

Agency: Lowe SMS

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Purolator: 'Daystarter'

EXECUTIVE SUMMARY

The courier business revolves around time and money, and for Purolator Courier, 1993 was a year when time was of the essence and making money had never been tougher. First, there were the lingering effects of a prolonged recession. Second, increasing government deregulation led to a dramatic proliferation in the number and nature of competitors in the courier business. Third, well-financed US competitors had entered the market. And finally, this maturing category left little room for clear differentiation, as the entire courier product category was increasingly at risk of slipping into commodity status. As the leader in the Canadian courier market, Purolator Courier faced the risk of drastic volume and revenue declines.

In 1993, advertising played a critical role in differentiating and positioning Purolator for future growth. It successfully created a meaningful brand identity within a difficult low-interest category, and most importantly, it helped increase short-term volume and profit.

The success of the advertising is clearly demonstrated by results that include: increased volume and revenue, better advertising recall, heightened brand awareness and usage plus other qualitative measures.

This case demonstrates several other features:

- How business building and brand building work together.
- The ability of advertising to create valuable brand identity within a category that is increasingly perceived as commodity driven.
- The importance of developing strategies through the understanding of consumer behaviour and using consumer research to explore various 'theories' of customer motivation.
- The need to clearly define objectives and the importance of staying single-minded even in the face of what sometimes may appear to be conflicting short- and long-term goals.
- And above all, it demonstrates the value of using simple, yet compelling, creative ideas as a way to fulfilling strategic goals.

SITUATION ANALYSIS

By 1993, the Canadian courier business exhibited most of the classic symptoms of becoming a 'mature' industry where players are often indistinguishable, market growth predictable and the product increasingly regarded as a commodity by the customer.

The courier market in Canada is dominated by a handful of companies that hold a commanding share of total domestic volume. Prior to 1993, two major US competitors - United Parcel Service (UPS) and Federal Express (FedEx) began an aggressive assault on the Canadian courier market. Between 1989 and 1993 their combined total monitored media spending in Canada increased by 330% (Nielsen Media Services 1989-1993). Additionally, in 1993 UPS launched a multi-media advertising campaign supporting a new 'multi-tiered' service.

Besides this increased competition, other economic forces were making life in the Canadian courier business more difficult. The effects of a prolonged recession continued taking its toll, making courier customers

increasingly cost conscious. Furthermore, government de-regulation created a proliferation of low priced competitors and many new, 'near competitors' who previously operated exclusively in the 'less-than-truckload' (LTL) category or as freight forwarders.

As the recession dragged on and competition increased, industry profitability was plummeting. While 1993 category revenue was virtually flat, the pie was being consumed by a greater number of players and a more aggressive type of competitor. Moreover, differentiation was extremely difficult, as the top courier companies were increasingly perceived as similar in terms of satisfying the core needs in the category.

The two key challenges for the advertising within this environment were:

- Differentiated long-term positioning and brand identity for Purolator Courier by going beyond the core category needs;
- Increase volume and profit in a category with declining profit potential.

Given the nature of this category, and the potential for 'buyer indifference', it was clear that to achieve these lofty goals, Purolator would need advertising that was not only persuasive, but also, bold and insightful. And given the reduced media budget, it would have to be innovative as well.

STRATEGY AND EXECUTION

By 1993 Purolator Courier had already created a series of premium branded services. These products and services were targeted at very distinct customer segments. These products and targeted services offered a potentially powerful strategic positioning for the company. They could be used to increase profitability and volume as well as establish an ownable, long-term identity.

Their downside was that while they commanded price premiums and were unique and meaningful to segments of the market, concentrating exclusively on them carried the inherent risk of marginalizing Purolator's total business.

The job of the advertising was to:

- Leverage the uniqueness of these products.
- Stake out an ownable long-term position and brand identity for Purolator.
- Significantly build total volume and profit for the company.

Extensive consumer research would be critical in understanding the best strategic leverage points for Purolator. Initial research indicated that the product with the most potential was the Purolator 9AM DayStarter. Customers believed that this product demonstrated that Purolator was putting the customer first by responding to, and even anticipating needs. It was perceived as 'hard' evidence of Purolator's commitment to being better than the competition. This was completely consistent with Purolator's long-term mission to offer an unwavering commitment to meeting customer needs and delivering a higher standard of service.

There was one important drawback: it was seen as an 'emergency' service only. Specifically, the service was only used for highly 'time sensitive' packages. Importantly, the next step would be to determine whether it was possible to broaden the appeal of the service, so that it would reflect more on Purolator's overall image while also substantially building its own premium-based volume potential.

