When you buy insurance you are investing in an intangible. You don't have an object you can set on your table or show your friends. You do have our promise to provide protection. ""

- Edward B. Rust, Jr., President 1985-Present







before we begin what does it really mean to us to:



acknowledgements: thanks for being there

The Pace University–New York Ad Team Would Like to Thank Our Good Neighbors and Heroes

State Farm remains committed to empowering young adults to
have a positive impact on their communities and their education.

-Barbara Cowden, State Farm Executive Vice President



AdvisorDr. Larry Chiagouris

PresidentRJ (James) Silver

General Manager Susan Hettinger

Special Thanks To

Dr. Martin Topol
Professor Conrad Nankin
Professor Phyllis Toss
Ms. Nisha Lalchandani
John Szalyga
The Pace University Staff
G.J. Mecherle
Founder of State Farm

First and foremost, our deepest appreciation goes to Dr. Larry Chiagouris. Through his tireless, critical, and inspiring dedication, we have learned how hard work and passion can come together to create one great team. His respect and motivation for the team has shaped us over the past nine months into an unstoppable force. Also, as individuals, we have grown in confidence and strength ready to begin successful careers. We are thankful for his knowledge, time, and spirit.

IMC Director:

Patricia Meore

Lisa Alpert
Denise Gene
Katherine McColley
Virginia Molnar
Lauren Schubert
Alicia Scordo
Elizabeth Stortz

<u>Media</u> Directors:

Deana Boldrey Natascha Miner

Sara Franklin Marc Tammen

Campaign Presentation Directors

Nicole Grant Virginia Molnar

Account Planning:

Director: Casey Miller

Mia Banducci Samantha Baril Nicole Grant

sentation Directors

irectors

Samantha Koste

Vjollca Nikci

Raele Sabounjian

Alex Horton

Creative

Director:

Tracy Bucco

🔭 Jannika Coons

Nicolas Deppe

Colette DeSantis

1

To learn more about Beyond Advertising and the team members please visit: http://webpage.pace.edu/paceadteam



campaign executive summary

Young Adults are a complex group of people - neither teenagers nor grown-ups. Independent Young Adults present an even more unique psyche. Capturing market share from companies that pour hundreds of millions of dollars into advertising campaigns is no easy task.

Pace University—New York's Beyond Advertising has identified the market share problems that State Farm is facing. Unfortunately, State Farm's emphasis on being a "good neighbor" just doesn't translate a relevant image to the target, but it can. We have conducted extensive research on this target leading us to a valuable insight.

Few groups of people need a good neighbor more than independent young adults. These unique 18-25 year olds face everyday challenges in ways that seasoned veterans of the "real world" do not; everything is a first. The first time they open the door to their own apartment, the first time they drive to their first full-time job, and even the first time they buy automobile insurance - everything is new. This target is "fiercely independent, yet rampantly insecure." They want to be on their own, but, they fear being completely alone.

We set out to build on State Farm's assets, including the good neighbor image, State Farm's agent base and its familiar and instantly recognizable jingle. We updated these assets to build an image that is relevant to young adults and created the <u>Agent as Hero campaign</u>. We didn't show another car collision or rob another apartment; that's all been done. Our campaign, focusing on the vital client-agent relationship and the clients'—independent young adults—unique needs, is different, and it works.

Our media and IMC tactics are tightly integrated and specifically focused. We know that all Young Adults are not created equal, and to mechanically divide the media weight equally across all members of the target audience would be a disservice not only to State Farm, but also the Young Adults themselves. We have strategically placed our media and IMC tactics with the specific goal of delivering the right message to the right person at the right time. Our IMC tactics reflect our messaging in every aspect. Whether it's our "Who's your hero" contest to drive home how we view State Farm agents as heroes while simultaneously driving traffic to State Farm offices, or demonstrating that State Farm truly cares about them by sponsoring career fairs all around the country, State Farm's lifeblood—being there—is present in every event and partnership. The **Agent as Hero** campaign will increase the number of Young Adult policy holders by providing improved relevancy, perception, and engagement with the State Farm brand. A partnership with Snelling Staffing Services, the premier career services agency in America, will not only attract potential clients to learn about State Farm, but also entice Legacy Young Adults to become actively engaged with the brand. An environmental protection initiative will also remind current customers of State Farm's commitment to being a good neighbor.

Young Adults are not an easy target to reach and engage, but, Beyond Advertising's research, skills, talent, and determination will make it possible for State Farm to do so. As young adults, we understand this target and we have uncovered insights into their desires and anxieties which enable us to develop communications that resonate with them.

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Research

Secondary Research

We utilized secondary information from leading sources and databases, including TNS, SRDS, Hoovers, Simmons, an d MRI.

Primary Research

Our primary research of 18-25 year olds is based on:

- ▶ 8 expert interviews
- ▶ 10 focus groups
- ➤ 8 quantitative surveys with more than 800 people

research: situation analysis perception does not equal reality

State Farm provides better value to clients through the advantages it has over leading competitors including almost a century of service, extensive discounts, such as defensive driving discounts, and reliable real-life agents people can rely on.

Company	Satisfaction	Contacting the Insurer	Policy and Billing/ Offerings Payments		Pricing	Total	
Allstate	3	3	3	3	2	14	
Geico	3	3	4	3	4	17	
Nationwide	3	3	3	3	2	14	
Progressive	3	3	3	3	3	15	
State Farm	4	4	5	4	3	20 🛨 📗	

State Farm was ranked number one in all areas with the exception of pricing by JD Power & Associates. Despite its advantages, **State Farm's market share has declined** from **19%** in 1995 to **17.6%** in 2008.

Index of Familiarity*

Geico and Allstate have a higher brand awareness than State Farm.

the key reasons for State
Farm's lower brand
familiarity.









