

**ATTACHMENT 7**

**MSI**  
**MARKETING**



## Mine Subsidence Insurance

### **FY 2005 Marketing Summary**

Submitted: September 30, 2005

by

**CATALYST**  
*vertising*

**DEP  
MSI Marketing  
FY 2005 Marketing Summary**

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## **I. FY 2005 Executive Summary**

The focus for the beginning of the FY 05 was on activity that was a carry over from the end of FY 2004. This included the monitoring of the producer-directed marketing, specifically a mailing and advertising campaign to recruit producers. The second generation of website enhancements was posted and the beta of the tutorial CD was also put online to allow for producer testing and feedback. Other projects, such as the producer starter kit (a package a new producer is to receive after registering online) and the redesign of a general information brochure were also addressed. This period was a mopping up mode for the most part along with more mechanical aspects of MSI marketing.

More strategically, a marketing plan for MSI FY 05 was developed in the first quarter of the year. Although not formally adopted, it did serve as a road map for the year's effort. In brief, the plan called for ratcheting up the push-pull marketing effort, having contingencies in place for event-based marketing, enhancing the content and functionality of the website and conducting outreach activities to educate both producers and consumers about MSI.

There was little marketing activity the second quarter of the year as administrative attention to MSI was the focus, culminating in the annual Board meeting December 18<sup>th</sup> where two proposed program improvements were adopted: 1) commission payments directly to agencies and 2) E-commerce.

With the occurrence of several high profile subsidence events in the third quarter, most notably the McDonald water blowout on January 25<sup>th</sup> in the West and the Luzerne County event on March 22<sup>nd</sup> in the East, there was considerable marketing conducted. Email marketing directed to registered producers with a wave of mass marketing was implemented in both cases. The email marketing was a new and innovative tactic that proved to be most productive with a direct correlation seen in the distribution and subsequent submission of applications. An online survey was also integrated into the second emailer to elicit producer opinions.

Early in the fourth quarter, a number of projects that were set aside during the event-based marketing were reactivated, including revising the info pamphlet and consumer flyer, editing the existing outreach video, trade advertising, website enhancements and a PR program. On June 6<sup>th</sup>, Catalyst Advertising was notified that due to state-wide marketing contract consolidation, its MSI marketing contract would not be renewed. As such, the focus from that date has been on completing all open projects ASAP.

