

Ziemann Insurance Final Marketing Plan

Data Driven Dynasty



I. Executive Summary

a. Past/Present

Ziemann Insurance is a branch of Farmer's Group Incorporated, owned and operated by Sonja Ziemann. Ziemann Insurance has been representing this company through her office located in Northfield, MN for the past 12 years. Her services encompass the areas of Rice, Dakota, Steele, Goodhue, and Scott counties with assistance in a broad range of coverages. Her office currently emphasizes Auto, Home, Life, Renters, Business, Motorcycle, Recreational, and Umbrella Insurance. Sonja also extends her benefits by way of her excellent reputation in customer/client service. Ziemann Insurance partners with the Northfield Enterprise Center (NEC) as a part of the business community of the region. Presently, Sonja utilizes social media in forms of Facebook and also through her personal website as a way to communicate and implement personal relationships with her clients.

b. Major Trends and Opportunities

Social media and data sharing are highly prevalent and create a reason to believe that consumers are discovering their insurance needs via the Internet or other web-based engines. Ziemann Insurance expressed that over 50% of current clients were found and obtained by way of Internet usage. Ziemann has a wide-ranging target market, yet we believe millennials are the most reachable and entering into the insurance market.

c. Plan

In order to target millennial customers that are growing into purchasing power, we plan to continue previous marketing efforts and introduce more of a digital presence. Participation in promotional events, like county/state fair is a great way to collect customer information. Improving follow up on interested customers could bring in new business. Optimizing the Ziemann website and utilizing search engine marketing will help capitalize on the large number of consumers, especially those in our target market, seeking insurance online.

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II. Objectives and Goals for Marketing Plan

- Ziemann Insurance wishes to increase its reach to an additional 20-25 Quotes per month in hopes to have a sustainable amount of growth. This would be helpful for her business but not overwhelming.

III. Internal Industry Analysis

a. Ziemann Insurance Mission Statement

Ziemann insurance serves high quality insurance coverage with hands on customers assistance to the Rice and Dakota county areas. Ziemann strives to be a customer advocate, not a salesperson. As a liaison between the customer and the claims department, Ziemann ensures customers needs are met.

b. Current Target Market

- Families without teenage children in the Rice County area.
 - Most Competitive with 25-50 year olds with no or young children.¹

c. Current Marketing Strategy

1. Product²

Personal Service

- Her experience and promise of timely service is a big part of the product; willing to be on call whenever her clients need assistance, much more than other agents in her area.
- Over 12 years of Experience at Farmers Insurance and has been in the insurance industry for nearly two decades.
- Zeimann insurance offers coverage from Farmers Insurance Group, the third largest provider of home insurance in Minnesota.³
- A small company, Zeimann insurance offers a personal touch combined with a large, trusted company.⁴

Insurance

- Insurance providers sell coverage to customers through insurance brokers or websites. Customers make claims to the insurance company if covered items are lost or damaged.

¹ Sonja Ziemann

² <https://agents.farmers.com/mn/northfield/sonja-ziemann>

³ <https://www.valuepenquin.com/best-cheap-homeowners-insurance-minnesota>

⁴ Sonja Ziemann

- Wide variety of offerings; Bundled together and priced by the computer.
 - Auto
 - Home
 - Renters
 - Life
 - Business
 - And More

2. Price⁵

- Customers can go online and request a free quote to determine how much Insurance would cost for them.
- You don't set the price, only communicate what the consumer must pay. Results given through the computer algorithm.
 - Minnesota average cost of home insurance: \$1,858, Farmers average cost: \$2,249.⁶

3. Place

- Ziemann Insurance office located in Northfield, MN.⁷
 - Serves: Rice County, Dakota County, Steele County, Goodhue County, and Scott County.⁸
- Ziemann Insurance's online location is also an important consideration.
 - "Over ½ of customers are found by requesting a quote on the Ziemann Insurance website."⁹

4. Promotion¹⁰

- Northfield Enterprise Center
 - Group of local business owners who assist each other.
- Fair ticket contest: Held contest to when State Fair tickets in order to collect potential customer information.
- Labeling at various events in the area to collect interested customer information
 - State Fair
 - June Car Show
- Facebook ads.
- Car show in June & State Fair Grounds.

