



The Essential Guide
to Marketing

Life Insurance to Millennials

Talking about Meh Generation


Millennials, roughly defined as everyone born between 1980 and 2000, are the hot topic for marketers across industries. But perhaps no industry is struggling with the Millennial conundrum quite as much as the insurance industry. While Time magazine got a lot of attention for referring to Millennials as the “Me Me Me Generation,” life insurers would more likely refer to them as the “Generation Meh” for their apparent apathy toward protection products.¹

When it comes to life insurance, Millennials have historically low levels of ownership. According to a LIMRA study, 34% of Millennials don't have any life insurance.²

Most Gen X and Y'ers believe they need more life insurance, but less than 20% said they're very likely to buy.

Here are some of the reasons:

- When compared to previous generations, Millennials are delaying marriage and children by almost a decade.³ Without dependents, many do not see a need for life insurance.
- A series of Prudential focus groups and surveys reveal Millennials think life insurance is only for the old and the sick. This perception is reinforced by life insurance commercials featuring older people promoting guaranteed issue or final expense coverage.⁴
- Millennials have come of age amid stagnant wages. Although Millennials are more educated than any previous generation, many are underemployed⁵ and therefore may feel life insurance is not affordable.
- Millennials are burdened with student loan debt which is discouraging or even blocking many Millennials from buying their first home. In the meantime, rising rents are creating an even tighter financial squeeze, for life insurance and everything else.
- Millennials, more than any other generation, are skeptical of large institutions and distrustful of marketing. Surveys reveal that, as a whole, they tend to know very little about the insurance industry, how it operates or even basic costs of insurance policies. Because they don't have assets, they often don't feel the need to buy coverage. Yet the fact that 80% say they know nothing about insurance at all suggests they aren't listening to all the consumer education content out there.⁶



Knowing Millennials' behavior is one thing.

Knowing how to change it is another.

Bodden Partners has
been studying changes
in the life insurance
industry for

over 40 years.

We find that in-depth research findings and observations result in the creation of our most effective marketing communications.

Segmentation is key to selling life insurance to Millennials

The Census Bureau projects the Millennial population at 75 million people, and growing.⁷ This generation continues to expand as young immigrants swell their ranks. With a growing influx of immigrants and immigrant births, Millennials are the most diverse generation in history, yet among marketers there is a tendency to assume they are the same when it comes to their lifestyle, use of technology, attitudes, behaviors, opinions and preferences.

For life insurance marketers, separating Millennial myth from reality is the key to success. While popular perception says Millennials are single and living at home or sharing an apartment with friends, the reality is that sizable segments within Millennials are shouldering significant family responsibilities:

Prime Millennial Segments

- **Getting married** According to a MetLife study, 55% of Millennials are married or in a domestic partnership. And 40% of couples living together will eventually go on to marry. Purchasing life insurance policies and designating each other as the beneficiary gives both parties the security of knowing that joint financial responsibilities can continue to be met no matter what happens.⁸
- **Raising families** Among older Millennials, between ages 25-34, there are now 10.8 million households with children, 46% of them young children. Furthermore, with Millennials accounting for 80% of the 4 million annual U.S. births, the number of new Millennial parents stands to grow exponentially over the next decade. The birth of a child is a proven trigger for purchasing life insurance.⁹
- **Raising families alone** Roughly 1 million children are born to single Millennial parents each year. Overall, it is estimated that some 57% of Millennial mothers are unmarried. Without the benefit of a second income to support these children, the need for a life insurance safety net is palpable.¹⁰
- **Carrying student debt** A full 61% of adult Millennials attended college, and more than 2/3 of them took out student loans. That means 40% of adult Millennials are burdened with student loan debt. And not just a little debt – in fact they have about \$150 billion in private student loans¹¹ and 90% of them were co-signed by parents.¹² As a co-signer, parents assume responsibility for paying off the loan if their child is unable to do so. Unlike government loans, private lenders are not bound by any requirement to relieve co-signers facing financial hardship, even when it's a parent whose child has passed away. Life insurance protects parents, grandparents and other co-signers from a potential financial catastrophe.

Getting married



Raising families



Raising families alone



Carrying student debt

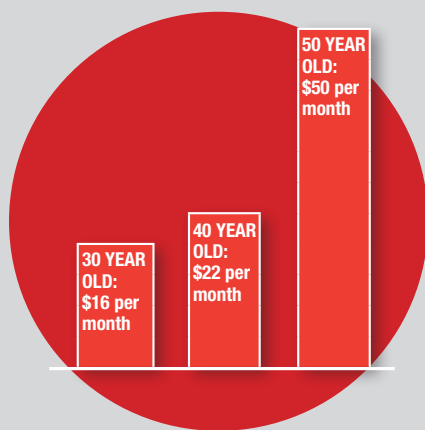


Challenges particular to Millennials

Everyone knows Millennials are on a tight budget. Cost is the reason most people give for not owning life insurance. According to LIMRA, 86% of people who have not bought life insurance are holding back because they think it is too expensive.¹³ Yet life insurance can easily fit into almost any budget, even a person just starting out. Young people can lock in life insurance at rates that would make most people green with envy. Missing out on locking in low rates when you're young is like missing out on buying Google stock in the early days.

