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The Image of Insurance

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Nathalie Arden Dail

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The Image of Insurance

By

Nathalie Dail

Submitted in Partial Fulfillment
of the Requirements for
Graduation with Honors from the
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Thesis Summary

This paper discusses the concept of brand management. The purpose is to give a brief introductory understanding of brand management and how it relates to the insurance industry. The benefits associated with brand management are detailed and analyzed in order to produce a variation of a SWOT analysis and a lean canvas. Meanwhile, Generation Y is explored as a market segment, along with challenges insurers face. This thesis seeks to explore the effects of branding on the insurance industry, with this market in mind. Consumer base fluctuations and revenue are factors considered when evaluating the effects of branding. Two well branded companies are examined in order to integrate the basic understanding of brand management, and discover the best branding techniques to use. This analysis concludes with a step by step guide for developing a brand management strategy, based on the company comparison. This thesis concludes with a final word on the importance of brand management.

Introduction

What is brand management and why should companies care about it? Broadly defined, brand management deals with how a company is perceived by the outside world, consumers and investors. An organization's brand is similar to how cattle can be branded to identify the owner. The brand is a source of differentiation for a company; it shows ownership and develops an identity for the company. A company's brand has to be closely managed, through product design details as well as company press, and scandals or achievements associated in any way with the company. Is this a green company, do they support our troops, do they have a quality product, or is the price worth the product? These questions are examples of areas of focus that brand management can develop in order to draw consumer attention. (“MSG”)

Why does it matter?

Brand management can be costly to companies through product pre-launching research, launching costs, and analysis after the launch to determine the effectiveness. So, why should companies who already have a quality product with established consumers participate in brand management? The simplest explanation for developing brand management efforts is to increase profits in the long run. The avenue by which brand management can increase profits, is by enlarging the consumer base for a company.

Typically, a company's consumer base begins to decline because of increasing competition. Competitors have reached out and taken customers from a particular company. If the company had maintained a successful, fresh brand, then it most likely

would not be experiencing this event. This of course excludes rare, negative occurrences such as executive or company scandals, mass product recall, and other similar events. When a company has great brand recognition that fosters positive perceptions of the organization, it is able to prevent a declining consumer base. A reimagined brand can even increase customers.

Strategies

Companies use different strategies to attract specific types of customers to their product. Brand management can include the advertising strategy, pricing of the product, and possibly the color or size of the product. It can also include marketing that is not typically considered important, such as the slogan, jingle, or logo. Many service oriented companies use brand management to appeal to their customers. These types of companies may want to focus on their quality customer service or customer satisfaction in their marketing strategies. Brand management can be a complicated field and a constant struggle for many companies. Today, organizations spend millions on broadcast commercials, advertisements, and the analysis of their strategies. Companies want to find a way to stand out and to be seen as a more attractive brand than their competitors.

Brand management is an important factor in why consumers select one product over another, all else being equal. Customers develop associations to brands, whether positive or negative, that can cause them to lean towards one product over the other. Organizations compete to become top of mind to consumers. In other word, when you think of fast food who comes to mind first? Most likely regardless of your own personal preferences, you thought of McDonalds first. When you thought of McDonalds, you

might have seen the famous golden arches, seen their mascot Ronald McDonald, or heard the classic jingle in your head. McDonalds has expanded to many different countries worldwide and has very aggressive marketing, giving the company high brand awareness in consumers' minds.

General Strategy Development

The important first step in creating an appealing brand, is developing a brand management strategy. To start a company needs to identify their target audience, e.g., young adults, females age 25-45, mothers over 45. There are multiple reasons for choosing a particular audience. The more specific the target market, the easier it will be to create a marketing strategy. Once the market has been identified, it should be researched thoroughly for likes, dislikes, typical perceptions the audience has, what the group buys or desires, and so on.

To reach their audience, a company must spend money before they will see any results. Even though a company may want to have a commercial during the Super Bowl, the multi-million dollar 30 second ads just might not be in the reach of small or medium sized companies. A company needs to analyze its end goals as well as its current profit structure in order to determine a comfortable and adequate amount to spend on all aspects of their strategy. It will have to decide how much to spend on commercials over the television and radio, as well as billboards, flyers, new packaging, logo and slogan design, just to name a few. A lot of thought, preparation, and money goes into developing the strategy to make a solid, recognizable brand.

