strategy™

bold
vision
brand
new
ideas

NOW IN THEATRES
& EVERYWHERE ELSE

BRANDS OF THE YEAR

Starring

Cineplex
President's Choice
Simons
Lilly Singh
The Drake
Hellmann's

ALSO PLAYING

IKEA'S FORTY CANDLES
THE GOOD, THE BAD AND THE FUTURE OF PRINT

PG GENERAL

OCT 2016 • $6.95

A PUBLICATION OF BRUNICO COMMUNICATIONS LTD.

In June 2015, the governing body of the internet, ICANN, made the top-level domain .SUCKS available, which means anyone can buy anything – any name, any person, any company, any brand, any product – with the extension .SUCKS on the end of it.

This new reality has created quite a bit of fuss.

Now on the one hand you have some people saying that selling .SUCKS domains is incredibly offensive, which seems a bit extreme. And on the other hand you have some people saying that owning .SUCKS domains is the key to unlocking the healthy debate and discussion required to make things better and create progress. Which might be a bit ambitious.

No matter where your POV falls on that spectrum, we think one thing is for sure:
It shouldn't be ignored.

So GetYour.SUCKS domain today.
(and maybe give your clients and your brands a heads-up to do the same).

OCTOBER 2016 • VOLUME 27, ISSUE 6

Cineplex's "Lily & the Snowman" video was the emotional anchor of its new positioning and helped make it one of our Brands of the Year.

ILLUSTRATION: GRACIA LAM

ON THE COVER: This year we decided to admit six companies into the Brand of the Year box. One of those brands is Cineplex, the inspiration behind our movie ticket cover, created with the help of its agency, Zulu Alpha Kilo, and featuring A-list stars (our other top brands). Heck, if Cineplex can dress beach towels up as tickets, who says we can't create our own (not redeemable for anything) stubs?

If you're not careful, you can lose the mojo

Ian Mirlin says soul has left the building. He worries, in his Forum column (p. 49), that the intangible spark that triggers emotion – like Apple's 1984 launch ad – is being dimmed by all the shiny tech and science.

And if you do manage to forge a powerful connection, the true test of soul is backing it up and making sure the brand delivers on that promise for the long haul – while constantly innovating and expanding.

Our Brands of the Year backed it up.

A boutique hotel with a trendy restaurant opens a gift shop that turns into a retail brand with a wider footprint than its hospitality origins. Its merch is hosted at Canada's flagship department store, e-com kicks in and more buzzy hotels and restaurants launch. And they have to be cutting edge arty cool in every channel, every day. That's the Drake's ongoing challenge as they vie with the likes of Vice as a curatorial lifestyle brand.

PC is a store brand that defied all laws of housebrandness to become the premium products and segue from cookies to banking. They put a bow on it with the PC loyalty program, asking people to load coupons – EXTRA STEPS! – which sounds crazy but is actually crazy genius from a data POV.

Our Ikea retrospective sifts through 40 years of quirk to see how a design-for-the-masses furniture retailer managed to become iconic and move further upscale than its cheap-as-chips origins, despite a lot of barriers.

What's in common? Attitude. And conviction.

Back when *strategy* relaunched in 2004, the same year the Drake reopened, the first issue was on Brand Attitude. The Attitude list included agencies like Taxi and Rethink and brands like West Jet and ING. All had something inherently quirky and gutsy at the core.

Loblaws was on the list "because it dares to be more than a supermarket" and "embraces new ideas with the suppleness of a youngster." The PC success story kept adding chapters and now that retail is more complicated (in a word: omnichannel), the investment in developing kickass products and building desire for them in the bold style of *Seinfeld*'s J. Peterman, spinning foodie tales of discovery in exotic lands, is even more rewarding than was likely envisioned.

The key to building a brand that stands out is what then-Taxi president Rob Guenette called the "force of conviction." Singled out in the feature as a rare specimen, a client-turned-agency boss with passion for gutsy marketing, his advice was this: you need "an unwavering belief in the idea and make sure it doesn't get chipped away or denigrated."

At their core, these brands have a spunky ethos that opens the door to new platforms, partnerships and even categories of business. As Mirlin puts it: "Brands still return ROI when we're courageous, meaningful and patient." But on the flip side, PC Financial brand steward Andy MacPherson says, "If you're not careful you can lose the mojo."

Cheers, mm
Mary Maddever, publisher, *strategy*, *Media in Canada* and *stimulant*

strategy

OCTOBER 2016 VOLUME 27, ISSUE 6
strategyonline.ca

VP, PUBLISHER | **MARY MADDEVER** | mmaddever@brunico.com
ART DIRECTOR | **TIM DAVIN** | tdavin@brunico.com
ACTING EDITOR | **JENNIFER HORN** | jhorn@brunico.com
SPECIAL REPORTS EDITOR & COPY CHIEF | **MARK BURGESS** | mburgess@brunico.com
NEWS EDITOR | **HARMEET SINGH** | hsingh@brunico.com
REPORTER | **JOSH KOLM** | jkolm@brunico.com
CONTRIBUTORS | **JOHN BRADLEY** | **MEGAN HAYNES** | **VAL MALONEY** | **IAN MIRLIN**
ASSOCIATE PUBLISHER | **LISA FAKTOR** | lfaktor@brunico.com
ADVERTISING SALES SUPERVISOR | **NEIL EWEN** | newen@brunico.com
ACCOUNT MANAGER | **JANE TESAR** | jtesar@brunico.com
MARKETING CO-ORDINATOR | **ALEX KHOTSIPHOM** | akhotsiphom@brunico.com

CORPORATE
PRESIDENT & CEO | **RUSSELL GOLDSTEIN** | rgoldstein@brunico.com
VP & EDITORIAL DIRECTOR | **MARY MADDEVER** | mmaddever@brunico.com
VP & PUBLISHER, REALSCREEN | **CLAIRE MACDONALD** | cmacdonald@brunico.com
VP & PUBLISHER, KIDSCREEN | **JOCELYN CHRISTIE** | jchristie@brunico.com
VP ADMINISTRATION & FINANCE | **LINDA LOVEGROVE** | llovegrove@brunico.com

PRODUCTION & DISTRIBUTION MANAGER | **ANDREW MAHONY** | amahony@brunico.com
CUSTOMER SUPPORT SUPERVISOR | **CHRISTINE MCNALLEY** | cmcnalley@brunico.com

HOW TO REACH US
Strategy, 366 Adelaide Street West, Suite 100, Toronto, Ontario, Canada M5V 1R9
Tel: (416) 408-2300 or 1-888-BRUNICO (1-888-278-6426) Fax: (416) 408-0870
www.strategyonline.ca

CUSTOMER CARE
To order a subscription, visit strategyonline.ca/subscribe. To make a change to an existing subscription, please contact us by email: strategycustomercare@brunico.com.
Tel: (416) 408-2448 Fax: (416) 408-0249. PO BOX 369 Beeton ON L0G 1A0.

SUBSCRIPTION RATES
STRATEGY IS PUBLISHED EIGHT TIMES PER YEAR BY BRUNICO COMMUNICATIONS LTD.
In Canada: One year CA$80.00 Two years CA $144.00
(HST included. Registration #856051396 RT)
Single copy price in Canada is CA$6.95. Please allow four weeks for new subscriptions and address changes.

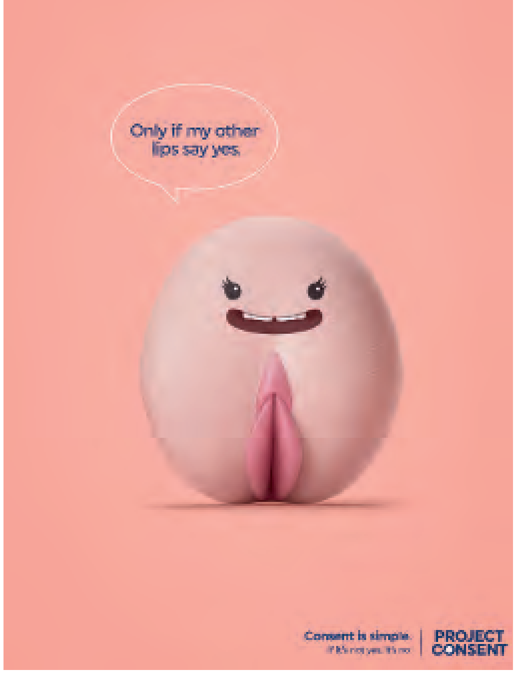
POSTMASTER NOTIFICATION
Canadian Postmaster, send undeliverables and address changes to: Strategy, PO BOX 369, Beeton ON L0G 1A0 strategycustomercare@brunico.com
U.S. Postmaster, send undeliverables and address changes to: Strategy PO BOX 1103 Niagara Falls NY 14304 Printed in Canada. Canada Post Agreement No. 40050265.
ISSN: 1187-4309.

Member of CCAB

Canada

We acknowledge the financial support of the Government of Canada through the Canada Periodical Fund of the Department of Canadian Heritage.

IMAGES THAT TAKE YOU PLACES
500px
Find stock photos from around the world at marketplace.500px.com
Take 15% off your order with code **STRATEGYX**
PHOTO 43220596 BY ANDREW TAY
PHOTO 95724767 BY FRITHJOF STÜCKEMANN



PROJECT CONSENT WINS BIG AT PROMO! AWARDS

By **Harmeet Singh**

A simple message with some bold animation led to a Best of Show at this year's Promo! Awards, held by CAPMA (Canadian Agencies Practising Marketing Activation) in Toronto.

Juniper Park\TBWA's "If it's not yes, it's no" campaign for Project Consent got the top recognition at the September gala, along with a Gold in the Best Activity Generating Brand Awareness category. It also received Gold for Best Use of Online Video and Best Cause or Charity Marketing Campaign at the awards, hosted by marketing consultant Tony Chapman and entrepreneur Erica Ehm.

The digital campaign featured animated genitals and other body parts in social interactions to get the message across that consent is actually quite simple. For example, when a dancing vagina says "no" to a penis, it immediately backs off. The idea was to use the graphic animated characters to be straightforward with the messaging around sexual assault, instead of speaking in analogies like other campaigns have done.

Cossette was the most awarded agency, picking up 12 trophies. The shop won a total of three Gold awards for its "Life Unpaused" campaign for SickKids Foundation and "SAQ Inspire" for Société des alcools du Québec. It also got seven Silver wins, including three for its "Bring Back the Bees" campaign for Honey Nut Cheerios, which saw the brand's signature bee disappear off cereal boxes.

Zulu Alpha Kilo was also a big winner. Its heartstring-tugging "Lily & the Snowman" campaign for Cineplex picked up a Gold and two Silver, while it had three Gold wins for various work for Interac.

Other Gold winners of the night included Anomaly (for its work with Bud Light and Spotify), Leo Burnett (for Raising the Roof), Lg2 (for Nike) and Mosaic (for Stella Artois).

STIMULATING STUNTS

From scandalous confessionals to scratching kitties, here's what local (and global) work has been grabbing readers' attention on *strategy*'s sister pub, Stimulant Online.

By **Jennifer Horn** and **Mark Burgess**

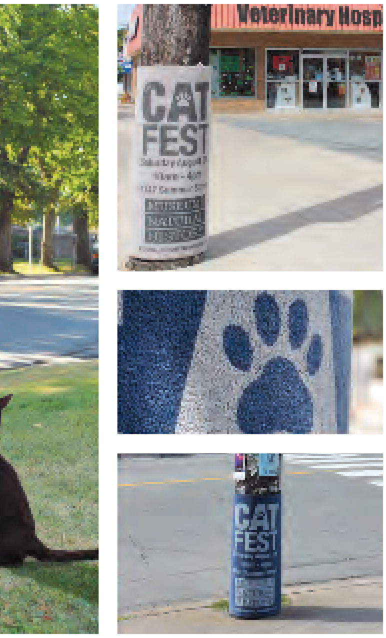
OUTDOOR: SCRATCH THAT NATURAL HISTORY ITCH

The Fundy Fanciers Cat Club recently hosted a show at the Halifax Museum of Natural History featuring a number of feline and human breeds. People were encouraged to dress up as cats, turning the otherwise staid science museum into an Andrew Lloyd Webber stage. But what about the ordinary cats of Halifax? What did they get out of the Cat Fest? The answer was scratching posts, in the form of outdoor advertising for the event. Agency Extreme Group was behind the campaign, and wrapped telephone poles around the city with carpet for cats to sink their claws into.

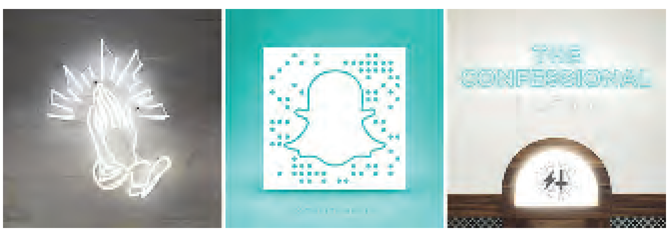
MOBILE: THE VIRTUAL WORLD OF TORONTO'S ILLICIT PAINTINGS

If you're drinking coffee in an air conditioned office in Alberta right now, you won't be able to enjoy the colourful tags that adorn Toronto's famous Graffiti Alley. Or could you? Well, now you kind of can. If you have Instagram, look up @graffitialley.to.

There, you will find the "Graffiti Alley Instatour" — probably one of the best uses of Instagram photo tiles to make one large image. Created by Havas Worldwide Canada for Heritage Toronto, the tour is made up of 800 images stitched together, with a total of 1,300 Instagram



posts, to create a virtual tour of the alley that anyone, anywhere in the world, can enjoy. It's like Google Maps' Streetview on crack.



SOCIAL: CONFESS YOUR SNAPCHAT SINS

An anonymous man makes a confession in a booth at a new Sweet Jesus ice-cream store that beats all other mea culpas: he thoroughly enjoyed the fourth season of, wait for it... *The O.C.* That's not all. Another woman comes in and admits that, while 32 years old, she is still on her parent's cell phone plan. These people aren't admitting guilt to Sweet Jesus' thousands of followers in its "Snapchat Confessional" (created by OneMethod) just to clear their conscience — they're mostly doing it for the free ice-cream cone they're promised in return. Because what's a little sin without a little soft serve?

EXPERIENTIAL: INTRODUCING NOSULUS RIFT, A VR NOSE-SET

Before reading any further, take

a deep breath. You may soon find yourself unconsciously wanting to hold it. To promote the release of the next South Park video game, Ubisoft launched an olfactory assault with a potent weapon: the Nosulus Rift, a VR nose-set. Why? Because the game is a superhero spoof with a character whose farts are his special power. The Nosulus Rift will be testing gag reflexes at major gaming events across Europe and North America until December, with the help of Productman and Buzzman.

SPORTS LOVERS, BY THE NUMBERS

By **Harmeet Singh**

The weather might not be all that frightful yet, but TV is a little more delightful for those who are into sports, with all the major leagues in full force for fall, from hockey to baseball to football. Recently, Media Technology Monitor delved into what sports enthusiasts – or "heavy sports users" – in Canada's English-speaking market look like. Here's a peek at some of the findings.

And, as findings from Solutions Research Group Consultants last year suggest, fantasy sports might have some uptake during the busy sports seasons this fall too.

COMMITTED TO TV

85%
of heavy sports users get their TV through a service provider, compared with
75%
of all Anglophone consumers.

15.4
The number of hours heavy sports users spend watching TV, compared with
12.1
generally.

GENDER DIVIDE

40%
of men report consuming sports content on a daily or near-daily basis, making them heavy sports users.

17%
of women report being heavy sports users.

FANTASY LOVERS

5.1 million
Canadians have participated in fantasy sports either online or on a mobile device at some point.

91%
of fantasy sports consumers online or on mobile are under 50, with a median age of 34 (a decade younger than the average sports fan in Canada).

