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CUSTOM SOLUTIONS

Clean Your Data to Win the Customer Retention War

As more customers “unbundle” their insurance products and spread their business among many carriers, agents must look for creative strategies to retain and grow business.

Key Takeaways

- More customers are rate-shopping and unbundling their insurance products.
- Agents are aggressively working to retain business, but efforts are often diluted with poor data quality.
- Clean data allows agents to leverage multichannel marketing and improve lead quality with "look-alike reports."

Introduction

Changing customer needs and rising premiums have created new challenges for insurance agents as they work to retain and grow their books of business. A recent J.D. Power report revealed an "unbundling" trend, with more customers spreading business between multiple carriers to capture savings.[1]

As customers increasingly unbundle and shop the market, agents face both risks and opportunities. That starts with clean CRM data, which open new connections with your clients, expand multichannel marketing efforts, and help identify future top-tier clients. If you're just getting started, a five-step CRM health checklist can help guide your efforts.

A CRM Hygiene Plan for Growth

According to Gartner, 3% of contact data decays each month.[2] That means by the end of a year, about 25% of CRM data is inaccurate. For example:

- **22.5%** of emails decay annually.[3]
- **17%** of postal addresses change annually.[4]
- **10%-30%** duplicate rates aren't uncommon for companies without data quality initiatives in place.[5]

When agents design a data hygiene plan, they can more effectively deploy strategies to retain existing clients and nurture new ones, even in a difficult economic environment. Here are the five steps for getting started.

1. Clean your CRM at least twice a year.

Run your client and prospect lists through a data-cleaning program to verify mailing addresses, phone numbers, and email addresses. A variety of programs are available with integrations to popular CRMs such as Salesforce, Dynamics, and others. You can easily upload the files online and get clean, correct, and accurate contact data back in seconds.

Then, when you create a campaign around retention, upsells, or nurturing new prospects, you can improve your results by increasing the odds of reaching your prospects, without wasting time.

2. Update or add address, phone, and email data.

Not only can you prevent data decay by keeping client information up to date, but you can also unlock the power of multichannel marketing by adding more information to a client's record.

For example, you may have a customer's mailing address but not their email address. If a customer doesn't pay attention to direct mail but regularly checks their email, hitting them via both channels increases the odds of capturing attention and success.

3. Append demographic, geographic, and property data to contacts.

Increasing customer retention by as little as 5% can lead to 25%-95% profit gains.[6] Overall, the insurance industry's retention rate is about 84%, creating an opportunity for agents to push their internal success rate even higher.[7]

The better you understand your customers, the more effectively you can personalize messaging to address their specific needs. Enriching data with additional information allows you to identify the offers most likely to resonate with your customers and foster higher lifetime customer value. Agents can have access to property information like the presence of a pool or proximity to a wildfire zone, or insights about the insured like their net worth, mortgage load or if they own multiple properties.

4. Dedupe your CRM.

"Sneaky twins" lurking in your CRM interfere with your ability to market effectively. Unfortunately, it's far too common to have multiple duplicates in the system, making it harder to market, cross-sell, and upsell to your customers.

Increasing customer retention by as little as **5%** can lead **25%-95%** profit gains.[6]

Many if not all CRM platforms have some level of duplicate merging built in. A built-in product with basic capabilities can usually find a match on a similar name, phone, or email; but add-in products use machine learning to detect more accurately when records are duplicates. With this visibility, you can better understand a customer's needs and customize your offers for higher conversion.

5. **Find new prospects that are like your best clients.**

Once you have clean data, you can tap into a strategy that many agents aren't using — look-alike reports. These reports provide a detailed portrait of your best customers, including demographic elements.

Understanding the attributes of your best clients, and then proactively leveraging that data to find similar prospects, helps you strategically purchase new leads.

Growth starts with clean data

Many agents actively market to new and existing clients, but if the data quality is poor, the results can be, too. High-quality data enables agents to reach their customers, send them on-target messages, and grow a healthy business.

With clean data, you can:

- Communicate more effectively with clients.
- Offer them the best insurance policies.
- Identify upsell and cross-sell opportunities.

The insurance market will likely continue evolving in the coming months and years. But when agents have solid foundational data, they can more effectively target, reach, and grow their book of business regardless of what changes the future holds.

For more information visit **melissa.com/pc360**, where you can upload 50 contacts and we'll show you how we can improve your client data.

Footnotes

1. "Insurance Shopping Study," J.D. Power, May 2, 2023.
2. "Control Data Decay To Enhance Your Sales Efficiency," AI Thority, September 4, 2019.
3. "Database Decay Simulation," HubSpot, February 15, 2024.
4. "Checking the Accuracy of Your Address List," USPS, February 15, 2024.
5. "Data Duplication and HubSpot," HubSpot, March 11, 2020.
6. "How to Calculate Your Customer Retention Rate," Business News Daily, November 8, 2023.
7. "Customer Loyalty And Retention Primer," The Independent Insurance Agents of Dallas, February 15, 2024.

Your CRM health checklist

Clean your CRM at least twice a year. Run your client and prospect lists through a data-cleaning program to verify mailing addresses, phone numbers, and email addresses.

Update or add address, phone, and email data. Add missing information to a client's record for better marketing potential.

Append demographic, geographic, and property data to contacts. Enriching data with additional information to identify the additional cross-selling opportunities.

Dedupe your CRM. Remove those "sneaky twins" lurking in your CRM that may be hindering your ability to market effectively.

Find new prospects that are like your best clients. Identify the attributes of your best clients and apply those to new leads, adding a layer of strategy to your next lead search.

About Melissa

Melissa is a leading provider of data quality, identity verification and address management solutions. Melissa helps companies acquire and retain customers, validate and correct contact data, optimize marketing ROI and manage risk. Since 1985 Melissa has been a trusted partner in improving customer communications for companies such as Mercury Insurance, Xerox, Disney, AAA and Nestlé. For more information, visit www.melissa.com/

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