Challenges

Brand management is a difficult concept for many companies and can be a challenge to make the strategy effective for a company. Organizations are met with different perceptions or misconceptions about their products or corporate structure. This might have an adverse effect on who will purchase their products, or it might lead a consumer to purchase less if they have a negative association. This negative association can come from the company executives through scandals, it can come from product recalls, poor customer experiences, or similar events. Some industries as a whole can face challenges as well. Take for example the insurance industry. The insurance industry is viewed by many as money grabbing, or a necessary evil due to required coverage laws or possibilities of extreme loss. The negative perception of the entire industry is something any insurance company will have to try to overcome.

Looking at the commercials on the television today, viewers will mostly see one person or mascot associated with an insurance company. This person becomes identifiable to the brand of the insurance company and helps viewers connect with the company; Progressive's Flo character is an example. Some insurance companies have tried humor, while others stick to informational advertisements.

Millennials

Generation Y can be a hard group to define. They are generally defined as those people reaching young adulthood around the year 2000. This generational group in the United States is a diverse population, with 43 percent of the population made up of non-

white persons and 25 percent of those in the 18-34 year age group speaking a language other than English in their home. (Patel, Sujan) Shockingly, fifty percent of Millennials define themselves as independents, in regards to political standing. (“Millennials in Adulthood”) Millennials have also taken it upon themselves to become increasingly active in social movements. According to a 2014 study by Pew Research, more than half of the population recognizes themselves as a supporter of gay rights, which was championed in great extent by Millennials. While this generation is hard to pin down, an insurance company can create ads or merchandise that rely on a few generalizations of younger populations.

Insurance and Millennials

For many insurance companies, Millennials hold a target market. Whether it is life or car insurance does not matter, the reality is reaching out to the younger population is important for any insurer. Regardless of whether the line of business profits off of youth (typically life and health insurance), giving Generation Y individuals a positive brand association will help insurers profit in the long run. Life and health insurers want to target younger populations, because people in their 20s and 30s tend to be healthier than older populations. While insurers will reflect risk in their premiums, they will prefer to take on low risk policyholders. Auto insurers tend to target middle aged persons; a group with a better driving record typically. Teen or drivers under 25 statistically are riskier driving records, and thus auto insurers must be careful about taking on this age group. (“Young Drivers”) However, Millennials can still be a major target audience for auto insurers and insurers that do not typically profit off of this age group. “...young

adults are huge influencers, and what they like is more likely to be embraced by older consumers than vice versa.” (“A Classic Brand”) 20-30 year olds are the trend setters, what they think of a company can have a drastic impact. This age group is well versed in social media, blogs and the like. Companies beware the adverse effects of losing the youths support.

Insurance and Branding

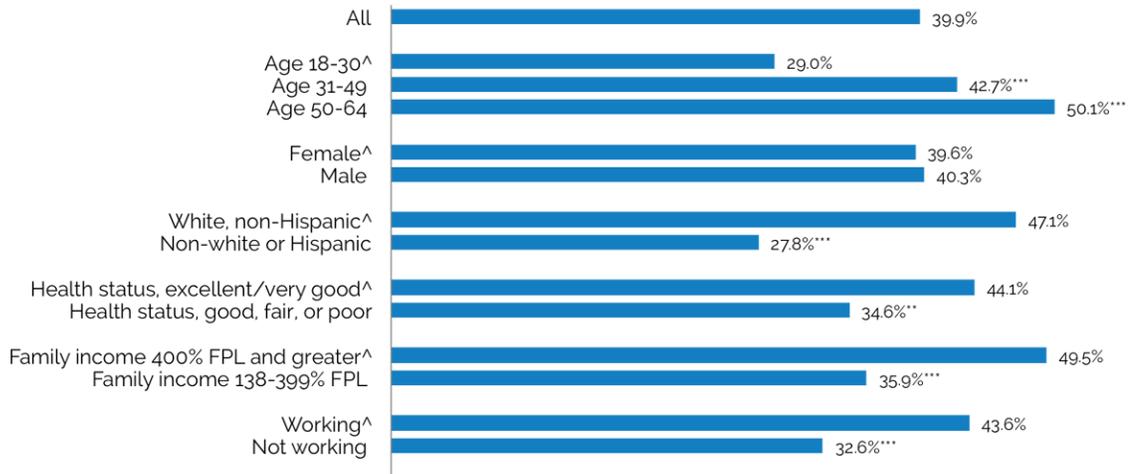
The insurance industry as a whole tends to struggle with negative perceptions and a general mistrust from the average consumer. Even though most states require individuals to carry car insurance for liability purposes, around 14% of Americans still do not have auto insurance. (“How Many Drivers”) While there are various thoughts on why people may not carry insurance, the most common reasons are the lack of trust and the cost of insurance. The problem for insurance companies is how to express the value of insurance when consumers do not receive a tangible or recognizable service or product.

