

Cassies 2006 Cases

Brand/Case: Molson Canadian

Winner: Off to Good Start—Bronze

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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 1. What a Brand Stand For.
- Crossover Note 2. Brand Truths.
- Crossover Note 9. Turnarounds.
- Crossover Note 15. Baby with the Bathwater.

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): Mid-Oct 2005 – Mid-April 2006
Start of Advertising/Communication Effort: October 2005
Base Period for Comparison: Historical Trends

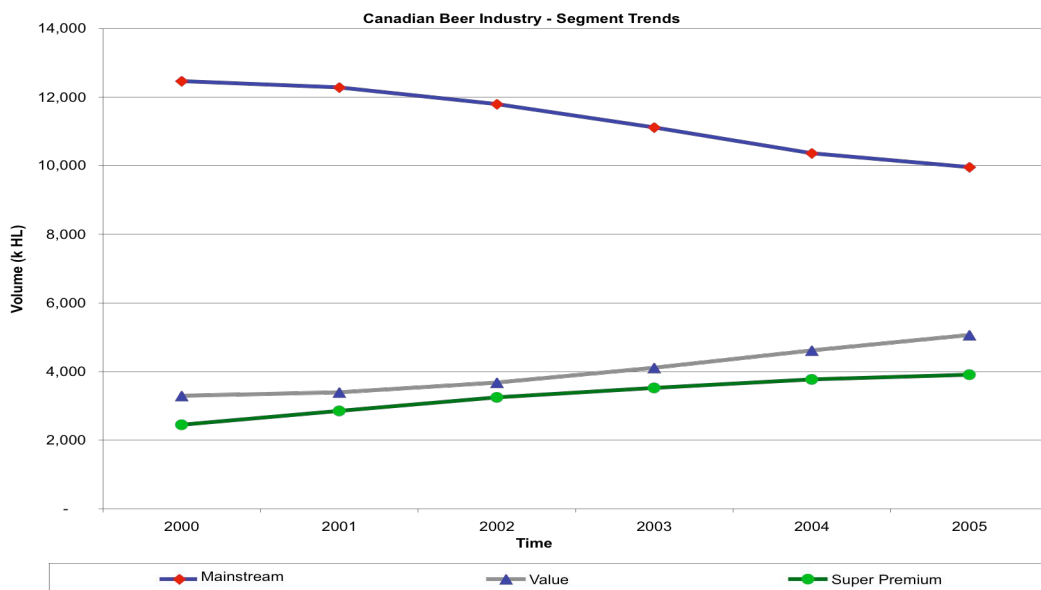
Canadians have always secretly suspected that they brew the best beer in the world. The case you're about to read outlines a more provable Canadian beer achievement of equally global note. While big beer brands are suffering around the world at the hands of value brands and prestige imports, Molson Canadian is growing again after 5 years of share and volume declines.

We'll map the road to success, underlining how a different approach to brand communications helped us to compete more effectively in a much fiercer competitive environment. Plus we'll offer solid proof that this new advertising campaign has, just 6 months in, made a tangible contribution to bringing Molson Canadian out of the red for the first time in 5 years. [Crossover Note 9](#).

SITUATION ANALYSIS

a) Overall Assessment

The Canadian beer market has changed dramatically over the past five years. First, many more brands are vying for the business, in a market growing by less than 0.1% a year. Second, the big brands are suffering. The contribution of the top 5 brands (of which Canadian is one) has steady decreased, on average by 1.25 share points a year over this period. Third, the market is polarizing, as Value beers at one end and Super Premiums at the other make headway at mainstream beer's expense.