Lack of a face associated with the

brand may be one of



0141% 2106

Brand Awareness

Highest

Lowest

State Farm a brand without a persona

Competition has created a more recognizable and youth-relevant brand image. STATE FARM Nationwide* On Your Side" If State Farm If Progressive were a If Nationwide If Allstate were were a lf Geico were a person, they were a person, they a person, they person, they would be a person, they would be a would be a would be reliable would be hightrustworthy, charming, neiahbor, lead honest. energy, techrelaxed, and cheerful, and er. and reliable, and savvy individual sincere someone who tech savvy. peaceful. with a bubbly parental figure. will always have personality. your back. Market Share Market Share Market Share Market Share Market Share of **7.5%** of 17.6% of **7.7%** of **4.7%** of 11.3% Target associates brands with: **Being Old** Actor With Humor Friendly **Fashioned** Deep Voice Money Saver Reliability Discounts Reputable **Rewards** Gecko **Boring** Competitive Stack of Money **Expensive Being in Good** Rates Cavemen Hands Out-of-Touch In order to increase the number of policies

Positive

Perception

Trust

Awareness

Increased

Policies

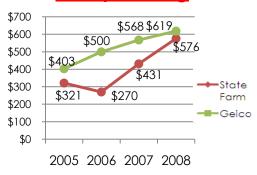
young adults have

with State Farm we

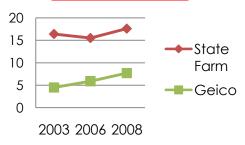
need to change their

perception of the brand.

Ad Spending



Market Share

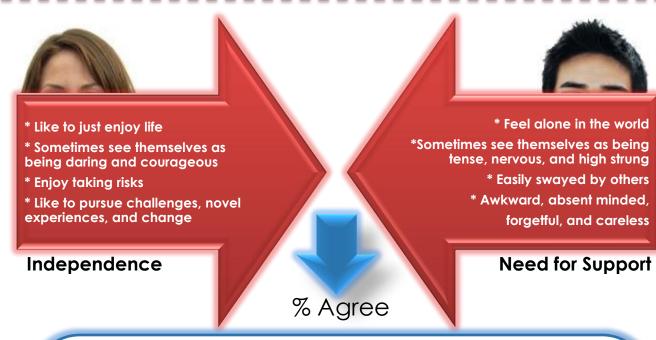


Compared to State Farm, **Geico has** spent \$494 million more in marketing and advertising support from 2005 to 2008.

We believe the significant difference in the advertising spending done by Geico compared to State Farm is a key reason that the target is more familiar with Geico. State Farm must overcome this spending gap and launch a campaign that sets itself apart from the rest of the insurance industry but retains the positive perception that State Farm is there for its customers.

-

research: inside the client's mind conflicted emotions and feelings



Desire for Independence

I just like to enjoy life

68%

I am brave, courageous, daring, and adventuresome

55%

I enjoy taking risks

53%

Desire for Support

It's important to have someone to make good on their promises

93%

It's important to have someone looking out for me

75%

It's important to have lasting relationships

72%

Harry Stack Sullivan, an influential psychiatrist, introduced the idea of illusion of individuality, which proposes that people have as many personalities as interpersonal situations. This supports our finding that although the individual might act "invincible" in one situation, in another they can actually feel quite differently.



We believe State Farm customers can be reached by recognizing their individuality.



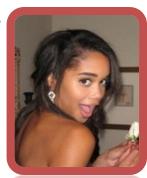
research: target shares a common attribute help making it on their own





Kerry: is a student in Colorado at the University of Boulder. She covers about half of her expenses by working as a nanny and by working at her university's financial aid office. If Kerry's laptop was damaged or stolen it would take her over 9 months to replace.

Melissa: just started an internship in San Francisco, while also working as a waitress on evenings and weekends. Her budget is very tight, but, insuring her car is a top priority. With her unstable income, unexpected expenses would be difficult.



18-21

They struggle with the desire to live life their way and the anxiety of trying to make it on their own.





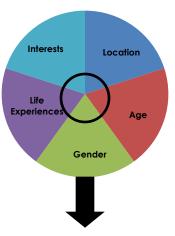
Jake: works full-time at a restaurant in Albuquerque, NM. He has been paying all of his expenses since graduating from high school 2 years ago. He lives in an apartment and is still making payments on his car. If he is involved in an accident, it would take Jake at least 5 months to personally cover any expense over \$200.

Trent: just graduated from the University of Miami and is now working full-time with a salary of \$30,000 a year. His cost of living and debts from school loans usually leaves him with very little disposable income. He cannot spend more than \$300 in any given month without tapping into his savings.



Male

Based on an average income of \$7,000 **it would take our target several months to cover any major loss**. Even a small financial setback can become a <u>major</u> lifestyle setback.



Key Shared Attribute

The target consists of individuals who differ with respect to

age, gender, location, interests, and life experiences. The challenge is to find an **insigh** that many of them **share**.

We have found an insight based on our proprietary model: The Beyond Advertising Target Unification Model. This mode represents how our strategy, media plan, and IMC programs are built around the target, based on a foundation of extensive research. By deriving a key insight, we use this model to identify the key message that resonates with the entire target audience.

State Farm agents can bridge the difference between being on your own and feeling alone

Who They Are & What They Do



"I love to talk to people and find out what's important to them; and then say, 'Hey, we can help you with that. If that's really important to you, then you need to protect that and you need to plan for that, and we're able to do that.' We've had the opportunity to be there when people really needed us."

• State Farm Agent Nora from Metairie, LA



"We're available to our customers, and we're a part of the community. It's an honor. It's about listening to people and trying to understand where they are in their lives, the sorts of things that they are trying to accomplish and what they're dreaming about, and then for us to plug into that."

State Farm Agent Rob from Tupelo, MS



"I would tell people I help protect lives, I help protect assets. The things that are most valuable to them. It's holding their hands when they are in need."

• State Farm Agent Theresa from San Diego, CA



Where They Are



State Farm has 17,500 licensed agents, 27 regional offices, 1,000+ claim offices, and 16,000 agents' offices. The "average American" has 36 State Farm agents within a 10 mile radius of home. EVERYONE polled in our survey would consider visiting an insurance company that was only a few minutes from home.

Contact Method Preferred by Customers



82% of our survey respondents **preferred speaking to an agent in person** rather than using the Internet.

creative strategy brief

Win the battle for share of mind in a low interest category in which a key competitor (Geico) continues to invest more in marketing.

State Farm has a history of being there like a good neighbor and delivering the best value and quality service through its more than 17,500 agents and its 24/7 access.

Also keeping with the current general market campaign promotion of "discounts up to 40%."

Brand Challenge

Reasons to Believe

STATE FARM

Brand Imperative

Even when you are on your own, you will never be alone, and when you don't know who to turn to, State Farm will be there for you when you need a good neighbor.

Key Message



INSURANCE

INSURANC

Key Insights

Newly independent adults feel conflicting emotions. They are exhilarated by the experiences of their new freedom, but are anxious about the financial obligations that go along with that freedom.

