

Introduction: the race to lead the connected homes market

In 2012, the Internet Of Things revolution was gaining pace in the UK. Cisco predicted that by 2020 there would be 50bn connected devices globally, from a base of 8.7bn in 2012.

British Gas had always been experts in UK homes; the emerging connected homes market was an obvious fit. Not only did it provide an attractive commercial opportunity, it also provided an opportunity to re-invigorate a brand with a 200 year heritage, building innovation credentials in an increasingly tough and undifferentiated energy market.

British Gas first turned its attention to an area close to home, Remote Heating Control, giving customers control of their heating remotely from an app on their phone.

A great product, struggling to gain traction

Despite featuring launching TV, print and an online campaign in 2012, Remote Heating Control from British Gas was failing to capture the nation's imagination. Key messages didn't stand out, with spontaneous recognition for 'British Gas are making use of modern technology' at 3%, and 'helping save you money' at 2%. Sales weren't growing at the anticipated rate, stalling at 500 a week.



People didn't expect innovation from British Gas

The public perceived British Gas as the clear market leader, but a traditional giant. The brand and wider utilities industry hindered perceptions of British Gas' ability to innovate. British Gas trailed on innovation and modernity brand metrics despite launching the most innovative heating product in market.

In short, the British Gas brand couldn't sell the new product fast enough to lead the connected homes market, nor could the product turn brand metrics. The relationship between the two wasn't working.

The big decision: a brand from scratch

With the connected homes market set to explode, we needed to lead it before competition arrived in force. Whilst British Gas lent credibility to the product, its business and brand was not nimble enough to enter the connected homes market quickly as needed. In 2013, we decided to launch a new brand to definitively signal that something new had arrived. We set up an innovation hub outside of British Gas headquarters with a small team of experts who adopted a start-up culture and lean methodology to rethink the product and launch a new brand. This instigated rapid change and leant British Gas the modernity credentials it deserved.

We had three core goals:

1. Launch a successful brand to build sales of the product, with a target of 100,000 sales in year one. There were some key things we needed to get right for success:
 - The right audience
 - A purpose to resonate with this audience
 - A strong name
 - A memorable visual identity
 - A fresh brand personality
2. Design a new app and online interface that would resonate with customers
3. Create a positive halo effect on the British Gas master brand, particularly in terms of innovation credentials

25 weeks until launch and a blank sheet of paper

It was May 2013. We needed to create a new brand and understand what factors should shape it. Research informed every stage, from audience segmentation, to qualitative research to inform our brand purpose and personality, to quantitative surveys to identify our name and relationship with British Gas. We put consumer opinion at the heart of development processes, running customer labs to continually get feedback on the app and online interface, until we honed it perfectly to be truly intuitive.

Who were we talking to?

To truly impact the category, we wanted to make our brand accessible. It couldn't feel exclusive or solely appeal to tech-obsessives. A comprehensive segmentation study revealed we should target homeowners/long-term renters, with gas-powered central heating and a smartphone.

Research highlighted that connected heating appealed to those who wanted greater control over their homes and greater efficiency. Customers wanted tech with purpose. Most were parents, juggling work, home and socialising. We focused on two core groups: 'Connected Sophisticates' and 'Busy Budgeters'. It'd be our job to appeal to these people first and foremost, as well as the wider UK public.

Our purpose: to help sync people's homes with their lives

Target consumers told us they led hectic lives. They needed homes that could keep up and adapt. Connected heating was just the beginning; our new brand would eventually house a suite of clever products designed to help people control their home from anywhere.

But what's a brand with no name?

All that was eluding us was a name. We explored all sorts of ideas, from tech, to the obscure, to the downright peculiar. But one name clearly rose to the top – Hive.



Quantitative research concluded our audience found this name the most appealing; it denoted a brand hard at work on their behalf. It was something busy, simple, hardworking, homely, and active.

