

Agency: MacLaren Lintas

Authors: B Pope, S Creet and J Anderson

What Beer's all about Molson Canadian Campaign

INTRODUCTION

Aren't you suspicious that Avis secretly liked being number two in the car rental market for all those years? After all, it allowed them to keep reminding people that they 'tried harder'.

That long-running advertising campaign made a virtue of being the underdog. But in the high stakes beer market, in which fighting for market share is a daily battle, there is no glory in being second. In the beer business, where each market share point is worth about \$10-million, getting to the top and staying there is a bottom line objective.

The Molson's Canadian campaign was aimed at upsetting the Labatt's Blue hold on the Ontario market. What sets this case apart is its all-consuming assault on one segment of the market - entry level beer drinkers aged 19 to 24. Molson knew that it had valuable equity built up in the name of the product itself. But brand equity in advertising really implies two shareholders - the corporation for sure, but also the customer or consumer of the product. The question was: who would buy Molson's Canadian and call it their own? To play it safe, Molson might have broadened its target market to include the older 25 to 29 age group; in terms of consumption, this was an equally important segment of the beer drinking market. But if the company had done that, the campaign would have lost its focus and its punch.

For instance, the use of music would have had to include a broader range of styles. The creative would have been forced to cover too many lifestyle variations. It's easy to forget that the memorable moments of a 20 year-old are not the same as those of someone who is five years older. A lot changes in those intervening years. Advertisers are often too ready to categorize customers and consumer groups as 'Generation X' or 'Baby Boomers,' neglecting to recognize that they are nothing more than convenient marketing generalizations at best. Woe to the marketer who thinks that one size can fit all in lifestyle advertising.

Molson decided it would rather have a big piece of this one market segment in Ontario. Those who were older (albeit still under 30 and 'Young' by most conventional marketing measures) might be attracted from the sidelines, but the message was clearly aimed at their younger adult brothers. It was a crucial decision. This exclusionary tactic gave the advertising campaign its necessary cachet and it worked. It offered an invitation that only a certain group could accept. For the rest, viewing the advertising is fun but unsettling, like watching your neighbour's kids have a party next door - you can hear the music and remember what it was like, but you're not invited.

By successfully targeting this segment, Molson Canadian turned its brand equity over to a very loyal segment of the young adult beer-drinking market. They 'bought' the creative representation of their own lifestyle and they bought Molson's Canadian as a result.

JUDGES' COMMENTS

The 'Longer and Broader' category required a demonstrated, successful campaign over a two-year period. Success might be measured by sustaining price or withstanding new competitors, as well as by increasing share of sales. Advertising has to be a significant contributor to improved performance.

The first of two Cassies in this category was awarded to Molson Canadian for the 'What Beer's All About' entry.

Holding market share in the Ontario market is a challenge to all brewers. Since major competitors hold very large shares in this market, Molson took on the challenge of turning Canadian into a mainstream brand.

Capitalizing on its name, it developed a tongue-in-cheek campaign that appealed directly to its target group of younger drinkers. Molson has built an image that the Canadian brand could own, and has gone on to become the number one selling beer in Ontario.

The Molson Canadian case has demonstrated with quantifiable proof that the company increased penetration of its key target group, and has exceeded market share objectives in every year of the campaign.

EXECUTIVE SUMMARY

OVERVIEW

The characteristics of the Ontario beer market from 1988 to 1991 provide an exceptionally clear context in which to prove the link between award-winning advertising and increased sales volume. In Ontario the effectiveness of advertising is not obscured by changes in other factors of the marketing mix. Instead, government regulations and manufacturer practices regarding the packaging, distribution, brewing and pricing of beer cause these factors to remain constant for all competitors. However, should any of these marketing factors change, competitive response is so rapid that the smallest difference is quickly matched. In this case it is proven that Molson Canadian's advertising - backed by a strong manufacturer effort and flanked by the Molson Canadian Rocks program - was the driving factor in the marketing mix.

