

Cassies 2006 Cases

Brand/Case: Grolsch Beer

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 7. Fighting for the Same High Ground
Crossover Note 9. Turnarounds.
Crossover Note 18. Keeping it Simple.

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 2005 – December 2005. *
Start of Advertising/Communication Effort: May 3, 2005.
Base Period for Comparison: Calendar 2004.

* We are comfortable releasing sales figures only on an annual basis.

Internationally, Grolsch is known for its smooth, distinctive taste, superior quality, and iconic swing-top bottle. It has been available for more than a decade in many retail and licensed locations across Canada. However, 2004 presented a crisis for the brand. Equity and awareness, driven only by word-of-mouth and sales effort, plateaued. Meanwhile, Grolsch was taking a price increase, losing distribution, and losing market share.

With Stella Artois and Heineken leading the pack, the premium segment was on a roll. In Ontario (the location for this case) the segment was up 13% in 2004. And these big budget spenders were not the only ones driving growth. Beck's, Tuborg, and Pilsner Urquell had also started to flex their muscle. Despite this pressure, Grolsch managed to turn the business around in 2005. **Crossover Note 9**. This case explains how.

Cheersch!

SITUATION ANALYSIS

a) Overall Assessment

Grolsch, brewed exclusively in Holland since 1615, is recognized worldwide for its superior quality and smooth, distinctive taste. In Canada, it suffers from limited distribution, and prior to 2004 Grolsch had no consumer communication. Its niche had been created by word-of-mouth and sales effort.

Without advertising, Grolsch had seen slight year-over-year incremental growth, but by 2004 brand equity and awareness had stalled. Consumers who were aware knew it was a premium beer from somewhere in Europe, and some recognized it as the beer in the iconic swing-top bottle.

In 2004, Grolsch volume in Ontario was basically flat, and share declined, as the premium segment grew 13% driven by spectacular results from Stella Artois. At the same time, Grolsch had a 7.7% price increase on 330ml bottle 6-packs, and a 15% hike on 500ml cans—which together accounted for more than 95% of Grolsch's sales.

Exhibit A: Share of Ontario Import Premium Market, 2003-2004 (in hectolitres)

	2003	2004	Change
Premium Imports*	259,169	293,053	+13%
Grolsch Premium Lager	28,988	29,398	+1%
Grolsch Share	11%	10%	-10%

*Includes Heineken, Stella Artois, Beck's, Tuborg, Lowenbrau, Holsten, Warsteiner Premium, & Pilsner Urquell

Brands like Stella Artois and Heineken had come to dominate the premium segment, aided by considerable media support in TV and the sales and distribution strength of the country's two largest brewers. Beer drinkers were also starting to hear from Beck's, Tuborg and Pilsner Urquell, and other brands looking for a piece of the growing import segment.

As if things weren't gloomy enough, Grolsch's on-premise distribution also declined substantially in 2004 versus 2003, down an average of 27% in the high-volume summertime months.

Exhibit B: On-Premise Distribution - 2004*

June		July		August		Summer Avg.	
Count		Count		Count		Count	
342	-29%	344	-29%	354	-22%	347	-27%

*An on-premise location is considered a Grolsch distribution point if it orders at least every 3 months.

b) Resulting Objectives

Focusing on Ontario, the 2005 goal was to grow sales by 10%.

STRATEGY & INSIGHT

The target was men, 25 to 34, who appreciate quality and reject the ordinary. Reaching them would be a challenge, considering that these psychographics were similar to those of the other more established and considerably more aggressive players in the market. [Crossover Note 7.](#)

How could we communicate Grolsch to this consumer? With a low media spend, we needed to isolate one property and focus on it.

The strategy that evolved out of multiple brainstorming and focus groups centered on Grolsch's uniqueness—its packaging (the swing-top bottle), the name, and even the typeface in the Grolsch identity. In addition, and perhaps most important, we had the unique and distinct taste of the beer itself.

There was something engaging in uniqueness. But we had to be careful. There are too many examples of brands talking at consumers: soft drinks telling teenagers they are cool, auto manufacturers pushing style over substance, and so on. Brewers, traditionally, are perhaps the guiltiest of this shortcut.

It was here that we arrived at the real insight: “**Don't tell me you're unique. Be unique.**” Using this as a measure, we could evaluate whether proposed creative was “telling” or “being.” This included the somewhat humorous warning in research; “Don't tell me how Stella you are.”

EXECUTION

We discovered uniqueness by looking no further than the for Grolsch name. **Crossover Note 18.** The “sch” created an easily recognizable identity that was unique to Grolsch, and that could be applied across multiple executions in various media. It was simple, clever and sophisticated.

Concept testing showed the strength of “sch”. It brought sociability and approachability to the brand, while not diminishing any of its premium elements. The tone and manner was relaxed and welcoming—clearly differentiated from other premium imports.

The media plan faced a challenge. The beer category is populated by high-powered domestic brands, homegrown craft brewers, and imported beers – many of them with advertising budgets for sustained mass-marketing campaigns. Grolsch did not have this luxury. We would have to build reach, and provide awareness close to point of purchase, while adhering to a tight budget. To achieve these objectives we would narrow the geographical scope to urban Toronto, and advertise during the key summer months.

