



LEADS THE WAY YOU WANT THEM

*NetQuote strives to be anything but a typical
online lead generation company*

Laura Nelson, Director of Marketing for NetQuote, and Scott Striegel, President.

Photography by Lynn Donaldson

By Nancy Doucette

When Denver-area agent Bill Alexander began using NetQuote® in 1999, he was following the advice that many salespeople hear: "Put yourself in your client's or your prospective client's shoes." Alexander's then-fledgling Commercial Insurance Brokers focused—and still does focus—primarily on insuring small to medium-sized businesses, so he thought about where owners of these businesses would go to learn about business insurance. "I was doing research online before 'google' became a verb," he quips. "So I keyed in 'business insurance, Colorado.' A couple of big agency names appeared but the next hit was NetQuote. I had put myself in my potential client's shoes and discovered this solution."

The solution that Alexander had discovered is an online lead service available to agents by subscription. A number of things make NetQuote unique in the lead generation niche, he learned. First is the quality of the lead, which is the result of a thorough 70-question form that consumers complete when seeking quotes via NetQuote. Second are the filters available for certain lines of business, such as personal auto and homeowners. Third is the ability to segment a territory by ZIP code. Fourth is the speed with which NetQuote gets the leads to agents. Fifth is the integrations with other vendors. And sixth is the pricing of the leads and other financial considerations related to subscribing to the NetQuote service.

NetQuote President Scott Striegel explains that his organization's focus is two-fold. First: to provide subscribing agents with quality leads. Second: to provide a quality experience to the consumer by providing enough quotes to make an informed buying decision.

"The agency having a good experience with NetQuote is based on the quality of the lead that we provide and the way we can work

with the agency to filter the leads to meet their underwriting criteria," he says. "At the end of the day, the agency is going to look at how much it has spent for leads and how many of those leads have converted to the sale of a product." (See sidebar on page XX.)

Adhering to that focus serves all parties concerned, according to Alexander. Since he began using NetQuote, the number of leads he receives each month has quadrupled. "NetQuote helped me get my business off the ground," he says. "In the early days, I spent a lot of time cold-calling. It was frustrating and to a large extent, unproductive. With NetQuote, I receive leads for businesses that are ready to buy. Most of the leads are either a start-up firm, or a firm interested in changing agents. I write close to 75% of the accounts I quote."

California agent Fred Di Meo says NetQuote keeps him well-stocked with personal property leads, unlike other lead generation companies he'd worked with previously. "I go through 400 leads a month by myself," he says. "I couldn't find another lead generation company that could produce those numbers." Di Meo operates one of the satellite offices for Sherzer & Associates which has a number of offices in California, as well as in Florida and Georgia. His territory is roughly half the state. "The Internet has brought my region closer together," he says. "Only about 10% of my business is in my immediate area. Much of the correspondence between the insured and me is done via e-mail or fax. I don't need to be a mile from their house. They're still getting the same service and response that they otherwise would."

Getting the volume of leads he needs from NetQuote has enabled Di Meo to shift his resources from advertising on TV, radio, and in the Yellow Pages to buying leads from NetQuote. "When you're advertising on TV or radio, or in the Yellow Pages, and someone contacts you, they may not be a good fit for your niche," he

DOING THE NUMBERS

Paul Ford recently joined NetQuote as EVP of sales and operations. As one of his first activities in this position, he prepared the following sample equation to help agents determine the value of the leads they get from NetQuote:



Here is an example of an equation you can use to help calculate how you make money on your NetQuote leads. This is based off a scenario of an agent that receives 100 Preferred Plus Auto leads a month with an average close rate of 5%.

100 Quantity of Leads Purchases
x \$9.75 Cost per Preferred Plus Auto leads
= \$975.00 Total Cost of Leads Purchased

100 Total Leads Received
x 99% Quoted
x 50% Right Party Connect Rate (Connected with the Consumer)
x 10% Close Rate on Consumers Spoken with
= 5 # of Policies Written

x \$400 Approximate Present Value of Commissions received over the life of one policy
= \$2,000 Total Commission Revenue Value Created
- \$975 Total Cost of Leads
= \$1,025 Revenue available to cover operating and fixed costs
/ 5 New policies
= \$205 Revenue per Policy to cover operating and fixed costs

Plug in your personal numbers to the equation above to calculate how much you make on your leads!

code—that agents have selected. This is a smarter way to do business.”

The leads arrive via e-mail and fax in a steady stream, not all at once. Agents pay the cost of the lead, which varies depending on what type of lead it is. Preferred auto leads cost more than standard or substandard leads, for instance. But what’s key to the NetQuote pricing, according to Laura Nelson, director of marketing for NetQuote, is that there are no annual maintenance fees. Agents are charged for the leads they receive. And should a lead prove to be unusable because of some misinformation, agents are encouraged to contact the Customer Care representatives at NetQuote to discuss a refund of the price of the lead.

What’s more, Nelson explains, NetQuote can predict, based on last month’s activity, how many leads are likely to come out of a particular ZIP code. “With that information, the agent can then decide whether he or she can work more leads than that and can add more ZIP codes. Agents can also select a county, rather than ZIP code.”

Alexander acknowledges that the increased number of leads he receives is the result of the popularity of the Internet. “People are more comfortable using the Internet than they used to be,” he notes.

Apparently so. Striegel reports over 1 million visitors on a monthly basis to the NetQuote site. “We are constantly trying to figure out how to drive interested, informed traffic to our site,” he says. “We work with all the traditional Internet channels and a number of non-traditional affiliates to attract the right volume of high quality traffic to our site.”

