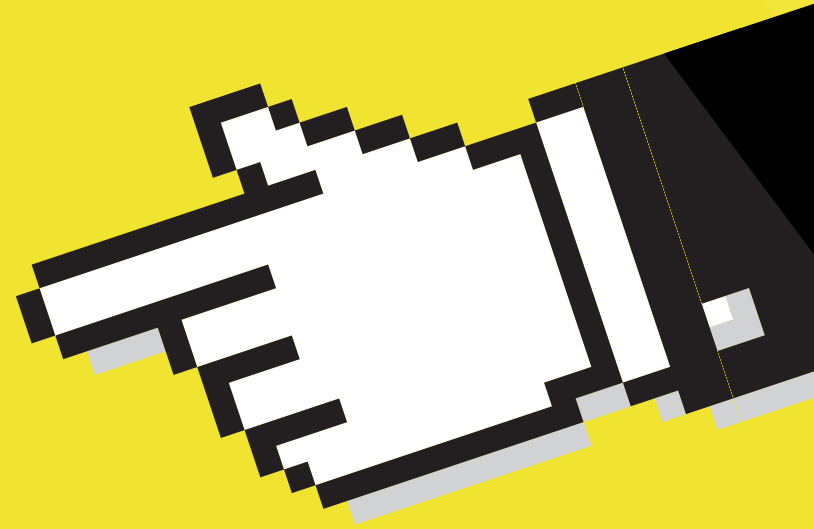




# Getting to know your Personal Lines customers

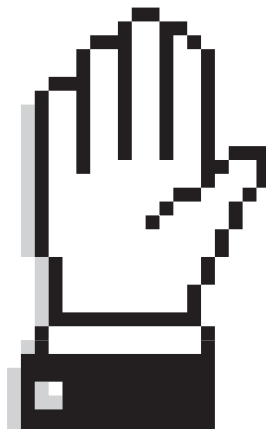


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Expert support made easy



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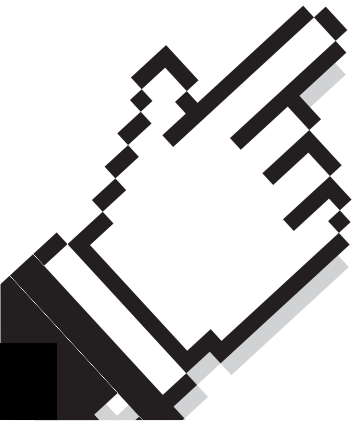
## Welcome to Marketing Director

Marketing Director is a range of marketing tools designed with you in mind to provide expert marketing advice and support.

The first tool we developed for you was Broker Marketing Mentor, our easy-to-use professional online marketing resource.

Our second initiative is to offer you access to our insights. This document contains findings about Personal Lines customers that you can use in conjunction with the tools available through Broker Marketing Mentor to help you develop effective marketing activity.

We hope you find it a valuable resource.



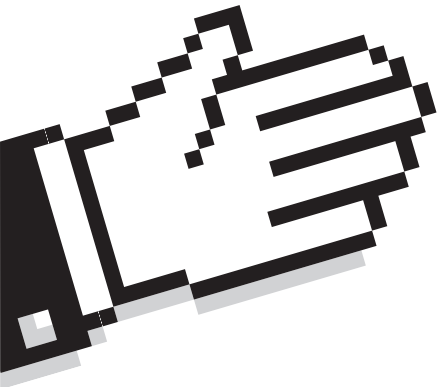
## How we gained these insights, and how they can help you

We carried out this research to help you, and us, better understand customers who currently purchase Personal Lines insurance through brokers.

In 2007 we surveyed our Personal Lines customers, asking how and why they use brokers. At the end of 2010 we carried out a similar survey to see how things had changed. By comparing the two sets of data we're able to identify any significant trends.

We've also enhanced the data so you get an even better insight into buying behaviour and patterns. In addition, you can use these findings to gain a clear view of what 'typical' Personal Lines customers who buy via a broker look like, which can help you when targeting customers through marketing.