⁵ <https://www.farmers.com/quote/ffg/landingpage.isf?windowid=1554345815212>

⁶ <https://www.valuepenguin.com/best-cheap-homeowners-insurance-minnesota>

⁷ <https://www.google.com/maps/place/Farmers+Insurance+--+Sonja+Ziemann/@44.4487997,-93.172342,15z/data=!4m5!3m4!1s0x0:0x7d9ca1ade8aba2ea!8m2!3d44.4487997!4d-93.172342>

⁸ <https://agents.farmers.com/mn/northfield/sonja-ziemann>

⁹ Sonja Ziemann

¹⁰ Sonja Ziemann

5. Financials

Depending on the household, insurance pricing can vary anywhere from \$600 to \$2000 per year.

d. Competitors

- Ziemann competes with many insurance agents in the area, including those representing some of the largest insurance companies in Minnesota.¹¹
 - State Farm (26% Market share)
 - Lots of opportunity to bundle and save.
 - Customer trust; very low complaint ratio.
 - American Family (14% Market Share)
 - Offers discounts to new or recently renovated homes.
 - Some customers frustrated with lack of online tools.
 - Farmers (8.5% Market share)
- Competitors are driving a lot of price pressure; price levels for insurance dropped every year from 2013 until 2017 and rose only 0.1% in 2018.¹²
- Competitors tend to have lower prices, but less comprehensive coverage.¹³
 - Student drivers are more affordable at other providers.
 - But those providers might not approve student for all cars in the household.
- Prices are slowly rising up, may continue to rise in future.¹⁴
- Other popular insurers in the Northfield area.
 - Northfield Insurance Agency: an independent insurer this competitor has key similarities and differences to Ziemann.¹⁵
 - Championing maximum value for your money and attentive customer service, NIA competes with the quality of service.
 - As an independent insurer, NIA does not have the strength of a large organization behind them.
 - Rob Martin, Farmers Group Insurance agent.¹⁶
 - Also a representative of Farmer's Insurance, Martin offers similar coverage to Ziemann insurance.
 - This competitor uses similar values of customer service and advocacy to win customer approval.

¹¹ <https://www.valuepenguin.com/best-cheap-homeowners-insurance-minnesota>

¹² <https://www.iii.org/fact-statistic/facts-statistics-homeowners-and-renters-insurance>

¹³ Sonja Ziemann

¹⁴ Sonja Ziemann

¹⁵ <https://www.nfdins.com/our-insurance-services>

¹⁶ <https://agents.farmers.com/mn/northfield/rob-martin>

e. General Industry Considerations

- Minnesotans can expect roughly the same availability of home/life/auto insurance options and coverages from the Minneapolis/St. Paul area down to Rochester, covering Northfield and Rice County, our companies area.¹⁷
- In Minnesota, Farmers ranks as the third-largest in Minnesota. They occupy an 8.5% market share compared second-largest American Family (14.1%), and State Farm (25.7%).¹⁸
- Farmer's customer complaint ratio ranks sixth amongst the largest insurers in Minnesota, putting them on-par with competitor American Family.¹⁹
- Catastrophe related claims accounted for a much higher proportion of total claim payments in Minnesota than countrywide over the study period. From 2005-2013, catastrophe-related claims accounted for 54% of all claim payments in the state. Country-wide, this accounted for only 37%.²⁰
- In 2013, homeowners insurance companies paid on average \$546 in claim payments for every insured home in MN-24% more than the \$442 on average nationwide.²¹
- Study of over 170,000 insurance customers shows many customers cite price as the main determinant in purchasing coverage.²²
- Many customers are utilizing online quotes and aggregator sites, not dealing directly with an agent.²³
- Overall, rise of technology has made customers more price sensitive and less focused on customer service.

III. Macroenvironmental Analysis

a. Culture/Social Trends

1. Transportation

- Residents of Rice County and the surrounding area have a daily commute of 26 minutes, thus utilizing the need for car insurance.²⁴
- There are around 58 lakes in Rice County, increasing the need for boat insurance in which Farmer's offers.²⁵
- Northfield averages 2 cars per household.²⁶

¹⁷ <https://www.valuepenguin.com/best-cheap-homeowners-insurance-minnesota>

¹⁸ <https://www.valuepenguin.com/best-cheap-homeowners-insurance-minnesota>

¹⁹ <https://www.valuepenguin.com/best-cheap-homeowners-insurance-minnesota>

²⁰ https://www.insurance-research.org/sites/default/files/news_releases/IRC%20Minnesota%20Homeowners%20Insurance%20Trends.pdf

²¹ https://www.insurance-research.org/sites/default/files/news_releases/IRC%20Minnesota%20Homeowners%20Insurance%20Trends.pdf

²² <https://www.bain.com/insights/customer-behavior-loyalty-in-insurance-global-2017/>

²³ <https://www.bain.com/insights/customer-behavior-loyalty-in-insurance-global-2017/>

²⁴ <https://www.ci.northfield.mn.us/DocumentCenter/View/561/Labor-Market-Review-January-2012?bidId=>

