

CASSIES 2011 Cases

Brand/Case: Lay's – Happiness is Simple

Winner: Canadian Success Outside Canada—Silver

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 Production Company (video): Brand New School

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 CASSIES1997. The full set for CASSIES 2011 can be downloaded from the Case Library section at www.cassies.ca

- Crossover Note 1.** What a Brand Stands For.
- Crossover Note 2.** Brand Truths.
- Crossover Note 6.** Should the product be improved?
- Crossover Note 9.** Turnarounds.
- Crossover Note 16.** When a campaign stumbles.
- Crossover Note 18.** Keeping it Simple.

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

Section 1 – BASIC INFORMATION

Business Results Period (Consecutive Months):	January 2009 – June 2010
Start of Advertising/Communication Effort:	January 7, 2009.
Base Period for Comparison:	January 2008 – December 2009.
Geographic Area Covered:	Continental United States
Annual Budget Range:	Over \$5 million

Section II – SITUATION ANALYSIS

a) Overall Assessment

This is the story of an iconic brand turning its business around and posting unprecedented growth. At several billion dollars in sales, Lay's Chips is the biggest food brand in the US. It is an icon of American culture, and a staple in over 65MM US households. But under pressure on many fronts, Lay's sales had been declining for years. **Crossover Note 9.**

Perceptions of Lay's had become largely negative – highly processed, containing trans fats – but they were also untrue. We needed to correct the misperceptions. We also needed to do something more significant – reignite consumers' love for Lay's as a brand.

To rebuild Lay's iconic status, we would reframe the entire brand story.

- We would tackle the misperceptions by telling consumers that *Lays is simple and unprocessed* – made with just 3 simple ingredients (potatoes, heart healthy oil and a dash of salt). **Crossover Note 18.**
- We would do so in a way that reflected *a latent but positive emotional connection* with the brand.
- We would show them that inside every bag of Lay's *is a moment of happiness* that reminds us that the best things in life are simple.
- We would invite them to participate in this belief and *share their own simple happiness* for all of America to enjoy.

This was all communicated in the “Happiness is Simple” campaign.

b) Resulting Business Objectives

We had three objectives, all to be achieved with no product innovation **Crossover Note 6:**

1. Regain lost purchase frequency via a 2% increase in shopping trips for calendar 2009 vs. year ago.
2. Deliver 5% dollar sales growth for calendar 2009 vs. year ago.
3. Reignite the emotional connection consumers once had for Lay's.

SECTION III — STRATEGIC THINKING

a) Analysis and Insight

Lay's has an iconic all-American status comparable to Levi's and Coke. But the business had been slipping for years, fighting competition from regional brands, private label, and healthier eating trends. In fact, Lay's had become a poster child for junk food. This left little reason for loyalty. For many users the decades-old tagline "Betcha Can't Eat Just One" had come to reinforce the problem. ("Yeah, I sure can't eat just one" was a common refrain on food & diet blogs). People who had previously been heavy and medium users were eating Lay's less often, and previous advertising for Lay's had failed to stem this decline. [Crossover Note 16](#).

The market for Lay's is squarely middle-American: hard-working, middle-class families. They are in their mid-thirties and forties, primarily women. They have an average to below-average family income, and although their lives are often busy and challenging, they are happy people. They find joy in the simple things around them – especially family and friends. The core consumer insight would be:

“Despite what people say, the best things in life truly are simple.”

We called them ‘**grounded optimists**’ because regardless of what the world throws at them, they see the positive in everything. But they had become conflicted about the brand because of negative, but untrue, health perceptions:

- 80% of Americans thought Lay's are highly processed
- 70% thought they have trans fats (although they were removed over 5 years ago)
- Over a third didn't believe that Lay's are made with potatoes!

On the positive side, they saw Lay's as a small pleasure that evoked nearly universal feelings of simple, happy times like childhood, picnics and barbeques: a part of the American fabric. They *wanted* to love Lay's again. [Crossover Note 2](#).

b) Communication Strategy

Natural imagery of rural America, honest farmers, family experiences and front porch moments made the strategy telegraphic, and became the new campaign backdrop.

- To address the health misperceptions of Lay's, we reframed it as an “ingredient” message in order to remove the feeling of defensiveness.
- We celebrated consumers' latent love for the brand by reminding them of its timeless role in the “fabric of America.”
- We shared the little known truth that Lay's potatoes are locally grown on farms all across America.
- We developed new engagement components that invited consumers to share their simple happiness with all of America

Section IV – KEY EXECUTIONAL ELEMENTS

a) Media Used

- TV
- Print
- Out-of-Home
- Digital
- PR
- POS displays

b) Creative Discussion

“Happiness is Simple” is a double entendre that reflects our consumers’ belief that happiness is simple to achieve, and the truth that Lay’s, made with three simple ingredients, is a simple pleasure. **Crossover Note 1.**

Rather than approach this as advertising, we chose to craft the campaign like a story – told in many forms, across multiple media, with many layers of engagement. A story so compelling that media outlets, bloggers, consumers and customers would want to share it on our behalf.

