

Cassies 2006 Cases

Brand/Case: RBC – First for You

**Winner: Services Financial—Bronze
Best Integrated—Bronze**

Client Credits: RBC Financial Group

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Agency Credits: BBDO Canada

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Katie Nugent, Kelly McGuire, Matt Ryan, Account Supervisors
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Crossover Notes: All winning cases contain lessons that cross over from one case to another. David Rutherford has been identifying these as Crossover Notes since Cassies 1997. The full set for Cassies 2006 can be downloaded from the Case Library section at www.cassies.ca

- Crossover Note 2. Brand Truths.
- Crossover Note 8. Classic Rivalries
- Crossover Note 12. Changing the Goalposts.
- Crossover Note 17. Turning a liability into a strength.
- Crossover Note 32. Internal Marketing

To see creative, go to the Case Library Index and click on the additional links beside the case.

EXECUTIVE SUMMARY

Business Results Period (Consecutive Months): March 04-March 06
Start of Advertising/Communication Effort: March 04
Base Period for Comparison: Historical Comparisons

This story has many parts.

It is a story about an overarching advertising theme for a multiheaded beast like a bank. It is the story of finding a way of taking the bank's biggest weakness, its size and power, and turning it into a benefit. It's the story of how that led to deeper client relationships, more revenue per client, and increased business.

Enjoy.

SITUATION ANALYSIS

a) Overall Assessment

RBC has three broad areas of business in Canada – Personal Banking, Corporate, and Institutional. Each has many products. On the personal banking side alone there are several bank accounts, a range of credit cards, loans, mortgages, investment products, stock brokerage, and insurance – life, critical illness, auto and home.

And yet the RBC customer on average had only 2.46 products. If we could increase that number by even a fraction the opportunity was huge. For example, a 1% increase to 2.49 represented over \$660 million in incremental annual revenue.

Historically, each line of business had done its own advertising, with its own campaign. As a result, the breadth and offering of the RBC was not fully known. And the brand was still seen as the Royal Bank.

b) Resulting Objectives

We needed an overarching campaign that could pull all this together. But each line of business was fiercely independent. While they could see the benefit of an overarching campaign, it needed to work for all the lines of business.

Not an easy task.

A further problem was that consumers were not interested in a bigger bank. Rationally, a wide range of services is a significant benefit. However, banks are not popular. Size and power is a negative. **Crossover Note 17**. Other banks addressed this with “warm and fuzzy” advertising. This resulted in a sea of sameness, and Brand Link scores in financial services are pathetically low. We needed to make RBC's power and leadership work for us. **Crossover Note 8**.

An even harder task.

STRATEGY AND INSIGHT

Two pieces of research helped.

Firstly we used Myers Briggs. [Crossover Note 12](#). It is more commonly used in Organisational Development, and divides people according to the way they like to process information and structure the world. We applied it to consumers, and found that RBC clients had a different profile from those of the competition. They tended to be visionaries - idealists with dreams of the future.

Based on this, the solution would apparently be to reflect this sense of vision in the advertising. However, we learnt something more. Customers didn't want the bank in that world. They wanted it to take a different role—to be grounded in reality. This fit the character of RBC. It meant we would use tangible proof points—products and services that demonstrated how our power could benefit them—rather than the grandiose claims that many banks make. [Crossover Note 2](#).

Secondly we adopted a bricolage approach to focus groups, with a range of stimulus material. We included archetype pictures, traditional concepts, press releases and the bank's mission statement – “Always earning the right to be our clients' first choice.” The last was most interesting because it defused negativity. It didn't suggest an intimacy that people were not prepared to believe and did not want. It said we want your business; not to be your friend. It promised an adult to adult relationship based on mutual profit. It was something people could believe and want.

Out of this came our brand proposition — “Our strength can work for you.”

EXECUTION

The creative idea is expressed in the tag-line “First for you”, but most obviously in the beautiful simplicity of our creative device—where the customer completes the “I” in the word FIRST.



The ads show how something RBC does (its strength) will benefit the customer.

For example, RBC's funding helped the Canadian Hockey team get to the 1948 Olympics, where they won gold.

RBC's Mobile Mortgage Specialists will come to you, so you can do what you need to at home.

