

Marketing Society Marketing Excellence Awards 2016

Category: New Brand

Entrant: Vitality & Snap London (formerly Big Eyes)

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Vitality Brand Launch

Energising insurance: How the launch of Vitality Health Insurance shook up a declining category, invigorating not just sales but also the health of [redacted] members. And inadvertently 'sparked a mad dash for dachshunds'...

SUMMARY

On hearing the words 'health insurance', you might be forgiven for falling into a gentle slumber. Not the most interesting category, you might assume: a luxury that you hope never to use; a market dominated by one definitive brand.

And you'd be right. Until now. Until Vitality.

This is the story of that rarest of things: a 'challenger brand' that genuinely challenges, with a USP that really is 'U'. We'll show how we turned what could have been a safety-first renaming exercise into the creation of a radical new brand. A brand on a mission to turn health insurance from something passive and lifeless into a positive catalyst for healthy living.

Our strategy of 'energising insurance' was designed to achieve three objectives:

- 1) Build a distinctive new brand that would cut through the clutter
- 2) Buck the category trend and increase health insurance subscriber numbers
- 3) Improve members' health by inspiring and enabling behavioural change

We put product innovation at the heart of our approach, bringing GP consultations into the smartphone age and for the first time directly rewarding members based on their weekly activity – with dramatic results.

Central to our story is an unlikely hero: a lazy, sharp-tongued dachshund. He became the reluctant catalyst for a [redacted] year-on-year increase in new

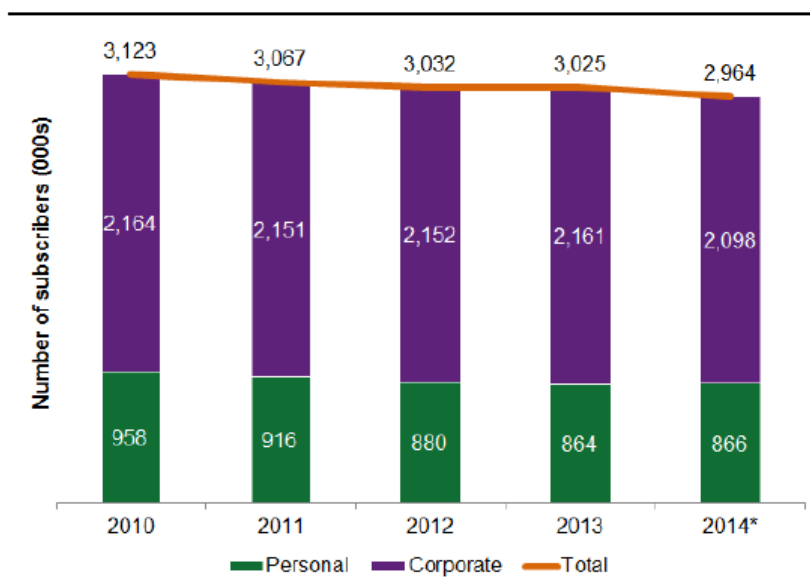
subscribers¹, helped Vitality members [redacted] the amount of exercise they were doing – and sparked a 62% increase in demand for...dachshunds.

Note: While Vitality offers both Health and Life insurance, for simplicity, this paper focuses on our core Health Insurance product.

CATEGORY CONTEXT

A low-interest category in poor health

By 2014, the number of health subscribers had been in decline for five years.



*Number of health insurance subscribers 2010-14
Mintel 'Private Medical Insurance Market' 2014*

Private Medical Insurers increased premiums – but this simply reinforced the idea that PMI was an unnecessary luxury for older, more affluent consumers.

¹ Individual direct subscribers 2014 vs. 2015

FIGURE 48: ATTITUDES TOWARDS PRIVATE MEDICAL INSURANCE, JULY 2014

"To what extent do you agree or disagree with the following statements about private medical insurance?"

