Cassies 2006 Cases

Brand/Case: Toyota Corolla

Winner: Automotive and DIY—Bronze

Client Credits: Toyota Canada Inc.

Stephen Beatty, Managing Director, Public Relations and Advertising
David Brimson, National Marketing Manager
Kalle Ludig, Manager, Advertising

Agency Credits: Saatchi & Saatchi

Brett Channer, EVP, Creative Director
Doug Bramah, SVP, Co-Creative Director
Simon Creet, SVP, Co-Creative Director
Simon Duffy, SVP, Co-Creative Director
Heather Paris-Rosnick, SVP, Director of Strategic Planning
Taso Mascalidis, Account Director
Helyn Benard, Account Director
Ross Campbell, Assoc. Media Director

Crossover Notes: All winning cases contain lessons that cross over from one case to another. David Rutherford has been identifying these as Crossover Notes since Cassies 1997. The full set for Cassies 2006 can be downloaded from the Case Library section at www.cassies.ca

Crossover Note 1.   What a Brand Stand For.
Crossover Note 2.   Brand Truths.
Crossover Note 18.   Keeping it Simple.

To see creative, go to the Case Library Index and click on the additional links beside the case.

EXECUTIVE SUMMARY

Business Results Period (Consecutive Months):   **April 2005 to present.**
Start of Advertising/Communication Effort: **April 2005**
Base period for comparison: **2002 to 2005.**

In 2005 the Toyota Corolla, in the 3rd year of its lifecycle, faced a huge threat from the launch of the completely redesigned Honda Civic Sedan – Canada's #1 selling car.

Civic, along with most compact cars, focused their marketing on performance and style. Corolla could no longer do this, given that most competitors had newer, fresher models. This case shows how we took advantage of another strategic platform.

The two-year plan launched in the spring of 2005. Corolla withstood the Civic relaunch, and year to date in 2006 has edged ahead of Civic into the #1 position.

This is remarkable considering that Corolla is now in the fourth year of its life-cycle, and Civic outspends Corolla in media 2:1 ($18.2 million vs. $8.9 million in 2005).
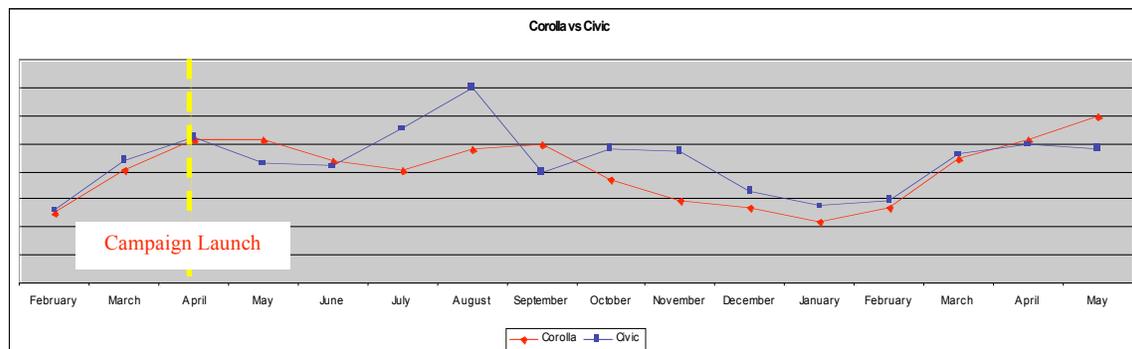
SITUATIONAL ANALYSIS

a) Overall Assessment

The Corolla is Toyota's bread and butter vehicle, accounting for almost a quarter of passenger car sales. Going into 2005, there were three issues to overcome in order to drive sales and share:

1) The all new Honda Civic
   - Canada's number one selling car was getting a complete makeover

2) A proliferation of new entries in the compact segment
   - Korean brands were posing a greater challenge based on price and value

3) An aging product
   - Corolla was an aging product in a segment where other competitors were also launching all-new models: Pontiac Pursuit, Chevrolet Cobalt, Volkswagen Jetta

If Corolla was to grow its sales and share within the compact segment, it would need a different approach to get new consumers to look at the brand.

