CASSIES 2001 CASES

Brand: Clarica

Advertiser: Clarica, Waterloo, Ontario

Agency: Ammirati Puris, Toronto

Winner: Services Financial Gold. Best Launch Gold.

Credits: Clarica, Waterloo, Ontario

Hubert Saint-Onge - Senior VP Strategic Capabilities

Janet Passmore - VP Marketing and Corporate Communications
(currently VP Investment Banking)

Peggy Jarvie - Director, Brand Management

Mary Margaret Laing - Manager, Corporate Advertising and Promotions

Doug Booth - Manager, Executive Communications

Paul Kalbfleisch - Brand Creative Director

Pierre Saulnier - Director of Public Affairs

Sylvie Coulombe - Director of Marketing, Quebec

Frances Chai - Manager, Asian Marketing

Ming Lew - Manager, Asian Marketing

Credits: Ammirati Puris, Toronto

Doug Robinson - Creative Director

Arthur Fleischmann - President

Emily Bain - VP Director of Strategic Planning

Ingrid Whyte - VP Group Account Director

Darryl Nicholson - VP Media Director

Darrell Hurst - Account Director

Geoff Hardwicke - Account Director

Jasper Chan - Media Planner

Karlia Campbell - Account Supervisor

Bill MacDonald - Account Manager

Crossover Notes:

These highlight the learning in CASSIES 2001, and “cross over” to the accumulated learning in CASSIES I, II, III, 99. They are listed at the end of the case. [Crossover Notes were not part of the submitted case. I have added them after the event—David Rutherford.]

Executive Summary

In October 1998, the *Globe and Mail* asked image consultants what they thought of Mutual Life's intention to change its name to Clarica. Amidst the snickering, one consultant said: "This looks like amateur night—and you can quote me. The name leaves me cold. It sounds like hair-spray…. very feminine." John Partridge. *The Toronto Globe and Mail*, Report on Business, October 1, 1998.

When the new name was announced in March 1999, even the media in Waterloo, the home town where the company is venerated, were skeptical. "You'd have to think it was the name of a mouth wash, a salve to remove warts, or new computer software." Sandy Baird. The *Waterloo Chronicle*. March 24, 1999.

Over to you agency. *Crossover Note 1*.

The gauntlet had been thrown down. The press, the public, and even some internal stakeholders had misgivings about the name. In the staid, secure world of financial services a name change of this magnitude was almost unheard of.

Our challenge was to create broad awareness for Clarica and give the name a brand meaning that would galvanize all stakeholders. This would allow The Mutual Group to enter the millennium with confidence and immense likeability. *Crossover Note 2*.

Advertising spending in financial services is huge, with dozens of competitors and a dizzying array of products and services. To say that consumers are overwhelmed is an understatement. They are frustrated, and they deal with it in the way that we all deal with it—they tune out. Our advertising would have to be worth their 30 seconds. *Crossover Note 3*.

The advertising was extremely successful. It built Clarica brand awareness at remarkable speed, to 58% by the end of 2000. More remarkable still was what the brand came to mean. People saw Clarica as a down-to-earth company that they wanted to do business with. Clarica agents and staff also rallied to embrace the new identity. The agents in particular found that the advertising was opening the door to new relationships. *Crossover Note 4*.

Beware :30 *go to commercial*

Music under.

SFX: Screams.

Anncr VO: There’s a lot to be said for clarity.

In life and finances. Clarica. Investment and insurance solutions.

Situation Analysis

In 1999, the life insurance industry was transformed by demutualization, when the big mutually-held insurers converted themselves into publicly traded companies. The Mutual Group had to create a new name for the century old company. Clarica was selected by name-generation experts. It was met with a high degree of skepticism in the press when it was announced.

A. Stakeholders:

Not only was it important to speak to existing and potential customers, we recognized the importance of all stakeholders. For the more than 7,500 staff members and agents, Clarica was not just a new name, it represented a turning point in the 129 year history of The Mutual Life Assurance Company.

For the first time, Clarica also needed to consider the demands of the investment community. The stock markets are a dominant force in policy and decision-making. In addition, Clarica had a large number of retail investors, which placed an even higher imperative on brand success.

