



Successful TV Advertising for Insurance Companies

Shawn D. Morris

President – Diversified Media RPM Direct

Your marketing results are good but could be better. Direct Mail is solid, ecommerce is cost effective but volumes just aren't robust enough, the brand TV spots look good but are impossible to measure in terms of sales and everything else is just a rounding error in the results. No one said being a direct marketer would be easy!

Let's face it, as direct marketing professionals we walk around with a scorecard on our back. Results are results and we are in an interactive, track-able and highly measurable space. Everyone knows just how good (or bad) things are.

So beyond mail, web, brand and ancillary promotions how does a direct marketer drive in meaningful volumes of cost effective new business? How about a venture into the highly disciplined world of Direct Response TV (DRTV)? Not general TV advertising like most firms practice, but truly targeted, measured and monitored short-form (less than 2 minute ads) TV that is managed on a very detailed and iterative basis.

DRTV differs from Brand oriented TV in a number of ways but the most significant difference lies in the innate ability to track DRTV's financial efficacy. That's because the individual station performance of TV spots can be tracked using either distinct phone numbers or Teletrax encoding which provides advertisers with services that enable them to precisely monitor where, when and how their content is being aired. Knowing how specific station airings perform allows the marketer to manage their media buy and creative execution. General advertisers want viewers -measured in terms of Gross Rating Points or Cost Per Impressions. DR advertisers want calls, site hits and sales – measured in terms of Cost Per Lead or Cost Per Sale. There are a number of factors that differentiate DRTV from General or Brand oriented advertising but this ability to isolate and track results delivers a definite advantage.



According to a 2011 Nielsen Company report the average U.S. household spends 35 hours a week watching TV. Despite this, not all products or services lend themselves to the engagement of a DRTV strategy. Generally speaking, those that do typically have the following characteristics:

- The product or service has mass or, at the very least, broad appeal to a targeted audience. While TV can be targeted to a specific demographic it is still a broadcast medium.
- It has been sold on a direct to consumer basis through other marketing channels such as direct mail or ecommerce.
- People understand what it is – the product or service is one that consumers can see has a benefit or advantage.

Direct Response TV, done right, affords the marketer many advantages. Here are ten great reasons to explore a DRTV strategy:

1. DRTV is proven, standalone driver of cost effective new business. It pays for itself. Proof of this evident anytime you turn on a TV.
2. Since it is highly measureable you know if and when it's working. Like other direct response promotions you are able to dictate your spend based on the actual results experienced.
3. When done in concert with direct mail and web efforts it can raise the efficiency of those promotions and in turn lower the overall cost per sale.
4. Every company struggles with delivering more leads to their website. TV can add significant scale to Internet activity. Not surprising considering that Nielsen reported that as far back as the fourth quarter of 2009, almost 60 percent of Americans spent up to 3.5 hours each month online and while watching TV.
5. TV creates activity and true direct response TV creates a valuable data source that can be leveraged in other media and in product design.
6. The cost of entry is not prohibitive. Most tests can be conducted for less than \$200,000 inclusive of creative and media.
7. DRTV is a natural complement to Direct mail, e-commerce and Brand TV as part of an integrated multi-media strategy. Multi-media efforts balance out your promotional activity fluctuations.



24 Arnett Ave, Suite 100
Lambertville, NJ 08530

(609) 566.7150 tel
(609) 566.7155 fax

www.rpmdirectllc.com

8. Properly executed TV ads will reinforce prior customer purchase decisions supporting retention and cross sell activities. Higher customer lifetime value equals higher profit.
9. TV "credibilizes" your brand. –It makes any brand more substantial and can do wonders in helping to define your brand personality. The result – more favorable consumer perception.
10. Beyond just the immediate and traceable activity, TV exposes your brand and builds awareness. It raises top of mind consumer consideration for your brand.

Without a doubt, DRTV can be a super way to drive profitable new customer acquisition. Because you know how it is doing you can adapt your media spend to hit your marketing allowable target. If it is not working – pull the plug.

One key thing to be mindful of is that the actual execution and discipline behind doing DRTV right is critical. The road to successful engagement can be fraught with potholes – unless you know what you are doing. This means having the right blend of creative, media buying and support infrastructure objectively measured and coordinated to ensure success. Done right...it can take your marketing effort to the next level.

RPM Direct professionals have successfully engaged profitable, large-scale DRTV campaigns for insurance companies. For more information contact Jim Kaiser at 630-871-3338.