

Social Media and Online Marketing – What’s the Real Deal?

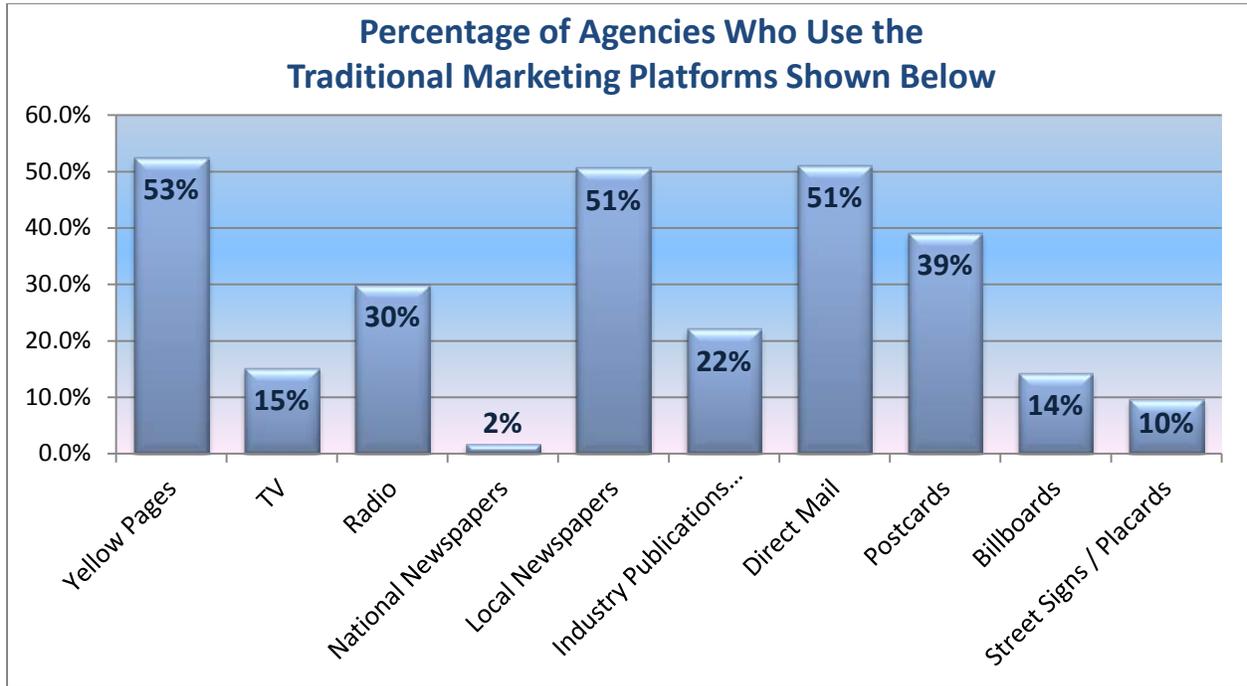
A short and objective survey of what insurance agencies are currently doing in the online world

Often when I speak with an agency owner, COO, or marketing manager about social media, I get asked about the results other agencies are seeing, in particular their return on investment (*ROI*). (I’m sure for the most part they’re seeking this information to help them make an informed decision on whether to invest in these new marketing methods, but I sometimes suspect it may also be a defensive question to justify not delving into the topic further.) As a result of lacking good solid data to provide an answer, I decided to put together this survey to learn what industry people were doing in online marketing with social media. I’m not making any recommendations in this report, just presenting the results for you to use as you see fit. With that being said, the following three findings were the most eye-opening to me:

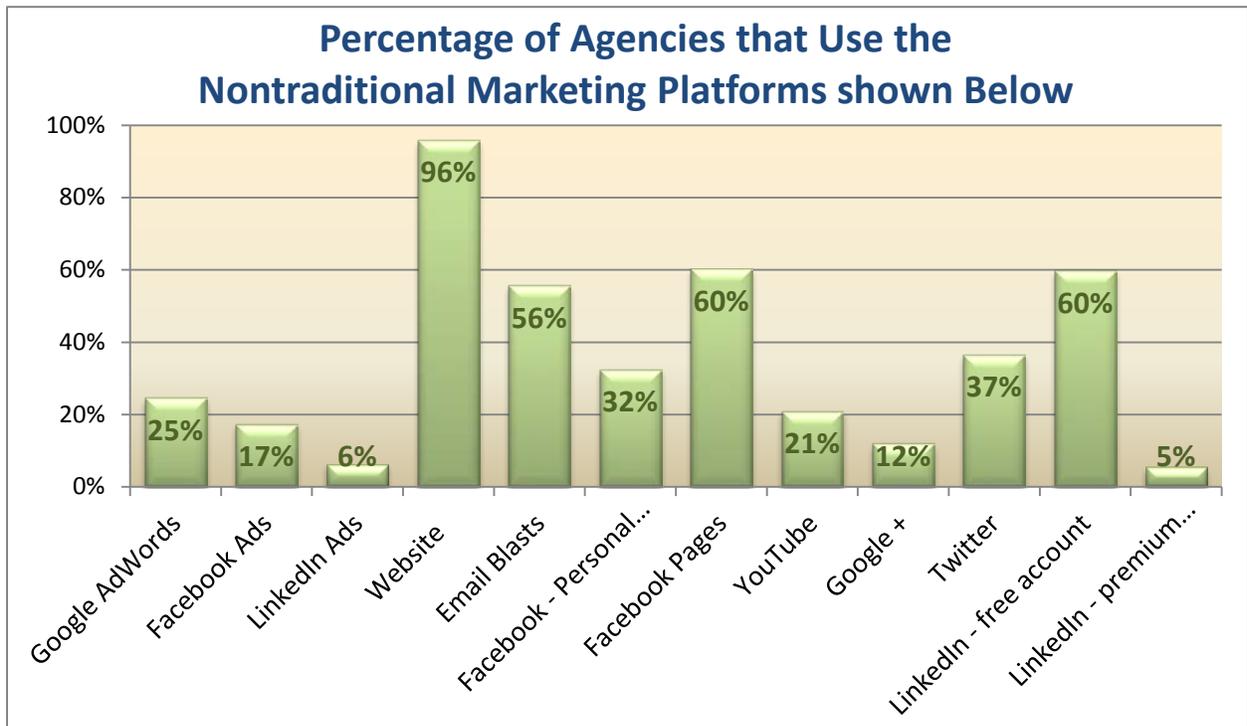
- **More than 60% of those of you who responded are not measuring the return on investment of your *current* marketing efforts!** So until you do, why ask about social media’s ROI? (OK, that was an editorial comment.)
- **Close to half of respondents who are not using social media will start to do so within a year.**
- **Of those who responded, a bit more than 60% do not have a coordinated marketing plan of any kind.**

Our survey received responses from 293 agencies across 41 states and Canada. Just about 60% of respondents identified themselves as agency principals or management. Another 40% or so said they worked in IT, marketing, or sales. Throughout the summary that follows, the term *nontraditional marketing* encompasses both social media and online marketing.

As you can see below, the three most popular traditional marketing methods (used by approximately half the respondents) are the Yellow Pages, direct mail, and local newspapers.