In a recent paper from the Harvard Kennedy School, the authors speak on the distrust that is prevalent in the insurance industry. They go on to further talk about zero aversion and its effect on the market. Zero aversion reflects a person’s unwillingness to purchase something where the consumer will receive nothing in return. This plays into the insurance industry heavily, for pending a claim event, insureds will not receive something in return for their premiums. (Cheston, De Filippo, Han, Newman-Martin, Zeckhauser 1-5) Of course while the insured is paying for financial stability in the event of a loss, the insured is also paying for the ability to speak with a company representative

on their policy and for the ease of mind that holding insurance entails. Still, the service rendered and peace of mind is often not recognized by the consumer, and thus lends to the idea that insurers are money grabbers.

Another factor that leads to distrust of the market is consumer knowledge of insurance. Many consumers lack proper knowledge of insurance before purchasing this expensive service. While this poses a potential problem for consumers who purchase ‘cut-rate insurance’, it also leads to a misunderstanding of coverage. Cut-rate insurers are able to target mass consumers, due to the fact that many individuals do not understand the importance of verifying coverage, setting limits, choosing deductible, and selecting optional coverage. This leads to many consumers becoming underinsured and unable to

Figure 1. Share of Consumers Most Likely to Use Health Insurance Exchanges Who Are Very or Somewhat Confident in Their Understanding of Basic Insurance Terms



Source: Health Reform Monitoring Survey, quarter 2 2013.

Notes: The exchange target population is nonelderly adults with family income above 138% of the federal poverty level who either had nongroup coverage or were uninsured at the time of the survey. Health status is self-reported. Basic insurance terms include premium, deductible, co-payments, coinsurance, maximum annual out-of-pocket spending, provider network, covered services, annual limits on services, and excluded services.

/ Estimate differs significantly from the reference group, denoted by [^], at the 0.05/0.01 level, using two-tailed tests.

be financially stable following large losses. Below is a figure summarizing a survey performed by Blumberg, Long, Kenney, and Goin through the Health Reform Monitoring Survey in 2013.

This survey shows that less than half of the American population are somewhat confident in their understanding of basic insurance terms. This only opens the door for undesirable insurers to pounce on unsuspecting individuals. Also, note the extreme differences in understanding among the age groups. The Millennial generation is defined as a person born either in the 1980's or the 1990's. Thus the group is aged between 35 and 16. Therefore, the most accurate group range to use would be the Age 18-30. This group sets their understanding of insurance terms at approximately 29%. So, for every 10 persons in the age range, only about 3 of those individuals actually feel comfortable with basic insurance terms. Millennials are also included in the age group above Age 31-49, which only boasts a 42.7% understanding of basic insurance term. This means that the millennial generation is a greatly uneducated consumer base.

Analysis of Companies

Below is a closer look at two insurance companies, how they approach their branding strategies, and the strengths and weaknesses of the strategies. State Farm and Allstate were chosen since they are both large insurance companies and already have extensive brand awareness in the United States.

State Farm

State Farm is the largest auto and home insurer in the United States. They offer various products and services in several different lines of business. The company has both personal insurance and commercial insurance for small businesses. State Farm currently uses a few branding strategies that set them apart from the rest. The State Farm

brand of customer service and reliability, was developed because of their marketing as well as their modernization efforts.