**To find out how we can help you with your marketing plan,  
simply go to [www.brokermentor.co.uk](http://www.brokermentor.co.uk)**



This document provides an overview of the research findings. For more information about these insights email [evolve@aviva.co.uk](mailto:evolve@aviva.co.uk)



## Customer type 1 – sensible, informed and cautious

Approaching retirement and financially comfortable because they live within their means, these customers often have a number of insurance products. That's because they believe it's important to be as fully covered as possible, and they value the peace of mind this provides.

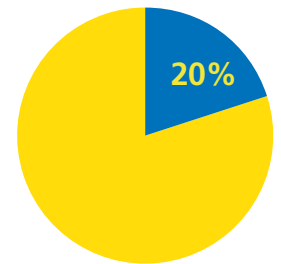
These customers buy their insurance through you because they believe that brokers can get them a better deal on cover, particularly home insurance, and that you should provide a high level of service.



### About these customers

- Equal split between men and women.
- Older, 60+, retired or working part-time.
- Interested in gardening, DIY, travel, news, theatre, art galleries, puzzles and crosswords.
- Not interested in brands or advertising.
- Don't often go online, definitely don't shop online.
- Have a high number of insurance products.
- Much more likely to buy home insurance over car insurance from a broker.

20% of the 800 Personal Lines customers surveyed fit into this segment

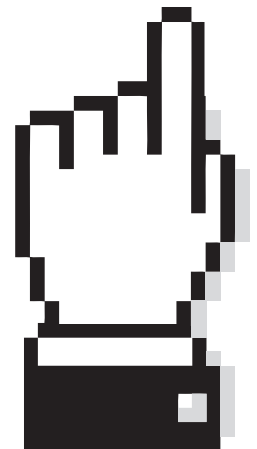


### What they want to hear from you

"I'll get you the cover you need, at a price you can afford."

### Challenges you might face

This type of customer will be looking for a high level of service and interaction. They know what they want to buy, and what it should cost.



## Customer type 2 – calm planners, comfortable with technology

These customers work full-time and are financially sound. They're prepared to take a risk to make a profit. Comfortable with technology, they often research the internet before making a purchase. And with relatively few insurance products, they're most likely to use a broker for motor cover.

This is an highly active, adventurous group of people who embrace new technology early and also are brand aware and culturally active.



### About these customers

- Equal male/female split with a small skew towards men.
- Work full time.
- Aged 25 – 64
- Interested in music, theatre, opera, ballet, art and gardening.
- Enjoy travelling off the beaten track.
- Appreciate quality products and are brand aware.
- They bank, shop and spend time online.
- Have few insurance products.
- If they go to a broker, it will be for car insurance.

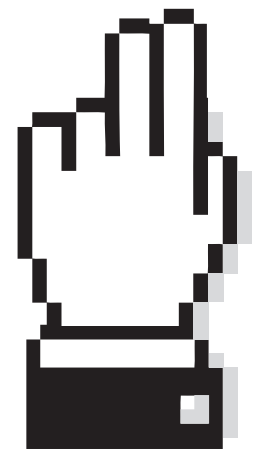
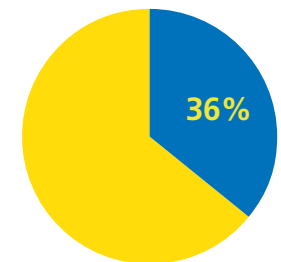
### What they want to hear from you

"You know you need insurance and I can take care of the practicalities."

### Challenges you might face

These customers are very astute technologically and don't really buy their cover from brokers. To them, insurance is a grudge purchase.

36% of the 800 Personal Lines customers surveyed fit into this segment



## Customer type 3 – young, high debt, short-term focus

These customers are younger, impulsive and have a relaxed attitude towards debt. They tend to spend money without really thinking of the consequences. They too are comfortable with technology and spend a lot of time on the internet, purchasing and downloading – in fact this segment of customers is the joint highest user of wireless internet.