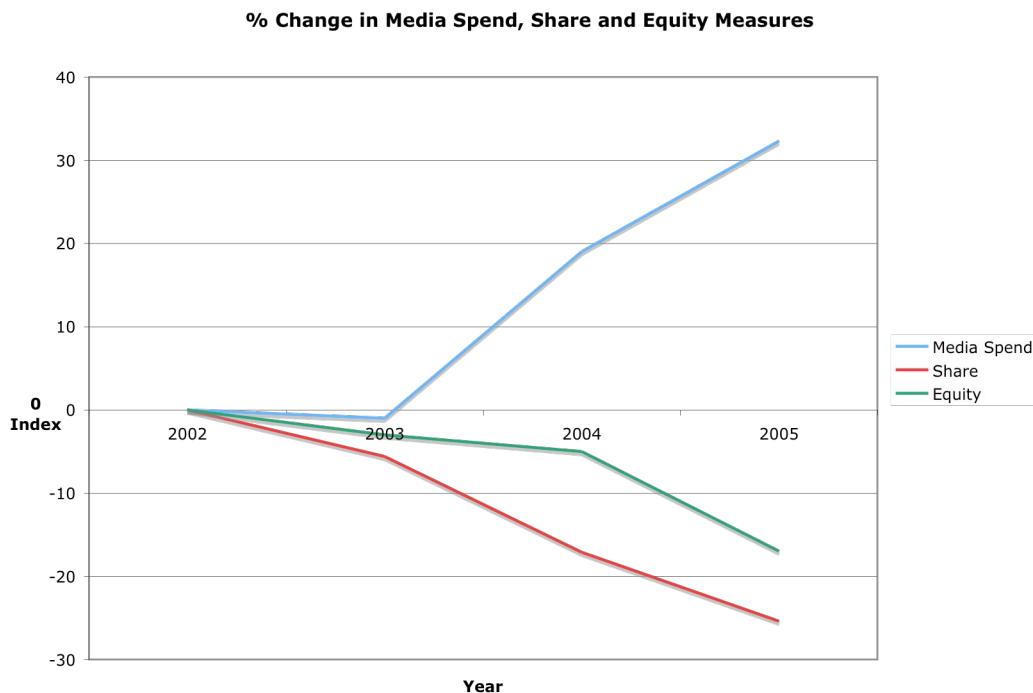


Source: Industry Sales Volume Compiled By Molson Canada

Part and parcel of this was a mindset testified to in countless qualitative groups: pay the premium to get the fancily packaged “best beer”, or go cheap to get the buck-a-beer brown bottle stuff—or *default* to the big mainstream brands.

The high-volume mainstream players, like Canadian, were caught in a no man’s land between cheapest and best, with all the comfort traditionally found between a rock and a hard place. On the one hand, the mainstream brands are wedded to the same packaging as the budget players thanks to the huge economies offered by the industry’s ‘brown bottle’ agreement, and the punitive costs of leaving it. On the other, they charge name brand premiums over the budget competitors.

Not that advertising was serving Molson Canadian very effectively. The declines for Molson’s reputation and share were stark, despite increased investment in advertising:



Base media spend was in the range of \$10 - 15Million. Base share was in the range of 10 - 15% .

There were year-on-year declines in Canadian's perceived quality, particularly amongst Legal Drinking Age (LDA) – 24 year olds and heavy drinkers.

To their credit and our cost, players like Ontario’s Lakeport and Western Canada’s Big Rock cannily targeted price sensitive mainstream drinkers, implying that they were “unfairly” paying extra for little more than a big brand image. Ipsos research showed that these drinkers last year were twice as likely to think that a mainstream premium brand ‘costs more than you’d expect to pay’ compared to three years prior.



An example of Lakeport’s ‘fair prices’ OOH

Basing the brand’s appeal on “I AM CANADIAN” had become uncompetitive. The watershed *Rant* spot (Cassies Grand Prix 2001) was a proven success, but history records it as a glorious one-off. Tracking shows that successive patriotic ads paled in comparison. (See *the chart on the previous page.*) And then there was the question, what was the campaign saying about *the beer* at a time when the budget brands were undermining it.

