



Successful Direct Marketing Techniques

Presented by Richard Bufkin, VP

TARGETLEADS
A Division of Senior Direct, Inc.



Difficult Times

- Marketing exclusively for LTC is becoming more and more difficult
- Response rates are down across the country
- More entities are mailing and the messages are similar



How to make Direct Mail work

- Market for a multitude of products.
- Vary your demographics and zip codes
- Utilize effective contact management
- Track your response and sales



Marketing Multiple Products

- Mail pieces that offer the consumer multiple offerings generate a higher response rate, by as much as 300%
- These pieces create a better environment for multiple sales



Marketing Multiple Products, cont.

- Fabulous door openers
- Everyone is looking for more people to talk to, more people to present to, these work.
- If you cannot sell LTC, the opportunity for Annuities, Life, Med Supp and more are possible
- Generate a greater referral base



Marketing Exclusively for LTC

- Use Tax Advantage language
- Partnership States will bring new appeal
- Offer to establish if a consumer can Health Qualify
- Affinity Marketing
- Duplicate Lists



Advantages of purchasing the Duplicate List

- Dupe Lists will provide the name, address and phone number of your entire mailing.
- You can easily find the neighbors of the respondents, when you are in a neighborhood, you have all the demographically qualified residents.



Advantages of purchasing the Duplicate List, cont.

- Many clients tell us that they sell as many policies from the dupe list as they do from the respondents.
- Because they received a mailer, a follow-up call to the non-responders is not cold, but a warm call.
- A very inexpensive way to generate more prospects.
- Phone numbers are DNC Scrubbed.



Varying Demographics

- If you are constantly mailing to the same zip codes with the same parameters, you may be missing opportunities.
- A zip code that requires greater driving may not be mailed as frequently and more likely to respond.



Varying Demographics, cont.

- If you are constantly mailing to a specific Income Range, dropping the income slightly may also increase response.
- You will reach new prospects.
- Income selections are estimates and may not reflect a consumers true spending abilities.



Client and Prospect Management

- If you are still using a paper filing system, you are missing opportunities.
- Leads are precious and must be treated like gold.
- Effective Contact Management is imperative to maximize the potential of your leads.



Client and Prospect Management

- Caller-Id makes it harder to reach consumers.
- Consistently calling at the same time of day is not always effective.
- Timely follow-up is critical.
- Marketing cross-sell opportunities is very hard without database help.
- Allows for ease of tracking mail and selling success or failure

TL LeadManager, our system

Welcome to TL LeadManager

You are logged in as: Nancy Baker
 Today's date is: 2/22/2008
 The current time is: 2:18:20 PM

[Search](#)
[Lead Appts](#)
[All Appts](#)
[Lead Tasks](#)
[All Tasks](#)
[Calendar](#)
[Letters](#)

Appts Today: 2 Urgent Tasks: 1 People To Call: 72 People To Mail: 39
 Appts Tomorrow: 2 Non-Urgent Tasks: 31 People To Call Today: 11 **New Leads: 5**

[Lead Detail](#)
[Correspondence Log](#)
[Lead Card](#)
[Help/FAQ](#)
[E-Mail Comments To TLLM](#)
[Log Out](#)

2 of 307

[New Lead](#) [View All Leads](#)

Go to:

	First Name	Middle Name	Last Name	Suff	Ht	Wt	Dob	Age	SSN
Salutation	Michael	J	Haber			0	10/21/1948	59	
Spouse	Sandra	M	Haber			0	5/14/1950	57	
Company	Lead Status								
Home Phone	(555) 444-4444	<input type="radio"/> New Lead (Not Contacted) <input type="radio"/> Call Back <input type="radio"/> Not Interested <input type="radio"/> Cannot Contact <input type="radio"/> Did Not Qualify (Financial) <input type="radio"/> Did Not Qualify (Health) <input type="radio"/> Mailed Info <input type="radio"/> E-Mailed Info <input checked="" type="radio"/> Appointment Set For: 2/8/2008 at 03:30 PM							
Work Phone		<input type="radio"/> Presentation Made <input type="radio"/> Application Submitted <input type="radio"/> Application Submitted & Policy Information Entered <input type="radio"/> Application Rejected <input type="radio"/> Sold/Placed <input type="radio"/> Marked For Deletion:							
Cell Phone	(555) 444-8585	At my office, very interested. Co-worker, Anna Smith, will also be there.							
Fax		<input type="radio"/> Financial Info <input type="radio"/> Comm. Tracking <input type="radio"/> Mail Jobs							
Address	24670 Main St								
City	Dallas								
State	CA	Zip	75234	County					
E-Mail	Michael@MSN.com								

