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Direct Response — No.1

Leveraging affinity in highly saturated markets

CLIENT: Agilon Financial Inc. – Subsidiary of Royal Sun Alliance

PRODUCT/SERVICE: Group home and auto insurance

SITUATION:

Insurance was a highly competitive market that was broker dominated. Advertising channels were severely cluttered with a host of messages and companies. The insurer was looking to go direct to consumers without alienating the broker channel. A new company was created to deal in affinity group programs and sell directly to consumers.

The new company, Agilon Financial, partnered with SEARS to offer home and auto insurance to SEARS' card holders. Agilon had very low consumer awareness, relying heavily on its affinity partners to generate awareness and credibility for Agilon.

OBJECTIVE:

The primary objective of the program was to develop a creative approach that would be appealing to a large, but very specific target group.

The secondary objective was to generate a minimum of one percent response. From these responses Agilon would create a database of contacts, with expiry date information for their current home and automobile insurance policies.

These prospects would be contacted as the expiry dates approached.

The tertiary objective was actual policy acquisition.

STRATEGY:

Based on market research conducted, test the following two appeals on consumers:

- 1: "Who can you trust?"
(Emotional appeal)
Leveraging SEARS' reputation in the selection of vendors, including insurance carriers.
- 2: "Earn SEARS Club Points"
(Practical appeal)
Value-added benefit of using the Sears card to purchase your insurance. "Incentive" program that fell inside the parameters of what is allowed under current legislation.

TACTICS:

A direct mail test program, mailed to 100,000 SEARS card holders, tested two distinctive creative approaches.

RESULTS:

Typical consumer direct mail response averaged less than one percent. The "TRUST" campaign generated six-percent (6%) response. Response for the "POINTS" campaign came in at just over the industry average at 1.4 percent.

Additionally, the actual policy values of acquisitions were almost twice what was budgeted.

