

Cadbury Dairy Milk: Combining science and art to maximise effectiveness



PHD

AGENCY



CLIENT



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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.



Dunphy & Giles



Joy Tree

INTRODUCTION & BACKGROUND

Cadbury Dairy Milk (CDM) is Ireland's most loved chocolate brand and is known for memorable creative campaigns that surprise and delight its fans. The Gorilla and The Eyebrows ads, which were created centrally, are still referenced years later and campaigns developed locally in Ireland, such as Dunphy & Giles and The Joy Tree, connected Irish consumers to the brand, generating mass reach, local excitement and conversation.

Cadbury Ireland has had success in previous ADFX awards, winning Gold in 2012 and Silver in 2014, and this is testament to their continuous embedding of effectiveness measures to test, learn and evolve all of their campaigns.

However, this isn't the story of Cadbury investing in another large budget creative execution to run a burst campaign or launch a product. It is instead a story of their media agency, PHD, collaborating with Cadbury to realign the brand strategy in Ireland by unlocking the Science and the Art of advertising.

In 2015, Cadbury were without a local creative agency and struggling to grow in a stagnant market. An over-reliance on in-store promotions to bolster sales and increasing costs meant that revenue and profits were being eroded.

PHD undertook a strategic review of spend, and backed with empirical data analysis, proposed a growth model that took a broad annual campaign view as opposed to a traditional campaign by campaign approach.

INTRODUCTION & BACKGROUND

We layered this budget setting work with a couple of very creative proposals for hero brand campaigns in Q1 and Q3/Q4 to bookend the year with extra support. Our innovative campaigns allowed us to take international campaigns and localise them, to retain that Cadbury magic in ways that, combined with our smart planning, we believed would maximise return on investment. The aim to flex our analytical and creative minds set the scene for a challenging but incredibly rewarding year for Cadbury Ireland and PHD.

Figure 1:

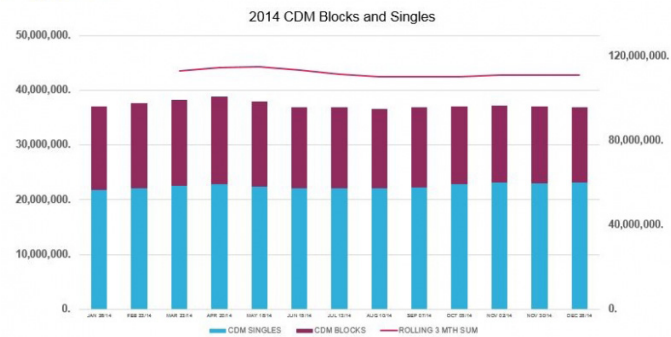
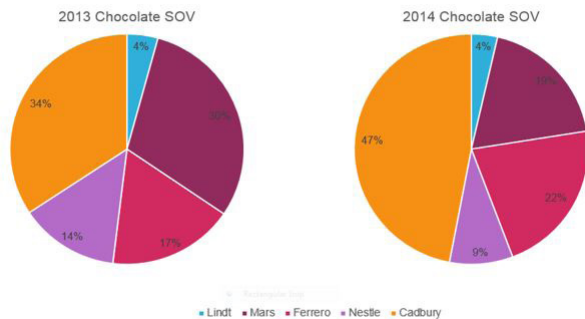


Figure 2:



MARKETING OBJECTIVES

At the start of the 2015 planning process, we clearly outlined our objectives to keep the brand managers and agency team focused on the task in hand.

i. Commercial Objectives

The end of the recession and rising consumer sentiment had a positive impact on retail, with a 2.5% increase in grocery sales and 1.8% in FMCG sales in general. (Source: Kantar World Panel)

However, the chocolate market had only grown by 0.4% (Source Nielsen Scantrack). Cadbury Dairy Milk sales (reported as blocks and singles) were more or less stagnant, with the flat shape of sales illustrated in Figure 1.

This flat value sales performance was despite a price increase and a 13 percentage point increase in share of voice (SOV) for Cadbury within the chocolate category.

The increase in SOV and a couple of very well-received campaigns (such as Dunphy & Giles) meant we were able to counteract any negative effects from the price increases, but did not do enough to allow us to out-perform the market.

Cadbury Ireland had been set a task by Mondelez Europe to grow Cadbury Dairy Milk value sales by 3% in 2015. This was extremely ambitious in light of the fact that this target was on top of implementing a price increase across the year (more on this later).

