

CASSIES 2001 CASES

Brand: Clearnet PCS

Advertiser: Telus Mobility

Agency: Taxi, Toronto

Winner: Sustained Success Gold. Services General Gold.

Credits: Telus Mobility

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Lise Doucet - Director, Marketing Communications

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Credits: Taxi, Toronto

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Terry Drummond - Writer

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Gary McGuire - Account Director

Jennifer Macneil - 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

Sustained Success: Keep it Familiar but Fresh

This is the story of a business built almost entirely on distinctive and consistent branded communication in a sector where pricing and promotion were the competitive weapons of choice.

In the Fall of 1997, Clearnet PCS was launched as the 4th player in the highly competitive Canadian wireless services market. It faced entrenched, widely recognized brands with much deeper pockets and much wider penetration. Despite the odds, it was the most successful PCS launch in North America. It proved that, if correctly and boldly positioned, even an upstart could carve out a piece of a market dominated by much larger, well-established players.

That was Act One. This case study is about what Clearnet PCS did for an encore. With a brand position of “the future is friendly” and a solid foundation of brand awareness to build on, our challenge was to keep the brand familiar but fresh. Familiar, because we wanted to build trust and strategic consistency. Fresh, because that was the expectation we had created from the very beginning. *Crossover Note 1.*

Act Two shows that Clearnet became the industry’s most valued acquisition target, purchased by Telus in late 2000 for \$6.6 billion. This case is about how that brand value was created.

Crossover Note 2.

Editor’s note: for Sustained Success, the “Results Year” was from launch in 1997 through Q3 2000. For Services General it was Q3 1999 through Q3 2000, and these are the figures supplied in the case.

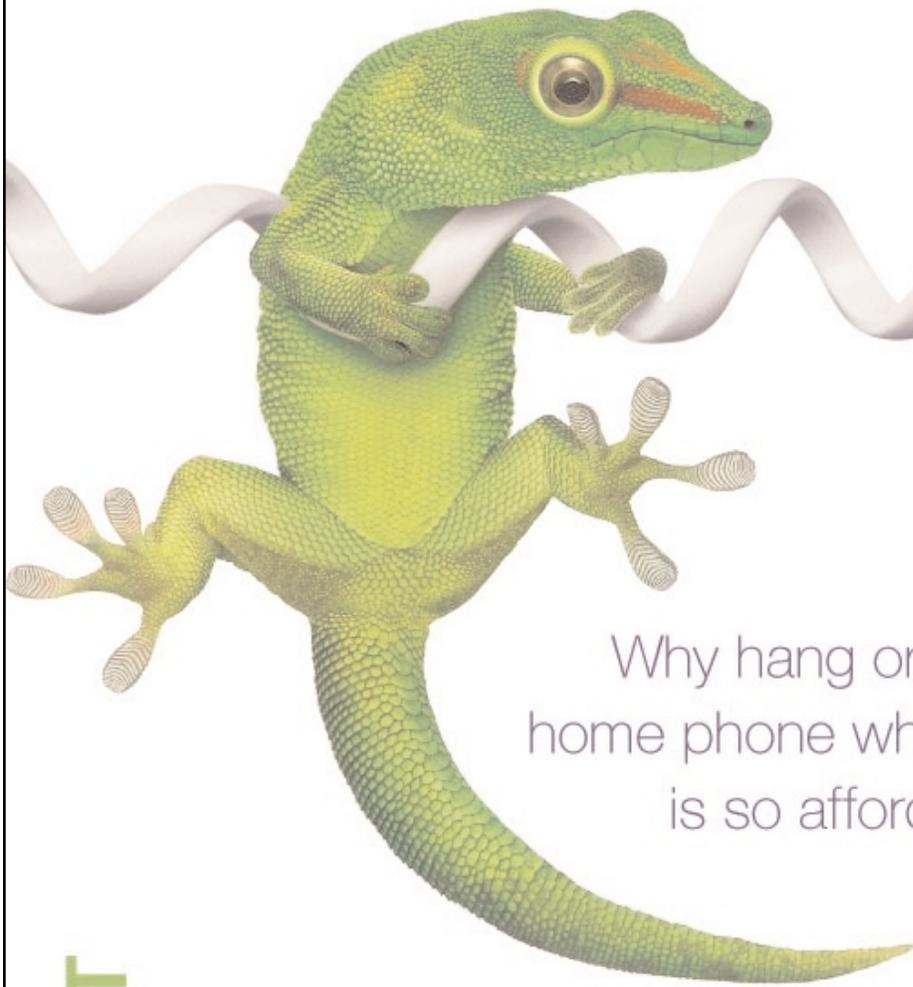
Situation Analysis

Most players in the Canadian wireless services market were competing on product, service bundles, promotions, and price. In addition to that, two-thirds of the market was more or less evenly split between two very well-established brands: Bell Mobility and Rogers Cantel.

