

CASSIES 2001 CASES

Brand: i-wireless

Advertiser: Cincinnati Bell Enterprise Co., Cincinnati, Ohio

Agency: Gee Jeffery & Partners Advertising, Toronto

Winner: Services General Silver

Credits: Cincinnati Bell Enterprise Co., Cincinnati, Ohio

Jack Cassidy – President

Kit Hagen - Senior Product Manager

Credits: Gee Jeffery & Partners Advertising, Toronto

Peter Jeffery - President & CEO

Alan Gee - Executive Creative Director

Brett Channer - Creative Director (Print & Broadcast)

Alan Mah - Art Director

Trevor Schoenfeld – Writer

Karena Phidd - Media Director

Gerald George - Design Director

Michael Braley - Senior VP Group Account Director

Crossover Notes:

These highlight the learning in CASSIES 2001, and “cross over” to the accumulated learning in CASSIES I, II, III, 99. They are listed at the end of the case. [Crossover Notes were not part of the submitted case. I have added them after the event—David Rutherford]

Executive Summary

i-wireless has become the most successful prepaid wireless brand in North America in the 18 months since its October 1999 launch in Cincinnati/Dayton, Ohio.

Cincinnati/Dayton is an extremely competitive market, with all the national brands active, except for AT&T. Even so, i-wireless has achieved higher penetration and lower CPGA (see glossary below) than any other prepaid wireless brand in North America. i-wireless subscribers also generate higher ARPU, at close to double the industry average.

i-wireless has been lauded as a marketing showcase. Projected nationally in the US, i-wireless would generate 6 million new users over 18 months. Using ultra-conservative industry valuations (\$1000 per subscriber) that would add \$6 billion in shareholder equity to Cincinnati Bell. *Crossover Note 1.*

There was no technology or product differentiation that was unique to i-wireless.

Crossover Note 2. This case demonstrates the value of creating the right positioning and branding, and then introducing it with a fully integrated communications campaign.

Critical to this was the target audience decision. This was the first youth-targeted wireless brand launched in North America.

Glossary

Prepaid. A wireless service in which the customer pays for airtime before consuming it – usually in the form of a prepaid card.

Postpaid. The traditional payment model of monthly fee plus airtime.

ARPU. Average revenue per user; usually calculated monthly.

CPGA. Cost per gross activation; all marketing/sales expense including phone subsidy.

[Editor's note: this is the first CASSIES winner for a Canadian agency working in a US market. All the key elements of the campaign were created by Gee Jeffery in Toronto.]

Popular :30 *go to commercial*



Brett: Oh, I'm popular now.
It all changed pretty quickly.



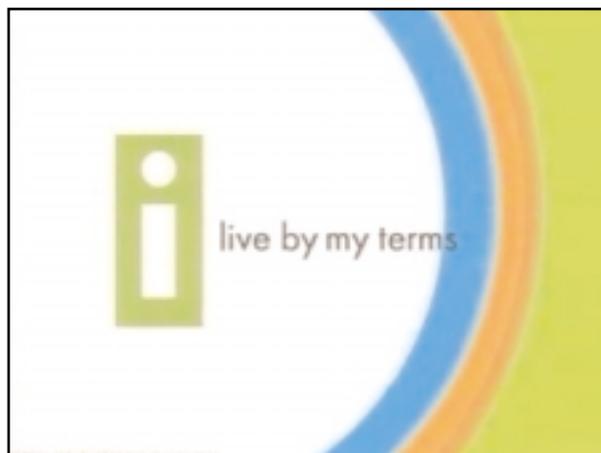
People just needed to get to know me.



Saturday night, then. (Aside) You've just got to know
how to present yourself.



Super: i-wireless



i-ontheweb.com

Situation Analysis

The penetration of the wireless category in North America lagged behind Europe by over 20 percentage points. In the US, previous attempts at launching prepaid products had been unsuccessful with very poor sales and subscriber revenue.

Penetration was similarly poor in the local Ohio market. Three other carriers— Ameritech, GTE and Sprint—had generically-targeted prepaid brands in the market with little success. Cincinnati Bell was determined to break this pattern, and launch successfully into Cincinnati/Dayton.

The business objectives for the launch demanded a CPGA that would be half the industry average. European experience clearly demonstrated that one of the keys to unlocking the category was to target the youth segment. These would be crucial factors in deciding the positioning, and subsequent plan.

