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# Case Study

## Swinton Insurance: The IDM Business Performance Awards 2009: Bronze Award-Winner Campaign: Mystery Tipper drives sales in Swinton's Taxi Insurance Division

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### Abstract

Fun and insurance — not usually synonymous with each other, but, in this case, Swinton Taxi Insurance gave its product a new lease of life with infectious results. Swinton's Mystery Tipper character went viral on taxi ranks across the UK, her arrival heralded by tightly targeted campaign messages in local media. The Tipper gave taxi drivers something to talk about, and increased Swinton Taxi Division's business by 30 per cent in 2008.

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### Congested channels

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### Introduction

Swinton is one of the UK's leading insurance brokers, offering its private and business customers a one-stop shop for insurance and related cover for homes, cars, caravans, businesses, holidays, motorbikes and other specialist areas. Swinton price-checks the UK's top insurers to find the most appropriate cover for its customers at the best price.

In 2007, Swinton Taxi Division recognized that its traditional communication channels had become congested, with too many similar-seeming products and advertisements making it very hard for consumers to distinguish one brand from another. Too many competitors were chasing fewer policies in a shrinking pool of customers, and everyone was under financial pressure due to the omnipresent recession. Swinton Taxi Division had watched its sales plateau over the preceding 5-year period.

Swinton Taxi Division and its agency Red C launched the Mystery Tipper campaign to kick-start its sales recovery in 2008. This campaign demonstrates just how effective a great creative idea

can be in re-invigorating an existing product's sales in a mature and difficult market. The campaign broke all Swinton Taxi Division's previous sales records in the 12 months that it ran. This case explores how these impressive results were achieved by this straightforward, yet highly original and slightly quirky, campaign.

## Background

Insurance intermediaries, or brokers, play an important role in the UK's insurance industry. Insurance intermediaries provide a professional advice service to businesses and individuals, and assist in the identification, measurement, management, control and transfer of risk. They are responsible for the distribution of almost two-thirds of all UK general insurance, generating £1.5bn in invisible earnings in 2007.

### The role and contribution of insurance brokers

According to recent research<sup>1</sup> by the British Insurance Brokers' Association (BIBA), 'insurance brokers regularly help consumers achieve better results when pursuing a claim. The majority of brokers surveyed have secured increased payments for clients in the past year, following an initial lower offer from insurers, and 58 per cent of brokers said that they had to fight harder to get claims paid during the recession'. According to Eric Galbraith, BIBA's Chief Executive, 'Many consumers do not have the experience or knowledge to negotiate claims payments themselves. Brokers know how to evidence and support negotiations through their understanding of policy wording, relevant case law and their relationship with the insurer'.

The insurance broking sector has proved itself to be fairly resilient during the recession, and is still seeing growth in terms of both profit and new business start-ups in some areas. However, insurance brokers cannot remain completely immune to the economic downturn, as their clients' revenue determines the size and scope of insurance premiums. BIBA's members have reported an overall drop in income due to reductions in their clients' revenue, stock and payroll. Insurance brokers are also facing higher trading costs, mainly due to the growing cost of regulation.

### Consumer pressure to reduce premiums

As in any market experiencing economic turmoil, customers are trying to reduce the size of their premiums where possible, sometimes cutting back on their insurance cover altogether. Competition amongst insurance brokers has become fiercer, as cash-strapped customers shop around for the best deal. In addition to a wide choice of generalist and specialist brokers, consumers can also visit numerous online price comparison aggregators, increasing the downward pressure on brokers' profit margins. Some aggregator sites are owned by insurance brokers or underwriters, and there are clear indications that all financial aggregator sites are going to be more tightly regulated by the Financial Services Authority in the near future.

As a result of all these market pressures, brokers are frequently working harder than before to secure lower returns, leading to some consolidation within the sector. However, the market remains dynamic,

as the growing recruitment pool of skilled workers has prompted some of the more successful intermediaries, and new businesses, to seize an opportunity for cost-effective growth.

