

Social Media and Online Marketing — What's the Real Deal?

A short and objective survey of what insurance agencies and carriers are currently doing in the online world (and how it compares to last year)

We repeated last year's social media survey for many reasons, but two of particular interest were to see whether the use of social media was growing in the insurance industry and whether it was proving to be valuable. To the first question I can unequivocally answer *yes*. To the second, I'd say it seems to be doing so, and at a minimum it is not hindering growth (see the last chart).

With this in mind, I present the results of the 2012 BHBCo Social Media in the Insurance Industry Survey. What follows is my analysis of the responses from all insurance organizations. You may have seen the earlier results that showed only insurance agency data (and I am sending all respondents that version as well), but here is the full picture.

This year we had about the same number of responses overall, but once we removed duplicates from the same organization and those that were mostly blank, we had 268 qualified responses, from 36 states and Canada. Retail insurance agencies represented 76% of the respondents; insurance companies, approximately 10%; MGAs and brokers, 6%; and the combination of consulting firms, technology vendors, and industry groups, roughly 10%.

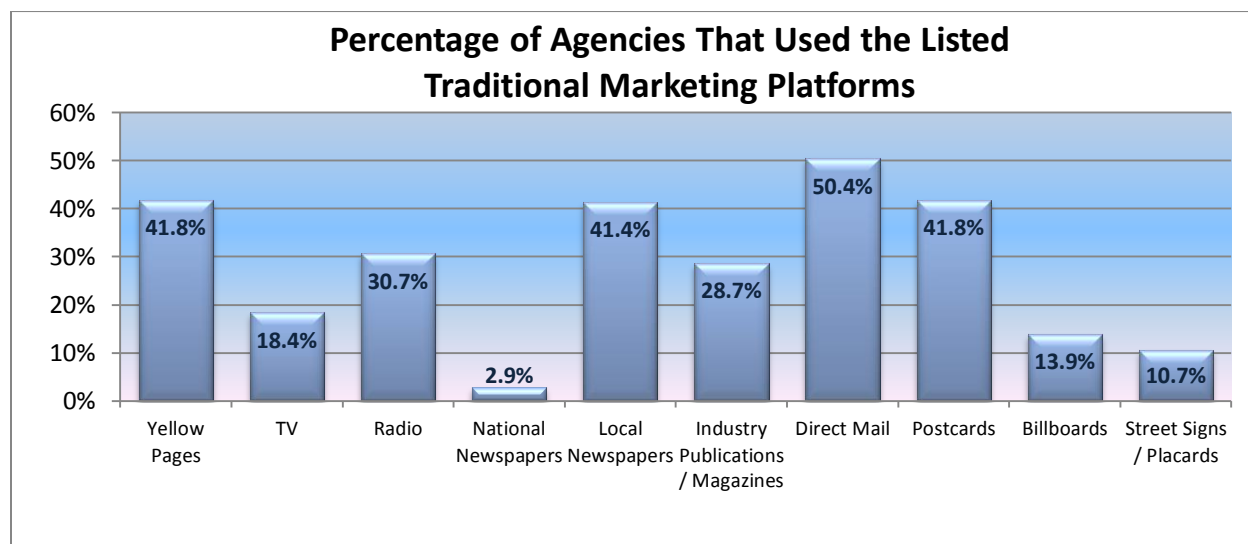
Of those responding, agency owners/principals constituted 46%; those in marketing roles, just under 20%; those in agency management, 16%; those in IT, 9%; and the combination of service staff, HR workers, and producers, 9%.

Again this year we are not making any recommendations in this report, just presenting the results for you to use as you see fit. With the 2011 results in mind, I found the following results particularly worthy of note:

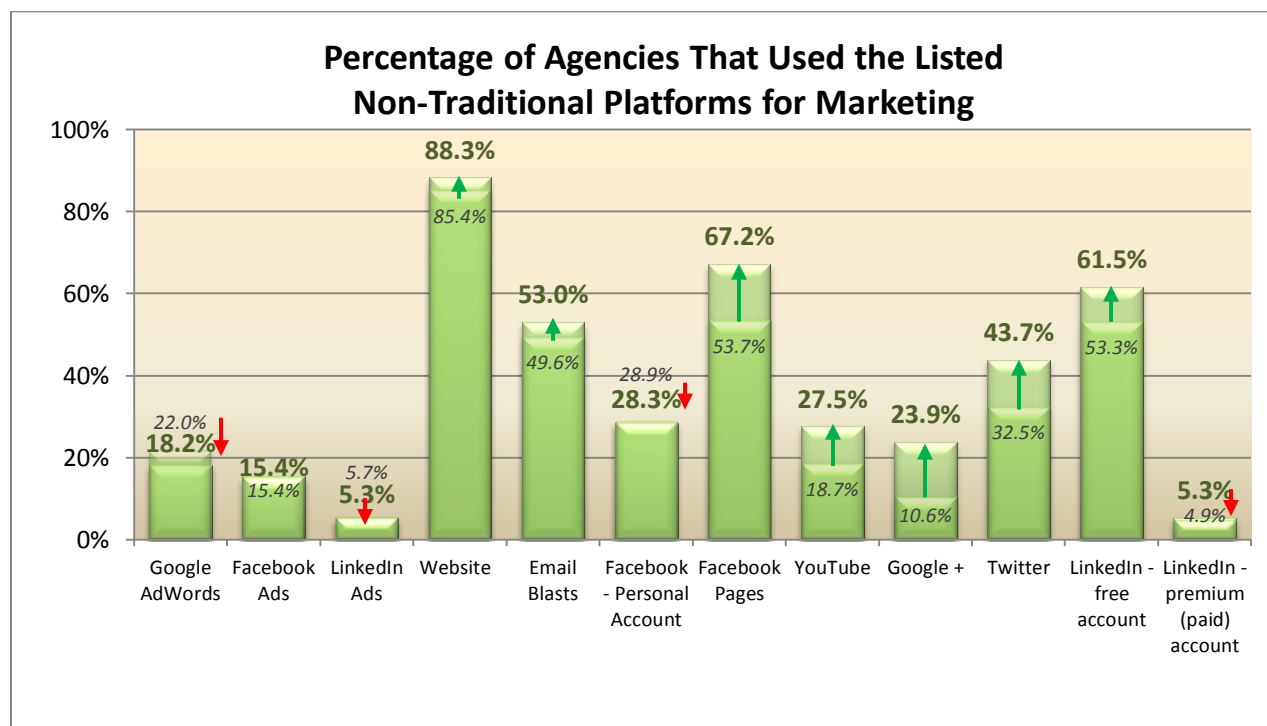
- **The use of social media, with good results, was definitely up. And the use of the major platforms in social media showed about a ten-point increase over last year for each.**
- **But a little more than a third of the respondents who were not using social media do not plan to start.**
- **There was a clear increase in the number of organizations that allowed the use of social media during working hours, in some cases with limitations, since last year.** (By the way, despite limitations and bans, employees were probably connected to social media on their phones.)

The smaller numbers in italics on the charts throughout this report are the 2011 results. Additionally, trend arrows may be shown — green indicating an increase from last year and red, a decrease.

Direct mail, postcards, Yellow Pages, and local newspapers continued to be the dominant traditional marketing platforms, with postcards showing a small increase in use, from 39% in 2011 to 42% in 2012. Many respondents also listed using local/community events and organizations and email as other traditional marketing platforms.



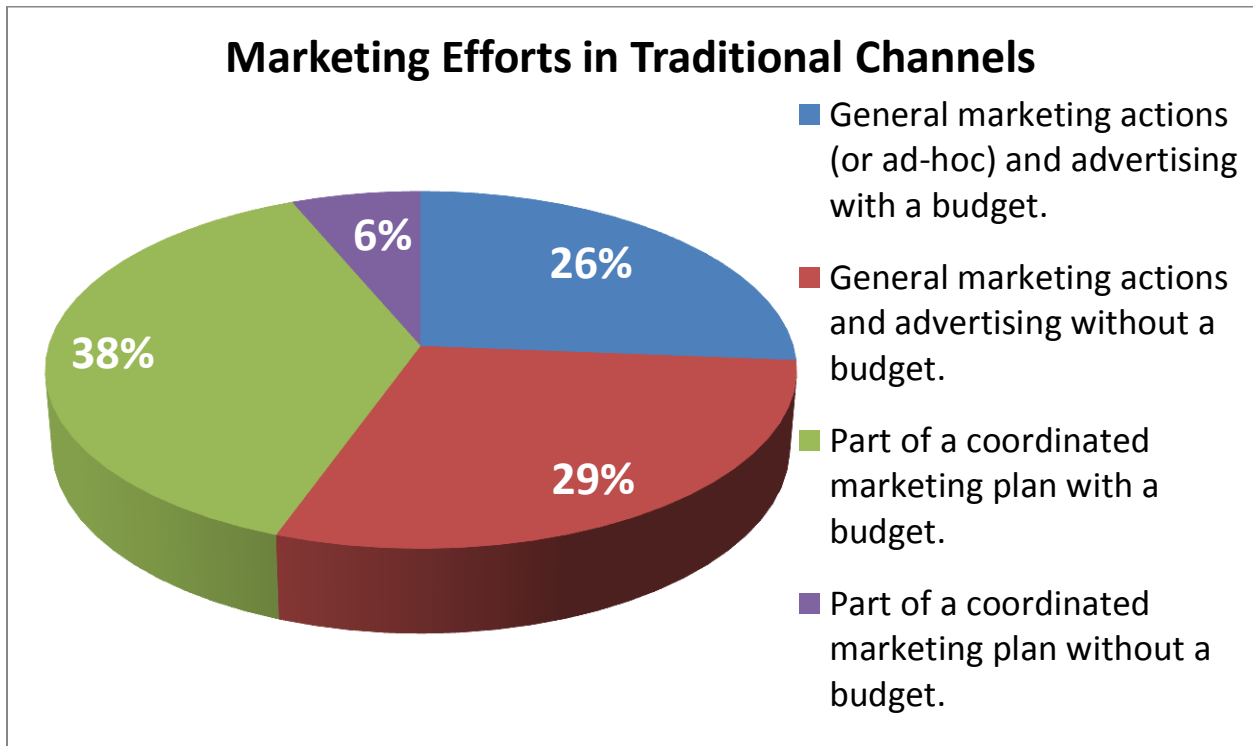
Respondents' most-used online marketing method, far and away, was their website. After that, in order, were Facebook, LinkedIn, and e-mail blasts. Usage increased more than 10% for Facebook pages, Twitter, and Google+, and almost as much for LinkedIn.



