

# Canadian Advertising Success Stories 1999

## AGF Funds

**Agency:** Young & Rubicam  
**Authors:** R. VanDerStarren; M. Kingston, D. Bolton, L. Guthrie, T. Kavender, D. Bramah, D. Aldridge, E. Cayer

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### INTRODUCTION

Retirement. It can be an overwhelming stage in our lives. We are defined by what we do for a living and the thought of retirement makes most of us uncomfortable. What will we do when we retire, and more importantly, will we have the money to do what we want? This angst is fueled by the volatility of the stock market. Most of us would rather bury our heads in the sand and hope that everything will work out when the time comes.

This is AGF's target group. And the target of more than 100 mutual fund companies and banks—all competing for the consumer's retirement dollar. To make things worse, this competition is concentrated in a two-month period—January and February—before the RSP deadline. Over \$50 million is spent in advertising. The frenzy is overwhelming, particularly to a consumer who would rather avoid the topic entirely. This was the advertising challenge. How to stand out in the clutter, make AGF memorable, and predispose uninterested, overwhelmed consumers to buy AGF mutual funds? Our advertising budgets prevented us from outspending everyone else. We needed a highly intrusive campaign.

The solution worked. We developed an innovative strategy that flowed seamlessly into creative and media, inspired by the AGF tagline 'What are you doing after work?' AGF net sales and total assets increased—at a time when the mutual fund industry as a whole suffered serious sales declines.

***The 1998 Campaign.*** This launched in January 1998. The 'Actor' and 'Golfer' spots spoofed the stereotypical retirement dream ads of our competitors. The AGF TV, print and outdoor were fresh and humorous in a category plagued by sameness. Innovative media added impact—with media appropriate to our target, but unusual for the category. The campaign won a host of awards including a Silver Lion at Cannes and Gold at The Bessies. More importantly, AGF's net 1998 sales increased by 29.4%, while the industry decreased by 30.5%. This growth meant that AGF went from approximately \$12.6 billion in assets under management to over \$15 billion.

***The 1999 Campaign.*** This launched in January 1999 and continues to drive business. By now, AGF had proven that great mutual fund advertising (a) is possible (b) is welcomed by the public and financial advisors and (c) can positively affect sales. 'Spiderman' and 'Santa' TV spots explain that eventually everyone retires. And if these icons are retiring, it's time to start thinking about your own retirement and start investing with AGF. An innovative media plan carried the message, and 'Spiderman' won Gold at The Bessies. As for results, AGF again outperformed the industry. During the 1999 RSP season, AGF's sales increased by 6% while the category declined by 34%. By April 1999, AGF had grown to \$17 billion in assets.

## **SITUATION ANALYSIS**

The mutual fund industry has grown significantly in the past decade. In 1990, 2% of Canadian households had mutual funds. By 1996, it was 21%. Then came the dramatic growth in 1997, when double-digit returns and confident investors led to a 43% increase in category assets (to \$283 billion).

For 1998 and 1999, we faced these category issues:

### **1. Advertising Clutter**

While mutual fund sales occur through the year, the battleground is the highly cluttered two-month RSP period at the beginning of the year. Over \$50 million was spent on advertising in 1997—with banks and direct sellers such as Altamira tending to dominate.

Clutter made it very difficult for a brand to register strong awareness. Consumers can't differentiate the companies. A leading spender like the Bank of Montreal had to almost double its ad spending in 1998 to gain 2 SOV points, and even then only reached 8% SOV. AGF was not prepared to make such an investment. For 1998, we would have a SOV under 5%, so brute-force spending was out of the question. We had to find another way to break through.

### **2. Parity Products**

Mutual funds for the most part are parity products—all selling retirement. AGF, like most top companies, offers a range of Canadian and international funds with comparable long-term performance. While most of our competitors tried to differentiate themselves by littering newspapers with performance statistics (1 year, 5 year, 10 year returns), we decided this wasn't the way to go.<sup>1</sup> For us, advertising shouldn't sell a particular fund on its performance. We wanted to build a strong AGF brand—that would resonate with consumers and intrigue them to find out more from their financial advisors. The challenge was:

How to own retirement, with corporate advertising as our main weapon.

