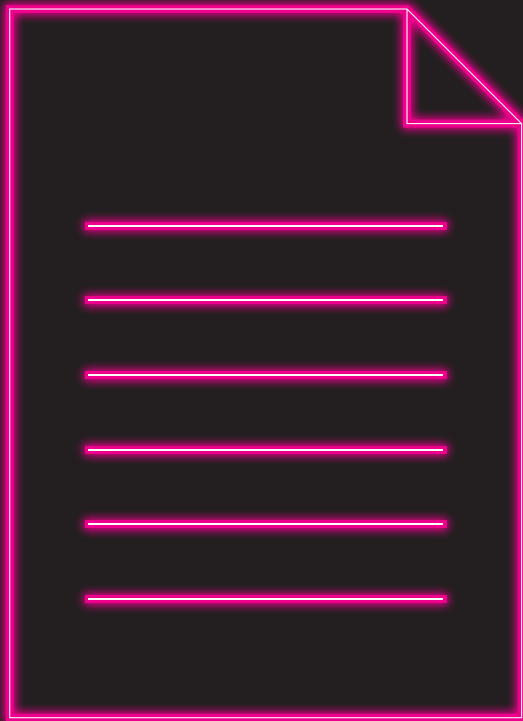


THE BRIEF



CANADA'S NEXT
**TOP•AD
EXEC**

The student competition
in a class of its own.

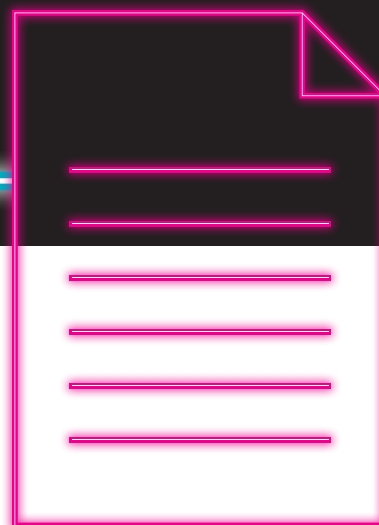
A FOREWORD

As consumers, technology has completely transformed our lives. We can make incredible journeys across continents in a matter of hours, have conversations with friends across the world, and - most importantly - casually snuggle up and watch Netflix after a long day. As retailers, technology has also allowed us to reach millions of our customers and engage with them through hyper-personalized one-on-one Marketing interactions through social media and data mining.

However, with every new technology comes new challenges - and in today's world, where technology is evolving at an unprecedented rate, organizations have no choice but to evolve too. The introduction of social media and e-commerce capabilities have quickly shifted the balance of power from the business to the buyer, and traditional retailers are struggling to keep up with the onslaught of convenience, low switching costs, and information blindness.

All of this has culminated in the emergence of a new generation of consumers - the Millennial. Millennials are a notoriously demanding group. With so much selection at their fingertips and growing up with technological advancements they have little reason to commit to one brand over another, solving the Millennial puzzle is one of Canadian Tire Corporation's top priorities.

And that's where Crimson comes in.



INTRODUCING CRIMSON

Timeframe: Launch in Spring 2018 with 6-Week Campaign

Disclaimer: The new program branding is non-disclosed due to privacy reasons. All Canadian Tire Corporation can share is the code name - Project Crimson. The code name should be used as placeholder and not guide your creative strategy.

Canadian Tire Corporation (CTC) has been finding ways to reward its customers for decades, beginning back in 1958 with its iconic Canadian Tire 'Money'[™] program. Since then, the program has become part of the Canadian identity and culture. With more than \$1 billion dollars in circulation and over 12 million current members, it remains one of the largest loyalty programs in Canada. To further incentivize customers, in 1995 Canadian Tire Financial Services launched the Canadian Tire Options[®] Mastercard[®].

