Cassies 2004 Cases

Brand: Réno-Dépôt

Winner: Retail—Silver
Regional Success—Silver

Client Credits: Réno-Dépôt
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Dominique Bérubé, Marketing Director
Jonathan Fisette, Marketing Coordinator

Agency Credits: Diesel
Philippe Meunier, Creative Director
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Phil Comeau, Copywriter
Alex Bernier, Copywriter
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Crossover Notes: All winning cases contain lessons that cross over from one case to another. David Rutherford has been extracting these lessons (he calls them Crossover Notes) since Cassies 1997. The notes for this case are as follows, and are attached. The full set can be downloaded from the Case Library section at www.cassies.ca

Crossover Note 3.	Core Equity versus Price & Promotion.
Crossover Note 10.	Conventional Wisdom—should it be challenged?
Crossover Note 1.	What a Brand Stands For.
Crossover Note 2.	Brand Truths.
Crossover Note 5.	The Total Brand Experience.
Crossover Note 6.	Should the product be improved?.
Crossover Note 7.	Fighting for the Same High Ground.
Crossover Note 25.	Brand Linkage (when should the brand name appear).

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

Executive Summary

Results Period: June 2003 - June 2004.

Start of Advertising/Communication Effort: May 2000.

Base Period: Year-ago, and historical trends.

What do you do when a worldwide corporation known to be a category killer steps onto your turf? When your existence is endangered, you adhere to the Three F's rule: you flee, freeze or fight. Réno-Dépôt was the leader of the home improvement market in Quebec. To protect that position against Home Depot, they decided to fight.

This case illustrates how simple and honest truths can produce distinctive and relevant advertising. It will demonstrate how powerful insight can leverage brand equity—and how Réno-Dépôt fought off the world's largest home improvement chain.

Situation Analysis

Réno-Dépôt introduced the big-box concept to Quebec in 1993, and is one of the most admired brands in *La Belle Province*. One reason has been the advertising philosophy. The belief in home hardware is that you spend mostly on "price and item." Réno-Dépôt decided otherwise—convinced that advertising should also help build a strong brand. They assigned the biggest portion of the marketing budget to image instead of product promotion. Crossover Notes 3 and 10. Through the major changes of the past decade, they stuck to their guns—and waited for the arrival of the monster from down south.

Home Depot came to Toronto in 1994. From there, they expanded across Canada, and entered Quebec in 2000. RONA diversified their Quebec stores, from small RONA L'Express shops to RONA L'Entrepôt big-box outlets, and saw rapid growth. Réno-Dépôt also blossomed into a major player. This big-box onslaught left independents struggling to survive. Most had to cease operations, or find shelter under buying groups.

As for consumers, Dr. Tony Hernandez of Ryerson notes that, "Home improvement has evolved from a primarily functional to a discretionary, often leisure-based, activity." Ashish Jandial, a retail & distribution consultant, identifies the drivers as follows:

(a) Lack of availability of tradesmen, explaining the interest in high quality power tools.
(b) The home as an expression of individuality (doorknob is the handshake of the house).
(c) More publications and media programs promoting DIY home improvement.
(d) Increasing importance of home decor, furnishings and designs.
(e) Changing nature of home decoration and design due to the average dwelling getting smaller, and an increasing number of apartments with limited storage space.

Consequently, home improvement stores started catering to two customers: DIY-ers, and small to medium size contractors. Women are also important. In dual-income households they initiate about 80% of projects. Retailers have responded. For example, RONA has decorator boutiques, and product displayed at a woman's eye level. Home Depot offers such things as decoration projects.

Objectives : Réno-Dépôt’s objectives were to:

(1) Fend off the arrival of Home Depot.
(2) Become the reference warehouse player in the market.
(3) Maintain Réno-Dépôt’s leadership position.
(4) Increase sales in a relatively flat market.

Strategy & Insight

Strategy developed around two of Réno-Dépôt key beliefs: (1) Product not Service. (2) Renovation not Decoration. Taking these in turn:

Product not Service

Three drivers – In home improvement there are three distinctions you can put forward—price, service or product—with the following pros and cons. **Price:** since margins in the business are so low, a price war was out of the question. **Service:** when they arrived in 2000, Home Depot advertised better service than other outlets. Réno-Dépôt knew that a service proposition couldn’t be sustained, because the business model of home hardware retailers doesn’t permit it. **Product:** This was where Réno-Dépôt could go the opposite way, and get an edge:

Product $\longleftrightarrow$ **Service**

Choice – A “depot” is a storage area for equipment and supplies, but the word was not unique to Réno-Dépôt, so it couldn’t be used as a USP. However, a depot is also associated with choice, and this was something Réno-Dépôt could exploit. They would have “more choice.”

Depth versus Length – But what sort of choice? We believe that effective strategy begins with a brand’s true, definable and subsequently ownable attributes, making it possible to create and build an emotional link with the target—a must for long-term results. Crossover Notes 1 and 2. Réno-Dépôt had fewer categories than its two main rivals, Home Depot and Rona (they had length). However, when Réno-Dépôt offered a category, they had an extensive array of options/models to choose from (depth)—such that that they could not and would not be rivalled.

Réno-Dépôt decided to build their identity on this depth, transforming it into a powerful, distinctive and engaging strength.

Renovation not Decoration

POS and brand image consistency – When shopping at Réno-Dépôt you notice a slight disorder as you walk down the aisles. This “organized chaos” was planned, and contrasts with RONA and Home Depot. The “more choice” strategy overcomes this slight handicap, as organized chaos is consistent with more choice. Crossover Notes 5 and 6.

