

# 6 takeaways for marketing insurance to millennials

JUL 12, 2016 | BY [ROBERT CHASE](#)



Millennials, the largest generation in history, are changing the way we communicate and what we value. (Photo: Shutterstock)

Over the past few years, **millennials** have made headlines for their perceived sense of entitlement, lack of loyalty, and eagerness to challenge the status quo, while invariably changing the landscape of the world around them. Millennials have revolutionized the way we communicate with one another and, in particular, the way businesses communicate with them. So who are they? What do they want? And more importantly, how can insurers reach them?

It is important to look at the position millennials hold in today's economy, as well as the role they play as consumers in shaping insurance industry marketing.

You're probably aware of who millennials are. Born between 1980 and 1996, millennials are today's 20- and 30-somethings. But you may be surprised to learn that according to Pew Research, they're now the largest generation in human history — **larger even than boomers.**



*The extremely diverse millennial generation means a wide variety of opinions and experiences must be considered. (Photo: Shutterstock)*

**Takeaway #1:** This is a high-priority market for insurers who are seeing millennials start to comprise a large portion of their customer mix.

## **Celebrate diversity**

Diversity is a major characteristic for this generation. Last June, the U.S. Census Bureau reported that **over 44% of millennials are not white.** In fact, they're the most

diverse generation America has seen to date. Ethnic diversity is not the only kind of diversity to be sensitive to either. With **80 million** millennials worldwide, there is significant diversity of opinions, values and experiences within any particular demographic.



*Highly educated millennials are frequently under-employed and many are delaying major life purchases like homes and cars. (Photo: Shutterstock)*

**Takeaway #2:** Not all younger renters' or homeowners' insurance customers look, think or feel alike.

## **Highly-educated and saddled with unprecedented student debt**

Millennials are over-educated and under-employed, a combination which goes a long way in determining what their buying behavior looks like. According to the *NY Times*, in 1990, the median annual income for people between 18 and 34 years old was roughly

\$36,700, and about 15.7% were college-educated. Between 2009 and 2013, median earnings dropped to roughly \$33,900. Meanwhile, the rate of education rose to 22%. Because their income is relatively low and many are saddled with college debt, millennials are waiting far longer to tick off the milestones we've traditionally associated with adulthood like getting married, having kids and buying a home. In fact, Pew reports that only 28% of those between the ages of 18 and 33 are married — compared to 49% of boomers when they were the same age.



*While millennials may not have a lot of buying power today, expect that to change significantly in the next few years. (Photo: Shutterstock)*

**Takeaway #3:** We're talking to smart people with thin wallets, who are delaying their first home purchase. Renters' insurance is a great way to start the customer relationship with many millennials.

## **Buying power coming soon**

Millennials may have thin wallets now, but in years to come that's going to change. According to Bloomberg, millennials are **slated to inherit \$30 trillion**. As the largest generation, and with more and more millennials graduating and entering the workforce, they will soon wield a collective monstrosity of buying power.



*Millennials can be very loyal customers when companies are honest with them. (Photo: Shutterstock)*

**Takeaway #4:** Both individually and as a whole, millennials' capacity to spend will increase.

## **No time for fakes**

Millennials “are highly skeptical of brand messaging,” said noted author Michael Parrish DuDell, a featured speaker at the **Property Innovation Summit** earlier this year. “We

know how to spot a faker. We know when you are being inauthentic. We know when you are being dishonest. And we turn off," he explained.

Fortunately, there's a flip side to that coin. Millennials can also be very loyal consumers. "If you figure out how to win us over, if you figure out how to talk to us in a truly authentic way that we will listen to, this generation will stick with you," DuDell said.



*Quality of life matters more to millennials than money. (Photo: Shutterstock)*

**Takeaway #5:** Remove all traces of propaganda from your message. Communicate frequently and authentically. It's the best way to earn millennial buy-in.

## **Experience is everything**

Millennials are willing to sacrifice money and things in exchange for experiences. According to a study by Fidelity Investments, millennial professionals would accept an average pay cut of \$7,600 for better quality of work life. "We value experiences over

possessions,” DuDell said. “Instead of spending a lot of money on a big house or a big car, we think that life is about experiences.”



*Life experiences matter more to millennials than protecting or owning "stuff." (Photo: Shutterstock)*

**Takeaway #6:** Millennial policyholders care more about protecting life experience than they care about protecting “stuff.” In marketing, focus on how your products fit their lifestyle and create lasting experiences.

## The through-line

The conclusion for personal lines insurers? As we market to millennials, DuDell says we should seek to deliver “a deeply authentic 360-degree brand experience that anticipates their needs, respects their values, and celebrates their individuality.”

It’s a tall order and a worthy pursuit.

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