

Sloche

EXECUTIVE SUMMARY

Couche-Tard is a retailer similar to 7-11, and competition is fierce. Supermarkets, superstores, warehouse stores, convenience stores, and gas stations are just some of the direct competitors. That's why in Spring 2000 Couche-Tard decided to launch a house brand to compete against Slush Puppie – the dominant leader for more than 20 years.

The objective was to build appeal with 9- to 18-year-olds, a hugely important target for convenience stores. The new brand, Sloche, was launched in June 2000, when the advertising noise for refreshment drinks is close to deafening.

This case is about 'full-spectrum' development between client and agency. It involved everything to do with launching this new brand: the name & packaging, the visual identity & image, the launch campaign, the POS material, and the website – all adapted to the needs of pre-teens and adolescents. (1) The campaign has spectacularly caught the imagination of Quebec youth, and established the following:

- Sales at more than 4:1 versus the sales of Slush Puppie in the base year
- An increase in profit margins
- Strong loyalty figures between the target and Couche-Tard

SITUATION ANALYSIS

The importance of building loyalty in the youth segment is obvious. They have a market potential in the order of \$310 million annually, and they are tomorrow's adult clientele ([Figure 1](#)). We also see that slush is the 6th most frequently purchased product in convenience stores by 12-to 18-year-olds, and that in 1999, 72% of adolescents bought slush ([Table 1](#)).

At this point in time, no image or personality had ever been developed in the slush category. Yet the youth clientele is extremely sensitive to style, image and attitude.

With a distribution network already in place, Couche-Tard had a terrific opportunity. This would require dislodging Slush Puppie, the category leader for the last 20 years, and standing out from the clutter of juices, soft drinks and thirst-quenchers of all kinds.

The main objectives thus became to:

- Corner the slush market by toppling the leader
- Create a brand image that youth aged 9 to 18 could identify with
- Establish brand loyalty in the new clientele
- Increase sales by 172% (versus Slush Puppie's 1999 level of \$1,013,731.)

STRATEGY AND EXECUTION

To establish a new brand you have to single out the target's expectations, perceptions and preferences, and get the positioning dead right. Differentiation is critical. But how do you go about it? (2)

The product itself was extremely sweet – it could be called a sweet salvo – and the pre-teen and adolescent audience has a whole bundle of other needs and attitudes. We explored why the brand should exist, and what they would miss if it didn't. Then we took all this and created a brand mission:

To satisfy their need for sensory gratification and protest against authority, parents and society.

Next came the brand personality. Our target likes things that are politically incorrect. So we positioned Sloche to defy the health food trend, and be based on the sheer pleasure of consuming. (3, 4) We made it rebellious (taking account of the target's intense need to identify with brands, e.g. Nike, Gap, Logic, Coke, etc.) And we identified how to communicate with them.

For a start, humour has always been popular. Make the communication expressive and clear. Use bright colours and images with minimal text. Foster self-identification. Address them personally, not as part a group. Avoid 'Hi everybody!' and other 'Hey gang!' approaches. Use an adult tone. Even the youngest teens reject ads that treat them like babies. (5)

Developing the brand name and logo

We came up with the French word Sloche, and an edgy logo. This set the tone for the product's personality, and a more marginal style of language. It carried over into the flavour names, which are hilariously untranslatable (FULL ZINZIN, BOMME GALOUNE, SANG FROID, SCHTROUMPF ECRASE, GOUDRON SAUVAGE). In packaging, we re-invented the appeal of large-format containers, and carried through the image with funny visuals. (The containers were basically twice as big as Slush Puppie's, but they were priced twice as high – in other words, we did not buy the business.)

The ad campaign

The creative strategy was to be fun and original, and raise eyebrows by being anti-something – while staying light and apolitical. With a relatively limited budget over 10 weeks, we chose bus signage (interior and exterior) and radio to reach our target. An example of exterior transit is shown in [Figure 2](#).

POS Material

It was bold, bright-coloured and funny – and, of course, all tied in with the advertising campaign and the brand personality.

Developing the sloche.com web site

This was designed to entertain young francophones. Any allusion of a commercial nature was avoided.

In fact, the only product mention is 'Sloche seulement chez Couche-Tard'. The content features a complete range of sections: games, chat room, e-mail, members' directory and an anti-social events calendar. A different kind of site for a different kind of experience. [Detailed information was provided in the case.]

