

# No Gimmicks. No Mascots. No Problem.

## A Jersey Institution Plays It Straight Amid the Noise

By George E. Jordan - The Star Ledger  
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Insurance companies spend billions of dollars a year to capture the attention of Americans with witty jingles, animated mascots and slogans that stick in our brains, whether we like it or not.

The big insurers — GEICO, Progressive, Allstate, Liberty Mutual and Aflac, to name a few — won't admit it, but branding has become more important than the actual products they sell. It drives market share to keep a company's name top of mind.

Then there's the [NJM Insurance Group](#), the iconic 108-year-old insurance company whose branding seems frozen in time. No mascot. No catchy slogans. No smart phone application. Very little television advertising. Its low-profile approach bets that promoting customer service builds brand recognition.

Still, the national advertising onslaught and flood of competitors lining up to sell policies in New Jersey has pressured NJM and other once dominant regional insurers around the country to dip a toe in the mass marketing waters. For NJM, that meant launching its first coordinated campaign and altering key elements of its business strategy to promote growth, profitability and customer retention.

The timing was closely aligned with its expansion into three other states and ditching its century old name, New Jersey Manufacturers.

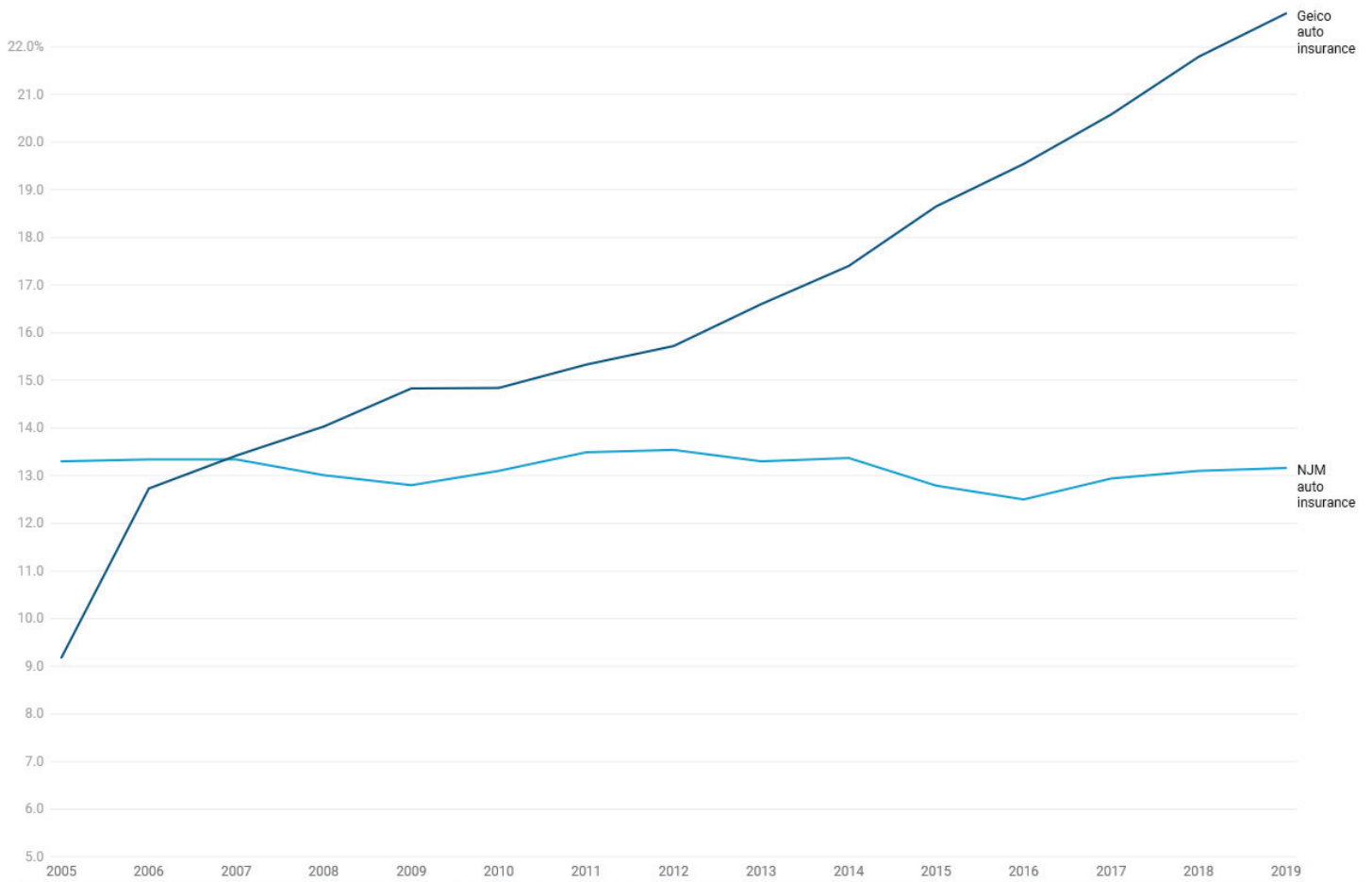
"The competition has been intense. We have held our own," said Michael J. Van Wagner, NJM's Vice President of Public Affairs, pointing to the company's high customer satisfaction ratings and low consumer complaints. "That means we're doing what we said we're supposed to be doing. The advertising that you're seeing goes to the value proposition."

