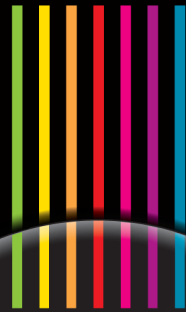


MARKETING EXCELLENCE 2

Sky+

Finding the right route
to an elusive audience



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?



Roisin Donnelly
President of
The Marketing Society
Corporate Marketing
Director and Head of
Marketing at Procter &
Gamble UK and Ireland

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.



Finding the right route to an elusive audience

Snapshot

Customer insight helped Sky engage successfully with a new and hard-to-reach audience for the Sky+ brand.

Key insights

- The compelling insight that Sky gained about its new target audience — that it resisted the hard sell — formed the basis of a demonstrably effective campaign.
- Using celebrities who would resonate with this audience to enthuse in their own words about the brand set the right tone.
- Tying this all up into a multi-channel, integrated campaign made the whole far more than the sum of its parts.

This case study shows how Sky was able to appeal to a new audience by understanding that sometimes it is more powerful to get your customers to tell your story. Face-to-face sessions with customers revealed how much more compelling advocacy can be over a conventional brand selling approach. The company replicated this powerful tool by using celebrity testimonials to accelerate advocacy and get people talking about Sky+ through a multi-channel, integrated campaign.

The campaign brought a new audience to the channel and produced the strongest fourth quarter net additions in five years.

Summary

Sky operates the most comprehensive multi-channel television service in the UK and Ireland, offering movies, news, entertainment and sports channels and interactive services on Sky digital to over 9.7 million households. One of its major services is Sky+, a personal video recorder launched in 2001, which allows up to 40 hours of TV to be recorded and watched later.

Coping with a changing market

At the beginning of 2008, Sky had just under nine million customers. With a public target of 10 million customers by 2010, there was a lot to play for. But with the growth of the Freeview base to over 14 million households, convincing people to pay for TV was becoming increasingly challenging. (Launched in October 2002, the Freeview service provides free-to-air digital TV channels, radio stations and interactive services through an aerial. It is owned and run by its five shareholders — BBC, BSkyB, Channel 4, ITV and Arqiva.)

In 2007, the value-driven sales message of ‘See, Speak, Surf’ promoting broadband and talk alongside TV had successfully grown Sky’s market share. But the company could no longer rely on value alone to attract new customers. Appealing to a new, harder-to-reach audience was essential in order to achieve its targets.

Research indicated that many Freeviewers did not think that Sky was relevant to them. They saw Sky as delivering ‘more TV’ rather than ‘better TV’. Moreover, they were already satisfied with their free digital channels.

The demographic profile of available customers was also changing. In particular, there was a group of older 55+ Freeviewers. They were harder to reach, with more barriers to advertising and to the Sky brand. The company worked closely with Dr Ken Dychtwald, an expert on ageing-related issues, to understand how to engage them. They appreciated authenticity and ideas that reflected their lives. They rejected complex and metaphorical creative concepts, but were also patronised by ads that they felt were too obviously targeted at their generation. More than anything, they valued things that were useful rather than wasteful.

So Sky needed to find an approach that would make the service relevant to their lives. A quantitative study was designed to understand the key barriers and conversion triggers that could move Freeviewers to consider the service. Sky+ was found to be one of the most efficient triggers. It would revolutionise how they watched TV and help them feel more in control of their viewing.

Rethinking the marketing of Sky and Sky+

Since its launch in 2001, Sky+, a personal video recorder which allows up to 40 hours of TV to be watched and recorded later, had been an incredibly successful product for the company. In March 2008, just over a third of Sky households had Sky+. However, if portraying the benefits of Sky+ to its own customers was difficult, attracting new customers to Sky through Sky+ would be even harder. Sky had always struggled to unlock its attractions in a large-scale marketing campaign. The company knew from the enthusiasm of existing Sky+ customers that it was indeed a life-changing product, but had never been able to convey its magic to potential customers. There was thus a mismatch between high levels of customer satisfaction and unfulfilled sales potential.

