

# GEICO Episode Transcript

**MAF:** [00:00:00] Welcome back to Behavioral Science for Brands, a podcast where we connect academic insights and practical marketing to help build your business and improve your brand. Every other week, Richard and I sit down and we look at some of the country's best businesses to explore the behavioral science that powers them.

I'm Michael Aaron Flicker.

**RS:** And I'm Richard Shotton.

**MAF:** And today we're going deep on Geico. One of America's largest auto insurance companies, uh, originally named the Government Employees insurance company. Geico is now a household name. Let's get into it. Richard, in America, I. The right of passage of getting your first car, getting your license, having the freedom to drive is like a defining moment.

But what many young teens do not appreciate is with great freedom that you, uh, the car comes great responsibility choosing auto insurance and great cost [00:01:00] and great and, and, and could be, uh. More expensive than your auto payment, depending on the type of car and type of insurance. Is it the same way in the United Kingdom, or is choosing auto insurance getting your first car not seen as as much of a, uh, life milestone?

**RS:** I think getting your first car is a. Big life milestone. Uh, you can drive from 17. Yeah. So it's one of the first kinda properly adult things you can do.

**MAF:** Yeah, yeah. And so for us, looking at, Geico has got some amazing behavioral science behind the brand that they've built, but it's also something that touches all the, uh, all, uh, all people in that they have to make this decision and what could seem like a very complex.

How, what type of coverage do I need? I, you know, how do I go through this? So building a brand that's welcoming and inviting, it really helps, uh, helps it be successful. So let's go back in time and learn a little bit about Geico. Originally found it in [00:02:00] 1936. As we said, it's an acronym for the Government Employees Insurance company, but they had a senior director of creative and brand named Gary Orland who said that name.

Not so easy to remember. Not so easy to say. Doesn't really roll off the tongue. What if we shortened it? So they shortened it to Geico and the creative campaign that they launched in the late nineties would come to define the brand. Obviously the Geico gecko, and a lot of the things they do with the Gecko is really based on some pretty critical, uh, behavioral science techniques.

Um, but just to give everybody a scale of the business, um, pre-tax profit was 3.6 billion in 2023. They're the third largest auto insurer today with 13.8 market share. And, uh, they spent over 800 million a year on advertising. So this is big business. But it's [00:03:00] also a big advertising. And so when you think about how they have created Geico, it really comes down to, um, building a brand that can create distinctiveness in buyers' minds.

And of course, using their old name, the, I gotta even look at it to say the government employees insurance company. Very hard to remember, very hard to distinguish, but they debut the Gecko in 1999. And what we are going to learn about in today's episode is this concept of affluent device system one, a research agency out of, uh, the United Kingdom has written a very interesting and co and deep paper on this.

We're gonna talk about some of the highlights, but creating a fluent device like the Gecko helps shortcut in people's mind. Who the brand is and how to remember them. Uh, I'm gonna go through some of the stats and then I'll ask you as we get into the episode to talk a little bit about the creative. But when they start the Gecko [00:04:00] in 1999, their market share is 4.1% by 2006, where they have been using the Gecko over and over again.

They grow to double to 8.1% and they continue sticking with this through 2012 where their market, uh, share rises to almost 10%. Uh, between 2008 and 2014, they wrote 75% more premium. So the point we're drawing here, and maybe we'll find a chart to show it. Really, they're on a much, uh, very big upward trajectory.

And by 2023, their market share continues to rise to now be 13.8% of the entire market. And the gecko is credited with helping create distinctiveness in people's minds and really remember the brand. So Richard, in today's episode, we're gonna focus on two different things. One, how Geico has used the Gecko as a fluent device will deconstruct what a [00:05:00] fluent device is and why it's so effective for use by brands.

And two, we're gonna talk about how committing to a campaign over a long period of time can really create, um, meaningful impact. For the brand and in

the, uh, awareness of, of consumers. Uh, so let's get into it. Let's start with, uh, Geico Gecko. What was the campaign they launched with and what does it mean to be a fluent device?

**RS:** So. The campaign they launched with was originally a one-off and it essentially, it was a talking gecko that was complaining that people were confusing Geico and a gecko, and he was getting loads of phone calls, uh, for people who wanted cheap car insurance. They should be calling Geico. So it starts just as a one-off spot.

