

MARKETPULSE

Marketing Tips and Topical Issues for Insurance Agents

Number 4

POWER OF SCARCITY

The other day I ordered a hamburger for lunch and when the waiter rattled off a list of side dishes I asked him what he recommended. "Have the homemade chips," he said. "I worked here two years before I tried them, now I have them three times a week!"

Imagine that. For two years he wasn't motivated to even try them. Then one day he did. "What made you take the plunge?" I asked.

"They were going to take them off the menu and I thought I'd better have a taste before it was too late. I loved them and it turned out they kept them on the menu after all."

That's the Power of Scarcity in action. As soon as our waiter felt he couldn't get homemade chips any more, he had to order some. It is our nature – a 'rule of human conduct', even, that things become more desirable when they seem to be in short supply.

Tickets to a show, a ball game, or a concert take on added value when we perceive they are hard to get. We are even willing to pay more because of the scarcity.

The Power of Scarcity is one of many 'influencers' that social scientists have been studying seriously since the middle of the last century. Many psychological experiments have been performed to measure the power these influencers have in directing and changing people's behavior. Understanding these 'rules of persuasion' is of course as valuable to

advertisers and Insurance Producers and PMA Teleprospectors as it is to scientists.

If, for example, you say to a prospect "We have time to come out and see you a week from Thursday," it is more compelling than saying, "Our calendar is completely open. When would you like to schedule a meeting?"

Another use of the Power of Scarcity might involve telling a prospect that many carriers now require longer lead times for submissions. "If we meet this month", you can explain, "we'll have enough time to explore all our markets for the best pricing. If we wait too long to get started we'll have fewer carriers to choose from."

The Power of scarcity can be applied to time, products or other values like expertise. What about the notion that "Not many agents are as experienced as we are at dealing with antique automobiles. There are special markets and special considerations. Our agency is one of the few that has the experience you need.

Other Powers agents can invoke in the service of developing new accounts include Reciprocation, Consistency, Social Validation and Rapport. Next month we'll look at the Power of Authority. ☎

Professional Marketing Associates,
based in Amherst, Massachusetts,
provides high-quality teleprospecting
and other marketing support for
insurance clients countrywide.
To discuss ways telemarketing can
benefit your agency call Nicole Sharpe
at 800-783-2303

CLIENT PROFILE

"We're fairly pleased." Explains Bill Harris, Principal of a venerable agency in the Midwest. "We'd be ecstatic if we'd written a couple of accounts from your leads - but that will come later." Bill Harris adds confidently.

"They've been quality appointments - your people know what they're doing. I especially like the documentation you provide. We've used two or three telemarketing firms in the past and PMA is head and shoulders above the others - no question. The only disappointment is that we're getting too many benefit appointments and not enough P&C, Bill laughs."

Bill's agency contracted with PMA when their in-house telemarketer was promoted to full-time producer. In first two months, PMA Account Executive callers have been leveraging the P&C appointments they make to cultivate additional opportunities on the employee benefit side - and visa-versa.

The agency sees the teleprospecting objective as twofold: get the producers in the door and ascertain the level of interest and any specific insurance concerns at the target businesses.

"PMA is putting our producers in the right places", says Bill Harris. "We're talking to people who have an interest. In some way they are unhappy with their broker -- unhappy with the services they get for the premiums being charged." ☎