Important Info

Must Call - 2/8/2008
Appt - 2/8/2008
No Mailings

Lead Category

Assigned Elk Club Member +
 Affinity Group Leads -

Assigned Date: 9/28/2005

Bookmarks:

To-do for this Lead

Must Call on: 2/8/2008 at 10:00 AM

Description: Call to confirm Appointment

Must Mail on:

Description:

General Notes

Very interested, Aunt Betty currently in LTC situation

Call Notes

Enter new Call Notes in the space below then [Click This Button](#) to save them.

Thu Feb 21 2008 12:40PM [Save](#) [Del](#)

They are looking forward to our appointment.

Tue Jan 8 2008 8:54AM [Save](#) [Del](#)



Enhance Your LTCi Direct

Marketing

Program for Maximized Profit

Andy Biswas

Sr. Director - Marketing Strategy

ChoicePoint Precision Marketing



Disclaimer

Any opinions, advice, statements, or other information or content expressed or made in the following presentation are those of the presenter and do not necessarily state or reflect the positions or opinions of ChoicePoint Inc., its affiliates or subsidiaries.



Session Overview

- ❖ Common strategies used
- ❖ How to use an analytics-driven marketing strategy
- ❖ New concepts for cross-sell/up-sell

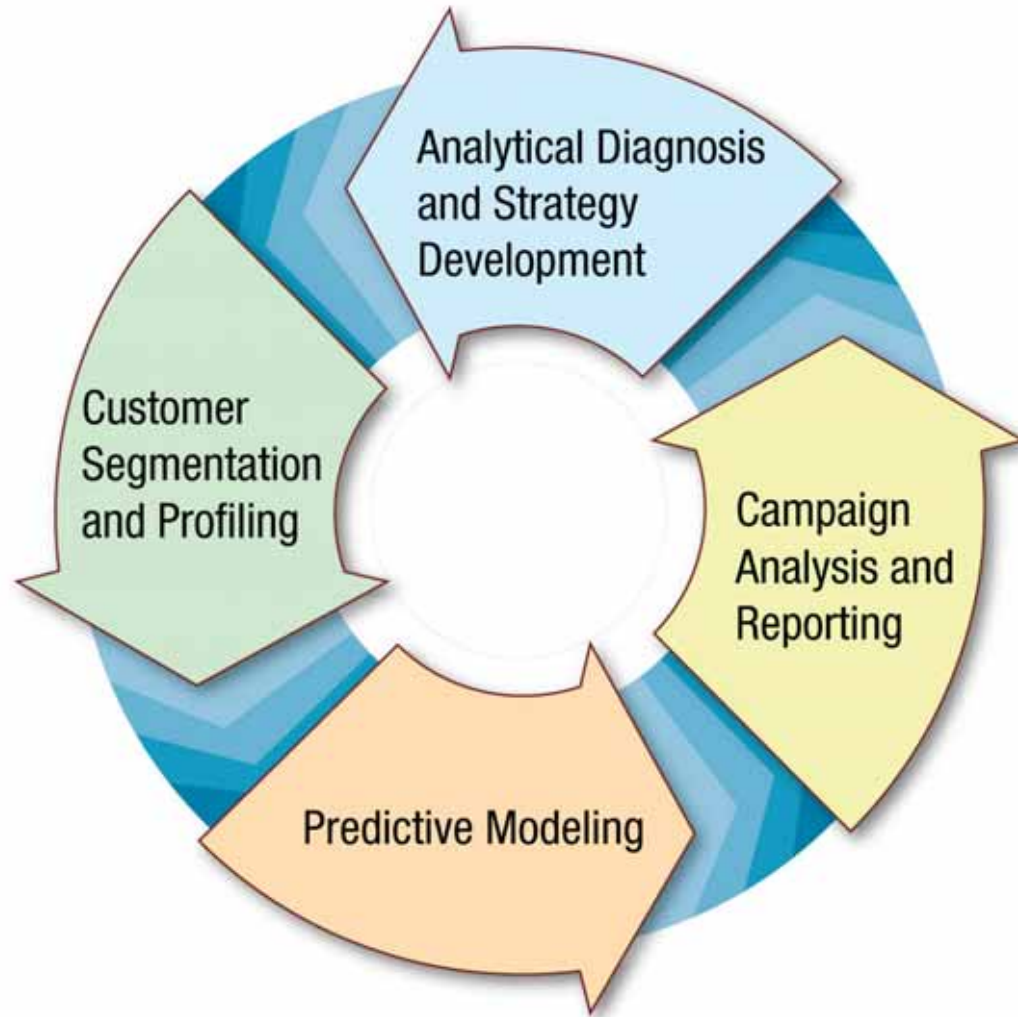
Components for Successful LTCi Marketing



