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Kokanee

INTRODUCTION

Humour has always played a role in beer advertising. Good times, 'yuks with the buddies', and the sense of satisfaction after a job well done have all been paid homage by Canada's beer brands. But off-the-wall sight gags, Monty Pythonesque vignettes of absurd situations and improbable characters have been noticeably absent from the genre. Beer drinking may be associated with fun, but it had been generally portrayed by advertisers as 'serious fun'. Then Kokanee hit the scene in British Columbia.

Kokanee did for British Columbia beer drinkers what Pepsi did for its Quebec customers - it gave them something to call their own and it made them laugh. Current research shows that customers want an intimate relationship with many of the brands they buy. But as in any relationship, it has to be earned intimacy. There is a courtship for loyalty in the marketplace. Kokanee discovered that it didn't need rippling marketing muscles to get the attention of its chosen object of desire. Clear cut images of mountains and a winning sense of humour were all that was necessary.

Of special note is Kokanee's reliance on radio advertising as its main medium in the first years of the campaign. With a limited budget, it didn't have the option of going into television in a competitive way. But this became a creative plus. It was forced to think through a strategy that allowed it to dominate a segment of one medium and focus on the target consumers it wanted to attract to the brand. Necessity (and budget limitations) is the mother of invention! In the end, one has to give joint credit to the media planning and the creative direction for the remarkable success of this case.

JUDGES' COMMENTS

A second Gold Cassie in the Longer and Broader Category is awarded to Columbia Brewing Company for its Kokanee brand. Prior to 1981 Kokanee never grew out of its small brand share until it started to develop an advertising program in 1982. As the brand grew, creative executions moved from radio to television, but they never lost the charming character of the brand. Kokanee became the number one brand in 1984, and has yet to relinquish the position. Although it is only in three western provinces, it ranks number three in Labatt's national portfolio.

EXECUTIVE SUMMARY

Kokanee is a local British Columbia beer from the Columbia Brewing Company - a small mountain brewery in the Kootenays. Columbia Brewing is a wholly-owned subsidiary of Labatt. Before the campaign, Kokanee brand held a 3.2 share of market in the province and was not supported in advertising or with point-of-purchase material.

In the fall of 1982, with the lifting of broadcast restrictions relating to beer-advertising, Labatt assigned WestCan Communications (now Scali, McCabe, Sloves) with the task of preparing a test-market advertising program for Kokanee with possible provincial roll-out.

With a limited budget of \$80,000, the strategy was to dominate radio and to position Kokanee as British Columbia's own glacier-fresh tasting beer. Playing upon the parochial pride of British Columbians, Kokanee was positioned as the beer the people of the Kootenays were keeping for themselves. A humorous and

irreverent approach to the radio advertising was developed to distinguish the brand from mainstream beer advertisers. As the brand grew in popularity and our radio buy reached the saturation point, television was introduced in 1984. By the following year it became the primary medium supported by radio and tactical print.

Kokanee's five-year market share objectives were achieved in just nine months and the brand went from a three-share to a high of 30-share points province-wide by the late 1980s. Kokanee became the number one-selling beer in British Columbia by 1984 and has maintained that position despite being consistently outspent by the competition.

The commercials for Kokanee beer have won numerous national and international broadcasting awards in radio and television, including IBAs, Bessies and Marketing Awards.

SITUATION ANALYSIS

In 1982, Kokanee Glacier Pilsener was a minor regional brand brewed by the Columbia Brewing Company in Creston, British Columbia. Although owned by Labatt, Columbia Brewing operated as a separate entity with its own branded products and brewing processes.

Kokanee was the flagship brand for the brewery. While it had a strong and loyal following in the Kootenay region of British Columbia where it was brewed, the brand was virtually unknown throughout the rest of the province. Total provincial share for Kokanee in the Spring of 1982 was approximately 3.2, while in the Kootenay region it hovered around the 30 share mark.