74%
of those who have participated in fantasy sports are male

With files from Val Maloney. Source: Media Technology Monitor (July 2016)
Source: Solutions Research Group (October 2015)

RETHINKING TEA AND SYMPATHY

Rethink Breast Cancer's new Give-a-Care line includes co-branded products with cheeky names.

It's a major understatement to say that facing a cancer diagnosis and the treatment that follows is tough. And despite the good intentions of loved ones, sometimes sending flowers isn't all that useful.

Rethink Breast Cancer is tackling that with its new Give-a-Care product line, launched in September and aimed at providing helpful gifts, while teaching the loved ones of women facing cancer a little more about what it's really like.

The products are co-branded with companies that donated them, including Aveda, H&M, Pluck Teas, Leaves of Trees and more. Some products were developed especially for the Give-a-Care line, while others were customized from products already favoured by women in Rethink's network.

Products from non-profits aren't new, but the organization is attempting to reimagine that kind of marketing from strictly an awareness or fundraising play into one focused on education.

Rethink Breast Cancer has been promoting a set of care guidelines for young women with breast cancer in clinical settings (like hospitals and care facilities) since last year, but wanted to also get them into the hands of patients and their loved ones, says Alison Lawler-Dean, VP marketing and communications at Rethink Breast Cancer.

To do that, the organization tapped Lg2, which led the concept and design for the Give-a-Care line of 22 unique products. Each features cheeky names like "My-emotions-are-so-out-of-whack-that-even-my-skin-is-being-too-sensitive-hand-cream" and "All-the-slow-jams-and-silk-sheets-in-the-world-couldn't-do-it-for-me-right-now-I-need-lube."

While demand for agencies to create products hasn't necessarily increased, there is more of an ask for ideas that stand out from traditional campaigns, says Nellie Kim, partner, VP and CD at Lg2. In this case, the product line is meant to differ from the sea of pink that typically accompanies breast cancer awareness, especially in October, the month dedicated to the cause.

For the most part, product fundraising is centred on finding a cure or building up awareness but there's little to support women actually living with cancer.

The Give-a-Care line aims to change that, allowing women to enjoy some lip balm and hoodies with funny-because-it's-true names along the way.

To develop the line, the agency worked with Rethink Breast Cancer's network of cancer patients and survivors to figure out just what women facing cancer need and want. For example, it settled on both ginger and lemon candy (to address stomach issues and the bad taste that comes with chemotherapy).

The products will be sold online, with the e-commerce platform donated by Shopify. When purchased, products are delivered to recipients with the care guidelines in a new, mini workbook format. All of the proceeds from the sales will go back into Rethink Breast Cancer's work.

A campaign, including digital and social media, print and wild postings, will also drive to the site, with the tagline "Give her what she really needs." Lg2 led creative on the campaign, with Media Experts executing on donated media space.

While unconventional, somewhat bold marketing has always been part of its strategy (such as the "Your Man Reminder" app, which used sexy guys to educate about breast health), the product line is a first for the organization. Aside from fundraising, the idea is to bring attention to the real issues young women with cancer face, especially those not often discussed, Lawler-Dean says. The naming is obviously humorous but still speaks to the realities that women with cancer face, she says. **HS**

Above: Germany's HelloFresh made its debut in Canada in June, the latest subscription meal kit company to target busy couples and families here.

DELIVER US FROM MEAL PLANNING

HOW SUBSCRIPTION FOOD DELIVERY COMPANIES ARE CATERING TO TIME-STARVED CANADIANS WITH A TASTE FOR VARIETY AND AN AVERSION TO THE GROCERY STORE.

BY **HARMEET SINGH**

It's the end of a long day. The commute was rough, you're exhausted. And now you have to add the task of deciding what to make for dinner to your already full plate.

Just a few years ago, this could have been the opening scene of a TV spot for pizza delivery or a quick-prep frozen meal, the saviours of the average Canadian's dinner hour.

But today, that worn out consumer might be inspired enough to whip up an Argentine-spiced steak or avocado and black bean tostadas – and still have the convenience of delivery.

That's thanks in part to subscription meal kits: boxes containing recipes and the exact portion of ingredients needed to prepare several meals, delivered right to a customer's door on a weekly or semi-weekly basis.

Chicago-based research firm Technomic estimates global revenue from meal kits will grow from $1 billion in 2015 to $10 billion by 2020. The category has been expanding rapidly worldwide and picking up in Canada for the past few years.

This summer alone, Berlin-based HelloFresh entered the Canadian market (with an initial focus on Ontario) and Toronto's Chef's Plate announced it would expand delivery to more markets nationally. A slew of regional and niche players are also delivering options to consumers hungry for both variety and convenience.

Eliminating the need to plan, shop, and prep – while still having a more foodie experience than 30-minutes-or-less pizza delivery – is a major draw for both millennials learning to cook and Gen Xers busy with kids.

Convenience is the number one driver when it comes to consumer behaviour around food, and the easier a company makes things, the more consumers will respond, says Robert Carter, executive director of foodservice at NPD Group.

Research from that firm suggests 75% of meals prepared in Canadian homes are made in 15 minutes or less, while a recent survey by food magazine *Ricardo* and Leger Marketing found that 65% of households make their dinnertime decisions the same day, usually between 4 p.m. and 5 p.m.

Most shoppers prepare dinner at home five times per week, but among those who don't often cook, many cite being too busy, while others say they're just not good at it, according to BrandSpark's 2016 Canadian Shopper Study. That same report found that roughly half of shoppers would like to make fewer trips to the supermarket.

Canada is moving from the early adoption phase to becoming more mainstream when it comes to meal kit use, Carter says, but it's still an underdeveloped category with the opportunity for very dramatic growth over the next several years, especially as the millennial demographic ages. Those younger consumers and their embrace of delivery apps are helping the category grow.

Since launching in 2014, Chef's Plate has seen demand from busy families, prompting it to create a family meal box in addition to its core product for two-person servings, says Jamie Shea, the company's co-founder. Its customer base is mainly in their late-20s to early-40s.

Right: Some Canadians seeking gourmet meals but lacking the skills (or the time) to prepare them are turning to subscription plans.

"In a nutshell, these kits are really designed to make people's lives easier," he says, adding that cooking shows have led to people wanting to be more adventurous with food. "They're also meant for people who enjoy cooking but don't always have the time or energy to find new recipes and shop for ingredients."

As of August, Chef's Plate was delivering more than 100,000 meals per month and was seeing double-digit growth week over week. When it expanded to Western Canada in June, it grew the same amount in a few weeks as it had over several months in Ontario, which Shea says is one indication of the category's strength.

Roughly 50% of Chef's Plate's growth is currently being driven through referral programs. That's not surprising, given how similar mobile and e-commerce-driven companies have grown (Uber, for example, grew rapidly from two-sided referrals), Shea points out.

It also currently uses social media, including marketing offers through Instagram and Google Adwords, with plans to get into more traditional, mass channels such as TV and OOH.

Like Chef's Plate, HelloFresh (which launched in Canada in June with an initial focus on the Ontario market) has been relying heavily on word-of-mouth, with some paid social media and print advertising. The brand has used more mass advertising in other markets, a strategy that could hit here at some point as HelloFresh expands, says Ian Brooks, managing director for HelloFresh Canada.

The company's model aims to make cooking as basic as possible, finishing tasks like chopping onions or julienning carrots to save time for busy demos like young professionals and those with young families, he says.

Globally, HelloFresh ships roughly eight million meals per month in nine countries (it doesn't break out numbers specifically by region, but uptake here so far has been strong, Brooks says).

Food delivery, including through apps like JustEat or Uber Eats, as well as meal kits, are still fast-growing areas in Canada's foodservice market, Carter says. Delivery options driven through better tech have prompted customers to sit at home instead of going out, particularly during the supper hour. "It's definitely taking share from the traditional restaurant model," he says.

But why would consumers turn to meal kits over continuing to rely on easy delivery from restaurants? Depending on the service, per-serving prices can range from $8 to $15, on par with many fast food meals.

Consumers, though, crave what they perceive to be healthier options, Carter says. And customizing and preparing a dish contributes to that healthy perception.

Toronto-based Athletes Kitchen, which launched in late 2015, also aims to tackle the meal planning question but with a goal of servicing an even more health-conscious crowd. It has seen an upswing among extremely busy urban professionals who still have specific, ambitious goals when it comes to eating well, says CEO Oscar Naziri.

Along with delivering ready-made meals based around specific health goals and dietary preferences, such as gluten-free options, it has opened a bricks-and-mortar retail location in Toronto's Liberty Village.

It's also in talks with some grocery stores and fitness centres to have its products sold there, though Naziri says it would only partner with stores in line with its health-centred brand (such as Whole Foods).

Outside of the ingredient-and-recipe delivery services are fully-prepared meals from subscription companies. These are going up directly against traditional and quick-service restaurants, as well as home meal replacement (HMR) in the grocery category, an area that hovered around $2.3 billion in annual sales in 2014, according to NPD Group.

Chowdy, a Toronto startup founded in September 2014, provides ready-made meals, mainly to busy, downtown millennials. Its model is actually not focused on delivery but instead uses four locations as pickup

points for a week's worth of prepared meals that customers can choose ahead of time.

It's aiming to be an affordable alternative to fast food and food court meals, while removing the "what to eat" question from busy consumers' schedules. In its first year, Chowdy grew its revenue to $1 million.

Despite the disruption, the potential growth of the meal delivery category could still spell opportunity for traditional restaurants and grocers.

In the U.S., grocers have already expressed an interest in jumping on the trend. Whole Foods is planning to get into the category, while Kroger has reportedly said it's open to creating its own service or partnering with an existing one. Amazon is also set to introduce meal kits this fall. Meanwhile, San Francisco-based startup Handpick partners with retailers to offer meal kits using products in their stores, aimed to provide the kits at lower prices than similar, competing companies.

Brand partnerships haven't been out of the question, either. Chef's Plate, for example, recently teamed up with All-Bran Canada, creating a specific recipe using the product and a video featuring the dish made by celebrity chef Elizabeth Falkner. In the U.S. last year, *Men's Health* partnered with meal kit company Chef'd to create branded meals curated by the magazine. Time Inc.'s *Real Simple* and *Cooking Light* have also curated recipes for Plated, while Martha Stewart has partnered with delivery co Marley Spoon to develop recipes.

Carter says that over the next two years, it's likely that the major grocery chains in Canada will capitalize more on the meal delivery trend by offering more customized, digital ordering.

Grocers are already investing in HMR offerings, merchandising ingredients and recipes together to make planning easier, says Jason Dubroy, VP, managing director at shopper marketing agency TracyLocke Canada. Longo's, for example, already offers "Fresh Meals Made Easy," or kits that include ingredients for various cuisines like Italian and Thai. CPG companies have also created their own meal solutions, such as Campbell's Soup Kits, to address the prep and planning challenge.

But the proliferation of click-and-collect programs could mean more meal kits from grocery retailers, he says. The key will be packaging the right content that consumers want at an acceptable price point.

The vendor side, including big CPG companies, would undoubtedly like to get on board too, but just how remains to be seen, as retailers may want to keep their kits under their own brand, Dubroy says.

In Canada, supply chain issues remain a challenge and large retail players would have to decide whether to take meal kit offerings national (whereas the niche meal kit-only providers are often very regional).

Grocery delivery apps, like Urbery, which essentially do consumers' shopping for them, are another category eyeing the space, he says. Delivery app Instabuggy, for example, recently began delivering ready-made meals through a partnership with Toronto's Summerhill Market.

Grocers could also look to tier their meals according to banner, with discount retailers offering kits at a lower price point without the need for a dedicated HMR department, says Joel Gregoire, senior analyst, food and drink at Mintel. Higher-end banners, meanwhile, could focus on higher quality food like better cuts of meat, as well as exotic ingredients to get consumers outside their comfort zone. High-end banners Pusateri's and McEwan's both already offer personal shopper and delivery services.

Retailers also shouldn't limit themselves to just dinner, and Gregoire says to look for offerings around lunchtime and snack prep, which are also areas where consumers are looking for healthier new ideas and convenient solutions.

Regardless of how it's done, as omnichannel strategies become imperative, Canadians' taste for convenience is likely one that will continue to be indulged by restaurants and grocers alike.

ONE WILD ESCALATOR RIDE

With declining print revenue continuing to hammer Canadian media, publications are using sophisticated targeting and engagement techniques to retain and win more valuable readers.

BY **MARK BURGESS**

Print journalism in Canada has been in some form of long-term care for a decade or more, but a brutally inauspicious start to 2016 got the chattering classes eulogizing again with a level of despair unseen since The Great Recession.

Newsrooms big and small announced bad news followed by more bad news over the course of 10 January days: Postmedia combined its newsrooms in markets where it had two publications (Vancouver, Edmonton, Calgary and Ottawa) and cut 8% of its editorial staff; Rogers announced 200 layoffs; the *Guelph Mercury*, a paper as old as Canada, stopped printing; so did the *Nanaimo Daily News*, which was only a few years younger; and the *Toronto Star* made editorial and circulation cuts, and announced it would be closing and selling its printing plant. The cuts came down to one inescapable fact: revenue from print ads is disappearing and publishers have not been able to make it up online.

Comedian John Oliver highlighted the perils of a disappearing print media in August with a widely discussed segment on his HBO show *Last Week Tonight*. Showing a graph indicating that newspapers had, between 2004 and 2014, gained $2 billion in revenue from digital advertising but lost $30 billion on the print side, Oliver made this comparison: "That's like finding a lucky penny on the sidewalk on the same day your bank account is drained by a 16-year-old Belgian hacker."

It's under this cloud that Canada's print publications are pressed to experiment, seeking ways to make up for declining print revenue.

Doug Knight, president of St. Joseph Media (whose titles include magazines *Toronto Life*, *Fashion* and *Weddingbells*), has been using an analogy as colourful as Oliver's. "I'm like a guy with his feet on two escalators: one is going down and the other is going up. And I'm trying not to get torn in half," he says. Despite the graphic characterization of the flexibility required to find a new balance-sheet equilibrium, his company's almost three-year-old branded content division, Strategic Content Labs, is now more than offsetting the declines in revenue from legacy media advertising, he says.

Other publishers are experiencing a version of this up and down – finding some kind of star to which they can hitch their careening wagons. The *Globe and Mail* is using a paywall and new verticals to try to win back subscribers and attract advertisers with premium content and an engaged audience. Postmedia has launched a new in-house programmatic trading desk to extend its offering to advertisers beyond its own network. The *Toronto Star* is driving up ad rates with its Star Touch tablet edition and investing in other digital properties. And St. Joseph is using its content division to play across a wider media ecosystem.

All of them are relying on increasingly sophisticated tools for mining data about their users to help advertisers target them on the right device, at the right time.

IN 2015, FACEBOOK TOOK IN MORE than $17 billion in ad revenue, up 49% from the previous year. Postmedia CEO Paul Godfrey told Media in Canada earlier this year that Google, Facebook and other massive digital companies swallow up 65% to 70% of digital advertising. Everyone else is left fighting over the scraps. "The fact is you can't exist that way," he said.

Some publishers are trying to become more than simply places where advertisers can buy space. The *New York Times* bolstered its branded content unit, T Brand Studio, earlier this year when it purchased influencer marketing agency HelloSociety and experiential agency Fake Love. In Canada, in addition to the aforementioned Strategic Content Labs at St. Joseph and Postmedia's trading desk, the *Globe* has its Globe Edge content studio and the *Star* has its own ad team for the Star Touch tablet app.

"Once you start looking at it through an editorial lens as opposed to a pure advertising lens, you come up with this sort of unique consulting practice," Knight says. [It's] not quite a replication of an agency but it is a problem-solving, strategic service that's somewhere between a traditional advertising agency and a media company selling eyeballs."

Publications are also seeking new ways to measure engagement – including achieving business results for advertisers – that highlight their value compared to most of the web's billions of clicks.

