

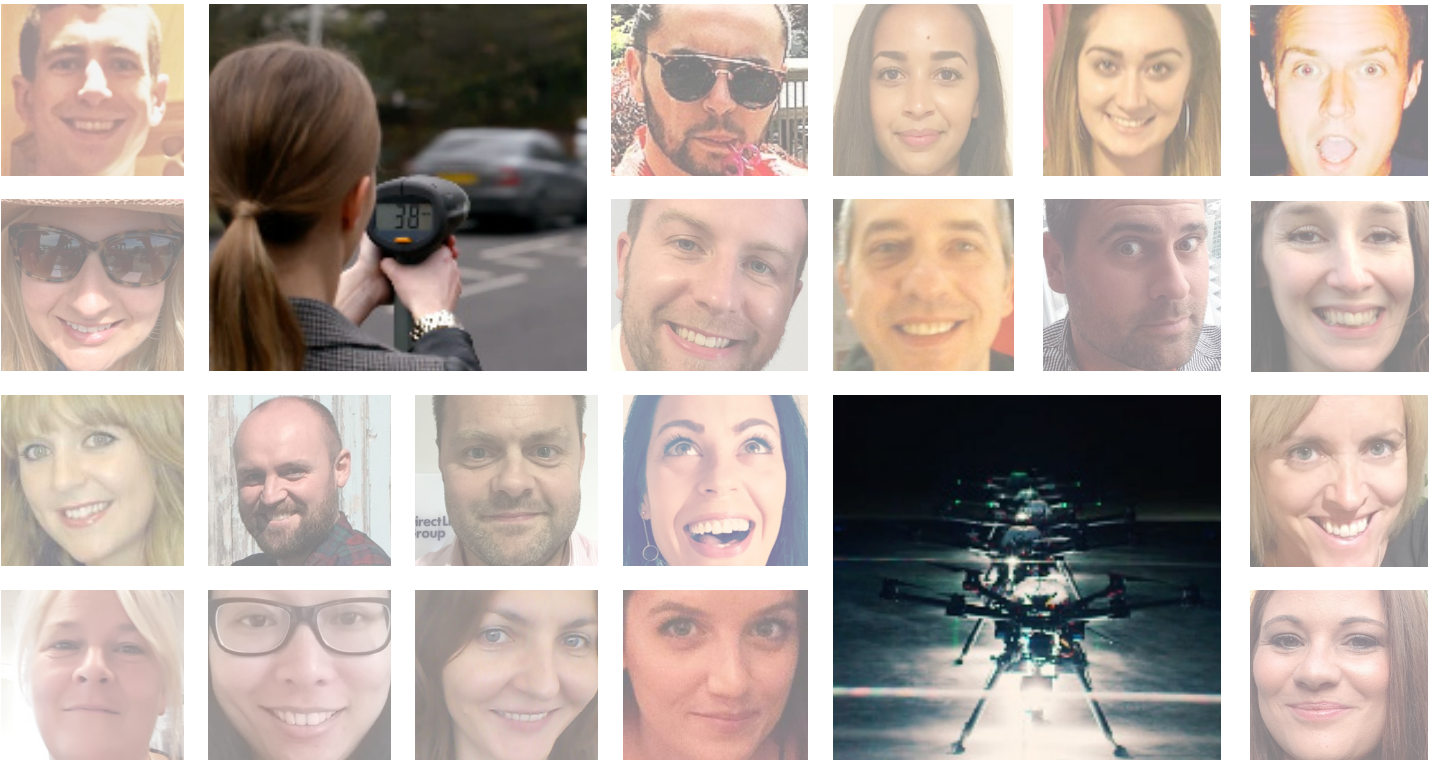
# The Marketing Society Excellence Awards

**Direct Line**

Building Marketing Capabilities



direct line



# Executive Summary

In 2013, Direct Line Group became a stand-alone company, Having started its disinvestment from the Royal Bank of Scotland (RBS) through an initial public offering (IPO) in October 2012.

However, fulfilling the Executive team's growth ambitions for the new business was going to be tricky. Despite managing several established household brands, such as Direct Line and Churchill, the business was suffering from a year-on-year decline in revenue. Furthermore, after years in RBS's shadow, the marketing team had lost its way. Morale, motivation and engagement scores were at an all-time low. And the confidence and creativity that had enabled the brand to disrupt the insurance market 20 years previously had all but disappeared.

