

# CASSIES 2001 CASES

## **Brand: MTS Communications**

Advertiser: MTS Communications, Winnipeg

Agency: Cossette West, Vancouver

Winner: Regional Success Silver

## **Credits: MTS Communications, Winnipeg**

Jack Riediger - Director, Advertising & Marketing Services

Carolin Taubensee - Manager, Advertising

## **Credits: Cossette West, Vancouver**

Michelle Kitchen - VP Director of Client Services

Simon Cameron - VP Associate Creative Director

John Edmonds - Associate Creative Director

Tim Monaghan - VP Media Director

### **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

Three headlines demonstrate how Manitoba Telecom Services (MTS) can credit advertising for driving bottom line results while creating and establishing extraordinary brand equity.

“Talking bison prove a marketing bonanza for MTS. Hey Morty!”

*Winnipeg Free Press*, July 17, 2000.

“Singing bison hit all the right numbers”

*National Post*, January 15, 2001.

“Morty Mania. How Manitoba’s MTS turned a loveable bison into a pop-cult phenomenon that ranks among the top 1% in ad recall.”

*Marketing Magazine* (Editorial feature). March 5, 2001.

This is the story of that success.

1999 was a year of change for MTS, the telecommunications incumbent in Manitoba for over 90 years. New services such as wireless and internet were replacing core revenue streams like local phone access and long distance. *Crossover Note 1*. Strong national competitors were entering Manitoba to capitalize on the growth opportunities, and marketing clutter was increasing rapidly. MTS was faced with integrating its operations, and a heavy investment in future technologies.

MTS had teamed up with Cossette West. We developed a new brand strategy and advertising platform. MTS has an immensely complex business, and yet we found a way to present a single face to the customer. *Crossover Note 2*. The campaign launched in Fall 1999. Despite the intense competition, MTS surpassed its revenue targets through the end of 2000, and retained its dominant market shares.

MTS has also significantly improved key image attributes, and is outperforming all competitors for advertising impact. The advertising’s performance is in the top 1% in Canada and is one of the strongest campaigns ever tracked by Ipsos-ASI, the Advertising Research Company.

## Situation Analysis

Manitoba Telecom Services (MTS), the telecommunications company in Manitoba for over 90 years, faced a complex set of challenges in 1999. It would clearly be a year of change.

Telecommunications was no longer just about local phone access and long distance. Revenues and market shares were shifting to the future technologies of wireless and internet. To continue financial growth and success, MTS needed to compete and excel in these new areas (an endeavor and investment in itself), while protecting its existing customer base and dominant market shares.

Competitive pressure was rapidly intensifying. Historically, MTS had concerned itself with Sprint for long distance and Cantel for cellular. While they continued to be aggressive, cable companies like Videon & Shaw were taking hold of the high speed internet. Meanwhile, Telus, Clearnet, and Fido would soon arrive. [Editor’s Note: both Clearnet and Fido have been CASSIES winners, in 2001 and in 1999 respectively.] MTS, as the market leader and the only full service telecommunications company in Manitoba, had the most to lose—battling for new customers in cellular and internet, while fighting to retain its large base of business/residential customers for local and long distance.

At the same time, as a result of deregulation, MTS had the added challenge of integrating several business units (MTS Communications for wireline; MTS Mobility for wireless, and MTS Advanced for internet). They had their own market issues, cost centers and communications strategies—and they needed to be turned into one operating and marketing unit.

Integration opened up a unique opportunity for MTS—to bundle products and services, bringing one-stop shopping closer to reality for Manitobans. Only MTS could do this. This led to the vision statement from MTS Management:

*To be seen as having one face to the customer. Speaking as one brand, with one voice, through the activities of several different lines of business: wireline, wireless, internet & directories*

We also needed to differentiate MTS from other successfully advertised brands:

- Sprint's advertising was the most recognized, with Candice Bergen and the pin drop. This enabled Sprint to claim a product USP of clarity with their long distance service.
- Cantel (now Rogers AT&T Wireless) was seen as a youthful, aggressive cellular brand with a strong advertising presence.
- Clearnet ("the future is friendly") and Fido (youthful and hip) were both performing strongly in other regions of Canada with clearly differentiated brands.
- Shaw & Videon, both @home internet brands, had the cable-company equity and combative anti-phone advertising.