MARKETING OBJECTIVES

ii. Marketing Objectives

The trend for confectionery producers is a constant rotation of product innovation and in-store promotions/ discounts to entice consumers to choose their brand over another at the point of purchase. In 2014, 77% of the sales of Cadbury Dairy Milk were during in store promotional periods. The marketing objective was to improve the effectiveness of communications in order to increase the base sales of the Cadbury Dairy Milk product. The test would be to reduce the number of in store promotions and try to deliver a more profitable and sustainable year of sales for Cadbury.

iii. Communication Objectives

These were very closely linked to our marketing objectives – we needed to grow the base sales of Cadbury Dairy Milk by finding a more effective way to deploy the advertising budget.

iv. Internal Objectives

Since the Kraft and Cadbury merger and the creation of parent company Mondelez, the local marketing team was under increased pressure to align with Mondelez Europe in terms of their communications. This is one of the reasons that Ireland was forced to resign their local creative agency. We set ourselves the internal target of using 2015 to prove that Ireland performs best when left to make its own budgeting decisions and that localised campaigns out-perform campaigns that are just a lift and drop of international creative.

MARKETING OBJECTIVES

In summary our objectives were:

Commercial Objective – Grow Cadbury Dairy Milk value sales by 3%

Marketing Objective – Achieve commercial objective by improving efficiency of communications and reduce reliance on in-store promotions

Communication Objective – Deploy annual budget more effectively in order to grow the base sales of Cadbury Dairy Milk

Internal Objective – Prove the effectiveness of localised planning to future proof the autonomy of the local marketing team

THE TASK

Our objectives needed to be achieved in the face of several barriers:

1. Price increases and predicted sales decrease

Due to the weakened euro exchange rate and rising commodity costs, the business had decided that they needed to pass commodities-driven price increases in 2015 onto retailers. When they made this decision, they engaged a 3rd party econometric modelling company called D2D to estimate the impact on sales. Econometric modelling predicted that sales would fall by 11%. So in order to achieve our 3% sales increase target, we'd actually need to outperform predicted sales by 14%.

2. Weakened sales team

There is intense competition between confectionery manufacturers to win share of shelf in store. This is part of the reason why there has been an over-reliance on promotions: it is an easy way to reassure retailers that there will be large volume sales of a product over that period. In order to try and support the marketing team's efforts to reduce the number of in-store promotions, we would need the sales team to work harder than ever on their relationships with the buyers, to ensure maximum shelf space.

However, as was widely reported in the press, Mondelez have made a large number of redundancies in Ireland over the last few years. Hardest hit were the sales force, with a **33% reduction in headcount** in 2015.



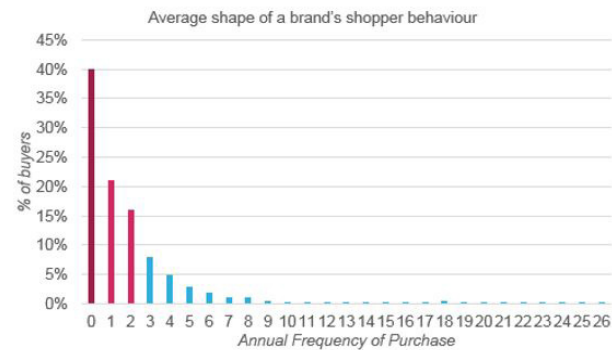
THE TASK

3. No local creative budget

With the loss of the local Irish creative agency in 2014, there was no local creative budget for 2015. Both PHD and the Irish marketing team believed that along with smart planning, localisation of key campaigns would be crucial to maximise success. However, we would need to take any creative development costs out of our media budget.

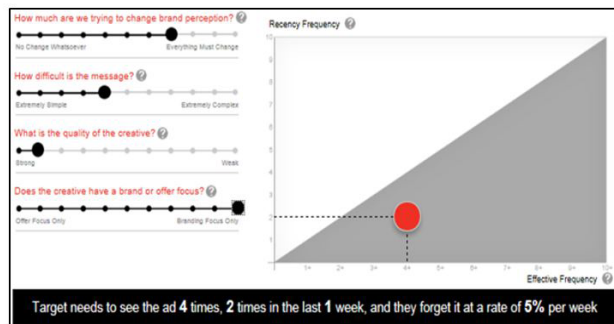
Beyond the budget issues, we would need to step beyond our remit as media agency and find ways to manage any creative development ourselves, whilst maintaining the high standard of output that both Cadbury and consumers were accustomed to.