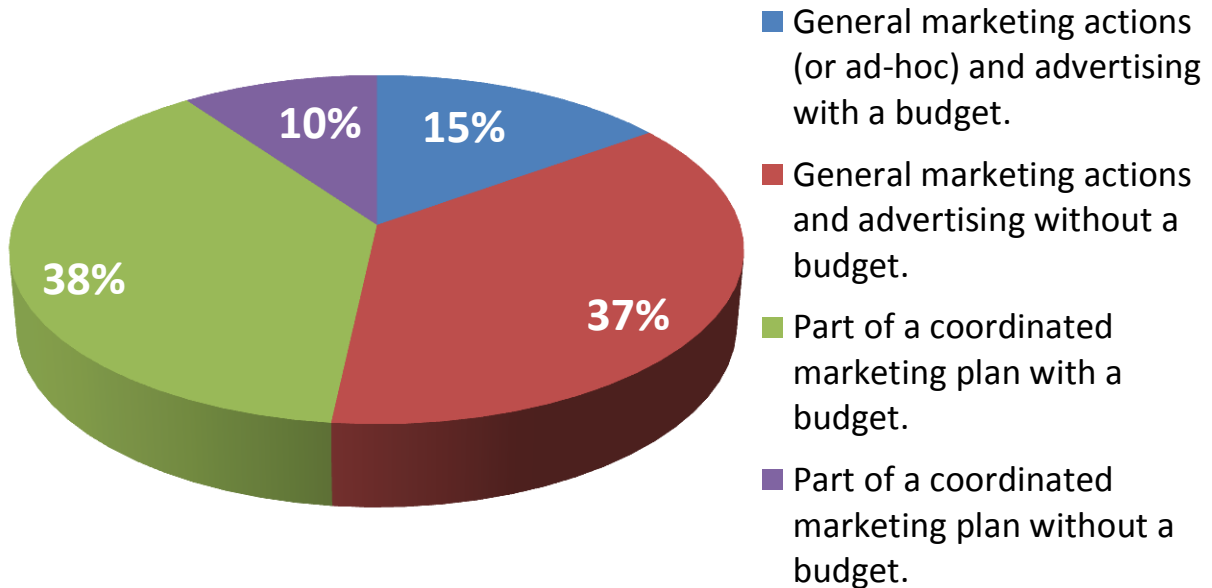
Across all agency/company sizes, respondents' Facebook pages had an average of just over 800 *Likes* (a 14% increase); the average Twitter account had 552 followers. Respondents in the \$1MM-\$2.5MM revenue range again seemed to be the most active in the various social-media platforms — with the most Likes, Followers, and Contacts.

Close to the majority of respondents indicated that they still maintained their platforms internally; however, there had been an increase in the use of content obtained from an outside source, especially for blogs and Facebook pages. There had also been a small increase in “partially maintained with outside help” blogs.

Of those who responded, about 46% (averaged) had a coordinated marketing plan, up from about 40% last year. Just under half of that group did not use nontraditional channels in their plan.

