

Hispanic Advertising: Auto Insurance

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It has been said by many a marketing veteran that in a poor economic climate, an increase in advertising will result in long-term brand growth once a recession ends.

Perhaps automotive insurance companies understand this philosophy better than any other category active in the U.S. Hispanic market.

Conversely, CMOs at the auto insurance firms actively targeting Latinos who consume Spanish-language media may simply desire to achieve growth in the one segment in the U.S. where opportunities continue to abound for marketers.

In 2006 **Allstate** was the biggest player in the Hispanic market when it came to dollar activity. That year, \$34.5 million went to Spanish-language television networks alone. Roughly \$1.7 million went to spot television, about \$691,000 went to cable networks measured by Nielsen Monitor-Plus and almost \$1.1 million went to Hispanic magazines.

In 2008, Allstate pushed its budget for traditional Spanish-language media upward by nearly \$10 million, with \$41.9 million going to the television networks, \$4.2 million going to Hispanic cable, \$1.3 million devoted to spot television and a diminished amount - \$282,335 – earmarked for Latino glossies.

Yet Allstate was trumped in 2008. By a good neighbor.

State Farm Stampedes Ahead.- In 2005, \$12.4 million was seen from the insurance companies.

A year later, explosive growth commenced, thanks to Allstate and State Farm.

In the case of State Farm, a flood of multi-platform activity using a myriad of cultural touch points has set the brand far and away above not only its in-category competitors but perhaps only a handful of other high-level brands – such as Coca-Cola, Home Depot and McDonald's.

In 2006 just under \$15 million went to the Hispanic media tracked by Nielsen Monitor-Plus from State Farm. In 2008, the budget soared to \$69.5 million.

The big reason for the jump is a commitment to a television campaign that highly utilized network and local spot activity.

In the second and third quarter of 2008, State Farm was the No. 3 advertiser at Spanish-language television, both by units and by dollars. That year's activity is the result of efforts that commenced in April 2008 that feature actor and singer Carlos

Ponce as the voice of State Farm.

The creative centers on how State Farm is present at key points in customers' lives. Radio and four television spots airing in both English and Spanish were part of the mix. The work was created by Coral Gables-based **Alma DDB** - State Farm's Hispanic shop for a decade.

At present, State Farm is consistently among the top 10 advertisers using Spanish-language radio, according to Media Monitors, producer of the weekly [Spot Ten](#) charts.

But that's just one part of the State Farm's plan of action. "We're not just doing 15- and 30-second television or radio, we want to touch consumers," Mark Gibson, associate vice president of advertising at State Farm, said in a 2008 interview.

Examples of this include State Farm's sponsorship of the 2008 Copa Nissan Sudamericana soccer tournament, which aired on Fox Sports en Español; Univision's "Nuestra Belleza Latina" beauty competition series; and the 2009 Billboard Latin Music Awards, which airs tonight (April 23) on Telemundo.

State Farm is also a sponsor of Fiesta Atlanta, the Cinco de Mayo celebration set for May 3 in Centennial Olympic Park. The insurance company also lent its support to the U.S. Hispanic Chamber of Commerce's 19th annual legislative conference, held in March.

Executives at State Farm are also longtime believers in the power of Hispanic magazines. With respect to individual advertising campaigns, State Farm Insurance was tops in 2008 with a yearlong effort resulting in 142.5 ad pages - valued at \$5.2 million, HispanicMagazineMonitor notes.

Allstate's All-Over Activity. - Like its rival, Allstate is active in the Hispanic market in a variety of ways. In 2009, it returned as a sponsor of Univision's "Premio lo Nuestro a la Música Latina." It is also a sponsor of Federación Mexicana de Fútbol (FMF) in the U.S. and in 2008 launched a consumer sweepstakes tied to its sponsorship of FMF in the states. "Tu Mejor Jugada con Allstate y Zague" awarded a trip to Miami and dinner with Mexican national team captain Luis Roberto Alves "Zague."

In March 2009 the Interactive Media Council gave its best-in-class award for insurance to Allstate's Spanish-language soccer website, Proteccioneslajugada.com. The site highlights the message of protection and the insurer's association with the Mexican National Team and goalie Guillermo "Memo" Ochoa. The site was developed by Allstate's Hispanic agency of record Lápiz in partnership with Domani Studios.

On the automobile front, Allstate's Spanish-language campaign – with the tagline "Así Piensa" - uses humor to woo Latinos. One television spot - "Clones" - features

a woman in her car, joined by three of her own clones clamoring for attention. The driver, however, remains focused on the road. Upon arriving at home, the woman finds a check from Allstate's safe driving bonus program.

A second spot, "Big Drama," shows a distracted driver who becomes the center of attention - in the form of an impromptu musical - after he has a rear-end collision. The spot showcases the accident forgiveness feature of Allstate's program.

The spots were produced by Lápiz, which became Allstate's U.S. Hispanic agency of record for creative duties in September 2007. Media buying and planning responsibilities went to Tapestry.

AIG Shifts Dollars To Network Television.- American International Group's **AIG** and **21st Century Insurance** shifted their activity in 2007 to Spanish-language television networks after placing all \$8.5 million of its ad budget in spot television in 2005 and most of its \$6.9 million budget in local television in 2006.

In 2008, \$10.4 million went to Hispanic television networks. About \$895,200 went to spot television and the remaining \$482,900 was allocated to Spanish-language cable.

But what's next for AIG and 21st Century? AIG in September 2008, crippled by the U.S. financial crisis, agreed to a controversial \$85 billion bailout from the federal government. A year ago three Hispanic shops were identified as finalists as part of an AIG agency review. But there's been no word of any agency selection, and given AIG's condition it's doubtful the company will launch any Hispanic efforts near-term.

