

# MARKETING EXCELLENCE

## Dr Pepper

Getting the brand back  
in the game

headline sponsor



# Foreword

By Amanda Mackenzie

## What is marketing excellence?



Amanda Mackenzie,  
President of The  
Marketing Society  
and Chief Marketing  
& Communications  
Officer at Aviva

Marketing excellence can drive breakthrough business results for the short and long-term. Marketing excellence requires great strategic thinking, great creative thinking and perfect execution.

But how do we assess marketing excellence? First we choose brilliant industry judges who are all experienced and successful practitioners of excellence and we ask them to pick out the cases which they see as remarkable. We ask them to look for two key qualities from our winners: creativity and effectiveness.

But marketing continuously changes and evolves, as consumers become more sophisticated and demanding and the media for communicating with them ever more diverse. So the standards for marketing excellence change and in turn become more demanding.

We believe that The Marketing Society Awards for Excellence in association with Marketing set the standard of marketing excellence in the UK.

They have established this reputation over a period of more than 28 years, and they have always been based on the principle of searching out the best examples of different marketing techniques in action, that showcase great strategic thinking, great creativity and perfect execution.

In order to be a winner of one of the Society's Awards, marketers have to demonstrate that what they have done is outstanding in comparison with marketing in all industries not just their own particular sector.

If a marketing story has been good enough to impress our judges, then all marketers can learn from it – however senior they have become. The collection of case histories brought together here is the best of the best from the past two years of our Awards, and I am confident that it truly demonstrates marketing excellence. As you read these case studies I hope you are inspired by them and impressed at the talent and expertise in our profession which created them.

# Dr Pepper®

## Getting the brand back in the game

### Snapshot

Dr Pepper enjoyed a significant lift in sales by embracing social media and becoming a star of the online gaming world.

### Key insights

- Dr Pepper needed to find a cost-effective way to attract more of those light users who drink only a few cans of any brand a year compared to the heavy loyalists who account for almost two-thirds of sales.
- Research produced an invaluable insight: the young men the brand wanted to engage with loved gaming, loved to share but didn't want to stand out from the crowd.
- This led to the development of a game which gave sales a healthy boost by not only capturing the imagination of its substantial audience but also reaching a much wider group through its content.

### Summary

Dr Pepper is one of the leading brands in the Coca-Cola stable. In a category where loyalty can be elusive, the brand owners wanted to give both loyalty and penetration a significant boost in the light of low above-the-line advertising support and a notoriously fickle audience of 16-18 year-old boys.

Based on the insight that young men love playing online games and also like sharing something they have found first, which gives them kudos, the brand launched the Pepperhood. Using instant rewards and quick progression, Dr Pepper encouraged a big number of game plays and frequent return visits each time a new game was launched. Participation was driven by giving away merchandise, including Xboxes, Pepperhood sweatshirts and enormous foam hands. The ultimate winner was crowned president of the UK chapter of the Pepperhood live on MTV.

New players were rewarded with free Dr Pepper to encourage trial. Some 27,500 sampling coupons were delivered to non-users. More than 70,000 players registered, generating one million page views, while dwell time was about four minutes, which is high for a game of this nature. More than 4,000 pieces of user-generated content were uploaded to the site.

Active users on the brand's Facebook page more than tripled to 210,000, while the way that social mechanisms were embedded in the game meant that 1.33 million people saw content shared directly from the game. Critically, sales increased significantly during a five-month period of the campaign by some 385,000 with a longer-term return on investment (ROI) of 2.5:1.

### Getting to grips with young gamers

Research over many years has shown how loyalty in the carbonated drinks market is something of a misnomer in the category. For example, while the average consumer drinks 12 cans of Coca-Cola a year, this 'average' barely exists. A few incredibly heavy loyalists account for around 60% of sales, leaving the typical drinker drinking just one to two cans of any brand in a given year.

As a result, it's incredibly difficult for marketing to affect loyalty at all. It's straightforward: big brands are big because they have more buyers. So for Dr Pepper to boost sales, the real challenge was to drive penetration by increasing the number of light buyers purchasing the product.

