

Cassies 2005 Cases

Brand: Designer Depot

Winner: Events & Seasonal—Certificate of Excellence

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Crossover Notes: All winning cases contain lessons that cross over from one case to another. 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 1. What a Brand Stands For.

Crossover Note 7. Fighting for the Same High Ground.

Crossover Note 11. The Eureka Insight.

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

EXECUTIVE SUMMARY

Business Results Period: November 2004 – December 2004.

Start of Advertising/Communication Effort: October 25, 2004.

Base Period for Comparison: N/A (due to relaunch)

This case describes the launch of the first store of a national discount chain, Designer Depot. It shows how a little over four weeks of aggressive guerilla communication, and a series of launch events, helped an unknown brand generate great buzz and excitement, with sales and traffic at double and triple the expected levels. It demonstrates the impact of advertising and PR, despite the presence of several heavyweight competitors.

SITUATION ANALYSIS

The Designer Depot flagship store was due to open in November 2004 in Vaughan, north of Toronto. Until then, Designer Depot had been a specialty department inside The Bay, carrying designer clothes and home accessories at discount prices. The new store would join more than 200 others at Vaughan Mills, the freshly built shopping centre off Highway 400. It would set the tone for seven more Designer Depot launches across Canada.

Going into the launch, Designer Depot had several tough challenges:

- Introducing an off-price retail brand among the growing number of discount retailers in the market. **Crossover Note 7.**
- Driving sales during the highly-competitive Christmas season.
- Opening its first store in a mall that hosted its largest competitor, Winners & Home Sense. Winners had over 160 locations across Canada, and for years had been a go-to destination for discount designer wear. Its Vaughan Mills location was a power-centre, featuring the largest selection of brand name clothes and accessories.

The one-week opening period (Nov 1 – 7) was a one-time opportunity to introduce and successfully establish Designer Depot. Store-opening campaigns must meet aggressive sales and visitor targets to establish the brand. We needed a disruptive campaign that would differentiate the brand from Winners and other off-price competitors in the mall (Linens 'N Things and a number of designer factory outlets). In addition, we needed buzz to entice GTA shoppers to Vaughan Mills. Out of this came the objectives:

- Position Designer Depot as a trend-setting contender in the off-price retail market
- Deliver a very aggressive sales target
- Communicate Designer Depot's personality (fresh, modern, friendly) and its product range (high-end designer brands for everyone).

STRATEGY AND INSIGHT

Designer Depot's had more higher-end, well-known discounted designer brands than any competitor (i.e. 75% at Designer Depot vs. 25% at Winners). This meant that you were more likely to walk out with something you liked, rather than spend frustrating hours rummaging through a selection of less familiar brands that you didn't want.

We focused on the universal insight that no matter what kind of a shopper you are – bargain hunter or fashionista trendsetter – everyone loves a find, that great purchase at an incredible price. This would draw the loyal Winners crowd and the fashion-conscious urban consumers who may not be attracted by the sole idea of hunting for a good deal.

Crossover Note 11.

The advertising needed to reflect “designer fashion for less.” But it couldn’t use designer names or price points. This called for a two-stage strategy: **Crossover Note 1.**

Stage 1 – Year 1: Establish *Designer fashion for less.* [The subject of this case.]

Stage 2 – Year 2: Build the emotional promise: *At Designer Depot, it’s always a find.*

EXECUTION


The first step was to develop a compelling tagline to convey the incredibly affordable prices at Designer Depot. “Practically Stealing” was born, and launched as a series of heavily branded newspaper teaser banners:


**THERE IS A PLACE FOR PURSE-SNATCHERS.
THE PURSE SECTION.**

 It's practically stealing. Store opens Thursday, November 4, at Vaughan Mills.
Details at designerdepot.ca.


designer Depot  DESIGNER LABELS.
DEPOT PRICES.


GRAND THEFT CASHMERE.

 It's practically stealing. Store opens Thursday, November 4, at Vaughan Mills.
Details at designerdepot.ca.

designer Depot  DESIGNER LABELS.
DEPOT PRICES.

SHOPLIFTING IS REDUNDANT.

 It's practically stealing. Store opens Thursday, November 4, at Vaughan Mills.
Details at designerdepot.ca.

designer Depot  DESIGNER LABELS.
DEPOT PRICES.

