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Diamond winner of IDM's Business Performance Awards for 2007 — TV Licensing student campaign 2003–2007: 50 pints or a TV licence?

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How effective marketing has made student TV licences 'the norm' over evasion on campus

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Abstract

BBC TV Licensing has for years faced a problem in persuading university students on campus to purchase a television licence. Although some 45 per cent of a stable (over the years in question) population of 300,000 students on campus take a television set with them, evasion of the licence fee had been the norm — a result in part of ignorance, in part of lack of belief in consequences. This campaign set out to change this, and did so to the extent that evasion is now the exception, not the norm. It is indeed a textbook example of improved business performance attributable to innovative marketing — including the use of humour, and an integrated strategy including interactive use of the internet.

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Introduction

Client — BBC TV Licensing

Campaign — Students 2003–2007

Lead agency — Proximity London

Principal author — Adrian Hoole

This case study tells the story of how, over the past four years, TV Licensing's effective multi-channel student campaign has sustained significant growth, to achieve record sales among students reluctant to fork out the £131.50 cost of a television licence — establishing a new 'norm' on campus in place of evasion.

Background

Students are an important acquisition target for TV Licensing. Licensing law extends to rooms in a hall of residence, and the consequences of watching television without a licence can involve prosecution, a court appearance and a £1,000 fine.

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Licence evasion

Historically, evasion on campus has been the norm. Efforts to tackle high on-campus evasion go back some years; however, in 2002, when Proximity London took over the business, the BBC made the decision to address the issue with increased investment.

This case study relates the development, over four campaign years, of an effective marketing strategy, 2003/2004–2005/2006, for which compatible data are available, and 2006/2007, for which early results are available.

The challenge

Given the other exciting priorities they face, how could we get uninterested students to fork out £126.50¹ for a television licence?

And ultimately — how could we achieve the sustained year-on-year increase in sales that would be needed to make television licences the norm on campus, in place of evasion?

The communications strategy

Over the course of the last four years, we have developed an integrated marketing communications strategy to normalise television licence purchase among students.

The overall communications objectives have not changed over that period:

1. educate students about the need for a television licence
2. inform them of the consequences of not having one
3. convince them of the reality that they will get caught if they evade.

The campaign itself has become increasingly sophisticated over the four years, with progressively greater focus on

1. optimising and expanding the media mix
2. increasing creative consistency and effectiveness
3. rigour and clarity of evaluation.

Multi-channel delivery

TV Licensing would much rather students bought a licence than have to enforce the law against them. So, at universities with the highest hall of residence populations we unleash our multi-channel, integrated communications. This involves a ‘blitz’ of innovative ambient activity.

For example, on ‘drop-off days’ — when students arrive at university (often with their parents) — we ensure that TV Licensing’s message is highly visible. This involves targeting posters and leaflets around the campus, and placing application forms in rooms and other unexpected locations such as libraries. We continue this presence into Freshers’ Week, with themed Fresher Fair stands, and beyond into term-time, with activities ranging from sponsored student television in the unions to additional PR and enforcement visits, a range of new media initiatives, including text messaging, banner advertising, content on union websites and targeted email. Over the last year new strategic digital opportunities have been converted, with a dedicated campaign

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Highly visible message

Figure 1: Typical campaign plan

microsite, capitalising on the growing popularity among students of co-creation and social networking.

This is backed up by an ongoing targeted mailing programme driven by the TV Licensing database to unlicensed students, escalating the ‘consequences’ message as term-time unfolds. Mailings are coordinated with enforcement officers who visit unlicensed addresses as promised in the mailings (Figure 1).

An effective and successful campaign

Early results

An increasingly sophisticated approach has also delivered improved results over the period. Taking 2003/2004 as a base we have seen sales increase by 8 per cent in 2004/2005 and by a massive 24 per cent in 2005/2006, with an ROI of 12:1 (10 per cent up on the previous year). Results for 2006/2007 at the time of writing show another year of record sales, with a 5 per cent increase in 2005/2006, and a projected ROI of 12:1 (Figure 2).

Reducing evasion on campus

Constant market size

The number of students in halls of residence has remained fairly constant over recent years — an important factor to eliminate when looking at growth in sales.

Over the last four years the number of students taking televisions to university has also remained constant at 45 per cent;² hence the number of on-campus ‘licensable premises’ has not significantly changed (Figure 3).