Figure 4:



Source: How Brands Grow – Byron Sharp

Figure 5:



THE STRATEGY

We referred to our strategic planning as “**Rebuilding the Cadbury House**”, and here we started to combine **Science and Art** to plan out the year.

The Art element relates to the look of the brand house, the feeling it evokes that in turn elicits a buying trigger. The Cadbury brand has been evolving this for over a century, but experience in Ireland suggested a local design resonates best with consumers.

The Science element of Rebuilding the Cadbury House meant ensuring a solid planning framework was in place, borne from empirical data of buying habits and the impact of advertising on choice. The learnings in particular of the Ehrenberg-Bass Institute were insightful as a starting point.

One of the most crucial empirical findings from the institute is that the majority of people who buy a specific brand only purchase you once or twice in a given period (Figure 4). However, as average category buyers, they will also buy competitors at a similar frequency.

The most effective way to grow your brand is to attract more of these light buyers than competitors. In order to do so, a mass reach strategy aligned to purchase cycle behaviour - in CDM’s case, a 14-day cycle on average (defined from Dunhumby data) - is required vs. niche target marketing. This allows us to be salient at almost every purchase decision across the year.

Our first strategic decision was to move to Continuity Planning for the Cadbury Dairy Milk brand. We approached this by working out the minimum frequency of viewing required for each product burst (non-CDM products such as Crunchie and Boost) by using an Omnicom planning tool (example in Figure 5) and bought the exact number of ratings needed to hit this frequency.

By tightening up the efficiency of our product bursts, we were able to free up additional budget, to reinvest into CDM, whilst still achieving our reach and frequency objectives for each product burst.

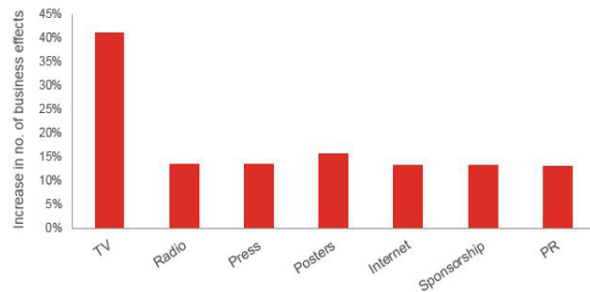
THE STRATEGY

For the Art, we wanted to make sure we bookended our continuity activity with stand out, local campaigns, to really embed the brand into consumers' consciousness and increase consideration via active engagement with the brand.

We identified two opportunities to do this. Firstly, in February there would be a large in-store push to drive sales across 11 key Cadbury Dairy Milk products, with a campaign called Flavourisms. The issue was that the UK creative only supported 7 bars, as they have a lower number of Cadbury Dairy Milk variants in UK. It was an obvious place for us to demonstrate our 'art' and create a bespoke, Irish campaign.

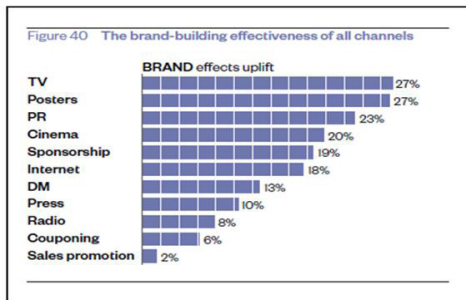
Secondly, we wanted to give the year a really strong finish, so utilising the budget freed through budget re-allocation exercise, we recommended that Cadbury take sponsorship of the X Factor. We were determined to deliver a best in class, 360-degree sponsorship that went beyond a simple badging exercise.

Figure 6:



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

Figure 7:



Source – Les Binet

THE IDEA AND COMMUNICATIONS ACTIVITY

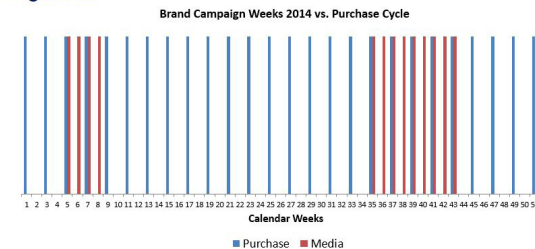
The Science

We knew from Ehrenberg-Bass that we needed to maximise our brand's mental availability - to reach as many shoppers as possible in line with their purchasing cycle to bring the brand to front of mind at point of purchase.