RESULTS

Analyzing the sales results of a new brand is relatively simple. The results are clear, definite and precise.

1. [Figure 3](#) shows Sloche sales in Year 1. Because of seasonality, they drop at the end of summer, but they are consistently ahead of the \$1,013,73 base-year of Slush Puppie. In fact, the \$4,117,514.59 sales of Sloche outperform Slush Puppie by more than 4:1.
2. Sloche delivers a far higher margin of profit than Slush Puppie:
 - o Slush Puppie profit margin: 30%
 - o Sloche brand profit margin: 60%(Source: Couche-Tard Foods Inc.)
3. A study of the brand equity in November 2001 with 12- to 17-year-olds shows a clear preference/loyalty for Couche-Tard's Sloche brand ([Figure 4](#) and [Figure 5](#)). (6)
4. This study also serves up the following delicious results:
 - o Boost in awareness: 92.7%
 - o Perception of quality: 89%
 - o Loyalty: 38% would change stores to get the Sloche brand

ISOLATING THE CAUSE AND EFFECT OF THE ADVERTISING

An analysis of the various results reveals the undeniable impact of the advertising campaign on the business results.

In week 1 of the product's distribution (before advertising) the Sloche sales take off, as the in-store visibility generated interest in the new product. But just as quickly we see a sharp drop in sales. The first three weeks, the weeks without advertising support, were indisputably less profitable.

In contrast, from the start of the advertising campaign in week 4, sales climbed significantly and stayed high for the 10-week duration of the campaign.

Altogether, the product, the packaging, the POS visibility, and the ad campaign propelled sales to extraordinary new heights compared to Slush Puppie.

Closing note

There is no doubt that this success has sharpened Couche-Tard's competitive edge with the youth market. The extension of the Sloche brand is already underway. Sloche candy made its in-store debut in July 2002. Sloche thirst-quenchers and frozen treats are in development. (7)

The idea of Crossover Notes occurred to David Rutherford as he was editing *Cassies III* in 1997. He used footnotes to alert readers that a lesson in one case crossed over to a lesson in another. With each *Cassies* this has evolved. For 2002, David links back to all cases since 1993, and also cross-references academic thinking on some of the more complex issues.

CROSSOVER NOTES

1. The Total Brand Experience. Although the CASSIES have historically been about advertising, they are evolving to include the broader idea that brands are built by every point of contact with the consumer. At its highest level this is much more than a communication issue, but it tends to come under the heading of Integrated Marketing Communication. One of the challenges of the IMC is to find what one of the agencies calls the organising idea. This gives a focal point for all the different disciplines, without leading to cutting-and-pasting visuals and slogans from one medium to another. The organising idea can come from anywhere, but once in place, it guides all the effort on the brand. In Cassies 99, AGF Funds. In Cassies 2001, Clarica, Clearnet, and i-wireless. In 2002, Bank of Montreal, Scotiabank, ED, Lipton Sidekicks and Sloche.

2. 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.

3. 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.

4. Turning a Liability into a Strength. Some examples:

- Buckley's Tastes awful but it works. Cassies III.
- Irving Home Furnaces make 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.
- Sleemand in Quebec took and Anglo-heritage beer in a declining category and re-vitalised it with the honest frenghish 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.

5. Emotional versus Rational. There's a great quote that a brand is a bundle of meanings. Many of those meanings relate to emotions more than reason, so if we showed a Vulcan a typical Creative Strategy (especially one from the packaged goods companies in their heyday) he would be puzzled. The key consumer benefit is rational, and the rationale is, well, rational too. Our Vulcan would say that this is not logical, because Earthlings live their lives on an emotional, rather than a rational, level.

It is worth asking why Creative Strategies are this way. First, there is the tendency of many clients to assess issues analytically rather than intuitively. This was fertile ground for the rationalist ideas of Claude Hopkins, who wrote Scientific Advertising in 1922, and Rosser Reeves, who wrote Reality in Advertising in 1960. The resulting hard-sell advertising appealed to the aggressive mentality of many North American advertisers. And it had enough successes to make these beliefs self-fulfilling (with selective perception expunging the failures).

