

# Electric Ireland. Powering a successful brand.



Irish International & MediaVest

## AGENCY

**Irish International**  
Insight. Excite.



## CLIENT

**electric  
Ireland**

## AWARDS

**CORPORATE, FINANCE & SERVICES**  
Sponsored by Google

SILVER

**Google**

## COMPANY PROFILE

### Irish International

Irish International is a creative agency. We exist to help brands grow. Our philosophy is encapsulated in two simple words. Insight. Excite. We believe in the power of insight to fuel creativity. We believe in the power of creativity to grow brands.

We don't produce art for art's sake, but we do produce art. Art that stirs emotion. Art that makes brands famous. Art that delivers results.

Every day Irish International's team of 96 people use their imaginations to help brands grow.

### MediaVest

MediaVest was launched in Ireland in January 2000. Since that time, we have grown from a single company of 9 people to become the largest media group in the market, with 143 people. With combined billings of €163m as part of Core Media, our scale allows us to deliver the best trading terms available in the market for our clients and also shape the future of the media industry. Our scope of services includes strategy, planning and buying across all media. Increasingly, we have been broadening our offering to include expertise in digital consultancy, econometrics, online community research, web design and development.

Our diverse client portfolio gives us up-to-date knowledge across a diverse range of industry sectors and we work with leading brands in the market such as the Road Safety Authority, Mars Ltd., O2 and Aer Lingus.

## INTRODUCTION & BACKGROUND

This is the story of one of Ireland's oldest and most loved brands: a story of loss, of rebirth and ultimately of resurrection. In 2013, Electric Ireland (formerly ESB) was faced with the unique and complex challenge of being the monopoly player in a deregulated market. This case study details the brand's journey from restriction and loss to full recovery, from electricity provider to trusted energy partner.

The path to full market deregulation started in 2000 but it wasn't until 2009 when Bord Gáis Energy (BGE) entered the electricity market (followed by Airtricity), that Electric Ireland (ESB at the time) was faced with its biggest challenge to date. The government mandated the company to lose 40% of its residential and 50% of its business customers before it could start competing with the new entrants.

So Electric Ireland had to sit back and watch while up to 30,000 of its customers walked out the door every month to join its competitors. This exodus continued until April 2011 when negotiations with the regulator finally resulted in the brand being allowed to re-join the game. However there was one condition to this re-entry. And it was a big one. The brand ESB could no longer exist. This meant leaving behind 83 years of heritage and starting afresh. For a brand with an excellent customer service record and a genuine emotional connection to its customers, this felt like an immense and daunting task.

The new brand was launched in 2012 into a market that had been dominated for a number of years by BGE with the 'Big Switch' campaign.

## MARKETING OBJECTIVES

By 2012 price competition was quickly pushing the market to a price floor. From a consumer perspective energy had become a low interest, low engagement category dominated by confusing price messages.

It became increasingly clear that for Electric Ireland to build a sustainable brand for the long term it would need to rise above the squabbling in the market. It was not an option to simply come to the market with the lowest price or to offer just electricity anymore. Electric Ireland needed to establish a meaningful differentiated position in consumers' minds whilst launching a compelling electricity and gas offer.

We were faced with the following objectives:

### Commercial Objectives

- ▶ Achieve net electricity sales of 70,000 in 2013
- ▶ Achieve net gas sales of 50,000 in 2013
- ▶ Grow online sales from 5% to 12%

### Marketing objectives

- ▶ Maintain residential electricity market share at 60% (as mandated by the regulator)
- ▶ Achieve residential gas market share of 18%
- ▶ Recruit new high value customers in both electricity and gas to Electric Ireland

### Communications Objectives

- ▶ Drive consideration of the Electric Ireland brand
- ▶ Build a strong emotional connection and ultimately establish Electric Ireland as the nation's trusted energy partner, supplying both electricity and gas

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<sup>1</sup>Amarach Research Brand Evaluation, April 2012

