

## Affinity Marketing: Learning from our Mistakes

*While working with one of the top affinity marketing insurance administrators in the country for the last decade, Goodman Marketing Partners has learned a lot. This Executive Brief shares 3 key insights gleaned in order to help similar organizations learn from our experience.*

[James Altucher](#), a serial entrepreneur who started 20 different companies (17 of which failed), built a massive following by admitting, in detail, all the incredible ways he's screwed up. As you read about [his failures](#) — and believe me, there were some whoppers — you also realize how generous he is in giving advice on the things he learned through his failures.

When you think about it, we're a society of braggarts. We list our accomplishments on resumes, bios, profiles, articles, etc., and when pitching new associations or other new business prospects or groups, we share the unique selling proposition of our organization, which all of our accomplishments. While there's nothing wrong with presenting your story in the best possible light, it often begs the question: What about our failures? Haven't we learned anything along the way?

Of course we have, because, after all, that's what's at the core of direct marketing — testing to determine what works and what doesn't work, and discovering what utterly fails or ultimately wins. With nearly a decade of experience under our belt, we believe we can help others learn from both our successes and our failures.

### **Insight #1: All Members Should Not be Treated Equally**

Historically, regulations governed how we treated members of associations — simply put, all products must be made available to all members. But clearly, what has worked in the past is not going to be successful in the future as there is a new economic landscape with two distinct consumer types: Baby Boomers and Millennials.

A recent study by Research America, Inc. reports that older customers, largely the Boomer generation, are more traditional in their thinking. They understand and appreciate the need for insurance. While increasingly tech savvy, they are nonetheless still open to traditional marketing channels like direct mail and the personal touch provided by an agent.

Millennials, or people who reached young adulthood around 2000, are not joining membership organizations, nor purchasing insurance, at the same rate as they did in the past. This group of confident, connected and “open to change” adults, are drastically different from Boomers in the way they think and behave.

Membership groups must understand the demographic composition of their membership base in order to understand the depth of the fragmentation. Not everyone who shares a particular professional designation, e.g., engineer, doctor, or accountant, necessarily shares a common attitude and lifestyle.

Carriers, administrators and associations partner in every way to:

- Understand the market
- Develop relevant products to serve it and
- Create promotional and purchasing channels to accommodate it

Understanding the Millennial market and their perceived “invincible” mindset, we created a campaign that focused on these young professionals through a 4-part series of high-impact, visually arresting [postcards](#).

Leveraging our knowledge of this “selfie” generation, the recipient was driven to a personalized [landing page](#) where they were presented with multiple options: To find out their Personal Disability Quotient (PDQ) in order to

“wake them up” to their likelihood of incurring a disabling injury, a video in which a young professional talks about something that had a devastating impact on a friend and their spouse/children, and a Disability Rate Calculator, where they could clearly see they wouldn’t survive very long financially without disability insurance coverage.

The response rate? Very high. The engagement rate? Very high. Did anyone actually buy disability insurance? A few. What happened? What did we learn?

What worked:

1. Postcards are a format that can be used to pique interest
2. Sequential mail keeps the brand top of mind as it increased engagement rates and response
3. PURLs drove web site visitors

What went wrong:

1. Too many options once they got to the landing page
2. No way to apply online, on the spot; Applying for coverage took them OUT of the domain and to a very different environment owned by the administrator
3. No administrator budget to collect data
4. No administrator strategy to do anything with the information gleaned

What would we suggest we do in the future?

- Create a better experience for the member and collapse the clicks
  - Yes, collapsing the time it takes to apply or enroll will improve response rates
  - Capture all components of the sales process (FAQs, Rates, Disclosures, App) on one domain
- Consider appending data to member names so we can sort into life stage cohorts and craft communications with more relevance for more impact.
- Capture contact info and build out CRM strategies to continue the conversation.
  - If you haven’t embraced SAAS with a meaningful strategist at the helm, now is the time to get on the path of strategic automation.

## **Insight #2: Ignore the aggregators**

Back in the 1990s, companies like Progressive Insurance (AKA Advanta Bank) pioneered a way to get consumers to pay attention to marketing. They helped teach consumers how to shop for insurance from a perceived third-party perspective by advising prospects that “If we can’t save you money we’ll tell you who can.”

The creative insinuated that recipients who held coverage with Nationwide, Allstate or State Farm were probably paying too much. Arriving in a brown, Kraft envelope, it was an official looking communication from an “unknown” but helpful “advisor.” It was groundbreaking, at that time.

The package was a big winner, holding the control position for over a year. Why? Because while we were selling insurance, it didn’t seem that way to the consumer who perceived it as educational information that was helpful. Along came the internet and now that same experience, the one of trusted advisor, was beginning to hit the scene with aggregators like [www.insweb.com](http://www.insweb.com), [www.insureme.com](http://www.insureme.com), [www.reliaquote.com](http://www.reliaquote.com), [www.insure.com](http://www.insure.com), and others.

