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## Session 450F Marketing of the Profession

**Track:** Actuary of the Future

**Moderator:** PAUL V. BRUCE

**Panelists:** PAUL V. BRUCE<sup>†</sup>  
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**Recorder:** PAUL V. BRUCE

*Summary: The American Academy of Actuaries has put together an ad hoc task force charged with developing a long-term strategic approach for marketing the profession to future users of actuarial services and to strategically position and strengthen the profession. This session provides an update on the progress of the task force.*

*A recently completed market research study on actuarial counseling is explained and discussed. As an outcome of the focus group sessions, key success factors are reviewed for those interested in "hanging out their shingles."*

**Mr. Paul V. Bruce:** I'm going to provide the results of some work done by the AAA Task Force on Marketing the Profession. That work was done in 1999. Teresa Winer and Susan Nassar will talk about a research project they coordinated last year. Teresa is the Chair of the Actuary of the Future Section. She organized and led the research project. Susan is an independent market research consultant running a firm called Energistics. She will speak about marketing in general. I will start and then I'll turn things over to Teresa and Susan.

Early last year I was asked to be a part of the AAA Task Force on Marketing the Profession. Anna Rappaport chaired that task force, and it was supposed to be an actuarial cross-organizational effort. We had support from the staffs of the AAA, the Society, and the Casualty Actuarial Society (CAS). We pulled in actuaries with a variety of perspectives.

Donald Behan from Georgia State University represented the actuaries in academia, and I was asked to represent the Actuary of the Future Section, partly because of a presentation on this topic that Dorn Swerdlin and I gave to the Society Board of

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<sup>†</sup>Ms. Nassar, not a member of the sponsoring organizations, is a Freelance Market Researcher for Energistics Inc., in Chapel Hill, NC.

Governors about a year-and-a-half ago. We also had some Society leadership besides Anna and some CAS leadership involved in this project. Our charge, point-blank, was to develop a long-term strategic approach for marketing the profession to future users of actuarial services and to strategically position and strengthen the actuarial profession well into the future.

We took a very good, rational approach, and that was part of the reason I was willing to be on this task force. Rather than launch any original research we collected all of the existing information from research projects that had been done in fairly recent years. We pulled those together, read them, and culled from that what we thought was useful and interesting.

Here's a partial list: the market for actuarial services prepared for the Council of Presidents in 1998; the Task Force on Strengthening the Profession from 1989; a 1996 study on understanding our customers; the image of the actuary input to the Council of Presidents in 1997; and a review of the U.K. financial actuarial profession from 1997 called "Financial Sense." Our direction was to identify a range of opportunities and focus on those that warranted serious exploration in order to best make use of scarce resources.

We made a list of nine potential marketing activities. These are listed in more detail in the March 2000 issue of the *Actuary of the Future* newsletter, which is on the SOA Web site.

Here are some potential marketing activities:

- (a) Try to create joint venture opportunities with professional organizations and groups with whom we have a common interest and where the organization and its members are influential in fields we would like to see actuaries utilized.
- (b) Identify pioneers. Pioneers would be people who forge out into new, nontraditional areas where actuaries have not normally made a living. Support those people, publicize their work, and build on what they're doing and what they're learning.
- (c) Identify outside publications where it would be helpful to have articles by actuaries published about issues pursued by actuaries in the professional organizations.
- (d) Publicize the profession better in high schools and colleges to make sure that young people coming up who have the skills and abilities to be actuaries are aware of it and think of it as a viable career alternative.
- (e) When we come up with research projects to meet the needs of the profession, make sure we also consider the marketing opportunities. Who else might be interested? Look for joint venture opportunities there as well. Look to do joint research with other experts in other fields that would allow us to broaden our exposure and encourage the Actuarial Foundation to

consider the same criteria when they look for, consider, and fund research projects.

- (f) Position individuals to effectively market themselves. Help actuaries become more willing and able to manage their careers in a changing world.
- (g) Invite as guest speakers to actuarial meetings people who are influential in areas where the profession wishes to be. This is an area I think the Society in particular has made great strides. When I went to my first actuarial meeting it would be pretty unheard of to have someone like Susan on a panel. Today, I see a lot of nonmember presenters on the list and in the presenter's lounge. Use these meetings as an opportunity to get to know these people, exchange ideas, and get a commitment for future further involvement.
- (h) Call on CEOs in industries where we feel actuaries might be useful in the future.
- (i) Teresa and I, along with Bill Horbatt, did a session about the fledgling ambassador program we're planning for the Actuary of the Future Section.