Therefore, it is not unusual for them to feel alone and uncertain about whom to trust when they need to turn to someone for advice and support about financial setbacks.

Build on existing State Farm brand assets and brand building programs (i.e... its 17,500 + agents...its

song...its association with "being

there"...its sponsorships) but make

them more relevant to the 18-25

year old independent adult.



campaign overview agents as hero campaign

Organizing Idea

We will feature young adults asking challenging questions of the State Farm agents reflecting their anxiety over their need for security and protection. Video will be the cornerstone of the campaign. Each video spot opens with footage revealing an impending danger to the client's car or apartment. After a few seconds the danger becomes more immediate, and a question scrolls across the top of the screen related to insurance coverage. Questions such as "Am I covered if something heavy falls on my car?" or "Am I covered if a pipe bursts in my building?" will appear on the screen. This will be followed by a more youthful rendition of the State Farm jingle. The jingle is the trigger that announces the arrival of the State Farm team of agents – the superheroes – who come to the rescue. They go to work to save the day while an excerpt of the audio from the Bonnie Tyler song "Holding Out for a Hero" plays in the background. The agents will be wearing superhero outfits with the State Farm logo on their chests. As they finish their rescue, we portray the client speaking with a real agent in a State Farm office. The agent answers the client's question by noting that even if something much worse were to happen to the client's possessions, State Farm has the client covered. The agent notes "that's what we're trained for." The client responds "now that's a good neighbor" with the accent on the words "now that's". The spot ends with each one of the three State Farm logo elements brought into focus by one of the three agent superheroes in the video and the tagline underneath the logo stating: Our mission: Your Protection.

Why The Hero

Heroes and heroines often stand out because they have distinctive strengths or personality traits. Stories may present an ordinary person leading an ordinary life, but when called upon to save the day, that ordinary person becomes someone special who can draw on character traits and skills and stand out as being special. Heroes inspire us because they demonstrate the need for individuals to be resilient and to respond proactively to challenging circumstances. Everyone can use a hero right now, especially young adults.



The Music

The Bonnie Tyler song "Holding Out for a Hero" will be the musical background that accompanies the agents saving the day during the action scene. This is the chorus that will be used:

"I need a hero,

I'm holding out for a hero 'til the end of the night, He's gotta be strong and he's gotta be fast, and he's gotta be fresh from the fight, I need a hero, I'm holding out for a hero".

commercial spot one: 30 second spot "pipe burst peril"

Time Count:3 Sec.



The client's apartment is shown with small drops of water coming from the ceiling.

SFX: Water dripping

Time Count: 3 Sec.



Water goes from small drops to massive amounts of water filling the apartment. A large super begins word-for-word stating "Am I covered if a pipe breaks in my

apartment?"

Time Count:3 Sec.



The client is distraught as she watches water fill her apartment and destroy her belongings. Time Count: 2 Sec.



SFX: New Jingle Plays The State Farm heroes sweep into the frame and the question super disappears.

Time Count: 2 Sec.



SFX: New Jingle Plays Camera shoots to the heroes as they enter the apartment preparing to handle the problem. A small super appears stating "Caution! Results not typical without State Farm."

Time Count: 3 Sec.



Time Count: 2 Sec.

Two of the heroes use their watch communicators to rid the apartment of the overflowing water and fix the pipes.

Time Count: 2 Sec.



The other hero is shown using his watch communicator to undo the water damage to the client's property. The damage is shown reversed and good as new.

Time Count 5 Sec.



Back in the office the agent says "Absolutely! Even if every pipe in your building bursts we've got you covered. That's what we're trained for." The client sits back and says "Now that's a good neighbor." The agent smiles.

Time Count: 3 Sec.



Scene goes white and red border appears.

SFX: New Jingle Plays
The three heroes fly in each placing a piece of the State Farm triad together. The heroes then fly off.



VO: "State Farm. Our Mission: Your Protection. 17,500 agents. 24/7 access with discounts up to 40%. Call or Click today."



commercial spot three: 30 second spot "monster"

Time Count: 4 Sec.



There's chaos in the streets and a monster is shown crushing cars and destroying buildings.
Camera closes in on the distressed client in the distance.

SFX:

Stomping, running, screaming

Time Count: 3 Sec.



A large super begins wordfor-word stating "Am I covered if something falls on my car?" The monster then steps on the client's car and totals it. SFX: Car crunch

Time Count: 3 Sec.



SFX: New Jingle Plays The State Farm heroes sweep into the frame and the question super disappears.

Time Count: 4 Sec.



SFX: New Jingle Plays
Two heroes beat up the
monster, while the other hero
exits the frame. A small super
appears stating "Caution!
Results not typical without
State Farm."

SFX: "Kapow!", "Pow!"

Time Count: 2 Sec.



The hero who exited flies over to the client's car and uses his watch communicator to repair the damage.

SFX: Whirlwind

Time Count: 2 Sec.



The crushed car begins to regenerate and at the end of the scene the car looks good as new.

Time Count: 5 Sec.



Back in the office the agent says "Absolutely! Even if something heavy falls on your car, we've got you covered. That's what we're trained for." The client sits back and says "Now that's a good neighbor." The agent smiles.

Time Count: 3 Sec.



Scene goes white and red border appears.

SFX: New Jingle Plays
The three heroes fly in each placing a piece of the State Farm triad together. The heroes then fly off.

Time Count: 3 Sec.



VO: "State Farm. Our Mission: Your Protection. 17,500 agents. 24/7 access with discounts up to 40%. Call or Click today."



commercial spot two: 15 second spot "riots on the street"

Time Count: 1 Sec.



Riots are breaking out on the street and an angry mob of people are approaching the client's car.

SFX: Loud noises, glass breaking, people shouting

Time Count: .5 Sec.



The client is seen running away from her car and the riot. A large super begins word-for-word stating "Am I covered if my car gets vandalized?"

SFX: Girl screaming

Time Count: 1 Sec.



Her car is shown getting pummeled by an angry mob of people. **SFX:** Crashing noises, glass breaking, people screaming

Time Count: .5 Sec.



SFX: New Jingle Plays
The State Farm heroes
sweep into the frame and
the question super
disappears. A small super
appears stating "Caution!
Results not typical without
State Farm."

Time Count: 2 Sec.



SFX: New Jingle Plays While two heroes handle the mob, one hero uses his watch communicator to reverse the damage that has been done to the client's car. The car appears good as new.

