

MARKETING EXCELLENCE 2

Dulux

Colour me beautiful



MARKETING
SOCIETY

AWARDS FOR
EXCELLENCE

in association with
Marketing

About The Marketing Society



INSPIRING BOLDER MARKETING LEADERSHIP

The Marketing Society is a not-for-profit organisation owned by its members, with over 2500 senior marketers. Over the past 50 years it has emerged as one of the most influential drivers of marketing in the UK business community.

The Society challenges its members to think differently and to be bolder marketing leaders by supporting the development of leading-edge thinking, and promoting the evidence of effective marketing. The Society does this through the Marketing Society Awards for Excellence; its publications Market Leader, Our Week and rich online Knowledge Zone; a national programme of world-class events; innovative professional development, such as the annual Marketing Leaders Programme; and extensive on-and-offline networking opportunities.

www.marketing-society.org.uk

Foreword

By Roisin Donnelly,
President of The Marketing Society

What is marketing excellence?



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Marketing excellence can drive breakthrough business results for the short and long term. Marketing excellence requires great strategic thinking, great creative thinking and perfect execution.

But how do we assess *marketing* excellence? First we choose brilliant industry judges who are all experienced and successful practitioners of excellence and we ask them to pick out the cases which they see as remarkable. We ask them to look for two key qualities from our winners: creativity and effectiveness.

But marketing continuously changes and evolves, as consumers become more sophisticated and demanding and the media for communicating with them ever more diverse. So the standards for marketing excellence change and in turn become more demanding.

We believe that The Marketing Society Awards for Excellence in association with *Marketing* set the standard of marketing excellence in the UK. They have established this reputation over a period of

more than 25 years, and they have always been based on the principle of searching out the best examples of different marketing techniques in action, that showcase great strategic thinking, great creativity and perfect execution.

In order to be a winner of one of the Society's Awards, marketers have to demonstrate that what they have done is outstanding in comparison with marketing in all industries not just their own particular sector.

If a marketing story has been good enough to impress our judges, then all marketers can learn from it – however senior they have become. The collection of case histories brought together in this book is the best of the best from the past four years of our Awards, and I am confident that it truly demonstrates *marketing excellence*. I have been truly inspired by these case studies and I hope you will be too.

Dulux

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Snapshot

A brand in danger of losing its way gave itself a makeover and brought a healthy glow to its performance.

Key insights

- Dulux had to reposition itself to find a new place in a market where middle-of-the road brands were being fatally squeezed and where it was seen as a masculine brand in a market with women as the main shoppers.
- The key insight into its consumers was that they didn't want paint — they wanted help with matching colours.
- By mounting a campaign which emphasised the role of colours and how they worked together through Dulux, it became the aspiring decorator's brand of choice.

Summary

ICI Paints produces some of the world's top paint and decorative product brands. The company was bought in 2008 by AkzoNobel, one of the world's foremost industrial companies. The combined business is the leading global coatings manufacturer and the number one in decorative paints and

performance coatings, as well as being a major worldwide supplier of specialty chemicals.

Dulux is one of the most famous brands in the UK. However, in 2005 the brand was in an uncomfortable position: it found itself positioned as a masculine brand in a decorative paint market driven by women. Worse, it was being squeezed in terms of pricing from the own-brands at one end and the premium paints at the other.

The company decided it had to overhaul its marketing. Research had uncovered a valuable insight: people needed help not just choosing colours but matching them. The resulting campaign enabled Dulux to remain number one despite a fierce onslaught from retailer brands, sustain a price premium in a volume/value war that had pushed prices down and grow share in a declining market.

Fighting the battle on two fronts

Dulux is one of the UK's most famous brands, with almost universal awareness and a proud heritage. When people see an Old English sheepdog, they are more likely to think paint than farming. Over the years, however, and because of its long heritage in the UK market, consumers had come to perceive Dulux as a somewhat traditional and staid brand.