We took these nine items to the board of the AAA. They listened, they thought about the opportunities, and selected two that they wanted to have their staff support.

One was item a: joint ventures looking for opportunities to seek out speaking, publication, and exhibition opportunities in organizations other than the SOA.

Also, item c: identify outside publications where it would be beneficial for actuaries to have their work published, such as in the National Council of Teachers of Mathematics, banking, or investment journals—any place that our topics and skills would be of some wider interest.

At first those of us on the committee were surprised at those choices. Their feeling was that item b, supporting and building on pioneers, was already under the guidance of the Actuary of the Future Section, and it is. In each newsletter we identify a pioneer to interview, so our Section members can see some of the nontraditional roles actuaries have taken on.

Both the Society and the CAS are working hard to publicize our profession in high schools and colleges. The Academy Board felt that they didn't need to add any resources to that. They also felt that the Management and Personal Development section was well on their way to positioning individuals who effectively market themselves. The CAS is already calling on CEOs.

Finally, the Actuary of the Future Section is trying to develop an ambassador program that in many ways mimics the International Section's Ambassador

program. We will have people who are in nontraditional industries or businesses act as ambassadors for people who would be interested in a career in that industry.

In conclusion, clearly there are lots of ways we can be marketing the profession more than we are. As I said, there were some disagreements at first in terms of the approach the Academy Board decided to take. I would say there are lots of views, but scarce resources force us to make choices.

**Ms. Teresa Russ Winer:** I'm going to talk about a study I worked on last year, which was focused on actuaries serving individuals. Some people call it the actuarial counselor; some people are calling it personal actuaries. It's had a lot of different names.

One reason that this study is combined in this section about marketing the profession is that what came out of our focus groups of how actuaries can better serve individuals were a lot of comments about marketing. A lot of people don't know what actuaries are, and it's a huge obstacle to start working on your own with individuals when most people don't know what actuaries do. There are a lot of implications for marketing. We made a lot of recommendations for the Society and for other groups to start thinking about some different ways to market the profession.

The Committee on Finance Research of the SOA funded the study. The purpose of the study was to determine the viability of actuarial counseling. In the February issue of *Contingencies Magazine* there is a big article about personal actuaries titled "Getting Personal." It covers what actuaries do when they work with individuals.

There are quite a lot of different types of work out there, depending on pension, insurance, legal work, or expert witness work, so it covers a pretty big variety of types of work.

These were the steps for the study. We got input from the Actuary of the Future Section and also from the Task Force on Actuarial Counseling, headed by Jack Bragg, which commissioned me to coordinate the project.

First, we surveyed a group of retirees and we used these surveys to poll retirees who may be interested in being in our focus group where the questions were a little more complex. They gave totally different answers than they gave in the survey, which makes me question quite a few surveys out there, especially those dealing with complex or financial issues. The focus group among the retirees produced a lot better information. Our second focus group was made up of professional advisors. This included lawyers, financial planners, CPAs, bank trust officers, and similar types of professionals.

We commissioned Susan Nassar, a marketing researcher. She helped hold the focus groups, made recommendations, and led the groups and got the good answers.

I would like to mention the study was just put on the Web site of the Society. Excerpts are also published in a newsletter. On the Web site there are all five attachments to the paper. One of them is Susan Nassar's paper in which she gives her perspective, not knowing anything about actuaries. I think her comments show the value of having an outsider involved.

Major findings, especially in the retiree group, showed there was a lack of awareness about the actuarial profession and a lack of knowledge of what actuarial skills are. If you want to serve the public, this would be a big obstacle. We did find more awareness among professional groups. A lot of financial planners were interested in getting an actuary to help them. And there were trial attorneys who had been looking for an actuary to help them and couldn't find one.

The few people who know about actuaries don't know how to find them. We felt that through these focus groups and discussions, that actuaries really could fill a lot of roles, especially with individual needs and actuarial counseling, which would be a viable niche for actuaries to explore.

The problem is just getting information out to the public. One of the recommendations we came up with was the Web site, because when the trial attorneys are looking for actuaries they do look on the Web site. When they can't find them they call the Society, but nobody there knows who's servicing individuals and who might be interested in doing expert witness work. We could have a directory to include a list of actuaries with special listings for people looking for actuaries.

We have a Speakers' Bureau that could do more outreach speaking to other groups like the American Bar Association (ABA). People who need professional development could speak and earn credit from a presentation on how mortality could fit into the financial planning arena. We should develop our existing links with the ABA. The SOA, as a nonprofit association, has affiliations with other nonprofit associations. It can use these to get some leverage to get actuaries more involved in these fields.

