Insurer Identifies Right Marketing Strategy for New Sales Focus



A major health insurance company sought to significantly increase its individual enrollments over the next three years. Before investing considerable resources on this new channel marketing initiative, the company's leaders decided to obtain outside assistance to analyze and assess their plan.

Problem to Solve

In business, as in life, what appears initially appealing may not be your best choice. Getting quality input from a trusted advisor can help with that decision-making process.

A major health insurance company sought to significantly increase its individual enrollments over the next three years, and had correspondingly developed a marketing strategy involving multiple new channels. The company's leaders were certain they were on the right path. Everything looked good to go.

Before investing considerable resources on this new channel marketing initiative, the company's leaders decided to obtain outside assistance to analyze and assess their plan. Freed was selected based in part on its industry experience as well as its ability to partner with several key thought leaders, experienced in health care channel marketing, who could be interviewed on this subject.

Strategy

To pursue multiple date- and regional-specific sales opportunities, this client requested Freed's input on its

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channel marketing strategy within an extremely tight, two-month time frame.

In particular the company sought to increase plan enrollment among seniors and families with children across 16 specific target states. Getting the word out to potential individual customers in the targeted states was the insurer's greatest need – hence its interest in a multi-channel sales and marketing strategy. The insurer and Freed developed a multi-pronged project strategy which included:

- Researching and developing an understanding of multiple new marketing channel/distribution options
- Developing new channel/distribution strategy options for the insurer, as appropriate
- Assessing proper financial compensation for product sales, including a commission and incentive payment structure
- Developing a high-level, staged execution plan

The team also identified areas that this engagement would not cover, including assessing existing channel partners, evaluating channels for non-traditional insurance products and analyzing specific marketing/product initiatives.

Results

Within the first 30 days of this project, Freed identified nine marketing channels with the potential to help the insurer reach its desired target audiences. Freed also conducted 11 primary research interviews with industry experts, and secondary research on industry trends, the competitive landscape and potential channel partners. From this initial research, six of the nine initial channels were deemed worthy of further due diligence; the other three channels were ruled out.

Over the following 30 days, Freed led additional primary and secondary research on the six remaining potential channels, evaluating each against a pre-set list of viability criteria. This effort revealed a clear recommendation for the insurer to focus its sales and marketing resources on three of the six channels. Based on this a high-level staged execution plan was created to enable the insurer to independently pursue partnership opportunities within the three identified channels.

As the number of potential channel partners was winnowed from nine to three in this project, the insurer was initially surprised by some of the results. Prior to this effort, the company's leaders were intrigued by the allure of several new and seemingly innovative marketing channels. This project revealed these newer channels were unlikely to produce the insurer's desired results. Instead, the final three channels selected were tried-and-true options that the insurer was leveraging in other business areas, such as in small and large group sales.

Ultimately, the insurer was able to proceed with an execution plan for pursuing partnerships in three highly promising channels, each with the potential to significantly expand the insurer's sales.

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Conclusion

Three primary factors contributed to the ultimate success of this project:

1. The willingness of the client to verify its channel marketing strategy
2. The ability of the insurer and its consultant to effectively collaborate throughout this effort
3. The company's ability to gain access, through its consultant, to multiple industry experts with strong experience in health care channel marketing

The insurer is now well-positioned over the next two to three years to pursue its channel marketing strategy, confident in knowing that its channel choices are accurate.

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