Base: 2,000 internet users

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
	%	%	%	%	%
Private medical insurance is not good value for money	11	27	51	10	2
The NHS means that private medical insurance is just a luxury	14	42	33	10	2
The idea of private health care is somewhat immoral	10	21	42	22	6
It is difficult to know which private medical insurance policy to buy	12	41	40	5	2
I trust private medical insurers to treat me fairly	4	24	47	17	7
Private medical insurance gives a standard of care that the NHS can't match	8	32	40	15	4

SOURCE: LIGHTSPEED GMI/MINTEL

Consumer apathy was exacerbated by the fact that traditional Private Medical Insurance was no longer fit for purpose. The biggest risk to health was no longer infectious disease, access to primary healthcare or pre-existing conditions - it was our own behaviour, with smoking, poor diet and lack of exercise the key factors.



The time was right for a new type of health insurer – but PruHealth was a small brand with a finite lifespan

Having launched in 2004, by 2014 PruHealth had 10% share of a category

dominated by big players Bupa (38%) and AXA PPP (25%)².

PruHealth's product was well placed to minimise the lifestyle risk factors that pose the biggest threat to our health. In contrast to traditional providers, PruHealth didn't just sit around waiting for something bad to happen - it proactively encouraged members to stay healthy through benefits like half price gym membership, bikes and trainers.

Not only did this mean happier and healthier members, it also reduced claims costs: a shared value model that was a win-win for customers, PruHealth and society.

But while it had many of the ingredients for success, the brand relied on borrowed equity and the product was difficult to explain to consumers. Moreover, the company faced a more pressing challenge – the PruHealth brand only had a few months to live.

The risks of rebranding

In November 2014, parent company Discovery bought Prudential's remaining stake in PruHealth – but in doing so, it lost the right to use the Pru brand, sparking serious concerns about the potential impact on sales. The legacy of 'the man from the Pru' was still so strong that in July 2014, [redacted] as many consumers were referring to the brand as 'Prudential' rather than 'PruHealth'.

REDACTED CHART: BRAND AWARENESS DATA

From 'Consignia' to 'Monday', marketing history is littered with examples of brand renaming disasters. While brands like Aviva had achieved success with a new name, we had a fraction of their budget - and were under pressure to keep the tills ringing.

Furthermore, PruHealth's focus on short-term sales came at the expense of building unique long-term equity. While ambassadors Jessica Ennis-Hill and Jonny Wilkinson were popular and a great fit, they were shared with more famous,

² Market share of Private Medical Insurers, Mintel 'Private Medical Insurance Market' 2014

bigger spending brands like Santander, Adidas and Guinness.

