

# Opening a new Horizon for UPC

Irish International and Carat



## AGENCIES

**Irish International**  
Insight. Excite.



## CLIENT



## AWARDS

**IT/TELECOMMUNICATIONS & DIGITAL**  
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**BRONZE**

**Irish Independent** 

## 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.

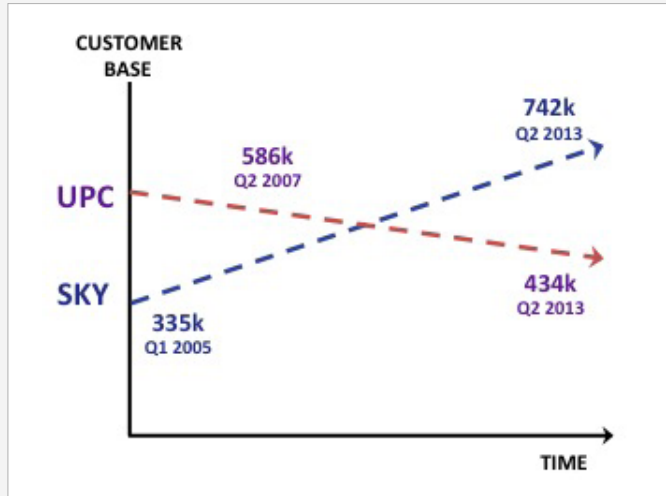
### Carat

Owned by global media group Dentsu Aegis Network, the Carat network has more than 6,700 people in 130 countries worldwide. In Ireland, Carat is one of the largest media agencies employing over 70 people with a turnover of over €80 million in 2013. Carat defined the sector when we were established as the world's first media independent in 1968.

Today, advances in digital technology and changing consumer behaviour has created an era of unprecedented complexity and opportunity for clients. Media is now an ecosystem that includes bought, owned and earned communications. We have a track record of creating innovative media ideas that work across platforms and deliver real business value to our clients.

# Opening a new Horizon for UPC

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## INTRODUCTION & BACKGROUND

February 2013 marked a stellar moment in the history of UPC in Ireland. This was the point where they registered their one-millionth subscriber. While this was a moment of great celebration it was tinged by an increasing over-reliance on broadband.

Thanks to a €500m investment in its fibre powered network, UPC had become the undisputed champion of broadband in Ireland. Broadband customers increased from 67,000 in 2007 to 321,000 mid-2013. The public voted with their feet/keyboards.

However, UPC was not enjoying the same success with its TV service. In fact, TV numbers had been reducing as Sky had successfully poached UPC's TV customers with heavy-weight marketing campaigns, innovative features and improved user experience. UPC lost 26% of its TV base in the six years to Q2 2013.

UPC had a clear corporate goal of becoming the undisputed leader in the triple play market in Ireland. If UPC were to achieve this goal they had to focus on their TV service and address the issues that caused customers to leave. This was particularly important given the increased level of competition in triple play driven by the launch of Sky Broadband and arrival of Eircom's eVision TV service.

UPC had long been aware of their TV shortcomings, constrained by the Cable TV footprint and aging technology, and understood that a slow and steady approach would not be successful. So they bided their time until they had the right weapon with which to beat Sky.

That weapon was Horizon TV. Horizon TV was a game-changing TV product that offered a range of market leading features and benefits. The combination of these features and benefits created a fantastic and entirely new way of experiencing entertainment at home.

In this paper UPC will demonstrate how they used the launch of Horizon as a platform to rebuild UPC's credentials in TV and establish themselves as the undisputed leader in triple play in Ireland.

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## MARKETING OBJECTIVES

The launch of Horizon was a game changing opportunity for UPC. The targets set for launch reflected the ambitions UPC had for the product and the belief in its ability to transform the business.

### Commercial Objectives

The primary objective for the launch campaign (August-December) was to bring Horizon to a large number of Irish homes.

In tandem UPC sought to reduce churn.

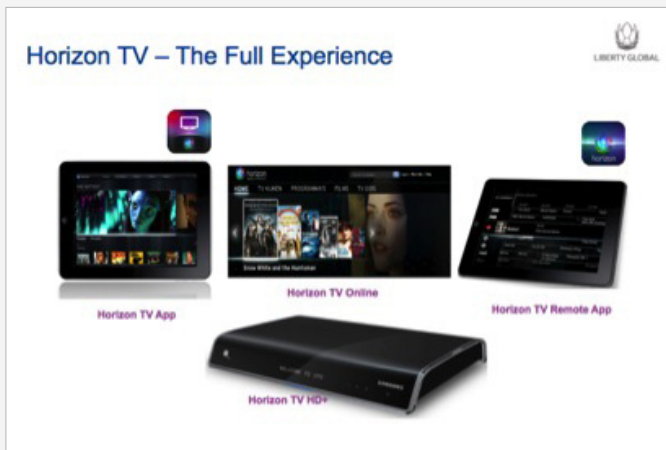
To reflect the impact that the Horizon launch was expected to have on the other parts of the business, stretching targets were set for Broadband and Home Phone.