We also knew that from both a brand-building and direct response perspective, TV remained the most effective medium, as demonstrated in Figures 6 and 7.

To maximise mental availability, we directed a clear shift in our brand flying strategy and support levels. We moved from the shape in Figure 8 in 2014:

Figure 8:



to this in 2015:

Figure 9:

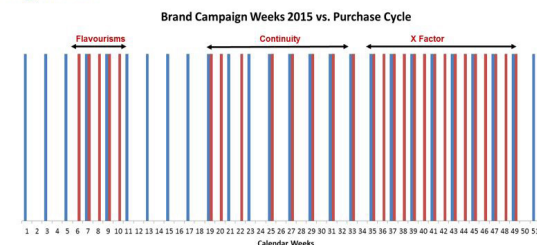




Fig. 1

THE IDEA AND COMMUNICATIONS ACTIVITY

Total weeks of brand support increased from 13 weeks to 27 weeks. AV weeks increased from 9 weeks to 27 weeks, a total increase of 200%.

We planned each week to deliver 1+ frequency across a section of category buyers (proven by OHAL Econometric data to be the optimum efficiency 1+ reach for a campaign) and supported this with VOD to add another 2 percentage points of reach. For this continuity AV campaign, we used the UK brand assets. (See fig. 1)

The Art

We bought the art element of our strategy to life with two important local campaigns that book-ended the year for CDM:

Local Campaign 1 - Flavourisms

Creative strategy:

Cadbury Ireland needed a strong Q1 campaign (Feb and March) and PHD proposed that we would create a stand-alone, Irish campaign that would hero each of the 11 bars individually, as opposed to the seven bars being used in the UK creative.

The crux of our campaign was built upon our social insight that **“experiences have usurped consumer goods in the fight for social status”**.

Our proposal was for Cadbury to encourage consumers to experience something new in their daily routine - whether that be to talk to someone on their commute, sign up to a yoga class or indeed, try a different bar of Cadbury's chocolate.

THE IDEA AND COMMUNICATIONS ACTIVITY

The core of our campaign was the first distinctly Irish, non-European owned, PHD managed, Cadbury website: www.freethejoy.ie

The site hosted a unique vault format where users selected the bar they loved, the bar they liked and the bar they wanted to try, in order to “unlock the vault” and have the chance to win an amazing experience prize such as a hot air balloon ride, spa weekend or 4x4 driving experience.

The competition spanned 11 days, with 11 prizes given away, and by heroing one of the 11 bars each day, ensured that the full range was showcased.

Use of channels:

The main AV campaign utilised the UK creative, but we changed the endframe on TV and VOD to encourage people to visit www.freethejoy.ie

Additionally, we rotated messaging for a different bar each day across various digital formats, including commuter route digital outdoor and large online formats.

We negotiated a partnership with Microsoft, who would create the website and also create a large number of digital assets for use as we saw fit, thus covering the lack of a local creative agency very cost effectively.

Our biggest innovation was finding a way to bring this local campaign to life in broadcast media i.e. TV and radio. We launched a media first in that we built user generated ads across TV and radio that rotated over 11 days.



Selection of Flavourisms Local Campaign Creatives in Situ





Experience 'Free The Joy'
cadburysfreethejoy.ie
Come To Cadbury's Exciting New Site
And Win A Great Experience.

THE IDEA AND COMMUNICATIONS ACTIVITY

Partnering with TV3, Today FM and Newstalk, we hired Martin King (a well-known Irish TV News Reader) to be the face and voice of the “Cadbury Dairy Milk Dispatch” where he updated the nation each evening on what new experiences people had tried, what the public had discussed on social media, who had won yesterday’s prize and what prize was up for grabs tomorrow. Special radio edits were then created to run each morning, during drivetime.

Finally, we used PPC to serve relevant ads to those searching for Cadbury brand terms, or our website, but also to people who were searching for ‘things to do’ or adventure experiences etc.

THE IDEA AND COMMUNICATIONS ACTIVITY

Local Campaign 2 - X Factor

As the winter draws in, Saturday night TV becomes a central treat occasion that CDM was perfect for. We recommended sponsoring the ratings juggernaut X Factor as it consistently delivers high reach across a range of audiences for 17 weeks.