B. Competitive Environment:

It was vitally important to plant a fresh stake in the competitive landscape. Clarica's six key competitors had spent nearly $25 million on measured media in 1999, and 2000 looked to be at least as competitive. More importantly, all financial services had spent nearly $400 million in 1999. Since the financial services category is largely undifferentiated, the objective was to break through the clutter, raising awareness of the new name, and giving the brand a new meaning.

We set a broad national target: Adults 25-54, reached in four languages—English, French, Cantonese, and Mandarin. As we planned for year 2000, we faced these hurdles:

- A new name that was not suggestive of financial services
- An industry that was spending unprecedented amounts of money in advertising
- A proliferation of competitors all talking to the same consumer: mutual fund companies, banks, insurers, financial planners, and brokers—all benefiting from years of support for their brands
- Consumers who were barraged with a bewildering array of promises and messages
- High profile government activity around bank mergers, creating a skeptical environment

Strategy and Execution

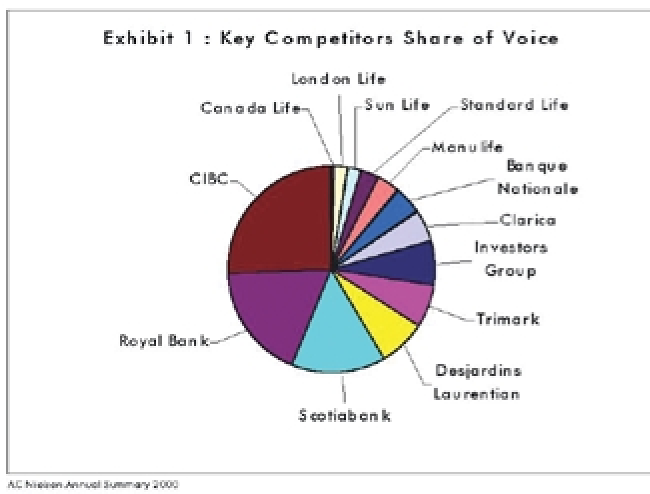
The new brand positioning would be grounded on "listening, understanding, partnering."

However, focus groups revealed that consumers associate financial services with two things: complexity and confusion. Regardless of age or life stage, they find the information and choices dizzying. While some try to learn more, many are frustrated to the point of being overwhelmed and paralyzed.

This research further showed that consumers look for companies that give them a sense of comfort and trust. Through advertising, Clarica would have to build awareness and evoke confidence. This would also provide air-cover for the agents, allowing them to approach prospective clients with one foot already in the door.

With many consumers at the point of financial paralysis, we saw a way to help them sort through the chaos. Using our proprietary AP Method, we created a powerful new brand property that echoed the Clarica name: “Clarity through Dialogue”. This dialogue with customers, driven by 3,000+ agents, would create a relationship of trust. It would be launched in advertising, and thrive as a driving force for the entire company—appearing in all Clarica communication, including internal communications.

For 2000 media, we had to tell the whole country about the new name and position with a budget of $5,678,000 across the three key markets of English, French, and Asian. We had a share of voice against our key competitors of 5.05% (see attached chart). Working with agency partners in the Asian and Quebec markets (Fortune Advertising and BCP) we developed a very efficient, high profile plan that concentrated television in the peak spring and fall agent sales periods, and used high impact programming such as the Academy Awards, Golden Globes, and Super Bowl.



Source – AC Nielsen Annual Summary 2000

For creative, we had to break out of the crowd with advertising that was surprising but relevant. We decided to demonstrate clarity through metaphors. There are many times in life when clear communication saves the day. The creative related these situations to Clarica, connecting clarity in general with clarity in financial matters – and it did so with the kind of humour that brings universal insights to life. *Crossover Note 5.*

