

2005 IPA Effectiveness Awards



“Making A Killing”

How advertising delivers profits for Roundup Weedkiller



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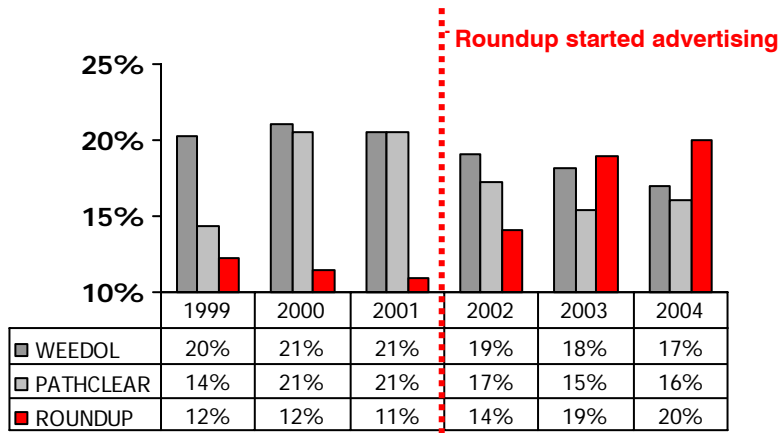
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Why you should read this

From 2002, Roundup began promoting the benefits of weedkiller with straight-talking advertising, taking it from a failing 3rd ranked outsider to the undisputed market leader in volume and value.

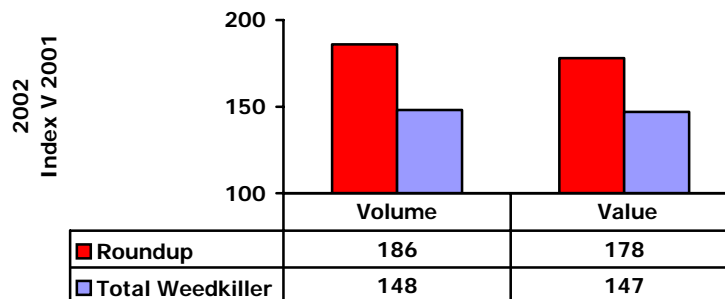
Volume Share by year of the total weedkiller market



Source: GFK top3 brands in the weedkiller market

This new Roundup advertising...

- Helped grow the market by nearly 50% and drove an 86% rise in volume sales.

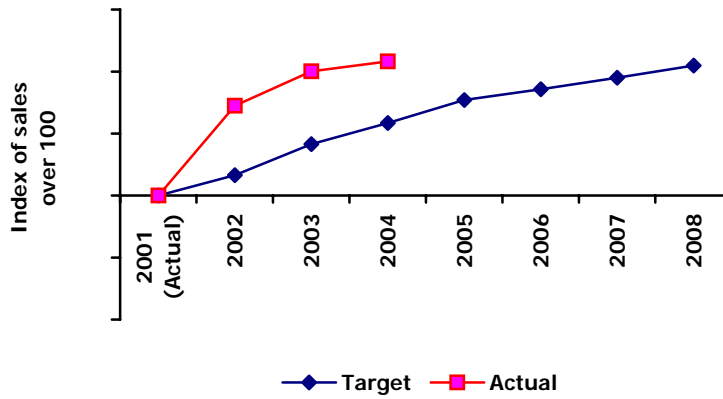


Source: GFK 2002 - (As the advertising featured the smallest pack size, hence value sales rose by less)



- Delivered Roundup's Five-year plan by 2003 and nearly doubled targeted sales by 2004.

Target and actual £ sales 2001 – 2008



Source: Monsanto - (Actual numbers confidential)

- Delivered payback on advertising investment by 2003 with over \$1m of additional net profit in that year and further profit growth in 2004.

