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Advertising

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Nissan 'Satisfaction Commitment' Campaign

INTRODUCTION

We have to remember what most car advertising was like before Nissan moved the goal posts on the field: glistening metal on rain-drenched streets at dawn; raw power and promises. It was a focus firmly fixed on the car and what psychological benefits it offered its owner. If that didn't get you, then low rate financing and cash back come-ons were designed to pry car buyers out of the woodwork. To all this, a new voice was heard when Nissan Canada entered the decade with its 'Satisfaction Commitment'.

Cut to

A long shot of a car broken down on the side of a lonesome highway, spectacular shots of Canadian landscape and a calm, matter-of-fact voice talking about the reality of car ownership and the responsibilities of a car maker to its customers.

A national audience sat up and took notice. What was going on here? While other car companies were making tentative stabs at reaching the 'new' consumer of the 1990s, Nissan chose to be bold and direct and get right to the heart of the meaning of car ownership - from the buyer's perspective. This campaign demonstrates that a fresh way of looking at a subject can reverse the fortunes of a company. In a tight market, Nissan picked up a 1 per cent gain in market share in an overall car market that was down by 10 per cent.

Nissan made service its primary focus and turned it into a consumer benefit equal to styling, performance and price. The terms - 'commitment' and 'relationship' - were introduced as concepts that applied to automobiles, not just to people. And the notion that a car maker was responsible to the people who bought its cars was introduced with fanfare to the Canadian public. In the world of automotive advertising, promises are as commonplace as the copy and artwork that delivers them. For Nissan, a relatively quiet presentation that appealed to the concerns and intelligence of car buyers went a long way in overcoming the jaded cynicism of the automobile-buying public. Nissan not only picked up short-term sales, but it also positioned its products for the future.

JUDGES' COMMENTS

Faced with a declining marketplace, a hesitant consumer, and expanded competitive challenges, Nissan was determined to establish a new communications direction for the 1990s. The aim was to differentiate Nissan clearly from its competitors, and to reflect and anticipate the changing needs and expectations of car buyers.

The campaign went beyond the traditional automotive, product-shot approach, and was successful in increasing Nissan sales volume. Although the market in total was down, the campaign significantly enhanced consumer perceptions of Nissan.

EXECUTIVE SUMMARY

Faced with an unclear brand image and declining sales volume, Nissan was determined to establish a new direction for the 1990s. It was a direction that would clearly differentiate it from its competitors and that would reflect and anticipate the changing needs and expectations of car buyers.

The case outlines the fundamental role advertising has played in articulating and establishing Nissan's positioning. The campaign was designed to show an understanding of the reality of owning a car in Canada, and to outline Nissan's beliefs and philosophy. It introduced 'The Satisfaction Commitment,' the most comprehensive car care program in the industry, as evidence of Nissan's commitment. It has imbued the existing theme line 'Built for the Human Race' with new meaning and relevance, positioning Nissan as the car company with a commitment and responsibility to today's car buyer that goes beyond building state-of-the-art cars. Nissan has transformed itself both operationally and culturally into a truly consumer-driven organisation prepared to take full responsibility for its products and perhaps, more importantly, to demonstrate this commitment.

The sales success of the strategy is clear. In the 12 months since its launch in August 1992, Nissan posted market share gains in every month except one, with a total sales volume up 1 per cent in a market that as a whole was down 10 per cent during the period.

That the sales success is directly linked to the advertising is apparent from continuous tracking. Besides being widely recalled and well liked, attitudes toward Nissan have dramatically shifted on dimensions directly related to the advertising messages. The advertising clearly differentiates Nissan in a relevant and motivating way.

In summary, the case demonstrates that boldly executed advertising, developed out of a real understanding of consumers' needs and expectations, can rapidly change consumer attitudes. It also demonstrates that it is possible to market your way out of a tough sales position. Nissan has made significant sales gains while reducing its dependence on the tyranny of discounts and it did this at a time when it has had no new product introductions. Most excitingly, Nissan is now positioned at the forefront of consumer trends, with a long-term strategy that leaves it poised for further growth through the 1990s.

