



# **Cracking the Code: Empowering Advisors to Connect with Modern Consumers**

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- **Understanding The Modern Consumer Mindset**
- **Collaborative Discovery to Build Deeper Relationships**
- **Using Behavioral Economics to Help People Decide**

# Topics for Today

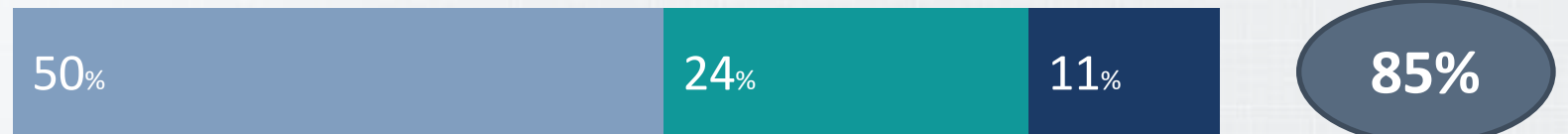
# Recapturing the Lost Art of Selling



# Trust is the “Attribute Under Siege”



Has become significantly more difficult to trust advisors now, versus five years ago

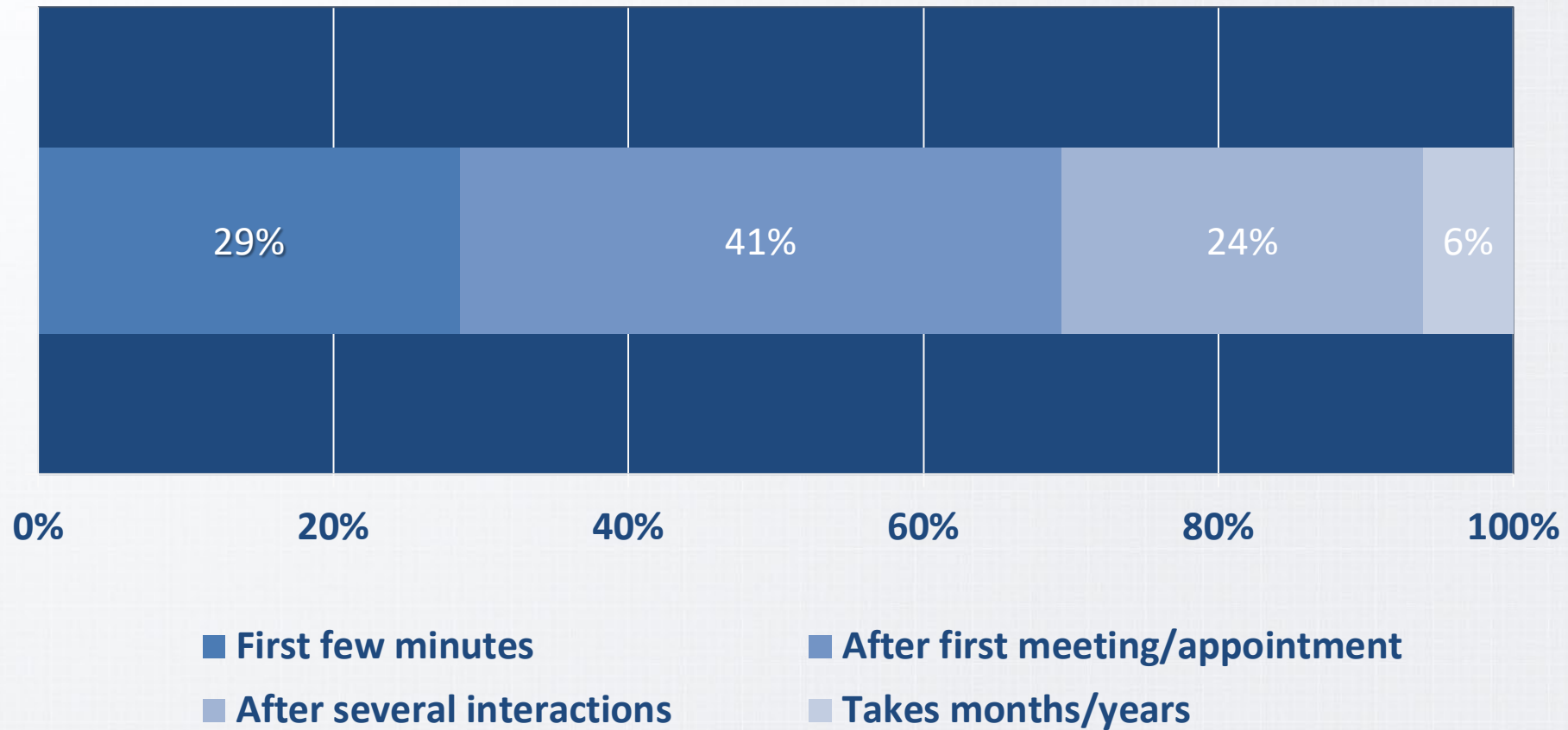


Has become significantly more difficult to build trust with client now, versus five years ago



Sources : MDRT Generational Survey; MDRT PREP Survey

# How Soon Consumer Decides to Trust



# Four Facets of Trust

## Benevolence

- Tailored to me
- Not self-serving
- Not pushy

## Integrity

- Not misrepresent
- Honest
- Transparent

## Dependability

- Keep promises
- Do what you say

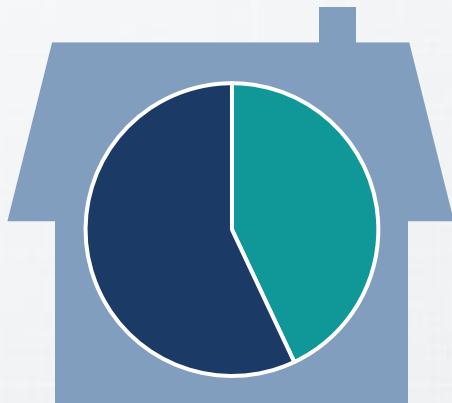
## Competency

- Education
- Experience

# Consumers are Afraid and Confused

43%

of households report being afraid of making a mistake in their financial decision making