Swinton was founded in Salford in the North West of England. The business has grown steadily over its 50-year existence, mainly due to customer recommendations and the acquisition of other insurance brokers in the UK and Europe. Today, it is the largest high street insurance broker chain in the UK. In 2008, Swinton announced record profits of £50.1m, a four per cent increase year on year, generated by selling 25 per cent more policies than in 2007; a total of 3.25 million policies. 2008 marks Swinton's seventh consecutive year of growth. Peter Halpin, Swinton's newly appointed Chief Executive, believes Swinton has been successful because it has gone 'against the received wisdom that the majority of modern consumers are totally price-driven and promiscuous when it comes to their insurance renewal'. He expects continued growth over the next 5–10 years, 'through a combination of organic growth, both on and offline, and more acquisitions'. A recent announcement revealed plans to double the size of its commercial business by 2012.

### **Fully integrated service**

Swinton offers its customers a fully integrated service across on and offline channels, with more than 550 high street shops covering 90 per cent of the UK, five call centres and a well-established online presence, bolstered by its 2006 acquisition of internet motor insurance broker its4me.co.uk. Swinton is seeing an increasing proportion of its policies sold online. In 2008, the Swinton Group was named Personal Lines Broker of the Year at The British Insurance Awards. At the award ceremony, Swinton was praised for its personal approach to customer service and the success of its integrated communications and customer service strategy across its online, call centre and extensive high street shop channels. The award also recognized Swinton's success in developing its products in response to customer demand for more products relevant to their needs (*Source: Insurance Daily: [www.insurancedaily.co.uk/2009/03/24/swinton-appoints-new-ceo-as-profits-increase/](http://www.insurancedaily.co.uk/2009/03/24/swinton-appoints-new-ceo-as-profits-increase/)*).

### **Responding to consumer demand**

Swinton Taxi Division is a specialist division within the Swinton group, with a well-established independent reputation as a trusted taxi insurer. However, since 2002, increasing on and offline competition and a reduction in premiums has seen the taxi division's sales plateau. Taxi insurance providers traditionally advertise predominantly in the trade press and magazines. Six years ago, taxi drivers would have found adverts for an average of four different taxi insurers in the back pages of their magazines. In 2008, more than 30 insurers were competing for the same volume of business, all using virtually indistinguishable advertisements telling prospective customers that their taxi insurance offered the best value.

### **Limited budget**

Swinton, and its agency Red C, had a limited budget with which to create the year long campaign it urgently needed to inject some dynamism into its immediate sales and create a good foundation for healthy growth in the future.

## Objectives

The specific acquisition objective for the campaign was to achieve a 10 per cent quotation enquiry uplift year on year in 2008. Swinton knew from its database that many customers choose to stay with the same insurer for an average of 3–4 years, so a 10 per cent uplift was sufficient to recover its competitive advantage in the commodity distress purchase taxi insurance market.

### An insight based campaign

## Marketing strategy

Swinton Taxi Division's 2008 campaign strategy was based on two very important insights. The first insight arose from recognizing that the rapid increase in similar-seeming adverts in traditional taxi insurance advertising channels made it very difficult for Swinton to distinguish its product from those of competitors and attract new business. Swinton Taxi Division knew that it had to find a novel way to get its message across to potential customers. This thought prompted Swinton to introduce a face-to-face element into its communications strategy; it would create a precedent in its sector by taking the campaign directly to its target customers on the taxi ranks.

### Understanding customers' needs

The second key insight that influenced the campaign's creative strategy came from Swinton Taxi Division's understanding of its customers' needs. Taxi drivers are hard working, hard-done-by no-nonsense characters. They are at work much of the time because if they are not at the wheel of their cab, they are not earning money. Buying insurance of any kind is a rather dull business, and busy taxi drivers have little time to expend on this activity. Paucity of time being a key characteristic of the target audience, the creative needed to be simple, hard-hitting and attention-grabbing in order to get its message across quickly, minimize potential objections and prompt the necessary action to gain a new customer.

### A strong call to action

Getting a taxi driver's attention can be tough, but if you succeed in capturing their interest, word of mouth can give the campaign a powerful boost. Taxi rank conversation can produce a rapid viral effect. The campaign sought to exploit this great opportunity for free PR by creating a strong call-to-action that was engaging and fun. The main campaign objective was to get taxi drivers to contact Swinton for a quote or policy renewal, so the creative solution had to give them a thoroughly compelling reason to act promptly. The creative solution was a quirky, highly original theme for the campaign that offered taxi drivers a handsome reward in return for very little effort. No matter how busy they are, almost every cab driver you'll ever meet will thank you for a tip; and the bigger the tip the better. Enter the 'Swinton Mystery Tipper' — a sassy cartoon character inspired by Dick Tracey with just a dash of Jessica Rabbit. The Mystery Tipper had at least one £1,000 tip to give away to UK cabbies every month, but only if she spotted a Mystery Tipper sticker in their window. The only way for non-Swinton customers to get the sticker was to get a quote.