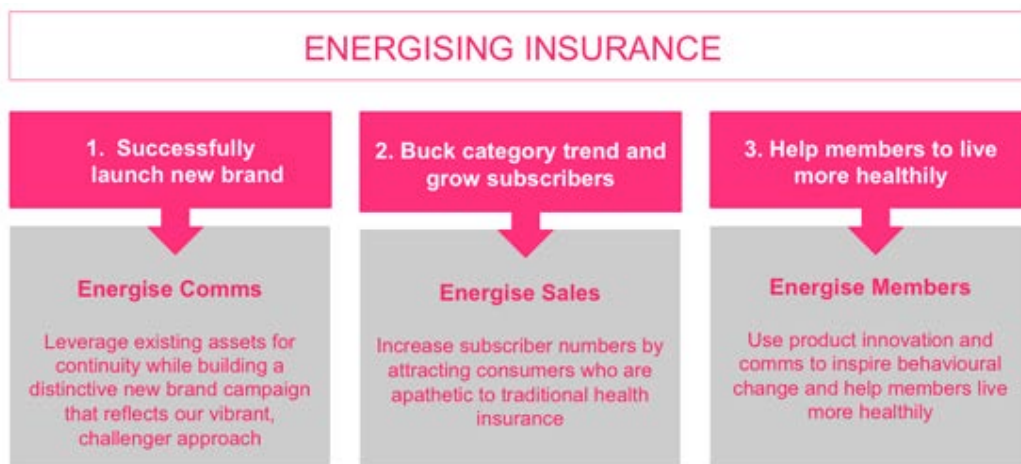


PruHealth ad and Santander ad, both featuring Jessica Ennis-Hill

OUR STRATEGIC APPROACH

Rather than approaching this as a safety-first renaming exercise, we realised we had a rare opportunity to create a radically new health insurance brand focused on living healthily, not just getting sick - one built on owned, rather than borrowed equity.

Our determination to shake up the complacency of the category inspired our strategic approach: ‘Energising Insurance’. This informed our three key focus areas: 1) brand building 2) subscriber growth 3) behavioural change.



Summary of Vitality launch strategy

Key to success would be the new product proposition. This would close the loop between wellness and sickness and enable Vitality to gather a holistic

understanding of every step of the healthcare journey. There were lots of small improvements and two major innovations: Vitality GP and Active Rewards.



Summary of the new Vitality model

Due to launch in May 2015, VitalityGP is an innovative smartphone app that enables members to have a video consultation with an experienced GP at a time and place that suits them. The GP can also prescribe or refer patients directly to specialists.

We also developed 'Active Rewards', a new type of benefit that directly rewards members based on their weekly activity.

The name: Making more of our secret weapon

Discovery's strength in the South African market ([redacted] market share) and the potential for greater global synergies (e.g. Premier League sports sponsorships) meant that there was a strong case to rebrand as Discovery in the UK.

However, we realised that there was another contender with much stronger potential: Vitality.

For some time, PruHealth had been using the name 'Vitality' to refer to its

rewards programme e.g. 'PruHealth with Vitality'. However, 'Vitality' was a little known feature not widely recognised by consumers - only [redacted] of those aware of PruHealth associated Vitality with the brand.

REDACTED CHART: BRAND TRACKING DATA

Despite this, the Vitality programme was our key differentiator, and the name perfectly encapsulated our vibrant, positive, challenger spirit. We reinforced this with a confident new brand line: **'Changing Health Insurance for Good'**.

The campaign idea: the accessible anti-hero

While the likes of Bupa and AXAPPP focused on curing illness, we centred our launch campaign on staying healthy - eschewing the category clichés of reassuring doctors and medical wordplay.



Health insurance competitor advertising, 2014

Furthermore, as we knew from Vitality's work in behavioural science, purely rational arguments are rarely effective – especially when it comes to health. We needed to charm, not convince.

We therefore created an irreverent 'brand detractor' who enabled us to talk about healthy living in a down-to-earth way – and highlight product benefits without feeling like a hard sell.

We built the campaign around the one ‘person’ who isn’t happy about Vitality’s fantastic range of rewards - a lazy miniature dachshund whose life has been a misery since his owner signed up to Vitality and got active.

The dachshund represents the part of us all that knows we should be healthier but just can’t be bothered – the ‘just do it (tomorrow)’ mind-set. He encapsulates the tension that Vitality is designed to address – that what’s good for us in the long-term isn’t always what gratifies us in the short-term.

Finally, appearances from Jessica Ennis-Hill and Jonny Wilkinson provided continuity with previous advertising and clearly established Vitality as ‘the new name for PruHealth’.

The brand world: the power of pink

We’d learnt from working previously on O2, ING Direct and easyJet that a smart product or clever creative idea is only half the story. As Byron Sharp demonstrates in ‘How Brands Grow’, distinctive branding is not just a superficial consideration. Sharp identifies two simple branding criteria that we put at the heart of our approach: *1. Uniqueness 2. Prevalence.*³



Health insurance and financial services brand logos

We needed to stand out in a competitor set of cold financial brands. Post T-Mobile, no mainstream brand was using pink, a colour that PruHealth had already used as an accent. We developed a distinctive new identity centred around striking pink, with black and white cut-out photography.