²⁵ <https://lakeplace.com/lakefinder/mn/rice>

²⁶ <https://datausa.io/profile/geo/northfield-mn/>

2. Local Conditions

- Extreme rain events are happening yearly, especially outside mapped flood zones. A significant amount of Northfield and Rice County are outside flood zones, intensifying the need for flood insurance, which Farmers specializes in and a cultural trend specific to the area.²⁷
- Residents typically identify with small-town values and attitudes.²⁸
 - Simple entertainment, friends, family, and unity.
- Increasing in value of physical exercise, healthy eating and environments that allow these variables to be conjugated through local, organic fair trade.²⁹
- All rural counties in Minnesota see population losses this decade.³⁰

3. Homeownership

- America's homeownership rate hit its lowest level since 1965.³¹
- High number of Millennials in County due to college's, who show a lower rate of homeownership and marriage.³²

b. Demographics³³

- General Populations (By County)
 - Hennepin County: **1,252,024** (22.4% of state population)
 - Dakota County: **421,751** (7.56% of state population)
 - Rice County: **65, 968** (2.10% of state population)
- In 2012, the 18- to 34-year-old set of millennials have surpassed the baby boomer generation as Minnesota's largest age cohort, with 28 percent of the state's estimated 5.5 million total population.³⁴

Age Distributions	25-29	30-34	45-49	50-54
³⁵ Hennepin	100, 913 (8.8%)	86, 610 (7.5%)	85 ,932 (7.5%)	85, 932 (7.4%)

²⁷ https://www.dnr.state.mn.us/waters/watermgmt_section/floodplain/flood_insurance.html

²⁸ <https://deepblue.lib.umich.edu/bitstream/handle/2027.42/143390/Stone.pdf?sequence=1&isAllowed=y>

²⁹ https://link.springer.com/chapter/10.1007/978-3-319-91860-0_23

³⁰ https://mn.gov/admin/assets/greater-mn-refined-and-revisited-msdc-jan2017_tcm36-273216.pdf

³¹ <https://www.agencynation.com/how-to-sell-insurance-to-millennials/>

³² <https://www.agencynation.com/how-to-sell-insurance-to-millennials/>

³³ <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

³⁴ <http://www.startribune.com/what-the-numbers-show-about-minnesota-s-millennials/319071421/>

³⁵ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

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³⁶ Dakota	27, 342 (6.9%)	26, 937 (6.8%)	34, 197 (8.6%)	32, 197 (8.1%)
³⁷ Rice	3, 831 (6.0%)	3, 822 (6.0%)	4, 688 (7.3%)	4, 577 (7.1%)

* %'s = percent of county's general population

- Age Medians (By County)
 - Hennepin: 39.5 years
 - Dakota: 36.8 years
 - Rice: 35.0 years
- Persons Without Health Insurance Under Age 65³⁸:
 - Hennepin County: **5.4%**
 - Dakota County: **3.9%**
 - Rice County: **5.6%**

Race Distributions	White	African American	Asian	Hispanic
³⁹ Hennepin	856, 976 (74.4%)	136 ,262 (11.8%)	71 ,905 (6.2%)	77, 676 (6.7%)
⁴⁰ Dakota	339, 499 (85.2%)	18, 709 (4.7 %)	17, 451 (4.4%)	23, 966 (6.0%)
⁴¹ Rice	57, 275 (89.3%)	2, 072 (3.2%)	1, 314 (2.0%)	5, 122 (8.0%)

³⁶ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

³⁷ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

³⁸ <https://www.census.gov/quickfacts/fact/table/dakotacountyminnesota.hennepincountyminnesota.ricecountyminnesota/HEA775217>

³⁹ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴⁰ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴¹ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

Household Status (Population)	Total Households	Family Household	Families with Children under 18 years	Non-Family Households
⁴² Hennepin	475, 913	272, 885 (57.3%)	127, 295 (26.7%)	203, 028 (42.7%)
⁴³ Dakota	152, 060	105, 748 (69.8%)	52, 666 (34.6%)	46, 312 (30.5%)
⁴⁴ Rice	22, 315	15 , 191 (68.1%)	7, 104 (31.8%)	7, 124 (31.9%)

Median Income Distributions	Household	Family Household	Married Couples	Non-Family Households
⁴⁵ Hennepin	\$ 71, 154	\$ 95, 062	\$ 112, 708	\$ 44, 850
⁴⁶ Dakota	\$ 79, 995	\$ 96, 643	\$ 110, 793	\$ 45, 947
⁴⁷ Rice	\$ 63, 311	\$ 77, 616	\$ 86, 971	\$ 33, 841

