



TRANZACT Lead Purchasing Case Study

TRANZACT

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I. Overview

Client	<ul style="list-style-type: none"> ▶ Leading National Insurance Carrier
Objective	<ul style="list-style-type: none"> ▶ To generate a significant volume of cost-effective online leads to support the expansion of a new Direct to Consumer channel selling Medicare Supplement Insurance
Challenges	<ul style="list-style-type: none"> ▶ Managing the high variance of quality by lead amongst the aggregators; lack of transparency of media placement. ▶ Generating consistent volume year round for products that are generally seasonal or have specific enrollment periods. ▶ Managing geographical daily caps of lead volume and exact pacing for licensed agents. ▶ Deploying real time technology to allow for scrubbing and targeting in an intelligent manner. ▶ Allowing for quick and easy implementation of new partners with the ability to manage the partner volume mix daily. ▶ Targeting consumers age 64 ½+ interested in obtaining Health Insurance or Medicare Supplement Insurance. ▶ Monitoring lead acquisition techniques utilized by aggregators to ensure acceptance of practices. ▶ Achieving specific cost per lead and policy metrics.
Approach & Solutions	<ul style="list-style-type: none"> ▶ Our approach to this program consisted of three phases – Test phase, Rollout and Continued Optimization ▶ Phase 1 – Testing (60 days). By researching the space, leveraging our current working relationships and executing a tight vetting process, we identified 4 lead suppliers to use in the Testing Phase. The goal was to purchase between 2,500 and 5,000 leads that allowed us to test: <ul style="list-style-type: none"> • Shared vs. exclusive leads. • Receiving leads in real time and batch (after hours). • State by state conversion. • The appropriate number of leads an agent can handle in a given day. • Lead quality across multiple providers using different online channels. ▶ We implemented our proprietary lead management and tracking system during the test phase. This provided the visibility and business intelligence needed to make marketing/purchasing decisions. Our solution provided the capability to prevent us from receiving duplicate leads between the lead partners, set up a timing schedule to eliminate duplication, construct real time reporting for payment and set up a prioritization and dupe process controlled by the Marketing group. These capabilities ensured that we were not purchasing excess leads and increasing our cost unintelligently. ▶ At the conclusion of the test, we identified the learning below: <ul style="list-style-type: none"> • The more expensive exclusive leads did not work within the carrier’s media cost per policy. • Real time leads had a 20% greater yield than batch leads. • There is a wide variance of performance by lead source (search, email, etc.), state, agent and the constant tweaking of these variables is essential to a successful program.

- We determined the appropriate number of leads per agent per day, pricing flexibility based on commitments, and performance variance between aggregator partners.

▶ **Phase 2 – Rollout and Continued Optimization.**

- Expand the lead volume and sources to 15-25 aggregators.
- Improve the quality of leads by incorporating proprietary custom models, filters and other validations.
- Drive down media cost per policy by receiving weekly files from Carrier to do detailed analysis of performance and increase volume from better performers.
- Dial up/down volume by partner and/or state to achieve maximum results.
- Work intimately with Carrier to expand the agent force and ensure they receive the “right” amount of leads per agent.
- Test additional data capture requirements to test impact of results.
- Test other channels, i.e. Affinity and call transfer.
- Continue to analyze performance by partner, source, state, agent
- Weekly calls with carrier to ensure we are pacing against plan and meeting the ROI objectives.
- Quarterly Business Review with Marketing teams to review previous activity and plan for following quarter and year and discuss new strategic initiatives.

Results

- ▶ Since the inception of the Medicare Supplement program, we were able to achieve the following results:
 - Purchase hundreds of thousands of leads annually.
 - Reduce the media cost per placed policy by 50%.
 - Generate tens of millions of dollars in annual new business premium.
 - Expanded agent force 10x within 12 months.
 - Easily onboard a new partner and know the quality of leads within 3 weeks.
 - Add 5-10 new lead partners each month.
- ▶ We continue to work with our client to ensure continued growth and achievement of ROI hurdles.