

Old Spice: Repeating Success in the Face of Competitive Threat

Planning season for fiscal year 2009–2010 had come for the members of the Old Spice brand team, and they knew another great campaign was needed to drive the growth of their beloved brand. The team had demonstrated the power of advertising after saving the Glacial Falls line in the previous fiscal year by repositioning the scent as Swagger and speaking to the consumers' desire for confidence. The revitalized campaign was successful not only because it moved the scent from the worst-performing to one of the top three in the portfolio but also because the advertising created a “halo effect”¹ for the rest of the portfolio, resulting in growth for the entire Old Spice brand.

The Swagger campaign had also been honored with external awards for both its creativity (2009 Silver Cyber Cannes Award) and its effectiveness (2010 Silver Effie Award). The Old Spice brand had always been seen as a bit of a rebellious child within the Procter & Gamble (P&G) portfolio, with less conventional advertising motifs and buying media through agency as opposed to utilizing P&G's bulk buys. P&G allowed the brand to behave differently because Old Spice constituted only about 1 percent of P&G's \$85 billion portfolio. With its success, however, the rebellious child had begun to catch the attention of other brands within P&G. In just a few years, the Old Spice repositioning of Glacial Falls had become the model within the company for a successful turnaround. Old Spice also served as a strong reminder that a great advertising strategy could have powerful effects on sales without any sensory change in the product experience.

Following their recent success, the Old Spice team members had set a high bar for themselves; they wanted to challenge themselves to do something bigger and to prove they had not simply stumbled onto the Swagger success. They wanted to be seen not as one-hit wonders but as members of a group that had a knack for creating sound strategy that one of their key creative partners, the advertising agency Wieden+Kennedy, could then execute. Wieden+Kennedy had built great brands such as Nike and Coca-Cola, and now could count Old Spice as another success story.

¹ A halo effect in advertising refers to the growth of a non-advertised product that results from its affiliation with an advertised product. Halo effects occur when a positive reaction to an advertisement increases consumers' awareness of, or their general attitude toward, other affiliated products, leading them to buy products not advertised. For example, although Swagger was the specific scent advertised in 2008–2009, other Old Spice scents not advertised (e.g., After Hours, Showtime, Aqua Reef) also saw growth attributed to Swagger's advertising.

The core Old Spice brand team comprised brand manager James Moorhead and his four assistant brand managers: George Felix, Jim Urbaitis, Shanan Sabin, and Mauricio O’Connell. For O’Connell, a recent graduate of the Kellogg School of Management, his first few years as an assistant brand manager had been an unbelievable ride. He had worked on the Swagger launch and was proud to claim part of the responsibility for its success. O’Connell also shared the enthusiasm of his brand team to do something bigger and better. He knew that as a brand manager he could not afford to rest on his laurels; to be successful he would have to best his previous results. Swagger had been so successful, however, that the next campaign would have no easy hurdle to clear. Expectations were high for the Old Spice team, which already had begun to work together to figure out the next “Big Idea.” The following were the options the team was considering.

Continue to Promote Swagger

Previously the Old Spice team had put the entire force of its advertising budget behind Swagger. At the time, others in P&G thought the strategy risky, as the team had provided no advertising support for the overall Old Spice name in a more than a year. The gamble ended up paying off, as sales numbers had attested to the growth of Swagger: sales were up 175 percent and volume was up 270 percent. And, despite not supporting the broader brand, sales of other Old Spice products had continued to grow steadily. These outcomes suggested that an opportunity existed to continue to grow and secure Swagger’s place in consumers’ hearts and minds.

Indeed, the Old Spice team thought it would be a shame if Swagger’s growth stalled because of the potentially unnecessary and premature pulling of advertising to support the broader brand. Thus, one option being considered by the brand team was to continue to fuel the behemoth that the Swagger scent had become. However, Wieden+Kennedy was already ready to move onto a new project and to do something different with the brand. Wieden+Kennedy had already developed three different communication messages for the Swagger scent: Urlacher and LL Cool J, Tony Stewart, and Swaggerize Your Wallet. The issue was whether an extended campaign for Swagger could be launched to keep the new flagship scent ahead of the competition or whether the campaign had reached its zenith and a switch in strategy was required.

