

# Murphy's Stout: A brand story in your pocket



Publicis Dublin

## AGENCY



## CLIENT



## AWARDS

ALCOHOLIC BEVERAGES

SILVER

## COMPANY PROFILE

Publicis Dublin is one of the largest and most awarded creative advertising agencies in Ireland. Publicis Dublin is an affiliated agency of the world's third largest and fastest growing advertising network, Publicis.

We want our Client's brands and business to prosper and creativity is our tool. At Publicis our definition of creativity extends beyond the winning of creative awards, to the development of new ideas, products, brands and business solutions.

We embrace the recession induced challenges our clients face and provide innovative solutions.

We have Irish Advertising's most creative culture so we attract Ireland's most creative minds to work on our client's brands. At Publicis we believe creativity and effectiveness go hand in hand.

## INTRODUCTION & BACKGROUND

This case couldn't have been written five years ago. If we told you five years ago that a brand owner could use a phone to build brand equity, run a CRM programme and stimulate in-pub trial, you would have laughed. But that is what we started in the summer of 2012, and we did it in style garnering a Cannes Lion for our creative efforts in 2013. Because this consolidation of activity to one source increased market share while providing Murphy's Stout with significant savings, we believe it is also worthy of an ADFX award in 2014.

Five years ago if you were a small regional brand like Murphy's Stout your brand communications options were limited. Seeing as 85% of Murphy's sales were in County Cork (population 519,000) you could only use the paid media available in that region: billboards, limited regional radio and press. You could afford to do three direct mailings to your database. If you wanted to do On-Trade sampling you needed to spend money hiring a promotions company.

Meanwhile your key competitor Guinness has deep pockets; 16 times your ATL spend coupled with sophisticated CRM Programmes. To compound the issue, your customers don't understand economies of scale and question why Murphy's isn't acting like the big brand they felt it should be, causing a rift in their relationship with you. Just when things couldn't look any bleaker, along comes the smartphone.

## MARKETING OBJECTIVES

In 2012 the shares of the stout market in Cork City were as follows:

**Murphy's 23.2%, Beamish 32.1% and Guinness 44.7%.**

The Murphy's brand team was very clear on their target audience. They were targeting Men 25 – 40 who drank stout as their primary drink. This was the same target as Guinness but quite different to Beamish Stout which targeted Men over 40, with a value based proposition. A pint of Beamish is on average 50c less than a Guinness or Murphy's so the recession was good news for Beamish with sales responding accordingly. Beamish and Murphy's are both owned by Heineken Ireland so from a portfolio management point of view Murphy's was just competing with Guinness.

Throughout the western world On-Trade (drinking in bars) alcohol consumption has been declining for many years. Couple this with Ireland's "great recession" and it's a perfect storm.

By 2012 we were four years into the recession and;

- ▶ 1 in 10 pubs had shut down
- ▶ Unemployment was 14%
- ▶ 238 people (mostly young drinkers) were emigrating from Ireland every day

Consumer tracking showed less people could afford to go to the pub, and those who visit their local, go less frequently, confining their consumption to one "big weekend night".

**Commercial Objective: Maintain Murphy's current market share of the stout market at 23.2%**

This objective may seem to lack ambition but in a recessionary market where Beamish's value proposition was expected to grow share, if Murphy's could maintain its share then Guinness would be the loser.

## MARKETING OBJECTIVES

### **Marketing Objective: Increase frequency of purchase amongst the existing customer base**

Murphy's drinkers were going to the pub less often and when they got to the pub they were drinking less. Murphy's already had a CRM programme with three yearly mailings offering free pints, which stimulated more pub visits. In 2012 there were 3000 people on the customer database and the redemption rate was 16%. As part of the brand's communications activity for 2012 we were tasked with increasing this database to 6000 and increasing redemption rates to 30%.