Time Count: 4 Sec.



Back in the office the agent says "Absolutely! Even if there are riots on your street, we've got you covered. That's what we're trained for." The client sits back and says "Now that's a good neighbor." The agent smiles.

Time Count: 3 Sec.



Scene goes white and red border appears.

SFX: New Jingle Plays
The three heroes fly in each placing a piece of the State Farm triad together. The heroes then fly off.

Time Count: 3 Sec.



VO: "State Farm. Our Mission: Your Protection. 17,500 agents. 24/7 access with discounts up to 40%. Call or Click today."



prints ads template



Headline: At 55% opacity, the headline links the print executions to video and Internet advertisements via the client question.

State Farm Heroes: Ethnically diverse, the State Farm Heroes reflect the diverse backgrounds of our target.

Body Copy: Provides answers in hyperbole to client's questions, exemplifying the dedication and reliability of State Farm agents. This is further displayed through our mention of the unrivaled size and coverage available with State Farm, as well as generous discounts, redefining for our target audience what it means to "be there" as a "good neighbor."

Logo: Original State Farm logo displayed in lower right-hand corner.

Call to Action: Call to Action will drive traffic to the State Farm microsite and 800 hotline encouraging our target to locate and contact their local State Farm agents. During our MMS promotions, a State Farm texting address (STFRM- 78376) will be included within our call to action, tying in to our below the line programs.

Tag Line: Establishes a relationship between the fantasy super hero and the average agent who goes above and beyond for clients.

The visual concept of the ads will align with the "Marvel hero" aesthetic by **adopting the style of popular adult-oriented animations**. This allows us to more easily blend reality and fantasy while providing a mature style that negates any connotation of childishness.

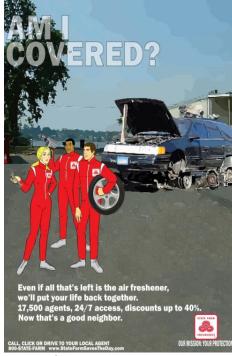
14

"Chop Shop"

additional print ads







"Riots on the Street"









digital media online banner ads









Big Box

(300x250px)

Box opens with the client's *auestion* followed by a brief animation of the agent. The agent is seen swimming away with a drain stopper as the fish composing the auestion in the opening box disperse. The water is shown swirling away as the scene transitions into our familiar body copy and call to action.

Skyscraper

(200x600px)

Earth is shaken as a large reptile monster rampages through town. The agent intercepts the client's unlucky car, saving it from being squashed. Scene transitions into our familiar body copy and call to action.





(728x90px)

The agent intercepts the client's helpless car as it surfs the unruly crowd, flying off to safety and transitioning to our familiar body copy and call to action. 16

digital media interactive webisodes



The Internet has become a major form of media, especially for our target. Young adults 18-25 are heavy Internet users. In order to fully utilize this vehicle, we will be placing webisodes on our microsite as well as on the Internet sites that are frequently visited by our target.

These webisodes will effectively reach our target audience while driving traffic to the microsite.

We will also be using interactive banner ads on the most popular Internet sites based on our targets interests. These banner ads will drive traffic to our microsite as well as the questions such as "Will the State Farm heroes make it in time?", "Will she be able to pay for the damages?", etc. will be placed on these interactive banner ads along with a looping video of a shortened seament from the commercial. When the viewer clicks the banner ad, they will be immediately directed to the microsite where they can view these webisodes.



These webisodes will be an extension of the action sequence in our television commercials.

total communications planning budget allocation

Integrated Marketing Strategy

At Beyond Advertising, we recognize that not all independent 18-25 year olds are alike; they are cynical and weary of authority. We must integrate our campaign into our target's lives in ways that make them aware of our message by establishing a presence during our target's most important activities. We will accomplish this through print, television, digital media, social networking, and new and emerging technologies. This multifaceted approach illustrates that State Farm is truly there for them.

Heavy from May 2010- September 2010

New auto-insurance policies follow automobile sales patterns. Our research shows that automobile sales are highest during the second and third quarters of the calendar year. Based on this information, we plan to launch our campaign with heavier advertising during these quarters. By launching in the summer, State Farm will benefit the most from our integrative campaign.



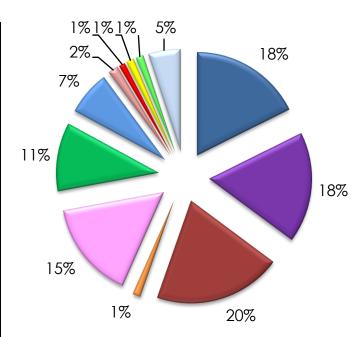
University School Year

Establishing a presence on 4-year and community college campuses is crucial. We must reach these prospective clients when they begin shopping for insurance. We will focus on interactive outdoor advertising surrounding the biggest college events: football games, March Madness, and graduation. In addition we will sponsor career fairs, create career-related tools to notify students of upcoming job-search events, and advertise heavily on job-search and student loan websites throughout the year.



Creating Extra Buzz

Our heavily-loaded campaign launch during the summer months will make our target more aware of State Farm Insurance. Building on this established awareness, we will use extra publicity within the first year of the campaign to promote State Farm's innovative and buzz-worthy 3D incinema advertisements at top box office movies.



- **Below the Line** (\$7,065,000)
- Internet (\$7,000,000)
- **Cable TV** (\$8,085,000)
- Opportunistic Buys (\$500,000)
- Print (\$6,200,000)
- **Emerging Media** (\$4,300,000)
- Out-of-Home (\$2,800,000)
- **Radio** (\$650,000)
- **Mobile** (\$400,000)
- Production (\$500,000)
- **Research** (\$500,000)
- IGA and 3D (\$2,000,000)

total communications planning lifestyle and media integration



 \bigstar Stars represent the top 100 college campuses that our media weight will focus on

The South will receive more media weight

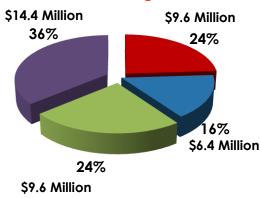
▶ The **South** census region contains the highest percentage of our independent 18-25 year old target (36%) and has the **highest number of vehicle purchases and leases** by our target in the last 12 months.

A C	
X	
11	

➤ Our Out-of-Home program includes 100 of the largest 4-year and community college campuses. The map above shows the locations of these top colleges with the majority located in the south.