The way it was

In the past, Sky had adopted two different marketing strategies.

- The technological benefits. In 2006, as part of the ‘What do you want to watch?’ campaign, clips of content were paused, rewound and fast-forwarded to illustrate the benefits of Sky+. But this did little to demonstrate the true capabilities of the service. It succeeded in communicating the functional benefits, but failed to highlight lifestyle benefits.
- The social benefits. In 2007, the ‘Brain’ campaign was designed to emphasise the emotional benefits

of control by showing how you can carry on your life without missing your favourite programme.

But this over-stated the importance of television in people's lives: people didn't want to admit that TV was a greater priority than their social life.

The company thus needed to find a way that would balance the lifestyle benefits with the technological benefits, be simple and motivating and which would create desire for the product, while also showing how easy it was to use, particularly for an older audience.

Digging deeper to find the right answer

There was a paradox at the heart of the problem. Anyone who had Sky+ would tell you how it had revolutionised their life. But anyone who didn't have Sky+ couldn't see what all the fuss was about. Therefore, to get under the skin of what it was the owners loved about it, the company asked them (Figure 1).

Their stories were a combination of social and technological benefits, but it was the personal touches, enthusiasm and language that brought the benefits of Sky+ to life. The real breakthrough came, however, when the company carried out some 'customer closeness research'. Sky regularly held these sessions to give executives the opportunity to talk face-to-face with customers and prospects.

The research session was split into two halves. In the first half, Sky executives had the opportunity to explain the benefits of Sky to 55+ Freeview prospects. Nevertheless, the Freeviewers remained unmoved. In the second half, Sky customers were asked to explain the benefits of Sky and Sky+ to the Freeviewers. The mood of the room changed instantly. The customers were able to give the

Freeviewers real examples of how they used Sky+ and how it had improved their lives. By the end of the session, the Freeviewers wanted to know where they could sign up.

The power of advocacy

The solution became clear to Sky: tell, not sell. The most powerful approach would be to get customers to be advocates.

In the past, the company had encouraged customers to tell their friends on a smaller scale with a 'member-get-member' scheme which had proved very successful. In fact, before the campaign, 20% of Sky+ boxes had been sold by existing customers. This effort needed to be given a boost by broadcasting it. However, because a campaign using customers would not give the impact needed, the company decided to use celebrities to get people talking.

Sky had a major advantage: many celebrities had Sky+ because of their busy lives, and spontaneously praised the service in public. Celebrities were also a much easier way to have a conversation with 55+ Freeviewers. They were cynical about advertising messages, so the company sought to create a campaign that would feel more like a relaxed conversation with someone they respected. This mixed the impact of celebrity with the credibility of advocacy.

The celebrities selected were genuine Sky+ customers. They were real advocates and enjoyed the status of 'national treasures' as some of the country's best-loved celebrities and could reflect Sky's British heritage. Those chosen were straightforward, down-to-earth and whose point of view would be respected. In addition, the company chose celebrities



Figure 1. How does Sky+ change peoples lives?
Source: WCRS Qualitative

who hadn't done many other ads to emphasise their genuine enthusiasm for the service. They were the kind of people the target audience would love to have a chat with: Sir Michael Parkinson, Ross Kemp, Mariella Frostrup, Felicity Kendall and Kelly Brook.

There was also an analysis carried out of testimonial campaigns to establish the rules of how best to deliver the campaign (Figure 2).

GOOD		BAD
Real customer and advocate	NOT	Customer spokesperson
Natural conversation (from the heart)	NOT	Forced script
Human benefit of the product	NOT	Product attributes
My story	NOT	Product sell
Entertaining	NOT	Informing

Figure 2. What makes a good testimonial?

The creative and tonal approach chosen was deliberately 'un-Sky'. In the past, Sky communications had been quite information-rich and slick. The company purposely adopted a quieter and more pragmatic style. The intention was not to 'sell' the product, but to have celebrities genuinely enthuse about it.