State Farm has multiple marketing and branding strategies to reach particular customer segments in the insurance industry. One of the customer segment focuses is on the Millennial generation. While this population is diverse, State Farm has used their knowledge of the age group to further expand their brand.

They are able to create a positive brand association by creating humorous television and radio advertisements clearly segmented by age and sometimes catered to one gender over the other. Humorous advertisement can be a great marketing effort that can lead to the further development or positioning of a company's brand. Advertisements offer a way for customers to connect with the brand and form positive associations to the company.

State Farm also tries to integrate themselves into the community through sponsorships of businesses and sporting events. Growing up, Millennials' baseball team or Girl Scout, charity event may have been sponsored by State Farm. The older end of this population may even have children currently involved in programs where State Farm contributed financially. To increase their brand awareness and create a positive image for themselves, State Farm uses posters on the baseball field or puts their name on the event or arena.

The company has tried to create a brand that is attractive to Generation Y individuals by offering exciting new apps for smartphones, using humor in their advertisements, and becoming active on social media. The television advertisements in

particular for the company have brought great attention to the brand from Millennials.
("A Classic Brand")

Strengths for State Farm

One of State Farm's greatest branding strength is the company's clear, positive positioning. It is easy to identify their target market, middle to upper class individuals and families, particularly older populations. The company focuses on citizens who are concerned about receiving proper and adequate benefits. It is also evident that State Farm has a clear position for their employees. Their jingle, "like a good neighbor, State Farm is there" gives consumers a positive association, and gives their employees a mantra to live up to. Another way they connect with their audience is through their fully developed character, Jake from State Farm.

Jake from State Farm has become a well-known personality in today's pop culture. The company did a great job of developing a humorous, relatable character. He has his own Twitter account to reach through social media to younger persons; the account has over 36,000 followers. These social media outlets do not deal with boring insurance information or health and safety tips like the company posts on their main page, instead they offer humorous posts, photos with fans, and fun ideas. Jake from State Farm is so popular in mainstream culture that people even want to dress up like him for Halloween, and post photos of themselves or children using #BeTheJake. People have even taken the time to develop and post parodies to the commercial through YouTube and Vine. "The ad—technically called "State of Unrest (Jake)"—continues to air, and by now many people know the dialogue by heart." (Nudd, Tim). Needless to say the

company has had great success in targeting the Millennial generation since originally introducing the character in August of 2011.

State Farm's additional characters and commercials play on emotion and humor instead of educational or informational. This way the company generates interest in their ads by a younger audience. Millennials create blogs, channels, Vines, videos, and other means of electronic communication that either demonstrate their like or dislike of almost everything one may encounter. So, when State Farm appeals to this generation by using humor and emotion, Millennials will create additional free advertising for the company (whether they intentionally mean to or not) through the use of electronic media. State Farm is creating a way for this target group to connect with the company, and they are generating excitement for their brand.

Another strength of State Farm is the exploration into technology. The company has many mobile apps to offer their consumers. Programs such as Pocket Agent[®] and CarCapture[®] are fairly popular applications that allow customers to view their insurance card, submit claims, view their policies, as well as take a photo of a car you are looking to purchase in order to receive detailed information on the car. Apps attract younger populations to the brand. Further, a well-developed app will allow the customer to more effectively handle their insurance business, and it will create less stress or frustration with the claims process. By creating these apps, State Farm has created a convenience factor, and has given the users an increased positive brand association.

Weaknesses of State Farm

While State Farm has a strong brand, there are still some weaknesses to its branding strategy. The commercials are over personalized, advertisements are worn out, the company does not purport consumer education, and there is little or no segmentation to their strategy. These weaknesses cause confusion on the brand or detract from the overall brand management strategy State Farm employs.

State Farm has gone through a lot of trouble to create humorous and exciting commercials. However, over use of their personalities and commercials has occurred. The company tried to revamp their Jake from State Farm commercial by using a SNL skit that ran from 1977 to 1979. Due to the age of the reference, many Millennials do not understand the connection. Many commercials are also solely focused on interpersonal connections and humor. The company makes no effort to educate the average consumer or build trust. These advertisements focus only on speaking with your State Farm agent or trusting your agent. They suggest developing a blind trust with your insurer. The commercials imply that the company is aware of the lack of consumer understanding of insurance and they are willing to exploit this opportunity.

