

CASSIES 2001 CASES

Brand: Kraft Dinner

Advertiser: Kraft Canada, Toronto

Agency: J. Walter Thompson, Toronto

Winner: Packaged Goods Food Silver

Credits: Kraft Canada, Toronto

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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

Sun Zhu would have loved the Kraft Dinner case. It corroborates at least one gem of wisdom on the art of war—do not fight the battle on your enemy’s terms. Know your true strength and use it. *Crossover Note 1.*

This case also illuminates what should be enshrined as a modern marketing axiom. Advertising is most potent when you persuade your customers that you understand them. If you succeed in this, you will always add value to your brand.

In 1997, KD was not only the gold standard of the dry packaged dinner category, it was the overwhelming category leader and the biggest selling grocery product in Canada.

But the prospects for growing or even protecting market share were fading. Private labels were undercutting KD pricing, and when Kraft responded with repeated trade promotions, consumers cleverly waited for these events and bought KD in bulk. *Crossover Note 2.* The decline in regular price consumption was putting pressure on profits. The brand was losing its equity. *Crossover Note 3.*

We had to discover something about the brand and/or its consumers that would make KD a compelling purchase—even at regular price.

This we did, as the case will show.



Situation Analysis

In essence, this was very simple. Under pressure from Private Label, KD had increased its volume on deal:

	1995	1997
% of KD retail sales that were trade/price promoted	59%	70%
Consumption at regular price (% change vya)	-6.5%	-6.1%

This increase in price-promoted sales managed to hold market share stable and household penetration remained high at over 65%. However, when a brand is being bought increasingly at a discount, it is a sure sign that it is losing brand equity.

In terms of advertising, KD's base communication effort across 1993 and 1997 had been 100% focused on kids. The message was purely functional—KD is cheesier. There had also been some ad support for line extensions and side dishes. Top of Mind Awareness was obviously not the problem, remaining steady at 99%.

Private Label brands competed on price, and generally did not advertise.



Strategy & Execution

By 1998, it had become obvious that continued promotional pricing would further erode and perhaps irreparably harm KD's equity as a gold standard brand. The solution lay in a complete re-examination of the brand and its consumers. Our goal was to find the insight that would persuade people to choose Kraft Dinner even when priced higher than the competition.

Research yielded a treasure trove that we nicknamed KD Truths.

- **Eating KD is a rite of passage.** Mom makes it for you, then you help Mom make it. You make it on your own at home, then one day you make it at your own place. You serve it to your kids, then one day you serve it to your grandkids. In other words:
- **Your relationship with KD lasts a lifetime.**
- **KD connects its users to memories of home.** These memories evoke feelings of comfort, security, constancy. KD is like your favourite old sweatshirt that's been washed a thousand times since you were 14. When you slip it on, there's a faint echo of well-being, perhaps without your knowing why. In other words, in an almost ritualistic sense:
- **KD is feel-good food.**
- **KD is woven tightly into the fabric of everyday life.** Perhaps we should not have been astonished to discover that consumers have reinvented it to suit their own mindsets and lifestyles. They improvise recipes, ignore proportions and cooking instructions, and eat in a myriad of situations. KD may be a ritual, but for every person the ritual is different. In other words:
- **KD is a gesture of individuality.** There was clearly a deep connection here. All these "truths" may seem like esoteric stuff for a box of noodles and a pouch of dried cheese sauce. But they helped us understand our consumers' connection to the brand. *Crossover Note 4*. That would help us devise advertising that reflected the world as they experience it. This led to:

The Objective: To generate so much resonance between the brand and the consumer that they reward our understanding with loyalty.

The Target: This was a distinct shift from the preceding Kids strategy: to everybody who likes Kraft Dinner: "Nurturers," "Young Independents," and "Kids." *Crossover Note 5*.

The Advertising Strategy: To trigger latent affection for the brand by showing consumers—both current and lapsed—that we understand their connection to it.

The Creative Strategy: Build off the KD Truths we uncovered in research.

Executorial Considerations: Make it fun and funny.

Theme: "Gotta be KD."

There were four TV executions, each based on a different KD Truth.

“Romantic Dinner” showed that: KD is so versatile that it’s easy for KD lovers, particularly Young Independents, to create their own consumption rituals. “Laundry Night” showed Young Independents thumbing their noses at how to prepare and eat KD, and eating outlandish amounts. “Helpin’ Momma Fish” showed a rite of passage, aimed at Mom the Nurturer, while also appealing to Kids. “Dog Gone Girl” shows KD as comfort food, reinvented to fit the mood and the moment.

“Dog Gone Girl” also supported Easy Mac, a single-serve, microwavable line extension to the original KD. This launch was a textbook example of symbiosis between a base brand and a line extension. *Crossover Note 6*. The first three ads had strengthened the KD brand so significantly that they acted as a booster for the Easy Mac launch. The success of this launch created a halo effect that reflected back to the base brand—and this continued to strengthen KD’s overall equity.

The Results

- Against the prime objective of increasing non-promoted sales, these doubled over the course of the campaign, rising from 30% of total volume to 60%.
- 1999 market share also increased, turning around a decline in 1998. This was a significant achievement, when coupled with the much lower percentage of volume on deal.

	1998	1999
KD Market Share	-2.0 pts	+2.5 pts

- As a sign of increasing loyalty, the percentage of heavy users also went up.