- National average: \$60,366.⁴⁸
 - Comprehensive average of Minnesota: \$65,699.
- Education
 - The number of high school graduates in Rice County from ages 25-34 is 90.2%, and 88.1% for ages 35-44.
 - The number of people with a bachelor's degree or higher in Rice County from ages 25-34 is 20.9%, and 28% for those aging from 35-44.
 - The highest percentage of Rice County inhabitants, 89.90%, reside in the category of equal to a highschool graduate or higher.⁴⁹

⁴² <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴³ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴⁴ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴⁵ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴⁶ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴⁷ <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

⁴⁸ <https://datausa.io/profile/geo/rice-county-mn/>

⁴⁹ <https://www.co.rice.mn.us/DocumentCenter/View/697/Rice-County>

c. Technology

- Data Analytics are key for insurance companies to identify trends and patterns that can lead to further development of their products and services, as well as analyze new opportunities within the industry.⁵⁰
- Social media allows for insurance companies to make emotional and personal connections to their customers in an industry that is not typically viewed as emotionally charged.⁵¹
 - Top social media platforms for independent insurance companies include⁵²
 - Facebook
 - LinkedIn
 - Instagram
 - YouTube
- Comparative Rating Systems can be key in a marketing and education of the insurance agent's branch in relation to others like it.⁵³
- 47% of online adults use social networking sites.⁵⁴
- Technology is considered a vital component in the daily lives of the Millennial cohort
 - They want information that is quick and easy, accessible at any time and place.⁵⁵

d. Economic Situation⁵⁶

- Economic output has been growing steadily in Minnesota and there has been a net gain of \$9,000 for every working adult since 2009.
 - The manufacturing industry is responsible for the largest growth in the economy for the state.
- According to Minnesota Compass, Statewide, median household incomes among American Indian and Black households are statistically lower than median income across households of all other races and ethnicities.
- The poverty rate in Minnesota is slightly under 10%.
 - Citizens of color in the state experience a poverty rate that is more than double the standard, statewide, rate.
- Nationally, annual premiums for health insurance has increased to \$18,764; a 3% increase from 2015.⁵⁷
- 67.8% of Rice County inhabitants, age 16+, are employed in the civilian labor force.⁵⁸

⁵⁰<https://www.pitneybowes.com/us/customer-engagement-marketing/case-studies/three-ways-insurance-companies-can-engage-with-customers-better.html>

⁵¹<https://www.v12data.com/blog/how-power-your-insurance-agency-social-media/>

⁵²<https://www.v12data.com/blog/how-power-your-insurance-agency-social-media/>

⁵³<https://www.agencynation.com/what-social-media-should-we-be-using-as-independent-insurance-agents/>

⁵⁴<https://www.insurancejournal.com/blogs/itc-insurance-technologies-corporation/2018/06/04/491207.htm>

⁵⁵<https://eric.ed.gov/?id=ED525056>

⁵⁶https://link.springer.com/chapter/10.1007/978-3-319-91860-0_23

⁵⁷<https://statelaws.findlaw.com/minnesota-law/minnesota-insurance-fraud-laws.html>

⁵⁸<http://www.ncsl.org/research/health/health-insurance-premiums.aspx>

⁵⁸<https://www.census.gov/quickfacts/ricecountyminnesota>

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- There are 34,400 employees of Rice County, with the most common positions residing in the Office & Administrative Support, Management, and Production occupations.⁵⁹

e. Political/Legal

- Minnesota Statutes Section 609.611 – Insurance Fraud.⁶⁰
 - Prohibits soliciting or accepting new or renewal insurance risk for an insolvent or bankrupt insurer.
 - Removing assets or records of assets or transactions from the insurer’s office or destroying them.
 - Presenting or preparing any information containing a false representation about a material fact to or by an insure.
- Minnesota Statutes Civil Actions 604.18, et. seq. - Minnesota Bad Faith Law (2010):⁶¹
 - Insurance companies are now mandated to pay or adjust claims in good faith or face serious legal consequences.
 - Civil actions may occur against the insurer due to denials of claims without sufficient circumstantial cause or reason.
- Minnesota FAIR Act Plan:⁶²
 - Passed to assure access to property and liability coverage for those individuals otherwise unable in a regular insurance market.
 - All insurance companies that are authorized to sell liability or property insurance in Minnesota is required to participate.

