

HIVE AND BRITISH GAS – EXTENDING OUR BRAND INTO THE CONNECTED HOME

EXECUTIVE SUMMARY

At British Gas we are passionate about looking after your world, which extends to your home, family and the things within it. All of our products and services are designed to keep you and your home warm and working. In 2012, the Internet of Things offered a tantalising but challenging new way to take our promise even further.

After initially trying to deliver on our promise through smart products from the British Gas brand, we realised that in order to break into this new territory, we needed a brand extension beyond the core brand. One with innovation and tech credentials.

Our brand extension had to let us tap into a new audience: non British Gas customers looking for desirable connected home tech. But it also had to halo back onto the British Gas brand. It couldn't just be a new brand out by itself. British Gas needed to get the credit.

Launching Hive, we extended the British Gas brand into the connected homes space. By using our planet motifs and complementary colour palette we developed a distinctive brand and launch campaign to get it out there. By badging it as “A British Gas Innovation” has ensured that the positive halo effect works both ways.

Our launch worked, reaching over 250,000 customers, gaining non British Gas customers and retaining existing customers. The brand benefits have also been huge. British Gas added authority and credibility to the Hive brand while the Hive brand has built up British Gas innovation credentials.



INTRODUCTION: AN OPPORTUNITY, TANTALISINGLY CLOSE

In 2012 the 'Internet of Things' revolution was picking up momentum. Cisco predicted a boom in connected devices – from 8.7b in 2012 to over 50b in 2020 globally – clearly an exciting opportunity for a brand to get involved in.

British Gas has a long history of looking after your world: your home, your family and the things within it. As experts in British homes, being experts in the connected home seemed an obvious evolution.

The category was heating up, providing an exciting commercial opportunity. It also provided an opportunity for a 200-year-old brand to flex its innovation chops and differentiate in a commoditised market.

We developed a suite of innovative products to step into the connected world. British Gas developed and launched several very forward thinking products. We developed Remote Heating Control (RHC), turning every boiler into a smartphone controlled boiler. We also launched Safe & Secure, a set of presence and motion sensors designed to look after the security of your home, providing peace of mind. All good, or so we thought...

Although these products were a perfect example of our brand – helping you look after your world – they struggled to gain traction. Sales of our hero Heating product stalled at 500 a week and Safe & Secure sales were muted.



THE BRITISH GAS BRAND WAS HOLDING BACK INNOVATION

A TV, print and online campaign launching these new products as part of the British Gas campaign tried to get our message out there.



Key messages didn't cut through, spontaneous recognition for "British Gas are making use of modern technology" was at 3%, and "helping you save money" at 2%. We didn't see much movement in sales figures, or in the all-important brand metrics.

Public perception of British Gas as a clear market leader and trusted brand led to us being perceived as a traditional giant. The industry and our brand hindered our ability to innovate.

Qualitative research backed this up. In short, people didn't expect British Gas to launch a slick, stylish connected homes product so didn't notice or believe it when we did.

EXTENDING OUR BRAND INTO NEW TERRITORIES AND A NEW CATEGORY

Facing a closing window of opportunity, we didn't have time to build up British Gas innovation credentials.

Extending into the connected homes market needed a new, nimble, innovative brand within the British Gas family. For British Gas to get the credit for this, we needed to give it space to grow and bask in the parental glory.

Our successful brand extension needed to do 5 things:

1. Drive incremental sales in a category we couldn't otherwise have entered
2. Build on a strong base of the British Gas brand and business
3. Establish positive relationships with new users
4. Strengthen existing relationships with BG customers
5. Build positive brand metrics which halo onto the BG brand

LAUNCHING A BRAND EXTENSION REPRESENTED A BIG RISK

We couldn't just use a name to badge existing products. We had to set up a whole culture and organisation built around innovation, including a separate building to act as the hub for all this innovation and attracting the right talent. This took a lot of time, investment and focus. We had to make sure it paid off.

Rigorous research and understanding of the audience helped develop our products, company and brand, ensuring it was both a positive extension of the British Gas brand and able to achieve the big tasks we were asking of it. Using a range of qualitative and quantitative data, we started developing our new venture to help reach into new territory for BG.