## THE TASK

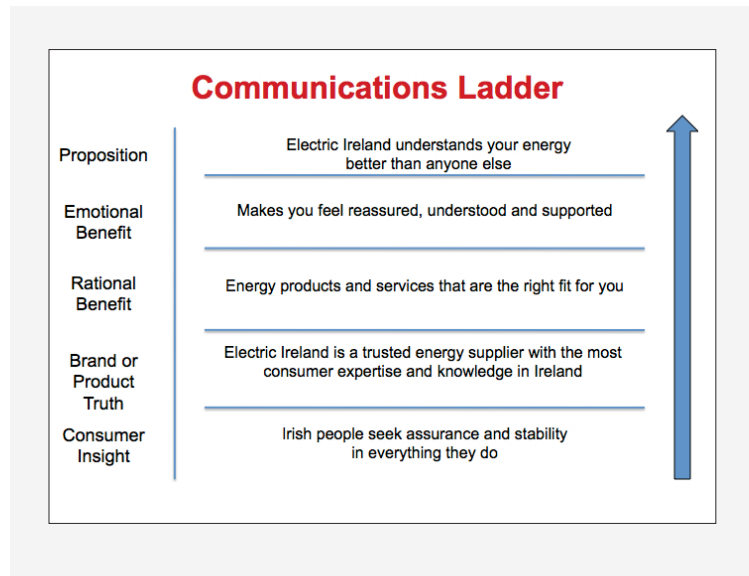
Our key task was an ambitious one, establishing and positioning a new brand in a highly competitive and fickle energy market. We needed to make Electric Ireland the brand of choice for Irish customers for all their energy needs – both gas and electricity.

Electric Ireland entered a marketplace that was saturated with fierce competition and tactical advertising but no brand communication. Qualitative research in 2012<sup>1</sup> indicated that none of the players showed any real brand differentiation. This is where we needed to start.

A series of workshops and research groups were scheduled (in collaboration with Brand Union and Amárach Research) to begin to really understand the consumer and their connection with the energy market. Key learnings included:

- ▶ Our consumers have grown up in a world where ESB looked after all their energy needs in a diligent and compassionate way. They trusted the ESB, felt it held an important place in our lives and most importantly really liked the brand.
- ▶ They responded to brand propositions that had real emotional depth and resonance.
- ▶ The recession has brought upheaval into consumers lives; they were seeking security and institutions into which they could place their faith.

It became obvious that Electrical Ireland's contradictory existence, a brand that that was both new to the market and steeped in over 80 years of history, would become central to the strategy.



## THE STRATEGY

A new positioning was developed that built on the emotive roots and heritage of the brand, interpreting them in a dynamic, forward-looking way for a modern Irish audience.

The Communications Ladder details how we arrived at the new brand proposition. We started off with a consumer insight that was distilled directly from the consumer research.

### **Irish people seek assurance and stability in everything they do.**

This was a universal need that was relevant, timely and most importantly something that Electric Ireland could respond to. It is a trusted energy supplier with the most consumer expertise and knowledge in Ireland (thanks to its 83 year legacy). This is relevant at two levels. On a rational level, Electric Ireland offers energy products and services that are the right fit for its customers. But more importantly, emotionally, this speaks to the brand's ability to make people feel reassured, understood and supported. So what was the single, distinctive thing we wanted to tell people about the brand?

### **Electric Ireland understands your energy better than anyone else.**

This demonstrates a deep empathy for the people of Ireland and was the inspiration for our brand campaign. A campaign that defines who Electric Ireland is and what role it plays. A campaign that connects emotionally with Irish consumers. A campaign that makes a distinctive and compelling statement about the brand.