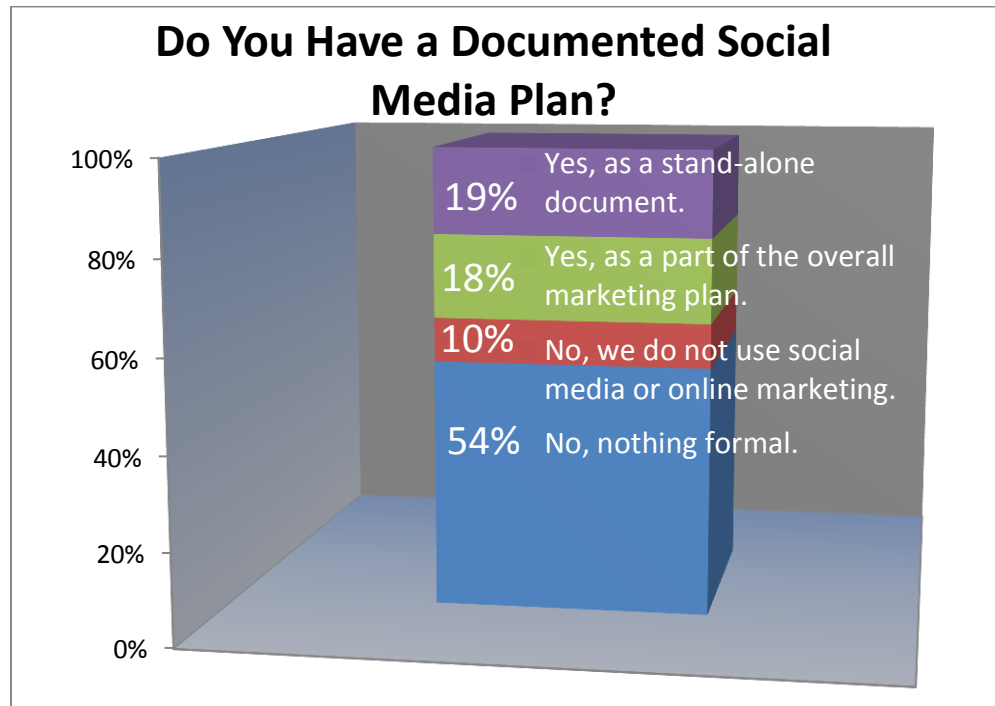


Marketing Efforts in Non-Traditional Channels

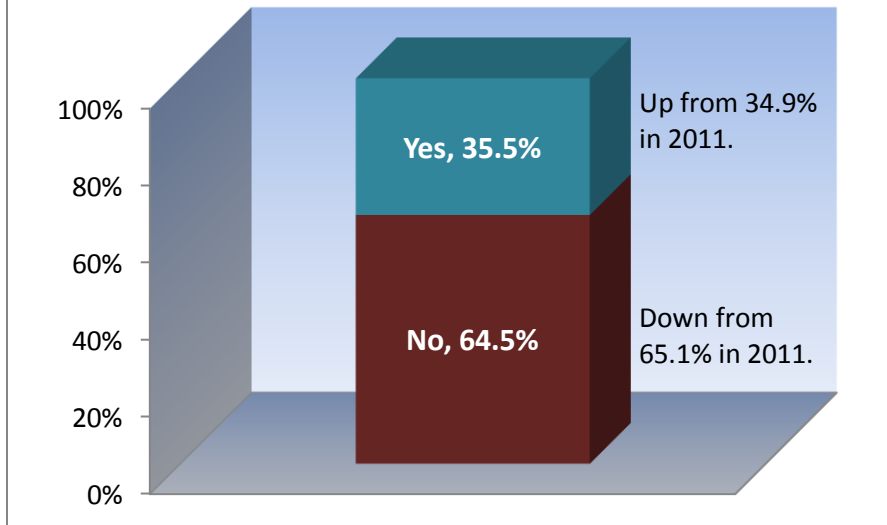


Again this year, more than half the respondents indicated that they did not have a formal or documented social media plan, either as part of an overall marketing plan or as a stand-alone document. About 37% did have a documented plan in place, a slight increase (from 35%) from last year.

Do You Have a Documented Social Media Plan?

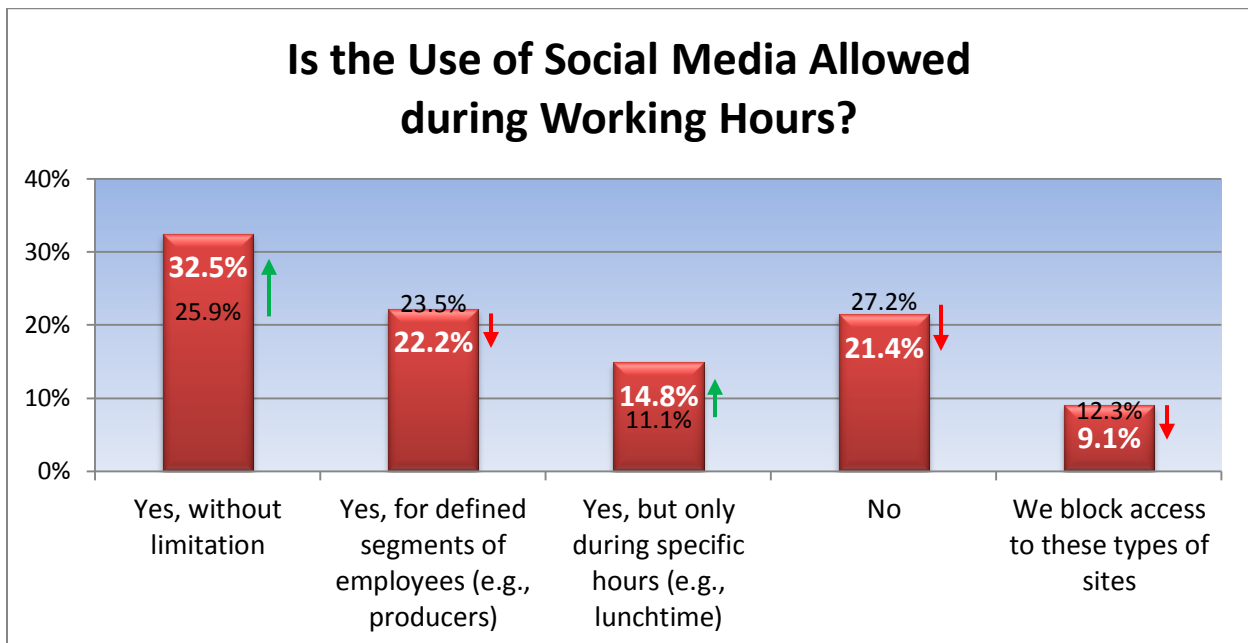


Do You Have a Documented Marketing Plan?