### Marketing Objectives

In order to help achieve these sales targets UPC set challenging targets for calls to the inbound call centre and web visits.

UPC also identified a number of key equity measures that needed to be improved to support the sales effort on Horizon. The specific equity targets that were set were as follows;

Awareness of UPC as a multi-play provider	80% (v 74% - Q2 2013)
Consideration of UPC as a multi-play provider	60% (v 58% - Q2 2013)
Preference for UPC as a multi-play provider	26% (v 23% - Q2 2013)
Perception of UPC as a modern and innovative brand	65% (v 63% - Q2 2013)



## MARKETING OBJECTIVES

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### **The Role For Communication**

The role for communication in this campaign was quite simple; to launch the new service in a bold and confident way that would challenge pre-conceptions about UPC's TV service.

At an emotional level the key outtake required was that UPC Horizon enables extraordinary experiences.

At a rational level the key message was that UPC Horizon does everything that you'd expect from a TV, but better.

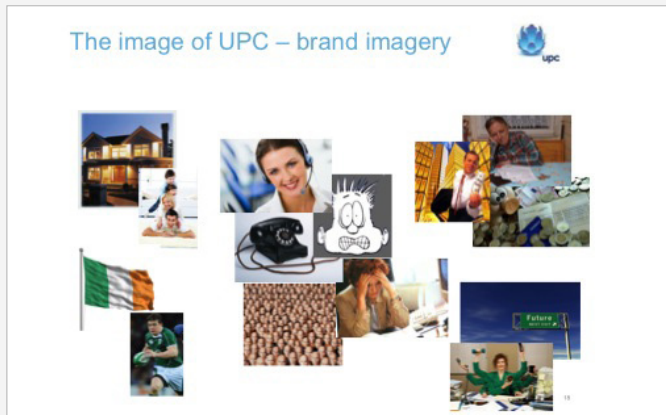


Figure 1 (Source: UPC non-customer barriers, Ireland country report, IPSOS, March 2012)



Figure 2 (Source: UPC non-customer barriers, Ireland country report, IPSOS, March 2012)

## THE TASK

The launch of Horizon was a watershed moment for UPC. It involved UPC taking on their most feared competitor head-to-head. For Horizon to be deemed a success UPC needed to win customers from Sky. It would be difficult to overstate how great a challenge this was.

UPC, despite their successes in broadband, continued to have a poor reputation for TV. Much of the negative sentiment towards UPC was based on historic experience of the brand amongst non-customers, with poor customer service and service outages being the most common complaints

Sky, in contrast, has been for many years seen as the undisputed leader in TV in Ireland. Sky was perceived as the technological innovator, while its channels gave it a personality (e.g. News, Sports, Movies).

The collages (Figure 1) taken from qualitative research demonstrate the difference in perceptions of the brands.

UPC's imagery reflected the large number of bad previous experiences. Poor customer service, a lack of individual treatment and a source of stress were regularly mentioned. Poor value was also a common refrain.

Sky was heavily associated with channel selection – sports, film and news. It was also seen as innovative and powerful. Smartphone applications and good customer service made Sky appear supportive. Family and home were other popular associations. (Figure 2)

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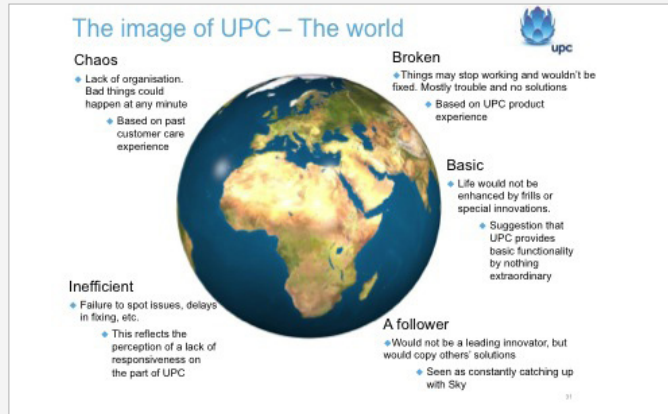


Figure 3 (Source: UPC non-customer barriers, Ireland country report, IPSOS, March 2012)

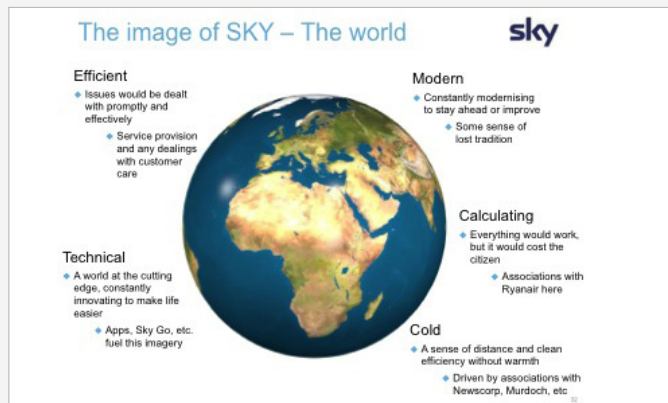


Figure 4 (Source: UPC non-customer barriers, Ireland country report, IPSOS, March 2012)

## THE TASK

Even more worrying than the above were the views that emerged when non-customers were asked to describe the brand worlds for UPC and Sky.

