Cassies 2005 Cases

Brand: Rolo: A Cone of Chocolate?

Winner: Off To A Good Start—Certificate of Excellence

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Jack Perone, Vice President, Planning Director

Crossover Notes: All winning cases contain lessons that cross over from one case to another. The notes for this case are as follows, and are attached. The full set can be downloaded from the Case Library section at www.cassies.ca

Crossover Note 1. What a Brand Stands For.
Crossover Note 6. Should the product be improved?
Crossover Note 12. Changing the Goalposts.
Crossover Note 16. When a campaign stumbles.
Crossover Note 18. Keeping it Simple.

To see creative, go to the Case Library Index and click on the additional links beside the case.

EXECUTIVE SUMMARY

Business Results Period (Consecutive Months): April 2004 - September 2004.
Start of Advertising/Communication Effort: TV: June 21, 2004.
Base Period for Comparison: n/a (new product launch).

A cone made of chocolate? Sometimes innovation is so groundbreaking, so different that consumers have trouble grasping it. This was the problem with the Rolo Chocolate Cone.

Once we solved the problem of how to tell consumers what the product was, it started to fly off shelves. By July, it had become the number one impulse SKU, a position it maintained through the end of 2004. And it exceeded Nestlé's sales plan by 10% in a record-breaking cold summer.

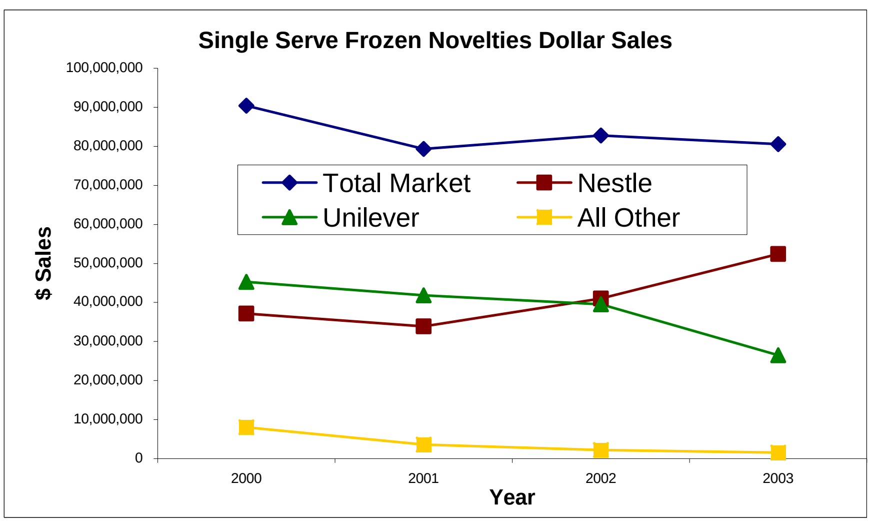
SITUATION ANALYSIS

a) Overall Assessment

There are two main markets for ice cream novelties in Canada: impulse sales in convenience stores and multi-pack sales in grocery. Nestlé and Unilever are in both channels with their two key brands, Drumstick and Klondike, respectively. The single-serve impulse business, primarily in convenience stores, is the single biggest opportunity for sales and profit, and is also an important channel from an image perspective.

Over the past few years, the impulse market has been under pressure. Stores such as Tim Hortons and Starbucks began to offer frozen coffee drinks. At the same time ice cream parlours saw a renaissance, with business increasing over 10%. Consumers had more and more choices to satisfy their "on-the-go" craving. Sales in the impulse market dropped 11% between 2000 and 2003. Despite the declines, Nestlé outperformed Unilever:

Exhibit 1: Single Serve Frozen Novelties Dollar Sales



Source: ACNielsen, $ Sales, Remaining Grocery Channel

Nestlé was not ready to rest on its laurels, however. The convenience trade remains profitable and important. And they were asking for help to revitalize their business.

STRATEGY & INSIGHT

Nestlé decided that the convenience trade needed a major launch, in their channel only. This hadn't been done before. Crossover Note 12. It would take a product so innovative, so revolutionary, that consumers would search it out. Nestlé traveled the world, and found it. Down Under. Crossover Note 6.

It was a first: a cone made entirely of chocolate. Nestlé owned the technology, and it would be very difficult to copy. It had been launched in Australia to great success as Drumstick Royale. The question was how to brand and market it in Canada. It needed a brand that represented over-the-edge indulgence and fun. More than that, it needed a brand that was intrinsically linked to chocolate. Crossover Note 1.