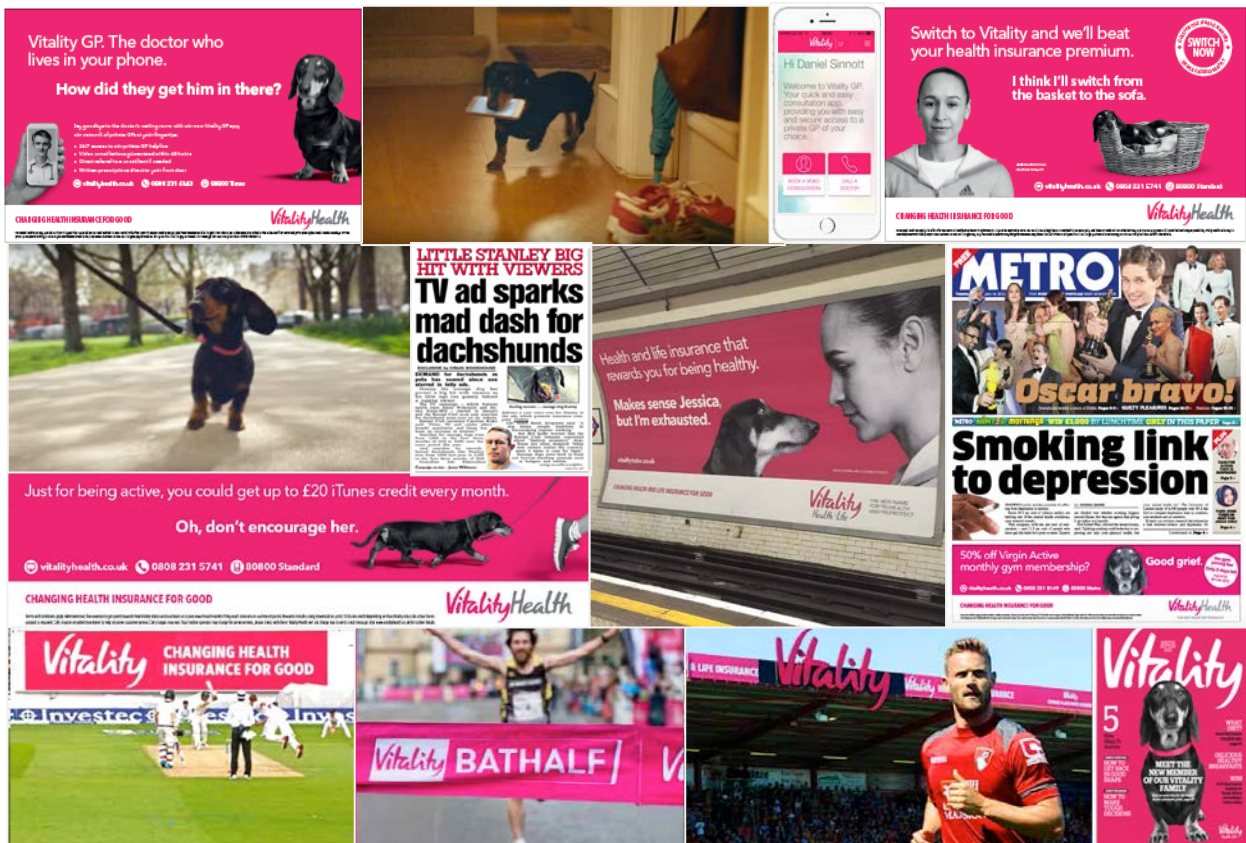
³ Byron Sharp, ‘How Brands Grow’, Oxford University Press 2010, p 130



New Vitality dachshund character

Advertising launch

We launched Vitality in January 2015. We used TV to bring the lazy dachshund to life and establish his animosity towards Vitality. High impact press and outdoor extended the idea and landed key benefits such as 50% off Virgin Active. We didn't have the budget for a truly national campaign, so focused on dominating London Underground, Metro and Evening Standard to get the attention of younger, affluent consumers.