From the outset, we were intent on setting a new standard in media sponsorships in Ireland and delivering a truly unified, innovative and exciting campaign.

Creative Strategy:

The Dunphy & Giles campaign in 2014 showed that Irish consumers reacted well to humorous, localised content from Cadbury and we wanted to bring a fresh approach to this tactic.

As luck would have it, the very popular Irish judge on X Factor, Louis Walsh, decided not to return as a judge in 2015, but we decided that we could Free The Joy for the country by bringing him back!

Filming in Ranelagh in Dublin, FleishmanHillard PR shot a piece with Louis showing how unhappy Saturday nights would now be for him, until he discovered some Cadbury Dairy Milk, prompting a dancing lip-sync routine in his kitchen to sound of the CDM anthem "Yes Sir, I Can Boogie". He is then interrupted by a phone call, ending in him announcing, "I'm back!"

In addition, FleishmanHillard created a separate set of 10" intro/outro stings starring Louis. There were both standard and seasonal CDM variations, allowing us to put Louis at the heart of Irish Saturday family time as the sponsorship progressed.



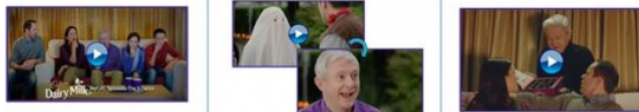
Screenshots from Louis Walsh Launch Video



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Example Screenshots from 10" X Factor Stings



Example Screenshots from 5" X Factor Stings



TV3 & Cadbury Sponsorship Agreement

- Stings across X Factor, Xtra factor and repeats
- A 2 week promo across TV3 and 3e giving people the chance to win tickets to The X Factor courtesy of Cadbury
- Sponsorship of a weekly X Factor review slot on a Monday on Xpose (peak TV entertainment show) once live shows commenced and on Ireland AM (daytime TV show). This created bespoke Irish content for our audience.
- Logo branding on tv3.ie/x.factor page
- 5 second pre-roll sting on all X Factor catch-up on 3player
- Ownership of display positions on X Factor microsite
- Logo on header of TV3 X Factor Facebook page
- Branded wallpaper on TV3 X Factor Twitter page
- Weekly commercial post on TV3 X Factor Facebook and Twitter accounts
- 2 commercial inclusions in 3View, TV3's online newsletter

THE IDEA AND COMMUNICATIONS ACTIVITY

You can watch the several of the stings in the attached YouTube files or here:

<https://www.youtube.com/watch?v=IdK5Uv3BgnI>
<https://www.youtube.com/watch?v=I5OavDXFb5c>

As the campaign was running over a 3-month period, we needed to ensure that the stings didn't become wallpaper to viewers and a suite of 5" product stings was also produced. These linked the brand into the unique aspects of X Factor itself – for example, product bags queuing up at the barriers waiting to audition, or the judging panel with 4 different Dairy Milk flavours.

Channel Selection:

To make this a 360-degree activation, we developed a fully cross platform partnership with TV3.

On the Thursday before the X Factor series started (27th Aug), at 9pm, we launched the Louis video across every Irish terrestrial station, and in all cinemas nationwide. Our roadblock reached over 553,000 people in one hour.

The 'Louis Launch' video can be viewed in the attached YouTube link or here - <https://www.youtube.com/watch?v=OHhunPO3FQw>

The morning after the AV launch, we ran a series of high impact home page takeovers across YouTube and various news sites to ensure strong digital 1+ reach for those who had not yet seen the ad.

PHD leveraged our relationship with DMG Media and offered them an exclusive interview with Louis Walsh if they agreed to run the story on www.dailymail.co.uk (usually only UK content runs on this site, you can only buy Irish ads but not any features) which guaranteed not only an Irish daily reach of 183,000 but also that the story would spread to the UK, increasing the fame of Cadbury Ireland's campaign.

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THE IDEA AND COMMUNICATIONS ACTIVITY

DMG Media also ran an exclusive in The Mail on Sunday with front-page promotion. (Fig 2)

We negotiated full in-store promotional rights with the X Factor production company, FremantleMedia. This was the first time that exclusive Irish rights had ever been granted to an X Factor sponsor, meaning Cadbury could fully activate across all retailers. Our deal also helped to incentivise the retailers; Cadbury ran a competition for the most innovative store to win a 'meet and greet' in-store with Louis. (Fig 3)

Throughout the campaign, we promoted engaging social content on Facebook and Twitter. (Fig 4)



Fig. 2.

