



## WINNER: PACKAGED GOODS BEVERAGES GOLD

# Sleeman Quebec

### EXECUTIVE SUMMARY

Beer is the most competitive of the packaged goods categories in Quebec, dominated by Molson and Labatt. Their hegemony has been unshaken in over 2 decades. Over the last two years, however, Sleeman Breweries has made inroads where others have failed, with only a fraction of their budgets.

Sleeman didn't buy its market share, but earned it. As a beer from Ontario it had to fight uphill to be culturally relevant in Quebec, and against all odds, it turned life-threatening decline into strong growth. Advertising was the obvious cause—as we shall see.

### SITUATION ANALYSIS

Since 1999 the Quebec beer market shifted dramatically. The once-distinctive and growing micro-brewed category lost momentum, and imported beer like Heineken and Corona created a new category—premium imports. This was somewhere between mainstream and micro-brewed beer. Consequently, a lot of mainstream drinkers shifted to imports, as did micro-drinkers.

Because of its micro-brew heritage, and its not-so-exotic Canadian origin, Sleeman was in great danger. In 1999, it lost more than 15% of sales volume. In 2000, it lost an additional 10%—both years mainly to imports. Shelf space became harder to maintain and advertising dollars shrank, while Corona and Heineken (both Molson products) increased their marketing spend to keep up with sales momentum.

To compound the problem, Sleeman's imagery had been built around Canadian icons like the maple leaf and beaver—a potential liability in the Quebec market, where most micro-brewed brands trade on the local culture (with names like 1837, Kamouraska, La Bolduc, Maudite, Boreale, Trois Pistoles, etc.)

The downward spiral had to be stopped, and at the start, the most optimistic scenario was to hold sales flat for the upcoming 12 months (2001).

It was a big challenge. We couldn't maintain Sleeman's position in the micro-brew segment, because it was also declining. We couldn't re-position Sleeman as a mainstream brand, because we did not have the financial resources to compete against the Molson and Labatt juggernauts. And for obvious reasons, a brand so resolutely identified as Canadian couldn't be re-positioned as an import, either.

Everybody sat down and thought hard.

### STRATEGY AND EXECUTION

## **Transforming a liability into a strength**

The pivotal question turned on Sleeman's distinctly Canadian identity. Should we avoid all references to the beaver, the maple leaf, the English name, and the Sleeman family heritage? Or should we build on it?

We believe that the groundwork for effective strategy begins with a brand's true, definable attributes. That way, we can create and build an emotional link with the target—a must for long-term results. For an 'anglo-heritage' brand in Quebec, in perilous decline, it might seem reasonable to discard the heritage. But we took the opposite view, deciding that Sleeman's Canadian identity should be turned from a potential liability into a powerful, distinctive and engaging strength.[\[1\]](#)

Qualitative research showed us how to trade on the Canadian heritage. An English-speaking person, making an effort to speak French, even badly, would be accepted readily by the target market. And if that person, on top of trying to speak French, used a little Quebecois patois, even better. He would turn from being a foreigner into a friendly neighbour. In the commercials, John Sleeman would try to speak about the brand in French. Additionally, he would never be seen, so that people could have an idealized version of him in their heads.

We dubbed the approach 'honest frenglish'. It had great stopping power (as detailed later) and another great strength—a distinctive audio signature. In essence, Sleeman owned the approach. No one else could advertise in the same way without directly or indirectly evoking the Sleeman campaign. It was singular, credible, likeable and sustainable.[\[2\]](#)

## **The Judo Strategy**

We also needed a strategy based on where the business would come from. Many Sleeman drinkers had recently switched to Heineken and Corona, as had other micro-brew drinkers. But given the significant sales volume of the two brands, they had to source their volume from mainstream brands as well. Quantitative research showed the potential Sleeman drinker was a relatively young and educated man on the look-out for a different (but still somewhat safe) beer drinking experience. A man looking for a beer that we described as 'mainstream with a twist.'