That brand was Rolo.

Concept testing through Maritz Thompson Lightstone showed that consumers—when the product was fully explained to them— were hungry for the Rolo Chocolate Cone. Purchase intent was 79%, and this was even higher with the frequent convenience store consumer. But how do you explain the product in 30 seconds? Nobody could grasp that the cone was made of chocolate, and only chocolate. We continually heard:

> *My Drumstick cone has always been lined in chocolate*
> *Oh cool, they dipped my waffle cone in chocolate*
> *That's different, a chocolate flavoured waffle cone*

This had to be solved.

D. EXECUTION

Despite many attempts to communicate the story in a 30 second ad, we were continually frustrated with consumer's lack of understanding. Crossover Note 16.

The solution came from one of our target group. He happened to be the son of JWT's Creative Director. When he bit into the cone, he was astonished to find that there was no waffle. The CD was astonished at his son's surprise. He had told his son about the product, and still his son had not understood. His response to his father: you never adequately explained it to me. Crossover Note 18.

The insight was almost too simple: *explain* the Rolo Chocolate Cone.

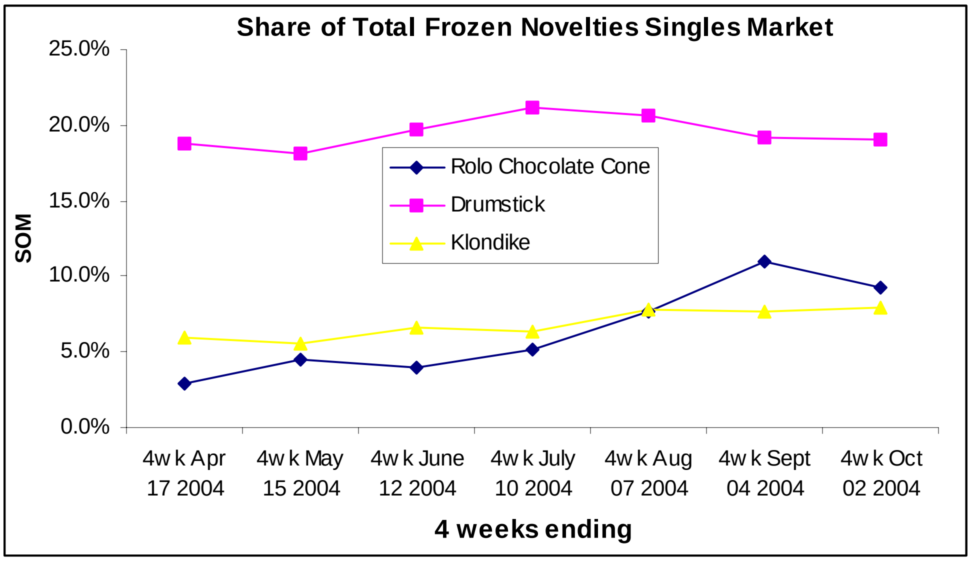
"Chocolate Store" re-created the misunderstanding—You mean a cone dipped in chocolate? And the explanation—No, a cone *made* of chocolate! Add a product demonstration to illustrate the innovation and people finally believed us.

Rolo Chocolate Cone launched in the impulse market in April 2004, with street signs outside convenience stores. "Chocolate Store" followed nationally on June 21 for four weeks, with another five weeks starting July 26—for a total of 750 GRPs.

BUSINESS RESULTS

Rolo's share of market climbed through the summer, peaking at 10.9%. Sales beat Nestlé projections by 10%.

Exhibit 2: Share of Total Frozen Novelties Singles Market for major brands



Source: ACNielsen, $ SOM, Remaining Grocery Channel

It entrenched itself as the number one selling SKU in the market. And for the year ending 2004, it had the number one SKU position despite being available only for 9 months.