## Project Activity

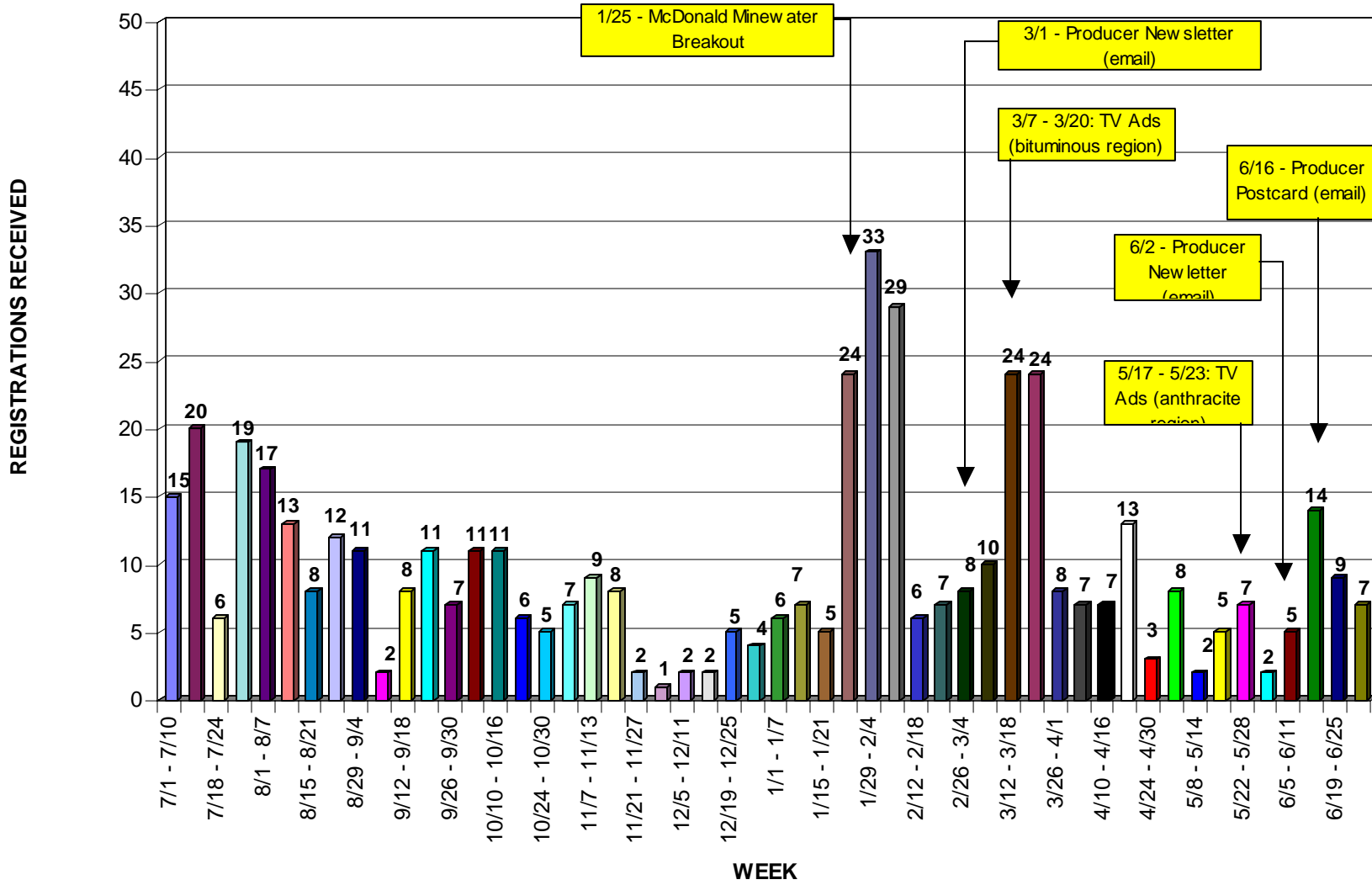
The following projects were addressed during the course of FY '05 (July 2004 – June 2005):

<u>Job #</u>	<u>Title</u>	<u>Login Date</u>	<u>Description</u>
201	Mine Subsidence Insurance	5/24/02	Program Management
303	Website Interface	1/29/03	Site Function and Design Enhancements
403	Info Pamphlet Redesign	3/19/04	Technical/Educational Flyer Redesign
404	Insurance Adv. Campaign II	4/5/04	2 <sup>nd</sup> Flight of Trade Advertising Monitored
405	Agent Recruitment Campaign	4/5/04	Postcard Mailing Management
407	Agent's Starter Kit	4/5/04	Program Reactivated
409	Tutorial CD	4/5/04	Programming and Design Enhancement
410	Outreach Study	4/5/04	PR Program Initiated
411	Agent Testimonial	4/6/04	Concept Developed
413	2005 Plan	4/22/04	Plan Drafted
501	Delmont Event	1/7/05	Producer Direct Marketing Development
502	McDonald Event	1/26/05	Media Coverage Review; Mass Marketing
503	Hill District	1/26/05	Media Coverage Review
504	Producer e-Mailer	2/7/05	Emailer Production and Distribution
505	Wilkes-Barre Event	3/23/05	Media Coverage Review: Mass Marketing
506	Survey Emailer	3/31/05	Emailer and Survey Production/Distribution
507	Revised Consumer Flyer	5/5/05	Flyer Redesign
508	Video Edit	5/6/05	Pre-Production Coordination
509	Renewal Notice Mailer	5/19/05	Marketing Direct Mail Package Development
510	Insurance Industry Adv. '05-'06	6/9/05	Media Planning
511	Survey Postcard	6/13/05	Survey Reminder Emailer Design
512	Booth Adjustments	6/29/05	Repairs and new display panels

