

# 2017 ENTRY FORM

(Note: word count 2,500)

<b>Entry ID:</b>	<b>01868</b>
<b>Entry Title:</b>	Welcome to the other side of Steinlager
<b>Client:</b>	Lion New Zealand
<b>Product:</b>	Steinlager Tokyo Dry
<b>First Media Appearance Date:</b>	November 2016
<b>Category:</b>	O – Best Strategic Thinking
<b>Category Description:</b>	<p>Campaigns that display particularly strong strategic thinking. This is the thinking before the creative brief, as opposed to the creative idea or execution. Judges are looking for examples of where an agency has taken a client's brief, and through fresh insight or inspired problem solving, developed a ground breaking strategic direction. Judges will need to see a clear delineation between the strategic and creative thinking, and understand how the strategic and creative platforms have or will deliver long-term success for the brand.</p>



**Please note: Only campaigns introducing a NEW brand, product, service or variant can be entered**

<b>Title:</b>	Welcome to the other side of Steinlager
<b>Client:</b>	Lion New Zealand
<b>Product:</b>	Steinlager Tokyo Dry

**1. Case Summary (0%)**

Please write a brief summary of the case study and results not exceeding 90 words.

Beer was in trouble. So was Steinlager.

Tokyo Dry needed to be the answer. Its advertising 'Welcome to other side' made sure it was.

It didn't look or feel like beer. It didn't have New Zealand written all over it. It didn't look like advertising. But it did sneak under the radar of the new generation who didn't have beer at the top of their list.

Thanks to Tokyo Dry, Steinlager's total sales soared by 6.1% and reversed a shrinking market by turning it to 0.40% growth. Beer was back in business.

**2. What was the challenge and what were the objectives? (10%)**

What was the market context, what was the strategic challenge the client faced, what was the creative challenge the agency was set, and what were the short and long term objectives that were set for the campaign?

10 years ago, if you said Steinlager to people you'd be lavished with superlatives praising its demigod status. No small thanks to Steinlager Pure which put the roar back into a jaded beer market and one of Lion's most prized brands.

Under a decade on, this was far from the case

Between 2014 and 2015, Steinlager was trapped in a discounting spiral that was eating into profitability, and volume dropped by 8.2%<sup>1</sup>.



The issue with Steinlager was the issue with beer

The bread and butter of the beer market, the Classics segment (mainstream beers, making up 52% of the volume) was shrinking, with everyone fighting for their share.

Between 2012 and 2015 the segment's value dropped by 46.8%<sup>3</sup>.



<sup>1</sup> Nielsen scan data, MAT

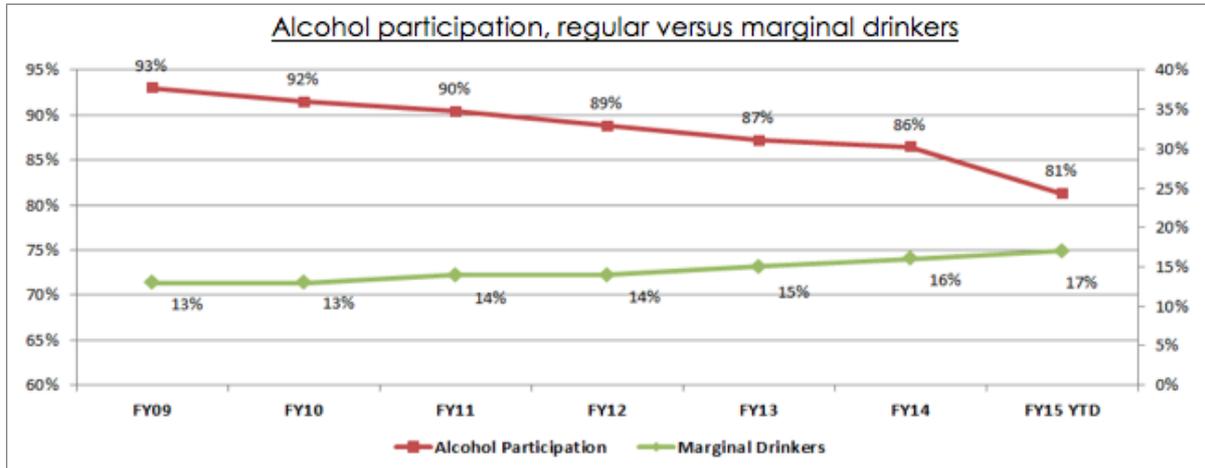
<sup>2</sup> Nielsen scan data, supermarket average price

<sup>3</sup> Nielsen scan data, supermarket quarterly value sales

<sup>4</sup> Nielsen scan data, supermarket quarterly value sales

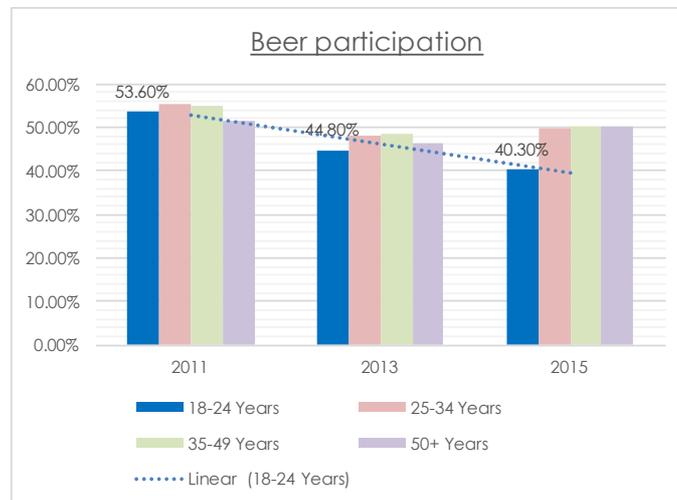
The rising cult of craft beers, in unison with a rising health consciousness and distaste for beer was taking its toll.

