

***“We’re State Farm.  
With Us, It’s Personal”***



***State Farm™***

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

## ***Objective***

State Farm asked that we contemplate creative opportunities to communicate to the Millennial target market.

## ***Situational Assessment***

In conducting a SWOT analysis, we realized that the State Farm agent is the company's most significant strength.

The research also pointed to how Millennials often share in a strong relationship with their parents and how they strongly value sincere relationships

Our campaign will focus on State Farm's greatest differentiating factor: its ability to relationships

And what better way to focus on relationships than by fortifying those State Farm already has with its legacy families

# ***Target Market***

State Farm offers a personal connection in a time and era where personal connections dictate our lifestyles. Millennials are thought of as Facebook and text message obsessed. But what underlies these supposed obsessions? Connectivity. Friendship. Personal involvement. And it is this insight that led us to what State Farm should be: personal. Millennials depend on their parents, more so than previous generations. And many of the challenges that face a young Gen Y-er after entry into the “real world” will lead to a phone call to Mom or Dad. But what about insurance? When these Millennials begin “real” life, money becomes much more of a harsh reality. And the appeal of cheap, online insurance becomes quite alluring. But what if the confusing world of insurance was made much simpler by a simple call to their family’s State Farm agent? This would require that these young and confused independents knew who their family’s agent is and that they feel comfortable calling them. And therein lies the challenge, the challenge to create and foster relationships with potential legacy clients. Our campaign will address this challenge, and work to accentuate State Farm’s base strength: its agents.

# ***Situational Analysis***

Millennials often approach their parents when faced with new life challenges

Parents are a good source of experience that will not patronize their children because they want their children to succeed and be safe

State Farm's agents are a key differentiating factor in a category that seems to be obsessed with low prices

But if a State Farm can mirror the comfort a parent offers a scared of confused child, a newly independent Millennial can approach their family's agent knowing they are going to be taken care of

By equipping the agent with the tools to offer more than car insurance, consumer-facing executions will be sincere and speak to the personal nature of a client-agent relationship

# ***Our Strategy***

The biggest obstacle that State Farm faces is that the majority of potential legacies leave State Farm. The solution to this problem is forming personal client to agent relationships. We were told during one of our class meetings that people are more likely to stay with State Farm if they know their agent's name. State Farm has 17,000 agents. Because of this, their ability to form personal relationships with their customers is better than other insurance companies can offer.

This personal approach will alter people's perception of State Farm and differentiate them from being just another corporate insurance company. The agents are real people, like their customers. They understand how devastating accidents or other car-related issues can be to someone. Having a more personal relationship with their customers, they can make the process of dealing with these types of events easier. The customers will know them and trust them more and thus reassured they're in good hands. In order to achieve this strategy, we will have to train the agents and provide them with the necessary resources and information to better grow a sincere and personal relationship with their clients.



The agents are real people, like  
their customers.



# ***Training the Agents***

We will hold a weekend retreat in Vail, CO for 100 Colorado agents. When the agents first arrive to the retreat they will receive a handbook called “Personal Relationships VS Products: How To Appeal To Millennial.” This book will be take home material that contains resources and information on how to communicate effectively to millennial. They will be asked to fill the book with notes and personal information about themselves through out the retreat.

The first day of the retreat will be based around team building exercises. They will be asked to complete a ropes course. The agents will have to work as a team to get through the ropes course. This ropes course will allow them to get to know each other.

On the second day, agents will break up into groups of two to get to know each other. They will talk one-on-one and share personal information about themselves, like their favorite food, or favorite movie. This will get them to dig into each other’s personal story. They will also be asked to talk about mentor figures from when they were a teenager, for example, a guidance counselor, or coach. This is important because we want our agents to be more of mentor figures. We don’t want our agents talking to teenagers as an authority figure. By having our agents think back and remember their mentor figures, they will get an idea of the proper way to talk to our clients.



We will also have motivational speakers and students to talk to agents. We will bring in 10 students and break up the agents into small groups. The students will talk about a day in their lives and agents will be able to ask them questions. This will give our agents some practice for when they are meeting with their clients.

The main focus of this retreat is to step away from the idea of “selling.” This retreat is not like other sales conferences where it is about selling the company’s products. We want agents to walk away from this retreat with a new lifestyle. We want our agents to want to find out the personal story of the person they are meeting with. This retreat is about the agent being human and relating to their client, while seeing them as a person and not a potential client. This retreat will build personal relationships, which will get clients to know their agents name.



