



Four Levels of a Consumer

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You just made a sale to a new client — congratulations! This is not the end of the sales process; it's only the beginning. LIMRA research shows that the average buyer of life insurance will buy seven times during his or her lifetime. Also, they'll buy other products and services, not only on them but on their spouse, children, parents, inlaws, business partners, etc. It's all based on the relationship, since opportunities are found based on the relationship that you have.

Not all consumers are the same. To optimize your marketing and sales efforts, it's important to know how consumers vary according to your relationships with them. We have identified four key levels of a consumer. By understanding these levels, you can move your relationships with clients to ever-higher standards and build your book of business the best way possible: through valuable referrals.

Here is an overview of the four levels of a consumer.

Level One: Buyer

Level one is a buyer. By definition, a buyer is an individual who has simply purchased a product from

you. Unfortunately, this is the only level that many representatives ever get to. Just as sad is the fact that even though some agents or representatives survive for years in our industry, their income and their business do not grow proportionately with time. This reality relates to a LIMRA study that revealed what financial services consumers complain about the most: advisors' failure to stay in touch or build long-term relationships.

Level Two: Customer

Level two is a customer. A customer is a consumer who sees you and your business as a source to handle a particular need or desire. Today, millions of people are Apple customers. When they think of a phone, tablet or computer, they automatically think of Apple. When the consumers you have sold think of insurance or investments, do they automatically think of you?

To get consumers from level one to level two, you have to get them to think of you when they think about insurance and/or investments. The only way to do that is by following the three C's of Marketing:

Constant Client Contact.

LIMRA research says a financial professional should have 24 contacts with each consumer every year. It takes 12 contacts to establish a brand or name with a new prospect. These contact points include connecting via social media; offering website resources; sending out birthday cards and/or holiday cards; publishing or emailing newsletters; conducting quarterly, semi-annual and annual reviews; and making phone calls. The key is to get in front of the consumer as often as you can.

The phone is a marketing tool and should be used only for setting or confirming appointments. Never use it to address concerns or to answer questions early on in your career. Use any reason to get in front of your prospect or consumer while you are still in the relationship-building phase. Now, this rule does change over the years as you develop a bigger, more established client base. But in the early years, your goal is to establish as many buyers as you can and then move them up to the customer level as quickly as possible.

Level Three: Client

The third level is a client. A client is someone who seeks advice. We are clients of our doctors, our attorneys and our accountants. These professionals do not sell products; they sell advice. As your consumers begin to seek your advice on insurance, they will naturally begin to seek your advice on

other products and services you offer as well, such as investments. They will seek you out to get your counsel and advice as they move to this third level. They see you as a resource for them, their families and their businesses.

Now, this progression to level three didn't just happen; it resulted from all your marketing activities — the 24 touches each year and the third "B" of marketing:



Being Viewed as a Resource. Once they understand your value proposition, your business model and your commitment to serve and support them, you will be a resource they can count on.

Level Four: Advocate

Finally, the fourth level is an advocate. An advocate is someone who will promote you and your services to the community at large without your asking them to do so.

Anyone can be an advocate for anything. It is the world's best form of advertising and marketing. We have all been an advocate for a restaurant due to the quality and consistency of its food and service. When your customers and clients develop into advocates for you, it means that they believe in you. They have given your business unsolicited referrals and recommendations and have typically received positive feedback on those referrals. Nothing can help build a successful practice more than having a number of advocates promoting your services.



Building relationships takes time, even with people you may already know. Follow the process, and use your firm's marketing resources. It will turn your potential as a professional into a successful reality.

In summary, your goal is to transform buyers into consumers, then clients and ultimately into advocates:

Buyer → Customer → Client → Advocate

Tips for Transforming Buyers into Advocates

According to a 2013 Harvard Business Review article, many salespeople offer incentives to existing customers for referrals, but this is not recommended. It's a "slippery slope" that can appear as if you are buying referrals. The best way to achieve this progression is to earn referrals by providing extraordinary customer service. Here are some tips for doing that.

1. Deliver what you promise. Promptly fix anything that might not be right. Underpromise and overdeliver. Leave no doubt in people's minds that you are consistently true to your word.
2. Know your customers' problems. Everyone is different. Find out what each of your buyer's, customer's and client's needs, concerns, fears, wishes and hopes are. Communicate with them with these important facts in mind. Let them do a lot of the talking. Listen closely, and repeat what they said to you. Offer solutions and encouragement.
3. Check in regularly. Again, maintain Constant Client Contact to see if your buyers, customers or clients need anything, have concerns or don't understand something you have discussed. Always keep learning more about them and their situations. Educate them, and be the resource that they can depend on. Make sure they are happy with every aspect of your relationship.



4. Give the relationship time to deepen. The closest relationships are those that develop over time, with clients seeing that you come through for them again and again, without fail, over a long period of time. Don't rush the process.
5. Thank them. It is important to express your sincere appreciation when an advocate gives you the ultimate compliment by referring others to you. Thank your advocate, and let him or her know that the referral contacted you.

When you receive referrals from your loyal advocates, you have a high likelihood of doing business with them than with cold leads because they have already heard positive things about you from people they know and whose opinions they value. As a result, it will take less time to build rapport and trust with those new clients.

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