

Product Development Workshop

Marketing a New Product

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Most people think marketing is artsy.



Marketing is very analytical and quantitative



Agenda

- Marketing Objectives
- The Marketing Budget
- Advertising
- Tracking Results
- Breakout Group Exercise

Marketing Objectives:

What do we want to accomplish?

- Quotes and new policies
- Consumer awareness
- Brand building
- Agent awareness

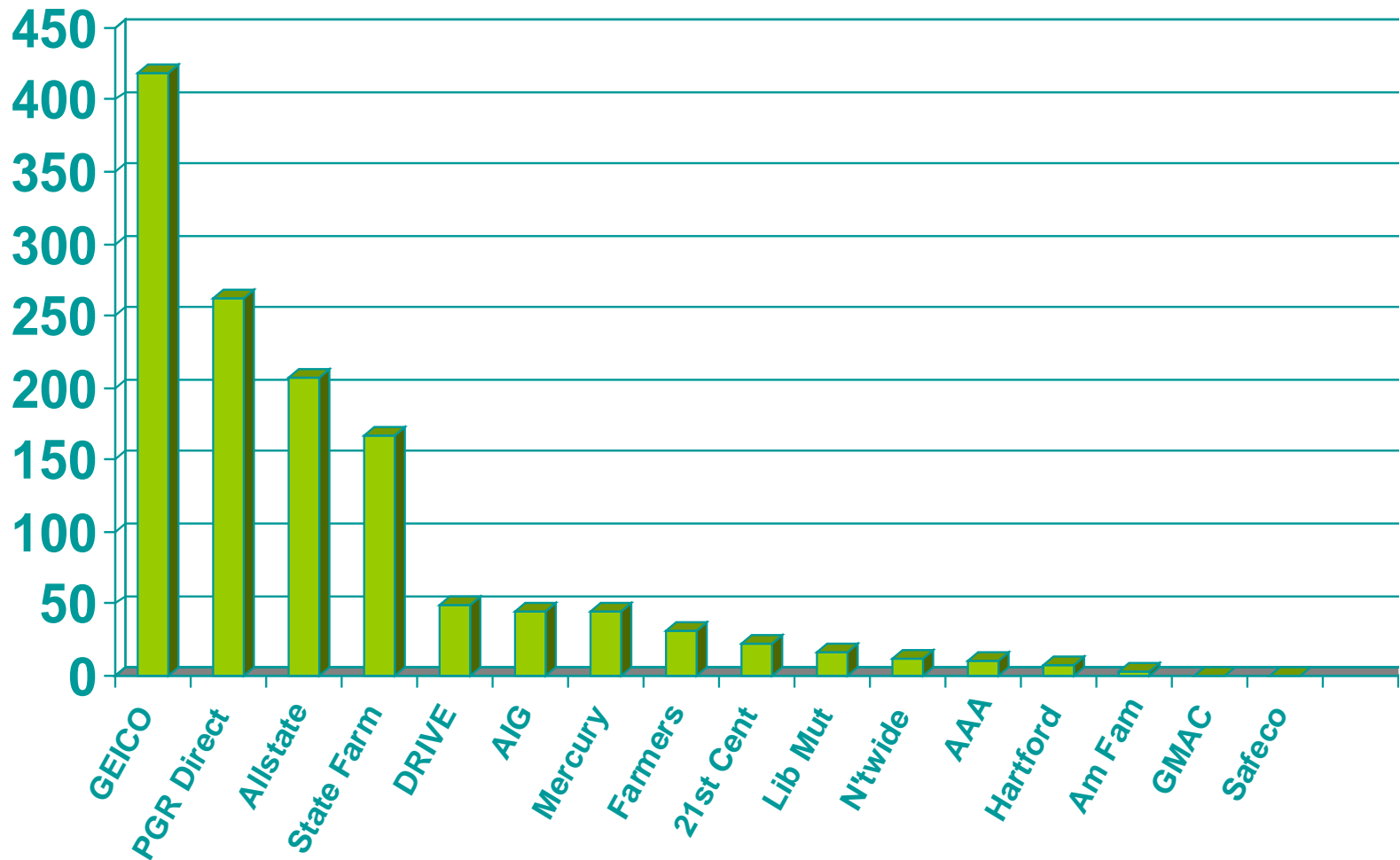
Marketing Objectives: Who is our target audience?

- Can be segmented by both hard and soft variables:
 - ◆ Age
 - ◆ Gender
 - ◆ Location
 - ◆ Company type
 - ◆ Income
 - ◆ Interests
 - ◆ Race



The Marketing Budget:

What is my competition spending on marketing?



