

G O L D

Grand Prix Winner

ddf**h**⁺**b**

Making the Big Switch | Bord Gáis
DDFH&B

Gold FMCG

Sponsored by

Irish Daily Mail

Gold Corporate, Finance & Services

Sponsored by

Irish Independent 

Gold New Launch

Sponsored by



COMPANY PROFILE

The DDFH&B Group primarily consists of DDFH&B Advertising, Mindshare Media and RMG Target – the largest companies in Ireland in creative advertising, media buying and customer relationship marketing respectively. What we deliver as a group is channel-neutral, integrated marketing communications campaigns that deliver real and measurable results. In 2005 in order to achieve this level of integration we formed a number of small, multi-disciplined teams – we call this FUN SIZING. The past 5 years have been the most successful in our 25 year history winning accounts such as The National Lottery, Bord Gáis, Bulmers, Fáilte Ireland, Vodafone, Brennans Bread, Sky and many others.

INTRODUCTION & BACKGROUND

It's not often an Irish company launches into a completely new market sector.

It's even rarer for an Irish company to launch into a completely new market sector and achieve their year 3 sales target within the first eight months!

This case study charts the hugely successful entry of Bord Gáis Energy into the residential electricity market; from years of preplanning right through to a carefully executed and fully quantifiable integrated communications campaign which completely transformed the market, consumer attitudes and won over 300,000 new customers in less than a year.

Residential electricity was not a dynamic or high interest marketplace – the well regarded ESB had held a monopoly since 1927, and their excellent customer service meant few were seeking an alternative supplier. But government plans prompted by EU directives to deregulate the electricity and gas markets presented our client, Bord Gáis Energy, with a choice between managing a decline in their gas business or grasping the opportunity for growth in a newly available market by developing a residential electricity product.

Furthermore Bord Gáis had invested in constructing a gas powered electricity power plant in Whitegate, Co Cork which is planned to be fully operational in late 2010 and needed a broad customer base to sell its output to.

From research carried out in early 2008 by TNS MRBI, it was clear that there was very little knowledge among consumers of the deregulation of the Energy markets, that customers did not understand that they could switch providers or what was involved in switching. It also became clear that price would be a key motivator in getting people to switch from the ESB who had recently focused on retention activities such as energy advice, paperless billing and had launched a new brand TV campaign focusing on their customer service credentials.

Our 'Big Switch' campaign was remarkable in how it managed to capture mass public and media attention whilst creating a new level of consumer engagement in what would previously have been considered a low interest category, and at a time where possible confusion could be caused within the residential electricity market, as a second challenger, Airtricity beat Bord Gáis Energy to market by a number of weeks.

This case study will show how we created a direct response campaign so

measurable and successful that it has been named “...the world’s most successful marketing campaign ever for an electricity retailer...” by the Helsinki based VaasaETT Global Energy Think Tank!

MARKETING OBJECTIVES

The success of this campaign was ultimately to be judged on a very simple measure: the number of people who switched to Bord Gáis Energy for their electricity.

Targets for new customers were set by undertaking significant research at three levels;

- Consumer level in the energy market.
- Brand challenger level in roi (but outside the energy market).
- By looking to other deregulated energy markets around the world.

Taking all this research into account, a target of 80,000 switching in the first 12 months was set, with a stretch target of 100,000. These targets were then stress tested by two sets of independent energy market experienced consultants, Deloitte and PA Consultants and were based on the knowledge that the ESB could not immediately respond on price due to regulatory restrictions. The acquisition targets set were seen as particularly challenging as switching markets in Ireland had traditionally been an area plagued by customer inertia.

In terms of Bord Gáis Energy business objectives, setting ambitious but realistic acquisition targets was essential, as investment in systems to handle new customers and enquiries had to be made at both operational and technical levels.

In marketing terms, beyond vital customer acquisition, three extra objectives were set:

- Establish Bord Gáis Energy as a serious player in the residential electricity market.
- Reposition Bord Gáis Energy from simply the old gas company to a dual fuel energy company.
- Embellish/build brand values of Empathy, Honesty and Integrity and Proactivity.