## Campaign execution

The Mystery Tipper campaign ran throughout 2008, visiting a different UK city each month. The Mystery Tipper's touring schedule included a wide selection of large and small cities in areas where Swinton Taxi Division already had a good proportion of its existing customer base. Not every local authority allowed the Tipper into their town, which, sadly, excluded London from the campaign. The Mystery Tipper was a Swinton or Red C employee appropriately disguised in a trilby and mac, but her true identity was kept a closely guarded secret.

**The campaign launch involved loyal customers**

Swinton Taxi Division recognized that it was essential to involve its current customers in the campaign, both to acknowledge their loyalty and as the basis for cost-effective growth. Mystery Tipper stickers were sent to the existing database, giving loyal customers an opportunity to win the prize money and quickly raising awareness of the campaign launch. Lapsed customers also received a direct mail pack, inviting them to return to Swinton by requesting a quote and sticker.

**Carefully integrated media**

The campaign was carefully co-ordinated to ensure media were fully integrated to support the campaign objective. Each medium had to work individually and in concert, to achieve the synergistic media-multiplier effect (Figure 1). Taxi drivers typically read newspapers and trade magazines and listen to the radio. The campaign launched through a wide range of media including direct mail, trade press advertisements and advertorials, flyers, letters and phone calls to local fleet offices and monthly shout outs on local radio. Advertisements and editorials appeared monthly in the most popular trade titles, such as *Taxi Talk*, *Taxi Today*, and *Private Hire and Taxi Monthly*. The strong and rather surprising image of the Mystery Tipper brandishing a fist full of cash really stood out from the typically serious and newsy editorial and traditional insurance advertising. A microsite was created especially for the campaign, featuring a shadowy 'Tipper' figure ambling across the screen accompanied by Sam Spade-style music to add an extra touch of mystery.

The first tip took place in Liverpool, a slightly anxious moment for the campaign team. However, the campaign's launch communications had been effective and several taxis were spotted sporting the sticker. The Mystery Tipper was able to give prize money to the first lucky winner, getting the campaign off to a flying start.

Before and after every tip, news of the Tipper's next visit and the latest winner appeared in trade press, flyers, trade shows, direct response ads and advertorials, the campaign microsite, Facebook and emails, all written in 'detective speak'. All cab offices and hackney cab drivers in the next area to be visited were informed about the Tipper before her arrival, raising awareness of the campaign and the Swinton brand. The campaign also achieved great success at trade exhibitions, such as the Coventry Private Hire and Taxi exhibition. The Tipper had a field day, with thousands of taxi drivers together in one place and £4,000 to give away. More renewal dates were collected at this event than in any previous year; results were 75 per cent up compared to the 2007 exhibition.



