

Hibernian

Why investing in advertising was the best policy for Hibernian Insurance.

INTRODUCTION

This case study demonstrates the effect of the 'rhymes' campaign created for Hibernian by Irish International between its inception in 1996 and 1999.

MARKETING BACKGROUND

There are few, if any, genuine financial services brands in the Irish marketplace.

There are several well-known bank and building society brand names – but when it comes to customer affection, affiliation, even respect, few can claim to have created brand franchises strong enough to add value to the company balance sheet.

So it was with Hibernian Insurance in the mid-1990's. Established in 1908, Hibernian was a respected name in the broker community and amongst the family of financial institutions. For general insurance buyers, though, the company had a remote, even intimidating persona. As a result, at least in part, of its anonymity, Hibernian's market share fell throughout the first half of the 1990's.

MARKETING STRATEGY

The marketing imperative was to open Hibernian to the outside world and to the winds of change.

Media advertising was recognised as a key success factor in Hibernian's marketing effort. No other communications tool could generate the rapid consumer brand awareness that advertising would potentially be able to generate for Hibernian.

Moreover, it was clear that, in a business where market positions are built in decades rather than months,

advertising offered the unique possibility of a 'quick win'. Finally, advertising could portray, in the most public way possible, the changing personality of the Hibernian organisation, setting a headline for customers and staff alike.

The marketing strategy was straightforward in concept, yet difficult to implement.

The first task was to generate increased levels of brand awareness and a more attractive brand personality for Hibernian. Greater numbers of people would then place Hibernian on their candidate list when it came to renewing their insurances. Expanded distribution channels would capture a higher proportion of the resultant enquiries. Finally, sophisticated underwriting tools would be developed to convert a significant share of these enquiries into written premiums and thereby increased market share.

ADVERTISING OBJECTIVE

The role of advertising was to generate improved levels of purchase consideration for the Hibernian brand. Advertising alone could not generate extra business for Hibernian. If the company could not offer people the opportunity to do business when and where they wanted to; if it were price-uncompetitive; or if it were unattractive in its product range, no amount of advertising could compensate for these weaknesses.

Increased advertising awareness combined with greater comprehension and 'likeability' of the advertising could, however, result in greater salience for the Hibernian brand. It



Client:
Hibernian
Insurance

Agency:
Irish International

Team:
Eamon Clarkin
Justin Cullen
Conor Kelly
Mick Kelly
Bill Hollingsworth
Ken Kerr



could place Hibernian on more candidate lists.

Advertising could create lots more opportunities for Hibernian to sell and that is exactly what it did.

EXECUTION - CREATIVE

The advertising line developed by Irish International, *'you're safe in the hands of Hibernian'* encapsulates the Hibernian brand proposition, that Hibernian offers its customers complete protection, absolute peace of mind.

As we sought to bring this proposition to life, we resolved to eschew the 'corporate brand' advertising style, which over-relied on emotional benefits at the expense of tangible product and service features. Product nuggets, we were convinced, would help to overcome consumer cynicism and could make real for people the fine print that is the stuff of all insurance contracts.

The creative challenge was to find a way to communicate these product and service 'nuggets' that was instantly comprehensible and charming at the same time.

The creative idea was to adapt familiar children's nursery rhymes to the task of explaining the benefits of Hibernian's policies.

The first execution *'Jack and Jill'*, which became the campaign archetype, described the experiences of a young couple (both of whom boasted broad Cork accents!) who, during the course of a lover's tryst, returned to find that their car had become another crime statistic.

This was heady stuff for an insurance company, particularly one as traditional as Hibernian.

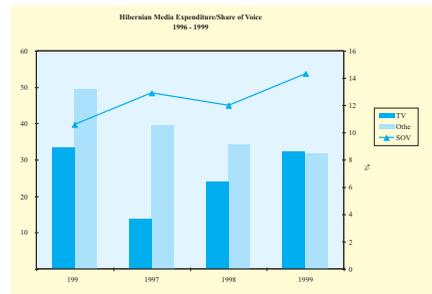
By using the device of familiar rhymes, which were associated with childhood, Hibernian overcame the emotional barrier separating them from their customers.