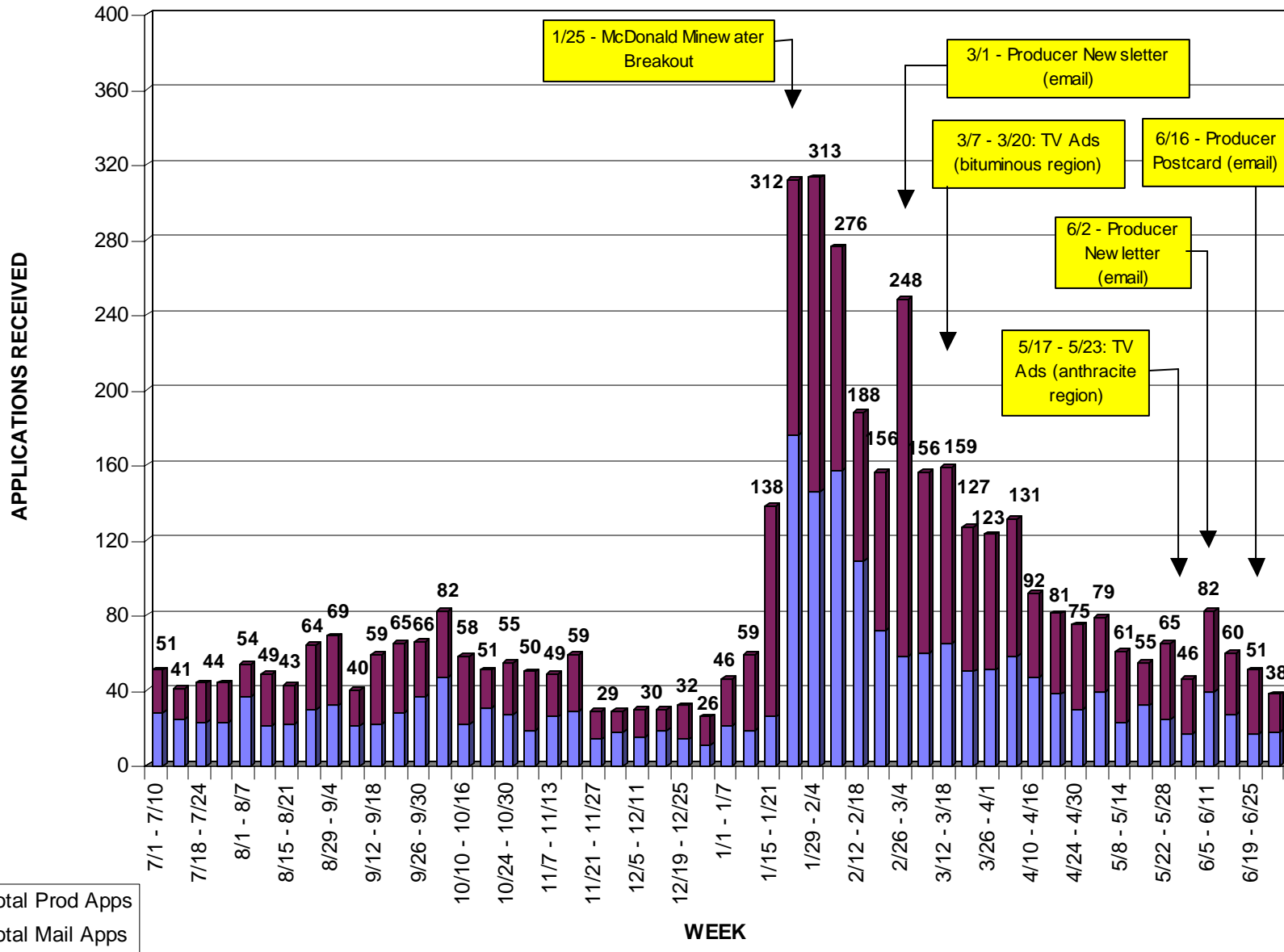
MINE SUBSIDENCE INSURANCE  
MARKETING FUNDS REPORT  
MARKETING CAMPAIGN  
CONTRACT NO. SP3520022940  
JULY 1, 2004 THROUGH JUNE 30, 2005  
**WORK PLAN REVISED MAY 1, 2005**