Strategy and Execution

The key consumer insight came out of circle-of-friends research conducted in Cincinnati and Chicago amongst teenagers. This showed that for them having a cell phone would be more than just cool and a badge. *Crossover Note 3*. They wanted independence and self-empowerment— something that was "not my parent's phone." As a result, a decision was made to create a brand independent of Cincinnati Bell—despite its strength in the market. *Crossover Note 4*.

Insights from the research led us to position the brand as a medium for individuality and self-expression. This led to the brand name i and the brand slogan: "i live by my terms."

This was the basis for the entire brand platform from a creative and media point of view. It encompassed graphic standards, product design, packaging, advertising, collateral, launch promotions—in fact all the activity needed to capture the emerging demand for wireless in the 12-24 year old segment. At the center was an integrated brand identity and character, captured in each creative piece through attitude and graphic look, and starting with bold new packaging, *Crossover Note 5.*

The ultimate goal was a campaign that reflected the young target's desire to be independent and in control. To launch the brand, however, we had to build an understanding of "i live by my terms" and give meaning to the product. As a result, creative expressed the brand idea in many different ways in many different media—but always tied together by the brand's identity and character.

Crossover Note 6.

Media was an equally important contributor to a unique launch. The strategy was to build the brand from the street up, literally. We targeted high schoolers as a first group, and undergraduates as a second group. Also, to deliver the aggressive CPGA goal, the strategy called for an intensely focused plan at launch, followed by very light maintenance weight. *Crossover Note 7.*



The Results

i-wireless has achieved results that are milestones in the US wireless market.

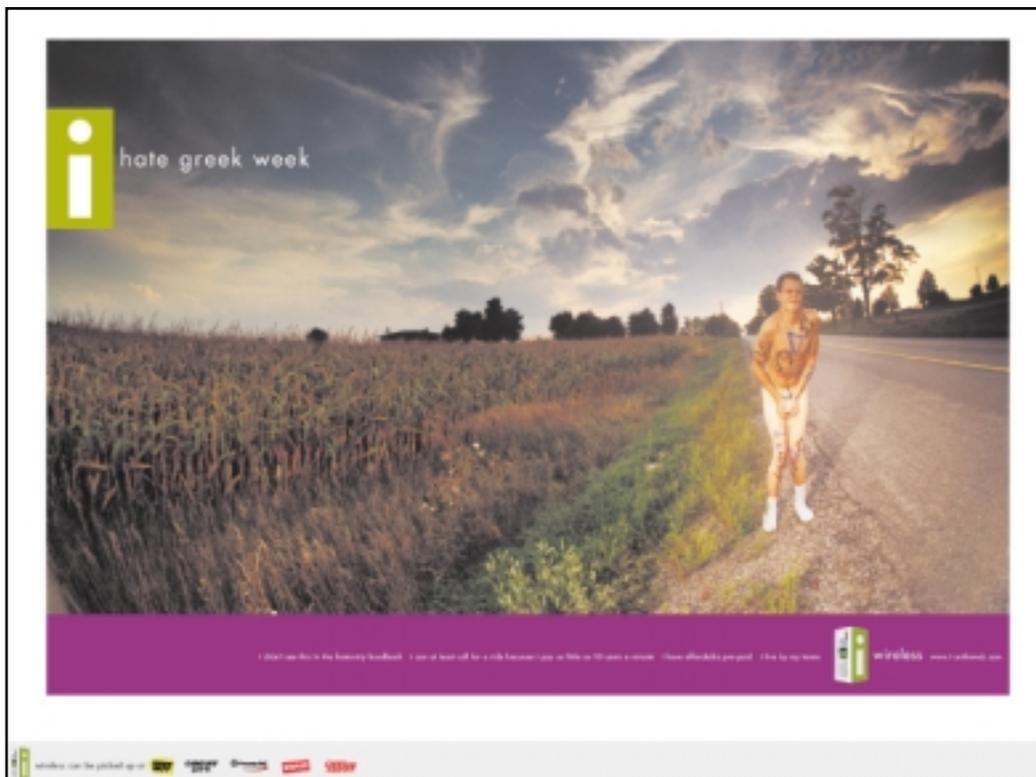
- 1) 145,000 new subscribers in the first eighteen months—a 4.7% penetration of the market population. During this period i-wireless became the #1 service provider in the market and accounted for almost 50% of Cincinnati Bell Wireless' new subscribers in 2000.
- 2) Currently i-wireless is capturing 20% of all new subscribers entering the market.
- 3) Monthly ARPU is \$30 against an industry average for prepaid of around \$16.
- 4) New subscribers have been acquired at an average CPGA of \$200 against an industry average of over \$400—bettering the going-in objective that CPGA be half the industry average.
- 5) Churn has averaged less than 4%; this rate is half the industry average for prepaid.