Amusing. It's funny. At the agency behind it, see that it's catching people's attention and, uh, getting a bit of buzz [00:06:00] so it turns into this longer running campaign over time. The bit that I think is really interesting from a behavioral science perspective is the use of the gecko, because that's what would be defined as a a fluent device.

So the term fluent device comes from a research agency called System One and a particular, a research down there called Orlando Wood, and he defines a fluent device as a fictional character used by a brand repeatedly where that character is central. It's the drama of the ad and Orlando Wood has looked at the IPA data bank.

So this is a data bank of successful campaigns and seen that long-term campaigns, uh, all the way back to 1998 are much more likely to use a fluent device than unsuccessful campaigns. That's backed up I think by some behavioral science research [00:07:00] because a big theme of behavioral science is that people are very bad at remembering abstract ideas.

They're very good at remembering concrete things. So the original work comes from Ian Beg, the University of Western Ontario back in 1972, and he showed that people were four times. Better at remembering concrete things rather than abstract ideals that study's 52 years old. But Mike Rahan and I reran a beg study a couple of years ago, got 425 people, and we showed them a long list of phrases.

So half of the phrases were abstract. These were intangibles like innovative quality. Half of the phrases were concrete visualiz, things like skinny jeans or cashew nut. We got people to read through these lists and then five minutes later we asked them what they could remember and we found that people could [00:08:00] only remember, not 0.7% of the abstractions.

**MAF:** 0.7%. Point seven. Oh 0.7. Yeah. 700,000,

**RS:** but 6.7% of the, or 6.5% of the concrete. Uh, terms. So there was this nine and a half fold difference in memory between the concrete and the abstract. Now be's explanation for this 'cause we essentially found what he did. But in even bigger swing be's explanation is vision's the most powerful of our senses.

So if you use language like a skinny jeans or cashew, I can see it in my head. Yes, you. Almost without thinking about it, a mental image will pop up. Correct. Because you can picture it in your mind. It's sticky, it's memorable. But if I say something like basic fact or innovative quality,

**MAF:** I spell it in my head maybe, but yeah.

Or nothing. I can't say

**RS:** anything. Yeah, you can't say anything. You can understand what I'm saying, but five minutes later, virtually no one will remember what you're saying. So the argument here [00:09:00] is if you are. Embed your message in people's heads. You've got to use something that is visualized and concrete.

You've gotta move away from the realm of abstractions. And I think the gecko does that absolutely brilliantly because what most insurance brands do is talk about value, um, quality trustworthiness. They talk about abstract ideals, but people struggle to remember them. What people can remember. A talking gecko with a British accent that embodies those ideals.

So I might not remember value for money, but I can certainly remember a talking gecko. It's visualiz, it's concrete. It will stick in my mind. And I think that's the reason why the gecko so. Effective and why fluent devices in general are so effective.

**MAF:** We will put in the show notes, the full study from system one that's publicly available, but two of the big data points from this, [00:10:00] which you alluded to was that since 1998.

Campaigns using fluent devices were 38% more likely to significantly increase their market share than those that didn't. And that using a fluent device was worth an additional eight points of share of voice in the us. And I say worth about 12 points of share of voice in the uk. Meaning by just using it consistently, it will give you that much more share of voice than not having any, any concrete image alone.

**RS:** Yeah, and I think you said at the beginning, the. Geico was spending, was it 800 million on exercise year? Yes. Correct. When you start talking about an eight percentage gain on that sum, it's phenomenally valuable. Yes. But fascinatingly, one other fact they have in that report is, and I've just got the British data Springs to mind.

Is how rare it is now that brands use fluent devices. Yeah, so if you go back to the 1990s, [00:11:00] 41%, I think it's a TV ad rather than all ads, but TV ads had a fluent device. In Britain, it's 7%. Now there's a. Long-term move away. Yeah. From using brand mascots and brand characters, despite there being powerful academic evidence, this whole principle of concreteness and powerful advertising specific evidence such as the fluent device work from System one that show these, uh, tactics are really, really effective.

**MAF:** I'm gonna name some American fluent devices and let's have our listeners say. To themselves. Oh, I can see that fluid device. Oh, I know what brand it is. Tony the Tiger, snap, crackle, pop. Pillsbury Doughboy, Ronald McDonald. I mean if you think about it, you can see them in your brain and you know the brand, Tony the Tiger is Frosted Flakes, snap, crackle, pop is Rice Krispies.

