

Canadian Advertising Success Stories 1999

Fido

Agency: Bos
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EXECUTIVE SUMMARY

Microcell and Bos live by the tenet: 'If you build it, they will come.' By challenging the rules of the market, and by creating a fresh, meaningful brand, well supported by advertising, we have made Fido a top contender, right on the heels of the big players: Bell Mobility and Cantel/AT&T.¹

In its first year of operation, Fido built a base of 66,000 subscribers, over-achieving budget by 10%. This grew to 217,000 subscribers in 1998—46% above budget. In 1999, Fido will break the 500,000 mark; and it will have done this faster than any player in the market. This was not without facing tremendous challenges:

- being a newcomer without pedigree in a well established market
- being functional in limited geographical areas
- starting with very limited distribution

Nonetheless, with an advertising campaign rolled out market by market, starting late fall '96 in Montreal and spring '97 in Toronto, unaided brand awareness had reached 55% by the end of 1998. Perceived advertising noise was at the 30% level, way ahead of every other competitor. And Fido's ads were the best liked and remembered in the category. In fact, research revealed that Fido scores were twice as high as the nearest competitor's.

SITUATION ANALYSIS

From the mid 1980's until 1996 there were really only two players in the mobile phone market: Bell Mobility (& Telcos) and Cantel/AT&T. They split the market of 3 million users almost 50/50. Both played by rules they had established. Phones were offered free with a 24, 36 or 48 month contract— including a fixed monthly connection charge plus a cost per minute of use. Both companies had equivalent pricing and consumer offers. Neither had managed to create an advantage from advertising; no campaign stood out. Moreover, campaign styles kept changing every year or two. Consumers chose the 'entrepreneurial' company, Cantel, or the 'corporate' one, Bell Mobility. But late in 1996 the federal government awarded Personal Communication Service (PCS) licenses for digital mobile phones to two new players, Microcell and Clearnet. The landscape was bound to change.

STRATEGY AND EXECUTION

Microcell understood that success meant differentiating its offering, and making it relevant to as wide an audience as possible. The marketing strategy included three elements:

1. Address the weaknesses of the existing mobile phone business:
 - eliminate the long term contract
 - bill by the second, not the minute
 - deal with the cost, making it affordable to use a mobile phone
2. Simplify the proposition:
 - do away with complicated plans & price structures
 - establish fixed cost to use, both local and long distance
 - whatever the time of day
3. Use advertising as the weapon to build the business

Although 1 and 2 played a crucial role, we will focus on element 3, and show how it contributed more than its fair share in propelling Microcell to where it is today.

ADVERTISING STRATEGY

Fighting head-to-head with the two heavyweights would have been a terrible mistake. Both had entrenched credibility. And like two super fighters in the ring, they were going at each other blow for blow, using contractual packages to lure consumers.²

This gave us an opening. They were so focused on promotional offerings that they had neglected to build strong brand personalities and connections with their user base and prospects. If Microcell couldn't be big, corporate and credible, then it could be unique, playing on personal human appeal.

This led to the first decision: we would get close to the consumer. To capture the benefits of our service—friendly, simple, loyal, confidential, follows you everywhere—we developed the brand name Fido, and the logo. This would be the symbol of all communication. It connected strongly with consumers, and would be a source of continuity over the years.

The second decision—in sharp contrast to the practices of Bell Mobility and Candel/AT&T—was that in every ad Fido branding would dominate over specific messages and offers. The third decision was to overspend our real market position, to deliver accelerated growth, and to be seen as important as the big guys.

ADVERTISING EXECUTION

Fido was introduced in major markets beginning with Montreal in November 1996, Toronto in early 1997, and others at different times throughout 1997–98. The launches all followed a 3 phase pattern:

Phase 1: Create a 'buzz' around the new brand name:

Step 1— use Blimp advertising to create the first stir in the marketplace.

Step 2– introduce teaser TV commercials to increase awareness and interest in the upcoming brand.

