

Certificate for Automotive & DIY

The launch of Pontiac Sunfire

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Executive Summary

The successful launch of the all-new 1995 Pontiac Sunfire in the small car segment was critical to General Motors.

The small car segment is the largest in the Canadian market. It had grown strongly through the mid 90's, even though the total market had declined under the pressure of recession and taxes. Small cars deliver vital sales volume. They are also the entry point for longer-term relationships with customers, because buyers tend to move up to bigger sizes of the same brand.

Sunfire was set to replace Pontiac Sunbird - no easy task. Imports had been attracting the higher-educated, higher-income "quality" buyer, leaving North American cars to fight for the less advantaged constituency. We also had no momentum to build on. Sunbird had one of the oldest designs in the segment. It had run occasional joint advertising with its sister model, Chevrolet Cavalier. It had no distinctive image. In fact, it was near commodity status. Sales were holding up with price and tactical offers, but share was declining.

The Sunfire launch would dramatically change all this.

We will show how a sharply-focused new positioning vividly executed, played a major role in Sunfire's success. Unit sales were up 21% in 1995, and another 9% in 1996. In addition, there was a highly desirable shift to the "quality" buyer. The average selling price rose approximately \$2,000 each year. And the percent of Sunfire owners with a university degree tripled, to reach 39% for the sedan, and 44% for the coupe, by 1996.

This is more than the story of a successful campaign. Advertising helped create a totally new sub-segment in small cars. It set Sunfire apart from competitors, and Chevrolet Cavalier. And it delivered a far more profitable "quality" constituency.

Crossover notes

1. Re-positioning away from price/commodity, to the "quality" buyer.
2. Breaking conventions. Shifting the traditional automotive focus.
3. Digging for Insight. Finding the high-ground others had overlooked.
4. Humour in a "serious" category.
5. Evolving a long-running campaign.

Situation analysis

Through 1994, the small car segment had been growing, even though the total car market had been declining. The segment was highly competitive, with selling prices in the \$15,000-\$16,000 range. This pricing, and costly tactical offers, severely limited manufacturer and dealer profits. Within the segment, Sunbird had a sizable share, but it was under pressure:

	1992	1993	1994	94 vs 92
Total Car Market Volume	800,669	741,050	750,470	-6%
Small Car Volume	237,218	238,226	261,873	+10%
Small Car Share of all Cars	29.6%	32.1%	34.9%	+5.3 pts
Sunbird Share of Small Cars	11.0%	12.1%	10.4%	-0.6 pts

The all-new 1995 Sunfire was set to replace Sunbird. A successful launch was critical to General Motors, but we had to overcome a double jeopardy.

First, Sunbird was “just transportation”. It had one of the oldest designs in the segment, and had even occasionally shared advertising with its sister model: Chevrolet Cavalier. Any transfer of this image to Sunfire would hurt. Second, Sunbird (and Sunfire) were North American. This would label Sunfire as “cheap and cheerful” to the better-off and better-educated quality buyers, who favoured imports.

Sunbird’s advertising had not built any kind of a launching pad. Creative had typically featured price and tactical messages, and qualitative research in 1994 had found zero awareness of Sunbird advertising. Sunbird’s 1994 spending was \$3.7 million (Nielsen) ranking it #11 in small cars. This delivered a 4.4% SOV, well below Sunbird’s 10%-11% share of segment.

The 1995 Sunfire was a better product - no question - in design and performance. But car buyers are tough-minded. How could Sunfire deliver profitable volume, attract the “quality” buyer, and still minimize losses among the large group of current Sunbird owners? One thing was clear:

***More of the same would not work.
We had to create an entirely new sub-segment.¹***

Crossover notes

1. Re-positioning away from price/commodity. Attracting the “quality “ buyer.

Pontiac Sunfire—Print

HALF A SECOND AFTER RELEASE,
MR. PIGEON
COMES TO FULLY APPRECIATE
SUNFIRE'S AGILE ABILITY
TO HANDLE ANYTHING
THROWN AT IT ON THE ROAD.



