

The Natural Confectionery Company: How Jelly-Phants were born

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AWARDS

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COMPANY PROFILE

PHD is a media and communications agency that has been built on a culture of thought leadership, creativity and innovation. PHD is committed to delivering dynamic communication solutions with effectiveness at the heart of everything we do. Quite simply, we produce integrated communication solutions that are accountable. PHD is responsible for looking after some of the largest and most prominent brands in Ireland. Our ethos is about 'finding a better way' in everything we do.

INTRODUCTION & BACKGROUND

'If you're trying to disrupt the status quo and beat competitors, you're not going to do it by playing their game' (Darmesh Shah - Entrepreneur)

Our ethos at PHD is to 'find a better way'; to push boundaries and find solutions that shake up the status quo and improve performance.

The crux of this paper is about how, with a small budget of €131,000, our advertising campaign delivered the most successful ever launch for The Natural Confectionery Company (TNCC) in Ireland.

However, we need to go back and tell a wider story, because it is due to an early communications campaign that this product launch happened in the first place.

This is the story about how, over a two-year period, PHD Ireland disrupted the status quo for TNCC and brought a declining brand back into growth.

TNCC is an Australian brand that was purchased by Mondelez and launched in Ireland in 2004 with a clear product benefit vs. Haribo; no artificial colourings or flavourings, making it a more permissible choice for families when treating their children.

However, by 2014, the business situation was fairly dire for TNCC. Value sales were in steep decline, despite operating in a growing category and investing more in advertising than their competitors. Their price point was also a lot higher than their largest competitor, Haribo. Something needed to change.

This change was sparked by PHD, as our approach to their business issues sent the brand in an entirely new direction. We did this by turning the standard marketing process on its head.

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Figure 1:

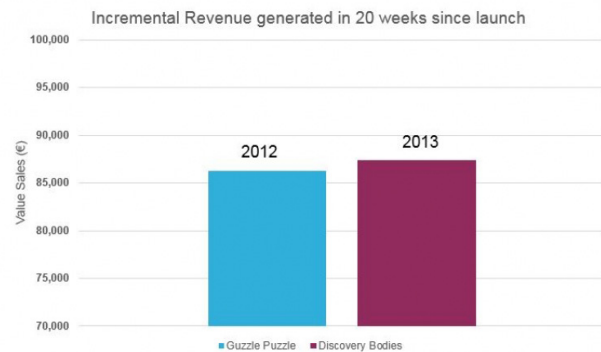


INTRODUCTION & BACKGROUND

Figure 1 illustrates that usually, promotional requirements of a product lead to a sponsorship, some media and activation and hopefully resulting sales. However, for PHD, we proposed a local brand sponsorship, the success of which led to the **creation of a brand new product** based on that sponsorship, which was then supported ATL and ultimately led to **double-digit value sales growth**.

It has been a challenging but rewarding journey, and one we are proud to share with you.

Figure 2:



MARKETING OBJECTIVES

This campaign is split into two parts, the initial brief in 2014 and then, in 2015, the brief to launch the product which resulted from the first campaign.

Initial Brief - 2014

- i. Commercial Objective** – Deliver a marked improvement in the decline of sales without reducing price or relying on in-store promotions
- ii. Marketing Objective** – Deliver a successful ‘back to school’ campaign that reignites sales
- ii. The role for Communications** – To make TNCC the treat of choice for families – ensuring that mums reach for TNCC rather than their nearest competitors, Haribo or Rowntrees

New Product Launch - 2015

i. Commercial Objective -

Figure 2 shows how the business calculated their sales target for the launch of the new pack. The sales target was based on two previous NPD launches in 2012 and 2013, with similar levels of media investment. Our value sales target was set at €85,000.

ii. Marketing Objective – Ensure a successful launch that enabled the local marketing manager to prove that his international leads were right to take the risk and let him launch a brand new product at a time they were de-listing several SKUs to focus on increasing the profitability of the business.

iii. Communication Objective – To successfully communicate the new launch over the summer in order to drive awareness and trial (with no investment in creative assets for the new pack provided).