If we want evidence that the patriotic positioning was not driving the brand, take 2004’s *Snap My Fingers* as an example. *Snap my Fingers* extolled the virtues of the considerate Canadian guy. IPSOS proved (vs. category norms) that the ad was enjoyable, memorable, well-branded—and strongly communicated the ‘Canadian’ and ‘national pride’ messages. **Crossover Note 1.** But the ad had no determinable impact on usage, and Canadian’s quality perceptions *decreased* during the advertised period. We needed new advertising that would combat the charge of empty promises from the value sector.

b) Resulting Objectives

Convince LDA - 24s, and our heavy drinkers, that Molson Canadian offers them something unique that they simply cannot find in any other beer

- Something that’s truly relevant and motivating to them on an everyday basis - in the way that patriotism never could be.
- Something that helps them justify their brand choice (to themselves, and to friends) not just emotionally, but - in a world where a dollar buys a beer - *rationally*.

STRATEGY & INSIGHT

We undertook a Brand Strengths Audit by talking to those closest to the brand, our loyal heavy drinkers. **Crossover Note 2.** Using qualitative to explore concepts, and quantitative to validate the findings, we unveiled Canadian's most motivating strengths:

RATIONALEasy-to-drink but has some real beer taste.*

LDA-24s and heavy drinkers prefer a beer that's easy to drink a lot of. Loyalists told us that Canadian beer – and Molson Canadian in particular – hit the sweet spot between harsh Euro beers and watery US brews.

From the brewery with most brewing experience

When we shared with drinkers the fact that Molson had been brewing in Canada longer than any other brewer it appealed to their left brain as unique and unarguable quality credentials.

EMOTIONALOf Canada*

Patriotism aside, it was clear that the brand's cultural provenance was a genuine source of emotional affinity. The trick would be to keep the baby of Canadian-ness and ditch the bathwater of national pride. **Crossover Note 15.**

We developed these nuggets into a single motivating brand promise that combines the best of the emotional and rational strengths:

TRUE CANADIAN TASTE FROM CANADA'S OLDEST BREWERY

EXECUTION

We took a dual-streamed "brand" and "quality" approach to TV, to appeal to the head and the heart:

Brand Spots

Under the Snow

We told the 'True Canadian Taste' story using Canadian beer truths gleaned from informal qualitative groups—like storing winter beers in the snow.

The spot ran from mid Oct 2005 to early December 2005.



Snowbank Truck

Our follow-up brand spot dramatized the idea that Canucks love of their favourite beer trumps their well known helpful nature.

Each brand spot ran in a 5 week burst, spanning March and April 2006.