The programs have evolved over the years. While you can still collect the original paper bills in store, in October 2014, Canadian Tire 'Money'[™] was migrated to a digital platform, allowing customers to collect and redeem on both a physical loyalty card and their smartphone. Rewards on the Canadian Tire Options[®] Mastercard[®] were updated to reflect the acquisition of new banners into the CTC Family of Companies. The credit card allowed customers to earn 10x more Canadian Tire 'Money'[™] on purchases made at Canadian Tire Retail as well as purchases at Mark's and Sport Chek.

However, one of the core limitations of the programs is the Canadian Tire 'Money'[™] earned is exclusive to Canadian Tire Retail (CTR) stores, and cannot be redeemed at other CTC banners: Mark's, Sport Chek, Atmosphere, Sports Experts, National Sports, Pro Hockey Life and Gas+ .

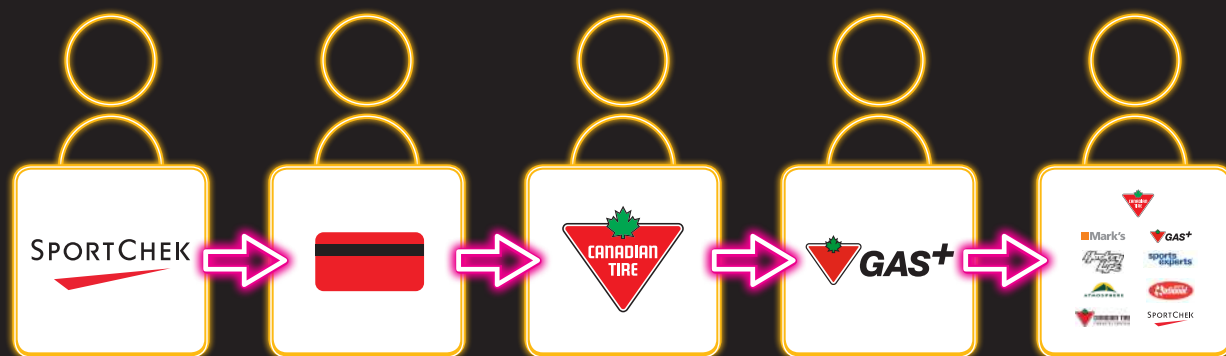
As a loyalty program pioneer, Canadian Tire is always finding new ways to innovate - and that's how the Crimson Affinity Program was born. In Spring 2018, Crimson will combine both Canadian Tire 'Money'[™] and Canadian Tire Options[®] Mastercard[®] to transform the traditional loyalty and credit card programs, by allowing customers to redeem rewards across select banners within the CTC Family of Companies.

THE HOOK

As one of Canada's largest retailers, we at Canadian Tire Corporation are proud to say that we prepare

Canadians for the jobs and joys of life in Canada - and one thing we know for sure is that Canadians lead busy lives. That's why we developed the Crimson Affinity Program around **one key value proposition: making life easier for millennials, so they can spend more time doing what they love.**

The Crimson Affinity Program benefits members by rewarding their everyday purchases - everything from groceries to retail shopping, and gas with the ability to apply these earnings at select CTC banners. Crimson will be fully integrated across: mobile, online, and physical in-store. In addition, by understanding how and what our customers buy, we can use this data to offer an even more personalized experience across CTC, and ultimately revolutionize marketing for the future.



Consider Millennial Jason, who from the Family of Companies only currently shops at Sport Chek for his athletic apparel.

He applies for the Crimson Affinity Card to start receiving rewards.

He is incentivised to start shopping at Canadian Tire Retail for his houseware needs,

He is further incentivized to fill up at the CT Gas Pump.

Shopping is easier and more rewarding for Jason with the Crimson Affinity program.

