

# 10 Steps to Building A Marketing Plan & Some Case Studies

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Workshop  
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# Step One - Target Audiences

Segment and prioritize your program marketing audiences

- Retail Agents/Brokers
- Wholesalers/Intermediaries
- Affinity Groups (associations, organizations, industry groups)
- Insured end-user buyers

Who are your most important customers?

# Step Two - Customer Needs

Understanding your customer and their needs

- Customers may have different needs
  - Agent/brokers want to cover their client's exposure at a fair and reasonable price and retain an attractive commission
  - Wholesalers want good coverage for a very competitive price that will allow them to sell in volume with a good margin
  - End users want the best product coverage for the best possible price

Identify your respective customer's "pain points"

# Step Three - Program Differentiators

Breaking down your program/product's marketing assets & liabilities

- Conduct a SWOT analysis to objectively assess your program's:
  - Internal strengths and weaknesses versus your competitors
  - External opportunities and threats that could influence your marketing
- Honest self-assessment of your program's position in the market
  - Leader - Superior product/positioning (focus on growing market and SOM)
  - Challenger - Competitive product in some areas (leverage assets to overtake #1)
  - Follower - "Me too" or parity product (focus is basically on surviving)
  - Nicher - Own a unique market niche with few competitors (remain differentiated)

Strategically maximize assets and minimize liabilities

# Step Four - Growth Strategies

A good marketing plan is in sync with one's business plan

- Know your company's overall business goals
  - Ideally read, but at least be knowledgeable of business plan
  - Discuss your conceptual approach to your marketing plan with your company's principal(s) prior to full plan development
  - Early buy-in from management enhances plan success
- Determine optimal marketing strategies to drive business growth
  - Program awareness to specific target audience(s)
  - Product leverage points (coverage/enhancements/price/etc)
  - Specific marketing tools to reach specific audience(s)
  - Effective messaging to appropriate audience
  - Expansion of distribution channels for program/product
  - Innovative new ways to reach decision makers (out of box ideas)

Think about business goals in marketing plan development

# Step Five - Communication Tools

Choose communication vehicles based on needs of marketing plan

- Website
- Online Marketing
- Trade Advertising
- Trade Show/Event Marketing
- Social Media
- Public Relations
- Speaking Engagements
- Word-of-mouth (external and internal communication)
- Special events in your area of specialty

Deploy optimal marketing mix at available budget

# Step Six - Messaging

Translating marketing strategy into strong messaging is not easy

- Articulate your program's most important attributes
  - Write all down attributes, prioritize and look for key areas of leveragability
  - If you do not have a strong and distinctive positioning or tagline, create one
  - When you have a central theme line, try to use it on every touch point
- Learn the strategic art of consistent messaging by selected medium
  - Website content should be brief, clear and engaging AND “on message”
  - Print or online graphics and copy must also be on message and consistent
  - Discipline management, staff and self to always keep the message consistent

**Messaging Rule #1: Speak with one voice!**

# Step Seven - Budget Development

Establishing an appropriate budget and obtaining an actual budget are often hard to agree on, especially in the insurance community

- Historically, insurance entities (carriers, service providers, PA/MGA's) have difficulty understanding the value of marketing dollar investment
- There is often a “gray dollars area” of what marketing dollars really are
  - To many “marketing” is “pure sales event dollars”
  - To others “marketing” is “communicating the sales message”
- One formula for marketing budget determination is the simple “1-2-3 Rule”
  - For minimal budgets, use **1%** of agency or program’s “gross revenue”
  - For medium support budgets use, **2%** of “gross revenue”
  - For growth oriented budgets, use **3%** of “gross revenue”

An intelligent marketing plan, well budgeted, will yield results



# Step Eight - Writing A Plan

Taking the time and energy to commit a marketing plan to writing can pay dividends in several ways.

- Better organization of resources to maximize impact
  - Writing down planned activity means thought has been given to ideas
  - A written plan can help develop a realistic budget and help monitor it
- A marketing plan on paper naturally evolves into a calendar plan
  - Use of a planning calendar again helps with budget management
  - An organized calendar plan can be more easily tracked in concert with sales
- Year end, plan analysis is more accurate and helpful for next year
  - Working with a plan, a budget and a calendar can dovetail with sales metrics

When you put it in writing, you are more committed!