Versus 2001	2002	2003	2004
Change in Gross Profit (excluding the cost of advertising)	+\$2.2m	+\$3.9m	+\$4.4m
Change in Net Profit (including the cost of advertising)	-\$0.36m	+\$1.1m	+\$1.4m

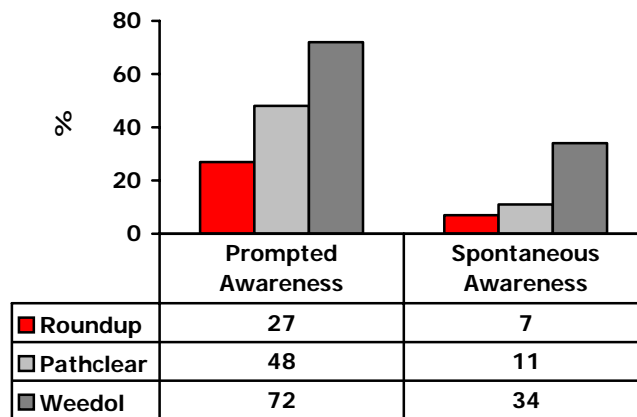
Change in profit

Source: Monsanto



This was achieved despite the odds being stacked against them, as Roundup had:-

- A premium price and as a young brand very low awareness compared with two household names.



Source: NEMS pre wave 2002

- Only marginally more total media budget than the competition (yet still took share from advertised & unadvertised brands)

	2000	2001	2002	2003	2004
Roundup	£0	£0	£2.09m	£1.66m	£2.01m
Weedol	£0.1m	£0	£1.42m	£1.83m	£1.59m
Pathclear	£1.2m	£0	£0	£0	£0

Source: Neilson Media Research



- A similar weight of advertising

Actual TVRS	2002		2003		2004	
	Adults	ABC1Adult	Adults	ABC1Adult	Adults	ABC1Adult
Roundup	614	502	647	508	647	508
Weedol	573	436	840	694	840	694

Source: BARB - Weedol used shorter timelengths hence higher ratings on lower spend

- No sales promotion, no price reduction, no significant PR and no change in formulation packaging or NPD.
- A reduction in direct marketing which funded more TV advertising.

Direct Marketing Spend	2001	2002	2003	2004
Index on 2001	100	54	72	44
% of annual marketing budget	51%	12%	16%	11%

Source: Monsanto

- No major change in distribution and the same distributor as the competition. In 1999, Scotts became the agent for Roundup. Scotts managed a portfolio of competitive products including their own brands - Weedol and Pathclear.
- Had no category product superiority.



BLM

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How Roundup got to No.1

ROUNDUP
WEEDKILLER

Where it began

Roundup's assault on the market had been long in coming. Their five-year plan to dominate the consumer weedkiller market was based on a regional test of the effectiveness of advertising in Granada in 1998.

The 1998 plan

Region	TVRS	Spot Length	MAY 1998 W/C (Fri)			
			1	8	15	22
Granada	712	30"	150	150	150	150
Coverage 1+ 86% of target audience						
Coverage 4+ 53% of the target audience						

Source: BARB 1998

This confirmed advertising's ability to generate significant uplifts in awareness,

	Pre	Post
Prompted brand awareness	16%	56%
Total advertising awareness	4%	41%
Consideration 1 st choice	3%	19%

Source: Laser 1998

And massive uplift in sales.

Impact on sales 1998 v 1997

Volume Sales	Granada	National Ex Granada
Roundup 1 Litre Pack	+109%	+12%
Roundup 3 Litre Pack	+69%	+11%

Source: Leading National Retailer 1998. A leading retailer was used as GFK does not split regional data by brand



For the next three years, Roundup focused its efforts entirely on the US market. In that time, the UK market changed with the two leading brands marketing similar looking and performing ready to use products.

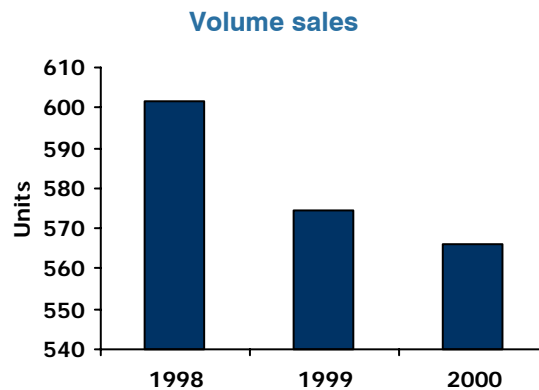


Weedol Gun! (1)
Launched in March 99



Pathclear! (1)
Launched March 00

Roundup sales were decimated as a consequence.