Through its tonality and its light-heartedness, the advertising convinced

those who saw it that that Hibernian was not simply another faceless institution.

MEDIA

The campaign has run for four years now, with five TV executions and over 20 radio treatments as well as Press, Outdoor, POS and Direct Marketing applications. Our tracking study has indicated that, while radio in particular can play a useful tactical role, television uniquely has the capacity to move the awareness needle. A considerable TV presence has been part of the campaign from its inception.



Hibernian's share of voice within the insurance market increased during the period 1996-1999, not just due to increased spend but through reduced competitive spend. Having said that, media investment in the campaign did not exceed £850,000 in any year, so that Hibernian would never have appeared among the biggest spenders in any media league table.

All the key measures of success, direct and indirect, have improved out of all proportion to the increase in media spend over the period.

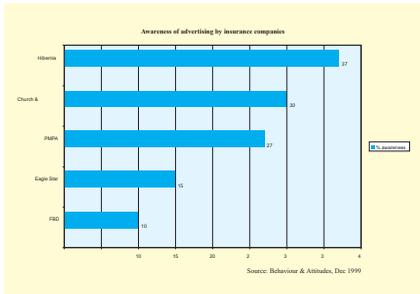
RESULTS

The effectiveness of the Hibernian advertising campaign has been monitored since its commencement in 1996.

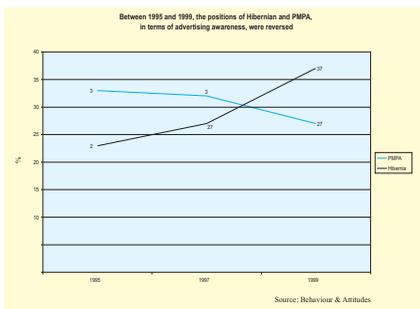
RESPONSE TO THE ADVERTISING - QUANTITATIVE FEEDBACK

As the above table from the Behaviour and Attitudes monitor of

December 1999 shows, Hibernian had, by some distance, the most salient insurance advertising in the market by the time the 'Rhymes' campaign had matured in 1999.



This marked a dramatic move forward on the part of Hibernian at the expense of its main rival, PMPA, as the next table from that survey illustrates.



Moreover, the advertising, in addition to being highly salient, was also proving to be well liked, as this extract from the BMR weekly survey demonstrates.

'Imaginative'	86%
'Appeals to me'	75%
'Made sense'	73%
'Boring'	20%
'Annoying'	17%

Source: BMR Monitor - 2w/e 18 October 1996

In 1998, Hibernian commissioned a series of consumer workshops through French-Grant Associates. Their report concluded that 'The rhyme format is

liked...(the advertising contains) 'down-to-earth, focused, real images', ... (the advertising is) 'clear, memorable and simple'...(Hibernian is) 'Seen as more forward looking and modern'.

In August 1998 Behaviour & Attitudes carried out research into the views of 'first time' insurance buyers, perhaps the most difficult audience to impress with any advertising campaign. They concluded that 'a pleasing emotional quality was detected in the ads.' and that 'there was a tendency (for the respondents) to regard the advertising as being comparatively "intelligent" ...not under-estimating its audience'.

BRAND IMAGERY

All the while, the advertising was having a positive effect on the image of Hibernian.

When respondents to the BMR survey were asked to 'describe the image conveyed by this advertising about Hibernian as a company' they responded as follows:

'Approachable'	90%
'Friendly'	88%
'Modern'	85%
'Successful'	79%
'Interested in you'	71%
'Old fashioned'	15%

Source: BMR Monitor - 2w/e 18 October 1996

Bearing in mind that the central marketing objective was to 'open the doors of Hibernian to a larger number of people' the improvement in the perceived approachability and modernity of the Hibernian brand were important confirmation of the campaign's success.

Behaviour and Attitudes have provided further evidence that, with the benefit of greater salience, the Hibernian brand image had undergone a substantial, positive overhaul while actually strengthening Hibernian's more positive, 'big brand' attributes.



