

TITLE OF CASE STUDY: ARM & HAMMER "Secret"

### **Business Situation and Campaign Objectives**

Introduced by Church & Dwight in 1867, ARM & HAMMER baking soda is one of today's most trusted and most enduring brands. For generations, consumers have used ARM & HAMMER for so many things from baking a cake to keeping the refrigerator fresh to getting laundry extra clean to even brushing teeth. This versatility makes ARM & HAMMER baking soda truly magical.

In 1968 ARM & HAMMER baking soda was a household staple but only a \$10MM business. Then in 1970 ARM & HAMMER introduced its first baking soda formulated product -- ARM & HAMMER Laundry Detergent. Following this successful launch, ARM & HAMMER over the next 30+ years, introduced a continuous stream of baking soda formulated products in the oral care, cat litter and household cleaning products categories. By 2005 the ARM & HAMMER franchise had grown to almost \$700MM.

But as the franchise grew, the ARM & HAMMER brand became more fragmented. There was not a singular brand voice for ARM & HAMMER and there was a wide variety of creative campaigns for individual sub-brands. The role of ARM & HAMMER baking soda in communications was inconsistent and not working to build brand equity. Although consumers gave ARM & HAMMER strong ratings on trust, the brand was very strongly perceived as "old fashioned," "not contemporary" and not strongly delivering product efficacy. Overall the ARM & HAMMER brand was becoming less relevant to consumers. And sales were declining in several key segments including oral care, laundry detergent, and baking soda, the foundation of the ARM & HAMMER franchise.

The brand was also being very inefficient by having so many silo campaigns running at relatively low budget levels. ARM & HAMMER faced much larger competitors and was significantly outspent in almost all of the categories it competed like Crest and Colgate in oral care and Tide in laundry detergent. For perspective, Crest spends eight times the amount ARM & HAMMER spends in the toothpaste category.

### **Campaign Objectives**

Given the brands evolution and current situation it was time to develop a masterbrand architecture and unify the brand behind a singular masterbrand campaign.

The goal was to develop a unified masterbrand campaign that would support the breadth of the ARM & HAMMER portfolio behind a common look and feel to:

- build and extend brand equity in a consistent way
- drive sales
- make ARM & HAMMER baking soda solutions relevant to today's consumer
- generate greater portfolio impact

### **Budget**

The full year media budget for the launch of the Arm & Hammer masterbrand campaign was approximately \$30MM, a similar level vs. year-ago. This budget supported the entire Arm & Hammer portfolio that included five categories: baking soda, toothpaste, laundry detergent, cat litter and carpet deodorizer.

## **The Research Story**

ARM & HAMMER is a masterbrand like no other. Whereas a masterbrand like Dove competes in many categories but all within personal care, ARM & HAMMER competes in numerous categories within household and personal care. This made the potential research a challenging assignment to identify the core insights that would translate across the breadth of the portfolio and ultimately guide the development of a meaningful masterbrand campaign.

To develop the masterbrand strategic architecture and resulting campaign, the research needed to answer several questions. What should the role of baking soda be across all communications? What is the brand's equity? How does it translate across sub-brands? How can we best leverage our equity among today's consumers? What are the key brand barriers for consideration?

The first phase of an extensive qualitative research project in the development of our ARM & HAMMER masterbrand strategic architecture was a series of 21 exploratory consumer focus group sessions across seven key ARM & HAMMER categories throughout the country. Three different consumer audiences participated in the study; ARM & HAMMER loyalists, competitive brand users and "mainstream green" consumers. This was followed up with an in-depth second phase where initial 'building blocks' for the architecture, including positioning tactics, brand truths, package graphics and RTB's were refined and evaluated among ARM & HAMMER loyalists.

From the analysis of this research key consumer insights emerged:

- ARM & HAMMER baking soda is the brand's DNA. ARM & HAMMER baking soda heritage and trust were positive and relevant. The masterbrand should build from the equity of ARM & HAMMER baking soda.
- The "generational transfer" of the magic of ARM & HAMMER baking soda creates a deep emotional bond with consumers. But the relevancy of the "generational transfer" had diminished leaving many consumers less familiar with its versatility and performance. We needed to educate today's and tomorrow's consumer.
- The brand needed to re-establish efficacy credibility for its baking soda formulated products. This was a barrier for brand trial among many consumers.

Subsequent Millward Brown quantitative concept research validated these findings. Baking soda, generational transfer and efficacy were the drivers of appeal for ARM & HAMMER overall and its individual sub-brands.

