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Molson Canadian 'I AM'

EXECUTIVE SUMMARY

During 1988 to 1992, with 'What Beer's All About', Molson Canadian overtook Labatt Blue and became the #1 brand in English Canada. It seemed unstoppable. (Editor's note: see CASSIES I for the full story.) But 1993 brought the innovation wars, and a barrage of new beers from Molson and Labatt. By the time Molson turned attention back to Canadian, it had 'negative momentum', having lost share of market, and share of mind.

In this market, the entry level drinker is the key to volume, and we had to re-ignite Canadian with its youth core. But there was an intimidating precedent:

Because beer is a badge product, no mature brand with negative momentum had ever successfully recruited the entry level drinker.

This case shows how Canadian defied the odds. Over the three years of 'I AM' (1994-96), Canadian met or exceeded all marketing objectives. It more than recovered lost share, and continues to grow. Canadian grew significantly with entry level drinkers, particularly the college educated segment, who tend to be opinion leaders.

Conversely, despite competitive media spending, Labatt Blue has not reversed its fortunes. Canadian now outsells Blue 2:1 in English Canada.

In volume terms, Canadian sold 37 million more bottles of beer in 1996 than in 1994 in English Canada. This is 8% overall growth – remarkable given the flat market, and competition from a multitude of microbreweries and price brands.

SITUATION ANALYSIS

In a market of essentially parity products, a compelling brand image is all-important – because beer drinkers wear their brand choice as a badge.

Molson Canadian was facing its second big challenge in five years. The first was in 1988, when Canadian launched the highly successful 'What Beer's All About' campaign, as a re-positioning from niche brand to mainstream player. This connected so powerfully that Canadian overtook Labatt Blue – and by 1992 was the #1 brand in English Canada.

Then came the innovation wars of 1993. Molson and Labatt introduced a barrage of brands: 'Dry', 'Genuine Draft', 'Ice', 'Red', and other light and strong variants. They spent against these at the expense of the established brands. And by the end of 1993, Canadian had lost 1.5 points of market share, and also share of mind. The second big challenge was to turn this around.

The Business Challenge

As a brand gets older, its franchise ages. To offset this, it must attract the entry level drinker – the main source of volume in the category. But we were staring at a bleak precedent. No big Canadian beer had ever been turned around once it was in decline a brand with negative momentum has little badge value.¹ We had to find the way

to re-ignite Canadian at its youth core.

The Advertising Challenge

The success of 'What Beer's All About' was intimidating. Even after the proliferation of new brands, it was still the consumer favorite. Could it lead the charge?

Research showed it had soft appeal scores with the entry level drinkers. They had been barely 12 or 13 when 'What Beer's All About' started, and it simply was not as relevant to them. It was too linear in showing 'partying'; they saw themselves as multi-dimensional. Also, although the campaign had broken the mold in 1988, it was much imitated by 1993 – and not distinctive any more. The decision was made:

Despite the success of 'What Beer's All About', we needed a fresh and inspired new campaign.²

STRATEGY AND EXECUTION

Marketing Objectives

Increase S.O.M. and widen the leadership gap over Labatt Blue in English Canada, and in the pivotal Ontario market.

Raise Canadian's penetration among the entry level 19–24 group; especially the more educated, who tend to be peer influencers in brand choice.

Marketing/Communication Strategy

Create an image that will re-ignite Canadian's leadership at its youth core. Through superior consumer insight, earn the right and credibility to become the voice that defines the identity of Canadian youth.

Campaign Overview

The key to Canadian's success is its relevance to youth. 'I AM' goes beyond 'What Beer's All About'. It reaches deep into the hearts, souls and minds of young Canadians. It provokes a sense of personal discovery and pride in being themselves ('I AM'...me) and in being Canadian ('I AM'...Canadian). We developed a credo to stay true to these insights.^{3,4}

- We take a positive outlook and celebrate the young Canadian's lifestyle and attitudes
- We Inspire an identity for him that defines the community to which he belongs
- We understand and encourage the young adult's aspirational experiences. In this we give him depth and dimension
- We talk with an energy which strikes him on a gut, emotional level. A shot of adrenaline.
- We are constantly fresh, constantly new, constantly injecting new vitality into our relationship with the drinker.
- We are relevant now, We are the identity of the Canadian Youth

Creative

Like the target, the creative is multi-dimensional. Each execution highlights a youth insight with a stream of consciousness, layered over images of real young Canadians, driven by original music. This is self-expression, culminating in 'I AM' and 'Canadian'.