The search for a way of broadening the appeal of the DayStarter led to the field of psychology and the concept of circadian rhythm - the patterns the body goes through every day. Some psychological studies have shown that a person's productivity level decreases as the day goes on. Beyond that, it was hypothesized that as the day wore on, a person's stress level would rise and feelings of control would increasingly slip away.

When exposed to these hypotheses, consumers agreed. In fact, some consumers reported that arriving to work early created an almost 'calming feeling'. In stark contrast to this feeling, many consumers perceived the workplace to be a 'maelstrom' as the day progressed. The relevance of DayStarter was rooted in a 9:00 am arrival. For 'senders', their package could get undivided attention, the appeal for 'receivers', was the ability to

focus before things got out of control.

To fully exploit what was believed to be the excellent potential in 9AM DayStarter, a two-pronged strategic approach was taken.

First, it was necessary to build upon the commitment and leadership DayStarter represented to potential customers. Secondly, it was necessary to broaden the appeal of the product by communicating the idea that customers are likely to be more effective earlier in the morning.

The combination of the two single-minded strategies supporting the one product, would demonstrate Purolator's empathy with the business community and prove its commitment to excel in meeting customer needs through its products, services, systems and people.

EXECUTION

A very limited media and production budget precluded the use of TV to support the Purolator message.

A multi-media campaign was selected which included: radio, newspaper and interior transit. Beyond the appropriateness of this media mix to reach our target audience, breakfast radio, morning newspaper and transit ads viewed on the way to work provided an excellent opportunity to communicate with our target audience, 'before the day got to them'. This was the theme that would be used consistently throughout the advertising campaign.

RADIO

In the spring campaign a radio execution, 'Aggravation', focused on the increase in stress experienced by typical office workers as the day progresses. The commercial was designed to communicate the benefit of using 9AM DayStarter to receive packages 'before the day gets to you'.

In the fall campaign, two radio spots titled 'Alarm' and 'Traffic Report' focused on the fact that Purolator actually is able to deliver packages by 9:00 am, thus demonstrating the greater effort and commitment they take to meet customer's needs.

The first commercial, 'Alarm' asks the question: 'Ever wondered how Purolator is able to deliver by 9 am?' The announcer describes all the possible 'magical' techniques Purolator must employ to arrive so early, then reveals simply that, 'they just get up earlier'.

In the second fall spot, 'Traffic Report', the commercial describes exaggerated examples of rush hour traffic obstacles Purolator must overcome in order to arrive so early in the morning.

The radio campaign ran in conjunction with interior transit and newspaper advertising.

INTERIOR TRANSIT

The interior transit advertising used two separate supercard executions. Both executions leveraged the opportunity to involve subway and bus riders in the actual creative. This approach went against conventional wisdom that suggests a simple, short message is best for the medium.

The first execution, 'Find the couriers', communicated Purolator's unique commitment to early, on-time arrival with the headline, 'It's fifteen minutes to nine. Find the couriers'. Using a busy city core illustration done in the style of a children's find-the-character game, twenty-two Purolator couriers were artfully hidden, allowing the subway patrons to participate in the ad.

The second execution, 'Cartoon' showed humorous vignettes of stressful business situations, the headline reading: 'Why Purolator gets to you before the day does.'

NEWSPAPER

The newspaper campaign also consisted of two executions. The first, 'Daytimer' showed a cluttered office desk with papers, books and daytimers. Beneath the clutter is a Purolator envelope with a 9AM DayStarter sticker. The headline reads: 'Purolator gets to you before the day does.'

The second execution, 'Traffic', was divided in half. The left side showed the state of highway traffic at 9:00 am, the right showed the calmer state of traffic at 10:30 am when most couriers deliver. On the 10:30 half the headline read: 'Any courier can guarantee delivery at this hour.' On the 9:00 half, the headline read: 'Only Purolator guarantees delivery at this hour.' The clear message being how committed and capable Purolator is to get your package to you by 9:00 am.

MAGAZINE

Strategy Magazine offered a unique tactical media opportunity with a Special Report on Couriers. A presence in this issue would support 9AM DayStarter and at the same time, appeal to the advertising industry - a big user of courier services. To do this, a creative twist was put on the current 'Daytimer' print ad. Using four consecutive half-page ads, the executions placed the 'Daytimer' desk in an advertising industry office. Each execution shows this desk during four different times in the morning. The first ad is before 9 am, the desk is empty except for a Purolator with 9AM DayStarter stickers. The headline reads: 'Only Purolator gets to you before the day does.' The next ad, with a '9:30' headline, shows the Purolator opened, its contents out of the package, and a few extra items thrown on the desk. The third and fourth ads, '10 am' and '10:30 am' respectively, show more and more 'ad industry' clutter sprawled across the desk such as slides, videotapes, creative resumes and so on. It was an innovative way of getting the 9AM DayStarter message across while visually relating to the reader's 'typical' workday.