## ***The First Meeting***

The office visit is where the agent can essentially practice what they've learned at the retreat. We plan on sending out mailers to current clients with the general message that “it is time” to send their teenagers in to meet their State Farm agent. The reason for this is that 1) parents are gatekeepers when it comes to important decisions like insurance, and 2) we've learned from previous meetings with your staff, that 8 of 10 legacies that actually know their agent make the choice to stick with State Farm as their car insurance provider.

We want the agent's office to come off as “home-y” and welcoming—teenagers don't respond to professional, stiff environment. We're going to advise the agent to have sodas on hand as well as a picture of themselves with their first car. The point of the teen's visit is to meet the agent and learn about them and vice versa. They will also receive an “accident card” that they can place in their glove box. This will cover the steps to take if they are involved in an accident of any kind. All agents will also have access to a program that easily uploads the State Farm cell phone application to any device the legacy may have.

Upon leaving, the agent will present the legacy teenager with a choice of three \$10 gift cards for coming in—Chipotle, iTunes, or Starbucks. Upon presenting this, they will tell the legacy about the current contest we've arranged.

## ***Communication***

“We’re State Farm. With us it’s personal.” The whole campaign is based around being more personal and really forming relationships between the agent and their clients. The first short sentence introduces the company. All relationships start with introductions. When getting to know a person, being on a name-basis opens up the possibility of a further relationship. The company is going to be personal so therefore it needs to give its name. The second part of the slogan reveals that State Farm is after a personal relationship with its customers. It also has that attitude that State Farm takes things personally too. The agents are after all, real people just like their customers.



## ***Execution***

The campaign's execution will involve an online contest, viral video, movie theatre advertisement, and print advertisement. Legacies and their friends will be invited to submit creative or funny videos/photos with their first or current car. Participants will submit their videos to a specific website, and the public will vote on their favorite submission; the winner will win a \$2,500 college scholarship. State Farm agents will also be encouraged to submit photos of themselves with their first cars. After the contest, the best videos/photos will be put together in a montage with the State Farm tag line. The viral video will play as a viral video on the web and also play at movie theatres. Finally, a print advertisement will be displayed in various magazines.

## **ROI**

We focused on the fact that 6 out of 10 next generation customers leave State Farm. In class we were told that 8 out of 10 people will stay with State Farm if they know their agent's name. By knowing the agent's name, it goes from 4 people staying to 8 people. A 100% increase. The viral video will bring in social capital, as well as inexpensive advertising.

This is why being personal is so important! it's much easier to leave a corporation than it is to leave a person that you know.



8 out of 10 people will stay with State Farm if they know their agent's name.

# Budget

**\$150,000**

- +** 100 Agents
- 50 Kids for each agent
- 5,000 Legacies

1. Contest
  - Prize – 1st place: \$2,500 grant. 2nd place: \$1,000 grant. 3rd place: \$500 grant.
  - + \$2,500 match with 1st place winners high school
  - Hiring someone to make the print ad - \$5,000
  - Hiring a producer & editor to create the viral video ad - \$5,000
  - Hiring a company to put on the contest - \$ 5,000
  - Website creation and management to collect the photos - \$8,000
  - Movie Theater Ad - \$12,000
2. Agent Retreat in Vail
  - Location Rental - \$ 5,000 room
  - Venue itself - \$8,000
  - Motivational Speakers - \$ 3,000
  - 10 Kids to talk to Agents (in groups of 10) – (\$250 SF Prepaid Visa Gift card +4.95 fee) \$2550
  - Ropes Course (Adventure Associate): \$5,000
  - Transportation fees \$1,950
  - Cost to write the booklet: \$2,500
  - Booklet - (\$50 each) \$5,000
  - Consulting fee - \$3,000
  - Gift cards - (\$10 each) \$50,000
  - Emergency Cards w/ contact information to give to clients - \$3000
3. \$1000 research on ROI
4. iPad – \$10,000 (20 agents)
5. Mailing Letter that advertises bringing the kid in - \$500
6. Agent Incentive - \$4,500

## ***Conclusion***

In order to keep its legacies customers from leaving, State Farm needs to develop personal relationships with them through its agents. To achieve this goal, the agents will be trained and provided resources designed to help them better relate. 8 out of 10 people stay with State Farm if they know their agent's name and forming this personal relationship will guarantee this.