

Cassies 2006 Cases

Brand/Case: TradeFreedom

Winner: Off to a Good Start—Bronze

Client Credits: TradeFreedom Financial Inc.

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Agency Credits: GJP Advertising

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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 4. Business Strategy dictated by Brand Positioning.
- Crossover Note 12. Changing the Goalposts.

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): January 2006 - May 2006
Start of Advertising/Communication Effort: January 2006
Base Period for Comparison: 2005

“In an industry fast becoming commoditized, with pricing, technology and service fast becoming equivalent, TradeFreedom must begin positioning for the long term, as a unique answer to our target market’s online trading needs”

Jay Ferst CEO TradeFreedom June 2005

Imagine trying to convince people to switch online brokerage service to an independent Canadian company. That is what TradeFreedom faced in 2006. Its niche in Direct Access Technology (DAT) was being squeezed. To survive and grow, TradeFreedom had to reposition from a DAT trader to an online broker. **Crossover Notes 4 and 12.**

This was a radical change, and it took radical moves, as this case will show. Versus 2005, all significant metrics improved. Notably, Active Clients grew by 52.7%—and this was achieved while reducing the acquisition cost by 5%

SITUATION ANALYSIS

a) Overall Assessment

Online discount brokerage in Canada has been dominated by the major banks since the 1980s. Canadian-owned TradeFreedom launched in 1999, and established leadership in the niche Direct Access Trading (DAT) segment, whereby investors make direct trades without working through online discount brokers. With a unique trading platform, very competitive commissions, and quality service, TradeFreedom had a strong albeit small client base.

In order to grow, TradeFreedom needed to re-position itself as an Online Broker rather than as a Direct Access Trading broker. Two factors were driving this need to re-position:

1. The Direct Access Trading (DAT) technology was not defensible. American firms were incorporating it, and we expected major Canadian banks to follow suit.
2. Direct Access Trading prospects in Canada are limited—approximately 100,000, versus the 3,000,000 who trade through an online discount broker.

TradeFreedom was built on advertising that drives prospects to www.tradefreedom.com to learn more about the company. Prospects can then become Active Clients in two ways:

- Download a trial of the TradeFreedom trading platform for 30 days, complete an application, and then open a trading account with \$10,000.
- Complete the online application immediately, and open an account with \$10,000.

Given the \$10,000 investment, prospects needed confidence in the company, and the DAT tools, and the advantages of trading through TradeFreedom.

Given that the annual marketing budget was under \$1 million, cost-efficient acquisition was also essential. However, TradeFreedom needed to rapidly grow its client base. We believed the answer lay in a dramatic and radical shift in TradeFreedom’s advertising.

b) Resulting Objectives

Drive quality web visits to increase Trial Downloads, Applications and Active Clients, while maintaining, and hopefully lowering, the \$446 acquisition cost per Active Client.

STRATEGY AND INSIGHT

To grow the client base TradeFreedom needed to target prospects who currently conduct multiple trades every month through an online broker. They are market knowledgeable, savvy traders who want to strengthen their personal trading strategies and investment returns. During work, they have ROBtv on in the background. They scour the business press and on-line sources, hunting for information that will give them the inside track. We believed, in the back of their minds, that they thought there must be a better way to online trade than through an online broker.

In 2005 the advertising in the category – TradeFreedom’s included – was product-dense. Ads listed the trading tools, with visuals of the online platform, and big “trades as low as” price points. The ads all spoke about what the company offered, and did not get into the mindset of the actual trader.

Thus, the insight—and the advantage of moving to TradeFreedom. *To be a better trader.*
Crossover Note 1.

Instead of jamming everything in, each new TV ad and online banner would focus on a single benefit such that the totality delivered the complete TradeFreedom advantage.

And to communicate TradeFreedom’s move into the broader trading arena, each ad would close with: *TradeFreedom. Canada’s Online Broker.*

EXECUTION

In 2005, TradeFreedom had developed a media mix – ROBtv, Globe & Mail, Search Engine and Online advertising – generating Active Clients at a fraction of the cost of competitors (ETrade \$2800, DisNet: \$2500, TradeFreedom: \$446). So the challenge was not to change the media, but to optimize it with advertising that would grow the client base cost effectively.