This would normally be solved through traditional broadcasting strategies. But there were two problems.

- Firstly, there was no budget for broadcast activity. Apart from a media partnership (of which more below), the budget for this activity was digitally focused.
- Secondly, this particular audience was watching less and less TV. In fact, 16-24-year-old TV viewing fell by 8% in a single year between 2010 and 2011.

Both budget and audience were thus dictating a digitally-led strategy. This demanded a smart campaign that would activate the brand's fans to do the broadcast job for the brand.

Achieving this objective meant building the solution on social insights which not only focused on what the audience was like individually, but what they shared collectively online.

- What they like individually is online gaming. While much has been written about the rise in female casual gamers, young guys are still huge players of games. A 2010 Nielsen study, for example, showed the average teenage boy plays games for half-an-hour a day.
- What they like collectively is sharing something they found first. This is an audience that moves as a pack so standing out online is anathema to them. But getting something first gives great social kudos.



Figure 1. The Pepperhood game

## Creating a model of social influence

The result was the actionable social insight needed: *don't just create a community, gamify it*. But it had to be done in a particular way: one that created multiple opportunities for sharing, and was something cool and new that the audience would want to be the first to discover.

The big challenge would be to create the right game mechanic that had effects far beyond the game itself. Rather than dive straight into the game, a campaign was developed that had effects beyond the game play. It was a simple three-stage model: activity effects, broadcast effects and business effects. This created the framework for game creation.

- Activity effects: make the game a winner.  
The game needed to encourage multiple game play.
- Broadcast effects: make the game social and famous. It had to be social to provide plenty of collateral for Facebook to attract wider fan engagement. Activity on the Facebook page would in turn appear in the wider communities' social radar. And that activity would then be seen by 'friends of friends', driving the scale needed to make a genuine difference on a mass level.
- Business effects: make the game drive sales.  
The game had to encourage direct sales through sampling (particularly for trialists in order to attract light buyers to the brand), but also indirect brand effects while the campaign was live. This was helped by the fact that no other significant brand activity was under way at the time, allowing for a 'clean' period of analysis.

## Meeting the key objectives

The solution was ‘the Pepperhood’: a social adventure game played out across the web, mobile, Facebook and the real world (Figures 1 and 2). By being based on a fictitious American-style college fraternity, it tapped into the Americana inherent in the brand, as well as topical teenage properties such as the TV show *Glee* and the film *American Pie*. While the concept was imaginative, bringing it to life would prove its real worth in meeting the three key objectives.

### 1. Making the game appealing

The most successful principles of gamified design were integrated into the Pepperhood from the outset, including instant reward and quick progression, to encourage not only a large number of game plays but frequent return visits every time a new game was launched (Figure 3).

Games were delivered in a wide variety of formats to ensure variety, including flash games, user-generated content, puzzles, quizzes and choose-your-own-adventure challenges. Merchandise and other prize giveaways were designed to drive participation, with everything from Xboxes to Pepperhood sweatshirts and enormous foam hands.

### 2. Making it social and famous

There were three levels to meeting this objective. Firstly, potential users needed to be made aware of the game’s existence. Dr Pepper had a large, but at the time relatively inactive, Facebook fan base. So while the Pepperhood was used extensively to energise that base, recruitment needed to be expanded. A media partnership with MTV provided the focus for the game narrative, spreading the message and building buzz around the game.



**‘CRAZY’ JOE MACFADDON: THE PEPPERHOOD FOUNDER**

Figure 2. The Pepperhood game



Figure 3. ‘Get your Goat’ game





Figure 4. Active engagement

Secondly, to create social effects, virtual badges were part of the game from the outset, providing an obvious outlet for players to telegraph their performance and encourage mates to join in. In addition, user-generated content was a significant part of the game play, providing the page with lots of imagery to drive wider Facebook engagement.

Finally, to round off the campaign, the ultimate prize was a money-can't-buy opportunity for the *X Factor* generation. One devoted fan was crowned president of the UK chapter of the Pepperhood live on MTV in October. Players who won more badges had more chances to win prizes and a greater chance to stand for election, thus rewarding engagement and interaction with Dr Pepper.

