
Case Study

When a brand makes a promise: British Gas, integration and 'Doing the Right Thing'

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Abstract

Increasingly, brands are making direct promises to their customers and putting the customer experience at the heart of the brand strategy. Rather than making boasts — think of British Airways, the 'World's Favourite Airline' or BMW, the 'Ultimate Driving Machine' — more progressive marketers, particularly in service sectors, try to express their brand as a promise. Norwich Union will 'Quote You Happy'. BT 'Gives More Power to You'. Tesco ensures 'Every Little Helps'.

Often expressed as advertising straplines, these brand promises nonetheless go beyond advertising and are potentially very powerful ways to differentiate in crowded, competitive markets. The fact that an increasing number of brands feel the need to make a promise to customers, and not just boast, is a good thing. The brand visionaries, who set out to define why customers should buy their products not just now but also tomorrow, are contributing to the long-term health of their brands, not simply exploiting the equity earned in the past.

In recent times British Gas has embraced this new way of thinking. With the increased onset of market competition following deregulation, British Gas was faced with a need to demonstrate how it was different from and better than its competitors. Given that its core products are commodities, it decided that the answer lay not in the products themselves, but in how it delivered those products. British Gas had to launch a new brand promise to customers.

That promise, 'Doing the Right Thing', set a new benchmark for how British Gas and its employees act. The idea's strength is that it is a decision-making tool, where doing the right thing for customers takes priority within the business.

This brand promise is in its infancy, but already major changes are taking place within the organisation, influencing long-term strategy and the everyday actions of staff. Slowly, customers are experiencing a change in how British Gas serves them. Over the next five years one will see the brand transform, becoming genuinely customer-focused; an organisation that delivers real benefits and differentiates the brand in the energy sector and beyond.

This is the story of how British Gas and its agencies — EHS Brann, Clemmow Hornby and Inge and WWAV Rapp Collins — worked as one team to launch 'Doing the Right Thing'. Together they are

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working to create an integrated customer experience that will give the brand a lasting advantage over its competitors.

Competition in the energy market

Recent history

British Gas faced significant competition from challenger brands undercutting on price following the deregulation of the energy market in the 1990s.

Its long-term ambition was for the brand to be the first choice for essential home services. Short term, however, it faced an immediate threat to its core energy business.

As a result British Gas needed a different approach — one that would demonstrate how it was better than its competitors today and allow it to broaden its offer in the future.

Arriving at the brand promise

By the beginning of 2002 it became apparent that if it wanted to address these two issues, British Gas needed to differentiate itself not only on managing its assets (products/services, many of which were commodities), but rather on how it delivered those services. By focusing on how it served its customers, it believed it could better retain them in the face of cheaper competition and broaden its role in customers' lives (Figure 1).

Single customer strategy

The first step was to recognise that it needed a single customer strategy. At an organisational level, this meant combining three businesses into one. It also meant changing the management structure and KPIs (key performance indicators) to become a customer-focused organisation.

One result of this change in focus was that British Gas began a massive investment programme, replacing its legacy IT systems with technology that would give it a single view of customers — and deliver the best levels of service. At the time of writing, this is the largest IT system overhaul in the UK. For example, the Hestia system will allow British Gas to coordinate over 8,000 engineers' diaries to ensure that customers with

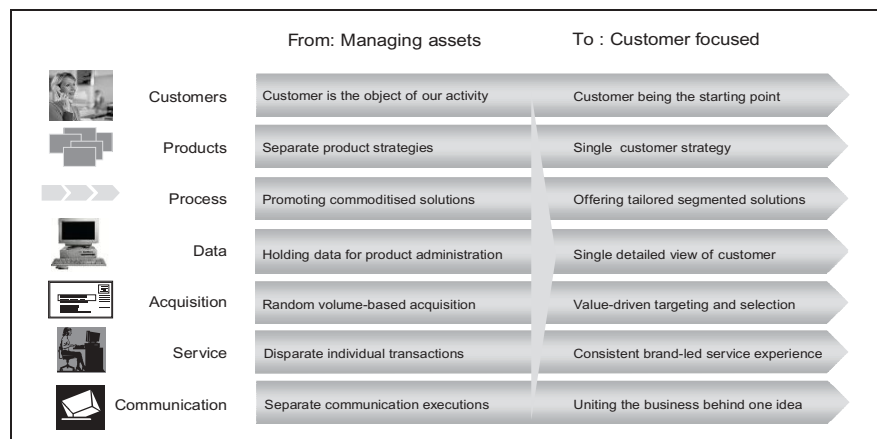


Figure 1: The British Gas strategy

heating problems get the right engineer, with the right parts, at a time that suits the customer.

