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How Insurers Can Wield Social Media to Attract Millennial Customers

July 16, 2015 by Jon McNeill (/author/jon-mcneill/)

Bloomberg has reported that the rate of home ownership in the United States is at its lowest level in 20 years and the number of first-time buyers entering the market is at an almost 30-year low. The perfect storm of rising property prices, tight mortgage credit and slow jobs growth resulted in a booming rental market. As more and more millennials graduate college with significant personal debts, it's easy to see why many are deferring the dream of owning their own home. However, while millennials may be wedded to the rental market for some time, they are often accruing increasingly valuable personal property.

Renters insurance typically carries a lower frequency and lower severity risk than other standard insurance products, making it popular with carriers. Furthermore, building a relationship with customers at this early stage provides the opportunity to offer multiproduct discounts and cross-sell other personal lines. A customer who has a positive experience with a rental carrier may also choose to take out other, more lucrative products as circumstances change. Yet a large share of this potential market remains untapped.

Nationwide (<http://www.nationwide.com/about-us/040814-renters-insurance-survey.jsp>) found that more than half of renters aged between 25 and 35 were uninsured despite the majority estimating that their belongings would cost in excess of \$5,000 to replace. A sizable minority had little understanding of the extent and nature of coverage that insurance could provide. Many thought their landlord's insurance would cover damage to their contents, while others didn't realize that they could be covered against theft and accidental damage. A whopping three-quarters of respondents greatly overestimated the cost of insurance. So what can insurance carriers do to reach these potential customers?

A survey by Elite Daily (<http://elitedaily.com/news/business/elite-daily-millennial-consumer-survey-2015/>) confirmed that most millennials don't trust conventional advertising, preferring to do their own research using reviews, referrals and blog posts. Most use between two and three tech devices every day and prefer to engage with brands on social media. They also want to take an active part in shaping products and can be very loyal to brands that respond by taking their interests to heart.

Regular posts on Facebook and Twitter can clarify the costs and benefits of renters insurance and put to rest some of the misconceptions. Posting useful tips and information is a great way to give these customers something of value and establish your credentials in the marketplace. You could provide an online calculator to help customers estimate the value of their possessions and to show just how reasonable insurance cover can be.

Invite potential customers to contact you with their questions and concerns and enable them to apply for quotes online. Listen to your customers and welcome their feedback. You may be surprised how forthcoming they can be. If it's clear that you value their opinion and are equally forthcoming in

responding to their queries, then untold benefits can be reaped in customer loyalty.

Social media can also be used to give your service a more personal and individual character. You could create a blog focusing on your agent network or customer service department and use it to introduce staff members, share press releases, and publicize special events and awards. If your team is involved in raising money for charity, share the good news.

Be bold and creative. Eye-catching infographics are a great way to share survey data or explain otherwise dry statistics. Blogs and Pinterest accounts can be used to offer tips on home safety, weather-related precautions, “Internet of Things” trends or holiday reminders. Don’t be afraid to use humor, but steer clear of bombastic statements. Double check any facts you share to avoid receiving a tidal wave of online criticism.

Foster engagement by encouraging customers to share Instagram photos and talk about their experiences on social networks. Consider offering gift cards or prizes to those who post how much money they saved or how little their coverage cost. Happy customers can become your greatest asset in the hunt for new business.

Mobile apps that allow customers to pay bills, catalog and record images of their property, and check on the progress of claims are likely to be popular with tech-savvy millennials, most of whom own smartphones. Carriers can then provide a more personal service tailored to the needs of their customers and also gather big data, which can prove invaluable.

The rental market is thriving, and the potential for establishing lasting relationships with loyal customers is there for those willing to engage using social media.

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