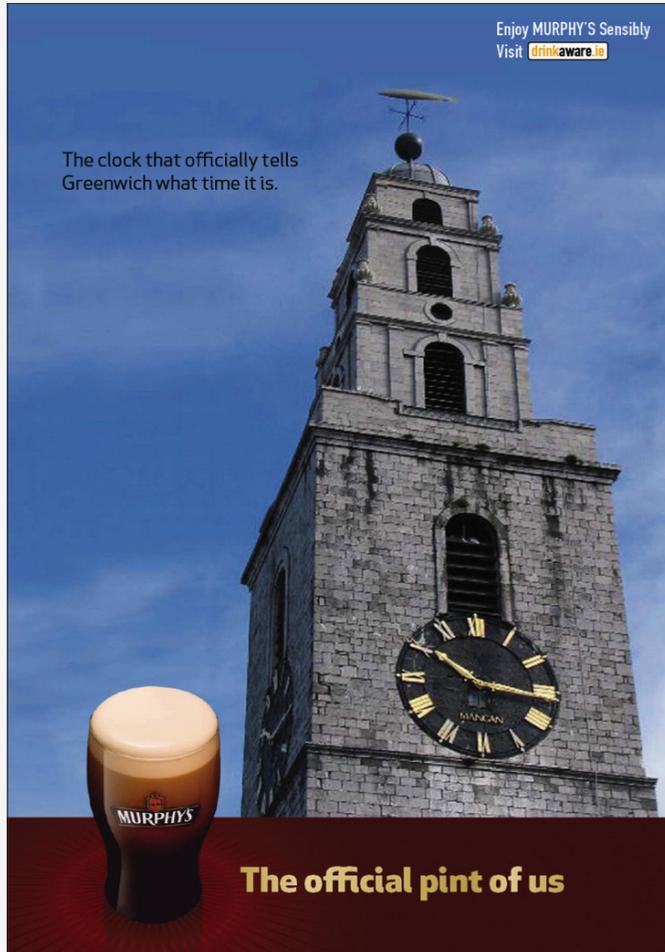
### **Communications objective: Create a positive conversation (buzz) about the Murphy's brand amongst its target audience in Cork**

By 2012 the Murphy's drinkers felt neglected. They enjoyed and were proud of their local Cork stout and while they saw local billboard advertising for the brand, the "marketing buzz" in the category was all about Guinness. Guinness had the big budget TV commercials. Guinness sponsored the annual Jazz Festival in Cork and in September 2011 Guinness celebrated the first Arthur's Day when they effectively took over Cork City with live music gigs. Murphy's didn't have Guinness's deep pockets but it had to do something to "create a conversation" about their brand. The campaign results would be measured by tracking brand affinity and brand involvement scores.

# Murphy's Stout: A brand story in your pocket



Publicis Dublin



## THE TASK

The brand positioning was (and still is) “Authentic Real” and it emanated from the insight that in a Global World the target felt a pride in who they are and where they’re from – Ireland’s “Rebel County”. The ‘Official Pint of Us’ 2010–12 campaign came from this insight and it traded off the Brand Idea “Murphy’s Keeps it Real”. The campaign brought the proposition to life using local landmarks and witty headlines.

While the campaign resonated with the target audience it lacked emotional depth and affinity scores were lower than expected. Getting high affinity scores from 48 sheet posters or local radio had proven to be difficult.

We started working with Murphy’s in February 2012 and when we received the client brief we immediately started thinking beyond advertising. While we recognised the value of previous advertising an extension of same would not be capable of creating a “conversation” around the brand. We knew that whatever the solution it certainly needed to punch well above its weight.

Affinity scores in the drinks category are historically driven by big budget TV commercials. Our key competitor Guinness is the benchmark for such commercials as they have produced the most iconic Irish advertising of all time. They are omnipresent and act like the category leader they are by drowning out any activity from smaller challenger brands. The refrain from Murphy’s focus groups was consistent and constant: why can’t our brand act more like Guinness?

We had very little money and what seemed like a Herculean task. However we saw it as a challenge and early on in the process we decided we couldn’t play the same game as Guinness. We had to move out of paid media and play on a different pitch.

## THE STRATEGY

We started by looking at brands that succeeded in punching above their respective weights by creating a disproportionate conversation about their low budget brand communications. In most instances those conversations were fuelled by controversy and the best exponents of this genre were Paddy Power, Hunky Dorys and Ryanair. However we had to be more disciplined in our approach as it wasn't enough to simply create a conversation, we also had to build equity for our brand proposition of "Keeping it Real".

