

Agency: BCP

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Club Med Sales, Inc.

EXECUTIVE SUMMARY

With an experienced understanding of the marketplace and the fragmented travel industry, the objectives and strategy for the winter, 1994/1995 Canadian advertising campaign for Club Med Sales became well defined. Both 'tactical' and 'emotional' responses were necessary to motivate consumers and get them to match their vacation expectations with the 'concept' of Club Med.

Rather than conform to 'palm tree' advertising, we recognized that our target group could relate to Club Med's value system, reflecting as it does, a simpler time of trust, honesty, openness and friendship. For Club Med, these values form the foundation of its enduring success.

By focusing on TV and newspaper, and being in the marketplace early (September), we had an important head start in occupying the emotional heart of the consumer. Club Med was on the agenda. By maintaining weekly awareness, the advertising perpetuated high response rates for most of the season and consumer sales outpaced those in the previous year by between 10% and 16%.

SITUATION ANALYSIS

For the past five years the recession has adversely affected the travelling public and the poor performance of the Canadian dollar (relative to the American currency), eroded buying power in the Caribbean. In addition, last minute wholesale discounters had stolen market share from established vacation marketers by changing the way consumers shopped for vacations. Thankfully, this shift also held a marketing advantage for Club Med Sales. More and more vacation bargain-hunters were getting burned by more than the hot tropical sun. Consumers were learning that in vacations as in anything else, you get what you pay for; quality and value have a price. Cheap travel is not a bargain by itself; instead, it is the relationship between quality, customer satisfaction and price that determines the real value.

Club Med is an internationally established, premium-priced and all-inclusive travel product in a highly fragmented, retail-minded travel marketplace. The advertising challenge was to motivate a cautious consumer and increase flat sales in Quebec and Ontario while maintaining our success in British Columbia. The driving force would be advertising (in English and French) utilizing the power of creativity and solid strategic thinking.

OBJECTIVES

1. Increase national sales by 15%.
2. Reduce cost of sales compared with the previous year.
3. Adopt a more focused approach to communications.
4. Maintain a budget reserve in order to be flexible in reacting to market conditions and opportunities.

STRATEGY

Using data from Yankelovich Research, 'Marketing Revolution', we evaluated the changes in consumer behaviour as they have evolved from the 'I want it all' values of the 1980s to 'I want what makes sense to me'.

Therefore, the first communication objective was to assure the 1990's consumer that Club Med was able to relate to their concerns. To do this, the emotional messages, ('how does this make me feel?') had to be balanced with common sense or tactical messages, ('Does it give me value for money?').

We pinpointed enduring human values relative to the cornerstones of Club Med's unique selling points (friendship, romance, laughter, kindness and tolerance) and creatively 'overlaid' these two value systems.

Shared values are often where our fond memories come from. The notion that life was simpler when Club Med started back in the 1950s still governs its unique concept as the 'antidote to civilization' or in our case an escape to, 'life as it should be'. The challenge was to match new consumer vacation expectations to elements of the Club Med concept.

STRATEGY

The key component of our strategy was to get an early emotional commitment from the consumer ahead of our competitors, and to break the 'last minute' mentality that makes travel marketers very anxious.

The media objective was to balance the advertising messages. Media investment was targeted by market priorities with concentration in two media. Television advertising was used to 'sell the dream'. An 800 number was used to encourage immediate response. Newspaper was chosen to sell value, choice and price. The creative objective was to develop simple, focused and consistent communication in both English and French markets.

Meanwhile, distribution partnerships (travel agent networks) were strengthened to increase national consumer exposure and halt conversion to our competitors.

EXECUTION

The popular, '15 seconds of Club Med' / 'Could you imagine a week' was the most successful TV campaign ever created for Club Med Sales in Canada. Our experience from that original campaign (originally run in the late 1980s), provided a foundation with three key elements:

1. The music ('Hands Up').
2. A single, simple visual.
3. A voice-over to reinforce the juxtaposition between where the consumer was in reality and where he was emotionally.