PONTIAC SUNFIRE  BUILT FOR DRIVERS

Strategy and Execution

The key was to break with traditional thinking. This had typically divided the market into “cheap and cheerful” domestics and “intelligent” imports; and it had also focused on the car, not the driver. But qualitative research uncovered a new attitudinal niche.² These drivers had:

- A high emotional attachment to their vehicle
- A high symbolic value in their car, even if it is “entry level”
- A high value on personal control and independence in their lives
- A marked interest in a performance car, provided it delivered
- A tendency to favour the imports (i.e. they were “quality” buyers)
- A positive equity in the Pontiac name, and the name “Sunfire”.

Amazingly, these drivers felt that there was no small car in the performance niche. The challenge was to stake out this territory for Sunfire.³

Advertising Strategy

The target was 25-49, with average HHI of \$60,000, and a college/university education - the quality buyer. Attitudinally, it was “not for everybody”.

Sunfire is not for everybody. It's for those who are passionate about driving.

***They have high emotional attachment to their car, a youthful attitude,
and are physically and socially active.***

In addition, although Sunfire would obviously be treated with respect, we decided that the focus would be on the driver, not the car.

The “Built for Drivers” Theme

This had been launched earlier as an overall Pontiac theme. It had a hip, confident, cool tonality and cheeky attitude. Sunfire drivers were exactly the people to be in on the joke, so we extended the theme to them. We also proved Sunfire’s performance, by highlighting design and technical features.

Crossover notes

2. Breaking conventions. Shifting the traditional automotive focus.

3. Digging for Insight. Finding the high-ground others had overlooked. See also Claritin’s “Don’t Drowse and Drive”, and the reference there to Oh Henry!

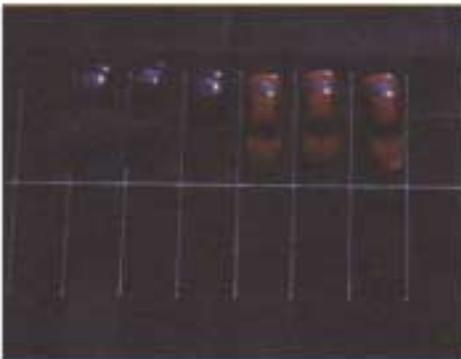
"Design Team"



MUSIC: UP



SFX: TIRES SCREECHING



SFX: BRAKING, DOORS OPENING.
V/O: The Sunfire design team arrives
at work.
SFX: DOORS CLOSE



V/O: Early as usual.
MAN: Good Morning, Sam.
WOMAN: Good Morning Bob.
SFX: FOOTSTEPS



V/O: Pontiac Sunfire.



V/O: Built for drivers.

The 1995 Launch Summary

This was a significant multi-media launch. Sunfire jumped to #3 in category spending, with \$18.7 million (Nielsen), and a 16.1% SOV. In 1996, Sunfire was again #3 in ad spending, at \$15.5 million, and a 12.5% SOV. (The table at the end of the case has competitive spending.)

Television

This was the primary medium. In January 1995, we dramatized exterior design and performance in three pre-launch teaser :30's - "Kettle", "Eggs", and "Shower". We moved to launch :30's in July 1995, with "Design Team", "Carlito's Driveway", and "Drive Thru". The central message was the passion of Sunfire drivers and designers, with spare copy, and a hip announcer. In line with the attitude, we revealed the Sunfire at the end, as a surprise.^{4,5}

Newspaper

We kept the attitude here, showing the technical credentials with symbolic ideas (e.g. "Chili Peppers" to show how "hot" Sunfire was) and aggressive visual angles. We used mainstream and youth alternative papers.

Outdoor/Murals

To get the Sunfire message on the street, we ran backlits ("Chili Peppers") and later wall murals ("Stirred not Shaken"). We also ran wild postings ("Makes Squirrels Nervous") to get Sunfire in front of young buyers.

Events and Direct Mail

Major ski resorts hosted test-drives in Winter 94/5 and 95/6 - showing off Sunfire's looks and performance before the Spring selling season. We also ran five mailings each to existing and competitive owners.

