

Cassies 2006 Cases

Brand/Case: Stouffer's Bistro Quick Casual Meals

Winner: Off to a 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 6. Should the Product be Improved?
- Crossover Note 14. Refreshing a Continuing Campaign.
- Crossover Note 33. Changing the Target Audience.

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): September 2005 – May 2006.
Start of Advertising/Communication Effort: September 26, 2005.
Base Period for Comparison: n/a

In 2005, the once prosperous Center of Plate (COP) category was leveling off, and STOUFFER’S needed to find growth outside the category. Meanwhile, adult snacking and grazing were on the rise, pointing to opportunity in the casual meal territory.

STOUFFER’S decided to create a whole new section in the Frozen aisle consisting of Hand Held foods and Frozen Pizza—under the successful Bistro name. **Crossover Note 6.** The new section would be called “Quick Casual Meals” (QCM), led by two products: Crustini—a new croissant-style product—and Flatbread, a new pizza.

Crustini and Flatbread. reached 100% of their sales target after only five months. They also drove the Bistro franchise from \$12.0M in 2005 to a projected \$21.0M in 2006 – a 75% growth.

SITUATION ANALYSIS

a) Overall Assessment

STOUFFER’S has been a key player in the Centre-of-Plate (COP) market for 34 years and was the number one branded manufacturer in the Frozen Food industry. In recent years, however, COP growth had flattened (+2%) for two major reasons:

1. There was limited space in the freezer, which led retailers to a "one in-one out" mentality with new products.
2. There was significant growth in other frozen foods, as well as affordable, quick, and easy meal options such as Tim Horton’s.

Adult snacking and grazing were on the rise. Snacks led the top 10 food introductions between 2001-2004 with a 523% growth globally¹. So STOUFFER’S decided the best place for growth was outside the COP market. The Hand-Held category was particularly interesting, with 24% growth in 2005. Frozen Pizzas were also growing at 10%, with thin crust pizzas growing at +40%.

The existing HH players were “gut fill” products targeting households with teens. STOUFFER’S saw an opportunity with adults. They accounted for 66% of Canadian households, yet represented only 32% of HH consumption². **Crossover Note 33.**

Adults wanted to participate in this category, but were dissatisfied with current offerings. For the most part, the products delivered a chewy, doughy crust out of the microwave, which was not pleasing to the adult palette.

¹ Global trends and predictions, GNPD Consulting Services, Jan 2005

² Canadian Restaurant and Foodservices Association, StatsCan

To take advantage of this, Nestlé had micro-baking technology that could produce a superior flaky croissant-style product—called “Crustini.” Separately, they also had a microwaveable pizza with a thin, crispy crust called “Flatbread.”

Since the launch of Bistro four years ago, it has been successful with its various product lines, starting with Classic and Italiano (bowls). Given its equities as a “restaurant-inspired” premium brand, the team decided to brand Crustini and Flatbread under Bistro.

b) Resulting Objectives

- Drive **incremental volume growth** for STOUFFER’S through **innovation outside COP** market [Crustini and Flatbread]
- Establish **premium pricing** to ensure profitability for both Nestlé and the retailer

STRATEGY & INSIGHT

Consumer Insight: According to Nestlé’s consumer segmentation profiles, the Quick Casual Meal consumer is an “Unfulfilled Provider.” These consumers:

- Constantly struggle to provide for others given a lack of time.
- Find the convenience and basic good taste of the current products sufficient for “gut fill,” but they want more than gut fill
- Believe current Hand Helds are closer to junk food than real food, but still eat and serve them for lack of a better option.

Based on this, we developed the following: *When I am craving a hot and savoury snack, I wish I could find something that’s tasty and freshly baked at a moment’s notice.*

Product Insight: Thanks to the revolutionary micro-baking technology, Crustini and Flatbread taste as if they are freshly baked, right out of the microwave.

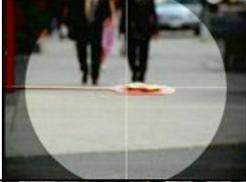
Strategy: To establish the QCM category by launching 12 superior tasting, convenient, restaurant-inspired products that offer adults fresh-baked taste at a moment’s notice.

EXECUTION

We launched Crustini with a spot called “Journey :30.” This was an evolution of the successful “Waiter :30” spot that had launched Bistro. [Crossover Note 14](#).