The first stage launched in January 2009 and reframed perceptions of Lay’s from the poster child of junk food to a permissible pleasure.

To quickly shatter misperceptions, we created an anthemic, national TV spot called “Fireworks” to set the tone for the work that would follow.

Fireworks TV Storyboard



Corresponding print & out-of-home drove home Lay's three simple ingredients message by using natural imagery of potatoes, farms and the involvement of people.

Out-of-Home



Magazine



Lay's Website



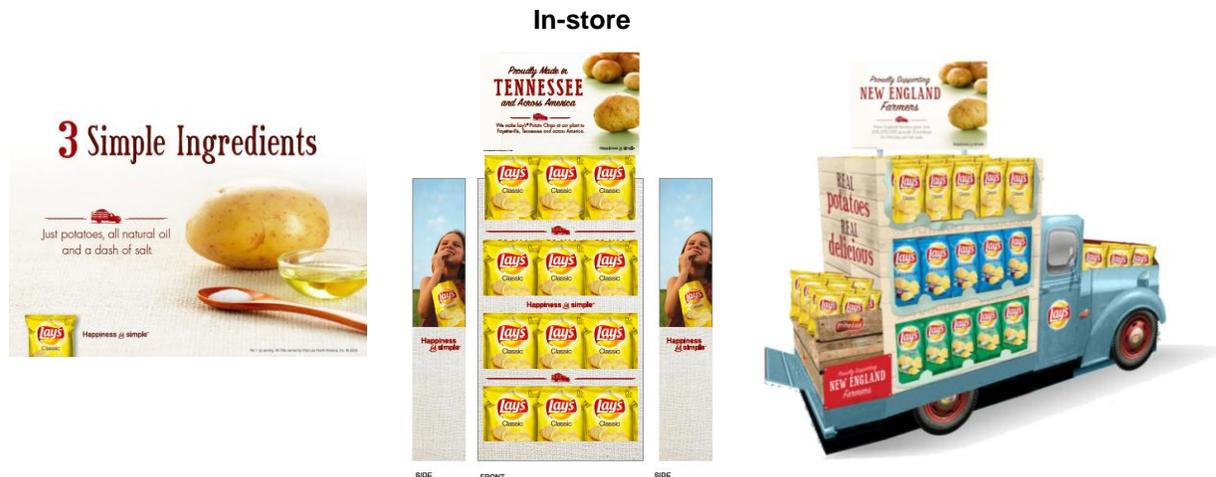
A new Lay's site showcased the 'three simple ingredients' story. We also created a 'Chip Tracker' widget that allowed Americans to discover how close to home the potatoes were grown and chips were made, by entering the code from their bag of Lay's.

The second phase started in May 2009.

Lay's is both grown and made locally all across America, so we profiled five of Lay's potato farmers. Their stories are rich with emotion, humility and community, and a sense of fun and happiness at being part of this great brand. All elements of the campaign were highly customized to individual markets, with 38 different versions of the in-store, print and out-of-home materials, and 300 pieces of POS for the sales force—the largest in-store program in Frito-Lay history.

TV





We reasoned that by telling the timeless story of Lay's, we would reawaken people's love for this iconic brand. So we put information on the website and in PR to enable others to tell this story with us. We made available:

- The story of Lay's creation
- Biographies of the featured Lay's farmers
- Links to all the videos
- The names and locations of each of Lay's potato farms
- The locations across the US where Lay's are made

In 2010, we launched the third stage in our campaign.

Building off the momentum from 2009, we reinforced the belief that happiness is derived from the simple, authentic moments that surround us each and every day. 'Happiness is Simple' isn't just a tagline, it's a truth our consumers believe in and want to share.

Research uncovered that our target is the memory keeper of her family's happiest moments, and that photo collecting and sharing ranked extremely high with her. With this knowledge, we entered into a partnership with Flickr, to create the "Lay's Happiness Exhibit" – an online photo gallery that let our consumers share photos of their happiest moments for all of America to enjoy.

The campaign launched with a video take-over on Hulu, inviting consumers to upload their photos to www.happiness.lays.com with a corresponding national print spread in People magazine. Digital advertising on sites like Yahoo!, iVillage, and weather.com reinforced our invitation to America.

Through this Flickr partnership, users were able to upload, tag and share photos that could be sorted by theme, location, rating or photographer. Customized screensavers, wallpapers, build your own video and something we call the 'smile-o-gram' tools engaged consumers with cool things to do with their photo, using Facebook, Twitter or simple email.