THE DEEP DIVE

In 2015, Canadians belonged to an average of 11.1 loyalty programs. In fact, 94% of Canadian consumers belonged to some type of loyalty program, the highest in the world after Britain. However, nearly 70% of loyalty program members had lost interest in participating in at least one of the programs to which they belonged. Each of the banners function differently in terms of points collection; below outlines some of the major differences of the programs:

My Canadian Tire Money®

- My Canadian Tire Money® is Canada's oldest and one of its most recognized loyalty reward program with a rich history of innovation. The paper money featured Sandy McTire and was available in denominations of 5c, 10c, 25c, \$1, and \$2. Through its loyalty program, Canadian Tire awards more than \$100 million dollars to its customers every year.
- Canadian Tire paper Money™ could only be earned at Canadian Tire Retail stores and Gas+ locations; consumers received 0.4% in Canadian Tire Money® on almost every purchase. It was accepted by Canadian Tire in a 1:1 ratio: \$1 of Canadian Tire Money® would be worth \$1 of Canadian Tire merchandise. It could only be spent at Canadian Tire retail stores and had no expiry date.

CTC Digital Loyalty Program

- In October 2014, CTC's digital loyalty program, My Canadian Tire Money® introduced electronic Canadian Tire Money® as a complement to paper Canadian Tire Money®.
- Presented with their Canadian Tire mobile application, program car, or key fob with their method of payment (either cash, debit or an Options MasterCard), customers would receive a base rate of 0.4% of Canadian Tire Money® in paper or digital currency on all purchases of products and automotive services at Canadian Tire stores, Canadian Tire Gas+ (gas purchases only) and online at www.canadiantire.ca.
- As with the paper Canadian Tire Money®, electronic Canadian Tire Money® had no expiry date and could be shared with other members. Members of the loyalty program could convert paper Canadian Tire Money® into digital currency if presented at a Canadian Tire retail store.
- The digital loyalty program was closely tied to the Canadian Tire Options MasterCard. One out of every five Canadian households had a Canadian Tire Options MasterCard.
- Consumers received 2x electronic Canadian Tire Money® (0.8%) anywhere they shopped and received a significant increase of 10x (4%) when used at Mark's, L'Equipeur, Sport Chek and Canadian Tire Retail stores (including automobile services).
- Customers were sent monthly deals and specials tailored to their shopping patterns and There were also events such as "Big Bonus Days" which allowed members to collect bonus electronic CT Money® on their purchases.
- My Canadian Tire Money® has over 12 million members.

FGL Sports Ltd. SCENE Program (phased out October 1, 2017)

FGL Sports Ltd. is the largest and only national sporting goods retailer in Canada, boasting a recognizable line of banners like Sport Chek, Atmosphere, and National Sports. Sport Chek had a partnership with SCENE, the movie reward program from Scotiabank and Cineplex, allowing customers to redeem points that could be put towards Cineplex admissions. At Sport Chek, loyalty members received 1 SCENE point for every \$1 spent in store. Members could also get \$10 off Sport Chek products when they redeemed 1,000 SCENE points in store. Promotions were run throughout the year, offering bonus points for specific brands or categories. For example, if a consumer spent \$100 on Under Armour products they could receive 1,000 SCENE points.

THE ASK

As CTC moves to launch our national Crimson Affinity Program, it is important that we consider the core customers from across our Family of Companies. Most importantly, we must consider our customer of the future, the Millennial. With less brand loyalty to the iconic triangle, CTC will have to work harder to attract and provide value to this segment.

CTC needs your help to develop a **6-week integrated marketing campaign to launch Crimson targeting the Millennial market**. Using the information provided in this brief, your knowledge of consumer markets, the Canadian retail landscape, primary and secondary research, create a comprehensive launch strategy that will 1.) Create awareness of the program and 2.) Encourage acquisition for Crimson loyalty and credit card sign-ups from the Millennial target market. Consider the types of incentives that Millennial's would be looking for from this Affinity Program, which banners from the Family of Companies they currently shop at, and where they could become loyal to in the future.

To accomplish this, you have a budget of \$1.5M CAD, assuming no charge for use of owned channels, including flyers, websites, or social media handles across the banner of companies. The campaign must generate a positive Return on Investment (ROI), build positive brand opinion and grow program consideration among the target.