The brand management strategy for State Farm also lacks segmentation. This can easily be seen in the commercials. A typical State Farm commercial include a white male or a family setting. With the expansion of the Millennial market, the company is missing a key demographic. While they do include some advertisements with diverse actors, their strongest commercials do not demonstrate much diversity. Plus, the agents featured in these commercials are largely white males, ostracizing women and minorities.

Allstate

Allstate is the largest publicly held, personal lines insurer in the United States. They offer similar products and services as State Farm, including an option for commercial insurance. The branding strategy is unique to the company; they recently hired Siegel+Gale, a New York based branding company, to reimagine the brand. Allstate's brand is focused on customer appreciation and reliability was developed by their use of marketing strategies and their focus on recognition.

Allstate has great advertisement campaigns which are targeted to diverse segmentations of consumers. They have a wide variety of commercials and online videos to reach these potential customers. The company has a strong focus on the Millennial generation in their marketing scheme, in order to further develop and expand their brand awareness. As previously discussed, the general population of insurance consumers lack the knowledge on insurance, and this is particularly strong in the Millennial age group. (Figure 1, 8) Thus the best way to reach consumers who do not know what they are buying, is by creating strong brand awareness and positive associations.

Allstate has created advertisements that combine both humor and education to build on their strong brand and positive associations. The concept of incorporating humor into educational advertisements, was a wise decision for targeting a younger audience. Since the Millennial age group does not understand basic insurance, many will feel unsure when purchasing insurance for the first time or when switching carriers. Therefore, when Allstate includes some basic terminology explanations of insurance in the commercials, it creates a sense of trust with this group of potential customers. They are able to hold the focus of their audience by giving these advertisements an overall

humorous setting or character. Some of Allstate's commercials are more serious, however. These particular branch of commercials focuses solely on the idea of trust, hence their slogan "Are you in good hands?"

Allstate is very active in the community, locally and nationally. The company sponsors many sports games; their logo can be seen in many NCAA, soccer, and college football arenas. Their advertising on college football field goal nets is particularly clever. The nets feature the "Good Hands" logo, in which during the course of a normal game players attempt to kick the football into the hands. On the same note, for each successful kick into the hands, Allstate monetarily donates to the school's scholarship funds. Often times, announcers during these games will remark on this fact or the amount that Allstate has donated thus far. According to their company website, these field goal nets are in 82 college arenas, and they have led to over \$3.4 million in donations to scholarship funds since 2005.

The public insurer acquired Esurance, an insurance company with a strong focus in online business, in 2011. Esurance allows customers to obtain a quote, select coverage, manage policies, and submit claims, among other services through their online site. Through the acquisition of this company and the expansion into technology, Allstate was able to modernize their brand. Of course, this modernization is highly attracted to the tech savvy Millennial age group.

Strengths

Allstate has a strength in its clear, definitive brand positioning in multiple consumer segments. They have strongly developed their recognition by positioning them

in consumers' mind. In a 2000 study, Allstate's slogan "You're in Good Hands" ranked as the most recognizable brand at 81.7% recognition among a sample of 1,000 adults. ("Most Recognizable Ad Slogans") Their target market is easily identifiable; the diverse Millennial group. There are clear advertisements for college students, new drivers, and younger populations. While Generation Y has a great amount of diversity in opinions, race, and background, Allstate creatively targets several variations in the group. The backdrop for advertisements vary from sports stadiums, homes, cars, weddings, and downtown areas, among others. The commercials include young drivers, married individuals, families with homes, and families with young children. The company also offers their popular commercials in Spanish for viewer preference. Allstate is including a wide variety of settings that are relatable to Millennials in order to connect with the audience and develop a positive brand association. These commercials also include an element of humor through the development of a personality.

Allstate originally release 'Mayhem Man' in 2010 using actor Dean Winters. The Mayhem Man has become a widely recognizable and discussed character for the company. Mayhem always portrays a random event, invisible force, an accident without malicious intent, or a creature, among other things in order to create humor while also not associating Allstate with any bad thoughts. This helps the Allstate brand been seen as trustworthy and exciting. Mayhem has a Twitter page, too. Mayhem creates interest in college students and football fans by using #MayhemTweetOff, which is a competition between two football programs with games the following weekend. Fans tweet @Mayhem in order to have their choice of the two colleges come out on top. The Mayhem Twitter account has over 82,000 followers, since its founding only two years

prior. This speaks on Allstate's use of modernization to communicate to a younger generation.