We used radio because of its ability to build reach and frequency, as well as for its targeting capabilities and portability. We added a cottage country radio station to capture people moving beyond the range of Toronto stations. We chose outdoor to aid top-of-mind awareness and reinforce the radio. We had TSAs, billboards and wild postings close to Beer Stores, LCBO outlets and favourite drinking establishments.



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out. Each one focused on a key product attribute of Grolsch—with six radio commercials and six outdoor messages.

It certainly didn’t hurt that the main actor is an authentic Dutch man, from the town where Grolsch is brewed. Mnemonics like the “popping” sound of a swing-top bottle being opened and a “sch” in words other than Grolsch created a unique and easily recognized identity for the brand. We even had radio announcers picking up the “sch” schtick, and it wasn’t uncommon to hear “Grolsch-schpeak” from young people spending an afternoon on a sun-drenched patio or out on the golf course.

The outdoor executions relied on simple headlines. “Cheersch”, “Yesch”, “Thirschty”, and “Take it easchy.” The green duo-toned photography featured tastefully clad women (versus traditional beer T&A) and a consistent green bar running the length of the bottom of the poster, strengthening branding.

Each shot featured Grolsch’s iconic swing-top bottle, which, though only producing about 5% of Grolsch’s sales, reinforces the uniqueness of the brand. We also used this during the holidays with seasonally appropriate wild postings “Let It Schnow” and “Happy Holidaysch”.

BUSINESS RESULTS

Despite facing its first full year with new higher price points for 500ml cans and 6-packs, Grolsch delivered outstanding sales results. Ontario was ahead 14% in 2005, against an objective of 10%:

Exhibit C: Share of Ontario Import Premium Market, 2003-2005 (in hectoliters)

	2003	2004	Change	2005	Change
Premium Import Competitors*	259,169	293,053	+13%	317,288	+8%
Grolsch Premium Lager	28,988	29,398	+1%	33,393	+14%
Grolsch Share	11%	10%	-10%	10.5%	+5%

Grolsch also saw a dramatic shift in on-premise distribution. Placing Grolsch creative close to retail and point-of-purchase locations had paid off. After a 27% decline in 2004, on-premise distribution was up 85% for the summer months in 2005.

Exhibit D: On-Premise Distribution, 2003-2005*

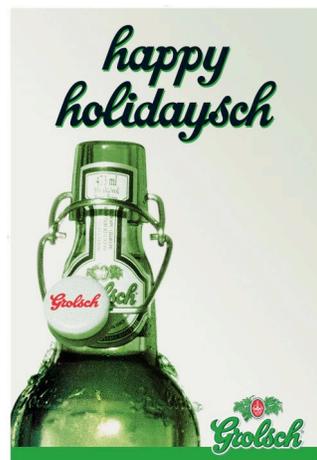
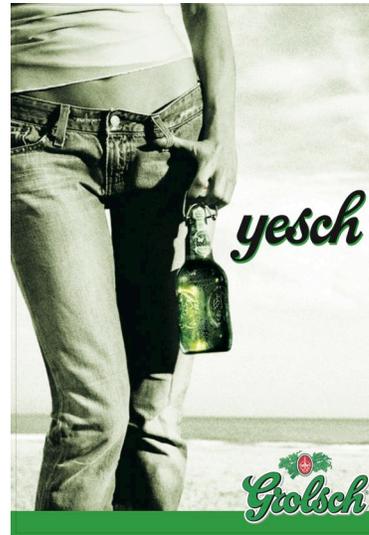
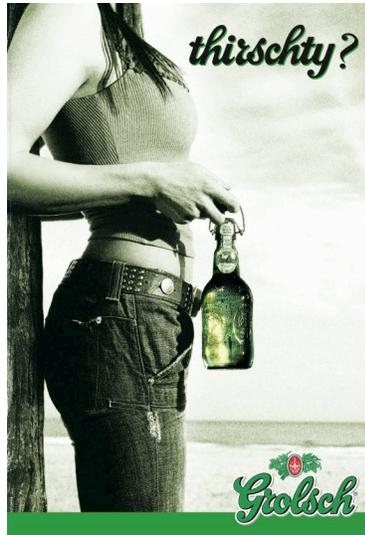
	June		July		August		Summer Avg.	
	Count		Count		Count		Count	
2005	615	+80%	664	+93%	641	+81%	640	+85%
2004	342	-29%	344	-29%	354	-22%	347	-27%

*An on-premise location is considered a Grolsch distribution point if it orders at least every 3 months.

The success in the Ontario has encouraged the brand to launch the campaign in Quebec using French-adapted versions of English creative in both outdoor and print executions. “Schanté!”

Incremental Volume versus Investment

Grolsch delivered over \$2 million in incremental revenue with an investment of under a million dollars.



CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

Grolsch enjoyed these results with a budget under \$800K. There were no product changes, no changes to distribution channels, and no increases in sales representatives during the calendar year. There were also no packaging changes, nor incremental promotions/special events with the 2005 campaign.

Advertising tracking helped reinforce the success of the campaign. After the 2005 campaign, an Ipsos-Reid study showed that Grolsch had enjoyed a 50% increase in total unaided awareness and had almost tripled in the number of bottles per month per user, both VYA.

Exhibit E: Brand Metrics, Ontario, 2004-2005

	2004	2005	Index
Total Unaided Awareness	6	9	150
# of Bottles per Month per User	3.0	8.1	270