Source: Gfk (2001 not representative due to change in methodology)

Therefore Roundup had to refocus on the UK and try to replicate the success of the Granada test in 2002.

The difference this time was that Roundup had fierce competition.



Garden sloths and psychopaths

In 1998, BLM had used a segmentation of the gardening market to identify “Proud Warriors” as the core audience. Typically older, upmarket and male, he was not differentiated demographically from your average garden owner. Under his unassuming exterior, however, lay a different kind of beast. This garden “perfectionist” had cleansed his garden of weeds. He had regimentally neat beds, a perfect striped lawn and spirit level hedges. This character enjoyed the power of life or death he held over living organisms in his domain. Whilst everything in the garden looked natural and rosy, the shed hid his secret arsenal. Weeds, slugs and moss were removed by any means necessary. Chemical and biological options were key to his mission of having the best garden in the neighbourhood.

By 2002, following the growth of the ready to use gun BLM recommended stretching the targeting to another altogether different type of gardener. Demographically similar, this lazy gardener was after maximum effect for minimum effort. A horticultural cheat he tended to be pushed into “cleaning up” the garden by a persuasive spouse.

Despite being psychologically on different sides of the fence, we found four clear insights, which related to both audiences.

- i. They will spend money on the right solution.
- ii. A lot of garden products fail because people cannot exactly follow the instructions: bulbs fails to flower, moss, weeds, slugs and bare patches on the lawn always seem to return. Both groups were therefore cynical and needed convincing.
- iii. In shopping terms weedkiller is an also ran. They wouldn't go to B&Q especially to get it. It's something they would get next time they went or something they'd add to the trolley when in the store.
- iv. They did not want to hug the weedkiller. They wanted it to do the job and go back to the shed where it belonged.

A single minded agency

It wasn't until March 2002 that Monsanto on their return to the UK briefed BLM. With the gardening season fast approaching, lead times eliminated trade marketing and with television's previous stellar performance, it was quickly identified as the medium of choice.

While Monsanto initially thought that this was simply about repeating the 1998 test nationally, BLM realised that time had moved on. To take on this new competition, we knew that we had to get the most out of both media and the message to build the proposition that Roundup was the deadliest weedkiller in the market, even if technically it wasn't. We quickly recognised an obstacle on their path to glory. For us, delivery of media superiority was not an issue. The message however was a different story. The TV commercial may have worked in 1998 but in 2002 it looked dated and lacked the killer edge.

To take the message to the new level required new advertising. With a relatively low weight and awareness, we needed a direct, unequivocal, benefit driven message to appeal to our gardening audience's psyche, by using a single minded proposition of

"WEED KILLER!"

Monsanto needed a creative agency with this intimate knowledge capable of going from brief to finished creative in less than six weeks, without demonstrably affecting the media budget. BLM had recognized this client need and had developed a creative capability, Flint, accordingly. By using Flint's unique offering, Monsanto no longer required a separate creative agency. The insight had already been done for the communication strategy, so BLM's Flint could deliver the creative quicker and more cost effectively.



We kill weeds, we don't persuade them to die

By 2002, the two leading brands had been advertising similar looking and positioned products to Roundup. The market leader, Weedol chose to underplay the destructive side of the product by initially using animation and the strap line "You'll be amazed in just two days weeds will fade away"



then subsequently with quirky humour with the line "Weedol no mercy"

In contrast, Pathclear maximized the claim to say: "Clears weeds for *up to* six months". To convince these gardeners, we needed to prove that Roundup didn't just temporarily clear weeds, bully them or make them fade but prove it **KILLED** weeds **DEAD**. They had to believe failure was not in Roundup's vocabulary.