Regular beer drinkers were on the decline, whilst infrequent (marginal) beer drinkers were on the increase. With infrequent drinkers representing 17% of the population, alarm bells were ringing.



Lost youth

Even though beer participation was generally in decline across all age groups, it had dropped dramatically from 54% to 40% amongst 18-24 years olds between 2011 and 2015. Beer's future didn't bode well.



This great beer abandonment and rebellion against 'what their parents drank' was hurting the big daddy of New Zealand beers.

*"Classic's my granddads beer, Pure's my dad's beer, where's mine?"<sup>7</sup>*

<sup>5</sup> Lion U&A study, Fiftyfive5

<sup>6</sup> Participation past 4 weeks, Lion monthly consumer tracker, TNS, n=150 per month

<sup>7</sup> Co-creation qualitative, TRA, 25 year old male

### Thinking bigger than Steinlager

Creating the next big thing for Steinlager was only possible if Lion also addressed the big issues with beer. By giving young drinkers a reason to return to beer, they'd have a reason to return to Steinlager.

Steinlager Tokyo Dry needed to be the answer. A New Zealand, super-dry beer for those tired of the taste and trappings of old world beers.

But we couldn't assume people would automatically want to drink it when beer and Steinlager were leaving a bitter taste in their mouths.

### The business model

1. Drive strong uptake of Tokyo Dry: achieving ex-factory volume sales of **2m** litres in year 1. This demanded an ambitious **20% trial** in year 1.
2. Inject life back into the Steinlager trademark : driving incremental volume growth **of +8%**.
3. Ultimately, stimulate long term category growth, through "*building a vibrant beer culture in NZ*"<sup>8</sup>

### The advertising model

Our new generation of drinkers rejected everything about the old beer establishment Steinlager epitomised. This informed our objectives:

**Incite trial:** Get non-beer drinkers thirsty for Tokyo Dry meant we needed to get them desiring it and creating FOMO - not just as a beer, but as a brand.

**Inspire a brand connection:** When a brand and its category lacks relevance, you don't want to carve out a positioning within it.

Advertising would be critical in building a culture around the brand that connected with our target's greater lives.

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<sup>8</sup> Lion category vision

**3. What was the strategic thinking that inspired your big idea? (15%)**

What was the insight or insights identified as key to unlocking the solution? How and why did the strategic thinking address the objectives set?

We navigated a tricky minefield.

**Lion are in the volume, not niche game:** we couldn't target millennials at the expense of the mass market.

**In it for the long haul:** we needed a platform to build the brand over time, not a one-hit wonder.

**Paradox of patriotism:** the patriotism that Steinlager was built on was viewed by millennials as a marketing ploy.

*"...they're trying to commoditise something that's intangible but important. I don't like that it keeps getting used to sell me shit"<sup>9</sup>.*

This demanded a different Steinlager story, without becoming a different brand.

In co-creation sessions with our target, we found our answers.

**NOT US VERSUS THE WORLD**

*"We're not known to be some down and out country at the bottom of the world"<sup>10</sup>.*

Where their forefathers had lived on the edge of the world, our target lived at the centre of it. They saw NZ as very much a part of the world, not a small island to protect or defend.

This was the breakthrough Steinlager needed to break with its past whilst staying true to its unwavering New Zealandness.

**NEW ZEALANDNESS IS A STATE OF MIND, NOT A STATE**

Our young drinkers had found a new source of pride to replace the need to be defined by 'what we can achieve from here'.

A pride based on fresh thinking, ideas and how you lived.

Enter Tokyo Dry. Radical thinking from a brand that had always fought for its place in the world. It broke the self-imposed rule that a New Zealand beer should be singularly New Zealand.

Could Tokyo Dry become the new pin-up beer for open-mindedness and breaking down the boundaries that limit us?

<sup>9</sup> Co-creation qualitative, agency, 26 year old male

<sup>10</sup> Co-creation qualitative, agency, 24 year old male

## A BEAUTIFUL COLLISION

The notion of two great beer cultures coming together to create something bigger and better than the sum of its parts was intoxicating; the art and skill of Japanese brewing mastery combined with the purity and quality of New Zealand ingredients.

This crashing together of two opposing but revered forces - quite remarkable when joined as one - was summed up in the brief as;

### TWO CULTURES BOTTLED

Now we needed a metaphor for the new culture that would be Tokyo Dry, one that redefined the advertising culture around beer.

#### 4. What was your big idea? (10%)

State in one sentence. What was your core idea that drove your effort? Consider 'idea' in the broadest sense, ie., ranging from communication-based to the creation of a new service or resource. The idea should not be your execution or tagline.

**1 + 1 = 3: a bigger world opens up when New Zealand and Japan collide.**

**5. What was the creative execution and how did it bring the big idea to life? (15%)**

Describe the creative work that delivered the big idea.

**Welcome to the other side of Steinlager.**An epic film spot announced the arrival of Tokyo Dry.

Origami, bonsai trees, robots, and sumo wrestlers move to the rhythm of a Kiwi hip-hop dance crew. A cultural roller coaster that hurls the viewer into a dance-off unfolding on the streets of Tokyo.