2004 Compact Segment Sales	
Civic	46401
Corolla	44563
Mazda 3	42680
Pontiac Sunfire	33724
Chevrolet Cavalier	29229

STRATEGY & INSIGHT

Corolla buyers and intenders are salt-of-the-earth Canadians—broad in target, yet narrow in their value system. They are of all ages and feel comfortable with themselves and where they are in their life. They are people you can depend on, and they look for the same qualities in others. Like most people, they are continuously looking to master their hectic and complex lifestyles. Work, family and personal well-being all claim top priority.

They don't need the latest gadget in order to perform - often, a pen and paper will suffice over a PDA. They look for solutions that give them the best balance of form and function. Their lives are in perspective. Living, loving and laughing, and feeling connected to others take priority over keeping up with societal expectations. Crossover Note 2.

Despite the fact that the majority of competitors were embracing emotionally driven attributes like style and performance, the fact remained that practicality was still the primary purchase driver in the category.

Toyota Corolla	2004
Reliability/Dependability	56.2%
Value For The Money	35.8%
Fuel Economy	35.3%
Durability/Long Lasting	31.8%
Manufacturer's Reputation	29.3%

Compact Segment	2004
Value For The Money	38.4%
Reliability/Dependability	33.7%
Fuel Economy	33.6%
Price/Cost to Buy	27.8%
Manufacturer's Reputation	19.5%

Source: Maritz mTAB for Windows

Over and above this, we know that Canadians in general have a low tolerance for risk. And we found that security was emerging as a strong societal value. Minimizing risk was an emotional release for Canadians. And Corolla fit the bill. Crossover Note 1.

- No risk to investment
- No risk wasting time at the dealership
- No risk to ego (i.e. the car will not go out of style)
- An opportunity to display "safety", wearing it as a badge of personal empowerment and intelligence

So, in a world of uncertainty, Corolla would become the "One thing you can count on."

EXECUTION

Of course, reliability can be a "boring truth." The creative objective—taking care not to fall into this trap—was still simple. Crossover Note 18. Paint a world full of things you can't count on – teenage daughters, promises, even classified ads. Portray the let-downs across various media, and show Corolla as the one thing you *can* count on. [See creative on the Cassies website.]

BUSINESS RESULTS

Corolla withstood Civic's re-launch, as shown in the earlier chart. And it has become the number one selling car in Canada for 2006 through May, outselling Civic by almost 2%.
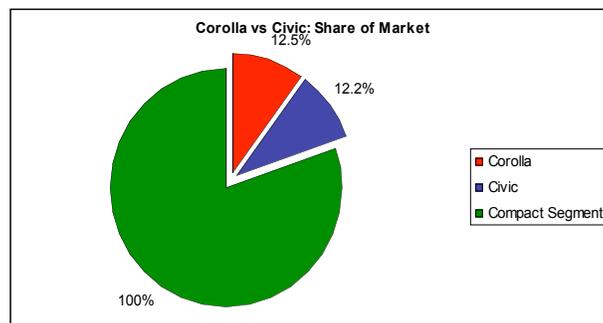
In line with this, Corolla 2006 sales are tracking 5.6% ahead of YTD targets.
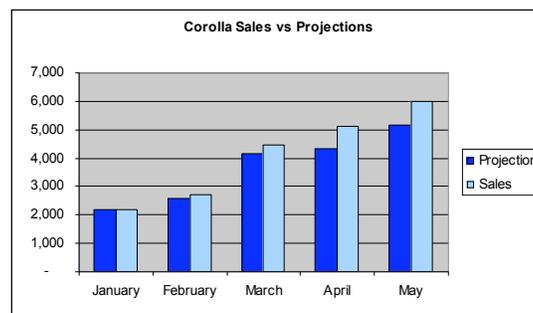
This is a substantial achievement considering that it is only a few months after Civic's full model change, while Corolla is in the latter stages of its current lifecycle.

Even more impressive, May 2006 sales were the highest one-month sales volume for the Toyota Corolla since May 2003.

CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

Corolla has managed to grow without any nationally advertised incentive programs, and with significant under spending in media versus the Honda Civic.