We didn't design the campaign to build dialogue or entertain our audience. Nobody wants to be friends with a weedkiller. It was designed to work in conjunction with media to be a clear visual reminder so that it was Roundup rather than the competition that fell into the trolley in B&Q.

As weeds are a serious problem for our audience and to make the communication as credible as possible, BLM avoided using humour or metaphors, emphasising instead how Roundup annihilates weeds at the root, so they never return.

While other brands feared using the word "Kill", Roundup had been happy to use it before. We persuaded Monsanto to go further and grasp it with both hands. Hence in 2002, we retained the hard-hitting sinister sentiment of the successful 1998 commercial, but modernized the advertising, making it darker almost chilling and added the new double death end line;

"KILLS the root, KILLS the weed."



If you're not using Roundup



That perennial weed you thought was dead



Could still be alive



And it's going to come back



Again and again



Most weedkillers only kill the leaves



Roundup kills the root



Roundup: kills the root, kills the weed

In 2004, this was adapted to feature the larger pack variant "Pull and Spray"



Getting more out of media

In 2002, BLM had to find a way to recreate the overwhelming force of the 1998 test activity but without the privilege of an overwhelming budget. Key to the success in 1998 had been the density of activity and direct creative, which helped to convince customers of the veracity of the Roundup claim.

For BLM to recreate the 1998 effect the founding principle of 2002's & future campaigns was:-

a/ To maintain the 1998 weekly burst weight of the activity to those exposed to the campaign. This would not be continuous. We needed to take into account the vagaries of the weather and also had to allow time for restocking if the 1998 level of uplift was repeated.

b/ To make these on/off bursts more effective by timing the Roundup advertising to

- pre-empt the competition's advertising
- coincide with key garden shopping days – weekends and Bank Holidays.

c/ To achieve overwhelming force over the competition's "drip" strategy and to ensure dominance in the majority of the country in the short and long term. As London represented only 19% of weedkiller sales,

Region	% Purchasers	% Value Share
Scot	9	7
SWest	3	3
Yorks/NE	16	14
Lancs	12	11
Anglia	7	8
Midlands	18	18
South	10	11
London	16	19
Wales&w	7	8

Source: TGI 2001/2 – GFK does not measure brand by region

but over 30% of the cost of a terrestrial campaign,

Region	% Cost
Scot	5
SWest	2
Yorks/NE	10
Lancs	8
Anglia	8
Midlands	15
South	12
London	33
Wales&w	7

Source: ITVA 2002 BARB ABC1ADS

we chose to sacrifice advertising on London terrestrial TV to deliver 25% more exposure elsewhere.

	2002 Regions Ex London Terrestrial	2002 National Including London
ABC1 Adult TVRs	634	503

Source: BARB/BLM

d/ To reach more target gardeners: Unbeknown to most media practitioners, BARB undertook a survey into the purchasing behaviour of panel members. From this, BLM identified a sample of 919 who spend over £100 per year on their gardens. Via this virtually secret minute-by-minute viewing data, we studied programme performance against gardeners, outwitting the competition, who only looked at demographics. This improved the targeting of the campaign by up to 25%.

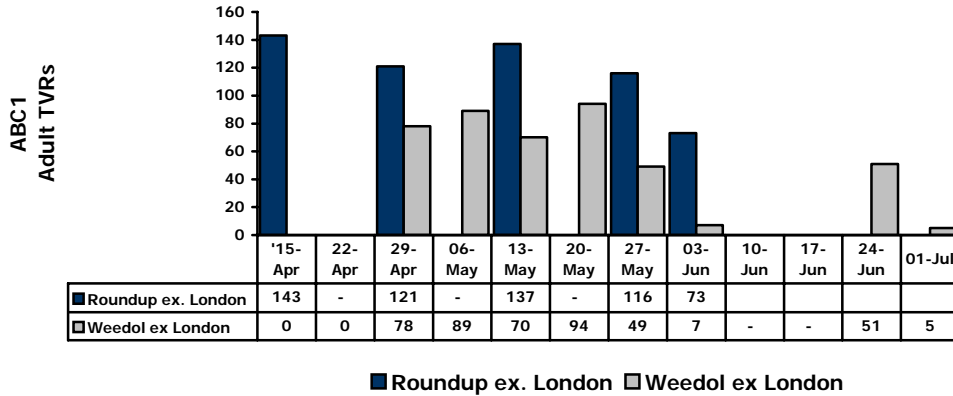
Key programmes for those spending over £100 per year on their gardens