Market situation

In a market in which high volumes of production are key, the outlook for Canadian beer marketers was bleak at the time of this case. By the late 1980s, beer sales nation-wide were flat ([Figure 1](#)). This situation was expected to worsen as Canada's demographics and social norms continued to change. Holding market share, particularly the prized region of Ontario (40% of the national market and 70% of English Canada) became increasingly difficult. In response to consumer- preference changes, beer marketers (including a growing number of new, micro-breweries) scrambled to introduce new products and the market became more fragmented and the competition more aggressive.

The challenge

As the total beer market shrank, claiming a stake of the lighter tasting lager market in Ontario became of vital importance to Molson. Industry analysts estimated a share point in this market to be worth about \$10-million in profit. Since the mid-1970s, Labatt had dominated the mainstream of this market with its Labatt Blue. By 1987 Blue held more than a quarter of Ontario's market. By contrast, Canadian - Molson's contender for the lager market - held less than half Blue's share, having carved itself a small niche on the fringe of the market with its 'trendy' lifestyle positioning. The challenge was to create an image for Canadian that moved it into the mainstream.

The campaign

Strategically, the campaign leveraged the one element the beer could truly own: its name. Creatively, the campaign showed it understood the society, rituals and psyche of young adult Canadian beer drinkers. Its truly indigenous, tongue-in-cheek, irreverent humour winked at young beer drinking Canadian adults, establishing Canadian as a credible and welcome part of the good times in their lives. Overall, this campaign has driven the success of the brand, because it stitched Canadian into the fabric of what it is to be a young Canadian adult. It was solely responsible for capturing young adult Canadian beer drinkers' hearts and translating this into 'share of elbow.'

The result

Driven by the creatively lauded 'What Beer's All About' advertising campaign, Canadian surpassed its marketing objectives. Its Ontario market share almost doubled. By the first six months of 1992 Canadian became the number one selling beer in Ontario ([Figure 2](#)). The advertising campaign spearheaded Molson's marketing efforts and Canadian is now poised to challenge Blue as a leader in the remaining English Canada market.

BACKGROUND

THE CHANGING BEER MARKET

By the late 1980s, beer sales nationwide were flat ([Figure 1](#)). This situation was expected to worsen as Canada's population aged. The demographic segment responsible for 65% of beer consumption, males 19 to 34, was shrinking ([Figure 3](#)).

Also contributing to the market's softness was the public's increased awareness of the advantages of healthy and responsible living. All this led to a flattening in the consumption of alcoholic beverages ([Figure 4](#)). Indexed in Ontario and the other 12

English-speaking provinces, beer marketers had been responding to a change in consumer tastes.

This shift in favour of lighter and sweeter beverages sparked the launch of coolers, light beers, and American beers bottled under license in Canada. As a result, the beer market became increasingly fragmented and aggressively competitive.

COMPETING FOR THE BEER CONSUMER IN ENGLISH SPEAKING CANADA

THE MARKET

Labatt, Molson's key Ontario competitor, had led the market since the mid-1970s with Labatt Blue. By 1987, the well-known and popular Blue held more than a quarter of the Ontario market. It appealed to a wide spectrum of beer drinkers. Canadian, Molson's contender for the lager market, had only carved itself a small niche on the fringe of the market with its 'trendy' lifestyle positioning. The challenge was to create an image for Canadian that moved it into the mainstream. Molson knew Labatt would fiercely defend its strongest selling brand, Blue, against any competitor's attempt to erode its market share.

The consumer

The typical core beer consumer takes brand choice very seriously. He views his chosen brand as a badge that identifies who he is, or aspires to be. Once he has selected his brand it is very difficult to get him to switch. While taste is the final test of a beer's acceptability, psychographic research has proven that the greatest determinant in a consumer's selection of his beer is the brand's image. That image is created through advertising.

MARKETING AND ADVERTISING STRATEGIES

KEY ISSUES

Succeeding in the Ontario lager segment was key to Molson's long-term success. For any beer marketer operating in Canada, sales performance in Ontario is important. According to industry analysts a share point in 1988 was worth about \$10million. Success in Ontario would give Molson the boost it needed to build its presence in the remainder of Canada.