World Hip-Hop champs - the Bradas - take centre stage, performing a high energy performance celebrating the collision of NZ and Japan.

CGI transformed them into anthropomorphic versions of classic Japanese imagery – adding to the drama and 'made with millennials in mind' factor.

No references to New Zealand's heartland, no clever quips by a bloke or sip scene to savour.

In fact, you don't see the beer until 86 seconds into the 90 second spot; accompanied by the 'New Zealand's raw ingredients meet Japanese brewing mastery' descriptor and 'Welcome to the other side' brand line.

Stories from the other side

Three mini-documentaries were shot to add depth and cultural meaning to the Tokyo Dry story. Three inspirational kiwis: chef Josh Barlow, cartoonist Toby Morris and tattooist Paitangi Ostick would each be introduced to an equally talented, like-minded Tokyoite, on their journeys to the Other Side.

Painting the town with Tokyo Dry

We used the highly visible and visual nature of outdoor to celebrate the bottling of two cultures – putting the product descriptor – 'New Zealand's raw ingredients. Japanese brewing mastery' – front and centre to punctuate the story.

**6. What was the communications strategy? (10%)**

Outline the media and communications thinking and strategy that brought the creative solution to life in the most powerful and relevant way for the target audience.

The media strategy was two-fold to compete for our target's attention, time and trust:

- 1. Broad reach channels to deliver brand awareness against the masses**
- 2. Multi-layered content partnership to add depth to the collaboration**

**The Advertising**

To ensure a show-stopping launch, the 90sec TVC first aired in targeted cinema, before online video, social, television and outdoor delivered cut-through and drove the awareness required. On Shazam, people could download the original track.

**The Partnerships**

We partnered with Vice to bring authentic and independent content and experiential directly to our audience. These 3 pieces of long-form content highlighted the mastery in the product exchange between the 2 cultures. Our branded content took over Vice and its many platforms.

We amplified the Tokyo Dry message via The Social Club where key influencers posted, blogged and snapchatted directly to their followers.

To coincide with the release of the first episode, we held an exclusive launch party with DJ Kentaro, flown in from Tokyo, artwork from Toby, and a bespoke menu created by Josh.

**The Experience**

A circular sequential pathway involving data capture and programmatic buying drove people between our digital assets. The 'Other Side' stories were pushed through Facebook and Instagram directing through to vice.com and Steinlager.com. Additional editorial articles, photo galleries and behind the scenes content provoked further discovery.

List all consumer communications touch points used in this campaign.

- TVC
- OOH
- Digital
- Social
- Cinema

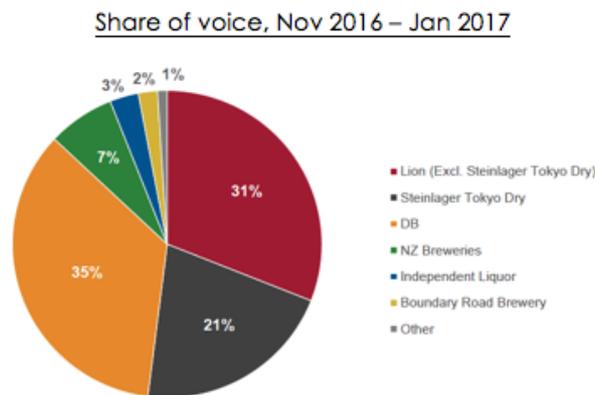
**7. What was the spend? (0%)**

Outline the media and production spend on the campaign. Use actual spend rather than rate card. In the case of donated media please list the rate card value separately from the bought media spend.

Media Spend: \$1,267,574

Outline the media spend in relation to competition and versus last year:

Within the campaign period (November 2016 – January 2017) Tokyo Dry's share of voice was 21%, compared to Lion's (ex. Tokyo Dry) 31%, and DB's 35%.<sup>11</sup>



Between July 2015 and June 2016 Steinlager's total media spend was \$1,235,899. For the same period 2016-17 it totalled \$1,575,038.

Within the same period Heineken spent \$743,590 and Heineken Light \$536,350. Asahi spend was \$162,581.

Creative Production Spend: \$800,000

**8. What other marketing efforts were used in conjunction with this campaign? (0%)**

List all other marketing or communications programmes not considered part of this campaign, that also affected the results e.g. coupons, sales promotion, planned PR, sampling, direct response, point-of-purchase, etc.

Indicate the extent to which any revised pricing, distribution or promotion programmes also affected the results.

Any marketing communications that contributed significantly to delivering an integrated campaign strategy and results should be described elsewhere in the entry form and any relevant contributing partners acknowledged in credits separate to the entry form.

Instore and on-premise merchandising used the message 'Taste the other side', translating the campaign idea into a call to action.

<sup>11</sup> Colmar Brunton media impact report, April 2017

**9. What were the results? (40%)**

Outline the results achieved by the campaign against the objectives set, provide conclusive proof that it was the campaign that drove the results and outline the return on investment.

In this section the judges will be looking to see a clear cause and effect between the communication activity and business performance over time and why it is a stand out effectiveness case study in this specific category. They will be awarding points on the following basis:

Overall achievement against objectives (15%)

Clear demonstration of long-term success beyond 6 months (5%)

Convincing proof that the results were a direct consequence of your campaign (15%)

Return on investment. This should be measured ideally in terms of additional profit earned or revenue generated. (10%)

'Welcome to the other side' has not just established Tokyo Dry as a new beer that at long last connects with young drinkers, but as a revered brand in its own right.