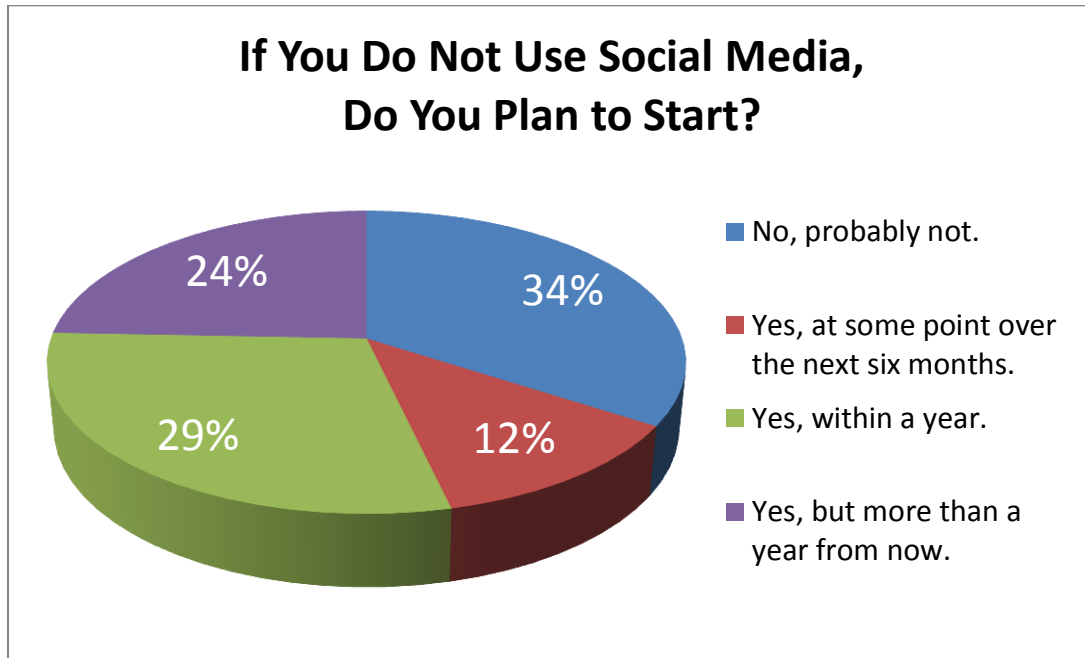


Overall, about 10% more respondents, as compared to last year, reported being allowed to use social media at work.

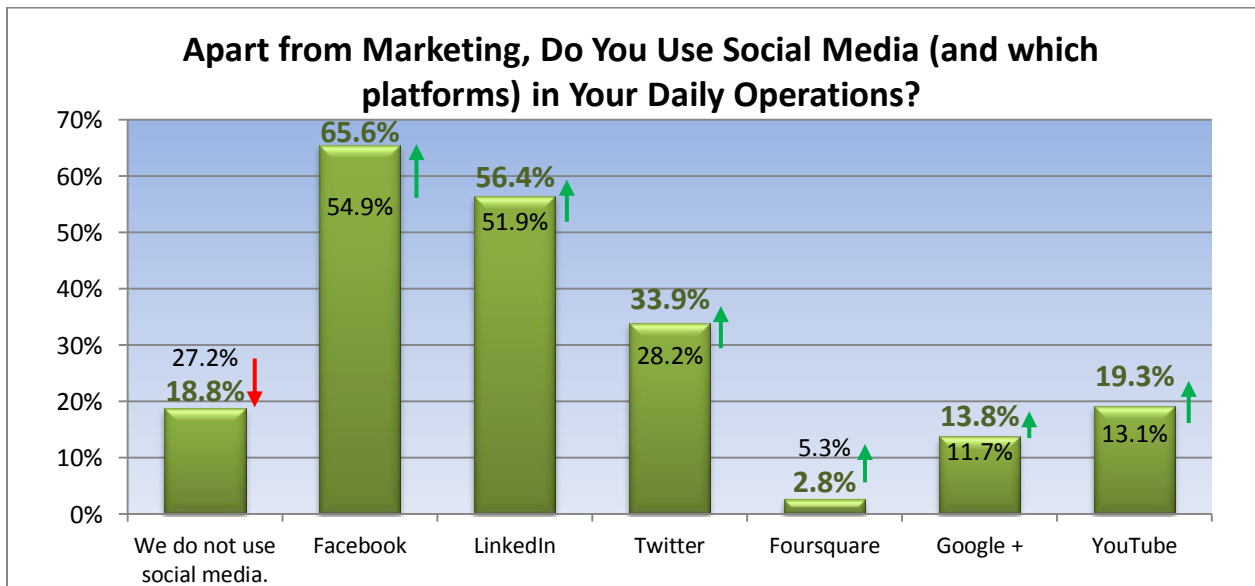
Is the Use of Social Media Allowed during Working Hours?



Just over a third of all current non-users of social media said that they do not plan to start.