But what was the Sleeman twist? It couldn't be that Sleeman's was micro-brewed, since the whole category was losing its appeal. And it couldn't be Sleeman's place of origin, since it was not an import.

It was clear to us that most mainstream beer ads used the same advertising tricks over and over again: friends, music, babes, humor and beer. Increasingly, our target market was seeing them as commercial and phony, an annoying insult to their intelligence.

To validate this, we prepared a 6-minute reel of Quebec's beer advertising, and showed it to groups culled from our target market. We asked them for their impression. After a few minutes, they were all talking about the fact that most brands avoid talking about the true attributes of their product. Advertising techniques were getting in the way of establishing a genuine connection with consumers.

Integrity, intelligence, sobriety and humility were words that were rarely used to describe current beer advertising. It seemed to us that the target market wanted a brand whose marketing approach was bound part and parcel to these words and ideas.

If any brand had the credibility to do this, it was Sleeman. It has always been all about simplicity,

humility and honesty. It doesn't even have a label on the bottle—the beer in its naked glory is practically a Sleeman trademark. It also enjoys a lot of equity as a brand that has something intelligent to say about its product. It has never hidden behind bombastic advertising tactics.

So we decided to turn the strengths of the big brands into liabilities. This was 'the judo strategy.' We would talk honestly, genuinely and simply about what you don't need to do or say in order to sell beer. Just be yourself, with all your genuine qualities and flaws.[\[3\]](#)

## **The one–two punch**

This strategy had an interesting appeal from a brand positioning point of view. On the one hand, we could position ourselves closer to mainstream beer brands by comparing ourselves to them. At the same time, we could distance ourselves upwardly, by doing things differently, and by respecting our audience's intelligence.

## **RESULTS**

Sleeman's results are impressive, especially in light of its relatively small advertising budget. By way of example, consider that the production cost for 3 television spots was under \$30,000 each. That means Sleeman's total budget for production and media was equivalent to the production cost of a single spot for a big national brand.

1. Total brand awareness of Sleeman has seen a significant increase, and is now at par with mainstream brands ([Figure 1](#)).
2. Advertising awareness: against all odds, at the top of the beer industry chart ([Figure 2](#)).
3. Share–of–Voice vs. Share–of–Mind ratio is remarkably strong vs. the market leader ([Figure 3](#))[\[4\]](#).
4. The ratio for brands moving into or out of a drinkers' portfolio is also at the top of the chart ([Figure 4](#)).
5. Buying intention for Sleeman has also increased significantly ([Figure 5](#)).
6. After declining 25% in total across 1999 –2000, volume was up 3% in 2001, and is running at +5% in 2002—well ahead of the objective of just halting the decline ([Figure 6](#)).[\[5\]](#)
7. Sleeman creativity has been recognized by:
  - Marketing Awards, Bronze
  - Mondial de la Publicité francophone : Grand Prix
  - Publicité Club de Montréal: Finalist in 3 categories

## **ISOLATING THE CAUSE AND EFFECT OF THE ADVERTISING**

Over the case period, there is no evidence that any factor other than advertising can explain the over–all shift in sales. The 1999–2000 decline wasn't aligned with industry overall sales trends. Neither was the

shift to positive sales in 2001 and 2002.

Sleeman's trade spending didn't increase more than the industry yearly increase. Any increase in investment was at par with the competition.

Sleeman's price strategy was not altered during the four-year period. The brand has always indexed between 105 and 110 to mainstream brands, depending on the season or the competitive price strategy.

Sleeman's all-commodity trade distribution penetration is around 98% over the four years, for every beverage type: Lager, Honey Brown, Cream Ale, Steam and Red.

Sleeman's beverage profile was not altered during the period in question. Sleeman Dark became Sleeman Red during the summer of 2002—with marginal effect on the overall portfolio.

Sleeman's packaging was rejuvenated during summer 2002. This is too early to affect the January to July sales results.

There were no trends towards premium Canadian beer in the Quebec market, other than Sleeman.