The world of UPC was considered to be a pretty chaotic place characterised by a pretty basic standard of living. (Figure 3)

In contrast, the world of Sky was seen as a modern and progressive place, though somewhat cold and/or mercenary. (Figure 4)

Against this backdrop it is not surprising that Sky outperformed UPC on the majority of brand image attributes, particularly those most relevant to TV.

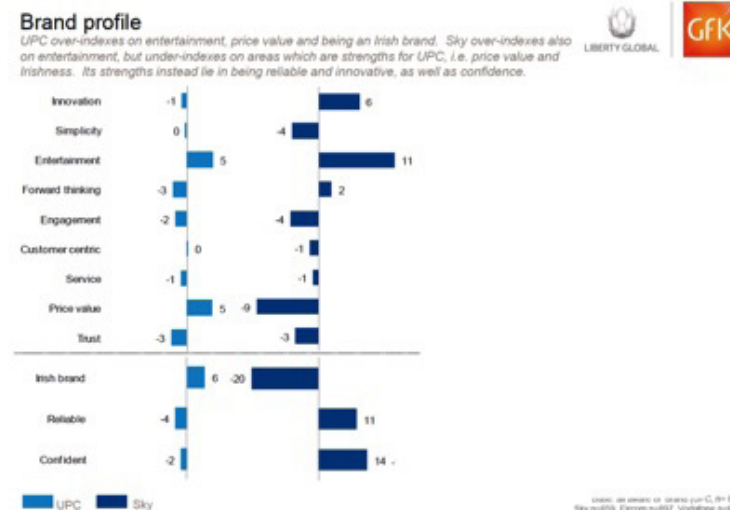


Figure 5 (Source: UPC Brand And Campaign Tracker Ireland, Q2 2013, GfK)

### THE TASK

Given the findings in figure 5, it is not surprising that Sky enjoyed a significantly higher NPS for TV than UPC.

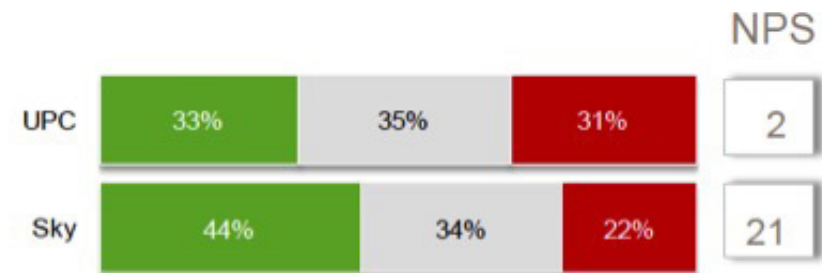


Figure 6 (Source: UPC Brand And Campaign Tracker Ireland, Q2 2013, GfK)

Moreover, Sky customers had higher satisfaction levels than UPC customers.



Figure 7 (Source: UPC Brand And Campaign Tracker Ireland, Q2 2013, GfK)

### THE TASK

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To add further complication, Sky customers tended to be particularly committed TV viewers. Such was the importance of TV to these customers that it was not something they were willing to risk at any cost. Any hint of unreliability was seized upon as a reason for rejection.

For Horizon to succeed it was essential that UPC could show that they had significantly ‘upped their game’ on TV and could now claim to be a credible leader in this space. Horizon would need to do for TV what Fibre Power had done for broadband, resulting in UPC becoming the triple play provider of choice for a whole new segment that would previously have only considered Sky.



### THE STRATEGY

Horizon offered UPC an opportunity to build a superiority-based positioning for TV in much the same way as they had done for broadband. However, while the superiority on broadband was based on one key proof point – fibre power – the substantiation for TV was complex and multi-faceted.

Horizon enabled UPC to offer an extraordinary and new way of experiencing entertainment at home. Ensuring this was communicated clearly and cleverly was key to ensuring that the principal target audience – Sky customers – would start to have doubts about their current service and think about switching to UPC.

The decision was taken to promote the superiority of Horizon based on product features. Horizon is a features-rich service with the following being just some of the features on offer;

- ▶ Integrated Box – TV, Broadband and Home Phone all-in-one box.
- ▶ Record up to 4 programmes simultaneously.
- ▶ Double the storage capacity (vs Sky).
- ▶ View TV content on any device around the home – TV, PC, Laptop, iPad or iPhone.
- ▶ Advanced Search – using a remote control with qwerty keyboard.
- ▶ Personalised Suggestions (based on your viewing habits).
- ▶ ‘Contextual’ Apps – Apps on the box, such as YouTube, that pull up content based on what you are watching.
- ▶ Use your iPad/iPhone as a remote control.
- ▶ Attractive User Interface.
- ▶ Faster Channel Changing.