## Strategy & Execution

Strategically, we had to focus advertising and communication dollars on the new growth areas, and on the existing areas under competitive attack. For communication activity itself the strategy was:

- Achieve and maintain competitive share of mind. Note that this is not the same as share of voice—we would need strong creative and a well-chosen media/communications mix, rather than absolute spending. *Crossover Note 3.*
- Leverage MTS as a one-stop shop from a product, service and branding perspective—by developing a new brand strategy & creative platform satisfying these criteria:
  - Presents a single face to the Manitoban consumers
  - Communicates the benefits of a wide variety of lines of business, products & services
  - Leverages MTS's equity and strengths: understands Manitobans, familiar, trustworthy, genuine, warm, down to earth, understated
  - Overcomes weaknesses: the existing perception that MTS was old, stodgy, and conservative—that it lacked leadership and would not compete successfully in the future
  - Is universally appealing—to capture youth while not alienating the mature, loyal customers
  - Is unique, bold, and relevant
  - Establishes brand equity to position MTS for future growth and challenges
  - Can be applied across print, radio, television, outdoor, website, online, promotions, direct marketing, in-store collateral etc.

# Morty :30 *go to commercial*



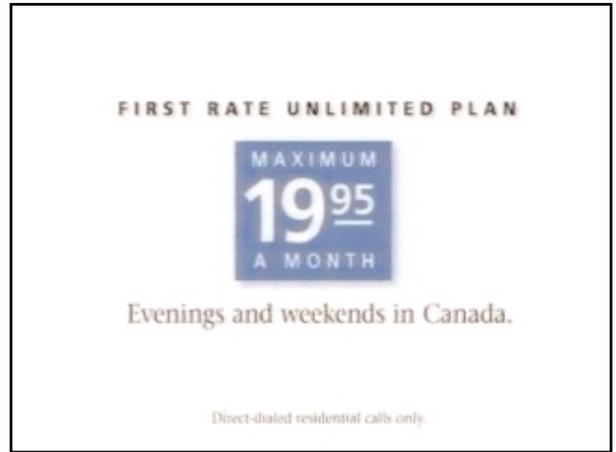
Bison: Hey, Morty. (pause) Morty! HEY MORTY!!  
Morty: What?



Anncr VO: Talk to your friends far, far away.



Morty: What? Anncr VO: With MTS First Rate Unlimited, you can talk all you want....



evenings and weekends in Canada and never pay more than \$19.95 a month



...it's just one of the many services from MTS.



Bison: I said, WE STAMPEDE...AT...TWO!  
Morty: Gesundheit!

Enter Morty the talking bison—a uniquely Manitoban icon. We launched a long-distance advertising campaign in September 1999, with the TV spot “Far, far away.” Morty introduced wit—very different from the stodgy MTS that Manitoba knew—and a clean, open, panoramic design to capture the provincial geography. This gave MTS a vibrant and contemporary look.

*Crossover Note 4.*

We used Morty and his friends to support long distance, calling features, wireless/cellular, or high speed internet, using simple, everyday situations to present the MTS product or service in a unique and entertaining way.

Creative testing and Ad Tracking Research by Ipsos-ASI confirmed the strength of the launch creative. Then, over the next six months, we integrated all other lines of business under the new brand strategy and creative platform. This went across all communications materials from advertising to direct mail to the web site and even to the covers of the White & Yellow pages.

So, do you graze here often?