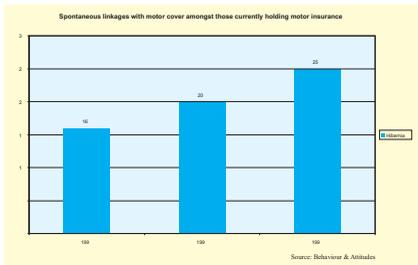
Hibernian Brand Imagery

Attribute	1996	1999
Large Company	30%	40%
Offers a high standard of service	21%	28%
An Irish Company	23%	29%
A company I feel I can trust	21%	26%
A reassuring name	27%	31%

Source: Behaviour & Attitudes 1999

PURCHASE CONSIDERATION

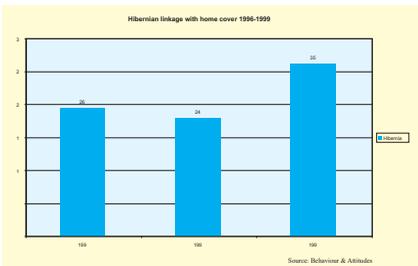
Brand Salience and improved imagery are, of course, worth nothing if they fail to translate into improved purchase consideration. Happily, here too, there is evidence of a step-change forward for Hibernian during the course of the 'Rhymes' campaign.



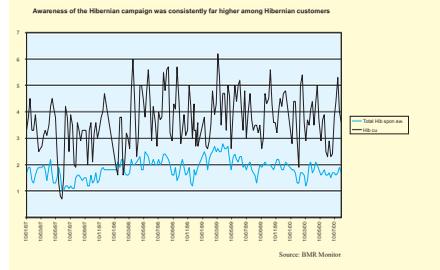
The proportion of those holding motor cover who spontaneously associated Hibernian with motor insurance increased by more than 50% from 16% to 25%.

A similar result was evident in home cover.

Here, Hibernian's linkage with home cover improved to 28% from a



starting position of 22%, even then a market-leading position. Ironically, the dip in 1997 may be further proof of the importance of advertising, since there was a concentration of resource in the promotion of Hibernian Motor insurance, to the exclusion of Home, in 1997, a balance that was subsequently redressed.



Data from our BMR tracking study shows the extraordinary correlation between (the upward) movement in Hibernian advertising awareness over the period 1996-1999 and the improvement in the company's Purchase Consideration scores in the Home and Motor Insurance markets.

MARKET-PLACE RESULTS

The final piece in the 'effectiveness jigsaw' is market-place effect.

There is an impressive correlation between many elements of the turnaround in Hibernian's business and the performance of the advertising campaign.

CUSTOMER ACQUISITION

In the two years to 1999, purchase consideration for Hibernian, in home and motor insurance, grew by some ten percentage points. On an adult population of 2.8 million, this represents 280,000 more people who claimed they would now consider Hibernian if they were acquiring or re-arranging some aspect of their insurances.

During that two-year period, Hibernian added 88,000 new customers to its total general insurance base, or

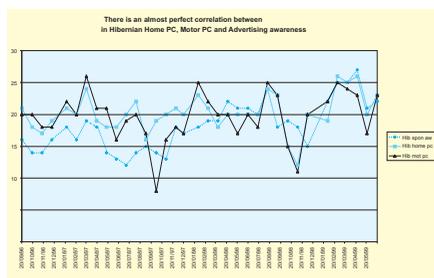
almost one in three of the total potential additional customers who claimed they would now consider Hibernian.

Growth rates in the Hibernian retail channel, the channel most dependent on advertising for lead generation, were of the order of 20% per annum, from a standing start in 1996.

If we ascribe even 10% of the total base growth to advertising effect, the revenue from those 88,000 customers, at an average policy value of £350, and a policy lifetime value of three years, (both conservative assumptions in practice), the incremental revenue generated by the campaign was £9.45 m. Given that total campaign spend over the period was some £3 m, this would represent a handsome return of over three times investment in new business alone.

CUSTOMER RETENTION

It should be noted that customer retention rates for the main Hibernian general insurance product groups improved over the period of the campaign. In the retail channel, there was a 10% improvement in the customer retention ratio. This may be adduced as evidence of the impact of the campaign on Hibernian customers, who were highly aware of the campaign from its inception.



MARKET SHARE

In the two years to 1997, Hibernian's general insurance market share declined by over a point to 12.3%. By 1999, as a result both of better customer retention rates and

customer acquisition, market share had recovered to exceed 14%.