CDSTEP Summary

- Farmers has a good relationship with Minnesotans, being the third most popular in the state and a complaint ratio outside of the top-five in the state.
- Specific regional location makes for a higher than average commute time and lake amount, increasing the need for insurance in those areas.
- The region’s weather has a higher than average catastrophe occurrence, creating another unique cultural marketplace.
- Rice County has similar age and population distribution as Hennepin and Dakota Counties. Notably, they have a higher percentage of Hispanic population than Hennepin and Dakota, and also had a significant lower median household income than the two comparing counties.
- Technological-wise, data analytics, social media platforms such as Facebook and LinkedIn, as well as comparative rating systems all have an important role in the area’s sector.
- Economically, output has been growing steadily since 2009, yet citizens of color have a significantly lower median income and a higher poverty rate amongst the rest of the state.

⁵⁹<https://datausa.io/profile/geo/rice-county-mn/>

⁶⁰<https://statelaws.findlaw.com/minnesota-law/minnesota-bad-faith-insurance-laws.html>

⁶¹<https://mn.gov/commerce/consumers/your-home/protect/insurance-basics/rules-regulations.jsp>

⁶²<https://www.mncompass.org/economy/overview>

- Politically, three main statutes have affected the area in regards to insurance, namely Minnesota Statutes Section 609.611, Minnesota Statutes Civil Actions 604.18, et. seq., and the Minnesota FAIR Act Plan.

IV. Analysis of Environment

a. Strengths

- Farmers Insurance is the 3rd most popular insurance company used in Minnesota.⁶³
- Comprehensive boating and auto insurance to meet area's commuter and boating demands.⁶⁴
- Specialization in flood insurance.⁶⁵
- Over two decades of insurance experience.
- "Always on call and reachable. Answers claims during off hours."⁶⁶
- Only 31.8% of households in Rice county have families with children 18 and younger (the demographic not currently targeted).
- "Farmers Insurance rates families on one policy for all vehicles, while others put one person per car which could potentially be more expensive and complicated."⁶⁷

b. Weaknesses

- "Limited social media presence."
- "Does not have a good system to follow through with customers."
- "Prices sometimes a little higher, especially for student drivers."
- State Farm and American Family Insurance both have a substantially higher market share than Farmers Insurance.

c. Opportunities

- Potentially expand to other age ranges of high population in the areas due to the wide variety of inhabitants.
- Promoting life insurance in the older generational cohorts.
- Target minority groups because they are less advantaged. This would speak to the family nature of her business.
- Using social media sites to promote the business and have better relationships with customers. (Facebook, LinkedIn, Instagram, YouTube)

⁶³ <https://www.valuepenguin.com/best-cheap-homeowners-insurance-minnesota>

⁶⁴ <https://lakeplace.com/lakefinder/mn/rice>

⁶⁵ https://www.dnr.state.mn.us/waters/watermgmt_section/floodplain/flood_insurance.html

⁶⁶ Sonja Ziemann

⁶⁷ Sonja Ziemann

d. Threats

- Depending on a weather based insurance claim for a large portion of a target market could be risky because weather cannot be controlled.
- “Geico and Progressive offering lower prices (~\$400) for 500k+ insurance coverage on student drivers, where Farmers sees that group as a threat”.
- “People may not want to go through a person, they might rather do their insurance online with bigger and more well known companies”.

e. Competitive Advantage

- Ziemann meets insurance needs of the area by offering comprehensive and customizable coverage plans from one of the largest and most trusted providers in Minnesota. Ziemann works closely with customers to find the right coverage, ensures their claims are processed correctly, and is available at all hours to assist with insurance needs. Ziemann Insurance’s competitive advantage is the personal service that is offered. Her prices and premiums are in-line with all other insurance companies in Minnesota, but her reliability, friendliness, and work ethic set her above her competition.

IV. Segmentation

a. Objectives

- Ziemann Insurance wishes to increase its reach to an additional 20-25 Quotes per month in hopes to have a sustainable amount of growth. This would be helpful for her business but not be overwhelming.

b. Evaluation of Potential Segments and Their Attractiveness

1. Millennial Families with or without Young Children

- The 18-to 34-year-old set of millennials have surpassed the baby boomer generation as Minnesota’s largest age cohort. This is important because it is 28 percent of the state’s estimated population of 5.5 million people. Millennials are a good segment to look at in Rice County because the percentage of high school graduates in Rice County is 90.2% in the ages of 25-34, and the percentage for ages 35-44 is 88.1%. Another reason the millennial segment was evaluated was because they are easily reachable through various platforms on social media, as it is a vital part of their lives.

Identifiable:

Because of the increase in “helicopter parenting”, millennial parents show an increase in awareness of the unfortunate events in life that insurance is in-place to protect.

Substantial:

There are 7,104 families in Rice County with children under 18 years of age, this is around 31.8% of the total Rice County population.

