

TITLE OF CASE STUDY: If at first you do not succeed, go back to what the consumer said !

**If at first you don't succeed,  
Go back to what the consumer said!!**

Auto insurance is an established, undifferentiated category with low involvement and interest.

- It is a product that is often required by law, so many consumers do not feel empowered from the onset of the decision making process
- Consumers often 'inherit' their parent's company or make their decision based on price (amongst a list of acceptable candidates) and then just continue to pay premiums by rote
- There is also a fair amount of confusion about the insurance industry. Consumers really don't understand insurance as well as other products they buy

But it gets even worse!

Consumer research was conducted in '03 to better understand the auto insurance market from the mind of the consumer. Results confirmed what we knew:

- Consumers know it is often the law to have auto insurance but with all of the confusion and the perceived lack of differentiation they really are not sure which is the best policy or company for their needs

Additionally, the research revealed a fair amount of angst about the relationship consumers have with auto insurance companies (including their own) and the lack of reciprocity:

- I pay and I pay and it seems I get nothing back
- I have this thing that I pay good money for, that I have to have, and I'm afraid to use it!
- I could be a safe driver for years and years and have my rates increased because of one accident OR, worse yet, get dropped!

Consumers were choosing brands but lacked a connection to their auto insurance company. Nor did they perceive that their insurance company gave anything back.

Allstate® Your Choice Auto Insurance is a product founded from insight into the consumer experience

In order to remain a top brand and grow, Allstate had to address these issues. Given this backdrop, Allstate responded and developed a new product, Your Choice Auto Insurance® (YCA). The product was built to improve acquisition of competitive shoppers and reduce defections.

YCA offers new features that deal directly with the issues of reciprocity and recognition:

- Accident Forgiveness -- your rates don't go up just because you have an accident
- New Car Replacement -- if your new car gets totaled in the first three years you get the full replacement value of the vehicle
- Deductible Rewards<sup>SM</sup> -- you get \$100 off your deductible for every year without an accident up to \$500
- Safe Driving Bonus<sup>SM</sup> -- money gets deducted from your premium for every year you go without an accident

The Marketing Goals were aggressive:

Stem erosion and maintain share by:

- Attracting Prospects – give them a reason to think of Allstate differently than other auto insurance companies
- Improve acquisition of competitive shoppers – give them a reason to feel better about buying auto insurance and choosing Allstate
- Increase loyalty/retention of existing customers – give them a reason to stay

To meet the challenge, Allstate embarked on a strategic marketing and communication plan founded on research.

Creative Concept Testing

- Allstate engaged multiple ad agencies to submit creative concept ideas
- 9 concept variations were tested quantitatively (via Millward Brown's INTERCEPT product) to understand which were most resonant
  - Two concept platforms emerged as particularly strong. Each distinguished itself versus norms on several facets. Both centered around change and reciprocity – illustrated heavily through the product features.
  - The winning concept platform communicated “a new kind of protection” and was preferred significantly more often than any other concept tested

However, a need was felt to deliver more emotional engagement and a broader base from which to launch the Your Choice product beyond the auto insurance offering.

So the decision was made to develop creative around a different concept platform, this platform ('Love'), asked the question: is it possible to love your car insurance as much as your car?

- Qualitative testing of the 'Love' idea and a second potential campaign 'Covered' was conducted. Neither was rejected by consumers although elements of each required rework.
- Campaign level quantitative testing of both candidates (via MB's TotalLINK program) was also conducted at the animatic stage of creative development. Results indicated:
  - Generally strong persuasion and ability to deliver news – hypothesized to have been driven by the features
  - Creative approaches that were average to soft in breaking through, linking to the brand, and setting the stage for communication

Despite mixed results, the 'Love' campaign was launched on a regional basis beginning of '05

- After some refinements to the creative, Allstate launched YCA on a regional basis to gauge in-market effectiveness with the 'Love' campaign. Results from in-market tracking confirmed that the product features were desired and the product had strong potential but the creative delivery was not resonating to the full product potential.
- A second round of 'Love' creative was developed and copy tested (Via MB's LINK Product). While results were somewhat better, overall the creative concept would struggle to achieve full efficiency and thus hold back strong in-market response.

Given the regional learning, Allstate and their agency went back to the drawing board to develop a new creative campaign platform in preparation for the January '06 National TV Launch.

- Three 'campaigns' were tested in animatic form – each had elements of the strongest concept in the earlier test and were feature forward. Given the importance of the national launch, testing systems from two different firms were used (one of which was Millward Brown's LINK).
- Two of the campaigns ("Better Place to Drive" and "Enough is Enough") excelled – surpassing action standards on nearly every critical element.
- Ultimately however it was the "Better place to Drive" campaign which stood out due to superior ability to achieve brand linked memorability. This platform:
  - Recognized consumer angst in the form of uncertainties on the road and made the product features the star.
  - It also allowed Allstate to take a leadership position on safer driving
  - Finally, the campaign incorporated the strongest elements of Allstate's successful "Our Stand" campaign featuring Dennis Haysbert within the creative.

In January, 2006 Allstate launched YCA nationally using the 'Better Place to Drive' Campaign

- National TV was the lead media. Also included in the mix: print, online, out-of home, radio, and other local PR. African American and Hispanic creative also included

- DRTV advertising using unique 800# identifiers was integrated into the marketing plan to help measure the impact of advertising to quotes.

#### Attitudinal AND Business Metrics exhibit excellent results

Between end of year '05 and end of 3<sup>rd</sup> quarter '06, In-market tracking revealed results stronger than anticipated:

- A 33% increase in agreement with the attribute 'Allstate is a company that is giving something back to its customers'
- A 21% increase in consumer agreement with the statement 'ad made me more likely to consider choosing the brand/company' when reacting to Allstate ad prompts.
- A 55% increase in agreement with the statement 'Ad gave me new information'
- A 19% increase in consumer agreement with the statement 'ad made the company seem more appealing'
- Awareness of the YCA accident forgiveness feature grew 68% (this growth far exceeds MB norms for a new product in its first year). Awareness for the New Car Replacement Feature grew 33%. Overall, awareness of one or more YCA Product features is over 80%
- Path modeling showed that over half of the variance in quotes could be directly tied to the advertising.

#### Business Metrics indicate a strong pay-off

- Allstate brand standard auto premium written (includes YCA) increased 3.3% between YTD October 2005 and YTD October 2006

At the end of the day, arriving at the YCA 'Better Place to Drive' campaign was a process built on the best of a number of worlds:

- A product built around the customer
- Consumer insight rigorously collected at each stage of campaign development
- Inspired creative which built on new learning and evolved to maximize potential

Ultimately the process was not always perfect, nor was the route always the most efficient. However, the campaign grew to incorporate each stage's lessons and wound up being a great fit for the brand, the customer, and the shareholder