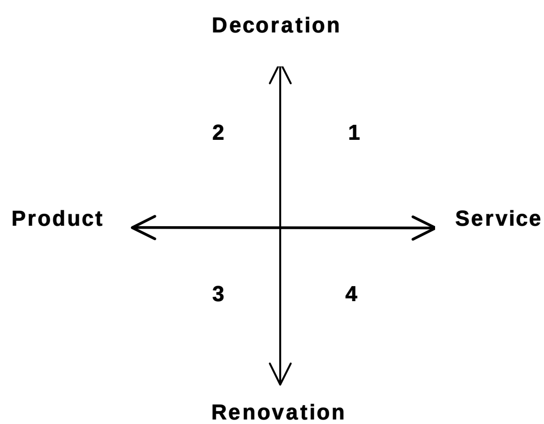
Depth over Length – By developing certain products, Réno-Dépôt was eliminating others that the company felt did not belong in a home improvement store. Réno-Dépôt would not hold white goods (fridges, dryers, etc.) or decoration products, as most of its competitors did. It would focus only on categories that fell into Réno-Dépôt’s definition of home improvement, such as building, electrical and plumbing supplies.

Unlike Home Depot or Rona (the latter described in a CROP 2003 survey as the hardware decorator) Réno-Dépôt would not exploit “decoration,” but would go the opposite way and focus on “renovation” (as in the first two syllables of their name):

Renovation ⟵⟶ **Decoration**

Tim Allen’s “Tool Time” – Consequently, Réno-Dépôt wouldn’t offer household projects the way Home Depot and RONA did. It would target *the well-informed home handyman (man not woman), and professional contractor*. They might be fewer than the typical DIY-er, but they spend more money. Réno-Dépôt (described by CROP as the warehouse of the real) would appeal to a heavier-duty audience, much like the audience in Tim Allen’s “Tool Time.”

The axes provide an overview of the home improvement retail industry. By opting for “product not service” and “renovation not decoration,” Réno-Dépôt had a clear and distinctive positioning (in quadrant 3) almost opposite Home Depot and most other home improvement retailers (in quadrant 1).[1] The message was “more choice for your renovation needs.” This was captured in the Réno-Dépôt tagline, “if it existed, we’d have it.”



[1] Editor’s Note: Reno Depot successfully chose a different position from its competitors. On occasion (though not this one) it’s right to fight for the same high ground. See Crossover Note 7.

Execution

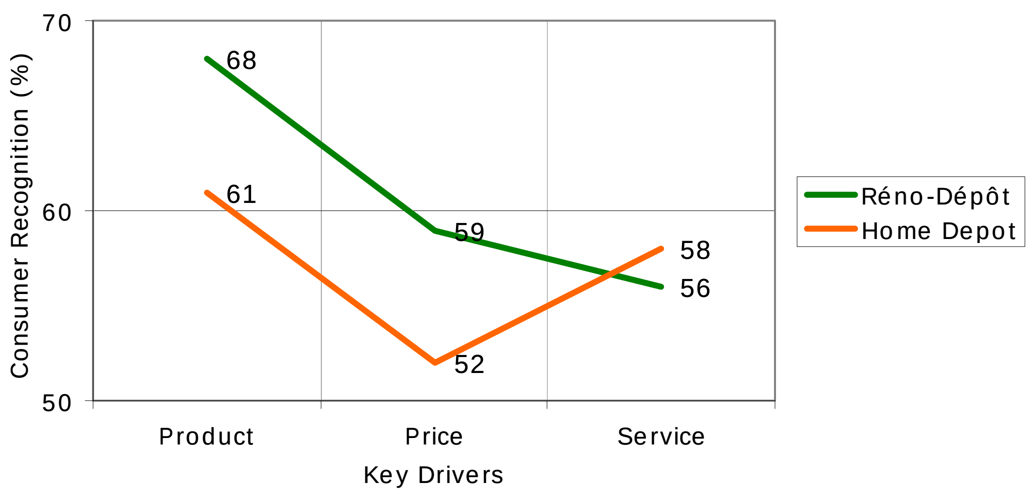
The first wave of television ran for 13 weeks beginning in May 2003. The second and third waves ran for 13 weeks each, starting September 2003 and May 2004 respectively. TV ads parodied the infomercial that so many home improvement retailers use. The first 21 seconds featured a “breakthrough” (non-existing) product—while the last 9 seconds were a call to go to Réno-Dépôt. Crossover Note 25. As for radio, executions ran from April 2004 to July 2004. These ads use Normand Bratwaith, a Quebecois personality whose sense of humour appeals to the (masculine) Réno-Dépôt target.

Business Results

1. Don’t wake up the giant

By pushing “product,” Réno-Dépôt did not go head to head with Home Depot and succeeded in not waking up the American giant. Réno-Dépôt conceded the “service” position to Home Depot, but made sure they surpassed their rival on product, imposing themselves as the warehouse reference in Quebec.

Table 1 – Impact (after first ad wave) on Réno-Dépôt and Home Depot positioning

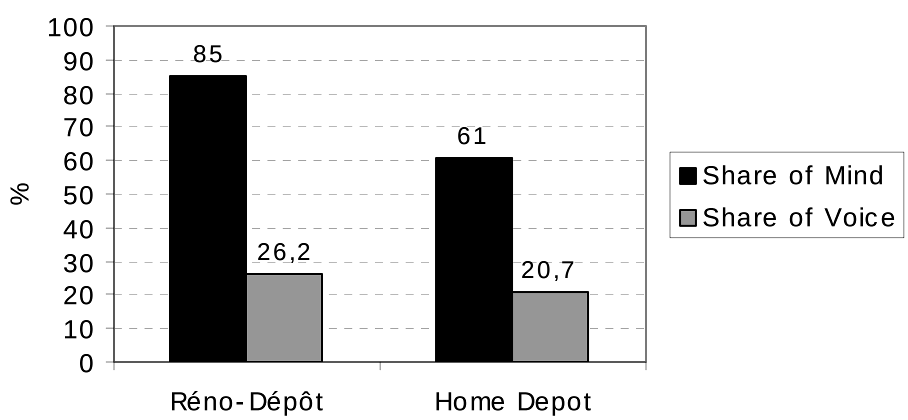


Source: CROP, August 2003.