Another thing we suggested was to encourage actuaries to develop continuing education materials. An actuary who might want to get his or her name out there could develop the materials. One of the things that lawyers suggested was to present yourself in some meetings to get your name and your card out there.

Of course, a lot more study should be undertaken because the focus groups from which we got a lot of our information were located in Atlanta and were limited to ten participants each. We haven't done a big study nationwide. If you're interested in becoming an independent actuary and you want to start at the individual market the most promising way would be to support financial planners. They have a lot of people with money who are looking for services and are used to paying fairly high fees. They understand a little bit more about what actuaries do. Another thing they're looking for is to have software built into the financial calculations that they present to their clients.

Attorneys are looking for expert witnesses. A lot of actuaries may not want to testify against an insurance company or they may be a consulting actuary and not want to tick off their clients, so they don't want to take these kinds of jobs. That's another obstacle.

But I think forming an alliance with a lawyer would give an actuary quite a bit of work, not just in litigation, but also in family practice where you're dividing up assets and pensions and calculating the probability of living to receive those pensions. Some divorce attorneys have to struggle with these values. If you're going to be an expert witness, marketing yourself in the *Yellow Pages* ads would be a negative. You might not want to do the *Yellow Pages* ad for that kind of work. But if you're dealing with the public, you would. For expert witness work, try trade magazines and writing articles.

The awareness was low in our focus groups, but after we talked in our focus group for an hour some great ideas came out. People determined they could really use an actuary; they just had no idea how. I think that marketing the profession would go a long way.

Also, I think the Web is a good tool. It's important for you to be able to explain what you do in a sound bite, yet it's very hard for an actuary to say what he or she does. Paul Bruce's standard comment is that we count dead people, but you know you need a good way to really explain what you do. If they don't understand it, then you confuse them even more, and you're not going to get a lot of business.

I brought Susan Nassar to talk a little bit about marketing oneself as a product, marketing the profession in general, and also any comments she may have from the focus groups.

**Ms. Susan Nassar:** I just wanted to explain a little bit about what focus groups are. Has anybody here ever been in a focus group? There are two kinds of marketing research. The kind of marketing research that you normally hear about is surveys. If somebody calls you and interrupts you during dinner and wants to ask you just a few questions that take 30 minutes, that's quantitative. And I'm sure all you know this from statistics, but I'll tell you anyway.

Quantitative is used when you want to have some level of confidence that you're getting answers that represent whatever your sample is supposed to represent. Marketing research is very expensive when you start doing a quantitative study, so you have to make a trade-off between the level of confidence you want to have versus the size of the sample.

It should be a random sample. There are firms that generate samples for marketing research. You give them the characteristics of the people that you want. It could be a sample of actuaries who work full-time and have been in the business at least five years, and we want them to be half men and half women. Other than that we want it to be totally random.

Those telephone calls that you get might be tracking studies just asking you if you saw a TV show or whom you're going to vote for. Those are random samples. A lot of times friends ask, "How did they get my phone number? I'm not listed." The answer is, "It's computer-generated." They get a lot of non-numbers and dead numbers before they finally get to a real person.

Now let's talk about qualitative. Qualitative is really personal. It's not scientific at all. You use a small sample, but it's just like we could be chatting here right now. I could be asking you questions and you can give me some opinions. I couldn't go out and say, "I had six actuaries in the audience today and because they all felt one way I think that's how actuaries feel." We have to be very careful with focus group results. We're looking for them to help us generate new hypotheses, or to help us feel good about some hypothesis we might already have. Our question was, "Help us understand all the potential reasons people don't know who an actuary is."

We don't know how important each of these reasons is because we don't know if 6 people represent 80% of all actuaries or 1% of all actuaries. Focus groups or one-on-one interviews are very useful as long as they're not misused.

Our sample was handpicked. That's one thing that's very beneficial about qualitative research. You can say, "I want to talk to green-eyed actuaries because I just want to focus on them today," and they may be very hard to find. Maybe you can find ten for a focus group. However, you'll never find 200 for a quantitative sample, but you can be very specific.

Our sample was unscientific because our retirees were all members of the same retiree organization and our professionals were people who two actuaries helped us recruit.

With surveys there is a very strict guide. Interviewers who call you on the phone or stop you at the mall are not allowed to deviate one single word because there is enough noise in the data that you control for everything you can. If you allow them to start ad-libbing, you have more uncontrolled differences between each interview.