For authenticity, we used real people (not models) in real time (not staged). Elements are served up in many different ways, to keep the campaign fresh.

Media

If we talked the talk, we had to walk the walk. Media selection was critical: ⁵

- Television programs and properties targeted to young adults
- Features on core youth radio stations
- Urban entertainment newspapers aimed at youth
- Bar and restaurant bathroom posters
- Postcard distributed free to patrons of hip restaurants and bars
- Posters on campuses
- Special-occasion bottle labels and T-shirts designed to bring the 'I AM' message to the grass roots level
- Web Site

The web site is state of the art and a first in the category. 'I am...on-line' is a youthful virtual Canada. Surfers sign on as members for features such as 'Pub Chat', 'Hockey Net in Canada' and 'Sound Box'. Check it out at <http://www.molson.com/canadian>.

RESULTS

With 'I AM', Molson Canadian became the first major beer to turn negative momentum around. All marketing objectives have been met or exceeded. All the share lost in the innovation wars has been recovered, and share is steadily increasing – [Figure 1](#) and [Figure 2](#)

In the Ontario market	+12% for 1996 vs.1994
In English Canada	+8% for 1996 vs. 1994

Conversely, Labatt Blue has been unable to reverse its fortunes. Canadian now outsells Blue 2:1 in English Canada –[Figure 2](#) – despite competitive media investment by Blue.

TABLE 1: CANADIAN AND BLUE MEDIA INVESTMENTS (NAT' 1 \$ MILLIONS)

	1994	1995	1996	Total
Canadian	13.2	14.9	14.9	43.0
Blue	9.1	12.5	18.4	40.0

Source: A.C. Nielsen

Important for the long-term, Canadian has grown strongly with the entry level drinker. Securing their loyalty was a key objective, and penetration for 1996 is up 13% over 1994 – [Figure 3](#). We also have significant increases in the pivotal college educated subgroup, with penetration up 39% – [Figure 4](#)

The volume gains are equivalent to selling an additional 37 million bottles in 1996 over 1994 (Source: Molson Breweries). This is remarkable, given flat industry sales, and competition from a multitude of microbreweries and price brands.

Consumer response

Consumers have reinforced Canadian's status as the benchmark of Canadian beers, and this confirms that we successfully contemporized the brand.

In qualitative and quantitative research the campaign generated the most favorable response of any beer campaign in recent history. It improved on 'What Beer's All About', which itself had record scores for likeability and relevance. After the first year, unaided recall was 15% above the highest score from 'What Beer's All

About'. Aided recall is now almost universal. Perhaps the truest signal is that 'I AM' has become part of popular culture. At sporting events, Canadians hold up signs with the maple leaf and 'I AM'. It is a voice of pride and inspiration for Canadian youth.

Competitive Response

Labatt has tried to capture its own Canadian legitimacy through several campaign attempts, including the 'Voyageur' campaign and 'It's your Call'. These have not stopped Canadian's growth or restricted its positioning.

ISOLATING ADVERTISING AS THE VARIABLE

In the Canadian beer industry, government regulations and manufacturer practice ensure that factors such as distribution, pricing, packaging, and brewing remain constant across the category. Advertising is the main tool by which a brand creates competitive advantage. In fact, Molson and Labatt spend up to 70% of their marketing budgets on advertising.

For the 'I AM' campaign, there was a strong correlation between increased advertising, brand awareness, and share of market – [Figure 5](#)

Product

During the campaign, Canadian had no significant product changes.

Packaging/Distribution/Pricing

No change, except for the label, which changed in 1995 to reflect 'I AM' imagery.

Consumer Promotion

Molson's sales force played an important supporting role by making sure that all collateral for the campaign was distributed and displayed. Each year, Canadian Rocks – a program of concerts and contests – supports the brand.

CONCLUSION

One of the judges likened this case to turning a battleship around. Doing this, while walking away from the highly successful 'What Beer's All About' campaign, was a significant achievement. It took incisive targeting to show that Canadian needed a new way to capture youth values.

Though not part of the case, it's worth reflecting on investment focus. Philadelphia Cream Cheese invested in the smaller but growing Soft franchise; away from the bigger but declining Brick. This was successful.