Yes

**ONE LINE IS ALL YOU NEED.**

**ONLY 37.95 A MONTH**

There's no need for a second line with MTS High Speed Internet service, so you can send and receive high speed information while you talk or fax on the same line. It's proven, reliable access that puts you on the Internet instantly with no time limit. Get the single line that gets results. For details, call us at 1-877-NET-4-ALL or visit [www.mts.mb.ca](http://www.mts.mb.ca)

**MTS**

Price available to 8771 area and long distance customers. Service available in select areas.

## Results

The new MTS brand strategy and advertising platform achieved phenomenal business and advertising tracking results.

- MTS surpassed revenue objectives and realized high profitability for 2000, with EBITDA of baseline operations increasing 15.1% to \$385.7 million.
- Earnings per share climbed 21.7% to \$1.74 for 2000. (MTS Annual Report 2000.)
- MTS achieved dominant market shares in 2000 across all lines of business:

Local Phone Access	98%
Long Distance (residential)	90%
Cellular	68% (nearest competitor at 29%)
Internet	62% (nearest competitor at 23%)

Source: MTS Communications, Competitive Intelligence

- The MTS stock price hit an all time high, and mirrored the advertising awareness and recall tracking results, with a sharp rise going into 2000 and a continuous upwards pattern.

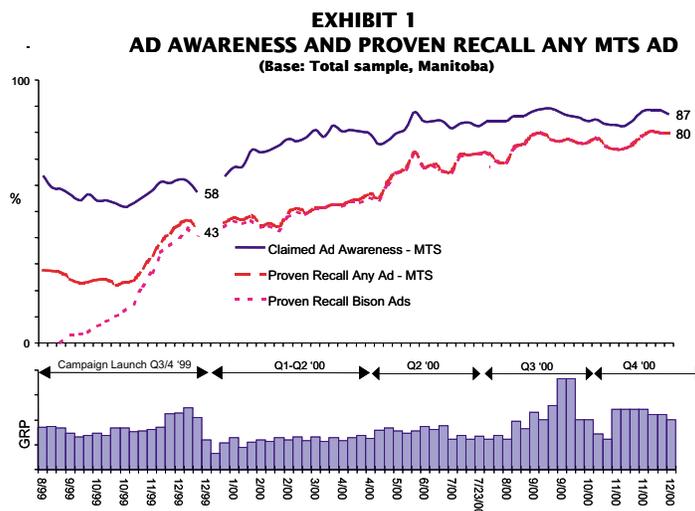
*Crossover Note 5.*

- Advertising performance—discussed in the next section—is in the top 1% of the 1500+ campaigns tracked by Ipsos-ASI. Paul Millen, Senior Vice-President of Ipsos-ASI said, “We work with most of the major advertisers across the country, and this is one of the most successful campaigns I’ve ever been associated with.”
- MTS is outperforming all competitors by large margins on all key brand measures: awareness and recognition; recall; impact; likeability. *Crossover Note 6.*

## Isolating the Cause and Effect of the Advertising

The evidence that advertising was the primary contributor to the MTS results is as follows:

- Advertising awareness and proven recall have been continuously rising and are the strongest ever for MTS [and MTS is outperforming competition on proven recall by at least 3:1].



Source: Adgraph Tracking, Ipsos-ASI, Q4 2000

- Brand image is trending strongly, with consumers clearly acknowledging that the advertising message is getting through (Indexes amongst those aware of MTS):

<b>Period ending</b>	<b>Oct 99</b>	<b>Dec 99</b>	<b>Apr 00</b>	<b>July 00</b>	<b>Oct 00</b>	<b>Dec 00</b>
Leaders in providing innovative telecommunication services	84	92	90	92	95	97
Are committed to Manitobans	93	97	98	98	97	97
Will compete successfully in the future	89	90	97	90	93	96
Is becoming more popular these days	93	111	139	118	157	154
Has the best advertising	79	110	147	158	182	189

The strong trends in “innovation” and “future” are particularly encouraging, given that these areas were in jeopardy from the competitive entrants in wireless and internet.