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Figure 3:



Figure 4:

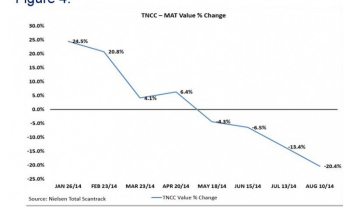


Figure 5:

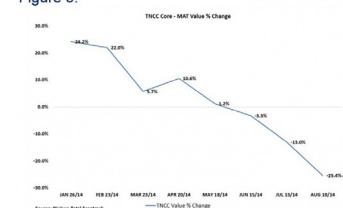
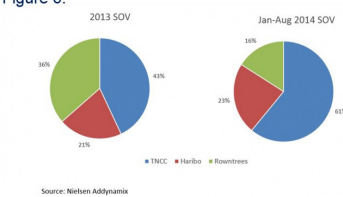


Figure 6:



THE TASK

Turning the business around would be no easy feat for PHD and the local brand manager, due to several hurdles:

1. Brand Profitability

Our story starts in 2014 and as Figure 3 demonstrates, the Sugar Bags category that TNCC operates in was in healthy growth, with clear peaks in the summer months.

However, Figure 4 outlines the stark situation that TNCC found themselves in, since January 2014, the moving annual total (MAT) value sales of the brand had been in quite obvious and increasing decline.

The decline was partially due to Mondelez actively de-listing some products to try and tighten up the range and future proof profitability in the long run.

However, even if we look at just their core range (which had stayed stable in terms of distribution) in Figure 5, we can see that there was a similar rate of decline.

This decline in performance wasn't because Mondelez weren't investing in the brand; as Figure 6 shows, they were outshouting their competitors in terms of SOV in 2013 and YTD 2014.

We media agencies love to say (and prove!) that advertising works, but in this case it clearly wasn't doing enough.

2. Competitive landscape

TNCC was also struggling against their number 1 competitor Haribo, who consistently and heavily discount their product. Haribo usually sell a 180g bag for €1 vs. TNCC who sell a 130g bag for up to €1.90.

THE TASK

Although Ireland was coming out of a recession, the saving habits that consumers picked up were not waning, and therefore price differentials were still an important barrier to purchase. In Q3 2014 (the time our campaign launched), 75% of Irish people answered yes to the question, 'Compared to this time last year, have you changed your spending to save on household expenses?' (Source – Nielsen Global Online Survey Irish Data (Q1 2015))

However, the quality of TNCC ingredients and Ireland being a lead European market for TNCC meant we needed to find a way to increase sales without discounting price. We needed to protect the TNCC price premium.

3. Local brand in a global portfolio

One advantage over Haribo had been that TNCC had been creating bespoke, Irish advertising campaigns vs. Haribo's often European-imported, dubbed ads. However, in early 2014, as part of a wider cost-saving exercise, Mondelez let their Irish creative agency go, asking the local brand manager to use global creative going forward. As TNCC was not being supported by the UK, this was a bigger issue for them than it was for other Mondelez brands such as Cadbury, as we could not go to our most aligned market for assets.

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Illustration 1



Illustration 2



THE STRATEGY

When we were briefed in 2014 on the annual back to school (Aug/Sep) campaign, we knew that we had to go back to the drawing board and find something unique and engaging to turn the business around. For the previous few years, we had run burst activity of TV, VOD and outdoor, and it evidently wasn't cutting through. We needed to find a relevant way to engage with our primary target audience (Mums) on an ongoing basis.

We distilled all we knew about the brand and category into 3 main observations:

- 1. Candy, more than chocolate is a treat enjoyed by the family, together, rather than individually. (Source: TGI)**
- 2. Mums struggle to find healthy ways to spend time with their family. (Source: Joint TNCC and Mummypages.ie research)**
- 3. No competitor's communication was successfully at the heart of family play.**

TNCC have associated themselves with imaginative play for a few years now. They sponsored Fundaysout.ie and had run successful partnerships with Mummypages which gave mums a platform to share imaginative play ideas.