While our market share gave Murphy's the license to act like a Challenger Brand we decided the only way to make an impact, with our limited budget, was to out-manoeuvre our key competitor through a focus on owned and/or earned media. At this point in the agency's development we had integrated BTL and digital with our existing ATL offering and as such we had started to run integrated agency workshops (traditional with digital) when developing campaigns. We ran one such workshop in April 2012 for Murphy's, reviewing international best practice for "owned" and "earned" in the drinks category. We quickly recognised the value of digital campaigns for smaller challenger brands as it gave them the opportunity to 'skip a generation'. The question became; instead of Murphy's moving to compete with Guinness on TV, what if the brand moved to mobile before Guinness? We were now focused on a channel Guinness has never used and this got us excited. However, strategically we still needed a campaign idea that would bring our "keeping it real" proposition to life.



## THE IDEA

Having trawled international best practice for challenger brands we found the solution on our doorstep. In 2011 Budweiser Ice Cold ran a multi-media campaign in Ireland featuring a fictional American character called Scott Campbell. In the TV commercials, Scott promoted a mobile app that allowed consumers to get a free pint of Bud Ice if the temperature in Ireland went over 21 degrees during the summer months. This was a heavyweight campaign that ran on TV and billboards throughout the summer of 2011 so there was a high level of awareness of the campaign. Predictably Budweiser didn't have to give away that many pints as the temperature in Ireland that summer rarely went above the threshold. True to its brand essence the campaign was cool, American and sunny. This was the antithesis of the Murphy's brand essence: authentically local, down-to-earth and largely consumed when the weather is only suitable for indoor pursuits. That of course was our opportunity.

What if we were to parody a big global brand like Budweiser for being 'unreal' (expecting warm Summers in Ireland) thereby asserting our "Keeping it Real" credentials. We had our idea. We found that Smart Phone penetration in Ireland was 65% amongst 25-34 year olds (April 2012). While this meant that 35% of our base couldn't engage with the campaign we felt the penetration figure would increase over time.

Cork happens to be one of the wettest counties in Ireland. Our idea was for an app called "When It Rains It Pours": Every time it rained more than 2 mm in Cork county during the Summer of 2012 we would give away 1,000 free pints of Murphy's.

The weather didn't let us down and that summer in Cork was the wettest summer in over 40 years.

Now that we had our mechanic, we developed a video viral that directly parodied the Budweiser TV commercial. The video was unapologetically and suitably low budget given that it was a challenger brand parodying Budweiser.

# Murphy's Stout: A brand story in your pocket

Publicis Dublin



## THE IDEA

We developed a mechanic to enable the trade to simply activate the promotion. In contrast Budweiser had developed a cumbersome mechanic that left publicans with a poor experience. With Murphy's the bartender simply gave the customer a four-digit code to put in their phone and the customer could redeem their free pint. No vouchers, no sales promotional personnel, just happy customers, bar owners and staff. All data was then relayed to a central computer in the brewery. This state-of-the-art fulfillment process was recognised with two Golds at the European IMCC awards 2013 and a Gold for "Marketing Innovation" at the 2013 All Ireland Marketing Awards. The process is now best practice worldwide.

In addition we quickly recognised that the App could be utilised as a CRM portal that would eliminate the need for Murphy's direct mail programme. Now we had a complete campaign platform in the pocket: brand building, CRM and sales promotion. But most importantly we felt we had a campaign that would create a conversation around the Murphy's brand in Cork while leaping ahead of Guinness in terms of innovation and engagement. For the first time ever we were to become a leader in the category - something we hoped our target would recognise and appreciate.

We developed the app over the three month period, April - July 2012. We shot the video in early July and the campaign was launched on July 23rd. While this was primarily an owned and earned media strategy we spent €30,000 seeding the campaign in digital media during July/August 2012. We had a presence on Facebook, Peoples Republic of Cork and 02 media. In 2013 we used the same digital media and added local radio bringing our spend up to €40,000.

In addition we quickly recognised that the App could be utilised as a CRM portal that would eliminate the need for Murphy's direct mail programme. Now we had a complete campaign platform in the pocket: brand building, CRM and sales promotion. But most importantly we felt we had a campaign that would create a conversation around the Murphy's brand in Cork while leaping ahead of Guinness in terms of innovation and engagement. For the first time ever we were to become a leader in the category - something we hoped our target would recognise and appreciate.