Quality Spot

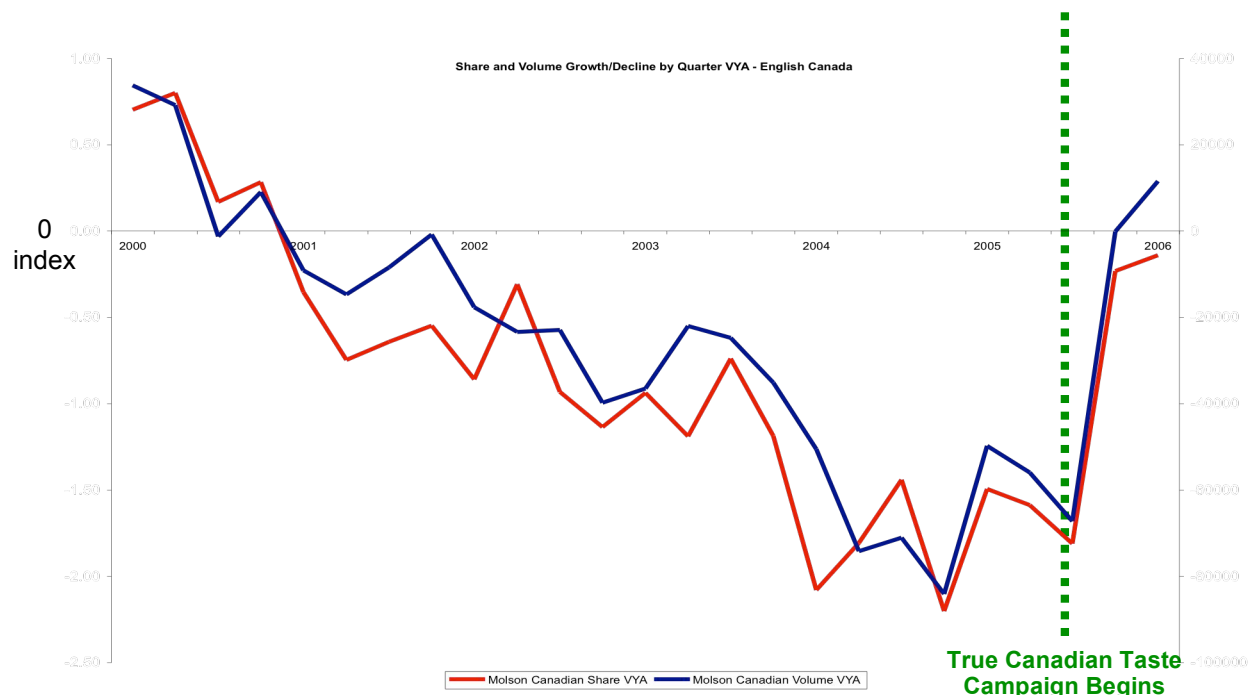


It is notoriously hard to get guys to notice beer brands talking quality, so we capitalized on the insight that Canadian's don't like to brag, and the brand's dry sense of humour, to laud our long-standing brewing credentials.

We ran a burst for 5 weeks over Jan-Feb 2006, and low-level 'corporate weight' throughout the advertised period to create a consistent presence.

BUSINESS RESULTS

Molson Canadian's share and volume grew during the advertised period for the first time since 2001. In Q4 2005 share stabilized versus the preceding quarter, and in Q1 2006, it was up 6% -- the first such growth in over 5 years.



Source: Molson Canada

CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

1. Tracking proves the campaign is driving positive brand associations and usage.

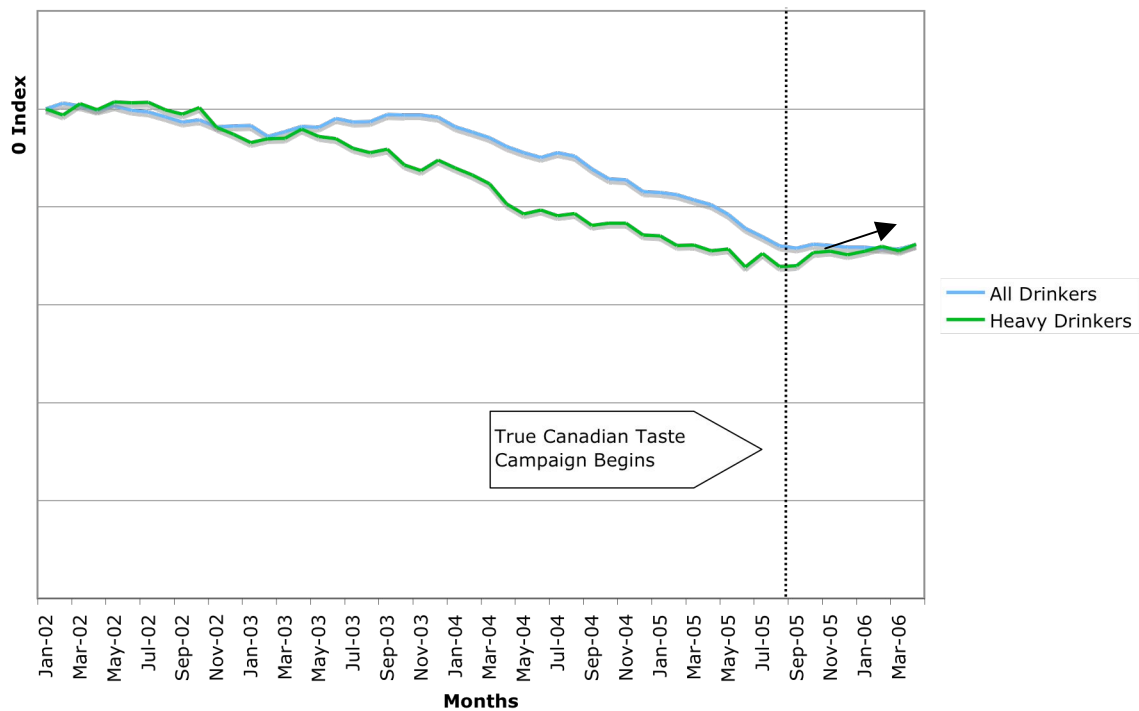
Metrics are much stronger than for the 'I AM CANADIAN' campaign that was running previously.