Be warned, this group is strongly anti-broker and, in terms of getting their business, you face a real threat from price comparison websites.



### About these customers

- Aged 25 – 54 with a slight skew towards men.
- Work full time.
- In general are married with young children, but some are couples with no children.
- Advertising-aware and likely to forward digital communications such as online ads that are designed to be spread electronically.
- Interests include sports, music, festivals, cinema, digital TV, clubs and the pub.
- Read the popular press, heavy magazine usage.
- Holiday mainly in the UK.
- Increasingly unlikely to go to a broker.

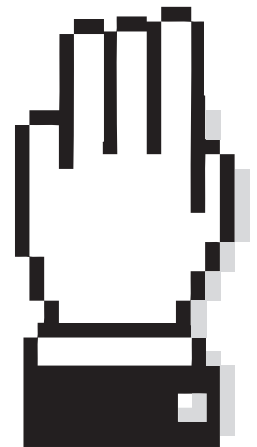
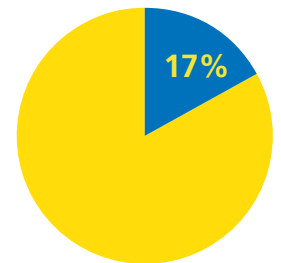
### What they want to hear from you

“I can help you with financial planning for your insurance.”

### Challenges you might face

This type of customer is price-focussed. They're not loyal to brokers, use price comparison sites on a regular basis and will move at renewal if they find a better price.

17% of the 800 Personal Lines customers surveyed fit into this segment



## Customer type 4 – broker-reliant, older, traditional

Customers in this segment are approaching retirement or retired. They're financially comfortable and astute, investing money sensibly and consulting financial advisers. They don't use the internet heavily.

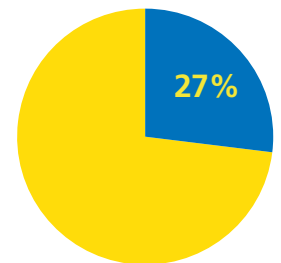
Conservative by nature, these customers are cautious and highly unlikely to change or invest on a whim or impulse. This is the group most likely to seek your advice.



### About these customers

- Aged 55 – 65+, with a female bias.
- Married or widowed with grandchildren.
- Small income, but comfortable.
- Interested in gardening, DIY, National Trust, wildlife and opera.
- Go on UK or package holidays – coach tours and cruises are a popular choice.
- Don't use the internet heavily and often have a dial-up connection.
- Are not heavy mobile phone users – often have a Pay As You Go mobile rather than a contract.

27% of the 800 Personal Lines customers surveyed fit into this segment

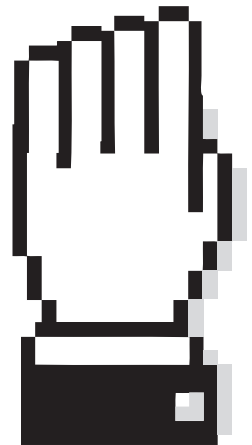


### What they want to hear you

"I can give you peace of mind and advise you on the right cover."

### Challenges you might face

Not many – customers in this group are well-disposed towards brokers and unlikely to look elsewhere.





## So what's changed since 2007?

### The type of customer that comes to you

There's been a clear shift in the type of customer that prefers to buy insurance through brokers since our 2007 study. Far more people in professional and managerial roles now use brokers, whereas in 2007 there was a higher concentration of junior managerial, administrative and clerical workers.

### When customers want your support

The amount of customers needing out-of-hours contact is now significantly higher than in 2007.