Creative – Prevailing Marketing Messages

- ❖ Home care instead of nursing care
- ❖ Income tax deductions/credits and tax-free benefits
- ❖ Retirement strategies with LTCi as cornerstone – Medicare limits on LTCi coverage
- ❖ State partnership programs, including asset protection from Medicaid spend down

Analytics-driven Marketing Strategy



Analytics-driven Marketing Strategy

- ❖ Using **multi-sourced data** can improve response rate by 40-45%
- ❖ Multiple mailing to same prospect can improve response rate – maximum of 2-3 mailings per year

Profile of Responders and Non-Responders

Characteristics	Responders	Non-responders
Age Group	48% between 65-70 yrs	59% below 65 yrs
Education: High School or less	45%	35%
Income	64% between \$35-\$75K	55% above \$75K
State Income Deciles: Top 20%	46%	28%
Number of different types of credit cards: 2-3	55%	61%
Mail Order Buyer	89%	83%

Analytics-driven Marketing Strategy

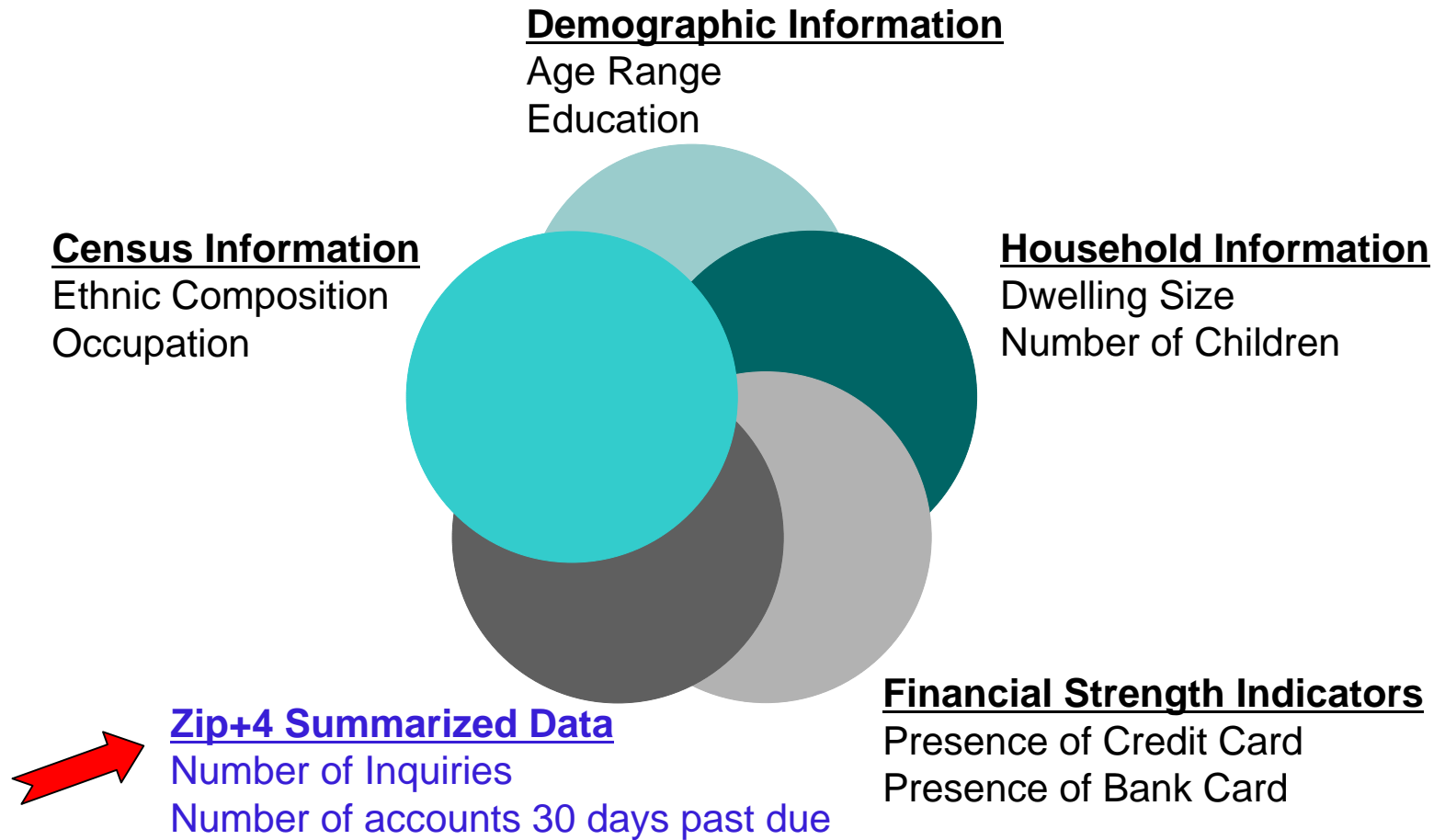
Predictive Modeling

Identify patterns in data and develop models that can be used to predict consumer behavior.