2. Leadership position

Home Depot is extremely aggressive, doubling stores from 6 to 12 across 2002 – 2004. Even so, Réno-Dépôt (with 14 stores) has maintained its leadership in Share of Mind and Share of Voice.

Table 2 – Leadership position



Source: Saine and Réno-Dépôt.

3. Increasing sales

During the Results Period, sales increased +3.1% versus a year ago. An increase of +3.1% may seem low, but in a mature flat market, in the face of Home Depot, any growth in sales can be hard to achieve.

4. Average Customer Transaction per store

Réno-Dépôt had a far higher average transaction per store (a difference of +$20.82), reflecting the higher spending of the serious renovator and contractor.

Table3 – Average Customer Transaction per store

Réno-Dépôt	Home Depot	Difference
$64.32	**$43.50**	**+$20.82**

Source: Réno-Dépôt and Source National retail bulletin edition.

5. Advertising ROI

Advertising helped build a strong image for Réno-Dépôt: In the Montreal francophone market, Réno-Dépôt scored much higher than Home Depot with a much better ROI, based on a proprietary advertising performance formula of Descaries et Complices.

Table 4 – Advertising performance

Brand	Ad	Global Performance	ROI (GRP conversion rate)	ROI norm	Diff.
Réno-Dépôt	Flavour Jet	226	72%	42-56%	+23
	Magic Plug	247	82%	42-56%	+33
Home Depot	Photo-femme	76	60%	42-56%	+11
	Photo-homme	76	40%	42-56%	-9

Source: Descaries et Complices, June 2004.

Showing Cause and Effect between Advertising and Results

The preceding information is a strong argument that advertising was the main cause of the results. Perhaps even more compelling is what happened on September 4th 2003.

That was when RONA acquired Réno-Dépôt (and its Anglo-Canadian equivalent, The Building Box) from British multinational Kingfisher for $350 million.

RONA took control of the 14 Réno-Dépôts in Quebec and six Building Boxes in Ontario. They immediately set about turning The Building Box into RONA Home & Garden, and the natural course of action would have been to transform Réno-Dépôt as well.

But they didn't. They kept Réno-Dépôt on the direction described in this case.

Since The Building Box was offering the same products, at the same prices, in the same retail environment, there is nothing other than advertising to explain Réno-Dépôt's success in Quebec.

End of Case. Crossover Notes follow.

INTRODUCTION TO CROSSOVER NOTES — CASSIES 2004

[Réno Dépôt Version]

Crossover Notes have been going for several years, and now run to 30 pages.

We used to attach the full set to each case, but to save a few trees, we are now customizing each attachment. It can still be still be quite long, but not 30 pages.

The idea of Crossover Notes occurred to me while I was editing Cassies 1997.

I was a consultant by then. But before that I had clambered up to the group product manager level at P&G, and been President and Vice Chairman at O&M—both in Toronto. These companies were passionate about "lessons learned," and so was I. It's hard to believe now, but we felt rushed off our feet even then. Compared to today, though, we had time to study if campaigns were working or not, and come to conclusions about why.

There are lessons, like gold dust, in all the Cassies cases. So in 1997 I decided to extract them. This started with bite-sized footnotes about lessons that "cross over" from one case to another. And the idea kept growing. It is still anchored to the winning cases, but I also draw on other thinking for more complex issues.

You can use Crossover Notes in two ways. Although they didn't start out as a crash course in advertising, they are worth reading as a whole. You can also dip into them selectively. The headings on the next page will help you choose.

I've tried to be even-handed on controversial issues, but here and there you will sense my point of view. For this I thank the Cassies for not editing their Editor.

We now have over 120 published cases. They're an immense and growing body of experience. I hope I've helped pass some of this on.

David Rutherford
Toronto: November 2004.

For comprehensive advice on brand-building, see *Excellence in Brand Communication*—authored by leading Canadians from across the marketing and advertising spectrum.
It is published by the ICA. See www.ica.adbeast.com.

INDEX OF CROSSOVER NOTES FOR CASSIES 2004

	All Cases	Réno Dépôt
1.	What a Brand Stands For.	✓
2.	Brand Truths.	✓
3.	Core Equity versus Price & Promotion.	✓
4.	Business Strategy dictated by the Brand Positioning.	(✓)
5.	The Total Brand Experience.	✓
6.	Should the product be improved?	✓
7.	Fighting for the Same High Ground.	✓
8.	Classic Rivalries.	
9.	Turnarounds.	
10.	Conventional Wisdom—should it be challenged?	✓
11.	The Eureka Insight.	(✓)
12.	Changing the Goalposts.	(✓)
13.	Immediate vs. Long-Term Effect.	(✓)
14.	Refreshing a continuing campaign.	
15.	Baby with the Bathwater.	
16.	When a campaign stumbles.	
17.	Turning a liability into a strength.	
18.	Keeping it Simple.	
19.	Great minds think alike.	
20.	Emotional versus Rational.	
21.	Likeability.	
22.	Humour in a Serious Category.	
23.	Problem versus Solution.	
24.	Tough Topics.	
25.	Brand Linkage (when should the brand name appear).	✓
26.	Awareness Alone.	
27.	Share of Mind, Share of Voice, Spending.	
28.	Media Learning.	
29.	Pre-emptive Media.	
30.	Reach and Frequency versus Large-Space Impact.	
31.	Transcending Advertising.	
32.	Internal Marketing.	
33.	Changing the Target Audience.	
34.	Longer and Broader Effects, and **A Closing Thought.**	

The Notes for this case are marked ✓and are attached. Some of these refer to others—marked (✓) and also attached. This then starts a chain reaction—because some of the (✓) Notes *themselves* refer to others—but we decided to stop at this point. The full set can be downloaded from the Case Library section of www.cassies.ca

RÉNO DÉPÔT. CROSSOVER NOTES. CASSIES 2004.

