DHL's award winning use of TV

Background

In 1969, three American partners started DHL as a means of transporting consignments of flowers between San Francisco and Honolulu. From there, the company was built eastwards and came to dominate the Asia region. But outside of the professional shipping world, it was little known in the United States.

Then in 2003, DHL bought Airborne, a budget supplier of mainly ground-based domestic shipping. This finally gave DHL the foothold it needed in the US market. They wanted an advertising campaign to drive awareness and sales.

The main obstacle in the way was that rivals UPS and FedEx were titans which enjoyed a virtual duopoly of the US market. Furthermore, they were highly respected brands.

Campaign Objectives

1. Increase brand awareness and radically improve the brand image
2. Increase consideration of the brand
3. Increase revenue among new customers: A revenue ROI target of 5:1 was set. This seemed steep, but competition for resources was intense.

Target Audience

The primary target was small business owners because they tend to have shorter term shipping arrangements and tend to be more willing to experiment. This is also the group that is most neglected by FedEx and UPS, and consequently feel most alienated from them.

Small businesses generally pay more for delivery, but get worse service. Their business is, however, very high margin and so attractive to DHL. The role for advertising was getting them aware of DHL, and to consider them worthy enough to give them a go.

CASE STUDY: DHL

Insight

Going head to head with two brands as well respected as UPS and FedEx was difficult. Try as they might, DHL couldn't find a real point of vulnerability. However, through research, they found a key insight: that although people find no fault with these brands, they do resent the idea of having no choice. This was particularly true of smaller businesses, who felt dwarfed by these companies that were supposed to be serving them. Out of this insight, the strategy was born: "DHL is giving America the competition it deserves".

Brand personality was an important part of the campaign. DHL has a very different culture to the rest of the industry, one which is "can do", "sleeves rolled up" and entrepreneurial. This is highly appealing to customers and DHL ensured that it came through strongly in the advertising.

Tonally, this was a fine line to tread. If the work pushed too far, it risked causing offence; if it didn't push hard enough, it wouldn't make an impact. "Competition. Bad for them, good for you" struck this balance perfectly.

Media Strategy

DHL developed a highly layered and integrated campaign to deliver on this approach.

Almost three quarters of the budget went on TV. This is because DHL needed an instant jump in awareness, and only TV had the power to do this. Within TV, DHL deliberately chose premium placements. Research also showed that simply being on TV made DHL seem like a "contender". It was vital to give DHL a sense of instant stature, so that people felt it was a "real" company with real resources.

The TV was supported by activity in outdoor, print, and interactive with a supporting communications program including radio, consumer magazines, direct mail, point of purchase, and public relations.

Results

Advertising achieved awareness levels similar to FedEx's, resulting in an 89 per cent increase in brand awareness. This change in brand awareness and image resulted in a 62 per cent increase in consideration. In the first month following the advertising, revenue among new customers jumped a remarkable 38 per cent, reflecting a high level of trial.

DHL's own internal sales modelling determined that the company received revenue ROI of 32:1. Thus the advertising campaign paid for itself many times over.

Who

Client: DHL Express (USA)
Ad agency: Ogilvy & Mather, New York
Media Agency: MediaEdge:CIA, San Francisco