So, while the name was universally known, the onslaught of upmarket property design TV shows such as *Grand Designs* and *Property Ladder* saw the brand looking more like a do-it-yourself (DIY) brand than a home improvement brand. The brand also had something of a masculine image in a market for decorative paint now driven by women. In 1996, men and women accounted for equal shares of the paint market. By 2005, women were the main shoppers, accounting for 150 million litres and men for only 81.4 million litres. So the 'handyman' image was a big problem.

The other challenge was price. As in many markets, the risk of switching to a retailer brand was now negligible — people wouldn't think twice about buying Tesco wine and now they didn't think twice about buying B&Q paint. They were more than good enough and much cheaper. For instance, 2.5 litres of coloured emulsion from B&Q would cost £6 less than the equivalent paint from Dulux.

The company had been addressing this issue by marketing its technical expertise to create any colour the consumer desired with the strapline: 'You find the colour, we'll match it'. The goal was to fend off the own-label onslaught by creating unique products that were not comparable (once a consumer had decided on a colour, then near-enough was not good enough).

But the retailer competitors were upping their game here too, so creating a new approach was critical.

At the other end of the spectrum, premium brands such as Farrow & Ball and Fired Earth set the pace in terms of aesthetic perceptions. Although these brands had a very small share of the market they were style leaders and had a disproportionate share of voice in the influential interiors magazines.

While the brand was still robust, it had experienced sizeable share erosion between 1999 and 2002. The company could see the clouds on the horizon, facing the classic marketing dilemma of holding the middle ground in the face of erosion from price players at one end and quality players at the other. The clearest indicator of Dulux's problems could be seen in the discrepancy between high brand preference scores in brand tracking (nine out of 10 people claimed to 'insist on' or 'prefer' Dulux) and the comparatively low market share of around 35%.

Marketing's big challenge was to address these looming issues and create a new, valuable connection with customers to justify Dulux's role as a leader. The first step would have to be a true understanding of its rapidly changing audience.

Getting under the skin of would-be interior designers

Visiting people's homes and watching them go through the decorating process proved to be enlightening. Everywhere the company's researchers went, they saw evidence of just how highly stimulated people had been by the media's encouragement for people to keep on improving their homes. Homes were the new fashion, and people's interest in decorating them creatively was higher than ever. It was hardly

surprising: they were exposed to a huge number of home decor TV shows and magazines (which, if put together at the time, would have had a total media value of about £1 billion annually) that provided stimulation and inspiration for them to keep their homes looking great.

Unfortunately, people's enthusiasm often had pretty appalling consequences, as those lucky enough to view the lady in Kingston who had painted a mural of Stonehenge at dawn on her son's bedroom wall can testify. The problem, it was felt, was that makeover and property shows had made interior design seem desirable and extremely easy, but the reality was that aspects of it, such as designing a successful colour scheme, were actually really tough and not enjoyed at all.

In going back to the data evidence which hadn't seemed relevant until now was found to back this up: over 40% of people claimed to be dissatisfied with their hard work once they had finished decorating.

The roller coaster ride of decorating

Mapping the journey from deciding to give a room a fresh new look to enjoying the finished result showed that it was without doubt fraught. In the beginning aspiring decorators had great hopes and excitement as they decided to embark on a new look. But they began to plunge down when they entered store and were bewildered by choice and struck by the expense. Then came the hard part of actually putting paint on the walls before — if they were lucky — rising high again on the joy of a great result. The problem was that Dulux appeared in this ride just as things started to turn unpleasant as they tried to work out what to buy.

The company had a hunch that true brand success would lie in the 'fun' bit — the planning and dreaming. It needed to win the war before people got as far as the store. But what role could Dulux play here? While choosing colour for a room had many enjoyable stages (e.g. getting inspiration and shopping around), the narrowing-down stage was much more difficult. This was the point at which consumers move from a general colour to an exact shade.

Consumers said that they found visualising a particular colour in a room difficult and imagining a colour scheme of more than one colour even harder. At this point, lack of confidence and indecision often led to non-purchase, delayed purchase or compromise. This high level of unhappiness with the decorating process suggested there was a huge unmet need. People needed help — colour help (Figure 1).