And the Avion card's lack of seating restrictions and blackouts mean you can fly where you want when you want.

The campaign broke in March 2004 with a launch TV ad that introduced the FIRST sign and device. It was followed by campaigns for Avion Credit Card and Mobile Mortgage Specialists. Olympic Sponsorship ads followed in summer 2004.

The lead media were TV and print. TV was restricted to the mass market programs e.g. Avion card, Olympics, Mortgages. Print support these, and was the lead medium for other products e.g. Global Services, Community Events, Small Business.

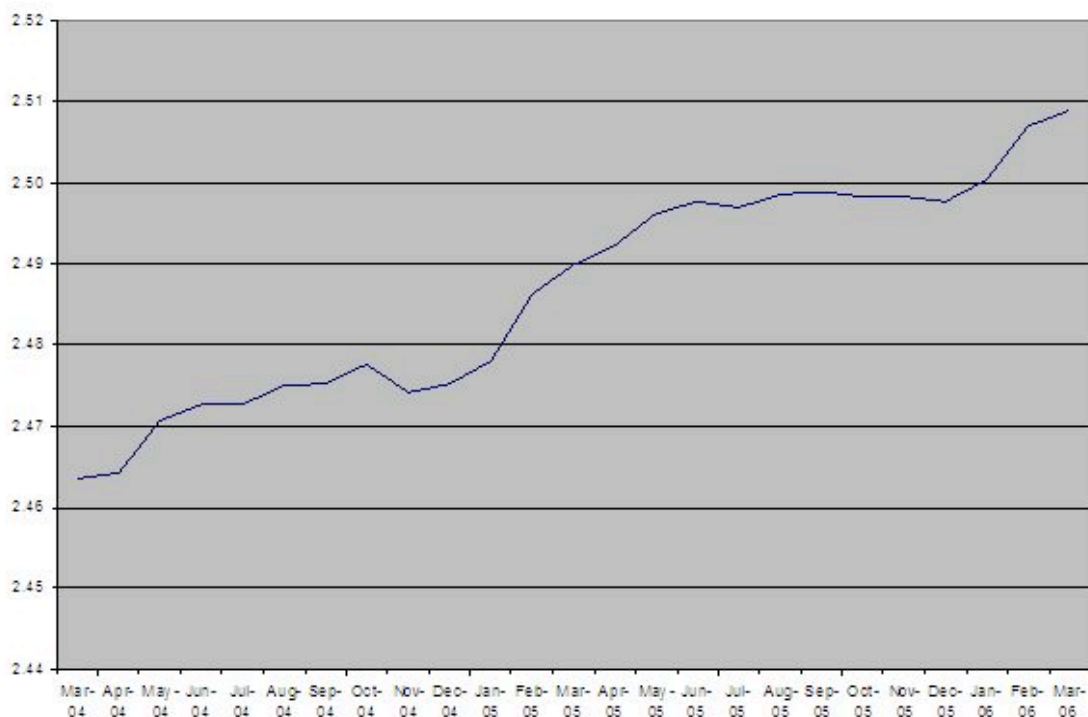
Other media included in-branch, outdoor, radio, web, events, DM and internal training materials. DM is used extensively by RBC, though, with the odd exception e.g. Avion Paper Plane, it is handled by different agencies.

Media, though substantial at \$26 million annually, was similar to what RBC had spent historically, focussing primarily on product and service messages.