1. **What a Brand Stands For.** People in real life hardly give the deeper meaning of brands a second thought. They know that some appeal more than others. They may have a sense that brands jostle for their attention. But that's about it. They certainly don't agonize over what is the *essence* of this, or the *abiding truth* of that.

But branding goes deeper than we in marketing may realize. Before marketing was even thought of, branding was part of life. Everything from national flags, to coinage, to the uniforms on soldiers, boy scouts and Supreme Court judges, to the plumage on peacocks (human and otherwise), is a form of branding. Business had an early example in the 1800s when Harley Procter of P&G heard a pastor quote a biblical text about ivory palaces. Goodbye Procter & Gamble White Soap. Hello Ivory. More recently, Tom Peters published *A Brand Called You.* And Tony Blair tried to re-brand the UK as "Cool Britannia."

A brand, in the fullest sense, is hard to define. Dictionary definitions tend to focus on the trademark aspect, and yes, branding does involve some sort of identifying mark. But this misses the point. What makes a brand *valuable?*

The answer is The Advantage of Belief.[1] Charles Revson of Revlon famously said, "In the factory we make cosmetics. In the store we sell hope." In other words, a brand is not a product; it's what people *believe* about a product. These beliefs can be immensely powerful. The most astonishing is the placebo effect. In clinical trials, many patients respond to the "sugar pill," even when they have serious diseases. We see the same thing with blind and identified product tests. With a strong brand, the preference jumps. (See *What's in a Name* by John Philip Jones.) And when the Advantage of Belief takes hold, it leads to a long list of benefits:

a) Customer loyalty
b) Higher price
c) Higher cash flows
d) Higher long-term profitability
e) Facilitating brand extensions
f) Withstanding competitive attack
g) Motivating staff and attracting new talent
h) Potentially augmenting the stock price

This doesn't, of course, answer the question, "how do you build these beliefs?" There are widely varying notions, but most agree on the basic principles: (1) stake out what the brand can and should stand for (2) stick with this over time (3) evolve to account for lessons learned and market changes.[2]

This can't be done by empty promises. We have to assess what consumers want against what the product delivers—and tell the story better than competitors do. We have a melting pot of perceptions and reality to work with. All the "brand" ideas are there to help—Brand Image, Equity, Personality, Character, Essence, Relationship, Footprint, Truth, Soul, Identity, and so on—along with old faithfuls like Positioning, Focus of Sale, USP, Features, Attributes, Benefits and Values. Whatever the terminology, though, "what the brand stands for" is critical.

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[1] This is a phrase of mine, though the idea that a brand is "more" has been described by many authors.
[2] How do you do this, and evolve? See *Excellence in Brand Commnication :* www.ica.adbeast.com

2. **Brand Truths.** Successful advertising (in fact all successful communication) resonates with its audience. As a marketer, you may want people to believe that you have the best-tasting coffee, but simply saying, "I have the best-tasting coffee" will not usually get the resonance you need.

   One school of thought is to say the obvious as loudly and crassly as you can. We could call it the Bad Boy syndrome. Another has led to the idea of Brand Truths. These operate on a deeper level than simple claims. One of the top UK agencies described their search for Brand Truths as "we interrogate the product until it confesses its strength."

   I was once the Brand Manager on Tide, and when we were asked, "What does Tide stand for" we said, "Superior cleaning. Not whitening. Not Brightening. Not Fabric Care. Superior *cleaning*."[3]

   Superior performance was a religion on Tide, and Tide delivered, despite the cliché that all detergents are alike. But this was only the glimmer of a Brand Truth. If you "interrogated" Tide the most startling truth was the *intense belief* of Tide users. This came to life in the immensely successful "Two for One Swap" campaign. Hidden cameras watched as women who had just bought Tide were offered two boxes of another detergent in exchange. They adamantly refused, delivering off-the-cuff endorsements that no copywriter could ever have come up with. The campaign ran for years, and only came to an end because of its success—women knew it so well that the "candid camera" interview became impossible. Many Brand Truths are also insights, and for a list see *11.The Eureka Insight* and *12. Changing the Goalposts.*

3. **Core Equity versus Price & Promotion.** From a financial point of view, a brand is not an abstract notion. It has to make good money as long as you hold onto it, and it has to be valuable if you want to sell it. A brand under price and promotion pressure has to make tough decisions. If you don't fight fire with fire, you lose business in the short term. But if you don't invest in brand-building, you likely lose much more over the long term.

   This is the choice between a "clear and present danger" and a "worse but less immediate one." It's hard to get it right, but we probably succumb more than we should to short-term pressures. Fido in Cassies 99; Clearnet and KD in Cassies 2001; Nautilus and Sidekicks in Cassies 2002; Molson's Bubba, Dodge SX 2.0, Manitoba Telecom, MINI, Sola Nero and Toyota Matrix in Cassies 2003; Cottonelle, Réno Dépôt and Toyota Sienna in Cassies 2004; all faced this issue. All decided to emphasize brand value, rather than price and promotion.

   Core Equity has more than one meaning. One relates to the "bundle of meanings" in the audience's mind. Another is the equity in financial terms. This is a developing area, and for more information contact the ICA about the publication *Brand Valuation. Measuring And Leveraging Your Brand.*

[3] P&G defined "what the brand stands for" by the document they called The Creative Strategy. In those days, if anyone even dreamt that the Tide Creative Strategy should include whitening, brightening etc. it was seen as an offence against all that was holy.

4. **Business Strategy dictated by the Brand Positioning.** This goes deeper than the "Ps" of Marketing. Product, Pricing, Packaging, Promotion, and Place must all support the Positioning. But some companies allow their concept of "the brand" to dictate business strategy as a whole. Clearnet and i-wireless are examples in Cassies 2001. Family Channel and Gaz Metro are others from 2004. From the broader business world, Virgin is often cited as an example. So is Lou Gerstner's turnaround of IBM. Apple used to be a poster child, and perhaps will be again. People blow hot and cold on Nike, which makes Scott Bedbury's book *A New Brand World* a fascinating read.

