JUN 28
Lauren Ashcraft

Declining insurance TV ad impressions underscore the importance of ad spend

Article

The trend: **Insurers' television ad impressions have fallen year over year,** according to Industry KPIs data from Samba TV. That's because **the four largest US property and casualty**

(P&C) insurers have continued to slash advertising spend, per S&P Global.

- **Geico** reduced advertising spend by nearly 35% in 2023, down to $838.2 million.
- **Allstate** cut ad spend by 31.3% to $651.3 million.
- **Progressive** lowered ad expenses by 29.6% to $1.22 billion—the highest remaining ad spend of these top P&C insurers.
- **State Farm's** ad spend fell by 2.1% to just under $992 million.

How we got here: This cost-cutting trend started in 2022 amid soaring underwriting costs.

- That led insurers to intensively scrutinize expenses.
- And some insurers pulled back from loss-leading markets, as State Farm did in California—meaning fewer advertising buys there as well.

What it means for insurers: There's a direct link between spend and the number of customers insurers can reach through their ads.

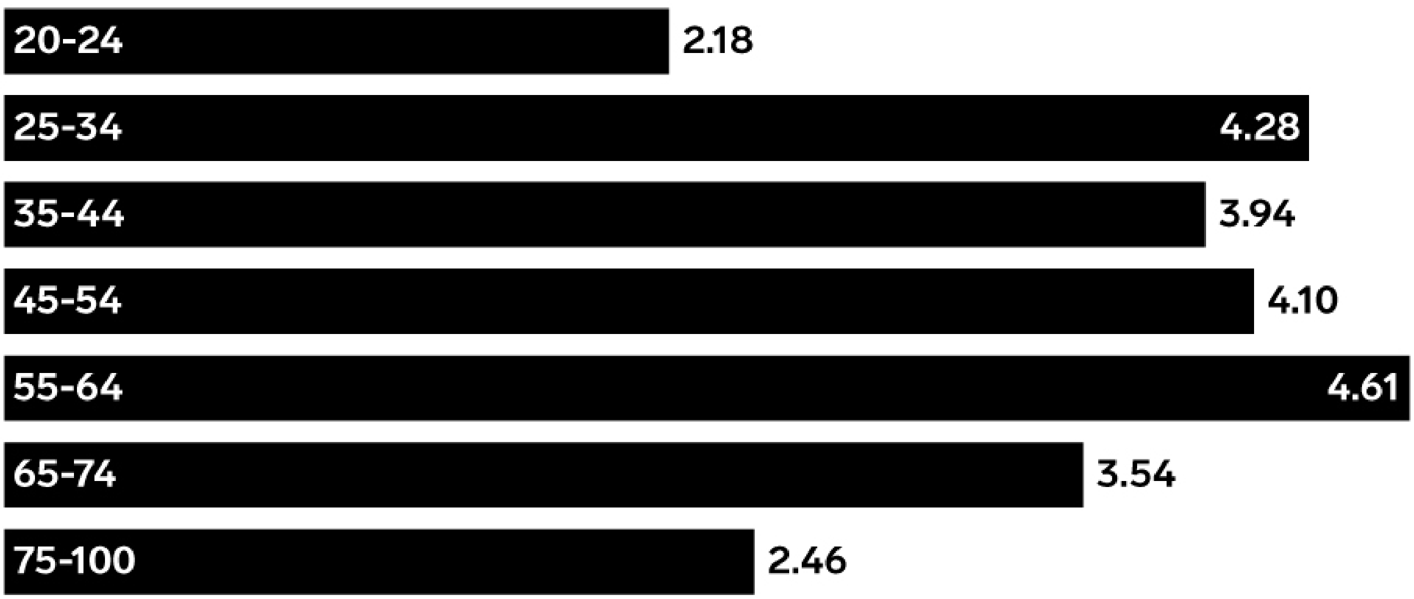
- **After making the biggest cuts within its cohort, Geico dropped to fourth place in TV ad impressions** during this time, per iSpot.tv's 2023 Insurance Brands TV Ad Transparency Report. But it also focused its remaining ad spend on sports programming, commanding 23% of insurance ad impressions on ESPN.
- By contrast, **Progressive's ad spending stayed well above its competitors', and it rose to become the most-seen insurance brand on TV** over this time—increasing its share of ad impressions to 22.36%.

Next steps: We expect insurers' advertising spend to rise throughout 2024. But on this round, we expect to see it carefully targeting the demographics insurers want to reach the most.

- For example, consumers under the age of 35 tend to spend around an hour or less watching TV every day, while those over the age of 65 spend over five hours per day. Samba TV's data affirms insurers' TV ads are more likely to reach older consumers than Gen Zers.
- By comparison, Gen Zers tend to spend about three hours per day on social media alone, while baby boomers typically spend one hour or less doing the same, per McKinsey.

Industry KPIs: US Insurance TV Ad Impressions, by Age Group, March 2024

billions



Note: total number of times a TV ad is viewed by an audience within a specified time frame
Source: Samba TV, March 31, 2024

285888

EMARKETER

Interested in seeing more finserv advertising benchmarks? Industry KPI subscribers can get right to benchmarking performance against over 400+ industry benchmarks; see more here.