THE BRITISH COLUMBIA BEER MARKET

The leading brands in the province at the time were the two national entries - Molson's Canadian and Labatt's Blue - with Carling O'Keefe Old Stock running a close third. British Columbia beer drinkers share many of the same characteristics of their fellow Canadians in most demographic and psychographic attributes (for example, the heaviest beer drinkers tend to be male, aged 19-to-29). In other ways, however, the local market is different from the rest of Canada. For one, it is the second largest discount market in Canada. Point-of-purchase sales and limited-price offers are a continuous feature in most beer sales outlets. As a consequence, brand switching is common. Brand loyalty cannot be assumed and maintaining leadership in a category is a tall order. So for Kokanee to increase market share and hold on to it was a considerable challenge.

Changes in the regulatory environment

All brands were promoted in newspapers, the press being the only medium that allowed beer advertising at the time. Provincial Liquor Board regulations permitted only 420-line newspaper advertising for beer and wine. Before the fall of 1982, Kokanee had not received any media or promotional support for five years.

Restrictive barriers regarding the advertising of beer and wine were removed by mid-October of that year. As a result, radio and television advertising for these two product categories began in late October. When this happened, it opened the door for our development of a test advertising and promotional campaign for Kokanee beer in the interior of British Columbia and the Prince George region. Budget allocation was limited to under \$80,000 for the year for a test program with possible provincial roll-out.

Within a year of the test launch, and with only one month reflecting the roll-out of a province-wide radio campaign, Kokanee achieved its five-year target of acquiring a six-point provincial market share.

TEST LAUNCH, ROLL OUT AND ESTABLISHMENT PHASE: 1982 TO 1986

STRATEGY

The brand's position was as a high quality, light, refreshing Pilsener brewed by a small mountain brewery in British Columbia. The regulatory environment opened up the electronic media. However, we chose to concentrate our media use in radio so that we could dominate in our test markets of Kelowna and Prince

George, despite our limited budget.

The primary target market was the 19-24 age group with a blue/graycollar skew. Male beer drinkers in this age category are a significant consumer group. Moreover, it was this group that proved to be the most experimental in tasting and trying new brands. Finally, they could be reached quickly and easily (and within the budget limitations) through Top 40 and rock radio. This was important because it would help Kokanee achieve its dominance objectives quickly in that one medium. The combination of humour and radio also meant that the campaign would have impact beyond that age group and some overspill into the 24-34 category was expected.

Creatively, the primary task was to create share-of-mind and top-of-mind awareness for this relatively unknown brand. To accomplish this, we knew we had to differentiate our approach from traditional mainstream beer advertising with its jingles and scenes of young people smiling and pursuing the typical beer 'lifestyle' activities. Kokanee would need to appear unique in the market and the creative strategy would have to take into account the brand's local British Columbia character.

The strategic positioning of 'British Columbia's own mountain beer' played on the pride and parochialism of the British Columbia marketplace. This positioning also strengthened the quality attributes of the beer by suggesting pure glacier streams and fresh mountain air and rivers as well as a single brewing source for the beer.

This basic stance of positioning Kokanee as 'British Columbia's own glacier-fresh tasting beer brewed by a small mountain brewery' has remained consistent from the test launch in 1982 to the present.

EXECUTION

Focus group research conducted on various concepts confirmed that a humorous approach was best to create an irreverent, distinctive personality while still maintaining the strategic proposition for the brand (British Columbia character, product quality attributes). A more serious 'heritage' approach was tested but was found not to be as effective.

The basis for the launch campaign was that Kokanee was a very popular beer in one area of the province (the Kootenays) and virtually unknown everywhere else. Creative suggested that the people of the Kootenays were on to a good thing and wanted to keep it a secret from the rest of the province. We established a set cast of players to perform in all radio spots and made sure that the humour was built around beer drinking or beer purchasing situations. For the most part, the style of humour was irreverent, unexpected and created a feeling that the brand was unpretentious and very much a part of British Columbia.

During the launch period and roll-out across the province (1982 through 1985), we created and produced approximately 148 humour-based radio commercials for Kokanee. As Kokanee began to grow in popularity across British Columbia, the secret premise was extended to keeping Kokanee a secret from people outside British Columbia. Eventually, it was dropped entirely in favour of simply making the humour relevant to the brand's origins and the glacier source of the brewery.