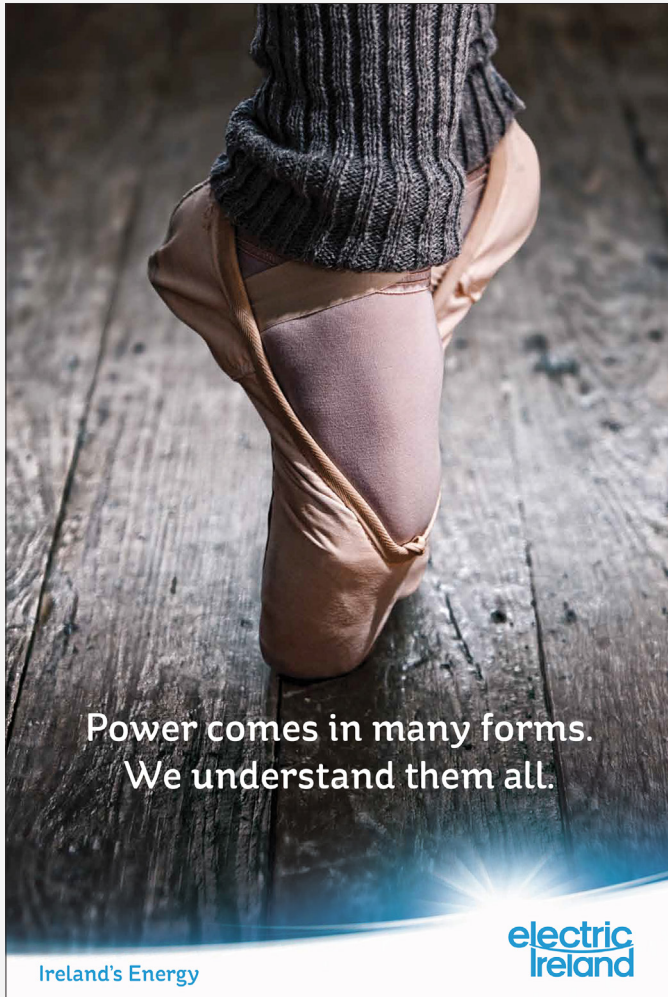
Yet this campaign needed to deliver on the ambitious dual fuel targets too. We needed a two-pronged communications approach to address the objectives detailed above.

### **Brand Campaign**

- ▶ Drive consideration of the Electric Ireland brand
- ▶ Build a strong emotional connection and ultimately establish Electric Ireland as the nation's trusted energy partner, supplying both electricity and gas

### **Direct Response**

- ▶ Recruit new high value customers in both electricity and gas to Electric Ireland



Brand Campaign – Digital, TV, outdoor, cinema

## THE IDEA

### Creative Strategy

The new brand positioning needed to deliver a creative platform that was both compelling and versatile. We needed a unified thought that connects with consumers on an emotional level, yet could deliver real results. This creative platform had to deliver a powerful brand and then be easily adapted to tactical communications and more specific messaging. A tall order.

*Electric Ireland understands your energy better than anyone else.*

What happens when this energy is harnessed for a purpose, when this energy is deeply emotional and when this energy has a really positive outcome?

This is when 'your energy' becomes something really powerful.

### Creative Platform:

*Power comes in many forms. We understand them all.*

By leveraging special moments of physical and emotional power that are really meaningful to Irish people, we can demonstrate how we truly understand 'your energy' better than anyone else.

When the platform and corresponding creative solutions were tested in focus group<sup>2</sup>, consumers responded very positively. They found the campaign engaging, different and, most critically, emotionally potent. These were the three most important things we learnt and took into creative development:

- ▶ 'Power comes in many forms. We understand them all' worked as a line, both to deliver deep emotional resonance and a straightforward energy message.
- ▶ The people in the groups connected really well with the vignettes in the brand ad and were drawn into the 'stories' of emotional and physical power.
- ▶ The soundtrack was recognised as crucial in the emotional impact of the ad.

The research confirmed to us that we were following the right path. An emotionally engaging, brand-driven creative approach was new in an energy market saturated with tactical messaging. And our consumers had an appetite for it! We knew that if we reached out in this way, they would respond.