Allstate uses several different tools to modernize their brand through social media and technology advancements. Allstate is active on Twitter, Facebook, YouTube, Instagram, and other social media outlets. By doing this, the company has created a way to connect with the modern Generation Y. The company also has several mobile apps to improve customer claim efficiency and satisfaction. AllstateSM Mobile allows customers quick access to claims, policies, digital ID cards, and other helpful features. QuickFoto Claim[®] a policyholder can take photos of damage to their car in order to obtain quicker estimates for their low severity loss.

Weaknesses

Allstate has a great brand management campaign, however there are some areas of weakness. The company could easily expand its consumer trust if it improved upon the two identified weaknesses. The company does not promote interpersonal advertisements or community involvement for their agents.

Allstate has two strong advertising campaigns, Mayhem and 'Are you in good hands?' However, these ads solely rely on humor with a slight touch of education. The company has little personal connection with their agents, which are the heart of their insurance sales. It would be smart for Allstate to encourage trust in their agents in order to thus encourage sales. Similarly, agents are rarely involved in community involvement campaigns. The company relies on their logo and slogan to purport their image and

brand, instead of capitalizing on the potential buildup of trust in agents by potential consumers.

Creation of Brand Strategy

There are several lessons to be learned from the two insurance companies in how they run their brand management. Each company has its own unique strategy, however the two companies share similarities in a few areas such as community involvement and the use of agents. To explore the insurance world and its brand management further, I performed a SWOT. Following that is a developed lean canvas and analysis of my created brand management campaign.

SWOT

In order to better understand insurance companies and brand management strategies, I created an interpretation of a SWOT analysis. Normal SWOTs are for analyzing startups or current business operations, however I used the general principle of the SWOT to create an easily understandable figure. My SWOT deals with the insurance industry as a whole regarding brand management. It explores general strengths and weaknesses insurance companies internally possess, while also revealing external opportunities and threats faced by insurance companies.

Strengths:

- The insurance company demonstrates clear and positive positioning.
- The insurance company may possess awards for customer service or be known for quickly handling claims.
- Insurance companies are often known for employee benefits and recognition; they provide extensive training and support.
- The insurance industry is beginning to modernize to grab a larger pool of consumers.
- Many insurance companies have advertisements or sections on their websites dedicated to increasing consumer education on insurance.
- Many times discounts are offered for families, legacies, or full accounts.
- Through advertisements, mascots and characters are positively developed.
- Some insurers offer additional financial services for their policyholders.
- Insurers focus solely on insurance in order to easily and efficiently market, communicate, and train employees.
- Celebrities draw fans into actively viewing advertisements.

Weaknesses

- Companies may possess a brand management strategy with a lack of direction, or no strategy at all.
- Representatives may be poorly trained or trained in a fashion that may be aggravating to policyholders.

- The company may be known for poor customer service or complaints on claims handling.
- Some companies still refuse to modernize.
- Insurers may promote poorly executed commercials or have none at all.
- The characters or mascots may not be relevant or may be poorly developed.
- Multiple service offered can detract from the quality of service.
- No additional services offered can steer individuals to other companies that do offer the desired services.

Opportunities

- Advertisements and commercials are available in surplus in American.
- There is potential for companies to develop attractive personalities.
- There is lack of consumer loyalty to their insurance company.
- New technology opens potential to expand market and become more efficient as a company.
- Many competitors still lack a clear, positive marketing strategy.
- Consumer education on insurance terms and coverage is increasing.
- The legal requirements to own insurance is expanding.
- Many celebrities are open to making appearances in advertisements.

Threats

- Many consumers hold negative perceptions of the insurance industry.
- Consumer education on insurance terms and coverage is low.
- Some insurers have a strongly developed brand management strategy and wide brand awareness.
- The insurance industry faces low customer loyalty as a whole.
- Policyholders may not appreciate their insurer or fully understand the benefits their policy offers.
- Many American employers are beginning to offer less insurance benefits for their employees.