So, you know, it really creates a strong mental bond between the [00:12:00] character and the brand they represent. Yeah.

**RS:** And that mental bond that, that, that memory. Shouldn't be taken for granted. You know, remember the study Mike Han and I did, we were paying people to pay attention. We told them, listen, you know, or read carefully and try and remember as many of these things as you can.

Five minutes later, or was it the average? You know, people remember one in 30 of the phrases that they were shown. It's phenomenally difficult to embed a concept or an idea or, or, or any message in people's minds phenomenally difficult. Yet this tactic we showed. Increase the probability of, of people remembering something by nine and a half fold.

So it is a simple tactic that can radically change whether someone remembers your message or not.

**MAF:** Yeah. And we're talking about memorability increase share of voice on the. On the end result of using [00:13:00] them. System one also has quite a bit of eye tracking results of the first time you show a fluent device.

We did an episode previously on, uh, Kraft Macaroni and Cheese and the Paradol Effect, and just even seeing the shape of a face. In, in a, the shortest span of time, you bring your attention to it. Using a fluent device immediately shows an eye tracking that you're drawing people's attention to what this caricature is doing on screen.

So it gives a cereal brand, a food brand, something that might otherwise not have. A protagonist for their ads naturally, something to be the voice and be the brand's embodiment in advertising, it makes a big difference. Hmm,

**RS:** absolutely. Absolutely.

**MAF:** Okay, so let's go to break, and when we come back, we'll talk about sticking with a campaign over a long period of time and how that can have a [00:14:00] massive benefit to your brand and your business.

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**MAF:** Welcome back to Behavioral Science for Brands, a podcast where we connect academic insights with practical marketing to improve your brand and your business. Today we're talking deeply about Geico and the Geico Gecko.

And you know, when we were on break, Richard, you and I were talking about, um, Geico not being the only brand that has launched, uh, with a fluent device that's seen a lot of success [00:15:00] in fact. There's someone who's used a very similar playbook here in the uk.

**RS:** Yes. So the insurance market has undergone radical change in the uk.

It used to be that you went to an individual brand. Then Turner, the millennium, around that time comparison sites became massive. And there were 2007, 2008, four big comparison sites. The fourth largest was compare the market,

**MAF:** the The lowest down.

**RS:** Yes. Sorry, lowest down. Yeah. Um. And what they did, like all the others would say, use our site.

It'll take you no time at all, and you could save hundreds of pounds. So in what was pretty much the last roll of the dice, compare the market. Learn from Geico Gecko. They created a character called Alexander the Meercat, and the first ever ad this is about 2009, is Alexander the Meercat complaining that his website compare.

The meercat is being overrun by people looking for cheap car [00:16:00] insurance. And those full should be going to the real website. Compare the market.

**MAF:** So this time, not a British gecko, but a Russian me cat. Russian me cat. And not telephone calls, but now website. Is it? Sorry. Yes, go ahead.

**RS:** But they've, they've taken, yes, it's a toy animal with a foreign accent selling car insurance.

They've taken an amazing idea from America, repeated it very closely in Britain, and that's not to disparaging. This is one of the most successful ads of the last 15 years. Compare the market went from fourth. To number one by quite a long way in the market. It's a phenomenally successful series of ads.

And yes, I think they borrowed very strongly from Geico Gecko, the brilliance of the creative agency VCCP was they managed to make that talking meca. Um, a, a very interesting, funny, amusing character that people wanted to, to pay attention to, right? I think [00:17:00] their brilliance was in the execution. They took a well-known, uh, idea that had worked elsewhere and executed it absolutely amazingly.

I mean, this

**MAF:** is the point that strategy only gets you so far. You have a playbook that, you know, worked in America. You could take that playbook, copy and paste it here in the United Kingdom. And it may not work. So the execution, the creative implementation matters a whole heck of

**RS:** a lot. Yeah. The, the, the casting, the voice, the, the, the script, the sidekick, he had all these elements created the success of, of compare the market.



But maybe there's something here of. We are so fixated as an industry on new and innovative. Maybe we should spend more time looking at who else around the world has faced similar problems to us taking those ideas. More, uh, regularly and then try putting all that focus onto making sure the execution is as powerful as possible.