During the innovation wars, the breweries also invested away from their established brands, but this created 'negative momentum'.

The decision where to focus – on established or new franchises – will never be easy, and these two cases are not enough to establish a precedent. They do, however, throw a little light on the subject.

ENDNOTES

1. Counterpunching. Turning a battleship around.
2. Replacing a long-running campaign. Compare Dove, which also did this, and Buckley's, Imperial etc. that evolved the existing campaign.
3. Digging for Insight.
4. Breaking Conventions. Remember that many pundits at this time were saying that Generation X was rudderless and negative.
5. Taking positioning into all the marketing mix.

The 'I AM' campaign has won a great many awards. Internationally, it won a Finalist Certificate at the Advertising & Marketing Effectiveness Awards (AME). It won a Gold for Newspaper Campaign at the 1995 Marketing Awards, and a certificate for Multi-Media campaign. The TV single – Mountain – won a Silver at the 1997 Bessies. 'I am Online' won Best Website at the International Digital Media event.

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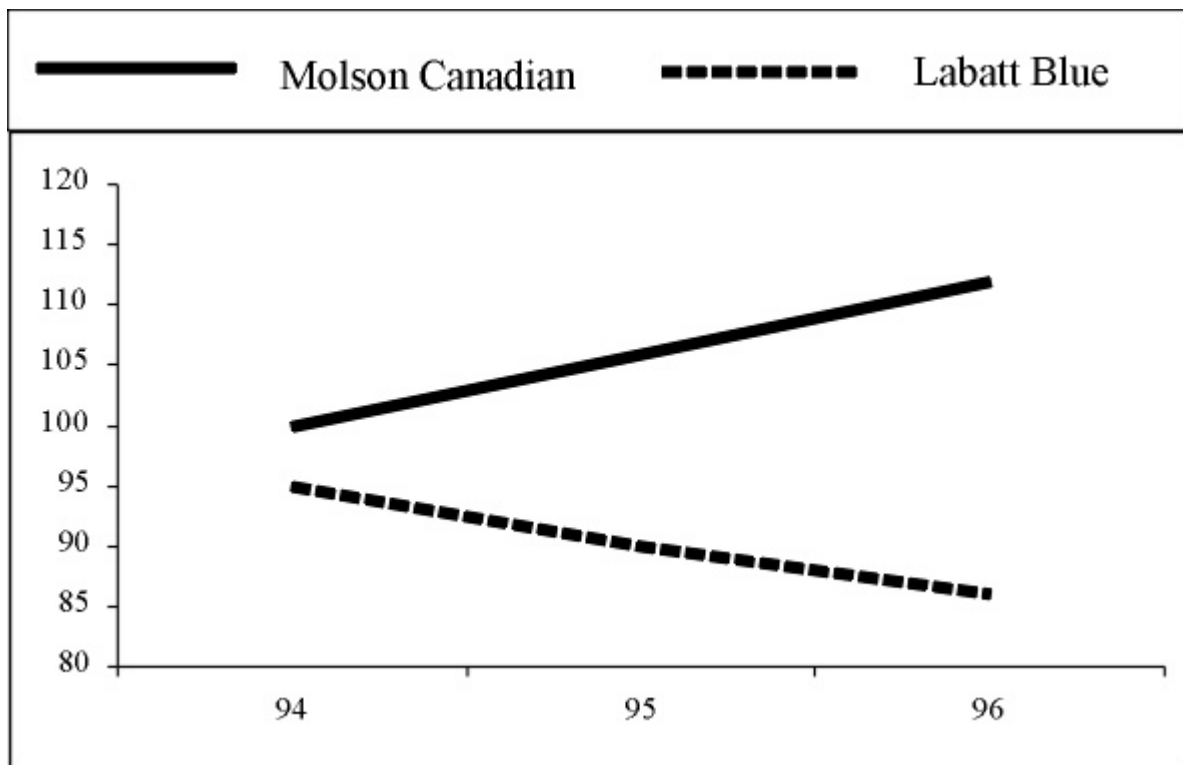