BUILDING ON OUR BRITISH GAS ROOTS TO ENTER A NEW CATEGORY

Consumer labs ensured product and brand were built in tandem. We learnt that we needed to make our brand accessible, to appeal to the mainstream British Gas consumer. We couldn't focus solely on the early adopter tech-obsessives.

Research also confirmed that we wanted to position ourselves at the mainstream end of connected homes. With 19m dumb thermostats out there, we could see the size of the prize. To be a no-brainer upgrade for every home, not high-end gadgets.

Our purpose was clear: help “sync people’s homes with their lives”. We work tirelessly to discover new ways to look after your world, and make them available to everyone.

Our brand-extension would enable us to pursue this, extending the British Gas proposition of ‘looking after your world’ into the future of connected homes. Research helped us arrive at a name for this new venture. Hive.



This name performed best in research, both standalone but also for its fit as an extension of British Gas. It revealed itself to be busy, hardworking, humble, homely and active.

BUILDING IT OUT FROM OUR STRONG BRITISH GAS BASE

We needed to get one of our strongest assets onside: our British Gas engineers. All our research demonstrated that when people interacted with our engineers they felt more positive about our brand. This made them a hugely compelling asset worth leveraging.

Engineers were going to play a huge role in bringing Hive into the world. Luckily, our new brand resonated with them too:

“We stand a better chance to promote RHC as Hive – it’s just more interesting”

“The logo looks good, seems clever, reminds me of wireless and internet”

ENSURING THE BRAND HIERARCHY FLOWS BOTH WAYS

Where heating systems and gas engineers are involved, trust and authority are key. Linking into our British Gas roots would be a secret weapon supporting RHC and Hive, helping an otherwise unknown brand credibly break into the connected heating space.

British Gas also needed kudos for launching Hive as part of the brand family. To do this, language and messaging was carefully balanced to give British Gas as much credit as possible, but give Hive the space it needed to breathe. We launched with a simple descriptor “Hive, by British Gas”. This has evolved into an even stronger proposition: “Hive, a British Gas innovation”.

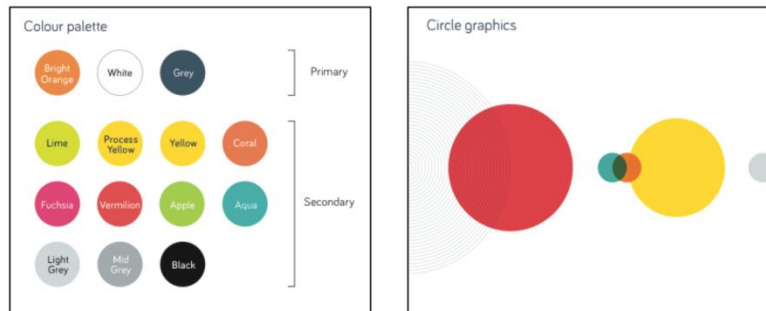
This clear hierarchy allows us, like proud parents, to sit back and let Hive take centre stage.



OUR LAUNCH NEEDED TO ESTABLISH A RELATIONSHIP WITH NEW USERS

We also needed a fresh and distinctive identity for Hive to mark new beginnings, celebrate our innovative culture and our startup identity. It also needed flexibility to work with the British Gas palette ensuring there wasn't any clash between brands.

Our vibrant colour palette and circles visual identity played on the British Gas 'planets' motif, but also linked into our app UX as a central part of our identity. Subtle branding cues all helped to make it feel like an effortless extension of the British Gas brand, rather than a bolt-on.

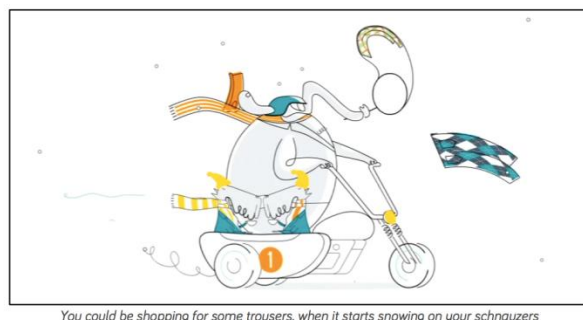


A COMPELLING CAMPAIGN TO BRING HIVE TO THE NATION

The category was new and the Hive app and brand completely unknown. We needed an idea that captured the hearts and minds of the nation. We wanted to avoid category generic 'slice of life' advertising, and didn't want to come across as luxury, exclusive or off-putting. We wanted to make the category joyously mainstream.