## THE STRATEGY

To effectively communicate the superiority message through features UPC needed to:

- ▶ clearly understand which features appealed most to their audience
- ▶ understand the perceived benefits of these features
- ▶ ensure that the new service was understood to be significantly different to what's already available

Ipsos MRBI were contracted to conduct qualitative research amongst two key groups of Sky customers – young families and older families – to test the relative attractiveness of the product features.

Respondents were shown a video explaining the Horizon concept and outlining some key features. Initial responses appeared to be governed by two key elements:

### **Familiarity**

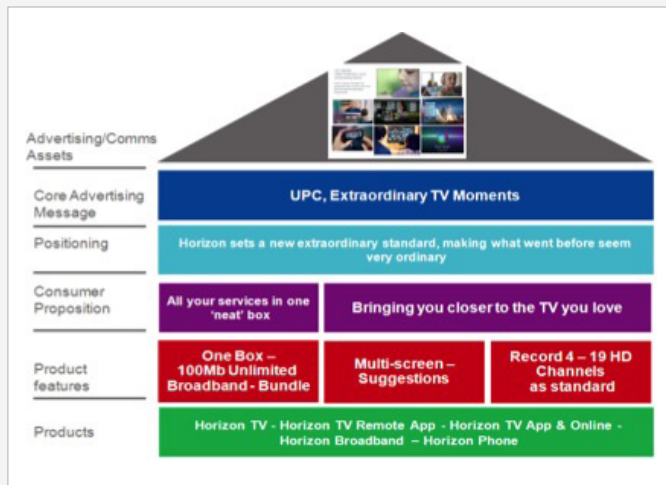
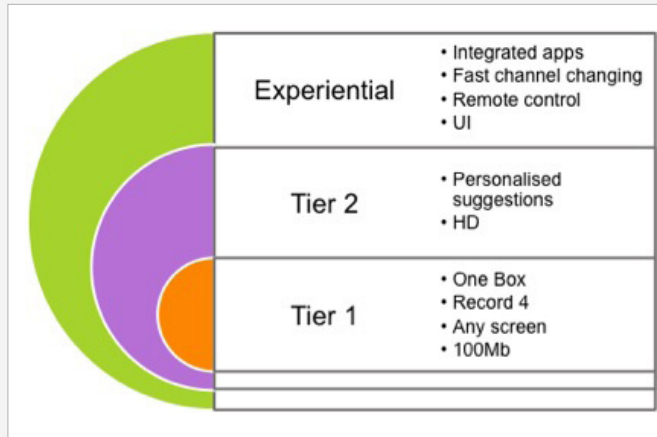
- ▶ The ability to compare is crucial to consumer understanding and evaluation of products.
  - ▶ In the case of Horizon, some developments advance on current provision in a way that consumers can easily relate to. E.g. the ability to record 4 channels at once is impressive because consumers can easily compare it to the current 2 channel recording.

### **Practicality**

- ▶ Linked to familiarity, consumers are likely to respond well to aspects that solve current issues (real or unknown).
  - ▶ The 'all-in-one' nature of the Horizon box was seen as a key benefit because consumers can visualise the space saving, simplicity and practicality.

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## THE STRATEGY

Propositions that met one or both of these criteria appeared to be more likely to cut through and drive the desired response.

Based on this research a hierarchy of features was created, which determined the communication approach. Tier 1 features were communicated as hero benefits in the advertising. Tier 2 features were communicated as supporting features while the experiential features were demonstrated through experiential activity in retail locations.

It was clear from the research that Horizon's key strengths lay in its ability to solve current problems – One Box and Record 4+1 – together with its ability to deliver superior services.

UPC also understood that to really achieve consideration among the key audience of Sky customers they would have to remove any doubt that the Horizon package was superior to their current Sky offering.

By including HD and super-fast 100Mb as standard, UPC drove further space between their offering and Sky's.

- ▶ HD is a common reason Sky customers quote for not switching. By including this paid for extra as standard that barrier was removed.
- ▶ 100Mb was far superior to anything other broadband providers could offer and ensured that UPC continued to reassert their position as the lead Broadband provider whilst now also claiming the same accolade for TV.

The learnings from research fed into the following communications architecture that was brought to life in the launch campaign.

## THE IDEA

### Creative Strategy

As previously stated, for the launch of Horizon to be successful UPC needed to demonstrate that they had significantly upped their game from a TV perspective and could now offer products that were superior to Sky's. To do this the launch campaign needed to bring the benefits of the new service to life in very tangible ways.

Research had demonstrated that consumers struggled to understand the Horizon features when they were initially presented to them. The key to driving greater understanding was to compare the Horizon features with current TV market features, with new benefits being built on understood categories. The strongest performing propositions generally were comparable with current TV product offerings; essentially familiar, but better.