<http://www.warc.com>

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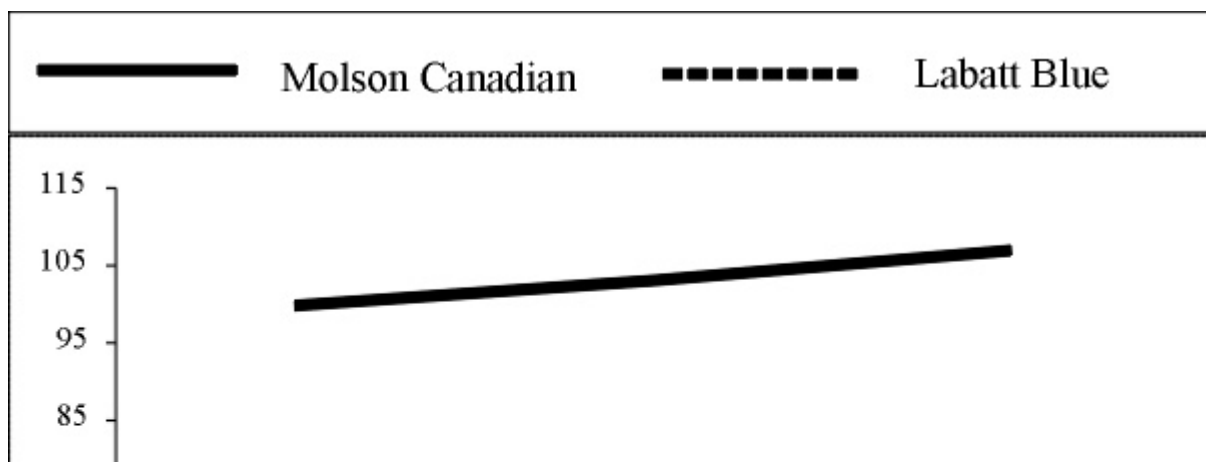
NOTES & EXHIBITS

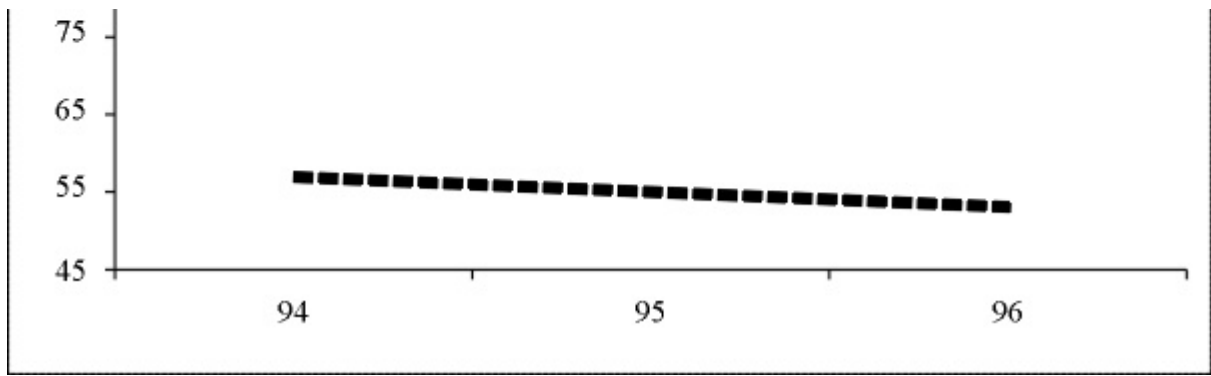
FIGURE 1: MOLSON CANADIAN AND LABATT BLUE INDEXED SHARE OF ONTARIO MARKET 1994 TO 1996