Our creative idea dramatised everything people could be doing, now that Hive was taking care of their heating at home. We set it in a fantastical world, featuring animals getting up to the craziest of things.

This distinctive illustration style allowed us to make our products and brand exciting, clean and approachable. Strong sonic branding played a key role in driving frequency over the launch, using TV and radio to raise mass awareness:



Our launch needed to establish our innovation credentials and philosophy; for Hive as well as a halo effect onto British Gas. To do this, we designed Digital Out-of-Home campaigns at the cutting edge of tech, showcasing our innovative product using real-time data

catching consumers in their moment of need. Live data was crucial to this, giving our audience useful information in a playful way that made our product contextually relevant.

At Gatwick and Heathrow's baggage terminals, we used real-time flight arrival data and compared this with the chilly UK temperature - a media first. We served messaging tailored to hot or cold countries, such as 'Keep the Malaga mood' or 'Still chilly from Beijing?':



Rail data was served in tailored executions when trains were delayed – the perfect moment for Hive:



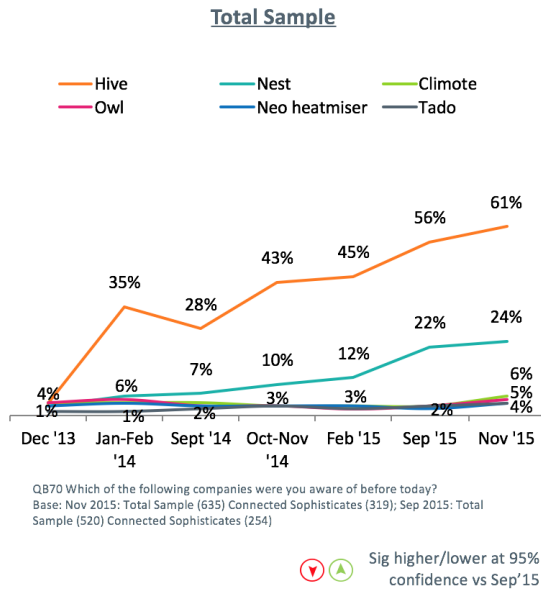
BURSTING ONTO THE CONNECTED HOMES SCENE, WE ESTABLISHED A RELATIONSHIP WITH THE NATION

From a standing start, we took the lead in the connected heating category. With a budget similar to our earlier British Gas connected home product campaign, we leapt to the head of the pack.

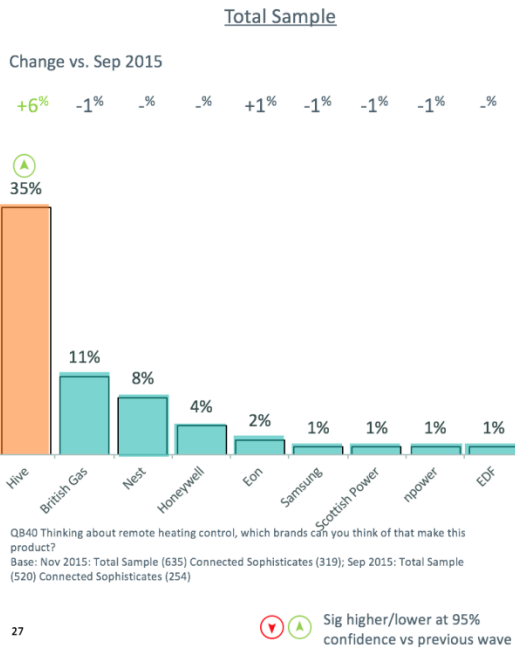
Prompted awareness jumped from 5% at the end of 2013, to 43% a year later. We continued to pull away from the competition, with prompted brand awareness sitting pretty at 61% at the end of 2015. We are now, by far, the most salient brand in the connected heating category in Britain, with spontaneous awareness over 4x that of our nearest competitor (38% vs 8%).