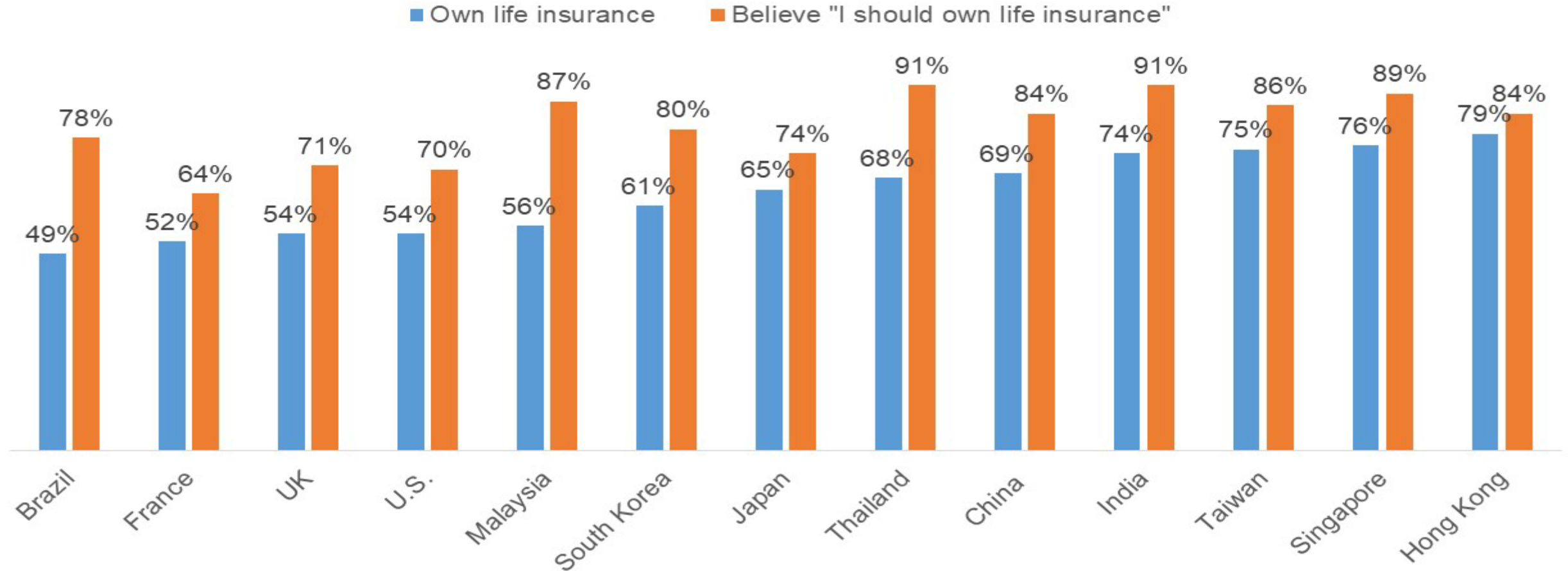


5 out of 7

consumers report being more confused after they met with an advisor than before

# Strong Global Demand

**No matter the country, more people believe they need life insurance than own it.**



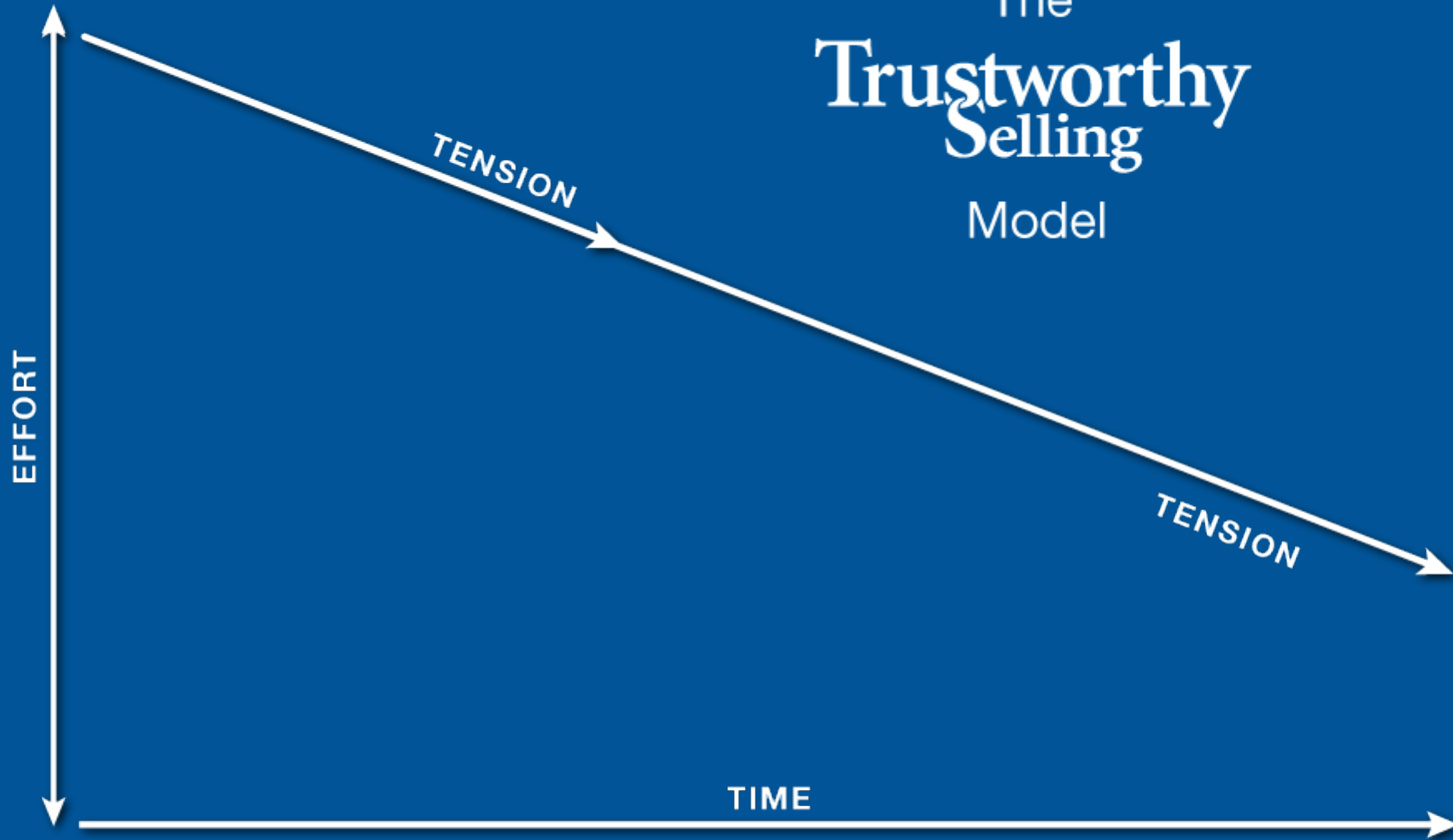


