



Millennial Small Businesses

Myth or Fact; Insurance Buyers Report

Just type the term “millennials are” into any internet search engine and autocomplete will provide a host of stereotypes that supposedly characterize this generation. But how can such broad characterizations represent an entire generation of over 75 million people that spans a 20-year age range? The answer is, it can't. Basing marketing decisions on what marketers think they know about millennials is bound to be ineffective.

Behavior runs deeper than a broad label. The right data can help you understand the “why behind the buy” to sell smarter

and win bigger. Claritas Small Business Behavior Track, a nationwide survey of decision makers in businesses of less than 50 employees, enables you to hone in on purchase behaviors of all different ages of decision makers by insurance product line. Based on an annual survey of over 7,500 small businesses, you can find your next customer by defining their preferences and behaviors, identify how to best connect with them, and identify more companies like them.

Every Purchase is a Journey



You know your products and markets, but do you know your best customers and why they buy from you? Our original data is specifically focused on attitudes and behaviors of insurance decision makers. With it, we can help you identify buyers by job role, explain their decision-making criteria, provide context with psychographic data and further refine behaviors regarding product line such as Employee, Indemnity, Property, Worker's Comp and Auto insurance.

Improve your messaging by learning what key values—price, support, loyalty, etc.—drive a buyer to choose one insurance provider or product over another. And know where to place those messages based on where they research and buy insurance. In short, we've captured the behaviors that shape the small business buyer journey.

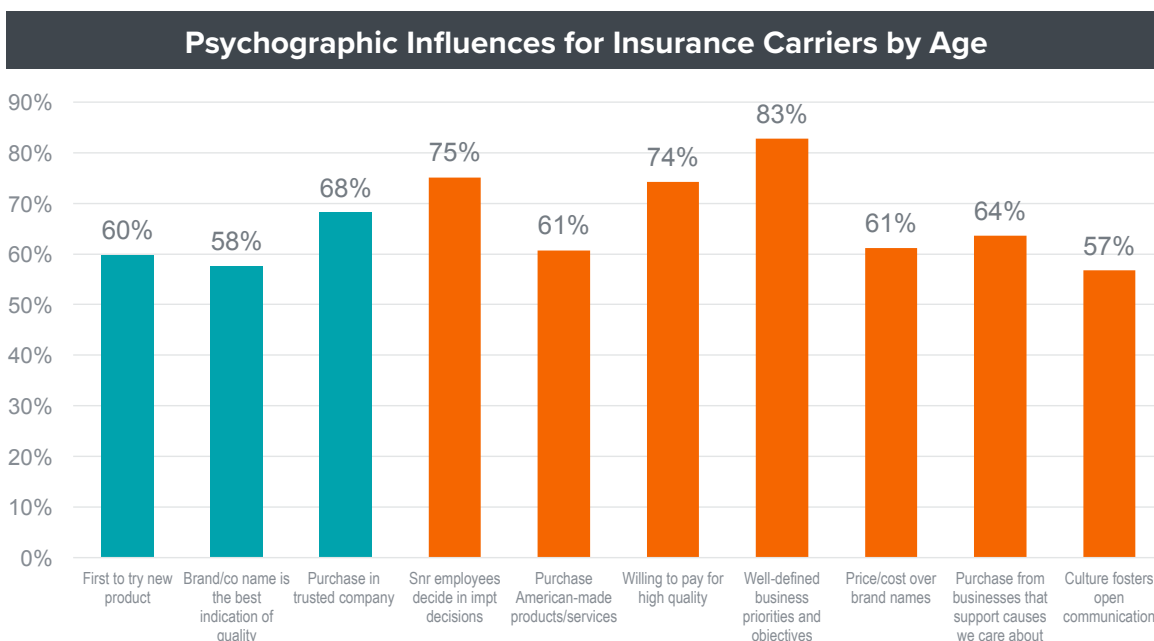
The Millennial Thought Process

How do you get past what you think you know about Millennials to connect with your next customer? By understanding the actual psychographic trends, attributes desired, and channels used by Millennial buyers to make their purchase.

Psychographics

Psychographic data encapsulates the attitudes of your target customers. In other words, the things Millennial decision makers care about when buying insurance. In this example, 60% of 18-34-year-old decision makers consider themselves to be early adopters of new products. That's over four times more likely to try new products than their 65+ counterparts. Yet at the same time there is a remaining 40% of millennials who are not early adopters, so marketers need to avoid using stereotypes (or single behaviors alone) to define consumers.