But something was missing. While these changes were significant, they were not bringing about a fundamental shift in the way that customers saw the brand or in how employees behaved. At the end of the day, British Gas was still a service organisation and technicians arriving on time was expected. British Gas still faced the difficulty of differentiating itself in the marketplace.

Unifying thought

It needed a unifying thought, a *big idea*. It needed an idea that was more than just an advertising campaign. It needed an idea that could align

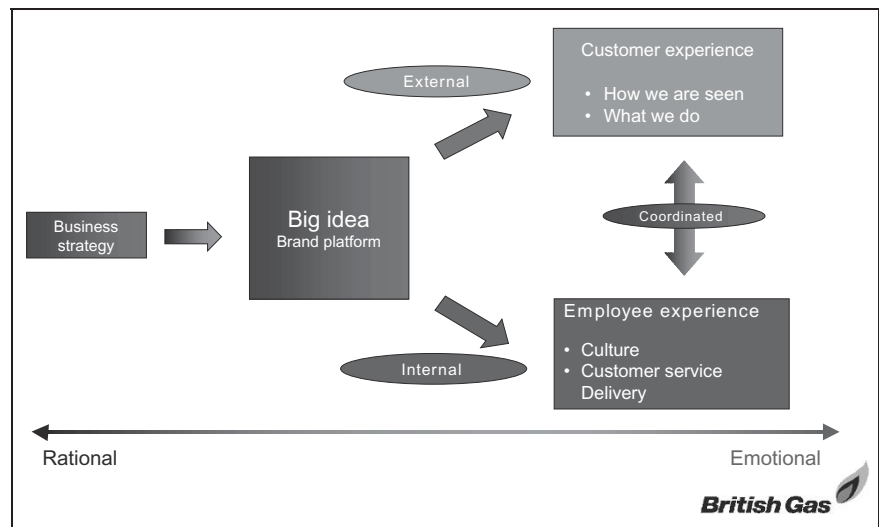


Figure 2: The requirement for a big idea

the entire business behind a better way to serve the customer (Figure 2).

To identify this idea, the brand team, led by Jane Bednall, undertook an audit of customer research and employee attitudes. British Gas recognised that the 'Big Idea' would come from both internal and external audiences. Working with British Gas' agencies, the business explored a number of positioning scenarios during 2002–2003.

Positioning scenarios

The 'Healthcare for the Home' campaign was an important step, building on the truth that customers believe British Gas *knows* what it is doing, but also *cares* for its customers. It has know-how (Figure 3).

But there was work to be done to convince customers. As a campaign it played too much to customers' existing perceptions of British Gas' engineers and did not lead to re-evaluation. What was needed was a promise that could transform customers' expectations of the whole brand.

The campaign that came closest to British Gas' aspiration was the 'No compromise' campaign developed by EHS Brann in early 2003. At its heart was the idea that British Gas goes further and does more, because it never compromises when it comes to serving customers. This campaign spanned a range of direct channels, from DRTV to call-centre scripts. It was an outstanding success — building the brand and selling the product.

