



CMO INTERVIEWS

American Family Insurance Grows Its Family With Trust

VP-Marketing Lisa Bacus Saw Opportunity in Telling Brand-Driven Stories to Stand Apart

By: Andrew Hampf Published: February 08, 2010



A correction has been made in this story. See below for details.

LOS ANGELES (AdAge.com) -- Like many advertising categories, insurance marketing was heavy on tactics and price-driven deals but short on branding in 2009. That's where Lisa Bacus, VP-marketing for American Family Insurance, saw an opportunity -- to tell brand-driven stories while her competitors, such as State Farm and Allstate, were driving home the literal value of their packages.



American Family Insurance VP-Marketing Lisa Bacus

Beginning in fall 2009, the insurance marketer and its media agency, [Mindshare](#) Entertainment, embarked on its first branded-entertainment strategy, encompassing several integrated entertainment programs with multiple media partners. The first, focused on agent interaction, was led by "In Gayle We Trust," a branded web series for NBC.com (written by Brent Forrester of "The Office") featuring a fictional American Family Insurance agent (Gayle, played by Elisa Donovan) as its main character. A [microsite](#) featuring tips from finance expert Liz Weston supplemented the web series, as well as a radio tie-in with CBS Radio -- a promotion called "The Family You Choose," where listeners could thank their insurance agents as members of their "extended family."

Later in 2009, American Family Insurance teamed up with MTVU and its signature Woodie Awards for a five-part sponsored docuseries, "The Road to the Woodies," in which a real teenage driver develops her maneuverability using American Family Insurance's proprietary Teen Safe Driver Program.

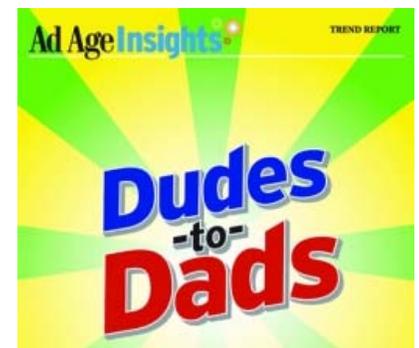
Both programs were a departure for the 83-year-old insurance marketer and crucial to what Ms. Bacus thought was American Family Insurance's biggest competitive advantage in a crowded market: customer service. "Consumers tend to see insurance as something mysterious or scary, so for us it's an opportunity to educate and demystify what insurance is all about," she said.

WPP's Kantar Media reported U.S. measured media spending on insurance at \$3.77 billion in 2008. Put another way, the insurance industry allocated about one-third of a penny from every premium dollar into advertising. (Insurers collected about \$1.1 trillion in 2008 net premiums, according to the Insurance Information Institute; measured media ad spending represented about 0.34% of that.)

The strategy appears to be paying off for the company, which used to favor a more traditional, 30-second spot approach with its modest marketing budget. Ms. Bacus said the branded-entertainment



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campaigns yielded a total of more than 100 million gross impressions across NBC, CBS Radio, MSN and MTVU properties, along with a double-digit increase in web traffic to AmFam.com and a 36% increase in unaided recall of the branded programs. "In Gayle We Trust" was also streamed 3.5 million times at NBC.com, while the accompanying MSN microsite logged 700,000 unique visits.

Ms. Bacus said the programs accounted for a relatively small portion of the company's media budget, but nevertheless, American Family Insurance has been upping its marketing investment in recent months. The marketer spent \$32 million on measured media in 2008, according to Kantar Media, but had already spent \$36 million during the first nine months of 2009. Expect that to continue into 2010 as well.

Ms. Bacus, 45, came to American Family Insurance in 2008 after spending 22 years at Ford Motor Co., where she was most recently director-global marketing strategy, chief marketing officer. She oversees advertising, customer relationship management, digital marketing, research, product portfolio, customer experience and market strategy, and planning for the company, reporting to Exec VP Brad Gleason. She recently completed the review of the brand's creative account, selecting [Ogilvy & Mather](#) as its new agency of record.