In a me-too category—where the pricing, promotions and products of one brand are immediately copied by its competitors—big players with deep pockets control the game. Clearnet PCS resisted the temptation to rely on short-term price and promotion. Instead, it focused on building brand equity.

Leveraging its successful launch, Clearnet continued to reinforce “the future is friendly.” In some cases our commitment to that promise demanded short-term tactical pain for long-term strategic gain. Clearnet’s late entry into prepaid, for instance, may initially have seemed misguided in a tactically driven category. But it proved to be strategically consistent with key elements of the brand: value, fairness, and clarity. As we will demonstrate, that strategic consistency resulted in Clearnet’s outperforming the category in key areas.

In this sector, as in many others, there are short-term financial pressures. It takes discipline and vision to resist that pressure and stay true to a brand’s core convictions. Clearnet was able to do both. Ironically, when the industry began to consolidate, Clearnet was the most attractive acquisition target in the sector. It was all because of the brand. *Crossover Note 3.*



Why hang on to your home phone when freedom is so affordable?

clearNET
pcs™


Monthly rate	What you get
\$25	200 minutes, caller ID, voicemail, call waiting, billing by the second, free local calls on your birthday, no activation fee, no contract to sign.
\$35	The above plus unlimited local weekend calling.
\$50	Our home phone replacement plan includes the above plus unlimited local evening + weekend calling.

Business rate plans are also available. System licensing charge of \$4.95 per month, taxes and long distance charges extra.



Strategy and Execution

The key to building on Clearnet's breakthrough launch was to keep strategic consistency in all subsequent brand messaging. Research told us that Clearnet was seen as the most popular wireless brand in Canada—a clear vindication of the “future is friendly” position.

We had created a highly differentiated and friendly brand image by using flora and fauna. This had also eased the pain that consumers often feel with new technology, which can be complicated and impersonal. We now had to create variations on this theme—reinforcing the brand through familiarity, but with fresh imagery. We also had to work with the only competitive advantages we had—the personality and promise of the brand itself. *Crossover Note 4*. Pricing, product and promotion were not our primary competitive weapons.

Our strategy was to be provocative. In our Spring and Summer 1999 campaigns, we challenged the market with the question: “Why Have a Home Phone?” If you can have the freedom of free evenings and weekends on your PCS phone, why would you want to be tied to your landline?

TV spots showed a tropical frog in a jar. While supers posed the above question, the frog expressed its independence by removing the cap and boldly leaping out of the jar, and then out of frame. The frog was a friendly hero, and his escape meant that the future was not only friendly, but “free.” This spot was followed by another with a similar message: “Inside every home is a phone waiting to get out.”

For Christmas 1999 our frog continued to be the hero. The headline “See their eyes light up” played to the thrill of watching loved ones opening their gifts, while showing a full-frontal view of the frog's face and enormous eyes. This was familiar and fresh.

By Spring 2000 we felt that the image needed freshening again. We knew that people were emotionally bonded to our animals, but they also expected new interpretations. So we depicted a lizard clinging to phone cord, asking “Why hang on to your home phone?”

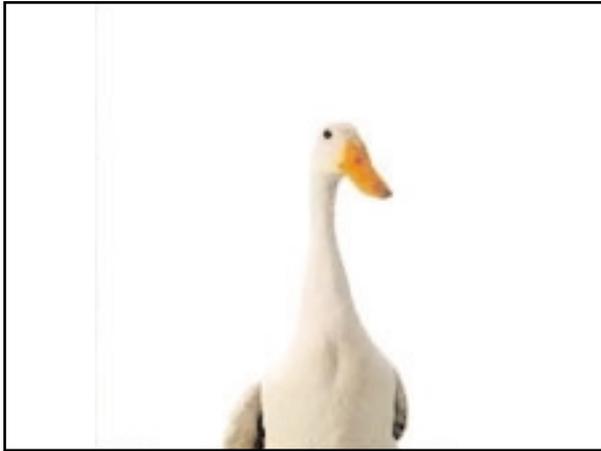
Our final campaign for 2000 was the most challenging. Although we had successfully delivered against the friendly part of Clearnet's position, we needed to address the future part in a more tangible way. This required a technical breakthrough as well as a fresh variation on the imagery.