Rebrand or Promote Another Scent

The power of sound advertising and strategy to change brand perception and increase sales led O’Connell, Felix, Urbaitis, Sabin, and Moorhead to consider another advertising effort that would either rebrand or promote another scent in their portfolio. To accomplish such a task, the team could take an approach similar to that of the rebranding of Glacial Falls as Swagger. The team needed first to identify a product that might benefit from rebranding or advertising. Then the team would need to target the consumer and find a consumer insight to feed into the positioning. The Old Spice team was confident that if it could accomplish these objectives, it could deliver a creative brief that would allow Wieden+Kennedy to execute another responsive—or even stunning—advertising campaign.

A possible target for rebranding or additional advertising was the scent Showtime, another member of the Red Zone portfolio that Swagger belonged to. Although Swagger had helped fuel growth among other scents, such as Aqua Reef and After Hours, Showtime had become the

weakest-performing Red Zone scent, accounting for only 8 percent of total sales in the portfolio (see **Exhibit 1**). For example, the Showtime 3.25-oz deodorant accounted for only about \$1 million in sales, compared with more than \$6 million for the Swagger deodorant of the same size. Showtime, as with Glacial Falls, had never had its own dedicated advertising campaign. An opportunity therefore existed to build original advertising around a novel consumer insight.

The Old Spice team believed Showtime was a good candidate for an advertising campaign. At issue was whether the team should rebrand or promote the existing scent. The brand team also had to consider whom to target and what insight to offer. Most important, the brand team did not want to spend money merely to cannibalize the success it had had with the younger male target for Swagger. The team therefore would likely need to select a new psychographic or demographic target. Once the target was in place, O'Connell and his team would have to discern a consumer insight the brand could target. The team liked the idea of taking more of the young male target, which suggested adopting a different insight. Whereas Swagger had succeeded in using the insight of confidence, Showtime would be most powerful if it had a different insight and could speak to another unmet psychological need of consumers. Although the brand team had not yet chiseled out a specific message, it nonetheless was excited about Showtime. The brand team believed the scent name already carried with it some paths to positioning: The word Showtime could mean the consumer was ready for action. Indeed, O'Connell saw an opportunity to promote Showtime via Old Spice's NASCAR affiliation (see **Exhibit 2** for a mock-up).

Back to the Umbrella Brand

The brand team also discussed the possibility of advertising the overall brand name, or the "umbrella brand," rather than focusing on a specific scent. Although advertising Swagger had achieved a halo effect, the Old Spice team was not sure a continued focus on a single scent was the best way to support the entire portfolio. Focusing on the umbrella brand meant the advertising would highlight the Old Spice name and the associations with that name, as opposed to fostering specific associations with a particular scent. The goal would be to keep consumers aware of the overall brand but also to build equity around the portfolio that ideally would be applied to the various scents associated with Old Spice.

If the brand team decided to advertise the umbrella brand, it would have to think about a message that would appeal to a larger group of users who represented the brand's persona. The team had tried such an approach with Wieden+Kennedy before, by associating the brand with sex appeal and a retro look. This effort had not proved anywhere near as successful as the Swagger campaign, which made the team question returning to this position. In addition, the Old Spice brand had a history of being viewed as helping men on their journey through manhood. Indeed, early campaigns for the brand, before the partnership with Wieden+Kennedy, had been all about "manliness." The team could return to this equity—but if it did so, it would need to figure out a means to represent masculinity in a modern way that did not push the brand too far into the perception of being only for "old guys." Alternatively, the brand team could come up with another positioning for the umbrella brand.

An Emphasis on Body Wash

Another option floated by the Old Spice brand team was a focus on body wash. Swagger advertising had focused largely, though not exclusively, on deodorant, but the liquid body wash category had shown significant growth. From 2003 to 2009, that market had grown from \$480 million to \$756 million nationally, passing bar soap as the preferred means of personal cleansing. During this time, the sales of bar soap fell 40 percent. The insight behind this growth came from usage habits. Men used body wash made for women because it was there in the shower, leading to a decline in soap usage. Perhaps more important, the body wash category also was growing fast because younger generations of men had grown up with liquid soap rather than bar soap. An even bigger catalyst for growth, though, was gender. As brands prompted a difference between men's and women's products, households began supplementing their women's body wash with an additional purchase of men's body wash, resulting in the expansion of the men's body wash category.

Indeed, with body wash nearly saturated in the women's market by 2003, most of the growth could be attributed directly to men replacing their bar soap with body wash. Specifically, 58 percent of men between the ages of 18 and 34 reported using body wash; 50 percent of men between the ages of 35 and 54 used body wash; and 42 percent of men ages 55+ used body wash. This growth in the body wash category had not gone unnoticed by P&G or its competitors. Both P&G and Unilever had increased their advertising expenditures in this category at the expense of men's deodorant advertising, even though the deodorant category attracted three times the dollar volume of body wash. This allocation reflected the belief that deodorants, for the most part, had fully penetrated the market.

