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Imperial Margarine

EXECUTIVE SUMMARY

Imperial margarine has been a household name since 1969, and up until the mid 80s Imperial vied for market leadership with Kraft Parkay. Both were good products, with 'tastes like butter' positionings, healthy advertising budgets, and strong images. But for the past ten years, the taste segment has gradually been caught in a pincer movement – with health brands like Becel and Fleischmann's on one side, and price/private label on the other.

As margins came under pressure, Imperial and Parkay both stopped advertising. From 1985 to 1995, they used trade spending to hold volume and share. In effect, Imperial and Parkay were in a long, grinding price war, and Imperial's profit was declining. For 1996, we faced a blunt question:

Could Imperial rebuild volume and profit, by reducing trade spending and re-investing in advertising?

In a word: yes. Advertising ran in Western Canada from Christmas 95 through Christmas 96. Shipments increased +14% for the calendar year. Share lifted 1.5 points, and unaided advertising awareness jumped 16 points. Meanwhile, Parkay, without ad support, lost 3.5 share points, and their unaided ad awareness dropped 8 points.

Financial returns reinforced the success. Annual profitability jumped 43%; a combination of Imperial's higher volume and a ten percent reduction in trade spending – Imperial's first cut in ten years.

SITUATION ANALYSIS

The margarine market breaks into three segments: Health, Taste and Price. By the mid 90s, the health segment was, in a word, healthy – with Lipton's Becel growing strongly as the market leader. Parkay had once been market leader, with Imperial close behind, and they were both still big brands – see [Figure 1](#). But as the market shifted, they had started to compete on price. Apart from a brief attempt in 1992, Imperial had been out of advertising for ten years, as had Parkay. Increased trade spending had maintained Imperial's volume and share reasonably well. Profit, however, was down.

Imperial had been launched in Canada in 1969 on a taste positioning. Through the 80s the advertising had been the famous (some would say infamous) Crown campaign, with the line: 'Imperial – Taste fit for a King.' Meanwhile, Parkay had been running advertising based on its 'Talking Tub' campaign. In both, the idea was that Imperial and Parkay taste so good they are confused with butter. Both brands had strong quality/taste images. (see [Figure 2](#)).

The two brands were good products, and their pricing was competitive. Advertising awareness and image had weakened during the ten year advertising hiatus, but both retained surprisingly resilient ad awareness from their Crown and Talking Tub campaigns.

However, Imperial's profit and trade spending were trending in the wrong direction. And it was always possible that Parkay, faced with similar problems, would re-launch their own advertising. Based on the image and awareness data, Imperial had latent, if unexploited, brand equity. Lipton decided to take the plunge and re-

invest in advertising.^{1,2}

Business Strategy

Advertising would be partly funded by reallocating trade spending, but would still require a significant investment to deliver realistic media weight. Western Canada was one of Imperial's stronger areas, so it was chosen as the lead market for the effort.

Creative Strategy

There was equity in the old 'Crown' campaign.³ But how would it translate to the 90s? We used a new way to probe consumers, with qualitative research based on anthropological techniques. This showed that the old mnemonic devices – the 'da da da da'; the crown popping on; the line 'fit for a king' – still conveyed Imperial's rich delicious taste. The research also said that Imperial had to celebrate the family; and that being funny was an essential part of Imperial's appeal.⁴

For targeting, we reasoned that Imperial's franchise had 'thinned out' over the unadvertised ten years – maintaining volume with a lighter-using, franchise. These were medium and light users, and we set them as the target. They were straightforward, realistic Moms, concerned generally about health, but not willing to sacrifice taste and richness in the family meals. The challenge was to bring the 'Crown' into the 90s.

Creative

Past 'Crown' ads had been slice of life. To add impact we introduced universal icons: Elvis (the King) in one :30 execution, and Santa Claus in the other. Each commercial was set in the home: 'Elvis' shows a family of Elvis impersonators, though the viewer doesn't discover this until the end. 'Santa Claus' tempts Santa Claus with Imperial as he's delivering Christmas gifts.

The commercials use 'da da da da' and 'fit for a king', and the crown pops on at the psychological moment.

Media

The 'Crown' is a television idea, and for quick top-of-mind awareness we developed a :30 campaign. Media ran for a total of 25 weeks in Western Canada, at adequate (but not heavy-up) weights.

Table 1

Period	Commercial	Media Data
Christmas 95	Santa Claus	4 wks < 100 GRP/wk
Jan-April 96	Elvis	12 wks avg 150 GRP/wk
October 96	Elvis	4wks avg 190 GRP/wk
Christmas 96	Santa Claus	5 wks avg 130 GRP/wk

RESULTS

Shipments and Share

The campaign ran from Christmas 95 through Christmas 96, and for simplicity, we read results for calendar 96 versus 95. Shipments in Western Canada were up 14%, and share rose 1.5 points, from 17.0% to 18.5%.