BUSINESS RESULTS

Despite the depressed business environment, the company's reduced media spending and increased competitive spending ([Figure 1](#) and [Figure 2](#)), Purolator courier was able to show significant growth in 1993 compared with 1992.

DayStarter volume increased 27% in 1993 over 1992. By way of contrast, in 1992, DayStarter volume had increased by only 14% (on a smaller base) despite similar marketing support levels and programs ([Figure 3](#)).

Perhaps more importantly, this increase in DayStarter volume was incremental to the total Purolator business. In 1993, overall Purolator volume increased by 10% over 1992, a year in which total Purolator volume declined 6% from the previous year ([Figure 4](#)). This reversal was achieved despite a 30% net decrease in media spending.

The only significant change in 1993 compared with 1992 was the new DayStarter advertising campaign.

Overall revenue for Purolator in 1993 increased by 4% over levels reached in 1992, despite less advertising support and following a year when overall revenue had declined 2%.

Finally, there was a very clear correlation between the bursts in the DayStarter campaign media spending and DayStarter volume increases. Specifically the greatest jumps in DayStarter volume occurred during the spring and fall advertising periods of April, May, October and November ([Figure 5](#)).

TRACKING STUDY

Tracking study results also reveal the significant impact of the DayStarter campaign.

First, awareness of DayStarter increased 24% between December 1992 and December 1993. This occurred, despite DayStarter's drop in media support in 1993 and none of the TV advertising that had supported the product during the previous year. In other words, DayStarter had more media support in 1992 than it did in 1993, but awareness in 1992 only increased by 13% ([Figure 6](#)).

Moreover, product usage increased 20% in 1993 compared with 1992 (Luke Sklar & Associates Tracking 1993), also confirming the relevance of the DayStarter message for courier customers.

Beyond those cited shifts in awareness and usage of DayStarter, the Purolator Brand experienced positive movement which is directly attributable to the advertising. Specifically, the percentage of category respondents claiming to use Purolator most often for time-urgent delivery (by 10:30 am) increased by 20% in 1993 over the previous year. (This would include the combined 9:00 and 10:30 am delivery times.) In Toronto, we saw a directional improvement in Purolator's image rating for reliable next morning delivery (Luke Sklar & Associates Tracking 1993).

The campaign's ability to break through the clutter of competition is probably best demonstrated through measures of recall. In fact, recall of Purolator radio advertising increased 25% in 1993 compared with 1992, again despite similar support levels in the prior year. Also, newspaper ad recall increased 36% even though the media support in newspapers was virtually identical in 1992 ([Figure 7](#)). Interior transit recall was unavailable. However, the recall level in 1993 was felt to be significantly above other interior transit recall norms.

Beyond these specific quantitative success measures, perhaps the most compelling measure of the power of the advertising is the 'nature' of the recall. On an unprompted basis, consumers not only remembered the main message of the creative, but a substantial number of respondents also recalled specific elements of the creative (Luke Sklar & Associates Tracking 1993). This was believed to be the best testimonial of how interesting, distinctive, and relevant consumers found the advertising.

QUALITATIVE FINDINGS

Actual reactions to the creative from our target audience add a human dimension and some character to the quantitative assessment above.

NEWSPAPER ADS

(Daytimer):

- 'The desk...it's exactly what most shippers desks look like.'
- 'That makes sense, we're always in a rush.'

(Traffic):

- 'The traffic visual has meaning...Purolator can deliver packages at difficult times.'
- 'Purolator can get it there by 9:00. They'll get through the traffic so that by the time people are in they can be looking at it.'

RADIO

(Aggravation):

- 'Attention grabbing and memorable. Makes you stop and listen.'
- 'Says you'll get your package before your day starts so you could be organized.'

CONCLUSION

In the business environment facing Purolator Courier in 1993, just maintaining Purolator's existing business would have been an achievement. But advertising took it beyond that level.

By developing a deep understanding of the company's clients and customers the advertising became more believable and persuasive.