The importance of body wash and its growth led O'Connell and the Old Spice team to consider the possibility of shifting their own advertising to focus primarily on body wash. The team noted that if this was the objective, it might consider sticking with the Swagger campaign or doing this as part of prompting Showtime. A concern with this advertising shift was that body wash represented only about 20 percent of Old Spice sales. Thus, this strategy carried with it the risk of spending advertising resources on a smaller part of the total business. The Old Spice team was well aware of this tradeoff, which only made the decision harder.

Dove for Men's Bold Announcement: The Super Bowl Buy

The Old Spice team's discussion of its possibilities for the next fiscal year was temporarily disrupted by news of a bold move from competitor Unilever, which announced that its Dove for Men (DFM) line would make its U.S. advertising debut in February 2010 with a focus on body wash. The brand's entry raised concerns because Dove had a loyal legion of female fans and significant equity in moisturizing. Furthermore, DFM had announced plans to advertise during the Super Bowl, which had a massive reach of more than 100 million consumers. Furthermore, these consumers were not merely passively exposed to Super Bowl advertising; they actively engaged with the advertising, often talking about it the day after the game aired.

In addition, recent advancements in technology had only increased the importance of television advertising, especially during the Super Bowl. Technology meant that Super Bowl advertising was no longer something consumers saw once. Consumers now actively searched for Super Bowl advertising online to watch ads again, send links to their friends, or post favorite

spots using social media venues such as YouTube. Consumers actively wanted to know what the best and worst spots of the Super Bowl had been, and the best and worst Super Bowl advertising often received a significant amount of earned media via coverage online, in newspapers, and on news reports. Super Bowl advertising, to put it bluntly, was a massive hammer when it came to reaching consumers.

The Old Spice brand team thought it had a strong sense of what was coming from DFM. The campaign would focus on body wash, given its growing importance, and would be aggressive in multiple venues: Super Bowl advertising, in-store advertising, and promotions (see **Exhibit 3**). In fact, as part of the sixty-second, approximately \$7 million Super Bowl buy, DFM would spend more on its one-month launch than Old Spice spent on its category in a year. DFM was also known for testing its advertising globally, perfecting it, and then transplanting it into larger markets such as the United States, Brazil, and China—a strategy referred to by some in the business as “test and learn.” The Old Spice brand team already had seen executions in Italy for DFM that represented the general theme of its upcoming campaign. Although it was tempting to disregard Dove because the brand was too “feminine” to attract male users, the Old Spice team knew that women made more than 60 percent of the purchases of men’s body wash. Indeed, the Old Spice team speculated that DFM’s consumer targeting strategy was actually quite sensible: target the man, but facilitate the purchasers—women—to buy the product.

The Old Spice team knew that along with the advertising, DFM would use promotion to acquire trial (e.g., buy one Dove body wash for women and get a free Dove for Men body wash). Dove could capitalize on its equity with and loyalty from women. As a result of this equity, it seemed possible for the Dove brand to convince its core consumers to buy the product for their men. With a big enough media spend, a sound strategy, and good creative, DFM might succeed with men in the United States. And, although some brands naively held the belief that Super Bowl advertising might not be the right venue in which to target women, the Old Spice team knew better. The Super Bowl was a venue for reaching both men and women, with the audience consisting roughly of 56 percent men and 44 percent women.

O’Connell and his colleagues needed to consider whether DFM’s launch required them to respond with adjustments to their own advertising strategy. At issue was whether the Old Spice team needed to change its target or positioning in response to the competitive launch in men’s personal care. The Old Spice team needed to further consider whether to pay the heavy entry cost to the Super Bowl, which would be a first for the brand, and a rarity for P&G as a company. O’Connell knew that a response to competition must be taken seriously. At Kellogg he had learned that engaging in a positioning battle one could not win could be a disaster for a brand. And he knew that DFM had the right people and resources to engage in a large media spend, sound positioning, and clever creative.

Challenges and Opportunities

All of the information on the table led the Old Spice brand team to raise several issues for consideration. First, the team had to decide where to focus its advertising. Second, the team had to decide what position would accompany its strategy. Finally, it had to decide on a media strategy. Linked to each of these decisions was the looming entry of DFM in the Super Bowl. The Old Spice team had to consider how that entry affected its response and decisions to each of these issues. The nature of each of these decisions is outlined below.

