



Consent

Agenda Item 4e

December 15, 2015

ITEM NAME: Long-Term Care Program Awareness Marketing Campaign Cost Evaluation

PROGRAM: Health Benefits, Long-Term Care

ITEM TYPE: Information Consent

EXECUTIVE SUMMARY

The Long-Term Care (LTC) Program conducted a two-month pilot integrated marketing and awareness campaign that began in July 2015 in Northern California with the intent to increase awareness of the California Public Employees' Retirement System (CalPERS) LTC Program and encourage eligible potential participants to visit the CalPERS LTC website for additional information and apply for coverage. An additional goal was to increase the awareness of the LTC Program to attendees of the Sacramento CalPERS Benefit Education Event in September 2015.

STRATEGIC PLAN

This item supports the Strategic Plan Goal A: Improve long-term pension and health benefit sustainability.

BACKGROUND

The CalPERS LTC Program has provided long-term care services to its participants for 20 years. In October 2015, staff reported highlights of the LTC Program's Semi-Annual Update to the Pension & Health Benefits Committee (PHBC). These highlights included an update on LTC integrated marketing and awareness campaign. At that time, the PHBC requested an update on the costs and effectiveness of the campaign.

From July 27 through September 20, 2015, CalPERS launched a campaign targeting five counties in the Sacramento region to increase awareness of CalPERS LTC Program among its members and the general public, and to encourage eligible potential participants to visit the CalPERS LTC website for additional information and apply for coverage. All message and creative development for the campaign was done in-house by CalPERS Public Affairs staff. A contractor was engaged to recommend venues for ad placement and to make the media buys on behalf of CalPERS.

The campaign included website banner ads, radio, billboard, and newspaper ads. Online advertising included web banners and a vanity URL, or website address,

WhyLongTermCare.org, which allowed CalPERS to identify the advertising source that led the user to the website.

Staff and the contractor monitored the performance of the Campaign through website activity to determine campaign effectiveness.

ANALYSIS

The campaign was designed to make more than 59 million impressions over its duration with an average Cost-Per-Thousand (CPM) of \$3.80. Impressions are the sum of all exposures to an awareness message in a given media schedule. The actual number of impressions achieved for the campaign was more than 65.5 million with a \$3.44 CPM. This represents a 10 percent increase in impressions.

The overall campaign reached an estimated 97 percent of adults aged 18+ in the Sacramento region, which equates to approximately 1.722 million.

Just prior to the launch of the campaign, calls to the LTC call center were slightly over 100 per week. During the first week of advertising, call volume increased by 50 percent and maintained this level of response through the end of the campaign. Since the advertising impressions were fairly consistent for all eight weeks with the exception of newspaper advertising rotating among weeks, this consistent level of response matches the consistent delivery of campaign messaging. Website traffic dipped slightly during the first week of the campaign but rebounded during the second week and maintained a steady level of visitors for the duration of the campaign. The website averaged more than 2,100 views per week during the 10 weeks of the campaign, compared to just over 1,600 views per week from the first week of January through the week before the campaign began.

During the 10 weeks of the campaign, CalPERS received 164 applications. From the beginning of the campaign to date, CalPERS has received 272 applications. While the increase in applications may not seem significant, industry standards show that when creating awareness about a topic people need to be told a number of times before taking action, and additional marketing efforts may make the public even more aware of the benefits of CalPERS LTC coverage.

The total cost of the advertising campaign was \$226,128. The CPM from the campaign demonstrates the high cost-effectiveness of the media in comparison to industry standards as follows:

- CalPERS Long-Term Care CPM \$3.44
- Radio CPM averages \$9.00
- Electronic Billboards CPM averages \$8.00
- Outdoor Billboard CPM averages \$4.00
- Online banner CPM averages \$5.00

(*CPM- Cost Per Thousand)

The overall \$3.44 CPM makes this pilot campaign highly cost effective.

BUDGET AND FISCAL IMPACTS

One-time funding for the marketing campaign was included in the LTC Program budget for Fiscal Year 2015-2016 in the amount of \$613,240.

BENEFITS/RISKS

The LTC Program continues to improve financially and administratively. The LTC integrated awareness campaign and direct outreach efforts by staff generated increased interest in the LTC4 product, as evidenced by the results of the campaign.

ATTACHMENTS

Attachment 1 – Samples of Awareness Marketing Campaign Ads

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