The  
**Trustworthy**  
**Selling**  
Model

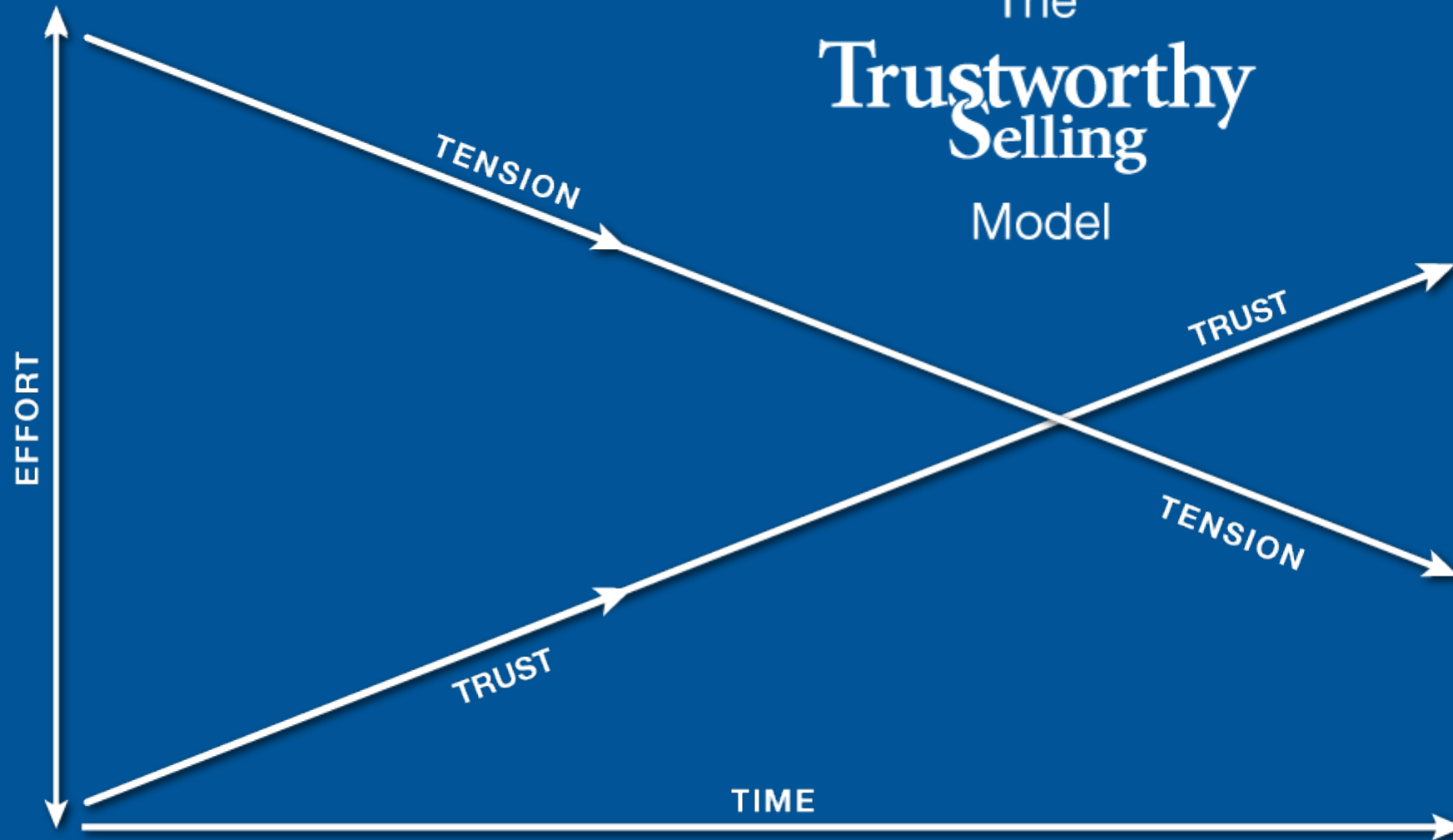
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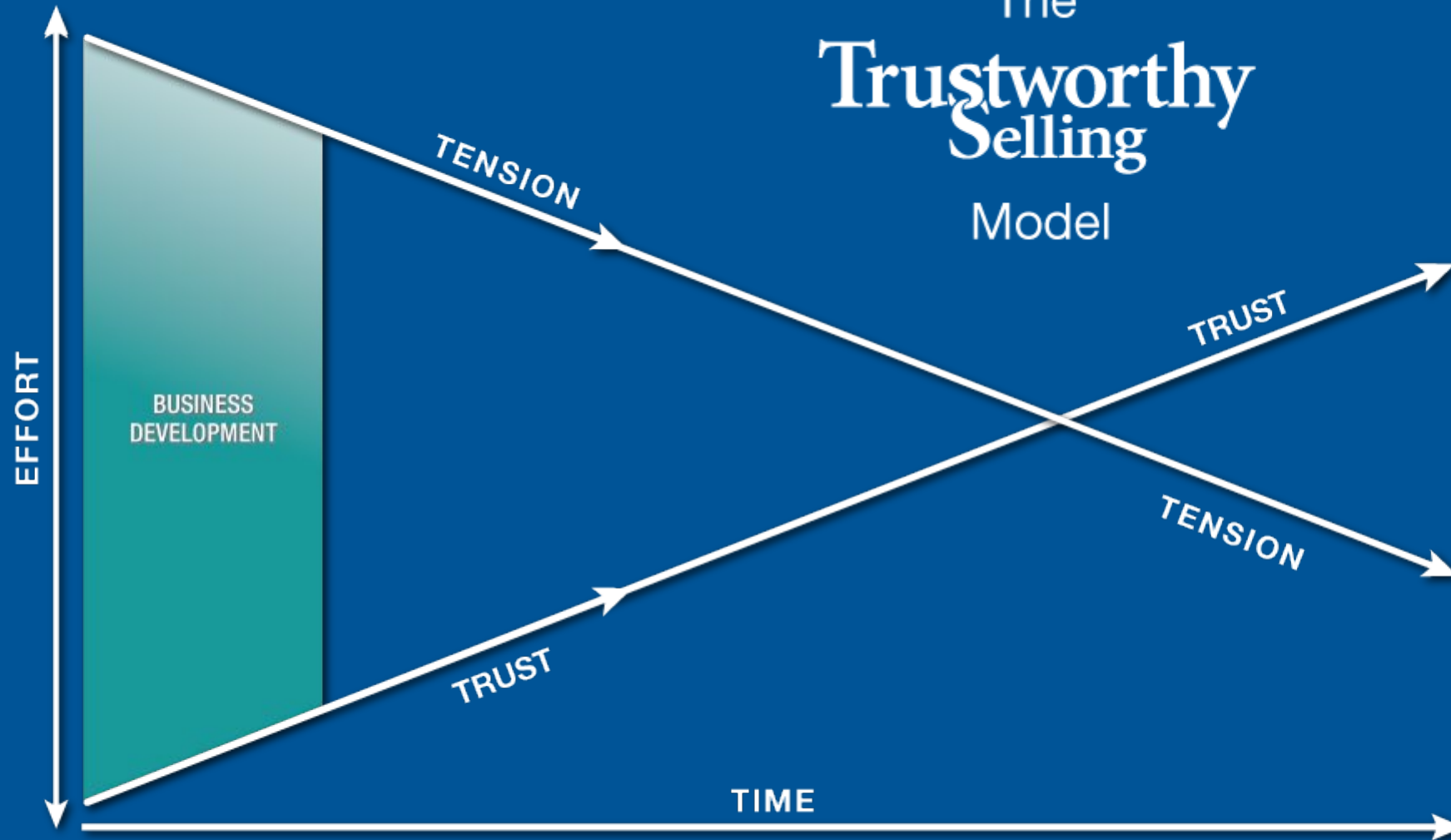
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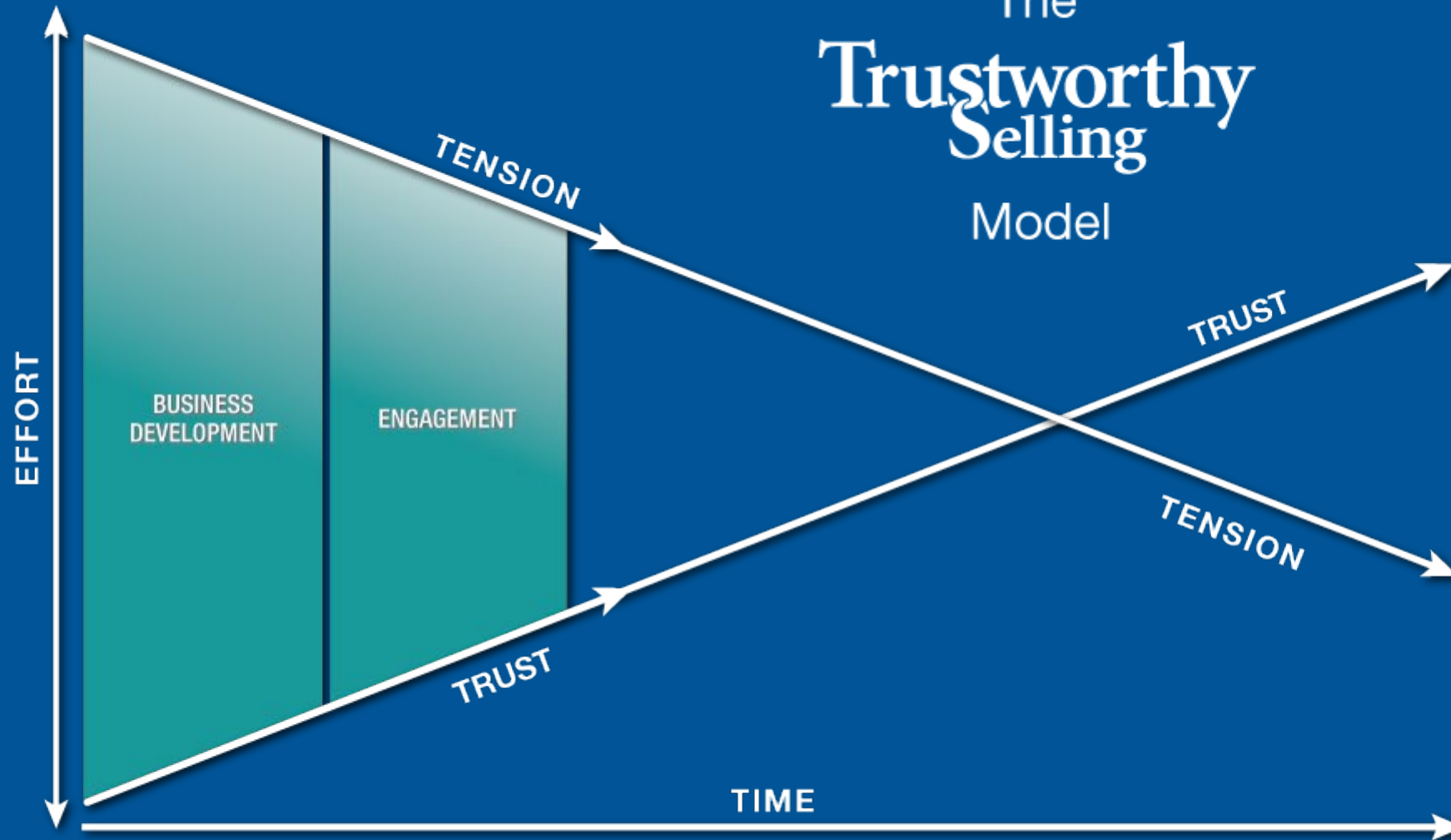
