

Precis

VELUX needed to strengthen the consumer demand for their products in the face of increasing competitor activity. An insight driven media strategy led to a contextually-relevant TV sponsorship package, women's/ lifestyle magazines and cleverly targeted online activity which delivered significant and sustained improvement in brand tracking measures and a total sales increase of 17.6% versus 2013.

Executive Summary

The market for roof windows has become increasingly competitive over the past few years, with cheaper alternatives to VELUX becoming more widely available.

VELUX undertook a market-wide segmentation in late 2013 which identified a key consumer group – Family Home Makers - which had a high propensity to substitute competitor brands for VELUX when undertaking projects to deliver spacious modernity to their homes.

The segmentation work also discovered that, although consumers are more involved in their home projects than ever before, there is still a crucial role played by architects, builders and installers in the decision making process.

We needed to strengthen the consumer demand for VELUX products to ensure they were specified by name, making it difficult for the trade to substitute for a cheaper alternative.

We had three clear objectives:

- To increase awareness of a new generation of VELUX products
- To re-establish VELUX's superior quality credentials
- To strengthen the consumer demand for VELUX products leading to increased sales

We tapped into 3 key media channels which resonated well with the Family Home Makers – TV, women/ lifestyle magazine and online.

Our first challenge was to link increased daylight to spacious modernity. Sponsoring the Home Improvement strand of the Home Channel was an ideal platform in which VELUX could convey this message. Secondly, we wanted to inspire and motivate with projects by “people like me” which were made possible by VELUX. Home and Women's magazines created a perfect environment for us to convey this message.

Finally, we wanted to encourage action by providing the tools and information consumers needed to work more effectively with architects and installers through our online strategy.

We saw significant and sustained improvements in brand awareness and quality attributes which included consumers identifying “increasing light” and “making better use of space” as most important.

Meanwhile, total sales rose 17.6% in 2014 versus 2013 while sales of key, high margin, products also increased significantly in 2014.

The Task

The market for roof windows has become increasingly competitive over the past few years, with cheaper alternatives to VELUX becoming more widely available.

Whilst VELUX remains the dominant market leader in roof windows (RWs), their market share had eroded from 90% to 75% in the ten years to 2013. The increasing competitive threat came from brands such as FAKRO and Keylite who were:

- expanding and improving their product ranges
- replicating VELUX's targeting of trade customers
- spending increasing amounts on consumer-facing campaigns (e.g. FAKRO's "See the Light")

This activity was helping VELUX's competitors to own the category's functional benefits with, for example, extensive communication about 10 year guarantees.

We were tasked with strengthening consumer demand for VELUX products to ensure they were specified by name, making it difficult for trade audiences to substitute for a cheaper alternative.

We had three clear objectives:

- To increase awareness of a new generation of VELUX products (most importantly White and INTEGRA)
- To re-establish VELUX's superior quality credentials
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Our Strategy

VELUX undertook a market-wide segmentation in late 2013. This revealed that the dynamic between homeowners and tradesmen had changed significantly. Homeowners were now much more involved at all stages of a RW project than had been the case at VEULX's peak: making themselves more informed, making more decisions and buying more RWs themselves. VELUX needed to generate more salience with this increasingly influential end-customer audience, in addition to continuing their trade marketing programme.

The segmentation also identified one key consumer group which had a high propensity to substitute competitor brands for VELUX – Family Home Makers.

The composition of their family home had changed, with 10% of 15-34 year olds still living at home, increasing numbers of people working from home and older relatives moving in to be cared for in their old age.

This was prompting a reassessment of the value of the family home - 40% were happy in their current home and said they were unlikely to move but this rose to more than half in over 45's, and over 2/3s of retirees who believed they would not move in the future.

Family Home makers were thus seeking ways to improve their family living spaces in light of the changes to family composition and how they needed to use the space in their home to accommodate this.