She recently spoke with Ad Age about lessons learned from her entertainment programs, the importance of bringing all her agency partners together for quarterly creative meetings and why branding should always prevail over tactics.

Ad Age: How is user-generated content influencing your overall marketing strategy?

Ms. Bacus A lot of the stories we've started to tell are already coming from stories we get from customers, so not only does each campaign have legs, it enables us to have a user-generated content component to it. If you look at the work being done on the digital side, it's a pretty robust digital strategy that includes social media. Customers are coming to our Facebook site and becoming fans, telling their stories on our site about their agent and the experience they had. We use that content in a lot of different ways, not only for research purposes but to help us in the development of our creative. Not only has the engagement been great, but we're getting leads from it. The [American Family Insurance Facebook site](#), which just launched in June, is already ranked No. 2 in the insurance category, so we're very excited about that.

Ad Age: You recently switched to Ogilvy as your new agency of record after years with Omnicom's [Element 79](#). What prompted that change?

Ms. Bacus Over the last couple years we've had a big focus on telling our brand story in a unique way. We wanted to really fine-tune how we brought that story to life. We had an opportunity to review some work Ogilvy had done around insurance companies and insurance-related services. We liked the perspective they provided and how to break through clutter of the category -- to make what is often viewed as an impersonal category much more relevant. It allowed us to tell our story in a more compelling way.

Today we work with multiple agencies, and each one of them has a specialization and value. A couple years ago we began bringing all of our agency partners together. That allowed us to leverage the work across all our agencies -- both our multicultural agencies created general-market ads that ran over this past year.

Ad Age: You work with San Jose Group on Hispanic work, Common Ground for the African-American community and Ogilvy for general market, as well as Mindshare on the media side and Joule for digital. Why is bringing all those parties together so important, and how often are you able to meet up?

Ms. Bacus Part of the idea of bringing all of our agency partners together at the same time is to



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BACUS' TIPS

1. Don't let the literal value of your product deter from your value proposition.
2. When dabbling in branded entertainment, choose media partners who can deliver more than just impressions -- build interactive components with them.
3. Choose creative partners who are open to collaboration. If possible, coordinate quarterly meetings with all your agency partners to create one brand storyline.
4. Listen to your customers and let their stories influence your brand messaging.

make sure we do have our multicultural perspectives be a part of everything we do. "General market" is a diverse market today, so those perspectives are absolutely key, so they're at the table influencing all the work we do. It's really about cultural convergence and having all of the multicultural segments together in this great melting pot.

Ad Age: Why is brand-building important to you during one of the most-competitive fields ever for insurance marketers?

Ms. Bacus Consumers are hearing the same story over and over again on price, price, price. But now they're saying, "That's a given. What else are you going to do for me?"

If we're able to couple a fair price with great service, a great experience and most importantly deliver on our promise, that's what American Family Insurance's value proposition is all about. We want to make sure customers have the right policy, and if they ever have a claim, we're there to restore their lives quickly -- that's extremely important. The other thing I love about the new campaign is it really ties in nicely from the common threads you've seen in our past campaigns about the American family. We recognize family is our middle name; this allows us to tell the stories our customers are telling us.

CORRECTION: An earlier version of this article mistakenly cited American Family Insurance as being a 73-year-old company.

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The Communicator
Charlotte, NC
1 - Feb 08, 2010 1:42 PM

LOVE "In Gayle we trust!" Her philosophy can apply to the insurance industry or any other type of business. We call it "Trustcasting."
[@FFcommunicator Fame Foundry](http://www.famefoundry.com/1743/10-principles-of-trustcasting-in-the-web-marketing-universe)
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Ryan Polster
Madison, WI
2 - Feb 08, 2010 8:44 PM

Having a story to tell and focusing on customer service are critical. American Family Insurance is going down the right path!
<http://www.amfam.com/products/auto/car-insurance.asp>
<http://www.amfam.com/get-a-quote/>

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Anna Wong
San Francisco, CA
3 - Feb 09, 2010 3:31 PM

Other insurance companies have also taken an approach of consumer relationship in their advertising communications, subtly and tastefully. Both State

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