These insights provided the following framework that directed the development of the masterbrand architecture strategy and resulting campaign.

- The opportunity was to not run away from but embrace and share the "secret" of our ARM & HAMMER baking soda heritage. Our trust could be leveraged in a way that's truly different than other brands through "generational transfer" of the versatility and performance of ARM & HAMMER baking soda.
- But we needed to do so in a way that did not reinforce the "old-fashioned" image.
- And we needed to demonstrate the efficacy and innovative solutions of ARM & HAMMER baking soda and its formulated products today.

Now the creative challenge: To unite the key research insights together in a breakthrough masterbrand campaign that would successfully support the breadth of the ARM & HAMMER portfolio.

## **Campaign Description**

Our extensive research told us that baking soda needed to be at the heart of the masterbrand campaign story. Consumers trusted ARM & HAMMER and thought positively of baking soda but

many of today's consumers were less familiar with its versatility and effectiveness. We needed to educate and in some cases re-educate consumers that we have always been a good solution and that today we are even better with category leading solutions. This was our 'secret' and the hook for the masterbrand campaign.

To share the 'secret' with consumers, we created "The Secret Then, The Secret Now" campaign. By sharing with consumers the historical secret of ARM & HAMMER baking soda (THEN) and providing even better solutions with our baking soda formulated products (NOW), the campaign allowed us to celebrate our heritage, capitalize on our equity and show how we are new, relevant and better. Through a dramatic transition of black and white (THEN) to color (NOW), the creative revealed how ARM & HAMMER products offer better, more effective solutions today that consumers should discover.

The target audience for the "Secret" masterbrand campaign is women 25 to 54 with children and/or pets who seek quality for their families, easy, effective and trusted solutions and simplicity in household and personal care.

The campaign launched in August 2006 with a new, innovative product -- ARM & HAMMER Fridge Fresh Refrigerator Air Filter. It took deodorizing literally out of the traditional ARM & HAMMER baking soda box and put it on the inside wall of the refrigerator. Fridge Fresh, with an indicator to tell consumers when to replace it, is the 21<sup>st</sup> century evolution of the iconic ARM & HAMMER box and a perfect example of an ARM & HAMMER product that provides a better solution for today's consumer.

Aligned behind one signature look and feel, the campaign was successfully launched across the ARM & HAMMER portfolio; baking soda, cat litter, toothpaste, laundry detergent and carpet deodorizer in all communication touch points; print, TV, promotion and online. A range of print formats were planned within the "then and now" architecture to create in-book impact including full-pages with an insert, half-page consecutives and spreads. Advertising efforts were bolstered by in-store merchandising, consumers/professional sampling programs (where applicable), as well as unifying all packaging graphics behind the signature ARM & HAMMER color.

The media plan was designed with the goal of extending reach and placing the message in environments that would help modernize and make relevant the ARM & HAMMER story for today's consumer. This included a strategic shift from a primarily TV plan (92%) to one that surrounded the consumer using multiple touch points of General Awareness TV, DRTV, print and online. Print and online were specifically chosen for their ability to deliver the right tone and context to the brand's message and to provide a resource for portraying the entire portfolio by leveraging overall spending. This included unique program extensions including "never been done before" integration into appropriately themed AOL slideshows.

By leveraging the overall media spend, we created even greater portfolio impact through increased engagement with the consumer via robust added value programs. A multi-media program was developed with Meredith Publishing that was valued at 20% of the total media buy and included 1/3 columns, online, sweepstakes, gift with purchase incentives and retail components.

### **Business Results**

The "Secret" masterbrand campaign has been a huge success for ARM & HAMMER, meeting all of the campaign objectives. Copy test performance for the campaign's launch commercial, ARM & HAMMER Fridge Fresh, was within the top 3% of commercials ever tested by ASI. The campaign was successfully translated across all categories. Overall, the ARM & HAMMER brand achieved organic growth, up +6% in 2007 vs. year-ago. Importantly the campaign did not limit the individual ARM & HAMMER sub-brands from telling their unique product story and driving sales.

