

Hijacked and Leveraged: Big Alcohol Marketing in One Canadian Community

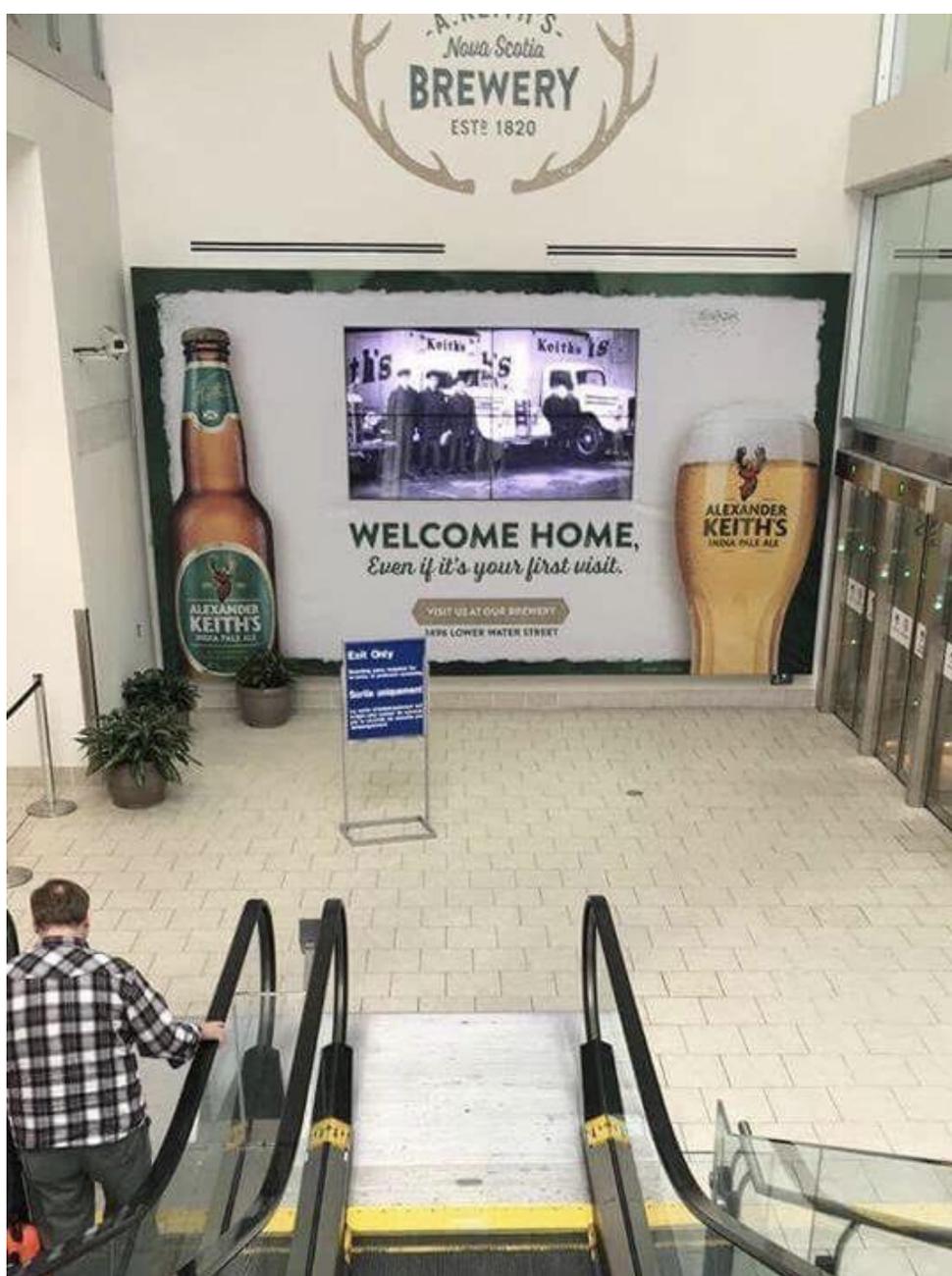
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Conflict of Interest