Exhibit 3: Rolo Chocolate Cone – SKU ranking

Period	SKU Rank	$ Sales
4 weeks ending April 15	5	127,013
4 weeks ending May 17	1	346,540
4 weeks ending June 12	3	376,655
4 weeks ending July 10	**1**	697,396
4 weeks ending August 7	**1**	908,178
4 weeks ending September 4	**1**	1,150,350
4 weeks ending October 2	**1**	609,901

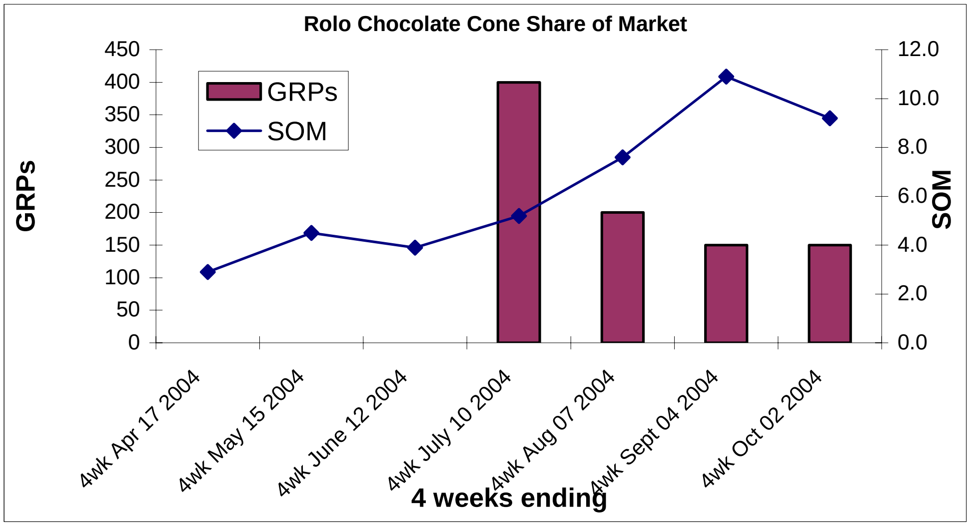
Source: ACNielsen, $ SOM, Remaining Grocery Channel

All of these sales were during a wet summer where the mercury barely hit 20 degrees. The impulse category as a whole dropped 1%. However, on the back of Rolo's growth, the impulse cone segment grew by 19%. Nestlé grew 23% in this segment, and added 5.4 share points.

CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

The steep rise in share, along with the rise in the SKU ranking, begins when the advertising goes on air in mid-June,

Exhibit 4: Rolo Chocolate Cone Share of Market during summer



Source: ACNielsen, $ SOM, Remaining Grocery Channel

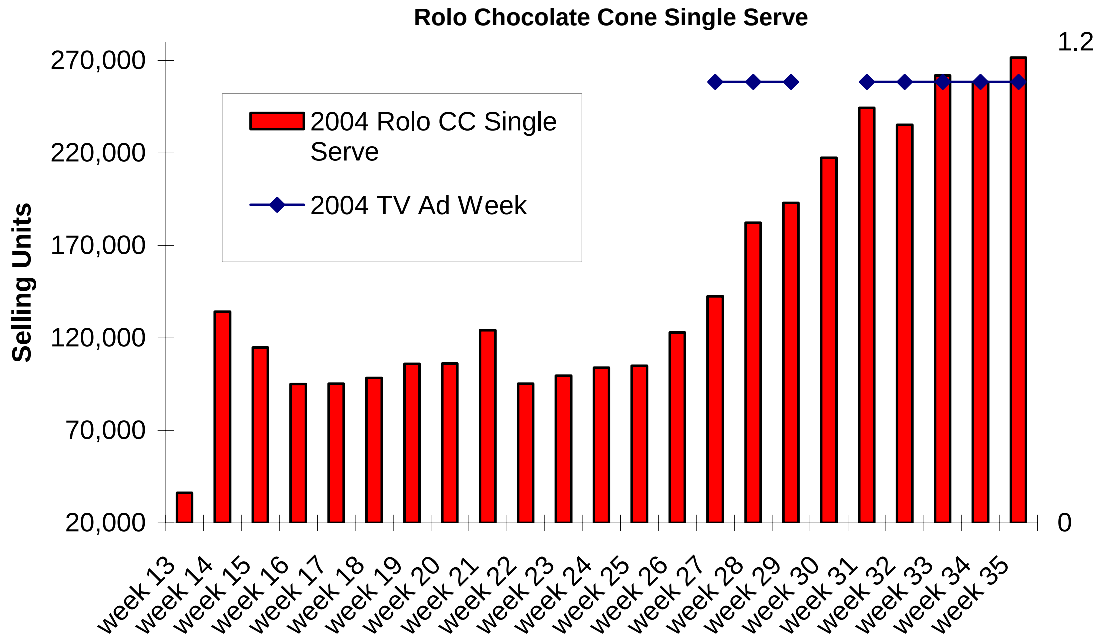
Exhibit 5: Rolo Chocolate Cone – SKU ranking