Others, led most notably by Bill Bernbach, argued for a more intuitive approach, and recently emotional appeals have shone more brightly on the radar screen. But even to this day, there are Creative Strategies that just tuck them in under Brand Character, or do not mention them at all. I used to make that mistake. When I was Brand Manager on Tide we said implacably that Tide stood for cleaning. At an unwritten level, we knew that Tide also stood for trust, but this crucial benefit did not appear anywhere in the Creative Strategy and we could easily have overlooked it. If you examine the mental model you have of advertising, make sure it rings true with what people are really like. Often, we are too rational, and that could be tragic. John Bartle (of Bartle Bogle Hegarty, the UK agency famous for using creativity to deliver effectiveness) has called for us to think in terms of the: Unique Emotional Proposition

I've never seen a Creative Strategy with this section in it. Given what we know about Emotional Intelligence, this looks like a missed opportunity. Here are winners that could have focused on the rational, but chose emotion:

- Chrysler NS Minivan. It had a number of functional improvements, but the campaign was heavily infused with emotional benefits. Cassies III.
- Philadelphia Cream Cheese. The Angel campaign captured the emotional benefit of 'permission to indulge,' along with the rational benefit of 60% less fat than butter or margarine. Cassies III.
- Richmond Savings. The Humungous Bank campaign.
- BeceL. With hard-hitting print, and effort against doctors & nutritionists, it reached #1. They could have continued, but wanted to get on TV. Regulators forbade hard-hitting TV claims. This led to the 'young at heart' campaign, and long-term business growth. Cassies 99.
- Fido. The campaign includes rational benefits, but its main pull is user-friendliness. Cassies 99.
- Wonder Bread. They could have taken a functional taste + nutrition approach, but instead used the joy of childhood. Cassies 99.
- Clearnet Mike. It was positioned to appeal to the self-image of its pragmatic, project-driven target audience. Cassies 99.

- AGF Funds. The 'what are you doing after work' campaign charmed its way into people's pocketbooks. Cassies 99.
- Canadian reminded us who we are. Cassies 2001.
- Clarica made it all look simple. Cassies 2001.
- Clearnet gave us a biology lesson. Cassies 2001.
- Kraft tugged at our heartstrings with KD moments. Cassies 2001.
- Manitoba Telephone used a talking bison. Cassies 2001.
- St-Hubert tapped into chez-nous. Cassies 2001.
- Sunlight captured the joy of getting dirty. Cassies 2001.
- In Cassies 2002, the Bank of Montreal and Scotiabank made us smile.
- Campbell s gave us the less-than-perfect family.
- CFL fanned the flames of rivalry with the fans.
- Diet Pepsi and Five Alive gave us back our youth.
- Easter Seals tugged at the heartstrings.
- ED made us think.
- Home Furnaces tickled the fancy of an older audience.
- Nautilus gave us back our joie de vivre.
- Philly gave us a less-than-perfect angel.
- Pine-Sol took a quirky look at keeping the house clean.
- Sidekicks gave the family a helper.
- Sloche appealed to teen rebelliousness.
- The SAAQ campaign scared us to death.

6. Should the Product be Improved? Some years ago it was an axiom of marketing that your product, at a functional level, should have an advantage over its competitors. In packaged goods, for example, 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 highly desirable benefit.

That thinking has shifted a great deal, 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 have become almost frenzied in the 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 much published 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 product parity is the inevitable 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 development. The Japanese, and later the Europeans and other countries, did exactly the opposite leading to the market shares we see today.

There's no question that the cost to upgrade a product can be daunting, especially with the financial pressure to deliver short-term returns. Nevertheless, many Cassies 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.

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

- Crispy Crunch in Cassies I.
- Pepsi in 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.

The technology cases (and some others) are harder to categorize, but generally have ongoing improvement. In these situations, as argued by Clearnet in Cassies 2001 and Lipton Sidekicks in Cassies 2002, if you know that any functional advantage will be quickly matched, you had better develop an advantage through brand personality/character/equity. There can be no cookie-cutter answer. Each situation has to be assessed on its merits.

7. Transcending Advertising. Joe's Rant did this for Canadian (Cassies 2001). Wendy's did this with 'where's the Beef'. Budweiser gave us 'Whassuuuup', and Benetton feeds us a diet of controversy. Richmond Savings (Cassies III) got tremendous publicity from the 'Humungous Bank' campaign. Tourism New Brunswick and Manitoba Telephone (Cassies 2001) have a similar story. So do the Bank of Montreal and the ED campaign (Cassies 2002). Generally, advertisers and agencies when their advertising takes on a life of its own though there are usually some nay-sayers asking questions like: Is it on strategy? Is it relevant? Is it really building the business? The latest incarnation of transcending advertising is viral marketing. There has not yet been a Cassies case on this, but it would be good to see one.