SWOT Analysis

Many strengths, weaknesses, opportunities, and threats can be formulated in addition to the ones I have supplied above. Some suggestions have more value when considering the brand management strategy of an insurance company. Each section of the SWOT is organized in order of importance to an overall brand management strategy for an insurance company.

The top three greatest strengths to focus on are a clear, positive positioning strategy, recognition for customer service, and the support of insurance employees. The only way to have a successful venture in brand management is to have a clear and recognizable strategy, both to encourage employees as well as connect with potential customers. Customer excellence directly affects how many customers will select a particular insurance company. Smart consumers will research the complaints brought

against the company and the awards the company has received in order to select the company that best supports its policyholders. Support and training of representatives can adversely affect the insurer's brand. Agents, adjusters, or call center employees who lack training or knowledge can frustrate customers and give the consumer a negative association of their insurer. One terrible call or claim situation can make the customer upset with the company, and even be the direct cause of the individual taking their business elsewhere. Thus, extensive training and support of representatives is extremely valuable in the insurance world.

The greatest strengths to avoid as an insurer include the following; a lack of a clear brand management strategy, lack of employee knowledge or training, and poor customer service. An unclear strategy can create unfocused efforts, and lead to wasteful use of advertisements and low employee morale. As previously discussed, the lack of employee training can cause policyholders to leave an insurer and choose a competitor. Poor customer service can cause consumers to choose a competitor with customer excellence. Given the general lack of consumer knowledge of insurance, the recognition of customer service plays a huge part in the selection of insurance carriers by individuals.

There are many opportunities available for insurers. Of the ones summarized above, the strongest opportunities are; the availability of advertisements, the potential to develop positive characters, and the lack of consumer loyalty. Wide varieties of advertisements are available in the United States. Companies can choose local and national advertisements, and the marketing method that best fits their company size. With the availability of advertisements, insurers also have the opportunity to develop strong personalities or mascots for their company. By developing positive characters, the

company can really connect with customers. This connection lends to the development or strengthening of a positive brand association with the insurance company. The lack of customer loyalty may not seem like an opportunity at first thought. However, this means that consumers are less likely to stay with one insurer for their entire life, and creates an opportunity for an insurer to steal customers away from competitors.

There are several threats that may affect an individual insurance company. The top three threats from the aforementioned list are; negative perceptions of the industry, low consumer education, and strong competitor brand awareness. Negative perceptions were previously discussed (4-5); they are very prevalent in the insurance industry. These perceptions can cause avoidance in consumers, or minimal purchases. Low consumer education can have the same effects. Consumers may not purchase adequate coverage if they are unsure as to what they are buying. Strong competition can obviously threaten an insurer. It can be hard to go up against a well-known company and reach attractive consumers.

Lean Canvas Analysis

Below is an adaptation of a normal lean canvas, a model typically used for analyzing a current business. This model furthers the understanding of a great brand management strategy, and is the basis for my own formulated strategy. I combined two different canvases in order to include sections relevant to my thesis.

<p><u>Problem</u></p> <ul style="list-style-type: none"> • Brand recognition • Consumer knowledge • Competition • Low consumer base 	<p><u>Solution</u></p> <ul style="list-style-type: none"> • Increasing ads • Include humor/ education • Develop personalities • Modernize • Employee training 	<p><u>Value Propositions</u></p> <ul style="list-style-type: none"> • Customer service • Adequate coverage • Pricing model • Discounts • Claims handling 	<p><u>Customer Relationships</u></p> <ul style="list-style-type: none"> • Marketing • Community involvement • Increased brand recognition • Change perceptions 	<p><u>Customer Segments</u></p> <ul style="list-style-type: none"> • Age • Race • Opinion/ political • Education • Understanding of insurance • Male/ female
<p><u>Key Metrics</u></p> <ul style="list-style-type: none"> • Brand/ slogan recognition • Amount of policyholders • Price of stock • Consumer loyalty • Increased revenue 		<p><u>Channels</u></p> <ul style="list-style-type: none"> • Mass media ads • Employers • Social media • Website 		
<p><u>Cost Structure</u></p> <ul style="list-style-type: none"> • Advertisements/ celebrities/ actors • Sponsorships/ community involvement • Developing and maintaining technology and social media 		<p><u>Revenue Streams</u></p> <ul style="list-style-type: none"> • Premium and pricing model • Reliability/ trust • Adequate/ full coverage • Claims handling 		

The lean canvas outlines sections companies should be aware of when developing a brand management strategy. A successful brand strategy can be created by combining each section into a campaign.