BUSINESS RESULTS

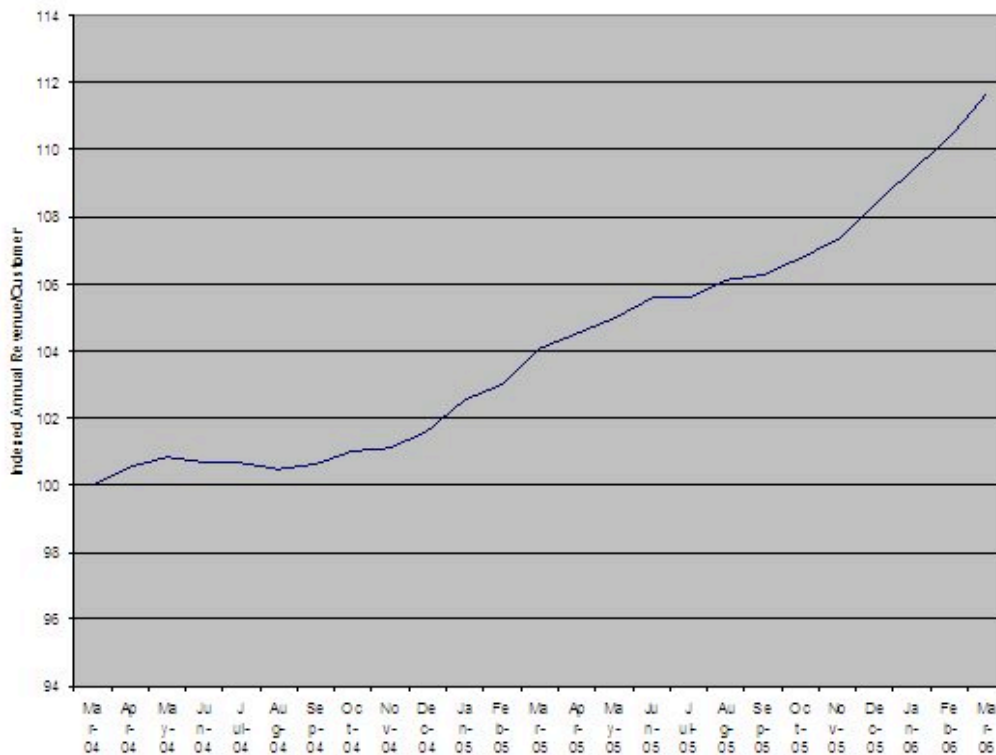
Given the campaign's prime objective of deepening RBC's relationships with its clients, the key metrics relate to products, revenue and profitability per client.

PRODUCTS PER CUSTOMER



During the campaign the products per customer have increased from 2.46 to 2.51. This has increased annual revenue per customer by 11.7% and profitability by 19.1%.

ANNUAL REVENUE PER CUSTOMER



Additionally, though not the prime objective, we attracted a 180,000 net new customers.

All told the increase in annual revenue was \$680 million, for a total ad expenditure per year averaging \$26 million.

CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

While not all the growth can be ascribed to advertising, we believe it played a significant role and intend to show that.

a) Research

Qualitative research shows that the core of the campaign is the FIRST sign. The visual device works very strongly. Research verbatims

- *"RBC couldn't be first without you."*
- *"We think of you first. Before we do whatever we do we think of you."*

However it also conveys two other messages. It reminds people that RBC is first amongst banks. And it suggests implicitly that you will come first (succeed) with RBC.

The campaign also performed well in quantitative AdLab research conducted in May 2004. It substantially exceeded AdLab norms on all the following key measures.

	<u>% Agreeing</u>	<u>Percentile vs. Financial Norms*</u>
Impact "Captured attention"	71%	71%
Branding "Remember campaign was for RBC"	55%	87%
Message Communication "RBC puts the needs of clients first"	83%	N/A
Liking "Liked"	75%	82%
Brand Impact "More positive opinion of brand"	53%	85%

* 50% would represent our score being better than half the other financial ads on the AdLab database and therefore "on norm". Over 80% means we are in the top 20% of all the ads tested.

In particular, existing clients *were "proud and delighted that RBC is reasserting its leadership position."* AdLab May 2004.

b) Longwoods ROI Study

RBC commissioned Longwoods to investigate the return on investment of the campaign. Their proprietary model compares people who remember seeing the advertising with a control group who don't. Their behaviour as measured by transactional records is then tracked, to see if it has been influenced by the advertising. Compared to the control group, people who were aware of the advertising:

- Were more likely to be aware of more RBC products.
- Were more likely to say RBC was "An excellent choice for my financial needs."
- Were more likely to say that RBC "Puts clients first," "Understands what's important to me," and "Treats me as a valuable customer."
- Were more likely, if non-customers, to start an account with RBC in the next 12 months (17% vs. 10% unaware).

Importantly, the net monthly revenue per customer aware of the advertising increased by 15%, from an index of 100 before the campaign started to 115 in December 04.