Some are trying to move beyond the standard CPM pricing model by monetizing time spent instead. The *Financial Times* has already rolled out a "cost per hour" (CPH) metric that measures how long an ad is seen, rather than just whether or not it was. The *Guardian* has also adopted time-based advertising models, offering rates based on how long ads are 100% in view. The measurement benefits longer-form publishers that create quality content readers spend more time with.

Convincing advertisers used to CPM and click-through rates is the challenge.

Lilly Buchwitz, a marketing professor at Humber College in Toronto, says publishers need to do a better job of selling advertisers on their benefits, specifically the targeting they provide.

"Advertisers want big numbers of impressions and clicks, and they don't care how they get them.," she wrote in an email. "They're focusing on the wrong thing."

Advertisers can get millions of eyeballs fairly easily, Knight says. "But the value of that volume is less than the value of true engagement."

Despite the increased data and ability to target online, Knight says engaging audiences is actually more difficult. Measuring engagement is becoming less about the "horse-race" of click-through rates and other "vanity metrics," he says, and more about driving measurable business results.

As for the *FT*'s cost-per-hour model, Knight says St. Joseph is more focused on adapting rates client by client, based on specific goals, than trying out a new engagement rate across the board.

For Knight, engagement goes beyond digital targeting and into a broader media ecosystem of events and experiential opportunities. *Toronto Life*'s "robust digital presence" (its online audience has surpassed its print) and St. Joseph titles' strong social media following have helped it engage its audience and draw it to new spaces. *Toronto Life* hosts a range of events including its sellout Garden Party, TIFF Stylebook, Best Restaurants event and real estate seminars. *Weddingbells* will host "Unveiled: The Weddingbells Show" in January, a wedding show featuring 100 exhibitors that the magazine's editorial team will cover through a multiplatform content stream. *Fashion* is hired by retailers, including Holt Renfrew in Vancouver and Hugo Boss in Toronto, to host store openings.

"We have this hugely engaged, highly targeted audience because of the magazine but also because of what we do in social media and other things. If we want to create an experience, we can drive not just an audience but a relevant audience really quickly," Knight says.

These events make money but more importantly they extend the brand. So rather than putting on events to support the legacy publication, Knight says, "we're exploiting the legacy brand's ability to engage people across multiple contact points."

The other way St. Joseph is looking to heighten engagement and build a loyal audience is by focusing on user experience, particularly on mobile. Part of that is less intrusive ads, and the publisher is betting on content marketing through its branded content division, Strategic Content Labs, launched in 2014. Its campaigns extend far beyond St. Joseph's publications.

Knight says content marketing suits the mobile world, where there's less patience for intrusive ads. The studio takes an editorial view to engaging its audience. A campaign

Above: St. Joseph media has extended its brands through events, including *Toronto Life*'s Best Dressed (top) and *Fashion*'s Toronto Fashion Week Awards (bottom).

for Grey Goose vodka played off *Toronto Life*'s editorial content on the city's top bartenders. Strategic Content Labs went into the bartenders' homes and made videos of them preparing to host guests. They discussed the vodka but without a hard sell; the videos were sponsored by the brand. A Grey Goose insert also went into the magazine's print edition.

***TORONTO STAR* COO OF DIGITAL,** Chris Goodridge, says the *Star* has had internal conversations about the cost per time models but there's no plan to adopt something similar at this point.

"The notion that all ad impressions are created equal and we're all optimizing to a click has obviously caused the digital advertising industry a reasonable amount of grief," he says, pointing to ad fraud and invasive ads, and the rise of ad blockers.

The publication's Star Touch app, launched in fall 2015, is trying to sell advertisers on its audience's level of engagement. With the free app, the paper is aiming to staunch the loss of print advertising revenue by benefiting from higher ad rates and reaching younger readers. The app targets an audience between 30 and 50 years old, skewing female (with a special lifestyle section called Breathe to appeal to this target), whereas the average print subscriber is in the 55-to-60 range.

Star Touch was designed in partnership with *La Presse*, whose successful LaPresse+ app led to it scrapping its daily print edition this year. TorStar spent $25 million in 2015 to launch Star Touch, another $7.8 million in the first half of 2016 and expects to spend $10 million over the rest of this year.

The news so far hasn't been overly bright, though. In August, TorStar announced it was cutting another 52 jobs. Nineteen were from the *Star* newsroom, and 26 were temporary staff from the Star Touch operations.

In an investor call following quarterly results in July, which showed a $24.3 million loss, outgoing CEO and publisher David Holland noted some positive signs from the Star Touch investment. The edition hasn't been "as quick off the mark as we would have liked," he said, but its weekly readership of 55,000 to 60,000 uses it three to four times per week, for an average period of 25 to 30 minutes on any given day.

Though the ad revenue isn't what the publisher had expected, and the number of users is lower than they had hoped, the average user time is encouraging, Goodridge says. "That's the thing that excites us the most about it."

Because of the level of reader engagement, ads on the app are fetching four to five times the rate charged for typical desktop or mobile impressions, he says, in line with the paper's print rates. Ads are bought on a non-CPM basis: clients buy space similar to how they do in a newspaper, paying a price-per-page rate rather than renting it online.

The Star Touch also has its own ad studio, which makes sure the creative works for the platform and serves smaller advertisers. It's also dabbled in branded content, which Goodridge says is still a mostly "untapped opportunity."

"We think the content play for an advertiser is more significant than what we can provide on other [digital] platforms," he says, pointing to the average time spent and how that could translate to consuming longer-form advertising.

Like other publishers, the *Globe and Mail* is fighting against the move in programmatic ads away from contextual-based placement to an audience-based environment. The publication is making the case that premium products advertised in a context the consumer doesn't find relevant will hurt the brand, chief revenue officer Andrew Saunders says.

That argument was bolstered in July when ComScore released a report called "The Halo Effect," which made the case that premium publishers drive higher ad effectiveness. The study concluded that display ads on Digital Context Next (DCN) "premium publisher sites had an average of 67% higher brand lift than non-DCN publishers." DCN is an American industry association of 74 online publishers that includes the *New York Times*, ESPN and Hearst.

Part of the Globe's engagement pitch rests with subscribers, which Saunders says is a major point of differentiation for the paper. For one thing, they consume 25 to 30 times more pages than other readers, he says.

"People that are willing to pay for content are far more engaged with content," he says. The publication's "core value proposition" is creating content that people will pay for. While the Star abandoned its paywall and Postmedia relies on being able to target visitors who aren't logged in, the Globe continues to offer subscriber-only content to its "Unlimited" readers and to limit non-subscribers to 10 articles per month.

Subscriptions provide additional information about a user to reference against the cookies that track their behaviour, and forcing readers to register also means they can be tracked across devices when they're logged in. It all helps with targeting.

The *Star*'s paywall experiment lasted barely two years after launching in 2013 and receiving what Goodridge calls an "underwhelming" response.

"Most data we look at, the willingness to pay for digital news content in the Canadian market is quite low," he says.

The *Star* had expected subscriptions would allow it to learn more about the people coming to the site through the paywall, but it didn't get nearly the numbers it had hoped.

Roughly a year after dispensing with the paywall, the *Star* relaunched Star.com in May with what Goodridge calls a "mobile-first mindset." The design principles – which include easier scrolling and a more vibrant look – started with mobile, which now accounts for about 50 per cent of traffic, up from one-third a year ago. Two-thirds of the mobile audience arrives at the site through social and search, primarily from Facebook.

But while subscribers can be tracked from desktop to mobile and back (and targeted by advertisers on both platforms), abandoning the paywall means the *Star* relies on cookies to track users on the same device with no means of following them on a different one.

Postmedia has the same problem. Online subscribers make up less than 10% of its users, says Tony Patel, VP of monetization and programmatic trading. Because of the number of Postmedia titles and volume of content, roughly 40% of its traffic comes from search.

Earlier this year, Adobe announced it was launching a data co-op to address the problem. It would allow publishers to opt in and pass desktop IPs or mobile device IDs into the co-op to be anonymously shared. Publishers are waiting on details but Patel says he's interested in its potential.

IN THE MEANTIME, POSTMEDIA launched its own programmatic trading desk in June, after testing since December. Powered by Google's DoubleClick Bid Manager (DBM), the desk helps brands reach local and national audiences across its network of 180 newspapers and beyond. The desk opened with just more than 100 partner sites but that's expanded to more than 1,000. Postmedia vets each one, offering its clients a "white list" of potential imagery on "brand-safe" sites.

The relationship with Google helps with the "cross-platform stitching," or tracking users across devices, Patel says, if those readers are logged in to a Google account.

The desk allows the publisher to use its first-party information on reader behaviour, including how and when media is consumed in various markets, to deliver ads beyond its own network. That first-party data relies on hundreds of segments tied across its network, which use different thresholds. Someone who reads a certain amount of content about mortgages within a month and is marked as a mortgage intender, for example, would receive targeted ads for months, since buying a house is often a long, drawn-out process; readers bingeing on Vegas vacation stories or airline sites will only see ads for Caesar's Palace and bargain flights for a couple of weeks, to avoid annoying them after they've already returned from their trip.

Those readers can now be found beyond the Postmedia network. "It helps us extend the potential reach of the people we've identified because we can now see them on multiple sites. It gives us more opportunities to hit the right person with the right ad the right number of times," Patel says.

It also means lower prices, he says. Rather than paying the high rates for guaranteed impressions on Postmedia's network (space reserved for a specific ad), clients benefit from a pool of 1,000 websites, bought on a cheaper, non-guaranteed basis.

"As long as you can overlay some data to make sure you're bidding on the right ones, non-guaranteed impressions are typically a fraction of the cost of guaranteed – sometimes as low as five or 10 per cent of the cost," Patel says.

So how, as a seller of ads, does Postmedia benefit when it's losing those guaranteed rates?

Patel says the marketplace had already evolved to a point where it was more difficult to get clients to pay the standard high, guaranteed CPM rates. They still have a place, especially for brand building – a new store opening in Edmonton, for example, doing a 24-hour takeover of the *Edmonton Journal*'s home page – but the trading desk is a way to compete with more targeted offerings.

The desk has been more successful than the company had projected, he says: "I'm confident that this is our way forward."

The *Globe* is also honing its data in order to reach the right audience for marketers and adjust campaigns to fit their needs. Its data scientists use a "taste graph" based on about 1,000 attributes that allows them to predict how an audience will respond to a campaign, depending on the advertiser's key performance indicators (KPI). It uses real-time market intelligence on those KPIs (car test drives, for example, or email sign-ups) to measure effectiveness and adjust.

"Then, through predictive modelling, we can build a segment that we re-message against," Saunders says.

While St. Joseph's has strong online followings, Knight doesn't see revenue from online advertising alone matching what's being lost in print. Publishers can't compete with Facebook and Google, even with efforts at targeting in order to charge higher rates, he says.

"There is a general narrative out there that the world is moving from print to digital. And I fundamentally reject that as a premise," he says.

There still is that escalator ride. The legacy advertising revenue is going down, and "no one's going to put a finger in that dyke," he says. Instead, St. Joseph is expanding the ways it reaches consumers, trying to be active in everything.

While he sees a role for print in the future (Strategic Content Labs has created print products for Birks and Air Canada as ways of engaging those audiences), he says he's not sure every print product will survive.

"If you're spending all of your time playing defence on the legacy media, you're not going to have a good time," he says.

IT'S ONE THING TO SAY YOU STAND FOR SOMETHING, another to actually live it. That's what makes this year's Brands of the Year stand out: their bite is as big as their bark. Each has clearly defined (and executed to tremendous acclaim) its unique position in a category and distinct brand image in the consumer's mind.

Take Simons – spoiled with awareness in French Canada, the retailer successfully communicated its fashion-oriented and customer-focused approach when it ventured outside its home province. Hellmann's has been on a nearly decade-long journey to keep the conversation around its Real Food Movement going. Very early on, President's Choice had to define what it stood for, and then took on the tricky task of disseminating its brand DNA across

2016 BRANDS OF THE YEAR

categories, from food to financial. While Lilly Singh, a Canadian-born content creator, spent the past six years crafting a global brand around positive thinking, the Drake Hotel, its General Store and restaurants have worked at being inclusively exclusive. Finally, Cineplex made strides to extend beyond exhibition to create a more sweeping entertainment brand.

This year's list was made after consulting the industry and fierce editorial deliberations to come up with a list of six deserving brands across the country, spanning diverse categories. So turn the page to learn what they're doing to build their brands, and be sure to check out our Brands to Watch on pg. 38.

Above: From adult arcades to axe throwing, Cineplex's Rec Room is a social entertainment space that also features casual fine dining (left) and live performances (right). **Opposite, far right:** The company is diversifying with online gaming in cinemas.

Cineplex sees the big picture

Movies and gaming and dining, oh my! How the once-traditional theatre chain diversified its business to become a full-fledged media entertainment brand.

BY **JENNIFER HORN**

Gastronomes, for the most part, do not plan their Friday night meals around the multiplex.

But behind the four walls of the Rec Room, a new entertainment space owned and operated by Canada's largest exhibition chain, you'll be able to order more than just Nibs and Twix Bites. There, you'll find wine on tap, and a menu boasting edibles like Applewood smoked bacon maple jam with double-cream brie, and steak frites marinated in a béarnaise and cabernet wine sauce.

The 5,600-square-foot Rec Room in Alberta is similar to the Dave & Buster's franchise, where adults can be kids again in a merrymaking space stocked with games. It is, however, decidedly more ambitious: there are plans for bowling, ping-pong, bocce ball, axe throwing, billiards, an auditorium for concerts and live shows, in addition to the staple arcade arena.

It's also upscale, and not what you would expect from a traditional film exhibition company. But that's because Cineplex, the architect behind the midway-come-casual dining space, is very much untraditional, and it's proving to be about more than just blockbusters and 66-foot screens.

Recently, the brand has been responding to an evolving market. There's competition from watch-at-home upstarts like Netflix, and concern about its primary business.

"[Cineplex] is beholden to the release schedule and the content that comes out," says Peter Furnish, Cineplex's VP of marketing. "We're seeing a bigger percentage of the box office going to a smaller percentage of the movies – they're going to the big superhero movies, the sequels. But how long can these franchises keep going? I think the company recognizes that, [which is also] leading to the diversification of the business."

That diversification is taking the form of new verticals, from food to media to gaming, while expanding the exhibition side (with luxury formats like VIP in-theatre dining) as a way to gain a bigger share in entertainment as a whole, not just the talkies.

The Canadian company, whose history dates back nearly 100 years, is today a conglomerate of dozens of businesses and a healthy balance sheet, recording $1.4 billion in total revenue for 2015 (an 11% increase vs. the previous year). It currently owns more than 80% of the theatrical market, with that side of its business spanning exhibition (163 theatres with 1,667 screens), food service (Outtakes, Poptopia, Yoyos Yogurt Cafe, among others), alternative programming (broadcasting live shows and events, like Raptors games and the MET Opera), and the online sale of films.

But beyond its near-monopoly of Canadian cinema, Cineplex

also has its hands in the amusement gaming and leisure market. The aforementioned Rec Room, designed with the help of Cundari, will see two more locations open in 2017, with a goal of 15 venues in the next five years.

It also acquired (in late 2015) the remaining 50% equity in Cineplex Starburst, a distributor and operator of arcade games, supplying games to its Xscape amusement areas (which sit in 162 of its theatres), as well as other amusement players like Canada's Wonderland and Disney World. And more recently, the company staked a claim in the eSports market (an online gaming industry expected to bring in global revenues of $1 billion by 2017) by purchasing 80% of U.S.-based World Gaming Network (WGN) last year.

Shortly after, it partnered with Sony to launch the Cineplex WorldGaming Canadian Tournament. The four-part competition brought gamers together and inside Cineplex cinemas earlier this year to live-play Sony's *Call of Duty: Black Ops III* in front of an audience of avid gamers, family and friends. To bring players' attention to what was happening at its cinemas, the brand partnered with the WGN and EB Games to plug the tournament. It also made sure to be right where the live-streaming action happens, buying ad space on Twitch.tv.

