

***Insurance Times:*** Insurers target their marketing  
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“Sabado Gigante” is an immensely popular Spanish-language television variety show not unlike “The Ed Sullivan Show” of the 1960s.

It airs every Saturday on Univision, the fifth largest television network in the country, which – according to the Insurance Information Institute -- reaches 92 percent of Latino households in the United States.

Allstate Insurance has remained the show’s exclusive insurance sponsor since 1995. Allstate’s long-affiliation with the show is just one part of a massive Hispanic marketing campaign the company has carried on since the 1990s. Spanish-language radio ads on the national network Radio Unica out of Miami; and local and print ads in Hispanic magazines and newspapers are among Allstate’s other marketing moves.

“The Hispanic market was a segment that ... corporate America was blind to,” said Ray Celaya, Allstate’s vice president in property casualty marketing and the head of its minority marketing initiatives.

“The Hispanic market is going through what I would call our baby boom generation. They’re having babies. They’re fully employed, buying cars and becoming homeowners,” he said. “America was just blind to that segment. Our diversity work in the late 1980s and early ‘90s allowed us to take the blinders off and all of a sudden we could see Hispanics and realize there was opportunity there.”

Diversity marketing, or at least more diverse marketing, is increasingly taking hold in insurance companies both locally and nationally, with a sophisticated focus on many different segments and subsets of the population.

Some companies like Allstate and New York Life began reaching out to single moms and businesswomen, Asian, African American and Latino communities in the early 1990s and even before. Correspondingly, they’ve worked to diversify their agent and sales staff to tap into these previously untapped markets.

Other companies, like MassMutual are developing plans to broaden their marketing to also focus on women and minorities. John Hancock doesn’t have a specific minority marketing campaign per se, but the company is careful to combine the universal themes of its ads with diversity reflected in the commercial actors.

The Hartford has also expanded its minority marketing reach, with programs such as the partnership between its Omni Automobile unit and the Cuban-American-owned Estrella Insurance Agency in Florida, created to address product needs for Spanish-speaking consumers.

Regardless of the approach, insurance companies clearly smell opportunity, and the 2000 census offers some clear examples why. America’s Asian and Latino populations have exploded in size over the last 10 years, forming majorities in several major cities. Hispanics in this country will be the largest minority group by 2005, according to the III.

“In 20 years, black, Latinos and Asians will be about 40 percent or more of this population,” said Colette Phillips, president and CEO of her self-titled Needham, Mass. company.

“If you’re not doing it now you’re seriously leaving money on the table, like every insurance company competing for a shrinking market when there is a virtually untapped (minority) market sitting there for the picking.”

But other unique parts of society are also changing the marketplace.

Gay and lesbian families are increasing every day. More women head households than ever before. The growth of single parent homes or single person homes is outpacing traditional “nuclear families,” which The New York Times reported are now less than 25 percent of all United States households.

“If you look at the latest census data ... you see the number of individual male and female (residents) living alone and a lot of single parents,” said Anne Melissa Dowling, MassMutual’s senior vice president for large corporate markets.

“Marketing campaigns are usually targeted to specific family structures,” Dowling said. But “single parents or (those) living alone, they have very different needs ... we need to adapt and have product in place for them.”

Consider these statistics compiled by the III:

- As of 1997, minority businesses spent \$12 billion in insurance premiums and the number has likely shot up since.
- Spanish-language ads are nearly five times more likely to convince Latino consumers to buy a product, compared to their English language counterparts, according to Roslow Research Group.
- The Asian Pacific American population is among the fast growing segments of American population, reaching more than 11 million people as of 2000.

Allstate took these and related statistics to heart and began in the late 1980s and early 1990s to develop diversity programs with a goal of increasing market share.

Hispanic customers were Allstate's first focus. To establish a baseline, the company looked at its customer surnames and determined about 6 percent of its customers were of Hispanic origin.

After some years of development, the company launched its Hispanic Business Team in 1995, and over the next four years grew its Hispanic book of business from \$1 billion to \$1.6 billion.

Allstate combined its advertising with a network of agencies with agents who could speak Spanish, as well as Spanish-language marketing materials, Spanish-language claims assistance and a toll-free number that directed customers to bilingual Allstate agencies.

The company found out it had some cultural misconceptions to overcome, Celaya said, so the company "transculturalized," or translated its brochures to modify its advertising to the unique demands of Latin American culture.

For example, Allstate pitches insurance to its mainstream audience to protect a policyholder's material assets after death for the sake of the family. But in the Hispanic market, the company rewrote its pitches to focus on protecting policyholders' dreams of education for their children.

In both mainstream and Hispanic culture, Celaya said, both protecting material goods and life's dreams are important, "but it's the order of importance (that differs) in the Hispanic culture."

Hispanic consumers would buy life insurance, he said, primarily "to educate children if you were to die prematurely," whereas mainstream consumers would likely buy the same product "to protect assets."

By mid 2000, Allstate formed two other teams to begin expanding similar efforts to expand its marketing to the African-American and Asian-American communities.

Combined, the three divisions are expected to "lead the company's effort to tap into markets that account for more than \$1 trillion of buying power" in this country, and represent consumer segments growing more quickly than the market at large, according to a November, 2000 Allstate press release.

