Situation

Contact Data is a division of a major midwest insurance and financial services group that handled list management and mailings for each of the companies. In question was a nearly 40 year practive of mailings that resemble home loan bureau materials apprising homeowners of insurance option. The company had assessed that there might be a better way to optimize these opportunites and raise the percieved integrity of the companies offering the insurance products.

We were contact to work with customers, prospect, sales agents and company executive to research the posibilities end develop a better solution.

Goals and Objectives

The research was to facilitating development of a better targeted direct marketing campaign. The was to generating sales leads for life insurance products positioned as mortgage protection, this study encompassed:

- Profiling of prospective customers;
- Purchase behavior and motivators relative to mortgage insurance;
- Mortgage insurance selling strategies and market trends;
- Customer perceptions and expectations regarding mortgage insurance advertising and marketing communications; and
- Essential elements of direct marketing media for communication of an effective lead-generation message.

Overview of Methodology 1

Research for the Generations Home Assurance Study began with gathering of customer profile information from a sampling of Sunset Life Insurance agents and their existing customers, and from available databases.

Questionnaires were sent to and telephone interviews were conducted with Life Insurance agents representing a diverse range of experience in selling insurance within different geographic areas of the United States. Interviews were also conducted with customers who had purchased a Life Insurance product in the recent past. In addition, customers who had not recently purchased a Life Insurance product were interviewed to provide control and to assist in understanding perceptions concerning insurance products for mortgage protection.

Findings from these interviews were merged with information from the Info USA database, including analysis of similarities and differences. The resultant data were then cross-referenced with population cluster categories to identify dominant clusters correlating with the target audience. With this understanding of the prospective customer profile, a totem of messages and artifacts was created to enable development of visual communication elements and messaging strategies that appeal to prospective customers' affinity with the totem.

Based on the results of the above research methods, we created a targeted direct mail package with components strategically designed to address the specific demographic and psychographic traits, purchase motivators, and messaging preferences identified during the initial phases of the study. The direct mail package was distributed to five agents and eight customers from the pool of respondents who completed the initial questionnaires. Requests for participation in the follow-up phase of the study were made via telephone.

Process steps:

1 Outline the needs and project scope with Contact Data. Set goals and objectives

2 Preliminary information gathering with Sunset Life personnel

3 Review Database, Survey Agents, Survey Customers

4 Customer Profiling, Message Framing

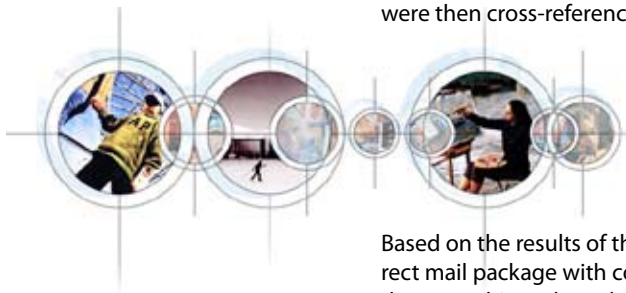5 Present findings and recommendations

6 Design and present mailing concepts

7 Revise and present mailer

8 Testing and verification

9 Production

10 Print and mail

In the final phase of the study, follow-up inquiries garnered the agent and customer respondents' impressions and opinions concerning the form, content, and of the message as delivered by the Generations Home Assurance direct mail package.

Major Findings

Three distinct target groups emerged from the matching of 62 population cluster categories with information gathered from the respondents and the Info USA database: busy suburbanites, tranquility-seeking residents of the outer suburbs, and urban dwellers residing in diverse neighborhoods. All three clusters comprise primarily middle-class White married couples (with and without children) between the ages of 30 and 50 who have professional occupations and at least some college education. Individual annual income is typically between $50,000 and $75,000. A significant number are first-time home buyers.

Members of these clusters place a high value on their homes and families. They are image-conscious people who see themselves as smart and responsible homeowners. While they are cautious investors who lead stable lives and engage mainly in familiar activities, some also see themselves as trend-setting leaders. A strong belief in maintaining their financial security and standard of living makes protection of loved ones and primary investments a key motivator for purchasing mortgage insurance products.

Considerable lead-generation potential exists within cluster segments that include first-time homebuyers and candidates for mortgage refinancing. An effective message will function as an educational tool, following a "how-to" direction that offers a solution to the problem of protecting a home mortgage and reducing the mortgage loan term. Iconic visuals and straightforward copy appeal to these groups' preferences and values. Such a message delivered via direct mail will be best received if presented clearly and concisely, with an advisory tone and manner.

Conclusion

After making minor refinements of the direct mail package elements, we moved forward with a direct mail test to a universe of 40,000 names comprising cells of 10,000 from each of the three cluster groups and a control cell of 10,000 from the general population. Analysis of response data was used to determine audience for rollout of the direct mail lead-generation campaign.

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