5. **The Total Brand Experience.** Brands have always been built at "every point of contact" with the consumer, but as a turn of phrase, it's a relatively new thought.

   It arrived partly because of multiple media choices, and partly with the growth of services (as opposed to products.) Your treatment by a retailer or telco or airline has more effect than fleeting exposure to a beautifully crafted advertisement—and if the experiences are dissonant, then something is wrong.

   Cassies cases have historically been about advertising, but they are evolving to include the idea of "every point of contact." At its highest level *(Crossover Note 4)* this is much more than communication, but most of the time now it comes under the heading of Integrated Marketing Communication.

   Integrated Marketing Communication is much more profound than making sure all effort has the same "look and feel." In fact, that notion is simplistic, for the obvious fact that the techniques of one discipline don't necessarily work in another.

   One of the agencies uses what it calls the "organizing idea." This is analogous to "what the brand stands for." All the communication/ promotional disciplines therefore have the same focal point, but they work to achieve their goals in the way that works best in their medium. Of course, if there are certain words, pictures, icons, slogans etc. that work in more than one medium, they will be used. The point is never to force fit. Over the years, various cases have referred to the total brand experience. This includes the following:

   Cassies III: Richmond Savings. Cassies 99: AGF Funds. Cassies 2001: Clarica, Clearnet, i-wireless. Cassies 2002: Bank of Montreal, ED, Lipton Sidekicks, Scotiabank, Sloche. Cassies 2003: Bubba, Dodge SX 2.0, Irving Mainway's Coffee, Manitoba Telecom, MINI, United Way, Université de Montréal. Cassies 2004: Cirque du Soleil (Zumanity), Desjardins. Family Channel, Gaz Metro, Réno Dépôt.

6. **Should the product be improved?** Some years ago it was an axiom of marketing that your product, at a functional level, must have an advantage over its competitors. In packaged goods, for example, it was considered foolish to launch a new brand unless it was a blind test winner over its major competitor—ideally overall, and at least for a highly desirable benefit.[4]

   That thinking has shifted, and it's commonly said today that it's impossible to sustain a functional advantage; that competition can match you in a matter of weeks or months, or even days with some technological products. This has had a paradoxical effect. Some people are almost frenzied in their desire to keep their product (or service) improving—fearing that if they don't, they will be left behind. Others go into a slipstream mode—letting others face the headwinds, then matching what they do.

   John Philip Jones (the much published Professor of Communication at Syracuse University) is vocal on this, saying that we do *not* live in a parity world—that imitators may try to match the innovators, but they often don't quite succeed. His view (and I share it) is that it is dangerously complacent to assume that functional parity is the way of the world.

   Another danger is the belief that "marketing" can compensate for a weak product. This led to the debacle a decade or two ago when North America systematically under-invested in product. The Japanese, and later the Europeans and others, did exactly the opposite—and carved out the market shares we see today.

   There's no question that the cost to upgrade a product can be daunting, especially with the financial pressure to deliver short-term returns. Nevertheless, many Cassies cases reflect the investment. For example:

   - Listerine in Quebec in Cassies II, with an improved taste.
   - Chrysler in Cassies III, with the NS Minivan.
   - Pontiac Sunfire in Cassies III.
   - St Hubert in Cassies 99, upgrading their entire operation.
   - Sunlight in Cassies 99, with improved cleaning.
   - Home Furnace in Cassies 2002.
   - Lipton Sidekicks in Cassies 2002.
   - Irving Mainway Coffee and Source Yogurt in Cassies 2003.
   - MINI in Cassies 2003.
   - Motrin in Cassies 2003, adding stronger skus.
   - VodKice in Cassies 2003, remodelling the Boomerang portfolio.
   - Cirque du Soleil in Cassies 2004, by adding Zumanity to their portfolio.
   - Kit Kat in Cassies 2004, keeping Original the same, but launching Chunky.
   - Toyota Sienna in Cassies 2004, with multiple upgrades.

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[4] There was still the "pre-emptive" possibility i.e. staking out a convincing claim for a parity benefit before anyone else did. But, in general, having a product edge was seen as important

6. **Should the product be improved? (cont'd).** Still others achieve their gains with no change in product—though the existing product is in all cases good, and sometimes better than the competition. These cases would include:

   - Crispy Crunch in Cassies I.
   - Pepsi in Quebec in Cassies I.
   - Oh Henry! in Cassies II.
   - Buckley's, Dove, and Philadelphia Cream Cheese in Cassies III.
   - Eggs, becel, and Wonderbread in Cassies 99.
   - Kraft Dinner and Lipton Chicken Noodle in Cassies 2001.
   - Campbell's, Diet Pepsi, Listerine, and Pro•Line in Cassies 2002.
   - All the major beer winners over the years.
   - Aero, Dodge SX 2.0, Familiprix, Super 7, in Cassies 2003.
   - Cottonelle and Milk in Cassies 2004.

   Technology cases are harder to categorize, but usually have improvements. Service companies (e.g. Desjardins, Gaz Metro, Réno Dépôt in Cassies 2004) may not have radical surgery, but often make improvements as part of the "total brand experience." Some cases make the point (e.g. Clearnet in Cassies 2001 and Lipton Sidekicks in Cassies 2002) that if your functional advantage is going to be matched, you had better develop an advantage through brand personality/character/equity. There is no cookie-cutter answer. Each situation has to be assessed on its merits.