To re-energise the marketing team and reverse the downward spiral, fundamental changes needed to be made. The newly-appointed Marketing Director therefore set some ambitious objectives:

- Turnaround employee engagement.
- Create a high-performing marketing team.
- Increase Gross Written Premiums (GWP) and reverse the revenue decline.

To stand any chance of meeting these, we needed to invest in a 3 year plan to transform the marketing team's mindset, boost engagement and foster greater communication and collaboration. We therefore created a marketing transformation strategy with people and capability at its core. One that would empower the team and give them ownership of their own return to growth – both in business and personal development. We built people-management skills to enable team leaders to nurture teams and provided access to innovative training programs to maximise each team member's potential.

Against all odds, we succeeded. Engagement scores went from being the lowest in the business to the best on record. The marketing team's performance rocketed and they produced some of the most successful integrated marketing campaigns of the entire insurance sector. This in turn boosted GWP and reversed the revenue decline a year ahead of target.



# The challenge

In 2013, market conditions were looking tough for Direct Line Group (DLG). Our once-unique 'come direct' insurance proposition was becoming obsolete in a market dominated by all-powerful price-comparison websites. Consequently our flagship brand – Direct Line – was perceived as 'outdated' and 'irrelevant' by customers, leading to ever-decreasing revenue and market share for the group.

In light of these seemingly insurmountable challenges, the 100-strong marketing team responsible for the DLG brands – Churchill, Direct Line, Green Flag and Privilege – felt like passengers on a sinking ship with morale at an all-time low.

In fact, the marketing team had some of the worst engagement scores of the Group in 2013 across every engagement metric, with development highlighted as a particular area of dissatisfaction (scoring -19 against the parent company).

The unwieldy structure of the marketing department and historic under investment in Learning and Development (L&D) weren't helping matters.

## Ambitious new vision

In 2013, Mark Evans, the newly appointed Marketing Director for DLG, was given the seemingly impossible task of turning around the year-on-year decline in revenue of the flagship brand, Direct Line. Faced with an apathetic and disengaged marketing team that had lost its "mojo", Mark knew that it would take a complete transformation of the marketing department to turn things around. Tackling everything from mindset and culture, to engagement, through to L&D. With the HR team in a similar state of flux we knew that we couldn't rely on them – it was down to us.

## Objectives

Despite a very limited budget we determined to "Reboot" marketing, setting objectives to:

- Increase employee engagement.
- Create a high performing marketing team (measured by improvements across brand metrics).
- Reverse the year-on-year decline in revenue.

# Strategy

In order to achieve these objectives, the team devised an ambitious and comprehensive strategy to:

- A) Create a shared vision and a clear strategy for marketing, with people and capability at its core
- B) Rebuild core capability on every aspect of the marketing process
- C) Reboot our people, helping individuals and teams to feel:

- **Capable**

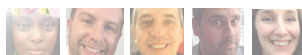
Develop people managers into proactive team leaders. By placing people leadership accountabilities on par with business accountabilities; and empower everyone to take ownership of their own personal development.

- **Brave**

Transform mindsets, creating an environment where marketers are encouraged to experiment with new thinking and have a hunger to learn, develop expertise and share knowledge.

- **Inspired**

Build a work culture of confidence and self-esteem where everything is possible.



## A) Creating a shared vision for people & capability

Before we could begin to make change we needed to create a shared vision and get buy-in from the marketing team's senior leaders. In 2013, they spent two full days having an open and frank discussion's about the state of the team. Whilst the assessment of the current situation was bleak, it quickly became apparent that all the leaders shared one ambition to create positive, lasting change.

Out of this momentous event, a shared vision was created to "Find our voice... to redefine insurance for customers... again".

This was then underpinned by a marketing strategy and capability plan. Crucially, for the first time, people priorities were brought on a par with marketing priorities and incorporated as a core strategic pillar into this strategy. With clear action plans and measurement metrics that would be reviewed monthly.

The vision and strategy was then officially launched to the entire team in an offsite event. 97% of colleagues rated this event as good/very good. This was just the first of a wave of events to involve and engage the broader team, as it continued to grow and develop over the next 3 years.

