

# TARGETLEADS

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## Working the Direct Response Lead

*How (and why) to work a direct mail generated lead.*

### *Introduction*

#### **Who is TARGETLEADS and what can we do for you?**

We are not insurance sales people. Since 1985 we have worked with and listened to thousands of insurance agents, who have successfully used hundreds of thousands of our lead pieces to sell many millions of dollars worth of insurance. In this booklet we will attempt to direct you in the best use of direct response leads based upon what agents have told us.

It is our job at **TARGETLEADS**, to create a compelling lead piece that communicates the problem(s) your service or product can address. It is important that our lead piece first get past the usual knee-jerk reaction consumers have to simply toss away another piece of so-called "junk mail".

#### *In doing this, we must seek a constant balance:*

It is important to find the proper balance between satisfying the agent's need for a steady stream of leads, while also making sure the leads that come back are indeed from people who have an interest in learning more about your products. We call this process "lead qualification."

It is not always an easy thing to do. Most of the time there is a direct correlation between the amount of qualification done by a lead piece and the number of responses the mailer returns. Quite simply, the more you qualify the fewer leads you get.

#### **The 5-10-85 Principle**

Our experience has shown, the response to an insurance direct mail campaign follows the 5-10-85 rule: 5% of respondents anyone can sell; 10% of respondents nobody will sell; and 85% of respondents will go either way depending on how well the follow-up goes.

It is our goal to quickly and impactfully communicate with this majority 85%, touching a nerve, or hitting on a buzzword that will prompt them to respond to the mailer. In short, we want to give you the opportunity to meet with as many prospects as possible. However, the most important and most difficult part of the process, the actual sale, remains up to you.

#### **About the Booklet**

This booklet was designed primarily as an aid to agents new to direct mail leads or those who have not spent a lot of time in the past working with direct mail generated leads.

Those of you who have worked with direct mail leads before will probably come across a lot of things you already know. But hopefully, even a few of you "veterans" out there will also come across some new thoughts or techniques which will serve to make your job easier and your appointment-to-sales ratio higher.

*Good luck.*

## I. About Direct Response Leads

The following are questions that agents seem to get asked most frequently.

### *1. What is a direct response lead?*

A targeted consumer receives a direct mail solicitation and returns a postage paid business reply card. This reply card is then forwarded to the appropriate agent for follow-up.

### *2. What do insurance mail pieces usually say?*

The mailer states a problem or need that the consumer can resolve by purchasing the product you offer. The wording in the mailer must quickly convey the need to create interest in the product BEFORE the consumer reacts to the knee-jerk "NO" they feel when confronted with a sales request. This is the major goal of the lead card...get a positive reaction before you get a "NO."

### *3. Why is direct mail a good way to solicit leads?*

With TV, newspaper or magazine ads, you have little (or no) control over the age, income, or location of the respondents. Telemarketing is very difficult with the "do not call" law. And email blasts frequently get filtered into "junk" or "spam" folders making them very ineffective. Selecting the appropriate media may help with income ranges and sometimes even general location, but with a good mailing list you can select exact ages, exact locations, and even project within a reasonable degree of accuracy...income and net worth.

Also, the fact that the person has taken the time to respond via a reply card gives you a level of comfort that this person is interested in hearing what you have to say. That is not always the case with other lead generation techniques.

### *4. How do I target my leads to reach the exact type of people I want to sell?*

You can choose from many different types of "selects" when ordering a mailing list. The most common "selects" include:

**Age** – The names selected and mailed are to the exact targeted age you have requested and can sell. These names are selected from public records such as voter registration and driver's licenses. They are also cross-referenced with other databases. Every name we sell has been verified through two or more sources. While industry standard guarantees 90% deliverability, we are usually well over 95% accurate.

**Estimated household income** – This is much more difficult to estimate. We use as many factors as possible to identify a consumer's income. Please remember that a prospect may not answer truthfully on a telephone interview. We will deliver a very high percentage of prospects that meet your financial requirements.