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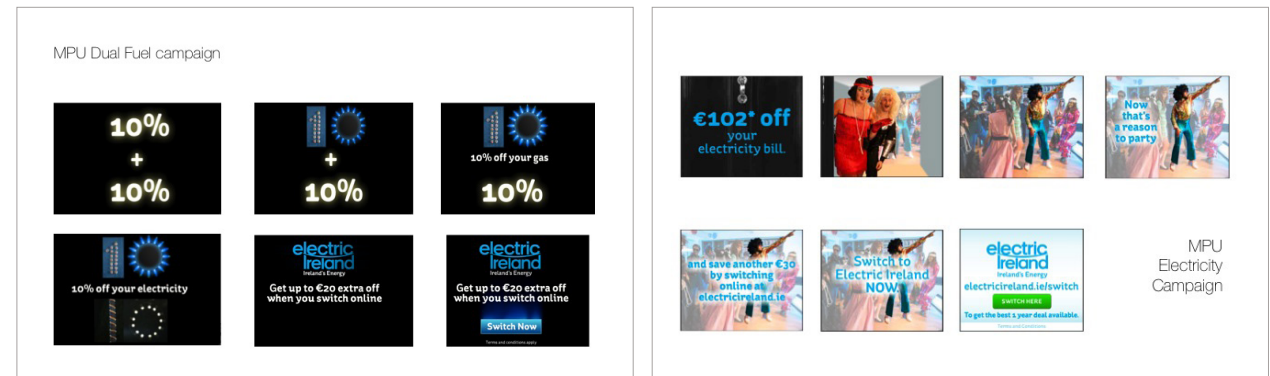


Brand Campaign – Digital, TV, outdoor, cinema

## THE IDEA

The creative platform was delivered primarily through a hero TV spot, an emotionally charged ad detailing beautiful and moving moments of power in Irish life. This would be supported in other channels and through tactical messaging using our two-pronged communications approach.

- ▶ **Brand Campaign** – Digital, TV, outdoor, cinema
- ▶ **Direct Response**
  - Dual Fuel tactical - TV, radio, digital
  - Electricity only – TV, radio, digital
  - Online focus – directing people exclusively to [electricireland.ie](http://electricireland.ie)



MPU Dual Fuel campaign

- 10% + 10%
- 10% off your gas
- 10% off your electricity
- Get up to €20 extra off when you switch online
- Get up to €20 extra off when you switch online
- €102\* off your electricity bill.
- Now that's a reason to party
- and save another €30 by switching online at [electricireland.ie](http://electricireland.ie)
- Switch to Electric Ireland NOW
- electricireland.ie/switch
- electricireland.ie/switch
- MPU Electricity Campaign

## Media Strategy

With an engaging and exciting new creative platform developed, our job was to devise a media strategy that would launch the new brand and get it noticed. A key aspect of this would be re-enforcing our key message ('we understood our customers') by targeting the decision maker in each household and showcasing Electric Ireland was a modern brand.

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Brand Campaign – Digital, TV, outdoor, cinema

## THE IDEA

Targeting and media consumption

### 1. Brand Strategy

Research had always told us that it was more likely to be the female housekeeper in the household who made the final decision on switching utility suppliers. However, when we tested this again in 2013<sup>3</sup> we found it had become even more prevalent. With changing circumstances in households during the recession and women becoming the sole bread winner in an increasing number of households, we discovered that females were even more likely to look after the family's budgeting.