Reachable:

68% of U.S. adults are now Facebook users, and roughly $\frac{3}{4}$ of those users access Facebook on a daily basis.⁶⁸

Responsive:

All demographic are inclined to purchase a insurance plan, but millennials are more likely because of their awareness of safety.

Profitable:

Married and family homes have the most income of the different types of households in Rice County.

2. Generation X

- Generation X fosters attractiveness due to their increasing age, meaning that health insurance coverage will become more of a priority for this group. Additionally, they are out of the workforce, or on their way out, so they have ample amounts of spendable money as opposed to a millennial family that has young kids. They also show a below median usage of social media and technology, making Sonja’s service every more critical to explain policies to this group.

Identifiable:

This age group is prolonged empty nesters and no longer have their children on their insurance plan.

Substantial:

Has the largest percentage in terms of age distribution in Rice County (4,688 people for 7.3% of Rice County’s total population)

⁶⁸ <https://www.pewinternet.org/2018/03/01/social-media-use-in-2018/>

Reachable:

Only 37% of Americans 65 and older indicated that they use any form or platform of social media.⁶⁹

Responsive:

They will be more responsive to the personal service that Ziemann is willing to offer. They are also more responsive to traditional advertisements (i.e. newspapers, billboards, magazines, etc.)

Profitable:

Willing and able to pay more money for their insurance because they have less to spend on, are out of the workforce and health insurance is becoming more of a priority.

VI. Targeting

a. Select Target Market

1. Millennial Families with or without Young Children:

Why we picked Millennials as our segment

The millennial age range is from the early 1980s to the early 2000s. The main reason for targeting this market is because the older millennials are more likely to have young children. Ziemann Insurance is good for families with young children because Ziemann Insurance provides high quality insurance for competitive rates. Another reason millennials are our select target market is because they are easily reachable and very in tune with social media. They are more likely to be “helicopter parents” who are concerned with the safety of their child that they are willing to spend more money to ensure that safety.

Why we didn't pick Gen X as our segment

- This age range is nearing closer to retirement. This indicates that many have already been using an insurance plan of some kind for quite some time, meaning that they most likely already worked through the process of comparing insurance plans, premiums, and deductibles, and chose an insurance plan that fits them.
- Generation X has shown a very low amount of social media usage compared to millennials and other age groups. Because our marketing plan involves social media and

⁶⁹ <https://www.pewinternet.org/2018/03/01/social-media-use-in-2018/>

technology usage and understanding, the amount of reachable Gen Xers would drop considerably.

- Overall, it is a smaller market than millennials in Rice County. As indicated in our CDSTEP, both the Age Distributions and Household Status (Population) show a higher overall number of people in favor of millennials to other age groups.

b. Target Profile

1. Geographic Location

- The target segment resides in Rice County, MN. This location benefits Ziemann Insurance due to the close proximity to her main office as well as allows her to focus on a key aspect of her mission; personable and reliable insurance accessibility.
 - Aligned with small-town values and attitudes

2. Size

- Millennials have surpassed the baby boomer generation as Minnesota's largest age cohort, with 28 percent of the state's estimated 5.5 million total population.

3. Income/Employment

- Median household income in Rice County is \$63,311.
 - Higher than the national average of \$60,366.
 - Lower than the comprehensive average of Minnesota topping at \$65,699.
- 67.8% of Rice County inhabitants, age 16+, are employed in the civilian labor force.
 - There are 34,400 employees of Rice County, with the most common positions residing in the Office & Administrative Support, Management, and Production occupations.

4. Education

- The number of high school graduates in Rice County from ages 25-34 is 90.2%, and 88.1% for ages 35-44.
- The number of people with a bachelor's degree or higher in Rice County from ages 25-34 is 20.9%, and 28% for those aging from 35-44.
- The highest percentage of Rice County inhabitants, 89.90%, reside in the category of equal to a highschool graduate or higher.

5. Communication/Social media usage

- 47% of online adults use social networking sites. (See Appendix A1)
- Technology is considered a vital component in the daily lives of the Millennial cohort.
 - They want information that is quick and easy, accessible at any time and place.