Based on the correlation between advertising awareness, brand awareness, brand penetration and market share we are confident that advertising was the main reason for increased Sleeman sales in Quebec ([Figure 7](#) and [Figure 8](#)).

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[1] Turning a Liability into a Strength. Some examples:

- Buckley's Tastes awful but it works. Cassies III.
- Irving Home Furnaces made a virtue of their age. Cassies 2002.
- Listerine Were seen as Margaret Thatcher and displaced this image with the Action Hero campaign. Cassies 2002.
- Pine-Sol Seen as far too strong. Softened this with the thorough clean campaign. Cassies 2002.
- Sleeman in Quebec Took an Anglo-heritage beer in a declining category and re-vitalized it with the honest frenglish campaign. Cassies 2002.
- Johnson's Baby Shampoo One of the great re-positionings. JBS was a blind test loser against adult shampoos. Even so, it was repositioned for washing your hair every day, and took over as market leader.
- Heinz ketchup making a virtue of s-l-o-w.

[2] Conventional Wisdom Should it be Challenged? All markets have conventional wisdom. A belief in the tried-and-true will sometimes be right, but if it isn't, it can be hard to loosen its grip. Years ago, when US Pepsi executives saw the prototypes for the Pepsi Challenge, they apparently said, 'that's not Pepsi,' and refused to approve it. In a similar way, the Dove Litmus campaign ran into a fusillade of client/agency criticism at the global head offices and only saw the light of day because the Canadian team stuck to their guns. Here are other examples of going against the flow:

- Crispy Crunch in Cassies I, making a virtue of not sharing.

- Richmond Savings in Cassies III, poking fun at the Humungous banks.
- Sunlight in Cassies 99, no longer worshipping 'clean' and saying it's OK to get dirty.
- Fido and Clearnet, using dogs and frogs. Cassies 99 and 2001.
- AGF in Cassies 99 and Clarica in Cassies 2001. Along with Richmond Savings, they deliver serious messages with wit and charm. In fact, wit and charm are now part of the financial advertising repertoire, as shown by the Bank of Montreal and Scotiabank in Cassies 2002.

Others from Cassies 2002 include:

- Bud Light, not going after the young, legal-age, male heavy drinker.
- CFL, going aggressively against younger viewers, accepting the risk that they might alienate the older, loyal, core franchise.
- ED, going high-profile with a taboo topic.
- Five Alive, switching from the Mom target to young males.
- Irving Home Furnaces, using age as a plus for attracting attention.
- Labatt Bleue, breaking the Christmas Happy Holidays tradition.
- Pine-Sol, breaking the conventions of household cleaner advertising.
- Sleeman in Quebec. Conventional wisdom would surely tell you to drop or minimize an Anglo heritage. Sleeman did the opposite with the honest frenglish campaign.
- Sloche, rejoicing in being politically and nutritionally incorrect.
- Finally, the IBM (non-Cassies) example, with the 'Nuns' advertising that helped launch 'Solutions for a Small Planet' in the mid 90s. Given the trouble that IBM was in, this was an extraordinary way for IBM to tell its revitalization story which is exactly the point.

Note: It's easy to overlook the courage it took to approve these campaigns. They are examples of taking the right risk. It's a paradox of advertising that the attempt to avoid one risk (breaking conventional wisdom) can sometimes create a worse one being invisible.

[3] What a Brand Stands For. A brand is more than the functional product. This moreness is proved by blind and identified product tests. With any strong brand, the preference goes up in the identified leg. Why? Because of the added values embodied in the brand name. (See What's in a Name by John Philip Jones.) This moreness is worth money, so all the players in marketing and communication have beliefs and methods (some radically different) about how to create these added values. Virtually all agree that a brand is not a concrete thing, but something that exists in the mind. Most also agree that you have to stake out definitively what your brand stands for.

