



Presented by the Advertising Research Foundation

Research Achievement & Automotive Gold Winner Reinvention "Chapter 1"

Business Opportunity/Challenge

In 2008, the automotive industry faced its most challenging year. Unemployment was at its highest level since the Great Depression. The U.S. housing market continued its three year decline. Delinquency of personal loans was peaking. These conditions started a substantial decline in U.S. and global automotive sales. Then in the summer of 2008, gas prices climbed to record highs in the U.S., above \$4 per gallon, which further effected vehicle sales, especially the highly profitable truck segments that had been growing for decades. With the collapse of the financial markets in the fall of 2008, automotive sales plummeted, and this definitively marked the most challenging time in General Motor's history.

Starting in November 2008, the issue of GM's viability was at the forefront. The Management of the three domestic automotive companies went to the Government to request loans to bridge them through this challenging time. The core issue was whether these businesses would be viable in the future and thus merit loans in the near term.

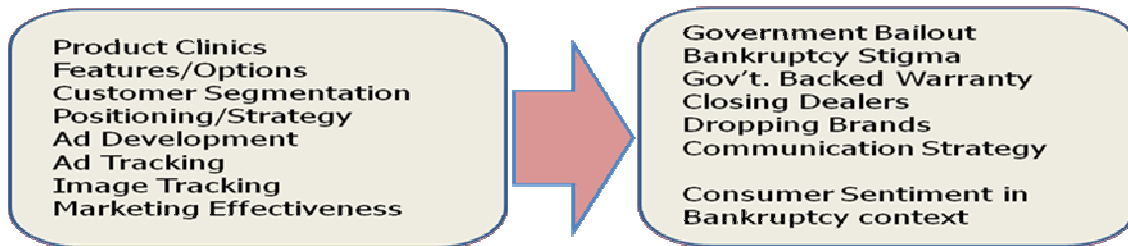
The challenge was to convey to consumers that if given a second chance, GM would be a viable company in the long-term. The company would not only have to fix its balance sheet, but also, stay focused on its mission to listen to the consumer, correct the ills of the past, and get back to the business of designing, building and selling great, high quality products.

With GM under the public and government spotlight, intense teamwork among the advertising, media and research teams was required to create a campaign to communicate that GM was changing to be a leaner, faster, smarter, and ultimately, stronger company. Success of the campaign would be defined as laying a strong foundation to revitalize GM and its core brands, to emerge from bankruptcy quickly and on a strong competitive track. By being integral to the strategy discussions, the research team was able to provide consumer insights that enabled the extraordinary success in hitting the perfect balance of tone, message, and importantly, emotion in the campaign's execution.

Campaign Objectives

The business objective of the Reinvention campaign was to plant a clear stake in the ground upon the timeframe of the business restructuring/bankruptcy to get consumers to consider buying GM vehicles. This would be done by conveying that GM is listening to its customers and acting on its mission to put the customer first, make the substantial changes necessary to be viable, and most importantly, provide consumers with great, high quality products.

Research Story



During this period, the research team entered uncharted waters. In addition to researching product, features/options, customer segmentation, and advertising, now they were looking at issues under the context of bankruptcy and overall viability of the business. Research methods were similar, but now they needed to be incredibly fast and in touch with consumers in this new context on a very frequent basis. They also needed to stay in touch with, if not ahead of, the issues in the minds of consumers, media, Dealer network, employees including the union, and the government.

Our first research strategy was to be deeply integrated with decision makers to ensure research was relevant. For example, the research team was included in very high level strategy and contingency planning sessions which they did not normally attend in the past.

Second, we anticipated the information needs of GM leadership; this was the only way to stay ahead of the issues and deliver the consumer insights when needed.