BRAND EFFECT

In 2000, Hibernian's Irish operations were merged with those of CGU and Norwich Union to form the largest insurance group in the Irish market with a consolidated market share of 24%.

Following an extensive business review, a decision was taken to retain the Hibernian name in the Irish market, testimony to the power of the Hibernian brand franchise and to the success of the advertising campaign that had helped to build it. As a report in *The Sunday Business Post* around the time of the merger negotiations put it:

'CGU plan...to keep the Hibernian brand which is considered one of the strongest in the Irish market'

CONCLUSIONS

This paper demonstrates that the improvement in Hibernian's business fortunes during the 1997-1999 period can be traced directly to the impact of the advertising campaign.

There is a clear causal link between greater advertising awareness and 'likeability'; improved brand awareness and affinity, increased propensity to consider Hibernian, a significant short-term increase in business and a longer-term strengthening of the Hibernian brand franchise. Today, three years after the campaign began, many thousands more Irish people are happy to say that they are 'safe in the hands of Hibernian'.

SUMMARY

This case study demonstrates the effect of the 'rhymes' campaign created for Hibernian by Irish International between 1996 and 1999.

The marketing imperative was to open Hibernian to the outside world and to the winds of change.

The role of advertising was to generate improved levels of purchase



**SUNDAY
WORLD**

consideration for the Hibernian brand.

The creative challenge was to find a way to communicate product 'nuggets' in a way that was comprehensible and charming at the same time.

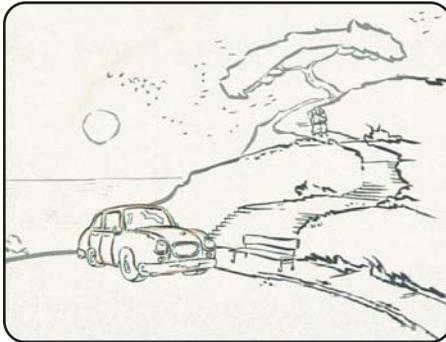
The creative idea was to adapt children's nursery rhymes to dramatise the benefits of Hibernian's policies.

Tracking data shows an extraordinary correlation between the upward movement in Hibernian advertising awareness over the period 1996-1999 and the improvement in the

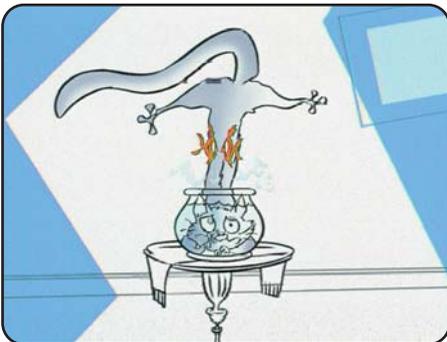
company's Purchase Consideration scores in the Home and Motor Insurance markets.

By 1999, market share had recovered to exceed 14% from 12.7 % in 1997. The value of the new business alone gained by Hibernian in that time can be estimated at three times total campaign investment.

The strength of the Hibernian brand was acknowledged when CGNU decided to retain the brand in the Irish market after it acquired the Hibernian business in 2000.



Television



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Press

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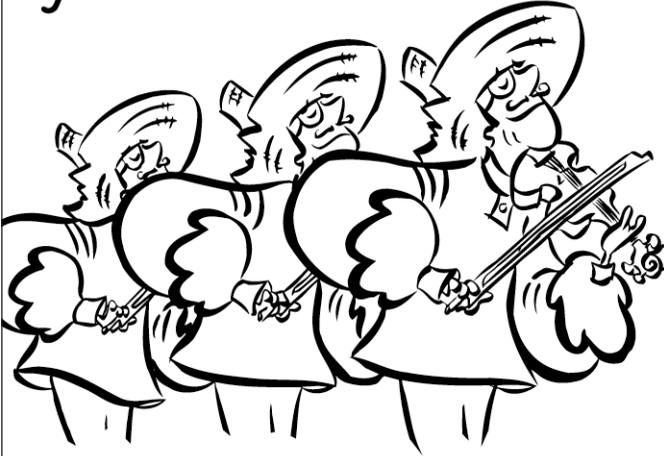
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Press

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