# Step Nine - Plan Execution

If you have done a decent job on steps one to eight, step nine is relatively easy.

- Translate written plan into marketplace action plan
  - Be proactive with closing dates, event deadlines and timely opportunities
  - Attention to detail in execution phase is very important
- If certain plan components do not appear to be effective
  - Cut back on budget investment and possibly drop for a period of time
  - In today's fast moving marketplace, marketers need to be flexible
- On other hand, if a certain component of plan succeeds
  - Shift resources and budgets to ramp up highly successful activity

Three key areas: monitor, adapt and leverage winners

# Step Ten - Measurement

The new reality in program marketing...measuring ROI

- The old marketing paradigm: spend marketing dollars only in soft markets
  - A great many PA/MGA's did not spend marketing dollars in "good times"
  - This phenomenon had near term ROI advantages but less over time
  - The ability to sustain growth is steady messaging to both prospects and customers
- The new marketing paradigm: design/execute smart marketing with metrics
  - Invest in a good mix of media, online strategies and message management
  - Explore the new media (LinkedIn, Twitter, Facebook and managed blogs)
  - Determine evaluation criteria (qualitative and quantitative) upfront (write them down)
  - Target to do quarterly snapshots and year-end in-depth analyses

Present your findings (good & bad) to management --  
you will earn respect and more support going forward

# Some Summary Thoughts

Today's successful PA/MGA's are employing a wide range of marketing tools all aimed at:

- Building a favorable image of their agency and its products
- Reaching a multitude of audiences in a cost-effective manner
- Creating a personality for their brand with a consistent story

**Smart marketing** is **retaining customers**, inviting **new prospects** to understand your offerings and providing **content on many touch points** (online, on social networks, in print, in business publication articles, in insurance meetings, inside insurance companies and among the staffs of many insurance service providers)

Now, let's review some marketplace case studies

# Mature Program: Golf & Country Clubs

## Preferred Club Program (PCP) Background

- Program started in 1994 with 30 PA golf clubs seeking affordable coverage
- Targeted private, semi-private, daily-fee and golf management companies
- Initially, mono-line workers' compensation only (two-tier carrier alignment)
- Expanded in 1997 with Club Package and D&O coverage
- Difficult risk to underwrite due to mix of complex exposures (EPA, waitstaff, etc.)
- PCP is today one of the longest-running club programs and well-known for its focus on loss prevention and loss control services

# Mature Program: Golf & Country Clubs

## PCP Evaluation and Implemented Marketing Plan Strategies

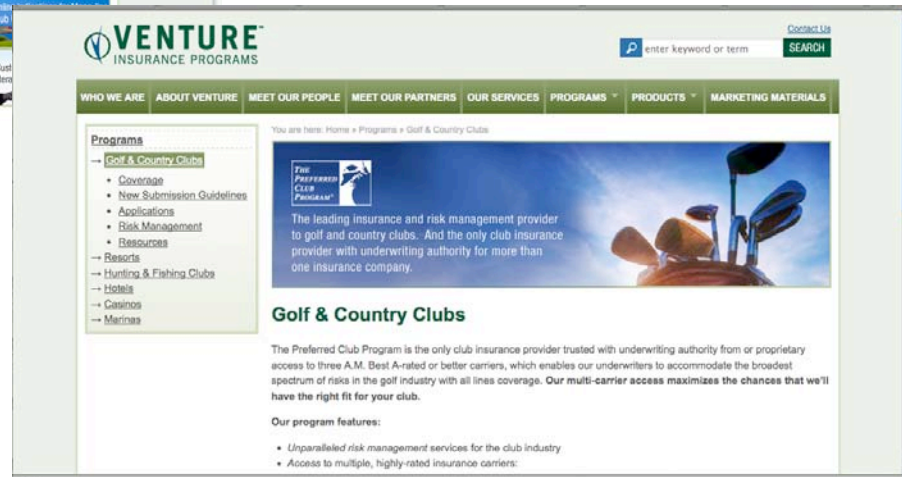
- Promotes a two-tier target audience sales proposition
  - Independent brokers/agents (60%)
  - Clubs, end-users/buyers (40%)
- “Push-Pull” marketing messages based on audience
  - Broker/agents – focus on unique “3 proprietary markets” advantage
  - End-users/buyers – focus on “best-in-class” marketing positioning
- Has established broad marketplace reach in a variety of media:
  - Company website, program websites, third-party emails, & in-house direct marketing initiatives
  - High quality, customizable sales sheets to co-brand with brokers (CAST)
  - Content management through whitepapers, by-line articles (by club experts), Public Relations, and educational events
  - Trade and association show participation, including booths and signage