## B) Rebuilding core marketing capability

We set out to review and overhaul every aspect of the marketing process, as per our capability plan. For example, in the case of Insight, we developed a new customer segmentation model. And undertook a comprehensive review of the insurance market and consumer perceptions to identify compelling brand insights for each brand. Other noteworthy changes included repositioning each brand, reassessing our key agency partnerships and creating a new proposition team. In 2015, the PR, Social Media and Customer Experience teams joined Marketing, a significant step in extending our influence within the broader business.



## C) Rebooting our people

### 1) Developing personal capability

To assess development needs within the marketing department, several steps were taken:

- We built a marketing competency framework, outlining all the skills required within the Marketing team and a pathway to achieve them, via an annual 'hothouse' competency programme.
- We used feedback from Employee Opinion Surveys (EOS) to identify employees' development needs. We then worked with the Extended Marketing Leadership Team to ensure that these key themes, or "employee imperatives", were built into the strategic marketing plan.



## Rebuilding people management capability

To build the capabilities of the team, we needed our people managers to be able to nurture their teams and help them to reach their full potential. We therefore applied the following initiatives to build people management capability:

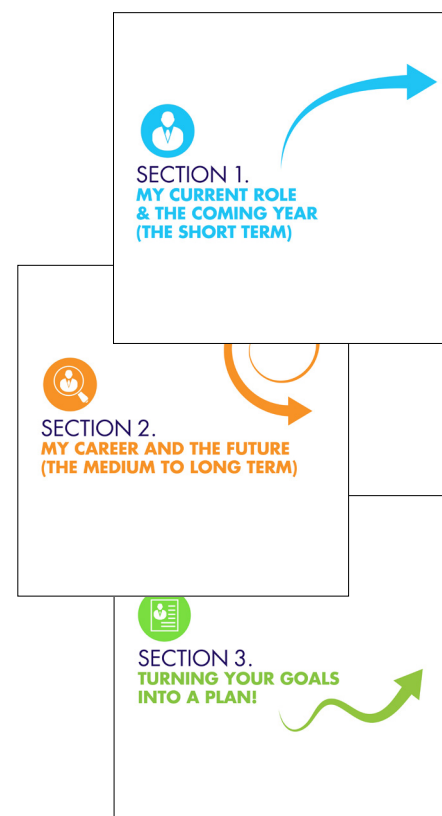
- Biannual people management survey: We developed a bespoke survey that asks every marketing employee to assess their people manager against 12 leadership traits. In order to identify strengths and weaknesses and tailor learning to managers' needs. The survey has now been run five times: in our first wave, 41% of people managers were scoring below target, whereas in the latest wave 96% scored above target.
- Every people manager is asked to discuss the results of their survey with their teams as well as their own line manager. They then put together an action plan to improve their people leadership skills feeding into their Personal Development Plan.
- A training programme focused on "having great conversations" was developed and attended by every people manager. Feedback was excellent with people managers saying that they felt a lot more confident in approaching end of year review conversations as a result.

# Empowering people by giving them ownership of their own development

We pledged a personal budget to each individual to spend on their own training, simply dividing the total available budget equally across all FTE. Having one's own allocated budget increased engagement and encouraged people to take ownership of their own development. Studying for a marketing Professional Qualification is encouraged and championed, with extra funding and study leave on offer. Just 5 people studied for a qualification in 2013. This grew threefold in the following year and has been sustained since.

Every team member is asked to write a Personal Development Plan (PDP) and openly discuss their development needs and aspirations with their line manager. A cross-function review of all PDPs is carried out to identify common development needs.

In 2016, many of the team aspired to develop their presentation skills. A team of junior marketers took the initiative by setting up a Presentation Club. They asked one of our senior leaders to sponsor them, and used feedback from experts to hone their pitch. They delivered this in an all-department meeting, and other DLG teams are now creating their own Presentation Club.



## 2) Developing Bravery

No team can be expected to produce bold, integrated campaigns if they're held back by politics and inertia. We took active steps to bring teams together and introduce a culture where positive risk-taking is supported, encouraged and celebrated.

### Structure and work culture

Teams have been given tools to cultivate the high levels of collaboration and consistency needed to deliver award winning integrated campaigns.

- Propositions, PR, Social media and customer experience teams have all been integrated into the marketing department.
- Moves were made to support flexible working, utilising new technology to the group's standard issue equipment leading to higher levels of productivity/job satisfaction.