### **3. Market Volatility and New Competitive Products**

In 1998, market volatility would shake investors, and become an issue for mutual fund companies. Strong competitive products were introduced to combat consumer uncertainty. Segregated funds and the banks' stock-indexed GICs both guaranteed the investor's investment, while providing safe, upward potential.

## **STRATEGY AND EXECUTION**

AGF responded to volatility and competitive pressure by continuing with strong advertising presence. Branding is a long-term proposition, just like investing in mutual funds. If we were asking investors to invest in AGF for the long-term, the least we could do was practice the same philosophy ourselves.

The job was very clear. Do something completely different creatively and media-wise to break through the clutter. The inspiration was AGF's tagline, 'What are you doing after work?'. It positions AGF as a retirement company, but more than that, its cheeky, challenging tone led us to a powerful, confident brand personality.

AGF, with its 40 years of experience, could credibly speak with an irreverent, confident voice. It was a voice we felt consumers and brokers would be happy to hear—a voice that would break through the tedium of typical mutual fund commercials.<sup>2</sup>

## **MEDIA**

The key media idea was to connect our irreverent, fun campaign to the dreams, desires and retirement goals of our consumers. We had ample presence during the RSP season, but, without increasing our SOV, we also extended media through the year. A brand, after all, is a constant entity, not something that emerges for 2 months and then disappears. So we chose media vehicles that would interest the target, but were 'un-financial'. This made AGF's message pop out in a relatively competitor-free environment.

We used this plan effectively in 1998 and 1999. The plan combined leisure and lifestyle magazines rather than business-only publications. Our TV programming went beyond the news/documentary programs typical of the category. For example, in 1998 we ran 'The AGF What Are You Doing After Work' contest on The Weather Network, with prizes of BBQ's, camping equipment, canoes, fishing gear etc. Also in 1998, we used wrapped buses in Toronto, chartering them for client functions and financial seminars. In 1999, we extended the impact using the GO train, which carried our target group to and from work while they dreamed of idyllic retirement.<sup>3</sup>

## **CREATIVE**

1998 – The Spoof Campaign: 'Actor' and 'Golfer'

In January 1998, we launched 2 TV spots, 'Actor' and 'Golfer'. These communicated AGF's new-found personality in spades. The commercials spoofed the tired formula of contented elderly people in stereotypical scenarios. Our ads had all the required elements—immaculately groomed people in idyllic settings—with one catch. They admit to being actors. In fact, that was their dream. To be an actor in retirement commercials!

The TV ads were accompanied by print ads with the same cheeky humour, and wrapped buses that showed 2 pairs of retired feet overlooking a picturesque vista and the line 'What are you doing after work?'

1999 – The Icons Campaign: 'Santa's Speech' and 'Web of Golf'

From our results in 1998, we knew we had a highly successful campaign. We needed something equally breakthrough for 1999.<sup>4</sup>

'Santa's Speech' and 'Web of Golf' launched in January 1999. They take the same light-hearted, accessible approach as in 1998—and communicate an important message: 'Eventually everyone retires, including icons like Santa and Spiderman. So it's time to start thinking about your own retirement.' The spots show idyllic retirement settings as before, with a funny, surprising twist. The multi-media campaign included print executions for Santa and Spiderman as well as new retirees, Gummy and Pokey.

## **RESULTS**

The success of the campaign is demonstrated by three key business results:

1. AGF's sales significantly outpaced the industry in 1998.

### **Net sales for 1997 and 1998: AGF versus the Industry (\$ billions).**

	1997	1998	% change
AGF	1.7	2.2	+29.4%
Industry	50.9	35.4	-30.5%

Source: Investment Funds Institute of Canada.

2. AGF attracted an increasingly larger share of total net sales in 1998, indicating the growing awareness and appeal of AGF. This trend is continuing through April 99.

### **AGF Share of Net Sales for 1997, 1998, and Jan–April 1999.**

	1997	1998	J–A 99
AGF	3.3%	6.2%	7.1%

Source: Investment Funds Institute of Canada.