Example In Store Activations



Fig. 3



Fig. 3

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Figure 10:

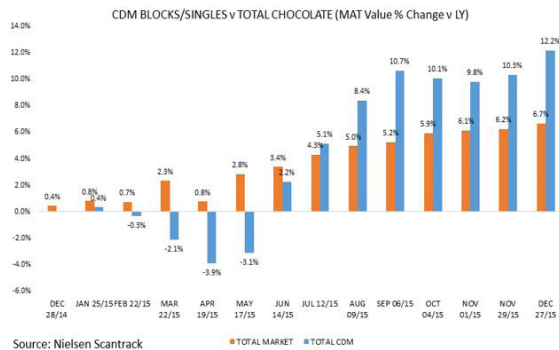
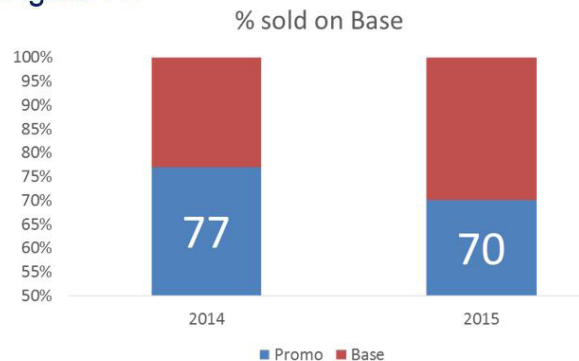


Figure 11:



RESULTS

Commercial Objective:

Commercial Objective – Grow Cadbury Dairy Milk value Sales by 3%

Result: Cadbury Dairy Milk value sales grew by 4x the target at 12%

By year end, the moving annual total value sales for CDM had grown by 12%. With a prediction of an 11% decline, we out-performed the econometric model by 23 percentage points and delivered 4x more than internal target, even while lapping an incredibly successful NPD in Mar-April 2014, which was not replicated in 2015.

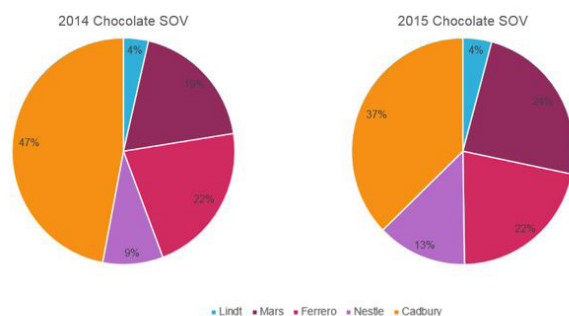
Marketing Objective:

Marketing Objective – Achieve commercial objective by improving efficiency of communications and reduce reliance on in-store promotions

Result:

We achieved the results above whilst reducing sales on promotion. Base sales rose by 30% year on year, as illustrated by Figure 11.

Figure 13:



Source – Nielsen Addynamix

NB – We added on our X Factor sponsorship to calculate 2015 SOV figures as Addynamix does not capture sponsorships.

RESULTS

Communication Objective:

Communication Objective – Deploy annual budget more effectively in order to grow the base sales of Cadbury Dairy Milk

Result:

We are confident that it was the result of our advertising effectiveness that drove these results, having considered the following discounting factors:

Budget/SOV

Overall, our total marketing budget for CDM reduced slightly (by less than 1%). However, our media spend as a proportion of that budget did increase, by double digits. This is because by utilising UK creative for the majority of the year for continuity, and a lot of the creative for the two local campaigns being managed by PHD and outsourced to media owners, Mondelez were able to make massive savings in creative costs.

Despite our increased media budget, overall there was a resurgence in spend from our competitors which saw our overall SOV decrease quite dramatically. Figure 13 shows that our SOV fell by 10 percentage points.

