

COUNTRY: HONG KONG
BRAND: PRUDENTIAL INSURANCE
2009

**WE
SELL
IN
RECE\$SION
OR
ELSE**



MARKETING CHALLENGE AND OBJECTIVES

Will prudent advice fall on deaf ears?

Despite the super high peak of Hong Kong confidence, 101 index¹, at the close of 2007, suspicions of the global repercussions of the sub-prime mortgage crisis simmered within the “insiders circle” since mid of 2007. As a company that founded itself on prudent attitude, Prudential Hong Kong’s priority in 2008 was to help make prudent protection and retirement planning, the top of mind priority of Hong Kongers.

This was certainly not an easy message when consumers were still gloating over the short-term high returns offered by the stock market and yet to sense the dark cloud gathering at the far away horizon. This task was exacerbated by a high clutter insurance and bancassurance industry at HK\$125 million in 2007³, and a bigger finance industry media spend at HK\$5.9Billion in 2007, vying for an increased share of consumers’ investment portfolios. The finance category convention remained obsessed with the aggressive masculinity attitude to wealth growth, luring the captive minds who were addicted to the winning streak for the past 2 years. Since the category’s game plan was one on short-termism and quick “returns”, to differentiate, Prudential need to go against the flow with a different game plan that lends a longer-sighted lens into the future

But the question is....
will Prudential’s advice, one founded on longer term prudence fall on deaf ears?

Objectives for 2008

- To deliver market growth outperformance.
- To achieve market share year-on-year growth +3%
- To increase its proportion of retirement products sales growth by +10%
- To raise total brand awareness to +3%
- To raise total advertising awareness to +5%

TARGET MARKETS

“Hedonist”, “short-termist” and “instant-gratification” appeared to be the top-of-mind associations when asked to describe the values of Hong Kongers². We were, of course, not surprised, but simply refused to take this on its surface value.

A relentless dive into the real psychology behind, we uncovered the hidden reasons behind Hong Kongers’ famous “focus-on-the-now”, instant-gratification culture. It was not because they do not care about the future, but rather, it is because the *future has too much uncertainty*, as witnessed by the roller coaster rides of 1997 handover and financial crisis, 2003 SARS. They are simply *too fearful* of what it might bring, so they “buried their head in the sand”, ostrich-style, so they don’t have to think about or face up to it.

It is with this understanding of their fear of the future that we took to speak to the hearts of the average Hong Kong middle class age 25-44, living on an average of HK\$20,000+ household income at a projected population sizing of 1,376,000³.

They face many obligations of daily living, from mortgages, to kids’ education, the rise in food costs, their job security, and the ever escalating costs of living. Henceforth, to them, retirement is not about ‘dreams’, not about painting the rosy picture of the idyllic future by the beach at a far away island. Rather, it is about addressing their *latent fear* and increasing their sense of security amidst the uncertainties.

STRATEGY

“Putting into your hands into a bag and feel something wet, wriggly and scaly?” “Looking at your mum who looks seriously out-of-shape at 50years of age and wondered if you had her side of genes or dad’s side?” “The Ring horror movie where you’re never get to see how the ghost really looks like?” “Having witnessed your relatives’ death from cancer and wonder if the same thing will happen to you?”

After the heart-to-heart chat with consumers², the strange unknown feeling and the fear of judgment we had before seems to dissipate. As we exposed all our deepest fears, we realized one thread of commonality that links all their responses....and the greatest fear is “*the fear of the unknown*”.

STRATEGIC INSIGHT

The greatest fear of all kind is the unknown. The future is a definite unknown and as a natural reaction, some try not to think about it, some run away from it, some plan around it, while the rare brave, curious minds try to understand it. Once the unknown becomes known, the fear automatically dissipates.

“The Fear of the Unknown”

CREATIVE BIG IDEA

The tangilization of the unknown can be summed up in a huge retirement number and this fear can plague your everyday life. The more you fear it, the more it will continue to haunt you. Prudential understands our fear and suggests that we address the fear head on, and once you get to know it, it will not as scary as you think.

“Don’t be haunted by your retirement number”

COUNTRY: HONG KONG
 BRAND: PRUDENTIAL INSURANCE
 PRODUCT TYPE/ DESCRIPTION: INSURANCE & RETIREMENT PLANNING
 CAMPAIGN TITLE: PRUDENTIAL – HAUNTING NUMBERS



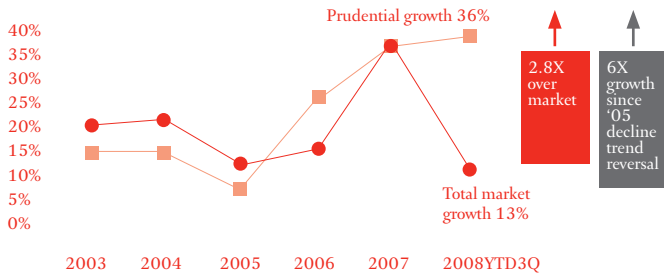
CAMPAIGN RESULTS AND MEASUREMENTS

Performance YTD Q3, 2008, prior to financial crisis

1. Historical High Prudential growth outperformed Market growth by 2.8X

Even prior to the financial crisis in Q4 2008, the insurance market growth had been dwindling at +1.3%. In contrast, Prudential achieved 36% year-on-year growth and 6 times growth within three years.