Whilst in terms of communications, it was recognized that a major part of the campaign would be to educate Irish consumers, as the idea of switching energy providers was completely new. It was also critical that the offer was communicated in as simple a way as possible to remove any barriers/doubts and to enable people to make the switch with confidence.

We knew that price would be a key motivator in encouraging people to switch. However, price alone would not guarantee success.

Accepting the challenges facing the brand, our communication objective was to consistently deliver three core simple messages:

- Bord Gáis Energy now supply electricity.
- Save 10-14% off ESB unit rates.
- It is easy to switch.

THE TASK

Our task was – simply put – to do something which had never been done before in Ireland!

Bord Gáis Energy were aiming to enter a market – and win serious numbers of new customers – where there were high levels of satisfaction with both the incumbent supplier and their product.

If that wasn't challenging enough, our research made the high levels of customer inertia among Irish consumers clear: benchmarks across other utilities markets showed a very slow take-up of similar offers (after over 10 years of an open market, eircom still retain 69% market share – source: ComReg). When one looks at the UK gas market, it took 10 years of competition for British Gas's market share to fall below 50%.

And while it was very much the focus of our attention, we were also aware that for the average consumer the Energy market was a relatively low interest/low involvement category, so making people sit up and take notice was another major challenge!

So our mission was to create an idea which would:

- Work seamlessly across all communications channels from advertising to pr to direct marketing and the web.
- Have enough stature to communicate the significant nature of the launch.

- Have a very strong and trackable direct response element in every medium.
- Reposition bord gáis energy from ‘the gas company’ to a progressive and innovative dual fuel energy provider.
- Communicate the cost benefits and ease of switching in a very clear way.
- Offer consumers a credible alternative to the esb.

And we knew that from 18th February 2009 a dedicated call centre of more than 40 customer service agents would be waiting to switch ESB customers to Bord Gáis Energy.

It was our task to make sure those phones rang.

THE STRATEGY

We built our strategy over a 12 month period. As this was a totally new proposition within the Irish market, we began by taking learnings from previous ‘challenger brand’ case studies in the banking, telecoms and insurance sectors and used these to inform our development of a channel strategy and to set appropriate media/below the line activity and budget weights.

From the start we recognized the importance and value of a thoroughly through the line strategy that would reinforce the key marketing messages in all channels and create a sense of ubiquity – because while piped gas is available to approx half the homes in Ireland, the campaign must introduce Bord Gáis Energy to all of Ireland’s 1.6 million residential electricity customers¹, the majority of whom would never have had dealings with the brand before.

Our target market was nationally representative of the household responsibility population, resulting in a slight female bias.

The changing economic climate meant ‘savings’ were becoming a much more motivating force, and research informed us that a percentage was the most potent and easy to understand expression of a ‘saving’. To this end Bord Gáis Energy arrived at a transparent and easy to understand price proposition of saving between 10 and 14% off ESB unit rates. (The ‘standard’ saving of 10% was available to all customers with an additional 2% added for existing gas customers and a further 2% for choosing to pay by direct debit).

However, in terms of communicating the price offer the agency team made a strong recommendation to lead with the price offer of ‘a minimum 10%’

1. Note the number of occupied residential homes in ROI



Gold Winner, Grand Prix
 Making The Big Switch - Bord Gáis
 DDFH&B

Serious switching. Serious savings.



Are you one of over 100,000 people saving 10-14%* off ESB rates?

Already more than 100,000 people in Ireland have made the Big Switch to electricity from Bord Gáis Energy. And these days, who can afford to ignore such guaranteed savings? So if you haven't made the Switch, what's keeping you? Just get hold of your current electricity bill and make a call, or fill in an online form, and our switching team will do the rest.

To find out more, call, or visit our website.