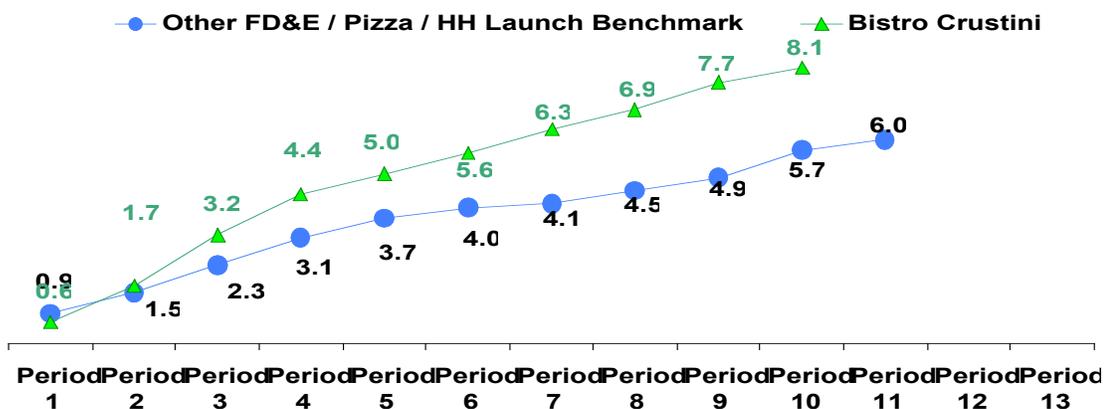
The spot launched September 26, 2005 and ran for eight weeks with staggered flights to allow for a longer presence. “Journey” focused on Crustini to ensure that consumers understood the product³. Once established, we adapted the spot to include a 5 second Flatbread tag. This aired on February 23, 2006 for seven weeks.

³ Millward Brown LINK testing, November 17, 2005

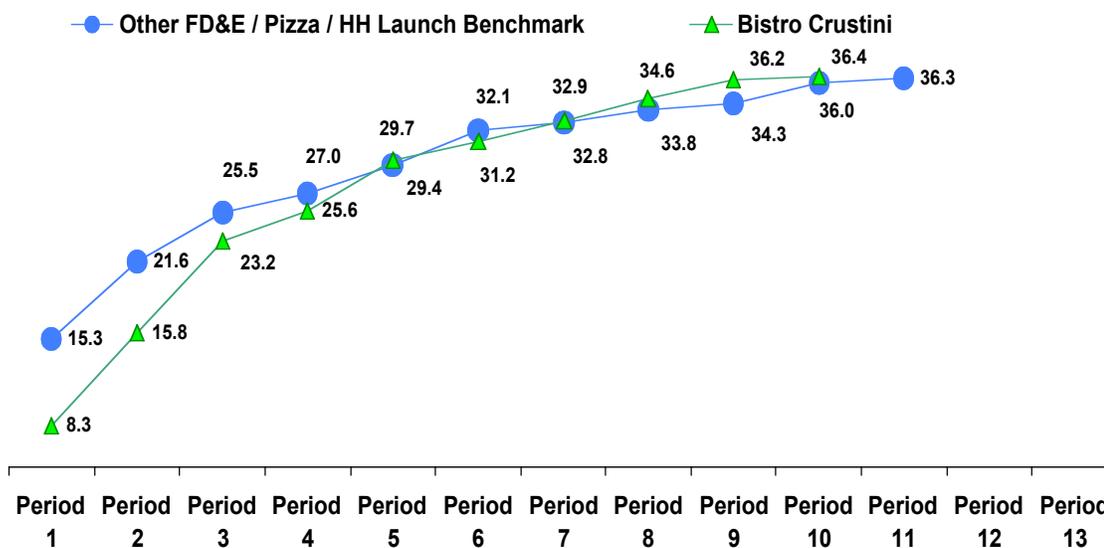
“Journey” Launch TV :30	
	We open on the inside of a bustling bistro style café where we see fresh baked crustini being prepared. The chef, holding his peel, admires his creation and extends the peel onto the countertop. However, just as it reaches the countertop, he extends the peel out into the café.
	We cut to the outside the café where we see the peel, with fresh-baked crustinis, heading out the door.
	The peel continues to extend across town past people lined up for kebabs...
	...a surveyor...
	...people playing chess...
	Then into a townhouse kitchen where it's placed on a plate in front of a couple.
	They admire the product, and the woman indulges with the flakes appearing on her lips.
	Cut to counter with beauty shot of fresh-baked crustini in front of microwave with packaging.

BUSINESS RESULTS

- STOUFFER'S reached 100% of its sales target after only five months in market.
- Current sales are tracking to over-achieve 2006 plan by 13%.
- Crustini and Flatbread drove the Bistro franchise from \$12.0M in 2005 to a projected \$21.0M in 2006 – a 75% growth.
- This has been achieved with premium pricing i.e. it is *margin-enhanced* growth.
- Very significantly, it has also been achieved without losing any major account listings i.e. it has beaten the "one in, one out" problem. (The competition was not so lucky. We got this shelf space at their expense.)
- Consumer response has been phenomenal. Trial rates on Crustini have surpassed benchmarks by 42%!