Period	SKU Rank	$ Sales	GRPs
4 weeks ending April 15	5	127,013	0
4 weeks ending May 17	1	346,540	0
4 weeks ending June 12	3	376,655	0
4 weeks ending July 10	**1**	697,396	400
4 weeks ending August 7	**1**	908,178	200
4 weeks ending September 4	**1**	1,150,350	150
4 weeks ending October 2	**1**	609,901	150

Source: ACNielsen, $ SOM, Remaining Grocery Channel

Shipments follow the same pattern:

Exhibit 6: Nestlé Shipments to Convenience Stores



Source: Nestlé shipment data

Advertising had to raise awareness so as to generate trial. At 54%, awareness for Rolo was the highest in the past two years for any novelty ice cream. At 74%, advertising recall was the highest in the season for any ice cream advertising and a full 45% higher than the second best score. At 18%, Ever Purchased reached the levels of established brands such as Popsicle (19%), Breyer's All Natural (17%) and Del Monte (17%)

Exhibit 7: Key Advertising Tracking Measures

	Q2 '04	Q3'04
Brand Awareness	29%	54%
Advertising recall – TV	n/a	74%
Ever Purchased	9%	18%
Past 3 month purchase	3%	10%
Unaided awareness	2%	14%
Total advertising awareness	3%	21%
Brand linkage	N/a	61%

Source: Maritz Thompson Lighthouse Tracking Study

Product did not change during the media campaign, and pricing was not an issue:

Exhibit 8: Average Retail Unit Price – Rolo Chocolate Cone, Drumstick, Klondike

	2003	**2004**
Nestlé Drumstick Vanilla Chocolate Chunk 1S x 180ML	2.25	2.33
Nestlé Drumstick Vanilla Fudge 1S x 140ML	1.93	1.99
Nestlé Drumstick Vanilla Caramel 1S x 140ML	1.91	2.14
Nestlé Drumstick Supreme Vanilla Caramel Nut 1S x 180ML	2.24	2.32
Nestlé Drumstick Supreme Strawberry Shortcake 1S x 180ML	2.28	2.33
Nestlé Drumstick Vanilla 1S x 140ML	1.91	1.93
Klondike Cone Vanilla and Chocolate 1S x 160ML	1.76	1.92
Klondike Cone Vanilla and Caramel 1S x 160ML	1.78	1.93
Klondike Cone Vanilla and Chocolate 1S x 236ML	2.19	2.10
Klondike Cone Strawberry King Size 1S x 236ML	N/a	2.12
Cadbury Caramilk Cone 1S x 160ML	N/a	2.29
Cadbury Crispy Crunch Cone 1S x 160ML	N/a	2.29
Nestlé Mr. Big Cone 1S x 130ML	2.22	2.41
Nestlé Rolo Chocolate Cone 1S x 130ML	N/a	2.32

Source: ACNielsen, Average Retail Price – cones with at least $180,000 sales in 2004

Rolo Chocolate Cone media spend was comparable to historical media spending for big brands in the novelty market such as Drumstick and Klondike. Rolo Chocolate Cone did not participate in any promotions.

Exhibit 9: Summer Media Spend in the Frozen Treats Market: 2000-2004

	2000	2001	2002	2003	2004
Drumstick	$360,400	$1,035,500	$1,139,900	$1,189,739	0
Klondike	$575,500	$7,800	$911,000	$908,033	0
Chapman’s	0	0	0	$140,454	$556,910
Rolo Chocolate Cone	0	0	0	0	$1,302,400

Source: Nielsen Media Research

All told, then, it’s clear that this is an advertising-driven success.

End of Case. Crossover Notes follow.

INTRODUCTION TO CROSSOVER NOTES — CASSIES 2005

[For Rolo Chocolate Cone]

Crossover Notes have been going for several years, and now run to 28 pages.

We used to attach a full set to all cases, but to save a few trees, we now include only the Notes particular to any case.

The idea of Crossover Notes occurred to me while I was editing Cassies 1997.