In addition to the strong brand and consumer rationale for championing colour, the company's portfolio analysis work led it to conclude that it should push coloured emulsion aggressively, given its healthy profitability and future growth potential.

So here was a problem Dulux could solve. It could help people bridge the gap between desire and expertise. At the start of 2006 Dulux would move from being a paint company to a 'colour help' company. Consumers would decide on Dulux shades before they got to the store and thus the brand could earn their loyalty before the actual point of sale.



Figure 1. Ease of shop

Helping customers become colour experts

In order to help people with colour, marketing's role would have to be to change behaviour and not just perception. Part of this would include encouraging the creation of service and product initiatives to develop helpful colour tools for people — tools that could translate preference into purchase by guiding people through the process of choosing their perfect colour scheme and, in doing so, guide them to choose Dulux.

The first tool was a colour scheming system that rolled out in DIY stores in 2006. This system organised the entire Dulux Colour range into a coordinated system that was easy for the consumer to use. Horizontally, the colours were organised into

moods: rich, fresh, warm and calm. Any colours then chosen from one of these rows would go together.

The second was a website designed to inspire and guide consumers through their colour decisions, dulux.co.uk. It was interactive to allow users to experiment in private and ultimately feel like masters of the art of colour combining. The website helped consumers visualise and experiment with colour schemes by letting them paint virtual rooms through a tool called 'Mouse Painter'.

Finding the perfect match

It enabled them to create their own virtual mood-boards just like professional interior designers did. It suggested colours that would go with other shades in toning, harmonising and contrasting colour schemes. Having found the colours that they wanted, visitors could then go on and order colour swatches and calculate the amount of paint required for their own rooms.

In order to demonstrate the brand's expertise in colour through communications, it was crucial to go beyond merely telling people how these new tools could help them choose a colour to paint their walls. This expertise and colour help had to be category-redefining and convey a sense of gravitas. The company could see an opportunity to communicate with people about the multi-dimensional relationships between colours, thereby reflecting the consumer truth: the real difficulty wasn't choosing one colour, but putting two or more colours together. In order to achieve this level of gravitas necessary, traditional paint language had to be banished from the vocabulary.

The language had to be that of colour, not paint. This led to a groundbreaking idea: Dulux are experts in

helping you with colour chemistry. Colours are like people: they have personalities. Some go together and some don't. This was then summed up by the headline: 'We know the colours that go'.

Human relationships were used to represent great colour schemes and show the chemistry that exists between people. This idea of colour chemistry and the 'We know the colours that go' campaign became one of the most successful in Dulux history, infiltrating nearly every single part of the business: from Dulux employee business cards, to business-to-business communications and to the more traditional means of consumer communications (Figures 2 and 3).

It appeared on TV as sponsorship for the hit US TV series Ugly Betty, print and online media. The idea also appeared on Dulux's colour cards, in press advertising, PR, advertorials, banner ads, and on the Dulux website. It even influenced the training of Dulux staff to become experts in colour chemistry themselves.

Achieving significant success

The launch of the Colour Expert marketing activity saw market share increase at its peak in 2006, by 2.5%. This was worth an extra £19m in sales every year (Figure 4).

This growth was despite the fact that the whole market was, up until the end of 2006, declining by 2%.

Making the Colour Mixing range the focal point of the brand led to a continuing increase in both value and volume growth of this range (Figures 5 and 6).