This can't be done by empty promises. You have to discover the most symbiotic combination of what the consumer wants and what your product delivers. Years ago, the late Gerry Goodis (At Speedy You're a Somebody) said, Find the greed and fill the need. But nowadays it isn't that simple. What the consumer wants can be hard to pin down, and what the product delivers is a melting pot of perceptions and reality. This is one of the reasons that the litany of brand ideas has sprung up: Brand Image, Brand Personality, Brand Character, Brand Essence, Brand Equity, Brand Footprint, Brand Truth, Brand Soul, and so on to say nothing of the old faithfuls like Positioning, Basic Stance, Focus of Sale, Selling Proposition, Features, Attributes, Benefits, and Values. Whatever the terminology, though, all the Cassies winners reflect the benefit of finding this

symbiotic combination that underpins all brand-building.

[4] Share of Mind, Share of Voice, Spending. When we assess media effort versus competition we usually measure media spending and share of voice. All other things being equal, SOV is an important measure. But there are many times when they are not equal. What do we know about the effect of weight alone, versus the effect of creative content? Split-cable test markets show that extra-spend tests do work quite often, but far from all the time. The conclusion is that weight alone is not enough. This is why Share of Mind is a better measure than Share of Voice.

Creative effectiveness has much more leverage than media weight. This leads to the conclusion that if you have effective creative, increased media spending may work (The reason for the may is that most models of media effort show diminishing returns as weight increases past a hard-to-find optimal level.) But if you don't, you have to fix the creative first.

Note: This field is far more complicated than this paragraph can cover. If you are interested in forensic work, you should get on the WARC website and find papers by Lodish, Jones, Blair, Ehrenberg, McDonald, Feldwick, Hollis and others. They discuss a kaleidoscope of views, from guarded agreement to withering attacks cloaked in academic politeness. A good place to start is the paper that summarizes the split-cable results: General truths? Nine key findings from IRI test data, by Lodish and Lubetkin, Admap 1992.

[5] Turnarounds. There are a number of such stories in the Cassies:

- Crispy Crunch. The 'Someone Else's' campaign in Cassies I.
- Molson Canadian. The 'What Beer's All About' campaign in Cassies I.
- Pepsi. The Quebec 'Meunier' campaign in Cassies I.
- Listerine. The 'Oncle Georges' Quebec campaign in Cassies II.
- Oh Hungry? Oh Henry! in Cassies II.
- Dove. The 'Litmus' campaign in Cassies III.
- Molson Canadian. The 'I AM' campaign in Cassies III.
- Philadelphia Cream Cheese and the 'Angel' campaign in Cassies III.
- becel. The 'Young at Heart' campaign in Cassies 99.
- Eggs. The 'Real-Life Farmers' campaign in Cassies 99.
- Sunlight. The launch of 'Go Ahead. Get Dirty.' in Cassies 99.
- Wonder Bread and 'Childhood' in Cassies 99.
- Kraft Dinner in Cassies 2001.
- Lipton Chicken Noodle in Cassies 2001.
- Bank of Montreal in Cassies 2002.
- Campbell's Soup in Cassies 2002.

- CFL in Cassies 2002.
- Easter Seals Relay in Cassies 2002.
- Sleeman in Cassies 2002.
- Listerine in Cassies 2002.
- Pro¥Line in Cassies 2002