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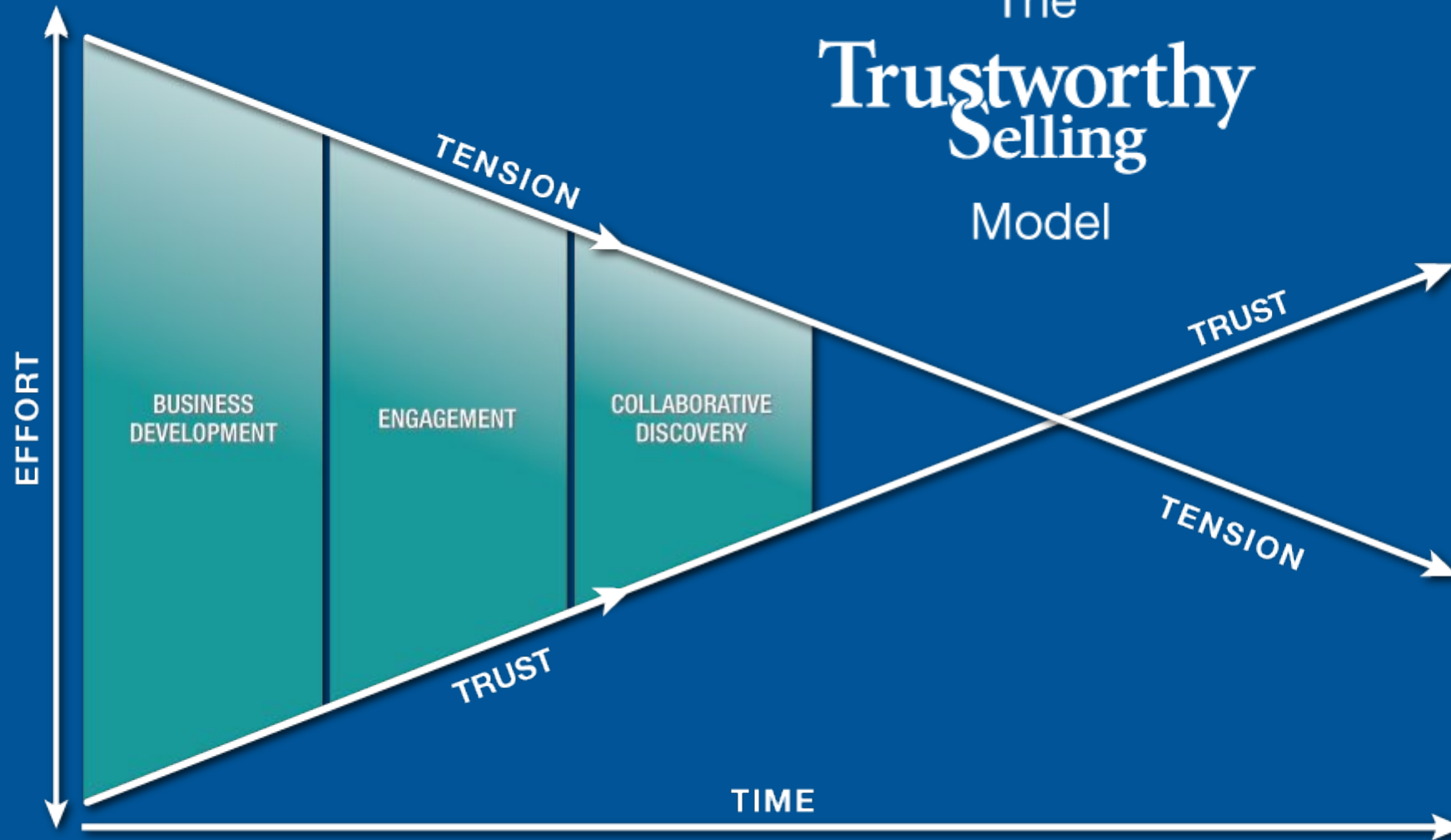
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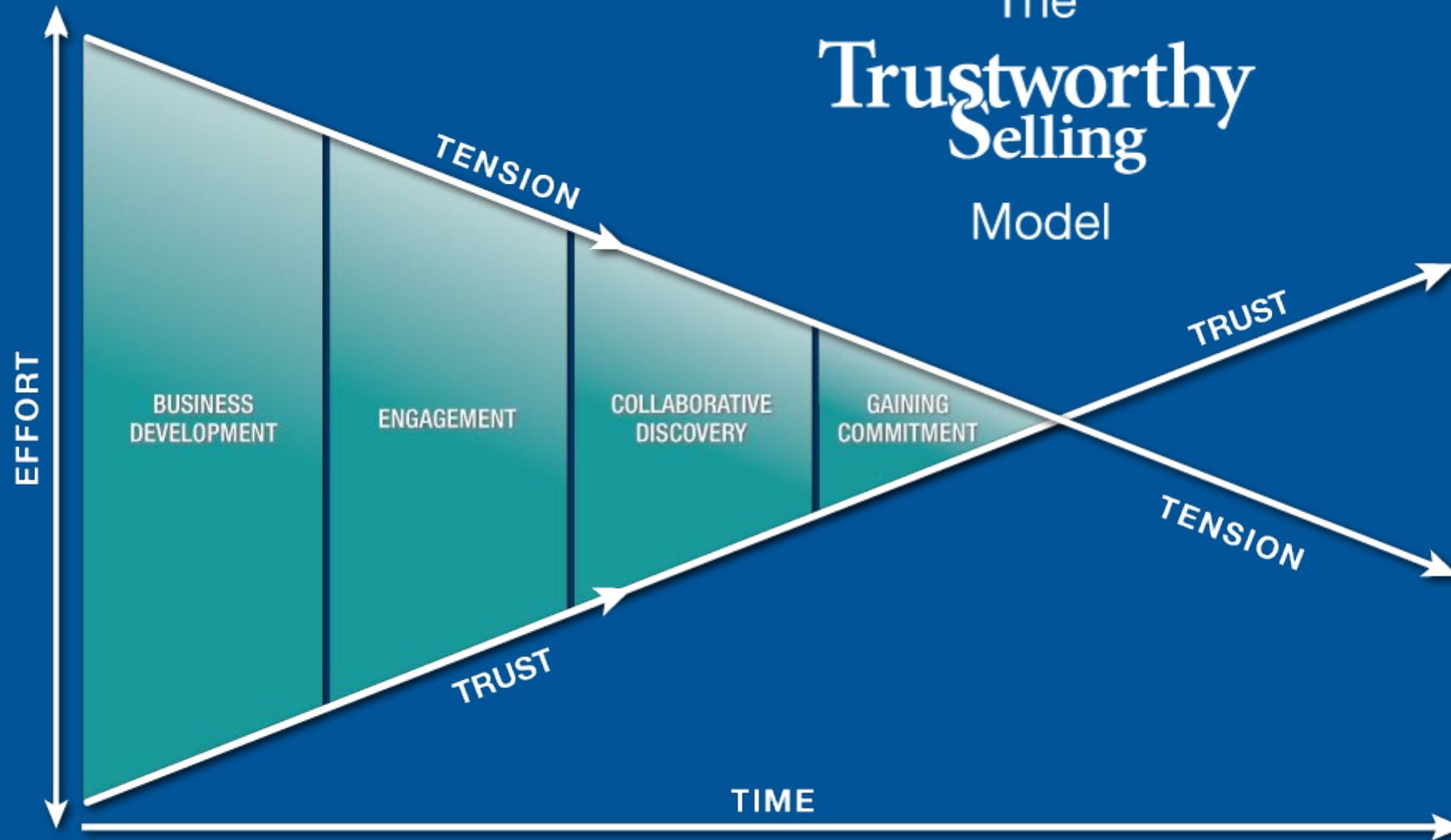
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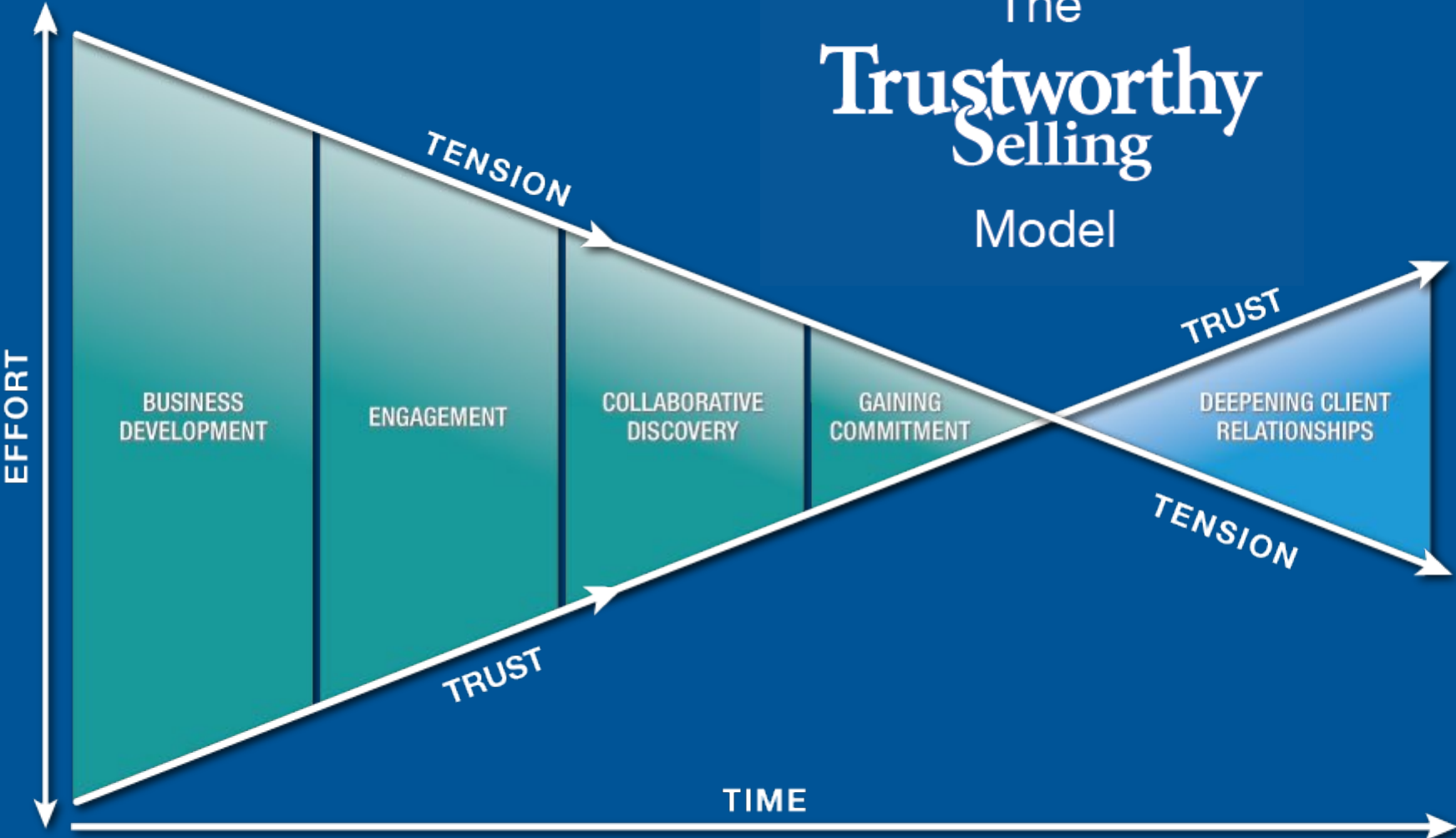