The prize for the gaming champion after rounds of regional and national finals: a cheque for $20,000. For Cineplex: the chance to invite a new kind of guest to its cinemas to not only sit, but stay a while, too.

That's the point of this investment exercise, says Furnish. Diversifying its portfolio means attracting a new, sometimes niche, mostly younger audience (although, not as young as Furnish initially expected with the eGaming events; attendees were more in the millennial age demo). The strategy is to give them a reason to come back to the brand by signing them up to Scene — the glue that holds all of the company's properties together — to find out about more gaming events, for example, and, of course, other Cineplex offerings.

The same applies to its alternative programming, which brings in new audiences, from seniors to those with disabilities, to engage with and build brand loyalty. The idea, says Furnish, is to build capacity on the cinema side during off-peak hours, and continue engagement through their Scene membership. It does this by airing events like the encore presentation of the National Theatre Live shows from London early on weekend mornings and on weekdays. It also airs sporting events, like Wimbledon in 3D, and screenings of TV series, like last season's *Game of Thrones* finale. And then there are special events like the "Sensory Friendly Screenings" in partnership with Autism Speaks Canada, for families and

individuals living with autism to enjoy movies in a relaxed environment (lights turned up and sound turned down low).

It's all about creating new occasions for people to visit its theatres, other than to just see the top box office films.

Once it has a guest in its box, the plan is to keep them there, says Furnish. "The [cinema] experience 20 years ago was so highly optimized. It was go up the escalator, get in, and leave. Literally. The exits were the alleyways out back," he says. "Now, we're discussing how to get you here earlier, how to get you to stay, and do other things in the box."

Timeplay — an in-theatre pre-show app that turns a person's mobile phone into a remote control to engage with content on the screen — was one idea that came up in those discussions. Today, the app is used in 733 screens across Canada, and brands such as Mazda, Koodo and Pizza Pizza have worked with Cineplex to create gaming content. Timeplay gets 90,000 moviegoer plays per week, with the company tracking more than 1.5 million users since launch. When users were asked in the TimePlay Impact Research study if they would play again, 93% of them agreed.

Timeplay is part of Cineplex Media, which includes other in-theatre engagement tools such as *Cineplex Magazine* and Interactive Media Zones (IMZ). The IMZ brands are made up of touch screens with Kinect cameras (for gesture and skeletel tracking) and feature branded content, sitting in and around the theatre entrance to provide "experiences" outside of the theatre box.

With Cineplex growing its business portfolio, and exploring new verticals, Furnish and his team needed a way to better articulate the brand's architecture. Before he arrived at the company, there really wasn't an overall brand positioning or messaging. It also didn't have a clear purpose, he says. "We did a great job at talking about 'what' we offer – great seats, great food, giant screens and sound. It was all really functional in its messaging," explains Furnish. "But there was never really 'Why' we do it."

So the marketing team approached Zulu Alpha Kilo to help map it out. Having "dated" Cineplex for about a year (as president Mike Sutton puts it, describing how his shop did sporadic project work with the company before taking on the masterbrand assignment), Zulu came on board to help the brand define what it stands for.

"We found that we were perceived [by consumers] very functionally, like a Costco or a Walmart," says Furnish. There was a lot of respect for the brand. They would say things such as "I like you, but I don't really love you," and they would agree that "you're big, you deliver on the experience, you're highly optimized" but that didn't necessarily drive loyalty, he says.

The company needed to get people to not just "buy us, but buy into us."

The idea the team landed on was to encourage people to "prioritize pleasure" and to "See the Big Picture," which became a pervasive tagline in Cineplex's advertising after its introduction late last year. It took one year of research and strategizing to come up with the company's more unified positioning, and another year to create its first piece of emotional marketing, which was shown on Cineplex screens over the 2015 holidays. "Lily & the Snowman" was a short film that encouraged people to "make time for what you love" by showing the tear-inducing story of a young girl and her life-long journey with a friendly backyard snowman.

The spot became a viral success, with more than 9.6 million YouTube views (of which eight million were tracked in the first month alone). In addition, three "making of" videos were viewed more than 300,000 times, while Facebook views of the original Lily video currently sit at 11.5 million.

"Lily & the Snowman" reminded Canadians to make time for what they love during the holiday season.

"We did some brand equity testing prior to the campaign to establish a benchmark for the emotional connectors related to the brand," says Furnish, adding that the team saw positive movement on these indicators post-campaign. "In my experience, any type of movement tends to take some time, so this was great news."

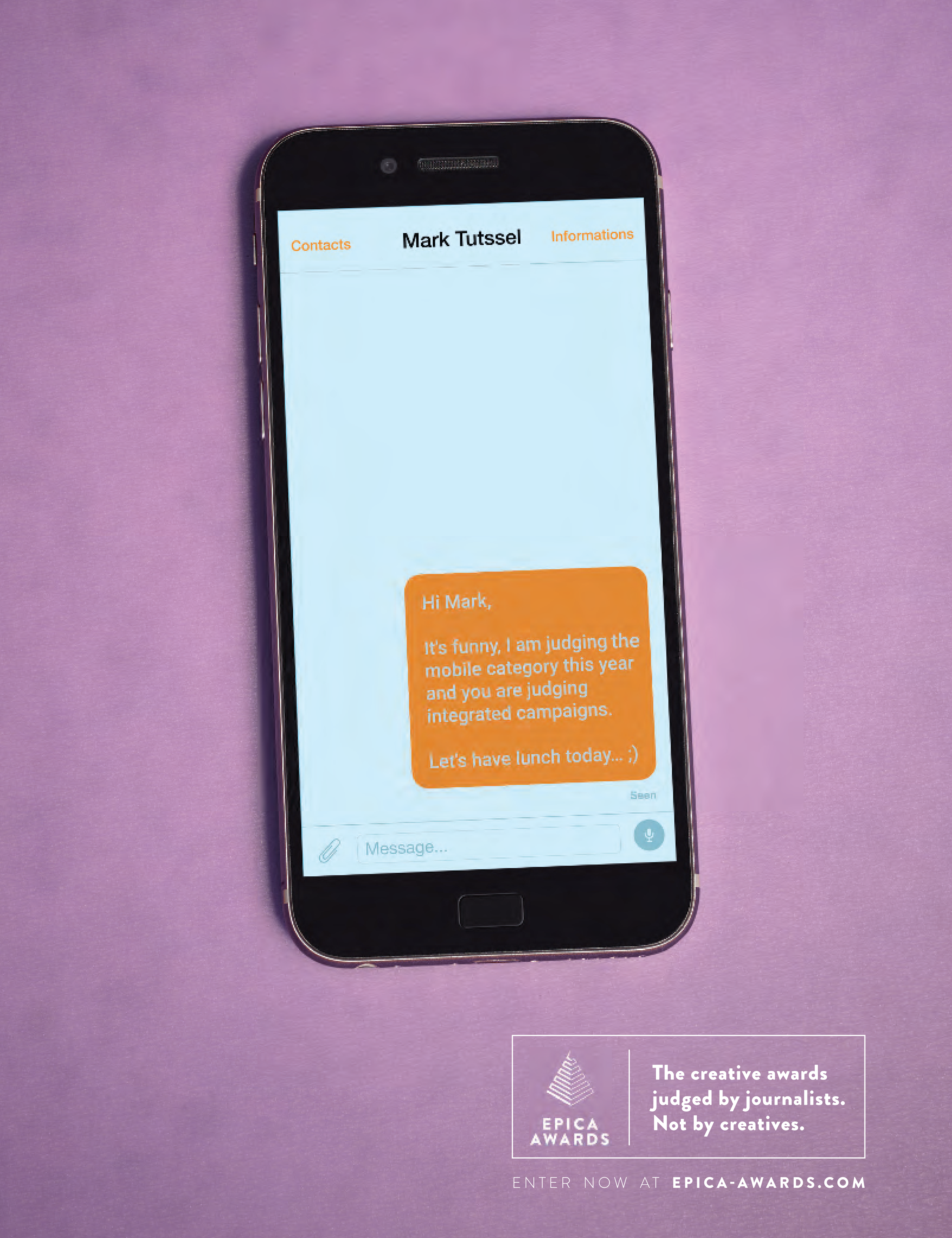
They'll continue to do the same kind of tracking for future campaigns, he says.

"Any brand has functional attributes... but there's also the intangible, the idea that a brand wants to be loved," says Sutton. "And I think, with Cineplex, all of the positive attributes end up going to the actual movie. If you had a great experience at the theatre, people will talk about how the movie was great, and Cineplex, to a degree, is left out of the accolade. If there's something negative, like the movie wasn't great, the brand wears that."

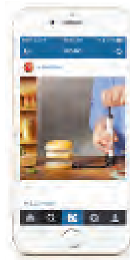
The Lily video was meant to create both fertile ground for Cineplex's new strategy, says Sutton, as well as to "tell a story that's also linked to what Cineplex does and to create an emotional affinity for the brand instead of just the films that play on the screen."

Today, it continues to build on that connection through brief executions and experiences like the summer's #WeatherOrNot stunt, where it gave away towels to beach-goers that looked like movie tickets, redeemable in cinemas. It also recently placed a giant popcorn bag in the middle of a Windsor, Ont. field where lightning frequently strikes. Inside the bag, a lightning rod and popcorn kernels were placed with the hopes that nature would do its work.

While these smaller, seasonal events help drive consideration for the brand, Furnish says they're also looking at content, like "Lily & the Snowman," to continue building on the brand's positioning around prioritizing pleasure. The brand will continue to "see the big picture" by diversifying its offerings beyond exhibition, he says.


Contacts
Mark Tutssel
Informations
Hi Mark,
It's funny, I am judging the mobile category this year and you are judging integrated campaigns.
Let's have lunch today... ;)
Seen
Message...
EPICA AWARDS
The creative awards judged by journalists. Not by creatives.
ENTER NOW AT EPICA-AWARDS.COM


A YEAR TO
Savour
CONGRATULATIONS TO
OUR FRIENDS AT
President's Choice
STRATEGY MAGAZINE'S
BRAND OF THE YEAR
MOSAIC



Leader of the pack

President's Choice has spent 30 years challenging what it means to be a store brand. Its approach to innovation is taking that legacy into the future.

BY **JOSH KOLM**

President's Choice has been on a quest to modernize the way it talks to Canadians about its products.

President's Choice is an anomaly in the Canadian marketplace – it has come to stand for much more than simply being a cheaper alternative to national name brands. But don't let anyone at parent company Loblaw hear you describe PC as a store brand.

"I take offense to thinking about President's Choice as a store brand," says Uwe Stueckmann, SVP of marketing at Loblaw. "Canadians don't consider it one. We meticulously track our brand health and equity, and they think about it in the same realm as national brands, and maybe even at a higher level in some cases. It's a completely different mindset."

President's Choice was established in the mid-80s, named for being the "choice" of Loblaw's then-president Dave Nichol, who regularly appeared as the brand's spokesperson and whose handwriting was used for the PC logo. Nichol also took a personal interest in the products, from the President's Blend coffee that would evolve into the PC brand to the Decadent chocolate chip cookies. The products were meant to live at the intersection of value and quality, competing with and improving on those from national brands instead of simply imitating them.

By 1990, the President's Choice line included over 500 products and accounted for $1.5 billion in sales. Today, President's Choice is the largest food brand in Canada by sales volume and sells well over 3,500 different products in Loblaws, Zehrs, Real Canadian Superstore, No Frills and Shoppers Drug Mart locations (among many other Loblaw-owned banners), making it one of the most accessible store brands in Canada.

Loblaws launches roughly 600 new CPG products under the PC brand every year. Some end up being permanent, some are seasonal, and others are introduced to serve a particular consumer taste or need and may be slowly phased out when interest begins to wane or shift.

The PC Green line of environmentally friendly products first appeared in 1989, but to keep pace with evolving consumer needs in the last decade, the brand has introduced Blue Menu for the health conscious, Black Label for those with more premium tastes, and

PC Financial has founds its place in the President's Choice ecosystem by making banking as easy and rewarding as possible.

Organics and Free From lines for those who want to know what goes into their food.

The President's Choice brand has been increasingly deployed in produce and fresh food sections, one of the few areas of the grocery store that has typically had very understated branding.

And then there's the mileage the brand gets in other categories, where Loblaw has routinely converted the trust and goodwill the brand has earned into instant equity as it enters new frontiers.

"President's Choice is routinely ranked among the most trusted and influential brands in Canada, and having that combination and expanding it the way we have is no accident," Stueckmann says.

"But it's consistent delivery against a very clearly defined and articulated brand promise that has allowed us to expand President's Choice so broadly."

PC was used for the company's entry into banking in 1998 with President's Choice Financial – which now also offers home, auto, pet and travel insurance – and PC Mobile in 2005. In Loblaw's most recent quarterly report, PC Financial reported a 15.8% increase in earnings, and high PC Mobile Shop sales have routinely contributed to the company's overall performance. And when it came time to launch a loyalty program across all Loblaw-owned grocery banners, it was PC that got the nod for PC Plus in 2013.

While it's easier to build equity in a single brand, that also means every product and service that carries the PC brand needs to contribute to its brand promise. "We're very cautious and thoughtful about what we put the brand on," Stueckmann says.

President's Choice can be deployed as widely as it has been without being stretched too thin and devalued because it's remained true to Nichol's original vision.

"The one thing about President's Choice is that the DNA never changes. But strategically, we have to constantly remind ourselves what that DNA is," says Andy MacPherson, VP of product marketing at PC Financial. "If you're not careful, you can lose the mojo. The brand is a business system, not just a marketing platform, so it has to be embedded in everything we do, whether it's product development or colleague engagement or customer service."

Despite its longevity and prominence in the marketplace, President's Choice has maintained a challenger mentality – perhaps not in terms of brand awareness or affinity, but regarding what consumers expect from a store brand.

"Most store brands aren't innovative. Their innovation is just in creating a cheap version of something else," Stueckmann says. "President's Choice has always stood for making better products: make them taste better, make them less expensive, make them better for you, make a smarter digital loyalty program, eliminate banking fees."

Two years ago, Loblaw launched its biggest marketing push to date. Working with John St., it debuted the "Crave More" platform for President's Choice, approaching its marketing more like a lifestyle brand and less like a packaged goods brand. It had a more modern look and spotlighted more ambitious products, showing off special occasions and entertaining events instead of only showing day-to-day family living.

Since 2006, marketing for the brand featured Loblaw president Galen G. Weston (in a nod to the days when Nichol was the spokesperson) using PC products in everyday situations in ads led by Bensimon Byrne. While that approach was successful – Weston was ranked highly as a spokesperson in consumer surveys, and campaign launches in 2009 and 2011 drove sales – "Crave More" was a much-needed way to modernize the perception of the President's Choice brand and show how its product innovations could not just fit into Canadians' existing lives, but help to make them better.

"It was inviting Canadians not only to expect more from us, but more from yourself and the life you live as well," Stueckmann says. "The way we execute and communicate that has been a lot more modern and contemporary than it was in the past. One of our worries that led to 'Crave More' was making sure we stayed relevant with our emerging best customer."

Baby boomers had grown up alongside the President's Choice brand and knew what it stood for, but Stueckmann says millennials born after its launch are much more food-savvy and worldly. Previous generations had relied on the PC brand to introduce more eclectic foods and flavours, but younger consumers have a greater ability to seek them out on their own. What's more, new Canadians bring their own tastes, and aren't familiar with the PC brand.

In addition to traditional marketing channels like TV and flyers, "Crave More" also saw Loblaw add content marketing to the mix for President's Choice, with an internal team releasing social content, short-form videos and issues of the long-running *PC Insider* seasonal magazine that – much like the way it approaches new product innovation – highlights the very latest food trends. The content has focused on the stories behind its new products and why they are worthy of being a "President's Choice," or showed how they can be incorporated into an eclectic meal for families and for entertaining.