I was a consultant by then. Before that I had reached the category manager level at P&G (what they quaintly called the Associate Advertising Manager). I had then clambered up the ladder at O&M, eventually becoming President and later Vice Chairman—both in Toronto. P&G and O&M were both passionate about "lessons learned," and so was I. In those days (it seems hard to believe now) we felt rushed off our feet. But we did have time to study if campaigns were working or not, and come to conclusions about why.

There are lessons, like gold dust, in all the Cassies cases. So in 1997 I decided to extract them. This started with bite-sized footnotes about lessons that "cross over" from one case to another. And the idea kept growing. It is still anchored to winning cases, but I also draw on other thinking for more complex issues.

You can use Crossover Notes in two ways. Although they didn't start out as a crash course in advertising, they are worth reading as a whole. You can also dip into them selectively. The headings on the next page will help you choose.

I've tried to be even-handed on controversial issues, but here and there you will sense my point of view. For this I thank the Cassies for not editing their Editor.

We now have over 150 published cases. They're a growing body of experience. I hope I've helped pass some of the learning on.

David Rutherford
Toronto: December 2005.

For advice on brand-building see* Excellence in Brand Communication*—authored by leading Canadians from across the marketing and advertising spectrum.

***It is published by the ICA. See www.ica.adbeast.com*.**

INDEX OF CROSSOVER NOTES FOR CASSIES 2005

All Cases		Rolo Chocolate Cone
1.	What a Brand Stands For.	✓
2.	Brand Truths.	
3.	Core Equity versus Price & Promotion.	
4.	Business Strategy dictated by the Brand Positioning.	
5.	The Total Brand Experience.	
6.	Should the product be improved?	✓
7.	Fighting for the Same High Ground.	
8.	Classic Rivalries.	
9.	Turnarounds.	
10.	Conventional Wisdom—should it be challenged?	
11.	The Eureka Insight.	
12.	Changing the Goalposts.	✓
13.	Immediate vs. Long-Term Effect.	
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15.	Baby with the Bathwater.	
16.	When a campaign stumbles.	✓
17.	Turning a liability into a strength.	
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19.	Great minds think alike.	
20.	Emotional versus Rational.	
21.	Likeability.	
22.	Humour in a Serious Category.	
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24.	Tough Topics.	
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The Notes for this case are marked ✓and come next.

ROLO CHOCOLATE CONE. CROSSOVER NOTES. CASSIES 2005.

1. **What a Brand Stands For.** People in real life hardly give the deeper meaning of brands a second thought. They know that some appeal more than others. They may have a sense that brands jostle for their attention. But that's about it. They certainly don't agonize over what is the essence of this, or the abiding truth of that.

   But branding goes deeper than we in marketing may realize. Before marketing was even thought of, branding was part of life. Everything from national flags, to coinage, to the uniforms on soldiers, boy scouts and Supreme Court judges, to the plumage on peacocks (human and otherwise), is a form of branding. Business had an early example in the 1800s when Harley Procter of P&G heard a pastor quote a biblical text about ivory palaces. Goodbye Procter & Gamble White Soap. Hello Ivory. More recently, Tom Peters published A Brand Called You. And Tony Blair tried to re-brand the UK as "Cool Britannia."

   A brand, in the fullest sense, is hard to define. Dictionary definitions tend to focus on the trademark aspect, and yes, branding does involve some sort of identifying mark. But this misses the point. What makes a brand valuable?

   The answer is The Advantage of Belief.[1] Charles Revson of Revlon famously said, "In the factory we make cosmetics. In the store we sell hope." In other words, a brand is not a product; it's what people believe about a product. These beliefs can be immensely powerful. The most astonishing is the placebo effect. In clinical trials, many patients respond to the "sugar pill," even when they have serious diseases. We see the same thing with blind and identified product tests. With a strong brand, the preference jumps. (See What's in a Name by John Philip Jones.) And when the Advantage of Belief takes hold, it leads to a long list of benefits:

   a) Customer loyalty
   b) Higher price
   c) Higher cash flows
   d) Higher long-term profitability
   e) Facilitating brand extensions
   f) Withstanding competitive attack
   g) Motivating staff and attracting new talent
   h) Potentially augmenting the stock price

   This doesn't, of course, answer the question, "how do you build these beliefs?" There are widely varying notions, but most agree on the basic principles: (1) stake out what the brand can and should stand for (2) stick with this over time (3) evolve to account for lessons learned and market changes.[2]

   This can't be done by empty promises. We have to assess what consumers want against what the product delivers—and tell the story better than competitors do. We have a melting pot of perceptions and reality to work with. All the "brand" ideas are there to help—Brand Image, Equity, Personality, Character, Essence, Relationship, Footprint, Truth, Soul, Identity, and so on—along with old faithfuls like Positioning, Focus of Sale, USP, Features, Attributes, Benefits and Values. Whatever the terminology, though, "what the brand stands for" is critical.