Figure 14:

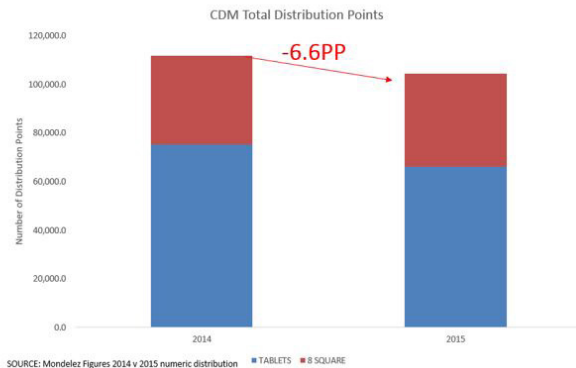
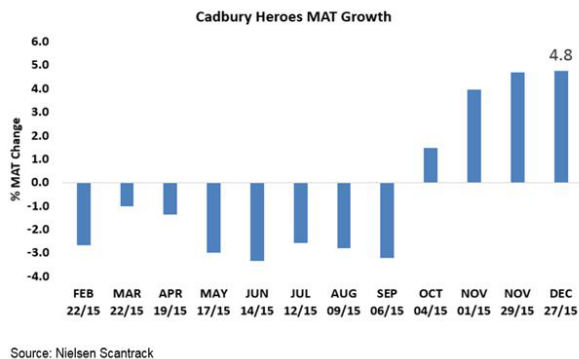


Figure 15:



RESULTS

Distribution

The results weren't driven by increased distribution. Cadbury's distribution as market leader is understandably quite strong but they lost 6.6 percentage points in distribution due to product deletions, which means average sale per distribution point had to increase as shown in Figure 14.

Impact on rest of Cadbury portfolio

The iconic Cadbury Heroes range, including Crunchie, Double Decker, Boost, Wispa and Twirl compete with the singles range of CDM as an 'On the Go' snack. Figure 15 shows that by the end of 2015, the Moving Annual Total for this range had grown by almost 5%, showing no cannibalisation impact on the remaining portfolio.

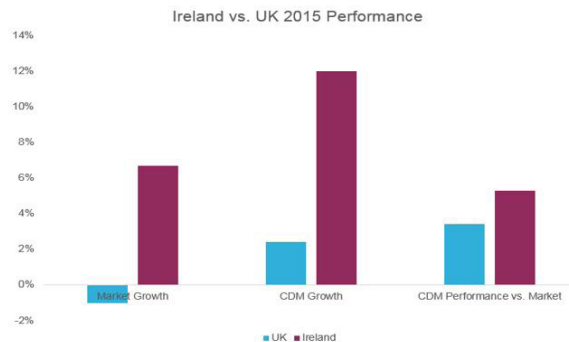
Internal Objective:

Internal Objective – Prove the effectiveness of localised planning to future proof the autonomy of the local marketing team

Results – UK results and response from UK and Zurich confirmed that we had proven ourselves very effectively here also

We were very encouraged to see as we tracked the year that we were consistently out-performing our

Figure 16:



RESULTS

UK counterparts who had retained their burst/product strategy. Figure 16 illustrates this.

Ireland's success also led to the UK deciding to implement continuity planning from the end of Q3 and it is a key pillar of their 2016 planning approach.

Glenn Caton, Mondelez Category Vice President of Northern Europe, recently singled out Cadbury Ireland in a cross-market presentation, saying:

"The Ireland team have combined world class consumer marketing with outstanding sales execution to transform not just a brand segment but an entire category. Their holistic planning and execution is a first class case study for how to take a steadily declining big business and revitalise it – adding strong top line growth for the brand and the category."

Associate Professor Rachel Kennedy at the Ehrenberg-Bass Institute also commented on the brilliant work that Cadbury Ireland did in 2015:

"Congratulations to Mondelez Ireland for their move to being evidence based marketers, as detailed in their 2016 ADFX awards submission. The team's objective of driving penetration is consistent with the science of brand growth, along with how it was activated, specifically through year long mass reach media presence. It is apparent that Mondelez understand the importance of mental availability and their 2015 business performance is testament to their ability to apply marketing science into business decisions."

RESULTS

Payback

The MAT 12% increase in value sales for 2015 equates to €4.5 million CDM value sales.

Based on the discounting factors outlined, we are confident that our shift in advertising approach and re-focus of budgets delivered these incremental sales for the business.

With a total marketing investment that includes all media, production, fees and point of sale this gives us a healthy return on investment of

€1: €3.45

Unfortunately, as Mondelez is a listed company, they are unable to share profit margins with us. However, by starting to help shift them away from reliance on in-store promotions and the fact that these figures were achieved in the face of severely diminished SOV, we are quite confident that the work done for the brand contributed to an increasingly profitable business model for CDM.