Recently, PC has been doing more experiential events, working with both John St. and Mosaic. A holiday pop-up promoted the PC Insider's Collection, a showcase of its latest and greatest food products curated around a specific trend or situation, with each room themed around a different occasion. The "Babylicious" event this spring invited foodie moms to enjoy prix fixe meals at trendy Toronto restaurants, while their babies were treated to a meal from the new PC Organics baby food line. The "Fake Store" execution

Celebrity chef David Chang (above left) in the PC Insiders Collection holiday pop-up, which featured four themed rooms with PC products (above right).

invited consumers in to taste-test products, unaware that they were part of the brand's gluten-free lineup.

"[The campaign] was launched specifically for food, but the concept applies to all other categories," Stueckmann says.

The company has described "Crave More" as its most "ambitious shift" in its marketing approach, and the brand has emerged with its strong position intact. In the most recent edition of Ipsos' Most Influential Brand study, President's Choice ranked thirteenth overall, ninth among women and second among Canadian brands, largely driven by its trustworthiness. In BrandSpark's 2016 Canadian Shopper Survey, PC Plus was ranked third behind Air Miles and Shoppers Optimum in terms of membership, but pulled into a tie for first when it came to which program consumers valued the most.

MacPherson says PC Financial anchored itself more firmly in the roots of its parent brand three years ago as it increased its above-the-line marketing presence, having previously relied on direct and in-store platforms. It has focused on simplicity, in ads that have portrayed different couples being interviewed in their homes about how not paying annual fees or earning extra PC Points was an easy way to get the extra things they wanted, often to humorous effect. While that might not be in line with the aspirational approach of "Crave More," it keeps with the PC promise.

"The promise of living life well is something we support, because that could mean food discovery and quality, but it also means providing a simple solution for Canadians that works well for what they need," MacPherson says. "We haven't been around as long as the bigger banks and there are challenges that come along with that, but it's also a rallying cry for us. We're a Main Street bank, not a Bay Street bank."

The main focus of PC Financial's marketing over the last year has been centred on the PC World Elite MasterCard, one of many products that offers access to PC Points and other rewards with no annual fees. On the innovation front, PC Financial has kept up with trends like mobile touchless payment options, and it become one of the first banks in Canada to offer instant approval on its MasterCard products, giving customers at certain locations their new card within minutes.

PC Financial's brand perception is just as strong as its parent brand's. PC Financial Debit Card was the highest-ranked co-branded debit card for customer satisfaction by Bond Brand Loyalty, with PC Financial as a whole ranked second-highest in terms of customer satisfaction among mid-sized banks by J.D. Power in 2016. It's been in the top two every year since 2007.

"We're going against big players in a cluttered financial category that's being disrupted by fintech," MacPherson says. "Going back to the PC brand gives us the advantage of built-in trust, which is key for the category. It also gives us personality and the ability to create products that are tied into the masterbrand promise. If you look at the last couple of years, for both PC and PC Financial, you've seen a rejuvenation of who we are and being very vocal about it."

Stueckmann says Loblaw constantly measures President's Choice's brand equity compared to national brands, and that has revealed a number of pressures coming to centre-of-store packaged goods in the future. Consumers have been demanding more fresh, organic and local products, which means the brand will continue to innovate and find ways to respond.

"One thing we often hear in research is that consumers feel like PC brings them products just as they're thinking of them, it's right on trend," Stueckmann says. "That's a big part of what makes PC what it is. Continuing to be relentless in that pursuit of innovation and value while making sure we always understand the mindset of our consumer has been there since day one, and is something that will always be important."

Simons says, expand

The 176-year-old Quebec retailer has been building its brand across Canada, forging ahead in a competitive retail environment.

BY **HARMEET SINGH**

Above: Simons is still run by its namesake family, who made an appearance at the opening of its Ottawa store, which features unique fitting rooms. **Opposite:** The retailer's locations often include original art. "Torrential Red" by artist Shayne Dark is in Ottawa.

Even when you've been around since 1840, you can't assume everyone knows you.

It's a lesson the team at Quebec City-based retailer La Maison Simons has learned as its expands. Despite its long history in La belle province, the brand is still a bit of an underdog in to the rest of the country.

"In Quebec, we've been in market for 176 years," says Philippe Normand, Simons' VP marketing. "People know us so we never had to talk about ourselves."

In its home province, the retailer enjoys a brand awareness level well above 90%, plus high scores when it comes to credibility, he says. Nine of its 12 stores are in the province, as are the majority of its staff, with a corporate office of around 500 employees. Quebecers know and trust the brand for its high level of service and broad product assortment.

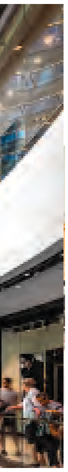
But lately it's had to make sure other Canadians know that too, as it continues its $200 million expansion plan, sparked by it reaching a point where it could replicate its success in Quebec nationally and economies of scale would allow it to grow, Normand says.

While the retailer has shipped nationally for the past several years, Simons' physical expansion in English Canada started in 2012 with a location in Edmonton. That store became a testing ground for Simons' expansion in English Canada, a starting point for learning about differences in consumer behaviour and assortment needs.

Those learnings are still underway as more stores open up. Most recently, the brand has emerged in Vancouver, Mississauga and Ottawa. It also added a location in Gatineau, Que.

The plan is to add a second Edmonton store and one in Calgary next year, another in Scarborough in 2018 and one at Toronto's Yorkdale Shopping Centre the following year, bringing the retailer's total store count to 16 across Canada.

Venturing outside its home province meant establishing its unique position and ensuring consumers understand it, Normand says. For Simons, that's meant explaining its broad spectrum of offerings, from more "fast fashion"-type pieces to high-end clothing, along with a



home collection featuring exclusive merchandise and a more fashion-oriented approach than competitors, Normand says (in August, it also added an online-only home decor section to its offering to beef up that aspect of its business).

Taking a consumer-led go-to-market approach with its private labels has been one way Simons differentiates from other retailers, he says.

Unlike traditional department stores shaped by brands (for example, having a Burberry "shop" within a store), Simons has merchandise sections and collections, comprised of private label and global brands aimed at certain key demos. "We purposely decided it's not the brand driving the consumers but it's the consumer driving himself," Normand says.

The Twik section, for example, includes merchandise aimed at young millennial women and teens. Icône, meanwhile, is targeted at the young "urban chic" woman, with Contemporaine for professional women. The same strategy is employed on the men's side with the Le 31 and Djab collections.

When expanding, Simons had the twofold task of introducing its brand to new customers and explaining its offering.

It expected brand awareness in English Canada, particularly on the West Coast, to be low. As part of its strategy, Simons employed what Normand says was its first investment into consumer marketing research to find out exactly how low it was.

In the Greater Toronto Area, it was even lower than expected, prompting it to shift more investment into marketing there.

Working with its agency partner Cossette, Simons debuted an awareness campaign ahead of its opening at Square One in Mississauga, by far its largest campaign, Normand says (two more stores set to open in the next couple of years are also in the Toronto market).

Essentially, it was a "Simons 101" campaign, says Louis Duchesne, EVP and managing director of Cossette in Quebec. To build up what it stands for, Cossette leveraged Simons' signature green colour and leaf logo, and its private collections in its advertising.

The idea was to use that signature look to stand out and differentiate Simons from the competition, while drawing attention to how broad its offerings are, with advertising focused on its eight private labels and 48 international designers and positioning it as the go-to for building a complete wardrobe, Normand says.

The retailer also worked with Cossette to create its first CRM and loyalty rewards program, called The Simons, launched in May 2015. While Simons doesn't disclose specific figures, within a year membership was close to a million shoppers, Normand says.

As a result, it's driving sales in areas that weren't familiar with the brand, he says. Vancouver, where brand awareness is around 30% to 40%, has one of the highest percentages of sales coming through the program and the retailer is seeing similar results in Mississauga.

In the past year, the marketing team has undergone what Normand says was a major overhaul. Normand himself joined in November as the retailer's first VP marketing and since then, the team has grown significantly, he says.

The change also meant bringing the web team under marketing, adding it to the mass media team and bringing in visual merchandising, part of Simons' plan to deliver what Normand calls a "seamless" experience among in-store, online and mobile.

It also brought some of its work that was previously done by external agencies in-house, including social media (it now has its own community managers) and writers. Online has been important for the brand, with roughly 10% of its sales driven through e-commerce and sales growing 60% annually, with plans to invest more in both online marketing and internal infrastructure, Normand says.

For him, "omnichannel" isn't really even the right term. "Consumers don't even see channels," he says. "I would say we went from a marketing channel strategy to a marketing content strategy."

For example, Simons uses content to introduce new product lines in unique ways. Most recently, it partnered with French brand Port Franc – whose goods are produced by local, independent brands – to bring an entire shipment from Europe to Canada in a sailboat powered by wind, and capturing the experience in an online video.

That experiment speaks to another new pillar for the retailer, driven by the Simons family, now in its fifth generation since the first store was founded: environmentalism.

To keep the supply chain carbon-neutral after receiving the shipment from Port Franc, Simons used electric cars to bring it to its distribution warehouse.

The environmental focus is especially important given that the clothing manufacturing industry is the second "dirtiest" in the world, next to petroleum, Normand says.

In February, Simons announced that its Galeries de la Capitale location in Quebec City would be the testing area for its "next generation" store, an eco-focused space with the goal of having a net zero carbon footprint. The move is a $50 million investment for the retailer, but one supported personally by the Simons family.

Going forward, Simons also hopes to make its actual merchandise more eco-friendly by investing more in organic cotton and viscose derived from non-endangered forests, Normand says.

Paving the way to a greener fashion industry is no small task. But it's still one that Simons is keen to take on as it continues its cross-country journey.

Superwoman Singh

How YouTube star Lilly Singh built a global brand by making videos from her Toronto bedroom.

BY **JENNIFER HORN**

Flying first class to Singapore, posing for a selfie with the First Lady, hanging out with Olympians in Rio – there's no denying Lilly Singh lives a life less ordinary.

The Scarborough native is a YouTuber, a touring performer, comedian, rapper, actor, dancer and soon-to-be-author. She requires a team of agents, assistants, publicists, lawyers and so forth. And each week, once on Monday and again on Thursday, she vents to more than 9.7 million people in, mostly, home-shot videos.

The Indo-Canadian has, in just six short years, created a mini digital empire through her ||Superwoman|| brand. She's closer to being a household name, thanks to a partnership with Google that currently has her prominently featured on billboards in cities from Toronto to New York City, to promote its YouTube creator channels. Since 2010, Singh has made hundreds of videos, starred in a semi-biographical film, toured the world, made Hollywood cameos, partnered with big-name brands like Coke, Skittles and TD, the list goes on. Last year, she reportedly took home $2.5 million and change. This year, she took home two Teen Choice Awards, and joined the likes of Selena Gomez and The Weeknd in Forbes' 2016 list of "30 Under 30" self-starters.

Naturally, one might imagine the 28-year-old in a scene from *Lifestyles of the Rich and Famous*, but Singh is surprisingly more relatable than her Instagram posts of celebrity friends and international travels make her seem.

Scroll through comments on one of her videos and you'll find proclamations, ranging from flabbergasted ("OMG this video is basically my life, hahaha") to frank ("So relatable. On so many levels"), from fans who find it uncanny how much they have in common with Singh. She faces similar life issues and family dynamics, and deals with them just like everyone else – which she illustrates in videos that occasionally show her dressed up and play-acting as her parents, complete with mom's head scarf and dad's thick (makeup) beard.

"When we see traditional celebrities, there is this infatuation," says Singh. "I want to be this person. I wish I looked like this person. There is this idea of reaching. So when I'm doing videos in my bedroom, talking about my period, or a fight I had in a relationship, [people] think, 'That's me! She's not perfect and she's not super unattainable, but she is successful.' And I think that's what's cool about the brand and what I do."

Singh's journey to global fame hasn't been easy. She's come a long way since her first spoken-word piece, which she admittedly pulled down in fear of anyone finding it today. "It was so bad," she says, laughing. "In the beginning, I didn't have a brand or groove... I was just doing anything, because I was overwhelmed by the idea that I could have a creative voice."

She stumbled upon the idea to create YouTube videos while completing her degree in psychology at university in 2010. She was depressed at the time, having lost the creative spark she had growing up, when she loved to be on stage. That period in her life is what eventually sparked her channel's *raison d'être*: to be a place of positivity, encouraging fans to be the best version of themselves. She does this through her (sometimes split-personality) sketch comedies and music videos, which have altogether tracked 1.4 billion views. She is currently the third-most subscribed YouTube channel in Canada, sitting behind music and gaming channels WatchMojo (#2) and VanossGaming (#1).

Creative marketers have taken notice of Singh. Coca-Cola, in particular, has made a substantial investment in the entertainer through an ongoing partnership since 2015, brokered by her agents at Studio71. For example, the brand most recently flew her to the Olympic Games in Rio to create live-streaming content at the Coca-Cola fan zone, only asking that she organically weave the brand into video narratives. She delivered more than one million views and

PHOTO BY DANIELLE LEVITT

Right, from top: Singh has partnered with brands from candy (Skittles) to cars (Toyota), and has made guest appearances on the *Today Show*.

300,000 engagements.

Coke has also played a more prominent role in helping to build her brand, such as when Singh came up with the idea to launch a world dance and music tour, which she curiously named "A Trip to Unicorn Island" (what she calls her "happy place"), and needed a sponsor to help finance the 26-city tour. YouTube documented the experience and hosted the film on the newly launched (at the time) Red channel.

Again, in true Singh style, she was the one to come up with the idea to take it a step further and host a film premiere in her home city earlier this year. Because the film was a digital-only release, Singh and her team (which also includes creative and executional help from agencies Universal McCann, Ogilvy and Gravity) hosted a 500-attendee premiere alongside Coke, which brought in helium balloons that contained the soda's effervescence for people to inhale. The partnership goal, for Coke, is to pass on its legacy of inclusiveness and positivity to the next generation of Canadians, encouraging them to #shareacoke with #teamsuper.

"We've heard this partnership [with Coke] referenced in a number of boardrooms over the past two years," says Jordan Bortolotti, executive VP at Studio71 Canada. He says it's become a sort of "test case study" for other marketers wanting to get into the content creator space, and has even led to Coca-Cola putting together a mini-network of "super influencers," which it now works with on an annual basis on tent pole activations at, for example, music events.

While Singh's portfolio of partner brands (which also includes Skittles, TD, Toyota and Smashbox) is small, says Bortolotti, it's because she wants to keep it exclusive. Plus, "she only wants to work with brands that she can [and wants to] authentically talk about." For example, Skittles – with which she partnered last year, making a guest appearance at and social content for its "Holiday Pawn Shop" and later speaking about when she was on Jimmy Fallon's show this summer – is a brand that she was already "emphatically enthusiastic" about, he says. (Also, says Singh, "it just made sense. [Skittles are] always in my house," and she was already talking about the brand in some of her videos).

Bartolotti gives credit to Singh, who has to deal with basically being her own "brand manager, CEO, CFO and producer-slash-creative genius." He admits, "we haven't been the driving force [of her success] by any stretch of the imagination. That's been 100% Lilly... What she has been able to do in many cases is get advertisers to commit to a new way of doing business. It's uncanny how, when she works with a brand, they end up double- or triple-downing in the space immediately thereafter."

He also believes that what makes her so marketable is how she is able to create a snapshot of modern Canada. "If you look at her multicultural, satirical look at this world we live in, she has done a tremendous job at reflecting those cultural and unique aspects [of] Canada. And that doesn't just apply to Canada, it's all over the world, and so many kids can relate. This brand that she's built has been centred around those important human truths."

Catering to the Drake traveller

The brand is spreading Canadiana cool through its hotels, restaurants, general stores and unique partnerships.