3. AGF's assets under management also grew significantly in 1998, outpacing the industry. This is continuing through April 99.

### **AGF TOTAL ASSETS UNDER MANAGEMENT FOR 1997, 1998, AND JAN–APRIL 1999 (\$ BILLIONS)**

	1997	1998	% change	J–A 99	% change
AGF	12.6	15.5	+23.0%	17.2	+11%
Industry	283.2	326.7	+15.3%	350.1	+7.1%

Source: Investment Funds Institute of Canada.

## **ISOLATING THE ADVERTISING VARIABLE**

There are a number of variables that work together to influence mutual fund sales—inparticular: the Canadian and international economies, interest rates, consumer confidence, AGF's fund performance versus competitors, and financial advisors. Advertising main role is to predispose consumers to buy AGF mutual funds from their financial advisor. It also helps to keep AGF top of mind with the advisors. Despite the effects of other factors, there are 4 pieces of evidence demonstrating that AGF's advertising directly led to increased business results:

1. There is a strong correlation between consumer ad awareness, brand awareness and share of net sales. See [Figure 1](#).
2. There is a direct correlation between financial advisors' awareness of AGF advertising and their predisposition to recommend AGF.

	March 1998 % of FAs recommending AGF	March 1999% of FAs recommending AGF
Aware of Ads	68%	79%
Unaware of Ads	51%	60%

**Source: Tracking Research: Creative Research International. (Note: there was no 1997 research.)**

3. Advertising Awareness has increased significantly with financial advisors.

	March 1998	March 1999
Unaided	23%	56%
Aided	57%	80%

**Source: Tracking Research: Creative Research International. (Note: there was no 1997 research.)**

4. Advertising spending versus competition was not a factor.

	1997	1998
AGF SOV	4.7%	4.5%

**Source: AC Nielsen Annual Summary.**

In summary the campaign blew the dust off the category, and resoundingly met the ongoing objective of 'owning retirement'. The campaign was also well recognized, winning many creative awards—including Gold at IBA, Silver at Cannes, and Gold at The Bessies.

## FOOTNOTES

1. Emotional versus Rational. AGF decides to focus on the emotional benefits. Note that in this market financial advisors are very important, and they can provide the 'rational' information that consumers need.

2. Humour in a Serious Category. Money is serious business, but (just as Richmond Savings showed in CASSIES III) it does not have to be advertised seriously.

3. Media Innovation. As in the Sunlight case, the innovation was to put the message where, traditionally, it had not been before.

4. Evolving a Long Running Campaign. See also becel, St Hubert and Fido—and the many examples in CASSIES III. Note that in 1999 AGF retains the overall strategy and tone of voice of the 1998 advertising, but changes the advertising idea. There are some who prefer to keep new executions as a tight pool-out of the original execution. Many CASSIES examples show that a more flexible approach is well worth considering.



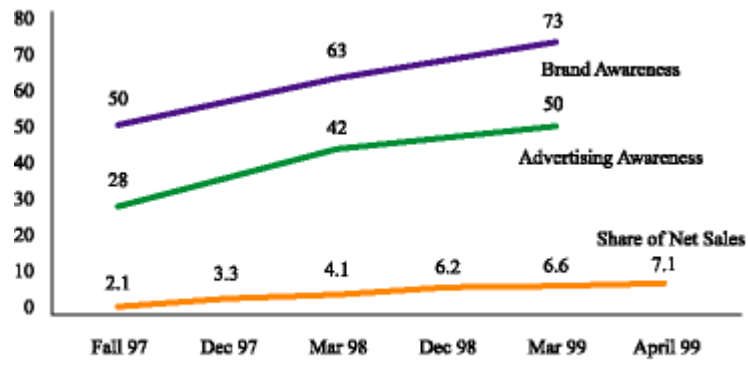
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## NOTES & EXHIBITS

**FIGURE 1:**



Source: Investment Funds Institute of Canada;  
Tracking Study Research: Creative Research International

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