INDEXED REVENUE PER CUSTOMER (JAN 2004 = 100)



Overall, Longwood's estimated that in the fiscal year of 2004 alone:

- Incremental income due to the advertising alone was \$153,000,000
- Net income before taxes due to advertising \$115,500,000
- Net income before taxes per ad dollar invested \$3.69

Longwood's regard this as conservative, given that people do not change banks often. The new business growth created in 2004 becomes a book of business which continues into subsequent years.

c) Tracking

The campaign broke through. Unaided ad awareness increased from 8.5% to 16.5%, making it second only to TD/Canada Trust who have been running "Banking can be this comfortable" for 6 years now, and have 17.0% awareness.

People's awareness of RBC products has grown from an average of 1.96 to 2.18. The largest lift was in insurance which featured in two of the TV ads.

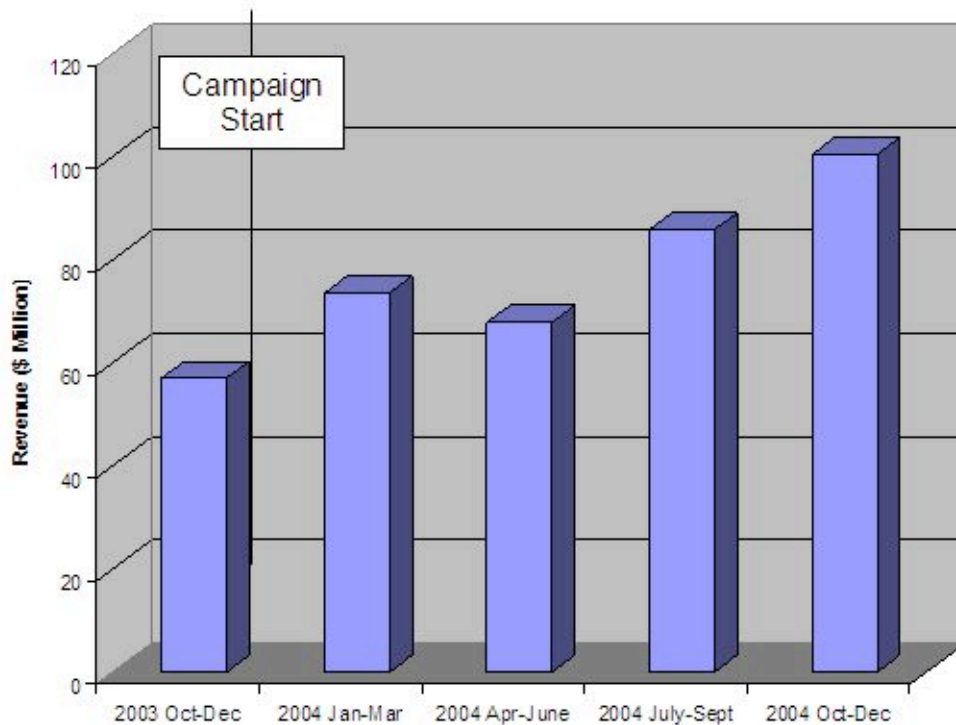
Brand Equity, as measured by IPSOS-ASI Brand Equity*Builder Model, had been in long-term decline. After the campaign broke this reversed, and it peaked during the Olympics.

d) Effect on Direct Marketing Response Rates

Another way of showing the effectiveness of the campaign is to show the effect on Direct Marketing material.

The DM agency included the “First for you” theme in much of its material, but the total spend and the offer did not change. Response rates improved, increasing the overall revenue generated by the DM.