Crossover notes

4. Humour in a "serious" category. (Admittedly, car advertising is often not "serious", but the temptation must have been there to take performance seriously)
5. Evolving a long-running campaign.

Results

On all measures, the Sunfire launch was an unqualified success. Dealer endorsement, support and co-ordination were unparalleled. Unit sales and share of segment were up as follows:

Unit Sales	Base Year 1994	Launch Year 1995	Year II 1996
Units	26,103	31,651	34,517
% Change vs. yr-ago	-6%	+21%	+9%
Share of Small Cars	10.3	13.2	13.3

Source: General Motors

We were extremely successful in reaching the “quality” target, both on the Sunfire Sedan, and the Coupe (Source: Maritz):

	Base Year 1994	Launch Year 1995	Year II 1996
With Univ. Degree			
Sedan (% of Buyers)	13%	24%	39%
Coupe (% of Buyers)	16%	23%	44%
Mean Family Income			
Sedan	\$43,530	\$53,482	\$54,643
Coupe	\$53,910	\$59,424	\$59,416

And this led to a handsome increase in the prices consumers paid:

Mean Transaction \$			
Sedan (includes taxes)	\$15,307	\$17,924	\$19,315
Coupe (includes taxes)	\$14,746	\$16,929	\$18,747

Isolating Advertising as the Variable

Advertising never claims to be the only variable in a successful car launch. However, there is clear evidence that it was a significant contributor:

1. There were no special factory tactical offers, or retail inducements during the launch year, or through Year II.
2. The advertising had remarkable breakthrough scores. Available tracking - TSI/Tracking in Quebec - showed that “Carlita’s Driveway” and “Design Team” respectively delivered three and four times the awareness norm for automotive.
3. Quantitative McCollum-Spielman C/T testing (proprietary) on the launch TV showed scores well above norm for awareness and all key positioning measures.

4. We were not riding a small-car wave. In fact, total small car sales dropped during our launch year:

	Base Year 1994	Launch Year 1995	Year II 1996
Small Car Units	261,873	248,885	272,631

5. We did, of course, have an improved product, and a significantly increased advertising budget. However, the new advertising changed *perceptions*, releasing Sunfire from the “cheap and cheerful” segment. As evidence of this, we delivered higher volume *and* higher selling prices. Furthermore, this continued in 1996, with the advertising budget reduced.

The advertising cut through, changed attitudes, and built sales with the quality customer, all as set out in the original objectives.

Conclusion

Many brands look to upgrade the quality of their users, and this case is a fine example. It also shows the ability of client and agency to see what others were not seeing - in this case a performance positioning in the “cheap and cheerful” category. Worth noting, the creative takes the message seriously, but does not take itself too seriously. The quality customers responded to the compliment.

The Main Ad Spenders in the Small Car Market

	1994		1995		1996	
	\$000s	SOV	\$000s	SOV	\$000s	SOV
Sunbird/Sunfire	3,735	4.4	18,668	16.1	15,534	12.5
Dodge Neon	14,818	17.6	22,783	19.7	20,117	16.2
Ford Escort	9,273	11.0	5,342	4.6	12,354	9.9
Saturn SL	7,224	8.6	5,570	4.8	3,074	2.5
Chevrolet Cavalier	6,513	7.7	23,673	20.4	22,171	17.8
Toyota Corolla	6,210	7.4	7,004	6.0	7,294	5.9
VW Jetta	6,054	7.2	7,638	6.6	8,521	6.9
Honda Civic	5,834	6.9	7,438	6.4	10,681	8.6
VW Golf	5,393	6.4	4,983	4.3	4,224	3.4
Nissan Sentra	4,419	5.3	3,158	2.7	1,088	0.9
Mazda Protege	3,608	4.3	3,021	2.6	9,646	7.8
Hyundai Elantra	3,606	4.3	5,060	4.4	4,977	4.0

Total Small Cars 84,037 100% 115,843 100% 124,256 100%

Source: A.C. Nielsen