One of the concerns before launching i-wireless was that it would hurt postpaid activations for Cincinnati Bell Wireless. This has not happened. Since launch, the company's postpaid sales are up 26%

year-over-year. This is consistent with industry growth in North America and an indication that i-wireless growth is largely incremental.

More generally, every major US network carrier is aware of the success of i-wireless, as a recent article in *Wireless Week* states.

[Editor's note: The article hails i-wireless as the pioneer, ahead of subsequent efforts by AT&T, Verizon, and Sprint.]



Isolating the Cause and Effect of the Advertising

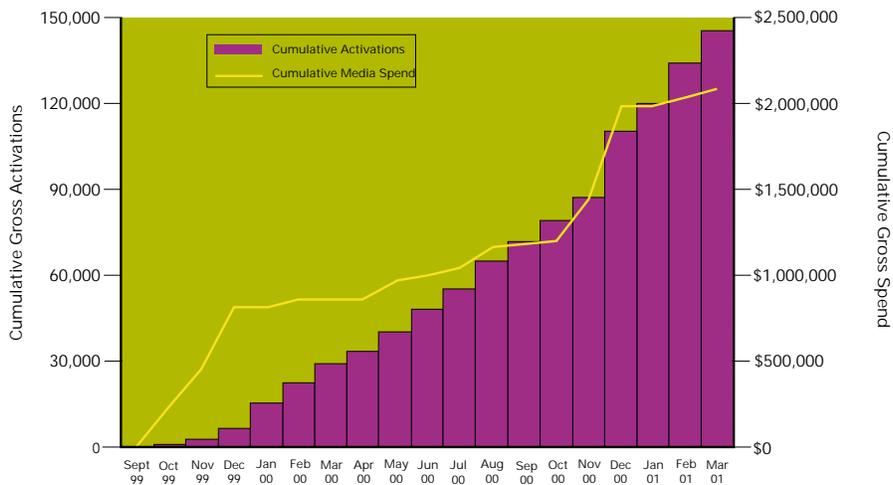
We acknowledge that it is impossible to completely isolate the advertising component in such a complex and non-traditional communications plan. There is no data on advertising awareness or persuasion (our only research was qualitative, as a foundation of the creative platform).

But this is not a case about advertising. It is a compelling case for the work done by an agency in creating a brand and a truly integrated campaign to support it. *Crossover Note 8*.

That said, we have carefully monitored the relationship between changes in media spending and sales (gross activations). The following charts demonstrate the immediate impact of the advertising—there is a clear correlation between increases in media spending and increases in sales when viewed month-to-month.

i-wireless

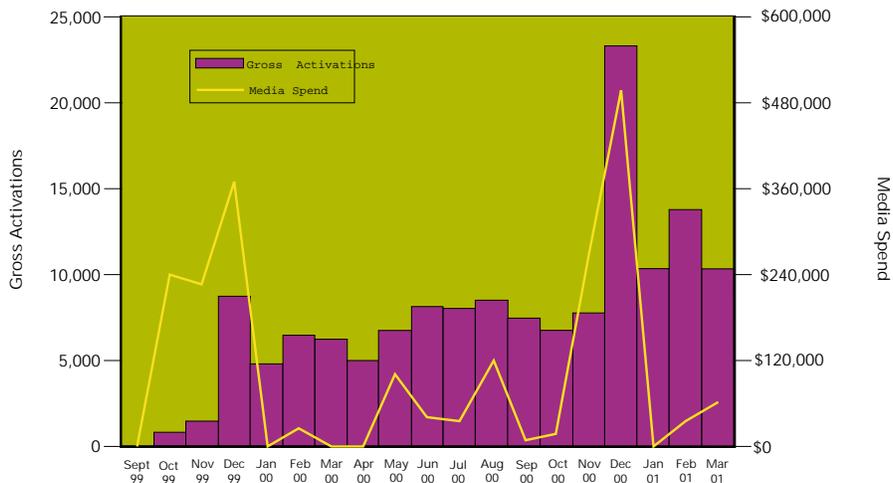
Prepaid Cumulative Media Spend vs. Cumulative Gross Activations



Sources:
Activation Data - CBW
Media Spend - GJP

i-wireless

Prepaid Monthly Media Spend vs. Monthly Gross Activations



Sources:
Activation Data - CBW
Media Spend - GJP

CROSSOVER NOTES FOR CASSIES 2001

Introduction.