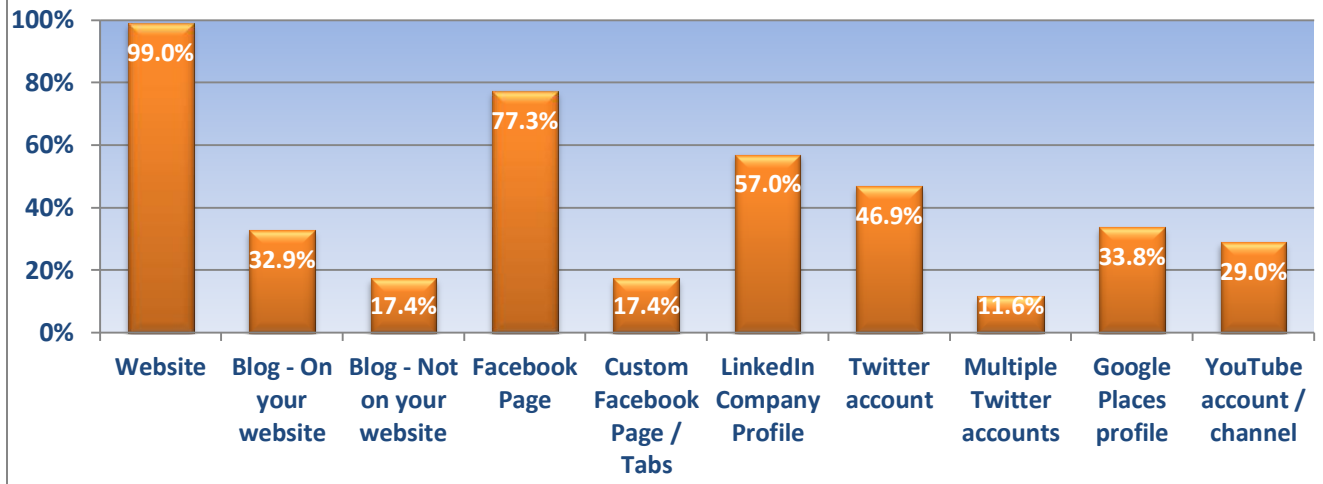


Among those respondents who used social media in their daily operations (and not just for marketing), Facebook and LinkedIn were still the favorites, with Twitter in third place. The use of all these platforms increased, with the exception of Foursquare, a location-based social media platform.



Nearly all respondents reported having a website; and whether they were using it (see the previous question) more than 75% had a Facebook page. More than half now used LinkedIn, just under half used Twitter, and a blog (on their website or otherwise), and a third had claimed their Google Places profile.

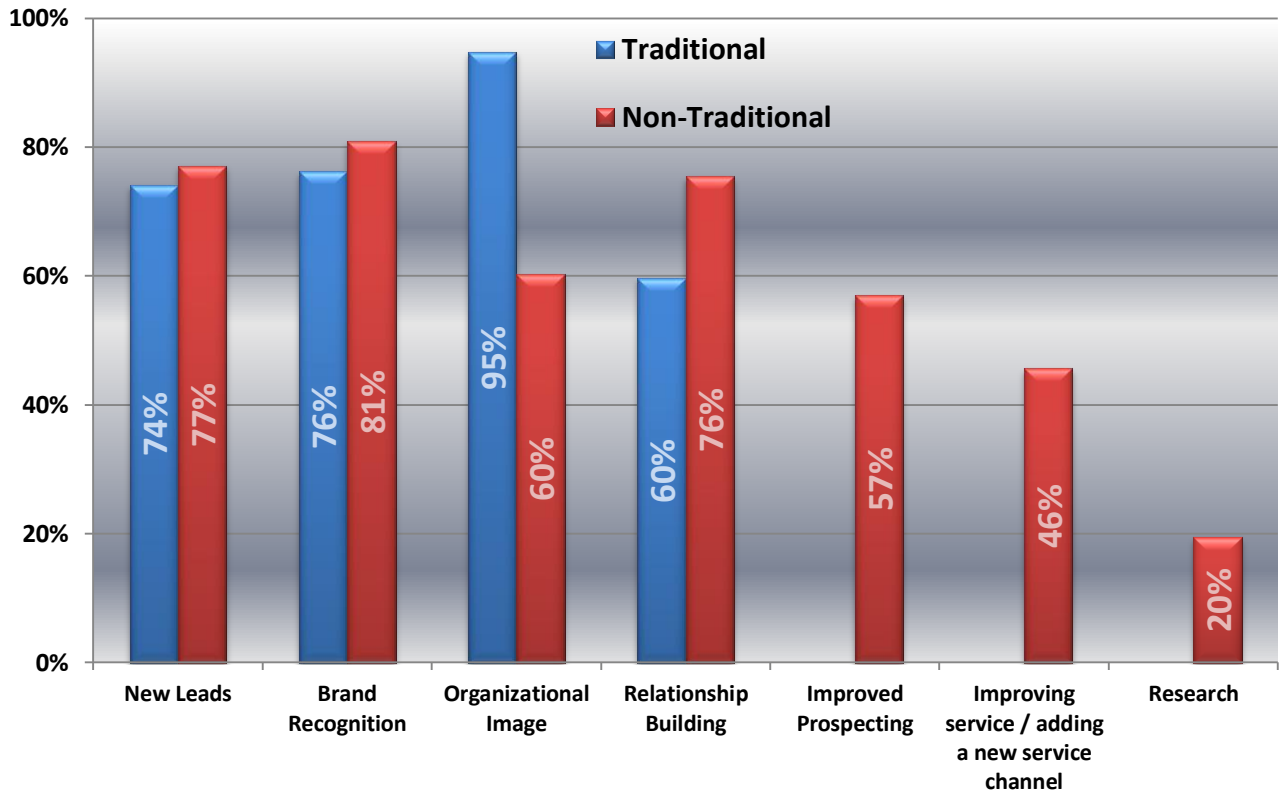
Which of the Following Platforms Are Used at Our Agency/Company?