7. **Fighting for the Same High Ground.** A brand has to be distinctive. Some take this to mean that you should not fight for high ground already held by a competitor. It comes out as "our positioning has to be unique." This sounds so right, how can it be wrong? Consider Cassies III. Lever wanted to pre-empt the arrival of Oil of Olay bar from the US, and decided to kick-start Dove sales via new advertising. They had a spectacular demonstration of mildness. When Dove is subjected to a litmus test, the paper does not change. With soaps—including Ivory—the paper turns an ugly blue. But Ivory owned mildness. Those against fighting for the same high ground predicted disaster. But Dove attacked anyway. Four years later Dove was up 73% in dollar sales, and Ivory had dropped to half of Dove's dollar share. And how do you decide whether to attack or not? On winnability. Ivory held the mildness position, but with "litmus" Dove had a superb claim on that territory.

   The key is how you think about distinctiveness. It is certainly essential, *but it does not have to come from positioning.* Consider Duracell and Energizer. Duracell staked out "lasts longer," and Energizer languished in other territory for years. Eventually they decided to attack, and the Energizer Bunny has been going and going ever since. Both brands have the high ground positioning. They get their distinctiveness from *execution.* One last case. Sunlight wanted to attack Tide on cleaning, but decided that a frontal assault would almost certainly fail. So they re-defined "clean" as the joy of getting dirty, and won the Grand Prix in Cassies 99.

   [I'm not saying you should *always* attack occupied high-ground—just debunking the idea that it has to be a mistake. In Cassies 2004, Cottonelle, Desjardins, Gaz Metro and Réno Dépôt were all successful by sidestepping or redefining the high ground. Even so, the high ground is still one of the first places I look.]

10. Conventional Wisdom—should it be challenged? Conventional wisdom will sometimes be right. But it can also be a roadblock. When US Pepsi executives saw the Pepsi Challenge, they apparently said, "that's not Pepsi," and rejected it. The Dove Litmus campaign *(Crossover Note 7)* ran into a fusillade of disapproval at client/agency global head offices—and only survived because the Canadian team stuck to their guns. Here are others that went against the tried and true:

- Crispy Crunch in Cassies I, making a virtue of greed—a taboo in confectionery.
- Richmond Savings in Cassies III, poking fun at the Humungous banks.
- Sunlight in Cassies 99, saying it's OK to get dirty.
- Fido and Clearnet, using dogs and frogs. Cassies 99 and 2001.
- Various financial accounts—so many that humour, wit and charm have almost become the new conventional wisdom for the category: AGF in Cassies 99, Clarica in Cassies 2001. BMO Quebec and Scotiabank in Cassies 2002.

Others from Cassies 2002:

- Bud Light, not going after the young, legal-age, male heavy drinker.
- CFL, against younger viewers, accepting they might alienate the core franchise.
- ED, going high-profile with a taboo topic.
- Five Alive, switching from Moms to young males.
- Irving Home Furnaces, using age as a plus for attracting attention.
- Labatt Bleue, breaking the Christmas “Happy Holidays” tradition.
- Pine-Sol, breaking the conventions of household cleaner advertising.
- Sleeman in Quebec, embracing the English heritage with “honest frenglish.”
- Sloche, rejoicing in being politically and nutritionally incorrect.

From Cassies 2003:

- Bait Cars, talking directly to criminals.
- Crown Diamond Paint, advertising that men hate painting.
- Familiprix, using humour to sell health products.
- Irving Mainway Coffee, making a virtue of the caffeine hit.
- Toyota Matrix, breaking all the Toyota “rules.”
- Sola Nero, could not be further away from wine snobbery.
- Super 7, reveling in the excesses of the super-rich.
- Université de Montréal, with no smiling students and ivy covered buildings.

From Cassies 2004:

- Cirque du Soleil—as a corporate philosophy.
- Elections Ontario, resisting the temptation to use social responsibility.
- Miller campaign, throwing out the conventions of political advertising.
- Réno Dépôt, investing in the brand, rather than “price and item.”
- Toyota Sienna, with their “cool minivan” thinking.

25. Brand Linkage (when should the brand name appear). How often do we hear, "I saw this great ad last night…but I can't remember what it was for." This is a brand linkage problem, and it's two-edged. Highly engaging advertising can drown out the brand identity (what we used to call a "video vampire"). But advertising that sells crudely runs the risk of being zapped.

In assessing advertising, your mental model will affect your attitude to brand linkage. But there are no paint-by-numbers answers. Some executions with seemingly bullet-proof linkage don't work. Some with seemingly minimal i.d. hook the brand into the consumer's mind.

The challenge is to be relevant *and* different at the same time. Relevant, by the way, is *not* the same as familiar. Something can be relevant, but still be expressed in a totally new way. If "familiar" is part of your mental model (knowingly or not) you run the risk that you will only approve advertising that has been seen before.

One of the (supposed) ways to ensure brand linkage is to say/show the brand name "early and often." This idea seems to have taken hold in the 60s.[5] A great many Cassies winners do *not* reflect this, e.g. Chrysler NS Minivan, Dove, Imperial Margarine, Molson Canadian, Budweiser, Claritin, Pontiac Sunfire, Richmond Savings, Metro Toronto Zoo, Goodwill, Sunlight, becel, St-Hubert, Clearnet, Clarica, Manitoba Telecom, Lipton Chicken Noodle, i-wireless, Pro●Line, Pine-Sol, Bank of Montreal, Scotiabank, Aero, Familiprix, Cottonelle, Prairie Milk, Réno Dépôt.

Some very successful advertising puts the brand name front and centre, but it's also possible in today's over-hyped world that "early and often" is a turn-off to consumers. My view is that each situation has to be assessed on its merits. But it's clear that an unthinking belief in "early and often" should come to an end.