Phase 2: Introduce the Fido concept to consumers:

Associate trustworthiness and solidity by using a 90 second format and double page spreads to give all relevant information (transparent, nothing hidden) in a friendly, approachable way.³

Phase 3: Develop the Fido brand:

Use multimedia to communicate that with Fido you are the master. He follows you everywhere. All you have to do is call him by name.

Use this as the platform for specific messages, either core or promotional, over time.

To keep the campaign focused and consistent, we used executional elements that would become part of the Fido look and feel (see attached)—dogs as icons in every ad; a black and white texture; and original music.⁴

RESULTS

Microcell's business performance for 1997 and 1998 is as follows:

	Total Net Acquisitions	Objective	Overachievement
1997	66,000	60,000	10%
1998	217,000	149,000	46%
Cumulative	283,000	209,000	35%

Note that the dip in the share in Q3 1998 (see [figure 1](#)) is directly linked to seriously reduced spending effort. Significant investment resumed in Q4, delivering the 26.8% share. That may be one of the best supports to prove the importance of advertising in Fido's success story.

ISOLATING ADVERTISING AS THE VARIABLE

The success of something as complex as Fido, in such a competitive market, obviously traces to more than one element, as noted by André Tremblay, CEO of Microcell:

'The excellent quality of Microcell's services, its effective advertising, competitive pricing, leading-edge handsets, and quality network have all contributed to the impressive increase in the company's subscriber base.'

However, it is clear from tracking (and the rebound in acquisitions already noted for 4th quarter 98) that advertising was a significant driving force.

By the end of 1998, total unaided awareness for Fido was at 55% in Montreal and 54% in Toronto, just on the heels of the big players, and well ahead of Clearnet. See [figure 2](#).

This was achieved with advertising noise (i.e. the perceived level of effort) well ahead of actual—very gratifying given our objective of being seen as important as the big guys, see [figure 3](#). Actual share of

advertising dollars was in the 20%–25% range, with Cantel/AT&T and Bell (+ other Telcos) outpacing us, and Clearnet lagging behind. (Editor's note: the case provided detailed data.)

However, through 1998, Fido was the clear leader in impact, as shown in [figure 4](#).

Moreover, through 1998, Descarie & Complices analyzed the performance of the commercials from the four players, based on multiplying four indices:

- Recall of the advertising message
(multiply)
- Likeability of the message
(multiply)
- Identification of the announcer
(multiply)
- Understanding of the message

[Figure 5](#) shows Fido's domination in the advertising battleground.

With an innovative approach to the market, relying heavily on an advertising campaign that has focused on building the brand, Fido has managed to outperform its competitors and capture more than its fair share of market. And thanks to its advertising, it is the only mobile phone service provider that has people call it by name: 'Call me on my Fido!'

FOOTNOTES

1. David and Goliath. In recent CASSIES there are six cases where a smaller brand succeeds against a giant—Fido, Sunlight and Reactine in CASSIES 99; Buckley's, Richmond Savings and BMG in CASSIES III. In all cases, the smaller brand found a soft underbelly to attack. This is also reminiscent of Pepsi versus Coke and Nabob versus Maxwell House.

2. Distinctiveness, but How? Note how Fido and Sunlight (and Buckley's, Richmond Savings and BMG in CASSIES III) all broke the conventional wisdom for their categories

3. Media Innovation. The blimp, teaser ads, and 90 second creative may not be individually new, but as a combination, they are very different from the typical media plan.

4. Evolving a long-running campaign. See Crossover Notes under becel, St-Hubert, and AGF for more on this topic—and the many examples in CASSIES III. Whereas becel's executions are quite similar over several years, and St-Hubert's have a 'template', the Fido executions (though individually quite different) are tied together by the Fido branding elements and the Fido tone of voice. As noted under AGF and elsewhere in these notes, there is no single answer.