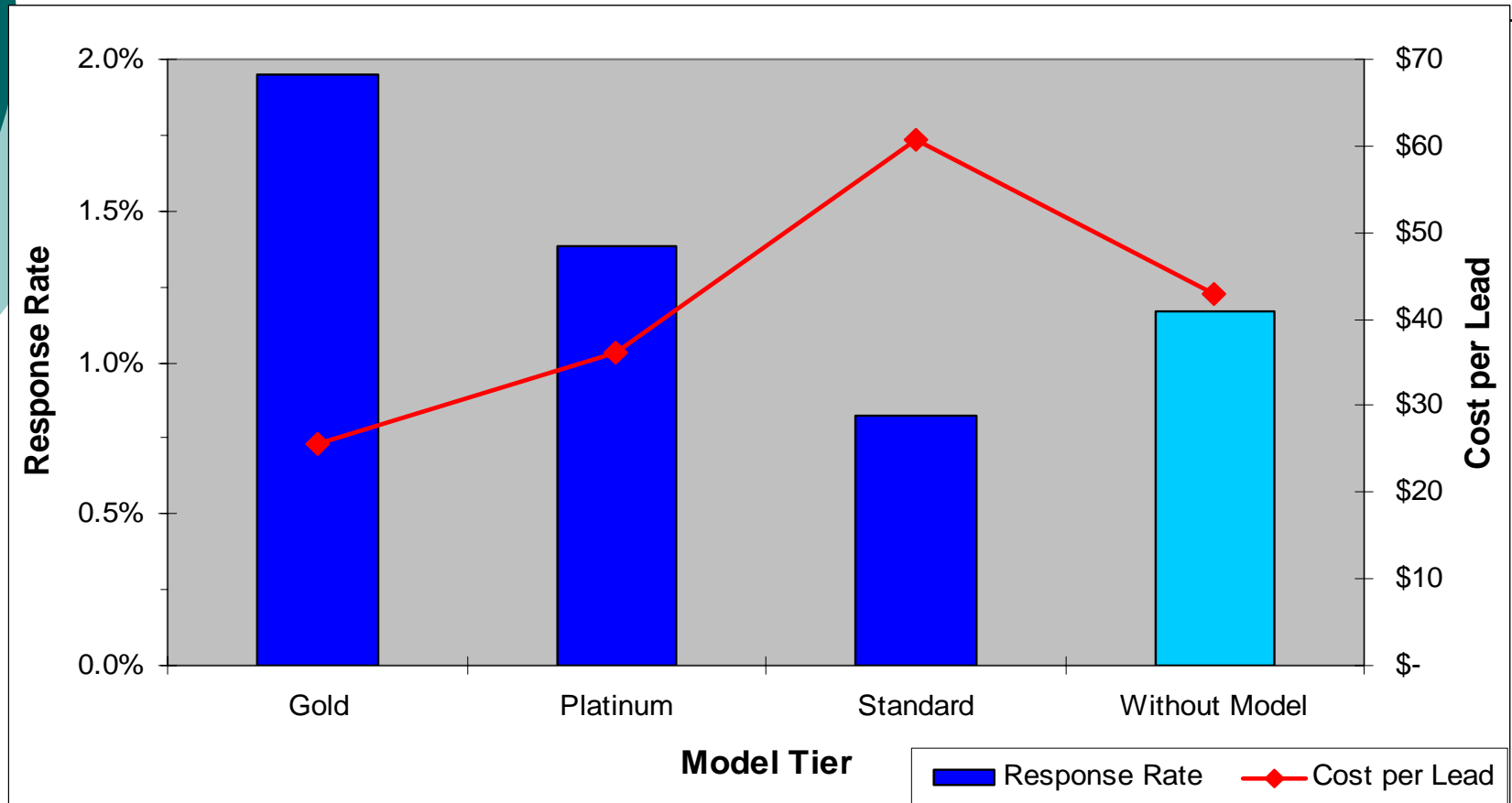
Common types of marketing models used:

- ❖ **Look alike/clone model** – ranks a population based on how closely their characteristics match the target group
- ❖ **Response model** – predicts propensity of a consumer to respond to a marketing offer
- ❖ **Conditional purchase** – predicts propensity of a consumer to respond to a marketing offer and purchase the product
- ❖ **Multi-state/region** – improves overall performance while taking into consideration the regional differences

Response Model



Response Rate by Tiers



- The response rate of the gold tier prospects is 68% higher than the average, and their cost per lead is almost 40% lower than the average.