**THE ADVERTISING CREATED THE IMPACT AND INTRIGUE THAT GOT PEOPLE FLOCKING TO TRY TOKYO DRY**



**THE ADVERTISING MADE THE STEINLAGER BRAND FEEL MUCH MORE MODERN AND FOR THEM.**



**THE SALES STARTED POURING IN – FOR TOKYO DRY – FOR STEINLAGER – FOR BEER.**

**1. THE ADVERTISING EFFECT: UN-BEER LIKE ADVERTISING GOT THEM THIRSTY FOR TOKYO DRY.**

**It immediately created the impact needed to drive noise and noticeability.**

Average, overall recall of the campaign **reached 59%, well above the norm of 49%**<sup>12</sup> for 18 – 40 year olds. For such a new brand, it'd become one of the most well known ones.

**People instantly loved it.** Overnight, social media accolades started flooding in.

*"Love this ad. Can't stop watching it. Choice graphics and mean dancing"*<sup>13</sup>

<sup>12</sup> Colmar Brunton media impact report, April 2017, n=750

<sup>13</sup> YouTube

“Even though this is supposed to be an ad, you gotta admit, it’s really cool”<sup>14</sup>

**Even amongst those who didn’t like beer advertising!**

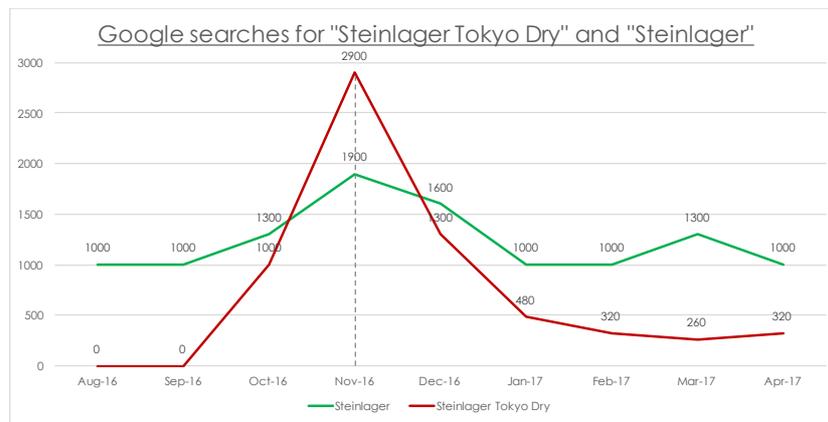
“If you were watching without the logo, you wouldn’t know it was beer. Not very beery...”<sup>15</sup>

The **new news and curiosity** needed to drive Tokyo Dry FOMO far exceeded the norms.

Response	Tokyo Dry result	Normal result
New news	62% <sup>16</sup>	43%
These are the sort of ads I'd talk about with friends	31% <sup>17</sup>	18%

“Makes me feel like there’s something I’m missing out on.”<sup>16</sup>

Tokyo Dry **online searches** went ballistic:



Hits to the Steinlager **website increasing by a whopping 571% in the week post-launch**<sup>18</sup>.

And **people wanted to spend time engaging with Tokyo Dry** through Vice’s longer form content - with 4,476,687 social impressions, we blitzed the KPI of 1.4M.

**All of which got people wanting to try Tokyo Dry.** 44% of people reported they were ‘More likely to try the beer’ for Tokyo Dry versus 19% norm.

**Critically, this intention translated into trial.** The year 1 objective of 20% trial was blown out of the water in just 10 weeks.

Conversion rates between awareness, consideration and trial improved as the campaign went on.

<sup>14</sup> YouTube

<sup>15</sup> Brand diagnostic research, June 2017

<sup>16</sup> Brand diagnostic research, June 2017

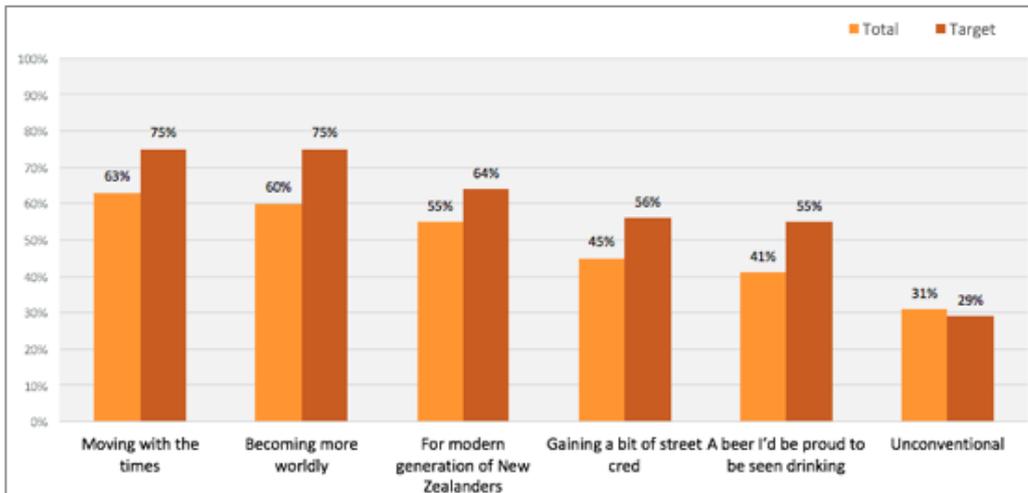
<sup>17</sup> Google Analytics

<sup>18</sup> Young & Shand, website analytics



In turn, **reinvigorating Steinlager’s brand image**. Those who’ve seen the campaign now think Steinlager is a lot more worldly and moving with the times - particularly amongst our younger audience.