Figure 17:

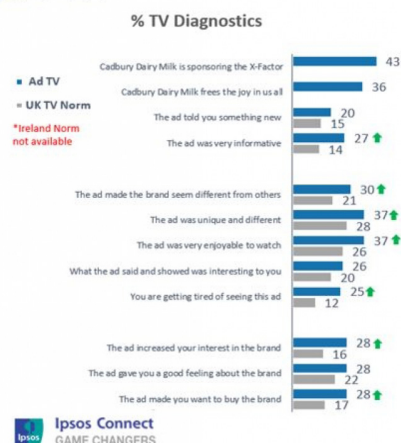
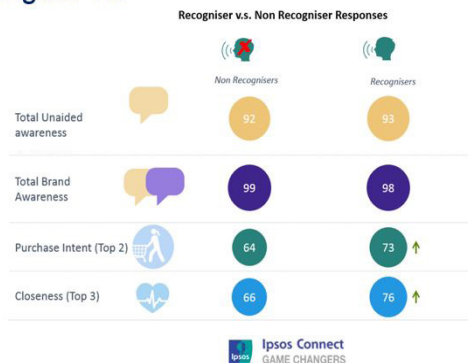


Figure 18:



IMPACT ON BEHAVIOURAL ACTIVITY AND PAYBACK

The large shift in value sales at 12% growth vs. expected 11% decline suggests a significant change in consumer behaviour. It suggests our continuity approach and localised, engaging campaigns did convert light or non-purchasers as such large growth figures are unlikely to be driven from a smaller number of loyal customers increasing their frequency of purchase.

Unfortunately, there was not any brand tracking research carried out in Ireland this year for us to reference. However, Mondelez did commission some detailed qualitative research into the X Factor sponsorship which backs up our hypothesis that our communication was having a clear effect.

Figure 17 shows that the X Factor sponsorship outperformed the norms for every single category. It differentiated the brand (42% above the norm), gave a good feeling about the brand (27% above the norm) and it made people want to buy the brand (65% above the norm). The only out-performance that was negative was for people 'getting tired of seeing this ad' but that is a likely inevitability of a sponsorship that is on twice a week for a 17-week period.

Figure 18 shows that these positive diagnostics did translate into something more tangible. Comparing recognisers of the X Factor Cadbury sponsorship vs. non-recognisers, it is unsurprising that there was little effect on awareness of the Cadbury Dairy Milk brand, as it is already fairly ubiquitous; with unaided awareness scores of 98/99%, you can't really expect a shift.

However, purchase intent increased by 14% and brand love by 15%, so we can use this study as proof to support our hypothesis that our localised content did have an impact on sales.

NEW LEARNINGS

2015 taught us, and Cadbury, that even for the biggest brands and long-term media partners, there are always new ways to do things and new ways to improve effectiveness.

By spending time analysing data and empirical evidence, we were able to re-plan our annual activity rather than relying on processes and budget allocation tools of the past. By stepping out of our remit as media buyers and pro-actively proposing creative solutions to local campaigns, we combined science and art in a way that delivered return on investment and best in class performance within Mondelez Europe.

SUMMARY

Faced with stagnant value sales growth, price increases and without a local creative agency, Cadbury Ireland's Media Agency, PHD, set out to combine the best that advertising has to offer – **art and science** - to drive the flagship Cadbury Dairy Milk brand back into growth.

By undertaking a budget re-allocation project based on empirical data analysis, we used the **Science** of media to flight our communications in the most effective way possible; aligning to consumer purchase cycles. We layered this scientific approach with our **Art** – creative proposals for special campaigns to bookend the year. We took international campaigns and delivered local, relevant creativity through exciting media solutions that engaged and most importantly, performed.

This combination of science and art led to 12% value sales growth and the UK market implementing learnings from Ireland while using us as a benchmark for best practice.

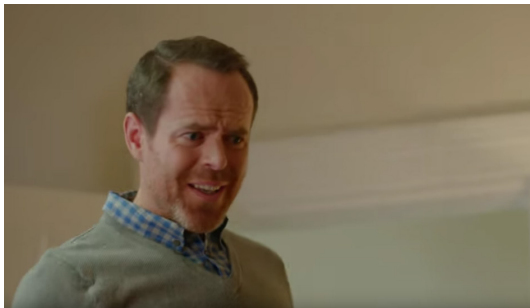
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PHD

MEDIA GALLERY



Louis Walsh - Halloween



Louis Walsh - Don't Mind If I Do!



Louis Walsh - Yes Sir I Can Boogie