National television advertising expenditures 2005 – All major advertisers
(Source: Nielsen Monitor Plus)

The Marketing Budget:

What can we afford to spend?

- What is needed to accomplish our objectives?
- Marketing expenses for awareness and brand building often determined as a % of Earned Premium
- For direct response, more complex models can be built to determine marketing budget

Advertising:

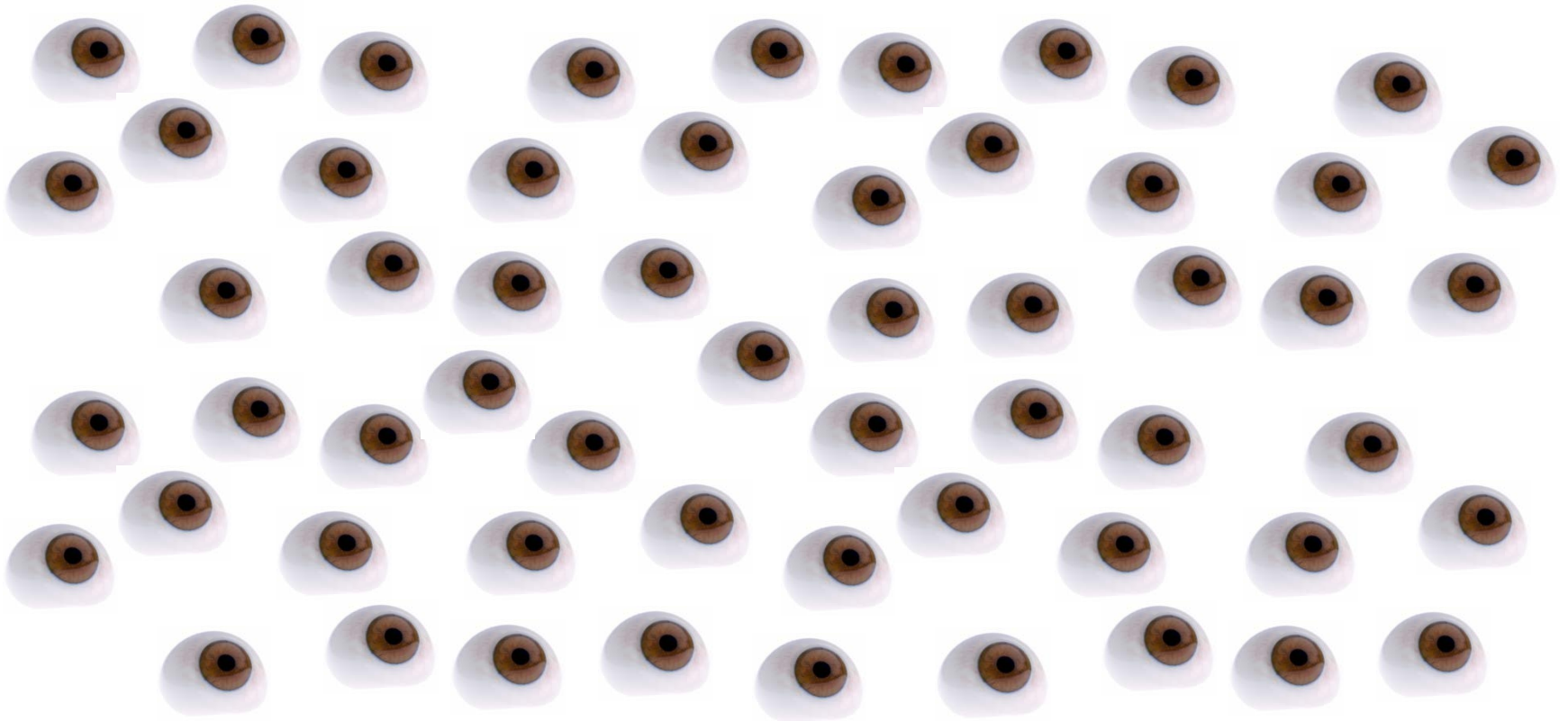
What makes good creative?