Cont'd

[5] This belief came largely out of Day-After-Recall testing. It has since been largely discredited as a way of predicting advertising effectiveness in-market—but debates continue about the role of recall, recognition, low involvement processing and the like. See *Crossover Note 13.*

ADDITIONAL (✓) CROSSOVER NOTES

11. The Eureka Insight. These feature in many cases. Some examples:

- Oh Henry! None of the gut-fillers had tried to own hunger, even though it was the high ground for the category. Cassies II. See also *Crossover Note 7*.
- Buckley's. Rather than side-step their bad taste, Buckley's relished it. Cassies III.
- Chrysler. Minivans were "my most expensive household appliance." Even so, *emotion* was the key to an immensely successful launch. Cassies III.
- Philadelphia Cream Cheese. In research, people often do not own up to what they really want, which in this case was "permission to indulge." Cassies III.
- Richmond Savings. Almost everyone hated banks, but it still took insight to turn this into the "Humungous Bank." Cassies III.
- Eggs are natural, but in word-association tests, consumers did not say so. (See *12. Changing the Goalposts* next.) The farmer campaign brought "natural" to life.
- Sunlight. Getting dirty is fun. This is diametrically opposed to the conventional wisdom, dominated by Tide, that clean is good and dirt is bad. Cassies 99.
- Fido in Cassies 99. Competitors were fighting on promotion/price. In an echo of Apple vs. IBM, Fido saw that consumers needed the human touch. See also Clearnet and "the future is friendly" in Cassies 2001.
- Diet Pepsi found a way to be youthful without being too young in the "forever young" campaign. Cassies 2002.
- Listerine in Cassies 2002: healthy gums, after a century talking about bad breath.
- Pro•Line in Cassies 2002: Appealed to non-experts with "Anyone can win."
- Aero. Saw the power of "melting" in Cassies 2003.
- Crown Diamond. Used the fact that men hate to paint in Cassies 2003.
- Super 7. Ignored the political correctness of being tasteful. Cassies 2003.
- Cottonelle. Talked to women as women, not as "family." Cassies 2004.
- Quebec Milk. Saw the blindingly obvious. That just asking people to drink more milk might cause it. Cassies 2004.
- Toyota Sienna. Realized that the answer lay not in what minivan buyers do, but in what SUV buyers do. Cassies 2004.
- Virtually all the cases in *Crossover Note 10.*

12. Changing the Goalposts. Some insights come from suddenly seeing what was always there to be seen. (Sunlight's Cassies 99 joy of getting dirty would be an example.) Others re-frame the problem, such as:

- Cow Brand Baking Soda's extended usage.
- Johnson's Baby Shampoo's adult re-positioning.
- Cereals trying to get eaten as a late night snack.

Insights can also spring from what is *not* being said. The Eggs case in Cassies 99 is an example. Word-association tests played back any number of benefits, but did *not* identify that eggs are natural. Somehow, this omission caught the agency's eye, and they turned "natural" into a powerful campaign using real farmers. This turned around a 17-year decline.

Purina is another example. At one time, everyone sold dog-food on taste and nutrition. Not surprisingly, consumers played back that these were important, reinforcing the conventional wisdom. Suddenly, the team at Scali/Purina saw the significance of the unspoken (and deeper) truth—that a dog is part of the family. This led to the immensely effective "helping dogs lead longer lives" campaign.

Purina also points up another way to get insights—by looking beyond Canada. Similar thinking had produced the famous "prolongs active life" campaign for PAL dogfood in the UK.

13. Immediate vs. Long-Term Effect. The effects of advertising (a) at all and (b) in the short and/or long-term have been hotly debated for years. I'm can't do justice to all the points of view in this space, but here is a fairly lengthy overview:

In physics, the search continues for a theory called the theory of everything. Einstein came across the Theory of Relativity about 100 years ago. It explained a lot, but not everything. Twenty or so years later, Planck and others came up with Quantum Theory, and Hiesenberg advanced his Uncertainty Principle. They did not explain everything either. Since then, physics has been a hotbed of enquiry, but there's still nothing that explains it all. In a less cosmic way, advertising has followed the same course. A top UK researcher identified over a hundred theories of how advertising works, all capturing part of what happens, but none explaining the full picture.

This may seem academic, but it's not. In the absence of a single agreed theory, we've all pieced together our own notion of what effective advertising is all about. Our mental models[6] (while right some of the time) are not right all of the time. But (a key point) *we all make the mistaken assumption that our own model is right.*

For example, there used to be a view (diminishing, but still there) that creativity gets in the way of effectiveness. Some years back, the CEO of one of the big packaged goods companies unrepentantly took this line. I'm sure that in his own mind he was criticizing "irrelevant creativity" or "self-indulgent creativity." But to others this was the mental model that is suspicious of anything that isn't tried and true.

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[6] I'm not sure who coined this term, but I first saw it in a Paul Feldwick paper.

13. Immediate vs. Long-Term Effect (cont'd).

At the other extreme, there is the mental model that creativity is all that matters. When people say this, they don't mean "outstandingly irrelevant" or "outstandingly self-indulgent creativity" though there are people at the other end of the spectrum who suspect that they do.

Between these extremes is a view with accumulating evidence in its favour—that creativity (relevant of course) is a *partner* in effectiveness. All the big Cassies winners bear this out, and an even longer list of examples comes from 20+ years of the IPA Effectiveness Awards in the UK. (Cassies was modelled on these Awards.)

In terms of the theories of how advertising works, many of us carry a subconscious version of the 100 year-old AIDA model in our heads: Attention >> Interest >> Desire >> Action. But there is a lot of evidence that advertising does not work this way, especially for established brands in everyday categories (I dislike the term "low interest" or "low involvement"). Many campaigns act by positive reinforcement.

It seems self-evident that advertising has to "cut through the clutter" but even that is being re-examined. In neuroscience, there is something called "Low-Involvement Processing." It seems that we, as a species, take in huge amounts of data through the primitive parts of our brain. It does not blast its way in. It goes in without our knowledge. To people with an AIDA mental model, this is about as whacky as it gets. LIP is unproven, but I think there could be something to it, based on a common sense test. It you examine all the thoughts, feelings, knowledge and memories you have, isn't it true that a great many of them have somehow got in by osmosis? (For more, see papers by Robert Heath and Jon Howard-Spink in Admap.)