With that said, the data shows that Millennials are also two times more likely to purchase from a trusted company. They are more heavily influenced by brand name, feeling that it is the best indication of quality. Over half of Millennial buyers are more likely to purchase from a company with a social conscience that aligns with their own. While these are significant portions of the millennial decision makers, it clearly shows there is a diversity of opinion amongst these young decision makers.



60%
of Millennial
buyers consider
themselves to be
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of new products

Attributes

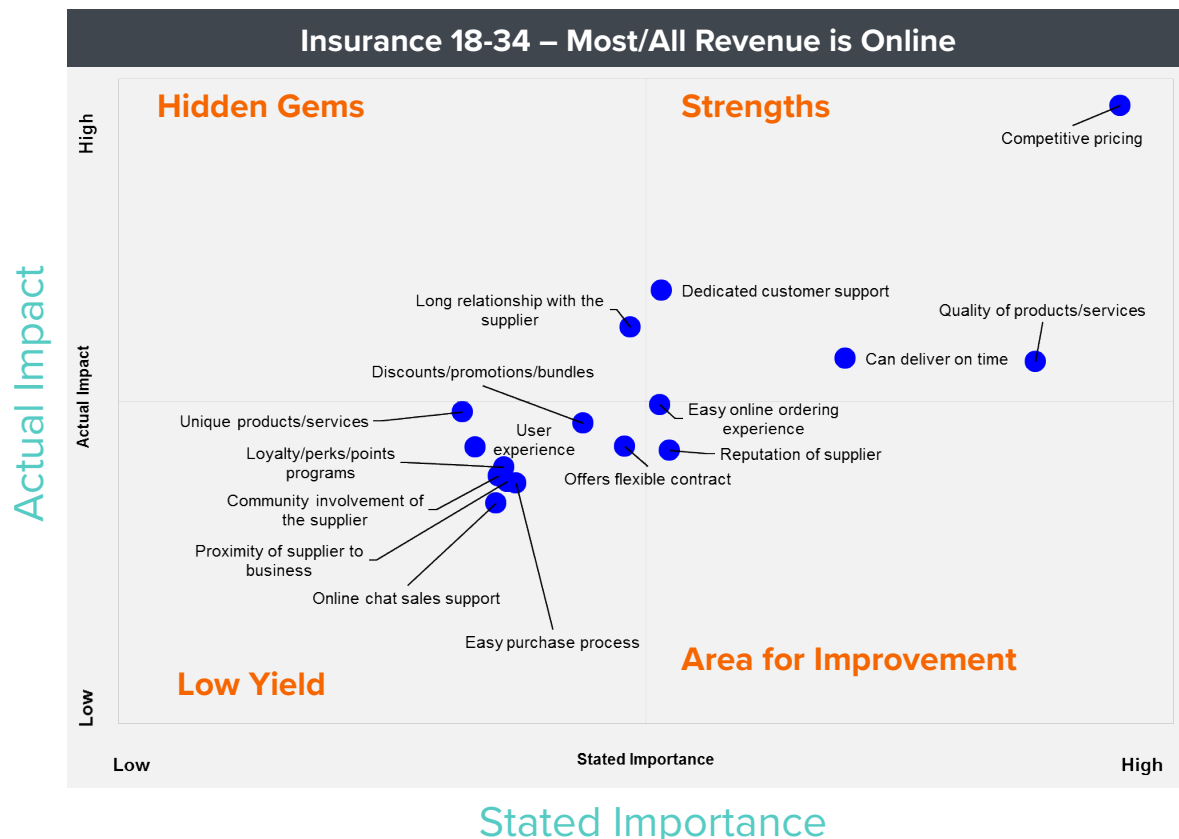
Attribute trend data focuses on the factors that influence the decision to buy. Influence is complex; it's not uncommon for there to be a discrepancy between the stated and actual impact a particular factor may have on buying decisions. Our analytics team performed an importance analysis on the factors found within the Small Business Behavior Track (below) to understand their purchase pattern in more detail.

In this analysis, Millennial insurance decision makers **identified competitive pricing** as the most important purchase factor, as shown through a derived importance analysis. Customer support, quality of products and on-time delivery were also strengths for purchasing, while an easy online ordering experience fell directly in the middle.