1850 45 55 65
thebigswitch.ie



*The discount stated is off the applicable ESB domestic tariff unit rate and applies to the first year's consumption. However, the Bord Gáis Energy standard discount tariff will apply which is guaranteed to be at least 5% below ESB unit rates for each year and thereafter. Terms and conditions apply.

Big switch. Big savings.



Guaranteed minimum savings of 10%* off ESB rates

Making the Big Switch to electricity from Bord Gáis Energy - and saving at least 10%* on ESB rates, even if they drop their prices - is simple. Just get hold of your current electricity bill and make a call, or fill in an online form, and our switching team will do the rest. You don't need a new meter or wiring - it's exactly the same electricity as normal, delivered in exactly the same way, but at significantly reduced costs.

And there's even bigger savings if you pay by Direct Debit, or are an existing Bord Gáis Energy customer.

To find out more, call, or visit our website.

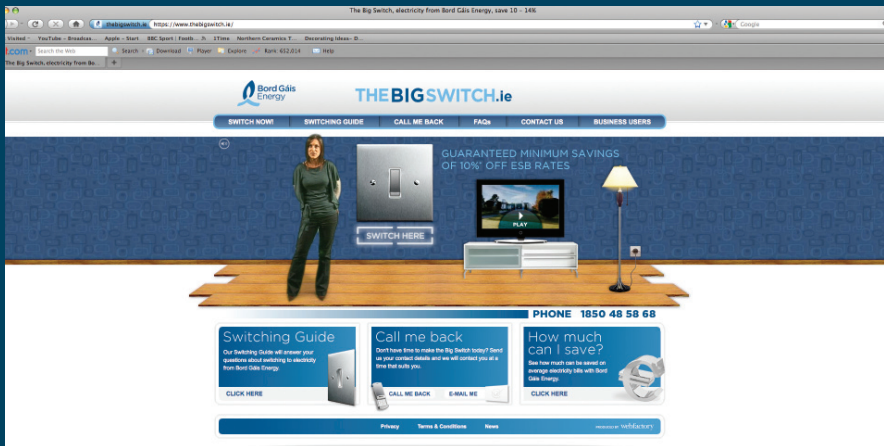
1850 45 55 65
thebigswitch.ie



*The discount stated is off the applicable ESB domestic tariff unit rate and applies to the first year's consumption. However, the Bord Gáis Energy standard discount tariff will apply which is guaranteed to be at least 5% below ESB unit rates for years two and three of this offer. Terms and conditions apply.

Ireland is about to switch





saving as opposed to offering a more ambiguous and potentially misleading ‘up to 14%’. This strategy demonstrated the transparent nature of Bord Gáis Energy to new customers, and offered them a simple to understand savings proposition. And when the offer so was open, transparent and trustworthy, all the other elements of the communication – from ease of switching and trust in this new electricity supplier – were equally honest and believable.

The other key strategic decision was to make all media activity direct response. This significant decision meant every channel required accountability and measurement – and this knowledge allowed us to tailor media selection as the campaign progressed, ensuring resources were placed behind the most effective mediums.

To ensure the smooth running of a complex, totally through the line strategy we set up a steering group made up of senior representatives from the client side and the agency team including creative, media, ATL, BTL and digital and held weekly meetings to keep all elements of the campaign working in tandem and cohesively. This has been acknowledged by Bord Gáis Energy as a key cornerstone of the campaigns success.

THE IDEA AND COMMUNICATION ACTIVITY

Scale – both in terms of idea and communications activity – was vital to allow Bord Gáis Energy to credibly challenge the incumbent ESB whilst establishing themselves as a progressive energy provider, no longer merely ‘the gas company’.

Our communications idea was simple and powerful – The Big Switch.

- A switch is a symbol of electricity.
- A switch is a change.
- And a Big Switch is a metaphor for the scale of this new, ground breaking offer.

The Big Switch also suggests a sense of a populist movement, something everybody would want to join – an inherent call to action to directly address the lethargy and apathy which often prevailed in switching campaigns.