The specific comms objectives for the launch campaign were as follows;

- ▶ Make sure Horizon benefits are fully understood
- ▶ Use the current TV market standard, Sky, as the benchmark for messaging to “ground” Horizon specific communication
- ▶ Provide concrete, substantial and relevant differentiation to drive volume
- ▶ Use the full bundle of features and compare them to Sky's bundle to ensure overwhelming superiority is clearly demonstrated

The creative approach was to comparatively position Sky as the past and Horizon as the future of TV. A series of executions was created to deliver layered comparative messaging to ensure full consumer cut through.

The key messages were;

- (1) “You can do everything you can do with Sky with our bundles..”

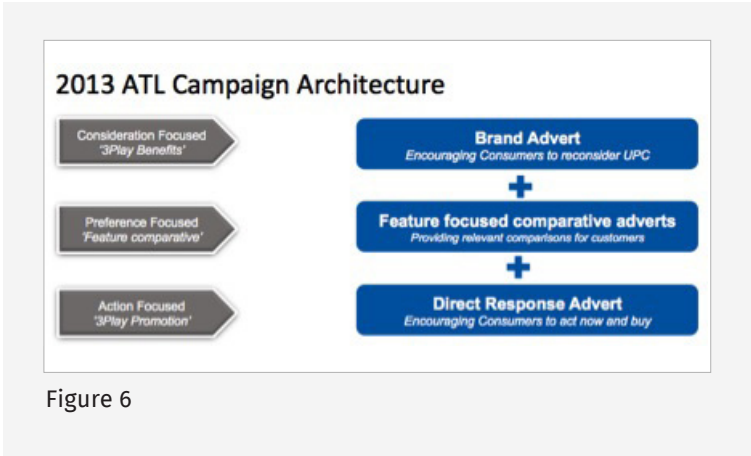


Figure 6

## THE IDEA

- (2) “..but you can do them so much better”
- (3) “You can now do things you never even dreamt your TV could”

The following table outlines the benefits that supported these messages:

3 And only UPC allows you to do this	Access all your services in one integrated design	Intelligently find & store your favourite shows	Connect your TV to content anywhere	Watch your favourite Irish & UK shows on any device	Use your mobile to make fixed line calls
2 And we do them much better	100Mb as standard V Up to 24Mb	Double the recording & Storage	24 HD as standard v 0 HD	Players as standard v None	
1 We have everything Sky has	Broadband & Phone 3P	DVR & fast channel changing	All the Channels Inc. Sky	Remote Record & On Demand	

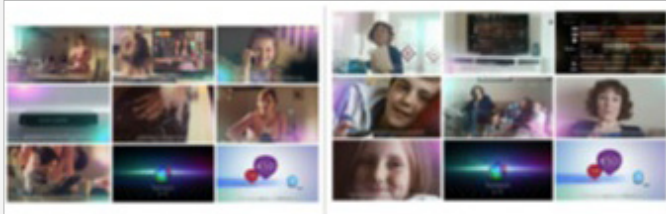
While it was critically important that this campaign changed perceptions of the UPC brand it was equally important that these changes in perception translated into an improved commercial performance for UPC.

With this in mind, a campaign architecture was developed for UPC that combined brand building and activation to maximum commercial advantage. Figure 6

It was critical that all elements of the campaign felt joined up so that consumers would recognise and remember the brand wherever they encountered it. It was also critical that every consumer touchpoint reiterated that Horizon was a top of the range, premium service that offered consumers the best of everything, a premium product but one that comes at a great value price – ‘Extraordinary services at ordinary prices’.

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TV



Outdoor

## THE IDEA

The core creative idea for television was to portray a series of Irish families enjoying the benefits of the Horizon service, all of whom referenced the gap between the new Horizon service and Sky. By rooting the advertising in a family context UPC maximized identification with the key target audiences.

Recognition and memorability were aided further by the use of Craig Doyle, the UPC spokesperson, as the voiceover artist for all of the TV copy.

Appeal and cut-through were enhanced by the use of an iconic piece of music – “Good Life” by One Republic. The upbeat tone and chilled out tempo of this track provided the perfect backdrop to the various TV ads and served as another consistent element across the campaign.

Outdoor was used to reinforce the key product features. To maximize cut-through UPC showcased one product feature in every poster.

A new brand tagline - ‘The Makers of Extraordinary’ – was developed for this campaign. This tagline signaled the ambition for UPC to evolve from being merely a utility to being a service provider that opens the world of entertainment to customers. It signaled the desire to move from product leadership to connected entertainment.

## Use of Channels

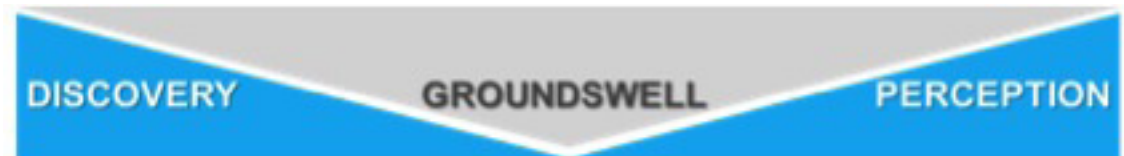
UPC’s closest competitor, Sky, had been consistently the highest advertising spender in the Irish market in the months leading up to the launch of Horizon. Sky was also established at the top of the TV market, but they were there alone.