Third, research had to be fast -- incredibly fast. For example, it used to take several days if not weeks to report out on qualitative focus groups. In this new environment, we conducted debriefs with our clients after each focus group, and GM leadership did listen in on many focus groups. This enabled us to debrief and publish reports the night of the groups. Many reports were reviewed by top leaders late at night to prepare for full strategy and tactical sessions the next day. Blackberry-friendly summaries enabled quick distribution of findings, as well as a fast start to the decision-making dialog. Clearly, the teamwork between research, the agency's creative team, the internal advertising team, and GM leadership was critical to timely execution of the research, analysis and interpretation of the research results, and the on-going build up of learnings.

Fourth, research initiated a consumer sentiment tracking study that was supplemented by adding modules of questions in all our on-going research to ensure GM was keeping a close pulse on the marketplace. This pulse helped educate GM on the right messages and tonality in the advertising campaign.

And fifth, research "connected-the-dots" from one research event to the next which provided an accumulation of learnings. Research events including qualitative, quantitative, and even blogging on internally managed panels provided a crescendo of learnings into the spring of 2009. This accumulation of learnings provided a number of do's and don'ts for the Reinvention campaign.

Research Insights

Many consumer insights were needed to ensure the Reinvention campaign laid the right foundation of messages.

Business Issue: How would bankruptcy impact consumer purchase consideration?

The first figures coming from various research sources showed such high non-consideration for a bankrupt company that it spelled total disaster.

Further research detected that consumers could comprehend that bankruptcy was NOT a death knell but a much needed catalyst to restructure and get competitive.

Implications for the Reinvention ad: Messages in the ad needed to confirm that bankruptcy is not liquidation, but a restructuring and a catalyst to getting back to business and being competitive.

Business Issue: What was the impact of government involvement?

Several research studies said consumers wanted to confirm they would still have their warranty honored if GM went bankrupt. Our studies confirmed that if the government backed the warranty it would enhance consideration for our products. However, we did not want to depend on only one source of data, so we dug deeper with consumers to see if they would REALLY follow through on their consideration if the government backed warranties.

For some quick qualitative information, we did discussion forums (blogging) on our unbranded Internet panel. We built our survey using this preliminary information. Before describing how these government backed warranties might work, we saw that consumers had many concerns – mostly about the ability of the government to manage the program. Even after explaining how the government backed warranties would work, we were surprised at how high the concerns still were about the government involvement.

In other research, the influence of the government involvement also came through. Specifically, regarding the government loans, our research showed that many (56%) consumers were opposed to the automotive companies getting loans. In general, consumers didn't want to be reminded of the loans. What consumers did want to hear and be convinced of was that the loan funds were being used wisely and would be repaid.

Implications for the Reinvention ad: This was one of many breakthrough moments where our research provided consumer insights to directly inform our advertising message. Simply put, minimizing messages about government involvement was the breakthrough learning.

Business Issue: Why don't consumers consider purchasing GM vehicles, even without the issue of loans or bankruptcy coming into the discussion? What did consumers want GM to fix and/or deliver to get them to consider purchasing our vehicles?

Several qualitative studies, including discussions in most of our on-going research studies confirmed much of the findings of the past as well as our hypotheses, but also provided many nuisances and the degree of the consumer concerns with GM and its vehicles.

We learned that many consumer perceptions were based on their experiences and information from many years ago, without understanding the vast improvements we've made. We also learned that when consumers were educated on the vast improvements and the high quality and great looking product offerings of GM, their purchase consideration for our products increased.

A huge research breakthrough moment was the understanding that consumers wanted GM to admit to the ills of the past. They didn't want to dwell on this point, but, the mistakes of the past had to be noted to give confidence to consumers that GM understood what had to change, and that these mistakes would be corrected. This in turn would convey to consumers that GM products were worth considering.

Implications for the Reinvention ad: The communications needed to be straight-forward and clear about our business and products. Also, we could leverage the emotional feelings of consumers that clearly love an underdog – which was now the case for GM. But what was really successful at disrupting consumers' view of GM would be to start out with an admission of the ills of the past. The final Reinvention ad put this right at the beginning of the ad to get right at the straight talk approach.