At this time, “Web” was the word for technological innovation. Access to the Internet was the next frontier for wireless, and Clearnet was ready to deliver that access prepaid. (Note the strategic thinking on prepaid. The rest of the sector had long offered it, but Clearnet had avoided it because it was expensive, and therefore not friendly. This changed with Prepaid + Web Access, which is friendly and future-focused.) *Crossover Note 5*.

Such an innovation called for bolder imagery—hence the duck and the “Disco Duck” music. The duck's webbed feet echoed the Web, demonstrating the power of a visual and verbal pun. *Crossover Note 6*.

The ‘familiar but fresh’ approach to brand messaging was supported by a consistent media strategy as well. Every campaign was built on three components, each with a different role. TV created an involving and memorable emotional experience. Outdoor repeated the imagery and key headlines. Newspaper repeated the imagery and added depth by explaining the offering.

Disco Duck :30 *go to commercial*



The success of these strategies, along with the consistency in messaging and customer experience, made Clearnet a very attractive and valuable brand. As the industry consolidated, telecom giant Telus came knocking. They bought Clearnet for \$6.6 billion, an outstanding figure for a brand launched only 3 years earlier. As in AT&T's now famous purchase of McCaw Cellular in 1994 (a transaction valued at US\$11.5 billion) Telus was not so much buying tangible assets, but intangible brand value—the power of the Clearnet brand. *Crossover Note 7.*

As a demonstration of this value, Telus has adopted “the future is friendly” as its corporate brand position. It has also adopted all the visual properties that come with it: colours, typographic standards, imagery and advertising tone and manner.

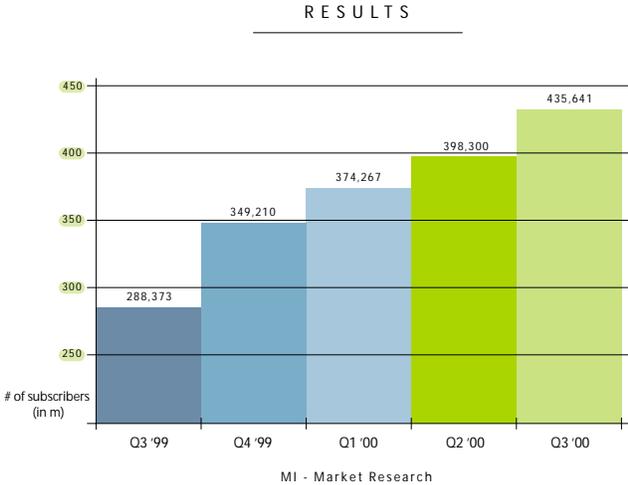
Clearnet's brand value was also expressed in impressive metrics. In Q3 1999 – Q3 2000 it enjoyed penetration rates (25% vs. 16%) and year-over-year subscriber growth (51% vs. 27%) that were consistently higher than those of the industry.

Clearnet also tracked another significant category metric: Average Revenue per Unit. For the period under review, it enjoyed the highest ARPU in the category, which means it was attracting the highest value customers.

Results:

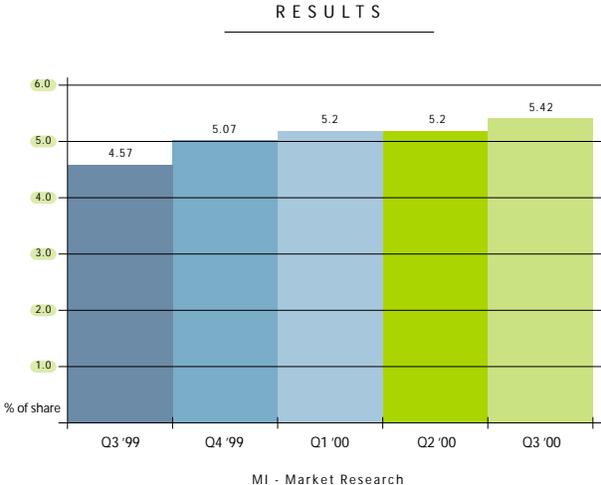
Subscriber Growth

One of the significant measurements of success in this business is the number of subscribers who activate their new Clearnet PCS handset and join the network. Between Q3 1999 and Q3 2000 Clearnet enjoyed an increase of 147,268 subscribers, or 51%, while Bell Mobility and Rogers Cantel increased by rates of 27% and 18% respectively



Market Share Growth

Market share is another key metric. In the Q3 1999 - Q3 2000 period Clearnet enjoyed an 18.5% growth in market share to 5.42 points. For the same period, Bell Mobility grew share by 1.8%, while Rogers Cantel lost share by 0.8%



Isolating the Cause and Effect of the Advertising

During launch, research focused on brand recognition, advertising awareness, and image ratings, and Clearnet PCS scored high on all those metrics. [Editor's note: figures have been supplied.]

The company did not conduct the same kind of research for Q3 1999 - Q3 2000. The emphasis shifted to cost of acquisition, customer behaviour and market performance. Exhibits A and B show that subscriber count and market share enjoyed significant increases across this period.

Could anything else have caused these results? We know that Bell and Rogers leverage their existing equity from other businesses. Bell Mobility leverages the halo of Bell Canada. Rogers Cantel enjoys a similar benefit as part of Rogers AT&T. This crossover effect is not available to Clearnet because it is wireless-only. Its advertising has to work much harder to influence metrics like subscriber growth and market share. This makes the growth all the more remarkable.

Clearnet had little but advertising to work with in order to achieve these results. It did not have anywhere near the number of distribution points, or corporate sales force, or geographical coverage as Bell Mobility and Rogers. It did not compete on pricing or incentives. In some cases, it was even the more expensive option. It was a late entry into the prepaid market. And yet it still outpaced its well-heeled competitors.

This is a brand that lives by an emotional proposition. *Crossover Note 8*. It delivers that through warm, playful and humorous imagery that can only be experienced through advertising. While reinforced by other parts of the customer experience, it is the advertising that wins their hearts—and keeps them.



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.

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- An Integrated Case.* i-wireless.
- Aging Franchise.* St-Hubert.
- Baby with the Bathwater.* Molson Canadian.
- Battling for the Same High Ground.* St-Hubert.
- Brand Essence.* Molson Canadian.
- Brand Value and Stock Price.* Molson Canadian, Clearnet, Clarica, Manitoba Telephone, i-wireless.
- Brand Linkage.* Molson Canadian.
- Brand-Building.* Clearnet.
- Business Strategy.* Dictated by the Brand Positioning. Clearnet, i-wireless.
- Brand Truths.* Lipton Chicken Noodle.
- Changing the Goalposts.* Lipton Chicken Noodle.
- Classic Rivalries.* Molson, Sunlight, workopolis.com.
- Consumer Insight.* Lipton Chicken Noodle, Kraft Dinner, i-wireless.
- Conventional Wisdom. (Staying In the Box.)* Molson, Sunlight.
- Core Equity.* Molson, Clearnet, Kraft Dinner.
- Creating a Brand from the Concept Up.* i-wireless.
- Emotional versus Rational.* Clearnet, St-Hubert.
- Familiar but Fresh—Building a Campaign.* Clearnet, St-Hubert, Sunlight, Tourism New Brunswick.
- Fixing the Product, then Pulling in the Customers.* St-Hubert.
- Handling Multiple Audiences.* i-wireless.
- Humour in a Serious Category.* Clearnet, Clarica, workopolis.com, Manitoba Telephone, Weather Network.
- IPA Cases.* Kraft Dinner.
- Keeping it Simple.* Clarica, Tourism New Brunswick, Manitoba Telephone.
- Likeability.* Clarica, Manitoba Telephone.
- No Change in Product.* Weather Network, Lipton Chicken Noodle, i-wireless.
- Not TV.* Weather Network.
- Out of the Box Thinking.* Molson Canadian.
- Personality versus Product.* Clearnet, Weather Network.
- Pre-emptive Media Timing.* Tourism New Brunswick, i-wireless.
- Portfolio Management.* Manitoba Telephone, Kraft Dinner.
- Positive or Negative Sell?* workopolis.com.
- Problem versus Solution.* Sunlight.
- Reach and Frequency versus Large-Space Impact.* Tourism New Brunswick.
- Re-branding and Re-Naming.* Clarica, workopolis.com.
- Showing the Obvious—Yes or No.* Lipton Chicken Noodle.
- Spending Weight versus Idea Weight.* Molson Canadian, Tourism New Brunswick, Manitoba Telephone.
- Strategic Choices.* Kraft Dinner.
- The Total Brand Experience.* Clarica.
- Transcending Advertising.* Molson, Tourism New Brunswick, Manitoba Telephone.
- Turnarounds.* Sunlight, Lipton Chicken Noodle.
- Undercut by Pricing/Promotion. (See also Brand-Building.)* Kraft Dinner, Clearnet.

