

CASSIES 2011 Cases

Brand/Case: 2010 Subaru Outback

Winner: Off to a Good Start—Bronze

Client Credits: Subaru Canada

Ted Lalka – Vice President, Product Planning & Marketing

Geoff Craig – Director of Advertising

Agency Credits: DDB Canada

Michael Davidson – Business Lead

Geoff Taylor – Account Director

Andrew Simon – Creative Director

David Ross – Writer/Associate Creative Director

Paul Wallace – Art Director/Associate Creative Director

Jake Ritter – Senior Art Director DM

Carmen Toth – Senior Writer DM

Andrew McCartney – Managing Director

Dre Labre – Creative Director

Dustin Rideout – Digital Strategist

Damian Nimeck – Producer

Missy Kelly – Art Director

Ciara O'Meara – Art Director

Leilah Ambrose – Copywriter

Tiffany Chung – Copywriter

Eidentity Web Systems – Programmers

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 CASSIES1997. The full set for CASSIES 2010 can be downloaded from the Case Library section at www.cassies.ca

Crossover Note 1. What a Brand Stands For.

Crossover Note 11. The Eureka Insight.

Crossover Note 16. When a campaign stumbles.

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

Section I — BASIC INFORMATION

Business Results Period in Consecutive Months October 2009-April 2010
Start of Advertising/Communication Effort: October 10, 2009
Base Period as a Benchmark: October 2008 – April 2009

Geographic Area Covered: Canada

Annual Budget Range: \$3 - 4 million

Section II — SITUATION ANALYSIS

a) Overall Assessment

Outback had historically been a key model in the Subaru line-up, accounting for 28% (4,300 cars) of total Subaru unit sales in 2001. Since then, it had been in major decline, selling just over 2000 units in 2008. Outback was no longer relevant to new car buyers and had become a drag on the Subaru franchise. We needed to get the core Outback model growing again in order to get the Subaru brand firing on all cylinders. The challenge was trickier than in the past. Although awareness of Outback was reasonable, familiarity and purchase intent were almost negligible. Those that were somewhat familiar with Outback (including previous and current owners) categorized it in the dying “wagon” segment. The only chance we had was to re-position it as a small SUV.

With a Subaru SOV at less than 2%, we needed to compete against deep-pocketed giants like Honda (CRV) and Toyota (RAV4). Although design changes made Outback styling more similar to a conventional SUV (higher clearance, taller, etc.) other attributes remained relatively consistent – there were really no functional competitive advantages. To make it tougher, the whole industry was also advertising fire sale prices and incentives to combat the recession while Subaru planned to maintain pricing and profit margins.

b) Resulting Business Objectives

Client expectations were extremely high. Sales objectives for the 2010 launch were set at +59%, in a category that had declined 6% in 2008. In addition, we couldn’t cannibalize Forester sales and needed to grow share from 5% to 6% in the Japanese small SUV segment.

This had to be achieved with limited budgets and a share-of-voice of slightly more than 1%. We were also expected to increase dealership traffic by +10%, during an extremely competitive period.

It all came down to getting qualified traffic into dealerships immediately. No other marketing/sales activity was planned during this period so the campaign had to drive the sales growth.

Section III — STRATEGIC THINKING

a) Analysis and Insight

Through research and insight work we discovered that the primary hurdles that Outback needed to overcome centered on familiarity and functionality. **Crossover Note 16**. Most consumers in the segment didn't know much about Outback, but those that did thought of it as a wagon rather than a small SUV.

We needed to change this and convince people with active lifestyles that Outback was a legitimate SUV that could take them places other cars couldn't. **Crossover Note 1**. While styling was very important to this target, we also uncovered that many didn't see the current small SUV options as being particularly functional beyond day to day city driving. They were open to a new small SUV option that was more "capable."

b) Communications Strategy

Outback would become the outdoor enabler – the truly capable small SUV that could take you places that others couldn't.

This position was also different from Forester's extremely successful "sexy" position. So Subaru had the opportunity to own both the "sexiest" and "most capable" small SUVs in the category, without cannibalizing sales.