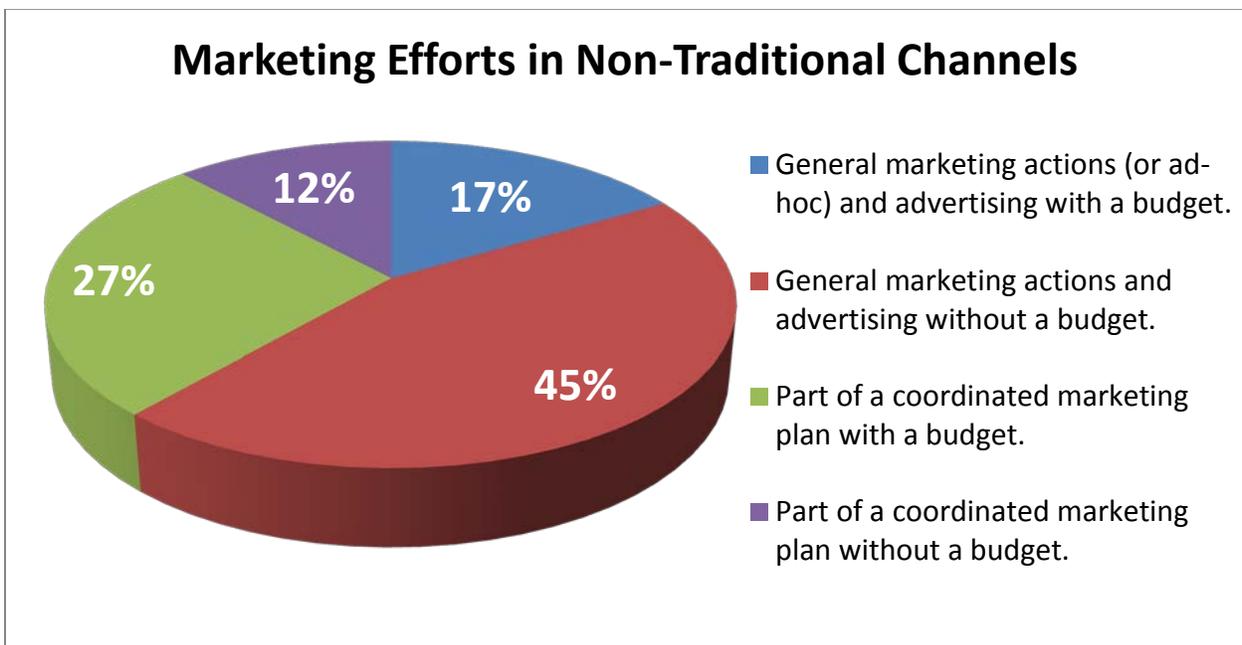
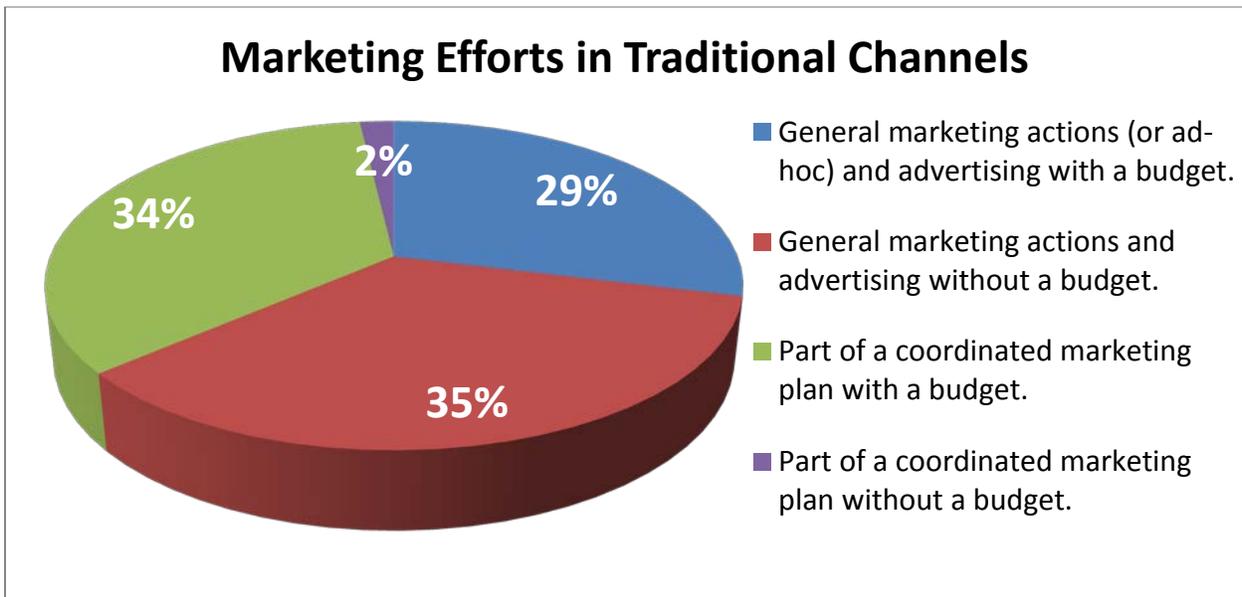


Respondents' most-used online marketing method, far and away, is their website. After that, in order, come Facebook, LinkedIn, and e-mail blasts.