Molson Canadian was positioned on the fringe of the core Ontario market. The core of the Ontario market was the high-volume lager drinker (males 25 to 45). Blue had a stranglehold on this core as well as a broad appeal within the remaining market. As a result, Blue's market share was two and a half times larger than Canadian's

(Figure 2). To reverse its fortunes in Ontario, Canadian's image would have to be modified. This meant risking the loyalty of current Canadian drinkers and most likely triggering the undoubtedly strong competitive response of Labatt.

Long-run success required tough strategic choices. Molson could build volume in two ways. It could attract existing heavy beer drinkers, or slowly build Canadian's franchise with new beer drinkers. Targeting existing heavy beer drinkers was tempting. However, while this group had a propensity to quaff large amounts of lager, they were also extremely brand loyal. Alternatively, Molson could choose to grow Canadian's franchise from the ground up by attracting entry level beer drinkers. This, as well, would not be easy. Entry level beer drinkers were members of 'Generation X'; consumers who rebelled against the norms and images of Canadian's existing consumer. Molson committed to growing Canadian's long-term franchise by targeting the young male adult segment of that market.

Marketing objectives

- To raise Canadian's penetration of the 19 to 24 age group and become the dominant brand within this segment.
- To become the leading brand in Ontario beer market by 1992.

Marketing strategy

Create an image for Canadian that was both relevant to entry level drinkers and Canadian's existing consumer base. This image would differentiate Canadian from Blue and establish Canadian's long term position in the segment.

Communication strategy

To communicate with the target group through focused and relevant messages that were sensitive to social context and aspirations.

To build an image that the brand could own. As such, it would have to be unique, strong, and distinctively branded 'Canadian'.

EXECUTION

THE ADVERTISING ELEMENTS

Campaign Overview

Canadian's 'What Beer's All About' campaign is grounded in a fundamental understanding of who the beer drinker is and what his brand means to him. It understands what it is to be a young Canadian adult. It is far more than the beer, babes, buddies and bands already copied by its competitors.

Strategically, it leveraged the one incontestable aspect about Canadian, its name. While other beer marketers have tried, none can assume Canadian's role of being the true Canadian beer. Creatively, the campaign showed it understood the tongue-in-cheek, irreverent humour that winked knowingly at young Canadian beer drinkers. It established Canadian as a credible and welcome part of the good times in their lives. Overall, this campaign has driven the success of Canadian because it stitched this brand into the fabric of what it is to be a young Canadian adult.

REACHING THE TARGET GROUP

MEDIA SELECTION AND SCHEDULING

Using the demographics and lifestyle of the target group, a broad cross section of media was selected and scheduled based on its ability to reach young adult Canadian beer drinkers. Several media were used ranging from the traditional television to promotional calendars. The campaign began on television, but print media was

a key element. Radio was used to maintain brand prominence in the young adult's life, but was not as creatively effective as TV or print. The visual aspects of the campaign proved essential to getting the message across and television was always considered the main vehicle for that reason.

Regionally, media support was allocated based on regional volume importance. Due to this, support for Ontario was given top priority. Seasonally, media was scheduled to provide a year-round presence with greater emphasis in the spring and summer. Media weights were planned to provide high levels of both reach and frequency.

Creative Executions 1988 to 1992

Creative executions were developed for television, radio, print, transit, posters and calendars. While executional styles varied over the campaign all continued the 'What Beer's All About' theme.

OTHER VARIABLES IN THE MARKETING MIX

Product

Canadian did not undergo any material or taste profile change during the campaign.

Packaging/distribution/pricing

The regulation of this market by the federal and provincial governments and manufacturers' practices that governed the distribution, promotion and pricing of Canadian and its competitors did not change over this period. While many of Canadian's competitors did change to painted labels (including Blue), Blue returned to paper labels during the period. This flip-flop was evidence that the more expensive painted labels provided no profit-generating competitive advantage.

Promotion

Molson's sales force played an important supporting role by ensuring that all collateral materials associated with the campaign were distributed and displayed.

Other support

Molson sponsored a program of rock concerts called 'Molson Canadian Rocks'. Canadian's association with rock music supported the brand's relevance and credibility with the target group.

RESULTS - QUANTIFIABLE PROOF OF SUCCESS

With the support of the 'What Beer's All About' campaign from 1988 to 1991, Canadian met or exceeded all marketing objectives.

