



MARKETING EXCELLENCE 2

Dulux

Building on a common insight
to create a global brand



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

Building on a common insight to create a global brand

Snapshot

By rethinking its approach to cultural differences and finding common ground in the regenerative power of colour, Dulux became a truly global brand.

Key insights

- ICI Paints embarked on its journey from local to global back in 2007 in the face of slowing growth with the aim of operating a much simplified and harmonised brand portfolio and investing in one global priority— Dulux.
- A major needs-state segmentation study, based on both global and local findings, uncovered similarities the brand could build on and gave the global marketing team a shared language.
- Working together this way had the added bonus of helping what were once fierce competitors find a new organisational spirit when AkzoNobel acquired ICI Paints.

Summary

ICI Paints, which was acquired by AkzoNobel, one of the world's leading industrial companies, in 2008, had for some time run as a multi-local organisation with a

complex brand portfolio of over 40 brands. Although it had scale and a powerful global footprint, it was struggling to turn this into a competitive advantage,

In 2007, inspired by a universal insight into the 'regenerative power of colour', ICI Paints identified the opportunity to drive growth by building a powerful global brand — Dulux. Over a three-year period the marketing team worked in new cross-border and cross-cultural ways to get the brand to travel successfully, including developing a common marketing language.

The result was the creation of a global innovation strategy for the brand centred around five common platforms and the development of the company's first global communications campaign.

The business derived significant financial benefit from this new global approach, with brand share rising in most major markets.

Laying the foundations

In 2005 ICI Paints appointed its first chief marketing officer (CMO). Until then the organisation had been run as a multi-local organisation, with each of the 50 countries determining its own marketing strategy. There were examples of local success but performance was patchy, the company struggled to leverage good ideas and, more importantly, growth was slowing.

The task for the CMO was twofold: improve the performance of the marketing organisation and create competitive advantage from global scale. Its major competitors were local or regional players, so global reach and scale set the company apart. However, its multi-local operating model was limiting its ability to realise this advantage.

A pivotal question the company asked itself was whether it could win against its competitors through simply building local capability and leveraging best practice. Or was there actually an opportunity to create advantage through building a global brand? The Dulux name was present in many markets but it was far from being a global brand.

To answer this question the company first had to develop a common language across the marketing teams and start looking at the market through the same lens. So ICI Paints embarked upon a global needs-state segmentation study. This was a globally-led initiative but developed through a highly inclusive process through which the segmentation model was built 'bottom up': developing and validating hypotheses with the local marketing teams and then coming together to share learning. The study was conducted in 27 countries and identified that, despite the many assumed differences in markets, the same

consumer segments existed across the globe with common needs.

The quantitative study was further enriched by an ethnographic study across the top 10 markets where rich insights into the segments were captured through video diaries and in-home interviews. Some gems of local differences were uncovered and the team learned that taste is certainly subjective. However, the commonality among the needs of consumers whether in China or Brazil, India or Poland was astounding.

For the first time the company had a common framework and a language to describe its market that was understood and embedded in its marketing teams across the globe. This became a powerful tool in the development of a global marketing organisation and a first step in uncovering opportunities to develop global strategies.

Finding common opportunities

The next stage of the journey was the co-creation of a global brand portfolio strategy. Each market arrived independently at a remarkably similar brand portfolio strategy, targeting the same segments with just two or three brands required to deliver the businesses growth objectives. Within these portfolios one brand positioning — the Dulux brand positioning — was identified by all as the major opportunity for growth. This was a key milestone as, until then, the company had been managing more than 40 different brands in as many different ways. Now it could focus its resources on a simplified and harmonised portfolio with one global priority.

At this point a global brand team came together and, through a series of workshops, began to share

business objectives, market trends and dynamics, consumer understanding, brand portfolio strategies and views on Dulux brand positioning. While the marketers would describe insights and brand positioning in subtly different ways, it was now becoming obvious that the team shared many common objectives. They were targeting the same three segments globally and uncovering a powerful, universal insight upon which a global brand with scale could be built. Critically, this was the realisation of the team and not an imposed view from the top.

The power of innovation

Having identified that the team members were trying to build the same brand, they could rapidly move into the convergence of strategy and leverage of ideas. A common model was created for the Dulux brand architecture that immediately unlocked the potential to transfer existing innovation ideas across markets.

For example, in Europe a strong 'aesthetic pillar' had been developed for the brand, but in Latin America this was a complete gap in the brand's architecture. Within months the Coral Decora range was created and launched in Brazil (Coral is the name for Dulux in Brazil) and generated 2% incremental sales in the first year.

In Asia an opportunity was identified to strengthen the 'performance pillar', leveraging concepts from the UK such as 'Light and Space' (a paint that makes rooms look brighter and feel more spacious). This was launched across five markets within the year. And a concept based on 'super durability' that had been successful in the UK was developed and launched across France, Brazil, and many of the Asian markets. It has been estimated that the total impact from such innovation leverage generated more than

€250 million of incremental sales for the business in 2007.

Furthermore, the convergence of brand strategy allowed the company to develop five globally-aligned innovation platforms which are now driving the development of a global innovation portfolio. By December 2009 the brand's innovation pipeline contained 10 – 15 cross-regional projects with a focus on breakthrough innovation as compared to the > 50 incremental local initiatives of two years ago.

A whole new world

In January 2008 the world changed dramatically. ICI Paints was acquired by its biggest competitor, AkzoNobel, followed rapidly by the global economy going into meltdown. The company not only faced the major challenge of integrating two large companies which had been at war for decades (with a combined turnover of €5 billion) but the markets were in freefall: builders stopped building, people stopped moving and consumers stopped buying paint.