“We receive hundreds of thousands of leads a month from consumers who complete our online questionnaire,” Nelson says. NetQuote uses a double opt-in process where consumers confirm at two different points that they understand they’re going to be contacted with an insurance quote. “We don’t want anybody to be surprised,” says Striegel. “Some might believe that with the in-depth questionnaire and the double-opt in, the number of leads might be reduced. Certainly we could drive more traffic if our questionnaire were less detailed. But the quality of the leads would be reduced. Perhaps we could generate another 5, 10, or

points out. “Since switching to NetQuote, my closing ratio has doubled. The prospect who submits information to NetQuote has taken the time to go through the questionnaire and provide a lot of personal information—enough information so that I have most of what I need to underwrite and quote.

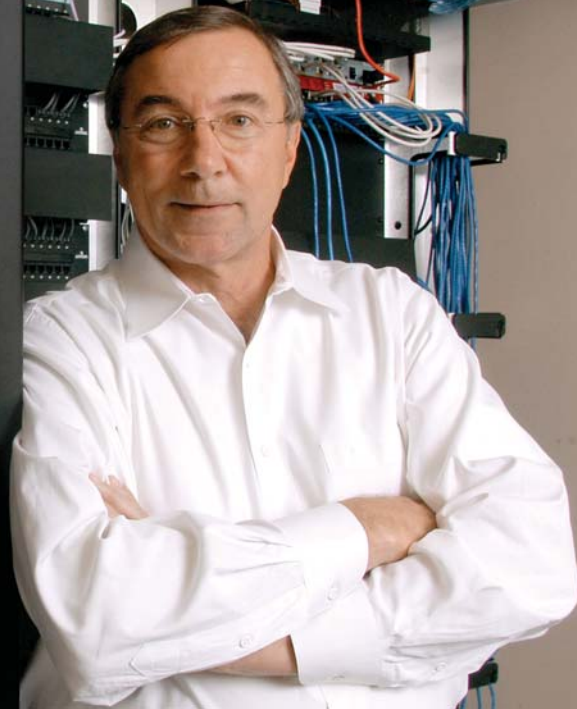
Naturally, I follow up with a phone call to be sure there are no coverage gaps. But when that lead arrives, that prospect is already three-fourths of the way sold. All they need is the proper product and price. NetQuote has filtered that lead, matching it with the preferences—line of business, protection class, and ZIP



Denver-area agent Bill Alexander (left), who’s been a NetQuote subscriber since 1999, meets with Paul Ford, Executive Vice President of Sales and Operations for NetQuote.

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—Scott Striegel



15% more leads if we didn't require consumers to double opt-in, or if we didn't filter as much as we do.”

With that kind of volume there's a greater possibility of inaccurate information being provided. Nelson points out that the organization takes major steps to prevent that. “We have a ‘dictionary’ that assists us in identifying fake information and filtering out bogus leads,” she explains. “Our online system verifies that the questionnaire has been completely filled out. The information is checked against our dictionary to disqualify leads containing data that our research indicates is false. As the consumer is completing the questionnaire, the computer is checking it in the background. It's all computer based so it happens quickly.”

Speed is what consumers expect from their transactions on the Internet, and both Di Meo and Alexander say they respond accordingly. “I'm on the computer all the time,” Di Meo reports. “I'm getting leads and following up on them. There's not a lot of wasted time when you're trying to handle as many leads as I am.”

Alexander adds: “I have to get back to the prospect in a timely manner. It's great to hear from prospects: ‘Wow! You got back to me quickly. I just hit the send button.’ That gets our agency off on the right foot. The lead I receive isn't exclusive to me. There are other agents who receive that lead as well. So I'm competing against them.”

“We don't limit the number of agents who get leads from us in a

particular area,” Nelson explains. “The average, though, is between two and four. We want to make sure the consumer is receiving a broad selection of quotes from which to choose. That said, we don't want to bombard consumers with too many quotes. That doesn't serve them well either.”

She continues: “We surveyed our consumers and found that over 50% of the consumers that received three or more quotes bought insurance from one of the agents that provided a quote. So when you think about competition in a particular ZIP code, at least some consumers who didn't receive three or more quotes apparently felt that they didn't have enough good information to make a decision.”

“What the Internet has taught us all over the last couple years is that consumers want to use it to educate themselves and gather information,” Striegel points out. “When a consumer is ready to purchase insurance, they move offline for that. We understand that and provide the tools for that transition. Consumers are able to fill out their information online in a couple of minutes and then they'll be contacted by agents who specialize in the right markets to fulfill their needs.”

For his part, Di Meo says, fulfilling prospects' needs begins with his use of the FSC comparative rater when leads arrive. He represents a number of standard preferred carriers but, he notes, there isn't one carrier that does well in all areas. Thanks to an integration between NetQuote and FSC, the lead information is bridged into the rater. There's no rekeying.

Nelson explains: “We want agents to be able to maintain a fluid

workflow—one where they don't have to stop and rekey information. That means they can get back to that consumer that much quicker.” She notes that NetQuote has integrations with other comparative raters in addition to some lead management and agency management system vendors. Integrations aren't just for the desktop, she continues. “We also work with eAgency which offers mobile collaboration solutions. They can deliver any data to virtually any wireless device in real-time. With this relationship, NetQuote leads populate into a BlackBerry automatically. So an agent can receive a lead any time, any place. The agency will still receive it in its e-mail, but the agent will also get an alert on the BlackBerry. The prospect's phone number is right there. The agent just clicks and calls.”

“Lead generation is the only business we're in,” Striegel concludes. “Our model is geared toward individual agents and helping them build their book of business. We've always represented the agent on the Web. We're out there competing against large insurance carriers for consumers' information. Most agencies can't afford to do that on their own. So we provide a vehicle for the agents to effectively compete against the big guys.” ■

For more information:

NetQuote

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