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The Bad Actors Among Lead Sellers

by **Jaimie Pickles**

Summary:

Bad actors cause significant problems for lead buyers, but industry-wide use of technology can tackle the issue.



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In today's online shopping environment, lead sellers and lead-buying marketers alike work well together toward the same goal of delivering a great customer experience; however, they often struggle with an array of challenges along the way.

The Evolution of the Lead Seller-Lead Buyer Relationship

The relationship between online lead sellers and lead buyers began as a very simple one, in the late '90s. The lead seller was also the lead generator—who dealt directly with the lead buyers.

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But it wasn't long before small- and medium-sized publishers realized they could make money by generating leads that they would then sell to the large lead generators that had direct relationships with the lead buyers.

This resulted in lead generators that would also aggregate leads generated by smaller publishers. By the mid-2000s, the large generators and aggregators began to monetize individual leads further by sharing them with other large generators and aggregators that had unique end-buyer relationships.

Initially, this transpired in a private, trusted transaction environment with strict rules in place that were easily enforced. Two companies worked together to maximize the monetization of each other's leads. Collectively, they made more money, and the consumer had more options available. It was a win-win-win for everyone in the ecosystem.

As more of these private sharing arrangements developed (driven by the additional monetization opportunity), the technology evolved to support it. Hence the ping post ecosystem, which publishers, aggregators and generators leverage to best monetize leads. Much like in a stock exchange, sellers and buyers come together to create an efficient market with a variety of options for the consumer, and the highest bidders are typically the entities with the best consumer offer.

See also: Changing Business Models, 'New' ERM

The Present State of the Lead Seller-Lead Buyer Relationship

In insurance, the relationship between sellers and buyers is generally strong, as long as the publishers, aggregators and generators play by the rules.

For example, leads should only get sold to a certain number of buyers in a shared-lead world, and exclusive leads should only be sold to one buyer. Other examples of rules include:

- No manipulation of the consumer data
- No recycling of leads later
- No fake leads
- No non-TCPA-compliant leads
- No incentive-driven leads
- No unauthorized sales to stated end-buyers

It is the “bad actors” that don't play by these rules in the ping post ecosystem that can cause significant problems. We can look to the evolution of the mortgage and education verticals to learn how to solve these problems.

Solutions for Today's Lead Seller Challenges

TCPA Compliance. One of the most stressful challenges that lead sellers face today is TCPA compliance. Given that TCPA case filings increased more than 940% between 2010 and 2015, coupled with the fact that consumers are being encouraged to file suits by some law firms, the TCPA has become a huge hurdle for sellers to overcome.

Both lead sellers and buyers must avoid exchanging non-TCPA compliant leads and make sure they have persuasive evidence of consent in the event they, or end-buyers, face a complaint or lawsuit.

Measuring Consumer Intent. Another challenge sellers face is gaining the ability to measure the intent of each consumer.

With insights into the individual consumer journey, you gain the ability to measure the intent—and therefore the value—of each lead. There are technology solutions available that enable you to measure consumer intent.

Those Bad Actors Not Playing by the Rules. Many lead buyers are actively leveraging technology to validate consumer data as “good data” and some using de-duping solutions to minimize buying the same lead twice.

In the ping post ecosystem, much of the data on the origin and history of a lead is “contributed data.” The challenge of eliminating old or recycled leads, dupes, fake and no-intent leads stems from a lack of ability to verify that “contributed data” as fact. For example, an insurance lead aggregator buys a lead from another aggregator or from a generator and agrees to only sell the lead once and only to one, specific insurance provider. This is contributed data, but there is no way to validate it as fact. What sometimes happens is a bad actor will sell that lead to other insurance providers or hold it for a week or so then sell it again—a recycled lead. There is no transparency and little accountability.

To validate contributed data as factual, you have to establish a “chain of custody” to verify that each lead seller participating in the ping post system is playing by the rules. Then, if there is ever a problem or complaint, you have data to help the lead generator or buyer that is experiencing a problem identify where in the chain the problem occurred and expose the bad actor.

The Most Crucial Area for Improvement

Improving Lead Value – To continually improve relations with their buyers, sellers always seek ways to cultivate greater value in their leads.

The simplest solution is for sellers to distribute the highest-intent leads possible and do everything possible to eliminate selling “no intent” leads to their clients.

To best accomplish this, sellers must require any upstream publishers and generators to adhere to the simple rules that sellers and buyers have established and have a mechanism in place to verify

any contributed data surrounding exchanged leads. If anyone is still following the antiquated practices of a bad actor, it's going to catch up to them eventually.

See also: Developing Programs for Shifting Channels

Bad actors are bad news for the entire ecosystem, leaving a bad taste in the mouth of buyers, that can cloud relationships with reputable sellers and result in a deterioration of value to all participants. By exposing the bad actors, sellers can avoid a race to the bottom, ensure they deliver a great consumer experience and deliver high-intent leads—and the resulting growth opportunities—to buyers.

Technology is available to the lead-gen industry today to enable the chain of custody and associated data trail. We encourage everyone to join this insurance industry initiative.



ABOUT THE AUTHOR

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