**MAF:** And of [00:18:00] course, that's our message to our listeners kind of more broadly to use information that has proven to work and use it in your businesses and your brands. Yeah. For us, we're talking about behavioral science insights. In this episode we're talking specifically about how Geico and compare the market were successful and,

**RS:** and maybe what's useful about the behavioral science part.

Is if you just look at Geico, yes, they've been phenomenally successful, but how do you know which element to steal? Mm-hmm. The great thing about the case study of Geico plus the behavioral science experiments is the behavioral science experiments identify the element the. He's most likely to driven that success and that's the element that you should steal.

Well said, well

**MAF:** said. So one part of this was that they used a similar strategy in playbook and then did the creative in uniquely different ways. Another piece that we wanted to feature in the second half of the podcast is how long they've stayed. This [00:19:00] is a campaign, but in the truest definition of word that it's a the same protagonist over many spots.

In an arc, but the distinctive assets remain the same. And the messaging is, is O over the long term.

**RS:** Yeah. And that's true for both. Compare the market and Geico. So Geico I think is 25 years now. Yeah. Compare the market's probably 15 years. And that consistency is important. So one of the classic studies from psychology is the mere exposure effect.

Uh, Robert Zion, 1968, university of Michigan. Recruits a group of American students and shows them either Turkish words and none of them speak Turkish Chinese characters. I mean, they're like the written symbols or pictures of faces.

**MAF:** Mm-hmm.



**RS:** And the participants, let's talk about the, the, the kind of Chinese character version.

They have a. [00:20:00] A book of these characters they flick through. They're given a few minutes to look, and sometimes that character is shown once, sometimes twice, sometimes five times. I think up to 25 times after people have looked through these books of characters, they are then asked to speculate about what they think that character represents.

So they know it's a Chinese word, but what word does it represent? And what Zion finds is that the more people have been shown the character, the more likely they are to think it's a positive word. So he calls this the mere exposure effect. Mere exposure, as in there's no information I. Given the difference in rating of the character is driven by frequency.

Yes. And he argues probably from an evolutionary perspective, that familiarity breeds contentment rather than contempt. If you've seen something repeatedly, you tend to feel a warmth towards it. Now he does that three times, does it with the Chinese [00:21:00] characters, then does the Turkish word experiments. He's very, very similar results.

And then finally, slightly differently, shows people faces. And the faces. People will judge a face as more beautiful if they've seen it more times during the experiment. And that to me. Has a parallel with advertising. If you have a campaign, the same bit of stimulus will become more appealing to people if they have seen it again and again and again.

**MAF:** Yeah, and it really speaks to a larger industry discussion of how much creative, how much frequency before you have creative wear out, how much until you need a new idea. And our argument would be if you have something that is showing to work, stick with it. Because you can innovate it in different ways and keep it fresh with new types of, with new spots or new or new, uh, creative ideas.

But if you have a device that's working, you ought to stick

**RS:** with it. Yeah. I think there's two elements here. There [00:22:00] is, how long can you run a spot for? The same bit of creative, and I'd argue people chop and change too often. And then secondly, on that kind of macro level, how long can a campaign idea run?

And with that element, I think there's very limited evidence of, I. Wear out, so, so run spots longer, but probably more importantly keep with a campaign idea for longer.

**MAF:** There's probably more examples, easily findable when you change a campaign that you see drop off, right? I mean, where you have a, a successful campaign for many years and then the brand or the agency changes it and they go down before they go up.

Then, then, then maybe it is to find. Um, evidence that they would, they stayed with a campaign too long.

**RS:** Yeah. I would argue this is one of the cases where you have a discrepancy of interest between the brand and the marketer and the agent's, in fact, that it's in the marketer's [00:23:00] self-interest to introduce new copy because that's the route for career progression.

You are gonna get famous if you can say, I, I introduced the me cat. That's a better route to fame than saying like. Kept the gecko or I kept the me, but just because that's a route to your own personal fame. Well, we should be mindful that for the brand running that, um, brand mascot for longer is probably in their, in their best interest.