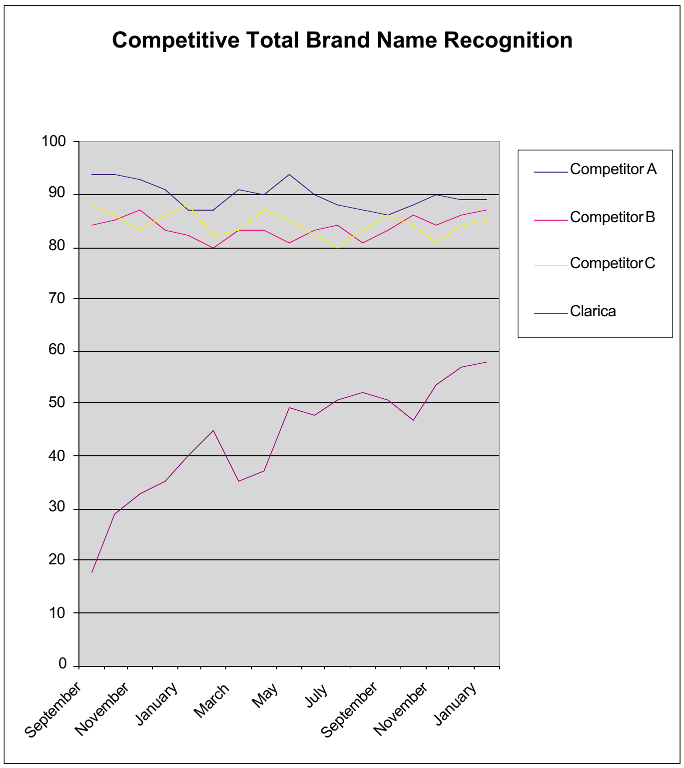
Four executions (“Waiter,” “Frantic/Falling Piano,” “Beware of Dog” and “Washroom”) tapped into moments that any viewer can empathize with—where the characters need clarity to extricate themselves from difficult situations.

Results

The first objective for the campaign was to build brand awareness and create brand meaning. Next was to maximize shareholder value. Next was to support and strengthen the sales force, which played a key role in securing new clients and increasing sales.

A. Brand/Name Awareness

In moving away from the Mutual Life name, Clarica began with no equity or familiarity even with existing customers. The rise in brand name recognition is as dramatic as it is powerful. Over the time frame analyzed it more than tripled, from 18% in September 1999 to 58% by the end of 2000. This was accomplished while key competitors showed no significant growth in their brand awareness.



Source – Millward Brown

B. Brand Attributes (Giving the Brand Meaning)

We measured a number of brand attributes to establish if we had influenced the consumer mindset. Consumers scored financial service companies on a set of character traits. Clarica outpaced all of the life insurance companies and the majority of the banks.

Consumers clearly indicated that Clarica was new and innovative, and changed for the better (see the table that follows). They also felt that Clarica's popularity had increased significantly more than competitors.

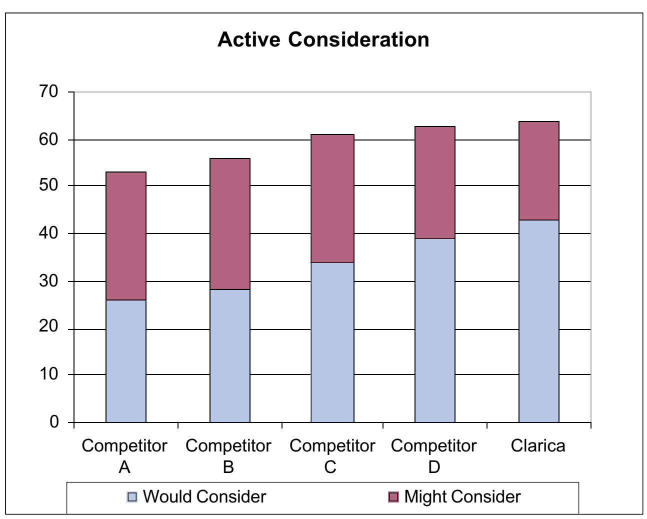
Character Trait	Index vs. the Industry
New and Innovative	139
Changed for the Better	133
More Popular	276
Listening Ability	119
An Understanding Company	121
I Identify with Them	129
A Strong Company	100
Performance of the Agents	118

Attributes related to the Brand Property "Clarity through Dialogue" were strong. Clarica outscored the industry for listening ability, for being an understanding company, and for the consumers' ability to identify with the brand. Research also showed that consumer confidence in the strength of the company met the average for the financial services industry—and that the company outscored the industry for the performance of agents (source: Millward Brown).