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[1] This is a phrase of mine, though the idea that a brand is "more" has been described by many authors.
[2] How do you do this, and evolve? See *Excellence in Brand Communication:* www.ica.adbeast.com

6. **Should the product be improved?** Some years ago it was an axiom that your product, functionally, had to have an advantage over competitors. In packaged goods, it was considered foolish to launch a new brand unless it was a blind test winner over its major competitor—ideally overall, and at least for a desirable benefit.[3]

   That thinking has shifted, and it's commonly said today that it's impossible to sustain a functional advantage; that competition can match you in a matter of weeks or months, or even days with some technological products. This has had a paradoxical effect. Some people are almost frenzied in their desire to keep their product (or service) improving—fearing that if they don't, they will be left behind. Others go into a slipstream mode—letting others face the headwinds, then matching what they do.

   John Philip Jones (the Professor of Communication at Syracuse University) is vocal on this, saying that we do *not* live in a parity world—that imitators may try to match the innovators, but they often don't quite succeed. His view (and I share it) is that it is dangerously complacent to assume that functional parity is the way of the world.

   Another danger is the belief that "marketing" can compensate for a weak product. This led to the debacle a decade or two ago when North America systematically under-invested in product. The Japanese, and later the Europeans and others, did exactly the opposite—and carved out the market shares we see today.

   There's no question that the cost to upgrade can be daunting. Nevertheless, many cases reflect the investment. For example:

- Listerine in Quebec in Cassies II, with an improved taste.
- Chrysler in Cassies III, with the NS Minivan.
- Pontiac Sunfire in Cassies III.
- St Hubert in Cassies 99, upgrading their entire operation.
- Sunlight in Cassies 99, with improved cleaning.
- Home Furnace in Cassies 2002.
- Lipton Sidekicks in Cassies 2002.
- Irving Mainway Coffee and Source Yogurt in Cassies 2003.
- MINI in Cassies 2003.
- Motrin in Cassies 2003, adding stronger skus.
- VodKice in Cassies 2003, remodelling the Boomerang portfolio.
- Cirque du Soleil in Cassies 2004, by adding Zumanity to their portfolio.
- Kit Kat in Cassies 2004, keeping Original the same, but launching Chunky.
- Toyota Sienna in Cassies 2004, with multiple upgrades.
- Coricidin II in Cassies 2005 (Re-launching a new version, after the original brand had been withdrawn)
- Penaten, Hubba Bubba, Stouffer's Bistro, and Juicy Fruit, all launching line extensions in Cassies 2005.

[3] There was still the "pre-emptive" possibility i.e. staking out a convincing claim for a parity benefit before anyone else did. But, in general, having a product edge was seen as important

Still others achieve their gains with no change—though the existing product is in all cases good, and sometimes better than the competition. These cases include:

- Crispy Crunch and Pepsi Quebec in Cassies I.
- Oh Henry! in Cassies II.
- Buckley's, Dove, and Philadelphia Cream Cheese in Cassies III.
- Eggs, becel, and Wonderbread in Cassies 99.
- Kraft Dinner and Lipton Chicken Noodle in Cassies 2001.
- Campbell's, Diet Pepsi, Listerine, and Pro•Line in Cassies 2002.
- All the major beer winners over the years.
- Aero, Dodge SX 2.0, Familiprix, Super 7, in Cassies 2003.
- Cottonelle and Milk in Cassies 2004.
- Crescendo, Jergens Ultra Care, Whiskas, Twix, Energizer Lithium, Moores, Familiprix in Cassies 2005.

Technology cases usually have improvements. Services (e.g. Desjardins, Gaz Metro, Réno Dépôt in 2004) usually improve as part of the "total brand experience." Some cases (e.g. Clearnet in 2001 and Lipton Sidekicks in Cassies 2002) say that if your functional advantage is going to be matched, you'd better develop an advantage through brand personality/character/equity. There is no cookie-cutter answer. Each situation has to be assessed on its merits.