	MASS MEDIA PRODUCTION	PUBLIC OUTREACH & EDUCATION PRODUCTION	PUBLIC RELATIONS	RESEARCH, STRATEGY & REPORTING	MASS MEDIA PLACEMENT	TOTAL
<b>BUDGET</b>	\$49,000.00	\$1,000.00	\$40,000.00	\$24,000.00	\$86,000.00	\$200,000.00
<b>INVOICES</b>						
Jul-04	\$7,064.91	\$56.73	\$0.00	\$4,254.38	\$340.35	\$11,716.37
Aug-04	\$6,605.33	\$0.00	\$0.00	\$1,758.48	\$0.00	\$8,363.81
Sep-04	\$255.27	\$0.00	\$0.00	\$1,247.95	\$0.00	\$1,503.22
Oct-04	\$16.49	\$0.00	\$0.00	\$850.00	\$0.00	\$866.49
Nov-04	\$0.00	\$0.00	\$0.00	\$567.26	\$0.00	\$567.26
Dec-04	\$1,802.61	\$0.00	\$0.00	\$1,588.30	\$0.00	\$3,390.91
Jan-05	\$397.08	\$0.00	\$1,679.70	\$453.80	\$1,159.72	\$3,690.30
Feb-05	\$3,308.98	\$113.45	\$56.73	\$1,701.75	\$577.97	\$5,758.88
Mar-05	\$2,653.48	\$0.00	\$0.00	\$794.15	\$59,336.70	\$62,784.33
Apr-05	\$4,768.09	\$283.63	\$680.70	\$765.79	\$2,814.21	\$9,312.42
May-05	\$6,047.54	\$0.00	\$1,925.50	\$1,389.76	\$397.08	\$9,759.88
Jun-05	\$15,348.27	\$0.00	\$9,388.06	\$7,629.51	\$12,596.56	\$44,962.40
<b>TOTAL INVOICED</b>	\$48,268.05	\$453.81	\$13,730.69	\$23,001.13	\$77,222.59	\$162,676.27
<b>BALANCE</b>	\$731.95	\$546.19	\$26,269.31	\$998.87	\$8,777.41	\$37,323.73

### FY 2004 - 2005: TOTAL PRODUCER REGISTRATIONS



### FY 2004 - 2005: TOTAL APPLICATIONS







MEMORANDUM

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TO: Susan Woods, DEP; Joe Taranto, MSI  
FROM: Sue Laks  
RE: Mine Subsidence Insurance 2005-2006 Media  
Recommendation  
CC: Lyn Strickler  
DATE: November 10, 2005

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Below please find the 2005-2006 media recommendation for Mine Subsidence Insurance.

The plan is based on the following parameters:

**MEDIA OBJECTIVE:**

- Create awareness of Mine Subsidence Insurance among key target audiences

**TARGET AUDIENCE:**

- Homeowners age 25-54 (Event Driven & Sustaining Efforts)
- Insurance Agents within State of Pennsylvania

**TIMING:**

- November 2005 – June 2006

**GEOGRAPHY:**

- Consumer Efforts: Pittsburgh & Wilkes-Barre/Scranton DMAs
- Business to Business: State of Pennsylvania

**CREATIVE UNIT LENGTHS:**

- Consumer Event Driven:
  - TV - :30
  - Newspaper – 2 Columns (3.75"w) x 10.5"d
- Consumer Sustaining:
  - *Pittsburgh Magazine* – (2/3 Page, 4 Color) 4 ¾"w x 9 5/8"d
  - (*Pittsburgh Magazine*) TV - :30 Spot



- (*Pittsburgh Magazine*) Web Link – Size TBD
- *Happenings Magazine* – (Full Page, 4 Color) 5.5" w x 8.75" d. Publication did not offer a 2/3 page unit.
- Business to Business:
  - 2/3 Page, 4 Color (4 5/8" w x 9.25" d and 4 5/8" w x 10" d)

**TOTAL BUDGET:** \$150,000  
 (Covers media, commission, misc expenses)

**MEDIA RECOMMENDATION:**

**EVENT DRIVEN**

**Television –**

- Run 75 TRPs (Adults 25-54) per week for 1, consecutive four-week campaign, per market, in Pittsburgh & Wilkes-Barre/Scranton
  - Pittsburgh – Tentative run date is 11/14 for 4 weeks
  - Wilkes-Barre/Scranton – Run date determined by next event
- Use some combination of Early Morning News, Noon News, Early (Evening) News and Late (Evening) News across the major network affiliates in both markets.