C. Consideration

These results correlate strongly to "consideration." Consumers need to feel a measure of trust and security before they will consider a company for their insurance and investment needs. Advertising helps create an environment where people are open to speaking with the Clarica agent. The best measure of advertising's ability to do this is the level of consideration the consumer gives to Clarica for life insurance or an investment product.

Total consideration reached 64% at the end of 2000. This is exceptionally favorable against an industry average of 60% for 17 well-established brands. These include banks spending tens of millions of dollars and insurance companies that have been around for decades. Furthermore, when measured against direct competitors Clarica fared even better, as shown in the chart:



Source – Millward Brown

Frantic :30 *go to commercial*

Music and SFX of traffic throughout.
Man (yelling) Lady…

SFX: Crash.

Anncr VO: There's a lot to be said for clarity.

In life and finances. Clarica. Investment and insurance solutions.

D. Shareholder Value

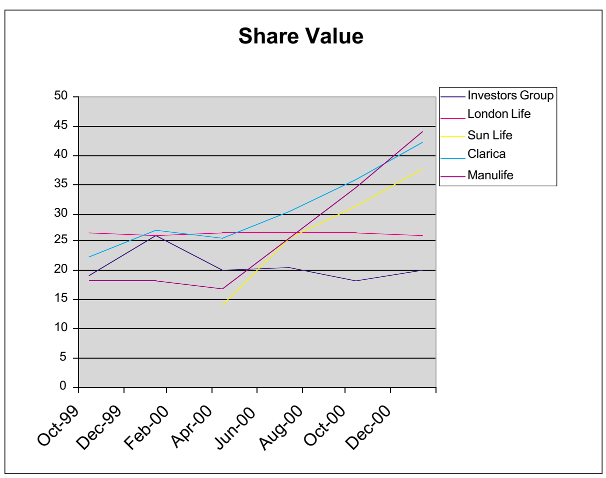
Since Clarica had a large proportion of retail investors, how investors would view the company was critically important. Clarica saw a rise in Earnings Per Share of 267% in 2000, more than double the growth of competitors. *Crossover Note 6*.

Corporate Earnings Per Share

	1999	2000	Percentage Change
Clarica	0.93	2.48	266.67
Sunlife	N/A	1.90	N/A
Manulife	1.75	2.22	126.86
Co-operators	1.14	1.13	99.12
Canada Life	2.00	2.40	120.00
London Life	1.30	1.36	104.62
Investors Group	1.12	1.35	120.54

Source: Corporate 2000 Annual Reports

While share values rose throughout the insurance and investment industry Clarica was among the biggest winners, rising from $20 at the time of the IPO to $42 dollars by December 2000.



Source – GlobeInvestor.com

E. Agent Sales Force

Over the course of the year, the sales force rose from 3,000 agents to 3,109. The four-year retention rate improved from 30 to 31 percent and the average amount of new insurance premiums per agent grew from $28,700 to $29,900. While these shifts were relatively small, they show a trend towards a strengthening sales force, and Clarica has identified this as one of the key drivers of sales. This is a significant positive in view of the turbulent financial services landscape, and the change that Clarica faced in 1999-2000.

Isolating the Cause and Effect of the Advertising

We can conclude that advertising is the driving force behind these results by a process of elimination.

A. Non-Advertising Factors

A number of factors had an impact on the insurance/investment category throughout this period, but they would not have had a specifically greater effect on Clarica. The aging Canadian consumer worked to the advantage of the entire industry. The booming securities market created a positive halo on all aspects of money management. And demutualization created a buzz. But Clarica was on a level playing field.

B. The Rapid Growth of Brand Awareness

It is possible for a company with a large sales force, and PR, to make an impact on awareness. But not at the scale and speed seen by Clarica. More than tripling awareness to 58% can only have come from advertising.

C. Establishing Brand Meaning

We started with a new name that had very little intrinsic meaning, and we went head to head with long established and heavily supported brands. As with brand awareness, the long list of positive results we saw in brand attributes, and consideration, could only have come from advertising.

D. Other Causative Factors

We are unable to identify any.

Clarica established itself not only a presence in the consumers' minds, but also distinguished itself from its competitors in a complex and confusing category.