BY **MARK BURGESS**




Above: The Drake Devonshire, the Toronto hotel's rustic cousin in Wellington, Ont., opened in 2014. **Opposite page**: The Drake General Store's Canadiana collection.

Early on in the conversation with Drake General Store co-founder Carlo Colacci, the word "exclusive" is used to describe the quirky gift shop's offering. Just as quickly, it's walked back: not exclusive in *that* way.

When the store launched in 2008, the idea was to cater to the needs of Drake Hotel guests "in a way that's a little more Drake," Colacci says. "A little more creative, a little more exclusive." But in the sense that the products can't be found anywhere else, he explains: when a brand gets too big, it's out.

The tension around the idea of exclusivity is evident across the Drake brand, which includes two hotels, three restaurants, three stand-alone stores and a new catering business. It's also partly responsible for its success. "We're still a pretty small business," Colacci says. "I think our brand has grown more than our actual physical business at this point."

This outsize brand strength has paved the way for expansion and led to partnerships with bigger brands looking to engage with the Drake's audience of tastemakers.

In addition to being "playful, irreverent and sophisticated," senior marketing manager for Drake Hotel Properties Rachel Yeager describes the brand's voice as "positive and inclusive, with a bit of an edge." How the inclusivity and the edge interact has been important from the beginning.

The building that houses the Drake Hotel first opened in 1890 as D.A. Small's hotel. It became the Drake in 1949. Jeff Stober, who had recently sold his headhunting firm, purchased the dilapidated building in 2001 and reopened it in 2004, creating a boutique hotel renaissance in the city and helping transform the artsy west end neighbourhood into the city's trendiest.

A gift shop was always part of the plan but didn't materialize until Colacci and co-founder Joyce Lo – who ran a pop-up beside the Drake Hotel for Shared, their line of locally made t-shirts – came on board in 2008.

The hotel's aesthetic developed organically from Stober's vision, honed obsessively over years of collecting souvenirs – postcards, newspaper clippings and the handmade dolls that greet every guest from the hotels' beds – as outlined in a recent *Toronto Life* profile.

The brand of quirky nostalgia caught on. Stober opened the Drake One Fifty restaurant in Toronto's Financial District in 2012. It spread to Prince Edward County, Ont. in 2014, with The Drake Devonshire, the main hotel's rustic cousin. The Drake Commissary, a new space that combines a kitchen making bread, charcuterie, baked goods and pasta, and a shop selling those items, will open in Toronto's Junction neighbourhood next year. A new Drake Catering business launched in September. Meanwhile, the Queen West expansion continues. Stober owns four buildings east of the Drake that will be subsumed by the hotel in 2018, adding 35 rooms.

The Drake General Store has also outgrown its original confines. In July, it moved across the street from the hotel to a three-storey space (a building that once served as the presentation centre for condos that popped up around the Drake in the last decade) with a café, a barbershop and event space. When the hotel expansion is complete, it will move back into its renovated home.

The store, which describes itself as part traditional hotel gift shop, part classic general store, part flea market stand and part museum shop, has seen revenue growth of 20-30% per year since it opened, says marketing manager Kate Chippindale. Eight years after its launch, it has three product designers and two graphic designers that allow it to make and distribute its own stuff through the exclusive Drake General Store line. Though they only take up about 20% of the store's shelf space, their own products account for up to 80% of sales, depending on the time of year. The store's corporate team has grown from six people three years ago to 16. Its e-commerce launched in 2011 and makes up about 5% of sales.

In addition to the flagship, the Drake has stand-alone stores at Yonge and Eglinton and at the Union Pearson Express Terminal in Toronto, as well as shops-within-shops in Hudson's Bay locations in Toronto, Vancouver and Ottawa. It has wholesale deals with other Hudson's Bay stores, as well as Urban Outfitters and Simons. It's also working on a partnership that would see its products in U.S. department store Lord and Taylor's in 2017.

The store is a showcase for its founders' love of well-crafted items that blend unabashed twee and subtle irony, sprinkled with nostalgia: apothecary items named for historic Canadian dates; not-quite-Blue Jays t-shirts designed by creative agency Red Lion; dining sets featuring Canadian landscapes that border on tourist kitsch; adult camp onesies. Colacci and Lo had no sales history, he says, so they bought items they liked without much evidence beyond their own guts about how they would sell.

"We would never buy anything that we didn't want but that we knew would sell really well. We want to make sure that we're really respecting the brand that we created," Colacci says. That's meant walking away from successful lines that became too accessible elsewhere.

This doesn't change when partnering with bigger brands, says Chippindale. To launch the new flagship, a New Balance boutique filled the second floor. But rather than carrying the same sneakers found on shoe racks across the city, the store secured pre-released models.

Uniqlo followed with a shop-in-a-shop for the two September weeks leading up to the Japanese clothier's first Canadian store opening at the Eaton Centre. Next up was an L.A.-themed takeover across the Drake's properties to coincide with TIFF. The store featured L.A. brands while the hotel hosted L.A. chef Neal Fraser as well as events with DJs from the city.

The partnerships work, Chippindale says, because the Drake offers content creation, engaged followers and experiential space, while the store takes advantage of the larger brand's resources and broader audience. With New Balance, it brought in Milos Raonic, the New Balance-sponsored tennis star from Thornhill, Ont., for a ping-pong event in the store's third-storey event space.

The partnerships are a key part of the brand's marketing, which is all done in-house and without traditional ad buys, Chippindale says. The Drake pays for some social posts but most of the efforts go into telling stories about the store's products and generating buzz, with the help of a dedicated network (the store has 25,000 email subscribers and almost 17,000 Instagram followers; the hotel's Instagram following is almost 23,000 strong, and it's approaching 70,000 on Twitter). It's also "dabbled" in influencers, Chippindale says, but found they weren't really needed.

"We're really lucky in that influencers often organically post our product. We don't have to invest a whole lot in that game in order to see the returns," she says.

The Drake has built up its following because of the number of events it has to share with its audience, Yeager says. That audience is described internally as the "curious culture seeker," straddling demographic categories.

In another innovative collaboration for Father's Day this year, the Drake partnered with JP Wiser's in a campaign called "Fare + Provisions." The whisky brand was launching a new limited product, called Last Barrels, and enlisted the Drake's help. For the campaign, the Drake leveraged relationships across its assets, partnering with 10 chefs (five from Drake properties and five others through those connections) to create a cookbook of pantry staples using the new whisky as the hero ingredient. The store created a printed cookbook containing the recipes and chefs' stories, and hosted a launch party for Last Barrels.

It was a "whole package deal" for the whisky brand, Chippindale says, helping them target a different customer.

"Some of these more traditional brands look to us to be content creators and offer something a little bit different that reaches a different audience and puts a different creative spin on things," Colacci says.

The partnerships are mutually beneficial, since an event like the Wiser's one also brings in people who may be unfamiliar with the Drake brand. "We put a lot of sweat

equity into it and they provided the funds to help us elevate what we do from a marketing perspective, so I think it's win-win," he says. "I wouldn't call it a profit centre but maybe one day – who knows?"

The Drake is continuing to use pop-ups as a safe way to experiment and test the viability of partnerships and markets. It had one in a Kit and Ace store in Muskoka last summer, and at Urban Outfitters during Toronto's Pride weekend.

The store is benefiting from a moment that makes it a good time to be in the Canadiana business. The nation's sesquicentennial in 2017 won't hurt. As brands of all kinds make use of the event for advertising and promotions, expect the Drake General Store to up its output while sticking to its usual wry sensibility. The brand has issued an open call on Etsy for Canada 150 products, with the winners to land on its shelves and online store.

Hellmann's sustainable message

Constant consumer research is helping the mayo brand keep its Real Food Movement fresh after nearly a decade.

BY **HARMEET SINGH**

Above: The latest iteration of Hellmann's nearly decade-long Real Food Movement was all about where the food we eat comes from (in this case, a farm in Saskatchewan).

In the era of rainbow bagels and bacon-flavoured everything, mayonnaise isn't exactly riveting to foodies.

Still, Unilever's Hellmann's brand has taken the eggs, oil and vinegar of its creamy dressing and translated them into nearly a decade of sustained success, bringing it to the top position among its competitors and proving that it's not always about creating a big splash, but rather, a strong movement.

The brand has entered the ninth year of its Real Food Movement platform, a marketing shift towards focusing on its real ingredients and undertaking community projects, grants and advertising centred on food quality over traditional product shots. Each campaign – from investing in urban gardens in 2007 to revamping a school kitchen and crushing the cafeteria's deep fryer with a truck in 2012 – has been successful independently, but collectively they have laddered up to position Hellmann's as a champion of quality food.

For 2016, the brand chose to focus on a simple but important question when it comes to what we eat: "Where Does It Come From?"

The socially driven campaign, led by its agency partners Ogilvy, Cubocc, Harbinger and Mindshare, launched in July with an online video showing kids asking their parents where certain food items come from (stumping most of their elders, especially when it came to canola).

The brand then sent three families from Montreal to a canola farm in Englefeld, Sask. to learn more about their foods' origins. The experience, hosted by celebrity chef Chuck Hughes – a brand partner since 2008 – was live-streamed on Facebook and Twitter to connect with parents in real-time, with more content supported online afterward.

It wasn't the first time Hellmann's had used food origins as part of its marketing, with a 2009 short documentary, for example, focusing on food imports. But like all of its work around the Real Food Movement, this year's campaign was driven by consumer research, taking the temperature of Canadians and finding out what they care most about, then executing in a new way, says Gina Kiroff, director of foods at Unilever Canada. "Where Does It Come From?" was inspired by a survey of 1,000 Canadians that suggested four in 10 don't know where their food comes from and two-thirds want to know more.

The message resonated. The campaign gained 21.9 million impressions through social media and PR efforts, 379,000 views on the 90-second teaser video and nearly 2 million on the 30-second version.

Hellmann's used to have what Kiroff says was more of a traditional marketing target – "mom" was older, with a larger family. Its core target was more consumption-driven – those consumers actually making the sandwiches. While that remains important, it's since broadened to people who want to advocate for real food.

That's meant targeting a younger demo and being more gender-neutral, especially considering younger consumers tend to be more inclined to champion movements, Kiroff says.

With "Where Does It Come From?" that target was parents of young kids specifically. In its research, the brand found that four in 10 adults say kids today don't know enough about where their food comes from. Parents also want to know more about the subject, prompting Hellmann's to focus on parents learning with their kids.

Last year's campaign took a more provocative approach, Kiroff says. After discovering Canadians didn't know much about the issue of food deserts, the brand chose to bring to light just how expensive certain fresh items are in remote communities or areas without access to affordable produce. Using the hashtag

#MyTomato, Hellmann's encouraged Canadians to share a photo of their tomato and its cost per kilogram to illustrate the sometimes vast price differences in Canada.

While the brand still does shopper marketing and recipe programs focused on the product's more practical aspects, its larger campaigns have been about championing a movement.

Its approach has proven successful.

Last year, Hellmann's held 53% market share in its category, a leap from 39% in 2006, when it was trailing Kraft's Miracle Whip brand. Its key brand attribute – "made with real, simple ingredients" – has also grown each year, with more respondents agreeing that statement pertains to Hellmann's. The brand's research has also suggested a 31% increase in purchase intent among consumers who have seen Real Food Movement content over those who haven't.

"If you look at our original results [pre-Real Food Movement], we were always the number two player," Kiroff says. Consumer research had shown that 75% of Canadians pegged the Hellmann's brand as not particularly healthy – or "junk in a jar."

That's what prompted Hellmann's to go back to basics, embracing its quite literal product truth about its simple ingredients.

A lot's changed since it kicked off in the pre-Twitter world, but the Real Food Movement was always inherently social, and the ongoing campaigns are, like its mayo, still fueled by the same basic formula, Kiroff says.

It begins with a somewhat localized kick-off that allows for personal engagement with a smaller audience, then amplifying content that's shared with the masses through paid support. Back in 2007 when the Real Food Movement began, for example, that meant investing part of its ad budget into helping people grow fruits and veggies as part of an urban gardens project, then taking content from that event and sharing it through more mass media channels.

Being more digitally led, though, has allowed the Hellmann's marketers to be more nimble. While in the past, creative would be formulated, wrapped up and delivered to media partners, now its internal team can monitor the campaigns in real time and make adjustments on the fly (such as which media assets or channels to divert investment to), Kiroff says. Constant access to data, rather than relying heavily on media partners, has empowered Hellmann's marketers to deliver more successful campaigns.

The brand has occasionally changed up its product line, introducing "Carefully Crafted" to its portfolio earlier this year, a non-GMO version of its mayo that's free of eggs, gluten and artificial flavours and colours, aimed at bringing its flavour profile to those with allergies or certain dietary preferences.

Consumers aren't likely to see Hellmann's portfolio – and its marketing – deviate much from its core, but Kiroff says it's still "innovating in the background," focusing on things like free-run eggs and investing in farms for sustainable canola sourcing.

Also trending...

Keep your eye on these brands: an Ontario craft brewer and a made-in-Vancouver sportswear brand, both of which are expanding across the country. They made big splashes this year and we suspect their momentum will only build.

NEW RETAILER TO WATCH **REIGNING CHAMP KEEPS IT CLASSIC**

By **Mark Burgess**

It starts with the stitching. Reigning Champ's signature sweats all feature flatlocked seams with reinforced bartacks throughout. The clothing is famously simple but the brand prides itself on these arcane details that are equal parts ornament and necessity, style and strength. You would be hard-pressed to find a loose thread to pull from the garments made at its Vancouver factories.

It's a formula that's working for the West Coast brand, which launched in 2007 under CYC Design Corp (also the maker of the Wings+Horns fashion line). Since 2011, when marketing director Doug Barber joined the company and started a more concerted branding effort, Reigning Champ has gone from being stocked in 10 retailers – all independent boutiques, largely in the streetwear space – to roughly 300 stores (including Bloomingdale's, Nordstrom and J. Crew) on three continents.

The brand opened its first store last year in Vancouver. It has two more coming to Toronto this fall and another opening in L.A. in 2017. Architect Peter Cardew designed the stores in a spare, locker-room style to match the brand's clean, simple aesthetic.

Reigning Champ's core is the same as when it launched, focused on sweats and fleeces – the kind of gear you picture Rocky training in, Barber says. But it's added its Sea to Sky line, featuring water-resistant fabrics, and next year it will release the Performance line, a "true technical product" for today's athletes.

Its marketing has relied on specialty product collaborations with brands including Asics, Converse, Mitchell and Ness, and Club Monaco (for which it resurrected those emblematic crewneck sweatshirts most Canadians of a certain age remember fondly). This fall, it will launch its most extensive co-branding project with Adidas, with several releases over the next two years.

Some of the partners reinforce Reigning Champ's brand identity, Barber says, while others allow it to reach a new audience. "[They] bring different skillsets, different levels of innovation that we don't have ourselves, so it really gives us an opportunity to push the boundaries and do something that we wouldn't otherwise be able to do on our own," he says. With Asics, it was shoes; with Adidas, its first foray into women's apparel.

Its 2014 collaboration with boxing brand Everlast featured media help from No Mas, a multidisciplinary agency in New York, and from creative agency Doubleday and Cartwright, in a campaign featuring lush black-and-white video and photos of the gear in New York City. Otherwise, Barber says, all the marketing has been in-house, with only a half-dozen people working on the brand.

Most of their energy goes to social media, where Reigning Champ has a loyal audience (almost 58,000 Instagram followers) and attention from online outlets Hypebeast and Highsnobiety. It also leverages personal relationships with influencers across the sports and arts scenes, and has a strong programmatic ad game.

But Barber says the marketing comes back to what they make. "With Reigning Champ, as long as we build a really good product, we'll have a loyal consumer," he says.