# Mature Program: Golf & Country Clubs

## Samples of PCP Marketing Materials (for brokers)



### Program Specific Website



# Mature Program: Golf & Country Clubs

## Samples of PCP Marketing Materials (for brokers)



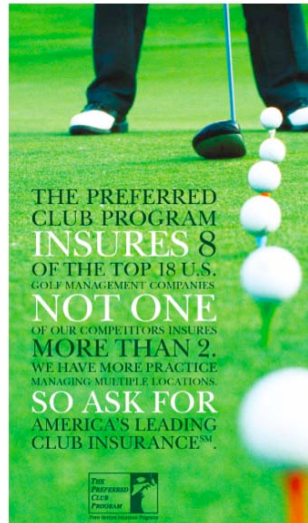
**NOT ONE BUT 3**

NOT ONE OF OUR COMPETITORS OFFERS MORE THAN ONE UNIQUE MARKET SOLUTION. THE PREFERRED CLUB PROGRAM NOW OFFERS **THREE** NOT ONE. THREE PROPRIETARY MARKETS. **NOT ONE** OF OUR COMPETITORS PROVIDES THE SUPPORT, EXPERIENCE AND MARKETS LIKE THE PREFERRED CLUB PROGRAM. **AMERICA'S LEADING CLUB INSURANCE.**

THE PREFERRED CLUB PROGRAM

phone: 800-523-2788 ext 257  
agency kit: [www.preferredclub.com/agencykit](http://www.preferredclub.com/agencykit)

Email



**THE PREFERRED CLUB PROGRAM INSURES 8 OF THE TOP 18 U.S. GOLF MANAGEMENT COMPANIES. NOT ONE OF OUR COMPETITORS INSURES MORE THAN 2. WE HAVE MORE PRACTICE MANAGING MULTIPLE LOCATIONS. SO ASK FOR AMERICA'S LEADING CLUB INSURANCE™.**

THE PREFERRED CLUB PROGRAM

Print Ad



**GOLF & COUNTRY CLUBS**

**VENTURE INSURANCE PROGRAMS**  
Venture Insurance Programs  
1301 Wrights Lane East  
West Chester, PA 19380  
Phone: 800-523-2788 ext. 257  
Fax: 610-692-5877  
Email Submissions To: [marketing@preferredclub.com](mailto:marketing@preferredclub.com)  
Web: [www.PreferredClub.com](http://www.PreferredClub.com)

**WE ARE PLEASED TO PROVIDE A SUMMARY OF THE PREFERRED CLUB PROGRAM, THE LEADING INSURANCE PROGRAM FOR GOLF AND COUNTRY CLUBS.**

**WHO IT COVERS**  
The Preferred Club Program is an all-lines insurance solution for:  
• Private Clubs  
• Semi-private Clubs  
• Daily-Fee Courses  
• Golf Management Companies

**WHAT IT OFFERS**  
The program features some of the broadest coverage language available for:  
• Building/Personal Property  
• Business Income with Unlimited Extended Period of Indemnity  
• Replacement Cost Valuation on Cars and Equipment  
• Ability to provide large limits for Flood, Earthquake & EQS  
• Ability to entertain Coastal Risks, including Wind, in all states  
• General Liability (includes Liquor Liability, G&L, Herbicide/Pesticide)  
• \$1 million and \$2.5 million Year-to-Green for all playing surfaces (no "per hole" limitation)  
• Tree Replacement & Debris Removal (including weight of ice and snow)  
• Broad Form Outdoor Property Extensions  
• Flood coverage for the course (available for SDG)  
• Commercial Auto for Fleets (can include valet parking)  
• Excess and Umbrella Liability (limit to \$50 million & higher)  
• including D&O and EPLI  
• Pollution Liability (including Tastes Coverage)  
• Directors' & Officers Liability  
• Employment Practices Liability  
• Workers' Compensation  
• Accidental Death & Dismemberment  
• Worldwide coverage for members, on-site guests and management personnel

