

Case study: U-Studio - the Unilever on-site marketing success

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How was Unilever able to invest an additional €250 million into media buying and in-store advertising? It slashed the number of agencies it worked with, then collaborated with Oliver to boost brand performance. By combining the best elements from in-house and external agencies - a concept called on-site - they formed U-Studio.

It started with three agency sites in 2016 and has since grown to over 20 countries. What are the reasons behind this meteoric success, even in constrained markets such as South Africa? The U-Studio story is about global reach, in-house brand partnerships and being part of the family.

A new digital approach

Unilever felt it was not receiving the full benefits from many of its marketing ventures. It wanted to address this, invest more in its digital channels, bring internal stakeholders closer to marketing and realise savings along the way. After consolidating its agency roster, Unilever looked to boost its in-house capabilities. But instead of hiring new staff, it put out an RFP looking for an on-site partner that could fulfil its new vision.

"It was a global strategy," explained Ashveer Mahabeer, Durban U-Studio Editor & D2.0 Lead. "The U-Studio approach is about creating networks and drawing on those to help work on brands. It's about more creative diversity."

Oliver, a creative agency and pioneer of the on-site model, successfully applied this approach and in 2016 the first three U-Studio sites were launched. Within a year, Unilever would boost its strategy further and the number of U-Studios mushroomed to cover more than 20 countries. One of these is located at Unilever South Africa's headquarters in Durban. This microcosm of the U-Studio universe demonstrates why Unilever and Oliver's in-house brand partnerships have been so successful.

U-Studio blends the worlds of external and in-house agencies. Oliver creates a team that works on-site with the client, Unilever. This gives Unilever the immediate proximity of its marketing capability, yet the operational demands - managing costs and talent - are Oliver's responsibilities. The U-Studio team can be on the ground, more effectively understanding the brands and customer journeys, and responding with nuanced marketing. It's a potent mix that operates well on all levels, says Candice Siege, Executive Operations Director at Oliver South Africa:

"U-Studio embodies and drives Unilever's digital agenda. It fed off the global brief for needs-based content but is handled by a local team with a lot of autonomy. This is working well - U-Studio Durban started with 4 people, now at 17on-site, and continues to grow."

Meeting modern content demands

Unilever's strategy is motivated by marketing content that is more relevant, responsive and personalised to suit the fast-moving, digitally-fuelled world of modern consumers and most companies wish for the same. So, why is U-Studio such a success?

By being truly global, in every sense of the word. Every U-Studio can tap into a partner studio at various Unilever sites to generate the best results. Each is focused on local requirements, yet are able to lean on other U-Studio sites for ideas, support and talent. This makes the content vibrant and interesting, not to mention helps circulate ideas that work. U-Studios share lessons and capabilities which are instrumental towards realising Unilever's expectations around savings and

efficiencies.

"The truly global factor and the local agility attracted me to U-Studio," said Theo Spencer, U-Studio SA's Business Director. "A lot of other places dictate their marketing strategies. This model and relationship are driven by local opportunities. The global strategy keeps the brand consistent, but local studios focus on local needs as in-house brand partners. Many agencies talk about being global, but I think this is the first agency model that gets that right."

Part of the family

U-Studio's on-site success stems from offering immediate proximity to Unilever's decision-makers and action-takers. U-Studio's staff are entrenched at Unilever offices and are always available and engaging with their clients. They can meet casually in the corridors, give attention to impromptu ideas and be available for last-minute but important meetings.

These engagements place the U-Studio teams much closer to Unilever's strategies and business objectives. The closer relationships yield deeper insights into the issues that a brand experiences, resulting in marketing that matches the nuances of Unilever's many brands. Unilever staff regard U-Studio's people as part of the Unilever family, said Mahabeer:

"The business people are definitely closer to the marketing function. As U-Studio grew, there was less pushback and much more vested interest from Unilever's people. They saw how the proximity and agility bring their ideas to life faster and test them more quickly."

Organic success

Unilever sought to expand and empower its Digital 2.0 vision internally, which meant winning the hearts and minds of staff. As such, collaboration with U-Studio isn't mandated. Certain departments stepped in as champions for the cause. The successes they experienced soon had other brand managers, including global ones, knocking on their door. Currently, U-Studio teams engage with more than three-quarters of Unilever's brands.

Each U-Studio's engagement areas are different. In South Africa, the team focuses a lot on execution, particularly around delivering digital campaigns, with fast growth in the ideation and strategic arena. Being involved in shopper marketing has yielded much success and prompted bigger projects, such as helping plan their annual strategy.

Spencer said, "It takes the right approach to be agile and productive in Unilever's multi-brand environments."

"A lot of planning is involved to switch gears and remain relevant. The team is strategically selected from Oliver's talent pool and set up to match different brands. We can do this with such small teams because we can utilise U-Studio and Oliver's networks around the world for insight, support and services."

The power of being on-site

Oliver's on-site model, manifested in U-Studio presences across the world, is a qualified success. It meets Unilever's objectives, delivers relevant and valued content, promotes its digital vision, reduces costs and improves efficiency, performance and agility. Team members can become in-house brand partners, building close ties to their customers to engage and deliver in real-time. They can take on complex problems with a creative lens and scale their efforts through the support of the global U-Studio and Oliver networks.

Unilever gets the best of both worlds through a model that encourages engagement and drives accountability.

Internal agencies struggle with the vagaries of talent management, costs and leveraging external resources such as creative networks. External agencies can't establish the intimacy and immediacy of in-house brand partners that fuel effective campaigns in the modern consumer age.

"Yet the on-site model, conceptualised by Oliver and celebrated by U-Studio, is the exciting new alternative that delivers on

both," said Siege.

"Unilever's people treat U-Studio's staff as their own. They have become extensions of the internal brand teams, able to immerse with managers and gain a long-term understanding of the business and its brands."

Mahabeer agreed: "Today's marketing environment demands attention to detail, reliable creativity and fast execution while getting real value out of marketing spend. The fluidity between the brands and agency is obvious. U-Studio is seen as a brand partner, able to show direct benefits and grow with the brand's needs. On-site works very well with Unilever's structures and it's been a success story retold across the world."

Success is an understatement. Unilever could allocate €250 million more in marketing activities, gleaned from €500 million in savings it realised during 2018. Yet it still reduced the overall percentage of turnover used by marketing budgets. Unilever's annual report credited this to creating more content in-house and making existing assets go further.

Those statements embody the value of on-site marketing. Created by the efficiencies and brand intimacy demonstrated in this case study, the on-site model as developed by Oliver can be a gamechanger even to one of the globe's largest advertisers.

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