



BOOST SALES & INCREASE REVENUE PREDICTABILITY WITH BEHAVIORAL ECONOMICS

What is behavioral economics?

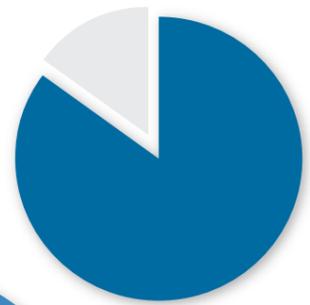
In a selling context, it examines why people make unexpected or irrational decisions, rather than following predicted behavior.

What does that have to do with insurance?

- Everyone has internal biases based on past experience, which can cause people to make decisions based on “gut feeling” rather than logic
- Each salesperson has their own “internal biases” which can subconsciously influence their selling behavior
- Applying behavioral economics to your sales process provides objective data points to encourage better, more consistent decisions
- Doing this allows you to standardize your sales process and close more deals, with more confidence in revenue forecasts

Companies that apply behavioral economics have:

85%
higher sales growth



25%
higher gross margins



There are **166+** BIASES that impact decision making and behavior

Common biases that impact sales behavior:

- **Hindsight Bias:** Tendency to see past events as predictable, such as the predictability of closed deals or prospect behavior
- **Optimism Bias:** Tendency to be overly optimistic, such as believing a deal will close (even ones that need help or should be abandoned)
- **Outcome Bias:** Tendency to judge a decision based on its outcome, rather than the quality of the decision (e.g., “this deal closed, so my behavior/decisions must have been right”)

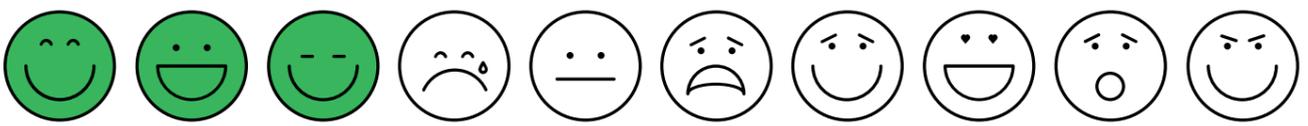
Common biases that impact customer behavior:

- **Loss Aversion:** Difficulty in giving something up, such as letting go of what is familiar (current broker)
- **Status Quo Bias:** A preference for the current state of affairs, even when change is beneficial, such as switching to a better broker
- [See all cognitive biases here.](#)

Consumer decision making is:

30% rational

70% emotional



How to update your sales process using behavioral economics:

- 1 Start with a well-defined, consistent sales process
- 2 Determine what represents momentum or risk at each stage, helping producers make more objective decisions
- 3 Consider the biases of your buyers and mold your sales strategies to combat/address those biases
- 4 Create a checklist to standardize the sales process and help producers make better decisions

