



GRAND OGILVY WINNER "Mischievous Fun with Cheetos®"

BUSINESS SITUATION

Throughout its 60 year history, Cheetos had advertised to kids and families. In 1986, Cheetos ads started featuring Chester Cheetah in a lifelong pursuit of Cheetos snacks. As long as Chester had his Cheetos snacks, he was a cool cat. But deprivation of his favorite snack changed him into a slightly crazed and neurotic cat, leading to endless fun and play that kids adored. By sticking singularly to this strategy, the brand enjoyed phenomenal marketplace success in terms of double digit growth over many years. There was absolutely no reason to do anything but enjoy the ride, until 2007. That year marked the onset of some worrisome business trends:

- Intense competition, with brands such as Goldfish and Cheez-It spending twice as much as Cheetos on media. (IRI, Nielsen AdViews 2007)
- Drop in HH penetration, from 46% in 2006 to 44% in 2007. Frequency was flat at 4.5 bags, as was Cheetos' share of the category at 3.5% (IRI).

However, these challenges paled in comparison to internal developments. In a proactive approach to concerns about childhood obesity and marketing to kids, Pepsico / Frito-Lay signed the voluntary Children's Food & Beverage Advertising Initiative in 2007, which restricted advertising to kids under 12 years of age, except for 'better for you' products, such as Baked! Cheetos snacks. While there was a lot of positive emotion around this move, there was also no doubt whatsoever that it put the brand in a tricky position. Cheetos had to walk away from a 60-year growth strategy as a beloved kids' snack and face a set of unique new challenges. To our knowledge, ***few or no other billion-dollar brands had faced this enormous risk.***

MARKETING OBJECTIVES

1. Re-position the brand to be more relevant to a new target without eroding its core equity built over decades.
2. Ensure that Cheetos' penetration (44%) and frequency (4.5) did not decline in the face of a targeting shift.
3. Increase total sales by 6.4% over YAG in order to meet an aggressive sales plan.

RESEARCH OBJECTIVES

1. Identify an alternate 'adult' target for Cheetos.
2. Deep dive into the Cheetos' consumption experience.

3. Understand the core overlaps between the new target and kids, so that existing brand equities could be carried forward.
4. Develop and evaluate compelling new messaging for the adult target.

RESEARCH PLAN OF ACTION

The research game plan called for an exhaustive combination of qualitative and quantitative approaches - both primary and secondary. But more importantly, we didn't limit ourselves to the tried and true methodologies. The challenge we faced required us to navigate new and untested research waters, which we did, leading to game-changing insights.

CONSUMER INSIGHTS

While Cheetos snacks were distinctly perceived as a kids' snack, we knew that adults ate them too. With that in mind, the first step was to understand adult Cheetos consumers – who they were, what were their attitudes, values and personalities and what was it about Cheetos that they found irresistible? Several research studies provided us with foundational insights.

A. Cheetos ZMET (Zaltman Metaphor Elicitation Technique) study: The objective of the ZMET study was to uncover the underlying thoughts and feelings about Cheetos. Both adults (parents and non-parents) and children (ages 10-13) were recruited for the study. All of them ate Cheetos at least once a week and identified themselves as brand lovers. The study uncovered some interesting insights: ***Both adults and children feel stressed, anxious and vulnerable in the face of life's demands. Consuming Cheetos snacks gives them moments of escape and refuge by inspiring playfulness and mischief.***

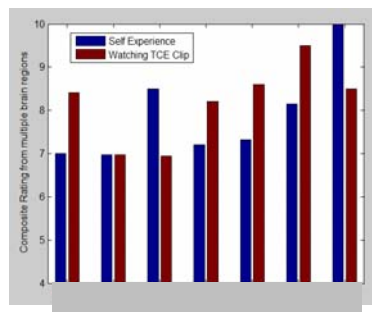


"...it's like mischievous, doing things that are not permitted. Got the water, jump in, getting wet, throwing snow. Just messing around...doing things that you are not allowed to do but you do them anyway and you have a good time and you don't feel bad. You don't have limitations, you don't worry that they are going to reprimand you, you are free and you do whatever you want to do. When you eat them hiding, you are being mischievous."

B. Qualitative Research (Stated vs. Observed behavior): Focus Groups with adult heavy-users of Cheetos provided more insights. While the stated responses were in the realm of "Look, it's a kids' snack. Sure I eat them, but it's not something I'm exactly proud of", the behavior of these respondents changed when Cheetos were put on the table. Crunching and finger-licking took over. ***Orange fingers and smiles were brandished proudly, almost as badges of honor.*** These adults were looking for permission to not act their age and not conform to expectations of 'adult behavior'. Cheetos snacks let them do that.

C. The Cheetos Total Consumption Experience (Consuming vs. Observing): From previous research, we understood that the brand's strong multi-sensory eating experience was driving love for it. However, we couldn't tease out exactly which elements (the cheesy taste, the smell, the crunch or the finger-licking mess) were the most powerful drivers. Even the most ardent brand lovers had difficulty telling us this. So, we turned to a method that didn't rely on respondents' ability to articulate their

thoughts. ***The study identified significant moments of the Cheetos consumption experience. Interestingly, they differed based on whether a person was eating Cheetos oneself or watching someone else eating it.*** This had implications for what elements were a 'must-have' in brand communications.