At one end of the spectrum, they were looking to create a family home for life - their ideal home that would suit them for years to come. These were more likely to be considered, well researched building projects with Family Home Makers looking for ideas and inspiration from many sources, including builders and architects.

However, we couldn't ignore the fact that some of our target audience were only looking for ways to make their family home suit their needs for the time being. This sub-set were looking for a practical

solution that would add value to their home with an eye to a future sale. They had a much more practical approach, often looking for a 'standard' RW solution to manage budget and keep the project simple while using window features to create 'wow factor'.

Although consumers were now more involved in their home projects than ever before, the segmentation also highlighted the important role still played by architects, builders and installers in the decision making process. To understand this better we also conducted primary research to understand how the trade viewed VELUX. We found that architects viewed VELUX very positively:

"I specify VELUX – its shorthand and you know you've specified a quality product (even if the builder then chooses something else). I tend to use them in roof conversions or where the ceiling follows the roof line - They do give an enormous amount of light"

David Scull, QED Architects, Winchester

But also that competitors were easily substituted by the trade between specification and installation:

"Architects always specify VELUX as they like them and they're what people expect to see. I like VELUX, but they're expensive so I use Keylite as they're a couple of hundred quid a unit cheaper, just as good and easy to fit - VELUX do shade it on finish."

Mike Woodcock, Builder, Chester

This insight helped provide focus for our campaign. Clearly, brand awareness was not an issue amongst the trade but we needed to reinforce quality credentials and consumer pull to counteract the switching to competitors between specification and installation.

"VELUX need to strengthen their image so people insist on having them fitted and save money elsewhere. Everyone wants light in their loft extensions and so demonstrating that to people would be a real positive"

Mike Woodcock, Builder, Chester

To do this, we needed to support people throughout the planning and preparation phase of their install.

- Firstly, we would establish and reinforce a link between increased daylight and the concept of spacious modernity, highlighted in research by our target audience as a key means to achieving their improved living space.
- Secondly, we would inspire and motivate with projects by “people like me” which were made possible by VELUX to overcome their concerns over whether the project would be successful or not.
- Finally, we would enable and encourage action by providing the tools and information they needed to work more effectively with architects and installers.

Media Implementation

TGI analysis identified 3 key media channels which resonated best with our Family Home Makers segment – TV, women/ lifestyle magazine and online.

TV

Our first challenge was to link increased daylight to spacious modernity. Sponsoring the Home Improvement strand of the Home Channel was an ideal platform in which VELUX could convey this message.

Home is the UK's only dedicated homes channel, packed with inspirational home and gardens programming. It's considered a welcome refuge with energetic, stylish and motivating shows which demonstrate to viewers how to enjoy and maximise their space, both inside and out as well as providing emotional and heart-warming stories along the way. Their key audience is upmarket, like the Family Home Makers, and it's no.1 in the Pay TV lifestyle genre.

The Home Channel gave us:

- an affluent ABC1, female bias audience – projected to reach over 2.6m of them over the 6 months of the sponsorship
- viewers who were 77% more likely to be undertaking major home improvements in the next 12 months
- consumers 28% more likely to be always looking for new ideas to improve their home
- A TGI index of 263 for tending to buy products from companies who sponsor TV programmes and of 132 for enjoying TV ads as much as programmes

We sponsored this programming strand for 6 months during the key summer retail period for VELUX of April to September with programmes including - *Extreme Makeover*, *My Dream Derelict Home*, *DIY SOS*, *The Home Show*, *Renovation Game* and *Homes Under the Hammer*.

Eight different sponsorship adverts ran on an even rotation across different dayparts. They showed floods of daylight illuminating a home during key points of the day – sunrise, breakfast, mid-morning, lunchtime, mid-afternoon, teatime, evening and bedtime. All portraying the VELUX range in different key rooms of the family home.



