

CASSIES 2011 Cases

Brand/Case: Redefining Réno-Dépôt's Value Proposition

Winner: Success Despite the Recession—Silver

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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 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 9.** Turnarounds.
- Crossover Note 16.** When a campaign stumbles.
- 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.

Section I — BASIC INFORMATION

Business Results Period in Consecutive Months: January 2009 – December 2009
Start of Communication Effort: September 2008
Base Period as a Benchmark: Calendar 2008

Geographic Area Covered: Province of Québec

Annual Budget Range: \$500,000 – \$1 million

Section II — SITUATION ANALYSIS

a) Overall Assessment

In 1993, in Québec, Réno-Dépôt created the renovation warehouse concept and lowered the costs of renovation in Québec with an “Every Day Low Price” (EDLP) policy. As the years went by, the lowest price with the largest selection of products and the greatest availability of stock remained Réno-Dépôt’s value proposition. **Crossover Note 1.**

In 2003, RONA Inc. bought Réno-Dépôt. Five years later, faced with sales decreases year after year, Réno-Dépôt’s business was in low gear. A new way of differentiating the brand was urgently needed. This situation was a result of:

- The arrival of Home Depot in Québec
- The introduction of RONA as a warehouse concept
- The sector becoming increasingly dependent upon year-long promotions
- A serious economic slowdown affecting the construction and renovation sectors
- A yearly decrease in sales to contractors and regular consumers

RONA Inc. was forced to ask itself about the continued viability of Réno-Dépôt.

b) Resulting Business Objectives

To revitalize Réno-Dépôt and halt the annual erosion of sales. **Crossover Note 9.**

Section III — STRATEGIC THINKING

a) Analysis and Insight

Historically, Réno-Dépôt cultivated its “Every Day Low Price” position through the theme *The people who lower the cost of renovation in Québec*. Furthermore, the brand was driven by a memorable ad campaign *If it existed, we’d have it*. The signature *We’ve got it* conveyed this promise so well that it was put on the façade of all Réno-Dépôt stores.

In 2008, it became obvious that this equity was no longer sufficient to counter the brand’s slow decline given the tough economic climate and extremely competitive environment. **Crossover Note 16.**

CROP tracking in 2007 showed that Réno-Dépôt was most popular with people who defined themselves as experts, while RONA and Home Depot were preferred by those who saw themselves as beginners or intermediates, and by women looking for inspiration. As a result, renovation experts and contractors, along with serious handymen, became Réno-Dépôt's new principal target. A new proposition was needed in order to talk to this group, while reinforcing brand equity.

b) Communication Strategy

In light of this, we initiated a new price policy that would favour bulk purchasing, thus stating clearly that Réno-Dépôt was seriously talking to renovation experts. **Crossover Note 33**. This policy would be called *13 to the Dozen*. It would be in force every day on all items in store. This allowed all Réno-Dépôt clients, contractors and handymen, to buy 12 identical products and get the 13th free, at all times, with no restrictions.

Note that it took guts to introduce this policy at a time of economic hardship when sales in the construction and renovations sectors were under real pressure, and where RONA Inc. was looking to protect its margins.

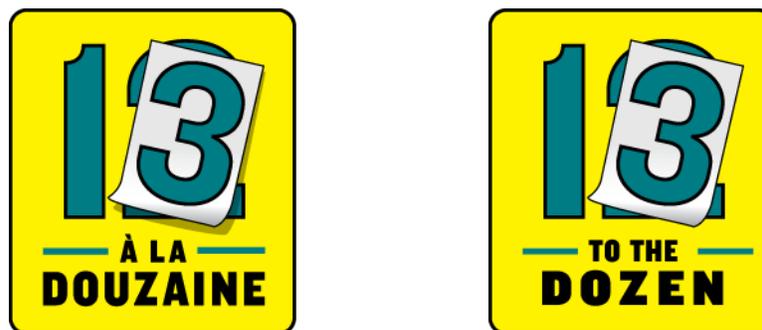
Section IV — KEY EXECUTIONAL ELEMENTS

a) Media Used

The campaign relied on TV, radio, as well as on-line support. Réno-Dépôt also sponsored the popular TV series “Les Boys” so as to reinforce the message to a more masculine target.

b) Creative Discussion

Starting in Sept 2008 a 360-degree communications plan drove home the new message. First, we created a new logo that became an integral part of all internal and external communications.



Internal training ensured that all employees fully understood the *13 to the Dozen* concept.