Custom analytics such as this can help you understand the relationship between factors that influence the why behind the buy to sell smarter and win bigger. The results, like in this example, can help guide your marketing strategy as well as content. An example of this would be fine tuning your messaging to minimize promoting low yield features. Instead create more effective messages that concentrate on the attributes with the strongest impact on actual buying behaviors.



Millennials are also
2X
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Channel Preference

Once you know what Millennial insurance buyers are looking for to create winning messages, the challenge becomes defining where to place these messages to capture customers searching for information, and actually purchasing insurance products.

Over 50% of Millennial business decision makers prefer online research, with mobile a distant second at 19%, and in person research in third at 16%. When it comes to making a purchase, roughly 4 in 10 Millennials use online only to buy business insurance. Not all Millennials prefer to go it alone, 30% used multiple channels in their purchase journey. They are 3 times more likely than their 65+ counterparts to use a multipronged approach to buying insurance so cross-channel marketing is essential with this group.

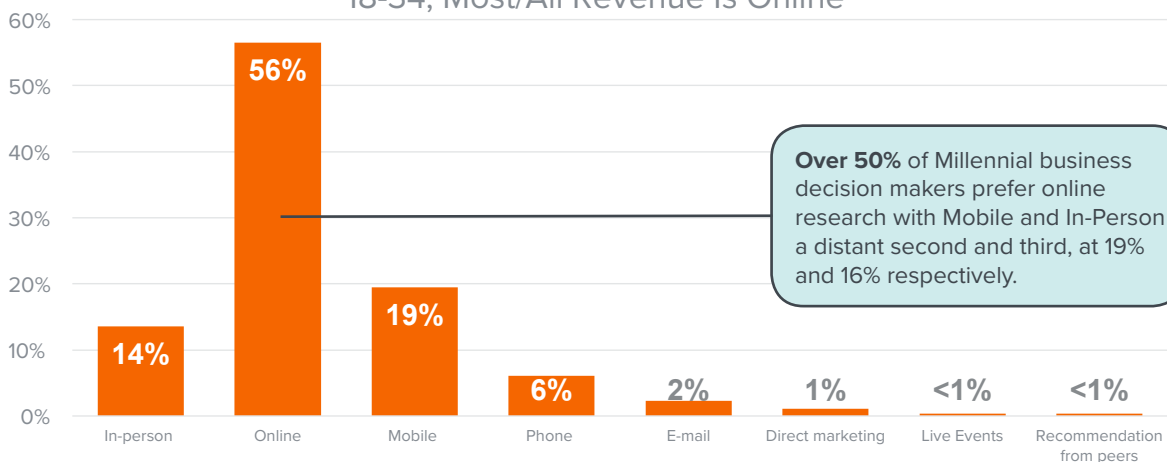
Even with all this direct small business research, there are still more factors to bring you closer to your best customer with segmentation detail.