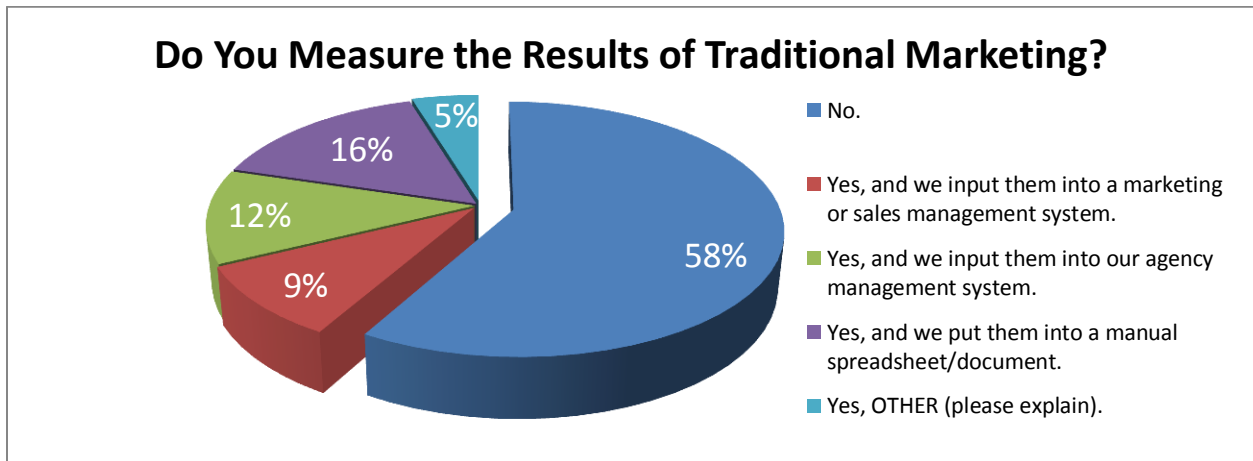
Down from 12% last year, only 8% responded that they used a location-based platform, the most common being Foursquare and Facebook Mobile. In addition, 28% (up from 20%) indicated they used a third-party sales or marketing platform (not their primary management system).

A big change from last year was that the percentage of respondents who used traditional marketing to improve organizational image nearly doubled, to 95% from 49%.

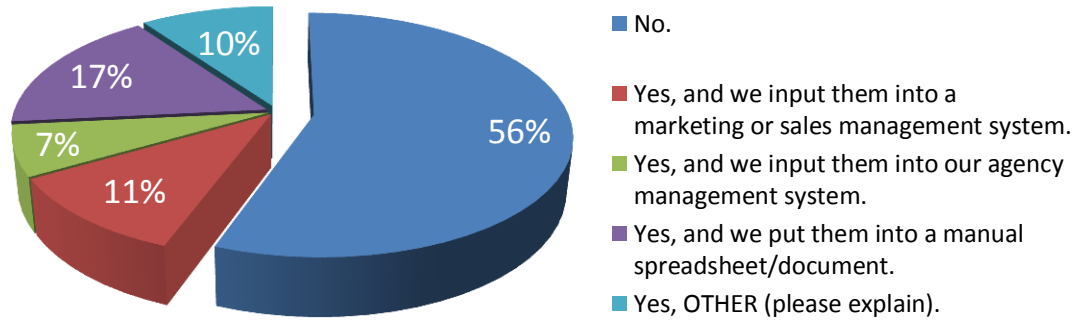
Agencies' Marketing Goals and Methods of Meeting Them