ABC1 Ads V £100+ on gardening products per annum	
Coronation Street	125
The Bill	124
UEFA Champs	115
Inspector Morse	111
Where the Heart is	123

Source: BARB April-June 2001 (Programme over 5 TVRS)

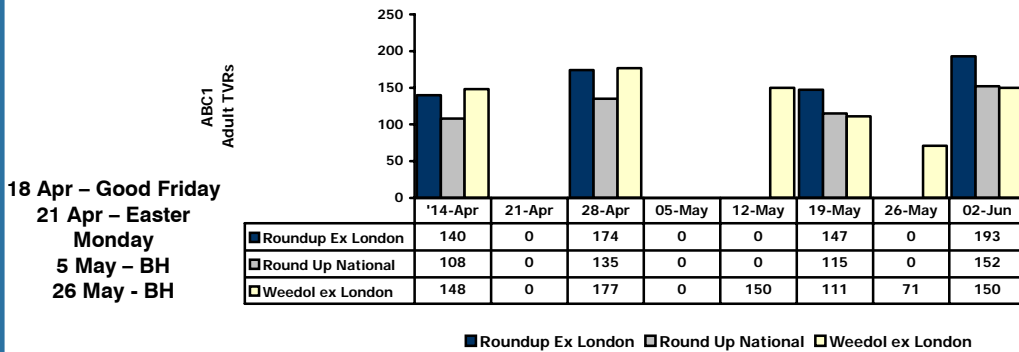


The resultant campaign pre-empted and overwhelmed the competition outside London at key times



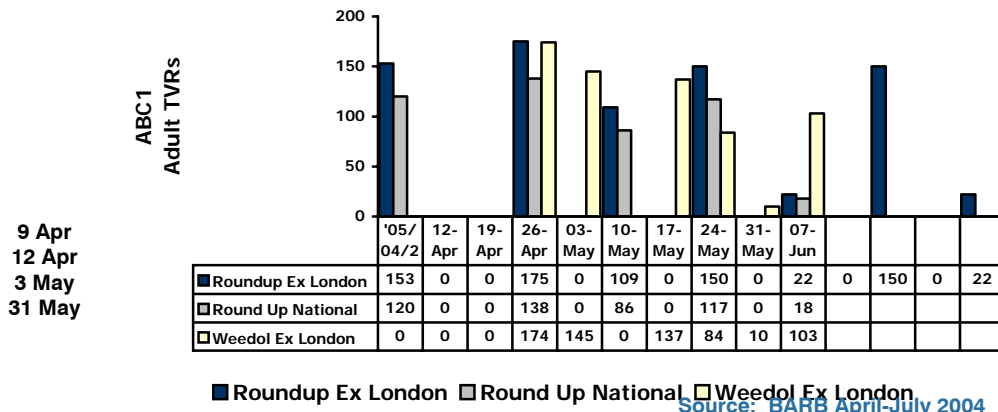
Source: BARB April-July 2002

We ran the same strategy in 2003 - Overwhelming Weedol with significantly longer timelengths



Source: BARB April-July 2003

and in 2004



Source: BARB April-July 2004

but what difference did all these efforts make?