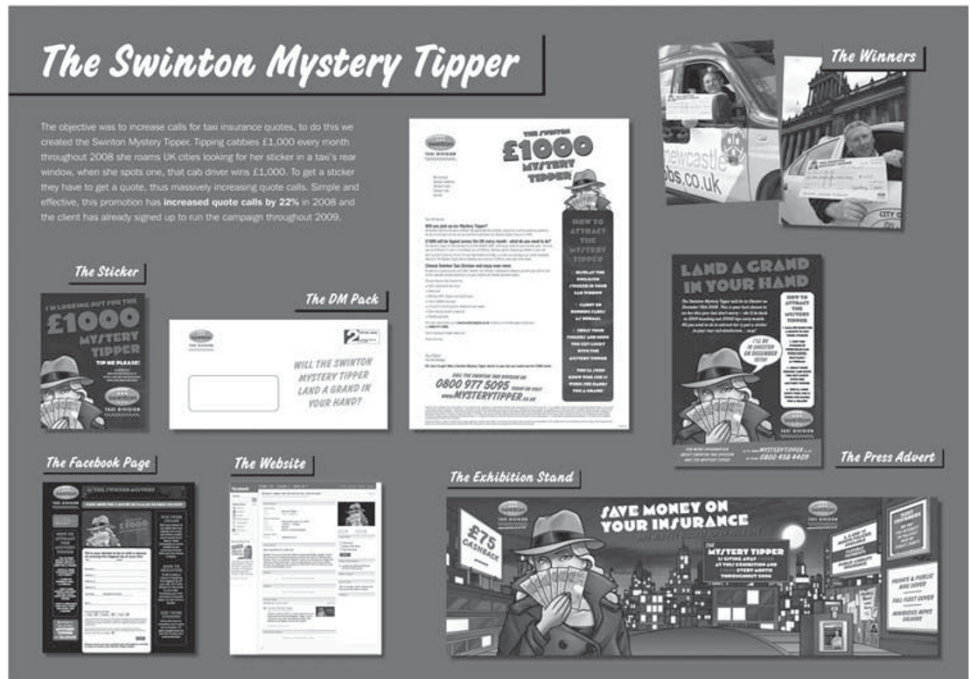


Figure 1: Swinton Mystery Tipper — Integrated communications

**Enthusiastic response**

The Mystery Tipper campaign generated enough excitement to get itself talked about on taxi ranks, as cabbies speculated where she would appear next and encouraged each other to get a sticker. Data collection was an important aim of the campaign, and Swinton particularly wanted to capture insurance renewal dates; an extremely valuable piece of data in this market. Whether cabbies called to get a quote, or registered their details on the [www.mysterytipper.co.uk](http://www.mysterytipper.co.uk) microsite, good-quality data capture was a priority for the campaign.

The meticulously planned integrated communications triggered a sense of anticipation and ensured that the campaign continued to gather momentum as it developed. As the campaign built, a record number of calls were received from taxi drivers across the country, including Leeds, Sheffield, Derby, Chester, Bristol, Newcastle, Norwich, Liverpool, Cambridge, Blackpool and Manchester; they called in their thousands to get a sticker. The final tip of the campaign took place in Norwich. The Norwich cabbies responded to news of the Mystery Tipper's imminent arrival by lining up enthusiastically, with their bright orange 'Tipper' stickers proudly displayed. The palpable sense of expectation and excitement on the ranks contrasted with the relatively subdued atmosphere surrounding the first tip, clearly showing the high impact achieved by the campaign's communication strategy.

**Dramatic sales uplift**

**Results**

The Mystery Tipper campaign was a complete success, and increased Swinton Taxi Division's business by 30 per cent in 2008.

Since the beginning of the Mystery Tipper campaign there has been a significant increase in the number of calls received by the division: 10,741 more than in 2007 against a backdrop of increasing competition and five years of stagnation. Response rates have improved by 130 per cent year on year, with individual media, direct mail (£9 per quote), inserts (£14 per quote) and press (£12 per quote) performing very cost-effectively.

The Mystery Tipper campaign has contributed greatly to building general awareness of Swinton Taxi Division's brand in the target market; taxis sporting Mystery Tipper stickers are likely to be seen for many years to come. Building on the enormous success of its 2008 campaign, Swinton Taxi Division has decided to re-deploy the Mystery Tipper in 2009. She is still prowling the UK's taxi ranks looking for new 2009 stickers. It looks as though the campaign will continue to have a positive effect on enquiry, quotation and sales performance, and benefit the division's business as a whole, for many years to come.

## Deceptively simple

### Lessons learned

In a tough marketplace, this deceptively simple campaign produced record-breaking results with a limited budget over the 12 consecutive months that it ran — this is an exceptional result. The campaign began with a clear objective and a solid understanding of the key issues in its target market. From this starting point, the campaign team developed a quirky, original creative and communications solution that was strong enough to achieve an instant and long-lasting impact in its target market, without any need to alter its core product.

The campaign succeeded because the creative was relevant and engaging and the rich communications mix was meticulously planned and co-ordinated. The Mystery Tipper's fresh and straightforward approach, combined with attention to detail and a great call to action, proved to be an irresistible combination for its target audience. This campaign allowed Swinton's Taxi Division to exceed its annual sales target and establish a firm foundation, both in terms of renewal and prospect data and brand awareness, for sustained cost-effective growth in the future.

### Reference

1. BIBA Media centre press release, 19 August 2009 ( [www.biba.org](http://www.biba.org)).