Please take a minute to read this introduction. It will help you get maximum value out of the Crossover Notes.

Practical Points.

- CASSIES I and II ran in 1991 and 1993.
- Longer & Broader is identified by its current name: Sustained Success.

Overview.

The best way to use these notes is to compare and contrast how they apply to different cases.

Please do not read them with the idea that they contain “rules”, but with the idea that broader knowledge leads to better decisions. Also read them with an eye to the issue of risk.

Risk is a complicated subject. Society admires those who boldly go where none has trod before. On the other hand, despite the rhetoric about breaking out of the box, a lot of advertising decisions are governed by the tried-and-true.

I remember the first time I heard an agency say “there are no rules.” I was at Procter & Gamble, and we stiffened in disagreement. This sounded like anarchy.

Bill Bernbach said it best when he pointed out that there are no rules, but there are principles.

In many advertising situations, there is often a tried-and-true precedent. But the tried-and-true also carries a risk—that because of familiarity it has become the expected-and-ignored.

The CASSIES show clearly that taking a well-judged risk pays off.

The CASSIES also confirm that “there are no rules” in the sense that we see some success stories that follow conventional wisdom, and even more striking ones that fly in the face of it.

Compare and Contrast.

Some Crossover Notes apply to several cases. Others apply to just one or two. To help you browse through how they apply to different situations, see the following Index.

David Rutherford.

INDEX OF CROSSOVER NOTES FOR CASSIES 2001

- An Integrated Case.* i-wireless.
- Aging Franchise.* St-Hubert.
- Baby with the Bathwater.* Molson Canadian.
- Battling for the Same High Ground.* St-Hubert.
- Brand Essence.* Molson Canadian.
- Brand Value and Stock Price.* Molson Canadian, Clearnet, Clarica, Manitoba Telephone, i-wireless.
- Brand Linkage.* Molson Canadian.
- Brand-Building.* Clearnet.
- Business Strategy.* Dictated by the Brand Positioning. Clearnet, i-wireless.
- Brand Truths.* Lipton Chicken Noodle.
- Changing the Goalposts.* Lipton Chicken Noodle.
- Classic Rivalries.* Molson, Sunlight, workopolis.com.
- Consumer Insight.* Lipton Chicken Noodle, Kraft Dinner, i-wireless.
- Conventional Wisdom. (Staying In the Box.)* Molson, Sunlight.
- Core Equity.* Molson, Clearnet, Kraft Dinner.
- Creating a Brand from the Concept Up.* i-wireless.
- Emotional versus Rational.* Clearnet, St-Hubert.
- Familiar but Fresh—Building a Campaign.* Clearnet, St-Hubert, Sunlight, Tourism New Brunswick.
- Fixing the Product, then Pulling in the Customers.* St-Hubert.
- Handling Multiple Audiences.* i-wireless.
- Humour in a Serious Category.* Clearnet, Clarica, workopolis.com, Manitoba Telephone, Weather Network.
- IPA Cases.* Kraft Dinner.
- Keeping it Simple.* Clarica, Tourism New Brunswick, Manitoba Telephone.
- Likeability.* Clarica, Manitoba Telephone.
- No Change in Product.* Weather Network, Lipton Chicken Noodle, i-wireless.
- Not TV.* Weather Network.
- Out of the Box Thinking.* Molson Canadian.
- Personality versus Product.* Clearnet, Weather Network.
- Pre-emptive Media Timing.* Tourism New Brunswick, i-wireless.
- Portfolio Management.* Manitoba Telephone, Kraft Dinner.
- Positive or Negative Sell?* workopolis.com.
- Problem versus Solution.* Sunlight.
- Reach and Frequency versus Large-Space Impact.* Tourism New Brunswick.
- Re-branding and Re-Naming.* Clarica, workopolis.com.
- Showing the Obvious—Yes or No.* Lipton Chicken Noodle.
- Spending Weight versus Idea Weight.* Molson Canadian, Tourism New Brunswick, Manitoba Telephone.
- Strategic Choices.* Kraft Dinner.
- The Total Brand Experience.* Clarica.
- Transcending Advertising.* Molson, Tourism New Brunswick, Manitoba Telephone.
- Turnarounds.* Sunlight, Lipton Chicken Noodle.
- Undercut by Pricing/Promotion. (See also Brand-Building.)* Kraft Dinner, Clearnet.