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The Result



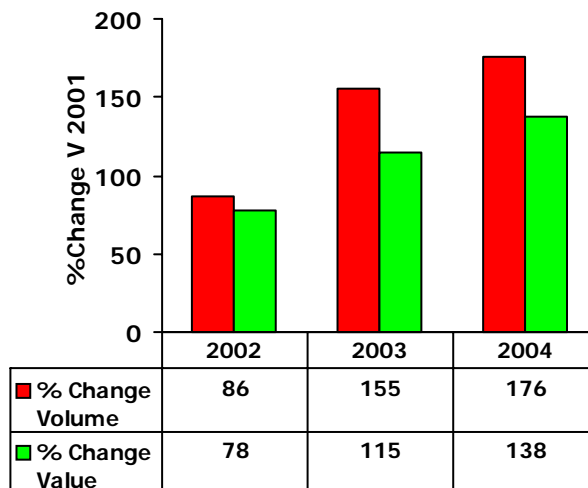
Killer Profit

Despite only spending 19% more than our nearest competitor, in three years £5.76m* of advertising was responsible for an increase in sales of £19m.

Increase on 2001 sales	2002	2003	2004	total
Value £000'	£4.7m	£6.6m	£7.7m	£19.0m

Source: GFK

By 2004, total unit sales had more than doubled



Source: GFK – NB: Difference in volume and value share is a function of a greater increase in sales of smaller pack sizes. There was no discounting.

and net profits including the cost of advertising were rising

	2001	2002	2003	2004
Net Profit (Index)	100	88	134	138

Source: Monsanto



*Reported Neilson Expenditure – actual figure is less and confidential

That however was only the beginning of the story. The sales effect of advertising extended beyond a single year.

- 2002 unit volume sales were up 86% y.o.y., 2003 up a further 37% and in 2004 still managed another 5%.
- In 2004, the advertising focused on Pull & Spray larger pack format leading to a value sales increase of 9% y.o.y.
- This either means that some 2002 customers were buying again in 2003 and 2004 or that the advertising effectiveness was improving year on year.

It doesn't take a statistician or econometrician to see the potential increase in profitability, which advertising could bring to the business in the future.

- For the period 2002-2004 every £10 spent on advertising delivered £13 **more** profit than 2001*.
- In 2003 every £10 spent delivered £15 **more** profit than 2001*
- In 2004 every £10 spent delivered £16 **more** profit than 2001*.

While some success had been predicted, its scale was unprecedented. All targets were continuously broken:

- Vs target: £ sales +48% in 2002, +42% in 2003, +31% in 2004.
- Vs target: net profit +113% in 2002 and +38% in 2003.

*Actual spend vs. actual additional profits

Competition killing brand power

The advertising has not only driven sales and profits today. It has increased the knowledge of Roundup amongst future customers.

Roundup's spontaneous awareness tripled, becoming the 2nd known brand in the market

Spontaneous	2002 Pre	2002 Post	2003 Pre	2003 Post	2004 Pre	2004 Post
Roundup	7%	17%	15%	24%	14%	21%
Weedol	34%	47%	46%	58%	45%	54%
Pathclear	11%	15%	17%	17%	15%	15%

Source: NEMS Market Research

and 2nd in prompted awareness, which more than doubled to 66%.

Prompted	2002 Pre	2002 Post	2003 Pre	2003 Post	2004 Pre	2004 Post
Roundup	27%	53%	41%	60%	47%	66%
Weedol	72%	82%	81%	88%	81%	89%
Pathclear	48%	55%	50%	55%	52%	59%

Source: NEMS Market Research

Weedol's advertising also increased brand awareness - prompted to 89% by 2004 and unprompted up to 58% in 2003. The competition's problem, however, was that people's perception of their permanent effectiveness fell when Roundup advertised thereby putting them in the shade.

"It's the most effective"

Pre/Post Change	2003	2004
Roundup	+71%	+9%
Weedol	-12%	-23%
Pathclear	-48%	-44%

Source: 2003/2004 NEMS Market Research



This is why Roundup by the end of 2003 was 1st choice for 1 in 4 gardeners versus 1 in 10 prior to the campaign. In that same time, Weedol as 1st choice had fallen from 39% to 33%. This is also why by the end of 2004, Roundup was beating all the competition on key root killing scores for the first time.