Model Implementation

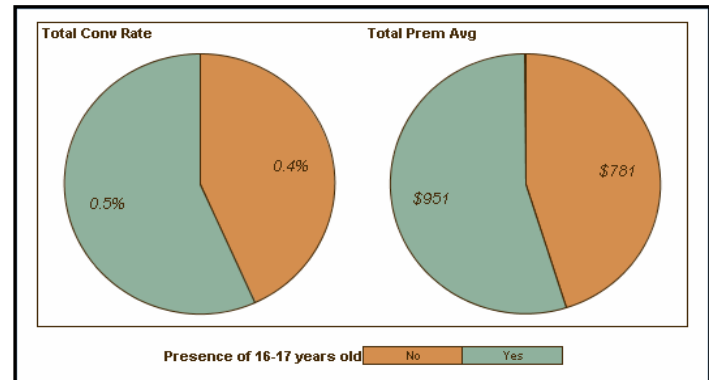
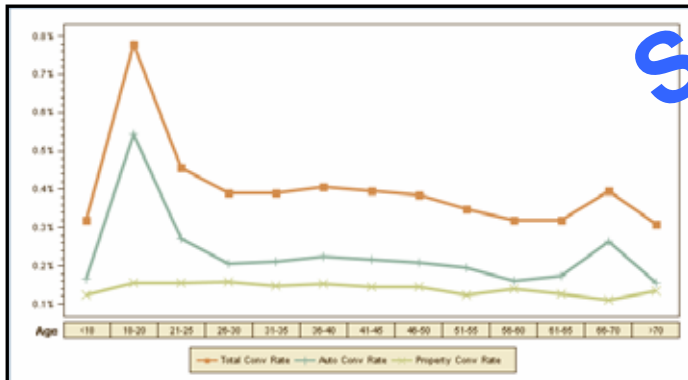
- ❖ The generic models are intended for independent agents or new marketers, or for short-term use by larger clients to provide them with some performance lift while simultaneously building custom models for them.
- ❖ As a next step, larger carriers and IMO's should consider building custom response and/or conversion models.

Analytics-driven Marketing Strategy

Campaign Analysis Reports

This step gives you the fact-based information you need to make strategic decisions that can positively impact marketing performance.

Model Decile	# Mailed	# Resp	Resp Rate	# Policy	Net Sales Rate	Resp To Policy Rate	Cost Per Sale	Total Lifetime Premium	Average Lifetime Premium
0	1,447,457	32,458	2.24%	2,465	0.17%	7.59%	\$ 294	\$ 18,700,955	\$ 1,787
1	1,425,562	27,975	1.96%	1,903	0.13%	6.80%	\$ 375	\$ 14,844,650	\$ 1,654
2	1,243,467	19,264	1.55%	1,309	0.11%	6.80%	\$ 475	\$ 11,582,868	\$ 1,551
3	1,567,913	18,461	1.18%	1,056	0.07%	5.72%	\$ 742	\$ 7,917,121	\$ 1,411
4	1,024,568	9,978	0.97%	575	0.06%	5.76%	\$ 891	\$ 5,714,478	\$ 1,386
5	645,252	4,564	0.71%	355	0.06%	7.78%	\$ 909	\$ 2,560,413	\$ 1,307
6	425,665	2,564	0.60%	203	0.05%	7.92%	\$ 1,048	\$ 958,048	\$ 1,222
7	102,155	445	0.44%	49	0.05%	11.01%	\$ 1,042	\$ 139,360	\$ 1,072
8	54,236	189	0.35%	22	0.04%	11.64%	\$ 1,233	\$ 41,985	\$ 933
9	31,112	52	0.17%	11	0.04%	21.15%	\$ 1,414	\$ 15,720	\$ 786
Total	7,967,387	115,950	1.46%	7,948	0.10%	6.85%	\$ 501	\$ 50,939,460	\$ 1,287



Cross-sell/Up-sell Strategies

Product Preference Indicator

Analyzes consumers' buying pattern to:

- ❖ Identify products and services that appeal to the customer
- ❖ Provide information about when to time an offer

Applications:

- ❖ Group products and services based upon customers' buying habits
- ❖ Product offer recommendations – identify **“next best product”**
- ❖ Targeted offers
- ❖ Cross-sell/Up-sell



Questions?

Please Contact:

Andy Biswas

Sr. Director - Marketing Strategy,

ChoicePoint Precision Marketing

Tel. (770) 663-2436

Fax. (770) 752-5787

andy.biswas@choicepoint.com