Their pricing ideas are way off. Ironically, when it comes to affordability, Millennials are holding themselves back. A recent survey showed that Millennials overestimate the price of life insurance by 213%.¹⁴

They need to realize that waiting comes with a price. Of course the longer they wait, the more expensive life insurance will eventually become. By the time Millennials marry, have children and buy a home, the same policy they could have locked in at a low rate will then cost much more. In the meantime, unforeseen health problems can develop that raise the rate even further or could even make the person uninsurable. On the other hand, signing up for a level-term policy at a young age locks in low rates, and the right one can guarantee access to renewal or whole life insurance in the future.



Waiting comes at a high price.

This chart shows the price jump that happens when putting off buying a term life policy. Rates are based on preferred premiums for \$250,000 coverage for a 20-year term for a 25-year-old male non-smoker.¹⁵

Identifying your audience is not enough. You need to do more than know who to talk to. The more difficult task is speaking to them in a way that will get them to stop, pay attention and take action. The challenge of marketing insurance to Millennials is compounded by how long it can take for a prospect to move through the buyer journey. According to LIMRA, an estimated 19 million consumers are stuck somewhere in the buying process. Many of these are older Millennials ages 22-33 who have either shopped for a policy in the past year or plan to do so in the coming year. Yet when interviewed about their shopping experience, they describe the process as “confusing, frustrating and overwhelming.”¹⁶

Millennials are a notoriously tough audience. Marketers today face a huge obstacle when trying to reach young consumers: 84% of Millennials don't like traditional advertising nor do they trust it.¹⁷ Having grown up literally surrounded by ads, today's young consumers are adept at skipping past ads, blocking them, or simply ignoring them.

The background is a solid red color. Overlaid on this are several thin, white, overlapping circles of varying sizes and positions, creating a geometric pattern. The text is centered in the upper half of the image.

Making the sales
process more

**relevant,
personal &
painless.**

Introducing the SOUL Process[®]

Rather than sitting around a conference room table guessing (and experimenting with) what will resonate with this audience, Bodden Partners believes the best way to understand any consumer is to listen to them. We don't mean passive eavesdropping on their online conversations, although that has its place. Nor do we mean making oversimplified, generalized assumptions about an entire generation consisting of millions of people. In our view, most of what you get from generational studies is a caricature, not meaningful or actionable insights.

At Bodden Partners, the approach we take is actually sitting down, person to person and listening to what consumers have to say. We have developed a proprietary, trademarked interviewing technique which we call The SOUL Process[®]. We hold in-depth, one-on-one listening sessions with consumers and potential buyers about their needs, as well as their attitudes and reactions to a particular product offering and brand. The ultimate goal of the questioning technique is to get consumers to tell us what they would need us to say, and how to say it, in order for them to be interested in your product.

Each marketing discipline from Digital to Account to Creative to Media is trained in the SOUL questioning technique and either calls or visits consumers in person to personally speak with them. This allows the actual developers of the marketing materials to hear firsthand not only what is being said, but *how* it is being said. Listening intently as consumers tell their own stories in their own words creates a deeper level of empathy, connection, and commitment between the creators of the marketing and the consumers who will be responding to it.

Once the interviews are concluded, each interviewer comes together in a facilitated discussion to reach consensus on what is the strongest common denominator that arose during the various interviews. This key insight becomes the SOUL of the marketing platform and sets the foundation for an integrated marketing solution.



The right message works with the right media

While we resist the urge to make sweeping generalizations about Millennials as a whole, one finding holds true. Millennials are media omnivores. They spend a cumulative 18 hours per day consuming media in a variety of formats on a variety of devices.¹⁸ Although most life insurance marketers are quite comfortable and experienced communicating face to face through agents, in printed media, over the phone, through direct mail, email and traditional web sites, many insurance marketers are expressing concern about how to effectively engage Millennials in social and other digital channels.

According to a recent survey of Millennials, not all young people are addicted to social media. Battery Ventures, a venture capital firm and Ipos, a market-research company, found that 27% of Millennials use Facebook less than once a week, and 11% don't even have an account. Additionally, 54% don't have a Snapchat account, and 39% aren't on Twitter.¹⁹ For marketers, these findings are another reminder not to group 75 million people into one basket or think that one form of media, social media, will solve all marketing problems.