"Kills the roots to the weeds"	2004 Pre	2004 Post
Roundup	22%	28%
Weedol	42%	25%
Pathclear	17%	10%

"Kills weeds so they never come back"	2004 Pre	2004 Post
Roundup	20%	23%
Weedol	38%	22%
Weedol	20%	12%

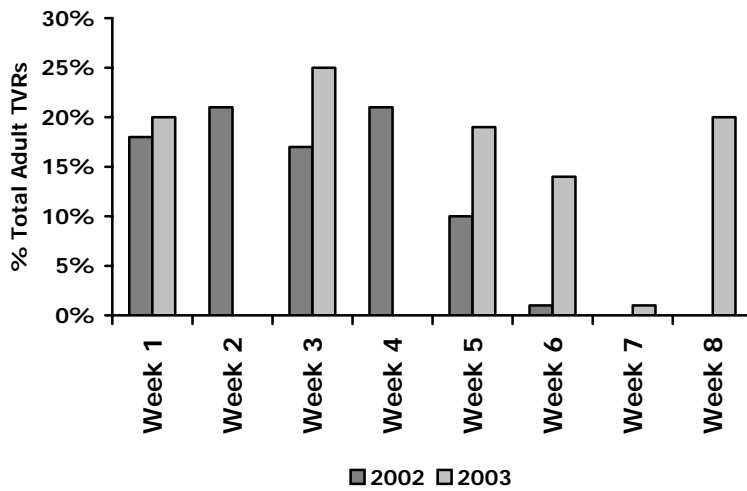
Source: 2004 NEMS Market Research

Roundup might be No.2 in brand awareness but it was No.1 in consumer perception of its ability to kill.

Becoming the market leader

The effect of our media and message has not been lost on the competition. In 2003 the historical market leader changed its media strategy, started earlier, and went from drip to burst

2002, 2003 competitor schedule



Source: BARB

And changed its creative so that it used the word kill

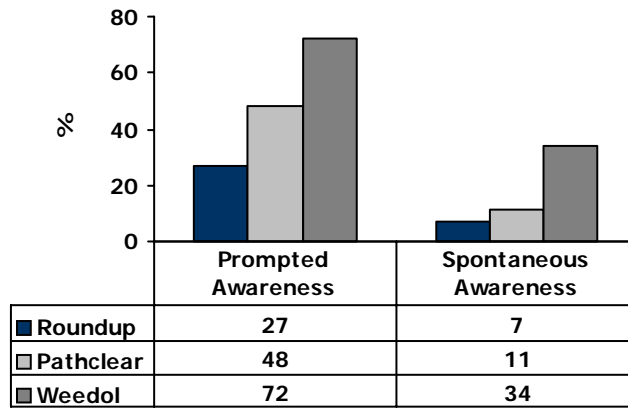


“Imitation is the sincerest form of flattery”



Most campaigns use a regional strategy as a way of proving the effectiveness of advertising. In this market however regional data is not available at a brand level. In its absence, the evidence is still overwhelming, making this an open and shut case of a television campaign that simply worked. Not just because of money spent, although if all money spent on advertising worked this well there would be a lot more advertising. No, the competition had spent similar levels of money without our success. It was down to BLM's demonstrably deeper understanding of the consumer, brand, market and media and our joined up approach to communication strategy.

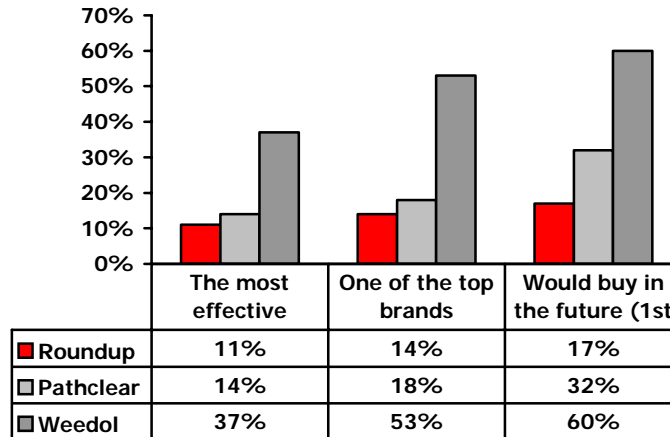
Weakness in the competition wasn't to blame either. The two leading brands in the market were better known before we started ...