Region	18-25 year old population	Bought a used vehicle in the last 12 months	Leased a used vehicle in the last 12 months
Northeast	18%	11%	8%
Midwest	22%	26%	20%
South	36%	41%	47%
West	23%	22%	24%

Media Weight:



■ W 18-21 ■ M 18-21 ■ W 22-25 ■ M 22-25

Weighted Media Vehicles

Females

- Baby Talk Magazine (Index 438)
- Websites with high percentages of female users (RateMyProfessor.com)

Older Demographic

- Job Search sites
 - Career Fairs
- Email Marketing
- Career Fair App

South

- Billboards
- Mobile Outdoor Screens (Wiffiti)
 - College Radio

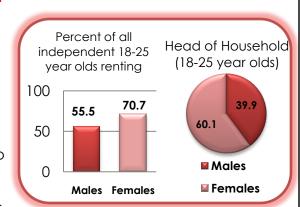
not all independent young adults are alike: some are more important than others

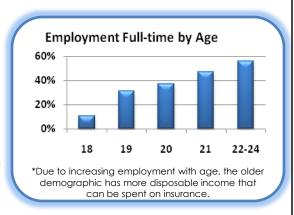
Females will be weighted more heavily than males

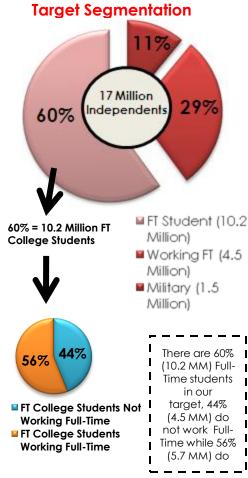
- ► Females make up a higher proportion of the independent 18-25 year old target
- ▶ Females are more worried about safety (65.3%* worry about violence and crime), and make up a higher percentage of renters (70.7%*) when compared to males (55.5%*)
- ▶ Only 43.1%* of females enjoy taking risks compared to the 60.4%* of males, suggesting females are less likely to incur costly insurance claims
- ► Females are generally more likely (60.1%*) than males (39.9%*) to be the head of their household

The older 22-25 year old demographic will be weighted more heavily than the younger demographic

- ➤ 22-25 year olds are **twice as likely** to be employed and are better prepared to pay for their own insurance
- ▶ Recently graduated 22-25 year olds are generally **not on their parents' insurance policy** and typically take on more than **50%** of their **living expenses** which leads them to "shop" for their own insurance







** Due to the dominant position of USAA on military bases and USAA offering more benefits at a much lower price to military families, we will not target the military in the first year of the campaign.



^{*}Percentages based on Simmons data

total communications planning interactive and social media

Internet \$7,000,000

Rationale: All of the websites below rank highly among our target



Hulu (\$1,000,000)

Hulu uses a Selector that allows viewers to choose between a long advertainment commercial or a regular commercial. 80% of viewers watch the long video, leading to a high click-through rate.



YouTube (\$500,000)

A branded content channel tailored to our creative, with in-video and banner advertisements, will help reach millions of students enjoying this social trend.



MTV-U (\$500,000)

We will be reaching over 500,000 monthly visitors of this site through our banner ads.



MTVTR3S.com (\$500,000)

Focuses on the music and cultural trends pertaining to the Latino target, therefore, expanding our campaign to the fastest growing demographic in the U.S.



ABC.com and CW.com (\$500,000)

Using pre-roll and interim advertisements with popular shows that are commonly watched online by our target (74% of which are females).



Blackplanet.com (\$500,000)

Has the largest African American online community with more than 10 million registered users, and expanding at the rate of over 8,000 members daily.



RateMyProfessor.com (\$500,000)

A popular site for college students, with the majority of the traffic 18-25 year olds (62% W). To avoid waste we will be using a pulsing strategy of promotion (April, May, August, September, December, January) to reach the target during the sites highest action times.



Facebook (\$750,000)

Not only does it receive 22 billion page views in the U.S. alone, but, based on profile information, we can specifically target 18-25 year olds, as well as those who have just bought a car. We will also use it to **promote our Career Fair App** discussed in the mobile section of this book.

"

Social [media] is about relationships and not about technologies.

- State Farm Director of Communication, Kelly Thul



Email Marketing (\$250,000)

We will use double opt-in email lists, as well as State Farm's own internal lists, to accurately target drivers based on age, while minimizing waste and reaching over 1,167,068 within our 18-25 year old target.

May and June 2010 are crucial time periods for our campaign. A large percentage of our target will be graduating and preparing for the rest of their adult lives, focusing on paying back student loans, finding a job, and looking for an apartment. This is why we need to advertise heavily on loan and search websites to help communicate that State Farm is ready to serve our target during this important transition period.

Job Search Sites (\$1,000,000)	Student Loan & Apartment Search Sites (\$1,000,000)				
Career Builder Index 161 (22-24 year olds)	FastWeb 72% of users are female				
Yahoo! Jobs Index 140 (22-24 year olds)	FinAid.org Of all users 70% are female. FinAid FinAid FinAid				
LinkedIn Specific targeting options available.	Apartment Finder.com Apartment Finder.				
SnagAJob (76% female users)	ForRent.com				

total communications planning television and print

cable television

Total Spending: \$8,085,000

To avoid media waste the video budget is based on cable programming, and it is weighted more heavily in the second and third quarters to coincide with our launch, the months with the highest number of automobile sales, and the highest number of college graduates.

Cable Network	Rationale
MUSIC TELEVISION®	MTV reaches 387 million households worldwide and is the most recognized by our target
COMEDY	Comedy Central delivers one of cable's most concentrated, upscale audiences among our target
[adult swim]	Adult Swim continues to be the number one rated network among 18-25 year olds
MTV	MTVU is a 24-hour college network that broadcasts to 750 colleges and universities reaching more than 7 million college students
mun2	Mun2 is created specifically for the American Latino youth, who represent the fastest growing minority demographic in the U.S.

print
Total Spending: \$6,200,000

The following magazines were selected based on having the highest indices, circulation, and CPMs, for the lowest rates.