6. Social trends

- Millennial generation that live in area align with small-town values and attitudes.⁷⁰
- Millennial families in the area average 2 cars per household.⁷¹
- Pew Research found that only 26% of Millennials are married, compared to 36% of Gen Xers when they were the same age.⁷²
- The majority of unmarried Millennials (69%) said that they would like to marry eventually, but are lacking the economic foundation to support a marriage and family.⁷³
- Harvard's Joint Center for Housing Studies found that homeownership rate among adults younger than 35 fell by 12% between 2006-2011, and 2 million more were living with their parents.⁷⁴
- U.S. Census Bureau found that America's homeownership rate hit its lowest level since 1965.⁷⁵
- According to PwC, the median age of first-time homebuyers reached 35 between 2010 and 2011. This is an all-time high since the metric started getting tracked in 1970.⁷⁶
- Millennial residents of Rice County and the surrounding area have a daily commute of 26 minutes, thus utilizing the need for car insurance.⁷⁷

VII. Positioning

a. Positioning Strategy and Marketing Mix

1. Product

Personal Service

- Her experience and promise of timely service is a big part of the product; willing to be on call whenever her clients need assistance, much more than other agents in her area.
- Over 12 years of Experience at Farmers Insurance and has been in the insurance industry for nearly two decades.
- Zeimann insurance offers coverage from Farmers Insurance Group, the third largest provider of home insurance in Minnesota.⁷⁸
- A small company, Zeimann insurance offers a personal touch combined with a large, trusted company.⁷⁹

⁷⁰ <https://deepblue.lib.umich.edu/bitstream/handle/2027.42/143390/Stone.pdf?sequence=1&isAllowed=y>

⁷¹ <https://datausa.io/profile/geo/northfield-mn/>

⁷² <https://www.agencynation.com/how-to-sell-insurance-to-millennials/>

⁷³ <https://www.agencynation.com/how-to-sell-insurance-to-millennials/>

⁷⁴ <https://www.agencynation.com/how-to-sell-insurance-to-millennials/>

⁷⁵ <https://www.agencynation.com/how-to-sell-insurance-to-millennials/>

⁷⁶ <https://www.agencynation.com/how-to-sell-insurance-to-millennials/>

⁷⁷ <https://www.ci.northfield.mn.us/DocumentCenter/View/561/Labor-Market-Review-January-2012?bidId=>

⁷⁸ <https://www.valuepenguin.com/best-cheap-homeowners-insurance-minnesota>

⁷⁹ Sonja Ziemann

Insurance

- Insurance providers sell coverage to customers through insurance brokers or websites. Customers make claims to the insurance company if covered items are lost or damaged.
- Wide variety of offerings; Bundled together and priced by the computer.
 - Auto
 - Home
 - Renters
 - Life
 - Business
 - And More

2. Price

- Customers can go online and request a free quote to determine how much Insurance would cost for them.
- You don't set the price, only communicate what the consumer must pay. Results are given through the computer algorithm.
 - Minnesota average cost of home insurance: \$1,858, Farmers average cost: \$2,249.⁸⁰

3. Place

Northfield Minnesota

- Ziemann Insurance headquarters is located in Northfield, one of the main cities where our target segment lives.
 - Serves; Rice County, Dakota County, Steele County, Goodhue County, and Scott County.⁸¹
- Northfield is one of the fastest-growing cities in terms of population in Rice County.

Online

- Ziemann Insurance's online location is also an important consideration.
 - "Over ½ of customers are found by requesting a quote on the Ziemann Insurance website."⁸²
- The Website will serve as an online indicator of business values, strengths, and what makes Ziemann unique.

⁸⁰ <https://www.valuepenguin.com/best-cheap-homeowners-insurance-minnesota>

⁸¹ <https://agents.farmers.com/mn/northfield/sonja-ziemann>

⁸² Sonja Ziemann

4. Promotion

Overall Campaign Strategy

- High-quality insurance coverage without cutting corners.
- Attentive customer service that acts as an advocate during the claims process.

Optimizing Ziemann Insurance Website

- Ziemann Insurance's website needs to be updated to appeal to users and conform to Search Engine Optimization Standards. Use google ads keyword planner to identify important keywords.⁸³
 - Ensures customer will navigate to the website naturally when searching for insurance in Northfield.
 - Ensures customers find the information they need to ask for a quote
- Post recent news and updates about the Ziemann Insurance.
- Restructure the sub-tabs and consolidate the insurance information to create a more straightforward website layout.
- For accessing the website from smartphones, adjust the format, so that it matches the website online and make the “Request a Quote” button more substantial and more accessible to increase the Click-Through-Rate and the Call-To-Action on the site.
- A helpful and clear website is of great value to the millennial target market.