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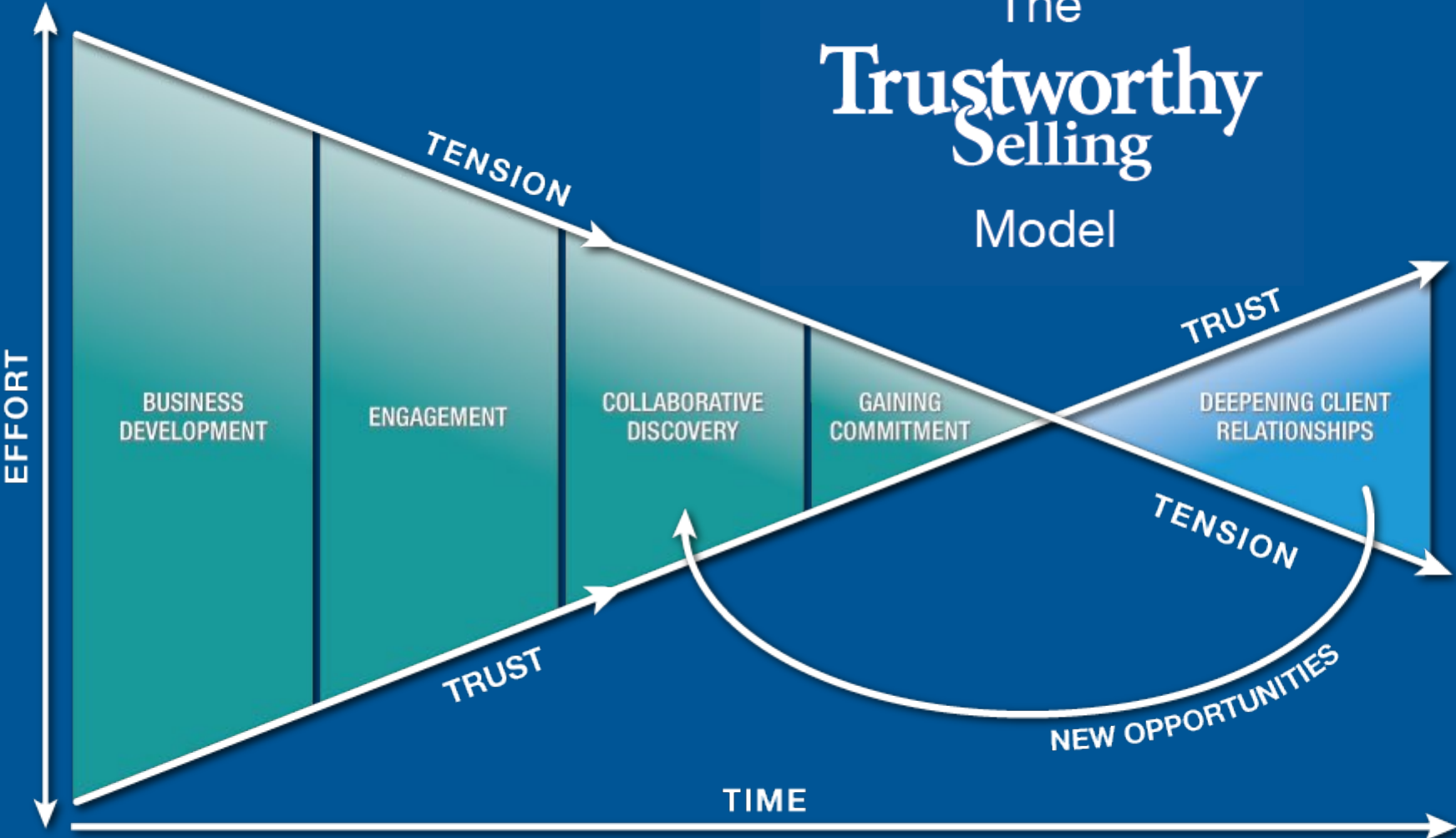