It's really hard when you're an intelligent person to read a questionnaire the way somebody else wrote it. For focus groups or one-on-one discussions it's just a discussion guide. I have to be sure I hit all the points I need to. My clients tell me the issues we need to address, and I make sure they're in the guide. I try to write it up in an order that's very conversational and makes sense to guide the group through. But if a topic comes up early and I think it's a good time to hit on it before people forget, I'll do it. I'm not in irons; I don't have to follow the guide in the exact order.

Most surveys are closed-end questions such as, "Please tell me which of the following stores you've been to in the last year," or, "Do you agree or not at all, somewhat, somewhat disagree, or disagree a lot?"

Those are all closed-end questions and sometimes they're very hard to answer. You just have to do the best you can. You hope that the data comes out to make sense. But in a focus group or a one-on-one interview, people can tell you in their own words; they're not limiting what they say. I can dig and dig and dig and ask, "Why do you think you feel that way?" because a lot of times we don't think about things consciously.

We certainly don't think very much about what brand of soap we buy. When you get in a focus group you think about it. I have to probe like crazy to get people to talk about something that they may be very uninvolved in. It's just one of those purchases—you grab the first thing you see. But they have perceptions and feelings they just haven't thought about.

We have to bring those out. It is very deep and probing. The reason we usually have more people than one in a focus group is a lot of times it's a topic where one person can just run dry so quickly. But if you have ten people bouncing ideas off each other, you have that group dynamic. That's why focus groups are sometimes done as opposed to one-on-one interviews. Now if I need to be sure that I get everybody's answer without hearing anybody else first, and that it's absolutely clean and unbiased, then I'll do a one-on-one.

As I said, the interviewer is not allowed to deviate from a survey questionnaire, whereas the focus groups are very chatty, and people have a good time if there is a good moderator. When I do a focus group, I'm a moderator. The person who calls you on the phone with a questionnaire is an interviewer.

We're hoping to come out of the focus group with new hypotheses and new thoughts as well as some feelings about prior thoughts. You're hoping to come out of the survey with facts. All of that is quantitative research and big decisions are made based on those facts. Also, you can go as deep as you want to, and probe forever in a focus group.

In a questionnaire you're limited to the questions that are already there on paper. Closed-end questions, of course, never tell you what people are thinking behind this question. Focus groups can. Focus groups can even help design a quantitative survey. Let's get the issues out and adopt the language people use so we can write the questions the right way and they make sense.

A quantitative survey has breadth of information, but it's surface information. You maybe don't know what's behind it, but you can feel confident that it's good information if you have a good sample that's randomly recruited.

Now let's talk about you. We're all products. I'm a product. I'm a moderator. There's a lot of competition out there. I used to hire moderators. It looked like a fun job, so I became one. And in a way it's kind of similar to what you all want to do.

You're probably working in companies where you're practicing your profession in your company. I was a marketing researcher in a company; now I'm what we call a marketing research supplier—a moderator. I serve them.

What I want you to do is to think of yourself as a product. If any of you ever had a marketing course, you have heard probably all of these terms, but I want to just talk about them. I'm just going to use the language we use in marketing. Most people are pretty savvy about what marketers are trying to do these days. If you've been to focus groups you're really savvy about it.

You've probably heard of the three p's of marketing. This is an old term. It used to be in all the textbooks. It's a very naïve look at marketing because it's product, package, and promotion, but the three p's are really just a part of the whole.

Let's just talk about the three p's first. First, before there is ever a product, there is a concept. Sometimes we'll do focus groups just to be sure we have a concept people like that's worded the right way, and then test it quantitatively. I think we can say our concept is represented by the term "actuarial counselors" or counselors who serve independent clients.

We just want the concept to be there, and it may be even more specific. Before any product is developed or finalized, it starts as an idea on paper because obviously if it's something nobody wants you don't want to continue with it.

Packaging comes later. I guess for us packaging is our voice, the way we look, and what we wear. You know, I really didn't want to dress casual today because you've never seen me before and I don't get to wear a suit very often. I feel better up here in a suit. That's packaging.

Promotion includes advertising as well as coupons or anything that's done to gain awareness and trial. Now you heard Teresa say that a major problem is that there is just no awareness of your profession. Even among professionals there is not a lot of awareness. Of course, among the retirees there was none except that you're the ones who set insurance rates or predict how long we're going to live.

