



IRISH DIRECT MARKETING ASSOCIATION LTD

Jonnie Cahill

O2

Rethinking loyalty.

Jonnie Cahill gave an entertaining talk at the recent IDMA loyalty and retention conference with a humorous and anecdotal talk packed full of relevant examples from the world of advertising and marketing. His theme was the emotional footprint of loyalty and it certainly delivered plenty of insights into new ways of looking at loyalty.

After the event, he shared a few words of wisdom on the wider world of marketing, value and keeping customers on board.

What do Guinness and a mobile phone have in common?

The answer to that question, says Jonnie, is quite a lot. He should know. Jonnie came from Diageo to O2. Moving from the world of FMCG to a telco might seem like a pretty big career jump for a marketer, but Jonnie found that, in marketing, some things remain the same wherever you go:

‘Sure, there are differences, especially when it comes to seeing how the business works and monetising it, but you see a lot of consistency in how both brands do things. Both are passionate about the big idea. The execution comes later. When it comes to marketing, the drive to do great work is universal in every sector.’

What about media use? Was there a big difference there?

‘Definitely!’ exclaims Jonnie. ‘Above-the-line is important in both sectors, of course, but, in telecoms, you have more of a direct relationship with your customers. If you can engage them, you can talk to them directly, by Direct Mail, SMS or online. So, we’re lucky in that respect. We have a direct channel to talk to our customers. You still need blend that with traditional above-the-line communications, but that extra channel, along with having our own stores, makes a big difference.’

What’s the big idea?

Jonnie went on to talk about how O2 campaigns are born. The process always starts with ‘the big idea’.

‘Until we have that, we won’t even start to think about execution’, says Jonnie. ‘Only then we will go about selecting the most appropriate media to use.’

Jonnie believes that, for maximum impact, companies can't rely on just one media. In most cases, campaigns need to be integrated. It's all about picking the right balance, whether it's Direct Mail, online, TV, or radio.

'Every campaign has different needs which respond better to different media. Obviously, when it came to the rugby sponsorship, we needed an integrated approach, whereas the Christmas campaign worked better on TV. There's no specific allocation. We re-evaluate as we go along, watching what's performing best.'

Success has its awards.

The resulting campaigns have been hugely successful and, as a result, garnered additional media exposure for the telecom giant. O2's sponsorship of the Irish rugby team was certainly a bit hit with customers and marketers alike, winning the European Sponsorship of the Year award, among other accolades. O2's sponsorship of the eponymous music venue was an equally successful move, but if the recession hadn't happened, would Jonnie have used the same sponsorship themes?

'Sport and music? Yes, these are enduring themes, especially for young people. People will always love sport and music, regardless of the economic climate. But we work hard to offer value and there are other things we do around that too. Outside of the recession years, we could've focussed just on the music and sport, but the big difference now is we need to integrate the value element. The O2 gives us the opportunity to target a wider audience, as it can be anything from Cliff Richard to Metallica. We're appealing to everyone's tastes.'

The O2 music venue and the sports sponsorship have been hugely successful. When you achieve such success with a campaign, surely there's very little else you can do. Jonnie disagrees. He's confident that there's plenty left in the tank.

'They're both very much part of our plans going forward. A lot has gone into them and they are long term investments. You only really get the most out of sponsorship over a long period of time.'

Forget functional benefits if you want to win.

Perhaps the biggest lesson that came out of Jonnie's talk was that brands should stop thinking about functional benefits and instead think about what they can do differently. Every brand can offer discounts and undercut but, very often, that's just a race to the bottom. And, as Jonnie points out, there's always someone there to beat you.

'Instead of purely looking to build a balanced list of benefits for the customer, once considered the holy grail in driving loyalty, it's really important to understand what kind of loyalty you want to engender. Once you know this, it can have a massive influence on how the brand behaves and how you keep your customers.'

With forward-thinkers like Jonnie at the helm, we can expect plenty more exciting initiatives when it comes to loyalty and retention campaigns down the line from O2.