

CASE STUDY: 2010 - SUBARU OF AMERICA: OWNER LOVE CAMPAIGN

Business Opportunity/Challenge

In 2007, Subaru of America was at a crossroads: sales were stagnant; some Subaru owners, generally among the most loyal in the industry, were beginning to consider other brands; Subaru, typecast for snow and rugged terrain, struggled to expand beyond the northeast and northwest, holding no relevance for the Sunbelt.

Moreover, the brand lacked an identity:

- Its flagship model, the Outback, was a brand unto itself and not transferring any equity back to the parent.
- The brand had 6 different taglines and campaigns over 7 years.
- Advertising strategies shifted, but tended to pursue a product focus in an attempt to identify buyers for each car rather than identifying buyers for the Subaru brand
- Media support for Subaru was consistently below the competition's, not just the "Big 3" Japanese brands but also vs. niche marketers such as Mazda, Hyundai and even VW.

Lacking the necessary investment to build a mass brand from the bottom up, Subaru made the strategic decision to return to its roots and compete as a niche specialist: defining the market on its terms to win, creating a large presence in smaller areas of the marketplace, and defining a Subaru brand essence true for all models. To support this new direction, marketing articulated two clear objectives to guide strategy and creative development:

- Articulate an idea to elevate "a collection of cars" to a single brand
- Move away from a more product-centric focus to a more emotional brand idea

The Research Story

True to the name of its advertising campaign, the Subaru success story has not just been a business exercise, but has actually become a labor of love for the all of those involved. The story falls into two parts: during the launch phase (2007-2008), Subaru and its agency partner, Carmichael Lynch, developed the Love campaign; during the second phase (mid 2008-2010), Harris Interactive joined to provide the required intelligence to take the campaign to a higher level of performance and meet its communications objectives.

Like most success stories, this is one of complete collaboration across all parties. Subaru advertising and Subaru market research worked as partners in brand discovery; Subaru market research maintained an open and honest relationship with Carmichael Lynch, chosen specifically to lead the creative charge for this marketing initiative. When Harris Interactive came on board, it similarly became an integrated partner in the brand process.

However, this story is remarkable for another reason. Sales began moving in a positive direction soon after campaign launch, while some of the upper funnel brand health measures were less reactive. Like so many marketers and agencies, Subaru and Carmichael Lynch could have remained satisfied with the sales performance and used tracking as a simple disaster check. However, their mission was nothing less than to create a lasting platform for the brand that would fuel continued growth. They commissioned Harris to provide a proprietary brand health and advertising tracking program that would help the Subaru team monitor and diagnose in-market performance and hence understand how best to build brand health and drive sales performance even higher.

Finally, the story is one of continuous curiosity and improvement. As part of the tracking engagement, Harris provided Subaru with one qualitative exploratory per year to address ad hoc creative questions.

Phase 1: Creative Development and Research Insights

Throughout 2007 and early 2008, Subaru market research and Carmichael Lynch undertook a year plus long effort to synthesize existing research from many, and multiple, sources:

- Syndicated industry and consumer trend studies from sources such as GfK, J.D. Power, Strategic Vision, and Iceology
- Traditional and digital media research sources such as Compete and Simmons/MRI
- Previous Subaru custom research and owner letters

Subaru also commissioned quantitative and qualitative primary research to fill in gaps. This disciplined approach to synthesizing multiple data sources resulted in the following insights:

- The main barrier to consideration was a lack of emotional relevance...the majority of current non-owners did not consider the brand simply because of lack of affinity: not for me, good brand but no feeling for it or no opinion/image of Subaru at all.
- However, Subaru owners had a very clear image of the brand (safe, takes me anywhere, rugged) and a very clear image of themselves (open-minded, independent thinking, adventurous, pragmatic) vs. a Toyota (older, conservative) or a Honda (trendy, young, buying the nameplate) owner.
- Finally Subaru's hidden strength was the passionate love affair that existed between the car and the people who drive it:
- "I take photos of it whenever we get a new accessory or whenever I get a chance, really, which is a little odd, I suppose, but we both just really love it."
- "My Subaru Forester is the best car I've ever had. It was love at first sight."
- "I wanted to tell you, I really love my Subaru. It's bright yellow. Can't wait to get another one that has the turbo engine."

The charge became to focus on the emotional connection between owners and their Subarus. In so doing, the brand would not only remind its current owners of why they purchased a Subaru in the first place (thus protecting their base), but could reach out to a well-defined psychographic/lifestyle and trigger more like-minded individuals to consider the brand.