There was a strong correlation between the advertised flights and the business results. During the 25 weeks that were advertised, Western Canada shipments were up 40% versus year ago, and share was up 3.8 points.

Table 2

1996 Shipments vs 1995	1996 Volume Share vs 1995	Shipments in Ad Period vya	Vol Share in Ad Periods vya
+ 14%	+ 1.5%	+ 40%	+ 3.8%

Source: A. C. Nielsen Market Track

(see [Figure 3](#)).

Qualitative and Tracking Research

Qualitative research on 'Elvis' and 'Santa' showed Crown/Fanfare/King were immediately recognized and linked to Imperial. This also connected to the crown on Imperial's package – good for in-store branding. Consumers played back the great taste of Imperial; the warmth of the family; and fun!

Tracking showed a distinct jump in unaided ad awareness, in line with the shipment and share gains: (see [Figure 4](#)).

Trade and Financial

Largely due to the success of the advertising, Imperial was able to reduce 1996 trade spending in Western Canada by 10% – the first decrease in ten years. Financial returns were just as impressive. Annual profitability in Western Canada jumped 43%. (Source: Lipton).

Parkay

Although we do not have brand switching data, there is strong inferential evidence that Imperial was impacting Parkay. As Imperial grew in share, Parkay declined. As Imperial grew in unaided ad awareness, Parkay also declined. (This awareness drop could, of course, trace to Parkay's continuing ad hiatus – but it seems reasonable to suggest that Imperial, by capturing more share of mind, was at least a partial cause.)

ISOLATING ADVERTISING AS THE VARIABLE

Imperial is a mature brand, in a mature category. There were no significant distribution changes. Trade spending, as noted, declined, and consumer promotion spending was minimal. There were no product and packaging changes. In-store display in this category is minimal, and did not change significantly.

Media weight was adequate, but, as already noted, not especially heavy. The total weight over the 25 advertised weeks was certainly not heavy enough to attribute the business gains to media weight alone.

Pricing can also be ruled out. In 1995, Imperial averagely sold at \$1.32 a pound. This increased in 1996 to \$1.37, always at a premium to Parkay:

TABLE 3: IMPERIAL VS PARKAY AVERAGE PRICING – WESTERN CANADA

	1995	1996
Imperial	\$1.32/lb	\$1.37/lb
Parkay	\$1.18/lb	\$1.26/lb

With all these factors accounted for, it seems clear that it was the return to advertising that built the business.

CONCLUSION

It is not uncommon for grand old brands to find themselves unadvertised because of profit pressures. This is a refreshing story of resuscitation.

For the campaign itself, it is not always right to revive old advertising, even if it was a winner in its time. (See Molson Canadian, and in a different way, Dove.) But it can work, especially if care is taken to find the brand equity

Imperial also adds to the debate on likeability in advertising. According to the case, being funny was more than an executional nicety. It was an essential part of the brand equity.

ENDNOTES

1. Returning to advertising after a long hiatus.
2. Finding a way to cut trade spending.
3. Evolving a long-running campaign – after a hiatus.
4. Digging for Insight – that being funny can be core to a campaign.