CANADIAN INCREASES

Penetration of the 19 to 24 age group by 50 points

Incidence of beer drinkers regularly drinking Canadian climbed from an index of 100 in 1987 to 150 in 1992, challenging the dominance of Labatt's Blue ([Figure 5](#)), and exceeding the marketing objectives in every year ([Figure 6](#)).

Share almost doubled in key Ontario market

In Ontario, Canadian jumped from its underdog position to lead the market. By 1992, Canadian's indexed share in total English Canada increased to 139% of its pre-campaign levels.

Strong link between advertising and trial

As Canadian's brand awareness climbed so too did trial and percentage of beer drinkers claiming that Canadian was their brand (Figure 6).

Successful despite competitive reactions

As expected, Canadian's focused marketing efforts drew an aggressive competitive response from Blue. Recognizing the impact Canadian's success could have on the future of Blue's franchise, Labatt fought back. Over the period, Blue was supported by three new advertising campaigns at heavyweight levels (Figures 7, 8 and 9). Despite this activity Labatt was unable to restrict Canadian's sales growth.

KEY SUCCESS FACTORS

Sensitivity to the consumer

Extensive preparatory and ongoing consumer research identified what was important and relevant to the target group. Based on this research a consumer-relevant campaign was initially developed and then fine-tuned throughout the period.

Unique Execution Style

Canadian's irreverent tone, classic rock 'n roll music, and indigenous tongue-in-cheek depiction of the lives of the target group effectively created an image for Canadian that has made it an integral part of fun social occasions of young beer-drinking Canadian adults. This original approach of the campaign has become a valuable brand property; one that has already been pooled-out over four years.

CONCLUSION

Driven by the 'What Beer's All About' campaign from 1988 to 1992, Canadian's share in the key Ontario market practically doubled. Now at number one in Ontario, it is challenging Blue for first place in the rest of English Canada. As the campaign pooled-out (now in its sixth year), the challenge in continuing its success is to remain sensitive and relevant to the social context and aspirations of young beer-drinking Canadian adults. It has been proven in this case that Canadian's dramatic success is a direct result of this campaign. This simple, unique, consumer-relevant campaign stitched Canadian into the fabric of what it is to be a young Canadian adult. As a result, Canadian has made it into their minds and more importantly into their mouths.

CLIENT

Molson Breweries
Bruce Pope
Dave Perkins
Gene Lewis
Roger Clarkson
Jeff Carefoote
Anders Kullgren

AGENCY

Maclaren: Lintas

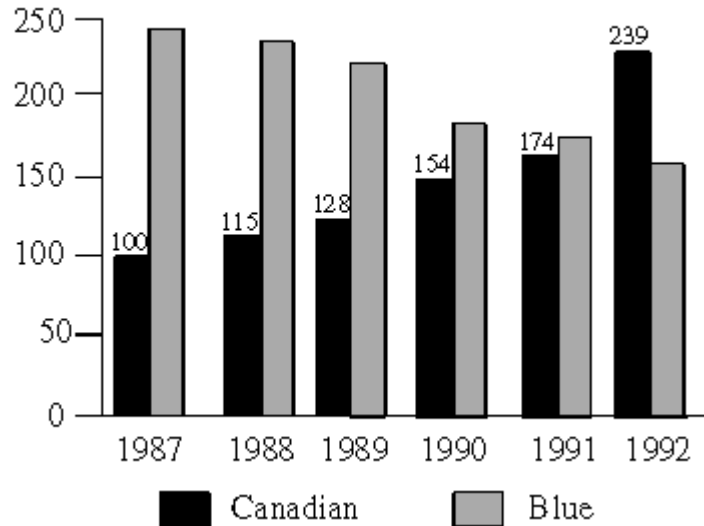
Creative: Stephen
Creet
Michael
McLaughlin
Sandy Cole
Account Management: John
Gibson