SITUATION ANALYSIS

THE BUSINESS PERSPECTIVE

Within the highly competitive Canadian automotive market, Nissan's most direct competitors are the other three leading Japanese manufacturers: Honda, Toyota and Mazda. Through the late 1980s, Nissan's sales had been slipping behind these competitors in a marketplace that as a whole was shrinking as the recession took its toll. The result: a declining sales volume (down 26 per cent between 1987 and 1990) with, at best, a flat market share. As a consequence, Nissan was increasingly being forced to resort to tactical offers and discounts to 'move the metal.'

THE CONSUMER PERSPECTIVE

The underlying reasons behind this disappointing sales performance were clearly apparent in Nissan's quantitative tracking studies and readily articulated in qualitative research: an unclear brand image with quality perceptions lagging behind the Japanese market leaders Honda and Toyota.

Furthermore, its historical product strength in sports cars and trucks was falling out of step with the key baby boomer buyer segment. As they aged, started their families, and in keeping with the recessionary times - became more cautious in their purchasing, baby boomers were looking for more practical and proven family-

oriented vehicles. However, they were not considering Nissan's sedans, family wagons and sport vehicles. Consumers found it difficult to distinguish Nissan and its product range. Thus, they tended to overlook Nissan products in the face of more familiar and better established competitors who, in addition, were in many instances offering more aggressive discounts.

THE NISSAN CANADA PERSPECTIVE

Clearly, if Nissan were to achieve the ambitious sales and profit goals it had set itself for the '90s, then it would have to find a way of 'breaking through the wall of indifference.' That is how one respondent in a Montreal focus group described the consumer situation in the fall of 1990. It was critical for the company to build a new long-term brand positioning that not only clearly distinguished it from its immediate competitors but would also be relevant to the changing needs and expectations of babyboomers.

THE ADVERTISING CHALLENGE

The challenge for advertising was to credibly articulate this new positioning to these buyers. While it was recognized as a long-term strategy, it was also essential that it generate increased sales in the short term. Nissan had to regain sales momentum through a period in which it would face significant new product introductions from its closest competitors with no major product news of its own. Moreover, the sales objective of the company was to improve profitability by reducing its dependence on retail incentives and discounts to drive sales. Finally, to further help profitability this would all have to be achieved on a static advertising budget in an industry category in which expenditures were expected to grow by 15 per cent per annum.

The objectives could be summarized as follows:

- Create a new long-term position for the company;
- Generate short-term sales;
- Upgrade product image;
- Move away from discounting (and improve profit margins);
- Recover market share lost since 1987.

STRATEGY AND EXECUTION

STRATEGY DEVELOPMENT

After an extensive period of consumer research and a major internal review of its business objectives, values and goals, Nissan and its advertising agency - Chiat/Day - reached a series of key strategic conclusions.

With the differences among competitive products becoming more subtle, buying a car would increasingly be a decision based on more than product merits alone. The car buyers of the 1990s wanted and expected more. They were looking for a relationship with the car company that went beyond the car itself. They were concerned with the overall value structure of the company, how it related to the social issues of the day and its willingness to stand behind its products. Increasingly, these were the 'tangible differentiators.' on which buyers would base their purchase decisions. The successful car companies in the 1990s would be those that acknowledged and responded to these needs and expectations. At the time, buyers felt that no car manufacturer was fully delivering against these expectations.

Nissan Canada was committed to truly delivering customer satisfaction to the extent that it would even re-organize itself to establish a department of 36 people dedicated to customer satisfaction, and introduce at no extra cost to the consumer an industry-leading warranty/owner support program: 'The Satisfaction Commitment.' It was going to try to establish a true relationship with its buyers.

Nissan Canada was committed to establishing a distinctive Canadian identity that acknowledged its role and responsibility in Canada and to Canadian consumers. It wanted to stand for something in Canada. Nissan wanted to be more than just another Japanese importer or U.S. subsidiary.

In summary, Nissan was determined to transform itself both culturally and operationally from being a product-

driven sales operation to a truly consumer-driven organization. For the first time a car manufacturer was prepared to take full responsibility for its products and perhaps, most significantly, to publicly declare and demonstrate this commitment.

THE NEW POSITIONING

The objective was to establish Nissan Canada as the car company with a commitment and responsibility to today's car buyers that went beyond building state-of-the-art cars.