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NOTES & EXHIBITS

FIGURE 1: NATIONAL HISTORIC MARGERINE SHARES

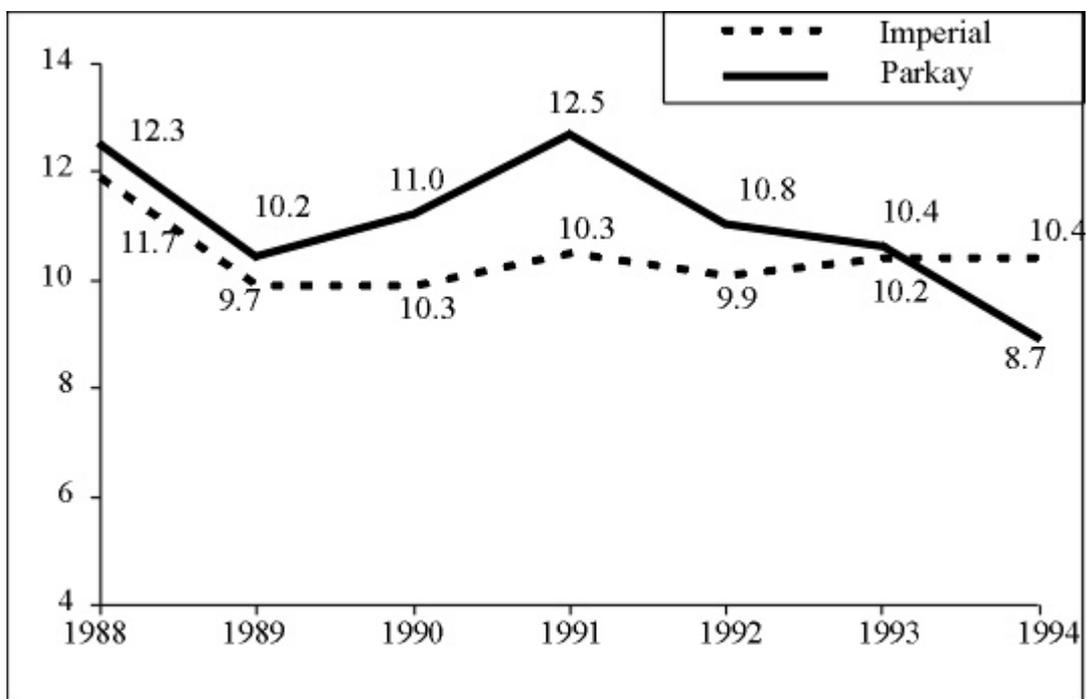
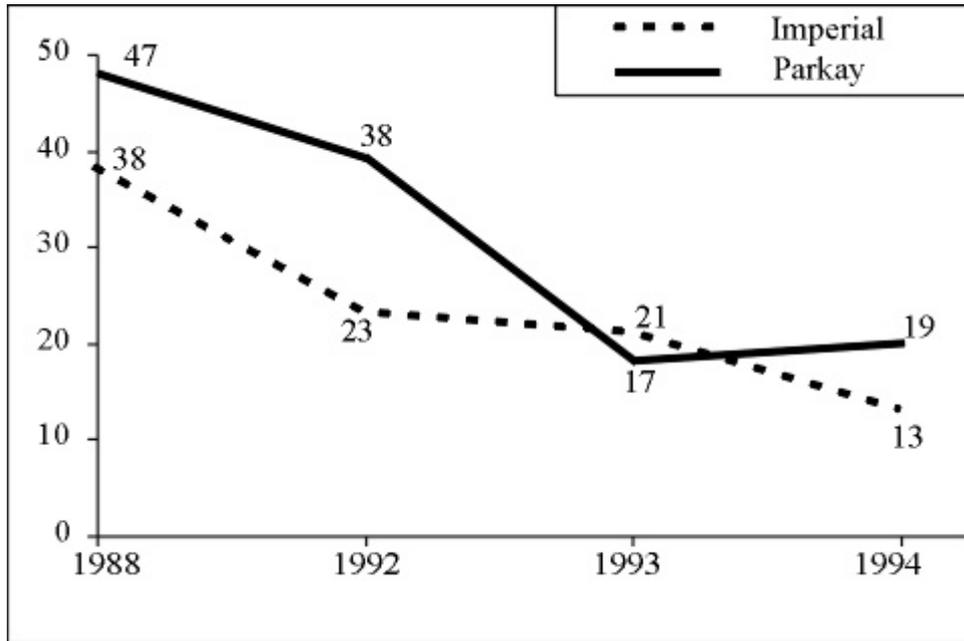
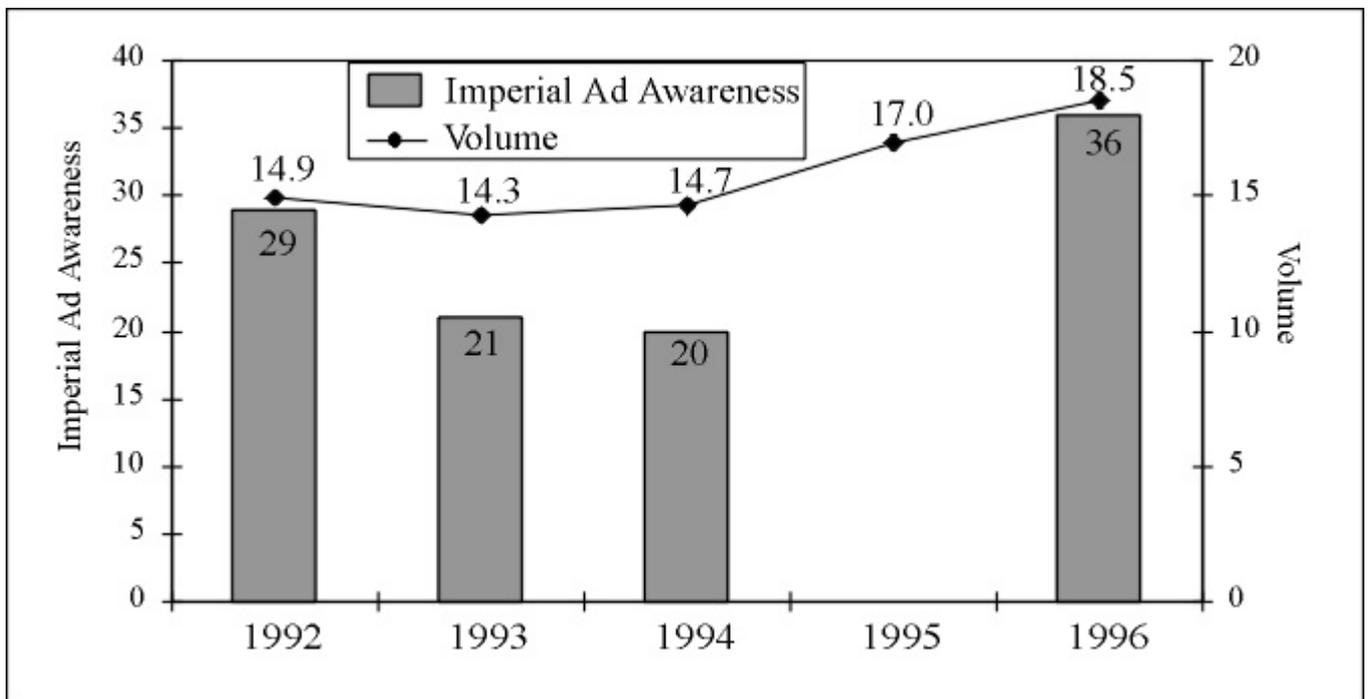