	1998	1999
Percent heavy users	20.7	22.3

- In 1999, KD shipments exceeded planned budget by 8%.

Laundry Night :30

go to commercial



MUSIC and SFX throughout...



Isolating the Cause and Effect of the Advertising

The most compelling argument for advertising is the high correlation between consumer reaction to the advertising and the increases in non-promoted consumption—from 30% of sales to 60%.

- In pre-testing—using Millward Brown’s LINK methodology—we saw very strong results for the Awareness Index. (This is Millward Brown’s combined measure of Branding, Enjoyment and Involvement, and it strongly correlates to sales success. The AI Norm = 4)

	AI (Moms)	AI (Young Adults)
Laundry Night	15	22*
Romantic Dinner	9	13
Fish	13	15
Dog Gone Girl	12	13

*Highest score achieved in N. America at that point

- The advertising was clearly breaking through:

KD Advertising Awareness (Unaided): 77%

KD Advertising Awareness (Aided): 82%

Source: Millward Brown tracking as at November 99

- Brand attributes and perception of brand value also increased for:

High quality product

Provides good value for the money

Only brand you will consider purchasing

Canada’s Mac & Cheese

A brand you grew up with

[Editor’s note: 1999 information versus 1998 was supplied.]

- Distribution had remained unchanged since 1995.
- The Private Label brands maintained their price advantage.
- There was no other extraordinary activity. (Advertising spending was +8.5% versus 1998, but we know from historical experience that an increase of this magnitude—without the benefit of powerful new creative—could not have caused the sales response.)

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.

INDEX OF CROSSOVER NOTES FOR CASSIES 2001

- 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 Kraft Dinner.

1. **Strategic Choices.** The CASSIES are full of examples of this. See *Battling for the Same High Ground under St-Hubert*, and *Business Strategy Dictated by the Brand Positioning under Clearnet*. The Eggs case in CASSIES 99 also discusses how to deal with a problem (cholesterol) and introduces the ingenious idea of “defuse, don’t dispel.”
2. **Undercut by Pricing/Promotion.** Although they are in a very different category from KD, Fido in CASSIES 99 and Clearnet in CASSIES 2001 faced the same issue—and all three brands built their business with brand value rather than through price and promotion.
3. **Core Equity. Brand Equity has a soft and a hard aspect.** The soft aspect is related to Brand Image* i.e. the net impression created in the audience’s mind such that they choose one brand over the others. The hard aspect measures the equity of the brand 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*. See also *Clearnet, Clarica, KD*.

*Some people regard Brand Image as out-of-date, 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. **Consumer Insight.** These come with an interesting challenge. Often (at least on first blush) they are not all that earth-shattering. For example, the KD Truths seem pretty familiar. But this is what makes finding insights a rare talent—they are often simple truths with profound implications. There are repeated examples of this throughout CASSIES 2001. A selection follows from earlier CASSIES:
 - **Oh Henry!** (CASSIES II). Astonishingly, none of the gut-fillers had tried to own hunger until Oh Henry! launched Oh Hungry? Oh Henry!
 - **Chrysler NS Minivan** (CASSIES III). People in focus groups referred to their minivan as “my most expensive household appliance” but the team had the insight to ignore this pragmatic attitude—and create a launch campaign with immense emotional pull.
 - **Buckley’s** (CASSIES III). We know that bad-tasting medicine is supposed to be good for us. Rather than ignore this (because it is negative) Buckley’s has a famously effective campaign.
 - **Philadelphia Cream Cheese** (CASSIES III). Frequently, people will not own up to what they really want in a brand. The team realized that their consumers wanted “permission to indulge.”
 - **Richmond Savings** (CASSIES III). The intense feelings against banks were always there, but it took insight to turn this into the famous “Humungous Bank” campaign.
 - **Sunlight** (CASSIES 99). It was a brilliant insight to realize that although people want their clothes clean, getting them dirty is fun. This was diametrically opposed to the conventional wisdom dominated by Tide, that clean is good and dirt is bad.
 - **Fido** (CASSIES 99). The big competitors were “technological” and were fighting on promotion and price. In an echo of how Apple positioned itself against IBM, Fido saw that consumers were missing a feeling of humanity, and positioned themselves as a user-friendly part of everyday life.
 - **Eggs** (CASSIES 99). Egg marketing had been complicated by cholesterol, and a clutter of claims about taste, nutrition, and versatility. In word-association, consumers did not relate eggs to “natural.” Even so, the team realized that “natural” (and the real-farmer campaign that brought it to life) would be the key to turning around a 17-year decline.

Note: there are many definitions of insight and some of these examples will not pass muster with everyone. I have used the broad idea of discovering something about the audience (often overlooked or against conventional wisdom) that unlocks the way to persuade them that one brand is preferable to the others.

5. **IPA Cases.** The IPA in the UK has scores of success stories going back to 1980. One is for Batchelor's Noodles, with distinct parallels to the KD case, and hilariously effective advertising.
6. **Portfolio Management.** This is not a big feature in CASSIES cases, but there is some commentary in the Philadelphia Cream Cheese case in CASSIES III. There may also be something to be learned by looking into how Buckley's, also in CASSIES III, have subsequently added line extensions to their franchise.