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NOTES & EXHIBITS

FIGURE 1: YOUTH MARKET

Quebec's 12- to 18-year-old segment represents a potential market for convenience stores in the order of \$310 million annually.

No of youth aged 12-18 in Quebec 670,367	×	% of youth who make purchases at convenience stores 69%	×	Average no of visits to a convenience store/year (20.7/month) 248 visits	×	Average bill per visit for personal spending \$2.70	=	Total poten convenience store market \$309,725,6
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Source: Future of the Category and the Sloche Brand, Leger Marketing, November 2000

TABLE 1: PRODUCTS MOST FREQUENTLY PURCHASED IN CONVENIENCE STORES BY 12- TO 18-YEAR-OLDS

	Rank	% of buyers n = 768 m.e. = 3.5%	Rank	Monthly purchase rate (base buyers)	Top sellers based on % of buyers* purchase rate
1. Chewing gum	3	86.7%	1	11.1 times	9.6
2. Candy	4	85.2%	3	10.1 times	8.6
3. Chips and other snacks	2	86.8%	5	7.8 times	6.8
4. Soft drinks	5	79.8%	4	8.3 times	6.6
5. Chocolate	1	92.4%	8	7.0 times	6.5
6. Slush products	6	72.3%	12	5.8 times	4.2
7. Juice	8	56.5%	10	6.2 times	3.5
8. Milk	9	43.9%	6	7.2 times	3.2
9. Sports/energy drinks	7	66.5%	17	4.6 times	3.1
10. Bread	12	39.8%	7	7.2 times	2.9
11. Promotional offers (trios, cross- promotions, etc)	11	40.2%	11	6.2 times	2.5
12. Cigarettes	22	18.0%	2	10.4 times	1.9
13. Bottled water carbonated water	13	36.4%	14	5.0 times	1.8
14. Breakfast items	15	33.3%	16	4.7 times	1.6
15. Beer	19	22.7%	9	6.7 times	1.5