Figure 2: Growth in overall sales to student site-types

Figure 3: On-campus accommodation universe
Source: HESA³

Figure 4 shows the increasingly steep sales curve over the last three campaign periods, illustrating how the latest campaign produced more sales in the first four months than in the whole of the previous year.

Figure 4: TV Licence sales increases (indexed)

The creative contribution

Creative's contribution to increased effectiveness

Initial research identified a number of myths about TV Licensing prevalent among students — a long list, in fact, that included commonly held beliefs such as

- nothing ever happens anyway if you don't have one; the consequences aren't real
- they don't let enforcement officers on campus so you'll never get caught
- television detector vans don't work, they just stick a coat hanger on top of a transit van to scare you.

Between 2003 and 2005 we developed two campaigns based on these insights, which our results show changed attitudes and encouraged students to buy a licence. However, in planning our 2005/2006 campaign, the agency team started to focus on a previously overlooked, yet evidently powerful insight:

- The TV licence is a serious subject, but students won't take it seriously if they don't believe they need one, don't believe the consequences of not having one and don't believe they will get caught. In fact, students can see TV Licensing as a 'bit of a joke'.

Use of humour – or anti-humour

It was this very observation that directly inspired a new creative idea — ‘anti-humour’.

‘Anti-humour’ is particularly popular on student websites. It is a type of indirect humour that involves the joke-teller raising expectations but then delivering something that is deliberately not funny or lacking in intrinsic meaning.

For TV Licensing, ‘anti-humour’ provides a unique creative platform from which to communicate a ‘serious’ message — ‘It’s not funny watching TV without a licence’.

The campaign even got students to spread the word for us with their own programming content on Sub TV, the on-campus TV channel. The ‘anti-humour’ theme — already taking shape in posters and mailings across campus — was now being broadcast on television (Figures 5–9).

Another innovative ‘involvement’ element was used to attract students to our stands at Freshers’ Fairs and spread the message around campus. Our cartoonist caricatured new students in the style of the campaign. After what amounted to a full five-minute engagement with the brand, we mailed them the full colour version of their personalised poster as a permanent reminder for their wall.

Sales results were to prove the efficacy of the anti-humour route. Sales in 2005/2006 to the end of March were 24 per cent up year on year (Figure 3). In fact, we sold more licences in the first four months than in the whole of the previous year (Figure 5)! The ROI delivered by the campaign overall was 12:1, a 10 per cent increase on the previous year.

It is now substantially more likely that students on campus will have licences than evade — evasion on campus really is no longer the norm.

The contribution of marketing communications — Eliminating other factors

It is relatively simple in the case of a television licence to eliminate factors that might contribute to sales over and above the campaign

Involvement

Figure 5: 'It's Not Funny' main on-campus campaign posters

Figure 6: 'It's Not Funny' personalised posters

activity. We saw earlier that 'market growth' is not responsible for increased sales, as on-campus accommodation — hence licensable universe — has remained constant (Figure 4).

In addition, our 'marketplace' is unique. Unlike a traditional marketing task, the full set of the '4P's' is not available to us.

- Product — The product has no variables, extras, add-ons, features, functions or benefits other than the generic — it's the law.
- Pricing — A licence costs the same whoever you are, wherever and however you buy it — student or not. There are no discounts or variations in price (short of the yearly increase decided by Government).

Figure 7: 'It's Not Funny' mailings to a parent's home

Figure 8: Aerial socket sticker in student room

- Place — Again, distribution does not vary regionally, and there are multiple purchase channels to maximise accessibility of purchase. Students all have an equal opportunity to buy a licence over the phone, internet, PayPoint outlet, Post Office or post. They can pay by cash, cheque, credit card or direct debit.
- Promotion — Advertising (in its broadest sense) is the only variable available in the mix to stimulate sales among students. Compelling communication is therefore the one key determinant of success.

Proving the commercial value of the campaign

(the really interesting bit!)

As anyone who has tried it will testify, isolating the individual media contribution within an integrated framework can be very difficult.

Figure 9: Student-produced content on Sub TV

Separating out the critical factors: 'brick' analysis

To make sense of these issues, we developed an innovative evaluation methodology: the 'brick analysis'. This groups activity into four broad categories, designated 'bricks' (the theory being that the more 'bricks' thrown, the greater the impact!):

One brick — 'background' level broadcast activity reaching students at all sites (UCAS mailings, online ads, PR).

Two bricks — above plus direct mail targeted to specific sites on campus.

Three bricks — above plus extra student union presence at Freshers' Fairs, programming on Student TV.

Four bricks — above plus additional on-campus targeted activity including increased field presence — the full multi-channel campaign.