#### Other companies' efforts

New York Life has developed women and minority marketing programs, respectively, over the last five years.

Its women's marketing program focuses on three areas: measuring the number of new agents hired, the number of women the company develops and grows into the career, and the sales to and by women in the marketplace, according to Catherine Gretta, New York Life's corporate vice president of women's markets.

Among the company's related initiatives: a financial/educational workshop targeted (but not exclusive) to women, including a booklet that walks customers through the process.

In a deal with the Lifetime cable network for women, New York Life also participated in a 12-city mall tour including a kiosk featuring recruiters and sales agents.

"It's created a nice buzz," Gretta said, adding that the company also participated in the traveling American Baby Fairs exhibition, held in Boston with a future one planned for New York.

At the same time, Gretta said, the company doesn't consider the women's market to be a niche market as such.

"We just recognized this as a business opportunity for the company. More women are entering the marketplace (and) getting a formal education than in years past," she said.

"We wanted to go out and capture this opportunity to have a presence and create awareness."

New York Life's cultural marketing division has also been active for about five years. Initially, the company focused on the Asian-Indian and Chinese markets in the U.S. But the company last year expanded its efforts to the Mexican, Cuban, Korean and Vietnamese communities, according to Paul Russell, vice president of the company's cultural marketing division.

The company already had an agent and market presence with the Chinese and Indian communities, Russell said, so those areas were natural places to start.

"We already had agents of similar cultures who could speak the language," he said.

African-American marketing, by contrast, wasn't spun off into a separate division, Russell said.

"We treat the African-American market more as our mainstream and we really market to the African market as part of our middle-market or upper market strategy," he said.

To reach the different groups, Russell said, the company focuses on, pamphlets and newspaper and magazine advertisements, broadcast, pamphlets and the Internet.

The company publishes ads in a target market's native language and makes sure ad copy is culturally sensitive and appropriate, and that the photos are also appropriate for the campaign. Some are even of agents who target the communities.

“One of the things we want to do is we want to expose (to) the community the pictures of our agents and managers who work in the community” he said.

Russell added the company hasn’t targeted other groups because “our strategy and frankly my approach to any of the markets we are in is we can’t be all things to all people,” he said

“We go where we have a presence,” he said.

And that presence has paid off so far, he said. The company’s five-market minority share has grown 44 percent over the last 2.5 years, he said.

MassMutual’s efforts, by contrast, are centered more on creating a more ethnically diverse agency force and expanding the company’s minority-marketing base.

For example, it is in the process of translating its sales materials into Spanish and some Chinese dialects.

Victor Lipman, MassMutual Financial Group’s second vice president of corporate communications, cautions, however that the marketing effort, which was launched last summer, is still in its early stages.

At the same time, MassMutual is developing a separate marketing initiative geared toward women, including a more gender-diverse sales force and a review of the company’s marketing and advertising.

“We’re reviewing everything we have out there to make certain we have the correct complement of products, and that in fact our message will catch interest and respond to the needs of the women’s market,” said Dowling, who is spearheading the efforts.

### Include Women

Dowling is quick to point out, however, that the company is working to change its marketing approach to include women, rather than targeting women as a separate market.

“To assume that there is a women’s market is terribly naïve,” she said. “There are just as many styles of purchase, lifestyles and financial needs across women as there are men…”

“To assume a single answer would be shortsighted and fairly limited business plan within those categories there are women in different stages of life, in different financial needs, for different reasons.”

In short, Dowling said, the company wants to better market its products not just to women but a broader consumer base in general.

“We’re making sure that we have the right approach and the right (marketing) context for people to feel comfortable expressing their needs to us,” she said.

### Hancock’s Universality

Not every company, however, takes a segmented marketing approach.

John Hancock Financial Services for example, developed a recent television advertising campaign that focused on universal themes like adoption, a marriage proposal, divorce and retirement.

There’s a twist in the casting that reflects life’s modern realities for each of the four ads. Two apparently lesbian women bring their new adopted child home from Asia; a boyfriend proposes to a single mom; a divorce couple discusses their son; an African-American middle aged man tours a nursing home where his father will soon live.

Lisa Scannell, John Hancock’s general director of advertising, said the company had developed a specialty market geared to Chinese consumers, and explored developing specific programs with both women and the gays and lesbian market.

Faced with a finite advertising budget, the company decided instead to shoot for universality so it could maximize its financial resources to reach the most people.

“We don’t do a whole lot of advertising compared to a lot of other companies,” Scannell said. “What we try to do is show we understand all consumers. We try to show different situations, i.e. single mothers and older middle aged people putting their parents in a nursing home, showing we understand what consumers lives (are) like.”

In addition, Scannell said, Hancock focuses its ad campaigns on big events like Olympic and Major League sports sponsorships to build product awareness on a large scale.

No matter where companies focus their marketing efforts, success at reaching minority or specialty markets in the United States will almost certainly lead to huge profits, said Phillips, the marketing consultant.

“I don’t think any financial services company can be arrogant enough to say we don’t want to do business with (those) segments of the population,” said Phillips, who herself is originally from the island of Antigua in the Caribbean.

“It’s your current and future markets.”