John
Anderson
Barrett
Book
Kevin
Callahan
Jim Lutz
Dawn Alex
Bill
McDonald

NOTES & EXHIBITS

EXHIBIT 2: CANADIAN AND BLUE

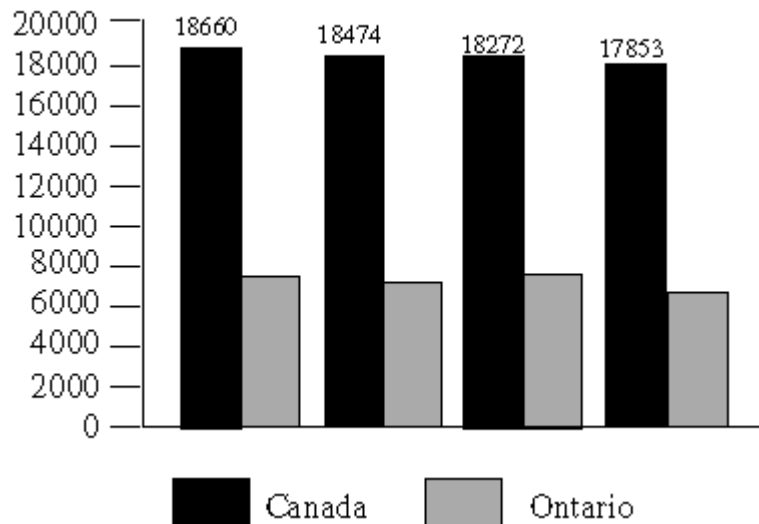
Indexed share of Ontario Market - 1987 to 1992 (6 months)



Canadian becomes top selling brand in Ontario by 1992
Source: Molson Breweries

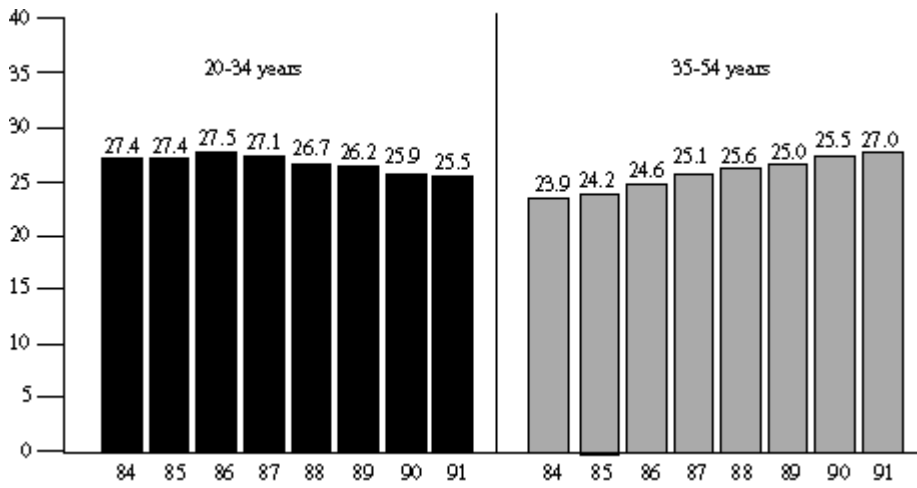
EXHIBIT 1: BEER SALES (HL 000)

Ontario and National Trends - 1988 to 1991



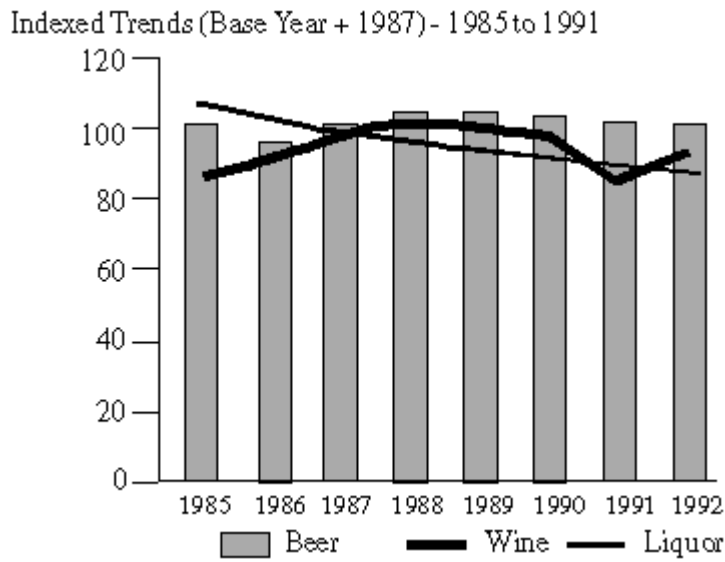
Source: Molson Breweries

EXHIBIT 3: MALE POPULATION BY AGE



Key beer drinking age group shrinks as Canada ages
 Source: Statistics Canada, Market Research Handbook (annual)