FIGURE 2: NATIONAL UNAIDED ADVERTISING AWARENESS



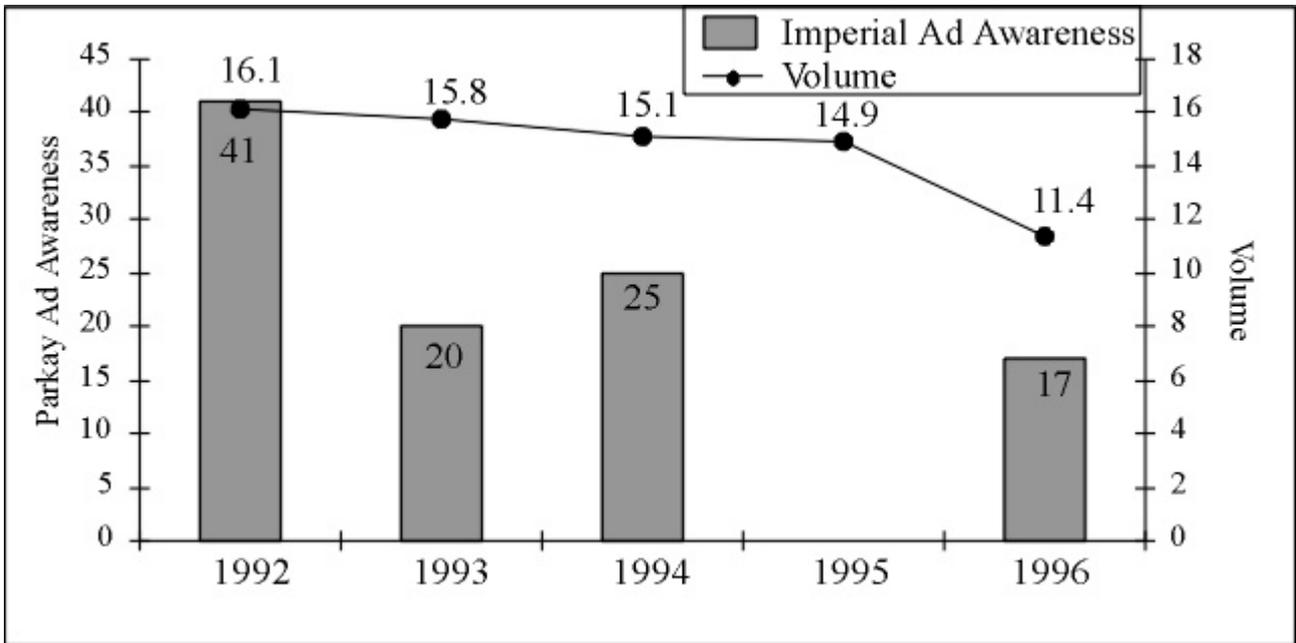
Source: 1996 Margarine Trading Study, Commins Wingrove

FIGURE 3: IMPERIAL UNAIDED AD AWARENESS AND SHARE IN WESTERN CANADA



Source: ISL for Shares through '94: AC Nielson for '95/ '96.
Ad awareness via Commine Wingrove - no trading in 1995

FIGURE 4: PARKAY UNAIDED AD AWARENESS AND SHARE IN WESTERN CANADA



Source: ISL for Shares through '94: AC Nielson for '95/ '96.
 Ad awareness via Commine Wingrove - no trading in 1995