The campaign idea allowed us to create an extremely strong and impactful visual identity for the launch of electricity from Bord Gáis Energy across all

mediums – a huge modern brushed steel switch appearing on the gables of households who had made the switch.

But we also wanted a more human element that would connect with our audience. We researched a number of possible presenters in focus groups around the country, and Lucy Kennedy was a clear winner, with the audience identifying her as natural, down-to-earth, friendly, good fun and – most importantly – someone who would resonate with the key (female) decision maker in the household.

Our media strategy (created with Mindshare, part of the DDFH&B group) commenced on 9th February with a nationwide 48 sheet poster teaser campaign, featuring recognizably Irish homes at twilight, lights off, with the line “Ireland is about to switch”. This was to create a sense of an ‘event’ on the horizon, forewarning something big was on the way.

The main launch campaign broke a week later with reveal 48 sheets, metropolises, heavyweight TV, illuminated outdoor specials, building banners, large scale national and regional press, bill inserts to existing customers, online display ads and Google AdWords – a big bang fully integrated launch which was impossible to miss.



The media budget for 2009 was €million and the campaign was front loaded with one third of the budget allocated to the first 8 weeks in order to achieve the big bang launch effect we were after. The initial launch budget was split more or less evenly between the main mediums of TV, Outdoor, Press and Radio while the remaining budget was planned to keep up momentum through the year.

Part of the TV commercial's remit was to make clear the offer was open to everyone, with no geographic boundaries, and so we filmed with Lucy all around the country. Her presence on radio added even more continuity to the campaign, and we even filmed her specifically for our unique switching microsite – www.thebigswitch.ie.

We also used imagery from the campaign to create a huge amount of BTL collateral for the Field Sales teams, ensuring a through the line continuity for customers, and maximizing the effectiveness of the campaign.

All broadcast and print executions had a direct response mechanism, each featuring the website and a phone number unique to each medium. We used a tracking system called TRACE to capture this data and analyse the results, so we knew exactly how each medium was performing in terms of leads generated. This data was essential in tweaking our media mix as the campaign progressed, allowing us to tailor our spending to the best performing mediums. We also ensured direct contact between media planning and the call-centre, so media activity could be mapped to physical responses.

Keeping the campaign momentum high was always a key factor, and so we shot two TV commercials back to back. The second 'phase 2' ad featured Lucy touring around the country commenting on the number of people who had already 'made the Big Switch' – creating a sense of 'missing out' to those who had not yet switched.

This second stage "refresh" of the campaign in May also featured press, radio and online advertising, all media selections based on the information gleaned with the TRACE system.

The Big Switch was a big idea and a big communication strategy which worked thoroughly through the line; advertising, PR (which included seeding the idea with several key bloggers prior to launch), Direct Marketing, online and sales materials. Our strategy to create a sense of event and a movement through heavyweight multiple media proved highly effective, whilst our

communications idea explained a complex new offering in a simple, friendly and inviting manner.