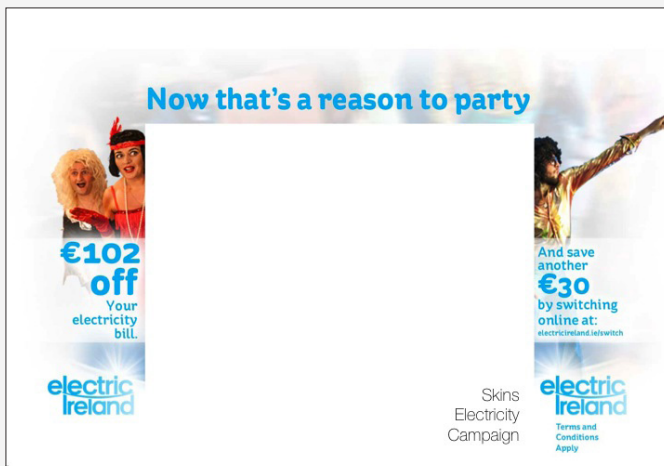
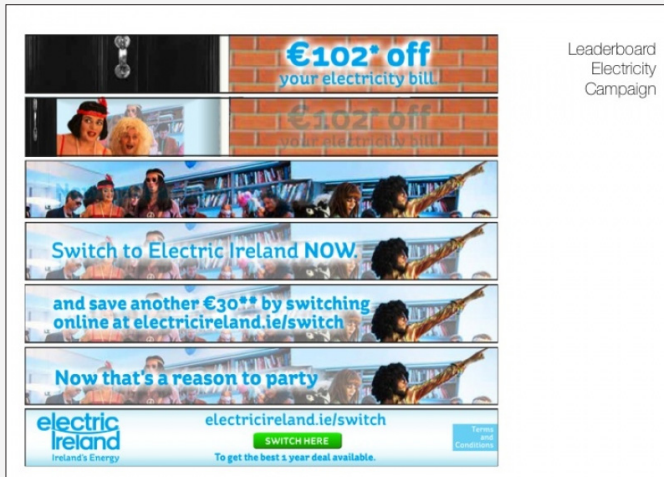
Our knowledge of the media consumption habits of Irish housekeepers told us that they had changed substantially in the last 5 years. Some topline stats from the latest IAB Mediascope Europe clearly enforced this for Ireland:

- ▶ 90% of housekeepers are now online
- ▶ They spend 12.1 hours a week online
- ▶ 86% are online during Prime Time TV
- ▶ 71% are online while watching TV in general
- ▶ 36% access the internet through a mobile device
- ▶ 78% use personal social networks
- ▶ 94% have made online purchases
- ▶ 56% own a smartphone

These changing trends dictated that our media strategy would have to become heavily reliant on digital advertising and resulted in us moving from digital accounting for 12% of spend in 2012 to 28% in 2013.

Another trend which informed our media strategy was that engagement between digital channels and traditional media channels is now the norm. 22% of Google searches on a mobile come directly from seeing a TV ad. On top of this, 65% of purchases commenced on a smartphone device, with 41% of these beginning with TV and mobile running at the exact same time.





## THE IDEA

To launch the campaign we planned a heavy weight TV, cinema, digital and outdoor campaign. Our aim was to establish mass awareness quickly but also to link the brand to premium placements and sites.

We placed the messages on large, premium outdoor sites, new releases in the cinema with our ad appearing last in the ad reel, TV programmes with the highest viewership and home page takeovers and roadblocks on key digital sites.

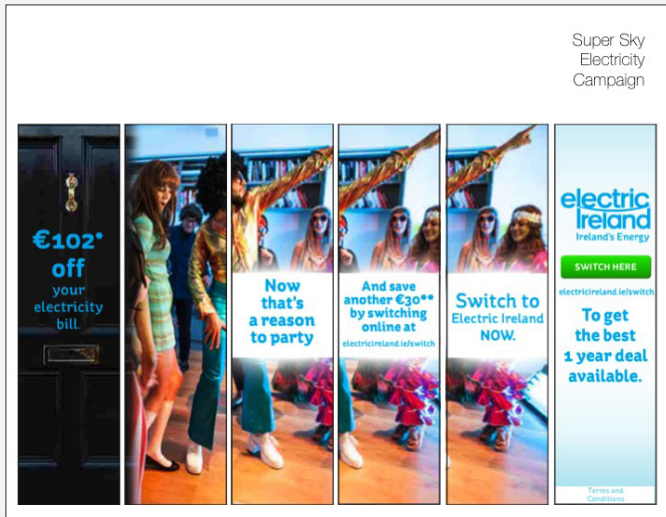
Our digital strategy involved taking a risk – we had a highly emotive soundtrack from a little known artist from the TV advertisement that we felt people would be curious about. We recommended including a Shazam logo on the TV advertisement to encourage people to download the track, however at the last minute a decision was made not to include the logo on the TV ad and we needed an alternative. We decided to seed the Shazam campaign online only – the first time this had ever been done in any market.