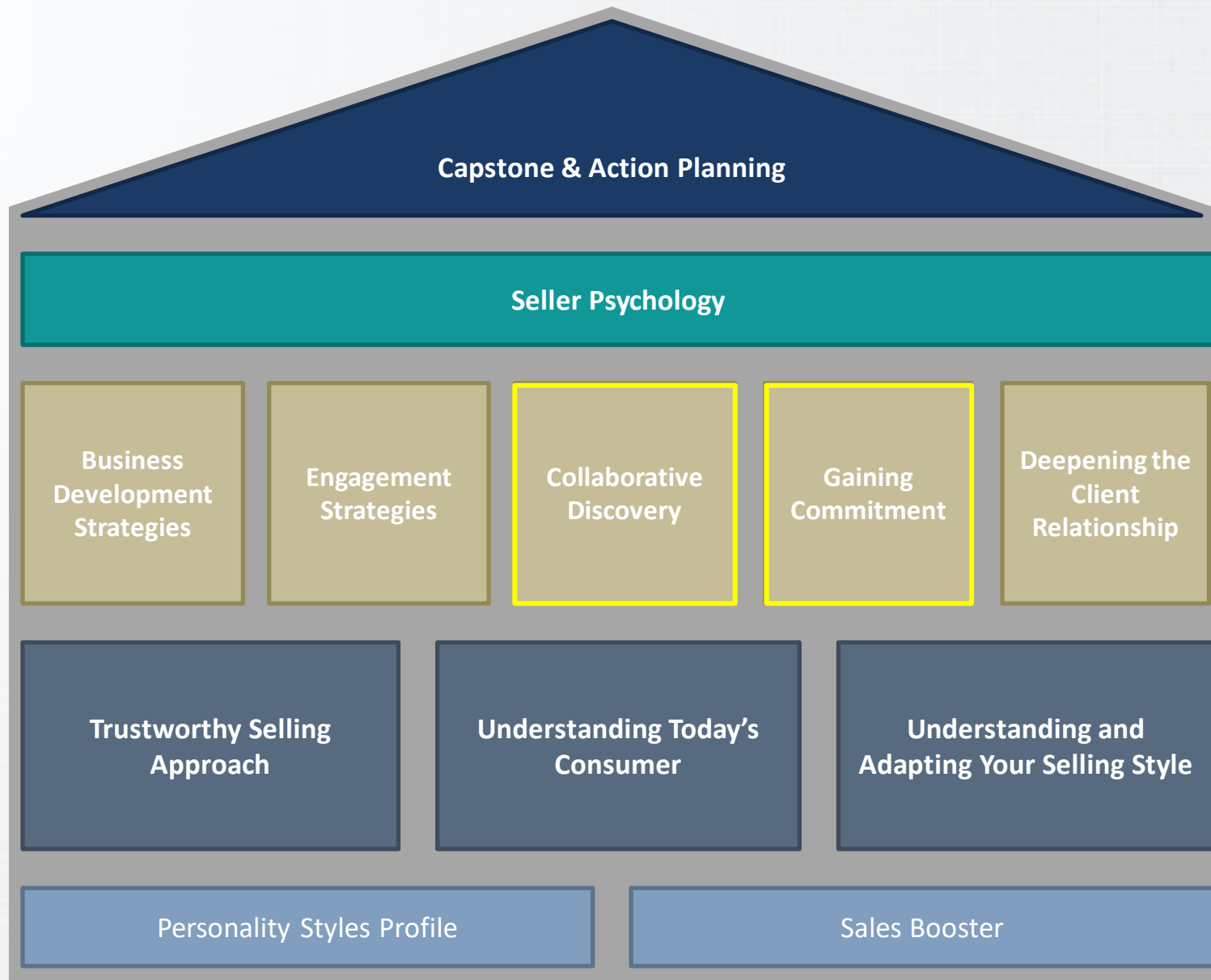


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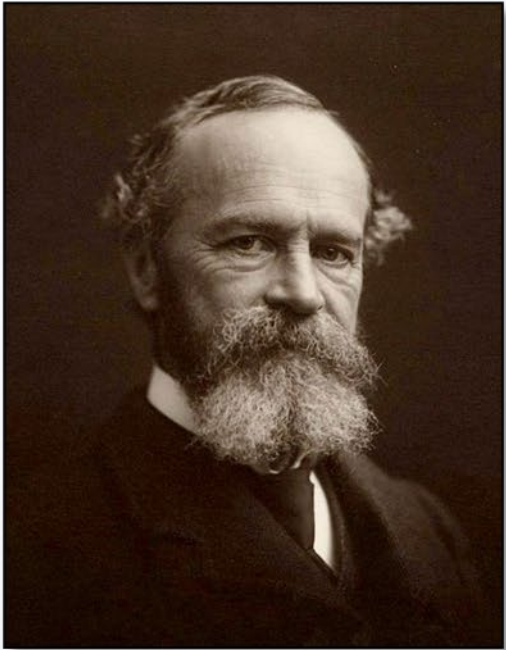






# Collaborative Discovery





## William James

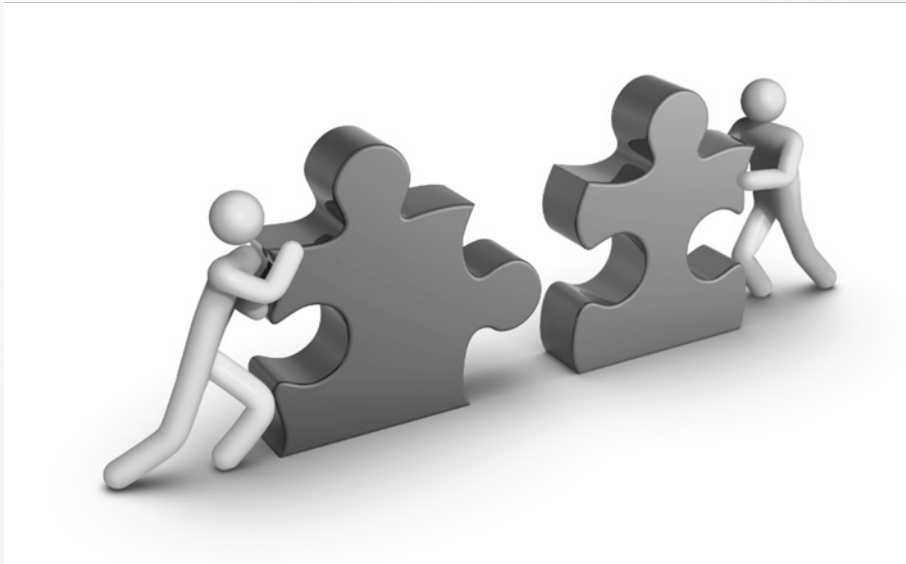
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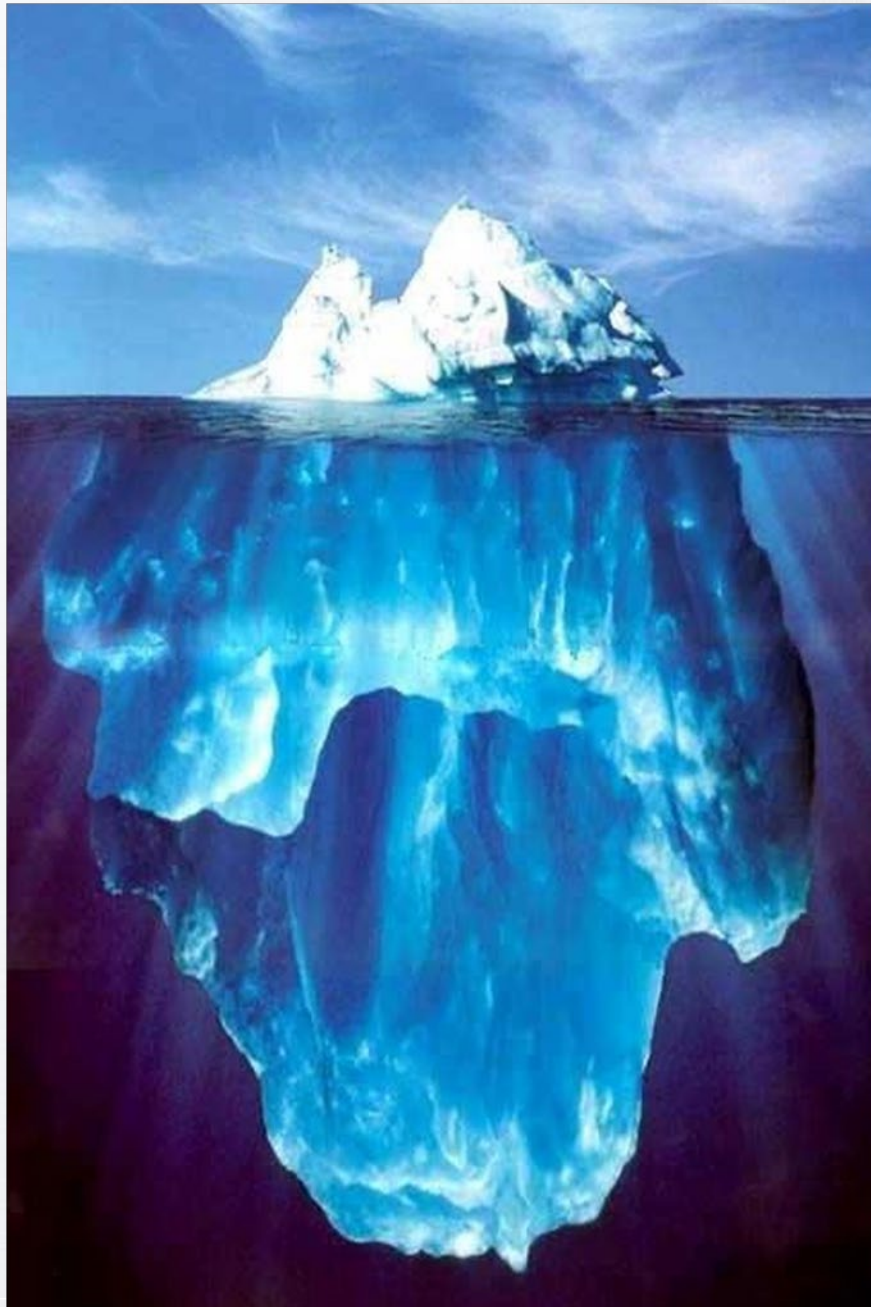
“The deepest principle in human nature is the craving to be understood and appreciated”

**Factfinding .....**  
is what you do TO someone

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**Collaborative Discovery ....**  
is what you do WITH someone