D. Cultural Trends Study: In the book – “*Rejuvenile – Kickball, Cartoons, Cupcakes and the Reinvention of the American Grown-Up*”, author Christopher Noxon discusses a new ***breed of adults called 'Rejuveniles'.*** ***These are adults who live by the dictum that play isn't just for kids and that growing up shouldn't get in the way of fun and play.*** This new, liberating redefinition of adulthood was supported by trends such as 'Age Nullification' and 'Willful Disobedience' (Yankelovich), both of which capture the cultural shift of adults being naughty and child-like regardless of their age. Not surprisingly, Rejuveniles have a propensity to consume brands that are childlike at their core, such as Disney, Wii, Lego, The Simpsons and Cheetos.

E. Observational Research: Our agency partner did a creative piece of observational research, which entailed dressing in a Chester Cheetah suit and walking around the financial districts and tourist spots of San Francisco. Between receiving hugs and posing for pictures with people in business suits, the epiphany was that ***grown-up people with serious, responsible jobs loved Chester. He could easily go from being a mascot of childish fun to mischievous adult playfulness.***

F. Playtime Quantitative Study: The study was designed to measure American adults' attitudes about play. A sample of 1000 adults was asked questions ranging from how often they played games to when was the last time they skinny dipped, gambled, smoked or played hooky from work. And the results were striking:



There is a strong correlation between Cheetos and playfulness. 50% of the 'Very Playful' people in the sample turned out to be Heavy or Medium Cheetos users. Strikingly, the converse was also true – the *least* playful people were also the least likely to eat Cheetos snacks.

DEVELOPING THE BIG IDEA

All the insights led to this takeaway: ***Some adults love Cheetos snacks just as intensely as kids. For them, Cheetos is a catalyst for liberating the childlike playfulness and mischief. Chester is the 'jester' – he provides the inspiration to push against constraining adult norms and judgmental behavior.*** Factored into these insights was the attitudinal understanding of 'Rejuveniles' – the new adult target, which led to the **Big Idea - 'Bend the Rules with Mischievous Fun'**.

DEVELOPING THE CAMPAIGN

Historically, 100% of the media investment was focused on family-oriented media. ***In 2008, 100% of the core-brand advertising was in adult media.*** Media vehicles were chosen based on their fit with the 'rejuvenile' mindset, which loves comedy and humor, both on TV and the Internet. Investment in Tween media was reduced and only used to communicate 'Better For You' innovation news, not to build core brand equity.



Television: A TV campaign was developed with 3 spots ('Laundromat', 'Airplane' and 'Office'), in which Chester encouraged adults to ***fight back against stifling 'adult' behavior and liberate the mischievous child trapped inside.*** Each spot ended with 'Join Us at the Orange Underground.com', which was the digital hub of the campaign and a gateway to the true brand experience.

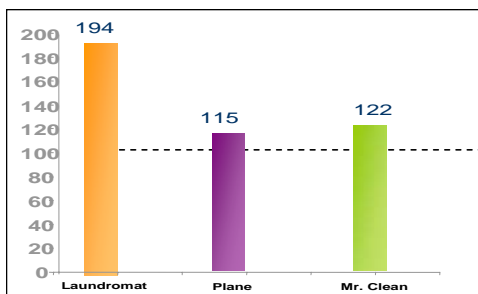


Online: OrangeUnderground.com inspired adults to pull off mischievous pranks using Cheetos snacks. The 'rules' were that these pranks had to be benign and harmless, never malicious or hurtful.



Programming: We partnered with Comedy Central to create 'Pull Some Funny, Make Some Money' April Fool's Day promotion. Viewers were invited to film their acts of mischief and post them. The winner was awarded a cash prize and a professional grade video camera to continue their mischief.

CAMPAIGN RESULTS



All ads exceeded ASI Ad-Testing benchmarks. However, we went a step further to gauge subconscious responses to the ads. ***Given the mischievous nature of these ads, our hypothesis was that people were censoring their emotional responses to be socially acceptable.***

Ad testing via Facial Coding: Facial coding is based on the principle that we feel before we think and that our faces are extremely revealing about our subconscious reactions because that's the only place where the muscles attach directly to the skin. Sure enough, facial coding in response to Cheetos ads confirmed our hypotheses. ***Facially coded positive responses to the ads were significantly higher (86%) compared to self-reported responses of 78%. In short, people liked the ads more than they were willing to admit!***

Online results

2007

Google search of 'Cheetos' = 132,000 hits.
YouTube videos = 1,900



2008

Google search of 'Cheetos' = 1,121,000 hits.
YouTube videos = 4,550

BUSINESS RESULTS

- **Increased Adult Brand Regard:** In 2007, Cheetos was ranked the 41st best regarded brand among 84 top snack brands in the *Research International Brand Health Tracker*. In 2008, Cheetos moved up a significant 7 spots to 34th position. This gain came primarily from HHs without children (adults) who improved their brand regard from 51st to 42nd, a move of 9 positions in 9 months.
- **Increased HH penetration:** Cheetos HH penetration increased by 0.5% to 44.4% and frequency increased from 4.5 to 4.6 (IRI)
- **Increased Sales:** According to IRI, Cheetos' sales increased by 11.3%, almost double the target rate of 6.4%. Sales were driven by 'core' Cheetos (the iconic Cheetos advertised in the campaign), which posted an unprecedented 14.4% increase in sales.

Importantly, the repositioning and communication strategy did more than just work towards achieving solid business results; ***it created cultural momentum and energy for the brand, making Cheetos an iconic brand with a purpose: Lighten up and Play More! It's good for you!***