**Location** – We mail into the geographic areas you specify. If you point the arrow, WE WILL HIT THE TARGET!

## II. The Appointment Setting Process

After receiving direct mail leads, the next step for the agent is to contact the prospect directly. This can be done in person since the prospect's address is listed on the reply card. However, most agents find it is far more cost effective to use the phone for this first step.

It is at this time when agents can really begin to quantify consumer interest and qualify the level of understanding this person has about their products. Also, this will be the first time the agent identifies him/herself and the company they represent, i.e. the all-important "First Impression."

An agent may also have an opportunity during this first contact to answer some simple questions. BE PREPARED. How you answer questions in the first thirty seconds of a contact can set the tone for the entire conversation. Don't over qualify on the phone. Your goal is to make appointments.

### III. Overcoming Objections

These prospect objections (O) and some of our suggested rebuttals and answers (A) may come up whether you are on the phone or face-to-face during an appointment. We have compiled our list from years of contact with agents working our leads. We are sure your office has also provided you with many reference materials for overcoming all sorts of objections.

*Practice these rebuttals so they become second nature to you. Adjust them to fit YOUR style and personality. Remember, for a successful presentation, you must be in control of the conversation.*

There is no sale without a presentation. Practicing these answers will help you by-pass the negatives that deflect the appointment setting process.

O-1 I didn't send in any card. Or, I don't remember sending in a card.

A-1 Mr. Jones, we all get so much mail now a days, I understand you not remembering the one you sent to us. Let's see, you wrote that you are 70 years old, and Mrs. Jones, that's Sarah, is 68. I have your card right in front of me. Is that correct? (Wait for reply.) Mr. Jones, we receive many of these cards and I am sure your interest is similar to others who respond. We are all concerned with the ever-increasing costs of \_\_\_\_\_ and the options available to us. As you may remember now from the card you sent in, I am with \_\_\_\_\_. Have you heard of us?

**(Answer) Yes, I think so.**

Mr. Jones, my job, what I get paid for, is to come by and explain the options that are now available with various forms of insurance programs. Would Wednesday morning be O.K. for you?

O-2 I have no time to talk...I'm very busy right now.

A-2 I can certainly understand that. We have been so busy with the response from this mailing that we are finding it much more convenient for everyone if we schedule appointments in advance to go over the requested materials. Which is better for you...Wednesday or Thursday?

O-3 I just bought some insurance.

A-3 That's great? Which kind did you buy, the qualified or non-qualified?

O-4 I thought you would mail me information.

A-4 Mr. Jones, my company pays me to meet with and inform you of the options that are NOW available in our state regarding this protection. There is a lot of material and it can be complicated when read cold, but it is fairly easy to explain face-to face. That's my job. I don't think my boss would look too favorably on simply dumping a lot of complicated materials on people who took the time and effort to request this information. I will be in your area later this week. Would Wednesday or Thursday be better?

O-5 Can't you just drop it in the mail? Or... Can't you just leave it with me?

A-5 I could, but it probably wouldn't be much use to you that way. The materials are pretty comprehensive and can be rather confusing if you are just going through them cold. My experience has shown time and again spending 15 minutes together will save you a great deal of time and confusion later on when you sit down to read it on your own.

O-6 Who are you? What is your company?

A-6 Mr. Jones, that is the best part. I am (**your name**) and I represent \_\_\_\_\_, probably the leading provider of this kind of protection in America.

O-7 I'm not interested any longer.

A-7 Mr. Jones, you saw something in our mailer that prompted you to return it. Along with most of us, I am sure you are concerned with the sky rocketing costs of \_\_\_\_\_, or protecting your hard earned assets, having enough for the years

in front of you, and not worrying about the future. If this is a bad time to talk, let me stop by later this week...would Thursday or even Friday be better for you?

O-8 My husband (wife) is not home now.

A-8 That's fine. We have been so busy with the response from this mailing that I usually work by appointment only. Which would be better for both of you, Wednesday or Thursday?