UPC knew this left people with little to choose from. They knew they had to position Horizon as a game changer from UPC; an ‘extraordinary’ new TV product that gave the market what it hadn’t had before - choice.

## THE IDEA

The aim of communications was to launch the new product at scale, build understanding of the new product's benefits and challenge consumers' perceptions that UPC could not provide a superior TV service to Sky.

UPC needed to turn up differently to Sky and not try to go head-to-head with their heavy media budgets. Consequently, they broke the launch into 3 phases in order to navigate around their clutter;



### Fuel Discovery

Focused on the first two weeks prior to the launch of Horizon, this phase was all about showing up first in new spaces. This was primarily digitally driven through clever messaging in search and social channels, as these let UPC get into these spaces quickly and avail of selective targeting. UPC concentrated on early tech-adopters, the media and current Sky customers.

All messages were kept topline, to maintain curiosity and lead these people to find out more. In line with the launch, UPC ran a promotion in the first week of the new Pat Kenny show on Newstalk. There had been a long spell of public attention on his move from RTE, and UPC knew they could get some of this spotlight falling on the launch of Horizon by getting him to talk about the product and its services across the airwaves. This helped bring product discovery to a broader audience, and therefore overlapped with the official launch.

## THE IDEA

### Build a Groundswell

UPC needed to stimulate a high level of awareness for launch, but also keep an emphasis on educating consumers about the product. This meant integrating messaging across all channels. One of the benefits of Horizon is that it provides a TV service across any screen in the home (TV, laptop, tablet or mobile), so UPC used video across all of these screens to demonstrate the flexibility of the service.

All Out-of-Home and radio messages were paired. Out-of-Home headlined the new proposition with great stature and radio added detail on specific services and prices of the new product.

Search, digital display, DM and press were focused on converting sales-leads to generate business quickly from the launch.

### Enhance Perception

UPC knew their heavy presence in the marketplace would deliver strong numbers for the launch, but to maintain penetration growth and to win business from Sky they needed consumers to understand the Horizon product and its benefits. They needed to get the product closer to people, and put it in their world for them to see it as a real rival to Sky; for consumers to understand they now had a real choice. This was driven through innovation.

UPC created bespoke units that were placed in various shopping centres around the country. These units demonstrated the Horizon product, allowing consumers to directly interact with it.

Online UPC promoted product demonstrations through Social Media apps and a partnership with Microsoft, including Kinect pre-rolls that were new to the market.



## THE IDEA

### Analytics and Optimisation

A lot can get lost when delivering an integrated multi-channel campaign. In order to continually optimise activation UPC's media agency, Carat, used a bespoke attribution model directly linking marketing spend by channel to call-centre and website sales. This allowed Carat to buy, measure and adjust schedules quickly, ensuring a golden thread of business performance throughout the 3 phases of the Horizon launch.



## THE RESULTS

The launch of Horizon was a game-changing moment for UPC. At last UPC was in a position to compete head on with Sky in the key battleground of television. Naturally a launch like this comes laden with huge expectations. Immediately post launch it became apparent that Horizon was not merely going to meet UPC's expectations but wildly exceed them.

### **Sales Performance**

Sales for the launch period (August-December) were 83% ahead of target

To put that sales figure in perspective, it is useful to compare sales of Horizon in Ireland versus Germany. Despite launching at nearly the same time as the German market, UPC Ireland sold nearly half the amount of Horizon TV boxes as Germany, despite having a population that is over 20 times lower!

Churn reduction was ahead of target  
(Source: UPC Internal Sales Figures)

While TV was the undoubted star of the Horizon campaign, UPC were very clear that a key objective of the activity was to establish themselves as the undisputed triple play leaders in Ireland. Thus it was very encouraging to see that the campaign delivered strong results on both broadband and home phone as well as TV.

Broadband sales for the period of the campaign were 13% ahead of target.  
Home phone sales for the same period were 32% ahead of target.

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Figure 7

## THE RESULTS

These sales were significantly helped by the huge volumes of calls to the inbound telesales team and web sales visits driven by the campaign.

Inbound sales calls were 6% over target.

Web sales visits were 75% over target. On August 13th alone there were 30,000 unique visitors to the website, a record for UPC.

(Source: UPC Internal Figures)

### Impact On The Purchase Funnel

It was very clear from analyzing the purchase funnel that the advertising had played a big role in driving the success of Horizon. As the graph below shows levels of awareness, consideration and preference for UPC were much higher amongst those who had seen the campaign. Figure 7

### Equity Performance

Above and beyond the immediate sales results, the launch of Horizon drove significant increases in brand equity.