PACHK Sales growth vs Market Category Growth

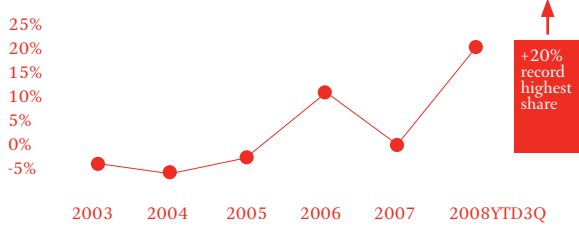


Source: Analysis of OCI quarterly statistics report Q3 2008

2. Market Share year-on-year Growth UP+20% points

Market share growth hits +20% points, way exceeding projections of 3%, highest share since 2002.

Market Share Year-on-year Growth

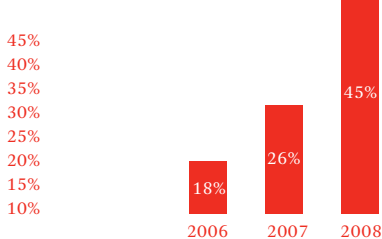


(Source: Analysis of OCI quarterly statistics report) Q3 2008

3. Dramatic growth in Retirement Product Sales +19%

Retirement sales grew by 1.75X versus last year by a dramatic +19% growth vs projection of +10%

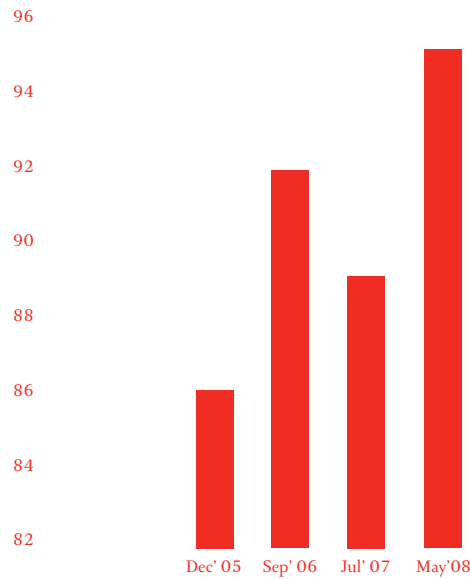
Proportion of Retirement Product Sales



(Source: Analysis of OCI quarterly statistics report) Q3 2008

4. Record HIGH Brand Awareness

Total Brand awareness grew by +6% to 95%, the highest record since 2005, versus projection of +3% (The periods tracked are all based on past campaign periods).



(Source: Oracle PACHK Brand Audit 2008)



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5. Prudential takes a new LEAD in category with RECORD HIGHEST advertising Awareness

The high awareness figures were attributed to the campaign “Haunting Number” as this is the only campaign running in this period. This “Haunting Number” retirement campaign also exceeded the total advertising awareness of the previous retirement campaign by a high +10% versus projection of +5%

Unaided Advertising Awareness

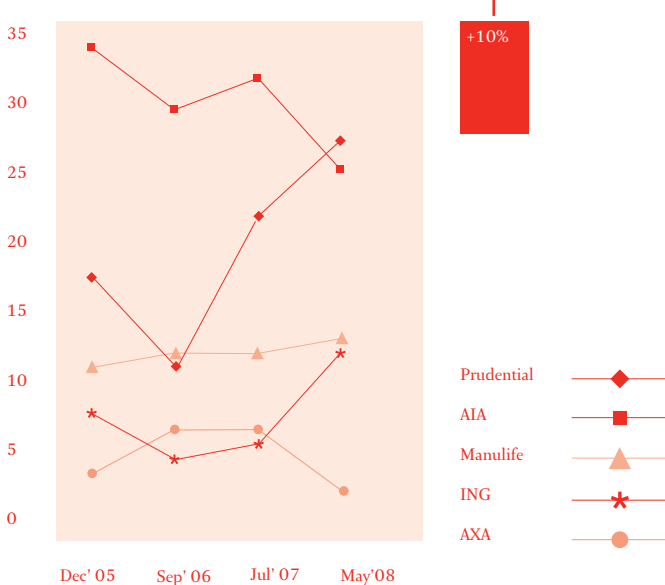


(Source: Oracle PACHK Brand Audit 2008)

Post-financial crisis updates : snap shot of latest results for full year 2008 showed that even during this difficult time for the industry, Prudential achievement of strong results reflects that prudent strategy pays through its resilience and sustainability

- 6. Prudential's market share hits No.2 Status (0.4 % closely on the heels of the leading brand)
- 7. While industry declined at -6%, Prudential's growth rate was positive at 13%, 3 times higher than that of category performance
- 8. We were the only agency-based company which recorded a positive growth among the top 5 agency based players (PACHK, AIA, AXA, Zurich & Manulife).

Total Advertising Awareness



(Source: Oracle PACHK Brand Audit 2008)