However, we had not to date found a way to be at the heart of family play, at the point where families are actually enjoying time together. A deep dive investigation of the candy market told us that none of TNCC's competitors were playing in this space either.

Haribo's communication in 2013 and 2014 centered on adults pretending to be children and teenagers, using Haribo to flirt. (Illustration 1)

Rowntree's communication was targeted at engaging young adults with humour and promotions. (Illustration 2)

THE STRATEGY

Our directional insight for 2014 was; **'families that play together, stay together'**. Our strategy was to find a way to enhance an actual family experience via the product so that we would have a unique story and a strong communications platform. The hope was that this strategy would help us credibly engage with families during time spent together in a very local, Irish and engaging way.

Our directional insight for 2014 was **'families that play together, stay together'**. Our strategy was to find a way to enhance an actual family experience via the product so that we would have a unique story and a strong communications platform. The hope was that this strategy would help us credibly engage with families during time spent together in a very local, Irish and engaging way.

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THE IDEA AND COMMUNICATIONS ACTIVITY

This campaign was split into two parts:

Phase 1 – Launching a sponsorship (2014)

Creative Strategy:

Our initial solution was to recommend that TNCC take part of their back to school budget and sponsor the elephants at Dublin Zoo. We realised that, with the right planning and collaboration, we had the perfect opportunity to create that missing link between the brand and family time. Dublin Zoo is such a loved destination for families, it encourages learning and ‘imaginative play’ and with nearly 1.1 million annual visitors, we would be placing TNCC at the heart of family play on a mass and continuous scale. The physical attributes of the TNCC products being animal shapes also made the synergies between brands very strong.

Use of Channels:

One of the key reasons we recommended this sponsorship was because we realised it would enable us to leverage two key communications channels that did not require a creative agency – social media and PR.

It was important that TNCC worked with Dublin Zoo from the outset so that it was a true collaboration and the brand could genuinely add value and make best use of their communications. We organised a steering group comprising of PHD Media, Dublin Zoo, Mondelez, the Zoo’s PR agency (PSG Communications) and Mondelez’s PR agency (FleishmanHillard). We created a schedule of communication and a social media campaign that would celebrate the elephants and give the partnership reach and scale.

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THE IDEA AND COMMUNICATIONS ACTIVITY

A couple of highlights:

1. We agreed with the Zoo to run an exclusive competition on the TNCC Facebook page to name two baby elephants born in the Zoo. The winning names were Kavi and Ashoka!
2. We launched the sponsorship by creating 'Elephant Month' to drive footfall to the Zoo and the TNCC-sponsored Elephant Trail. Elephant Month was a social media and PR campaign that promoted the Zoo's Elephant Trail by creating a trail around Dublin City with a 'herd' of humans dressed as elephants. Those who completed the trail were given a family pass to Dublin Zoo so that they could see the TNCC-sponsored elephants for themselves.

Total investment for 3 months of sponsorship and social media was just €35,000. Our earned media massively outstripped our investment:

- ▶ €1.7 million worth of PR generated (Source: PSG Media Communications) – a few examples included in Illustration 3.
- ▶ We gained 10,000 additional Facebook fans at a cost of €0.75 per acquisition (average cost per like for Facebook is €1).
- ▶ Even Dublin City Council (who are notoriously hard to get support from) got behind us and gave €500,000 worth of free ambient outdoor media to advertise elephant month.

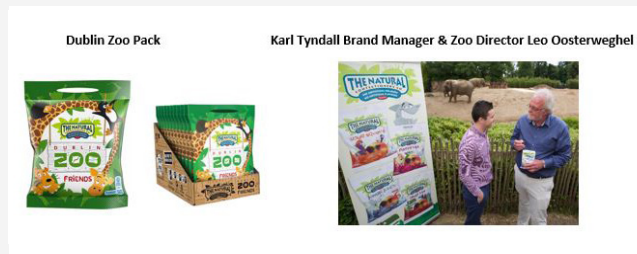


Illustration 3



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THE IDEA AND COMMUNICATIONS ACTIVITY

There were also positive effects on TNCC's sales (more on this in the results section). The local brand manager was so encouraged by the turnaround of the business that he flew to Zurich and convinced his International Leads (at a time when they were de-listing products) to allow him to create a bespoke Dublin Zoo pack, filled with brand new Zoo animals to leverage the sponsorship in the summer of 2015.