**THE PREFERRED CLUB PROGRAM FEATURES:**  
**Highly-Rated Insurance Companies:**  
• Chubb Group of Insurance Companies (A.M. Best "A++" class XV)  
• Zurich in North America (A.M. Best "A++" class XV)  
• A host of other A.M. Best "A++" to "A++" insurance companies to handle outlying exposures

**Best Practices** - learned from over 7000 club loss control visits

**CardioReady® Certification**  
• Access to the industry's leading AED audit, maintenance and monitoring service.

**WellWorks For You!**  
• Access to an online Wellness Program to improve your employee health & productivity.

**CALL VENTURE INSURANCE PROGRAMS**  
We look forward to helping you properly insure your club facilities, employees and guests. Please call 800-523-2788 ext 257 to get started.

[www.PreferredClub.com](http://www.PreferredClub.com)

The Preferred Club Program is administered by Venture Insurance Programs, a division of Vantage Risk Services Group.

Customizable  
Sales Sheet (CAST)



# Mature Program: Golf & Country Clubs

## Samples of PCP Marketing Materials (for insureds)



Insurance  
that's worth its **weight**.

Your insurance agent knows.  
The Preferred Club Program® is the  
**gold standard** for club insurance.

 PreferredClub.com

For a **free**, no obligation quote,

- Email your insurance agent's contact info to [marketing@preferredclub.com](mailto:marketing@preferredclub.com), or
- Forward our **Agency Kit** to your insurance agent

**Banner Ad**



Insurance  
that's worth its **weight**.

Your insurance agent knows. The Preferred Club Program® is the **gold standard** for club insurance.

 preferredclub.com

We feature:

- Underwriting authority for 3 insurance companies
- Highest financial stability: A, A+ and A++
- Average "claim frequency" decrease of 10% per year
- Average "claim severity" decrease of 10% per year
- Property coverage including Wind for coastal clubs
- Best practices learned from 7,000+ club loss control visits
- A unique wellness program for employees & members

Can your **INSURANCE** stand up to our team?

**Fractional  
Page Ad**



Insurance  
that's worth its **weight**.

 PreferredClub.com

**Banner Ad**

# Mature Program: Golf & Country Clubs

## Samples of PCP Marketing Materials (for insureds)

[ INSURANCE COMMITTEE ]

### Choose Your Financial Partners Wisely

**WHILE WRITING THIS COLUMN FOR BOARDROOM, CONGRESSIONAL LEADERS HAVE JUST RESPONDED TO THE FINANCIAL CRISIS THAT HAS HIT THE ENTIRE FINANCIAL SERVICES INDUSTRY WITH A \$700 BILLION BAILOUT PLAN DESIGNED TO STABILIZE OUR NATION'S ECONOMY.**

These developments are a good reminder that it's important to know your financial partners – including your insurance partners.

When your club is evaluating your insurance partners, I recommend you look closely at three basic areas: Financial strength and stability, loss control expertise and claims paying ability...qualities that stand the test of time.

**FINANCIAL STRENGTH AND STABILITY**

When economic times are tough, you want to make sure your insurer has

tenure with respect to the club industry. You want to align your club with a partner that is committed to the club industry and has proven themselves throughout various market cycles.

Unfortunately, when the insurance market hardens – capacity is reduced and prices go up – insurers who are not committed to the industry may exit, leaving you in the unenviable position of trying to replace coverage mid-term. In these situations, your agent will oftentimes be unable to negotiate from a position of strength, leaving you with an insurance program that may be inferior to the one you had before.