Google Ads

- This flexible marketing tool gets advertisements in front of the right customers at the right time.
- Effectively reaches the digitally savvy millennial target market.
- Advertisements are placed at the top of google searches and can be tailored specifications like the searcher, what they are searching for, and their geographic location.
- Search keywords must be selected as cases were Ziemann wants to place an ad.
 - While deciding the keywords, utilize Google’s Keyword Planner to find words that maximize the search engine optimization potential for the website.
 - Focus on keywords that relate to high-quality insurance.
 - Insurance
 - Farmers Insurance
 - Best Insurance companies
 - Claim
 - Quote
 - Auto
 - Home
 - Life

⁸³ <https://ads.google.com/home/tools/keyword-planner/>

- Rent
- Mortgage
- Focus on keywords that relate to valuable customer service.
 - Experience
 - Education
 - Neighborhood
 - Friendly
 - Flexible
 - Focused
 - Honest
 - Focused
 - Open-minded
 - Resourceful
- Pick keywords that will produce the highest ranked number. Do not pick words that deviate too far from the objectives of each campaign.
- Use the AdWords website support, to better fill in the keywords of the campaign.
- Select geographic areas: Rice and Dakota counties.
- Select desired budget: Google Ads can be customized to show as many or as little ads as can be afforded.
- Appendix figure A2 shows an example of a Google Ad for Ziemann insurance.

Promotional Events and follow-up

- Continue representing Ziemann with informational booths at various events in the area, including:
 - State Fair
 - Car Shows
 - Jesse James Day
 - Northfield Riverwalk Market
- These events provide advertisement for Ziemann while showcasing the exceptional customer service that differentiates the company.
- Use an online Customer Relations Management system to easily store customer data and follow up with interested customers.
 - Many online tools, such as HubSpot, make this possible for little or no cost.⁸⁴⁸⁵

⁸⁴

https://www.hubspot.com/crm/f118c?utm_expid=.Xt_LD_UURMWXSilmzGwseQ.3&utm_referrer=https%3A%2F%2Fwww.thebalancesmb.com%2Fonline-crm-small-businesses-2947867

⁸⁵ <https://www.thebalancesmb.com/online-crm-small-businesses-2947867>

VIII. Implementation

a. Timeline

1. Weeks 1-2

- Consider important messages to deliver through the website.
- Research and identify important keywords to include in website.
- Develop strategy to follow up with interested customer, optionally using a CRM.

2. Weeks 2-4

- Edit website content to include new messages and keywords.
- Begin collecting new customer information at promotional events.
- Research and identify search keywords for target for Google Advertisements.

3. Weeks 5-6

- Follow up with customer mailing list through CRM.
- Implement Google Ads.
- Continue to participate in promotional events.

4. Ongoing

- Continue to follow up with customer mailing list.
- Continue to utilize Google Ads.
- Continue to participate in promotional events.

b. Return on Investment

1. Search Engine Marketing

Budget: maximum of \$400 per month

- Google ads manages daily searches and matches your ad with qualifying searches as they come up.
- Small fee is paid for each click or call to your business, but will not go over maximum budget.
- Projects over 1000 impressions and 25-40 new clicks per month.
- These site visits will contribute to goal of generating new customers.

2. Website Optimization

Budget: \$0

- Editing and optimizing the website will make value proposition more clear and reach the target market.
- This will improve the website's conversion and contribute to goal of new quotes.

3. Promotional Events and Follow Up

Budget: \$100 per month

- Budget can be adjusted to the number of attractive events and their respective costs.
- These efforts will engage with interested customers.
- Diligent following up with these customers, optionally through a CRM, will help generate new quotes.

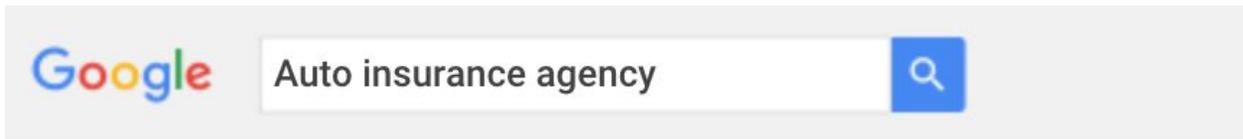
Appendix

A1

Figure 1: Social media platforms regularly used

Platform	Total	Younger Millennials 18-24	Older Millennials 25-34	Gen Xers 35-50	Baby Boomers 51-65
Facebook	91%	88%	94%	92%	91%
Instagram	38%	59%	50%	29%	17%
Pinterest	35%	42%	45%	31%	23%
Reddit	10%	16%	13%	10%	2%
Snapchat	20%	39%	26%	11%	6%
Tumblr	13%	26%	14%	8%	5%
Twitter	42%	43%	52%	43%	30%
Vine	10%	13%	16%	8%	3%
YouTube	68%	78%	72%	66%	56%

A2



Car Insurance in Northfield | Talk To Ziemann Insurance Now

Ad agents.farmers.com

Attentive customer service ensures your insurance needs are met