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Women/ Lifestyle Magazines

Research has shown that magazines are perceived as a “trusted friend” by their readers, and homes magazines in particular are seen as an authoritative voice. The magazines chosen for this campaign – *Good Housekeeping*, *Country Living*, *Ideal Home* and *Homes & Gardens* – also provided a perfect platform for associating daylight with space. We worked with the titles to produce long-form content to inspire and motivate readers by exposing them to projects undertaken by “people like me”.

The campaign kicked off in April with 4-page rollfolds bound into *Ideal Homes* and *Homes & Gardens*. The front page of the roll opened out from the magazine into a double page spread full of immersive content and inspiring imagery. Then as reader closed the fold, the back page gave practical



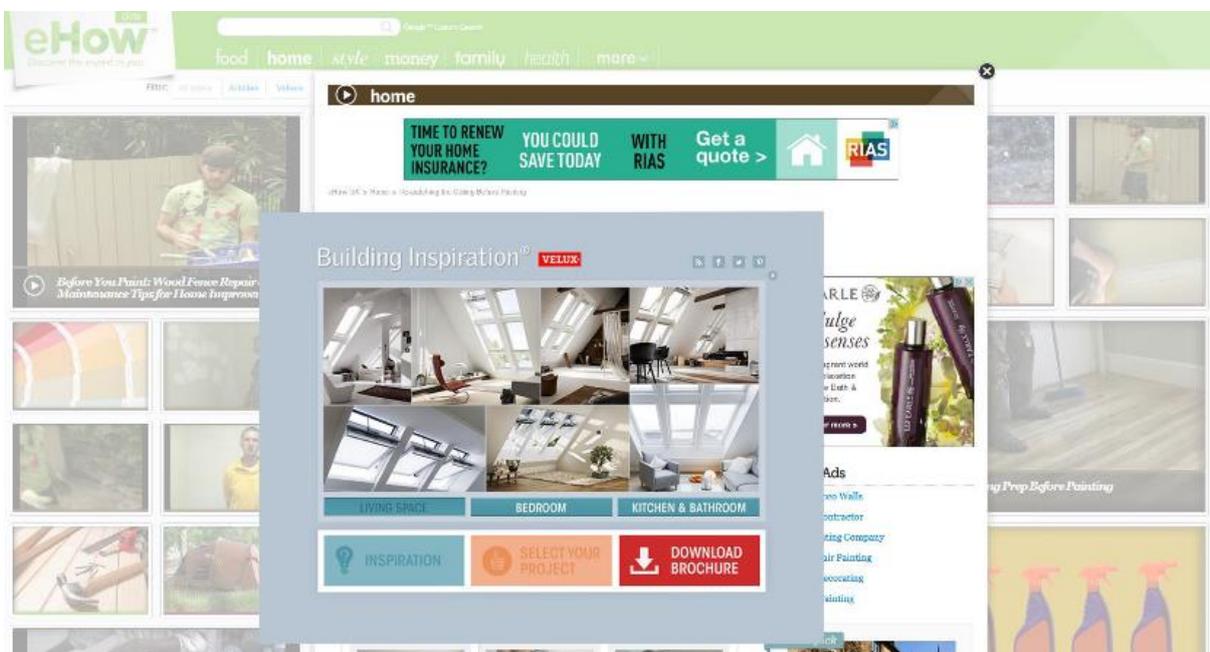
information on how and where to get help to transform homes into light-filled spaces with VELUX products.

Advertorial pages then ran in combinations of the 4 magazines over the months of April, May and September. Again, by concentrating our budget on advertorial pages rather than standard ad formats we were able to deliver a content-rich message to our Family Home Makers.

Digital

The key role for our digital activity was to enable and encourage action by providing the tools and information necessary to help consumers deliver their daylight projects.

Targeted YouTube activity allowed the TV sponsorship bumpers to go further than the Home Channel.



People searching for home improvement, restoration, renovation and loft conversions, as well as those who matched the demographic make-up of the Family Home Makers, were served the ads as pre-roll video. Rich media ad units were also created by .FOX to host lots of VELUX product content to inspire people and encourage interaction with the ads.