In Ontario. Molson Canadian widens shares leadership gap versus Labatt Blue

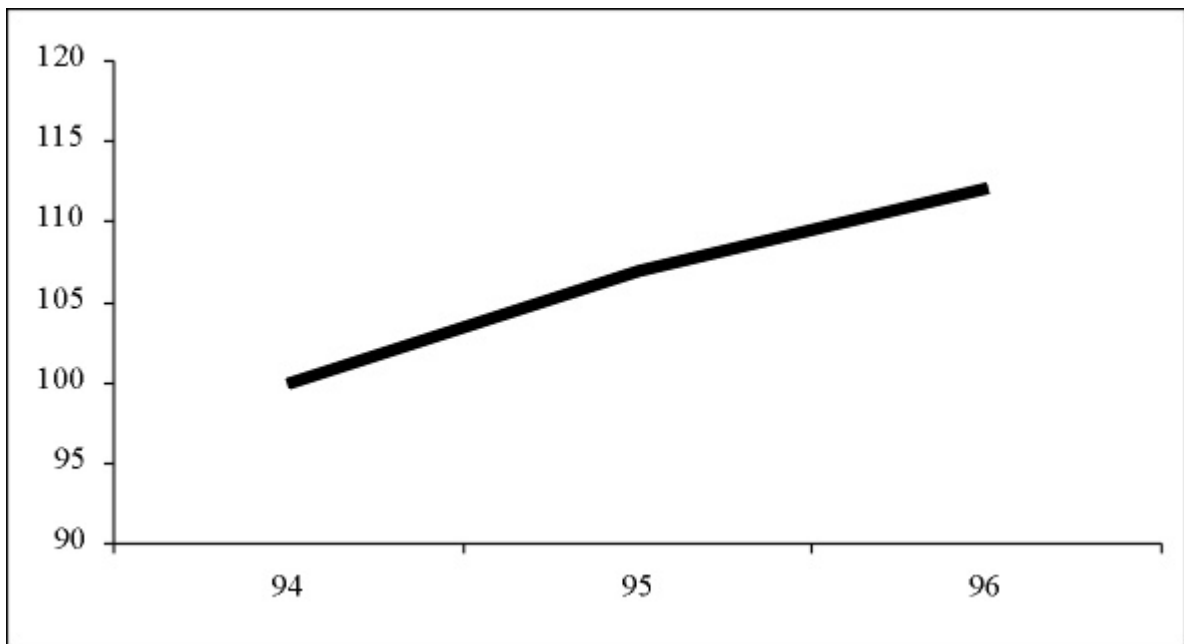
FIGURE 2: MOLSON CANADIAN AND LABATT BLUE INDEXED SHARE OF ENGLISH CANADA MARKET 1994 TO 1996





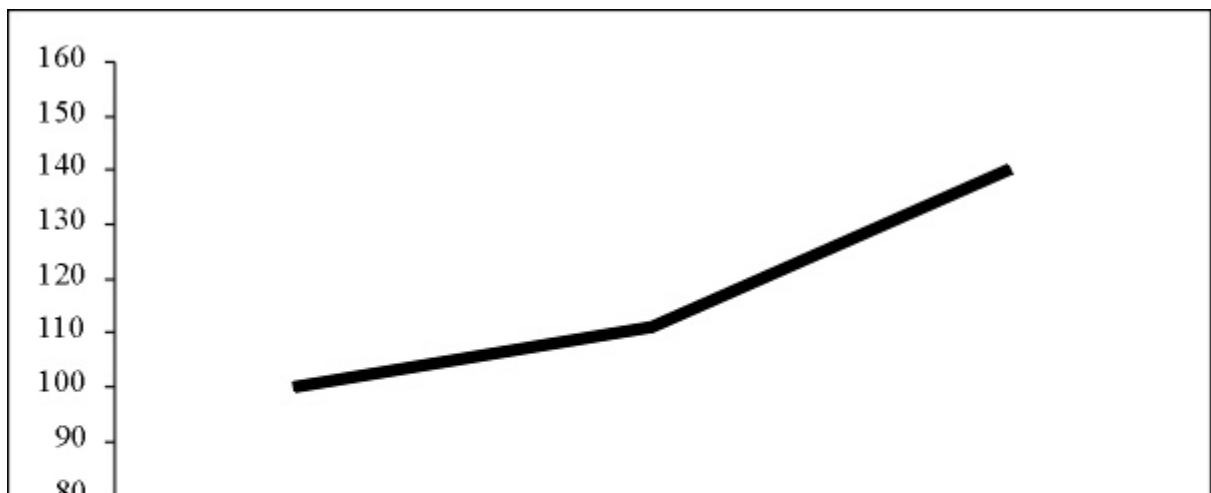
Molson Canadian has blown to outsell Labatt Blue 2:1