Impact of seeing the campaign on the Steinlager masterbrand

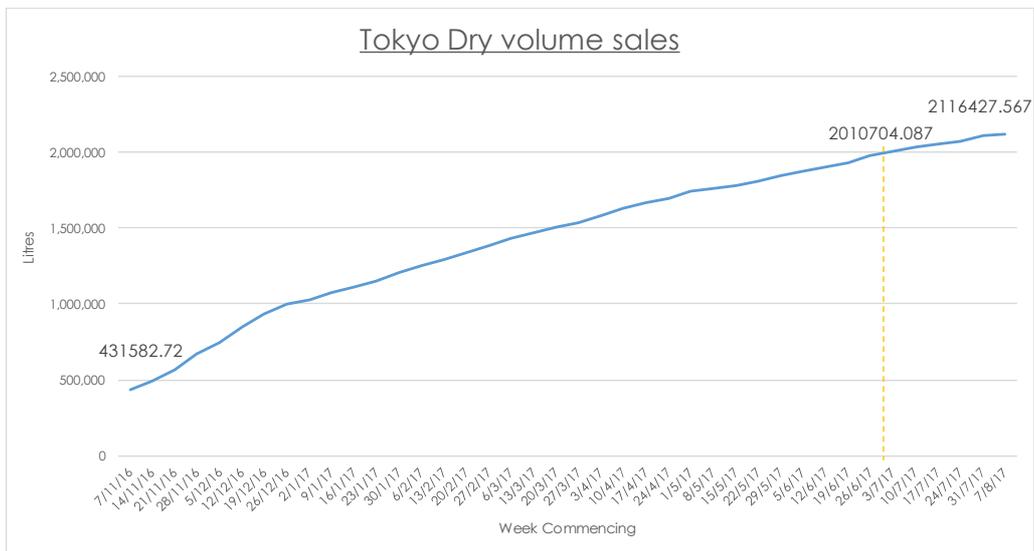


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**3. THE BUSINESS EFFECT: SALES STARTED POURING IN**

TOKYO DRY’S SALES EXCEEDED EVERYONE’S EXPECTATIONS.

**The objective was to sell 2M litres in year 1 - this was achieved in 9 months.**

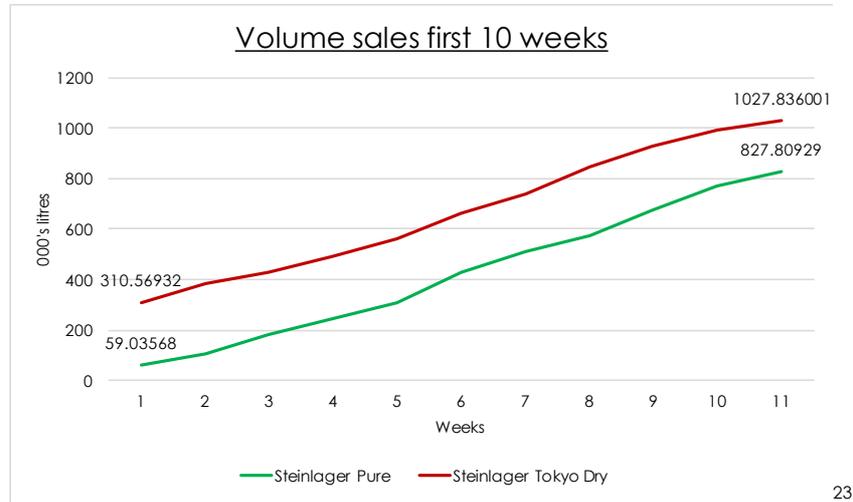


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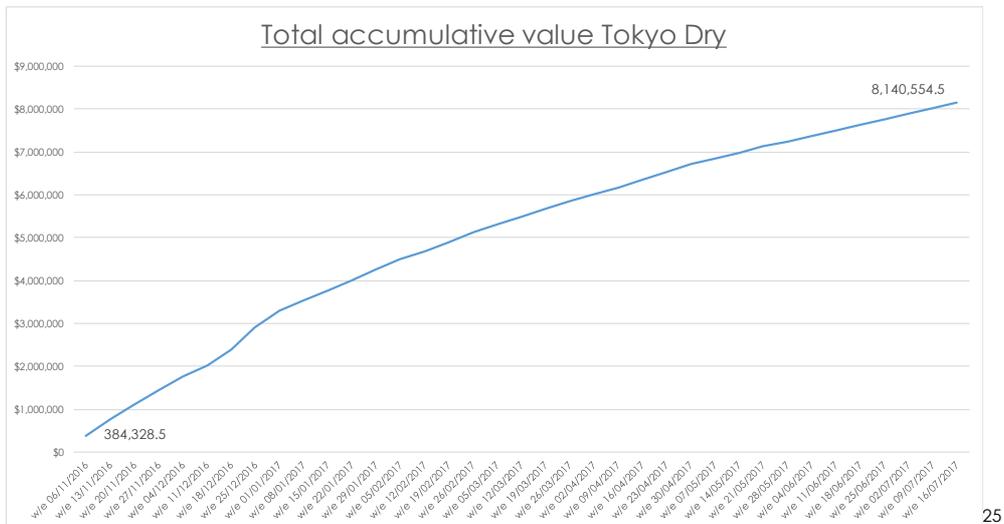
21 Fiftyfive5, May 2017, n=66

22 Lion ex-factory data

**In just 9 weeks, Tokyo Dry reached the 1M mark - the fastest new product launch in over a decade** (Pure took 13 weeks to sell 1M litres).