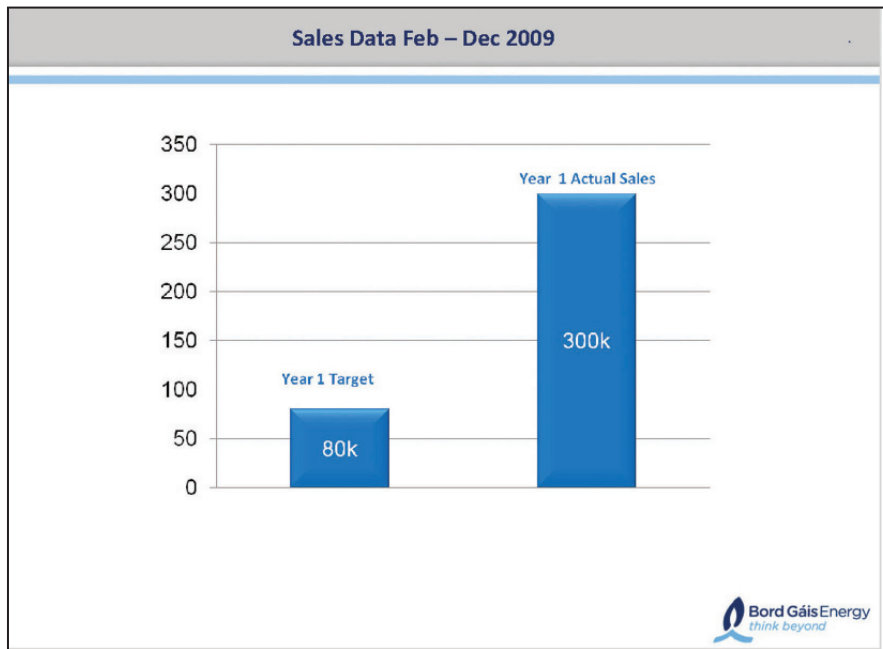
RESULTS

To say the Big Switch campaign exceeded expectations is somewhat of an understatement.

Independent energy experts helped to determine an ambitious target of 80,000 new customers in the first year of the campaign. This was achieved in the FIRST 4 WEEKS.

Indeed, in the 10 months between February and December 2009, over 300,000 households made the Big Switch to Bord Gáis Energy.

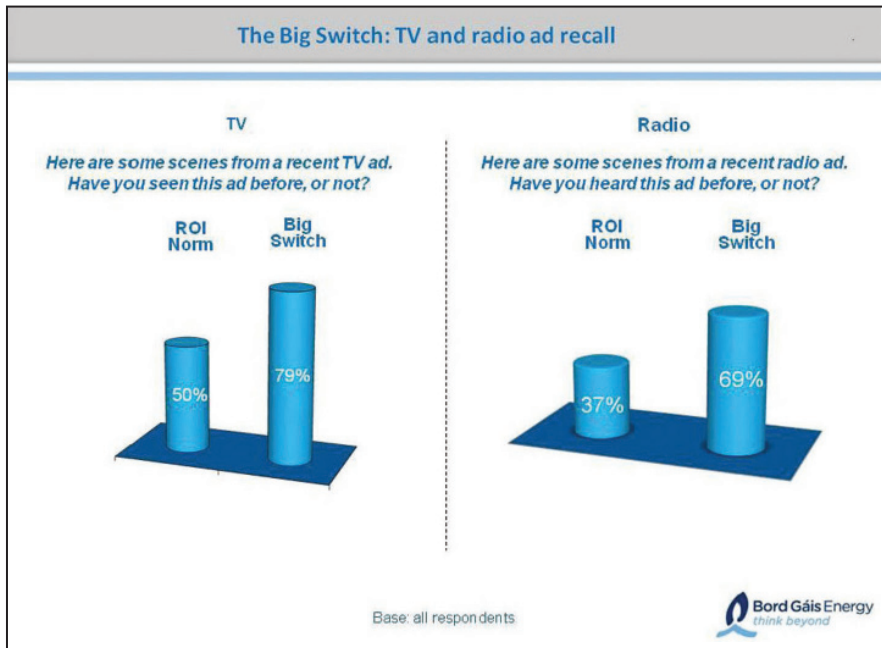
Such was the success of the campaign that the Helsinki based VaasaETT Global Energy Think Tank confirmed earlier this year that The Big Switch campaign is the world's most successful marketing campaign ever for an electricity retailer, noting that:



“It is fair to say, without doubt, in my opinion, that yours was the most successful campaign ever. No company has ever gained such a large proportion of the market in such a short time” Dr Phillip E Lewis, CEO and Founder VaasaETT.

And while the economic climate may have pre-disposed consumers to a value-led message, the effectiveness and success of the Big Switch campaign in driving sales can be proven in two clear and irrefutable ways: tracking the phone numbers of each individual medium as the sales calls came into the dedicated switching call centre, and independent ad tracking pre and post campaign.

