



2018 ARF Ogilvy Awards, Gold

Campaign Title: We Know From Experience

Brand: Farmers Insurance

Advertiser: Farmers Insurance

Agency: RPA

Category: BREAKING THROUGH

Summary

The insurance category is one of the biggest advertising spenders in America, tipping the scales at over \$5 billion in annual spending. In this noisy category, Farmers Insurance was a bit player, spending less than one-tenth what giants Progressive and Geico spent. In order to compete, Farmers needed a strategy that was both cunning and powerful. To do so, they set out on a comprehensive research program to align a discrete target audience with a differentiating and breakthrough brand idea.

A three-pronged methodology was used: (1) Custom segmentation analysis identified a small but high-value opportunity audience; (2) Bayesian network modeling then isolated key business drivers for this audience; and (3) qualitative research helped to bring those drivers to life, adding insight and richness to its communications potential.

The campaign pivoted off an insight that was as intangible and invisible as insurance itself. That the truest test of an insurance company's value came from its long-term experience in handling the most outrageous of accidents. And the more expertise an insurance company has with the crazy things, the better its ability to handle your normal ones.

By featuring entertaining interpretations of real insurance claims that Farmers agents had actually handled, Farmers expressed the value of experience and knowledge as invaluable assets for an insurance company. It reminded the small-but-valuable target audience that "we've seen a thing or two, so we know how to

cover you for a thing or two.” The campaign increased awareness, drove differentiated attribute growth, and grew consideration.

The irrefutable consumer insight: *The more experience an insurance company has with outrageous situations, the better its ability to handle my everyday ones.*

Marketing Challenge

The average American consumer sees a full 30 insurance ads a week. It's a category of behemoths, one that spends over \$5 billion per year, and includes the highest spending advertiser (Geico) in all of American advertising. Farmers Insurance, a respected company with almost 90 years of experience, is just a bit player in this landscape, clocking in at 9th in category spending. This means they're just one of those 30 ads. To say Farmers is the underdog is as obvious as saying 15 minutes will save you...well, you know the rest.

This spending gap is significant because insurance is an intangible product – it has no physical form, and you don't think you'll need it until you do. So, getting people to choose one insurance brand over another comes down simply to Consideration, and getting onto a shopping list at the time when the need arises. Starting in 2015, competitors like Geico, State Farm, and Progressive made a squeeze play for category domination with blunt business tactics, offering discounted coverage and increasing their spend, buying awareness through their vast media presence.

Adding to the challenge, Farmers is a slightly more premium product with a more expensive price tag, making competing on price a non-starter. We would need to identify an efficient target audience, and connect that audience to a differentiating proposition that would allow us to compete with the category heavyweights.

Methodology

To tackle the targeting question, agency and client started with an A&U study and custom segmentation analysis. The segmentation identified six core segments based on category knowledge, motivations, brand familiarity/usage, and imagery perceptions. The segments were then submitted to a comprehensive valuation exercise based on (a) the basic insurance value equation (expected lifetime insurance product/benefit usage vs. expected lifetime premiums paid), plus (b) anticipated cost/ease of marketing, given existing brand loyalties and motivations, and (c) anticipated loyalty/switch rates. Through this, Farmers landed on “Confident Planners,” a small target that makes up just 17% of the insurance market, but accounts for 28% of insurance spending and 32% of expected lifetime value.

A&U survey data showed us that Confident Planners' needs and wants fit well with Farmers' core strengths. They care deeply about brand reputation and heritage. And they tend to have complex financial lives, making them meticulous and

cautious in managing their insurance affairs. Moreover, Confident Planners are 4x less likely than other groups to say that “low price is the most important thing” when shopping for insurance, and +17% more likely to say that they “strongly prefer” an agent relationship over a direct-to-consumer model—making them much less susceptible than other groups to the appeals of low-cost heavyweights like Geico and Progressive. “Confident Planners” were the high-value niche audience that Farmers needed to compete with the Goliaths.

To help uncover a differentiating brand proposition for this audience, we developed a custom Bayesian network model using the SaaS BayesiaLab. It is important to note that this approach has several advantages over standard regression analysis: (1) it handles large volumes of data (enabling us to test approximately 1000 unique variables); (2) it is able to model both linear and nonlinear relationships (so variables like advertising familiarity could be accounted for); and (3) it is able to quantify the ripple effect of any one variable across a host of others. Using this approach, the team developed a model that isolated the variables most relevant for driving business, including perceptions such as: Smart, Trustworthy, Knowledgeable, and Experienced.

Finally, we conducted a wave of qualitative research that probed these attributes. We learned the myriad ways Confident Planners valued Knowledge, and we ultimately uncovered a flavor of Experience that resonated strongly. This type of experience is built through longevity and heritage – a nice match with Farmers and its 90 year history. And we learned that Confident Planners saw a benefit in a company with a history of arcane/ complex insurance situations. This final insight set the table for our creative strategy and, thanks to sophisticated quantitative analysis and enlightening qualitative research, we set out to develop a differentiating brand idea that could potentially set us apart.

Creative Execution

The creative campaign conveyed a potent idea about the value of experience that Farmers brings to insurance, expressed through the line: **We know a thing or two, because we’ve seen a thing or two.**

The campaign sought to demonstrate Farmers’ capability to handle every problem, regardless how outrageous or unlikely. The campaign featured over 30 different unbelievable claims, each based on a real insurance claim that a Farmers agent handled. Every time a Confident Planner saw another claim that Farmers covered, it reinforced the breadth and depth of the brand’s experience.

These crazy accidents were brought to life in video channels through Professor Burke (J.K. Simmons), our tweed-clad teacher/spokesman, who explained the wild stories to customers via exhibits in a museum-like environment, the Hall of Claims. Each exhibit would incite a re-enactment of the claim that gave rise to it. It covered

everything from airborne water heaters to destructive deer to living-room swimming dogs.

These insurance oddities also came alive on Farmers.com, the key portal for people considering new insurance and quotes. The Hall of Claims theme continued there, with virtual “displays” that delved into the claim itself, the damage, and how Farmers covered it. It intentionally connected the story to an actual type of insurance policy, helping answer the little voice in the back of our ever-cautious target’s head asking, *“Would I be covered for that?”*

The value of experience was further highlighted with engaging digital campaigns, also based on real claims, such as the “Flooded House Dog Diving Competition,” which featured online videos of dogs mimicking their human counterparts during Olympic swim competitions. And during Oscar season, we introduced a new award show called “The Burkies,” and rolled out six trailers for six fake movies, all based on real Farmers insurance claims.

With 90 years of covering claims, Farmers has seen things most people couldn’t even dream of. Over the ongoing life of the campaign, these claims took shape across multiple channels, showing a breadth of claims, driving home Farmers’ wealth of knowledge and their experience. And because of this experience, people understood that Farmers had the knowledge to ensure they could get the coverage they need for even the craziest situations that life can throw at them.