**The huge value gains of \$8,140,554.40<sup>24</sup> were made possible given Tokyo Dry was more expensive than the average Classic beer.**



With the average price per volume at \$6.40 compared to the Classics market average of \$4.50, Tokyo Dry was able to sustain a \$1.90 premium against its competition over six months<sup>26</sup>.

Extrapolate this rate of growth forward to 12 months, and Tokyo Dry is forecast to be **a \$11.4M brand by the end of its first year.**

<sup>23</sup> Lion ex-factory data

<sup>24</sup> Nielsen scan data, total w/e 16/07/17

<sup>25</sup> Nielsen scan data, w/e 16/07/2017

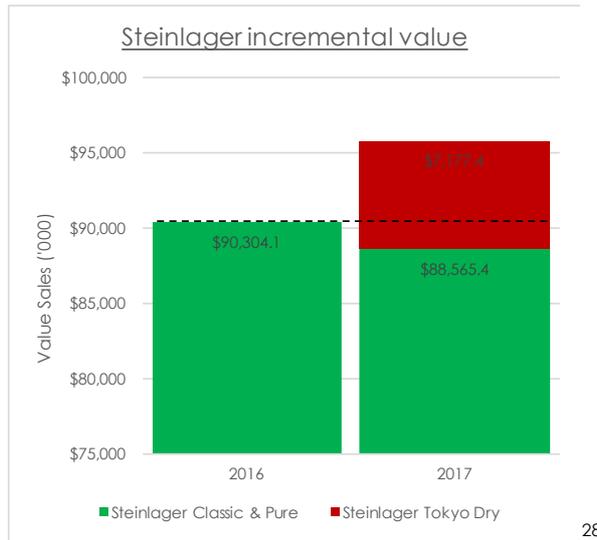
<sup>26</sup> Nielsen scan data, MAT w/e 16/07/17

TOTAL STEINLAGER SALES STARTED SOARING.

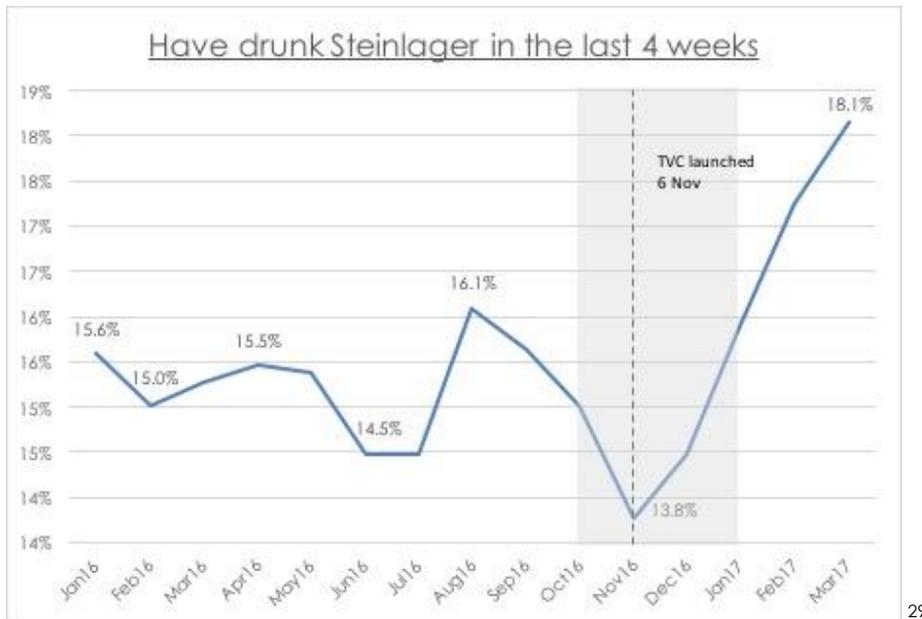
Tokyo Dry drove incremental sales value of \$5.4M into the Steinlager Trademark.

Without Tokyo Dry, Steinlager's sales value would have reduced by 1.9%. **Instead, it grew 6.1%**<sup>27</sup>.

Staggering for a 20-year old, \$90M brand in a shrinking market.



This correlated with a whopping 18% increase in Steinlager's penetration.

