

## State Farm Insurance Sponsor of the Year

Published May 26, 2008

Page 80

From the looks of things, State Farm has declared manifest destiny on the entire American sports landscape, and the company is dragging many of its competitors along. While historically, many insurance carriers eschewed sports sponsorship buys in favor of straight media, over the past few years State Farm has set new standards.

### WHAT WE LIKE:

- In a competitive category, State Farm used sports as a differentiator.
- Built impressive portfolio of partnerships with the NFL and its Pro Bowl, Major League Baseball and its Home Run Challenge, the NCAA and USA Basketball.
- Signed an endorsement deal with LeBron James.

### SOMETHING YOU SHOULD KNOW:

**State Farm spent \$59.8 million in sports advertising last year, tops among insurance companies, according to Nielsen Monitor-Plus.**

State Farm has deals with the NFL, including the first presenting sponsorship of the Pro Bowl, and MLB, including title rights to the Home Run Derby. The company is an NCAA corporate sponsor and a USA Basketball corporate patron, and has complemented those with innovative, basket stanchion signage on 55 college courts and in 18 NBA arenas.

State Farm was presenting sponsor of the ESPN "Black Magic" documentary and added an on-air presenting sponsorship of TNT's NBA All-Star Game Saturday night broadcast. More recently, it drafted Howie Long and LeBron James as corporate spokesmen.

Add all the venue signage State Farm has accrued, and it is getting difficult to flip the remote on any night without seeing the company's brand across the landscape of sports venues. OMD's Optimum Sports, along with The Marketing Arm, are State Farm's sports marketing agencies.

Many in the industry see the growth in sports marketing among insurers as a direct reaction to Geico, which far outspends others in the market, with close to a billion dollars in media.

Whatever the reason, the once sponsorship-shy insurance category has become sponsorship-crazed: Allstate has its BCS deal and its compelling branding on goal-post nets, Nationwide bought title rights to NASCAR's B circuit last year, and Progressive purchased naming rights to the Cleveland Indians' ballpark this year.



"Within team and venue locations, I think it's fair to say you have seen an explosion of insurance brands, with State Farm responsible for most of it," said Dave Bialek, president of ANC Sports Marketing, which sold State Farm the new basketball stanchion program last year. "Usually everyone follows the leader in any particular category and they have been."

Still, it is one thing to buy a lot of sports real estate; results are something else. State Farm increased its market share last year, with sales up 3 percent, which is not

insignificant in a category as mature as insurance. State Farm added around a million new auto policies.

The company has been using high-profile sponsorships to defend its No. 1 market-share position and re-establish a leading "share of voice" in what has become a very noisy category from a marketing perspective. The MLB deal especially allowed State Farm to move up in the mind-set of those considering an insurance buy.

"We believe sports has made our brand more relevant and the results are showing that," Mark Gibson, State Farm assistant vice president of advertising, said during this year's NBA All-Star Game festivities. "With all that inventory, it is incumbent upon us to continually keep the activation behind those deals fresh or then it just becomes another tired sponsorship. To me, that's our biggest challenge and where we are putting the most effort."