***Those are a few objections and answers. You will hear variations on these; simply remember to keep working towards an appointment. The prospect did return the card and did see something that stimulated the response.***

#### **IV. Some Additional Tips for Direct Mail Leads**

1) We minimize the identity of an insurance company on the mailer until the consumer has had a chance to read the message and react to their need or interest...but that does not mean you should.

Once the need or interest is established, then a recognizable company name has a great value in setting the appointment. Trust and confidence overcomes normal caution towards any sales presentation.

2) Don't qualify for health until AFTER you set the appointment.

3) Re-state the appointment time and then ask for directions. Even if you know exactly where the prospect lives, spend a moment or two going over directions. Let the prospect have another reason to remember the call/appointment and be there when you arrive.

4) When you make a contact, but not an appointment, listen to the excuse the prospect makes and make a note of it. Are they: going out of town; picking someone up at the airport; late for a dental appointment? Whatever the excuse, when you call back to try and schedule an appointment, use it to your advantage, "Mr. Jones, how was your grand-daughter's dance recital? I'm calling back as you requested to find out when would be a good time to spend a few minutes going over this information."

5) If you miss setting the appointment, don't throw that prospect away. Re-call in a week or two as if it were a first time call. Even a second "NO" should not drop that respondent from your calling list. Add the person to your personal database and send them a letter and brochure periodically. NEVER THROW THE REPLY CARD AWAY. You may want the information it contains a year later when you finally do sit down with that prospect.

6) When you are talking to a prospect ask, "Mr. Jones what did you have in mind when you sent in this card?" The answer will open up and identify his concerns. Write it down and build your entire sales presentation around it.

7) DON'T over qualify on the phone. We will mail to the consumers you target. Our income information is usually very good. Don't expect any reasonably intelligent person, to tell you, a stranger, details about their finances.

8) Don't pre-judge income levels by a house, car, or the overall look of a prospect. The "poor old lady" you pass up will probably leave over a half of a million dollars to her cat.

9) At some level the respondent reacted to the need or service referred to in the mailer. Remember that you are a professional, representing a multi-billion-dollar firm with a reputation to match its assets. Feel proud, you are providing a much-needed service.

## **V. Glossary of Terms**

As many of our new clients are not familiar with the terminology used in direct mail and more specifically, insurance lead generation direct mail, we have found it helpful to create this quick reference guide.

### **BRC or BRE**

This is the abbreviation that stands for business reply cards (BRC) or business reply envelopes (BRE). These are the two primary methods by which lead cards are returned by prospects. In most cases the postage on the BRC or BRE has been pre-paid by the direct mail company.

### **Count**

All the names in a given geographic region that fall into a designated category, profile, or group of selects.

*Example: the count for men ages 65-75 with incomes of \$35K+ residing in Fairfield County is 742.*

### **Direct mail lead pieces**

The term for all outgoing mailers designed to generate "leads" for a network of field sales persons to follow up.

### **Lead**

A person who has responded to the outgoing mailer by filling out the reply card and mailing it back to request additional information on the product or service.

### **Mailing list**

The list of names and addresses mailed for a specific project. You can receive a copy of the mailing list mailed on your behalf for a nominal fee. These lists are available in any format: diskette; magnetic tape; manuscript; peel and stick labels; cheshire labels; 3X5 cards; cartridges; compact disc; or recently available through e-mail.

### **Record**

A name selected by the various profile criteria given to us by you, the client. This could include name; address; phone number; age; income range; dwelling type; and many other selections as well.

### **Reply card**

The part of the outgoing direct mail piece where the person is asked to fill out all pertinent information, detach and then drop into the mail. (Also see BRC and BRE.)

### **Response rate**

This is the term used to describe the exact amount of leads returned by a mailing. It is usually defined in terms of a percentage. It can be converted to cost per lead.

### **Selects**

Any number of different characteristics you can specifically request when ordering your mailing list. Depending on the type of select, there can be some additional charges involved. Examples of available selects would include such things as age, income, phone number, dwelling type, and many others.