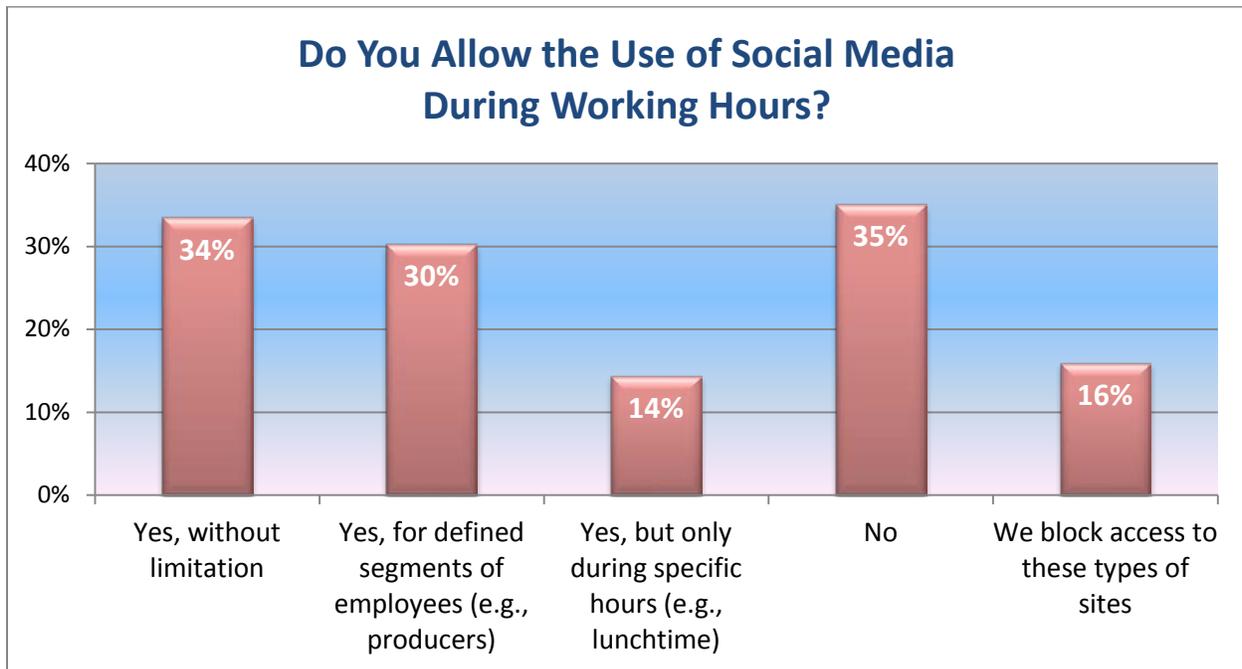
Across all agency sizes, respondents' Facebook pages have an average of just over 200 *Likes*; the average Twitter account has 440 followers. Respondents in the \$2.5MM-\$5MM and \$5MM-\$10MM revenue ranges are the most active — with the most Likes, Followers, and Contacts — in the various social-media platforms. Those in the \$25MM+ revenue range (which may skew toward large regionals) were also much more active in on-line marketing. Additionally, agencies in the \$1MM and lower revenue range showed a greater usage of LinkedIn and Twitter. Close to the majority of respondents indicated that they maintain their platforms internally, including the creation of the content they post on them.

Of those who responded, about 40% have a coordinated plan for traditional and/or nontraditional marketing. About 60% do not include nontraditional channels in a coordinated marketing plan.

