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SUSTAINED SUCCESS SILVER

Les Rôtisseries St-Hubert

EXECUTIVE SUMMARY

When a long established and dominant retail brand sees its clientele aging and new clients staying away, it faces a daunting marketing task. Many retail brands have had to meet such a challenge (Crossover Note 1). Some, like Loblaw's, have succeeded. Others, like Marks & Spencer, have failed. And the jury is very much out for Eaton's. (Editor's Note: the case was written around the time of the Eaton's relaunch.)

For Quebec icon St-Hubert BBQ the verdict is in. The milestones of sustained success for this dominant Quebec family restaurant chain and its legendary Chicken BBQ are as follows:

1995-1996

The battle lines for 'share of stomach' are redrawn.

- Fast-food chains proliferate in Quebec and undermine the value perception of St-Hubert.
- Supermarkets start to fight back, offering foods that compete with St-Hubert, through much expanded deli areas and new Home Meal Replacement products.

With outlets covering all major markets, geographic growth in Quebec is not an option for St-Hubert. Growth must come from within.

1996

St-Hubert embarks on a major renovation program involving redecoration and the addition of new features.

Fall 1997

A new advertising campaign is launched. It uses a red crest or coxcomb as a visual device.

The Period of Sustained Success (Fall 1997 to Today)

St-Hubert is winning the battle for 'share of stomach.' It dominates its market more than ever and

remains the touchstone of BBQ chicken—with a pre-eminent place in the heart and soul of Quebecers.

With the same number of St-Hubert locations today (81) as in 1997 (80):

- St-Hubert dollars sales are indexing at 124 for 2000 vs. 1997, and early 2001 results show that this momentum is accelerating
- St-Hubert's eating occasions are indexing at 123 vs. 1997, totally outpacing the chicken market at 101—resulting in impressive share gains

Without materially increased advertising spending levels throughout the last 3 years, the red crest coxcomb in St-Hubert advertising:

- has graduated from a visual device to a powerful and distinctive brand symbol.

is spontaneously associated with the brand by over three-quarters of Quebecers.

SITUATION ANALYSIS

In 1951, Hélène and René Léger invested their savings to launch a BBQ rotisserie where for a modest sum customers could enjoy succulent roast chicken, fries, cole slaw, bread, and a lightly seasoned sauce. Soon, the rotisserie on St-Hubert Street was to become a legend.

The Légers began to develop the first chain of restaurants in Quebec. This was marked by several innovations, including the first free delivery service in Canada. Through the 50s and 60s, St-Hubert advertising concentrated on exquisite flavour, rich in the tradition of a master roaster. This helped establish St-Hubert as Quebec's family restaurant of choice for BBQ chicken.

As time went by, the competitive landscape changed. St-Hubert had to compete with fast food outlets specializing in chicken (Kentucky Fried Chicken, Au Coq, Benny, Swiss Chalet), new family restaurant chains (Georgio, Pacini, Pizza Hut) and thematic chains such as La Cage aux Sports. For the first time, St-Hubert suffered some erosion.

At the beginning of the 90s, St-Hubert re-vamped its menu. Portions were increased. Offers such as 'Midi-Express' (a light snack at an affordable price) were added. And the table-d'hôte offered a variety of complete evening meals at reasonable cost. New advertising delivered more of a sales pitch, and the business recovered.

But this was not enough. Competition became even more aggressive. The other chicken chains adopted promotional practices from the 'burger-boys', eroding St-Hubert's value for money image. There were new entrants in the family restaurant segment (Mikes, Nickels), and a new casual dining segment emerged (Moe's, Casey's). These attracted young customers—who felt a certain degree of boredom with St-Hubert. Meanwhile, the delivery and take-out service had to compete with supermarkets selling prepared food.

We had to bring St-Hubert up to date. A major renovation program in 1996 introduced an enclosed dining room with children's activity centre and open grill, a café-bar called St-Hub, a patio, and a take-out counter.

This renovation was a foundation. We now had to use advertising to get the customers in (Crossover

Note 2). At the same time, we had to fight back yet another competitive salvo—the aggressive expansion of Tim Horton's menu with heavily advertised chicken offerings, and (ultimate compliment perhaps!) the appearance of Scores as a St-Hubert clone across from some of our bigger outlets in Greater Montreal. This all took place during the 'Results Year' period of 1998-2000.

STRATEGY AND EXECUTION

Strategy was based on the following:

1. Fight for the high ground by targeting baby-boomers. They represent 24% of the population, 31% of eating occasions and almost 40% of dollars invested in restaurants. This was the target of many of our competitors, but we reasoned that we could win the battle for 'share of stomach' by attracting them to the rejuvenated chain (Crossover Note 3).
2. Exploit our advantages in each operating sector (dining room, take-out, delivery).
3. Use emotion to build consumer attachment to the St-Hubert brand (Crossover Note 4).
4. Leverage our consumer insight (as of Fall 2000) that St-Hubert has become more than just a food experience – it is an emotional and cultural connection for Quebecers.

