

Summary: Ford has spent the past two months using 100 Agents in “The Fiesta Movement” campaign to increase online awareness and interest about the Fiesta. Unfortunately, there are problems: (1) Due to the Agents’ free-reign, Ford has abdicated responsibility for the brand’s messaging, which is a risk to the brand’s image; (2) a number of the Agents have failed to generate a significant following; (3) not many Ford Fiesta models are available in the U.S. to test drive; (4) the 2011 Ford Fiesta model will not be available in the U.S. for 10 months; and (5) The Fiesta Movement will only continue for 4 more months, which will leave a 6 month gap between the campaign and the launch. This poses the most significant question/problem, “How will Ford be able to sustain and grow consumer interest in the Ford Fiesta during the 6 months following The Fiesta Movement?” **Recommendation:** Ford should create a *rebate points* system (“Fiesta Points”) that piggybacks “The Fiesta Movement.” By participating in the Fiesta Points campaign, registered users can gain points that they can “cash in” for special rebates when purchasing a new 2011 Ford Fiesta. By applying Fiesta Points, Ford creates an *escalation bias* among the registered users, and in the months prior to the release of the Ford Fiesta 2011 model, consumers will attempt to gain as many points as possible via viral marketing and social media. This will create a *snowball effect*, in which the viral marketing will continue to grow awareness and interest in the Ford Fiesta. This is also great *free marketing*, so Ford can retain its company policy to not advertise before there is inventory to sell. Fiesta Points remedies most of Ford’s current problems, and should be implemented immediately.

Company: The Ford Motor Company is one of the world’s most prolific automotive manufacturers and distributors, holding 16.7% of the U.S. automotive market. Although Ford averted the 2009 automotive bailout, Ford’s sales are down by a wide margin. **Goals:** (1) Ford seeks to boost their sales by acquiring a 9% - 11% U.S. market share of segment B cars by re-introducing their globally-acclaimed Ford Fiesta into the U.S. market; (2) Ford also seeks 100,000 test drives of their Ford Fiesta in 100 cities before the 2011 launch; (3) to do this, Ford seeks to (continue to) use Agents as a medium to increase awareness and interest; and (4) Ford seeks to target millennials through social media and viral marketing. **Strengths:** Because Ford is not associated with the recent automotive bailout, and the brand has been able to retain its integrity as a historically and globally-acclaimed brand. **Weaknesses:** However, Ford currently has low customer perception ratings, and while Ford is trying to establish a new and hip brand image, Ford continues to be associated with trucks and suburban lifestyle. Furthermore, Ford has not had a segment B car in the U.S. market for around 29 years, so most customers do not associate Ford with subcompact cars.

Competition: Although customers may choose indirect competition, such as paid transportation, carpools and physical activity (such as running, walking, biking), Ford’s most **direct competition** is other car companies, such as General Motors, Nissan, Chrysler, other small car manufacturers, and principally Toyota and Honda. **Strengths:** Toyota and Honda have been established in the B segment for years, so they have strong brand awareness in that category. In addition, Japanese car reputation is high and is considered to be a good value. **Weaknesses:** However, no *emotion* is associated with the competitors’ brands, especially the Japanese brands, which are mostly valued through quantitative ratings. This is good for Ford, because the Fiesta attempts to tap into a “fun” emotional aspect that is unique to the B category.

Customers: Most customers are hurting after the recent recession. This means household income is low, and jobs are low. In the current Information Age, most customers use social networking sites. This also means that the customer seeks to validate significant purchases through information and trends available on the Internet. **Needs:** Currently, customers have a need to spend less, and seek reliable purchases. They want high-tech, quality, and safety, all for the lowest price. Almost 40% of the B segment market is between the ages of 45 – 60, seeking fuel efficiency and compactness. In addition, the percentage of millennial drivers is growing at a fast rate and they seek a *relatable* entry-level vehicle.

Segmenting: Identifiable segments include (1) “City Cindy,” a city-dweller who wants a quick, small car; (2) “Parking Peter,” who wants to fit into small parking spaces; (3) “Innovative Indy,” who wants a trendy car with tech and gadgets; (4) “Murica Max,” who wants an American car; (4) “Warranty William,” who wants a car from a company that won’t go bankrupt during the car’s lifetime; (5) “Cheap Charlie,” who wants a car with the best value for a low price; (6) “European Eugene,” who likes niche cars from around the world; (7) “Graduate Greg,” who is a recent college graduate seeking a first car; (8) “Graduate Greg’s Parent” who seeks to buy a graduation present/first car for “Graduation Greg”; and (9) “YOLO Yancy” who has a vibrant party spirit and seeks creative expression in all walks of life.