Phase 2 – Launching the new product

Creative Strategy:

So far, so good. However, PHD and our local brand manager faced another hurdle. We were briefed to spend their H2 budget of €90,000 (a YoY reduction in media spend) on a back to school campaign, with previously used creative from 2014. **There would be no ATL support for the new Dublin Zoo pack** launching in August 2015.

However, we saw the potential that this new product could have and so PHD went way beyond our remit as a media agency and contacted Moondance, the production company who created the Dublin Zoo TV programme (which runs on RTÉ). We pitched with them to make **5 x 20" TV ads** each **showing bespoke and never seen before footage** of the elephants in Dublin Zoo, and promoting the new pack.

We brainstormed with Dublin Zoo Operations Manager Gerry Creighton to settle on what we thought would be the most interesting and endearing footage. Working with Moondance, we filmed hours of footage and edited this down into four beautiful stories filmed to look like mini cinematic pieces, with theatre curtains opening to reveal each week's story:

Ad 1. **Summer Starts Here** – The family of adults and 1 yr. old calves rolling around in the mud

Ad 2. **An Irish Summer** – The elephant family being hosed down and playing in the jet streams

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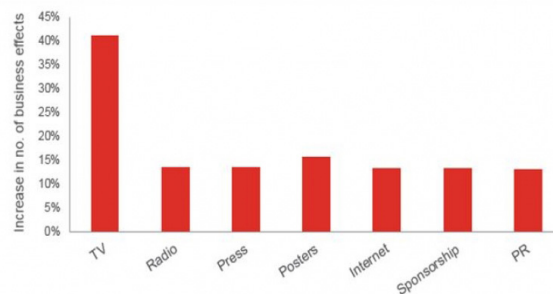
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THE IDEA AND COMMUNICATIONS ACTIVITY

Image Shots from 1st TV Creative



Figure 7



Source: Advertising Effectiveness: the long and short of it, 2013, IPA

Ad 3. **Family Day Out** – Footage of the family walking together with the calves being flanked by their parents

Ad 4. **Bath Time** – The family frolicking in the mud and then splashing in a water pool

There was clear TNCC branding throughout the advertisements with the endframe letting people know that they could buy this unique product in stores now. Moondance even sourced a composer to create a unique piece of music that captured the fun and delight that the elephants bring to their visitors.

To view the TV creative, please see the Media Gallery or here: <https://vimeo.com/162393417>

Use of Channels:

TV

With a limited budget, we needed to deploy it as effectively as possible – to drive awareness and purchase of the product but also to engage families to ensure we delivered our strategy and remained at the heart of family playtime.

There is still much evidence to suggest that TV remains the most effective medium for driving short term business results and therefore we put 67% of our budget into TV. One such piece of evidence is outlined in Figure 7.

In total, we ran 5 weeks of TV. We convinced Mondelez to allow us to spend the majority of the budget when the pack launched, rather than at back to school time; as such, we ran four weeks in June. This was followed by a final week (more on this to follow) w/c 17th August to target back to school.

We reached over 85% of our housekeepers with children target audience (mums and dads!).