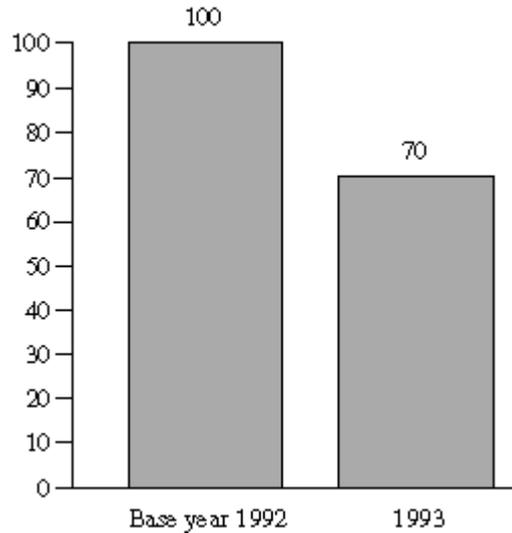
Insightful, strategic thinking, followed by fresh and distinctive creative execution, helped Purolator build its

business in the short term, and position the company with a strong brand identity that will facilitate long-term growth. It was this advertising campaign which spawned a new theme for Purolator as the company that will do 'whatever it takes' to do business the way you need them to do business.



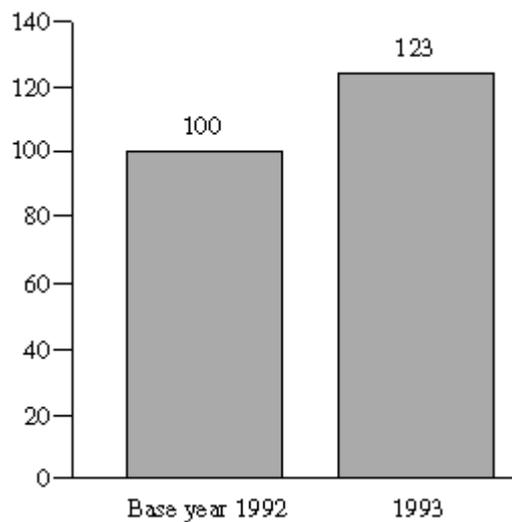
NOTES & EXHIBITS

FIGURE 1: DECREASE IN PUROLATOR MEDIA SPENDING



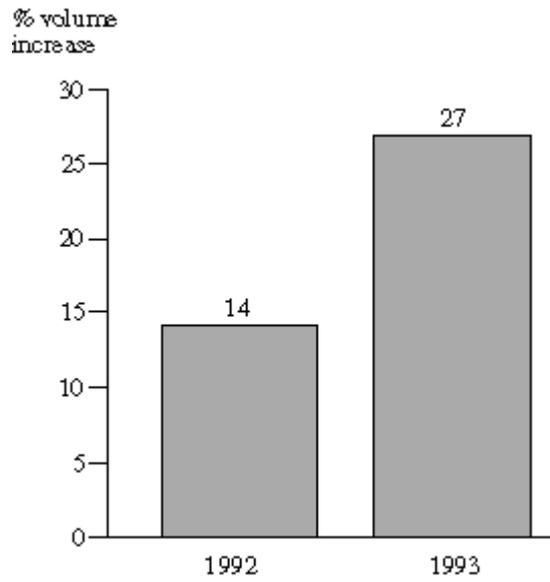
Source: Purolator Courier Ltd.

FIGURE 2: INCREASE IN UPS AND FEDERAL EXPRESS COMBINED MEDIA SPENDING



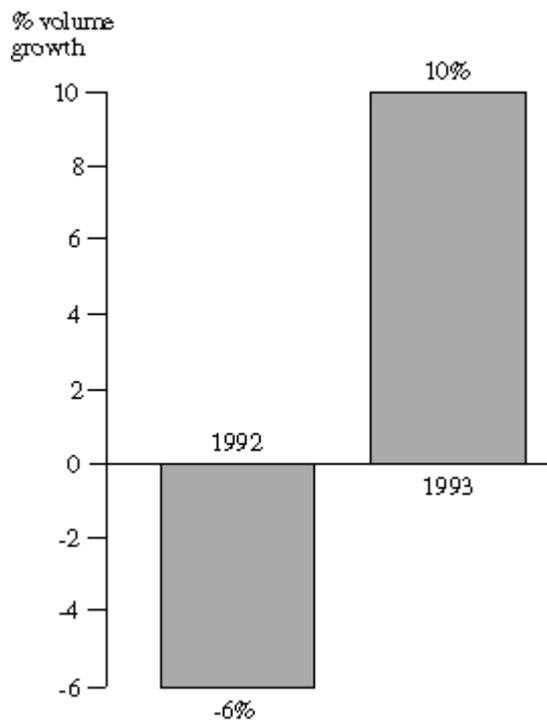
Source: Nielsen Annual Summary of Advertising Expenditures (1992, 1993)