Magazine	Rationale
Game Informer	Game Informer has over 3.6 million readers and is rated one of the most popular magazines for males 18-25 (Index 374)
Rolling Stone	Number one pop culture magazine for young adults with an index of 314
Allure	With an index of 260 and a readership of 6.5 million, Allure is one of the top magazines for females ages 18-25
Baby Talk	Baby Talk has one of the highest indices (438) for females 18-25. Also, 20-24 year olds have the 2 nd highest birth rate in the U.S. (10.2%)

*We have also negotiated a package with these magazines that includes a sponsorship on their websites.



total communications planning mobile, radio, IGA & 3D

Mobile

Total Spending: \$400,000

Career Fair App (\$50,000)

Partnering with Snelling Staffing Services, State Farm will sponsor career fairs on and off college campuses. We will create a mobile phone app that will notify the target of the date, time, and location of the nearest career fair.

Rationale: This app will connect State Farm with our target's future, whether they are college students, college graduates, or non-college graduates.

MMS Advertising (\$150,000)

All mobile phones in the U.S. are able to receive MMS messages, however this tool is generally underutilized by advertisers. By texting a ZIP Code to **78376** (STFRM), our target can immediately receive:

- -The name, location, phone number, and the distance to the nearest State Farm agent
- A 90-second video extended from our campaign <u>Rationale</u>: MMS allows consumers to keep messages for as long as they want, and enables them to show it to friends and even forward it to other mobile users.

Mobile Phone Advertising (\$200,000)

Banner ads on websites for mobile phone browsers.

<u>Rationale</u>: Research shows that young adults are the largest adopters of mobile phone technology.





College Radio (\$400,000)

To help promote on-campus events, State Farm will sponsor a college radio show on the 100 largest campuses, with two 30-second DJ- read spots. These events mentioned will include 3 Football games, 3 Basketball games, 2 career fairs, and 2 shows at the end of the school year to promote insurance awareness to graduating seniors.





Internet Radio (\$250,000)

We will use Pandora(<u>www.Pandora.com</u>), the number one Internet radio station, to reinforce State Farm through Skin and Display advertisements. **Rationale:** 30% of Pandora users are ages 18-25.



In Game Advertising/IGA (\$1,000,000)

We will include ads in online video games, reaching our target geographically. **Rationale:** 30% of our target plays video games regularly, and studies have shown that IGA is becoming more effective than television advertising among game players.



3D Movie Theatre Advertising: (\$1,000,000)

We will feature 3D advertisements at the biggest box office releases. In line with our campaign, every commercial will feature the State Farm superhero agent imagining he has the superpowers that the specific movie features.

Rationale: The featured movie releases will have high viewership by our target. The 3D commercials will be highly publicized before hand, creating buzz.



Tron Legacy Dec. 2010



Oober Mind Nov. 2010



Harry Potter and the Deathly Hallows Nov. 2010



total communications planning out-of-home and emerging media



Out-of-Home

Out-of-Home advertisements will be placed specifically in the 100 largest 4-year and community college campuses. TOTAL SPENDING \$2,800,000

Billboards: will be placed near the 11 most dangerous roads located by college campuses for six months to illustrate that State Farm cares about their clients' safety. **(\$800,000)**

Elevator Wrap: advertisements create a daily presence where the target is highly concentrated. These double-wrapped doors (inside and outside) will increase awareness and help generate buzz. **(\$500,000)**

Floor Graphics: will create buzz and reinforce the State Farm brand while being placed in high foot traffic areas throughout college campuses. **(\$500,000)**

3

Building Projections: Video projection will be used to gain attention of State Farm ads on campus buildings that have a higher density of the target population. (\$1,000,000)

emerging

Total Spending: \$4,300,000

Logo Recognition (\$300,000)

Using SpyderLynk's mobile image recognition technology, we will be placing Snaptags on our floor graphics and elevator wraps. Once these tags are captured by a cell phone camera and MMS texted in to STFRM-78376, the consumers will be automatically linked to our mobile Internet site, as well as State Farm events, and promotions.



Rationale: This will drive an immediate engagement with the consumer, allowing State Farm to create a personal relationship with the target through the design of a text message database for further contact.

Interactive Game at Sporting Events (\$1,500,000)

Big college events will feature a State Farm simulated and interactive car race game. State Farm ads will be placed throughout the game, and if/when the player crashes their car during the game a State Farm ad telling the player they need insurance will appear.



Rationale: Allows State Farm to interact and entertain the target in an innovative way.

Augmented Reality on College Campuses

Combines real-time and digital footage to create an on screen image via a Web cam.

Ad Walkers (\$1,500,000)

We will use interactive walking kiosk games that will capture the target's attention during the largest young adult events. This is an interactive version of advertising, showing what State Farm can do for our target.

Rationale: These interactive games will not only entertain and capture the target's attention, but will generate over 300,000 face-to-face interactions with only 10 AdWalkers, not only promoting State Farm's message, but also creating local media buzz.



Wiffiti (\$1,000,000)

Wiffiti branded projection screens will be placed at sporting events on 170 college campuses. Our target can project texts, pictures, and Flickr videos to the screens by texting a five digit number. All content is monitored by Wiffiti's Professional Service Vision.

wiffiti

<u>Rationale</u>: These screens allow the students to control and express their feelings, while also furthering interaction with State Farm and our microsite.

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integrated marketing communications campaign launch

State Farm Wants to Know: "Who's Your Hero?"

<u>Objective</u>: This contest will launch our campaign in conjunction with the release of **Robin Hood**, a wildly popular story among our target. This strategic alliance will provide our campaign with the attention it needs to be successful. Since almost **every person has a real-life hero to**

look up to, this contest will create an outlet for these heroes to get the recognition they deserve.



Plan of action: Our target will be directed to our microsite, via our media, where they can sign up and upload a video essay about a person in their life who is a hero to them or to the community. This video essay will explain why the hero deserves recognition and a chance to attend the premier in London. The winner will be chosen by viewer voting, one vote per person. All videos will be displayed on the microsite and will remain in an archive until the end of the contest. Movie tickets to Robin Hood will also be given away to the first 25,000 people who register on our microsite. Promotion on social media websites will be targeted by age, so we know our efforts will be focused on 18-25 year old individuals.