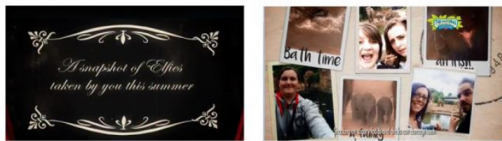
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Gerry the Zoo Keeper – Shot from VOD Creative



Image Shots from 5th, User Generated TV Creative



THE IDEA AND COMMUNICATIONS ACTIVITY

Video on Demand

Consumption of Video on Demand is ever growing and one of the fastest growing cohorts is across our target audience; 84% of Housekeepers with children consume it (Source: IAB Ireland - Video On Demand (Wave 2) May 2015). It is a particularly effective way to ensure reach of a light viewing TV audience. Our VOD activity added 4% reach to our total AV coverage (Source: PHD Planning System called SOURCE), meaning our campaign reached a total of 89% of our target audience during the campaign.

Learnings of this channel tell us that view through rate and engagement will be higher if TV copy is amended to talk to the audience specifically in the channel they are watching. Therefore we suggested to Moondance that we work again with Gerry the Zookeeper and open the pre-roll ad with him talking directly to screen and telling people not to skip because something amazing is coming!

You can view one of the 4 ads in the Media Gallery or here: <https://www.youtube.com/watch?v=hcg9L-L3qvA>

Social

In order to engage our families and ensure the brand was at the heart of family time, we used our ever-growing Facebook fan base and paid social media ads to encourage families to share their selfies or 'elfies' (elephant selfies!) of their trips to the Zoo. We turned this user generated content into a 5th TV ad – a montage of these shared family moments. It is this ad that ran w/c 17th August, celebrating a summer of family fun at the Zoo just as people were going back to school. Usually TV ads are hosted on social media, so we loved that for this campaign it was social media that fed into the ATL TV campaign.

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THE IDEA AND COMMUNICATIONS ACTIVITY

PPC

We drove further awareness of the 'elfie' competition by running a targeted PPC campaign in Google, serving ad text that announced the new Zoo Pack when people searched for 'Dublin Zoo' or 'things to do in Dublin'.

Example Ad texts from our PPC Campaign

Visiting Dublin Zoo? Don't Forget To Visit The Elephants Share A Selfie To Be In Our TV Ad www.facebook.com	Star In Our Elephant Ad Check Out Our Elephant Videos & Submit Your Own Selfie! Learn More www.facebook.com	Dublin Zoo Friends Visit Our Elephants, Snap an Elfie & You Could Star In Our New Ad! www.facebook.com	Dublin Zoo Friends Meet Our Elephant Family & Share Your Selfie. Adventure Starts Here! www.facebook.com
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Figure 8

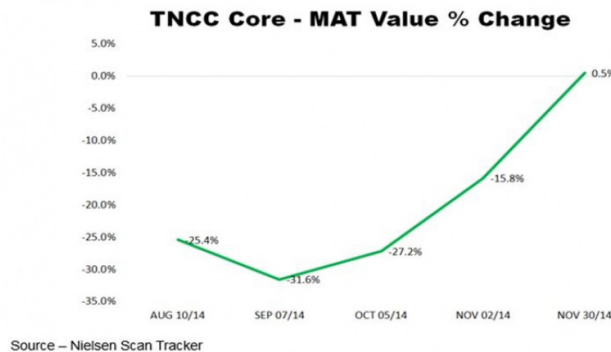
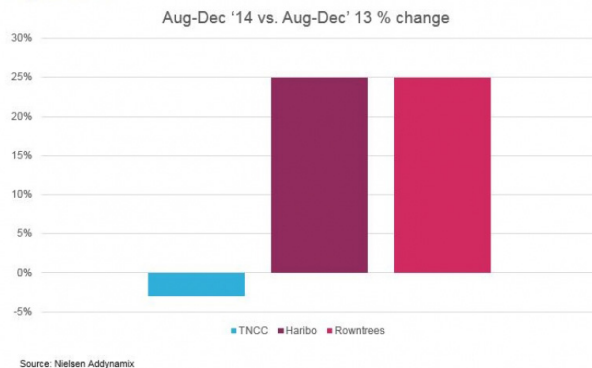


Figure 9:



RESULTS

Initial Results – 2014

We outlined in the idea and communications section that the initial Zoo sponsorship was effective in terms of generating €1.7 million worth of PR, 10,000 new Facebook fans and €500,000 of outdoor support from the Council, all for €35,000 investment.