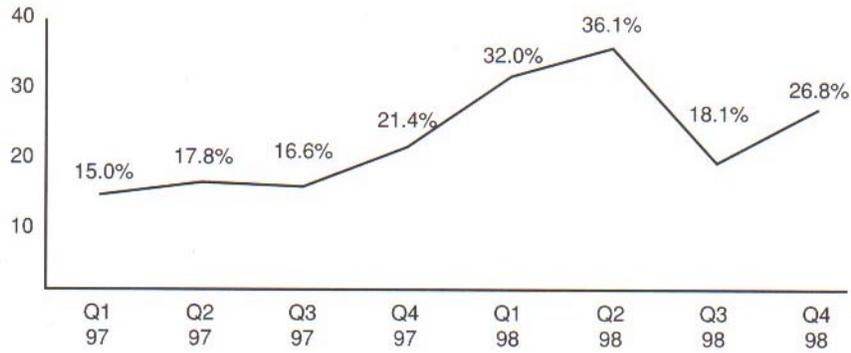
<http://www.warc.com>

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NOTES & EXHIBITS

FIGURE 1

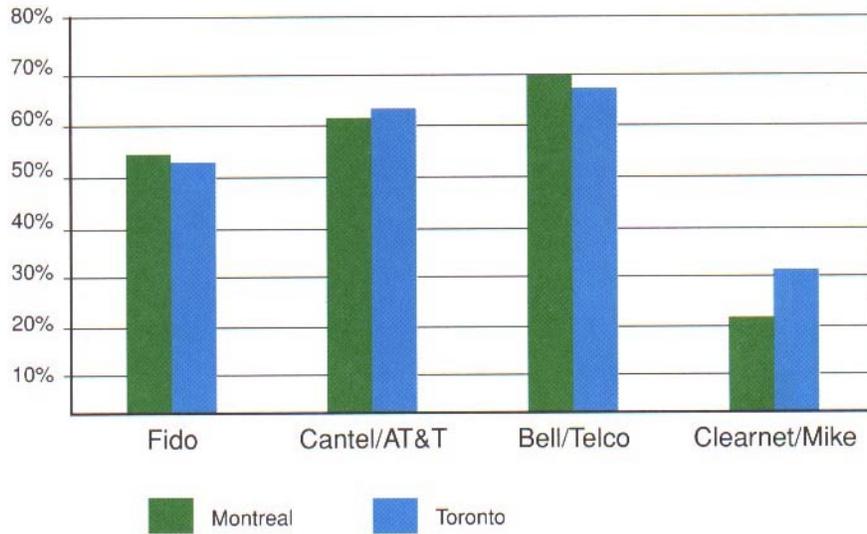
Microcell Total Share of Net Additions*



**Share of new mobile phone users, plus switching users, minus lost users, based on a compilation of figures released by all four players.*

FIGURE 2

Total Unaided Awareness – December 1998



Source: Descarie & Complices

Source: Descarie & Complices

FIGURE 3:

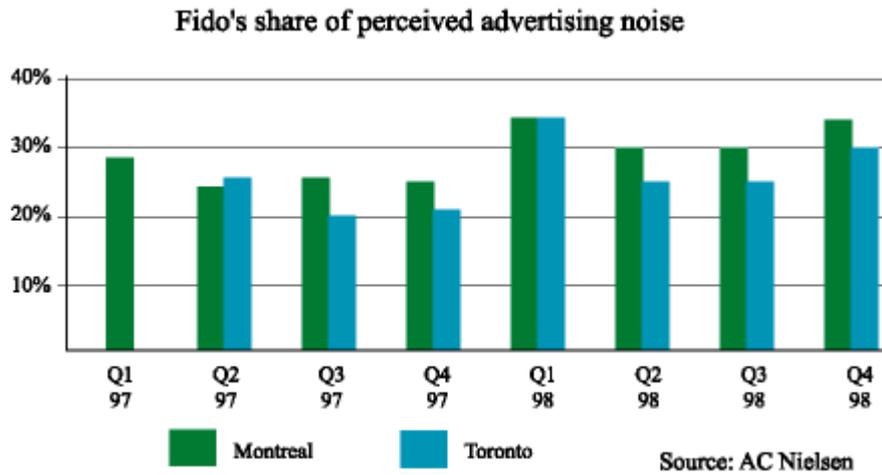
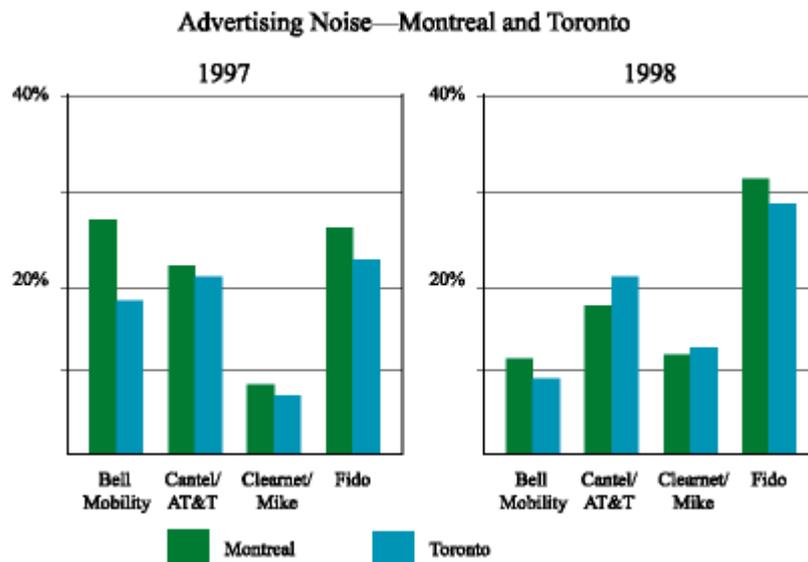


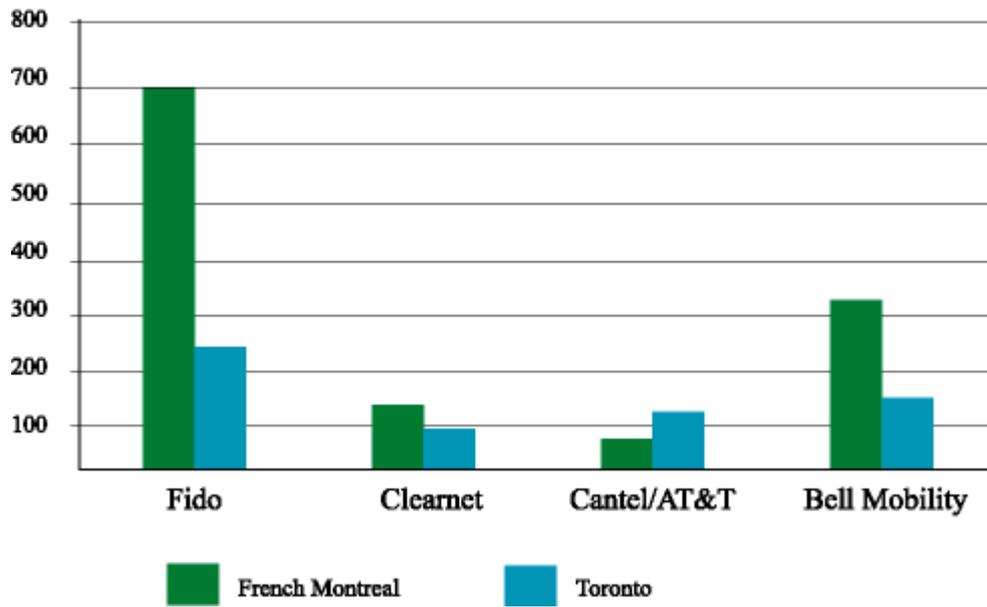
FIGURE 4:



Source: Descarie & Complices (Editor's note – adapted from more detailed charts)

FIGURE 5:

Average Overall Performance Score in 1998



Source: Descarie & Complices