Source: NEMS pre wave, 2002



With a better reputation



Source: NEMS pre wave, 2002

Roundup had no advantage in terms of formulation. Pathclear Gun, for example has more weedkilling ingredients than just root-killing glyphosate. In terms of price, Roundup per litre was, and still is, significantly more expensive than its core competitors.

Retail Price: Roundup 43% higher than the advertised competitor

Roundup	£4.99
Pathclear	£3.99
Weedol	£3.49
Tumbleweed	£2.99

Source: Leading National Retailer (2002-04) 1 litre ready to use)

In terms of marketing, the competition had successfully launched numerous garden products. They hadn't skimped on spend or creative talent: the advertising for both Weedol and Pathclear was well produced and properly funded. Until Roundup came along sales were rising, albeit slowly.



Rising competitor sales

Volume (000's) and Value (£000's)

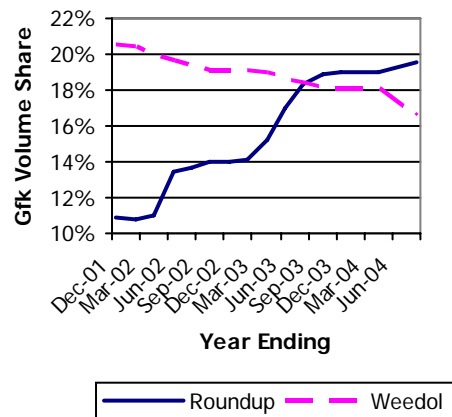
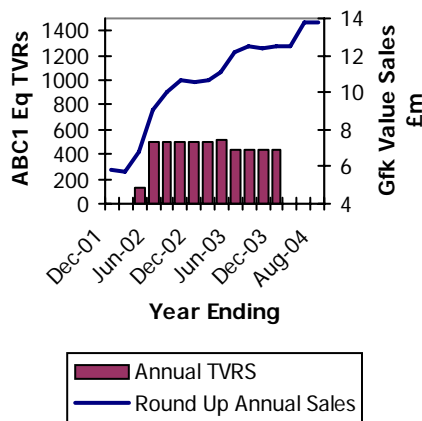
	1999	2000	2001
Weedol Volume	993	1051	1063
Weedol Value	5163	5405	5971
Pathclear Volume	705	1030	1062
Pathclear Value	4918	6182	6754

Source: Gfk

It's just when it came to a fight, Roundup beat them dead.

Between 2001 and 2004, the marketing mix remained the same except for a decline in direct marketing. Packaging, pricing and formulation were constant. No PR was paid for and nothing came for free.

As for any other elements of the marketing mix, like distribution, it was a level playing field as Roundup had the same agent as both key competitors. There was no change in the 2002 distribution and the small changes (less than 3% in total) in 2003 and 2004 were a direct result of the success of the 2002 activity. The sales figures speak for themselves.



With over £3m of new advertising in the category, it's no surprise sales grew. The difference is that Roundup grew far ahead of the market, taking share from the advertised competition, because gardeners believed it was more effective.

Finally, neither the weather nor growth in gardening can be credited for Roundup's success. Market share as well as sales climbed significantly. At the end of the day, Roundup only had advertising to get it to No1 in volume and value.

By every means necessary..

In 2002, you couldn't have asked for a worse scenario – nothing was working in Roundup's favour: falling sales, falling profits, low awareness, little product advantage, declining DM expenditure, with same distribution channel as the competition and a price point at 25% above the most expensive competitor.

Briefing in March meant a normal agency would have been able to start earliest in May with an existing commercial.

Instead, BLM's unique set up in six weeks delivered new advertising which used to word 'kill' to speak the unspeakable demonstrating product efficacy. Despite being past AB deadlines, we pre-empted the competition by launching at Easter, while still buying at an audited market discount. By speaking to the right gardeners loudly enough at the right moment, we redefined the market forcing the competition to play catch up.

By leaving no stone unturned, BLM's advertising has not only delivered increased profits every year but leadership in the weedkiller market.