Targeting: Ford should target “Graduation Greg,” who is also a millennial (a fast-growing driving segment, from 14% in 2004 to 28% in 2010) and a member of the “Innovative Indy” segment. Most “Graduation Gregs” did not have a car in college and need one after graduation. As an “Innovative Indy,” he will value the high-tech features of the Ford Fiesta. Psychologically, “Greg” misses fraternity/college life, and misses social circles and parties in the “real world.” As a result, “Greg” is deeply integrated into social media, connecting with old friends to keep his nostalgia alive. “Greg” finds value in

the Ford Fiesta's spirited "fiesta"-like appeal by continuing the party as he drives. "Greg" will also likely influence his parents or family to purchase a car for him, since about 2/3rds of Ford buyers are over age 40. In addition, "YOLO Yancy" will hear of the Fiesta's fun nature through viral marketing and gain interest.

Positioning: For millennials who seek a vibrant and affordable car with high-tech features, the Ford Fiesta is the globally award-winning life of the party that has broken sales records worldwide.

Product: The Ford Fiesta is an award-winning subcompact car with a sleek design that comes in a variety of vibrant colors. The entry-level model has high tech features, including keyless entry, seven shades of ambient lighting, and the "Ford Sync" entertainment system. Regardless of its global success, the Ford Fiesta is unknown in the U.S. market, and Ford must take significant steps to market it as a strong competitor to the current Segment B incumbents. This includes improving the customer perception of its overall value, which is only at 22%, as compared to the Honda Fit and Toyota Yaris, each at 26%. Furthermore, there are no 2011 Ford Fiestas on display or to test-drive, so customers cannot gain a self-credentialed impression of the product. Most customers' current impressions rely heavily on Agents' reviews in online videos and blogs from "The Ford Movement."

Price: B segment competition cars currently have an entry price just below \$10,000 and range up to \$18,000 at the high end. Because the Fiesta Point campaign may award customers up to a \$2,000 rebate, Ford Fiesta should mark up its entry-level model's price to be \$12,000, which is still very reasonable, since the entry-level Ford Fiesta already includes more high-tech features than its competition. At \$12,000, the price is still low enough to target millennials who seek a Ford Fiesta independently of the Fiesta Points campaign, and is high enough to offer a "haggle-free" reward to millennials who *do* participate with the Fiesta Points campaign. It is essential that Ford set the price very low because the demand is incredibly elastic. The value perception is low on all accounts, and the Fiesta is a new re-introduction, so there is *no switching cost* to getting a different car than a Ford. Because it is so new to the U.S. market, most people do not even know of its impending existence except for those following "The Fiesta Movement" campaign. That means that *the marketing campaign is the only force that drives sales, and one misstep could send customers running to another car brand.*

Promotion: Mission: (1) Ford Fiesta seeks to appeal to vivacious millennials who seek fun times. In order to do this, (2) Ford needs to awareness and interest in the Fiesta. Ultimately, (3) Ford hopes to achieve 100,000+ test drives from generated interest. **Message:** "Feel young and alive, like there's a fun party as you drive!" **Media:** Ford currently promotes its Ford Fiesta through 100 Agents on social media networking sites. Ford should also quickly implement an online points system through e-mail, social media sites and its *fiestamovement.com* website. "Fiesta Points" can be acquired by opening a daily mail and simply clicking a link. More points are given to people who forward e-mail, refer people, or pass along the promotional ads. Points are given via e-mail "clicks" and website points are given when the user registers/pairs his/her social media accounts and uses special hashtags. In addition, "Missions" should be given to Agents near the end of the Fiesta Movement campaign that help promote and launch the Fiesta Points campaign. **Money:** At this point, Ford has invested about \$3,000,000 into The Fiesta Movement campaign. The Fiesta Points system would cost a nominal website development budget, but once the system is in place, it will cost only maintenance and customer service expenses. The Fiesta Points system would be designed to run itself and generate viral interest in acquiring future rebates. In addition, Ford will be able to save on marketing expenses close to the launch of the 2011 Fiesta because viral marketing will spike once registered users gain momentum and access to get special deals that include both discounts and upgrades, and extra Fiesta Points for doing a test drive. **Measurement:** Since test drives will offer a boost to a customer's Fiesta Points, (1) the number of test drives will be telling of the success of the campaign. In addition, (2) the data gathered from the Fiesta Points system (from cookies, analytics, etc) will help Ford predict consumer interest and demand, and will better gear its advertising campaign once the 2011 model is launched and the company can finally tap into its full budget.

Place: The main channels of sales will be through (1) car dealerships, where rebates are given. In addition, Ford Fiesta can raise awareness through (2) car rentals, (3) car shows/conventions, (4) festivals/other big outdoor events, and (5) online social media, credentialed through Agents. Until the release of the 2011 model, all of the places can showcase a 2009 or European-type car in the showrooms to gain exposure, since most consumers are still unaware that Ford is introducing a B segment car into the market. In addition, dealerships *should always associate a party with the Fiesta by always including vibrant balloons by the model*, in order to appeal to a consumer's desire for fun times. The balloons emphasize and associate a party-like "fun and feisty" emotional association with the Fiesta. This association, once established, will help drive *demand for upgrades* in order to *fully "live the life of the party."* Once demand is established, *Ford can make large marginal profits by charging higher premiums for upgrades.*