THE ADVERTISING STRATEGY

The role for advertising was to articulate and substantiate this new positioning. To this end, a twofold advertising strategy was developed.

- To overtly acknowledge in all advertising communications that Nissan understood the reality of cars in people's lives in Canada today and that in this context took full responsibility for its products. In effect, to take the cars off the typical glossy advertising pedestal and put them back on the streets of Canada, back into real life.
- To launch 'The Satisfaction Commitment' as evidence of this responsibility. The objective was to establish 'The Satisfaction Commitment' as more than just another warranty program. Rather, it should further substantiate Nissan's responsibility and commitment to its buyers.

EXECUTION

CREATIVE

Using the existing theme line Built for the Human Race, the new positioning was introduced with the 60-second 'Manifesto' TV commercial. This outlined Nissan's corporate beliefs and dealt with issues such as safety, environmental responsibility and driving in Canada today.

'The Satisfaction Commitment' was then introduced with the 30-second 'Satisfaction' commercial that acknowledged the common breakdown problems people had with their cars. This was followed up with the 30-second 'Elements' spot which reviewed in greater detail 'The Satisfaction Commitment' and articulated the thought 'we believe warranties are to protect the people who buy the cars not the people who build them.'

Individual car line product commercials, both 30- and 15-second were also created as part of the mix. These echoed and expanded the themes developed in 'Manifesto' and featured the Sentra and Maxima sedans and the Pathfinder sport utility vehicle - the Nissan product lines that best exemplified the new positioning. In addition, a series of print ads was developed for newspaper and magazine.

MEDIA PLAN

Television has always been the medium of preference for national car advertising.

For Nissan it was the perfect medium to achieve quick awareness with a broad audience. It also allowed the creative to exploit both motion and emotion - two key elements in the campaign's creative approach.

Details about the actual commitment that Nissan was making and its warranty provisions were left to the print campaign in newspapers and magazines which were better suited to conveying information.

In order to pre-empt competitive activity, the campaign was launched in early September 1991 ahead of the industry's typical late September/early October new product launch activity. To fully maximize this competitive advantage the media plan was front-loaded with very heavy TV weights for the first four weeks. An estimated 27 per cent share of voice (SOV) was achieved, followed by sustaining two week flights. [Figure 1](#)

The original intention was to run 'Manifesto' for the first two weeks only, then to rotate the 'Satisfaction' 30-second and the individual car line 30-second spots through to the end of 1991. However, early feedback from

quantitative tracking and qualitative research indicated 'Manifesto' and 'Satisfaction' were having a much more powerful and immediate impact on consumer attitudes than expected. The plan, therefore, was revised in midstream and the weight given only to 'Manifesto' and 'Satisfaction.' The spring of 1992 saw 'Elements' replace 'Satisfaction' and the individual 15-second car line spots were introduced into the mix. In addition, 'Manifesto' was used in a series of specials and high profile programs to continue to reach the lighter television viewer. It continued to emphasize Nissan's leadership.

RESULTS

SALES AND SHARE

While the campaign was primarily developed as a long term strategy, the impact on sales in the short term was dramatic. Since the launch of the campaign, and for the period covered by the case, Nissan posted market share gains every month except one. For the 12 months ending August 1992, Nissan posted a market share of 3.8 percent compared with 3.4 per cent for the previous 12-month period: a 12-per cent increase. In terms of actual sales volume, this equates to a 1 per cent increase in a market that was down by 10 per cent. Within the Canadian auto industry, each market share percentage represents approximately \$200-million in sales. [Figure 2](#)

EVALUATION

NISSAN CONTINUES QUANTITATIVE TRACKING

Beside being a valuable diagnostic tool to help fine tune the media plan (as already discussed), Nissan's quantitative continuous tracking study powerfully demonstrates the link between the sales growth and the impact of the campaign.

First, the tracking showed the advertising itself has been well received; it achieved some of the highest recall levels seen in the category. Perhaps more importantly, the advertising was also well liked. Viewer 'burn out' due to repeated exposures was kept low.