New Vitality brand world




Vitality launch TV ad
 "I used to have a lovely life... then Vitality changed everything"

Press & Outdoor

Vitality launch OOH and Press

In April 2015, we followed up by advertising Vitality's new Active Rewards benefits.

Weekly cinema ticket as a reward for getting active?



Peace at last.

vitalityhealth.co.uk 0808 231 8149 80800 Metro

CHANGING HEALTH INSURANCE FOR GOOD

Terms and conditions apply. Maximum of one ticket per week for each person covered on the plan. This includes 3D films. Member ears tickets by tracking their Vitality activity each week. Available with VitalityHealth and other VitalityLife products. For further information and terms and conditions please see www.vitality.co.uk

VitalityHealth

Just for being active, you could get up to £20 iTunes credit every month.

Oh, don't encourage her.



vitalityhealth.co.uk 0808 231 5741 80800 Standard

CHANGING HEALTH INSURANCE FOR GOOD

Terms and conditions apply. Member can earn handwritten drinks by regularly tracking their exercise. Available at participating pharmacies. Call may be recorded and monitored to help improve our customer service. Call charges may apply. Your mobile operator may charge for some services, please check with them. VitalityHealth will not charge you to send a text message. Visit www.vitalityhealth.co.uk for further details.

VitalityHealth

Weekly Starbucks coffee just for being active?

No thanks, coffee interferes with my snoozes.



vitalityhealth.co.uk 0808 231 8149 80800 Metro

CHANGING HEALTH INSURANCE FOR GOOD

Terms and conditions apply. Member can earn handwritten drinks by regularly tracking their exercise. Available at participating pharmacies. Call may be recorded and monitored to help improve our customer service. Call charges may apply. Your mobile operator may charge for some services, please check with them. VitalityHealth will not charge you to send a text message. Visit www.vitalityhealth.co.uk for further details.

VitalityHealth

Vitality 'Active rewards' press advertising

Members who exercise get rewarded each week with cinema tickets, iTunes credit and Starbucks coffees

We then launched VitalityGP using TV and press. We used Stanley the dachshund to explain the idea in a simple, engaging way - this time he took revenge on his owner's phone after her VitalityGP promised to get her 'back up and running in no time'.



VitalityGP TV ad
"Goodbye tiny doctor"



VitalityGP Press ad

Broadcast and Sports Sponsorships

We built greater familiarity via sponsorship of Sky News and Sky Sports HQ. Idents featured the lazy dachshund making irreverent quips about Vitality's sporting partners, including the English, Welsh and Scottish rugby teams.



Vitality broadcast sponsorship idents

The idents featured our lazy dachshund going head to head with the England rugby team

We also extended the campaign to football club partners - Manchester City, Arsenal, Liverpool and later Bournemouth - with our irreverent dog taking aim at professional fitness regimes.



Vitality Manchester City FC Programme Ad

While many brands using stadium hoardings simply slap on a logo, we wanted to be more disruptive. Our dog's lazy waddle became a familiar feature of Premier League games.

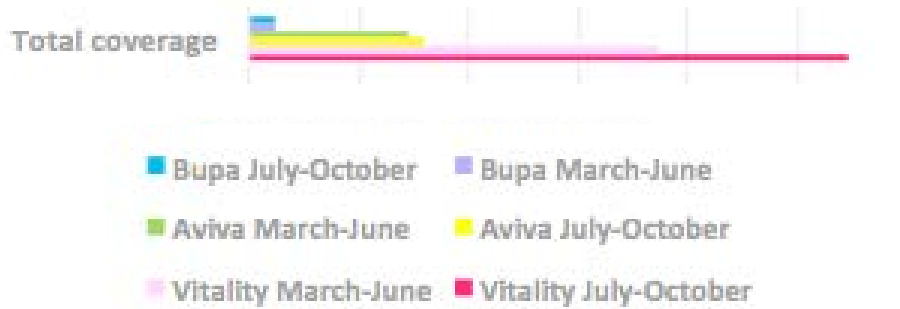


Vitality LED advertising at Arsenal's Emirates Stadium

Populating culture

We also made headlines and created social buzz, achieving almost five times as much PR coverage as its nearest competitor.