### Adopting agile working practices, to embed an 'always learning' culture

We have an open-source approach to information, with an insight portal to support shared learning around brand, campaign and proposition development. We also run weekly huddles to share progress on the vision and strategy, plus update each other on key projects.

Cross-functional teams are set up to support strategic projects, such as the Shotgun campaign to save young driver's lives. The central insight developed internally that new young drivers are especially vulnerable during their first 1000 miles. There is a gap between their own perceived and actual competence. The Shotgun project structure was designed around agile principles leading to an accelerated speed to market.

### In-sourcing capability, such as Paid Search and Design

Individual teams have spotted and created opportunities to in-source capability, setting up pilots to rapidly prototype ideas (using Minimum Viable Product thinking) and report quickly on evaluation. Paid search has already been successfully brought in-house and a similar pilot is underway to in-source design and artworking of our customer documents and Customer Journey maps.





# Team development

We welcome newcomers, and open doors for internal talent, taking opportunities to develop new skills and accountabilities.

- **A new induction process**

We built an induction process from scratch specifically for marketing. 100% of new starters said that this gave them a great start in the team.

- **People progression**

Over the past 12 months, many key vacancies have been filled by internal applicants, proving that our strategic focus on capability is working for individuals, and not just the business.

- **Colour Insights**

Everybody in the team has completed a Colour Insights™ profile, to help them reflect on their own working style and preferences – and to improve connection and understanding across the department. There's a wall mounted org chart with everyone's picture and dominant colour. It's a great way to showcase our diversity and explain the structure of the overall team. New joiners do this too, as part of their induction.

- **Lunch and learn calendar**

Our Lunch and learn sessions bring people together to share knowledge, inspire and engage: over 50 sessions have been delivered since launching in 2013.



### 3) Becoming Inspired

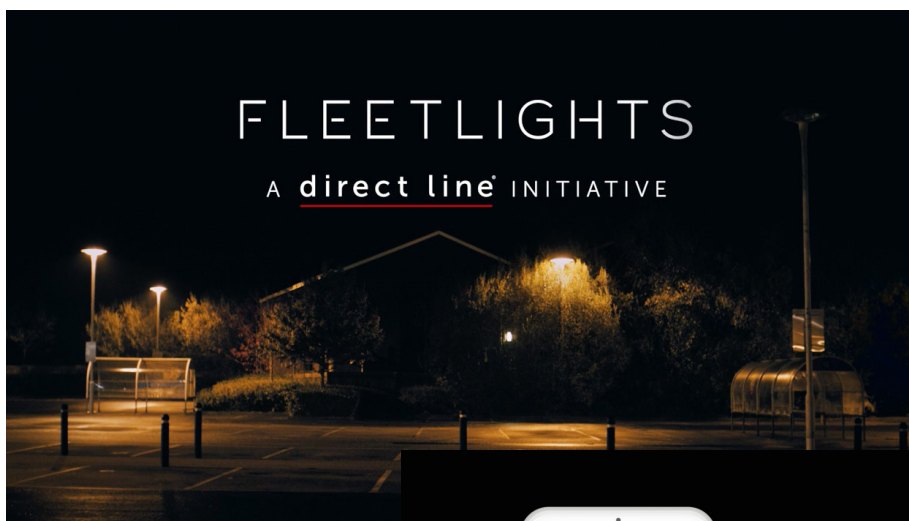
By 2014, we were already seeing evidence that Direct Line's 'Fixer' brand transformation was working. This sparked a renewed sense of team purpose, and the beginning of a widespread belief that we can achieve whatever we set our minds to. This is reflected by 2 symbolic projects in recent months

- **Fleetlights**

Our 2016 brand activation campaign sought to sustain brand momentum, moving from being 'Fixers' to preventing accidents in a high-performance way. Our use of cutting-edge, responsive drone technology to address age-old problems associated with darkness generated massive consumer interest, as well as unexpected conversations with technology companies that could prove to be extremely valuable for the group.

- **Shotgun**

Shotgun is a new brand, powered by Direct Line and created for drivers aged 17-25 (not a traditional audience for the brand.) The ambition behind Shotgun is to cut young driver deaths during their first 1000 miles on the road, creating safer roads for everyone. Leveraging our telematics capability and building gamification and rewards mechanisms into the proposition we are currently smashing our targets in the first months of the launch. We are confident that we can create a shift in mindset to make safe driving rather than dangerous driving seen as cool.