ONGOING 1986 THROUGH 1992

STRATEGY

As previously stated, the humour strategy and position of Kokanee as British Columbia's own glacier-fresh beer from a small mountain brewery has not changed since the launch in 1982. The budget grew with the brand's rising market share. In 1983, the budget rose to \$650,000 and to \$950,000 in 1984.

Introducing television advertising

Some tactical television spots were tried in 1984 to introduce Kokanee in bottles. The major change in the fall of 1985 and through 1986 was in the media strategy. Up to that point, radio was our primary medium. However, because of our saturation buys in most B.C. markets by 1986, we needed to switch to television in order to increase our reach of potential Kokanee drinkers. Also, because of Kokanee's success in the marketplace, it was

difficult to suggest it was still a secret. So in switching to television, we began to move away from the 'secret' premise and rely more heavily on the beer's origins in the Kootenays and the outdoor pure glacier water imagery associated with this area of British Columbia. Radio was still a significant vehicle, but has been used seasonally and for special promotions.

EXECUTION

In switching to television and moving away from the secret premise, we still had to maintain our off-beat and unexpected humour and relevance to our origins. To do this, we created a new character - the Sasquatch. The creature is very much part of British Columbia folklore, with sightings reported most often in the Kootenay region of the province. The Sasquatch is also a mountain dweller and a very secretive character, just like the brand. We could make him as irreverent and humorous as we wanted. We also wanted to reinforce the mountain and glacier origins of the Kokanee brand. We were able to accomplish this by shooting our Sasquatch television spots around the mountains, lakes and even the glaciers of the Kootenays.

Even as the Sasquatch television campaign became a legendary part of the Kokanee character, we were developing another, even more charming, character for the brand to diversify and broaden its appeal. And so 'Mountain Brew,' was born, the little dog who would go to any length to bring home the Kokanee to his master. Again, by using the dog crossing the width and breadth of British Columbia to retrieve the Kokanee for his master, we were able to show beautiful mountain and water imagery. At the same time, we were able to stir up a great deal of interest as the shoot visited the various communities. This combination of Mountain Brew and Sasquatch television spots coupled with our tactical radio took us into the early 1990s.

Kokanee continues to explore the use of high-impact scenic photography and humour to reinforce the imagery of the brand. The most recent television commercial in this series features helicopter footage of the mountains, lakes and glaciers that surround the brewery, to a background of classical music. In a mock-serious voice-over the announcer intones that every year 'Kokanees' return to these waters and the place of their birth. Not only did we suggest this in our copy, but we literally showed it by having the bottles jump upstream like salmon.

RESULTS

Nine months after the initial test launch in the interior of British Columbia and with only the first month of the full provincial roll-out radio support, Kokanee achieved its five-year market share goal of six points.

The brand continued to grow its share of market in every monthly reporting period for the next 48 months. This was despite the lowest advertising expenditure against any of the major mainstream beers.

Kokanee went from a 3.2 share before the start of radio support in 1982 to a leading provincial share of 18.3 by July 1984.

The brand continued its share growth after television was added to the media mix. It reached a provincial high of 30-share points in January 1987.

Kokanee continues to be the number one selling brand in the province despite being heavily outspent by the competition. This is in a market that is noted to be the most volatile and changing in Canada. And it is a market category that is heavily influenced by new trends. For instance, Kokanee achieved and maintained leadership in the beer industry during a period that saw the introduction of the light category, the dry and premium category, the genuine drafts, American imports and the local growth of discount brands.

In 1989, Kokanee expanded its horizons. It was introduced into the Alberta market with limited radio support similar to its launch in British Columbia. The brand again performed well above expectation, achieving a 10share in less than one year.

Despite being available in only three western provinces, Kokanee ranks number three in Labatt's national portfolio.

This case demonstrates that with other key marketing variables (media regulations and distribution channels)

being equal, and despite the higher spending of its main competitors, the Kokanee brand was able to capture a significant regional market share and become the brand leader on the strength of its advertising efforts.

CLIENT

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