AIG had worked with Los Angeles-based Acento Advertising for several years and in May 2002 launched 21st Century's first-ever Hispanic advertising campaign ([HMW Archives 5/13/2002. Get More](#)). Most recently, print and out-of-home ads highlighting the company's "¡Obten Más!" slogan were created by Acento for the insurance brand.

Infinite Growth Plan?- Infinity Insurance Co., active in California, Georgia and South Carolina, has continued to up its investment in local Spanish-language television. In 2008 it earmarked nearly \$6.4 million to spot television, up from \$4.8 million in 2007.

While nearly \$396,000 went to spot radio in 2007, Infinity opted not to use the medium in 2008. Instead, it invested nearly \$74,000 in Spanish-language local newspapers.

Infinity has been working with al Punto Advertising since early 2006 ([HMW Archives. 4/3/2006. Infinity Insurance Taps Hispanic Shop](#)).

Farmers Increases The Action.- Zurich Financial Services Group, the company

that operates **Farmers Insurance**, has rapidly increased its Hispanic network dollars over the last three years. In 2008, nearly \$3 million went to Spanish-language network television, while an additional \$477,000 was allotted to Hispanic cable.

By comparison, while \$2 million went to spot television in 2007, just \$408,700 went to local Spanish-language television in 2008.

Farmers' first-ever original creative for Latino audiences, featuring actor Edward James Olmos, arrived in 2006. The initiative included television, radio and print spots (*HMW Archives 6/19/2006. Farmers Taps Hispanic Star*). In the [latest creative](#) from Farmers, Olmos turns on the action by taking on the role of action hero.

Miami-based Accentmarketing developed the campaign as Farmers' Hispanic agency of record.

Most recently, educational channel V-me in March launched a special Spanish-language marketing campaign for Farmers Insurance. "Preguntale a Farmers" shows consumers' quest for answers about insurance companies, agents and coverage options. The campaign, produced by V-me, will run through year's end. Farmers also sponsors V-me's nightly newscast "V-me Noticias" and the weekly current affairs show "Páginas: The New York Times."

A Progressive Move.- Progressive Insurance in 2007 started shifting its dollars from spot television to network television, and in 2008 invested nearly \$3.5 million in Hispanic network advertising.

But Progressive decided to go local once again in a September 2008 move that's designed to give a boost for its independent Latino agents (*HMW Archives. 9/15/2008. Progressive Goes Local*).

For the initiative, Progressive tapped Grupo Gallegos to create an agent tool kit that consisted of print and radio ads, billboards and direct mail materials for a program that has been rolling out to 10 Latino-heavy markets in Florida, Texas, Arizona and New Mexico.

Local Efforts In The Millions.- Other nationally recognized automobile insurance firms exclusively used local media to reach Latino audiences in 2008.

Nationwide Insurance and sister brand **Allied Insurance** combined to contribute nearly \$1.3 million in ad dollars to the U.S. Hispanic market in 2008. Nationwide and Allied placed \$1.2 million exclusively in Hispanic spot television, and invested \$81,000 in cable television advertising.

American Family Insurance returned to the fray in 2008 after being absent in 2007 by placing nearly \$622,000 in Spanish-language spot television.

Lastly, **Survival Insurance** invested \$294,500 in Hispanic spot television.

Who's absent? **GEICO Direct** - a big user of local Hispanic radio stations – was busy placing ads with cavemen and geckos on non-Latino media. In the first three quarters of 2007, the insurance company put \$435,100 toward Hispanic spot radio. Additionally, \$16,175 went toward local Spanish-language newspapers - the most significant activity in the medium by any insurance company.

Where The Spending Is.- Here is a quick glance at the total investment in Hispanic media seen by automotive insurance companies during 2008, along with comparison dollars for 2007:

Company:	2007	2008
State Farm	\$33,907,339	\$69,467,181
Allstate	\$48,434,131	\$47,569,362
AIG/21st Century Insurance	\$9,106,946	\$11,816,296
Infinity Insurance	\$5,288,850	\$6,460,816
Farmers Insurance	\$2,324,272	\$3,837,883
Progressive Insurance	\$2,521,634	\$3,477,136
Nationwide/Allied Insurance	\$1,188,110	\$1,303,206
American Family Insurance	\$0	\$621,668
Survival Insurance	\$0	\$294,530
Total:	\$105,574,816	\$147,675,745

Category includes automobile insurance firms and related services for motorcycle owners.

Source and Copyright 2009: Nielsen Monitor-Plus. Data for 2008 reflects dollars spent by brick-and-mortar and online retailers in the United States from January through December. Nielsen Monitor-Plus offers monitored spending data for Spanish-language local newspapers, Spanish-language national magazines, Spanish-language cable and network television, local spot TV campaigns and Spanish-language spot radio (local). National Spanish-language radio, mobile marketing and online spending are not measured by Nielsen Monitor-Plus. Expenditures are based on Nielsen Monitor-Plus measured media. Coverage varies by media.

Who's Got What?

Several insurance companies work with Hispanic advertising agencies to get their

messages straight to Spanish-dominant Latino consumers. Here's a look at who works with whom:

- **State Farm** - *Alma DDB - full service; OMD Latino - media buying and planning*
- **Allstate** - *Lápiz (Leo Burnett) - creative; Tapestry (Publicis Groupe) - media planning and buying*
- **Farmers Insurance** - *Accentmarketing*
- **Infinity Insurance** - *al Punto Advertising; The Luca Group - television production and media buys (California)*
- **Progressive** – *Grupo Gallegos*
- **Nationwide Insurance** - *Dieste Inc.*