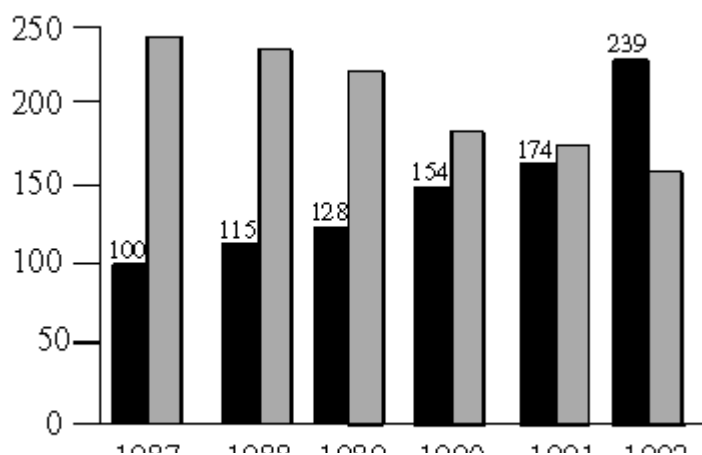
EXHIBIT 4: CONSUMPTION OF ALCOHOLIC BEVERAGES



Consumption of all alcoholic beverages flat
 Source: Statistics Canada, Apparent per capita consumption of food, 32-229

EXHIBIT 2: CANADIAN AND BLUE

Indexed share of Ontario Market - 1987 to 1992 (6 months)



1987 1988 1989 1990 1991 1992

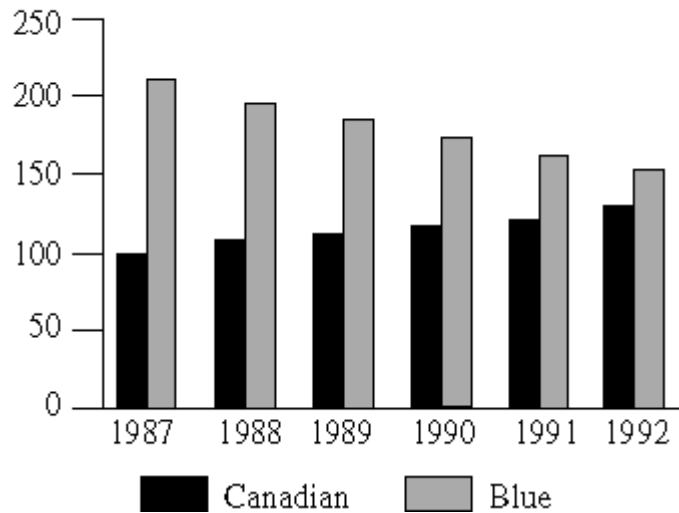
■ Canadian ■ Blue

Canadian becomes top selling brand in Ontario by 1992

Source: Molson Breweries

EXHIBIT 5: CANADIAN AND BLUE

Indexed Share of National Market - 1987 to 1992 (6 months)