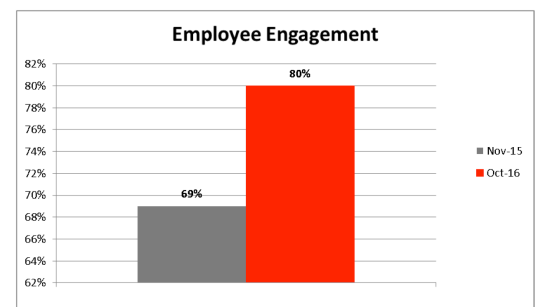
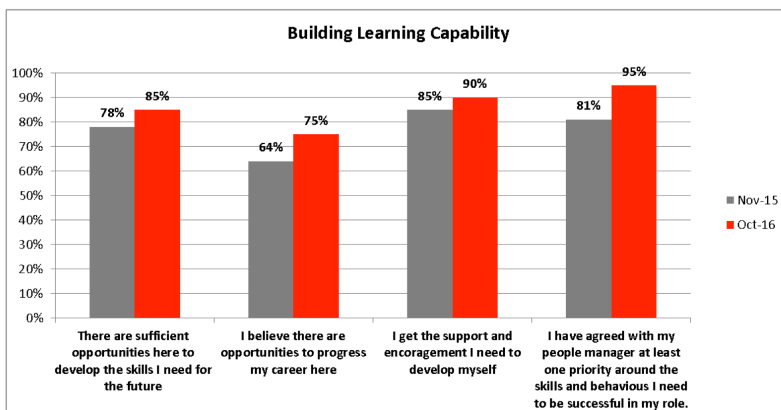
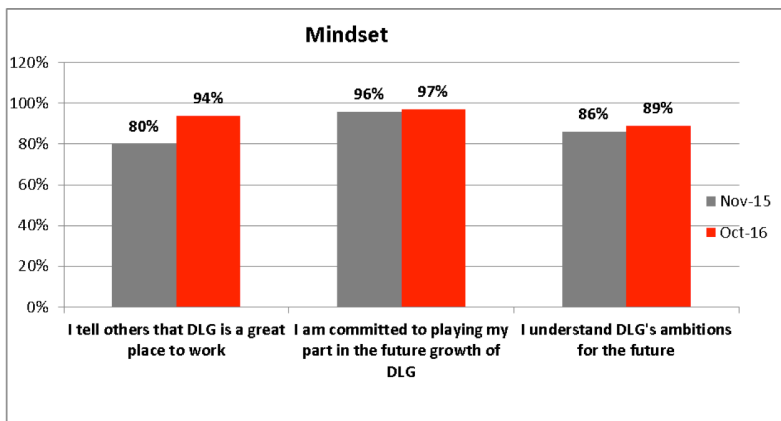
# Impact

## A high performing team

Thanks to increased capability and our re-discovered mojo, the team has gone from under-performing to over-performing and is now producing some of the insurance sector's most successful campaigns. Notably, Direct Line's highly integrated 'Fixer' campaign (launched in 2014) has been a huge success, outstripping all of its objectives and reversing the decline in revenue – one year ahead of target. This culminated in Direct Line being awarded a highly coveted IPA Effectiveness Gold Award in 2016 (the only insurance brand to win a Gold award). Success has been repeated across all of our teams and brands, with no fewer than 30 external marketing awards during 2016 alone.