The television campaign used a technique of 'book-ending' 15-second TV spots in each commercial cluster and randomly pairing the spots to create a freshness and give a sense of bigness to the entire campaign. Newspaper delivered the same visual message as TV, but added a strong value-for-money message, including segmentation by lifestyle and village choice that differentiated Club Med with bold, leadership statements that it could 'own'.

Since 95% of travel consumers use the travel section to influence their vacation decisions, the ads were placed primarily in travel sections of key newspapers across Canada. Ad size was determined, in part, by the number of insertions needed in each market to support our business seasonality and availability of product. The advertising budget was \$2.3 million (including production) for the winter season running from September to April inclusive.

A WORD ABOUT PEOPLE

Advertising is crucial in generating leads that can be picked up by the Club Med sales and marketing team. The two work together.

The same 'core team' of agency personnel have been dedicated to the Club Med account for over 12 years. As a result, climbing the marketing 'learning curve' was not nearly as important as the successful motivation and experience of agency and client personnel on the Club Med team. Selling dreams is a special business and we believe that a motivated team adds at least a 5% sales increase to the bottom line, although this is difficult to

quantify.

In addition, Club Med processes telephone inquiries from both the travel agent and the consumer, so telephone manner, product knowledge, and the ability to 'close the sale' become essential to Club Med's overall success. Advertising plays a key role in directing the consumer to the right telephone number.

Finally, two Club Med boutiques offer a personal walk-in service and they are staffed by Club Med's best employees with over 15 years tenure.

RESULTS

By tracking the number of incoming telephone calls by month versus the advertising expenditure by month, the relationship that advertising has on sales can be monitored. The more we spend, within reason, the more our message is exposed and the more leads are generated for our client. As a result of this campaign, the volume of phone calls caused Club Med to request additional air seats because of heavy demand for their product.

Sales consistently ran 5 to 10% above the previous year in the boutiques. They represent 7% of Club Med Canada's total sales. Sales (from all sources) during the winter season were running 10% to 16% above the previous year (final results were not available at time of writing). See [Exhibit 1](#).

Profitability was up 4% last year due to streamlining methods employed by Club Med senior management and continues this year as it has manifested itself in two ways:

1. Club Med has provided cost of living increases for the first time in six years and further rewarded outstanding initiatives and leadership, and
2. Club Med has made available a reserve budget to 'investment spend' in the Canadian market based on opportunities for a new product introduction.

CLIENT

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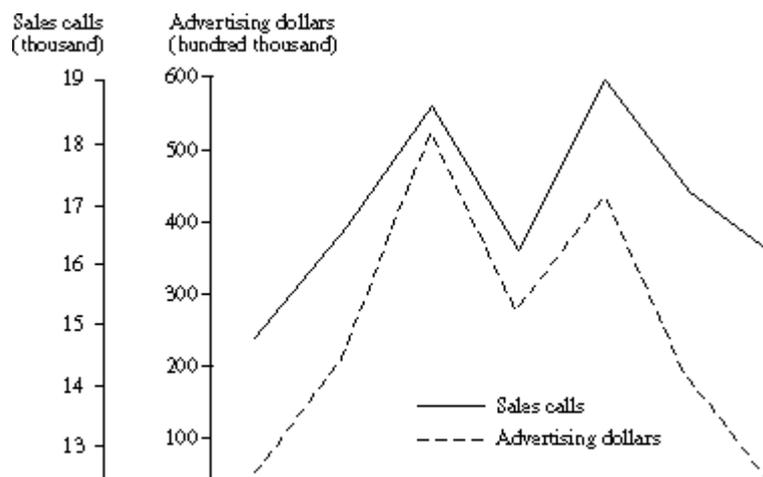


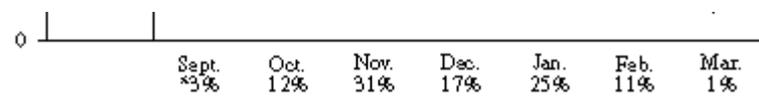
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NOTES & EXHIBITS

EXHIBIT 1: SALES CALLS PER ADVERTISING EXPENDITURE





***Percentage of total media**