BREWER TO WATCH **BEAU'S FEEL-GOOD AUTHENTICITY**

By **Josh Kolm**

Right, from top: Father-son team and co-founders Steve (left) and Tim Beauchesne; the roughly 150 employees who are set to buy back ownership of the company; and Beau's signature tractor.

In a category where small brewers continue to be bought out by international conglomerates, this year, Beau's put a stake in the ground for independence.

Over the next few decades, the roughly 150 employees at the Ottawa-area brewery will gradually buy back the company's shares from the Beauchesne family, which founded the brewery, and other initial investors. This not only ensures the operation will retain its independence for the foreseeable future, but empowers its employees. Since it was founded, Beau's has grown at a compounded rate of 45% year-over-year.

Steve Beauchesne, Beau's co-founder and CEO, says the brand planned "10 amazing things" to mark its 10th anniversary this year, but the buyback announcement was the most impactful. Some of those things have been quiet, like creating a new website and refreshing the familiar tractor logo. But others have grabbed attention, like the announcement that it would begin distribution across Canada, or launching a pair of scholarships for students heading to Niagara College Teaching Brewery (one focused on diversity in brewing and the other on innovation). The brewery was also named the official beer of the Ottawa 2017 anniversary celebrations, which will see it create 12 unique beers in collaboration with other breweries and personalities from across Canada.

Beau's is also partnering with an entrepreneur in Rwanda to help her develop a brewery completely owned and operated by women.

All of that is on top of the brewery's regular activities, like releasing 50 brands every year (some of which are seasonals, others collaborations with artists or cultural events like the Polaris Music Prize, and all of which feature award-winning package design by in-house CD Jordan Bamforth), its frequent sponsorship of community events and fundraisers (it topped $1 million in charitable donations this year) and its continued commitment to all-natural, organic ingredients.

"I firmly believe beer tastes better when you can feel good about drinking it," Beauchesne says. "All of our strategic decisions are geared around the idea that there's a lot of good beer in the market, but when it comes down to choosing one over the other, we want to be the brewery you choose because you know [we're] doing good things you believe in as well."

There's a perception that craft beer drinkers are snobby, but Beauchesne says that is driven by a desire for authenticity and relevance, a target Beau's needs to constantly hit as it grows.

There's also the matter of staying fresh to consumers constantly looking for what's new.

"Making sure we're constantly doing something different is our way of maintaining the relevance and never being the brewery that got too big to do what it does best," he says.

Agent of change: Harvey Carroll

The IPG Mediabrands Canada CEO realigned agencies and brought Media Experts into the fold, earning him *strategy*'s 2016 Media Director of the Year title.

BY **VAL MALONEY**

When you're a media director from a non-traditional background, there is an expectation that you're going to shake things up. And that's exactly what Harvey Carroll, CEO at IPG Mediabrands, has done since joining the media group. Previously working client side at Labatt and InBev and as the leader of a creative agency with Grip, Carroll made the move over in late 2013.

The past year has been a particularly big one for Carroll and his team. Identifying a need and opportunity to grow the Canadian group's reach in Quebec, Carroll met with Media Experts, which at the time was the largest independent agency in the Canadian market. After getting support from the New York IPG Mediabrands team, Carroll and the Canadian leadership acquired the agency in late 2015, bringing 150 staff into the fold.

"We initiated the deal and really felt it was a great endorsement of the leadership team in Toronto and IPG's overall belief in Canada as a growth market," he says.

With the Media Experts deal complete, there was a need to create distinct divisions for IPG Mediabrands' other agencies in the Canadian market: M2, Initiative and UM. Carroll's team rolled the local M2 agency into Initiative, removing the smaller shop.

"Once Media Experts was in the equation, we felt the need to have three strong and differentiated brands in the market with different positioning and go-to market approaches," said Carroll.

All told, Carroll's changes have contributed to IPG Mediabrands' agencies (excluding Media Experts) growing organically by over 20% in the past year. That growth has come from a combination of client wins: Sobey's, Netflix and Spotify, to name a few, as well as the foresight to add new local services like mobile-focused agency Ansible and social media-centred Society.

IPG Mediabrands has also added more services like econometric modeling to its Canadian offering. Despite its small size, Canada has now grown to become its third-largest market. It is also the third-largest holding company in Canada based on RECMA rankings.

Staffing up this restructured group meant recruiting some of what Carroll calls his team's list of "regretful departures." That included bringing former Media Experts exec Helen Galanis back from Rogers Media to lead the newly merged Initiative. Erin Rahn was brought back to the team, moving from MediaCom to become GM at programmatic arm Cadreon. Jordan Brooks was also wooed back, moving from Catalyst to lead data at Cadreon.

Kyle Norrington, VP of marketing at Labatt Breweries of Canada has worked with Carroll as a co-worker and now a client, as the brewery is one of IPG's top partners in the Canadian market. He says Carroll's strengths are multi-faceted.

"He is brutally honest and gives amazing feedback," says Norrington. "Super intelligent but always listening and learning. And he has an amazing eye for identifying talent that can and will go the extra mile to deliver results."

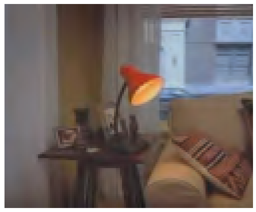
Since you can't reshape an agency without nurturing that next gen talent, Carroll is passionate about moving IPG Mediabrands forward in terms of training and staff support. He has steered the focus away from recruiting towards people development.

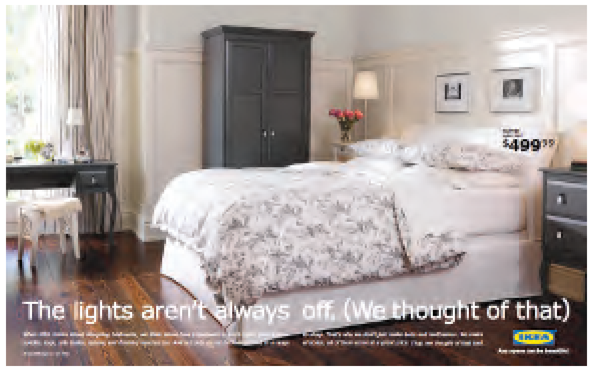
As part of that, the company rolled out the second year of The Residency, a 22-person internship program, which aims to address the industry-wide challenge of engaging future talent.

The Canadian office has also expanded IPG Mediabrands' FLITE program, which allows it to track and support employees through setting individual goals and KPIs. Under the program, employees take two training courses a year, such as Facebook Blueprint.

Building an agency group to face the future needs of the industry is the kind of big picture thinking Norrington ascribes to his former colleague. "He gets involved at the right time, pushes leaders to be more innovative and gets them thinking beyond next year's plan."

The MDOY was chosen by a panel of judges for the Media Agency of the Year awards. See the 2016 Nov/Dec issue of strategy to see who won what in MAOY.





IKEA IS SWEDISH FOR....

AS THE UNLIKE-ANY-OTHER FURNITURE RETAILER CELEBRATES ITS 40TH ANNIVERSARY IN CANADA, WE WALK THROUGH THE BRAND'S COLOURFUL EVOLUTION AND LOOK AT WHAT MADE IT TWINKLE.

BY MEGAN HAYNES

Like its furniture, Ikea's brand required some assembly.

Made famous by its quirky humour and affordable furniture, the brand has been growing its business one room at a time.

The Swedish retailer has moved more than $1.8 billion worth of furniture in Canada, capturing 8.8% of the market, according to Fusion Retail Analytics. More than 26 million Canadians visited the retailer in 2015, where they gobbled up more than 1.4 million meatballs and 3.6 million hot dogs.

But, as any couple trying to assemble a Poäng chair will tell you, it wasn't always a smooth trip. The retailer spent decades working to overcome the stigma of being seen as cheap. It did so by grounding its advertising efforts in a deep consumer insight around how it can play a role in every room of the house.

Now, as it celebrates its 40th anniversary this fall, Ikea has shifted its thinking: it's no longer about building the brand one room at a time through zany humour and product-focused advertising, marketing manager Lauren MacDonald says. Rather, it's connecting emotionally with consumers around what makes people feel at home through anthemic mantras. And it's working: the brand tracked 10% sales growth between 2014 and 2015.

A journey through Ikea's past shows how it built its brand using quirky advertising, a deep understanding of what makes it different and a boatload of Allen keys.

IKEA IS SWEDISH FOR KNOCK-DOWN FURNITURE

According to Elen Lewis in the book *Great Ikea!: A Brand for All The People*, the retailer's founder, Ingvar Kamprad, got his start in a fish market, selling the foodstuff

Opposite page, clockwise from left: Ikea's ads throughout the years show its sense of humour and taste for puns. There's a 1979 Christmas ad; the Volkswagen spot by Roche Macaulay; the Spike Jonze-directed "Lamp" from 2002; Zig's "Start the car" spot; a page from the famous catalogue; and a pop-up in Toronto earlier this year.

(although, some accounts say matches) to neighbours from his bike as a child. He graduated to pencils and wallets in 1943 and then to furniture in 1948. The entrepreneur named his company Ikea, amalgamating his initials with those of the farm (Elmtaryd) and town (Agunnaryd) in which he grew up.

His philosophy was simple: sell egalitarian, well-designed furniture that's not prohibitively expensive. In Sweden and throughout Scandinavia, the brand quickly gained popularity; in Canada, its first destination across the Atlantic, it was a rocky start.

Ikea opened its first franchise store in Nova Scotia in 1975 (technically making this year its 41st anniversary, but the location shut down 13 years after opening and now Ikea corporate doesn't consider it the brand's official start here).

According to a 1985 report in the *Globe and Mail* exploring the brand's first 10 years, the franchise model (a first for Ikea, which until then had opted for a centrally-owned model) did not bode well. While it quickly became a popular shopping destination in eight cities, it was plagued with stock issues and the stores often looked like they were "in the business of selling pine shelves – because the shelves were empty," the article said.

The joke, retail consultant Ed Strapagiel says, is that Ikea was Swedish for "out of stock" (a play on one Canadian campaign that said "Ikea is Swedish for 'Common Sense'"). That perception would limit the brand well into the '90s.

When Ikea HQ bought back the eight Canadian stores, a huge effort was made to fix the stocking issues and change the way its wares were displayed, with top decorators brought in from Sweden to give the showrooms a facelift. Advertising increased and prices were lowered. Early campaigns were largely print-based and started the trend of pun-heavy headlines ("Ikea has gift ideas yule love"). They also made great use of the Ikea Viking, a stick figure with a large nose and the stereotypical horned helmet.

By 1985, the brand had increased distribution of its catalogue (a mainstay of the Ikea marketing plan around the world) to 3.5 million copies a year, up from 300,000 in 1979. That year the retailer did more than $100 million in sales (fast approaching its nearest competitor The Brick, which did approximately $125 million in sales across eight stores), up from a mere $29 million five years earlier.

A big factor in Ikea's success was that boomers, the largest cohort in the country, were in the process of starting their own homes. Ikea not only offered fun, inexpensive furniture, but the branding resonated with the target. One of its earliest TV campaigns by McCann Erickson, which would go on to win a top award at the Bessies in 1986 (the first time for a retailer), set the tone. The campaign starred a man named Ingemar, speaking in Swedish with English subtitles. He introduced Canadians to the vast array of products (and their low prices), while riding around on a conveyor belt. The quirky commercial endeared Canadians to the brand, says industry vet Geoffrey Roche, who worked on Ikea through much of the '90s at Roche Macaulay.

But with its heavy focus on first-time Canadian home owners, Ikea also developed a reputation as a cheap, knock-down furniture store, says Susan McGibbon, who joined Ikea in 1990 (she would go on to lead the advertising team until 1998).

At the time, this image wasn't an issue for the brand. Knock-down furniture had its appeal, and as one *Globe and Mail* article from 1987 put it, the price, for the design and the quality, couldn't be beat. It was a great alternative to the higher-end stores. But, the piece posited, while it was a great store for a first home, it didn't pass the test of time as consumers moved into their second.

IKEA IS SWEDISH FOR GROWING UP

This analysis proved accurate. In the 1990s, McGibbon says, the decision was made to elevate the brand and strip away the cheap pine furniture reputation.

Marketing efforts didn't do much to change that perception, she says. The black and white stick-figure ads did nothing to show off the array of furniture, while those that did run in colour tended to focus on its pine wood (reinforcing the "cheap" perception).

The goal was to get people to see how beautiful Ikea furniture could be in consumers' homes. TV played a dramatically bigger role, as did full-sized, beautifully laid out magazine and newspaper ads.

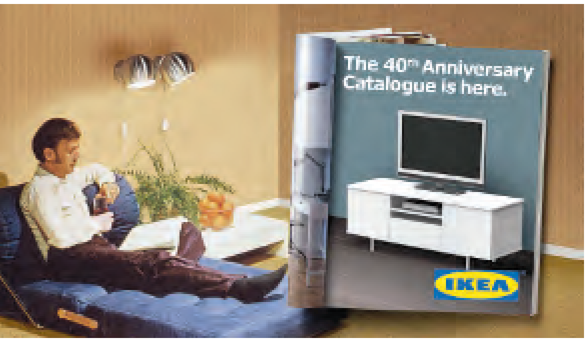
For ads from Roche Macaulay, which won the account in 1991, set designers and interior stylists decorated different rooms in the home to showcase Ikea furniture. This was the first time the brand had played up beauty in its advertising, McGibbon says.

"We needed to trick people," Roche adds. "I wanted people to look at these rooms and think 'Oh my god, that's such a beautiful room.' And then, [have them ask], 'Oh my god, that's Ikea?'"

Headlines and copy maintained what McGibbon calls the "Ikea twinkle," a nod and wink to its frequently used pun-heavy humour. TV ads also started to put Canada on the map globally for the Ikea brand.

One commercial produced by Roche Macaulay featured Ingemar driving a Volkswagen Beetle stacked with boxes and unable to pass under a bridge. It was picked up around the world and "went gangbusters," Roche says.

The brand was making great headway in changing



Above: A vintage image from the 40th Anniversary Catalogue. **Opposite:** Zig's *So You Think You Can Dance*-inspired spot from 2008 was a creative high point.

consumer perception in Canada, becoming one of the country's favourite furniture destinations. The majority of customers were willing to drive 20 minutes to reach their nearby Ikea (most people were only willing to drive 15 minutes to other stores like Canadian Tire and The Brick, according to a 1995 survey from Kubas Consultants). But in 1997, the decision was made to consolidate marketing efforts out of Pennsylvania, tapping into the U.S. team's talents.

While the brand remained active during this stage, sharing a brand positioning (including the memorable, Spike Jonze-directed, Cannes Lion-winning "Lamp" spot from Miami-based CP+B in 2002), Canadian sales stagnated, with ads no longer connecting as effectively.

IKEA IS SWEDISH FOR QUIRK

In 2004, the Canadian arm of the retailer acknowledged that its marketing might be better served at home. It repatriated the branding team to its Burlington HQ and hired Zig as its AOR.

It marked the start of a reinvestment in the brand in Canada. The retailer committed to four more locations and took on previously difficult categories, such as mattresses (Canadians liked coil mattresses, Ikea sold foam) and kitchens (it was considered cheap, and not kitchen reno-worthy).

It also marked a creative high point in the brand's history. With Zig, Ikea rolled out some of its most iconic campaigns, including the 2008 pop-culturally relevant (at the time) spot featuring a pair of pop-and-lockers from *So You Think You Can Dance*; "Rug" in 2004, which promoted Ikea's delivery service by having someone driving around with a rug sticking out of the car knocking people over during important moments; and, of course, "Start the car!" featuring a woman who believes she just ripped off Ikea because the sale price was so low.

"The reason everything worked so well is because everyone [at Ikea] understands their brand so well," recalls Shelley Brown, chief strategy officer at FCB and former president of Zig.

Subtej Nijjar, a former account director for Ikea at Zig who's now president and partner at Union, concurs.