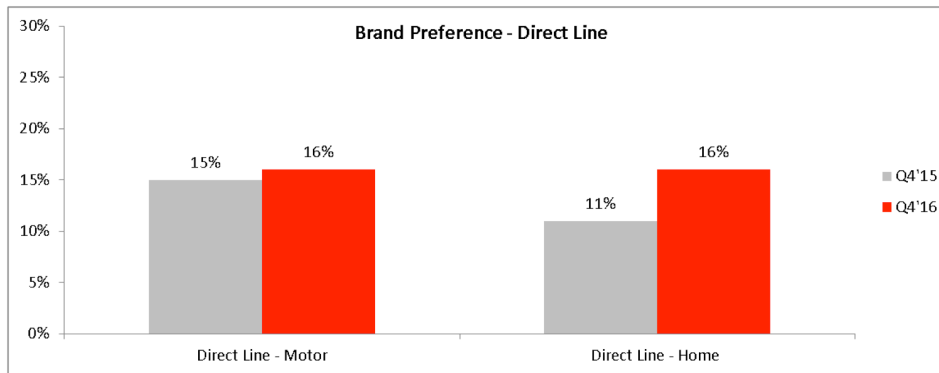
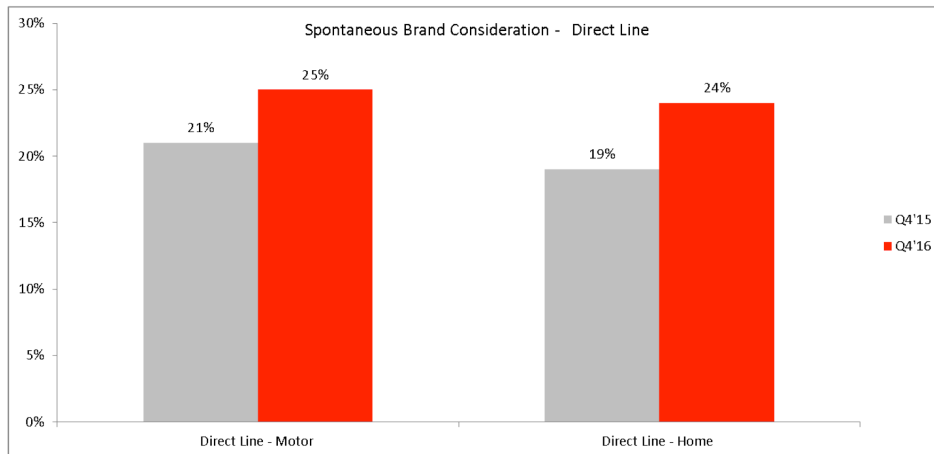
## Increased engagement

Engagement scores have increased across the three key capability themes: mindset, management and learning capability:



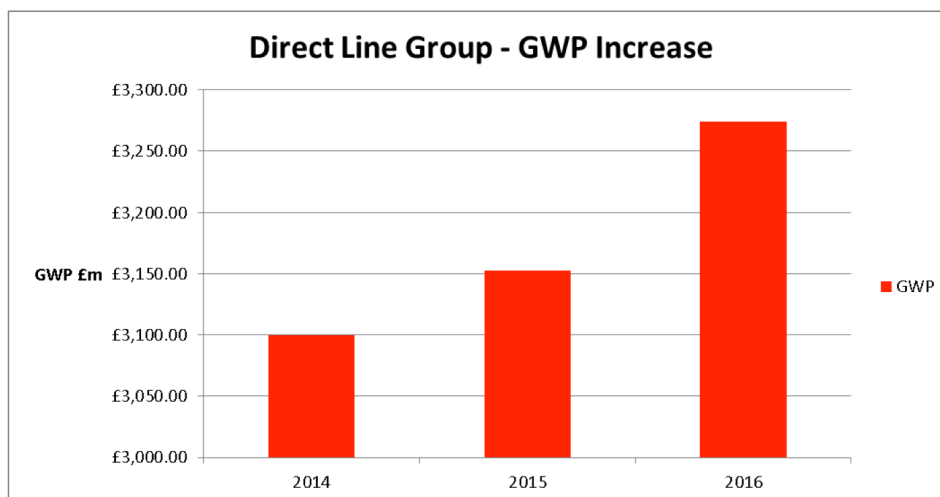
## Impact on brand metrics

Overall, brand metrics for our flagship brand, Direct Line, have increased across the board.



## Business transformation

Our successful campaigns have helped to reverse the decline in revenue. In 2016 Direct Line new business grew significant double digit and we gained significant market share.



# Marketing's impact on DLG

There are many signs that "marketing's mojo" is helping to change the rest of DLG. But revolution is never an easy road. Our pioneering work with Fleetlights and Shotgun had some sceptics internally, with some questioning if we have a mandate to go beyond the core of insurance, but those sceptics are fast coming round to the fact that we can and we must have a bigger role in our customers lives.

John Reizenstein, Direct Line Group's Chief Financial Officer, agrees. In his words, "Marketing, keep shaking things up. Keep doing what you're doing..."