### 3. Driving sales

Unusually for an online social game, real-world product sampling was built into the mechanics of it. New players were rewarded with free Dr Pepper, allowing the number of new trialists to be tracked with a coupon rolled out to all UK retailers. However, while this allowed coupon redemption to be tracked, the real impact would be the 'broadcast' effect the social media would generate.

In summary, rather than simply creating a community, it was 'gamified' by offering ten challenges, comprising 28 games across a six-month period. Each challenge could be enjoyed as a self-contained experience online or on mobile. But they also worked together into a broader narrative. It offered the chance to win prizes, virtual badges and fame within the Dr Pepper community, culminating in a live broadcast event on MTV.

## Reaching new levels

This approach proved to be highly effective.

### 1. Making the Pepperhood a winner.

- Plays: 70,000 players were registered, generating one million page views, 49% of whom were 'trialists'.
- Game engagement : 125,000 badges were awarded, meaning that the average player played at least twice. Dwell-time was around four minutes, which is high for a game of this nature.
- Content creation: over 4,000 pieces of user-generated content were uploaded to the site, which could then be used in social media to drive engagement with the broader community.

### 2. Making the Pepperhood social and famous.

- Direct: over the duration of the campaign, the Pepperhood turned an inactive fan page into an active one (Figure 4). By providing reasons for engagement – news about the game, user generated content, etc – numbers of 'monthly active users' more than tripled from 60,000 to 210,000.
- Indirect: broadcast effects can be seen in more than 7,000 pieces of content shared with 1.33 million friends. In addition, content from the Pepperhood made up the vast majority of content for the Facebook page during the game. With 210,000 monthly active users by the end of the campaign, this would imply a 'friends of friends' reach of 39.9 million .

### 3. The impact on business results.

In direct terms, the Pepperhood delivered 25,700 sampling coupons to non-users. But the effects of the activity were far greater than this.

Research is only beginning to understand the effects of exposure to brand activity in social media. However, a Facebook/Nielsen study has shown that brand communication exposure quadruples purchase intent from 2% to 8%. It is on this assumption that the following analysis is based.

- The Pepperhood was the only significant new brand activity undertaken by Dr Pepper in a five-month period. During that time, sales increased well above expectations.
- It is credible to attribute this to the Pepperhood, since the 6% increase in purchase intent in the Facebook study implies an additional 2.3 million people were more likely to buy Dr Pepper after being exposed to the game. So roughly one in 10 would go on to purchase Dr Pepper.

Coca-Cola doesn't release profit margins on individual brands, but at a corporate level it reported a gross profit margin of 64.4%. Based on this calculation, the activity generated an additional profit which almost exactly paid for itself in the short term. This is a remarkable result for a digital-only campaign.

In addition, academic analysis which suggests a 'rule of thumb' multiplier of 2.5 for incremental sales driven by advertising in the longer term would produce a return on investment of 2.5:1.



# About The Marketing Society



## Inspiring bolder marketing leaders

The Marketing Society is an exclusive network of senior marketers. Over the past 54 years we have emerged as one of the most influential drivers of marketing in the business community. The Society challenges its members to think differently and be bolder marketing leaders by supporting the development of leading-edge thinking and promoting the evidence of effective marketing. We do this through The Marketing Society Awards for Excellence, our publication Market Leader and in the online Clubhouse. Our well-respected calendar of world class events provides extensive networking opportunities and inspiration with speakers including Lord Sebastian Coe, Sir Terry Leahy and Paul Polman.

We are the place for discerning marketers to learn, develop and share best practice.

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# MARKETING EXCELLENCE

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Professor Patrick Barwise, London Business School, Chairman of Which?

"These cases are a great source to stimulate your thinking. Some will stimulate new thoughts; some will unlock ideas from the back of your memory. All of them however are great fuel for growth."

Keith Weed, Chief Marketing and Communication Officer, Unilever

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