In any event, there is no "theory of everything," and hence there are scores of different mental models. This explains a lot of the tension when advertising is being developed, discussed and evaluated.

On the issue of immediate versus long-term effect, there is an "experience" view, and an "academic/research" view. The experience-based view has four scenarios, based on the different degrees of visible success:

1. Shipments/share etc. respond within days/weeks of new advertising.[7]
2. Advertising has helped an established brand deliver good volume/share/profit. But it is no longer causing growth—it has more of a "retention" role.[8]
3. The advertising is not working, confirmed by careful analysis.
4. The situation is hard to read, either because it is "too early to tell" or there is not enough information to sort out what's happening.

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[7] And hopefully a long-running business-building campaign—See *14. Refreshing a Continuing Campaign.*

[8] This is a big topic in itself. See *Crossover Note 34.*

13. Immediate vs. Long-Term Effect (cont'd).

Scenarios 1 and 3 (when assessed correctly) are relatively straightforward. Scenario 2 can be more difficult, because some decision-makers are not satisfied with a "retention" role for advertising—even though this is sometimes more cost-effective than trying to make a brand grow.

Scenario 4 needs great care. Imagine a new campaign, a couple of months in-market. Media weight has been sufficient, but the business has not taken off. Angst creeps in as you face the question, "Is it working?" The following could all be valid:

- **The advertising is working, but the effect is masked.** Pricing, promotion, in-store activity, distribution etc. can all have a greater short-term effect than advertising. It they are masking the underlying trend, then given time, the masking effect will recede, and all should be well.
- **The "slow burn" situation.** This accepts that the advertising needs time to wear in, and when this has happened, all will be well. Some researchers reject wear-in, saying that if a campaign does not have a quick effect, it is unlikely to have one at all. On the other hand, campaigns like "I AM" for Canadian were spectacularly effective, but only after a slow burn.
- **The "arm wrestler" stand-off.** Two equally matched arm wrestlers can hold each other immobile for an agonizing length of time. This can happen with offsetting ad campaigns i.e. you have to assess the strength of the competition's campaign before coming to a conclusion about your own.
- **The advertising is not working.** It may be too early to know for sure, but this may be the early sign—in which case you need to be preparing some sort of fix.

From the academic side, one question has been, "If advertising works in the short-term, why is this so hard to see?" And, "If advertising has a long-term effect, is it just the accumulation of short-term effects, or a different long-term process?" These issues are still debated, but the following have been influential:

- **John Philip Jones and STAS (Short-Term Advertising Strength).** Jones designed a study to uncover short-term effect, if it exists. He used single-source data to examine "advertised" and "non-advertised" households—and the brands they buy within a week of exposure to advertising. The study needs to be read in detail [there are detractors] but the findings seem pretty clear:

  a) There is a definite, short-term effect from advertising. (70% of cases.)

  b) In Jones's words, *a single advertising exposure was shown to be all that was necessary to achieve an immediate sales increase.* (This flies in the face of conventional wisdom about frequency. *Crossover Note 28*.)

  c) The short-term effect was often followed by a one-year effect (46% of brands) though the sales response at one year was always lower than at one week.

  d) When brands do not show the STAS response, it is likely that the creative is not as strong as it might be, or that it is being out-muscled by more powerful creative from a competitor. [A stronger arm-wrestler: see above.]

13. Immediate vs. Long-Term Effect (cont'd).

- **The IRI on long-term effects.** IRI run state-of-the-art split-cable test markets in the US. Test consumers are exposed to marketing effort, while a matched control group is not. In the early 90s IRI published the learning from 400 tests that had explored TV creative, media weight, promotion support and so on. From this, they were able to analyze 44 tests for long-term advertising effect. Test areas (A) were measured against control areas (B). A only got special effort in Year 1. After that, the test and control plans were identical. In other words, the long-term effect was caused entirely by the effort that occurred in Year I. Results were:

  a) In Year I, Plan A markets averaged +22% volume over Plan B.
  b) In Year II, Plan A markets held their advantage, at +14%.
  c) In Year III, they still held an advantage, averaging +7%.

  The momentum in Year I held up, with the 3-year effect double the one-year effect. The study concluded that payout for one-year effort should be calculated over three years. (See the reference at the end of *Crossover Note 27*.)

- **The Millward Brown Findings.** Millward Brown have immense databases in the UK, USA, Canada, Europe and elsewhere. They see a short-term advertising effect in their continuous tracking, but also a long-term effect. Through sales modeling, they estimate that this long-term effect may, on occasion, be as much as 7 times greater than the short-term effect.

- **The Observations of Paul Feldwick**. Paul Feldwick is a top researcher/planner in the UK with impeccable credentials. He has proposed a fascinating metaphor for short and long-term effect, based on "brand muscle." When we exercise, the result of any individual activity is small and hard to measure. But over time, results can be dramatic. This is more than just a clever analogy. There is a huge amount of evidence that as consumers get more used to buying a brand, it moves into their habitual (and perhaps even loyal) repertoire.

For more, see publications by John Philip Jones, Leonard Lodish (IRI), Millward Brown, and Paul Feldwick. For some academic fireworks, see the disputatious views of Andrew Ehrenberg of the London School of Business.

A CLOSING THOUGHT

Throughout my career the unspoken assumption is that advertising has to help make things *grow*—brands, businesses or both. And what could be wrong with that?

But the engines on an airliner not only help it climb, they save it from falling out of the sky. There is inescapable evidence that if a brand is unsupported, it may glide for a while, but eventually it will fall. Or, to use another analogy, a successful brand is like a goose laying golden eggs. If it didn't lay as many eggs as you wanted it to, would you starve it? I don't think so. But that is what we seem to do with brands.

David Rutherford

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