**Total Net Cost of TV:** **\$62,435**

**Newspaper –**

- Run 1x per week for four consecutive weeks using 2C x 10.5", black & white ads in the two major papers in Pittsburgh & Wilkes-Barre/Scranton MSAs:
  - *Pittsburgh Post-Gazette* (24.6% Dly / 41.3% Sun)
  - (Greensburg) *Tribune-Review* (6.0% Dly / 10.8% Sun)
  - *Scranton Times Tribune* (23.3% Dly / 26.6% Sun)
  - *Wilkes-Barre Times Leader* (18.4% Dly / 25.4% Sun)
- Run in Main News, switching the day of week the ad runs each week, e.g. run on Monday week one, Tuesday week two, Wednesday week three and Thursday week four. This will maximize coverage against daily readers, as running on Sundays for four weeks would be cost prohibitive.

**Total Net Cost of Newspaper:** **\$37,846**

**CONSUMER SUSTAINING**



Harmelin Media

525 Righters Ferry Road, Bala Cynwyd, PA 19004  
 610-668-7900 – fax 610-668-1274  
 harmelin@harmelin.com • www.harmelin.com

Use media that allows for effective frequency across the January – June timeframe and that targets home owners in Pittsburgh & Wilkes-Barre/Scranton. After looking at all options, we believe that the use of Lifestyle Magazines will most effectively meet our goals. The recommended publications are as follows:

- ***Pittsburgh Magazine; Pittsburgh Magazine's Home & Garden Magazine (added value); :30 TV spots on WQEX-TV/Ch 16 (added value) & Web Link on WQED.org –***
  - ***Pittsburgh Magazine*** is the community publication for Pittsburgh and the Western Pennsylvania region. The magazine presents a mosaic of Pittsburgh and Western Pennsylvania lifestyles. It presents issues, analyzes problems, gives exposure to artists and writers, and in general strives to encourage a better understanding of the community.
    - Circulation of 50,000 per month
    - Run 5x (February – June 2006)
  - ***Home & Garden Magazine*** (published in March & September each year) – Will be poly bagged with the March issue of *Pittsburgh Magazine* with over 35,000 additional copies being distributed at the March 2006 Home & Garden Show.
    - Run 1x in March 2006 issue
  - **WQEX-TV** Channel 16 *America's Store 16* – a shopping network
    - Run 400, :30 spots between January – June (as added value)
  - **WQED.org** – The website for WQED-TV, channel-13 (PBS Television)
    - Run on site January – June (as added value)
- ***Happenings Magazine*** –
  - Distributed in the Wilkes-Barre/Scranton markets and beyond, specifically in the following counties: Bradford, Carbon, Lackawanna, Luzerne, Monroe, Pike, Sullivan, Susquehanna, Wayne & Wyoming.
  - 30,000 (free) copies distributed per month to over 800 locations throughout NE PA in high traffic areas such as Libraries, Fine Restaurants, Country Inns, Visitors Centers, Schools, Banks, Country Clubs, Chambers of Commerce, Hotels, Shopping Malls and Airports.
    - Run 6x (January-June 2006)

**Total Net Cost of Consumer Magazines:**

**\$25,370**

### **BUSINESS TO BUSINESS**



Harmelin Media

525 Righters Ferry Road, Bala Cynwyd, PA 19004  
610-668-7900 – fax 610-668-1274  
harmelin@harmelin.com • www.harmelin.com

Use a combination of one local publication, and the two most credible national publications (with regional editions) to target this audience and establish effective frequency. As there is a lot of duplicate readership between the insurance publications, run insertions in a staggered pattern, to achieve maximum reach and frequency throughout key time frame.