Figures 2 and 3. Examples of ad campaign

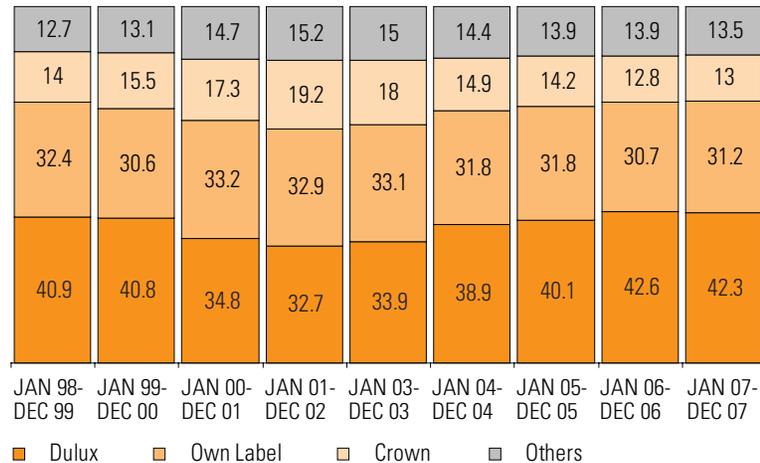


Figure 4, Value brand share of total paint multiples
Source: GfK

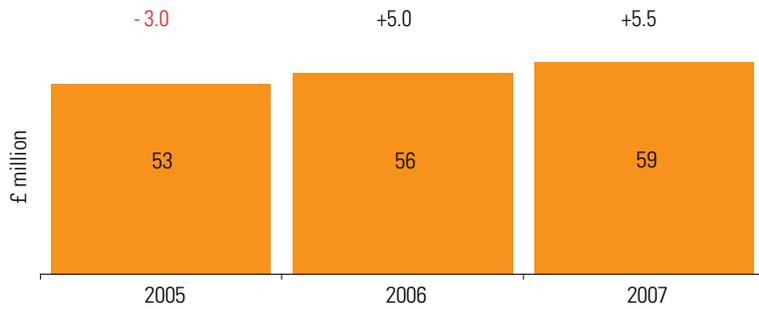


Figure 5. Value growth of colour mixing range
Source: GFK

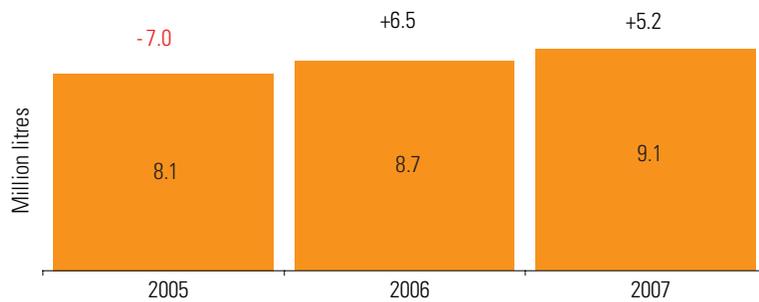


Figure 6. Volume growth of colour mixing range
Source: GFK

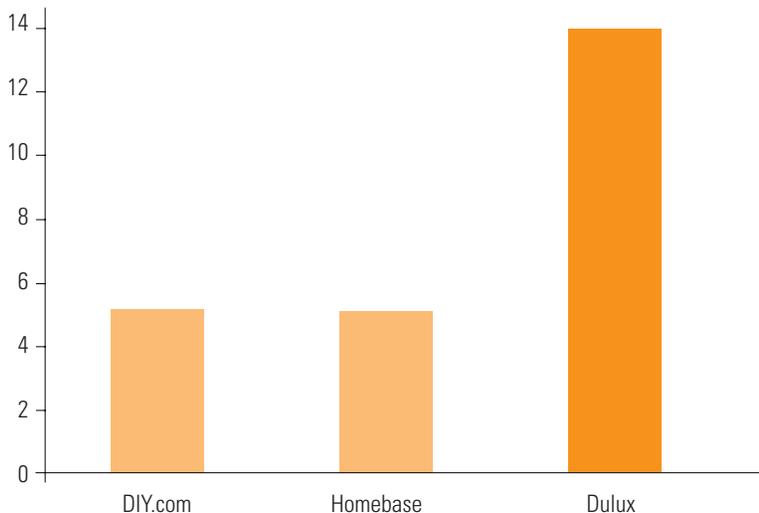


Figure 7. Average minutes per visitor
Source: Comscore June 2007

The marketing activity also had a positive effect on the brand's ability to maintain a price premium in a market that was having its pricing squeezed. In addition, brand consideration enjoyed a notable increase from 59% to 70% — which paralleled the communications.