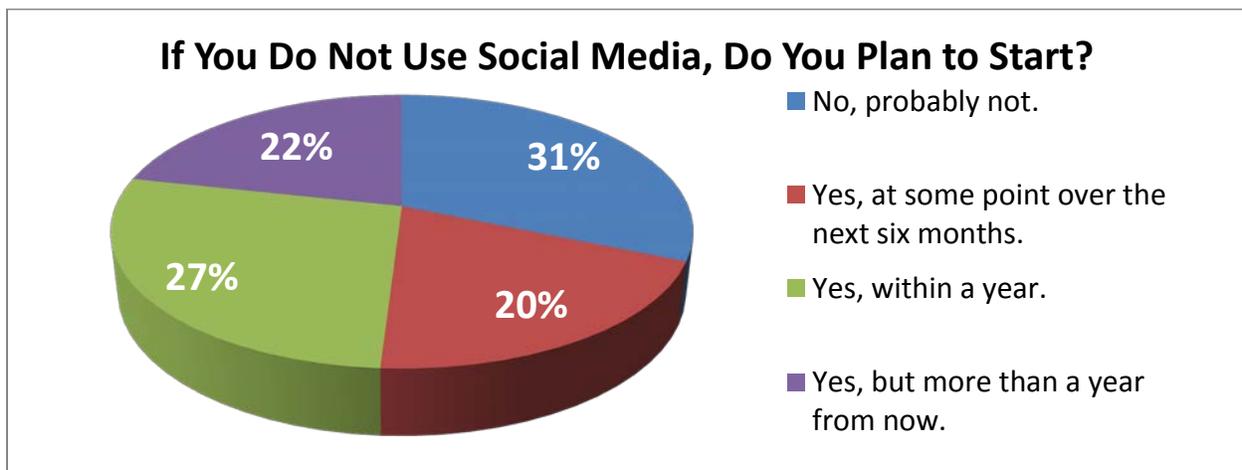


Almost 70% of the agency respondents indicated that they do not have a formal or documented social media plan, either as a part of an overall marketing plan or as a stand-alone document. 32% of the agencies did say they have a documented social media plan in place.

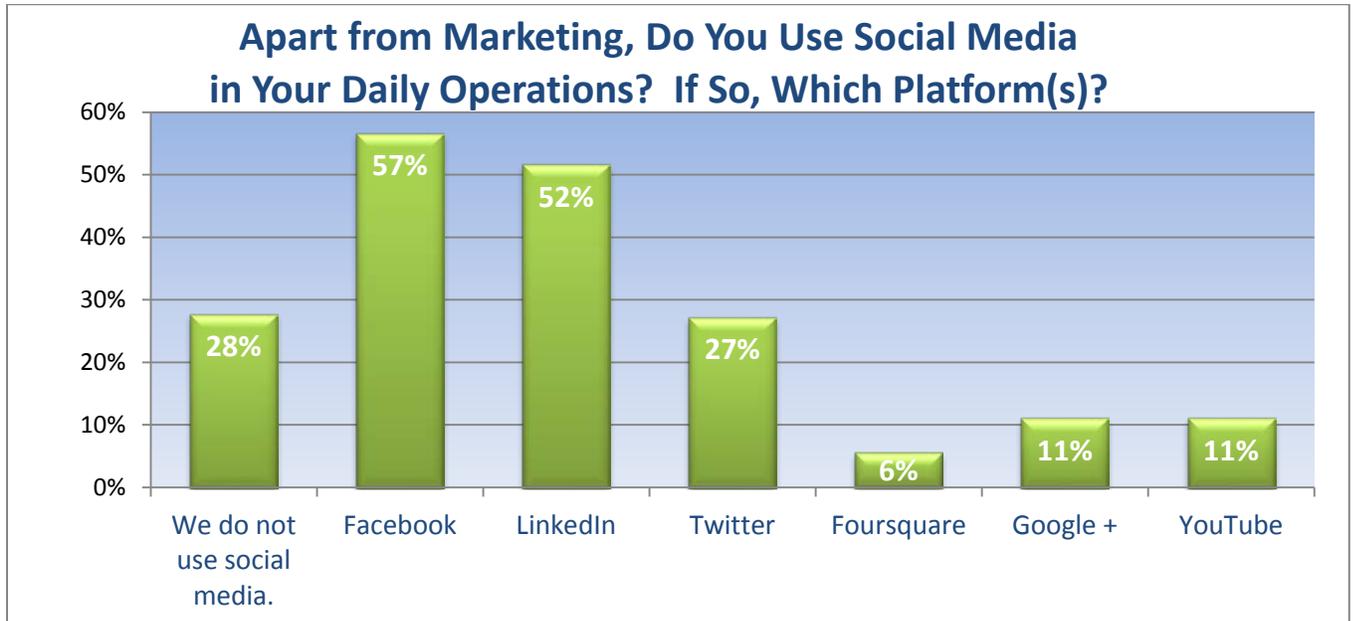
The percentage of respondents who allow unlimited use of social media during the workday is just about equal to the percentage who do not allow it at all (each approximately 35%), with about half this latter group taking the step of blocking access to social media sites.