When to Develop or Expand a Brand

The timing of instigating or expanding a brand management strategy can be crucial to the success of the strategy. However, the most appropriate time for this is often hard to calculate. The benefits of a successful brand were previously discussed (2-3), and with those in mind it can be argued that anytime is a good time to further the development of a company's brand. Note from State Farm that commercials or marketing plans accompanying a branding strategy can become worn out or overused. Ideally, a company will use their unique value proposition at the foundation of their organization to establish their brand.

Companies should be mindful of increasing competition or competitor brand awareness, as these indicate key times to update and promote their brand. It is key to perform this upkeep on their brand before competitors grasp consumer top of mind awareness. Another possible time to renovate a branding strategy is when there is a continual decrease in customers. Since insurance is a service that is partially required and continuously desired, a decrease in customers means that competitors are positioning their respective companies better. At this point in time it is urgent to gain relevance or

attention from customers either by increasing brand awareness or through recognition of excellence (for example customer service awards).

Creating a Brand

Now that you know when you want to have a brand or update your brand, you need to understand the steps for creating a brand. I created the following steps both through research of cited websites and through previous knowledge and experience.

1. Understand your company

In order to create a brand you need to know what your company's unique value proposition is. What does your company do better than the competitors? Make sure to perform a SWOT analysis in order to better understand the company. It is also important to realize goals of a company and have an evident mission and vision statement.

2. Identify the target market(s)

It is imperative to understand who you are targeting, otherwise your brand will likely never reach the success that you originally intended for it to. Without a set audience the entire strategy may become confusing and disjointed. Identifying target markets will make the entire branding and marketing process much simpler, too.

3. Explore competitor strategies

Understanding your competitors is relevant in almost every aspect of operation. By knowing this information you will not reinvent the wheel.

Meaning, if the competitors are employing a successful strategy, tips and tricks can be gained from this information.

4. Outline goals and develop strategy

At this point, you should know your company goals and vision for the future. Now you need to explore what you what your brand to say about your company (reliability, trust, etc). You also need to be aware of potential financial limits that need to be taken into account before proceeding with the goals of the project.

5. Test and refine

With the goals and limits outlined and the previous steps completed, you now have a solid strategy to test. Testing is not a necessary step in the process, but it can reduce the probability of an unsuccessful campaign. Also, many branding efforts cannot be properly tested prior to setting them out in the real world. Negatively received sections of the branding strategy need to be refined or removed from the overall campaign.

6. Execute

Now that the previous steps have been completed, you can now submit your new brand both to your audience and your employees. The efforts should be closely monitored in order to prevent any deviations from the original strategy.

7. Analyze and update

This step comes after the initial implementation, and continues to occur until the end of the singular brand management campaign. The strategy

should be observed and each section of the strategy should be evaluated for its individual success. If a section becomes irrelevant or unnecessary, it can be removed or revamped.

Conclusion

At the start of this paper, I defined brands as the way a company is perceived by the outside world. Again, the goal of a brand is to set a company apart from others, especially in a highly competitive industry. The brand was explored as an additional means of creating competitive advantage, which would allow an increase in consumer awareness. By analyzing State Farm and Allstate, I found that the best strategies to use for brand management (specifically for the insurance industry and the millennial market) are; demonstrating a clear, positive position, possessing awards for customer service and training, and modernization of the marketing strategy. An insurer should use these strategies and follow the steps to make a brand management strategy I created, in order to create and maintain a successful brand.

Creating and maintaining a successful branding campaign can be a challenge for companies, and a large expense, but the rewards that come with successfully increasing brand recognition are long term. As I detailed in my thesis, a strong brand management strategy can lead to an increase in consumer base, which in turn can increase a company's profit. So, to conclude, brand management should be a key component of any insurance company, it is a source of differentiation and a method to expand the holdings of the company.

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