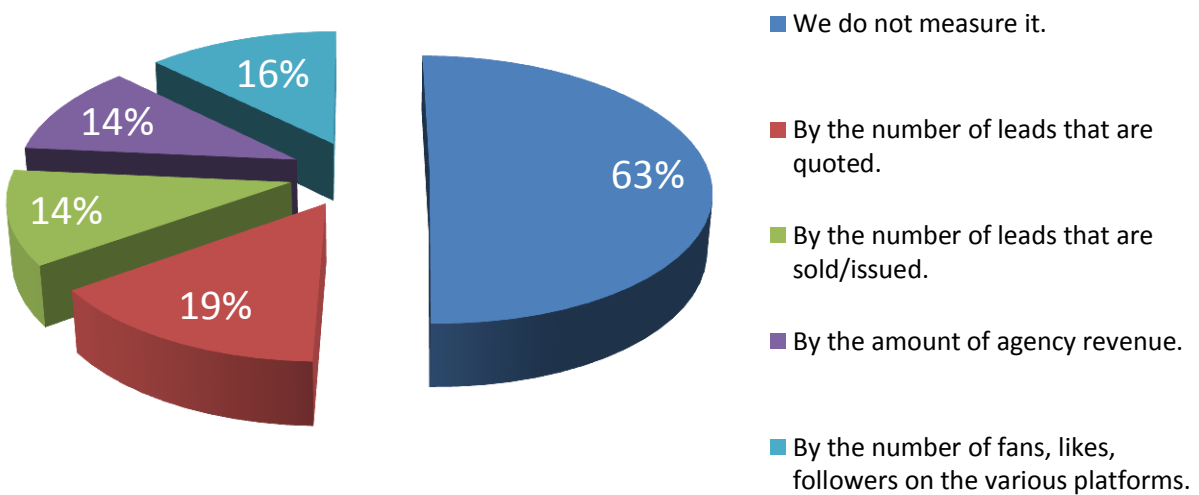
Fewer people were measuring their traditional marketing results (42% versus 46% last year), but more were measuring the results of non-traditional marketing (44% versus 42% last year). Surprisingly, there was a very slight decrease in the number of organizations that were measuring their marketing return on investment (62% versus 63% last year).



Do You Measure the Results of Non-Traditional Marketing?



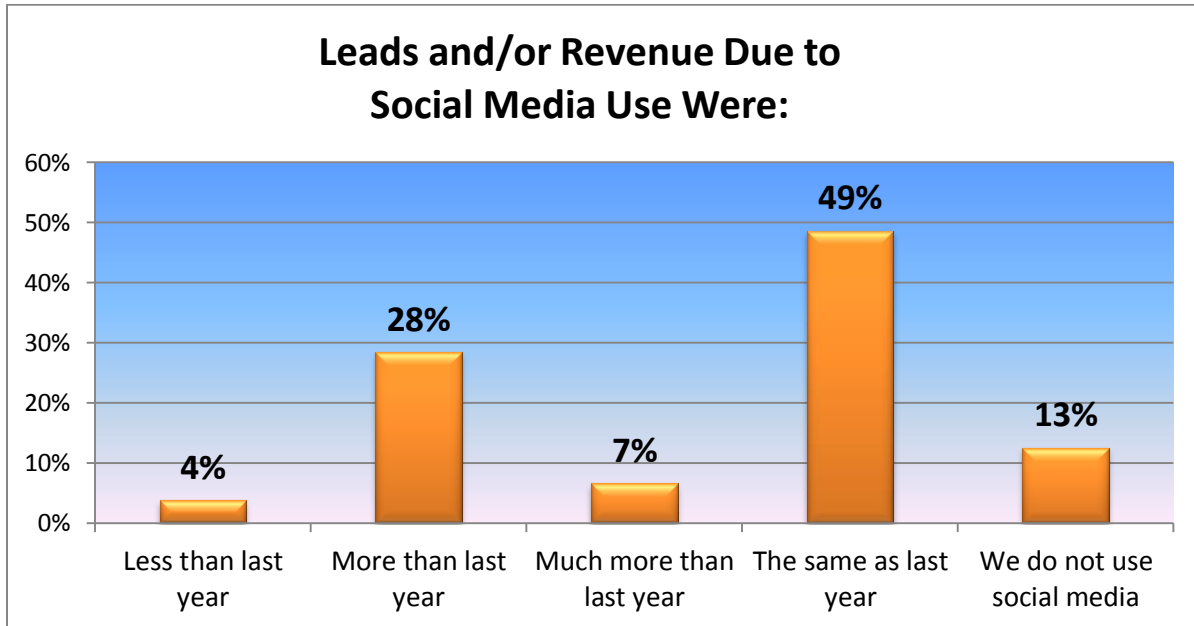
How Do You Measure the ROI of Your Marketing?



For respondents who used social media, Twitter and Facebook were still the most frequently updated sites, with about 10% of the respondents indicating they updated daily. About 80% of website-based blogs were updated at least monthly, as were 60% of the blogs that were hosted internally. YouTube, Google Places, and LinkedIn company profiles were the least frequently updated.

Websites, Facebook, and Google+ seemed to be the platforms to which most of the increase in leads and revenue could be attributed.

Finally, we asked the big question ... how did the use of social media compare to last year? As you can see below, when comparing 2012 to 2011, 35% of all respondents reported better lead-generation and higher revenue through the use of social media.



I hope this survey has given you some interesting facts about the use of social media in the insurance industry. Some definite trends are emerging, namely that the use of social media and non-traditional marketing is up and that for many in our survey, this has resulted in more leads and higher revenue.

If you have any further questions on these results, please do not hesitate to contact us via email or phone. And thank you once again for taking the time to participate in this Social Media and Online Marketing Survey!

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.bhbco.com>.