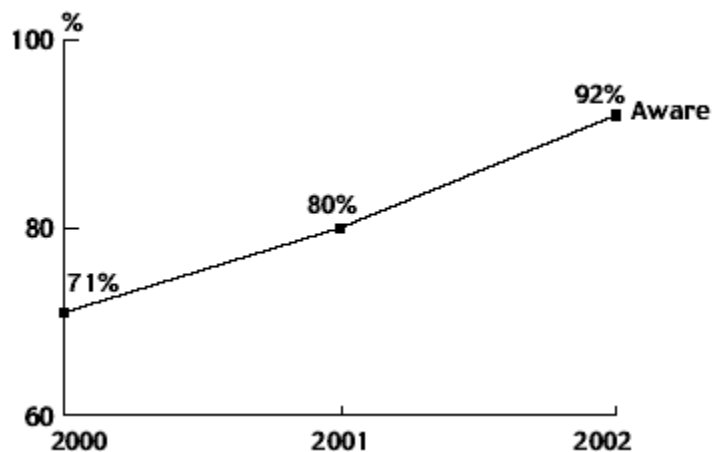
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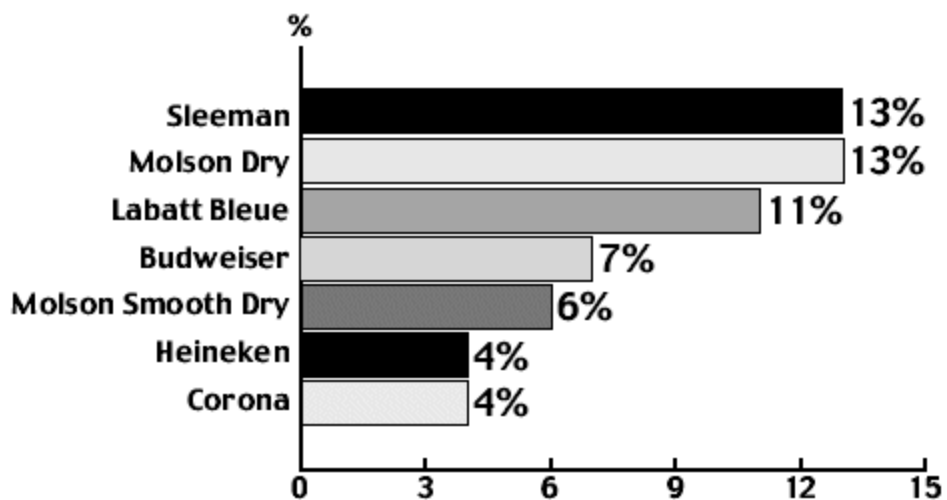
## NOTES & EXHIBITS

**FIGURE 1: SLEEMAN TOTAL BRAND AWARENESS (EXCLUDING SLEEMAN DRINKERS)**



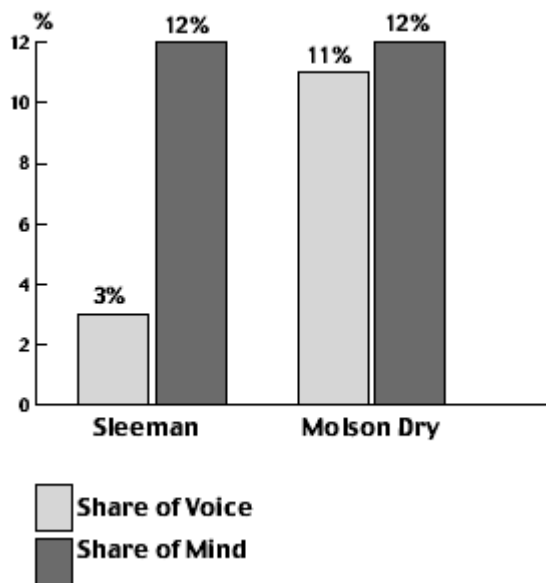
Source: Leger Marketing, Ad efficiency quantitative post-test, 2000–2002

