

DISPATCHES™

Insights On Brand Development From The Marketing Front

CAR INSURANCE ADVERTISING: WHERE WIFM MEETS FUD

“How many insurance ad campaigns can you name off the top of your head? Probably a lot. Most of these campaigns are zany, full of jingles and catchphrases.

Now think about insurance companies. Do you know which brands supply each of your policies? How much is the deductible in your health plan? Everyone should know the answers to these questions. Yet according to a 2016 survey by PolicyGenius, half the country still can’t define a deductible.”

—Craig Davis, “The Content Strategist,” February 2017

To say that U.S. consumers are bombarded with car insurance ads on TV would be a gross, no-duh understatement. Insurance advertising is one of the Top 5 TV spending categories year after year; for perspective, in 2015 alone the Top 5 Brands (Geico, State Farm, Progressive, Liberty Mutual, and Allstate) spent over \$3 billion dollars on their television campaigns. An astronomical amount, to be sure: but, what exactly, are they promising, what *consumer benefits* are these brands offering to justify such outlandish spending?

Well, most analyses and articles you read about the super-competitive car insurance business conclude the same thing: namely, you don’t attract first-time insurance buyers or win over current other-brand insurance holders by promising anything *tangible*. All major insurers provide the exact same tangibles: full coverage, accident forgiveness (with restrictions), full-car replacement (again with restrictions), bundling with homeowners and other coverage if desired, and of course, relatively low cost. In short, there are no significant differences in tangible benefits among the leading car insurance brands. So, the way you win-over new users and switchers is with *your execution*—i.e., how engaging and memorable your TV ads are.

What leading marketers at all the big insurance brands say they’ve learned (and apparently demonstrated time and again in their customer behavior-tracking data) is that it’s all about top-of-mind awareness. For first-time car insurance shoppers, the company they tend to call first is the one they remember most; for would-be car insurance switchers, it’s also the one they think of first when they reach a major dissatisfaction point

with their current brand. And yet, when you look more closely at most of the big car insurance brand campaigns, you find that there is more than just a potentially memorable executional device (like a talking duck, a British-accented gecko, or a personified Mr. Mayhem) at play. The majority of insurance brands actually go beyond their awareness-generating “memory tricks” to provide consumers with a different kind of What’s-In-It-For-Me (WIIFM) benefit.

One of the longest-standing consumer principles that most brand-builders subscribe to is the “what’s in it for them.” Not the latest whirligig feature and not some grandiose announcement about a given brand’s standing or achievements. While many product and service brands aim to provide tangible WIIFM’s in their advertising, however, the car insurance brands tend to go with a common *intangible*: a reduction of Fear, Uncertainty, and Doubt (FUD). You could say that for brands like Allstate, Farmers, and Liberty Mutual, their advertising is where WIIFM meets FUD.

1. **FEAR—Allstate... “Are you in good hands?”** There are actually two fears that Allstate’s “Mayhem” campaign *implies* you could avoid (or at least minimize): (a) the fear of not being “protected” when—quite suddenly—mayhem, which is everywhere, strikes; and (b) the fear of being stuck with “cut-rate” insurance...which could cost you even more. As the dialogue in a current stolen car mayhem spot goes, *“It happens. And if you’ve got cut-rate car insurance, paying for this could be like getting robbed twice. Get Allstate, and be better protected from mayhem—like me.”* There’s no doubt that the “Mayhem” campaign, which unlike most other car insurance ads, comprises a legitimate Campaign Idea (the personification of the many faces of mayhem). No doubt this makes the campaign engaging, clever, and memorable. But the only WIIFM in this campaign is, at best, an implied better protection...from out-of-the-blue fears.
2. **UNCERTAINTY—Liberty Mutual... “Only pay for what you need.”** Upon hearing these key copy words, your first reaction might be, “Say what? Is anybody **really** paying for more insurance than they actually need?” But, after considering all the copy in current Liberty ads, it becomes clearer: Liberty aims to sow some uncertainty seeds in the minds of potential consumers. The first uncertainty is one that likely dogs most consumers, namely, “Am I paying too much for my car insurance?” And the second uncertainty—though probably a lot less prevalent among insurance holders—is “Am I carrying insurance for coverage I really don’t need?” At the heart of both of these is Liberty’s “WIIFM attempt” at suggesting that among all the choices out there, only with Liberty can you be *certain* your insurance coverage is customized precisely to meet your needs.
3. **DOUBT—Farmers... “We know a thing or two because we’ve seen a thing or two.”** Of all the current insurance campaigns out there, this one is the biggest head-scratcher when it comes to deciphering its intended WIIFM. Okay, so you guys at Farmers know a thing or two about bizarre insurance claims...what, if

anything, is that supposed to mean to me? But then, after listening more carefully to the rest of the Farmers TV ad copy, you get a somewhat clearer idea of what WIIFM they're likely implying: *"At Farmers, we make you smarter about your insurance, because what you don't know could hurt you...and the more you know, the more you can plan for what's ahead."* It seems that Farmers aims to raise doubt in consumers' minds—doubt about their fundamental knowledge of insurance coverage. As we said, fueling doubt such as this at first appears a real WIIFM stretch...but looking back on the findings from the 2016 PolicyGenius Study (noted in our up-front quotes) that spotlighted most consumers' ignorance about fundamentals of insurance, maybe Farmers is really on to something. Maybe raising doubt has potential as a kind of WIIFM after all.

Of course, not all of the major car insurance brands are linking their ad campaign WIIFM's with FUD's. Geico continues to spew its "15 minutes could save you 15% or more on car insurance" line, which is definitely a more tangible WIIFM (save \$\$\$\$). And State Farm now promises "Here to help life go right" in its latest campaign. But still, in a category as competitive as this one, it's darn hard to find a "What's-In-It-For-Me" that carries much substance. Guess you could say that, when it comes to car insurance, what's in it for us all is a lot of FUD.

Richard Czerniawski & Mike Maloney