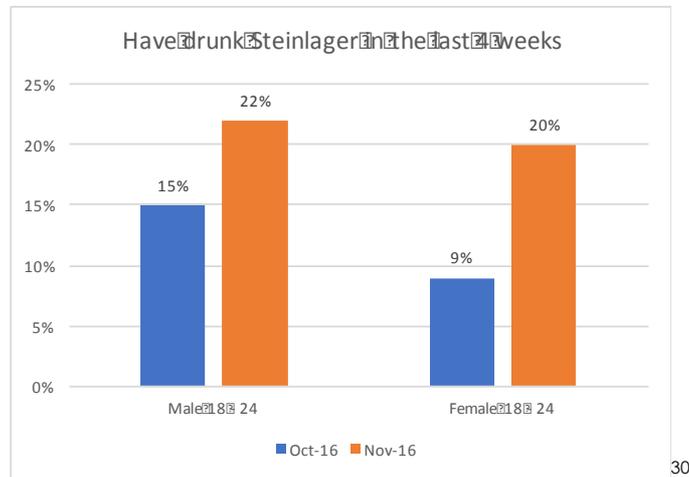


<sup>27</sup> Nielsen scan data, MAT w/e 18/06/17

<sup>28</sup> Nielsen scan data, MAT w/e 18/06/17

<sup>29</sup> Lion monthly consumer tracker, TNS, n=150 per month

**With growth coming from our 18-24 year old target.**

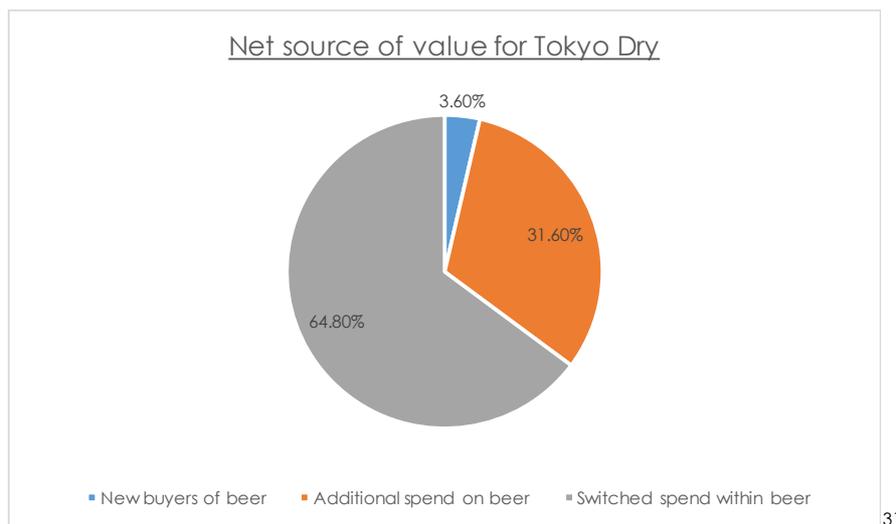


Proof that Tokyo Dry had bought in a whole new group of drinkers into the brand, rather than cannibalising its existing drinker base.

TOKYO DRY HAS STIMULATED CATEGORY GROWTH BEYOND EXPECTATIONS.

**By bringing new buyers into beer:** 3.6% of Tokyo Dry buyers had not bought any beer in the previous period.

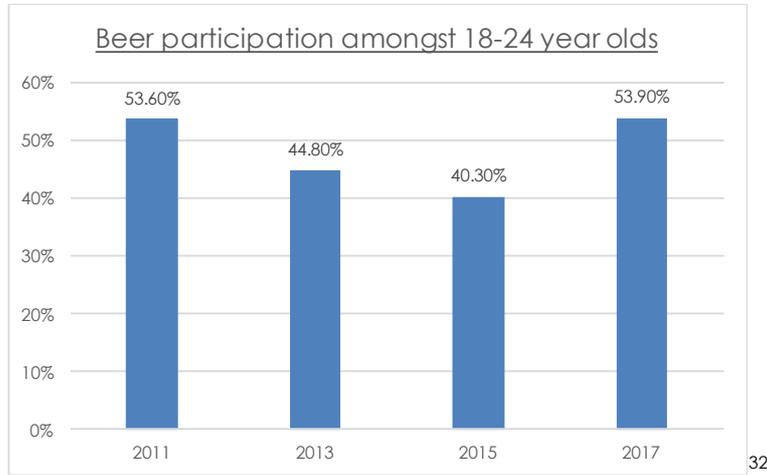
**By getting existing beer drinkers to buy more beer:** 31.6% of Tokyo Dry buyers bought the beer in addition to their usual beer purchases.



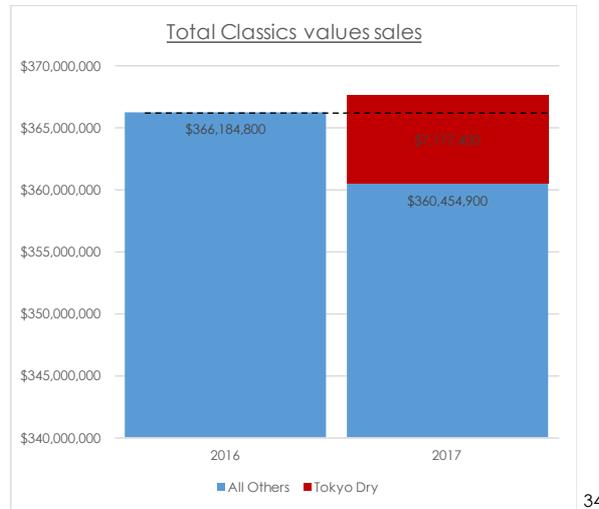
<sup>30</sup> Lion monthly consumer tracker, TNS, n=150 per month

<sup>31</sup> New World Lab360, April 2017

**By attracting young people back to beer:** There's been a dramatic turnaround in beer participation amongst 18 – 24 year olds correlating with Tokyo Dry's launch.



**By reversing the decline:** Classics' value sales would have declined by 1.56% if it wasn't for Tokyo Dry. Instead the market grew by 0.40%<sup>33</sup>.



**By dominating share of new product growth:** of the 1,329 new beer products launched in the last year, Tokyo Dry is responsible for **delivering over 40% of new product sales in just six months**<sup>35</sup>.