To ensure authenticity, the celebrity interviews were completely unscripted. The company knew neither what they would say, or how they would say it. While this was a leap of faith for the company, it realised that their words would be more powerful than any words written for them.

The print ads were also designed to be simple and clean. The company realised that many people were worried that Sky+ would be too technological and complex to use, so the body language and campaign

message were designed to overcome this barrier (Figure 3).



Figure 3. The Sky+ campaign

A consistent and integrated approach

The media strategy was to target two key groups:

1. Three million Sky+ customers: the company realised that the best form of advertising would be to stimulate existing customers to evangelise about their love of the product.

2. Freeviewers: particularly focusing on the 55+ age group.

The campaign was integrated through-the-line and used TV, outdoor, national radio promotion (where Sky+ customers were encouraged to call in and speak to radio presenters about the benefits of Sky+), direct door drops, press, media inserts, online activity, public relations, point-of-sale and internal communications.

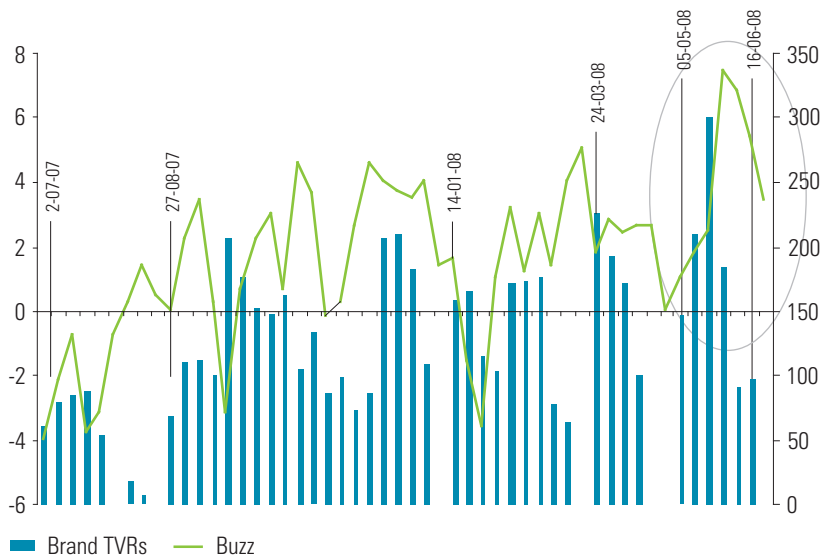


Figure 4. Sky+ campaign created significant positive buzz around the Sky brand. Source: YouGov/Brand Index

Achieving record results

The campaign transformed the fortunes of the brand in a number of critical ways.

1. The campaign helped Sky to have its strongest final quarter in five years. Running for the majority of the fourth quarter in 2006, it was instrumental in helping Sky produce its strongest fourth-quarter net additions in five years. This was attributed to the success of the Sky+ advocacy campaign, which contributed more than 321,000 quarterly net Sky+ additions — only the third time ever that Sky had achieved such strong results.

2. The campaign changed perceptions of the Sky brand. The fresh, tonal approach of the campaign helped people to see Sky in a new way. Following the campaign the company saw statistically significant increases in the following measures:

- “Sky makes life easier for its customers”.
- “Sky has the best technology”.

In qualitative groups following the campaign, people picked up on that change of tone: “It’s not at all what you’d expect from Sky. It’s much quieter, but it’s much more likely to get my attention”.

3. The campaign created unprecedented ‘buzz’ for Sky. An independent YouGov survey showed a significant increase in buzz for the brand during the campaign period (Figure 4), suggesting that the campaign was successful in creating accelerated advocacy. It also achieved high level of awareness.

4. The ‘advocacy’ approach attracted a new audience to Sky. Crucially, a record 55% of Sky+ additions were new to Sky (the highest number of new additions ever in a quarter, proving that the fresh

tonal approach appealed to a new base of customers). The appeal of Sky+ was clearly the driver as the proportion of new customers taking the service increased by 31% during the campaign. The brand also managed to attract the 55+ audience. At the start of the campaign there was a 90% increase in new customers who were 55+. By July 2008, 30% of all new additions were 55+.