None of the co-authors have any conflict of interest to report



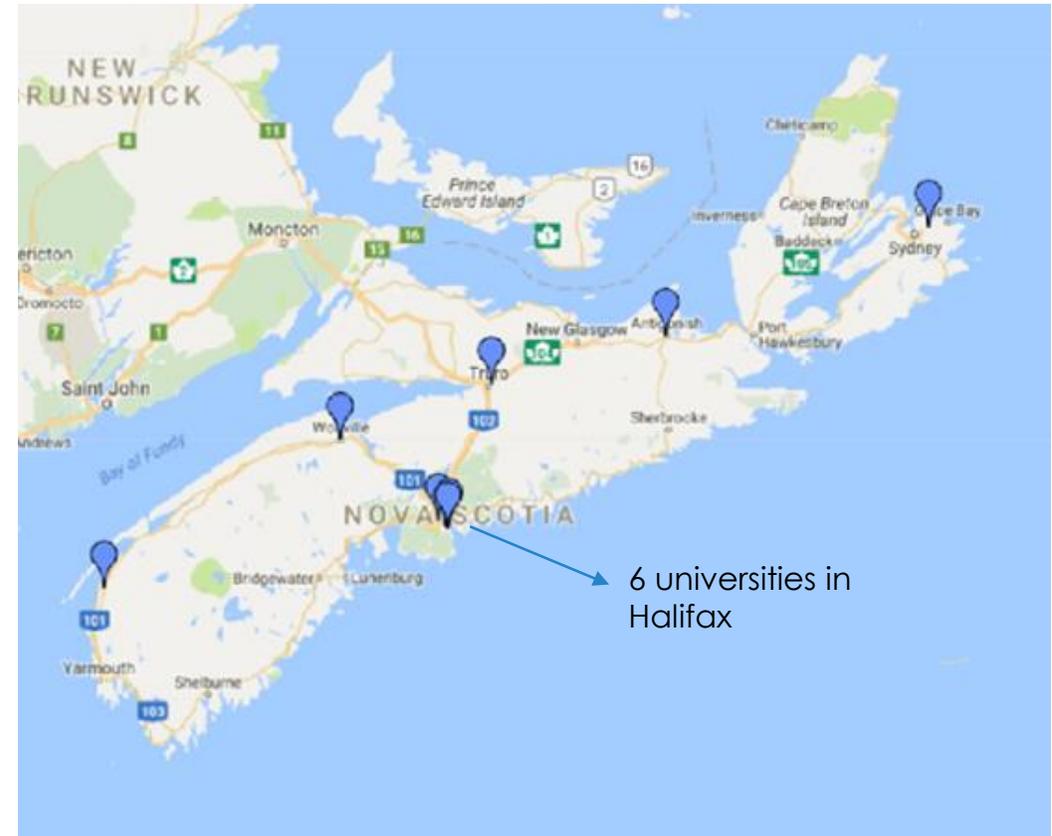
Stanfield
International Airport,
Arrival Gate