However, most important was the impact the change in strategy had on sales. Our objective had been to stem the declining sales and in fact, by December 2014 we had completely halted the decline and bought the brand back to a small amount of growth, as shown in Figure 8.

Figure 8 shows that (unsurprisingly) the activity did not have an immediate effect, the declines deepened but then started to improve from September, ending the year in December with 0.5% growth.

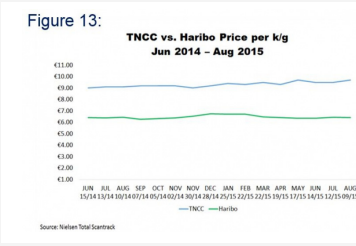
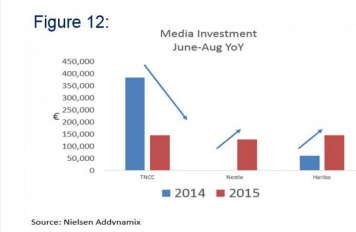
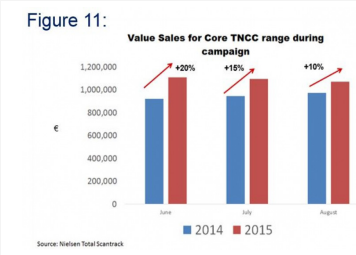
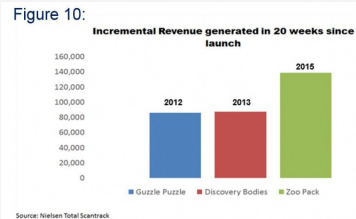
This was not because we over-invested in the brand or increased our SOV, in fact, past performance demonstrated that we would not guarantee success even if we had. We did have TV and outdoor run alongside our sponsorship but in total our media spend was less than the same period in 2014. Our campaign also coincided with our main competitors spending more, as shown in Figure 9.

The biggest indicator of success for this initial activity was that Mondelez Head Office in Zurich (during a time when they were de-listing products and pulling support from Ireland) were so convinced of the turnaround of the brand that they signed off on the local brand manager creating a product that was not only unique to Ireland but **completely sparked by the sponsorship that we had implemented.**



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RESULTS

Product Launch Results - 2015

As outlined in our objectives, the aim had been to drive €85,000 additional value sales with this new product launch, based on previous launches with similar investment. However, we considerably outperformed this target, adding almost €140,000 of value sales in the first 20 weeks of launch, as shown in Figure 10.

Another proof point of success was the halo effect this campaign had on the core product range. There was zero advertising support ATL for the core range, yet in each month of the campaign, core sales increased by double digits, demonstrated in Figure 11.

We are particularly encouraged by these results as empirical evidence suggests this performance is a lot higher than the norms for the grocery category. 'Most ads are effective in terms of short-term volume uplifts. However, the average uplift is small, usually about 5% in grocery markets.'

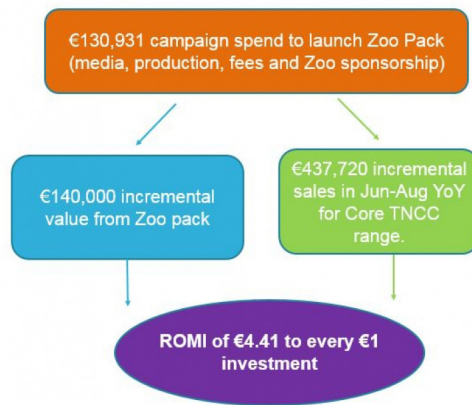
(Source: 'A Roberts: The medium-term sales effects of television advertising. European Advertising Effectiveness Symposium, Copenhagen, June 2001)

To show consideration of discounting factors, we did not outspend our competitors (see Figure 12).

As Figure 12 demonstrates, both Nestlé (Rowntrees) and Haribo were much more active in this period than in the previous year and Rowntrees were running an on-pack promotion to give people a chance to win a trip away. There were no on-pack promotions for TNCC.