It’s 2014, so now what? How does an “endorsed” association program compete with the likes of commoditized quote engines?

Take a step back and start with a fresh mindset:

- Customize the product for the association members:
  - It's not a one-size-fits-all market anymore. Create special caveats for members.
  - Anticipate the needs of the members in a changing economic and social environment. There must be a big vision – a road map for members – and how the association delivers on its brand promise.
- Unless the carrier is an unknown entity, or a brand that is struggling with financial solvency, it is simply not an issue that affects a members purchase decision. Does the consumer really care that one carrier is stronger/better/cheaper/bigger than any other? It's 2014! The consumer is looking for benefits and products that are tailored to them, and match their lifestyles as they evolve.

### Insight #3: Content is King

Where did the content craze come from? It's been a business-to-business strategy for decades. It started in the 1960's, when businesses started to offer Research whitepapers as "proof of concept" to support their product claims. Then, content self-creation can be traced to Yahoo! User Group days, when Yahoo! Clubs, launched in 1998, allowed deep levels of user control over creation, membership and overall direction of communities.

The affinity marketplace is also based on community – bringing together those with similar interests, occupations, and the desire to interact with one's peers. Online communities started in technology circles and quickly grew to be one of the largest traffic-generating products within the Yahoo! network of services. This was the beginning of engagement, and the idea that you could lean on your peers for information and education.

Since the dot.com boom, technology companies saw value in developing thought-leadership positions to distinguish them from their competitors, offering help at each stage of a long buy cycle while becoming a trusted advisor to both prospects and customers in their industry/ vertical. Other industries quickly picked up on the content craze.

What about the insurance industry? Life Happens, formerly the LIFE Foundation, is a nonprofit organization dedicated to helping consumers make smart insurance decisions. This [educational site](#) offers a third-party point of view, but is affiliated with the National Association of Insurance and Financial Advisors (NAIFA), and leads are directed to NAIFA agents.

Where does that leave insurance administrators? With an opportunity to position themselves as thought leaders among the members of their association partners. To do so successfully, here are a few tips:

- Transparency starts at the top. Open up and create a clear path to your thought-leadership position with a three-part strategy:
  - Blog: Share your perspectives on the things that matter to your prospective affinity audience.
    - This is "you" time, to share opinions and thoughts on what these groups are dealing with, whether it's regulatory issues, membership levels, new products, etc.
  - Third-party content at the affinity level: Take a step back and offer multiple points of view through content that has appeal to your prospective (affinity) audience.
    - What issues face them as they manage the day-to-day operations, whether regulatory issues, membership levels, new products, etc.
  - Third-party content at the association level: What do you want your association membership to know and understand over the life of their membership?
    - Identify what makes up each audience and what would be helpful (not noisy) to them and plan for both the platform (resource center/digital domain) to house such content and how to keep it dynamic and engaging.

Certainly if we can all learn from what doesn't work, we can begin to change our marketing strategies moving forward, and add levels of sophistication and strategic engagement among those with whom we want to engage. Mr. Altrucher got it right. He believed that his failures made him a better leader. And a leader is someone who is clear about their values and applies them on a regular basis. Marketing leadership in a noisy, crowded, skeptical world means standing out, delivering on a brand promise, embracing (not punishing) failures and using them to drive forward.

## **About the Author**

Denise Williams  
Director of Strategic Marketing  
Goodman Marketing Partners

Six-year Board member of the Philadelphia Direct Marketing Association, Former Member Chair, current Liaison to the Advisory Council, Internship Chair, and Philadelphia's 2011 Direct Marketer of the Year, Denise is regarded as an expert in both B2B and B2C direct response marketing.

She began her career in 1986 as an underwriter and direct marketer for CIGNA (INA) in Special Risk, Special Other, Association Group, and Direct Marketing Division. She spent several years at Aon Affinity Services managing affinity marketing, and then was recruited to assist in the launch of C N A's direct marketing division (sponsored market) in Reading, PA.

In 1997 Denise moved from client-side to agency-side and as Senior Account Executive served as lead on the launch of major brands in the US including ADT Commercial Security, Progressive Insurance, Paper Direct, AARP Medicare Supplement plans, Nextel, Verizon, and eidc.com. She was relocated to San Jose, CA during the dot.com boom and worked onsite at Sun Microsystems launching new software products.

Upon returning to PA, Denise was responsible for marketing initiatives on a myriad of brands including Response Insurance, Palisades Auto Insurance, Sterling Commerce, Language Environment Analysis System (LENA), TANDBERG, Tyco Video Surveillance, and Realm Innovations. Denise led the R&D initiative for ACE Direct Markets and later strategized the content for Ace's disaster product launch Q4 2012 — the first online paid search. She continues to bring innovation and develop strategies that work to drive action, anchor relationships, and produce ROI for her clients.

Read client, peer, and associate endorsements at <http://www.linkedin.com/in/denisedwilliams>