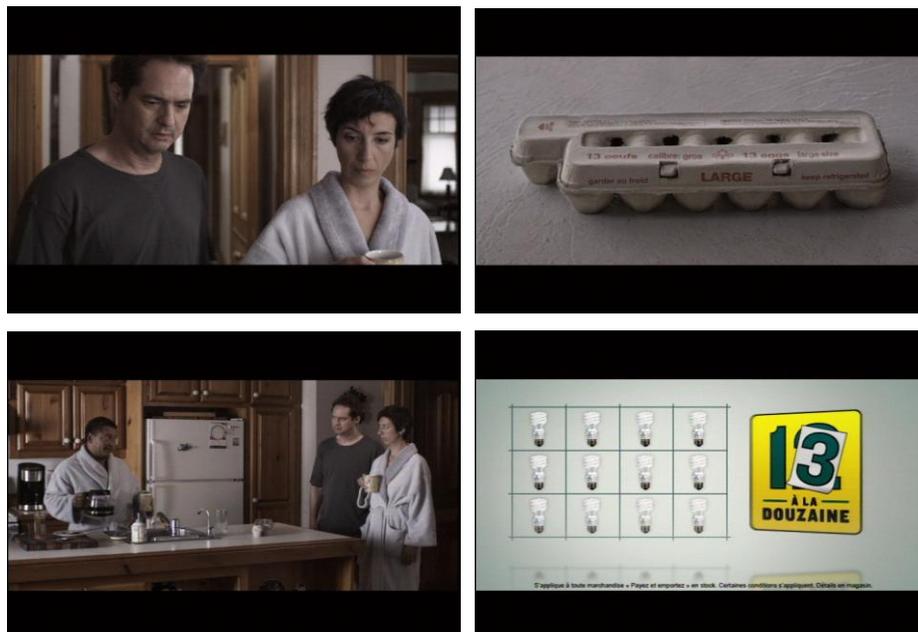
We also decided to keep Normand Brathwaite, a well-known comedian and artist, who had been the Réno-Dépôt spokesperson for 10 years, based on excellent awareness and likeability ratings confirmed by an Ipsos-Décarie research.

Creative Discussion (cont'd)

The campaign started with a 60-second TV teaser ad, and nod to the opening of the film 2001. It hinted at the coming of a real revolution in the world of renovation.



Then, a 30-second TV ad dedicated to *13 to the Dozen* showed how, thanks to Rénodépôt, a dozen items would never be seen in the same way.



At the same time, 30-second radio ads and 10-second tags pushed the same message. One execution featured a renovator who miscalculated his measurements because he heard from Réno-Dépôt that everything that comes in 12's (referring to 12 inches in a foot) now had to be 13. The announcer then specified that **13 to the Dozen** was valid only at Réno-Dépôt.

In the 10-second tags, play-on-words borrowed from construction referred to the radio bulletins that Réno-Dépôt sponsored. For example, the weather report tag said that **13 to the Dozen** was offered at all times, in good or bad weather, in a snow storm or pouring rain. The words “neiger à la planche” were used (literally: snowing a lot). “à la planche” is a Québécois expression meaning “to the maximum” and having the double meaning of “planche” which is also a plank. In the words “tomber des clous” (literally: pouring rain) “des clous” has the double meaning of “nails”.

To be fully integrated to “Les Boys” TV series sponsorship, three 15-second TV commercials reinforced the fact that only at Réno-Dépôt can you find **13 to the Dozen**. These commercials were all referring to items that can be ordered from “Chez Stan’s” menu, the famous restaurant where the “Les Boys” hockey team likes to hang out.



Visibility on the Web was also part of the sponsorship. An animated Big Box execution invited Web users to score the most hockey goals against “Les Boys” goalie, and then said that only at Réno-Dépôt can you get 13 chances/items for a dozen.



Web banners also explained what can be ordered at “Chez Stan,” again reinforcing the fact that only at Réno-Dépôt is 13 a dozen.



The animated Web files are available at the following url:
<http://www.svyrdev.ca/clients/renodepot/lesboys-2009/>

c) Media Discussion

The campaign launched with a :60 second teaser television commercial to dramatize the fact that something big was about to happen. A 30-second commercial followed, introducing the *13 to the Dozen* offer. The main visual of the newly designed egg container was also featured in Réno-Dépôt's launch circular.

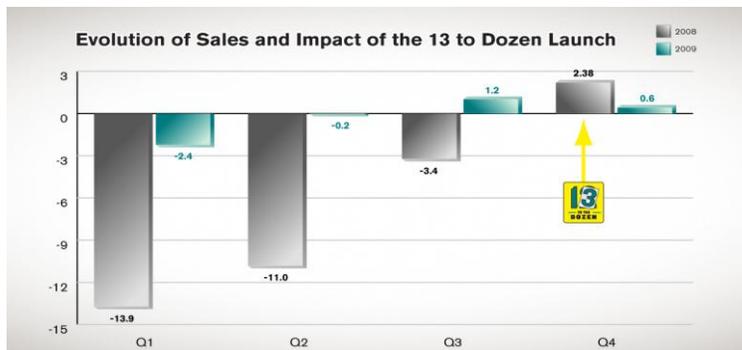
To support the TV launch, we aired radio commercials to communicate the new offer and bring more frequency to the message over a longer period of time. In order to reach the desired expert audience in an appropriate environment, we also bought radio sponsorship tags during traffic, weather, news and sports bulletins.