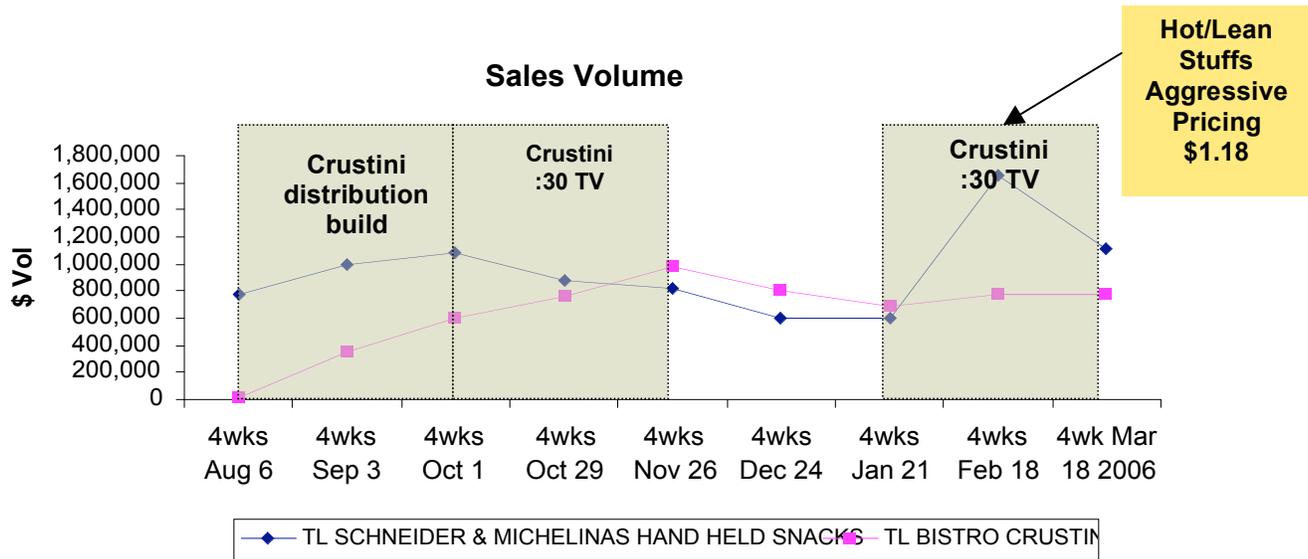
Repeat rates for Crustini have also been strong, and are in line with industry norms⁴.



⁴ ACNielsen Homescan Trial & Repeat, period ending May 2006

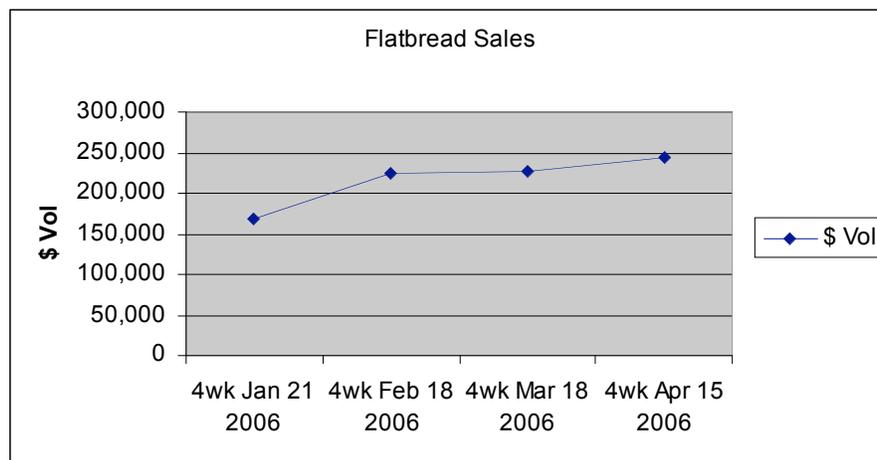
CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

We look primarily at the results advertising had on Crustini since the TV spots were heavily focused on this product. The chart demonstrates a sales increase of 217% while the original "Journey" aired⁵.



Research also proved that "Journey" enjoyed recognition levels of 48% compared to "Waiter" at 40%. Its brand ID was also stronger at 55% versus 'Waiter' at 42%⁶.

In addition, the "Journey" spot—with the Flatbread tag that aired in February 2006—drove growth at 45% during the period it aired⁷.



⁵ Source: ACNielsen Market Track, HH Snacks, Latest 4 Weeks to Feb 18, 2006

⁶ Millward Brown Media Tracking April 2006

⁷ Source: ACNielsen Market Track, 4 weekly to April 15, 2006