Second, coinciding with the campaign introduction and inline with the continuing advertising media activity, buyer attitudes toward Nissan have dramatically shifted on several key dimensions directly linked to the campaign strategy, for example, warranty protection, safety, environmental responsibility, pollution control and customer satisfaction. In short, the campaign was clearly differentiating Nissan from its competitors in a relevant and motivating way. [Figures 3 and 4](#)

MEDIA RECOGNITION

The campaign has received extensive favourable media coverage, both in the newspapers and on national television, for its subject matter as well as the creative approach.

INDUSTRY RECOGNITION

Nissan Canada is now being increasingly cited and consulted as a company that has successfully introduced a responsible customer satisfaction strategy, not only in Canada, but also internationally. Representatives of the company have been invited to speak about their experience at a wide range of leading conferences.

AWARDS

MARKETER OF THE YEAR 1991

Eisuke Toyama, the President of Nissan Canada, was awarded the Donald B. McCaskill Award for Marketing Excellence by the Toronto chapter of the America Marketing Association in recognition of Nissan's marketing initiative.

CREATIVE ACCLAIM

The breakthrough nature of the advertising has been widely recognized in several of the leading advertising industry award shows. Perhaps most notable were the 1992 Bessies and the Canadian Television Advertising Awards, where the campaign was awarded the silver as best overall campaign and five out of the six commendations including a gold and silver in the automotive category. [Figures 5 and 6](#).

ISOLATING VARIABLES

TACTICAL INCENTIVES AND DISCOUNTS

The increases in sales cannot be attributed simply to sales incentives and discount programs. A key objective of the campaign was to reduce the level of these programs. During the period covered by this case, spending on these programs was reduced by nearly 20 per cent, at a time when the competition was increasing its level of discount programs.

ADVERTISING EXPENDITURE

Sales increases cannot be attributed to any increase in media weight during the period. Nissan advertising for the 12-month period after the campaign was launched was flat compared with the previous 12 months. In fact, Mazda was actually outspending Nissan by a ratio of 3 to 1. Through this same period, category advertising increased by 15 per cent. This equates to a 13 per cent drop in Nissan's share of voice.

NEW PRODUCT ACTIVITIES

In the automotive industry, sudden sales increases of the magnitude reported in this case are more typically a reflection of a major new model introduction. As already discussed, the 12-month period since the campaign was launched saw no new product launches from Nissan. Indeed, this was the first time in a number of years that Nissan was launching no new products. Furthermore, it was a period of significant new product activity for the competition (most notably with the new Camry from Toyota and the new Civic from Honda).

WHY HAS THE CAMPAIGN BEEN SUCCESSFUL?

There were several key factors contributing to the success of the advertising campaign:

- Nissan went to great lengths to ensure that its products, its dealers and its own organization could live up to the standards it set for itself in the advertising before launching the campaign. Nissan was confident it could deliver on its promises.
- Nissan listened to consumers and anticipated fundamental shifts in consumer values and attitudes. The advertising, and indeed the repositioning as a whole - including 'The Satisfaction Commitment' Program - was only developed after an extensive period of qualitative research coupled with a careful evaluation of consumer trend data.
- Nissan delivered a relevant and distinctive message. The advertising tapped into and responded to nascent and emerging consumer issues in a way in which no other car company was doing at the time.

Breakthrough creative combined with a focused and flexible media strategy that included the increased use of 60-second commercials. Media concentration allowed consumers to see and hear what we had to say. The high commercial production values enabled viewers to respond positively to the advertising without becoming tired of it.

The campaign built on an existing equity. Built for the Human Race had been well known as Nissan's theme line for several years. The new 'commitment' positioning leveraged the theme and imbued it with new meaning.