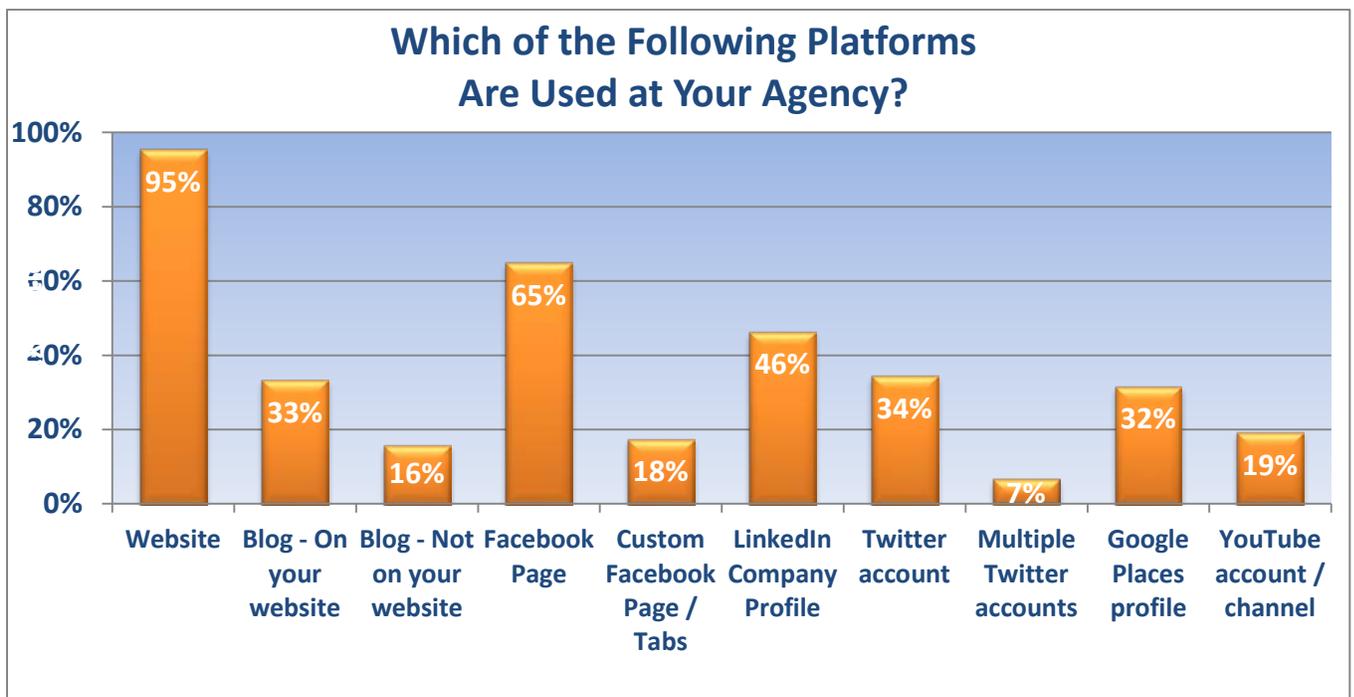
Almost 50% of respondents who do not currently use social media plan to begin doing so within a year and a total two-thirds will eventually do so.



Among those respondents who use social media in their daily operations, Facebook and LinkedIn are the favorites by far, with Twitter coming in a distant third. Just over a quarter of respondents do not use online marketing methods.



Nearly every respondent reported having a website, close to two thirds have a Facebook page, just under half use LinkedIn, and approximately a third use Twitter, a website blog, and Google Places.