FIGURE 3: PUROLATOR DAY STARTER VOLUME GROWTH



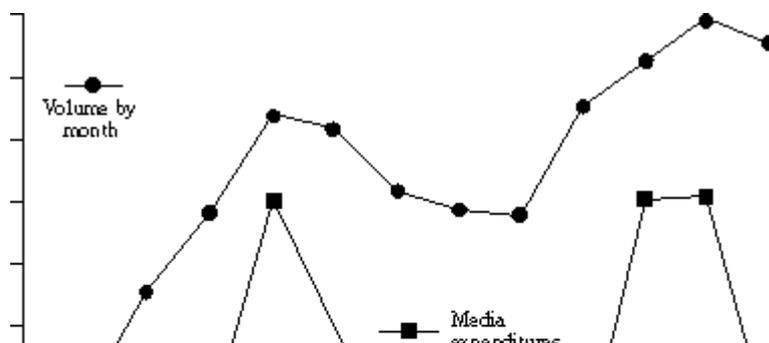
Source: Purolator Courier Ltd.

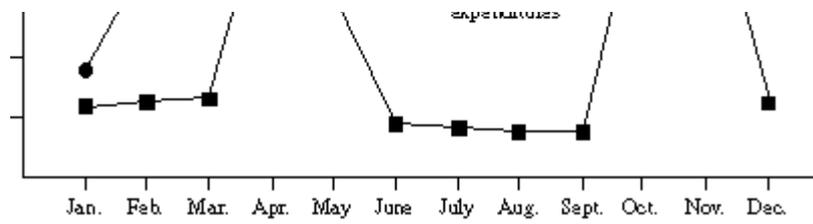
FIGURE 4: PUROLATOR TOTAL VOLUME GROWTH (DECLINE)



Source: Purolator Courier Ltd.

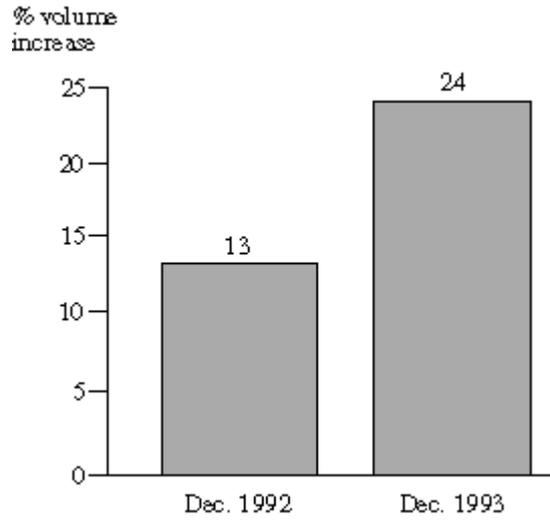
FIGURE 5: 1993 DAYSTARTER ADVERTISING/VOLUME RELATIONSHIP





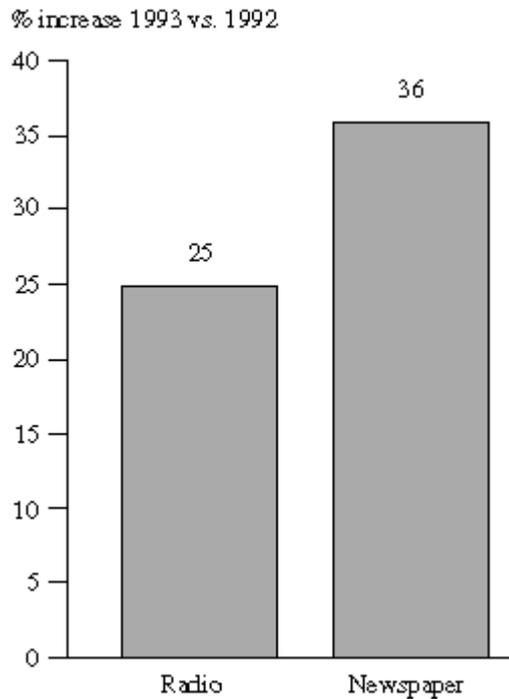
Source: Purolator Courier Ltd.

FIGURE 6: INCREASE IN PUROLATOR DAYSTARTER AWARENESS



Source: Luke Sklar & Associates Tracking Study

FIGURE 7: PUROLATOR 1993 ADVERTISING RECALL



Source: Luke Sklar & Associates Tracking Study