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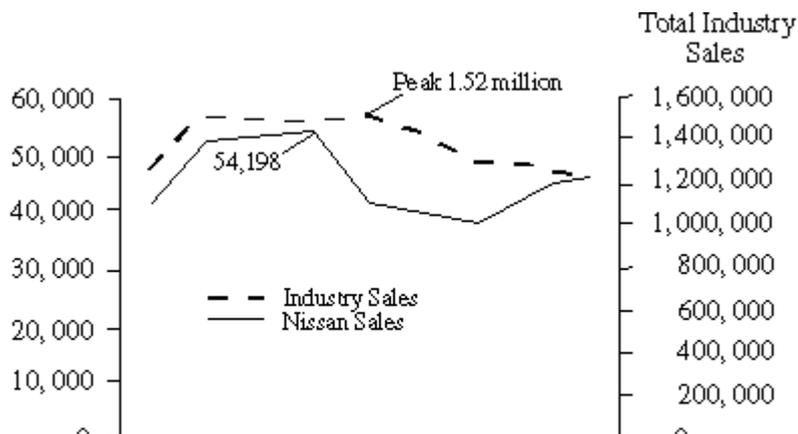
NOTES & EXHIBITS

EXHIBIT 1: MEDIA SPENDING



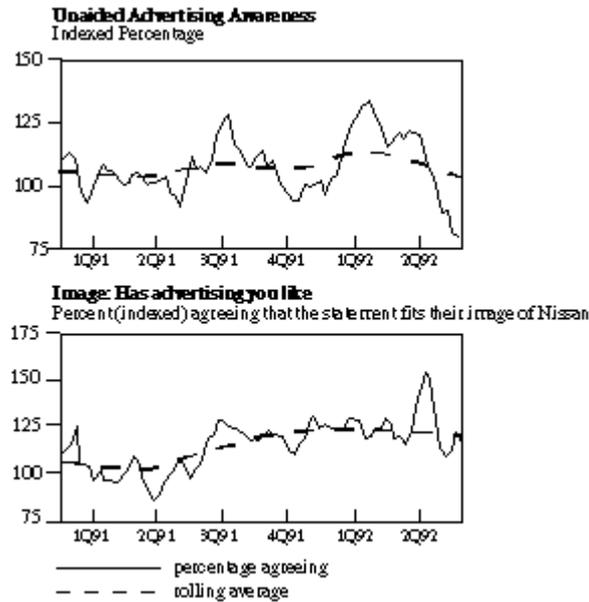
Source: Indexed data, Media Measurement Services

EXHIBIT 2: SALES VOLUME AND MARKET SHARE The Canadian Automobile Market Nissan Canada Total Sales vs Industry Trend (1984-1992)



	1984	1985	1986	1987	1988	1989	1990	1991	1992 (est)
Nissan Market Share	3.3%	3.5%	3.6%	3.6%	2.8%	2.9%	2.9%	3.4%	3.9%