Finally, we previously mentioned the price differential between TNCC and Haribo, and Figure 13 shows that this was maintained over the campaign period, there was no discounting of TNCC or conversely price increases of Haribo that could have impacted the results.

Figure 14: Basic ROMI



RESULTS

Calculating Payback

Our investment for the launch campaign was €130,931. This includes 3 months' worth of Zoo sponsorship, our 5 weeks of TV and VOD, paid social media, PPC, agency fees and the Moondance creative costs.

We can attribute the €140,000 incremental value sales generated from the launch to this campaign. We can also attribute the increase in the core range value sales over the 3 months, which is €437,720.

At a simple level, therefore, our Return on Marketing Investment (ROMI) works out at 1: 4.41. We made €4.41 for TNCC for every €1 invested, illustrated in Figure 14.

IMPACT ON BEHAVIOURAL ACTIVITY AND PAYBACK

Mondelez did not invest in any qualitative research or brand tracking in Ireland that we can source in terms of the impact on behavioural attitude. However, the large effects on sales that the campaign had do suggest a clear behavioural shift.

In the run-up to August 2014, TNCC's communication clearly was not doing enough to differentiate the brand in the eyes of consumers; it was not giving them a reason to pay the price premium and stop reaching for those €1 packs of Haribo.

Our strategy was formed from a genuine insight that no candy brand was at the heart of family time and we found a way to start interacting during one of those seminal Irish family moments, at Dublin Zoo. Launching a unique pack based on Dublin Zoo and creating completely local, engaging advertising, supported by an engaging social media campaign, meant that our communication was now clearly differentiated for our consumers.

The success of the pack launch and the large uplift on core sales suggests that we were right. By being at the heart of family time, we did connect with our target audience and it did make them, in their droves, specifically choose the higher priced TNCC pack over the cheaper options.

This case ends in September 2015 but there is empirical evidence to suggest that the effects on behaviour could be more far-reaching. An effectiveness report (Source: A Roberts: The medium-term sales effects of television advertising. European Advertising Effectiveness Symposium, Copenhagen, June 2001.) found that 'people who bought a brand at normal prices were 14% more likely to buy it again than those who bought it when discounted'. The study also showed that advertising effects over 12 months can be as much as 2.5 times larger than the initial sales uplift.

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NEW LEARNINGS

What we learnt from this campaign is that you do not need to follow standard processes or models in response to a client brief. A media idea can be the spark itself to set the brand off in a whole new direction. Even if the brand does not have the creative assets or a vision of how to turn itself around, the local agency can overcome these barriers and be the catalyst to change. PHD tore up the rule book and turned standard marketing process on its head. It was tiring and challenging, but it was rewarding and most importantly, it was effective.

SUMMARY

PHD Ireland delivered, with a €131,000 budget, the most successful ever launch for The Natural Confectionery Company. This success is the final part in the puzzle of a wider story...

By disrupting the status quo and turning the standard marketing process on its head, we brought a declining brand back into growth. The success of a sponsorship led to the creation of a brand new product, and the campaign developed to launch that product delivered double digit value sales growth.

The initial sponsorship was of Dublin Zoo's elephants. The partnership and supporting activations quickly proved themselves in sales. The brand manager convinced his international leads to allow him to launch a new Dublin Zoo TNCC pack to leverage the sponsorship.

Despite being told to use international creative, PHD convinced Mondelez of the need for a bespoke campaign for this product. Working within a low budget, we created five TV ads that showcased unique footage of the elephants and promoted the pack. Special VOD edits maximised impact by channel. The final TV ad included user generated content from a supporting Facebook campaign. We reached 89% of our Housekeeper with children audience with our AV campaign.

In summary, the innovative response to the business problem was followed up with a standout campaign within low budget parameters to launch this new product and delivered TNCC's most successful product launch, with a halo effect of double-digit value sales growth across the rest of the range.

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MEDIA GALLERY

Still from Dublin Zoo Bath Time Ad