Now we needed a big idea that would overcome our small share of voice.

We were well aware that Outback was not on anyone's consideration list – and recent Subaru successes with other model launches had taught us to be bold with our messaging and build on Subaru's newly established fun and quirky image.

Many consumers in the segment were looking for an alternative to the big, ordinary brands. We needed to focus on this segment – people who would pay a premium for a unique brand that offered something more.

Our communications strategy became, "the uniquely capable small SUV", and drove all creative development and channel planning work.

Section IV — KEY EXECUTIONAL ELEMENTS

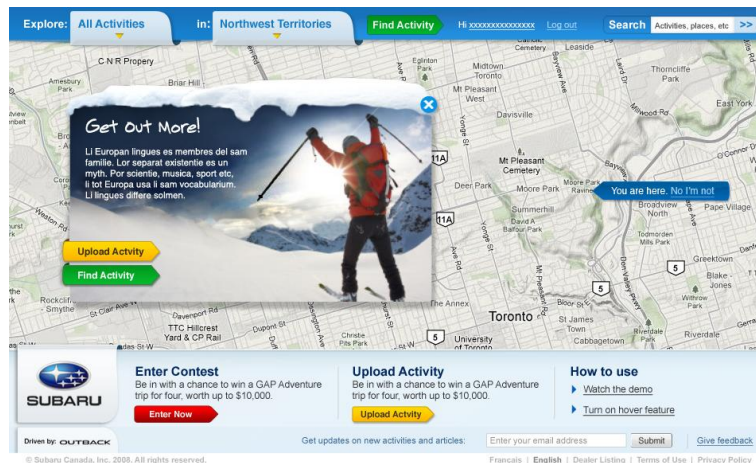
a) Media Used

Television, newspaper, magazine, online/social, CRM and public relations.

b) Creative Discussion

The Outback's heritage lies in rugged outdoor adventure. Our challenge was to broaden the Outback's reach by talking to a wider audience – not just hard-core outdoor enthusiasts, but regular people who want to be more active.

Shortly after the initial TV flight (which ended November 22nd), we launched the Subaru Outback GetOutMore website. The goal was to spark conversations with our target, and to raise interest and awareness. We created an on-line community to drive awareness of Outback's uniquely capable offering, by providing a resource for adventures. Once at the GetOutMore site, users were encouraged to visit Subaru.ca and dealership sites. The website also featured a contest that motivated visitors to submit more activities on the GetOutMore site. The community chose the winner via online votes. Community Groups were also able to submit activities for a chance to win a \$5,000 event sponsorship. The top "likes" for this group determined the winner.



Direct Mail began in December 2009. Recipients were issued a fake TV guide in the mail that folded out to reveal Outback creative elements. The piece encouraged recipients to test drive the Subaru Outback, and to visit the GetOutMore website for adventure ideas.

Following the website launch, there was a second flight of TV in March 2010. This spot had the same flavor as the original, but this time, we made up our *own* infomercial by creating the now infamous Lap n' Snack. Social Media and the GetOutMore website continued throughout this time period, until the campaign's end in April 2010.