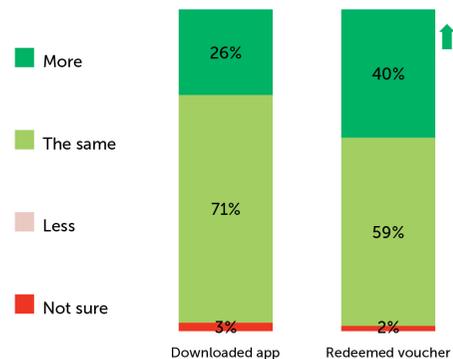
## THE IDEA

---

We developed the app over the three month period, April - July 2012. We shot the video in early July and the campaign was launched on July 23rd. While this was primarily an owned and earned media strategy we spent €30,000 seeding the campaign in digital media during July/August 2012. We had a presence on Facebook, Peoples Republic of Cork and O2 media. In 2013 we used the same digital media and added local radio bringing our spend up to €40,000.

### Future purchase intention

*In line with objectives, we see app usage linked to future purchase of Murphy's. Those that have gone on to claim or redeem the pint are significantly more likely to purchase more in the future (vs. those simply downloading the app)*



Q26. Thinking about buying Murphy's in future, do you think you will buy more, less or the same amount as you do now?  
Base: Total core target that have used the app (280, 270, 352, 133)

↑ indicates a significant difference at 95% confidence

## THE RESULTS

### Did we achieve our commercial objective of maintaining market share?

Four months into the campaign Murphy's sales increased for the first time in seven years. In the 20 months since the launch of the campaign Murphy's market share has increased by 0.5%. During the same period Guinness's share has fallen by 4.1%. Beamish (with its 50c cheaper proposition) increased its share by 3.6%.

### Did we increase frequency of purchase?

The impact on Murphy's sales in participating pubs was immediate. Our analysis of outlets shows that since the start of the campaign non-participating pubs have had an average 5% decline in Murphy's sales.

Participating outlets experienced an outstanding 6% increase. There are three reasons:

#### 1. Mid-week drinking

Because the activation of the app was rain dependent it meant users could find themselves redeeming a pint mid-week and then staying on to purchase a second or third pint. 55% of redemptions were mid-week.

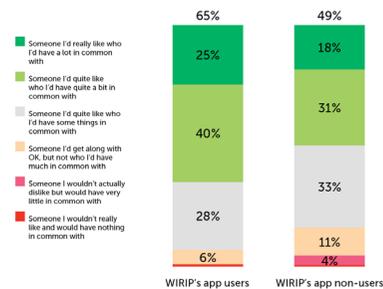
#### 2. Increased brand loyalty

When a redeemed free pint of Murphy's becomes your first drink of the evening you are more likely to stay with that drink for the remainder of the evening.

#### 3. App users are more likely (than non users) to purchase more in the future.

### Murphy's affinity

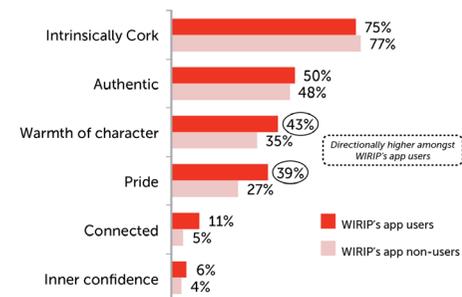
Overall affinity is strong although users showing a significant rise in top-2 box – pushing out of the negative ratings



Q1b: I'd now like you to do something a little different... I'd like you to imagine that Murphy's came to life as a real person. Then looking at this list please pick out the statement you feel best describes the brand if it were to come to life. Base: Total core target 9595, those that have used the app 2265, those that have not used the app 6276. ↑ indicates a significant difference at 95% confidence

### Murphy's personality

A similar viewpoint across users and non-users. But directionally up on 'Warmth of character' and 'pride' amongst users, possibly because the offer of a free pint is seen as displaying 'warmth' and having 'pride' in the product



Q1d: Which of the following words or phrases would you associate with Murphy's? Please select as many as you like. Base: Total core target 9595, those that have used the app 2265, those that have not used the app 6276. ↑ indicates a significant difference at 95% confidence

## THE RESULTS

As previously stated we were tasked with increasing our database from 3,000 to 6,000. After 20 months it is now 29,300. Prior to the campaign our offline voucher redemption rates were 16% and our target was 30%. Our redemption rates are now 69%.