Call centre data for the first three months of the campaign showed traditional media contributing to over 47% of the sales volume with the majority of calls being driven by TV, followed by the bespoke bill insert to Bord Gáis Energy gas customers followed by national radio. The website phone number contributed to a further 22% of inbound sales and as it was only mentioned in ATL communications, it is very reasonable to assume that the campaign drove people to this channel.



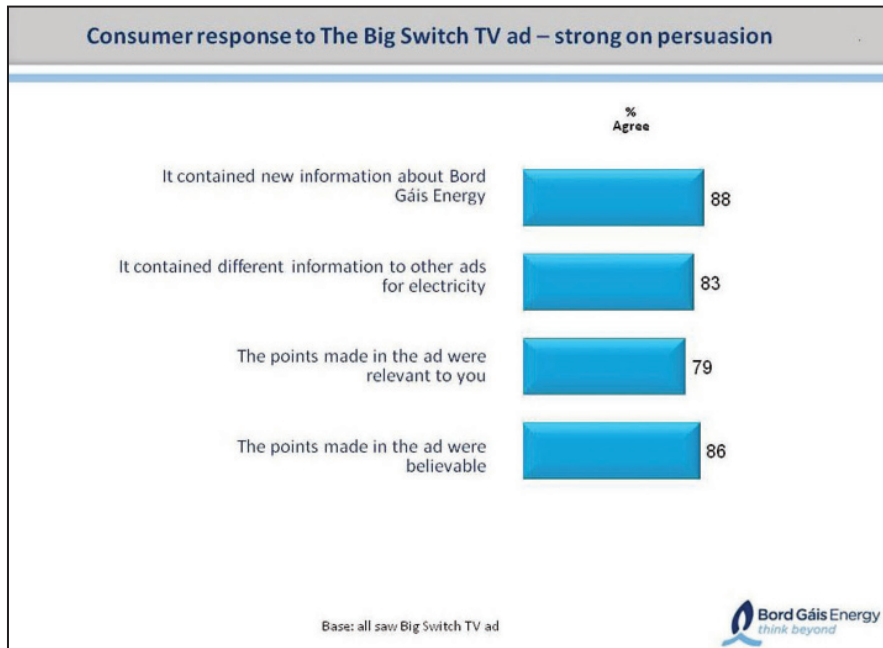
Along with the incredible levels of acquisition consumer research results have also borne out the effectiveness of the Big Switch campaign in fulfilling its marketing objectives.

Ad tracking benchmark research was carried out with Millward Brown IMS pre and post campaign, employing 400 face to face interviews from 2nd to 14th February 2009 and over an 8 week period from 2nd March 2009 to 26th April 2009.

In terms of recall, 79% of respondents recalled the launch TV ad (the norm being 50%) and 69% recalled the radio ad (the norm being 37%).

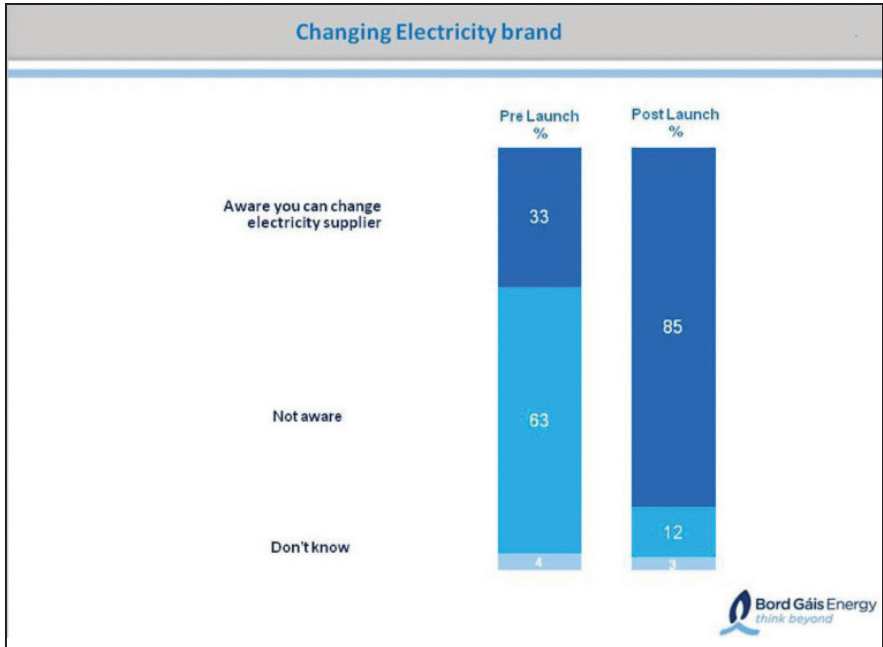
In terms of message, 93% of respondents who recalled the TV ad received at least one of our three key messages that Bord Gáis Energy now supplies electricity, that it was easy to switch and that Bord Gáis Energy were cheaper than the ESB. This clearly demonstrates that we met our objective of ensuring that our key messages were received.