If a carrier has only been in the industry a year or two, you need to take a serious look at that company and ask, "What is their long-term plan? Are they going to be a staying force? When the market hardens—as may happen in the coming months because of the current financial crisis—is my insurer going to

At the same time, a carrier's approach toward loss control and recommendation compliance should never be viewed as a reason to take the path of least resistance. Recently, we have seen some clubs who would rather replace their insurance coverage rather than comply with a carrier's loss control recommendations.

Unfortunately, some of these clubs have learned the hard way when it comes to risk management: The long-term benefits of effective loss control far outweigh short-term inconvenience, and a high-level loss control service can save you millions of dollars in potential claims or emergency maintenance due





MICHAEL DEMARCO  
EXECUTIVE VICE PRESIDENT  
PREFERRED CLUB PROGRAM

### By-line Articles/PR

### Making AEDs Work for Golf & Country Clubs

Michael DeMarco  
Executive Vice President of  
The Preferred Club Program®  
[www.preferredclub.com](http://www.preferredclub.com)



THE  
PREFERRED  
CLUB  
PROGRAM®

### Whitepaper

# Mature Program: Golf & Country Clubs

## Preferred Club Recent Results

- Current 2011 policyholder roster is 1,100 clubs
- Total gross premium is approximately \$45 million
- Market Penetration – Preferred Club insures:
  - 25% of the private golf clubs in the U.S.
  - 17% of the semi-private golf clubs in the U.S.
  - 5% of the daily-fee golf courses in the U.S.
  - 8 of the top 18 “golf management companies” (defined as managing two or more clubs) representing over 400 golf courses

# Re-branded Program: Hairdressers

## SASSI Hairdressers Program Background

- Original “Hairdressers Agency” insurance service founded in 1929
- Successful direct-to-insured underwriting model for 70 years
- Beauty parlors evolved to salons with growing Asian-ownership trend in 1990s
- Purchased by the Brownyard Group in 2002
- Opened to brokers in 2003 with marginal gains in premium growth
- Restructured program components to better appeal to direct buyers and brokers in 2009

# Re-branded Program: Hairdressers

## New Program and Introduction of New Marketing Strategy

- Created the SASSI Agency in 2009 (Salon & Spa Specialty Insurance)
- Rebranded and repositioned as a more “hip” and contemporary program
- Designed new brand’s imagery and color pallet to appeal to modern salons
- Rejuvenated communication strategies for dual target audiences
- Evolved traditional direct marketing to a focus on online messaging
- Program now directs dual messaging via a mix of marketing vehicles:
  - New website
  - Online advertising (banner, button, panel, etc.)
  - Email blasts
  - Social media strategies
  - Association sponsorships