Awareness of UPC as a multi play provider rose from 74% to 81%.

Consideration of UPC as a multi play provider rose from 58% to 63%.

Preference for UPC as a multi play provider rose from 23% to 32%.

All of the equity results shown above were the highest scores ever achieved by UPC and are expected to deliver ongoing benefits for the brand.

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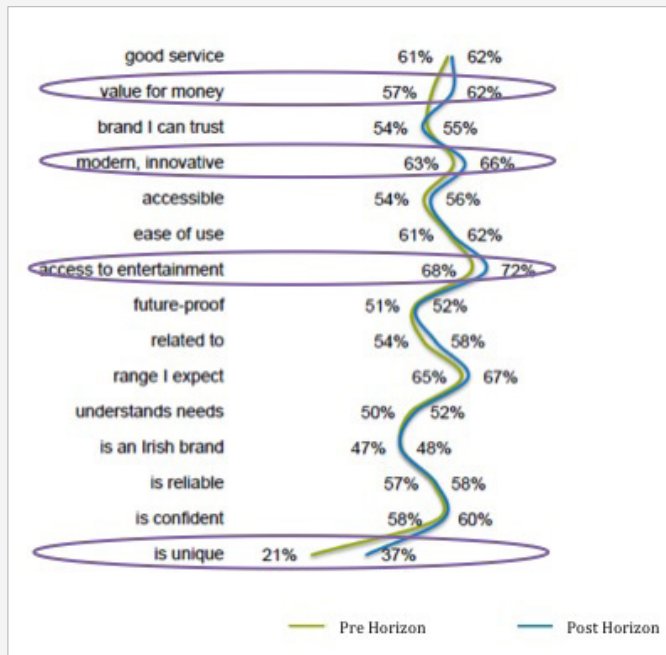


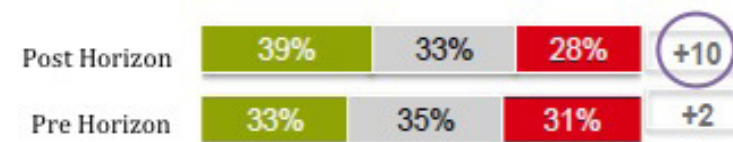
Figure 8 (Source: Gfk)

## THE RESULTS

In addition to the results above the perception of UPC as a modern and innovative brand, one of the key desired outcomes from this campaign, hit 71% - up from 63% and exceeding the target of 65%.

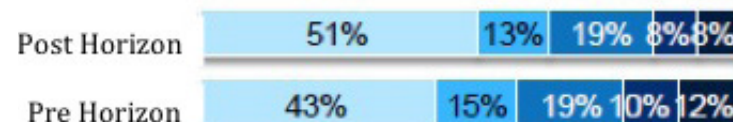
Overall, the Horizon campaign had a very positive impact on brand equity for UPC, as the following figures show. The impact on value for money, entertainment and uniqueness were particularly pleasing. Figure 8.

Very encouragingly, from a WoM perspective, the Horizon campaign drove significant improvements in UPC's NPS, as the following graph demonstrates.



(Source: Gfk)

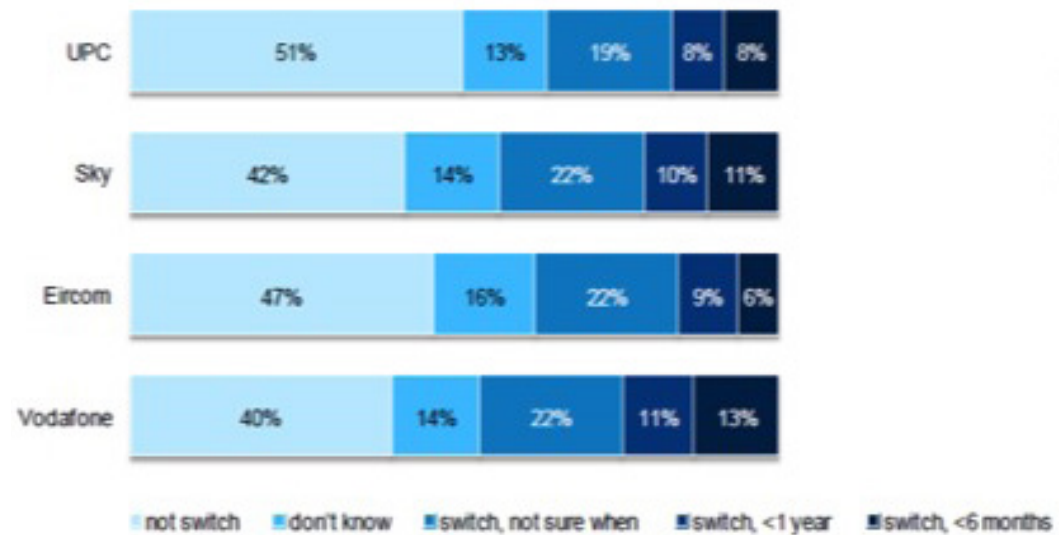
As well as attracting new customers, the Horizon campaign had a very positive impact on Churn Intention, which reduced significantly.