#### How to use this insight

- Think about the type of messaging and communication methods you need to use for professional and managerial customers.
- Having higher incomes, these customers may potentially have a greater requirement for insurance for their possessions and cover for their professional life.
- These customers will probably be time-poor – consider how you can make your service as efficient as possible for them.
- Visit [www.brokermentor.co.uk](http://www.brokermentor.co.uk) for advice on the type of marketing activity you may want to use to attract and retain this type of customer.

#### How to use this insight

- As this is a key need for customers, if you can provide a service outside of normal working hours you will have a key differentiator from your competitors.
- Take a look at [www.brokermentor.co.uk](http://www.brokermentor.co.uk) to see where you could use this in your marketing plans – for instance type 'USP' in the Search box for some great tips on how to differentiate your business.



## Specific findings

These findings come from a combination of comparative 2007 and 2010 data, plus new insight. We've suggested how you can use these insights to benefit your business.

### Customers are loyal to their brokers

The average customer has been with their broker for nine years.

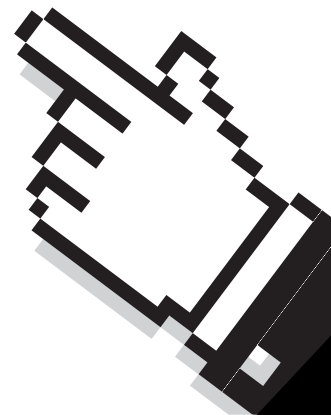
How long with broker? (All respondents n=800)	
Less than a year	8%
1-2 years	13%
3-4 years	17%
5-10 years	28%
11-15 years	12%
16-20 years	7%
More than 20 years	15%
<b>Mean</b>	<b>9.39%</b>

Around half of the customers interviewed have always used a broker, never having purchased direct.

	Bought motor insurance via a broker (n=459)	Bought home insurance via a broker (n=547)
Ever purchased direct	53%	48%
<b>Always used a broker</b>	<b>46%</b>	<b>50%</b>
Don't know	1%	2%

### How to use this insight

- This finding is a great statement to use when marketing your business to customers. It's also a real differentiator if you're faced with the challenge of 'direct' competitors offering low prices to tempt your customers away.
- Consider asking your most loyal customers for quotes about why they use you and putting these in your marketing materials and on your website.
- For more support with marketing your business and marketing for free, visit [www.brokermentor.co.uk](http://www.brokermentor.co.uk)



## Recommendations are important

Nearly half of all the customers who responded the research have recommended their broker to someone.

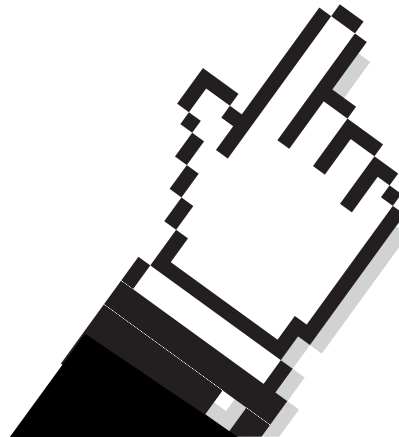
Ever recommended your broker? (All respondents n=800)	
<b>Yes (total)</b>	<b>47%</b>
Yes – to a friend	31%
Yes – to a work colleague	14%
Yes – to a family member	30%
No	53%

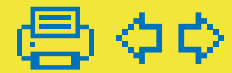
1 in 7 say the amount of insurance they put through their broker will increase in the future.  
1 in 10 say it will decline.

Which of the following most accurately describes your attitude? (All respondents n=800)	
<b>The amount of insurance I put through a broker will decline</b>	<b>11%</b>
The amount of insurance I put through a broker will remain unchanged	73%
<b>The amount of insurance I put through a broker will increase</b>	<b>14%</b>
Don't know	2%

### How to use this insight

- 'Word of mouth' recommendations are powerful and play well into all marketing activity. Think about how you can use recommendations at each of your customer touch points.
- Customer recommendations are particularly useful in the social media space, where you can spread the 'good news' message quickly and relatively cheaply.
- Think of ways you could attract customer attention by talking of potential risks or changes in law which may affect them. Keep it topical and use your loyal customers as your advocates.
- For more information on how to use social media or recommendations, visit [www.brokermentor.co.uk](http://www.brokermentor.co.uk) and take a look at 'Referral strategy' section.