<sup>32</sup> Participation past 4 weeks, Lion monthly consumer tracker, TNS, n=150 per month

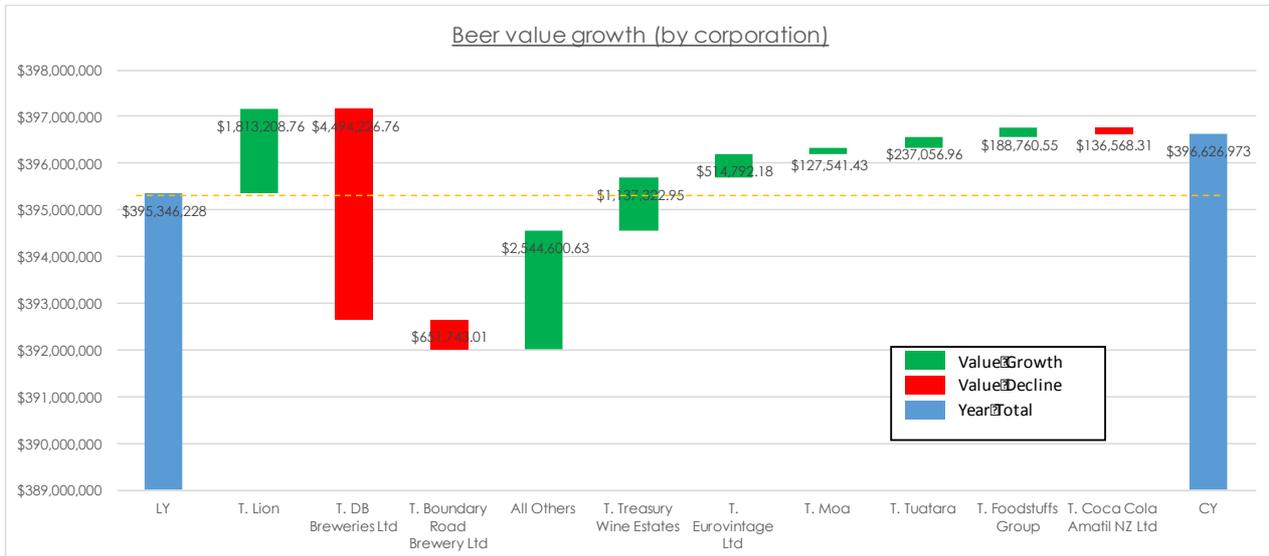
<sup>33</sup> Nielsen scan data, MAT w/e 18/06/17

<sup>34</sup> Nielsen scan data, MAT w/e 18/06/17

<sup>35</sup> Nielsen scan data, April 2017

**AS A RESULT, TOKYO DRY HAS CATAPULTED LION TO PRIDE OF PLACE AS THE BIGGEST SINGLE CONTRIBUTOR TO THE NZ BEER MARKET'S VALUE GROWTH.**

The total change in market value versus last year is \$1,280,745. Lion delivered \$1,813,208.76, making up for the dramatic value losses of key competitors. In fact, Lion's growth exceeded the category growth.



\* "All Others" value growth was made up of the contribution of 151 beers.

**LEADING TO AN ROI AS REMARKABLE AS THE TOKYO DRY STORY**

The following is a conservative estimate on return on investment given the long term payback of launching a new brand and cost of establishing Tokyo Dry's creative assets.

It focuses on the volume created within the first 9 months.

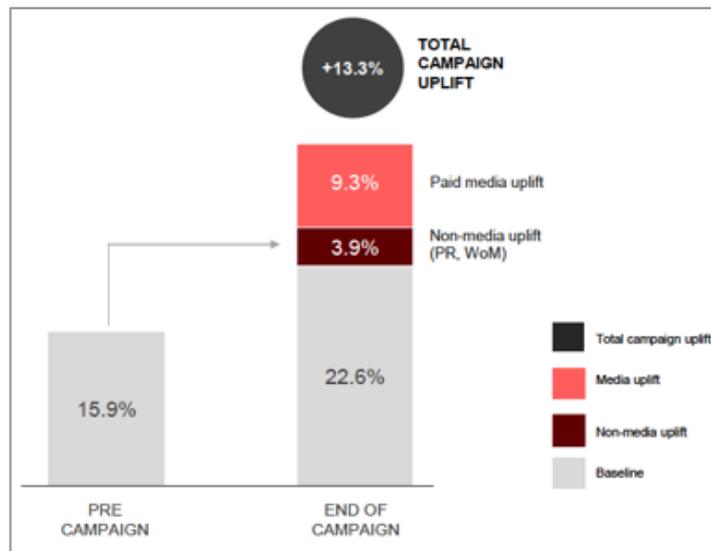
$$\begin{aligned}
 &\text{Total volume gains: } 2,116,427.57 \\
 &\text{Total campaign costs : } \$3,932,067,574.00 \\
 &= \\
 &\text{our marketing investment per litre as of today is } \$0.97.
 \end{aligned}$$

<sup>36</sup> Nielsen scan data, y/e 23 April

**'Welcome to the other side' has clearly given Tokyo Dry the kick-start it needed. No other factors can take credit.**

IT WASN'T THE NEW PRODUCT EFFECT: We can isolate campaign's contribution on brand perceptions - versus what would be expected for a typical new brand, which is 22.6%. Our campaign delivered an additional 13.3% over and above it.

Brand perception uplift attributable to campaign



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IT WASN'T MEDIA SPEND: This wasn't different from any another big beer campaign in the market, or past Lion spend.

IT WASN'T DISCOUNTING: As Tokyo Dry commanded a \$1.90 premium against its competition, the volume wasn't driven by price-cutting.

IT WASN'T DISTRIBUTION: This idea drove distribution not the other way. Due to demand Tokyo Dry hit a unprecedented 90% weighted distribution in week 1.

**TOTAL WORD COUNT (count only words you insert in answer boxes 1 - 9):**

2498