

Today's worksite buyers more concerned about obtaining value

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AVON, Conn. — Carriers and producers need to recognize that the worksite market is changing.

A recent study by Eastbridge Consulting Group suggests that worksite buyers today are different from buyers of years past in several ways.

Today's worksite buyers are more educated and independent. They are influenced by different factors than the buyers of years past, perhaps because they now share more of the cost of their benefits and are skeptical of recommendations--whether given by an enroller, their employer, or a co-worker. These consumers are likely to be more aware of the costs of various insurance products and more concerned about getting value for their money.

"Price and value are more important to today's worksite consumers," says Bonnie Brazzell, vice president for Eastbridge and project manager for the study.

"They still value buying at the worksite and the convenience of payroll deducting the premiums, but the price/value has to be there as well. No longer are consumers willing to accept an inferior product and pay significantly more simply for the convenience of purchasing at work through payroll deductions," says Brazzell.

Different Expectations

"We believe that the presence of group carriers and large employers has also created some changes in the marketplace, including more cost awareness of voluntary products, more price competitiveness (since group products are traditionally sold on a price basis), and different expectations regarding enrollment methodology," says Gil Lowerre, president Eastbridge.

Both Lowerre and Brazzell believe that carriers and producers need to acknowledge--and act upon--these changes, including re-examining their value proposition to employers and employees.

All carriers will want to have a value proposition that speaks to why their offering is competitively superior for today's employers and employees.

Additionally, the study found that the worksite buyer population is made up of several different audiences with different needs and expectations. Traditionally, worksite buyers have been portrayed as blue or gray collar employees working in small and medium sized companies. However, the Eastbridge study found that more and more large employers are offering voluntary benefits and that the buyers include both the traditional blue/gray collar worker as well as white collar professional and managerial employees.

"This finding is important for carriers and producers," says Brazzell, "because the factors that motivate professional and managerial employees to buy are somewhat different from those given by blue and gray collar workers. To effectively serve all of these populations, different approaches are needed."

According to Lowerre, "This study suggests that the market is becoming more "mainstream" and that carriers, as well as producers, will need to re-examine their marketing strategies in order to succeed in the future."

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