We selected key video sites such as Xbox Live, Facebook, Youtube and the Irish Independent and time targeted all of our digital activity based on when our highest rating TV ads were running, to ensure a maximum number of people saw a message online about Shazaming the ad and then saw the TV very shortly afterwards. We also upweighted our Search spends around key TV spots, to ensure those seeing the TV ad and searching for the artist would be told about the Shazam campaign. Every digital touchpoint used during the campaign had a Shazam call to action on it.

From launch we offered a number of reasons to Shazam the TV ad. Firstly, we linked up with the Home Services department within Electric Ireland and offered people the chance to win a €5,000 energy efficient upgrade of their house.

Those who Shazamed the ad could also download the song in the TV ad for free, visit the YouTube page to watch the TV ad and outtakes or even sign up to Electric Ireland as a new customer directly through the app. There were some really interesting results from this approach.

- ▶ 10,000 Shazam tags of the ad, most successful campaign ever run in Ireland
- ▶ 2,000 competition entries, a conversion rate of 20% of those who tagged the ad



<sup>2</sup>Amáarach Research, October 2012

<sup>3</sup>Ignite Research Omnibus 2013

## THE IDEA

- ▶ The TV ad became the 4th most viewed on ad on Youtube in the month of April and song entered the Irish charts at number 28, not bad for an unknown artist.

The Brand campaign continued throughout the year with subsequent bursts planned on TV and outdoor to dovetail with the tactical campaign.

### 2. Direct Response Strategy

Now that we had established the new Electric Ireland brand, we had a solid foundation to start promoting our gas and electricity offers. With challenging sales targets on both, it was time for another first. Electric Ireland historical advertising had never involved a “hard sell”, unlike other brands in their sector or other utilities, they had not relied on Direct Response advertising. We decided to change that. We tested the water first by launching the new Tariffs copy and running for two weeks across all dayparts. We then ran a direct response campaign in daytime TV for the following two weeks. Using our in house response analysis tool, Clearsight and minute by minute call and online sign up data from Electric Ireland we could see that immediately that DR was working.

We continued with a DR strategy on TV for the remainder of the year and supported it by doubling our digital spend to allow for an always on digital DR and Search campaign. We amended our radio buys as well, moving budgets into the stations that our analysis had shown were driving most responses, negotiating new and improved rates based on responses and upweighting Tuesdays (the day that generated the most responses each week). After every burst of activity we analysed the results again and amended and optimised our schedules accordingly. By the end of the summer, heading into the key Q4 sales period we had devised the ideal media mix and flighting strategy to deliver sales.

Another key target for the year was to increase online sales and with this in mind we decided to trial running a message about getting an additional discount if you switched to Electric Ireland online, on a TV ad. The results were immediate and impressive.

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Objective	Target	Actual
Residential Electricity market share	60%	60%
Electricity sales	70,000	71,500
Gas sales	50,000	52,000
Online sales (as a % of total sales)	12%	14%

## THE RESULTS

The energy market has always been predictable. January (after the largest bill of the year) and September (when price increases happen) are traditionally the months of the year when the highest amount of churn and sales happen. We bucked this trend completely in 2013, as the chart below shows, with our highest sales month happening in April, when we launched the Brand ad and an unseasonable high in July when the second burst of Brand activity ran.