Execution

In execution, the red crest coxcomb has become one of the most recognized advertising properties in Quebec since its inception in Fall 1997. Today, over three-quarters of Quebecers spontaneously associate the coxcomb to St-Hubert. But establishing what it stands for and how it is used in advertising has been evolving since day one of the campaign. Keeping the campaign fresh, interesting, and relevant has also been a constant challenge (Crossover Note 5).

Initially (1997-1998), the coxcomb appeared over the characters' heads as a symbol of a food problem, but it wasn't an active part of the commercial (the characters remained oblivious to it). As the coxcomb became well known, we had the license to give it a more active role. In 'Décapotable (Convertible)' it prevents the soft top on a car from being installed ([Figure 1](#)) and in 'Tuque' it prevents a mom from putting a tuque on her child's head.

For the next two fiscals, the campaign and coxcomb continued to evolve. It appeared over inanimate objects at times when it would be appropriate to think of St-Hubert. In 'Rodin 2' it appeared over the Thinker, and in 'Winnebago 2' it appeared on a truck stuck under an underpass.

This was keeping the campaign fresh while building on the brand idea.

In Fall 2000 there was a further development. We realized that St-Hubert's 50-year relationship with Quebecers goes beyond food, and that it is a place that solves daily problems. We extended the red crest into situations where St-Hubert has this effect—and linked this to each operating sector (dining room, take out and delivery).

These latest executions have been the most successful to date, both from a sales and a creative point of view. They range from a blind man in 'Aveugle (Blind Man)' who thinks about St-Hubert after the scent from a passing delivery vehicle triggers the appearance of the crest, to its appearance in 'Future Mère (Future Mom)' as an unborn child chooses St-Hubert over pickles and ice cream.

RESULTS

St-Hubert sales grow at an increasing rate. Dollars sales momentum has picked up since 1997 and continues to accelerate to this day ([Figure 2](#)).

St-Hubert sales grow faster than the market. On the basis of eating occasions (how 'share of stomach' is measured) St-Hubert has outpaced the total market and chicken market, which had almost no growth in 1998–2000 ([Figure 3](#)).

124 Within the chicken market St-Hubert's success was remarkable. On-premise eating occasions were stable in a significantly declining market (100 vs. 84) but off-premise eating occasions shot up (148 vs. 112) even though switchboard limitations at St-Hubert led to lost sales ([Figure 4](#)).

As a result, St-Hubert is a winner in the battle for 'share of stomach.' St-Hubert kept increasing its share of eating occasions in the chicken market, overall as well as by operating sector ([Figure 5](#)).

ISOLATING THE CAUSE AND EFFECT OF THE ADVERTISING

The 1996 remodeling was the foundation for St-Hubert's growth across 1997-2000, which was also supported by the promotional activities that are a must in this business. These alone, however, would not have sustained growth in the face of such strong competition. The following highlights how advertising played a significant role in building sales, and the brand.

St-Hubert is essentially a TV brand, on air 42 weeks a year. The advertising to sales ratio is constant, so increases in spending have simply mirrored sales increases. We estimate share of voice to have remained the same over the years. For 1997-2000, our TV spending amounted to \$9 million in total, which is about what McDonald's spends annually in Quebec. With no other major variables to account for the growth:

1. Advertising succeeded in rejuvenating the brand with the key baby-boomer target.

St-Hubert increased penetration amongst baby-boomers: 35-49 year olds accounted for 24.2% of clients in 1997, and this grew to 26.6% by 2000. The shift was even more pronounced among dining room patrons where baby-boomers now account for 30.6%. (Source: Crest)

2. Advertising helped St-Hubert outpace the market, increasing its 'share of stomach.'

It could be argued that the renovation is what did it for dining room sales. It is true that this was a necessary first step, but new patrons still had to be brought in... and they were, as the results section attests.

Most eloquent is the pattern since October 2000, with the new commercials highlighting St-Hubert's closeness to Quebecers in their daily life. With other activities very much the same as before, we saw the significant increase in Q1 2001 dollar sales shown under results.

3. The creative has entrenched itself with Quebecers over time.

And perhaps the greatest compliment came in recent focus groups. 'The red crest... it's like the M of McDonald's...'