A photo of the day was always featured on the homepage to showcase the pictures submitted and we created contests around specific themes. e.g. Mother's Day and Memorial Day weekend.

And the payoff? A chance to have your picture featured as part of the Lay's brand campaign—in a Lay's double page ad in People magazine, in online video creative and on the site itself.

Through PR efforts, the campaign was also featured in a wide range of media outlets ranging from Brand Week to the New York Times.

Print – Mother's Day



Print - Launch



happiness.lays.com Home Page



Digital banner



c) Media Discussion

Media support between 2009 and June 2010 was multi-dimensional and comprehensive:

- Print and national TV began in January 2009, along with the new Lay's website. (The campaign ran at 724 TRPs of TV, and 185 TRPs of print.)
- The "Local" TV and in-store effort launched in May and ran through July.
- A PR campaign kicked off in May 2009 with a Lay's farmers ringing the opening bell on the New York stock exchange (which was picked up by national and international media outlets including CNN & MSNBC).
- The videos were seeded on YouTube and other online video sharing sites, including a homepage placement on YouTube on July 4.
- Over 100MM bags of Lays featured a front panel call-out to the 'Chip Tracker Widget', something that over 250,000 consumers have used.
- 42,000 in-store displays featuring customized messaging were deployed at all major grocery accounts across America.
- Print, video and online advertising to support the "Lay's Happiness Exhibit" ran from March through late May 2010.

Section V – BUSINESS RESULTS

For 2009, Lay's had the best year in its history, exceeding all objectives.

- Lay's was the #1 CPG growth brand in the U.S., despite having no innovation. *Source: IRI*
- Dollar sales were up 13% vs. the year prior, exceeding the objective of +5%.
- Purchase frequency has been reversed, with total Lay's trips up over 8.9%, exceeding the goal of 2%. *Source: IRI*

Metrics of brand health are exceptionally strong:

- HH penetration was up +1.2pts vs. 2008 – the first growth since 2005. *Source: IRI*
- Market share increased by 1.0 pts - an enormous increase in a category where each share point is worth tens of millions of dollars. *Source: IRI*
- Brand reputation returned to 2005 levels *Source ITrac*
- Lay's delivered the biggest single year of growth for any brand in Frito-Lay's history – without any major product innovation. *Source: Frito Lay internal*
- The ROI on the campaign is well above 100% (*Source: IRI Drivers on Demand*).

And this success continued into 2010:

- Dollar sales are up an additional 7.3% vs. year ago *Source: Frito Lay*
- Total Lays trips are up 8.0% vs. year ago. *Source: IRI*
- Lay's HH penetration is up another +1.9pts vs. same period year ago. *Source: IRI*

Section VI – CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

Market mix modeling has shown that the new campaign is driving a significant amount of volume across the Lay's brand, and is doing so much more than previous campaigns.

- ROI is well above 100%. Furthermore, results were not driven by price cuts – pricing has increased since 2008, and market mix modeling shows that these price increases cancelled out the effect of any trade discounting (*source: IRI Drivers on Demand*).
- Campaign testing ranks Lay's TV and Print in the top 10% of all ads in the database (*source: Neurofocus*). Print advertising ranks #1 in brand association, #2 in recall, and #2 in action taken of all ads tested in the Q1 database (*source: Print Vista*).
- The campaign has generated positive response by both consumers and the media.
 - In 2009, Lay's on-line "Chip Tracker Widget" received over 250,000 visitors.
 - As of June 2010, Lay's Facebook page has 1,045,206 fans.
 - The YouTube videos have been viewed over 149,000 times.
 - The "Lay's Happiness Exhibit" ran from March through end of May and earned:
 - 379,664 Absolute Unique Visitors
 - Over 19,000 submitted photos
 - 216,000 fans on our Facebook fan page — now exceeding 1,000,000
 - Over 56,000,000 media impressions
- The advertising has been adapted for several other countries, including China.
- The in-store extension of the campaign secured 42,000 customized displays – three times that achieved for the Super Bowl time period.
- The campaign has garnered over 80,000,000 press impressions (*Source: Ketchum PR tracker*). Coverage includes the NY Times, Wall Street Journal, countless community papers, hundreds of blogs, and industry publications such as AdAge and BrandWeek.

Excluding Other Factors:

- **Spending Levels** – 2009 / 2010 spending levels were on par with previous years.
- **Pricing** – As noted above, business results were not driven by price cuts.
- **Distribution Changes** – No change in distribution from previous years.
- **Unusual Promotional Activity** – No change in promotional activity.
- **Other Potential Causes** – None.

In Sum:

"For a multi-billion dollar brand in a stagnant category to deliver double digit growth is truly, truly unheard of. Not only has this campaign reignited our consumers' passion for Lay's, but it has reignited our internal passion for our flagship brand."

Gannon Jones, VP Portfolio Marketing, Frito-Lay North America