Prompted Brand Awareness – Over time



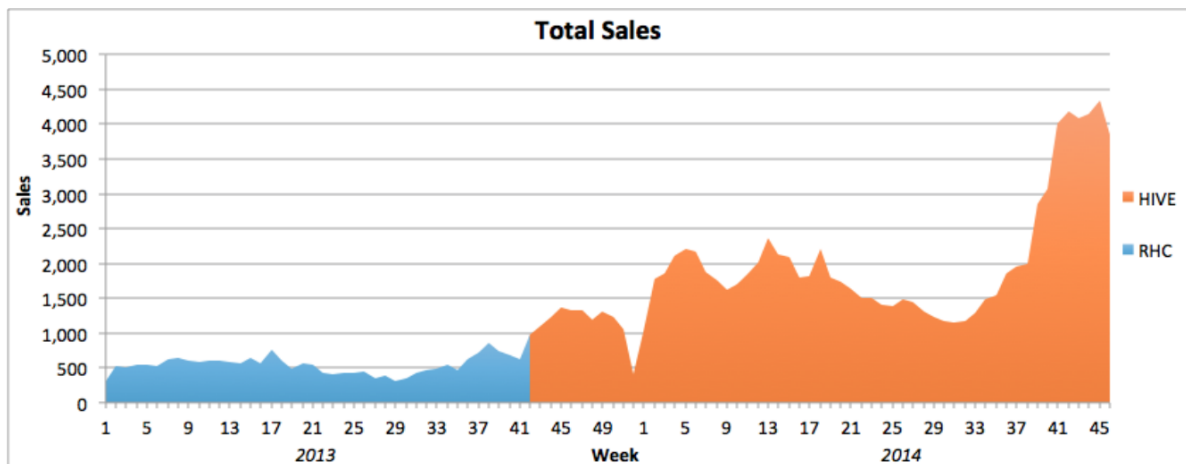
Spontaneous Brand Awareness



SALES ALSO ROCKETED

Within a year we became the UK's leading connected heating brand, giving us a solid base to expand further into the connected home.

We sold 150,000 units in the first year – 50% ahead of our target. We have continued building on this, driving over 250,000 incremental sales under the Hive brand.



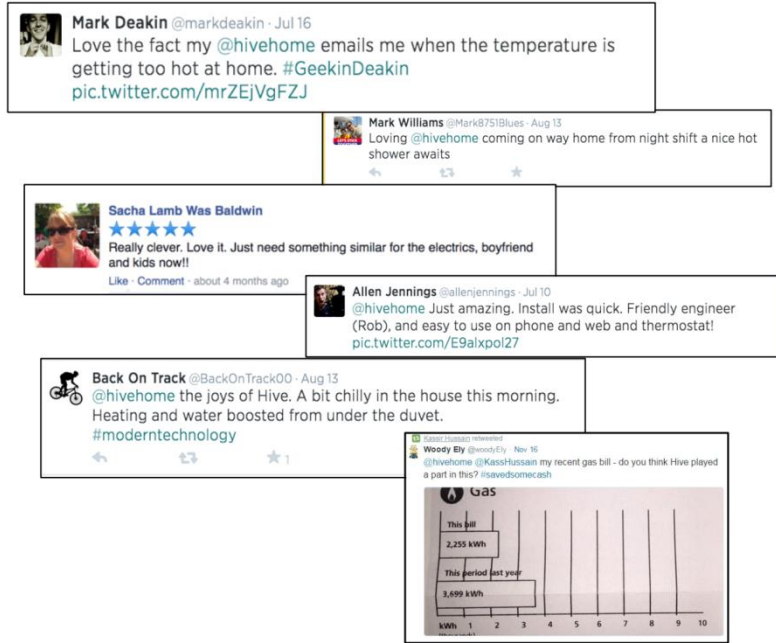
These sales were achieved on a lower spend than the previous British Gas RHC campaign – £5.9m vs £6.7m.

Using our brand extension to launch in this new category let us perform at our innovative best, driving sales and positive brand uplift for British Gas.