Just one year later, in May 2000, the *Waterloo Chronicle* reporter wrote: "It's nearly a year ago since Mutual Life changed its name to Clarica and gave a lot of us a hearty-har. But who's laughing now? Thanks to a clever television campaign (I especially like the falling piano), the new name has caught on in fabulous fashion. I guess a lot of us who were snickering didn't give [the company] its due." Sandy Baird. The *Waterloo Chronicle*, May 10, 2000.

CROSSOVER NOTES FOR CASSIES 2001

Introduction.

Please take a minute to read this introduction. It will help you get maximum value out of the Crossover Notes.

Practical Points.

• CASSIES I and II ran in 1991 and 1993.

• Longer & Broader is identified by its current name: Sustained Success.

Overview.

The best way to use these notes is to compare and contrast how they apply to different cases.

Please do not read them with the idea that they contain "rules", but with the idea that broader knowledge leads to better decisions. Also read them with an eye to the issue of risk.

Risk is a complicated subject. Society admires those who boldly go where none has trod before. On the other hand, despite the rhetoric about breaking out of the box, a lot of advertising decisions are governed by the tried-and-true.

I remember the first time I heard an agency say "there are no rules." I was at Procter & Gamble, and we stiffened in disagreement. This sounded like anarchy.

Bill Bernbach said it best when he pointed out that there are no rules, but there are principles.

In many advertising situations, there is often a tried-and-true precedent. But the tried-and-true also carries a risk—that because of familiarity it has become the expected-and-ignored.

The CASSIES show clearly that taking a well-judged risk pays off.

The CASSIES also confirm that "there are no rules" in the sense that we see some success stories that follow conventional wisdom, and even more striking ones that fly in the face of it.

Compare and Contrast.

Some Crossover Notes apply to several cases. Others apply to just one or two. To help you browse through how they apply to different situations, see the following Index.

David Rutherford.

INDEX OF CROSSOVER NOTES FOR CASSIES 2001

Crossover Notes for Clarica.

1. **Re-branding and Re-Naming**. This—and workopolis.com—are the only CASSIES cases that deal with this issue, though MiKe and Fido (CASSIES 99) had similar issues to consider when they launched.
2. **Likeability**. It is generally agreed that likeability is a good thing for a brand and its advertising. This seems obvious, but it's worth remembering that there was once an opposite school of thought. The poster-child for this was the "Ring around the Collar" campaign for Wisk. It was (a) highly disliked and (b) highly effective. Underlying this issue is the ancient feud between creativity and selling power—are they on the same side, or does one get in the way of the other? The CASSIES winners have convincingly demonstrated that creativity and selling power are on the same side.
3. **Keeping it Simple**. Almost everyone agrees that advertising should be single-minded. The major research houses can support this with chapter and verse on how poorly consumers absorb complex messages. We also see it ourselves—when we can't remember details of the advertising in our own categories. Why is it, then, that so many Creative Strategies are so complicated? I'm reminded of a line on Frasier, "If less is more, imagine how much more more would be!" Clarica is a fine example of resisting the temptation to overload the consumer. So too are Clearnet, Tourism New Brunswick, and Manitoba Telephone.
4. **The Total Brand Experience**. Although the CASSIES have primarily been about advertising, they are evolving to include the broader impact of communication. Clarica is an example of how an advertising campaign can galvanize a sales force. Richmond Savings (CASSIES III) and AGF Funds (CASSIES 99) made a similar point.
5. **Humour in a Serious Category**. It hardly makes sense to trivialize what you are trying to sell, but this does not mean that humour cannot sell in a serious category. Richmond Savings (CASSIES III) blew the doors off with its "Humungous Bank" campaign. Other examples include Buckley's, Claritin, and Goodwill in CASSIES III; Fido and AGF in CASSIES 99; and Clearnet and Manitoba Telephone in CASSIES 2001. The Weather Network and workopolis.com—in semi-serious categories—would be other 2001 examples.
6. **Brand Value and Stock Price**. The case is drawing an inferential relationship between brand equity, brand performance, and stock price. Strict cause and effect is hard to prove, but readers should be aware of "hard number" financial measures that are being developed to meet the demand from CFOs and CEOs for measurement of brand value. This is a developing area, and for more information contact the ICA about the publication *Brand Valuation. Measuring And Leveraging Your Brand*.

See also **Core Equity** under Molson Canadian.