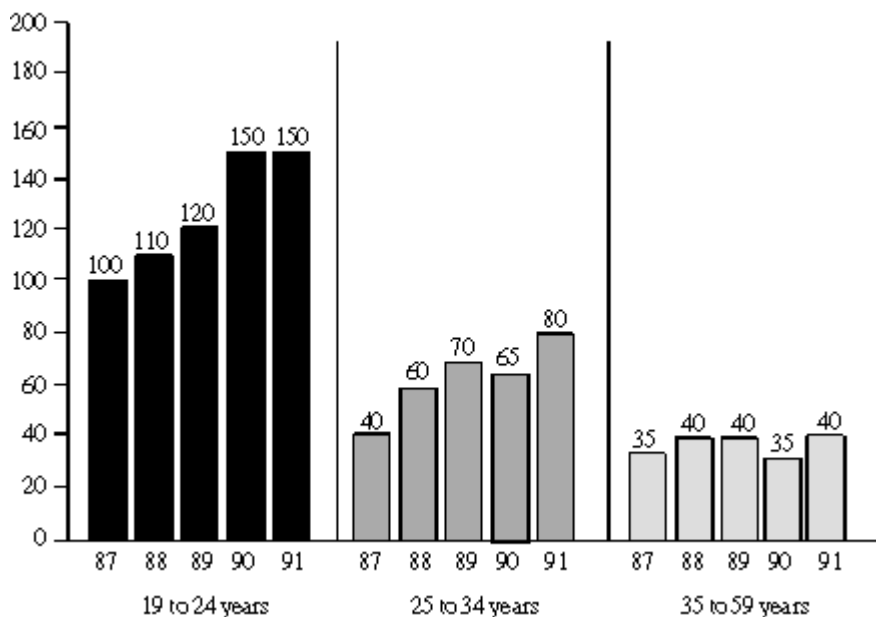


Canadian's share builds to rival Blue

Source: Molson Breweries

EXHIBIT 6: CONSUMPTION OF MOLSON CANADIAN BY AGE GROUPS

Indexed Brand Penetration of Beer Drinker Groups - 1987-91

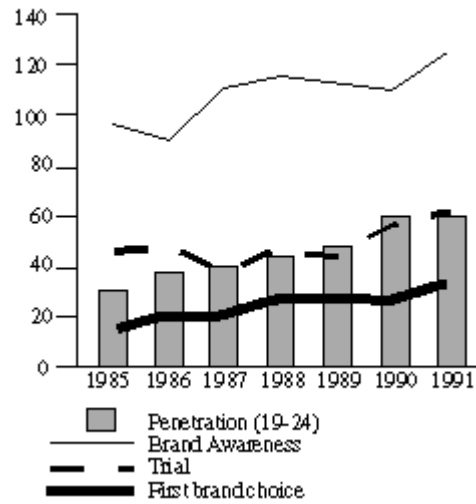


Canadian builds its franchise by attracting young beer-drinking adults

Source: Molson Breweries

EXHIBIT 7: MOLSON CANADIAN

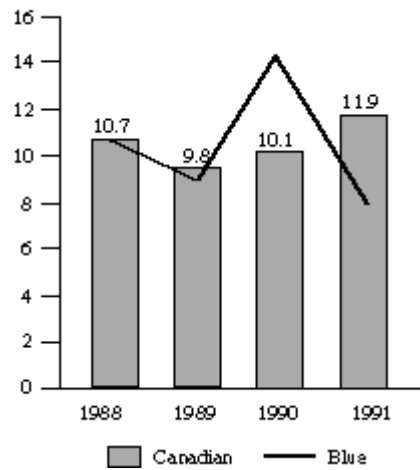
Index Brand Awareness, Trial and Usage - 1985 to 1991



Canadian's success directly linked to advertising
 Source: Molson Breweries

EXHIBIT 8: CANADIAN AND BLUE

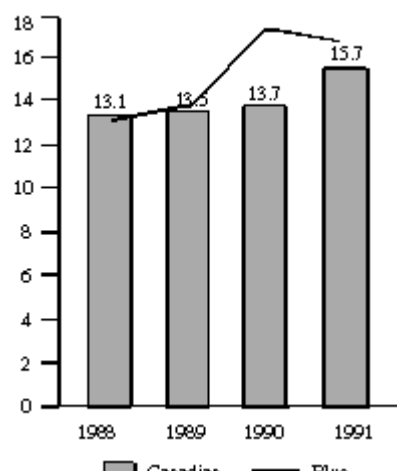
National 'Share of Voice' Trends - 1988 to 1991



Blue maintains competitive levels of advertising nationally
 Source: Molson Breweries

EXHIBIT 9: CANADIAN AND BLUE

Ontario 'Share of Voice' Trends - 1988 to 1991



Blue responds to Canadian's success in Ontario with increased spending
Source: Molson Breweries