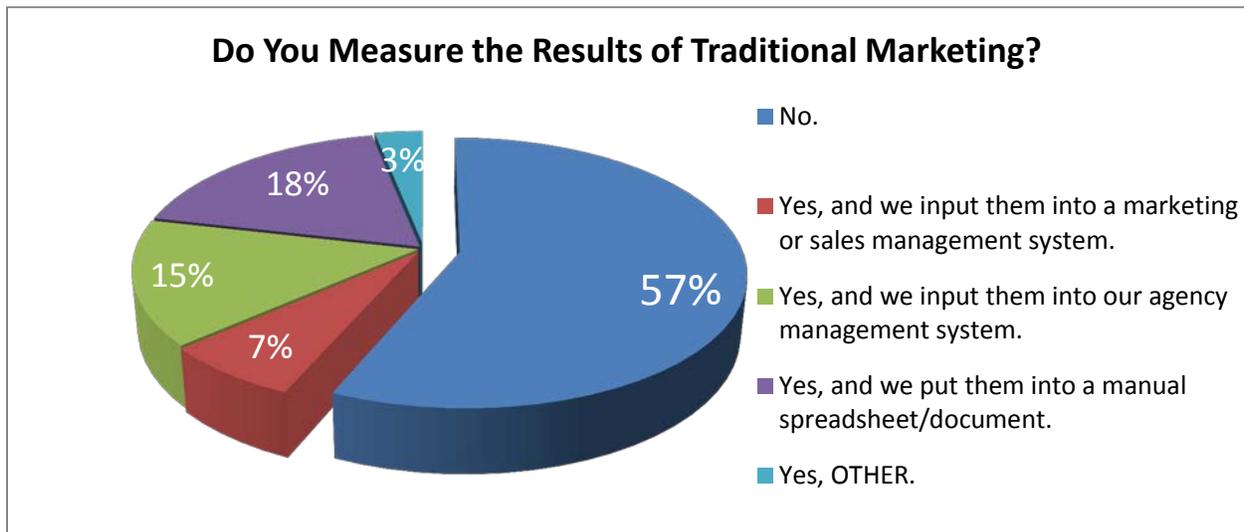


In addition, 13% indicated that they use some sort of location-based platform, and about 23% use a third-party sales or marketing platform (not their primary management system).

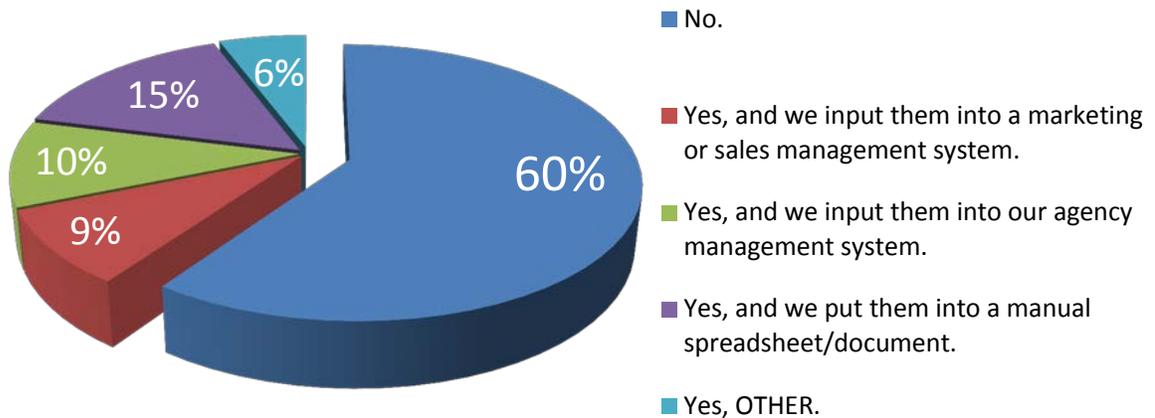
In both traditional and nontraditional marketing, respondents said that “New Leads” and “Brand Recognition” were their primary goals, with “Relationship Building” cited third.