Specific Media was used to target individual IP addresses reaching all decision makers in the home. By running Specific Media across all internet connected devices on one IP address, we were able to reach both decision makers and influencers within each targeted household.

Rich media on the Yahoo! Network provided users with the opportunity to interact and also watch the video content we had created to run on the Home Channel.

Finally contextually targeted ads through Vibrant Media helped keep VELUX front of mind to users who were actively researching or reading about home improvements and other similar topics online.

The image shows a screenshot of a website titled "Homedecorationadvice". The website has a green navigation bar with categories: HOME, DECORATING, ENTERTAINING, GARDENING, HOLIDAY, NEWS, and VIDEO GALLERY. Below the navigation bar, there are article teasers: "8 sunflower-yellow home items for fall" and "How to Create a Workspace for a Child or Teen". A prominent green banner reads "UPDATING YOUR HOME'S LOOK ON A BUDGET".

An advertisement overlay is positioned on the left side of the page. It features a video player with a VELUX logo and the text "For inspiration visit buildinginspiration.co.uk". Below the video player, there is a "Learn more" button. The advertisement also includes the text "Bringing light to life. See your home in a new light -- visit our website for inspiration."

The main content area contains an article titled "Updating your home's look on a budget". The text discusses home renovation and includes underlined and highlighted keywords: "The mood for home renovation rarely strikes when we have a fat wallet, and full-blown home renovations usually aren't possible every time desire strikes. But there are many small ways to update dated design elements in your home which can help take it from 1980's worn out to clean modern." and "Some easy - but overlooked ways - to keep your house looking clean and".

Below the article, there is a "Recent Posts" section with a video thumbnail showing a bowl of food.

Vibrant sourced relevant online articles and underlined & highlighted relevant keywords (as shown above), which when hovered over produced an expanded ad unit which showed the TV ad and led users to more information on VELUX.

The Results

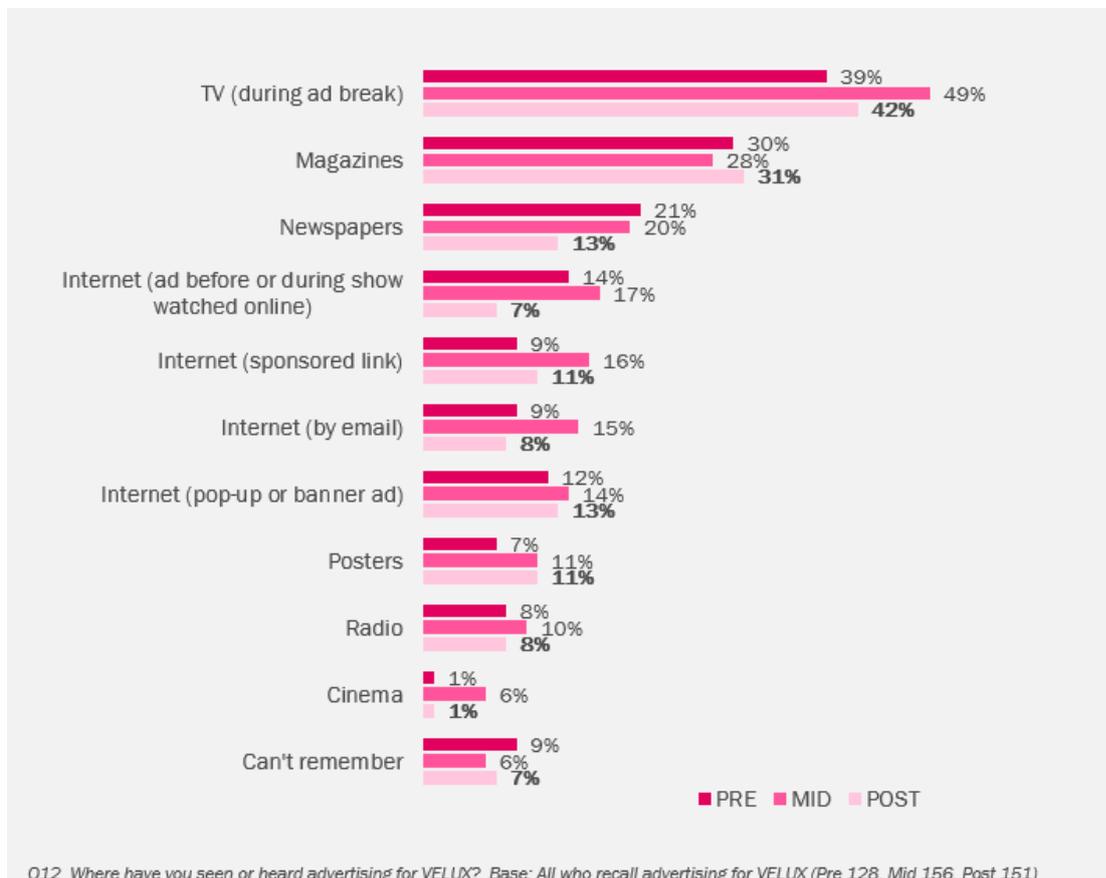
To recap, our core objectives were:

- To increase awareness of a new generation of VELUX products (most importantly White and INTEGRA)
- To re-establish VELUX's superior quality credentials
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Awareness

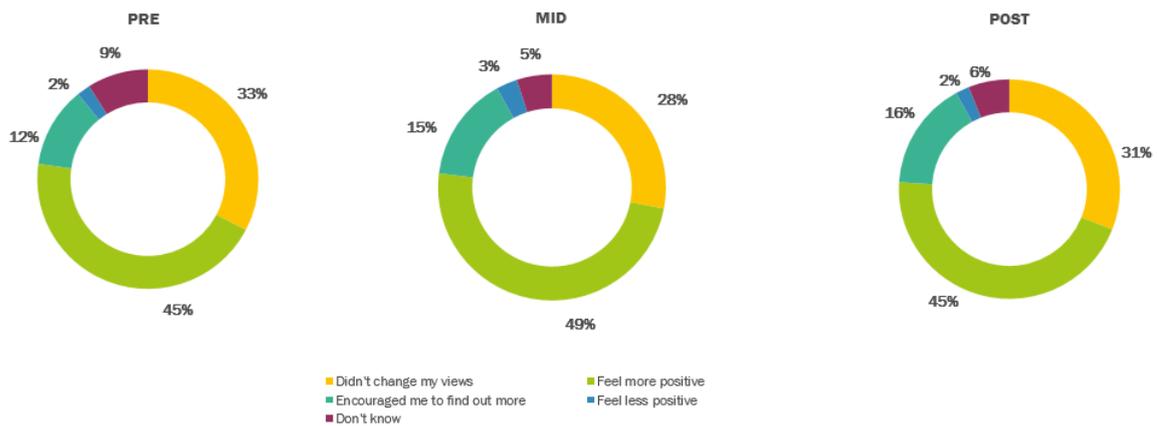
We saw a significant and sustained improvement in awareness

Advertising Awareness grew from 24 to 30% while Spontaneous Brand Awareness jumped from 43 to 51%. TV idents drove the overall brand advertising awareness in the 2014 VELUX marketing mix, with magazines following closely behind.



Overall 61% of respondents were engaged by the VELUX campaign - with significant minority keen to find out more.