**FIGURE 2: QUEBEC'S BEER INDUSTRY UNAIDED ADVERTISING AWARENESS, 2002 – SHARE OF MIND**



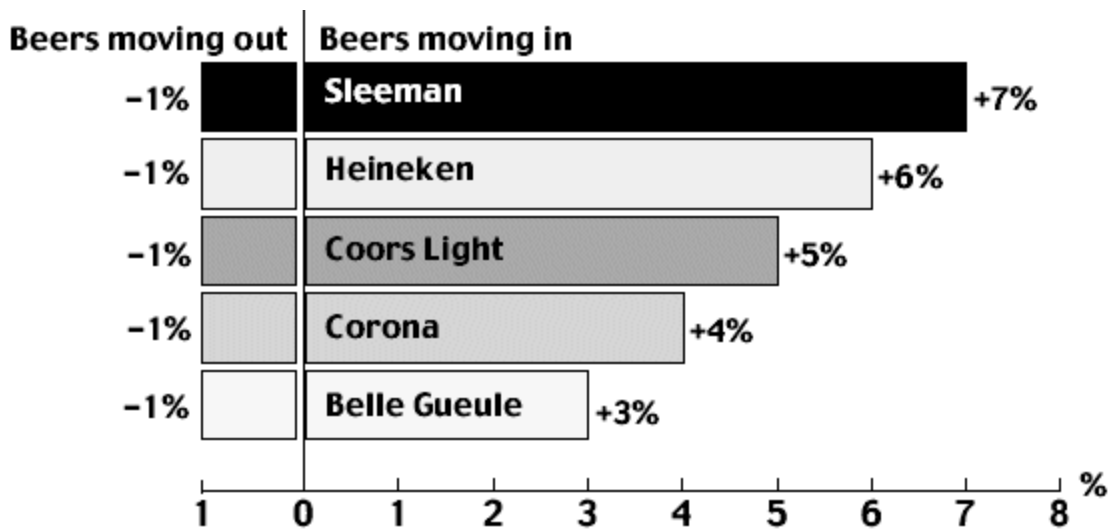
Source: Dominance, Impact Recherche for Info Presse Magazine, September 2002

**FIGURE 3: SHARE OF VOICE VS. SHARE OF MIND RATIO 2001**



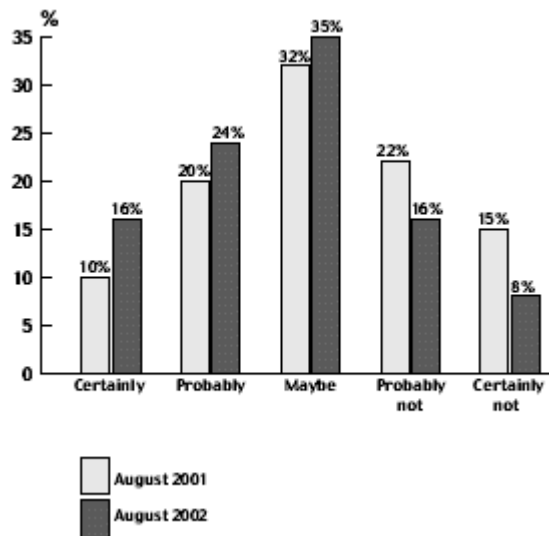
Source: A C Nielsen 2001, advertising spending Quebec, January 2001 to September 2001 and Dominance, Impact Recherche for Info Presse Magazine, September 2001

**FIGURE 4: BRANDS MOVING INTO DRINKER'S PORTFOLIO VS. BRANDS MOVING OUT**



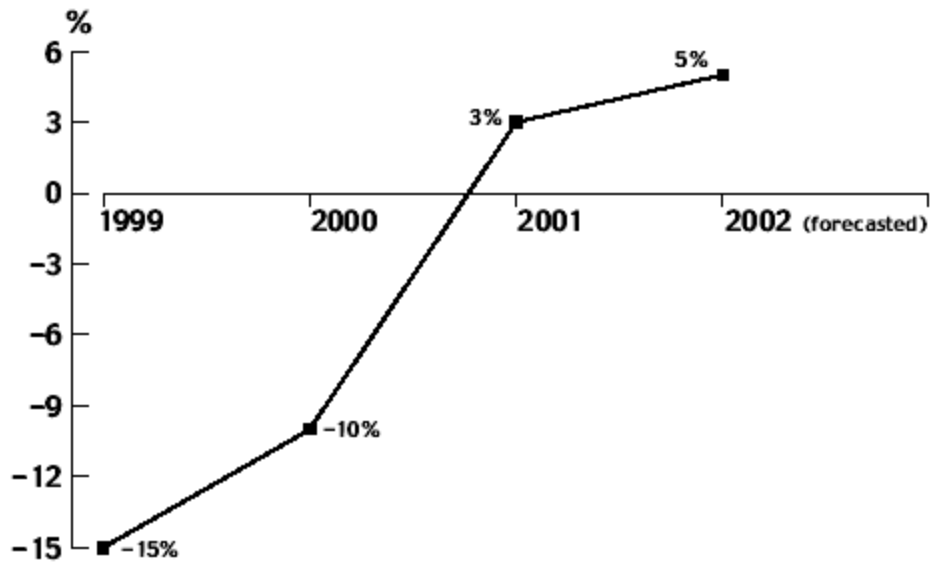
Source: Leger Marketing, Ad efficiency quantitative post-test, May 2002