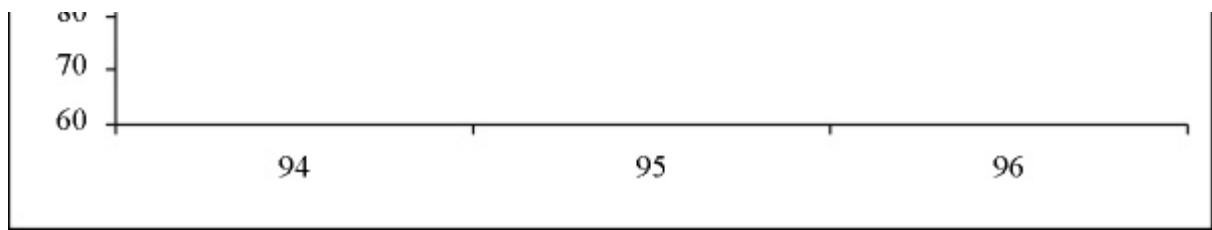
**FIGURE 3: CONSUMPTION OF MOLSON CANADIAN BY 19-24'S.
INDEXED BRAND PENETRATION
1994 TO 1996**



Molson Canadian increased penetration amongst key 19-24 age group

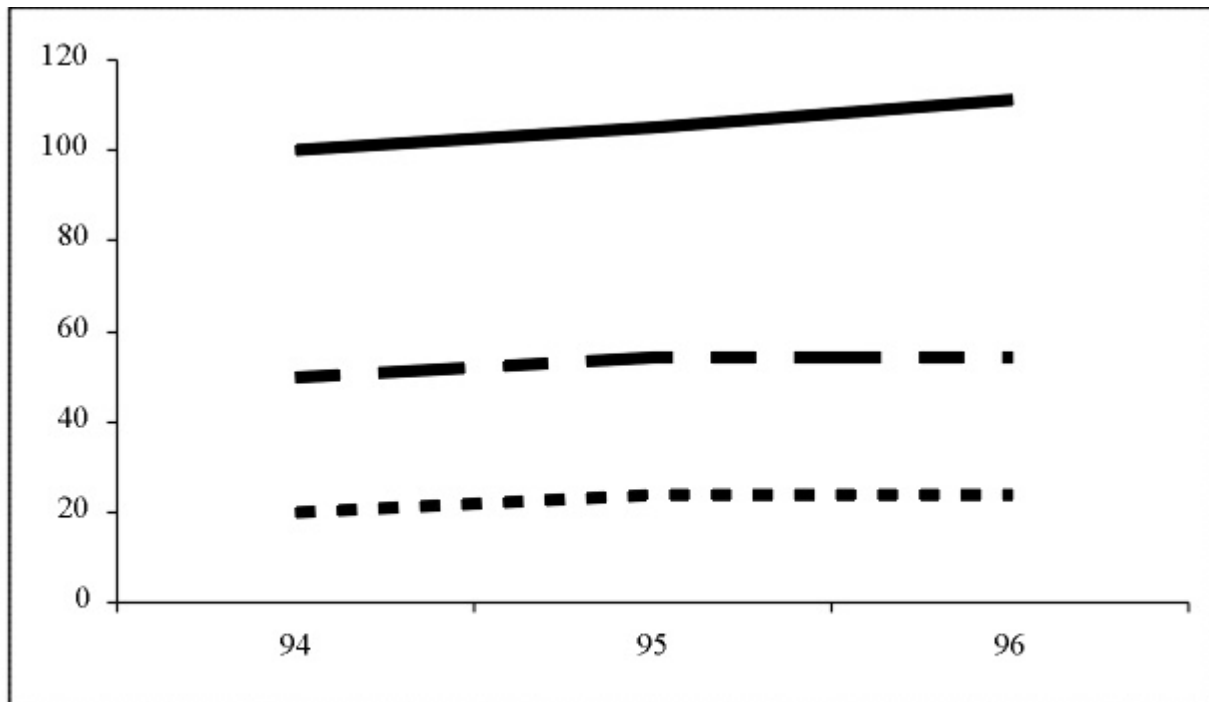
**FIGURE 4: CONSUMPTION OF MOLSON CANADIAN BY 'COLLEGE EDUCATED'
19-24'S.
INDEXED BRAND PENETRATION 1994 TO 1996**





Strong increase in penetration of 'College educated' 19-24's. As opinion leaders this group represents an important group of peer influences

FIGURE 5: MOLSON CANADIAN INDEXED ADVERTISING AWARENESS, BRAND AWARENESS AND SHARE OF MARKET – ONTARIO 1994 TO 1996



Share of Market
 Brand Awareness
 Advertising Awareness

High correlation indicates Canadian's success directly linked to advertising