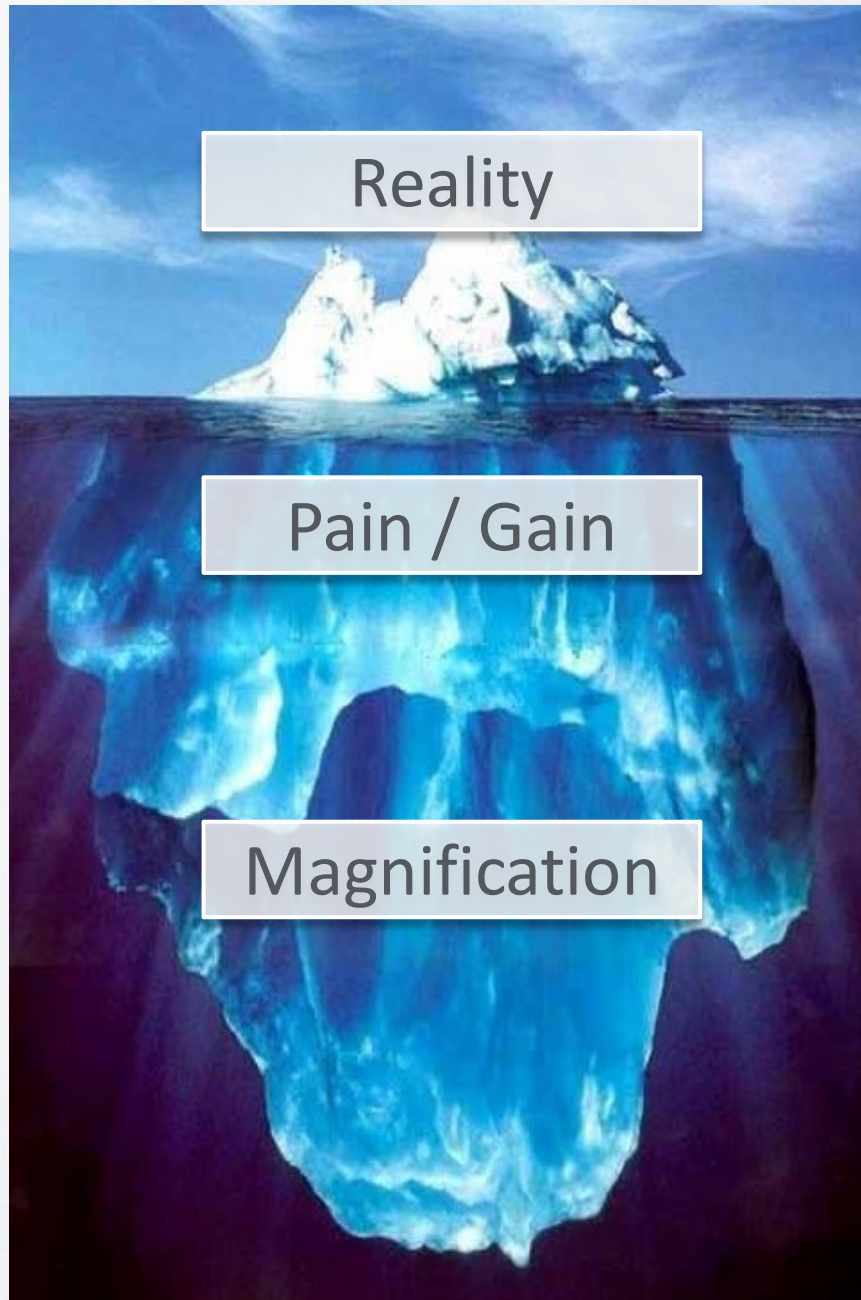


# RPM Questioning Model

- Reality Questions
- Pain / Gain Questions
- Magnification Questions







Reality

Pain / Gain

Magnification

# Purpose of Pain/Gain Questions

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- Identify where someone's current actions are misaligned with their intentions for the future.
- Draws clarity around the gaps in someone's current planning.



# Pain/Gain Questions – Life Insurance

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- What do you want your life insurance to do for you and your family?
- How important is it to you for your family to maintain the same standard of living if something were to happen to you?



# Purpose of Magnification Questions

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- Identifies consequences, effects, or implications of someone's situation.
- Develops clarity and strength of someone's problem (chain of ramifications)
- Expands a person's perception of value.



# Magnification Questions

## Life Insurance

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- Who would take care of the children if Jeff had to go back to work if, God forbid, something happens to you?
- What are your options if you decide to purchase more life insurance later on, but can't due to health issues?



# Gaining Commitment: Behavioral Economics



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# What is Behavioral Economics?

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- The fusion of psychology and economics to explain human behavior as it relates to financial decision-making.
- Economics is rational – Behavioral Economics is irrational.
- Used globally to “nudge” consumers towards socially desirable behaviors.



# Key Research Findings

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- Invokes more feelings and leaves a better impression.
- We can improve decision-making by controlling features that influence those decisions.
- Simple differences in how decisions are presented can influence the choices people make.





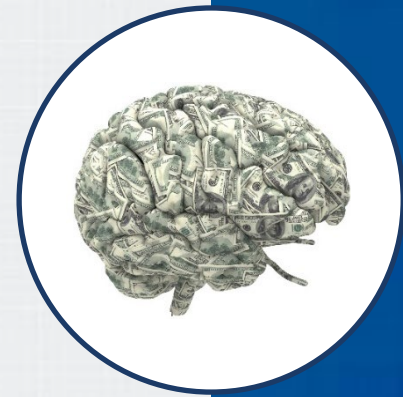
# Behavioral Economics Principles



USING PERSONAL  
EXPERIENCES

# Using Personal Experiences:

- Based on “Herding” theory and “Optimism Bias”
- Look at success of peer review sites like Amazon and Yelp
- Consumers have no idea what others are doing regarding finances
- Storyselling and Personal experiences overcome optimism



# Personal Experiences Overcome Optimism

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- **Story Selling** - tell stories to prospects about people similar to them who benefited from risk products.
- Use personal experiences, examples and stories to offset perception they don't need risk products.



# Behavioral Economics Principles



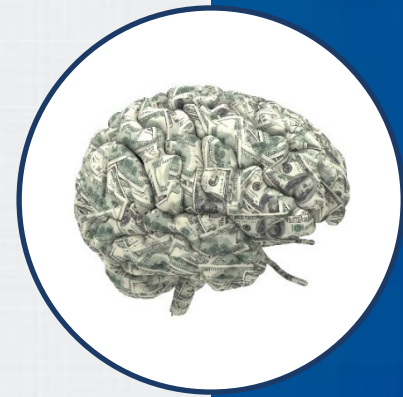
USING PERSONAL  
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PROVIDING AN  
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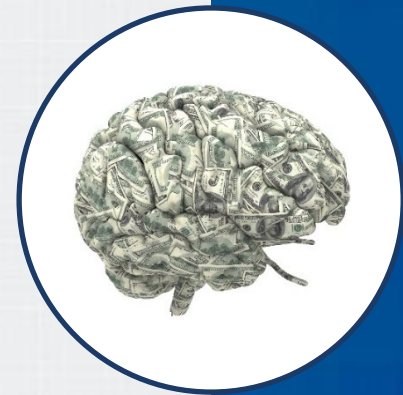
# Providing an Easy Way to Decide

- **Avoid Ambiguity** – consumers are very confused by financial terms and jargon.



# Providing an Easy Way to Decide

- **Avoid Ambiguity** – consumers are very confused by financial terms and jargon
- **Visualization** – vivid and personal info is far more effective than numbers and statistics.
- **Heuristics** – provides a simple framework to decide; rules of thumb.



# Heuristics

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When you can't evaluate your purchase after the fact, you're forced into evaluation before the fact based on rules of thumb.



# Common Financial Heuristics

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- How much should be allocated to your emergency fund? 3-6 months of expenses
- How much life insurance does the average person typically need? 8 – 10 x your income
- How much money will you need in retirement? 75 – 80% of your pre-retirement income





# Behavioral Economics Principles



USING PERSONAL  
EXPERIENCES



PROVIDING AN  
EASY WAY TO  
DECIDE



DEMONSTRATING  
FAIRNESS

# Demonstrating Fairness

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- People will make decisions not optimally beneficial to them if they perceive they're not being treated fairly.
- Make people want to feel they're part of the process, they have some input, and you respect the questions they ask.