**FIGURE 5: BUYING INTENTIONS FOR SLEEMAN (TOTAL CORE TARGET MARKET)**



Source: Leger Marketing, Ad efficiency quantitative post-test, May 2002

**FIGURE 6: SLEEMAN SALES VOLUME 1999-2002**



Source: Brewers Association of Canada

FIGURE 7:

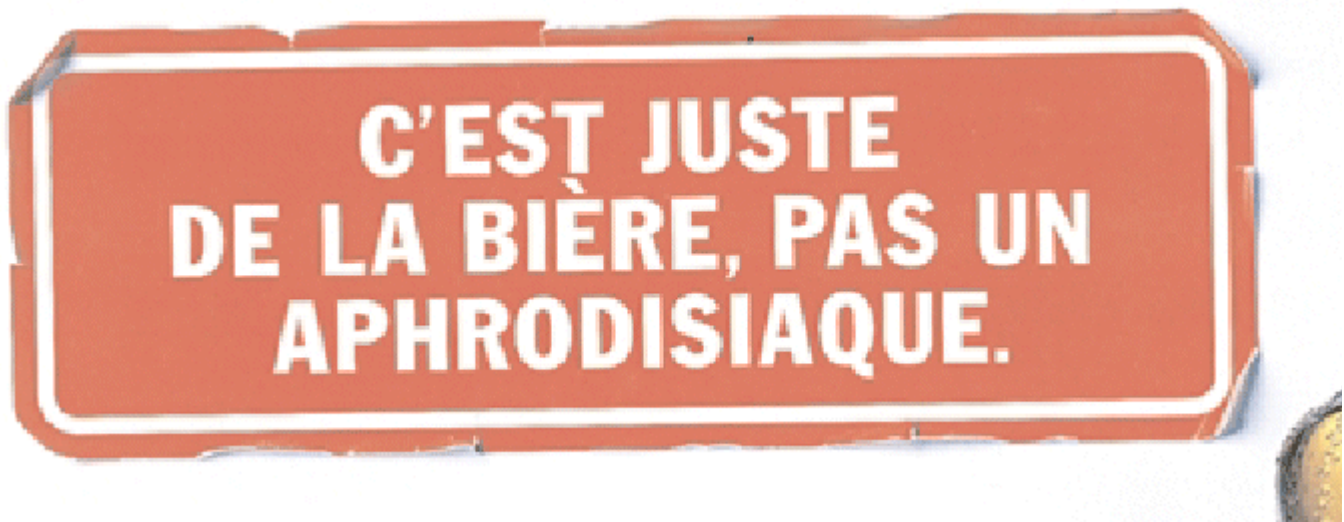


FIGURE 8:



John Sleeman, speaking in "Frenghish." Hey! It's John. Wouldn't it be nice to have labels on our



Sleeman bottles? Sleeman, the beer for sexy people.



Sleeman, the beer for extreme sports.



Sleeman, the beer for when it's steaming hot.



Hmmmnnn. You know, I kinda like my transparent bottle. It's nice.



Plus it's very cool when you look through it. Wow! I having a blast! I hope you'll like our beer.

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