It resonated with engineers too:

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

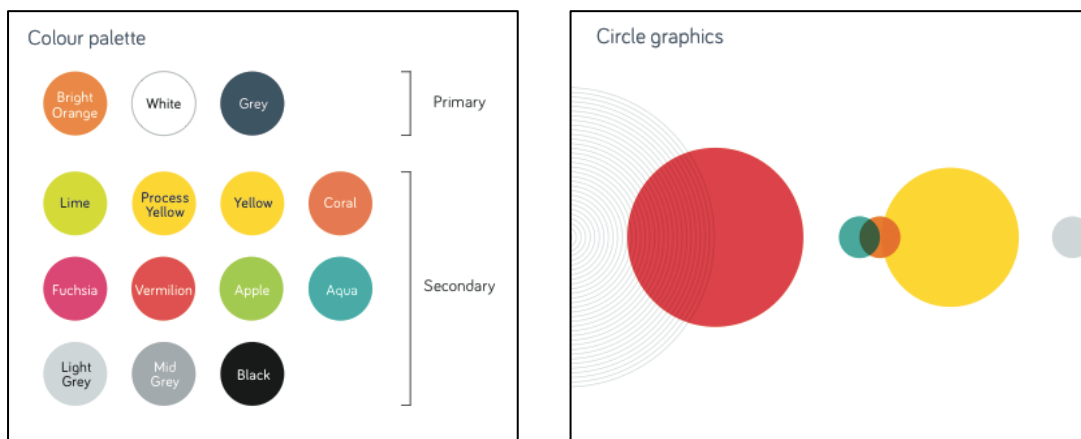
“The logo looks good, seems clever, reminds me of wireless and Internet”.

Getting the brand hierarchy right

A key task was to drive modernity credentials for British Gas, so it was critical to get the relationship between the brands right. We explored a range of approaches: product brands, sub-brands and standalone brands. "Hive, by British Gas" won out; as an endorsed sub-brand it coupled the very best of British Gas' expertise and reliability in the home with the innovation and start-up credentials of Hive.

How we should look and feel

It was important to create a fresh look to communicate that Hive marked had begun something new. We used a vibrant colour palette and circles to achieve this, but took some inspiration from the British Gas visual identity to ensure the brands didn't jar.



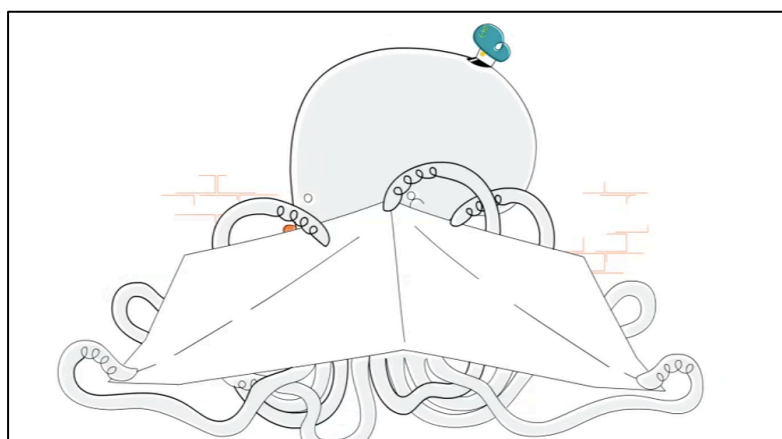
We rested on British Gas' personality traits of 'expert' and 'for everyone', but added new Hive traits such as 'active' and 'charming' to make us memorable to consumers.

A bold creative to launch Hive

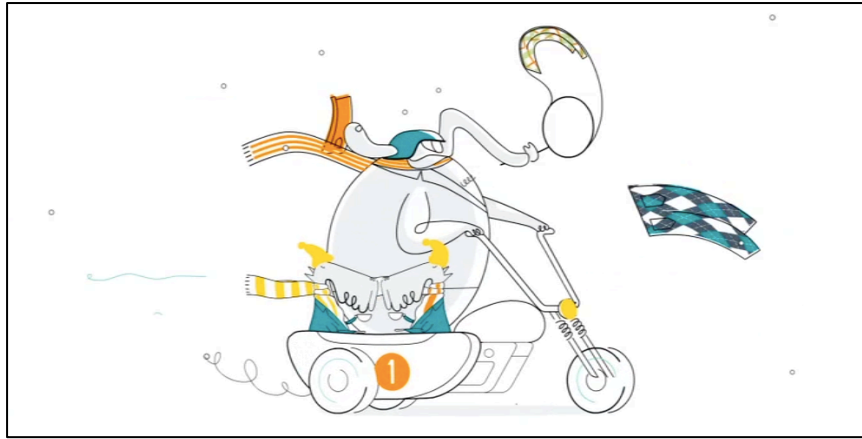
We faced a tough task. The category was new and the Hive app and brand completely unknown. The creative vehicle had to be versatile, working across TV, VOD, print and outdoor, with digital and direct mail in support. It needed to drive sales through vastly different channels- through the website and call centres, but also facilitate conversations in the home with British Gas engineers.