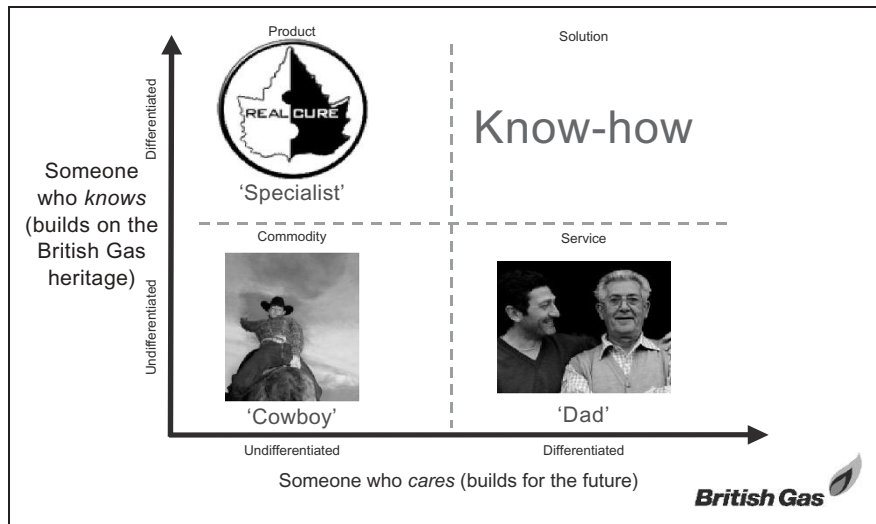


Figure 3: The truth about British Gas

The campaign proved to be a strong platform; however, British Gas needed to go a step further. British Gas needed to shift the product proposition to a customer proposition.

The final stages

After much work British Gas knew the message it wished to focus on — it has expertise and it cares for customers. But the final step, the development of a phrase that encapsulated this promise in a single statement, was still to be taken.

The review of British Gas' advertising agency was used as the vehicle to achieve this final step. Nick Smith, marketing director at British Gas, said:

'Many people go to the brand consultancies for a brand idea. I wanted a simple core thought, one that is inspirational and emotive. I think ad agencies are better at this. They tend to go about it in a lot less clinical way, but still with the intellectual rigour that brand agencies bring.'

Clemmow Hornby Inge used its unique ideas-generation process to develop British Gas' big idea and win support across the senior management team.

This process was based on a review of four key elements that shape the direction of the business (Figure 4).

Insights were gathered using a range of research tools, which included customer research and employee interviews. The findings were then drawn together in a one-day workshop with senior managers from all key disciplines. This session debated British Gas' vision for the future and brainstormed possible big ideas. Nick Smith commented:

'We wanted to deliver marketing with a little "m" through all our channels to the customer. To do that I had to get my colleagues engaged in generating the big idea and how it would change how we

Advertising agency: ideas-generation process

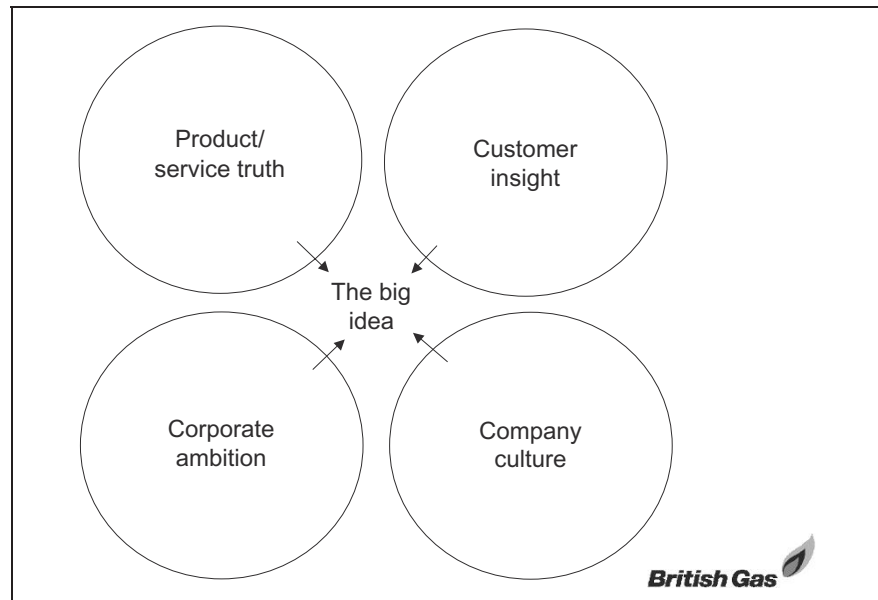


Figure 4: Clemmow Hornby Inge's big idea model

worked across the whole business. It was critical they were involved in the development of the brand promise.'

These insights combined to tell a simple story: that customers trusted the brand (and employees took pride in working for British Gas) because they believed British Gas would always 'do the right thing' for customers. The brand promise? 'Doing the Right Thing.'

Testing the brand promise

The brand promise: Doing the right thing

Having identified its new brand promise, British Gas tested the idea with employees and customers. What became apparent quickly was that it was credible (not overpromising) and fits with what people expect of British Gas. It also has a 'feel-good factor' — the potential to inspire.