Advertising Strategy: Choice of Product

The brand team saw little reason not to advertise, but it had to consider for which of the brand's products advertising made the most sense. Specifically, the team had to decide whether to:

- Continue to advertise its line of Swagger products
- Turn advertising toward another scent (e.g., Showtime)
- Advertise the Old Spice umbrella brand
- Focus advertising on body wash, specifically on Swagger, on another scent, or on the umbrella brand
- Develop another option

Advertising Strategy: Positioning

Regardless of what product the Old Spice team chose to advertise, the team needed to make a decision about how to position the brand. In making a positioning choice, the brand team had to consider whether to address DFM's entry. One thing the Old Spice team did not want to do was position itself for direct product comparisons with DFM. Although DFM had been known in the past to invoke comparison claims with competitors' brands, P&G did not like the philosophy of singling out a particular brand. Indeed, inviting too much overt comparison had the danger of confusing the consumer and ultimately undermining brand growth. The question was, then, what positioning should the brand use, and should it respond to defend itself against DFM's entry?

The brand team also had to consider the degree of expertise Wieden+Kennedy had with respect to broadening beyond the male target. The agency knew the male consumer mind well, and indeed, all its advertising with Old Spice had been focused on that mindset. The Old Spice team wondered, to a certain degree, whether the agency had the right knack for developing a creative strategy meant to embrace a target beyond its core male consumer.

Media Choice

Finally, the team mulled over the media choices. The brand had originally launched on television, but it was coming off a very successful social media effort, "Swaggerize Your Wallet," that had grown sales by an approximate 55 percent above the traditional media efforts. Moreover, the social media effort was extremely affordable compared with using television. At the same time, the brand team was not as confident that it could get both men and women in the same space with social media efforts. Would the two groups be consuming social media together and in the same channels? Also on the table was whether the brand should pay the heavy ante to advertise in the Super Bowl to be present and offer a countervailing force to DFM's planned appearance.

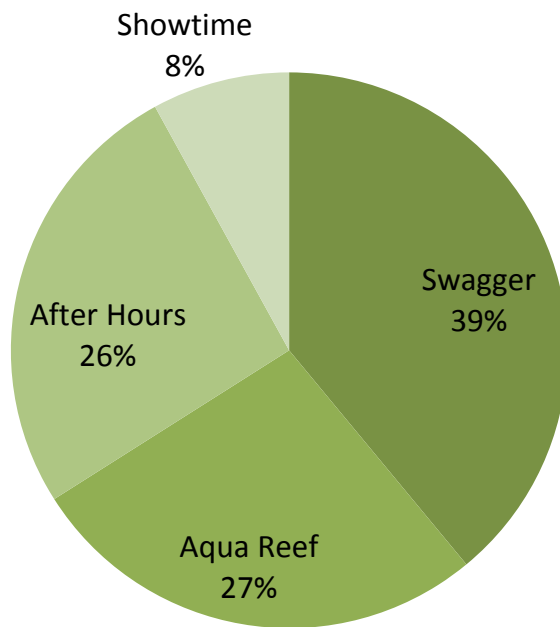
The Super Bowl decision weighed especially heavy on the brand team. A Super Bowl placement would give Old Spice the kind of broad reach to male and female consumers that was impossible to duplicate with a single insertion in other media vehicles. The Super Bowl was also a way to be in the same space as the competition without directly calling out the other brand. The

team knew it could get approval for the spot, but the thirty-second appearance would cost an estimated \$3.4 million. Even for successful veterans, committing that much money to a single advertising buy was daunting. And the entire team felt that a spot could be aired only if it were “Super Bowl–worthy.”

Conclusion

O’Connell and the Old Spice team pondered the task before them. The success of the Swagger campaign had brought them glory but had also created a high hurdle to clear. Now they had been given the added challenge of having to decide whether to devote further time and effort to respond to a competitive threat. Of course, O’Connell realized the situation he faced revealed an inherent fact of marketing and advertising: Marketing was not just about what your brand did; it was also about properly understanding and responding to the movements of the competition.

Exhibit 1: Performance in the Red Zone Line



Note: Percentages reflect the approximate dollar share of each scent contributed in 2009.

Exhibit 3: Dove for Men Launch Advertising

SUPER BOWL



Note: The Dove for Men Super Bowl spot can be viewed here: <http://www.youtube.com/watch?v=t-Lc9Mhi9I0>.

IN-STORE ADVERTISING



PROMOTIONS