The purpose of advertising, whether it's handing out your card or having a little display ad in the *Yellow Pages* or your Web site (and if you do this I strongly urge you to have your own Web site linked to the Society's site), the purpose is to get people to be aware of you and aware of what an actuary is. That's going to be the first step. What's an actuary? What does an actuary do? What is in it for me? Why do I need one? You really have to sell yourself in terms of what you can do for people.

It seems the people who would have been most successful in going on their own have a very specific thing they do. It doesn't confuse people because you can say, "I can do this, this, and this for you," and not, "I'm an actuary and I'm trained in these 20 things." Be more targeted in terms of what you're going to offer and who would want it. Also, if you're more targeted you know where to promote yourself.

When a new product comes out, everybody knows that the cheapest thing you can do to reach the biggest number of people is to put an ad in the newspaper. But everybody reads the newspaper and nobody reads it.

If you're looking for a very specific kind of person, you may be spending money to reach 99 people who aren't even your target to reach 1 that is. The newspaper is a great shotgun medium, but not for targeted advertising or targeted promotion. Obviously, being linked to the Society's Web site or to the ABA's Web site would be very targeted.

Again, promotion is trying to get awareness; then you hope people will try you, the product, or your services. Then you hope they will convert to you and like you and use you again. It's much easier to get a repeat client than a new client because they already know you and they've used you.

Besides these three p's, another element is the target user. That might be the place to start. First of all, what do I want to do, what's my concept, what do I think I might be better at, and who would be my target user?

Who am I going to sell it to? And that's very important. We thought it would be retirees or people who are getting ready to retire who have to make major pension- plan decisions and professionals such as lawyers, attorneys, financial planners, and estate planners.

That was our hypothesis. Then you talk to your target and ask, "What do you need?" because you have to have some benefits.

You know you have to advertise. What are you going to tell them you can do for them? What do they need? What do they want? You look for their wants, what they have, and for the gap. Maybe you could meet some wants and needs that aren't being satisfied. This is something that's not being done. This could be your niche.

Positioning is a really important element. How do I want my target to see me relative to my competition? That means you have to figure out who your competition is. Is it financial planners? Probably. You are going to have to do something to stand out above a financial planner. Why would I call an actuary? I have a financial planner. As you know, people think about calling financial planners, but they don't think about calling actuaries.

How do you get people to think about calling an actuary? Maybe you do something to have repeat customers and ask them to review their situation with you every year: "Let's just meet once a year and make sure you have all your ducks in a row in terms of insurance or whatever." That might be a way to have repeat business.

Again, one of the things that packaged goods companies do before they introduce a product is to write a positioning statement. It's really the concept, but it's been fixed. It's the final concept: "This is what we are; this is who we want to appeal to.

These are the benefits we give them." That's a positioning statement. In it needs to be some kind of differentiation, your unique selling point. Who is your competition and how are you going to be different from them? How are you going to differentiate yourself? What's your reason for being?

Finally, name. It would have been very easy for me to just be Susan Nassar Research or Susan Nassar, Inc., but that would have been a huge waste because your company name is really important.

The name of a product on a shelf, even if you don't think about it, affects your image; so does the package, by the way. But that name is an opportunity. For example, a lot of times names actually include the product's benefit in them. Like Puff's. No, that's an attribute. Puff's are really soft and puffy. That's an attribute. They have a name that describes what they are.

When I didn't have a name when I first went into this business, every time I checked in a hotel they wanted to know my company name. I thought it's time to get one and I am really glad I did. I thought, what could I have that would exploit that opportunity? I also do name generation, so I thought I'd better be able to come up with one for myself.

Having hired many focus group moderators in the past, I know you want somebody who is energetic and who keeps respondents and people watching in the back of the room from behind a mirror awake.

I didn't mention that but a standard focus group situation is held at a facility that has a conference room set up for the moderator and the participants. There is a big one-way mirror and behind that are the clients listening and watching. It's not a secret. The people are told, but that way they're not conscious of it every minute and we don't have people walking around or sitting around the perimeter of the room.

I thought, "OK, you want a moderator who is energetic." At the same time you want the moderator to come out with results that are actionable. I thought logical, logistics, you know, synergistic would have been a great name but it's been used by every industry out there.

I thought energy and logistics, Energistics, so I had a lawyer do a name search on it and the name only existed in the fuel power industry. Nothing in the marketing research arena existed with that name, so I service-marked it. The name can again describe some personality attributes or benefits. It's a very important marketing tool.

If you ever get called to be in a focus group, now you know all the secrets.