Halifax, Nova Scotia

May 2018

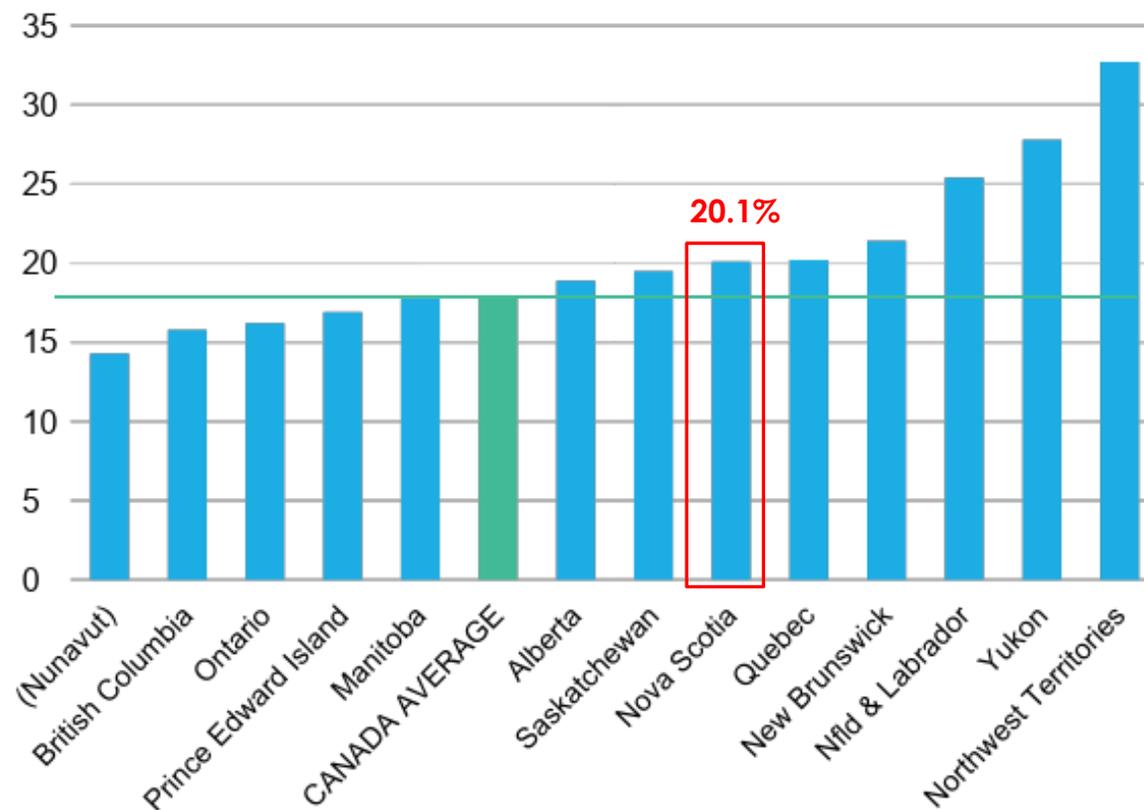
Background: Nova Scotia

- 11 universities (6 in HRM)
- Second most bars per capita in Canada
- Second lowest rate of growth in Canada but recently increased
- Urban (57%) vs rural (43%)



*Heavy drinking = men: 5+; women 4+

% Heavy drinking* ≥ 1 /month (12+ years old)



How will this have changed almost a decade later?

Table 9: Age of First Drink

	Gender Group		Age Category		Total (n=76)	
	Male (n=37)	Female (n=39)	13-15 yrs (n=38)	16-18 yrs (n=38)	(n)	%
How old were you when you first drank alcohol?						
10 years or younger	2	2	2	2	4	5.3%
11 years	1	1	1	1	2	2.6%
12 years	5	6	3	8	11	14.5%
13 years	2	3	4	1	5	6.6%
14 years	6	10	10	6	16	21.1%
15 years	5	7	4	8	12	15.8%
16 years	5	2	---	7	7	9.2%
17 years	---	1	---	1	1	1.3%
18 years	---	---	---	---	---	---
Never drunk alcohol	11	7	14	4	18	23.7%

We are concerned

Harms from alcohol use among youth

Declining age of first drink

Alcohol marketing as a vector to drinking initiation

How do Nova Scotia residents feel about alcohol marketing in their communities?

Advertising ~ Sponsorship

- 71% of residents = we do not support alcohol **advertising** or promotion on municipally owned property, or in community areas, such as sports fields
- 70% of residents = alcohol **sponsorship** is a viable source of funding for public events



HRM Tall Ships Festival (2012)

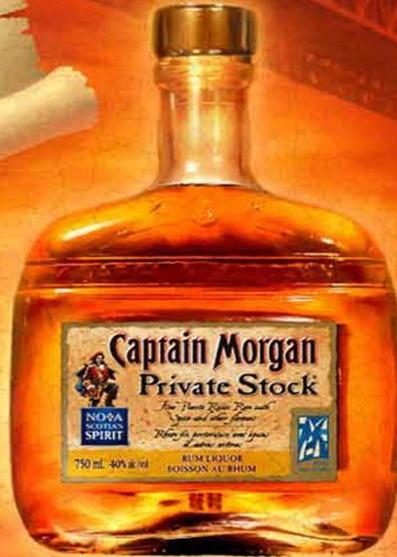


“Tall Ship Takeover”

NEW
**CAPTAIN MORGAN
 PRIVATE STOCK**

LAUNCHING AT THE
2012 TALL SHIPS

Captain Morgan



PICK UP YOUR LIMITED EDITION 2012 TALL SHIPS BOTTLE AT THE NSLC
 MUST BE LEGAL DRINKING AGE. NO PURCHASE NECESSARY • PARTY RESPONSIBLY • CAPTAIN'S ORDERS