Bodden Partners addresses business challenges using an integrated, synergistic approach where each channel builds upon and fuels the other. From the way offers, content and creative are developed to the way channels are deployed, every element of the program is engineered to contribute toward the desired result.

4 steps to get the message across

Insights from The SOUL Process will inform the communications strategy. The SOUL interviews will have revealed their goals, challenges, pain points and other concerns. Armed with that knowledge, you can begin creating an arsenal of compelling, highly relevant and engaging offers and content to draw qualified prospects to your company. Given the lack of interest Millennials have with life insurance, simply placing marketing messages in social channels is not enough. We use a 4-part comprehensive strategy to capture their attention and gently pull them through the buying process.

1. Attract potential buyers to your company with intriguing, unique, custom content across channels that draw Millennials to your company. Due to digital messaging saturation and advertising resistance, we use a multi-channel approach to reach this elusive audience. Since Millennials trust their peers more than they do professional marketers, Bodden Partners places heavy emphasis on identifying and engaging key influencers and advocates, as well as gathering and promoting user-generated content.

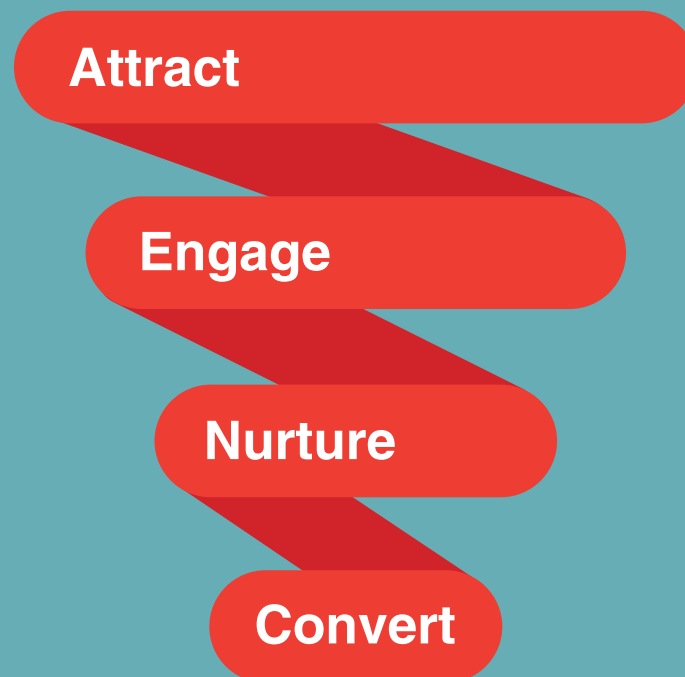


With
Millennials
you must use
media channels
wisely

2. Engage potential buyers on an individual basis to start the process of building a relationship with them. As stated earlier, Millennials are a large and diverse group with varying life situations and needs. Not all Millennials will choose to engage in the same channels or in the same ways. Therefore, we design engagement programs that create meaningful interactions based on specific actions the individual prospect may take, whether that involves opening an email, visiting a specific web page, communicating through social media, etc. We also can't overlook the effectiveness of direct mail. According to an article recently published in *Insurance Journal*, over half of Millennials have made a purchase as a result of a direct mail offer.²⁰

3. Nurture prospects with personalized assistance and support until they are ready to buy. Research shows buying life insurance can be a difficult, frustrating and lengthy process. We help companies maintain an ongoing conversation with potential buyers as they work their way through the process.

4. Convert prospects to buyers by continuously encouraging them to take the next steps. An ongoing nurturing campaign will send additional, relevant information and promotions to your leads until they are ready to become policyholders. We are life insurance direct marketers by training. Obsessed with ROI, we create multiple conversion paths and use clear calls to action in every marketing communication.



Marketing insights still work – even for Millennials

While information distribution methods are changing, human nature and buyer motivations are not. Millennials, like everyone else, desire a secure future for themselves and their loved ones. Life insurance provides what they are looking for. However for the industry to be successful, we must convince Millennials to buy the protection they need.

Powerful, actionable insights coupled with innovative targeting and messaging break through even with the toughest of audiences. **Bodden Partners** has forty years of insurance marketing experience and we continue to deliver successes for our clients. We have partnered with many of the nation's leading insurance companies including Prudential, Transamerica, Mutual of Omaha, The Hartford, Nationwide Insurance, American Fidelity, California Casualty, Horace Mann, and others.

If you would like help with an insurance marketing problem, contact Mark Silverman for a free, custom consultation.

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Put our insurance team to work on your toughest problem, we are up to the challenge.

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