In "connecting-the-dots" over many research projects from the fall of 2008 and into the spring of 2009, we came up with a number of do's and don'ts to consider while developing our Reinvention ad campaign. These could all be considered major research breakthroughs, and included:

- ✓ Don't thank consumers for the government loans.
- ✓ Don't remind consumers of the loans that they don't feel the auto companies should get.
- ✓ Don't pretend like nothing happened.
- ✓ Don't get into the "sale of the month" mode.

- ✓ DO admit mistakes.
- ✓ DO show that the loan monies will be spent wisely.
- ✓ DO move quickly to what will be different.
- ✓ DO focus on great, high quality products – now and in the future.
- ✓ DO remember that consumers love an underdog!

Ad Creative Brief

The creative of the Reinvention campaign followed the do's and don'ts mentioned above, and focused on ONE "Big Idea" theme:

IT'S NOT ABOUT GOING OUT OF BUSINESS;
IT'S ABOUT GETTING DOWN TO BUSINESS!

At the emotional level, the ad understood the spirit of being an underdog, AND having the humility of admitting mistakes. Thus, we started the ad with a straight-forward admission that strategies that may have made sense in the past just don't make sense in today's marketplace. The ad moved quickly onto what will be different, and then quickly showed the great current and future product offerings. The up-beat tonality and music conveyed that GM and its brands will be a strong, viable company.

The :60 TV spot, titled "Chapter 1", featured symbols of Classic American iconography of "down but not out" messages/images and an inspirational plan for the future.

Campaign Research Results

After testing several different campaign approaches, "Reinvention - Chapter 1" rose to the top in qualitative and quantitative research. Incidentally, given the confidentiality of conveying messages about being bankrupt before it was even determined that GM would go bankrupt (versus restructuring outside of bankruptcy), our quantitative research could not be done online as we typically would do. We had to go to local recruiting, such as mall facilities, to control the "stimuli" (the ads being tested) from being too public.

Research showed that this campaign strongly interrupted people's patterns and preconceptions of GM, through refreshing honesty and transparency that was perceived as absent in today's domestic automotive industry. In one qualitative research event a participant was quoted as saying "Transparency and openness is what got Obama elected and this is what GM needs right now".

The campaign's strength was its ability to evoke emotion, specifically its spirit of challenge and defiance, and that the American spirit and dream will again prevail. The ad created positive associations of GM's past by capturing and leading the consumer's imagination about GM's future. Copy testing of the Reinvention Chapter 1 ad showed "green" on all key metrics, including opinion, consideration, likeability, and attention power.

"Reinvention" took a staid, bureaucratic GM and repositioned it as aggressive, action-focused and forward thinking. This addressed the major criticisms of GM as a large company with an inability to change. Thus, the ad took the negative concept of Chapter 11 and turned it into a much-needed catalyst for change.

Business Results

The Reinvention “Chapter 1” TV ad ran on GM’s website on June 1st, the day that GM filed for bankruptcy. The ad ran heavily in the media the next day and throughout June 2009. All tracking studies and copy tests with consumers confirmed that the ad was way above all norms. It clearly laid the foundation of tonality and key consumer messages that were desired to set GM on its way to a successful emergence. The strategy for the ad also was transparent as it conveyed GM’s mission going forward – listen to the customer and deliver great, high quality products. The Reinvention “Chapter 1” ad was an extraordinary success by all measures from several internal and external sources.

GM was praised in the press for its straight forward approach. Most success metrics improved in GM’s Sentiment Tracking survey that was fielded in June and July 2009. These metrics continued their climb in the months beyond. By setting the right tone and conveying the right messages, along with a tremendous effort and teamwork by all organizations, GM emerged from bankruptcy in a record breaking time of 40 days.

In November 2009, GM announced that they will begin paying back the government loans sooner than most analysts predicted.

From a researcher’s view, many of the keys to successfully supporting GM through the bankruptcy will continue into the “new” GM culture. The research team has improved integration with Senior Leadership and is deemed very relevant, trusted and valued. The team is faster and more flexible. In general, research has been elevated in the organization from this experience.

General Motors is back to the basics – designing, building and selling great, high quality products!