This was followed by humorous and provocative radio, and in-mall/subway ads:



Bag stuffers were given out at all Hbc stores (The Bay, Zellers, Home Outfitters). POS went up at The Bay stores around the city.



An aggressive guerilla campaign complemented the advertising, from the day before the launch to mid-December. Fashion models—with Designer Depot shopping bags filled with merchandise—appeared in GTA shopping malls and on the Union Station subway route. In several malls, they were asked to leave because they were stealing attention from other retailers!



In addition, a sweepstakes ran in the first three weeks of November. Customers were invited to guess the total cost of displayed merchandise for a chance to win a \$1,000 shopping spree at Designer Depot, and a closet makeover by California Closets. Each participant entering the contest submitted his or her email address, which was then added to the Hudson's Bay Company customer database.

Guerilla campaign at the Eaton Centre

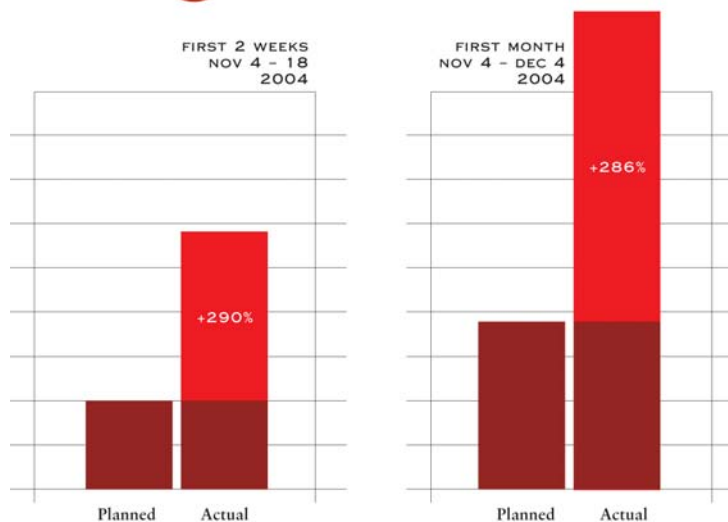
We organized an in-store event for the Toronto media on the eve of the grand opening. On entering the store, guests were arraigned by faux police officers, had a mug shot taken, got a tour of the store, and then watched a fashion show of dD merchandise by Toronto's fashion guru, Lynn Spence. In the following weeks, Ms Spence also hosted fashion shows in the store's front window, luring in the holiday traffic.



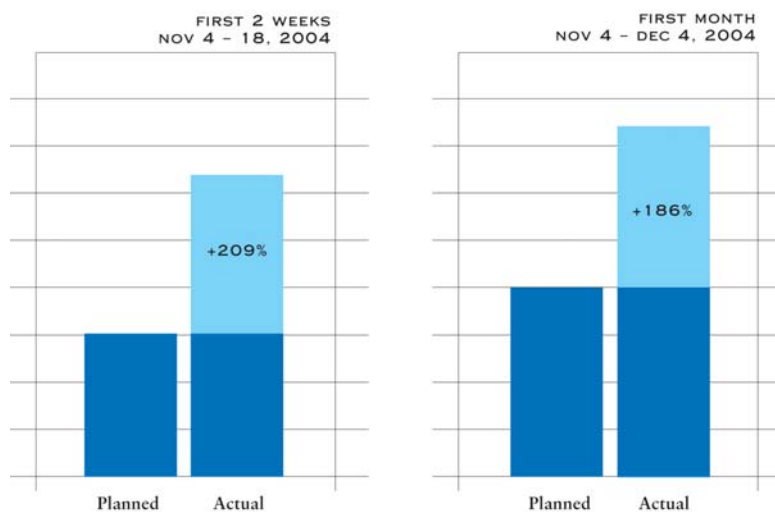
BUSINESS RESULTS

By the end of the opening, the store traffic was three times higher than expected. Traffic in the first two weeks indexed at 290 versus objectives, and again at 286 for the first four weeks. Sales showed a similar pattern, with indexes at 209 and 186.

designer Depot **DD** VAUGHAN MILLS STORE LAUNCH TRAFFIC



designer Depot **DD** VAUGHAN MILLS STORE LAUNCH SALES



Meanwhile, the dD website drew 1,000 hits daily and 1,500 on the store opening day, capturing close to 5,000 new customers for the Hudson's Bay Company customer database.

CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

Designer Depot was practically unknown, except at The Bay. Until October 2004, it had not been advertised in mass media. The launch campaign was the only way that the store could have become known. By all standards, the Vaughan Mills Designer Depot launch was an advertising driven success.

End of Case. Crossover Notes follow.

INTRODUCTION TO CROSSOVER NOTES — CASSIES 2005

[For Designer Depot]

Crossover Notes have been going for several years, and now run to 28 pages.

We used to attach a full set to all cases, but to save a few trees, we now include only the Notes particular to any case.

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

I was a consultant by then. Before that I had reached the category manager level at P&G (what they quaintly called the Associate Advertising Manager). I had then clambered up the ladder at O&M, eventually becoming President and later Vice Chairman—both in Toronto. P&G and O&M were both passionate about “lessons learned,” and so was I. In those days (it seems hard to believe now) we felt rushed off our feet. But we did have 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 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 150 published cases. They’re a growing body of experience. I hope I’ve helped pass some of the learning on.

David Rutherford

Toronto: December 2005.

For 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.

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The Notes for this case are marked ✓ and come next.

DESIGNER DEPOT. CROSSOVER NOTES. CASSIES 2005.

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 | e) Facilitating brand extensions |
| b) Higher price | f) Withstanding competitive attack |
| c) Higher cash flows | g) Motivating staff and attracting new talent |
| d) Higher long-term profitability | 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.

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 Communication*: www.ica.adbeast.com

7. Fighting for the Same High Ground. Some people feel that a brand 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 P&G’s Oil of Olay bar from the US, and decided to kick-start Dove sales via new advertising. They had a spectacular product demonstration. Dove is not a soap, and when it is subjected to litmus paper, the colour does not change. With soaps—including Ivory—the paper turns an ugly blue. But this is essentially a mildness demonstration, and Ivory owned mildness. Some heavy hitters in international management (at the client and agency) predicted disaster if Dove took on Ivory. But Dove attacked anyway. At the start of the case, Dove and Ivory had the same dollar share. Four years later Dove’s dollar sales were up 73%, and Ivory had dropped to half of Dove’s dollar share.

And how do you decide whether to attack or not? On winnability. Yes, 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 does *not* have to come from positioning. Consider Duracell and Energizer. Duracell was the first brand to stake out “lasts longer,” and Energizer (believing they could not attack this high ground) 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 variation on this theme. Sunlight wanted to attack Tide on cleaning, but decided that a frontal assault on such a powerful brand would fail. They still attacked, however, but they re-defined “clean” as the joy of getting dirty. This brilliant insight helped them win the Grand Prix in Cassies 99.

I’m not saying you should always attack a competitor on the high ground. There are many Cassies successes based on side-stepping or re-defining the high ground. Cottonelle, Desjardins, Gaz Metro and Réno Dépôt did this in Cassies 2004. Cruisin’ to Win, Crescendo, Whiskas, Twix, Moores and Lotto 6/49 did this in Cassies 2005. Even so, I think the high ground is still one of the first places you should look.

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*.) 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. 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 in Cassies 2002. They found a way to be youthful without being too young in the “forever young” campaign.
- 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.
- Irving’s Cruisin’ to Win. Saw the power of *small* prizes. Cassies 2005.
- Crescendo. Like Oh Henry! saw unoccupied high ground. Cassies 2005.
- Butter. Saw a way to use “natural” to connote taste and health. Cassies 2005.
- Anti-Smoking. Saw the power of “Stupid.” Cassies 2005.
- Jergens Ultra Care. Saw a way to reposition skin. Cassies 2005.
- Whiskas saw things from the *cat’s* point of view. Cassies 2005.
- Moores used the fact that their target audience hates shopping. Cassies 2005.
- Harvey’s realized the significance of The Grill.
- Quebec Lotto 6/49. If 6/49 winners are so generous, be nice to them.
- United Way saw power in the Hand icon.
- Leucan realized that there is still hope, despite childhood cancer.
- CIBC Run for the Cure saw the power in the Pinnie idea.
- Juicy Fruit saw how to build a new image by (almost literally) destroying the old one.
- Quebec Milk saw power in the obvious—if one glass is good, two are better.
- Plus virtually all the cases in *Crossover Note 10*.

End of Designer Depot Crossover Notes.