Our idea was simple - dramatise everything people could get up to, now Hive took care of their heating at home. But it needed to be memorable to raise awareness quickly; generic 'slice of life' scenes just wouldn't do the job. And so we landed in the realms of the fantastical, showing animals getting up to the craziest things. To make the advertising even more distinctive, we used an unusual illustration style and strong sonic branding.

Over the year's launch, we used TV and radio to raise mass awareness:



You could be making origami with a slice of beef pastrami



You could be shopping for some trousers, when it starts snowing on your schnauzers

Innovative Digital Out-of-Home campaigns showcased our innovative product, using real-time data sites to catch consumers in the moment of need. Whether that was arriving at the airport and wanting to come home to a cosy home, facing a train delay, or waiting for the bus.

At Gatwick and Heathrow's baggage terminals, we used flight arrival data, such as 32 degrees in Malaga, and compared this with the chilly UK temperature - a media first. We served messages tailored to hot or cold countries accordingly, such as 'Keep the Malaga mood' or 'Still chilly from Beijing?':



Specific rail data was served in tailored executions when trains were delayed- the perfect moment to use Hive:



Our challenge was greater as a swathe of negative PR hit the energy industry

By the time we launched on the 1st January 2014, our task was even tougher with the negative media storm around energy prices in October 2013. Brand metrics of all the major market players had suffered.

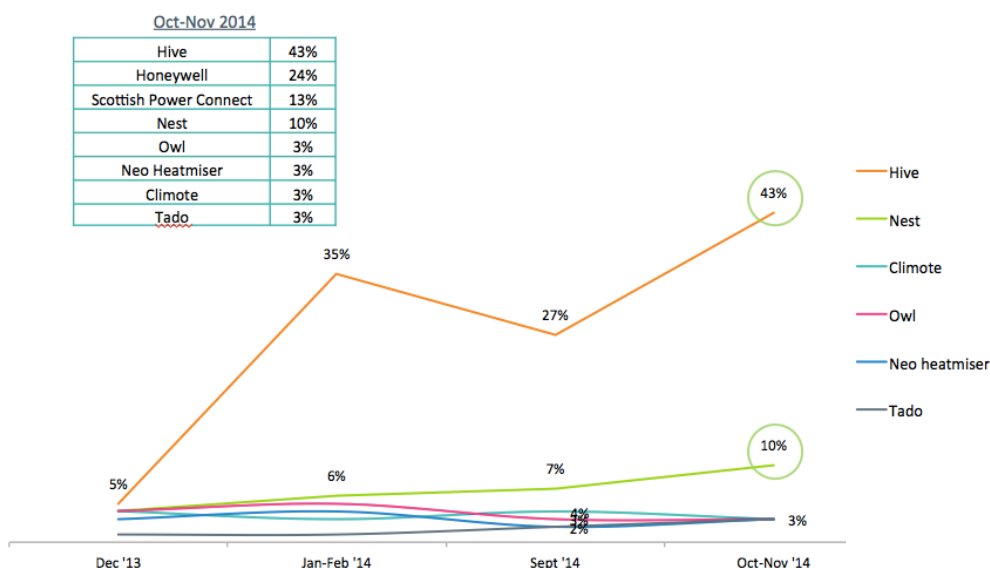


But the campaign performed brilliantly

Awareness and consideration metrics had to perform to ensure we had launched the brand with enough of a bang to drive sales as quickly as possible. We smashed our targets, which were set according to benchmarks for launch campaigns:

- Prompted awareness jumped from 5% at the end of 2013 to 43% a year later
- We beat targets by 16% (see overleaf)
- This outperformed our next competitor by 19%:

Prompted Brand Awareness – Over time



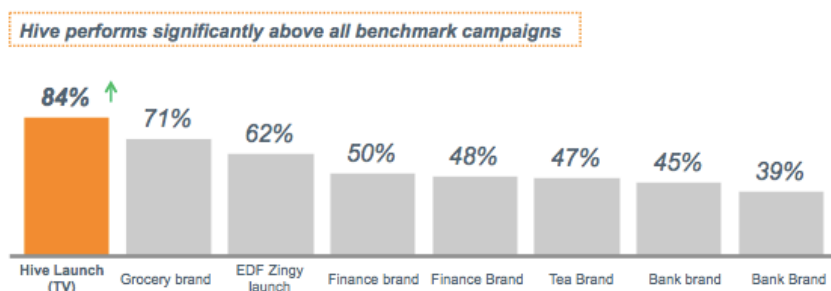
Which of the following companies were you aware of before today?
Base: Total Sample (1368)

Consideration outperformed targets even further:

- Consideration among those aware reached 32% by the end of 2014
- This was a full 25% above targets

	Target	Result	Difference
Prompted awareness	27%	43%	16%
Consideration	7%	32%	25%

Success was due to strong message take out; prompted take out of ‘Hive lets you control your heating and hot water from anywhere with your phone’ reached 67% this November. Our distinctive creative style made the brand memorable; TV performed significantly better than all benchmarks for new creative vehicles, with a brand linkage score of 84%:

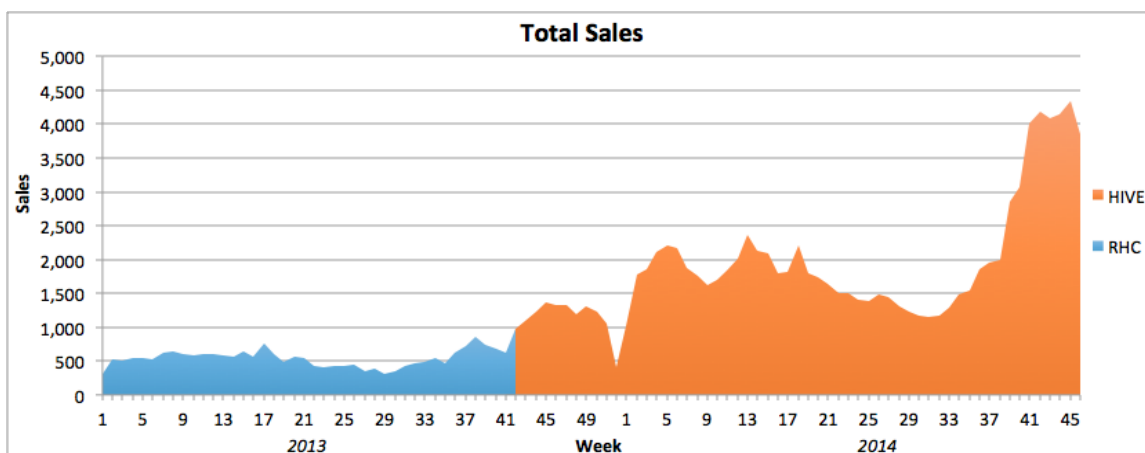


Base: Recognisers (210)
And which company was this advertising for?

Sales rocketed

Within a year we were the UK’s leading connected heating brand:

- We sold 150,000 units in one year
- We beat our target of 100,00 by 50%
- We repeatedly smashed week on week sales records - in winter 2014, sales reached 4,600 a week, jumping from 500 under British Gas- a massive 800% increase
- This uplift was achieved without an increase in marketing spends. Our campaign actually cost less than British Gas’ 2012 campaign that featured Remote Heating Control (£5.9m vs. £6.7m)



Sales were split across all channels. The British Gas relationship proved hugely effective. Engineers became powerful advocates of the Hive brand. We revolutionised their conversations in the home..