Apart from TV and radio, sponsorship of the popular TV series “Les Boys” for the first months of 2009 reinforced the *13 to the Dozen* concept. The environment was ideal to help bring additional awareness of the offer to the core of the target group.

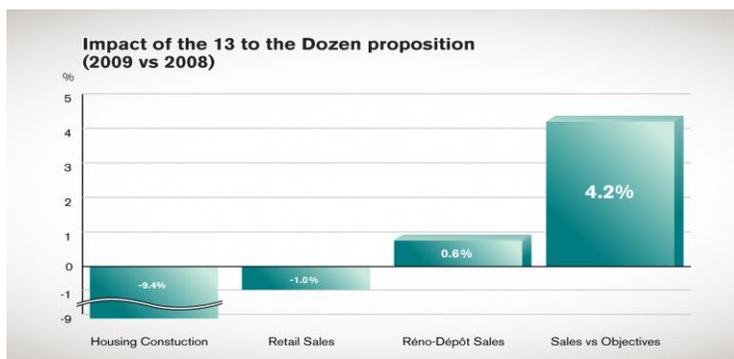
The sponsorship included TV presence through sponsorship boards and special TV commercials, as well as visibility on the CBC French Web site, in rotation with “Les Boys” pages and the Sports section.

Section V — BUSINESS RESULTS

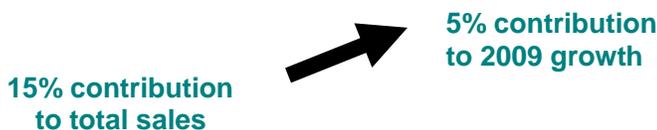
The launch of **13 to the Dozen** had an immediate effect on sales. After decreases in the previous three quarters, the communication activities that started in September 2008 contributed to stop the erosion of sales going into 2009.



A year after the launch of the campaign, Réno-Dépôt showed a sales increase of 0.6%, the first increase in five years.¹ This might seem low, but when sales in the housing construction industry were down 9.4%², and retail sales in general showed a 1.1% decrease³, any growth in retail sales can be hard to achieve. The annual sales results also bettered the sales objective by 4.2%, meaning that the banner had been able to grow market share.



The value of the average buy also increased by 1.3%.¹ with a 31.4% increase from contractors. The **13 to the Dozen** concept was delivering the message to the redefined target. At the end of 2009, the **13 to the Dozen** policy also accounted for up to 15% of weekly sales at Réno-Dépôt, generating a direct contribution to growth in the order of 5%. This allowed Réno-Dépôt to exceed its profitability budget in a recession.



¹ Réno-Dépôt, sales tracking report

² Canada Mortgage and Housing Corporation, 2010 – Province of Québec

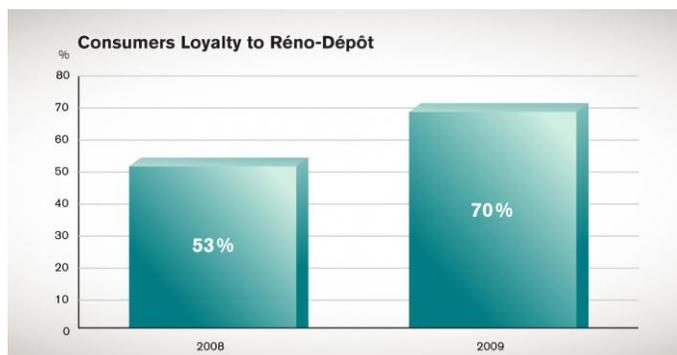
³ Stats Can, June 2010

Section VI — CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

At the end of 2009, *13 to the Dozen* was enjoying outstanding success. In fact, one Québécois out of two, aged 18 and over, was made aware of the policy through advertising, and 53% of them correctly attributed it to Réno-Dépôt. Furthermore, 70% of these consumers fully understood the extent of the offer.⁴

Awareness
51%
Attribution
53%
➔
Comprehension
70%

The campaign also contributed to increase Réno-Dépôt's patronage from 53% in 2008 to 70% a year later.⁵ Amongst reasons stated by consumers for increased visits to Réno-Dépôt were the relevance of this new price policy to their renovation needs.



With comparable global advertising investments year after year, and staying true to its “Every Day Low Price” and “in stock” proposition, it can be said that the advertising campaign developed to communicate the *13 to the Dozen* offer to the target of renovation experts has significantly contributed to the relaunch of the Réno-Dépôt banner.

END

⁴ CROP Express, Omnibus Research, October 2009.

⁵ CROP, Réno-Dépôt annual tracking, June 2009.