**1. The “Secret” campaign is successfully building and extending brand equity and driving sales**

- “Secret” moves equity perceptions in the short term helping build and extend equity for the long term. ASI Brand Equity Index numbers are significantly above average for all TV executions within the campaign except toothpaste which is at the top end of the average. The Brand Equity Index consists of uniqueness, relevance, familiarity, popularity and quality.
- The “Secret” campaign has delivered highly effective copy, generating very strong purchase interest across the portfolio. The Copy Effect Index (CEI) combines related recall and persuasion.
  - the campaign has provided a winning platform to successfully launch both new and existing baking soda/baking soda formulated products

**ASI Results for ARM & HAMMER Sub-Brands**

	<b>Brand Equity Index (average 70-130)</b>	<b>Copy Effect Index (average 70-130)</b>
<b><u>New</u></b>		
A&H Fridge Fresh	<b>363</b>	<b>220</b>
A&H Odor Alert Cat Litter	<b>181</b>	124
A&H Plus Oxi-Clean Laundry Detergent	<b>133</b>	<b>140</b>
<b><u>Existing Product</u></b>		
A&H Toothpaste*	129	98*

**Source: ASI**

\*For toothpaste this CEI was the highest score in years

	<b>Purchase Interest Top-2 Box</b>	<b>Norm</b>
A&H Fridge Fresh	87	80
A&H Odor Alert Cat Litter	<b>51</b>	29
A&H Plus Oxi-Clean Laundry Detergent	<b>47</b>	30
A&H Toothpaste	<b>41</b>	29

**Source: ASI; bold denotes significantly above norm at 90% confidence level**

- Superior copy test results translated into in-market sales growth; strong organic sales growth was achieved for each of the key ARM & HAMMER sub-brands since the start of the campaign in 2006. Sales declines, experienced pre-campaign, were reversed. The total ARM & HAMMER “Secret” advertising budget remained at similar levels as pre-campaign spending.

**Sales for ARM & HAMMER Sub-Brands**

	<b>Pre-Secret Campaign (2005) \$ % Change vs. Year- Ago</b>	<b>Campaign On-Air (2006-2007) \$ % Change vs. Pre-Secret Campaign (2005)</b>
A&H Baking Soda	-2	+18
A&H Cat Litter	+9	+26
A&H Laundry Detergent	-2	+13
A&H Toothpaste	-10	+3

**Source: Nielsen and ARM & HAMMER Factory Sales**

**2. The “Secret” campaign has helped make baking soda more relevant to today’s consumer.**

- From ASI testing, significant increases for perceptions of “innovative/modern”

	Perceptions Innovative/Modern (Strongly agree)	of Norm
A&H Fridge Fresh	59	n/a
A&H Odor Alert Cat Litter	<b>43</b>	17
A&H Plus Oxi-Clean Laundry Detergent	<b>33</b>	15
A&H Toothpaste	<b>11</b>	4

**Source: ASI; bold denotes significantly above norm at 90% confidence level**

- Millward Brown Brand Health tracking study data shows major increases in “relevance”

	Relevance	Change vs. Year-Ago
A&H Cat Litter	37	+8
A&H Laundry Detergent	26	+9
A&H Toothpaste	31	+11

**Source: 2007 Millward Brown 7/07 vs. 7/06; note baking soda is not tracked in this study**

### 3. The “Secret” campaign has generated significantly increased portfolio impact.

- The unification of the brand’s messaging and media provided tremendous impact. By leveraging the portfolio and diversifying the mix total impressions increased vs. year ago. **3,594,319,597 W25-54 impressions** were generated, all unified behind the same consistent campaign, versus previous silo messaging where the individual campaigns delivered approximately 500,000,000 impressions.
- A diversified media spending strategy greatly improved reach for most supported A&H brands on key demo of W25-54 with similar budgets to year-ago.

	2006 Reach/Frequency	2007 Reach/Frequency	Reach vs. Year-Ago
A&H Baking Soda	80/9.2	89/10.4	+9
A&H Cat Litter	93/20.1	95/18.1	+2
A&H Laundry Detergent	76/6.0	95/9.2	+19
A&H Toothpaste	79/19.0	94/20.9	+15

To become a successful masterbrand the challenge and opportunity is to leverage and build brand equity while growing sales at the same time. The "Secret" campaign has accomplished this and continues to successfully support the ARM & HAMMER portfolio today.

The “secret” to our successful campaign was research. Extensive qualitative research, among nearly 600 consumers, including focus group sessions, in-depth interviews, workshops, verbal and visual exercises in and out of home plus quantitative research among nearly 4000 consumers, including concept, package graphics and advertising testing, identified and validated key consumer insights that informed everything from the development of the masterbrand architecture and strategy to the resulting masterbrand "Secret" campaign.