c) Media Discussion

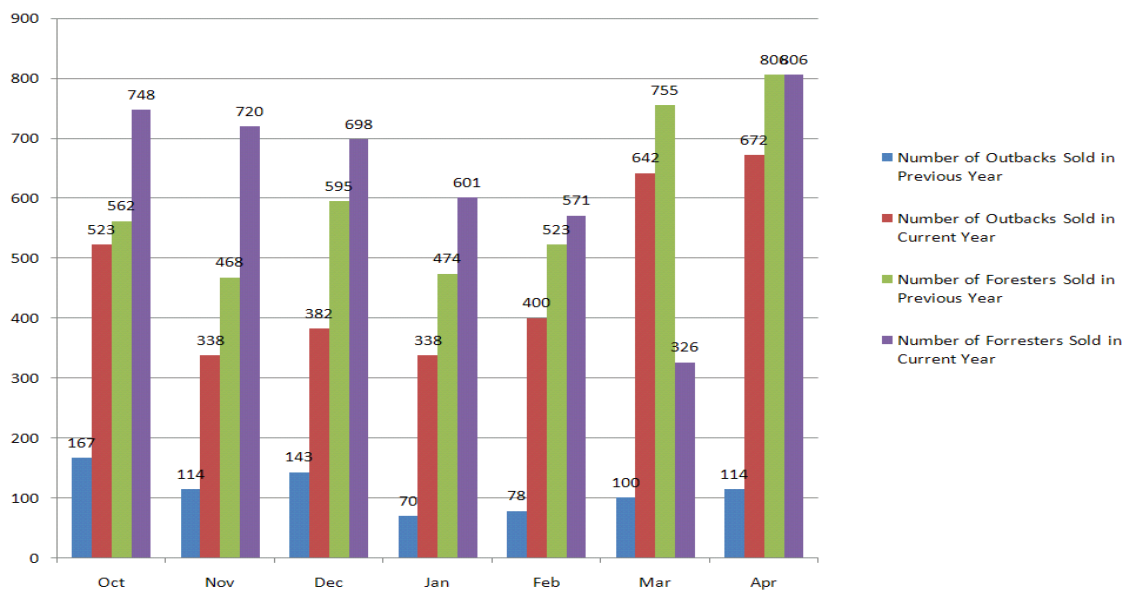
The campaign began with Magazine, Newspaper and TV simultaneously entering the market in mid-October. All print efforts drove people to Subaru.ca where they could learn more about the Outback. The GetOutMore website first launched in December and used social media outlets to lead consumers to the website and encourage them to use it.

The Website was highly successful having 32,870 total visits by the end of the campaign and an average time spent of 2:07 minutes.

	September	October	November	December	January	February	March	April
Television								
Newspaper								
Magazine								
GetOutMore Site								
Social Media								
Direct Mail								

Section V — BUSINESS RESULTS

**Outback & Forester Sales
During Oct-Apr Campaign Period vs. Previous Year**



- Results were well beyond expectations. Sales of 3,295 units during October 2009-April 2010 were *more than quadruple* sales during the same period in the previous year. This compares to the once seemingly aggressive sales target of +59%. The campaign also increased qualified showroom traffic for Subaru by +25%.

2. The results were achieved without cannibalizing Forester sales. In fact, they grew by +7% during the campaign and Subaru's share of the Japanese small SUV segment now sits at 8% (June YTD 2010), vs. 5% before the campaign broke in October 2009.
3. Unanticipated demand generated by the campaign caused out-of-stocks across the country and actually limited overall sales results during the campaign period.
4. The Canadian campaign was considered the most successful launch of the 2010 Outback anywhere in the world, beating all other countries in terms of sales and share growth – and it was among the most successful model launches in Canadian automotive history. Subaru had an all time record sales and share month in April 2010 - the last month of the Outback campaign - selling 2,640 cars (+29% vs. April '09), achieving 5.2% of the total Japanese car/truck segment and 8.30% of the Japanese small SUV segment.

Section VI — CAUSE & EFFECT BETWEEN ADVERTISING AND RESULTS

Here are highlights that emphasize the impact of the campaign on results.

- Monthly sales velocity was significantly higher during the two paid media campaign waves, vs. the non-campaign periods. (1st wave: +232%. Hiatus: +38%. 2nd Wave: +320%. Post the campaign: +5%.)
- During the Outback campaign period, no other major advertising initiatives were running for Subaru.
- Spending maintained historical levels of previous campaigns, with approximately 1-2% share-of-voice.
- No other country came close to the Canadian sales increases. Subaru Canada's advertising campaign was unique to this country, with other countries picking up global campaign elements or running their own domestic campaigns.
- The number of Subaru dealerships remained constant.
- Outback net pricing was at an approximate 10% premium to main competitors (CRV, RAV4) during the campaign period. Subaru did not match deep consumer incentives such as \$0 down payments, 0% financing, etc. that were rampant during the campaign period among competition. Overall, Outback was at a significant price disadvantage vs. the competition but held ground to maintain value/profitability.

END