61% were 'engaged' by the advertising for VELUX



Q14 How did the advertising make you feel towards VELUX? Base: All who recall advertising for VELUX (151)

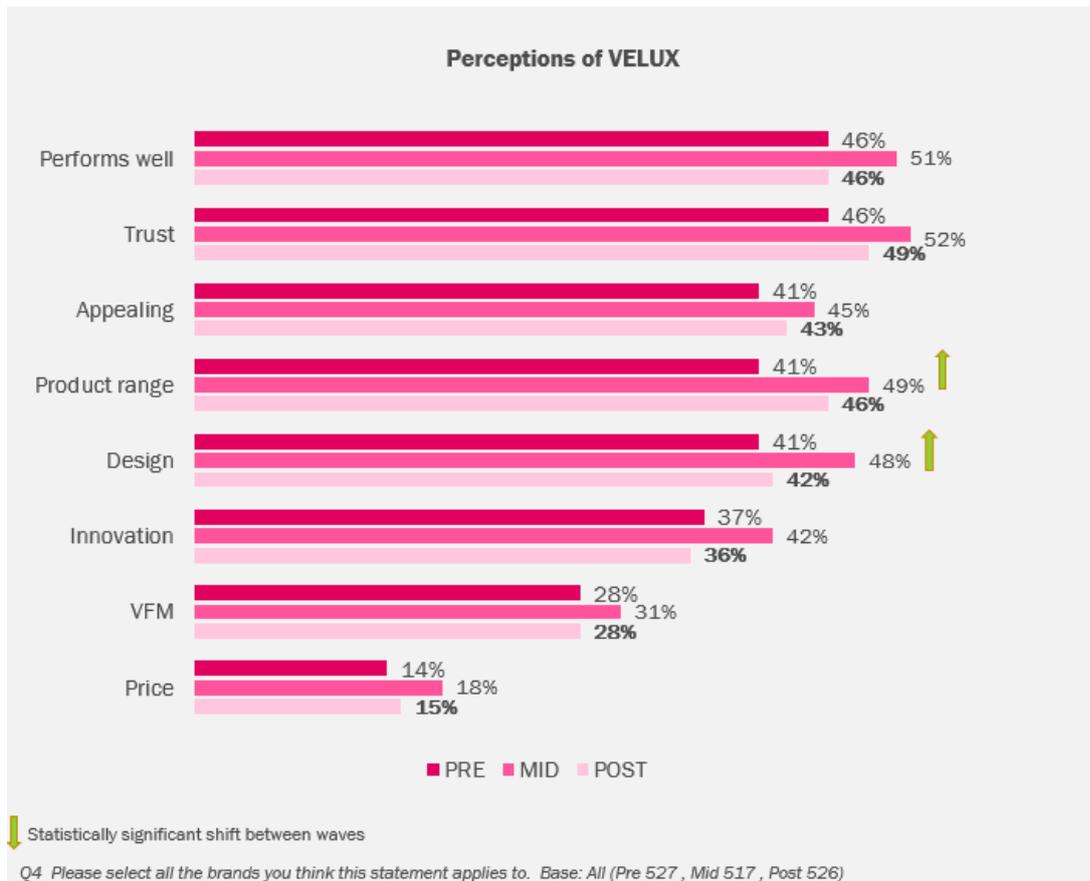
Quality Attributes

Tracking asked respondents to identify “what attributes mattered to them most” when choosing a roof window: ‘Increasing light’ and ‘making better use of space’ ranked top.

Just as importantly our strategy to showcase the VELUX range paid off:

When asked which statements they would associate with each brand – “an extensive range of roof windows” rose from 41% to 46% from pre to post.

Other perceptions of VELUX improved over the course of the campaign:



Sales

VELUX sales grew significantly across the period of the Consumer campaign, with especially significant sales growth of White and INTEGRA:

Total sales 2014 versus 2013 April to September +17.6%

White +29.7%

INTEGRA +27.9%

This increment in White and INTEGRA products was significant for the business because they generate significantly higher margin for the business.

Taking into consideration the period April to December 2014 (justifiable given the lengthy deliberations over projects) VELUX sold an additional 64,000 roof windows YOY. Of which over half were White or INTEGRA.

Allowing a conservative £125 contribution per sale, attributing just a small percentage of these sales to the Consumer campaign would deliver payback to the business.