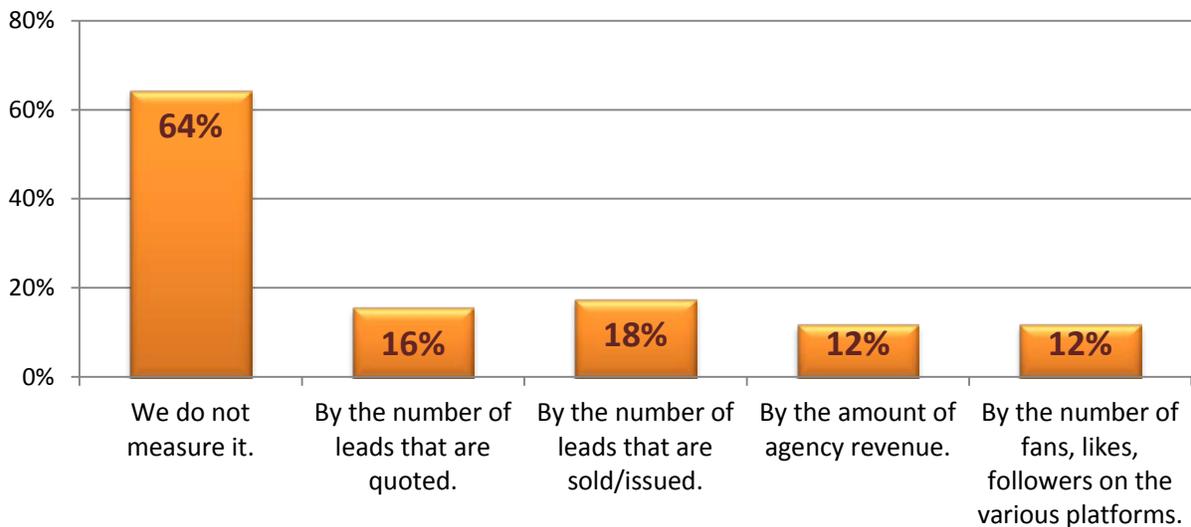
Well more than half the respondents do not measure the results of their marketing, whether traditional or nontraditional. Of those who do track it, use of a sales-management or agency-management system and use of a spreadsheet or similar document was fairly even. And although 64% of the respondents said that they do not measure the return on investment of their marketing, one respondent stated: “We measure it (ROI) by growth, but also in the quality of client we are getting, what type of call-ins and referrals we are generating. Our marketing is for branding purposes; we use our sales force to sell



Do You Measure the Results of Non-Traditional Marketing?



How Do You Measure the ROI of Your Marketing?



For respondents who use social media, Twitter and Facebook are the most frequently updated sites, LinkedIn and Google Places Profiles, the least. About 65% of the respondents said they updated their Facebook Pages at least weekly (Note: this result does contain all respondents, not just agencies.)

We also looked at the survey responses to learn how much new business can be attributed to social-media platforms. Because not all respondents provided answers and those who did may have only provided estimates or may not have had access to hard data while they were taking the survey, this section of our findings cannot be relied on for complete accuracy. With that caveat notwithstanding, these facts stood out:

Respondents with annual revenue in the \$500,000-\$1MM range reported that an appreciable percentage of their monthly new-business commission could be tied to online efforts, with their website, Facebook, and Google AdWords making up the largest portion of this business.

Respondents with annual revenues in the \$10MM-\$25MM range reported that about 7% of their monthly new-business commission was attributable to their website. Respondents in all other revenue groupings reported that from approximately 1% to 2.4% of monthly new-business revenue was a result of their online marketing.

(Note: This last section was not updated for agency-only respondents.)



I hope this survey has shed some light on how the almost 300 insurance agencies across 41 states and Canada are using online marketing and social media and that the results assist you in making strategic decisions about the use of these platforms in growing your firm's client base and online presence. If you have any further questions on these results, please do not hesitate to contact us via email (jason@bhbc.com).

This survey was created, evaluated, and the report written by Jason Hoepfner, CIC, an independent agency consultant at B. H. Burke & Co., Inc. of Westbrook, CT. You can learn more about us at <http://www.bhbc.com>.