Crossover Notes for Clearnet.

1. **Familiar but Fresh—Building a Campaign.** How do you connect to what has already been done, while breaking new ground? At one time many companies—particularly the big packaged-goods advertisers—favoured pool-outs. Pool-outs retain the structure of the original ad, with a combination of continuing visual elements, slogans, catch phrases, and tonality. Such campaigns can certainly be effective, but that does not mean that successful campaigns have to be this tightly formatted. Some examples will illustrate the spectrum:

- **Formatted Pool-Out.** Campaigns like “Who wants Gum? I do. I do.” with multiple situations to the same structure. Some practitioners regard this type of campaign as old-fashioned. Others regard it fondly as the way it ought to be. They will point out that the “young at heart” campaign by becel was based on pooling-out, and it won the Gold for Sustained Success in CASSIES 99.

Note: The formatted pool-out can still deliver fabulously effective and creative advertising—for example the UK’s campaign for Hamlet cigars, with 20-year longevity and the type of creativity that has made it one of the most admired campaigns ever.

- **Visual Icons.** Campaigns held together by icons like the Maytag Repair Man and the Marlboro Cowboy and Tony the Tiger. The icon approach is seen by some to be out of date, but that is a mis-call. Certainly, some icon-based campaigns have a dated feel, but others are fresh and current. Absolut Vodka would be an example. So (depending how broadly you define an icon) would Fido.
- **Spokes-people, and Spokes-animals.** Dave Thomas, God rest his soul, would be a recent example, as would Morty the Bison in the 2001 Manitoba Telephone case.
- **Storytelling.** These campaigns are a sub-set of the previous two types, involving a continuing story with character(s) we get to know. The Oxo campaign in the UK is one of the longest-running, with a family evolving over several years, always with Oxo as part of their lives. Storytelling campaigns with well-known personalities have been very successful in Quebec. The Pepsi and Listerine Grand Prix winners in CASSIES I and II would be examples.
- **Music-Based.** This covers a lot of territory. Soft Drinks, Cars, Fast Food, and Beer have all built campaigns this way.
- **Consistent “Voice and Attitude.”** This type of campaign is held together by more subtle things than anthems, slogans, structure, and visual icons. Perhaps the most impressive was the Volkswagen advertising that started in the 60s. Individual executions were very different (some quite serious, some comical, some ironic, some dramatic) but they all had the Volkswagen voice and attitude. Brands like Nike are in this category today.
- **Core message. Customized Execution.** This is the most difficult campaign to define, because individual executions can be totally different from each other. The best CASSIES example is Dove, which built its business spectacularly. (Gold for Sustained Success CASSIES III). The campaign started with an exquisite demonstration commercial called “Litmus” with no people. This was followed by a candid-camera of women in a focus group doing the Litmus test. Then came a “talking head” of the scientist who invented Dove. Then back to another demonstration commercial—a dermatological test—of the effect of Dove on the skin.

These executions were held together by the message of mildness, an element of surprise, and a straightforward brand character. There were no continuing slogans or visual icons.

Caveats:

- It is usually not a good idea to pre-set the type of campaign that you need. Best practice is (1) define the issue (2) create the best solution (3) let the type of campaign fall out of this.
- The list above is not a checklist. There are many other types of campaign, including those that combine various of the approaches discussed.