REVENUE GENERATED FROM DIRECT MARKETING



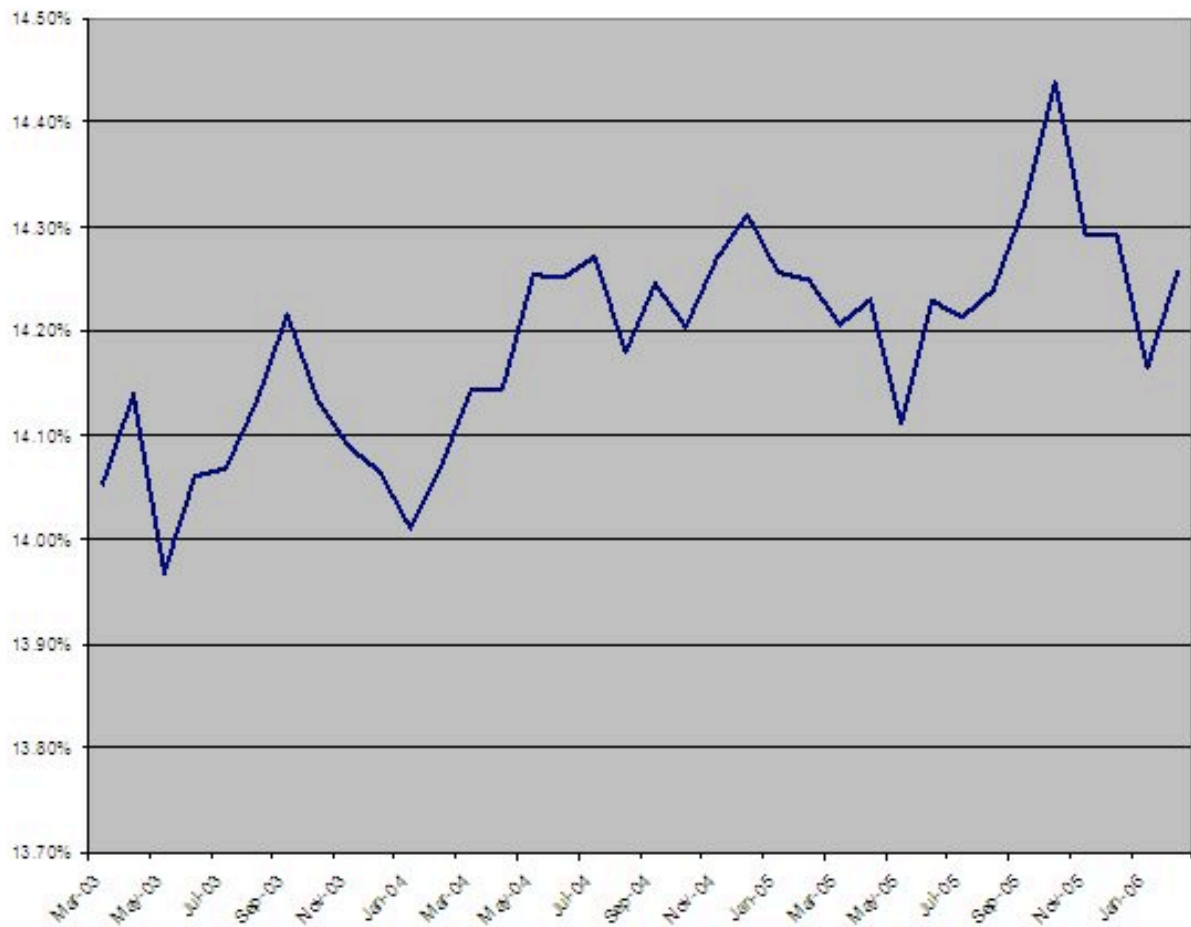
e) Dismissing Other factors

While DM, promotions and new product launches are part of RBC’s marketing arsenal, the amount of activity in these areas did not increase during the 2004-2006 period.

Additionally the Longwood’s study, described earlier, removes any potential effect of other factors by its use of a control group

The effect of external market factors (e.g. increase in homebuying activity overall) can be dismissed by looking at RBC’s share of the personal and business financial services market. This shows that brand share, which had been static, increased once the advertising broke.

**RBC SHARE OF PERSONAL AND BUSINESS BANKING
(INCLUDING DEPOSIT AND LOANS)**



A Final Comment

All told to June 2006 BBDO alone has produced 19 different TV ads, over 140 print ads, and over 30 posters as well as many other media. Additionally RBC have used their own internal resources to create a lot more collateral material. It has been extended to the website, direct marketing, corporate communications and internal communications, where the “First things First” campaign has been used to disseminate to staff the message and implications on how they should treat clients. [Crossover Note 32](#).