50%
of Millennial business
decision makers prefer
online research

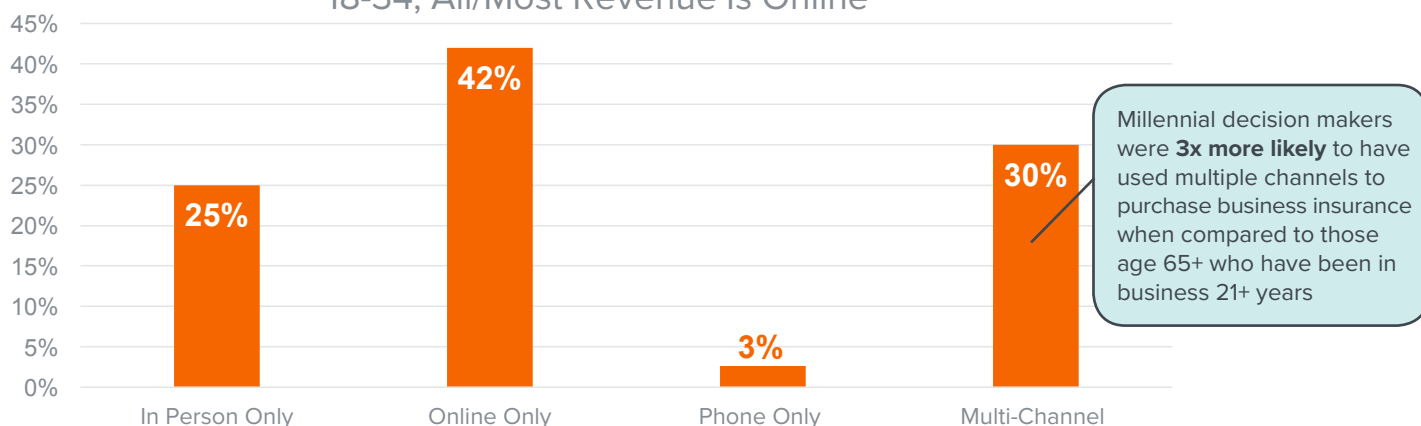
Insurance Research Channel Use by Age

18-34, Most/All Revenue Is Online



Insurance Channel Use by Age

18-34, All/Most Revenue Is Online



Small Business Segments Unlock the Millennial Mystery

All Millennial Businesses are not created equal, context is key to predicting how the market moves. To provide this context, Claritas creates segments or audiences for businesses who need to find and capture business customers by segmenting their behaviors rather than by the use of generic demographics. Just as consumers, business audiences can be segmented into distinct groups of prospects based on desired buyer qualities. Our proven methodology encompasses multiple variables, attributes and behaviors to form the strongest predictors of a businesses' next purchase, and identifies which of your customers and prospects belong to each segment.

Who I Am

Firmographic "Who I Am" data (in this illustration) describes potential customer groups or segments. The unique combination of these attributes - number of employees, revenue, type of business and industry—to help you define your best prospects. Beyond core firmographics, segment descriptions include profiles of who the decision maker is at a business, and whether their customers are consumers or businesses.

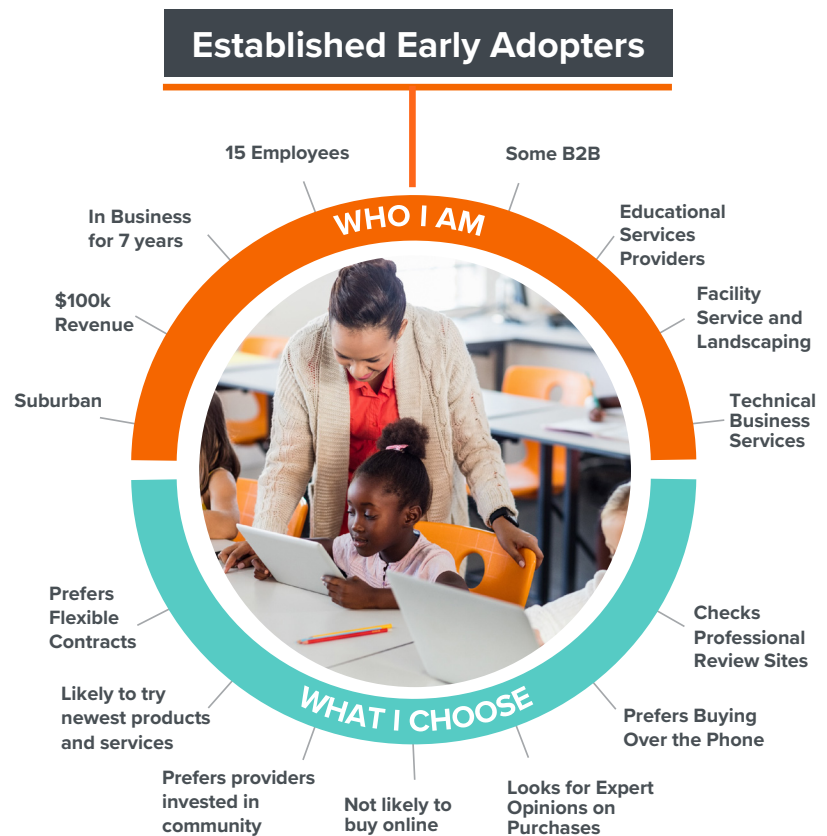
What I Choose

"What I Choose" defines each segment's purchase journey. This includes research patterns and channels, insurance provider preferences, purchase channel, and products purchased. These behaviors are just as important as firmographics in defining your next best customer.

View

All Sides

of a Small Business Buyer
with Segmentation Detail
for smarter targeting



Custom Segment Report — Insurance Example

Segment Storyboard

Larger, high revenue small businesses found in suburban areas.
They are willing to spend on products & services to stay competitive.
They are online and in-person purchasers who value ease and flexibility and they research online before we buy.