Adgraph sample: Males, LDA-29, Ont. / West	Norm	American Beer	Snap My Fingers	Do You?	Under the Snow	True Canadian Taste	Truck in Snowbank
		Apr. / May 04	July / Aug. 04	Nov. / Dec. 04	Nov. / Dec. 05	Feb. / Mar. 06	Mar. / Apr. 06
Tracking Period							
Past 4-week Usage	n/a	92	114	110	161 ↑	188 ↑	96
Relevance	n/a	105	88	126	108	105	148 ↑
Quality Perception	n/a	106	92	97	114 ↑	113	107
Popularity	n/a	104	102	109	119 ↑	113	101

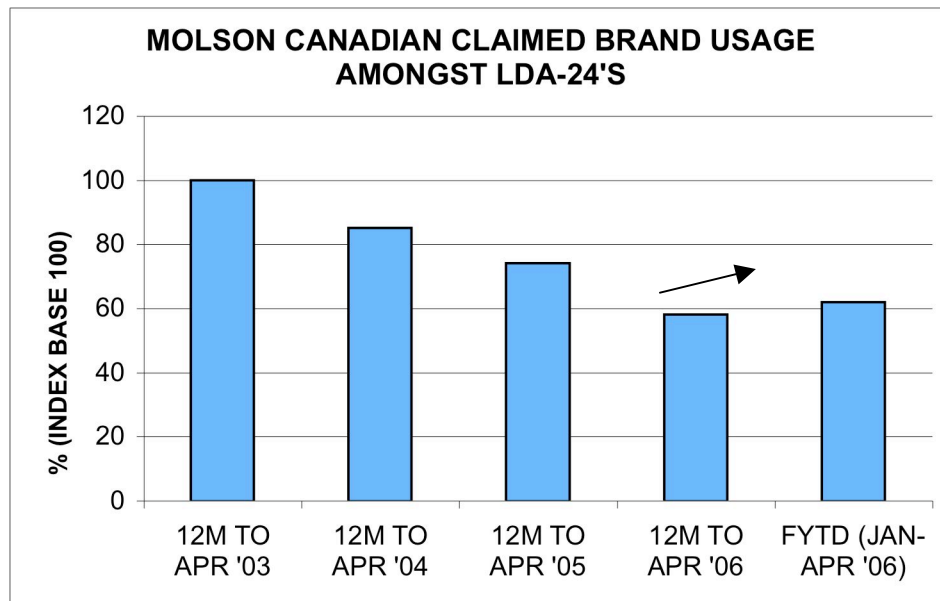
Source: Ipsos Tracking Study.

2. The declines amongst heavy drinkers have been recovering since the introduction of the True Canadian Taste campaign.

% Growth/Decline in Drinkers (Qualified Beer Drinkers) who Claim that Molson Canadian is Their Regular Brand



3. Claimed usage is recovering amongst LDA - 24s since the new campaign began



Source: Ipsos, Molson Tracking Study

- 4. Media weight is not a factor in this success.** In real terms the advertising levels for the 6 month case period were consistent with those during the previous 12 months, and there was no significant change in Molson Canadian's Share of Voice.
- 5. The product, packaging, pricing, sales/promotional strategy and distribution did not change throughout the advertised period.**