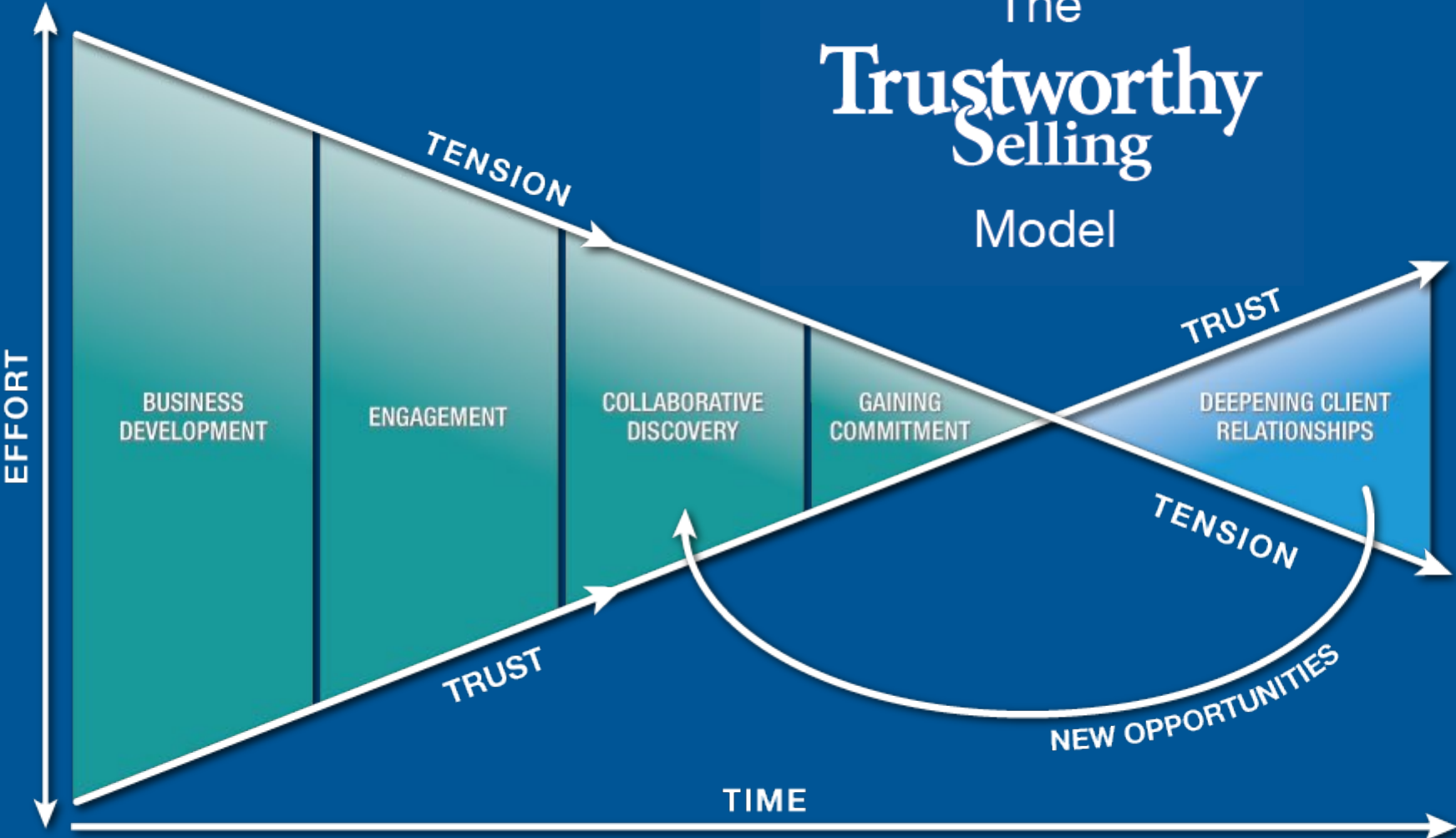
# Demonstrating Fairness

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- “What questions do you have?”
- “Am I explaining this clearly?”
- Provide 3 options, but make a specific recommendation and tell them why.



# The Trustworthy Selling Model



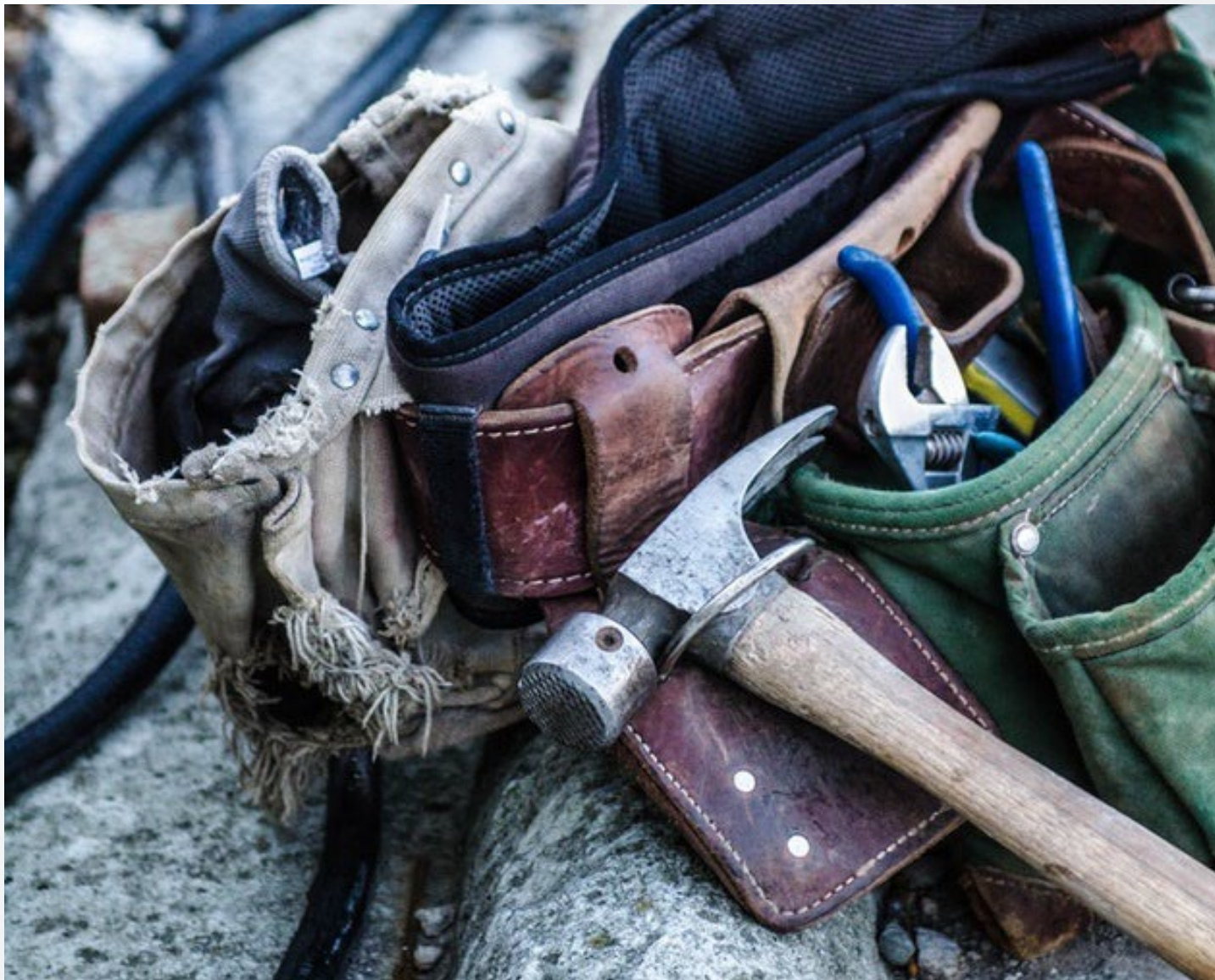
# Measuring Impact

Change is a continuous process. You cannot assess it with the static yardstick of a limited time frame. When a seed is sown into the ground, you cannot immediately see the plant. You have to be patient. With time, it grows into a large tree.

# Excellent Participant Value



rate  
Trustworthy Selling  
as a valuable use  
of their time



## 30 Day Behavioral Survey –

Participants  
reported changes in

# 36

out of 50 skills

# Put Your Entire Sales Team at the Top of their Game with Trustworthy Selling!

Pick a Metric:

# 25+%

lift on average

Premium  
32% lift

Policies  
17% lift

New clients  
25% lift

P&C  
productivity  
13% lift

OVERALL  
25% lift

Production  
credits  
12% lift

Retention  
21% lift

Lives  
14% lift

FYC  
46% lift



## 2022 Impact Study for Philippines Company (Virtual Classroom Delivery)

Category	Overall Lift	Lift for Middle Producers
Annualized Premium	10%	66%
Number of Cases	9%	56%
Average Case Size	7%	26%

# 2022 Impact Study for Company in Thailand

Category	Overall Lift
Activity Level	10%
Number of Cases	20%
Average First-Year Premium	28%
Average Case Size	30%

# 2022 Impact Study for Company in Malaysia (Leader Impact)

Category	Overall Lift
Personal Production Annualized Premium	19%
Direct Unit Annualized Premium	24%
Direct Unit Number of Cases	30%

# 2022 Impact Study for Company in Malaysia (Leader Impact)

Category	Overall Lift
Number of New Agents Recruited	49%
Number of Active Agents	33%

The best time to plant a tree was a decade ago.  
The second best time is now.

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