21%

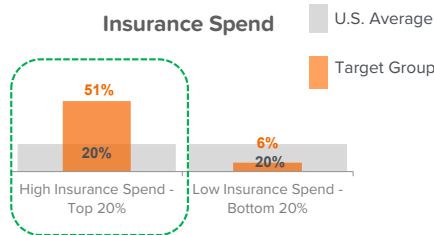
U.S. Small Businesses



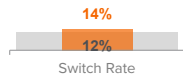
SMARTER TARGETING

TENURE	9 Years
REVENUE	>\$1M (40%)
EMPLOYEES	15 Employees (Median)
AVERAGE SPEND	>\$3,500 (40%)
URBAN/CITY	Suburban

Source: 2018 Business-Facts® and Claritas Demographics



Switch Rate



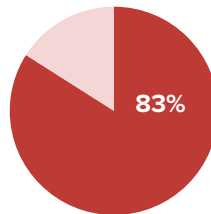
SMARTER PLANNING

TOP DMAs
Highest Penetration



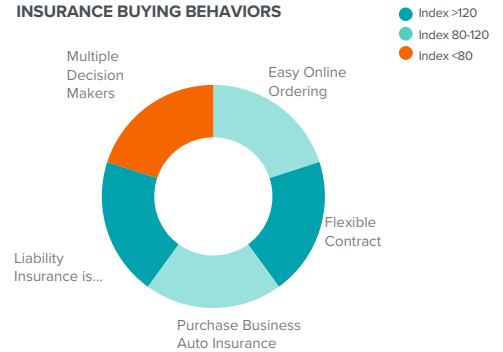
Harlingen, TX (62%)
Fresno/Visalia, CA (42%)
Los Angeles, CA (31%)
Miami/Ft. Lauderdale, FL (30%)
San Antonio, TX (30%)

NETWORK ACCESS
U.S. Small Businesses

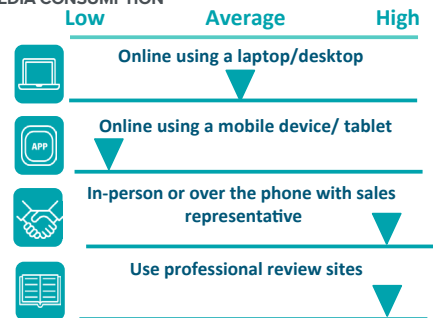


SMARTER BUYING

INSURANCE BUYING BEHAVIORS



MEDIA CONSUMPTION



Instead of relying on intuition and tradition—using the same channels and messages—marketers can develop initiatives based on hard data that address the needs of their business customers and reach them in the way they will be most receptive. In the Custom Segment Sample above, we summarize

complex consume profiles in a way that is intuitive and easy-to-communicate across your organization. These insights can then be used to understand target groups that are most likely to purchase, and which channels and messages are most efficient for smarter targeting.



SMARTER TARGETING

Identify your best customers and the purchase behaviors that define them



SMARTER PLANNING

Locate your consumers efficiently and find more just like them at scale



SMARTER BUYING

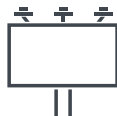
Know where to buy and invest budget where it does more



Print



In-Office



Out of Home



Direct Mail



Desktop



Mobile



CRM

Location is Everything

After developing messaging that appeals to who your prospects are and how they behave, you need to know where to find them. Claritas Small Business Behavior Track provides a geographical component with granular detail, helping you locate decision makers to execute offline marketing, or even choose your next territory for expansion.

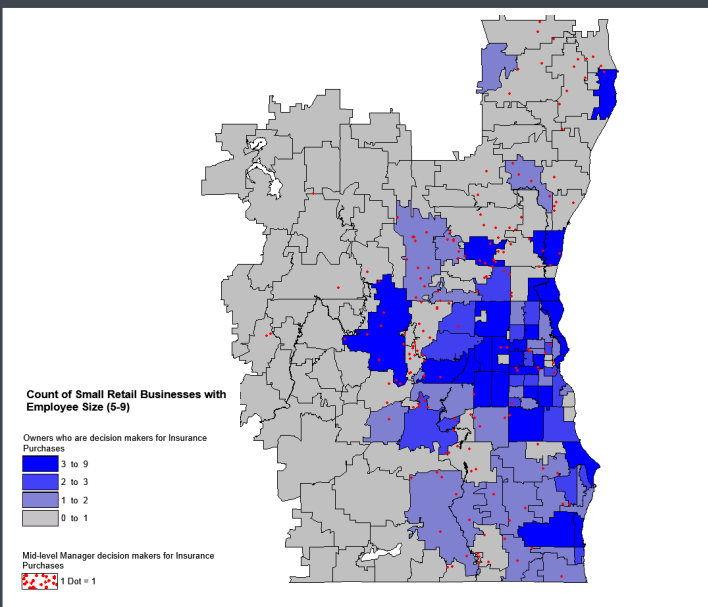
Know where the small businesses are who have owner decision makers, or pinpoint where the decision makers are who are apt to use one channel over another in purchasing a specific type of insurance.