Everything Ikea did was rooted in a deep consumer insight, he says. For "Start the car," for example, consumers believed the prices were so good they were practically stealing from the retailer. (The spot was picked up in 12 countries and ran for a number of years after its initial airing.)

To help the brand get over its "cheap" stigma, every ad dove deep into its offerings, focusing on a single room or product, with the goal of getting Canadians familiar with what Ikea carried, Nijjar says.

The catalogue remained a key ingredient for the brand during the '00s, covering roughly 80% to 90% of the total population, he says. (Since the majority of the 12 Ikea stores were in major urban destinations, people outside these centres only interacted with the brand through the catalogue.)

The company also dove into digital, Brown adds, experimenting with new formats, such as its first online catalogue, with consumers invited to take a photo of their favourite pages and upload them to the brand's website for a chance to win the items on the page.

By the end of the '00s, Ikea had solidified its place with Canadians, but brand awareness began to flatten as it faced increased competition.

IKEA IS SWEDISH FOR THE WHOLE HOME

With this backdrop, Ikea decided it was time to pivot, says MacDonald, who joined the team in 2014. Canadians were familiar with the brand, and the previous focus on style and price (Roche's "I can't believe it's Ikea" philosophy) wasn't necessary anymore.

Rather than just focusing on single rooms, it was time for Ikea to own the whole home. The brand continues to pulse out marketing geared at specific rooms and products based on its retail calendar, but there's been an increased focus on building out a brand that can emotionally connect with consumers.

In 2011, Ikea brought on Leo Burnett as its AOR and Jungle Media for media buying, and toned down its quirky voice. Its first major brand campaign under the "Long Live the Home" philosophy was more anthemic, a mantra to rally consumers.

This evolved into the "House Rules" campaign, which

From top: Scenes from the "House Rules" and "Long Live the Home" spots, which sought a more emotional connection, and a page from the famous catalogue.

featured Ikea's first consumer-generated content. Canadians were asked on social media for their house rules (such as don't flush the toilet when someone is in the shower), which were later incorporated into a second phase of the campaign. Its most recent campaign focused on all the important moments people experience at home.

Families spend less time at home than ever, MacDonald says. While some might construe that as life at home becoming less important, she says it makes those minutes more special. To tap into that insight, in 2016 the brand introduced "Every Second" to showcase special moments – from brushing teeth to playing with kids – one second at a time. It followed up with another user-generated campaign that used footage from consumers' home life in a similar montage.

While the big brand campaigns are less quirky than past work, the twinkle shines through in experiential executions like the award-winning "Moving Day" campaign and "Human Coupon" program (people presented themselves as "coupons" valid for 60% off their purchase in-store).

The shift to emotional marketing worked. The brand has seen a 15-point increase in sales since the 2011 repositioning, as well as a 40% increase in online sales.

Despite the shift in tone, Nijjar (who did not work on the recent campaign) says the brand's inherent identity remains. "You could never just swap out the Ikea logo and put another brand in [and say] 'That makes sense,'" he says. "There's always an Ikea-ness to the work."

IKEA IS SWEDISH FOR EVOLUTION

For its 40th anniversary, the brand is pivoting again. At press time, the team was creating a new brand campaign to better explain Ikea's "why" – that is, why it creates products the way it does; why it wants to be an affordable, well-built brand; why it's the brand for many.

"We're confident Canadians really understand the 'What,' but we've never told them the 'Why,'" says MacDonald.

The campaign will delve into the brand's democratic design process (the way it approaches design to achieve the right combination of form, function, quality and sustainability at a low price) with a new commercial spot, which launched in September. The campaign is a kick-off to the catalogue, peppering in images from the original 1976 catalogue ("Everybody loves a good throwback," MacDonald says).

To further celebrate its 40th anniversary, the brand is launching a pop-up museum at its Toronto flagship in early October that explores its evolution.

This fits with the broader demand for transparency: customers want to know more about brands – where the products come from and whether companies are acting with integrity – and the 40th anniversary provides a great opportunity to tell that story, MacDonald says.

Ikea is also increasing its footprint, doubling its locations over the next decade and opening across the country, including a return to Halifax. This is part of its mission to increase accessibility, be it through new warehouse locations or pick-up and order points (six small locations in smaller towns where consumers can order from the catalogue or online).

"We're really focused on making it as easy to shop Ikea as possible," MacDonald says.

That's not to say there aren't challenges: consumer confidence is on the decline generally, and in-store visits are still a factor in Ikea's success strategy (online furniture ordering hasn't picked up as quickly as other less expensive categories: people like seeing the furniture before they buy it).

Several people who have worked with the retailer say that Ikea's strength lies in its ability to understand its own brand and that its marketing is driven by strong consumer insights.

Considering the retailer's significant growth throughout its four decades, it's probably fair to say that today, Ikea is Swedish for success.

RadiumOne connects brands to future customers

Where its competitors are focused on media buying and all the functions around campaign trafficking, Radium One goes a few steps further. Web and app analytics tools have traditionally occupied a completely separate product category from ad platforms like DSPs (demand-side platforms), forcing advertisers to go to one place to evaluate customer behaviour and then another to act on those insights. RadiumOne's platform combines the buying power of a DSP with the intelligence layer of a DMP (data management platform) in one place. It gives clients the capability to run tight, sophisticated media campaigns by proactively identifying customers and their behaviour, applying analytics to predict future behaviour, and then synthesizing that information into packaged bidding strategies activated through its buying platform.

In an increasingly cluttered marketplace, three words make RadiumOne's programmatic platform stand out:

identify

predict

activate

"Advertisers come to us to solve specific campaign strategy problems and advertising objectives, so getting some intuition or doing some research on the consumers you want to reach is really important," says Bob Hall, SVP business development at RadiumOne. "We think that there needs to be more vertical integration in that core audience data research and data activation piece, so we've developed a number of analytics tools that help marketers understand their audience better."

One such tool is called ShareGraph. Embedded in RadiumOne's DMP, it uses patented audience amplification algorithms to identify common connections between people and build bigger audiences out of a smaller seed data set.

Some of its tools are designed for publishers, web and app developers, who can use them to better understand their audiences — what they like, what kind of content they share, their behaviour on websites and apps — with free access in exchange for fully anonymized usage data. They're fully integrated into RadiumOne's ad platform. An example is Po.st, a real-time data acquisition platform that's part of RadiumOne's audience analytics suite. It tracks people's sharing activity across websites to determine product and purchase interest.

"All the predictive analytics that we do actually help sift through that data and help package up those bidding strategies to deliver ads to the right people," says Hall.

ShareGraph, for example, evaluates behaviours and the data generated by our Po.st sharing tools. Many of RadiumOne's advertisers use tools like Po.st on their own websites and mobile apps to incorporate their own user data into their marketing campaigns.

"The magic comes in when a marketer who has a website or an app uses this for fundamental customer behavioural research and then ties that data to anonymized cookies or device IDs to then target people when they are on a third party site or app," says Hall. "That's where we are significantly different than a lot of other ad platforms, because that core audience research, you get to activate on that."

RadiumOne recently helped make some magic happen for Iflix (the Netflix of Asia). It used its audience-targeting capabilities to help the company acquire one million subscribers for its platform in less than six months. RadiumOne found people sharing with each other about TV shows, movies and celebrities across the web and mobile, captured that data, built real-time interest segments from it, and then activated advertising that reached them when they were engaging with entertainment media.

As the programmatic marketplace continues to evolve, RadiumOne isn't standing pat. It's evolving its capabilities to stay ahead of the curve. Its main focus, says Hall, is more tightly integrating its consumer data capture and predictive analytics with its media buying platform.

"That's important because we think there's still a lot of room to grow and innovate on that concept alone."

Mobile is a big area of development for RadiumOne moving forward, says Hall. As for what else the future holds, he says its about productizing all the ad hoc trading strategies that have to be built for different brands, and turning them into push-button executions for different ad campaigns.

RADIUMONE™

Why agencies compete on price

BY **JOHN BRADLEY**

One thing I hear frequently from senior agency leaders these days is how clients are constantly demanding more service for lower fees (usually in a tone that implies said clients are nothing more than ungrateful, mentally challenged, penny-pinching wretches).

Perhaps not unnaturally, given my client background, I take a different view. I think such behaviour is inevitable given that the market for ad agencies bears all the hallmarks of one that competes almost entirely on price.

Price competition is not an aberration in markets; it's the default competition mechanism unless strategies are employed to avoid it. We clients have wrestled with this beast for more than a century.

One route is to have a commonly agreed upon pricing mechanism. This is what kept ad agency fees out of price competition for most of the 20th century, with compensation at a fixed percentage of media spend, and it's a mechanism that keeps realtors in BMWs to this day.

But there is a vulnerability: players losing market share can also lose their nerve. When that dam burst during the 1990s, price competition took hold.

Procter & Gamble's and Lever Bros.' response to having more than 400 price-cutting competing firms to deal with in the early 20th century U.S. soap market was to buy most of them up.

JOHN BRADLEY is a former VP, marketing for Cadbury. He's now an author and judging coordinator for the CASSIES.

This approach is somewhat reminiscent of that employed more recently by WPP, Omnicom, Publicis and Interpublic.

However, it did – and still does – create a new problem: what to do with the vast brand portfolios that result? The agency world has largely taken the route that Lever took: benign internal competition. But that never really solves the price war problem, which can remain rampant between the larger groupings.

The only truly effective, enduring and legal solution to competing on price came from the P&G market statistics department, where it became apparent to then-president Neil McElroy that the Camay brand was losing sales – not to Lever Bros., but to P&G's own Ivory soap.

His solution – brand management – led quickly to the price war-avoiding Holy Grail of segmentation. By targeting Camay at one cleansing need and Ivory at another, both could happily occupy different price points. Prior to this, all soaps had targeted every cleansing need, leaving price as the decider – a bit like all agencies targeting every client.

At first glance, it seems this segmentation can't work in the agency world. Position yourself as the agency specializing in auto accounts and, thanks to client conflict concerns, you will only ever have one account.

However, you can regain pricing control by deciding the part of the customer proposition you will be the best at, protecting you from price competition with the customers who most value that attribute. Thus, L'Oréal and Estée Lauder compete by specializing in different components of the cosmetics offer: L'Oréal is unbeatable on science, while Estée Lauder is unbeatable on service.

Can this work in the agency world? Yes, it can, but it's currently found mostly within small, young agencies. Such agencies, due to the background and expertise of the founder(s), tend to have a unique approach to, and be uncommonly good at, a certain part of the job, be it planning, brand turnarounds, digital or whatever. If you as a client desperately seek that attribute, then, within reason, you will pay their price.

Maintaining that expertise as the agency grows is the banana skin. Agencies don't grow organically, they grow in big leaps: win a big account and you have to recruit 50 people pronto. Making the areas of uniqueness part of the DNA of the agency is next to impossible when talent is almost always imported en masse. Should that pitfall be avoided, the founders cashing out invariably signals the beginning of the end.

A necessary component of any successful segmentation strategy is having the nerve to not try to be good at everything; it didn't work for Ivory soap and it doesn't work now. Unless you can identify areas you are not going to focus on, and demonstrate why you are the best at what you will focus on, you don't have a strategy and will keep dropping your shorts on price.

1984, revisited

BY **IAN MIRLIN**

Apple's "1984" commercial is well-known to us all.

Shown just once during the Super Bowl in January 1984 (not counting a late-night screening in December 1983 to help qualify it for award shows the following year), it reframed a foreboding time with a breathtaking promise: "On January 24, Apple Computer will introduce Macintosh. And you'll see why 1984 won't be like '1984'."

The despotic monotone, the hammer throw, the shattering glass, the stark, dramatic copy. The spot almost made one believe this wondrous new machine had been conceived as an act of social conscience.

What felt most clear was that the dragon had been slain. Technology was going to be our friend after all.

I (and thousands like me) wanted to rush out and buy a Mac and start writing the best advertising known to humankind.

Years later, as the coarse threads of data and technology now weave our work, I think about that commercial quite differently: less with the pulse-quickening bravado it engendered in me then, and more with a haunting regret for the way our industry has approached this post-1984 age.

It seems to me we're letting slip a defining opportunity.

IAN MIRLIN
is a brand adviser and creative coach.

It's not about the technology so much as our deployment of it. Our unchecked obsessiveness with new and shiny things is replacing the fundamentals that brought us here.

The symptoms abound. We are in love with unprecedented consumer access over unbridled consumer promise. We place the precision and velocity of messaging above the value of the message itself.

We have come to believe that social media provides an easy path to building brand equity, when we know there are no shortcuts to the customer's heart.

Whatever colour "soul" might be, the homogenizing wash of data has begun to bleach that colour from our palette and, along with it, the vital originality with which each of us is born.

There is little soul left in the work we do and the brands we help fashion are noticeably poorer for it. It's what happens when we cease to paint by hand and begin to paint by numbers.

Much of this is salvageable. There is place for data big and small, and for technology too, in all its sundry applications. But these are not our rocket; they are merely our fuel and our guidance systems.

Brands still return ROI when we're courageous, meaningful and patient.

It's time to invest our new and experienced talent in the immutable principles that shape and steward brands, rather than leaving them to riff endlessly with the technology they have come to believe is our core currency.

Too few of them know anything about our industry's ancestors or the invaluable wisdom they have left us.

I ring this bell of alarm quietly.

Early this summer, McCann Japan announced the successful use of artificial intelligence to produce a commercial for its Mondelez client, Clorets mints. The agency employed a team to analyze and tag past TV ads, including winners at Japan's Radio & Television Commercial Festival. The AI creative, a spokesperson said, was "designed to mine the Festival's database and creatively direct the optimal commercial for any given product or message."

Equally disquieting came a recent report from Accenture that "marketing is so inextricably linked to technology that by 2017, chief marketing officers are projected to spend more on information technology and analytics than chief information officers."

Any business, especially in those fields centred in creativity, that has made meaningful progress studiously recognizes its past, taking time to steep its budding talent in the essential values that have been passed to them.

It's basic training and a vital route map for each of us to locate and contribute our own individual gift – like the young Hunter S. Thompson retyping *The Great Gatsby* from beginning to end, just to understand what it means to be a writer.

I always admired the way Waylon Jennings explained a career in country music to an aspiring young singer: "Remember son, this song has been done a million different ways except for the way you'll do it."

I've never found anything quite so translucent to explain the secret that allows any discipline to endure.

The originality of the creative voice within any tradition is its most precious asset. Disconnected from its past and misguided as to its future, today our greatest asset is also our most endangered.

FCB/SIX PRESENTS

THE LOGO DATA MADE

An algorithmic amalgamation of the past 36 Brand of the Year logos.

½ OF THE LOGOS WERE CENTRE ALIGNED

NAMASTE

40% WERE TRIANGLE SHAPED

APPARENTLY MILLENNIALS LIKE TRIANGLES

78% USED A GRADIENT

CLASSIC COLOUR COMMITMENT PHOBIA

26°

®

58% HAD CURVES

DON'T WE ALL?

57% USED A SANS SERIF FONT

ALL OF WHICH WORKED IN MICROSOFT WORD

ATRESIC

OVER HALF OF THE LOGOS USED UPPER CASE LETTERS

#MAKE IT BIGGER

THESE ARE THE MOST FREQUENTLY USED LETTERS

9 SCRABBLE POINTS

53% FAVOURED THIN OVER THICK TYPE WEIGHT

TYPICAL

"With a logo made from data, how can we lose?"

– Unknown

strategy
agency OF THE YEAR™
+ MEDIA, DIGITAL & PR

strategyawards

Eyes on the prize

November 8, 2016 • Koerner Hall

Get your tickets now.
aoyawards.strategyonline.ca

Contact Joel Pinto at 416-408-2300 ext. 650 for group rates.

Patron Sponsors

MEGAFONE 媒體大聲公

GROUND GLASS MEDIA INC.

In 2015 Leo Burnett won AOY Gold - who will we raise our glasses to this year?