



Presented by the Advertising Research Foundation

Financial Services Silver Winner Uncommon Boldness: The Chase Sapphire™ Story

BUSINESS BACKGROUND

In late 2007, Chase recognized a tremendous potential in directly appealing to an affluent audience and to close the gap in its proprietary card portfolio. As Chase was perceived predominantly as a mass brand, developing a new product and positioning that differentiated a premium credit card offering would require considerable understanding of this segment and methodical steps to build the product and communications – but Chase was up for the challenge.

We needed to gain an understanding of the major competitors and to uncover needs still not being met. However, over time, we came to see that the competition was far from our greatest challenge. We began our integrated campaign development in a time when the economy was crumbling; the recession was at full throttle; and the US government started to develop new regulations for the industry.

So, how does Chase launch a successful major introduction of a premium credit card brand in a time that resembled the Great Depression 2.0? Here is a summary of this journey over the last 15 months in launching Chase Sapphire, a new proprietary rewards card, and how it all came together.

BUSINESS OBJECTIVES

1. Build Chase Sapphire as a credible brand in the affluent segment by launching a differentiated and innovative product line
2. Specific acquisition and high-engagement metrics

RESEARCH OBJECTIVES

1. Deliver an in-depth understanding of the affluent target.
2. Develop a differentiated value proposition and communication strategy that strongly resonates with the affluent target.

RESEARCH PLAN

We developed a holistic research plan to encourage innovation and foster creativity throughout the product and communication cycle. The marketing challenge compelled us to use innovative and fresh techniques to develop powerful consumer insights through a wide array of qualitative and quantitative methods. To drive differentiation to the marketplace, we were willing to experiment and learn along the way.

CONSUMER INSIGHTS – PHASE 1: PRE-FINANCIAL CRISIS

Foundation Insights

Chase Payment Market Landscape Segmentation Study: This strategic and holistic research study with MaPS profiled high opportunity consumer segments based on their needs, motivations, drivers, attitudes and behaviors. We were able to marry survey data with actual payment data for a comprehensive view of the segments and to score the internal databases. It uncovered key affluent segments, varying in card payment style, media habits, financial habits and interest in upscale activities. This provided the foundational roadmap for an affluent offering and brought their story to life. It highlighted the ***striking differences and unique wants among the four affluent segments***.

Concept Evaluation and Product Development

A comprehensive round of concept evaluation and product build/evaluation was initiated. The first step was to conduct a discrete choice study to optimize benefits and features of the product. Next, we refined the concept in a quantitative test to establish demand estimation and volume sourcing. This was followed by a pricing elasticity study. The normative database of successful past launches indicated that the product offerings were ***optimal to ensure in-market success***.

Positioning Development

Part 1 – Emotional Triggers and Deep-Dive into Affluent Mindset: Based on insights from segmentation, we wanted to ladder up to the emotional states of affluent consumers. An emotional triggers study formed the foundational insights for building a new brand – we were looking to uncover the conscious and unconscious aspirations and motivations and to identify visual elements that connote a premium offering. We went beyond what was said to understand how affluent consumer truly felt and expected from a premium offering. Extensive interviews were conducted by two trained psychologists from Psychologics using a myriad of projective psychological techniques including free association, sentence completion, dream work, personification and covert imagery. It delivered the consumer truth and visual qualities we were to pursue: ***Life well lived***.

Part 2 – Positioning and Concept Development: From the emotional triggers research, concepts were developed to find the optimal positioning of a “life well lived”. Our target continued to react favorably to the values depicted in this positioning and this led to the development of advertising. Also, we uncovered the importance of customer servicing aspect of a premium offering. Dissatisfaction with the overall category in servicing and general skepticism towards a promise of premium service led to the development of a ***very unique promise in the industry***. We wanted to ***demonstrate a concrete value***. So, we built a 24/7 ***live customer service with no VRU hassles, no buttons to push***. Also, we developed training and tools to empower servicing that resolved customer issues in the first call.

******* Financial Crisis *******

In the next stage of communication development, the financial crisis hit the marketplace in a big way – it was a time to step back and re-evaluate the new product introduction. To keep close tabs on ***changing affluent mindset amidst this economic turmoil***, we developed a dedicated

Affluent Sentiment tracker. Also, we used multiple trends from sources such as Iconoculture, McKinsey, and the Yankelovich Monitor to keep abreast of changing consumer mindset, especially the newly defined Affluent target. In moving through the economic cycle, we were careful not to over-read the changing landscape, but still flexible and bold to re-evaluate past decisions. Four key mindset changes uncovered were:

1. **No longer business as usual:** Re-evaluating, re-thinking everything.
2. **Era of practicality/pragmatism:** Looking for practical features and benefits.
3. **Still deserve a premium product:** Demand better service, acknowledgement of their customer value.
4. **It's a buyer's market:** Saving before spending and ready to negotiate a better deal.

CONSUMER INSIGHTS - PHASE 2: FINANCIAL CRISIS AND RE-EVALUATION

Positioning Re-evaluation: A series of iterative qualitative re-positioning groups were conducted with Sterling. We wanted to talk to the core target to understand the changes in mindset. It was an opportunity for us to show to affluent consumers that we are in tune with today's needs – an advantage over existing competitors. It was an interesting challenge in finding the right balance between “premium” and the new found “***purchase pragmatism***”.

