasperation – address their traditional production problems with financial solution applications, focused on reducing business acquisition cost. Unfortunately, financial solutions to marketing problems don't address the cause of the problem; rather, they exacerbate the problem. They don't come close to addressing what the prospect or client wants: an answer to the emotional question that is directed to the agent, “Why you?” - an answer that can only be satisfied if the agent looks **LOCALLY differentiated** from the masses, an answer that must make an emotional impact on the intended targeted person, an answer that must be provided to today's consumer before they will give the agent access to them.

Why do so many companies, as well as agents, seem to miss this critical issue? The answer is actually not too complicated, but it requires a look back to the past. Up until 1980, the industry was unsaturated. There were plenty of receptive prospects due to the

1970s inflation impact (never before experienced in the United States) and due to the newly available computer generated financial planning tools – A FIRST in our industry. If you were an agent and you weren't productive, it was usually because you were not seeing enough people, and IT WAS an *activity supervision* problem – VOILA! – The One-Card System solution was introduced...and it worked! But by 1980, teaching the agent compelling persuasions to use on the prospect about the need for financial programming were losing their effectiveness. There was nothing new or distinct about this approach and appointments were harder to get. Soon however, the new universal life policies with their high interest rate accumulations suddenly became the NEW approach. And they actually did revitalize the interest of the consumer once again, by casting doubt in their minds as to whether they had the BEST coverage – thus, a compelling new reason to get together. By 1990, the universal life interest rate pitch was also worn out, but now, variable life came to the rescue. It was the newer compelling reason to get together. But, by the mid 1990s, the age of skepticism had arrived and the doors of prospect accessibility were closing – closing tighter than ever before.

Everyone had grown weary of interest rate promises that had turned into an industry debacle. Many clients had been exposed to product replacements and illustrations that they now realized were unsustainable and unrealistic. They were even aware of the most abusive situations through the media, reporting on many insurance company lawsuits and settlements, which didn't reflect well on any company or professional in the industry. On top of that, product parity, in the mind of the consumer, had arrived. There were no longer 25% differences between products, and the consumer didn't want to see your comparison or hear your drivel about being BEST.

This difficult situation was compounded by another factor: Time was less available to the average worker in America. In 1980 the average worker put in a 40-hour workweek. In 1999, the average worker put in a 49-hour workweek. You say, "No big deal!" That's equivalent to THREE MONTHS more work in twelve months – a FIFTEEN-MONTH YEAR! Combine these factors and it is no wonder that people have become more frustrated and more cautious than ever before, plus highly protective of their time. The final result: It IS harder to get in - it is not your imagination. The prospect is harder to see. And the remedy is not an activity supervision problem; it is a market access problem!

If you want to be highly successful today, it requires that the agent build a strong personal business image in the market – a LOCAL MARKET BRAND. Brand thinking requires constructing a strategy that is composed of multiple marketing components (not isolated components) to maximize its effectiveness. Therefore, reflecting back on the initial question of this article, measuring the effectiveness of an individual marketing component is as futile as learning the components of swimming and then complaining that when you just kick, you don't go very fast. Or when you just stroke, your bottom half seems to drag and thus wrongly concluding that the instructor was bad and ineffective because the component didn't work.

Market branding involves THREE primary components that must be strategized correctly and then given time to achieve *market separation* in the minds of the customer before you see GREAT results.

1. Create a name-specific PROSPECT database
2. Establish a VISIBLE Differentiation
3. Implement a Connection Strategy (at least 8 times per year)

Visibility creates credibility. Your frequency of connection is what eventually determines your degree of preference. One or two connections per year with your clients or prospects CANNOT establish you in the market as the brand of choice. Consistent visibility is the ONLY thing that eventually creates credibility, and it must be coupled with a VISIBLE DIFFERENTIATION – BOTH components – to a NAME-SPECIFIC prospect audience (not just clients)! The bottom line is: If you don't have a visible differentiation in today's market, relative to the competition, and a frequent connection strategy, the lack of these two components will account for the majority of your market access problem. A "Metoo" look-alike financial professional will never achieve greatness or adequate market access, regardless of whether or not you are better trained and capable.

Without a differentiation, the only other solution alternative to your productivity problem (which is an ILLUSION, yet the most commonly applied solution) would be to learn how to convince the prospect better. This will create less long-term sales results today than focusing on creating consistent connection and establishing a pronounced differentiation to a name-specific prospect audience. Differentiation is the foundation of choice, and the primary consideration for initial attraction. It is the only thing that can create *market separation* and sufficient welcomed access!

However, in getting you to change from *business thinking* to *brand thinking*, it is certainly worth mentioning what is NOT market branding. Market branding (building prospect preference) is not achieved by sending hundreds of cold direct-mail letters to your local community while hoping to get a 2% response. Neither is it created by sending some cute pre-approach marketing letter, sent for the first time to a prospect, attempting to entice them into an appointment. Neither is it about developing a Web site or putting an advertisement in the newspaper, proclaiming what you do. It is none of that! Branding is far deeper and far more lasting. It is about creating local market likeability.

Most companies built their success in the 1960s through the 1990s on "B" words...bigger, better, best, benchmarking. Today, GREAT marketing is based on "TION" words...emotion, connection, familiarization, and differentiation. Since there is no such thing as a sustainable product advantage in today's market, it is these NEW words that have a lasting effect. It is this strategy that opens prospect doors and sustains client loyalty.

Tragically, most new agents to the financial service business are still being trained like Navy Seals: "Be proud to be in the organization. You will be trained to attack. Some of you will survive. Some will not. But the cause is noble. Always fight on. Never give up.

We have a noble calling.” This may work with young recruits for the armed forces, but as an adult, you will eventually quit or become so miserable that you wish you had another alternative. Why do you think that this business has an 11% retention ratio? It’s because of our lack of marketing systems (attracting customers) – not selling skills or activity supervision. We seem to eventually kill our own enlistees! We certainly don’t teach marketing correctly as an industry, nor do most companies know how to assist the local agent effectively. The result is: We have created agents who are moderately successful but still have no distinctive personal business image – no market separation – just another “me-too” professional. And that makes it hard to attract adequate business in today’s market.

In summary, if you want to make a big impact to productivity and retention, you need to evaluate and support all THREE components of local market branding:

1. Creating a name-specific audience
2. Creating a local visible differentiation
3. Creating a local consistent communication connection

It is your only effective solution to productivity and retention. It can make a major impact to your bottom line. Don’t delay. The customer is more skeptical and less forgiving than in the 1980s. And the retention ratios suggest that the agent is equally as frustrated.