Vitality vs competitor coverage analysis



Vitality Vs. Competitor PR coverage analysis March - October 2015

The Kennel Club of Great Britain even credited the campaign with increasing interest in dachshunds by 62%, triggering coverage in The Sun.

LITTLE STANLEY BIG HIT WITH VIEWERS TV ad sparks mad dash for dachshunds

EXCLUSIVE by CRAIG WOODHOUSE
DEMAND for dachshunds as pets has soared since one starred in telly ads.

Stanley the sausage dog has proved a big hit with viewers as his little legs run gamely behind a jogging owner.

The TV campaign - which features sports stars Jimmy Wilkinson and Jessica Ennis-Hill - started in January and the Kennel Club soon saw searches for dachshund pups soar on its website. Kennel Club secretary Caroline Kinks said: "Films, TV and catelogs affect breeds' popularity and there has been an increase in interest."

Searches for sausage dogs rose from 3,664 in the first three months of 2014 to 5,600 over the same period this year.

And searches for smooth-haired dachshunds like Stanley rose from 3,600 last year to 5,050 in the first three months of 2015.

Comedian Ade Edmonstone
Campaign co-star... Jimmy Wilkinson



Staring sweetly... sausage dog Stanley

delivers a cute voice-over for Stanley in the ads, which promote insurance company Vitality.

The **first** Keith Kroyman said: "A dog keeps people healthier by encouraging regular walking."

But Mrs Kinks warned that the Kennel Club remains concerned about "fashion accessory" dogs. These are often diagnosed when new owners realize the commitment it takes to care for them.

Sausage dogs were bred to flush out burrow-dwelling animals such as badgers and rabbits.

craig.woodhouse@the-sun.co.uk



The Sun on Sunday, Sunday 9th August 2015



Social media reaction to Vitality's football stadium advertising

Member communications and social media

We extended the idea to members via the Vitality Magazine and social channels, generating over 4,000 entries to name Vitality's lazy dachshund, who was duly christened Stanley.



Vitality member magazine, Facebook promotion of dachshund naming competition – and reaction to the winning name from Jessica Ennis-Hill

THE IMPACT

In spite of initial fears of a drop in sales, the launch of Vitality has proved an overwhelming success from a brand, commercial and member behaviour perspective.

1. ENERGISING COMMS (Communications and brand impact)

Despite a modest launch budget, in under two months, TV ad recognition reached [redacted] among our core London target audience, with OOH achieving [redacted]

Not only this: reaction to the advertising was extremely positive, with [redacted] saying they like the ads and [redacted] saying they feel different to others in the health and life insurance categories.

Furthermore, the ads quickly established Stanley as a distinctive brand asset. By August 2015 he had overtaken Jess and Jonny as the main thing people remembered from the ads.

REDACTED CHARTS: ATTITUDES TO VITALITY ADVERTISING & UNPROMPTED AWARENESS

Brand metrics

The advertising also had a strong impact on brand metrics. While it took PruHealth ten years to reach [redacted] awareness, Vitality achieved [redacted] in under two months, rising to [redacted] after one year.