COMMUNICATION - THE BIG IDEA:

All these insights led to the core idea: I enjoy my way of living, but now, I'm just being smarter, making more thoughtful savvier decisions and taking great pride in getting the best deal –

Chase Sapphire gives you the power behind every purchase, so you can get more of what matters most.

COMMUNICATION PRINCIPLES:

Based on these insights, our two primary messaging tenets include:

1. Showcase how our rewards program was different, even from high end cards – there are no restrictions or blackout dates and you can use your ***points for anything, anywhere, anytime*** – if you can pay for something on your card, you can use your points.
2. Demonstrate our superior customer service – affluent consumers want to feel special and their time is of premium – with Chase Sapphire, ***your call is answered directly*** by someone with no need to press any buttons and having the issue resolved with one call – ***first in the industry.***

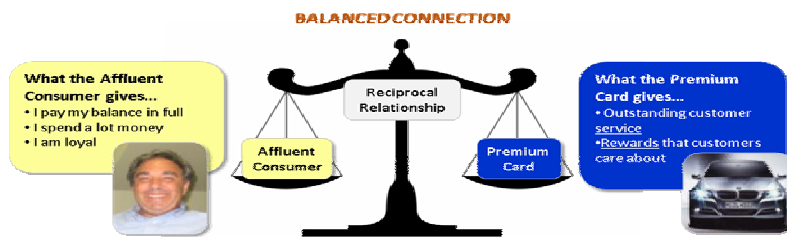
CAMPAIGN DEVELOPMENT:

Creative Development with Qualitative Research: Traditional qualitative settings including in-depth interviews and triads provided quick insights in refining creative prototypes including ad like objects. It provided an efficient mechanism to narrow to a few promising and fertile ideas for rapid iteration. Affluent found the overall tone and message of several prototypes to be highly appealing and relevant in today's market. The ***engaging and meaningful storylines*** were appreciated by the target audience. These encouraging signals confirmed our earlier insights.

Creative Development with Content Analysis: In these changing times, we did not stop with traditional approaches; we analyzed the content through PhaseOne. This systematic deconstruction of cues in the storyboards and coding them based on empirically validated theories gave an additional lens to understand how each cue was to be interpreted by the target audience and to polish our creative approaches. The propriety analysis concluded that the storyboards ***upheld the breadth and flexibility*** of Chase Sapphire reward offerings.

Creative Evaluation with Link Testing: From qualitative iterations, we narrowed to three unique communication approaches. We tested three animatics using the Millward Brown Link system to estimate their effectiveness. Our goal was to exceed our aggressive action standards. Results of one of the executions confirmed that the creative was found by the target audience to be **highly persuasive** and scored **strong brand linkage**. The **versatility of reward points** came through very strongly and was seen highly meaningful. The launch creative, “Dress” highlighted the flexibility of reward points from Chase Sapphire.

Creative Evaluation with Metaphors (ZMET): We took the “Dress” execution and an additional storyboard to research using ZMET methodology. We wanted to improve ad effectiveness, especially enjoyment and engagement, with a deep understanding of emotional response towards the creative. We mined cues, co-created meanings and associations that affluent consumers developed after viewing the creative. The “Dress” prompted a negative association among some men due the nature of the imbalanced relationship portrayed by the couple. However, the couple was still liked and relatable. The visual cues in the new storyboard reinforced positive brand associations towards Chase Sapphire. The new creative was strengthened with a more overt pay-off.



Creative Evaluation with Link Testing: The second creative, “The Bet”, focusing on superior customer service, delivered stronger performance and **met or exceeded action standards**. Also, the single minded nature of the creative led to strong scores for overall message communication and **increased engagement**. The winning creative, “The Bet”, highlighting the “direct answer to your call” feature, was launched in December 2009.

Chase designed an **integrated multi-channel campaign** with broadcast TV, print, online, focus markets, sponsorships and a PR campaign with consistent look and feel with a singular message. We also focused on ensuring that the different channels in the campaign laddered up to a consistent branding.

Integrated Creative Evaluation: To ensure that the campaign effectively met their messaging objectives, we tested our print ads and conducted an in-market evaluation of digital executions using DynamicLogic. They were found to work synergistically with TV ads to enhance our key communication points. Also, several lab sessions of usability research fed into the development of a micro-site designed to attract and engage customers.

Focus Markets Effort: In a new and exciting way to reach affluent consumers, we launched a market pilot in Philadelphia. Concentrated marketing activities include station domination of 30th Street train station and distribution of Segway shields and Zagat mini-guides.

CAMPAIGN AND BUSINESS RESULTS:

We are pleased with strong campaign results and ***met our 2009 business goals***. Some highlights include:

Ad Tracking Results: Based on IAG in-market scores, the campaign significantly exceed industry norms in General Recall and Message Linkage. And it is ***very memorable*** compared to competitive ads and shows ***substantial brand recall growth*** since launch.

Chase Brand Tracker (Millward Brown): Chase Sapphire generated significant growth in brand awareness. In the first four months of the campaign, it gained ***solid growth in brand awareness*** and ***above-norm ad recognition*** scores.

Thus, thoughtful flexibility and willingness to retrace the path allowed us to build a strong foundation to grow to be an iconic premium brand in the future. This journey is one of more than business results – it is of human principle: ***it is not just about uncovering insights – but willingness to move forward amidst trying times.***