## Only 9% of respondents found a broker online

Over half of the respondents first heard about their broker from friends, or other professionals such as accountants.

Although people are significantly more likely to have found their broker online in 2010, this route still only accounts for around 1 in 10 people.

How did you first become aware of your broker?		
	All respondents 2010 (n=800)	All respondents 2007 (n=287)
Recommended by friends and family	40%	41%
Saw an advert or listing	16%	14%
Recommended by a professional e.g. accountant	15%	13%
Walked by, happened to go in	13%	11%
Found on the internet	9%	2%

## Brokers need to be contactable

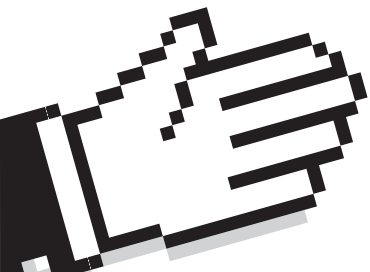
In 2010 1 in 10 respondents wanted their broker to give them an out-of-hours contact number. This was significantly higher than in 2007 and the most popular concept tested from the range of options below.

On a scale of 1 – 5, where 5 is 'very interested' and 1 is 'not interested at all', we asked "how attractive do you find the broker communication options suggested?" In brackets is the number of respondents who haven't already been offered the option. The figures shown are those who are 'very' and 'fairly interested'.

Suggested communication options								
	Information about your insurance needs for policies other than the ones you currently hold with them	Promotional literature in the post	Communication via email	A tailored package of insurance encompassing motor and home	A choice of add-ons to your existing policies such as legal expenses, breakdown cover for your car, no claims protection etc.	An annual review of all your insurance needs	Face-to-face meetings rather than just dealing with you over the phone	An out-of-hours number to contact your broker on
2010	21% (n=395)	7% (n=445)	22% (n=555)	27% (n=593)	17% (n=208)	30% (n=438)	17% (n=406)	<b>43%</b> (n=426)
2007	24% (n=186)	8% (n=183)	20% (n=258)	29% (n=231)	26% (n=117)	36% (n=166)	28% (n=162)	<b>34%</b> (n=175)

### How to use this insight

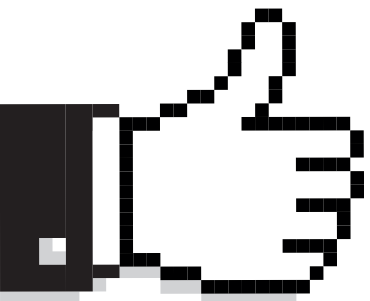
- Think about your website and whether it's working for your business.
- The 'Your Website' and 'Referral' sections at [www.brokermentor.co.uk](http://www.brokermentor.co.uk) can offer great ideas and fresh thinking, so take a look.



## Findings relating specifically to home and motor insurance

- Home insurance buyers prefer to leave things to their broker.
- Price is key for motor insurance:
  - in 2007 price and cover were of equal importance
  - in 2010 price was significantly more important than cover.
- Cover is key for home insurance:
  - cover is significantly more important than price when shopping for home insurance – but price in itself is significantly more important in 2010 than it was in 2007.
- Price is the key reason why people come back to a broker:
  - among those who have bought direct, price is the key reason they now use a broker
  - among those who have always used a broker, convenience and price are of equal importance as reasons for continuing to use the broker.

Visit [www.brokermentor.co.uk](http://www.brokermentor.co.uk) to find out how you can use these messages in your marketing plan



All information used in this document has been supplied and validated by ICM & TGI – Zenith Optimedia.

For more information visit [www.brokermentor.co.uk](http://www.brokermentor.co.uk)



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