CROSSOVER NOTES FOR ST-HUBERT

1. Aging Franchise. Other brands would include Imperial Margarine and Walt Disney World in CASSIES III; becel in CASSIES 99; Kraft Dinner in CASSIES 2001.
2. Fixing the Product, then pulling in the Customers. This is the same pattern that we saw with three of the Grand Prix winners—Listerine in CASSIES II, the Chrysler NS Minivan in CASSIES III, and Sunlight Laundry Detergent in CASSIES 99. See also Personality versus Product under Clearnet and the Weather Network.
3. Battling for the Same High Ground. Everyone agrees that a strong brand has to be distinctive from its competition. However, some people have extended this into a belief that you should not battle for the same high ground as a competitor. Dove (winner of Sustained Success in CASSIES 99) is a spectacular rebuttal to this. In 1991, Ivory owned mildness, and there were those who said that Dove should not attack this high ground. But Dove did attack, with its 'Litmus' advertising. Five years later, Dove was up more than 70% in dollar sales, and Ivory had lost half its share. The Duracell/Energizer history is also instructive. For years, Duracell dominated 'lasts longer' with its Coppertop campaign 'No other battery looks like it, or lasts like it.' During this period, Energizer played with various propositions, but conspicuously did not fight for the 'lasts longer' high ground. Finally, Energizer decided to attack, and the Energizer Bunny has been going and going ever since.
4. Emotional versus Rational. Most brands are a blend of the emotional and the rational. When developing creative strategy—and at the danger of generalizing—I think it's fair to say that agencies tend to be attracted to emotional selling power, and clients to rational selling power. As a Brand Manager on Tide I fought tooth-and-nail with the agency over the relative power of clean [rational] versus trust [emotional], and have seen similar dogfights on many other brands. Here are brands from earlier CASSIES that could have focused on the rational, but chose—successfully—to use emotion:
 - Chrysler NS Minivan. The NS had a number of functional improvements, but the campaign was heavily infused with emotional benefits.
 - Philadelphia Cream Cheese. The famous Angel campaign (Gold for Packaged Goods Food in CASSIES III) came out of the need to capture the emotional benefit of 'permission to indulge' along with the rational benefit of 60% less fat than butter or margarine.
 - Richmond Savings. The Humungous Bank campaign.
 - becel. With hard-hitting, rational print—and a corresponding effort against doctors and nutritionists—becel had become #1 in the market. The team could have continued that, but wanted to get becel onto TV. Regulators at that time forbade hard-hitting TV claims. This led to the emotion-driven 'young at heart' campaign and dramatic, long-term business growth.
 - Fido. Although the campaign includes rational benefits, its main pull is user-friendliness.
 - Wonder Bread. They could have taken a functional 'taste + nutrition' approach, but instead used the joy of childhood.
 - Clearnet MiKe. A high-tech product has many rational claims at its disposal. For MiKe (CASSIES 99) the team realized that it would be better to appeal to the mindset of their pragmatic, project-driven target audience, and MiKe was born.
 - AGF Funds. The original 'what are you doing after work' campaign (the one with deliberately fake actors) spoofed financial advertising, and charmed its way into people's pocketbooks.
 - Familiar but Fresh—Building a Campaign. How do you connect to what has already been done, while breaking new ground? At one time many companies—particularly the big packaged-goods advertisers—favoured pool-outs. Pool-outs retain the structure of the original ad, with a combination of continuing visual elements, slogans, catch phrases, and tonality. Such campaigns can certainly be effective, but that does not mean that successful campaigns have to be

this tightly formatted. Some examples will illustrate the spectrum:

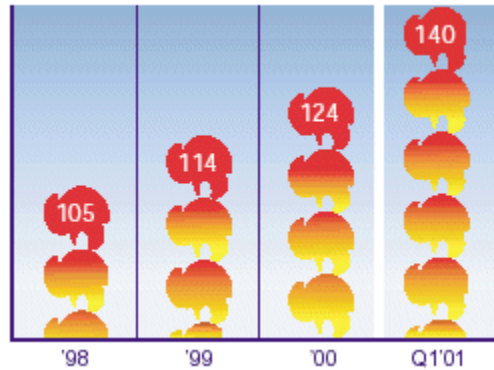
- Formatted Pool-Out. Campaigns like 'Who wants Gum? I do. I do.' with multiple situations to the same structure. Some practitioners regard this type of campaign as old-fashioned. Others regard it fondly as the way it ought to be. They will point out that the 'young at heart' campaign by becel was based on pooling-out, and it won the Gold for Sustained Success in CASSIES 99. Note: The formatted pool-out can still deliver fabulously effective and creative advertising—for example the UK's campaign for Hamlet cigars, with 20-year longevity and the type of creativity that has made it one of the most admired campaigns ever.
- Visual Icons. Campaigns held together by icons like the Maytag Repair Man and the Marlboro Cowboy and Tony the Tiger. The icon approach is seen by some to be out of date, but that is a miscall. Certainly, some icon-based campaigns have a dated feel, but others are fresh and current. Absolut Vodka would be an example. So (depending how broadly you define an icon) would Fido.
- Spokes-people, and Spokes-animals. Dave Thomas, God rest his soul, would be a recent example, as would Morty the Bison in the 2001 Manitoba Telephone case.
- Storytelling. These campaigns are a sub-set of the previous two types, involving a continuing story with character(s) we get to know. The Oxo campaign in the UK is one of the longest-running, with a family evolving over several years, always with Oxo as part of their lives. Storytelling campaigns with well-known personalities have been very successful in Quebec. The Pepsi and Listerine Grand Prix winners in CASSIES I and II would be examples.
- Music-Based. This covers a lot of territory. Soft Drinks, Cars, Fast Food, and Beer have all built campaigns this way.
- Consistent 'Voice and Attitude.' This type of campaign is held together by more subtle things than anthems, slogans, structure, and visual icons. Perhaps the most impressive was the Volkswagen advertising that started in the 60s. Individual executions were very different (some quite serious, some comical, some ironic, some dramatic) but they all had the Volkswagen voice and attitude. Brands like Nike are in this category today.
- Core message. Customized Execution. This is the most difficult campaign to define, because individual executions can be totally different from each other. The best CASSIES example is Dove, which built its business spectacularly. (Gold for Sustained Success CASSIES III). The campaign started with an exquisite demonstration commercial called 'Litmus' with no people. This was followed by a candid-camera of women in a focus group doing the Litmus test. Then came a 'talking head' of the scientist who invented Dove. Then back to another demonstration commercial—a dermatological test—of the effect of Dove on the skin.