16. **When a campaign stumbles.** This might be a momentary stutter and (if we were clairvoyant) we would know what was needed to make a minor fix. But it might be the first clue that something is going off the rails. In this situation, the pressure can lead to snap (and wrong) judgments. The best answer usually comes from a blend of experience, judgment, intuition, vision, and research. Here are some pointers.

    1. **Dig deep into trends and tastes.** You could be on the wrong side of a tectonic shift. They can be massive. "Made in Japan" used to mean a cheap, shlocky, knock-off, and North American business took years to see what was coming. Crossover Note 6. Consider Listerine. "Always a bridesmaid, but never a bride" started life in a Listerine advertisement, reflecting a bad breath positioning that had been in place for as long as anyone can remember. But a shift was happening, towards the idea of a healthy mouth. (See Cassies 1995 and 2002). Something similar has happened in toothpaste. At one time, Pepsodent ("you'll wonder where the yellow went...") was the leader, and whitening was the high ground. Crest came along with fluoride (and dental association endorsement).

       This transformed the market, and Pepsodent slid into history. Over the next generation, though, cavities stopped being the problem they once were.[4] The market started to shift towards "mouth health" and Colgate got there first with Colgate Total, knocking Crest off its #1 perch. Crest responded with Crest Complete—and now the whole market has come full circle with a furious battle for whitening again.

    2. **Look at the goalposts**. If they really haven't changed, then it's likely that you just have a short-term stutter. But if they have, try to envisage the new game. See *11. The Eureka Insight*, and *12. Changing the Goalposts.*

[4] Ironically, Crest had helped make this happen, by driving the whole market in this direction.

3. **Think through the change needed.** See *6. Should the product be improved?* and *14. Refreshing a Continuing Campaign*.

4. **Change for the right reasons.** It's broadly true that long-running campaigns—kept fresh and relevant—are great brand-builders. And it's sadly true that new people, wanting to make their mark, change things for change's sake. But once in a while, wholesale change is right. Molson Canadian (Cassies I) was a niche player when it launched "What Beer's all About" in the late 80s. Canadian became mainstream, and displaced Labatt Blue as market leader. You'd think they'd keep going with "What Beer's all About." And they did for a few years. But tastes were shifting. To stay ahead of this, they launched "I AM" in the mid 90s (Cassies III). This was successful, but eventually it too ran out of steam. Canadian then re-incarnated again with "Joe's Rant." (Cassies 2001.)

   More recently, though this time the need for change more obvious, Juicy Fruit destroyed its former image with the guitar-smashing campaign. (Cassies 2005.)

18. Keeping it Simple. We've all been to a presentation that was so complicated that nothing registered. In other words, we know from real life that KISS works. But when it comes time to approve a creative strategy we get overtaken by the urge to cram everything in. This has to be resisted. P&G say that you have to "feel the pain of leaving things out." Trout & Ries give similar advice.

Scott Bedbury (of Nike and Starbucks, and himself a client) blames clients for the habit. He points out that it's hard to see what's wrong with adding another benefit or copy point. But it's also hard for an agency to say "we should leave it out" when the client says, "let's leave it in."

There's a sub-set of this when a brand has an emotional benefit *and* a rational claim. Examples are (1) Philly in Cassies III with "permission to indulge" and "60% less fat." (2) Scotiabank in Cassies 2002, wanting to sell individual services while improving overall image (3) Campbell's Soup in Cassies 2002, wanting to modernize its image, while getting nutrition facts across.

Something has to give—and the more points there are, the lower the impact of each. This is where experienced research companies can help. They have evidence about the trade-offs involved.

The points so far have been at the Creative Strategy level, but the execution should also be simple—or, said better, *simple for the audience to take in*.[5] The danger is that *we* know what we are trying to say, and so may not realize that an ad is unclear. I've also seen directors complicate commercials, in an effort to make them "more interesting." Overall, though, virtually all Cassies advertising is simple.

End of Rolo Crossover Notes

[5] Simplicity is not simple as it used to be—in the sense that Direct Marketing relishes multiple copy points, provided they have selling power. Also, the notion of "the brand" involves layers of meaning. That said, a piece of communication must still be easy to take in.