Having identified the mission, the drive for research insights didn't stop there. The story continued with a focus on continuous curiosity and improvement. As part of the tracking engagement, Harris provided Subaru with one qualitative exploratory per year to address ad hoc creative questions.

- Subaru Bulletin Boards – Nov 2008. There were 2 groups for the bulletin boards and all participants had to be very/extremely familiar with Subaru, but only one group comprised of those who had a very good/perfect fit with the Subaru brand. The purpose of this discussion was to further understand key issues uncovered during the online brand tracking study.
- Subaru Bulletin Boards Ethnographies with Diary– Feb 2010. Competitive models owners were researched to understand the emotions and perceptions that influence the car-buying process of Subaru's target prospects and identify any white spaces in Subaru's messaging.
- In 2Q 2010, Harris also provided an ad hoc listening module; by listening to unfiltered consumer conversations, we confirmed that "love" was very much in the air for Subaru.

Campaign Description

To inspire love, all Subaru messaging, regardless of the model, would be built around a single communications strategy, maintaining a focus on the defining Subaru feature of All Wheel Drive. The aha moment came when client and agency realized that the creative payoff to the campaign—the tagline—would not require yet another complete change. The addition of one single word to an existing tagline would make all the difference in defining the brand essence:

Love. It's what Makes a Subaru a Subaru.

Campaign testing (both qualitative and quantitative) among Subaru and competitive owners research demonstrated that:

- Owners agreed with the idea of Love in all markets: it captured why they bought, their aspirations, values, personalities, and rang true for the brand.
- The campaign sparked intrigue and/or consideration from competitive groups.
- Even in the Sunbelt, where perception of the brand was negative or non-existent, the messages were received with intrigue if some initial skepticism.
- Campaign messaging delivered emotional connection and product features.

Campaign Objectives

Communications objectives were crafted to match and augment the business objectives:

1. Has the advertising moved away from a more product-centric idea to a more emotional brand idea?
2. Has the Subaru brand become more relevant to more people?
3. Have we elevated the collection of cars to a single brand?
4. Has the love message taken hold within the advertising?
5. Are we successfully bringing new people to the brand?

On a final note, all sales materials, collateral and dealer material were themed synergistically with the advertising; the sales event featured the love theme, most especially the “Share the Love” holiday event, in which Subaru donates to a charity of the buyers choice.

Phase 2: Evaluation and Continuous Improvement

Love was successful in the months following launch, with Subaru sales remaining steady in 2008 compared with an industry that was down 18%. The upper funnel brand health measures were improving, but with less than one year of history in the campaign, the question remained of just how successfully the emotional message of the advertising was breaking through.

Measuring the effectiveness and “stickiness” of an emotional idea required a specific point of view in the tracking research. Subaru partnered with Harris Interactive to conduct their communications tracker, in large part because of Harris’s experience in quantifying the emotional relevance of ad campaigns using its Consumer Connection battery... measuring the degree to which a consumer loves or hates the brand, and to which the brand’s image fits with the consumer’s image of themselves.

2009 and early 2010 became a time of taking the campaign temperature. Tracking presentations were retooled to become more dynamic and interactive. Every reporting cycle became a fresh opportunity to answer each one of the campaign objectives and to determine why brand health measures failed to move with a campaign that had met prior research hurdles.

This active engagement with the data led to the following insights that impacted 2010 strategies:

- The Subaru brand was extremely responsive to advertising ...key brand health measures around emotional connection, brand relevancy and related brand attributes reacted almost immediately to TRP infusion.
- However, “dark” periods and shifts from brand messaging to funding sales events interrupted progress in building brand health; after each brand hiatus, the advertising would have to rebuild its connectivity with consumers, explaining why these measures seemed capped at a certain level when looking at quarterly trends.
- In addition, diffusing focus across models and messages (for example, showing Outback rugged performance along with Legacy safety) stretched limited TRPs thin, further undermining movement on brand metrics. For example, in 2009, all Subaru models (Outback, Forester, Legacy, Impreza, Tribeca) received TV support, as did two major sales events and a minor teaser effort.
- By contrast, with a single minded focus and higher spend levels to accompany the 2010 Legacy launch during 3Q09, we observed:
 - Based on rolling 4 weeks, there were significant gains in Emotional Connection and Fit, and Intent to Visit Dealer for the Subaru brand increased from before the Legacy ads launched to after launch.
 - Among the Legacy target, Overall Impression was up significantly and Visit to Dealer was up directionally.
 - Among 2 year intenders and the Legacy target, both Subaru Brand Consideration and Legacy model consideration were up directionally from August to September.
 - Key funnel (opinion, consideration and dealer intentions) and brand health (emotional connection and brand relevancy) metrics were consistently and substantially higher for those who viewed the ads vs. those who did not; these measures increased with exposure to additional executions within the campaign.