2. **Brand-Building.** Put yourself in the shoes of the Clearnet team. The temptation to focus on promotion and price must have been very seductive, especially given how the competitors were fighting it out. Even so (or more accurately because of this) Clearnet decided to focus on brand-building.
3. **Core Equity.** This has a soft and a hard aspect. The soft aspect is related to brand image* i.e. the “bundle of meanings” created in the audience’s mind such that they choose one brand over another. The hard aspect measures 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.

**Some people regard Brand Image as an out-of-date concept, and prefer Brand Essence, Brand Personality, Brand Character, Brand Truth, Brand Soul etc. To avoid a trip to the tower of Babel, I have used the old term.*

4. **Personality versus Product.** The case puts the point well. If you and your competitors are going to match each other on product, you have to find some other way to get a competitive edge—and a distinctive, preferred Brand Personality is a powerful way to do it.

There is, however, a warning from history. It’s easy to slip into a belief that Brand Personality (or Brand Image, Brand Essence, Brand Character, Brand Truth, Brand Soul etc.) can compensate for an inferior product. Because the danger wasn’t seen at the time, many North American companies in the past under-invested in product performance, giving the Japanese and Europeans the foothold they needed to establish the market shares we see today.

See also **Fixing the Product** under St-Hubert. Three of the five Grand Prix winners fixed the product before launching new advertising—Listerine in CASSIES II, Chrysler in CASSIES III, and Sunlight in CASSIES 99. On the other hand, Pepsi in CASSIES I and Molson Canadian in CASSIES 2001 generated their growth with no product change. The same is true for the Sustained Success winners Dove and becel. They generated spectacular growth with no change in product (though they already had a superior/excellent product when their new advertising was launched).

5. **Business Strategy dictated by the Brand Positioning.** This is an issue that goes far deeper than the “Ps” of Marketing. The concept of “the brand” as opposed to “the product” has been around for over a 100 years, and the difference was captured in the quote out of the UK, “A product is made in the factory. A brand is made in the mind.” Virtually everyone agrees that Product, Pricing, Packaging, Promotion, and Place must all support and enhance the Positioning (or Image, Character, Essence, Soul). But how many companies allow their concept of “the brand” to dictate the business strategy? Clearnet is an instructive example. See also i-wireless.
6. **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; Clarica, and Manitoba Telephone in CASSIES 2001. The Weather Network and workopolis.com—in semi-serious categories—would be other 2001 examples.

7. **Brand Value and Stock Price.** The case draws a 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. (See Core Equity above.)
8. **Emotional versus Rational.** Most brands are a blend of the emotional and the rational. When developing creative strategy—and at the danger of generalizing—I think it’s fair to say that agencies tend to be attracted to emotional selling power, and clients to rational selling power. As a Brand Manager on Tide I fought tooth-and-nail with the agency over the relative power of clean [rational] versus trust [emotional], and have seen similar dogfights on many other brands. Here are brands from earlier CASSIES that could have focused on the rational, but chose—successfully—to use emotion:
- **Chrysler NS Minivan.** The NS had a number of functional improvements, but the campaign was heavily infused with emotional benefits.
 - **Philadelphia Cream Cheese.** The famous Angel campaign (Gold for Packaged Goods Food in CASSIES III) came out of the need to capture the emotional benefit of “permission to indulge” along with the rational benefit of 60% less fat than butter or margarine.
 - **Richmond Savings.** The Humungous Bank campaign.
 - **becel.** With hard-hitting, rational print—and a corresponding effort against doctors and nutritionists—becel had become #1 in the market. The team could have continued that approach, but wanted to get becel onto TV. Regulators at that time forbade hard-hitting TV claims. This led to the emotion-driven “young at heart” campaign and dramatic, long-term business growth.
 - **Fido.** Although the campaign includes rational benefits, its main pull is user-friendliness.
 - **Wonder Bread.** They could have taken a functional “taste + nutrition” approach, but instead used the joy of childhood.
 - **Cleernet MiKe.** A high-tech product has many rational claims at its disposal. For MiKe (CASSIES 99) the team realized that it would be better to appeal to the mindset of their pragmatic, project-driven target audience, and MiKe was born.
 - **AGF Funds.** The original “what are you doing after work” campaign (the one with deliberately fake actors) spoofed financial advertising, and charmed its way into people’s pocketbooks.