CAPTAIN
for a
DAY
 CONTEST

WIN A VIP TRIP FOR YOU AND A MATE TO THE
2012 TALL SHIPS IN HALIFAX!*

TWO NIGHTS ACCOMMODATION • ACCESS TO A VIP DECK RECEPTION
 GEORGE'S ISLAND VIP CONCERT TICKETS • \$500 VISA CARD



TO ENTER, SIMPLY SWIPE YOUR AIR MILES CARD WHEN PURCHASING ANY CAPTAIN MORGAN PRODUCT.
 MUST BE LEGAL DRINKING AGE • NO PURCHASE NECESSARY • PARTY RESPONSIBLY • CAPTAIN'S ORDERS
 CONTEST VALID FROM JUNE 11th - JULY 15th, 2012. *50ml BOTTLES EXCLUDED FROM CONTEST ENTRY.

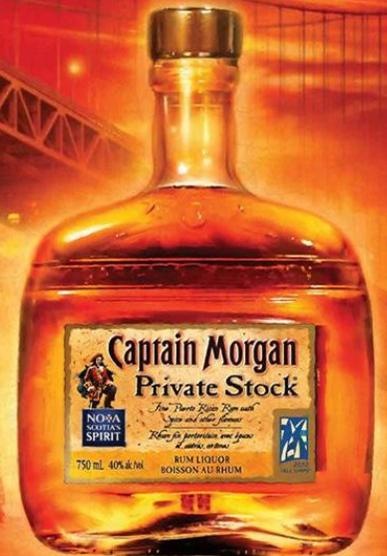
**TRADEMARKS OF AIR MILES INTERNATIONAL TRADING & 2012 UNDER LICENSE BY LEFALTY, INC. AND THE NEW SCOTIA LOTTERY CORPORATION.



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The Campaign: 2012 Tall Ships Sponsorship

Business objectives:

- Grow Captain Morgan Trademark
- Increase brand awareness (5% → 25%) - ↑ sales

Sponsorship objectives:

- Increase brand loyalty by
 - I. Leveraging current brand positioning, the *Nova Scotia Spirit* campaign, and the 2012 Tall Ships Festival
 - II. Emotional connection with Captain Morgan's Brand Purpose of "Sparking Legendary Times"

Captain Morgan “Morganettes”

Photobooth at Halifax Tall
Ships

*Note little girl walking in
background.



The Strategic Approach: Heart → Mind → Wallet



Retail 1: Air Miles draw to win Tall Ships VIP package

Retail 2: Nova Scotia-specific custom branded
Captain Morgan Private Stock

Event: Captain Morgan Island Party on George's
Island (5000 people in attendance)



“Captain Morgan hijacked the *Tall Ships festival* by throwing a legendary party on George’s Island – a legendary island that very few had set foot on; or in fact it was the first time there had been an event to this magnitude on the island, and it was Captain Morgan that made it happen! The party was a sold out event and was presented exclusively by Captain Morgan.”

Results of Sponsorship

Increase in Private Stock sales at NSLC by \$81,000 in the 2-month period (annual impact expected minimum \$300,000)

Contest appeared 8,556 times in users news feeds – 54% of users clicked through to contest link

- 2,790 participants in contest
- 9,015 FB friend nominations
- 7,264 shares for contest entry

Results of Sponsorship (Cont'd)

5% to 35% awareness (600% lift in awareness)

Sales of Private Stock during concert = sales of beer
(beer typically = 80%)

Increase in market performance

Captain Morgan Trademark saw improved sales
and share during and post promotion

“Overall, from a Diageo perspective this truly integrated promotion was flawlessly executed, and held up as a best in class example of ***how to emotionally connect with our consumers by leveraging a regional asset.***”

Captain Morgan

2012 Tall Ships Sponsorship

Captain Morgan is the number two rum Trademark internationally. We are also currently the number two rum Trademark in Canada and Captain Morgan Original Spiced is the number one flavoured rum brand. With a distinct Brand Purpose of "Sparking Legendary Times", Captain Morgan is the fastest growing major spirit Trademark in Canada and the world. Captain Morgan has a particularly strong presence in Nova Scotia, with the province consuming more Captain Morgan White Rum per capita than any other province. We wanted to leverage this popularity in Nova Scotia to re-launch Captain Morgan Private Stock, and reignite passion for the Captain Morgan Trademark overall in Nova Scotia through our sponsorship of the 2012 Tall Ships Festival.