In research, employees instantly recognised the power of the idea. They recognised the importance of providing the right services in the right way to customers. They also saw it as a reaffirmation of British Gas' commitment to look after its people.

Customers likewise recognised the power of the idea. The feedback was clear, customers wanted things done right by 'right-thinking people'. Importantly, this idea created a simple connection in customers' minds — 'if British Gas is doing the right thing, I am doing the right thing by choosing British Gas'.

British Gas ultimately adopted this promise because it is an active decision-making tool. It lets employees step out of their everyday job and stops people from making the wrong decisions — 'Doing the right thing' clearly overrides 'Doing the wrong thing'.

To help shape how British Gas and its employees act and support the proposition, five values were developed:

Five values

- straightforward
- can do
- skilled
- safe
- in touch.

These were brought to life in new corporate identity guidelines and a new honesty in the way British Gas talks to its customers.

Building the idea from the inside out

If this idea was to change how customers perceived the brand — adding value in the face of discounting competitors — it had to be lived by the management and employees. In Nick Smith's words:

'The thing that all service companies, all service companies of any salt, understand is that they need to be like an army that marches together and arrives at the battle at the same time, across all fronts of the customer interface.'

Building the idea from the inside out meant engaging employees — winning their heads (getting them to understand) and their hearts (getting them to feel committed). The first stage was to win the heads and hearts of the leading decision makers and influencers in the business — the top 70. The difficulty faced by the marketing team was that the proposed change was not the result of a business crisis — a 'burning platform' — but rather a proactive step to allow the business to evolve and grow. The key players in the business therefore had to be convinced that the proposed change in brand message was necessary. Nick Smith said:

'You have to start with your management team and get everybody aligned around the strategy with the same understanding of what actions they need to take. But it is no good if the management team alone do it, you then need the whole of the customer-facing organisation to know the part they play.'

The big idea generation process was the first step in winning management support. Not only were senior managers involved in the generation of candidate ideas, they also attended focus groups to evaluate customers' reactions to 'Doing the Right Thing'.

To win the heads and hearts of the wider organisation, every member of staff was taken through a face-to-face presentation/workshop. The objective was to create pride by showing that individuals are already doing the right thing across the organisation. This was done via an employee video and interactive learning tools.

Winning hearts and minds is crucial, but British Gas also needed to give employees the tools to change. British Gas therefore met its second objective with the introduction of a series of training initiatives designed to encourage change — everything from a leadership development programme to the launch of a customer excellence institute to train call-centre staff.

Employee communications activity also encourages behavioural

Convincing the key players

changes — with messages on water coolers, office doors and canteens offering small examples of how to do the right thing.

Launching ‘Doing the Right Thing’

‘Doing the Right Thing’ launched on 3 October 2003.

Integrated campaign

Clemmow Hornby Inge, EHS Brann and WWAV developed the launch campaign as a fully integrated campaign. Working together they ensured that all communication activity — from direct mail to call centre — was aligned around the new promise.

The above-the-line campaign used Ricky Tomlinson as an honest spokesperson, telling simple stories that demonstrated how British Gas was doing the right thing. WWAV Rapp Collins likewise redesigned the energy acquisition and win-back activity in the spirit of Doing the Right Thing.

EHS Brann launched the promise across British Gas’ Home Care services — demonstrating how British Gas goes further by looking after customers’ heating, water, electrics and kitchen appliances.

For example, in the area of central heating installation, British Gas offered customers energy-efficient boilers — promising that it would only fit energy-efficient boilers that save up to 37 per cent on heating bills. Its commitment to save customers’ energy was reinforced by a promise to sell these energy-efficient boilers at the same price as a standard boiler.

In addition, British Gas made two further promises. Firstly, it promised customers that they would only pay for their new central heating when they are 100 per cent happy that it had been installed correctly — right down to the engineer cleaning up after himself at the end of the job. The second promise went further. British Gas promised that at the end of a new boiler’s warranty, one of its engineers would come back and give the boiler a full service to ensure it was still working 100 per cent effectively.