We created a product that people love. The product functionality and design has had overwhelmingly positive feedback:

- 92% have recommended it
- 96% feel more in control of their heating than ever
- 51% use the app every single day

And we are lucky enough to have positive comments filling up our social sites:

Mark Deakin @markdeakin · Jul 16
Love the fact my @hivehome emails me when the temperature is getting too hot at home. #GeekinDeakin
pic.twitter.com/mrZEjVgFZJ

Mark Williams @Mark8751Blues · Aug 13
Loving @hivehome coming on way home from night shift a nice hot shower awaits

Sacha Lamb Was Baldwin
★★★★★
Really clever. Love it. Just need something similar for the electrics, boyfriend and kids now!!
Like · Comment · about 4 months ago

Allen Jennings @allenjennings · Jul 10
@hivehome Just amazing. Install was quick. Friendly engineer (Rob), and easy to use on phone and web and thermostat!
pic.twitter.com/E9alxpol27

Back On Track @BackOnTrack00 · Aug 13
@hivehome the joys of Hive. A bit chilly in the house this morning. Heating and water boosted from under the duvet.
#moderntechology

Woody Ely @woodyEly · Nov 16
@hivehome @KassHussain my recent gas bill - do you think Hive played a part in this? #savesomecash

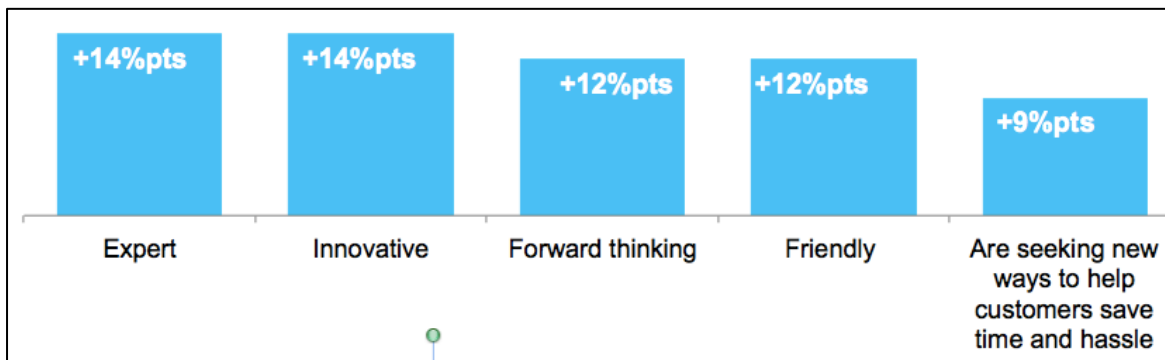
Category	Value (kWh)
This bill	2,255
This period last year	3,699

British Gas felt the effect too

Keeping the two brands associated proved the right decision; clear halo effect emerged. British Gas benefitted from the relationship, with 54% feeling more positive about British Gas when they were told Hive is their brand. Hive benefitted too with 48% feeling more positive about Hive when they learned of the relationship.

Hive awareness aids associations of British Gas being innovative, expert, forward thinking, friendly and reducing hassle, exactly as we'd set out to do:

Hive is actually a brand by British Gas. How does this make you feel about British Gas?



Aware of Hive, split sample – 50% of the respondents aware of Hive (294)

Hive has even helped us get British Gas into new homes and lives. There has been a direct impact on the sales of other British Gas products and services. 60 days after purchase, 24% of new to brand Hive customers buy services from British Gas- and this is without Hive instigating cross sell.

In conclusion: Hive off to a flying start; British Gas reinvigorated

Hive launched in a challenging arena of media negativity and with a tough ask: to lead a new category, define a new audience, while improving the public's perceptions of innovation at a large-scale corporate organization.

In just over 12 months Hive has increased sales of the product dramatically as well as lifting some of British Gas' most challenging brand metrics. But more than that, we've launched a brand that's loved by its customers and a product that's seamlessly integrating into the heart of the home and everyday life.

In fact, the question we're most often asked is 'how on earth did a brand like British Gas launch a product like that?' And now we've started the journey, there's much more to come. Hive has given British Gas the license to move outside of its energy expertise and into the exciting Connected Homes and Internet of Things category.