In 2011, Captain Morgan created a Nova Scotia/Captain Morgan campaign called "Nova Scotia's Spirit". This campaign embodies the sentiment of the Captain being the most popular spirit in the province. Captain Morgan was also awarded the Spirit of the Year award by NSLC for their innovation and commitment to the province.

BUSINESS OBJECTIVES

1. Grow the Captain Morgan Trademark by driving conversion from Spirit and Beer competitors and up-sell to premium priced Captain Morgan Private Stock variant.
2. Increase brand awareness of Captain Morgan Private Stock by 20% (was 5% prior to program), thus increasing sales.

THE SPONSORSHIP OBJECTIVES

1. **Increase Brand Loyalty:**
 - Leverage Captain Morgan's current brand positioning, the Nova Scotia's Spirit campaign, and the 2012 Tall Ships Festival to connect consumers with Captain Morgan.
 - Deliver on the emotional connection Captain Morgan's Brand Purpose of "Sparking Legendary Times" in a bold and breakthrough way that ensures Captain Morgan is on the top of consumers' consideration list for summer drinks.



<https://www.youtube.com/watch?v=0-YJZvOaF64>

Category Highlights

Wine Category

Wine continues to be a popular choice for Nova Scotians, as sales in this category increased by 3.2 per cent when compared to last year and accounted for approximately 20 per cent of first quarter sales.

Local wines continue to gain popularity in Nova Scotia and internationally. The introduction of locally grown products, such as Nova 7 and the Tidal Bay appellation wines, and the support our employees have shown in promoting these local products have contributed to this success. Valley Roads White, Red and Rose from Jost Vineyards are selling exceptionally well, with 30 per cent of inventory selling in the first 30 days of its launch. These wines have proven to be great value (\$9.99 each) and are made from 100 per cent local Nova Scotia Grapes.

Wines from Italy and France showed growth over the quarter, due to successful promotions on brands such as Folonari Valpolicella and JP Chenet. New World wines also showed growth; wines from Canada, Australia, and the United States capitalized on Air Miles promotions and limited time offers to drive sales. Brands such as French Cross, Jackson Triggs, Wolf Blass, Yellow Tail, Red Rock and Apothic all grew as a result of these promotions.

Don David Plot #6 Malbec was launched as a regular listed item in April and was supported by an internal and external marketing campaign, in-store displays and network-wide tastings. This wine already had established awareness in the marketplace, being the top selling product at the 2011 Port of Wines Festival.

Spirits Category

The spirit category recorded a sales increase of 0.2 per cent when compared to the same time period last year and represented approximately 26 per cent of total sales during the first quarter. Sales in vodka, spiced rum and whiskey all increased compared to last year, with flavoured vodka leading the way with a 23 per cent sales increase. Seven new flavoured vodkas were launched for a limited time, which contributed to the sales increase in the category. These flavoured vodkas were supported with in-store tastings, cocktail recipes neck tags and Bonus Air Mile offers.

The Captain Morgan Tall Ships promotion, which took place in June and July, was also a huge success. This promotion included a Tall Ships customized label on

The Captain Morgan Tall Ships promotion, which took place in June and July, was also a huge success. This promotion included a **Tall Ships customized label** on limited quantities of Captain Morgan Private Stock, a **Tall Ships collectible glass** and **in-store promotions for VIP passes** to George's Island Captain Morgan concert.

NSLC = Nova Scotia Liquor Corporation

Retrieved from www.mynslc.com

Conclusions

Community members were not opposed to this sponsorship even though they are opposed to alcohol advertising on public property

Sponsorship activities increase exposure to alcohol brands and increase brand awareness

Young people are being exposed to alcohol marketing at family-centered events

Policy Recommendations

- I. Close the knowledge gap – change perceptions
- II. Amend current alcohol policy regulations to include sponsorship as advertising
- III. Define sponsorship: clear understanding of function and potential outcomes
- IV. Develop municipal alcohol policies
- V. Monitor alcohol industry activities
- VI. Consider alcohol industry denormalization

Thank You

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Current Local Billboards

January 2018



May 2018