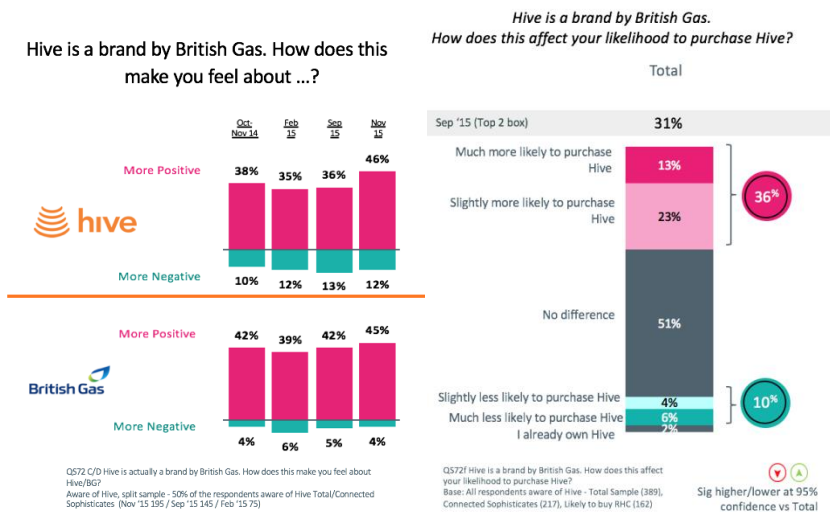


HIVE CUSTOMERS LOVED IT, AND LOVED BRITISH GAS MORE AS A RESULT

92% of our customers recommend Hive and 96% enjoy greater control of their heating than ever. We have also seen a significant increase in retention for British Gas customers with Hive.



Tracking data shows that Hive customers think better of British Gas as a brand. Working strongly as a brand extension with a clear halo effect, currently 45% feel more positive about British Gas when made aware that Hive was their brand extension. This wasn't a one-way thing either, Hive benefitted too – with 46% feeling more positive about Hive knowing it is backed by British Gas. Being associated with British Gas drives purchase intent, making people 36% more likely to purchase Hive.



We also looked at the impact of Hive on perceptions of British Gas, which was seen as more expert (+14%) innovative (+14%) and forward thinking (+12%).

COMPETITOR PARTNERSHIPS HAVEN'T SEEN THE SAME UPLIFT

As a comparison, we have also tracked a major competitor who did a partnership with an energy provider. However, without a meaningful brand relationship, they didn't see a similar uplift.

The competitor product was thought of more poorly as a result of their association with the competitor energy provider, and awareness of the partnership remained low. Evidence, perhaps, that a symbiotic relationship takes hard work and planning to achieve.

BUILDING ON OUR Foothold IN THE CONNECTED HOMES SPACE

Off to a flying start, we haven't rested on our laurels. Our brand continues to extend, and gained phenomenal PR traction when we announced our new product roadmap into the broader connected home – a category we struggled in as the British Gas masterbrand.

The image shows a screenshot of a news article. On the left, the International Business Times header is visible with categories like Politics, Technology, Science, Sport, Entertainment, Opinion, Lifestyle, and Video. The main headline reads "Hive 2 begins major push by British Gas into smart home with range of connected devices" by David Gilbert, dated July 15, 2015. Below the headline is a photo of a smart thermostat on a wall next to some potted plants. A quote below the photo says: "Hive, the British Gas smart technology company, wants to become the UK's defacto smart home company". On the right, the BBC News header is visible with categories like Home, UK, World, Business, Politics, Tech, Science, and Health. The main headline reads "British Gas Hive 'smart home' products refreshed" dated 15 July 2015. Below this is a photo of a smart thermostat and a video player icon. A caption below the photo says: "British Gas has updated its range of Hive 'smart home' products, with a new thermostat as the centrepiece."

Both Hive and British Gas has benefited from positive PR and our origin story has become part of the narrative. Any new product launches are exciting evidence of British Gas' growing credentials as an industry pioneer.

This new brand hierarchy of "A British Gas Innovation" gives us a platform to be as fluid and inventive as we need to be. As we move into new connected home products, the Hive brand grows apace.

We have just launched our new campaign alongside a suite of new products, heralding in an exciting era for the brand. We are moving into even more corners of the connected home, helping to take British Gas' brand mission into places we never thought possible.

2246 words including exec summary