Online sales smashed the target set of 12% of all sales, reaching an all time high of 15% in November when we pushed our online offer on TV. This burst of activity also led to our lowest ever cost per acquisition for online sales, highest ever number of online sales (double that of the month before) and a 12% increase in traffic to the website.

We saw a five fold increase in leads the first week we switched to running DR TV and our cost per lead fell by 65%. Total calls to the call centre were up 17% YOY.

Let's go back to the original objectives to see how the results stack up.

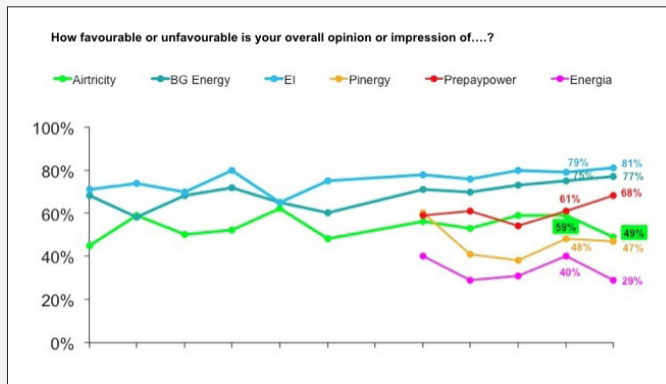
### Commercial objectives

- ▶ We exceeded our target for electricity sales and achieved net gains of 71,500
- ▶ We exceeded our target for gas sales and achieved net gains of 52,000
- ▶ We grew online sales to 14% (again exceeding our targets)

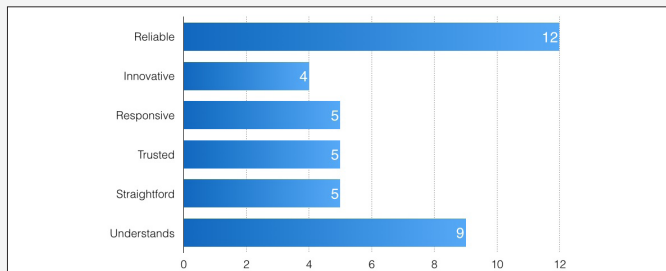
### Marketing Objectives

- ▶ Residential Electricity market share remained at 60% (successfully).
- ▶ We achieved residential gas market share of 22%
- ▶ All our new recruits were high value consumers. This simply means that when they switched, they signed up to online billing and Direct Debit payment, thereby costing the business very little to service.

<sup>4</sup>IPSOS Mori ESB Corporate Tracker Dec 2013 3



Electric Ireland Brand Metrics	April	August	Difference
Reliable	74%	86%	+12%
Innovative	74%	78%	+4%
Responsive	71%	76%	+5%
Trusted	70%	75%	+5%
Straightforward	67%	72%	+5%
Understands	63%	72%	+9%



## THE RESULTS

### Communications Objectives

The brand tracker<sup>4</sup> demonstrates how the new campaign connected with consumers and drove brand value.

- ▶ The 'favourability' chart (below) indicates a steady increase in affinity following the launch of the campaign. Brand Advocacy (how likely are you to recommend Electric Ireland to a friend) was at 31% in August higher than all our competitors. These indicate a clear increase in consideration of the brand following the campaign.
- ▶ The brand metrics chart below showcases how our campaign had made a big impact on the Electric Ireland brand in the core focus areas. We were connecting with consumers and solidifying Electric Ireland's position as the nation's trusted energy partner. Discounting all other factors

### Discounting all other factors

How can we be sure that our campaign was responsible for these fantastic results?

All of the above was achieved against a backdrop of the most competitive and cluttered year ever in terms of communications and advertising in the Irish energy market. Total adspend was up 45% in the category driven by increase from Bord Gais and Airtricity and two new entrants to the market, Pinergy and Pre Pay Power who by the end of the year had taken 24% of the Share of Voice in the category. During the same period, Electric Ireland spends increased by just 3%.