NJM is the state's No. 2 automobile and No. 2 home insurer based on the number of premiums, according to data from the [National Association of Insurance Commissioners](#). NJM's share of the lucrative automobile insurance market has hovered around 13% since 2003, when then-Gov. James E. McGreevey signed insurance reform legislation.

Reform was aimed at expanding choice by encouraging national insurers to do business in the state and put a dent in our sky-high premiums. At the time, State Farm and AIG Companies were threatening to leave the state. Since then, GEICO has used its advertising muscle to bludgeon competitors and steadily gain market share. Today, GEICO writes 23% of the car insurance policies in New Jersey.

## The Geico effect

Geico has grown its businesses — in auto and all policies — every single year after the industry was opened up by former Gov. James E. McGreevey. NJM has held flat over the same period.



(Can't see this chart? [Click here.](#))

NJM, which is based in Mercer County and has 2,500 employees, was the state's iconic automobile insurer for decades and built its business as a restrictive underwriter. Instead of selling to the public, NJM cut deals with industrial plants, corporations and trade groups that made employees eligible for NJM automobile, boat, homeowners and worker's compensation insurance. The workers, in turn, spread NJM's reputation for low prices, snappy customer service and rebate checks.

"Over that 100 years, so much of our growth, in fact most of it, was a function of word of mouth," Van Wagner said. "The marketing wasn't really necessary because the word of mouth worked."

In 2018, NJM reversed course. It dropped all restrictions on who could carry its insurance, offered its products to the public and became NJM. It expanded across state lines into Pennsylvania, Connecticut and Ohio.

Oxford Communications, a Lambertville-based marketing company, was hired to launch NJM's first-ever 2018 promotional blitz. It focused on billboards, sports team sponsorships, cable news commercials, direct mail and online advertising. It wasn't flashy.

"We knew that NJM traded on its authenticity and home-grown connection to New Jersey drivers," Oxford said in a case study on its website. "It had no reason to join the fray of mascots and absurd advertising in the marketplace, and in fact, it would degrade the brand to do so."

Rutgers University Professor Marc Kalan, who teaches marketing, said that conservative approach was overwhelmed by the ubiquitous advertising and extremely sophisticated digital marketing national companies wield to target young drivers.

“NJM did not keep up with the competition,” he said. “I suspect NJM is one of those companies that was not looking ahead, but was rather looking at operational improvements rather than marketing more effectively to the emerging market of new drivers.”

Where does NJM go from here as Flo from Progressive, the GEICO gecko and Liberty's emu pepper us with a barrage of ads on our TVs, phones and radios?

NJM will continue to point to what it does well. The company is ranked first in the nation by J.D. Power for the auto Insurance claims experience and consistently scores high customer satisfaction marks with other rating services and the Better Business Bureau.

Van Wagner says NJM is “doing what it has always done.”

“Focus on its policy holders and the rest will follow,” he said. “We’re doing okay. We’re doing just fine.”

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