The Central Heating Care campaign took a slightly different tack (Figure 5). Here the brand used a reassuringly blunt approach to demonstrate the customer benefits of the service. Firstly, it recognised that central heating is a necessary, if rather dull, part of people’s lives with the

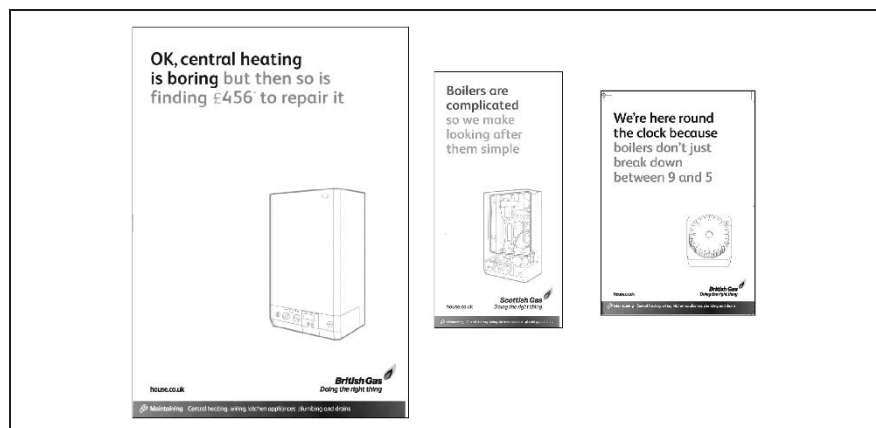


Figure 5: Straight talking

'a boiler is boring, but so is finding £456 to fix it' campaign. Secondly, it dramatised the benefits of its 24/7/365 service with headlines such as 'Do you know when your central heating will break down? Neither do we. That's why we're on call 24/7.'

Delivering lasting change

Building on this launch activity, British Gas identified 15 critical customer 'journeys' where British Gas needed to improve. During 2004–2005 British Gas is putting in place a number of initiatives designed to improve the customer experience substantially. These include improving the way it resolves problems with customers' bills, the streamlining of the meter-reading process and improving the appointments process for central heating breakdowns. Nick Smith says: 'As we evolve and build more demonstrations of "Doing the Right Thing", it will become more salient, just as Tesco's "Every Little Helps" becomes more true with every new initiative.'

Improving the customer experience

One of these journeys is the visit of the technical sales adviser to advise a customer when they want to buy a new boiler. EHS Brann has developed a series of support materials covering the entire customer experience, from the first inbound call to the boiler service at the end of the boiler guarantee. For example, when a customer buys a new boiler they are given a checklist detailing what they can expect during the installation. A quality assurance manager (QAM) visits every home at the end of the installation, and the customer does not pay until every item on the checklist is completed to their satisfaction.

In addition to these customer journeys, British Gas is investing hundreds of millions of pounds in the area of energy efficiency:

- British Gas is investing £180m, over the next three years, to help 500,000 'fuel-poor' homes get access to free loft and cavity wall insulation, upgrades to energy-efficient boilers and other energy-saving devices
- British Gas is doing the right thing by Britain's kids, providing seven- to 14-year-olds with education in energy efficiency and materials for teachers and parents.

In every case, British Gas is trying to do the right thing for its customers.

How did customers respond?

While it will take many years before this campaign takes on the power of Tesco's 'Every Little Helps' promise, it has had many positive results.

At a brand level customer satisfaction is rising, with the key KPIs up in 2004–2005.

While the recent energy price rises resulted in a substantial increase in churn across the industry, with British Gas among the losers, the position is now recovering and British Gas is seeing 60,000 customers returning every week.

The most recent Central Heating Care doordrops were targeted using a joint model based on propensity to purchase Central Heating Care and

penetration of the product in postcode sectors. The doordrop exceeded all response targets, and efficiencies drove cost per sale down to an all-time low of £19.08 (51 per cent above target).

What has been learned?

To make a dramatic impact on customer's perceptions one has to deliver a promise based on powerful customer insight.

Equally important, one has to deliver this promise through a marketing strategy that goes further than just an advertising campaign. One has to look at every point of the customer experience and live the promise at every touchpoint with the customer.

Finally, while change is hard work, one has to persevere. As Nick Smith, British Gas marketing director, said:

‘Aligning an organisation behind a big idea is bloody hard work. At times it feels like you’re corralling cats into a tunnel. You can all see the light at the end, but along the way the tunnel can widen, so that at times progress is slow. The important thing is to keep everyone in the tunnel and going toward the light. The key is aligning every aspect of your activity to delivering the promise and not giving up along the way.’