These executions were held together by the message of mildness, an element of surprise, and a straightforward brand character. There were no continuing slogans or visual icons.

Caveats:

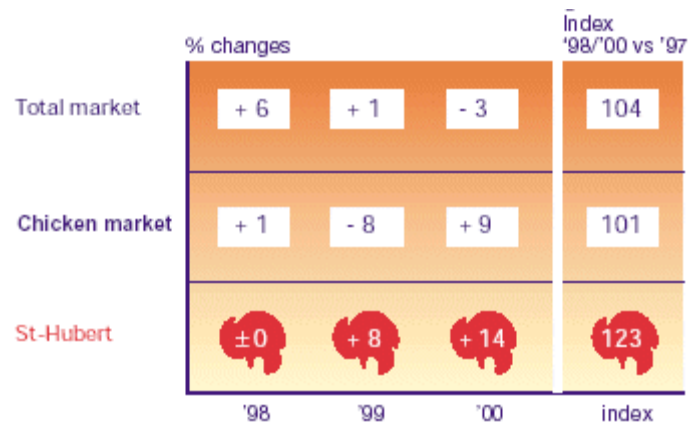
- It is usually not a good idea to pre-set the type of campaign that you need. Best practice is (1) define the issue (2) create the best solution (3) let the type of campaign fall out of this.
- The list above is not a checklist. There are many other types of campaign, including those that combine various of the approaches discussed.

FIGURE 2: ST-HUBERT BBQ \$ SALES (INDEX 1997 = 100)



Source: Internal data, 13 periods ending September

FIGURE 3: ST-HUBERT AND THE MARKET – EATING OCCASIONS



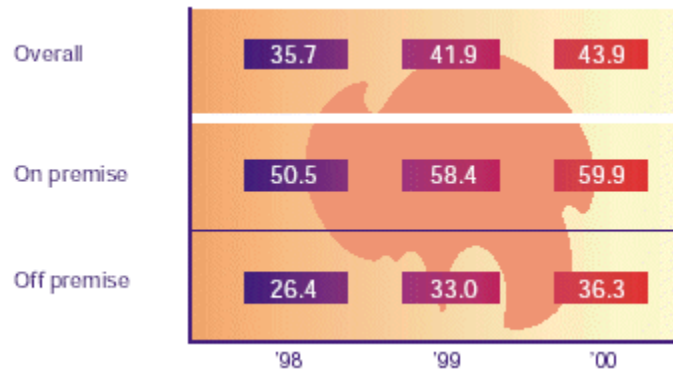
Source: Crest – NPD Canada Group, 12 months ending November

FIGURE 4: ST-HUBERT AND THE CHICKEN MARKET – EATING OCCASIONS BY OPERATING SECTOR

	% changes			Index '98/'00 vs '97
ON PREMISE				
Chicken Market	+ 2	- 16	- 2	84
St-Hubert	+ 4	- 3	± 0	100
OFF PREMISE				
Chicken Market	± 0	- 3	+ 15	112
St-Hubert	- 3	+ 21	+ 27	148
	'98	'99	'00	index

Source: Crest – NPD Canada Group, 12 months ending November

FIGURE 5: ST-HUBERT SHARE OF THE CHICKEN MARKET – EATING OCCASIONS (%)



Source: Crest – NPD Canada Group, 12 months ending November