The TV ad was strong on persuasion with 86% agreeing that the points made in the ad were believable and 79% agreeing that they were relevant to them.



Spontaneous awareness of Bord Gáis Energy as a supplier of electricity increased from 15% pre launch to 57% post launch with prompted awareness increasing to 89% post launch.

And finally, the following chart shows how the Big Switch campaign succeeded in educating the market in relation to the ability to switch electricity supplier with awareness rising by 52%.



The number of new customers gained in such a short period shows our campaign clearly found the right audience, and that they took the message as intended – signing up quickly.

But the campaign also helped establish Bord Gáis Energy as a credible energy supplier in consumers' eyes, which is the key to the company's business success in a new, deregulated market.

IMPACT ON BEHAVIOURABLE ATTITUDE & PAYBACK

The Big Switch campaign changed the behaviour of over 300,000 Irish

consumers in 2009 – people who prior to the campaign were more or less satisfied with their current electricity supplier.

For 72 years the ESB had a 100% share of the Residential Electricity market. In less than 12 months Bord Gáis Energy took 20 share points equating to over 300,000 homes.

The recruitment of 300,000 new electricity customers from February to December 2009 generated annualised incremental revenues for Bord Gáis Energy of €236,700,000, based on average revenue per customer of €789. (Note: our average revenue takes into account discounts).

The results were achieved with a total media and production spending of €3 million in 2009.

In terms of Return on Investment, the cost per customer acquisition in the first year was just one third of the figure initially planned.

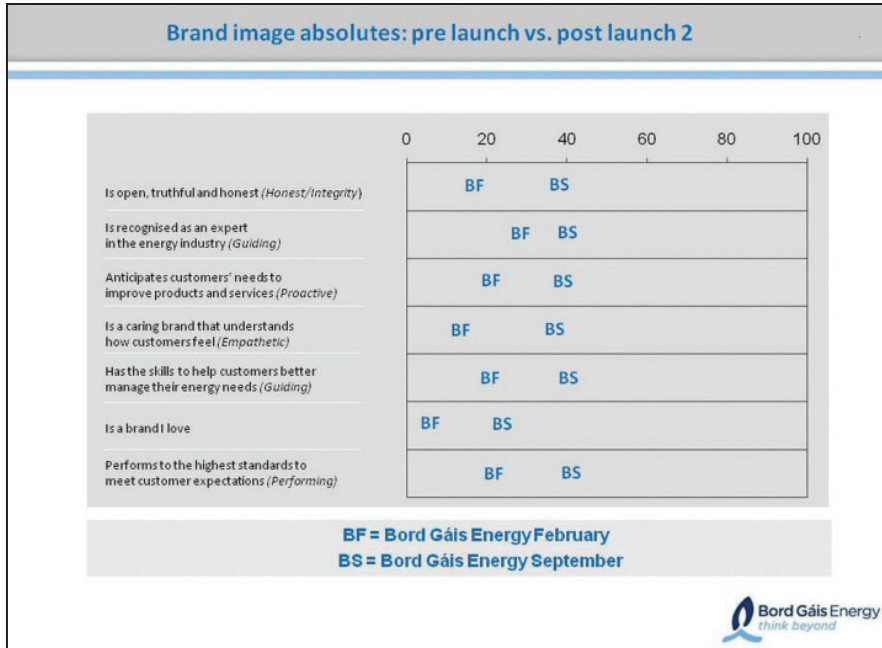
But the campaign aimed to do more – and its effects can be seen both in perceptions of Bord Gáis Energy as a company, and by new consumer attitudes to the Irish energy market as a whole.