5. The campaign strengthened the company’s relationship with its customers. The number of customers intending to purchase Sky+ increased from 38% to 51% during the campaign period, and agreement with “Sky cares about its customers” and “...is a company I trust” increased. Sky+ was also an excellent retention tool: research showed that churn levels in Sky+ households were between 30-50% below average.

6. It was the most efficient campaign of the last two years. It achieved the lowest cost per acquisition (CPA) of all brand campaigns over the last two years and clearly out-performed the previous Sky+ campaign, ‘Brain’ (Figure 5). The campaign performed strongly across all media, showing the benefits of the integrated approach. There was also a direct correlation between media spend and additions (Figure 6).

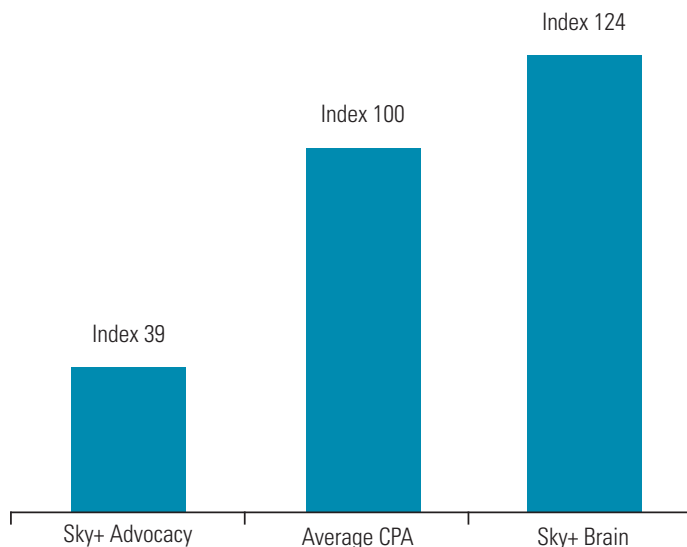


Figure 5. Sky+ advocacy had the lowest CPA of all brand campaigns in the last 2 years
Source: Marketing Strategy, September 2008

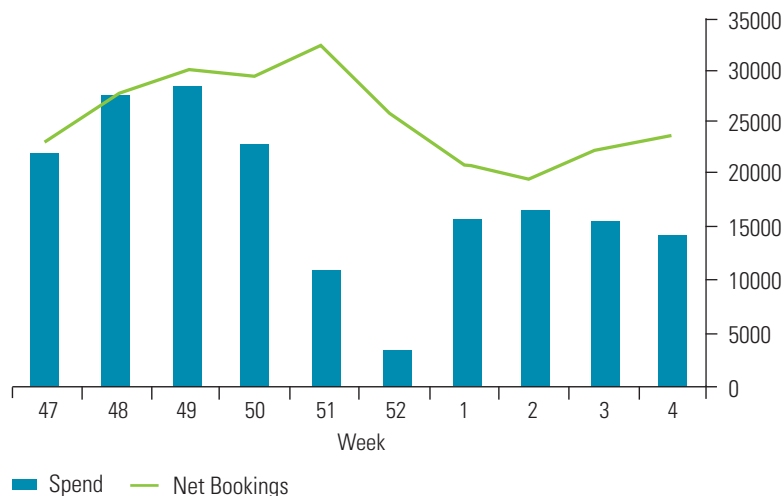


Figure 6. Net bookings vs marketing spend (brand, direct, online) during Sky+ advocacy
Source: Marketing Strategy, September 2008

Rewarding return on investment

Based on the proportion of new subscribers to Sky supported by the Sky+ campaign, the company stood to gain in the region of £100-plus million of additional revenue in the first year alone. This didn’t include additional revenue gained from current Sky customers upgrading to Sky+ or the lifetime value of Sky+ customers, which is considerably higher than regular Sky customers because of lower churn rates. Based on this data alone, the total brand campaign more than paid for itself tenfold.

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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.

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