Energy sales are often attributed to weather trends; January being a typical month of churn with not much happening during the summer months. Yet, despite a fantastic summer and the hottest July on record, we achieved one of our sales peaks following the second burst of brand activity.

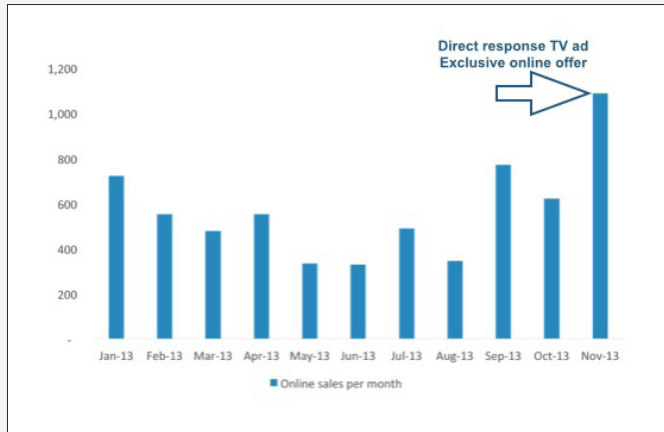
### Payback

Calculating return on marketing investment is tricky in this situation as the information required is subject to confidentiality. This case study has demonstrated how our campaign recruited an additional 71,500 electricity customers and an additional 52,000 gas customers by the end 2013.

## THE RESULTS

Using the cost of an average bill (bonkers.ie), this represents an additional €129,109,110 to the business (based on average revenue per customer of €1,129.70 [Electricity] and €929.53 [Gas] per year). While we don't have the full marginal cost of these extra customers, we do know they are online billing who pay by direct debit. Therefore they are of minimal cost to the business.

Based on this, we are calculating ROMI using revenue (recognizing that this is not the full story) and a total media and production spend of €3,020,578. Considering that this calculation puts ROMI at €42.74 for every €1 spent on media and production, we can be pretty confident in the effectiveness of the campaign.



## THE IMPACT

This campaign caused three major behavioural shifts for Electric Ireland in the energy market.

- ▶ Brand differentiation was finally coming back to the energy market after a long absence. The Electric Ireland brand campaign caused people to value more than just price in the energy market.

IPSOS Mori tracking showed that we had caused energy market consumers to re-evaluate the market, halting the race to the bottom and causing them to think beyond just who was cheapest. In January 2013 53% of the IPSOS sample agreed with the statement “I choose my electricity supplier based solely on price”, by December 2013 that figure had fallen dramatically to 40%.

- ▶ Increase in switching behaviour online.

We had also set out to encourage new customers to sign up online instead of through the call centre as it is a more cost efficient way of Electric Ireland signing up a new contract. We succeeded in moving from 5% to 14% of sign ups happening online by motivating new customers with an offer and specially targeted ads.

- ▶ Growth in online billing and Direct Debit payment

In 2013, online billing grew by 11% and Direct Debit payment grew by 1%. Encouraging these behaviours and continuing to grow this trend is crucial to future profitability.

## NEW LEARNINGS

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Our biggest learning was that there is no such thing as a completely commoditised market. Yes consumers are price sensitive and will seek out value. But they are also human beings who will respond to a brand with whom they feel affinity, a brand they trust, a brand that works hard for them.

‘We understand your energy better than anyone else’. This is not simply an advertising line. It is a mission statement for the company for the future. Everything Electric Ireland does, everything they offer consumers needs to demonstrate this understanding.

## SUMMARY

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Electric Ireland declared that 2013 would be the year of the brand.

We started off with the big ambition to shake off the shackles of deregulation and successfully launch Electric Ireland as an energy brand in Ireland; a brand that had both 83 years of history and was new to the market. We needed to rise above the price squabbling and create a meaningful position for this brand in modern Ireland.

No only did we achieve this but we also ended the year with a significant growth in net sales and the brand becoming profitable for the first time.



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## MEDIA GALLERY

### CREATIVE

