

GEICO SPENDS A FORTUNE ON MARKETING



The Geico Corporation, known for being one of the top automobile insurance companies, ended up spending millions on marketing that took place in 2011. The company, known for its many advertisements on the Internet, radio broadcasts, television broadcasts and even billboards, spent a whopping total of \$993.8 million throughout the year. This is more money than any other automobile insurance company has ever paid in one year for marketing. The total amount spent during 2011 was also a 10% increase from the previous year, when the company spent \$902.7 million back in 2010. The fact that the company has spent so much money in a single year on marketing proves that there is a lot of competition going on between the different automobile insurers, as they are combating one another to become the auto insurer for the most people and to also become as well-known and liked as possible. The biggest automobile insurer in the United States, State Farm Mutual Automobile Insurance Company, took second place when it came down to how much money was spent on marketing in a single year. The company increased its marketing budget by a total of 29%. At this point, there seems to be no stopping these companies because they are competing with one another and have no plans to stop at this point. The Geico Company did not respond back and declined to comment about the figures that were recently released. However, State Farm did respond when asked about the accuracy of the figures, stating that the figures from SNL were, in fact, accurate and correct. SNL composed a list of the companies that spent the most on marketing throughout the year to determine which companies were spending more than the other. The president for the Insurance Information Institute, Robert Hartwig, stated that automobile insurance is the biggest type of insurance in the entire United States and because of that, companies that offer the insurance are spending big bucks on advertising to get people interested in going with their company instead of the other. Insurers are spending a whole lot of money on advertisements and they are also working closely to determine how effective each of their advertisements actually is. In fact, the Allstate Corporation, which took the third spot on the list of big spenders, made it known that some of its television advertisements were not raising the kind of awareness they were hoping for. Many insurers rely heavily on television advertisements but are also using Internet advertising as a way of gaining customers as well. Because Geico spent so much money during 2011, the company actually spent one dollar out of every six dollars that was being toward marketing during the year.

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