How do we win the hearts and minds of today’s consumers? Confronted with more demands on their time than ever before, is it any wonder consumers are distracted and disengaged?

There are ways we can improve our communication with consumers and enhance the customer experience — but, based on a recent study conducted by LIMRA and Maddock Douglas, we clearly have work to do.

The study found that consumers do not believe we are “authentic” in our communications to them. They say the words we use are confusing, and they don’t relate to the images we include. To connect with today’s consumers, we must find ways to communicate more effectively. We will need to do many things differently, exploring new technology to engage with current and potential customers.

We need to really look at who today’s consumers are and what motivates them. We know that we are far more diverse than previous generations — in fact, by 2060 minorities collectively will make up nearly 60 percent of the population. But so much more has changed. The makeup of U.S. households has shifted: The number of multigenerational family households has doubled, and it has for single-parent households as well. LIMRA research tells us this diversity is reflected in what these individuals believe they need and how they prioritize their financial decisions.

Further, women and Millennials are playing more prominent roles in purchase decisions around financial products, and LIMRA research shows that the ways they gather information and make these decisions are very different from other groups. If we want our products and services to resonate with them, we need to better understand how much has changed and how we should adapt to meet them where they are.

We can no longer think our competition is just another financial services company. We are competing with Apple®, Amazon®, and every other company trying to gain consumer mind share.

So how do we make life insurance one of their priorities? How do we convince them to save more each month for retirement? How can we help them make better financial decisions?

Our research tells us we need to adopt new approaches like social media initiatives, data analytics, and gamification to better engage with consumers. The end goal is the same: to help them make better financial decisions about protecting their families with life insurance and saving systematically for retirement.

Some are successfully using gamification to help teach consumers about the ramifications of their financial decisions in an interesting and entertaining manner. For example, Schwab has created the “It’s Your Life” game, where people can make financial choices and see the outcomes that result. And gamification is not limited to being just a tool to engage consumers — Allstate, for one, has leveraged it to train their employees.

Social media can also play an important role in connecting with consumers. We are seeing companies...
successfully leveraging social media to build brand awareness and showcase brand ambassadors who will provide the credibility that today’s consumers seek. Remember, we are competing for the hearts and minds of consumers who don’t necessarily understand or trust our industry.

If you look to other industries, you will see a number of start-ups disrupting their respective markets. Companies like Zip Car® (car rentals) and Modcloth® (online retail shopping) are finding success by identifying a need through consumer feedback and coming up with a nontraditional solution. If we don’t begin doing things differently, will disruptors appear in our space? Will we see a company like Google® enter our business in some form or another?

As your trusted source of industry knowledge, it is our job to help you understand these trends and what others are doing to implement change. LIMRA’s executives are available to present research and industry analysis to your leadership and management teams or field force. It’s a perk of being a LIMRA member. I encourage you to consider inviting LIMRA to present at your planning/strategy sessions and your kick-off sales conferences. The pace of change is accelerating, and this is a great way to ensure your people are informed and thinking about the things that will advance your business goals.

The future holds great opportunity for our industry. With fewer social safety nets in place, the financial security that our products offer is critical for families. Let our research guide you in helping consumers attain the financial protection and planning they need.

ROBERT A. KERZNER, CLU, ChFC
President and Chief Executive Officer,
LIMRA, LOMA, and LL Global, Inc.

To view Bob Kerzner’s full presentation on this topic from the 2014 LIMRA Annual Conference, please visit www.limra.com and view the “Must-See Video.”