**MAF:** Yeah. I. Absolutely. And so it takes a balancing act of how can we innovate on something that's working rather than replacing it, or how can we find what the right direction is without throwing the baby out with the bath water? I think that's a, a challenge for all marketers. Absolutely. So as we come to a close in today's episode, Richard, can you go back and, um, bring us the top takeaways from our discussion today?

**RS:** So we've covered three big areas. The first was the principle of concreteness. So this is the argument originally proposed by, in [00:24:00] Beg. The vision's the most powerful of our senses, and because of that language that can be visualized is much more memorable than, uh, abstract language. So you can remember a fast car.

Very easily, you'll struggle to remember the phrase innovative quality. That's the principle of concreteness. So as a communicator, be very, very careful if you are talking about things like quality, trustworthiness, premiumness. You need to translate those ideas into visualiz concrete language. That was the first principle.

Got it. The second idea, build on that. And that's the idea of a fluent device. So these are brand characters in long-term ad campaigns that are central to the drama. Things like the Pillsbury Doughboy, the Geico gecko, the me Cap for Compare the Market. And that to me is an embodiment of concreteness. It's very hard for people to remember that Pillsbury is tasty, or [00:25:00] Geico gives you good value car insurance, what they can remember.

It's a giant Doughboy or a talking gecko,

**MAF:** right?

**RS:** So I think these mascots work because they are visualizable embodiments of abstract ideas. So how as you as a brand can harness this idea of fluent devices, make sure that that is a strategy that you are contemplating. What is your fluent device gonna be?

And then the third principle we talked about is the mere exposure effect. The idea that. Repeated exposure increases the appeal of a message rather than decreases it. As an industry, we're fixated with novelty. I think we move away from copy and campaign ideas far too quickly. Partly because people who are working Marty and probably excited by novelty more than the average person, but secondly, their own experience is completely different.

From the [00:26:00] average person, if you work. On Geico, 40 hours a week, you are thinking about the product. Whereas for the average consumer, you think about it a couple of times a year,

**MAF:** the 800 million in ad spend may get you a few frequency with a US adult.

**RS:** Yeah. That they're paying and that is remembered and, uh, given full attention to, so we.

Probably become, as Martys become far more bored with ideas, far quicker because we're far more exposed to them than most members of the public. So this is a plea for more frequency, more exposure, uh, rather than chopping and changing and jumping around. I.

**MAF:** Very good. Very good. So as we come to a close, we always like to end, uh, with a fun question.

Mm-hmm. A favorite fluent device from your past or currently something you think about and immediately brings a smile to your face. Uh, the 1 1 8 runners. Give our American listeners

**RS:** a little more context. So, director Inquiries used to be a state provided service. [00:27:00] Uh, it then became privatized, lots of competition.

It was expected that the. Previously state run company was gonna dominate the market. Um, 1 1 8 500. But what happened was a new brand came along. 1 1 8, 1 1 8. And their way of getting people to remember it was to have two twins who, uh, looked like a bit like Steve Prefontaine, giant Handlebar mustaches, okay.

And they would run around the streets together in tight shorts, headbands, asking people that they've, you know, got your number. Uh, so that was a campaign that ran 25 years ago. And I can still remember the, uh, the, the, the sight of the 2 1 1 H wins.

**MAF:** I love it. I love it. I love it. Uh, in America growing up, there was the Keebler elves.

Oh. About elves lived in a giant oak tree. And when they would zoom the camera in, into the oak tree, you would see them baking cookies. Yeah. And [00:28:00] Keebler used to make, uh, cookies. Uh, maybe Tollhouse cookies. Maybe Keebler cookies. But you can remember the, uh, you can, I can remember watching the elves make their cookies.

Yeah. And thinking about wanting to eat those cookies as a kid. And that wrapped up today's episode. If you enjoyed what we had to say, please follow us on YouTube and leave a review. Doing that helps us reach more interested people just like you. Uh, for more in-depth content, visit us at the consumer behavior lab.com where we have show notes.

We have the full transcripts and the video from today. And if you'd like to stay up to date with us, we're on LinkedIn, so please give a follow there to hear about all the new things coming outta the Consumer Behavior app. Until next time, I'm MichaelAaron Flicker.

**RS:** And I'm Richard Shotton.

**MAF:** Thanks for tuning in.

Look forward to having you join us again in two weeks for our next [00:29:00] episode.