<u>Details:</u> The winning "hero" and the individual who nominated the "hero" will be awarded a trip abroad to attend the London **premiere of Robin Hood in May**. The trip includes*:

- •a 5 night, 6 day stay at the luxurious Claridge Hotel in London
- •a chauffeured limousine for their stay
- •a sightseeing tour of all the tourist attractions
- •VIP service at London's night clubs such as Fabric and Egg
- •\$10,000 shopping spree for the hero and a \$5,000 shopping spree for the individual who nominated them

 Five runners up will be awarded an Omega Seamaster watch, "The watch the world has learned to trust", valued at \$3,000
 - This watch has been associated with heroes since 1995 and has been featured in five James Bond movies



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*all applicable taxes have been included in the budget for this tactic, contestants and prize winners must by of legal drinking age of 18 (UK drinking age)

integrated marketing communications get your future covered







Objective:

•To enact State Farm's mission statement, to create positive feelings toward the State Farm brand as a resource for our target's financial stability, and, to drive traffic to State Farm offices

Plan of Action:

- •We will host job fairs across the country on college campuses and other non-collegiate spaces to reach responsible, career-minded individuals in our target who are most likely to buy State Farm insurance. We will use an opt-in mobile alert system to notify our target of upcoming fairs in their area, and to drive traffic to State Farm offices. This mobile alert will let them know that additional materials such as recruiter lists, resume tips, and brochures are available at their local State Farm office and on the microsite. The microsite will also have information where people can get up-to-date job lists for specific zip codes.
- •Most of the members of out target market have cell phones, and many young adults have their phones with them 24/7. By notifying them of an event instantly, we will be able to break through the clutter of traditional advertising in a meaningful way.

Details:

- Part of State Farm's mission is to help clients realize their dreams. A strategic partnership with Snelling Staffing Services will provide career opportunities to our target market which allows us to take the meaning of being there to the next level.
- •It will be clear at career fairs that they are sponsored by State Farm with State Farm's logo and tagline on all materials (folders, tote bags) as well as banners, placards, etc.
- •By hosting the fairs both on and off college campuses we will guarantee to reach all segments of the target audience.
- •Our goal is to get new customers into a State Farm office. We will make all information available at State Farm offices which will be advertised on the microsite as well as via the opt-in mobile alert system.

integrated marketing communications public relations

Be a Hero to the Environment

<u>**Objective**</u>: To promote "going green" awareness while also promoting the State Farm brand



<u>Plan of Action</u>: State Farm will set up tents displaying EnergyStar appliances at local parks and on college campuses nationwide. Each item will have a tag attached with the amount of money that could be saved a year by using it and a fact on the positive effect it has on the environment. We would also be handing out eco-friendly tote bags that will have the State Farm logo, microsite URL and the phrase, "Be a Hero to the Environment" printed on them. Once on the microsite, one can find daily changes that can be made and information on how to download coupons for featured appliances on their mobile phones.

<u>Details:</u> 18-25 year olds have very strong feelings towards the "Going Green" movement. 74% are more likely to pay attention to a company's messages if the company has a deep commitment to a cause. These events will allow State Farm to associate its name with a cause relevant to our target audience.

Drive Like a Hero





<u>Plan of Action</u>: In a partnership with Armor Games, we will develop an online game that tests one's ability to multitask in a simulated driving environment. It will demonstrate how hard it is to multitask. The eligible players (18-25 year olds) with the ten highest scores will win a brand new 2010 Ford Focus Hybrid, as well as 2 years of free car insurance.

<u>Details</u>: When it comes to distracted driving, individuals in our target are among the worst offenders. With this strategy, we can **promote safe driving habits by showing players**, in a safe environment, just how much focus each added activity takes away from the road.





Objective: To generate buzz for the State Farm brand while providing a unique and exciting opportunity for young adults to jump start their careers

Plan of Action: Building upon
State Farm's current presence at
NASCAR, we will hold a
competition giving 5 lucky young
adults a paid internship in the
State Farm promotions
department, working directly with
NASCAR. Participants will upload
their resume and a short video
about why they should Cover The
Races! The opportunity will be
advertised on State Farm and
NASCAR's websites and at State
Farm sponsored career fairs.

<u>Details</u>: The internship includes promoting State Farm at major NASCAR events, with living, travel, and food expenses all covered by State Farm.



integrated marketing communications events and promotions

State Farm Presents: Heroes at the Drive-In

<u>**Objective**</u>: To further solidify the superhero association with the State Farm brand

<u>Plan of action</u>: We will host drive-in movie nights nationwide at local parks and college campuses.

<u>Details</u>: In addition to giving our target a fun, free way to enjoy a superhero movie outdoors, we will also distribute customized blankets that resemble superhero capes. These **branded blankets will bring a literal meaning to** "We've got you covered." This takeaway will serve as a permanent reminder to attendees of the campaign message.



How to be Your Own Hero

Objective: To promote State Farm among females 22-25 by empowering them to protect themselves





<u>Plan of action:</u> Partnering with the Association for Women's Self Defense Advancement (AWSDA), we will hold hour-long workshops at local community centers to teach women how to protect themselves. Since this segment of our target market tends to be extremely busy with work and/or social activities, getting into a State Farm agency may not be high on their lists of priorities. Therefore, we will bring the agency to them. At each workshop we will arrange to have a local agent on-site to inform attendees about how State Farm can protect their belongings, and provide follow-up information after the event.

<u>Details</u>: We will promote these events using primarily social media, utilizing both geographic and age targeting features where available. We will also send out e-mail blasts using State Farm's existing internal lists based on age to alert these females of upcoming workshops.



Covered—Literally—With State Farm Ponchos

<u>Objective</u>: To gain exposure and bolster awareness of our campaign message.

Plan of Action: Students across the nation used to get soaked at their favorite sporting events and outdoor festivities when it rained, but not anymore. State Farm is going to make sure students are protected and covered no matter what the weather holds.

<u>Details</u>: The ponchos will be State Farm red, with the logo on the front, and our tagline, "Our Mission: Your Protection." written on the back. They will be distributed to students attending outdoor college events. It is an inexpensive, effective, and non-intrusive way to raise awareness of State Farm among our target.





integrated marketing communications save the day microsite

Why a microsite?:

We will create a microsite to more effectively reach independent 18-25 year olds with our campaign's innovative IMC tactics. On StateFarmSavesTheDay.com State Farm's devotion toward protecting young people's independent lifestyles will be apparent through the campaign's "heroic" events and initiatives

The banner at the top of this site highlights five topics. Additional information and corresponding graphic images and pictures relevant to each topic will be rotated below changing every 8 seconds. Here we see the "Going Green" topic presented with its associated information and promotional offers.

www.StateFarmSavesTheDay.com



Microsite Content:

StateFarmSavesTheDay.com will give visitors the opportunity to upload video entries for our contests, learn more about our green initiative, and find information about upcoming events.