# Re-branded Program: Hairdressers

## Samples of SASSI Marketing Materials



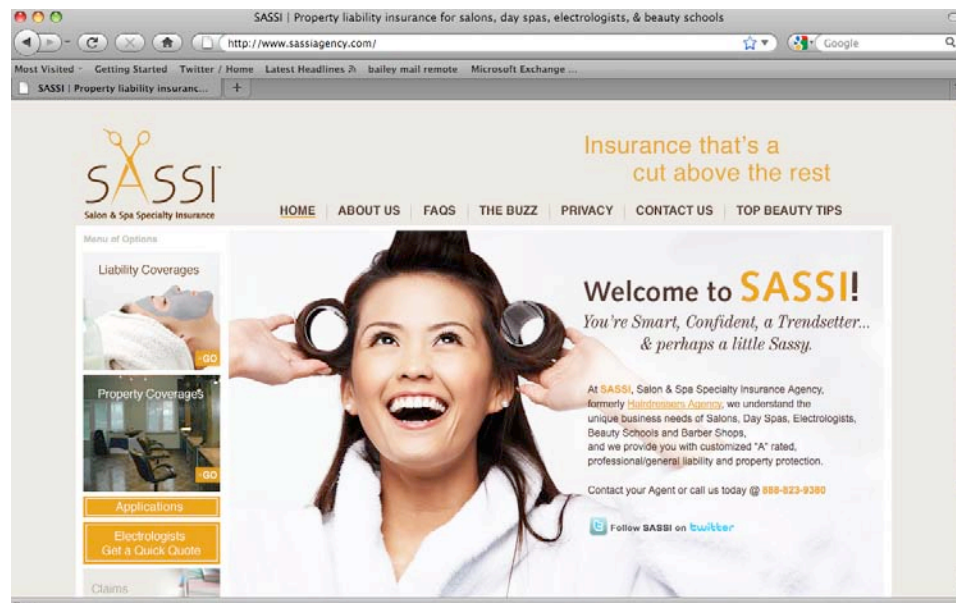
**Original Identity**



**Re-branded Identity**

# Re-branded Program: Hairdressers

## Samples of SASSI Marketing Materials



Website

# Re-branded Program: Hairdressers

## Samples of SASSI Marketing Materials



Because there's  
**STYLE**  
there's **SASSI!**

*You've Got Style* – and you customize  
the look to fit your unique clients.

*You need SASSI.* We customize  
our *insurance* to protect your assets.

For over 70 years, SASSI – *Salon & Spa  
Specialty Insurance* – has been a trendsetter  
in customized liability insurance for Salons,  
Day Spas, Electrologists, Beauty Schools and  
Barber Shops. We understand your unique  
business needs and provide you with the  
customized "A" rated solution you deserve.

Contact your Agent, or  
Call: **888-823-9380**  
Visit: **SASSIAGENCY.COM**

**SASSI**  
Salon & Spa Specialty Insurance  
Formerly known as Barbersports Insured

The print ad features a vertical layout with a brown header and footer. The main body is white with orange text. On the right side, there are four small portraits of women with different hairstyles and makeup, stacked vertically.

**Print Ad**



Is Your  
Insurance  
**SASSI?**

→ **SASSI**  
Salon & Spa Specialty Insurance

→ **CLICK HERE**  
For Insurance  
That Is A Cut  
Above The Rest

The online button ad is a horizontal sequence of three elements. The first is a brown box with white text asking 'Is Your Insurance SASSI?'. The second is a white box with a brown border containing the SASSI logo (a pair of scissors) and the text 'SASSI Salon & Spa Specialty Insurance'. The third is a brown box with white text that says 'CLICK HERE For Insurance That Is A Cut Above The Rest'. Arrows point from the first box to the second, and from the second to the third.

**50x50 Pixel Online Button Ad**



# Re-branded Program: Hairdressers

## Recent Results for SASSI Agency Program

- SASSI brand better identifies with broad-minded, multi-cultural industry
- Better positioned against wholesale BOP products
- 3,000 unique website visits in first month of re-brand launch
- First year as SASSI witnessed a 45% increase in submissions
- First year as SASSI resulted in a 35% increase in gross written premium
- Reestablished program as market leader

You made an investment in your program.

Your book is profitable...now what?

# ART: An Evolving Solution

What is alternative risk transfer?

- A method of protecting assets using non-traditional techniques to provide risk bearing entities with coverage or protection

# Opportunities for PA's & MGA's

- Ideal for specialized niche books of business
- Asset control and protection
  - Program data, intellectual capital, systems
  - Direct access to reinsurance markets
  - Traditionally “edgy” exposures (roofing, taxicabs, asbestos, etc.)
  - Third party vendor selection
  - Strategic financial planning

# Program and ART Synergies

## Samples of program risk/ART synergies

- PA/MGA's seeking long term solutions and partnerships
- Clients willing to assume a portion of their risk for reward
- Like insureds not fitting into the traditional underwriting box
- Typically, PA/MGA's entrepreneurs know their product and marketplace better than most of the traditional market

# Getting StARTed

Basic steps towards putting a program together

- Feasibility Study
- Business plan and underwriting submission
- Fronting and reinsurance
- Vendor selection
- Incorporation, capitalization and implementation

# Case History

- Challenge: Program stability and control
  - Book of business written by multiple carriers in bundled programs
  - Administrative and system challenges
  - No ability to exert control over claims/loss control
- Solution
  - Reduced number of carriers and administrative costs
  - Program terms based on loss sensitive vs. class sensitive
  - Third party vendor selection and control
  - Increased revenues and ROI, strategic financial planning

# Summary

- Opportunity to participate in program design, implementation and monitoring
- Access to 100% of underwriting profits and investment income
- Control of assets
- Financial planning/wealth transfer



# Questions & Answers

Thank you