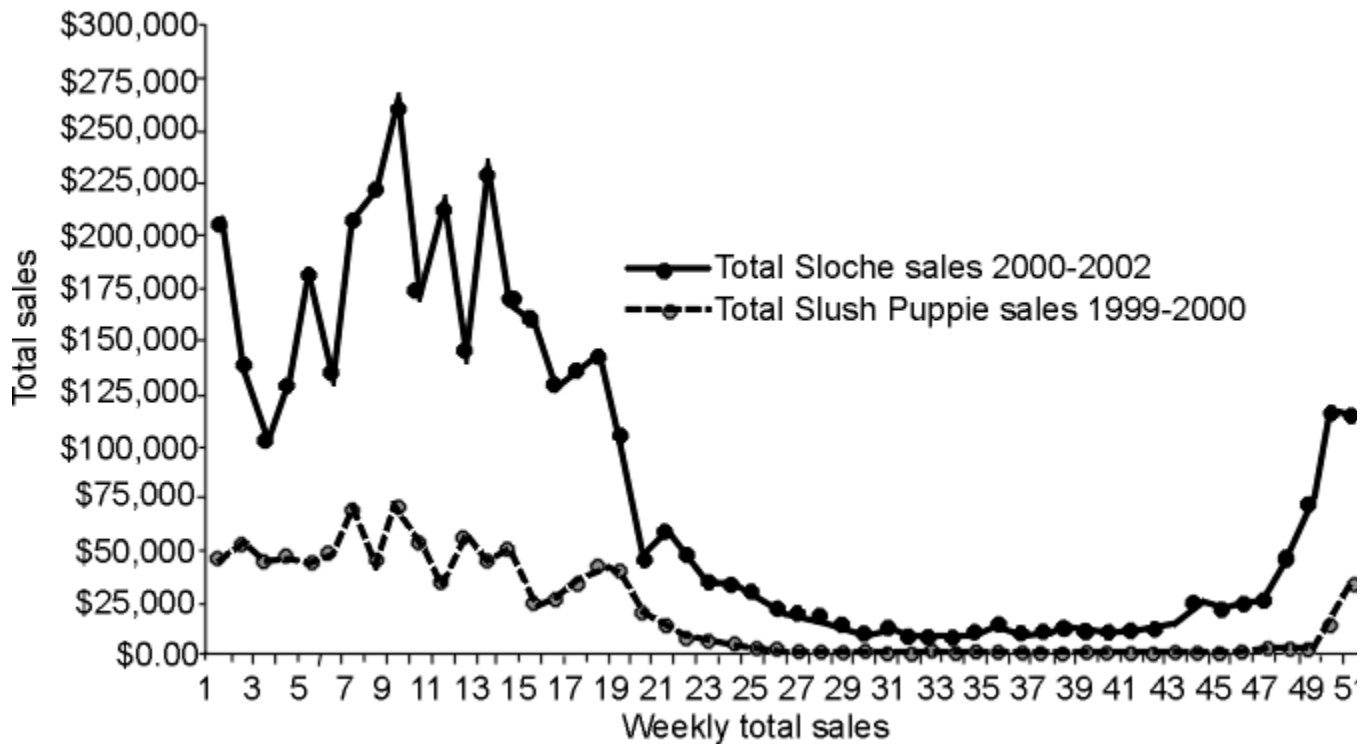
*Omnibus Leger Marketing Study, 1999

Source: Future of the Category and the Sloche Brand, Leger Marketing, November 2000