- Connects with target
- Intrusive
- Memorable
- Strong product or brand link



Advertising: Some Definitions

- Impressions: the number of viewers of your ad



Advertising: Some Definitions

- Reach: the percentage of individuals viewing an ad

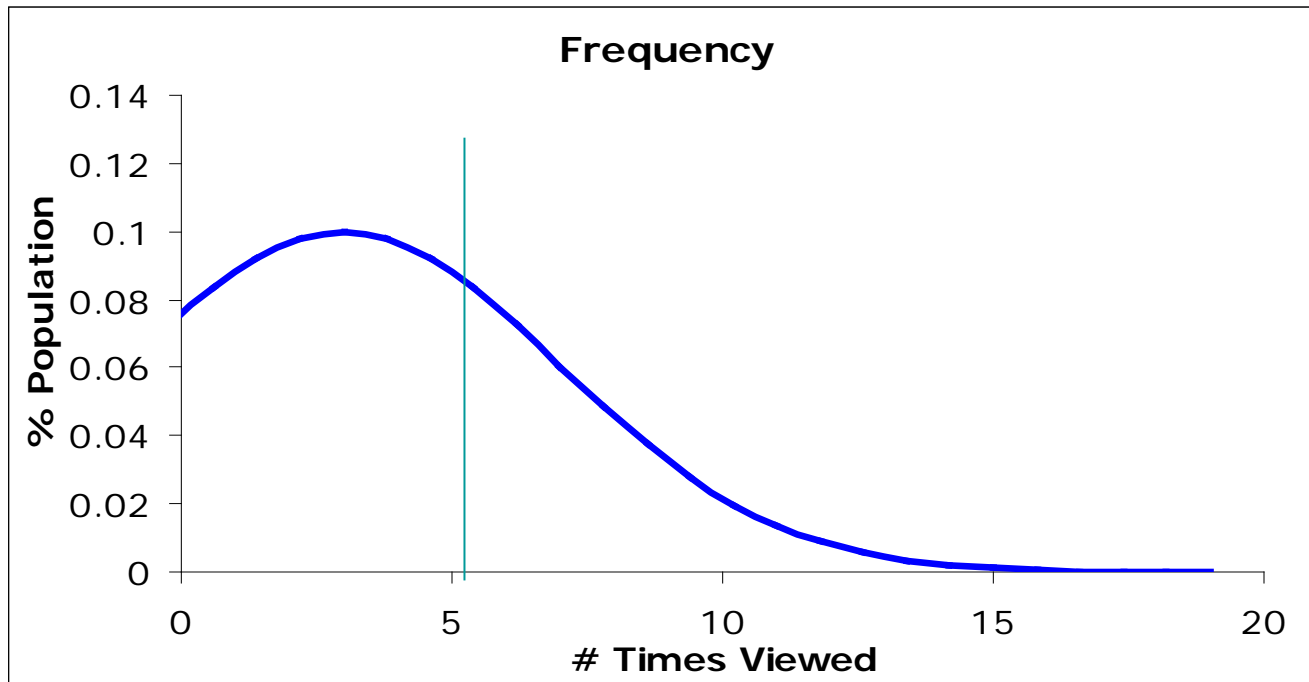


33%



Advertising: Some Definitions

- Frequency: the average number of times a viewer sees an ad



Advertising: Some Definitions

- CPM: Cost per 1,000 impressions
 - ◆ National TV \$10 - 50
 - ◆ Local TV \$25 - 70
 - ◆ Cable TV \$3 - 20
 - ◆ Radio \$2 - 6
 - ◆ Magazines \$5 - 200
 - ◆ Newspapers \$3 - 10
 - ◆ Outdoor \$1 - 2



Tracking Results:

How do we know if it's working?

- Objectives:
 - ◆ Quotes and new policies
 - ◆ Consumer awareness
 - ◆ Brand building
 - ◆ Agent awareness



Breakout Session

Develop a media plan for your product

- Describe your target market in detail
- Develop a marketing plan to reach the target
 - 👉 Message
 - 👉 Media
 - 👉 Results Tracking

Marketing a New Product
Breakout Exercise

Show	Total Impressions (000)	Cost	CPM	Viewing Index US Female Population				Target Impressions (000)	Target CPM	Spots:
				18+	18-34	25-54	55+			
AMERICAN IDOL	23,922	\$ 350,000	14.63	1.10	1.20	1.05	0.99	_____	_____	_____
DANCING WITH THE STARS	18,171	\$ 240,000	13.21	1.40	1.25	1.60	1.75	_____	_____	_____
THE MENTALIST	16,776	\$ 210,000	12.52	0.90	0.90	0.99	0.80	_____	_____	_____
HOUSE	13,885	\$ 140,000	10.08	0.80	1.00	0.90	0.60	_____	_____	_____
THE BACHELOR	11,532	\$ 110,000	9.54	1.50	1.75	1.60	1.00	_____	_____	_____
DESPERATE HOUSEWIVES	10,924	\$ 110,000	10.07	1.40	1.20	2.10	1.30	_____	_____	_____
GREY'S ANATOMY	10,273	\$ 70,000	6.81	1.20	1.30	1.20	1.05	_____	_____	_____
Total:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

Females as % Total US Population
 18+ 18-34 25-54 55+
 40% 10% 20% 15%