The business imperatives became clear. To grow, the company needed not only to leverage the global scale to win share from local competitors, but the focus now had to turn to category growth through igniting the passion for decoration. The company also wanted to encourage the growth of a new spirit in the organisation, and one in which the two former companies were unified by a common purpose. Working together to create a global Dulux brand with a global purpose proved to be the perfect platform through which these new imperatives could be tackled.

Adding colour to people's lives

The universal insight that had been uncovered for

Dulux was that *'Our surroundings have a powerful influence on how we think, feel and live. We feel good when they reflect who we are and who we want to be. Dulux's role is to inspire and help people to create beautiful homes and communities through colour. We believe that in doing so we can lift spirits and bring people together. In fact, we sell 'tins of optimism' not just tins of paint'*. This was articulated through the brand idea of 'adding colour to people's lives'.

The South East Asia marketing team was immediately inspired by this idea and created a cross-market campaign for Dulux Weathershield that focused on how Dulux transformed a community from a world of grey to a vibrant and colourful community filled with joy. This more emotional approach (backed up by a clear product functionality) proved to be much more effective than the previous campaigns, yielding above average cut-through and persuasion and was seen as new, credible, relevant and unique.

Encouraged by the work in South East Asia, the global team began working with the Brazilian team who were looking for a way to challenge the market leader Suvenil. The Asian work was researched in Brazil and again the company found that the advertising had the potential to be effective as it created a strong emotional bond and a stimulus to paint.

Moreover, the social and community bonding aspect of the creative was particularly valued and with this insight the idea started to build. Because, in addition to testing advertising creative based on community stories, the team researched a campaign which celebrated how the company was transforming communities for real — 'our people, our paint, our brand transforming Brazil one neighbourhood at a time'. The audience's reaction showed this was a winning idea (see 'Brightening up the neighbourhood').

Brightening up the neighbourhood

The 'Coral Community' campaign began in the summer of 2009 with the transformation of several neighbourhoods and communities in Sao Paulo and Rio de Janeiro. But these weren't just events created for advertising purposes. The whole company was engaged in preparing the projects, working with the local community to seek their ideas, engaging with local celebrities and dignitaries to build newsworthiness, talking with customers to gain local distribution and, of course, actually painting the building and then — because it was Brazil — celebrating with a party (Figures 1 and 2 overleaf).

These events created significant PR coverage (including the mayor of Sao Paulo being interviewed on national TV) and by the end of 2009 the company had achieved more than €1.5 million's worth of free coverage. The transformations were filmed for a TV campaign the following year

However, the impact extended much further than the brand. The company in Brazil had faced significant challenges through the integration of ICI Paints and AkzoNobel. The community programme began to unify the company and create a renewed purpose and spirit. This began to translate into tangible benefits through gains in distribution and market share growth for the first time in years. Coral grew 3% points to 22.5% volume share in 2009.

Becoming truly global

The pace at which the idea of ‘adding colour to peoples lives’ was travelling was fast, with teams inspiring other teams. The company appreciated that it had a powerful concept. But this energy and passion for the idea needed to be grounded and channelled to use it as a platform for a global brand. In the summer of 2009 AkzoNobel embarked on a process to create a global communication and activation campaign for the brand — a pivotal milestone in the journey from multi-local to global.

Through the process of campaign development the company confirmed that demonstrating the ‘regenerative power of colour’ was a powerful strategic platform for Dulux because it was relevant, competitive and, most of all, it was a truth from within the business.

- It was relevant because audiences could be helped to recognise that small steps could make a big difference and understand the regenerative impact colour or a fresh lick of paint can have.
- It was competitive because the company believed it had an opportunity to distinguish itself not just through what was said but how it was said: not what we say but how we say it.
- It was true because it was actually at the heart of the organisation. The company had been actively transforming communities for decades but, until it started working globally, it hadn’t realised it.



Figure 1. Brightening up in Brazil



Figure 2. More colour in Brazil

Let's Color project



Figure 3. France



Figure 4. France

By now it had arrived at the stage of bringing to life how it could 'add colour to people's lives' (from the small lick of paint in an apartment through to the rejuvenation of communities). With EuroRSCG London a global campaign idea was created under the slogan 'Let's Colour' that straddled activation, content, social media, advertising and beyond. Let's Colour was a creative expression and a collective call to action that embodied the visionary spirit of 'adding colour to people's lives'.

In 2010 the campaign was taken to France (Figures 3 and 4) and the UK (Figures 5 and 6 overleaf) along with Turkey and South Africa. (It was set to be rolled out globally in 2010). Local resources were combined to create global assets operating to the principle of fewer, bigger, better and proving to have the potential to be more effective than if the company had continued to work locally.

An additional benefit was that the idea inspired the organisation. Following the model of Brazil, every business was now creating 'Let's Colour' community programmes, whereby every year AkzoNobel would work to transform the communities where they lived and worked. Furthermore, the company embarked on a programme of colour training for all its employees so that they all could learn how to add colour to their lives in their own homes.

Impressive performance

The previous few years had been challenging for the category with market volumes down 6% in 2009 versus 2007. However, the Dulux brand share performance had been more encouraging, with volume and value share gains across the priority markets. In addition, all top 10 markets showed share growth — particularly in the UK, France and the emerging markets of Brazil, Argentina, Indonesia and Vietnam.



Figure 5. The UK



Figure 6. The UK

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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

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