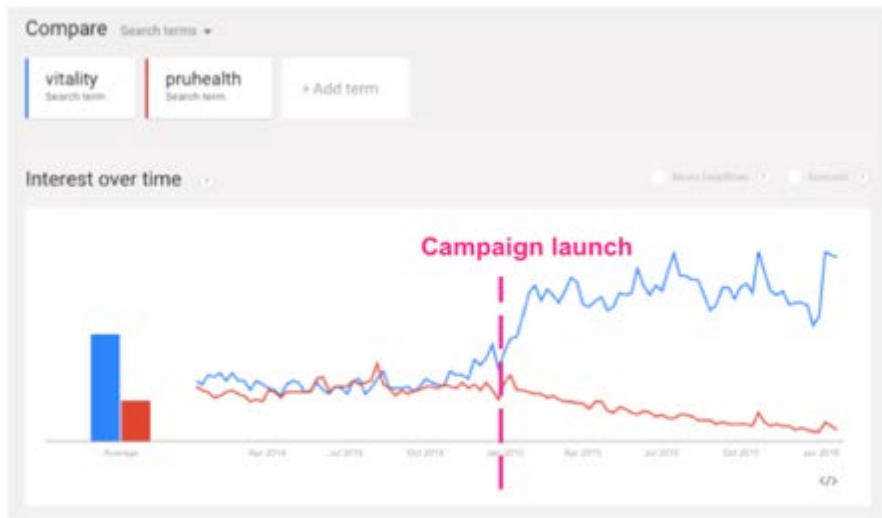
REDACTED CHART: PROMPTED BRAND AWARENESS

2. ENERGISING SALES (Response and sales impact)

Search response

The launch triggered a sustained surge in brand search activity that far exceeded

previous levels for PruHealth.



Brand search volume for PruHealth Vs. Vitality, April 2014 – Jan 2016
Google Trends

This also translated into quotes, with weekly quotes increasing from [redacted] prior to launch to [redacted] when TV went live.

REDACTED CHART: VITALITY HEALTH AVERAGE NUMBER OF QUOTES PER WEEK

But the real proof of commercial success is in the sales figures. The campaign sparked a [redacted] year-on-year increase in new policies⁴ for the key month of January – a [redacted] uplift on December. Furthermore, this was no flash in the pan: total new policies increased by [redacted] in 2015 Vs. 2014.

REDACTED CHART: POLICIES SOLD

3. ENERGISING MEMBERS (Changing behaviour)

Central to the Vitality proposition is the idea of rewarding members for living healthily, and the campaign was key to bringing the message to life. Exercise point volumes more than [redacted] during the campaign period.

REDACTED CHART: EXERCISE LOGGED BY MEMBERS

⁴ Individual policies through the direct channel

This didn't just come from those who were already fit – we also helped change the behaviour of more sedentary members. [Redacted] of those logging no physical activity in 2014 started earning exercise points in 2015 thanks to Active Rewards.

Furthermore, this had a direct impact on the health of members. Over [redacted] of formerly 'at-risk' members moved into healthy ranges for smoking, exercise and diet during 2015.

REDACTED CHART: % OF VITALITY MEMBERS WHOSE HEALTH WAS CONSIDERED 'AT RISK'

The effectiveness of marketing communication in explaining the proposition and driving engagement is highlighted by members' Vitality point data. Nearly [redacted] of Vitality members who signed up direct earned Vitality points in their first 21 days, compared to [redacted] of those who joined via intermediaries.

REDACTED CHART: % OF VITALITY MEMBERS EARNING ACTIVITY POINTS OVER TIME

VitalityGP has also proved popular with members

Despite the fact that seeing a doctor in person is ingrained in our culture, since May 2015, [redacted] members have already had a video consultation via the app, with [redacted] rating their experience 4 out of 5 or above.⁵

IN SHORT

Against a backdrop of a category in decline, we didn't just weather the risks of renaming, we built a distinctive new brand that is truly changing health insurance for good.

We've increased sales by [redacted] year-on-year, launched innovative new services such as smartphone GP consultations - and inspired members to [redacted] the amount of exercise they do each week.

[Word count: 2,191]

⁵ VitalityGP usage figures and average user experience rating, launch to 4 Jan 2016