### Did we create a conversation about the Murphy's brand?

Straight away the campaign captured the public's imagination and we got extensive local, national and even international media coverage. October 2012 research in Cork County conducted by 2CV Research using a sample of 280 app users versus 279 non-users (All Murphy's drinkers) found that:

- ▶ Brand affinity scores amongst users were 16 points higher than amongst non-users
- ▶ Brand personality scores amongst users were up significantly on 4 out of 5 metrics

In addition the campaign has been recognised by Marketing Professional Award juries from Prague to Cannes, winning:

- ▶ Cannes Lion, Bronze, Mobile Category 2013
- ▶ European Integrated Marketing Communications awards 2013: 2 Golds for Digital Communications and Brand Building
- ▶ Irish Mobile Marketing Awards 2013: Grand Prix Winner
- ▶ All Ireland Marketing Awards 2013: Gold for Innovation
- ▶ APMC Awards 2013: 3 Golds for "Use of Mobile", "Creative Execution" and "Alcoholic Beverages"

## THE RESULTS

---

### Return on Investment

In order to isolate the effect of the campaign on sales we need to look at those outlets that participated in the promotion versus those that didn't. At this point it's important to note that no other variables in the marketing mix could have affected sales in those outlets. There were no price changes in the stout category. There were no changes in distribution. Beamish hasn't run any ATL advertising since the Summer of 2012. Guinness had run its usual heavy weight activity. Our ROI is calculated against those pubs the campaign affected i.e. participating outlets.

For ROI there are four broad considerations:

1. How much did the campaign cost? This includes paid media costs, development of the app and associated agency fees. It should be noted that the "Free Pints" are not considered to be a cost as they were already being redeemed in pubs pre campaign launch through direct mail vouchers. Clearly "Free Pints" are also excluded from any sales increase data.
2. The net profit for the brewery derived from new sales in participating outlets. The "new sales" figure is based on the year on year uplift in sales.
3. The savings made by migrating the CRM programme to a digital platform. Traditionally Murphy's operated three annual mailings to their database with redeemable vouchers.
4. The value of owned and earned media. We have used offline PR models to value both the off and online media earned by this campaign.

## THE RESULTS

When you add the saving made on the CRM programme with the incremental profit in participating outlets they out weight the cost of the campaign by a ratio of 2.26:1.0 This figure does not include a valuation for the earned media: Press and radio reports, social media and viewing of the video viral on the app. The value of these are difficult to quantify however if included that would increase the return to 3.15. An even greater value comes from the long-term effects.

### Long Term Effects

- ▶ In 20 months the Murphy's database has increased by a phenomenal 970% (29,300) and we can now reach those drinkers for a fraction of the cost of the previous CRM mailing programmes.
- ▶ Currently 160 of the 320 pubs in Cork City participate in the campaign. As the programme rolls out we should see the same uplift in sales in the new outlets.
- ▶ All brand metrics are stronger amongst app users so as we increase the app user base brand affinity scores will increase amongst those new users

## THE IMPACT

---

Murphy's When It Rains It Pour's app changed the way drinks brands utilise mobile phones for marketing communications. This in turn has raised consumer expectations and made the "old ways" of doing CRM and in pub redemption redundant. The app set the benchmark worldwide and others have followed. Sixteen months after our launch Guinness launched their brand app, clearly mimicking Murphy's with it's sophisticated CRM portal, Free Pint promotions and the on-trade fulfillment mechanic we pioneered. Imitation is indeed the sincerest form of flattery.

## NEW LEARNINGS

---

“The more things change, the more they stay the same”

The world of marketing communications has changed utterly over the past five years but the principles of branding remain the same. Many brands rushed headlong into new media with little rigour and a complete disregard for the principles on which their successful brands were built. Brands have wasted millions chasing “likes”, “having a presence” and launching apps that are never used. We believe that if brand owners had applied the same rules to these new digital opportunities as they did to the old, there would be a lot more success stories. Murphy's is a success story because we used our traditional “storytelling” skills to build brand equity and engage with our target audience both emotionally and rationally. Sound familiar? It just so happened that we used a digital vehicle to do so.

## SUMMARY

---

Back in 2012 when we first started working with Murphy's it was a regional stout brand that was overshadowed by the might of Guinness. This paper tells the story of how we stole a march on Guinness by recognising the potential smartphones offered a small challenger brand like Murphy's. The results of the campaign have been outstanding with increases in sales, market share and brand affinity. In addition the campaign has received a plethora of awards for creativity and digital innovation at some of the world's most prestigious award ceremonies and it is now the benchmark for similar campaigns worldwide.

# Murphy's Stout: A brand story in your pocket

Publicis Dublin

## MEDIA GALLERY

### CREATIVE