Figure 10: 'Brick analysis'

It can be clearly seen that the full four-brick integrated campaign is nearly twice as effective as the one-brick broadcast activity, and 50 per cent more effective than broadcast plus DM (two bricks) (Figure 10).

Different combinations of media

Using data from the brick analysis, a model has been developed to predict sales and costs for future activity, allowing us to identify the result of different media combinations and roll-out scenarios to optimise both sales volume and ROI (taking practical account of the fact that not all sites are accessible for all combinations). The optimum mix is likely to be a blend of the activity with the best ROI vs the activity that maximises purchase rate, all of which can now be identified.

Sustaining the success of the campaign in 2006/2007 — Using digital media innovation to involve and engage students in our campaign

Where to next?

Having achieved sales growth over three successive campaign periods, and smashed our targets for 2005/2006, this year's campaign had a lot to live up to. After full and thorough analysis of the 2005/2006 campaign achievements, we made the unprecedented decision to run with the anti-humour creative platform for a consecutive year. There were no indications of creative wear-out. On the contrary, cut-through and resonance measures convinced us that the 'It's Not Funny' motif could still make a significant impact on our target audience.

In order to maintain the momentum of sales growth, we knew we needed a big idea to move the existing campaign forward. Once again we looked at building on the core learnings of the 'It's Not Funny' campaign. Focusing on developing the successful 'involvement' principle, and encouraged by the important contribution of online activity, the nascent popularity of user-generated content among our target audience seemed to offer an innovative solution, perfectly suited to our strategy. However, with co-creation the buzzword on every youth marketer's lips, we knew that we would have to create a truly unique

Interactivity and enhanced involvement

offering if we were to once again successfully to engage students in spreading our message for us.

Using anti-humour as a creative springboard, we designed www.itsnotfunny.co.uk as a homage to student humour. The site provided students with the tools to showcase and share their own comic content, and invited students to upload their funny clips. Students could rate each other's gags and stunts, and we created a viral generator that users could use to add a cheeky intro from three top comedians to their clip, before sending it on to their friends. We used the distinctive 'It's Not Funny' design to engage students with the site experience, and used TV Licensing branded banners to remind students that the joke could be on them if they get caught watching television without a licence.

To get the laughs coming in, we offered the chance to win a ridiculously exclusive comedy event hosted by Bill Bailey, and featuring Simon Amstell for the university with the most rated clips. To promote the site we hosted launch events at 12 universities during Freshers' Week, captured on candid camera by Sub TV (the Student Network), with the funniest clips uploaded to the site. On the site, clips could be viewed by university, featured in lists of the best and worst jokes of the week, and registered users received regular email updates. PR activity laid down the challenge to online student communities and university websites to raise the bar of campus comedy genius.

Once again our audience got the joke. Over 350,000 votes were cast on the site, and as the inter-collegiate rivalry intensified, universities actually took the campaign over, producing their own promotional campaign flyers and setting up dedicated MySpace and Facebook pages to tap into the power of social networking. Banner advertising on the site has also driven direct sales, generating a click-through rate of 0.4–0.6 per cent.

Although a full analysis of results for 2006–2007 has not yet been completed, tracking research reveals that understanding the legal requirement to be licensed among students has hit an all-time high of 84 per cent. With the added digital activity in 2006/2007, we have seen a 5 per cent sales increase year on year and a projected 12:1 ROI for the campaign. Furthermore, the site has firmly established TV Licensing's student campaign online, ensuring that we are very well placed to take full advantage of future potential digital opportunities for engaging students.

Conclusion

This is a textbook example of improved business performance attributable to innovative marketing. The sophisticated and rigorous evaluation methodology at the heart of our activity proves that this campaign has unequivocally delivered an impressive and progressively improving performance, in both execution and results. With no other tools at our disposal, it is clearly demonstrated that communications

alone have delivered an impressive and progressively improving performance, in both execution and results.

We have convinced the vast majority of students in halls of residence who need a licence to buy one. The campaign is highly profitable, delivering a record ROI of 12:1 over the past two years and sustaining impressive year-on-year sales growth.

Our ‘brick analysis’ has brought rare clarity to the contribution of the component parts of such a complex, integrated campaign, providing clear guidance to optimise future performance.

Persuading students to buy a television licence is one of the toughest ‘sells’ on campus — but thanks to the impact of effective marketing activity, evasion is no longer the established ‘norm’.

Without this campaign, it is certain that the opposite would be the case.

References

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