Crossover Notes for i-wireless

- 1. Brand Value and Stock Price.** The case—like Molson Canadian, Clarica, and Manitoba Telephone—draws a relationship between brand equity, brand performance, and stock price. Strict cause and effect is hard to prove, but readers should be aware of “hard number” financial measures of brand value that are being developed to meet the demand from CFOs and CEOs. This is a developing area, and for more information contact the ICA about the publication *Brand Valuation. Measuring And Leveraging Your Brand*. See also *Core Equity* under Molson Canadian.
- 2. No Change in Product.** The need to launch or revitalize a brand, with no product advantage, is a continuing theme in the CASSIES. For more, including a comment on the danger of relying on inferior product, see *Personality versus Product* under Clearnet.
- 3. Consumer Insight.** These have a profound effect on advertising, but come with an interesting challenge. Often (at least on first blush) they are not all that earth-shattering. For example, the discovery that teenagers want independence and empowerment is not new. But it takes a rare talent to see the implications. There are repeated examples of this throughout CASSIES 2001. A selection follows from earlier CASSIES:
 - **Oh Henry!** (CASSIES II). Astonishingly, none of the gut-fillers had tried to own hunger until Oh Henry! launched Oh Hungry? Oh Henry!
 - **Chrysler NS Minivan** (CASSIES III). People in focus groups referred to their minivan as “my most expensive household appliance” but the team had the insight to ignore this pragmatic attitude—and create a launch campaign with immense emotional pull.
 - **Buckley’s** (CASSIES III). We know that bad-tasting medicine is supposed to be good for us. Rather than ignore this (because it is negative) Buckley’s has a famously effective campaign.
 - **Philadelphia Cream Cheese** (CASSIES III). Frequently, people will not own up to what they really want in a brand. The team realized that their consumers wanted “permission to indulge.”
 - **Richmond Savings** (CASSIES III). The intense feelings against banks were always there, but it took insight to turn this into the famous “Humungous Bank” campaign.
 - **Sunlight** (CASSIES 99). It was a brilliant insight to realize that although people want their clothes clean, getting them dirty is fun. This was diametrically opposed to the conventional wisdom dominated by Tide, that clean is good and dirt is bad.
 - **Fido** (CASSIES 99). The big competitors were “technological” and were fighting on promotion and price. In an echo of how Apple positioned itself against IBM, Fido saw that consumers were missing a feeling of humanity, and positioned themselves as a user-friendly part of everyday life.
 - **Eggs** (CASSIES 99). Egg marketing had been complicated by cholesterol, and a clutter of claims about taste, nutrition, and versatility. In word-association, consumers did not relate eggs to “natural.” Even so, the team realized that “natural” (and the real-farmer campaign that brought it to life) would be the key to turning around a 17-year decline.

Note: there are many definitions of insight and some of these examples will not pass muster with everyone. I have used the broad idea of discovering something about the audience (often overlooked or against conventional wisdom) that unlocks the way to persuade them that one brand is preferable to the others.

4. **Business Strategy Dictated by the Brand Positioning.** This is an issue that goes far deeper than the famous “Ps” of Marketing. The concept of “the brand” as opposed to “the product” has been around for over a 100 years, and the difference was captured in the famous quote out of the UK, “A product is made in the factory. A brand is made in the mind.” Virtually everyone agrees that Product, Pricing, Packaging, Promotion, and Place must all support and enhance the Positioning (or Image, Character, Essence, Soul etc.) But how many companies allow their concept of “the brand” to dictate the business strategy? i-wireless is a provocative example. See also Clearnet.
5. **Creating a Brand from the Concept Up.** This is quite rare, in that usually when a team in Canada gets to launch a brand many aspects have been pre-determined. For an exhilarating UK example (though sadly, for other reasons, the company has fallen on bad times) see the case for Orange offered by the IPA.
6. **Handling Multiple Audiences.** There’s a parallel here with the Familiar but Fresh notes. Some people favour building campaigns via pool-outs, while others take a more flexible approach. There is also a spectrum of opinion on how to communicate with multiple audiences. At one end are the advocates of a rigidly similar look-and-feel. At the other is the belief that the message should be customized for each audience, while being tied back to the brand by something more subtle than a rigid look-and-feel. (Anyone who has been in a cross-cultural debate about whether a Website has captured the Brand Essence will know what I’m talking about.)

This issue, like so many others, will not succumb to rules, but we can look at i-wireless as part of the knowledge base.
7. **Pre-emptive Media.** See also the notes under Molson and Tourism New Brunswick.
8. **An Integrated Case.** This is a truly integrated case that goes well beyond advertising. We hope that more such cases will be entered in future CASSIES events.