We started by assessing www.tradefreedom.com It had served the company well for five years. But given the strategic shift in the business it needed redesign—from the site of a competent niche player, to one that exceeded the competition.

To communicate a progressive Canadian company that understands the drive of traders, we introduced a nature metaphor. Executions focused on:

Better technology = Be a better trader
 Better tools = Be a better trader
 More products = Be a better trader



We developed three television spots for ROBTv. Understanding that ROBTv tends to be a background medium during prospects 9am-5pm working lives, these ads needed to work visually, and with distinctive audio. We also replaced previous online advertising with two types of motivational banners that drove prospects to the TradeFreedom site:

Smart-box banners that acted like a microsite within the banner
 Display banners that played off the television spots

And lastly, we replaced the Globe & Mail earlug with a masthead ad on the Money page.

As for tracking, prospects had previously been tracked by self-reported data: the old “where did you hear about us” question. To accurately measure the source of prospects, and how they moved through the sales funnel, we introduced Media Metrics with ROI tags and unique URLs.

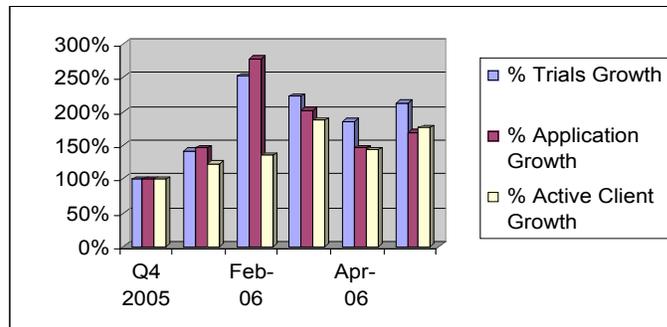
Work on the repositioning began early in November 2005 with the following budget:

Website redesign and launch online banners:	\$50,000
Produce 3 ROBTv ads:	\$50,000
Refresh online banners in Q2:	\$13,000
12 month broadcast, print, online media:	\$760,000 (\$380k for first 6 months)

By mid-January the repositioned TradeFreedom went live.

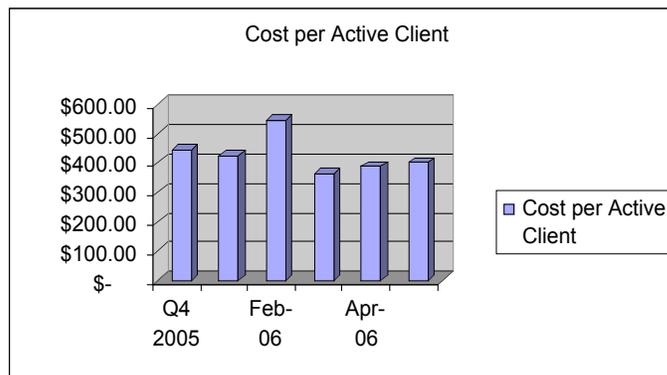
BUSINESS RESULTS

Using the same proven media mix as 2005, the new 2006 advertising campaign met or exceeded all objectives.



Versus 2005, the campaign increased Trial Downloads by 102.6%, Applications by 87.9% and Active Clients by 52.7%.

Increase in Trials, Applications & Active Clients



These Active Clients were generated at \$425.32 per Active Client... a \$21.08 decrease from 2005.

Lower cost per Active Client achieved

CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

The campaign was a blending of the science and art of advertising. Unlike the previous advertising in this category, the new advertising was:

- Benefit driven not information heavy
- An emotional pull, not just facts and low price
- Single minded for any given execution, using synergy to tell the complete TradeFreedom advantage story
- Focussed on measurement by medium at each stage of the sales funnel

In addition, TradeFreedom got feedback from the trading desks, the financial community and competitors about the dramatic shift, taking on the big guys.