FIGURE 2

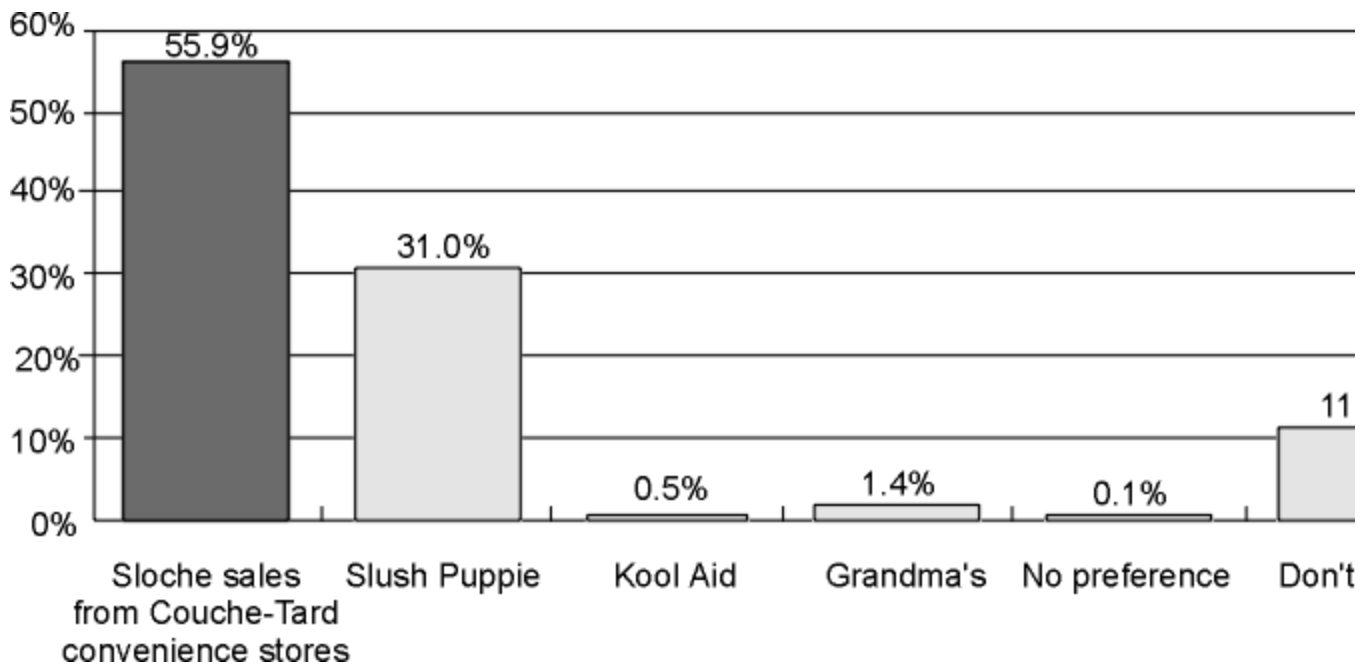


FIGURE 3: TOTAL SALES SLOCHE VS TOTAL SLUSH PUPPIE SALES



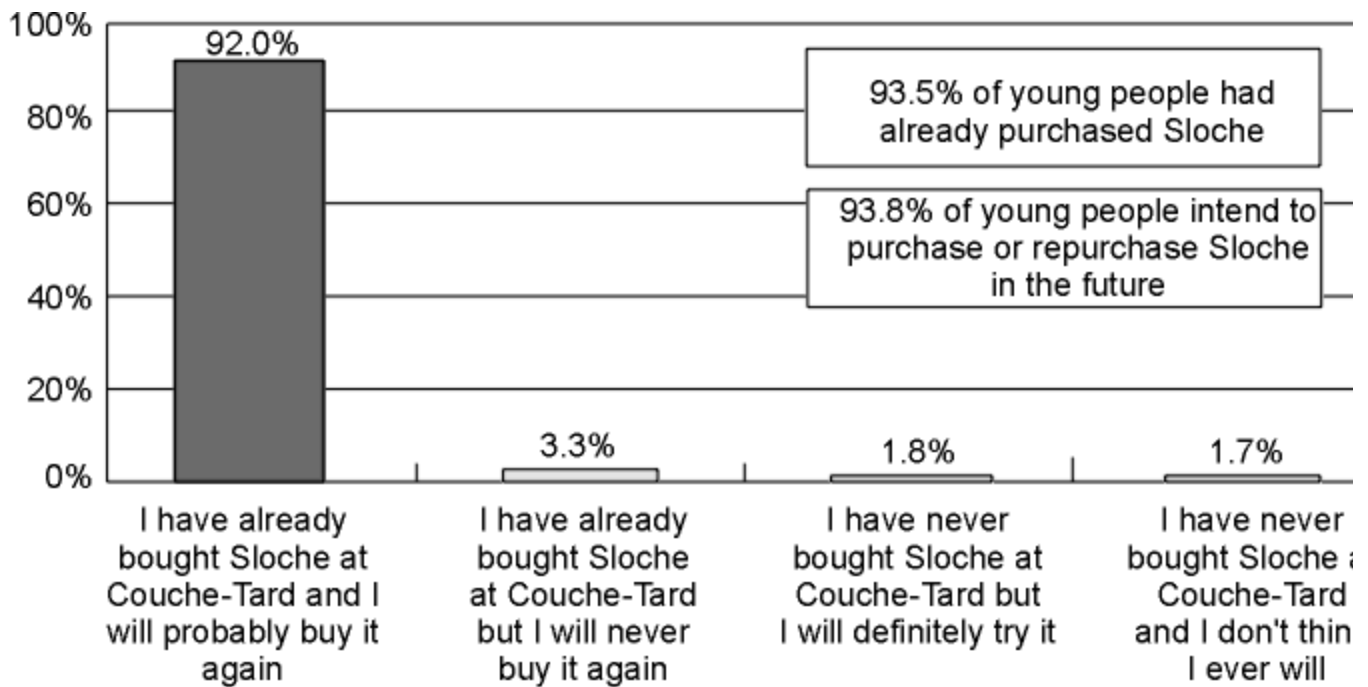
Notes: Week 1: Market launch of Sloche, without advertising support
 Week 4: Start of 10-week advertising campaign
 Week 14: End of advertising campaign

FIGURE 4: PREFERRED SLOCHE PRODUCT (N=599; M.E. = 4.0%)



Source: Future of the Category and the Sloche Brand, Leger Marketing, November 2001

FIGURE 5: I AM NOW GOING TO READ YOU FOUR STATEMENTS AND I WOULD LIKE YOU TO TELL ME WHICH ONE DESCRIBES YOU BEST. (N = 599; M.E. = 4.0%)



Why (n=21)
 FILTER: Already bought Sloche but would not buy it again ever

Too sweet	n = 8
Don't like the taste	n = 2
Too expensive	n = 3
No response	n = 8

Why (n = 11)
 FILTER: Never bought Sloche and never will buy it

Prefer to buy elsewhere	n = 8
Don't like Slush	n = 3

FILTER: Purchase of Slush

Source: Future of the Category and the Sloche Brand, Leger Marketing, November 2001