(Source: Gfk)

## THE RESULTS

These improved Churn Intention figures put UPC at a significant advantage to Sky



(Source: GfK)

### Overall Achievement

The launch of Horizon was a landmark moment in the history of UPC Ireland. It allowed UPC to compete head to head with Sky in the key battleground of television. Building on the leadership that UPC had already established in broadband this game-changing product allowed UPC to claim an indisputable leadership position in triple play and positions the brand to powerfully compete in an increasingly cluttered and challenging market.

### THE IMPACT

The launch of Horizon made the UPC brand more attractive to both current and prospective customers.

Non-customers, particularly Sky customers, saw that they now had a viable alternative to their existing provider. This liberated them from an over-reliance on their existing provider and empowered them to take advantage of superior offerings in broadband and home phone from UPC as well as TV.

Since the launch of Horizon, UPC's TV base has shown growth, and they are attracting switchers directly from satellite at the highest rate in 5 years – demonstrating the undeniable appeal of the service.

Horizon gave UPC the chance to show satellite TV customers that the old provider they knew was long gone and had been replaced with a new and innovative company capable of transforming how everyone watches TV. The rate that satellite customers have returned to UPC clearly shows that UPC have taken full advantage of that opportunity

For current customers, the launch of Horizon increased stickiness as evidenced by the increased NPS and reduced Churn Intention figures. UPC customers no longer feel like the poor cousins from a TV perspective. These improved perceptions around TV, combined with UPC's ongoing superiority in broadband, positioned the company to build a strong leadership in triple play which, given the recent launch of Sky Broadband and Eircom TV, will be the key competitive battleground in the future.

## NEW LEARNINGS

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The launch of UPC Horizon shows the importance of self-awareness and patience in building a winning business strategy.

UPC knew that they needed to build a strong position in TV if they were to build the leadership position in triple play that would ultimately drive business success. They also knew that, for many years, Sky had delivered a definitively superior TV product.

So, rather than ruining their credibility by making claims they couldn't live up to they waited until they had a sufficiently powerful proposition before taking Sky on. In the meantime, they concentrated on building their superiority credentials in Broadband, an area where they enjoyed massive product advantages.

When the time came to launch Horizon, UPC were able to leverage the credibility they had gained in broadband for TV and build an unassailable position in triple play.

## SUMMARY

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With the launch of Horizon UPC finally had a product that could take Sky on in the critically important TV arena not merely as an equal but as the superior player. Naturally, the launch of Horizon came laden with huge expectations. Thankfully all expectations were exceeded.

Sales of Horizon were way ahead of forecasts. More importantly, the majority of Horizon sales were triple play sales, cementing UPC's position as the leaders of triple play in Ireland. The statement of superiority and leadership made with the launch of Horizon will continue to deliver huge advantages to UPC the market continues to grow more competitive and cluttered. It has truly created a new horizon for UPC.



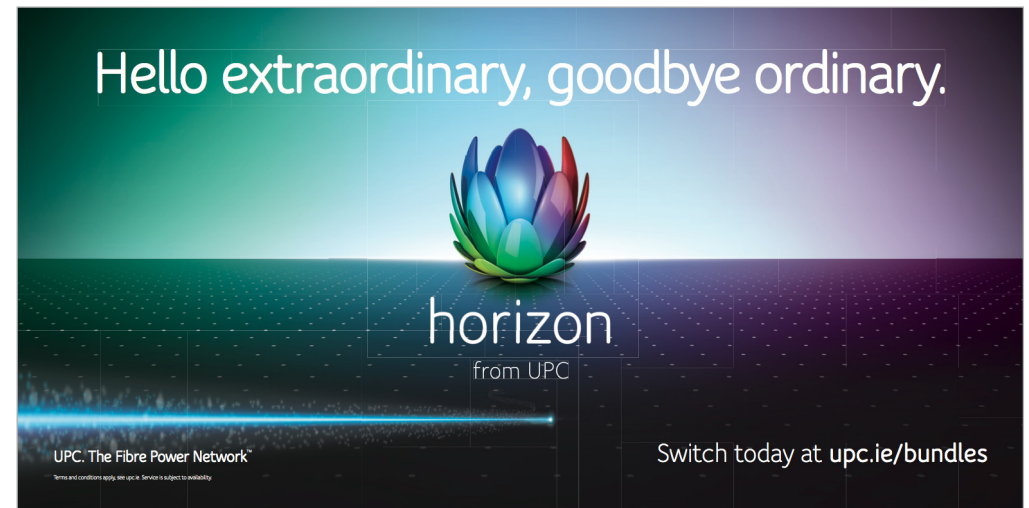
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## MEDIA GALLERY

### CREATIVE



48 Sheets

# Opening a new Horizon for UPC

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## MEDIA GALLERY

### CREATIVE



6 Sheets