State Farm will show its commitment to helping young independents start their lives through numerous career fairs and job listings.

These recognizable superheroes from our print and TV ads will help bring together our marketing campaign. The opportunity to enter our "hero" video contests will be just one click away.



Our site will show its visitors how they can protect their wallets while protecting the environment. We will provide facts such as the amount of money that can be saved by making simple steps toward going green.

Learn More >

spending patterns flowchart

	Q2-Launch Phase 2010 Q3 Q4						Q1 - 2011 Q2			Q2			
	May	June	to the		September	October	November	December		February	March	April	T-4-1
			July	August					January				Total
Media and Promotions	1 8 15 22 29	5 12 19 26 3	3 10 17 24 31	7 14 21 28	4 11 18 25	2 9 16 23 30	6 13 20 27	4 11 18 25	1 8 15 22 29	5 12 19 26	5 12 19 26	2 9 16 23 30	
Cable TV													\$ 8,085,00
Adult Swim	+	++++	+	+	$\overline{}$						+++		\$ 1,995,00
Comedy Central	+	++++	+	$\overline{}$	$\overline{}$						+++		\$ 1,895,00
MTV					$\overline{}$						+++		\$ 1,995,00
MTV-U		\Box	\bot	\perp	$\overline{}$								\$ 700,000
MUN 2													\$ 1,500,000
Print													\$ 6,200,000
Allure													\$ 1,500,000
Baby Talk													\$ 1,400,00
Game Informer													\$ 1,300,000
Rolling Stones													\$ 2,000,000
Internet													\$ 7,000,000
ABC.com & CW.com													\$ 500,000
Blackplanet.com													\$ 500,000
Hulu.com													\$ 1,000,000
MTVtr3s.com													\$ 500,000
MTVU.com													\$ 500,000
Ratemyprofessor.com													\$ 500,000
Youtube.com													\$ 500,000
Email Marketing													\$ 250,000
Job Search Sites													\$ 1,000,000
Student Loan Sites													\$ 1,000,000
Facebook													\$ 750,00
Radio													\$ 650,00
College Radio													\$ 400,000
Pandora Radio							 		 				\$ 250,000
Out-of-Home													\$ 2,800,000
Floor Graphics													\$ 500,000
Billboards				+++					++++		++-		\$ 800,000
Projection				+++					++++		++-		\$ 1,000,000
Elevator Wraps			++++	+++					++++		++-		\$ 500,000
Emerging Media													\$ 4,300,000
Wiffiti		 							 				\$ 1,000,000
Ad Walkers	-	 	- 	+++							-		\$ 1,500,000
		++++	++++	+++					++++		-		
Interactive Game			 	+++							-		\$ 1,500,000
Logo Recognition													
In Game Advertising													\$ 1,000,00
3D Movie Ads													\$ 1,000,00
Mobile													\$ 400,00
Career Fair App			\perp								\perp		\$ 50,00
MMS Advertising		++++		-				++-	++++		+++		\$ 150,000
Mobile Phone Ads													\$ 200,00
Below the Line													\$ 7,065,00
Who's Your Hero Contest													\$ 1,000,00
Snelling & Snelling													\$ 1,094,00
Drive-In Movie Nights		lacksquare	+++					igcup	$oldsymbol{\sqcup}$				\$ 540,00
NASCAR Internship	\Box	$\sqcup \sqcup \sqcup$	++++	\bot	\perp								\$ 161,00
Car Giveaway			++++	\bot	\perp								\$ 605,00
Green Initiative								lacksquare					\$ 1,100,00
AWSDA													\$ 1,100,00
Ponchos													\$ 1,000,00
Microsite													\$ 465,00
Opportunistic Buys													\$ 500,00
Production													\$ 500,00
Research													\$ 500,00
	*All agency f	ees and proc	duction costs	are alrea	dy embedded	d in the line	item costs						\$40,000,000

why our campaign works measurement and follow-through

"Progress is not progress if it cannot be measured."

- W. Edwards Deming

Our campaign measurement model effectively tracks the success of our outreach by leveraging the input, output, and research based measurement tools of our campaign elements. Our measurement chain aims to gauge the success of the campaign on new, legacy, and current customers from start to finish through pre/post comparisons while identifying the impact on our target at each of the two stages; an interim stage and at the end of the campaign.

Measurable Goals and Objectives

Interim Measures

R.O.I.

Goals

- Increase in policy holders
- Increase in relevancy
- Increase in positive perception
- Increase in engagement

Objectives

- Growth through new Young Adult
- Auto and renters policies
- Promotional effectiveness

- Brand Relevancy
- Attitudes
- Awareness
- Engagement
- Trust
- Perception

- Return on Investment
- Media post buy analysis
- Satisfaction with policy measures
- Lifetime value and protection
- Visits to State Farm website and microsite
- Telephone calls to an 800 number
- Visits to a State Farm office
- Number of new policies
- Renewal rate of existing policies



going beyond the assignment tuture recommendations:

<u>Suggestions</u>

Live Chat

•We recommend LiveChat because a large portion of our target prefers to find information online, but also want a person to talk to. We want to be able to provide immediate contact for potential clients to show that State Farm really is there and to make the process of buying insurance less daunting.

Competitive Approach

 Depending on how competitive State Farm wants to become in advertising, it can include lizards, cavemen, and ducks unable to save clients in situations in which its agents save the day.

If Budget is Reduced..

•If State Farm's budget were reduced, it should reduce its media budget for TV and Print which are relatively expensive and focus primarily on the most important Internet sites that reach this target.

If Budget Increased..

•If State Farm's budget were increased, TV and Print (mainly TV) advertising should be increased to create a bigger presence in traditional media than it is able to do now. It also should expand more into emerging media, perhaps developing an augmented reality idea.

What Not to Do

Advertise Specific Price Savings •State Farm should not emphasize specific price savings in its advertisements. We came to this conclusion based on the significant difference in ad spending done by competitors, such as Geico, in comparison to that of State Farm. By communicating the motivator "price", State Farm's competitors have already established this advantage to the target.

Advertise on Celebrity Gossip Websites Celebrity gossip sites such as Perez Hilton and MediaTakeout should be avoided. Although these websites attract a large number of the target audience, these sites would be detrimental to the brand image.

Accident Images in Commercials Remain consistent with our recommendation and use campaigns that are not done by other insurance companies.
 Avoid the typical car collision images that are so pervasive.