These insights gave Subaru of America the needed rationale to request continued and increasing support from the parent company, Fuji Heavy Industries, and also impacted how the campaign was planned and executed in 2010:

- Support levels are now consistent month to month, and are at consistently higher levels than they have been since campaign launch.
- Hiatuses in the flighting have been removed.
- Creative rotation follows a core model strategy, focused on Outback, Forester and predominantly Legacy, allowing the new 2010 launch enough support to take hold in the marketplace, build its association with the Subaru brand and continue to “halo” attributes such as safety and good-looking back to the parent brand.

There is one last component to the research story. In 2Q2010, we observed some sharp increases in measures for Hyundai, a competitor of growing importance in this depressed economy. Funnel and brand health metrics and several important attributes were increasing, and the rate of quarter-over-quarter sales increases were concerningly high. We wanted to know whether Hyundai’s positive momentum was a lasting love affair or a passing flirtation.

Harris Interactive turned to its Lifestreamers, a segment of the Harris Poll Online Panel that agreed to “friend” the company on its social networks. Using this data source, we found that the conversations around Hyundai were highly transactional, focused on features and shopping behaviors.

By contrast, Subaru conversations confirmed and added real-language dimensions to what we were seeing in the tracking data: that consumers spontaneously associated Subaru with home, family and yes, love.

Campaign results

Has the advertising moved away from a more product-centric to a more emotional idea?

- Yes, significantly more consumers claim to like or love Subaru vs. the previous two years

Has the Subaru brand become more relevant to more people?

- Significantly more consumers claim that Subaru makes cars that are “versatile to fit my needs” or has “vehicles for me”

Have we elevated the collection of cars to a single brand?

- Movement to a strategy that focused on AWD and safety for all of its brands has given Outback permission to join the Subaru brand in consumer minds; Subaru ratings among the Outback target are now aligned with the more positive ratings that halo to the brand from the Forester and Legacy targets (see attached chart)
- Increased focus on Legacy has similarly driven brand ratings for “makes good looking vehicles” upward. In Q3’10, Subaru increased for association with “makes good looking vehicles”.

Has the love message taken hold within the advertising?

- Our recent listening exercise suggests that Love is stronger than ever for Subaru, especially when we compare its conversations with its major competitors.

Are we successfully bringing new people to the brand?

- We are steadily moving more people into the “connected consumers” column.

Business Results

Subaru has been outperforming the U.S. market for the past two years. It was one of only two brands to report a sales gain in 2008 and one of three to achieve a sales increase in 2009.

- Sales (all comparisons made are 1-3Q each year) and Share: +10% increase in a down market 2009 vs. 2008. Competitors posted the following gains/losses: Honda, -36%; Hyundai, 1%; Mazda, -26%; Nissan, -25%; Toyota, -36%
- +22% increase, highest of any competitor. Competitors posted the following gains: Honda, +19%; Hyundai, +20%; Mazda, +9%; Nissan, +15%; Toyota, +20%: In Sun Belt states, always difficult for Subaru, sales have increased 37%.
- Post-launch share peaked at 2.9% (3/10), vs. pre-launch peak (1.5% 11/06). Average share of total sales for Subaru pre-launch (Sept’05-Apr’08) was 1.21% compared to 2% post-launch (May’08-Sept’10).

Awards

Subaru has received over 40 awards and accolades over the past two years, including being named in 2009 by Ad Age as one of America’s hottest brands and in 2010, being named by Kelley Blue Book as Top Retail Brand while US News and World Report named Subaru’s “Dog Tested” viral ad (run during Animal Planet’s Puppy Bowl) the Best Car Commercial of Superbowl XLIV Sunday. Also, in Consumer Reports’ 2010 Car Brand Perception Survey, Subaru received the largest percentage increase (39 percentage points) vs. 2009, catapulting the brand from 19th to 9th across all automakers. Last but not least, in Harris Interactive’s own EquiTrend annual study of brands, Subaru’s equity score increased substantially; in fact, over the past 5 years, Subaru’s brand equity score has experienced the largest increase of any automotive brand.