EXHIBIT 3



Source: DJC Research

EXHIBIT 4

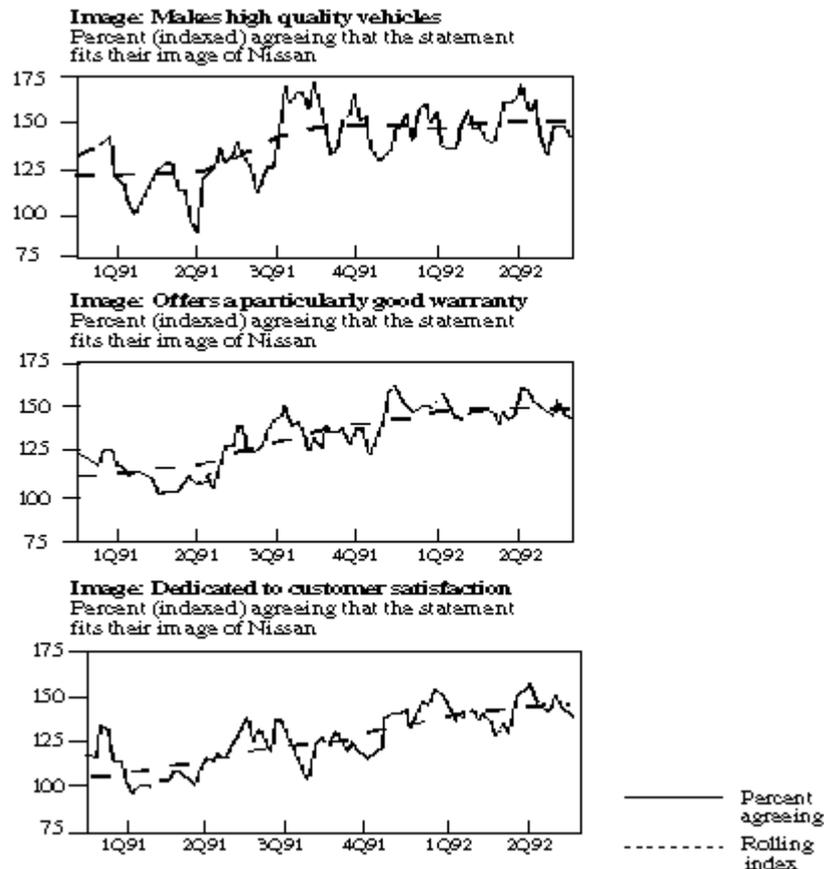
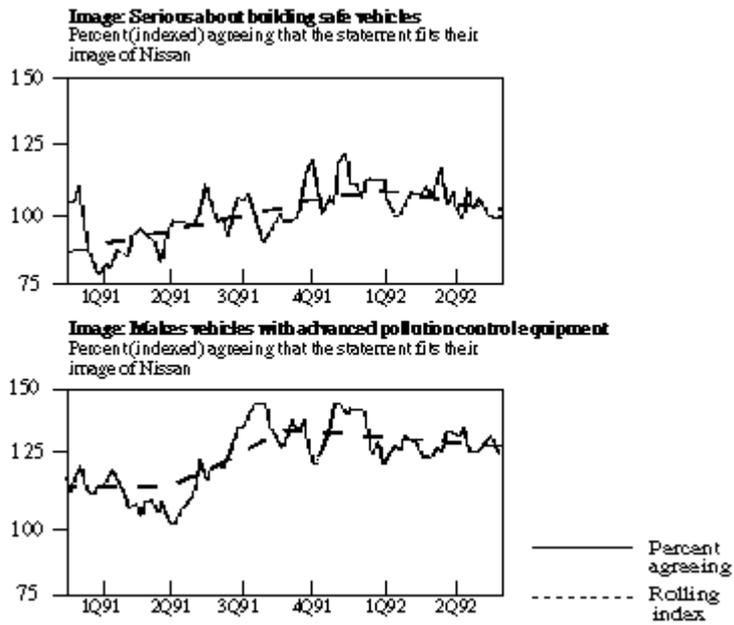
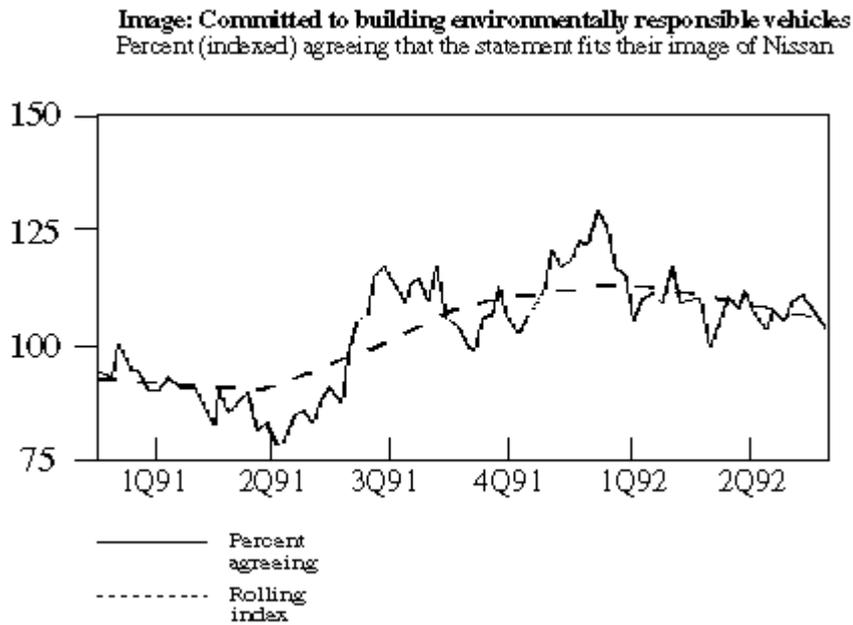


EXHIBIT 5



Source: DJC Research

EXHIBIT 6



Source: DJC Research