The online campaign achieved a click-through rate of up to 16% and of those that saw the ads online, 79% were positively motivated by it. Site traffic itself was up during the campaign period by 80%, with an average time of 14 minutes on the site and 9% conversion to action (Figure 7).

In 2006 the brand was regarded as a traditional, somewhat old-fashioned paint brand. By the end of 2007 the brand had emerged even more strongly and as one based on helping people find, choose and put colours together.

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We're the world's sixth-largest insurance group and the biggest in the UK, with 46,000 employees that everyday serve 53 million customers worldwide.

We are committed to delivering one distinctive experience for our customers. Wherever they are, we want them each to feel that "no one recognises me like Aviva". Our global consumer research reveals that most of our competitors are particularly bad at recognising people's individual significance. This research also tells us that small human touches can make a huge difference to a customer's experience. Our aim is to make recognition the familiar quality that distinguishes Aviva from our competitors - just as Apple means user-friendliness and FedEx means reliability.

BT operates in over 170 countries and is one of the world's leading communications services companies. BT is a major supplier of networked IT services to government departments and multinational companies. It's the UK's largest communications service provider to consumer and business markets and is made up primarily of four customer-facing lines of business: BT Retail, BT Global Services, Openreach, and BT Wholesale.

BT operates in a thriving, multi-trillion pound industry that spans the whole world. In recent years the global communications market has been focused on convergence, whereby the boundaries between telcos, IT companies, software businesses, hardware manufacturers and broadcasters have become intertwined to create a new communications industry.

BT has evolved from being a supplier of telephony services to become a



"We know insurance isn't just about policies and pensions; it's about people. That's why we're making our customers the big picture, putting a spotlight on them and our people. Putting customers at the heart of everything not only makes sense for them, it makes good commercial sense too." (Amanda Mackenzie, Aviva's chief marketing and communications officer)

We are working hard every day to build the company around what our customers want from us. That's why Aviva now ranks among the UK's top ten most valuable brands, according to the 2010 Brand Finance Global 500 survey and that success is something we are looking to replicate across the world.



leading provider of innovative communications products, services, solutions and entertainment products. BT's business customers range from multinational, multi-site corporations to SMEs and start-ups.

More than 80 per cent of the FTSE 100 and 40 per cent of Fortune 500 companies rely on BT for networking, applications and system integration. The National Health Service, Procter & Gamble, PepsiCo, BMW, Emirates, Fiat, Microsoft, Philips, and Unilever are just some of the organisations working with BT.

BT has been a driving force behind the success of 'Broadband Britain'. Thanks to the company's investment, nearly every home in Britain now has access to broadband and in September 2009, BT announced plans to more than double the availability of its fastest fibre broadband service.

MARKETING EXCELLENCE 2

“A treasure trove of examples covering the whole waterfront, from launching new brands to revitalising, sustaining and extending established ones, and from insights to advertising and sustainability. Whatever your business, it should make you proud to be a marketer, shake up your thinking and inspire you to go the extra mile.”

Professor Patrick Barwise, London Business School, Chairman of Which?

“This exciting book demonstrates how great marketing can solve the most difficult problems, through analysis, teamwork and creativity.

It contains 34 fascinating case studies, selected from hundreds of high quality entries to The Marketing Society Awards for Excellence. Those involved had the determination to win, and the courage to think differently. An inspiring read.”

Professor Hugh Davidson, Co-Founder, Oxford Strategic Marketing

“This is the textbook, the toolkit and the manual for marketing excellence.”

Cilla Snowball, Chairman, AMV BBDO

“These cases are a great source to stimulate your thinking. Some will stimulate new thoughts, some will unlock ideas from the back of your memory. All of them however are great fuel for growth.”

Keith Weed, Chief Marketing and Communication Officer, Unilever

Featuring 34 award-winning case studies from some of the world’s leading brands:

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