Becoming an energy provider rather than simply ‘the gas company’ is at the core of Bord Gáis Energy’s plans for the future, and this successful entry into a new market has transformed Bord Gáis Energy’s entire business and has helped secure the future financial growth of the organisation.

The impact on consumer attitudes towards the Bord Gáis Energy brand is reflected in the results of a further tracking study carried out by Millard Brown IMS in September 2009 to assess the brand health and values six months after the launch. Results showed significant positive shifts in attitude towards Bord Gáis Energy’s brand values with statements such as ‘Bord Gáis Energy is open, truthful and honest’ and ‘anticipates customers needs to improve products and services’ increasing by 20% since launch. This shows that the campaign succeeded in embellishing Bord Gáis Energy brand values of Empathy, Honesty/Integrity and Proactivity.

The effectiveness of the campaign and its resonance with consumers is further evidenced by the entry of the term ‘the Big Switch’ into the public vernacular to be synonymous with electricity from Bord Gáis Energy.

And the campaignability of the Big Switch concept is clear; now in its second



year, with a series of 3 new commercials. After initial fanfare, campaigns can sometimes lose relevance, interest and indifference can emerge. But Bord Gáis Energy has consolidated the remarkable metrics achieved so quickly after launch, and sales figures continue at approx 800 new customers every week day, despite increased competition in the marketplace.

And finally, the success of Big Switch campaign can be seen in the transformation of the Irish energy market and consumers attitude to switching within these markets, creating a whole new form of Irish consumer behaviour!

SUMMARY

The successful launch of Bord Gáis Energy into the Residential Electricity market presented a significant business, marketing and communications challenge.

The idea of being able to switch energy providers was a new concept to the Irish consumer and one that required a good deal of education as well as simple, straight forward communications in order to minimise any potential for confusion.

The switching targets set for the business were ambitious and high levels of investment in technology, operations and communications meant that the stakes were high.

The success of the campaign would be measured in the numbers of people to make the switch and the growth in awareness of Bord Gáis Energy as a progressive dual fuel energy provider.

The Big Switch campaign delivered with almost immediate effect with the call centre inundated with calls from day one. The thoroughness of the line campaign ensured that messages were kept consistent and that consumers were encouraged from all directions to make the switch.

The pre planned May campaign refresh helped to keep the momentum going and ensured that the launch was not a short lived wonder.

Overall this case study highlights how high levels of planning, a solid and straightforward proposition and a robust all encompassing creative idea helped to create the most high profile business success of 2009 tapping into all the communication disciplines of the DDFH&B Group.

APPENDIX

Quotes on the Big Switch campaign by independent commentators.

‘The Bord Gáis Campaign succeeds in tempering fears about new wires, different electricity and possible requirements for new plugs etc. It knocks every obvious reason not to change to Bord Gáis on the head in a matter of seconds. Communications can play a dual role in building awareness and reducing barriers.’

Graham Nolan, The Sunday Business Post

‘A truly integrated campaign, Bord Gáis’ the Big Switch gets my vote for an engaging campaign, cleverly using strong visual cues to ensure relevance and prompting immediate direct call to action across a mass market.’

John Canacott, Marketing Age

‘The approach taken by Bord Gáis could set the template for other big brands in the Irish economy’

John Kennedy, Marketing Age