In addition, competitors are at least 50% below MTS on all brand image measures, except for the high speed internet category, where competitors are behind MTS by about 25%.

- Recognition of MTS as the advertiser is instant, with Claimed/Proven Recall reaching 92% in Q4 2000, versus the Ipsos-ASI norm of 55%.
- Brand loyalty is strong with the majority of customers more interested in the brand than before and not likely to switch from MTS [Editor’s note: data were made available.]
- There has been a blizzard of regional and national coverage on “Morty Mania” and the success of the advertising campaign. [Editor’s note: information was supplied.] *Crossover Note 7.*
- The advertising has contributed to a positive internal culture and motivated employees to be brand ambassadors.
- MTS did not increase advertising spending beyond inflationary increase from 1999 to 2000.

# 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 Manitoba Telephone System

- 1. Portfolio Management.** Although the categories are very different, Philadelphia Cream Cheese faced similar decisions in CASSIES III. This was the difficult question of whether to support all the sub-brands in a portfolio, or to focus on a “lead” brand (relying on this to create a halo effect on the rest of the franchise) or to try to find an umbrella approach.
- 2. Keeping it Simple.** This is a theme that runs through many CASSIES cases. See also Clearnet, Clarica and Tourism New Brunswick. Perhaps the most puzzling thing about this in everyday practice is that virtually everyone agrees with the need for focus and simplicity, and yet Creative Strategies are frequently the opposite.
- 3. Spending Weight versus Idea Weight.** The case is saying that the weight of their campaign idea has to outmatch the weight of sheer spending. There have been various attempts to throw light on this, using split-cable test markets. Given that “there are no rules” it would be dangerous to summarize the results into a rule of thumb, but it seems that the “campaign idea” has more effect on business results than sheer media weight. The graphs that depict this are very scattered (meaning that there is a huge range of effectiveness between one campaign and another) but the trend is clear. Interested readers can track this down in more detail via their research colleagues, or by going to such sources as WARC and Admap.
- 4. Humour in a Serious Category.** It hardly makes sense to trivialize what you are trying to sell, but this does not mean that humour cannot sell in a serious category. Richmond Savings (CASSIES III) blew the doors off with its “Humungous Bank” campaign. Other examples include Buckley’s, Claritin, and Goodwill in CASSIES III; Fido and AGF in CASSIES 99; and Clearnet and Clarica in CASSIES 2001. The Weather Network and workopolis.com—in semi-serious categories—would be other 2001 examples.
- 5. Brand Value and Stock Price.** The case is drawing an inferential relationship between brand equity, brand performance, and stock price. Strict cause and effect is hard to prove, but readers should be aware of “hard number” financial measures of brand value that are being developed to meet the demand from CFOs and CEOs. This is a developing area, and for more information contact the ICA about the publication Brand Valuation. Measuring And Leveraging Your Brand. See also Core Equity under Molson Canadian.
- 6. Likeability.** It is generally agreed that likeability is a good thing for a brand and its advertising. This seems obvious, but it’s worth remembering that there was once an opposite school of thought. The poster-child for this was the “Ring around the Collar” campaign for Wisk. It was (a) highly disliked and (b) highly effective. Underlying this issue is the ancient feud between creativity and selling power—are they on the same side, or does one get in the way of the other? The CASSIES winners have convincingly demonstrated that creativity and selling power are on the same side.
- 7. Transcending Advertising.** This does happen, but it is rare. It happened with “Joe’s Rant” for Molson Canadian, and Tourism New Brunswick. It happened for Wendy’s “Where’s the Beef?” and Budweiser’s “Whassuuuup?” Richmond Savings (CASSIES III) also got tremendous benefit from the publicity surrounding the “Humungous Bank” campaign. Generally, the companies and agencies getting this publicity are pleased (though there are usually some naysayers who say that it is not necessarily building the business). The new incarnation of this thinking is viral marketing, where the message spreads by taking on a life of its own. There has not yet been a CASSIES case on this.