Going Beyond Millennial Myths to Proven Methodology

Smarter data helps small business marketers shape a smarter plan. Starting with the “why behind the buy,” then adding valuable behavioral insights, multiple desired attributes, and geodata means:

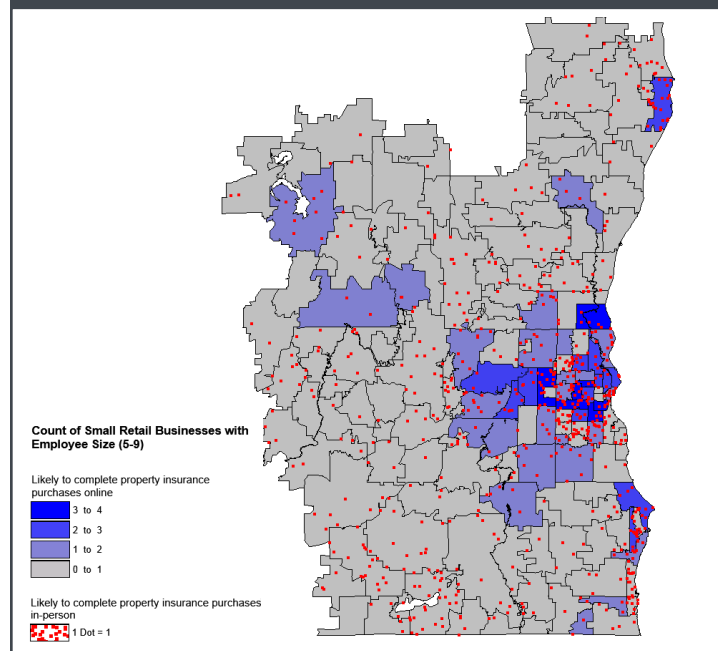
- Winning more sales with smaller budgets
- Building lasting loyalty beyond the first buy
- Predicting behavior and projected sales with accuracy
- Knowing your next customer—and the next

Owners Make Insurance Purchase Decisions



Map highlighted to show density of mid-size business owners of retail stores who make insurance purchase decisions in the Milwaukee, WI DMA® Region. This type of narrow geographic targeting can be used to shape both message and product for retailer specific insurance programs.

Likely to Purchase Property Insurance Online



Map highlighted to show density of 5-9 employee retailers who purchase their property insurance online in the Milwaukee, WI DMA® Region. Detailed mapping of online vs. offline insurance buyers leads to detailed messaging strategies to support the prospects preferred channel.

About Claritas

Claritas helps companies find customers. Not just any customers—their best customers. We provide the tools and data to define who your best customers are, how they behave, and how to connect with them. With powerful original research, trusted data partnerships, and an expert Analytics team, we provide the why behind the buy that is the key to selling smarter and winning bigger.

About Claritas Small Business Behavior Track

Claritas Small Business Behavior Track provides the why behind the buy, so you can find your next customer. Beyond company size and number of employees, you'll learn about the buyer's journey. Understand who is making the buying decisions by product type, and how they like to do research, for more personalized marketing.

With 8,500 respondents, Claritas Small Business Behavior Track is one of the largest small business custom research projects ever produced, delivering insights specific to the banking, insurance, technology, telecommunication, and travel industries.

The depth of Small Business Behavior Track gives you unparalleled insight into small business attitudes, purchases and research channels at the respondent level, enabling you to develop messaging and strategies to most effectively communicate with this unique, hard-to-reach, and critical customer base.

Target Small Businesses Based On The Buyer Journey

Business Profile

Analyze more than just firmographics.

Purchase Psychology

Determine the underlying beliefs that go into a small business purchase.

Purchase Research Preferences

Understand how much time is being spent online doing research and which research is used in the buyer journey.

Research Channel

Uncover small businesses research channel preferences.

Purchase Channel

Track which channel was actually used to complete sales of specific products.

Decision Making

Know the number of decision makers at a given business.

To learn more about leveraging **Claritas Small Business Behavior Track** to find your next small business insurance buyer, visit www.claritas.com or call **800-234-5973**.