- **Primary Agent** – Targets insurance agents throughout Pennsylvania and is the official publication of the Insurance Agents & Brokers Service Group. It provides coverage of independent insurance agents in Pennsylvania, Delaware and Maryland and covers topics of interest to this audience.
  - Monthly circulation of 2,000
  - Run 6x (January – June 2006)
- **American Agent & Broker** - Designed to help independent property/casualty insurance agents and brokers improve the operation of their businesses. It presents information on insurance sales, agency management, automation and technology, specialty insurance products, program business, risk management, and issues affecting the business.
  - Monthly regional circulation of 1,811 in state of PA
  - Run 3x (January, March and May 2006)
- **Rough Notes** - Edited for property/casualty insurance agents and brokers. It covers agency management, new products, and insurance markets, and presents articles on industry trends, marketing techniques, success stories, technology, legislative issues, insurance coverage concerns, risk management, specialty lines, policy and rate changes, international developments, and meeting and conference reports.
  - Monthly regional circulation of 1,700 in state of PA
  - Run 3x (February, April and June 2006)

**Total Net Cost of BtoB Magazines: \$17,820**

TOTAL NET MEDIA:	\$143,471
TOTAL COMMISSION TO HARMELIN (3.75% of Net Budget):	\$ 5,625
<b>GRAND TOTAL:</b>	<b>\$149,096</b>

**NEXT STEPS: DEP to forward approved/signed PO to Harmelin & Harmelin will place buy.**



Harmelin Media

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MINE SUBSIDENCE INSURANCE  
MARKETING FUNDS REPORT  
MARKETING CAMPAIGN  
CONTRACT NO. SP3520022940  
JULY 1, 2005 THROUGH JUNE 30, 2006  
**WORK PLAN REVISED AUGUST 31, 2005**

	MASS MEDIA PRODUCTION	PUBLIC OUTREACH & EDUCATION PRODUCTION	PUBLIC RELATIONS	RESEARCH, STRATEGY & REPORTING	MASS MEDIA PLACEMENT	TOTAL
<b>BUDGET</b>	\$35,000.00	\$30,000.00	\$5,000.00	\$15,000.00	\$115,000.00	\$200,000.00
<b>INVOICES</b>						
Jul-05	\$1,459.24	\$0.00	\$187.62	\$4,283.99	\$0.00	\$5,930.85
Aug-05	\$17,069.53	\$10,850.42	\$2,185.38	\$2,501.60	\$62.54	\$32,669.47
Sep-05	\$16,253.01	\$10,795.51	\$1,374.19	\$2,970.65	\$0.00	\$31,393.36
Oct-05						\$0.00
Nov-05						\$0.00
Dec-05						\$0.00
Jan-06						\$0.00
Feb-06						\$0.00
Mar-06						\$0.00
Apr-06						\$0.00
May-06						\$0.00
Jun-06						\$0.00
<b>TOTAL INVOICED</b>	\$34,781.78	\$21,645.93	\$3,747.19	\$9,756.24	\$62.54	\$69,993.68
<b>BALANCE</b>	\$218.22	\$8,354.07	\$1,252.81	\$5,243.76	\$114,937.46	\$130,006.32

**PROPOSAL TO INCREASE THE AUTHORIZATION TO  
REIMBURSE DEP FOR MSI MARKETING  
FY 2005-06**

About 1/3 of the FY 2005-06 marketing budget (\$70,000 of \$200,000) was used to revamp the marketing materials. This was done with the encouragement of DEP's Office of Policy because a new marketing consultant was being hired and the old marketing consultant who had initially created the materials could do the needed revisions more economically. The revisions were completed in September, just at the time when a number of major subsidence events occurred that were well publicized by the news media. As a result of those events, major media campaigns that will include mass marketing are being planned. The costs of those campaigns and of other media purchases that are contemplated are expected to significantly exceed the remaining marketing budget for FY 2005-06. As a result, the MSI Program Managers suggest the Board approve up to \$100,000 in additional marketing funds for FY 2005-06. Although the proposed level of spending for marketing during FY 2006-07 is \$200,000, MSI management may request additional spending at the annual Board meeting in December of 2006 if warranted by the success of the marketing efforts.