

From a lemon we have grown an accessible and commercial success. A strategy for driving Volkswagen from a desirable but expensively perceived brand to a profitable market leader.



OwensDDB

## AGENCY

Owens **DDB**

## CLIENT



## AWARDS

AUTOMOTIVE

SILVER

## COMPANY PROFILE

OwensDDB, part of the DDB global network was established in Ireland in 1959 and is 100% Irish owned.

Headed up by Mark Hogan, there are 27 full time employees offering creative, strategic and digital services.

Last year OwensDDB went back to school, moving office into an old schoolhouse on Grantham Street, Dublin 8.

They have a varied client list across many sectors and have been successful in winning many creative awards, putting creativity and the consumer at the core of everything they do.

Working philosophy:

*"Our role is to generate creative solutions to our client's problems through sound strategic thinking, aiming to communicate simply, with relevance, and to surprise the consumer in new and unexpected ways."*

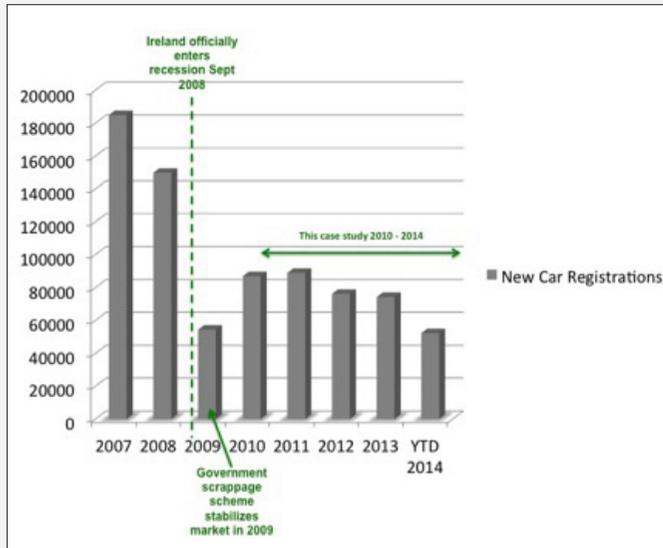


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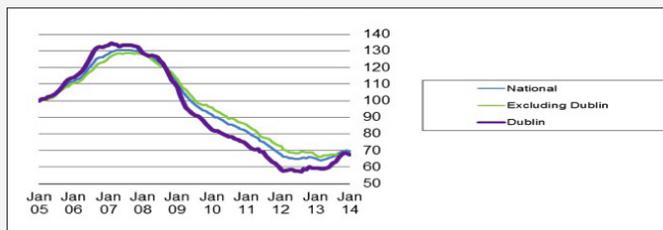


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Total new passenger car sales:



Residential property price index:



## MARKETING OBJECTIVES

The car market in Ireland has been through the wringer. The recession greatly affected the industry, so much so the whole market essentially fell off a cliff in 2008. On top of this the credit crisis had fundamentally changed the way consumers shopped, especially for cars. As a car brand we were really feeling the pinch.

The damage that the recession caused to the car industry in 2008 is clearly evident in the below graph. The market plummeted by 64% in one year!

Up until the recession the Irish had been replacing their cars with the latest models every 2-3 years. All that changed as many people were losing their jobs or worried they may lose their jobs. Unemployment was becoming a serious issue as you can see in the CSO seasonally adjusted standardized unemployment rates:

	2008	2009	2010	2011	2012	2013
Annual Average	6.4	12	13.8	14.6	14.7	13.1

The value of consumer's homes had diminished and credit was no longer available from banks. In 2014 the national property price index is 46.7% lower than its highest level in 2007. So people who thought that they were wealthy through the value of their property and those who had recently purchased homes were feeling particularly poor.

Things were looking pretty grim for the whole automotive industry. Cartell's data worryingly revealed that nearly half of the cars registered in Ireland in 2009 were in fact used imports from the UK. To add insult to injury marketing budgets were being slashed.

Then in December 2009 the government launched a scrappage scheme. Under the scheme VRT relief of up to €1,500 was provided where a car of 10 years or older was scrapped and a new car of CO2 emissions bands A or B purchased. The scheme was extended for the period January 2011 to June 2011 with reduced VRT relief of up to €1,250.

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## MARKETING OBJECTIVES

This incentivised the consumer to consider a new car purchase and companies like Renault really got behind the scheme with their marketing communications introducing significant price decreases. It also halted the huge percentage decline in sales we were experiencing in the market. There was a 63% drop between 2008-09 yet between 2009-10 it had raised up to a 59% increase from 2009. Granted, off a very low base but the decline had been halted.

The downside of the scheme was that we were relying on people who had cars 10 years or older. These people hadn't changed their car when times were good, so it was tough to get them to suddenly consider buying a new Volkswagen.

The recession definitely had a huge impact on the market and one must remember that a recession hangover still remains, as consumers are 'once bitten twice shy' and unemployment rates are yet to recover. All of the above is helpful to bear in mind when reading this paper, however for the purpose of the remainder of this paper I will be looking at 2010 – 2014 YTD (April).

In 2010 Toyota and Ford were ahead of Volkswagen in car sales and share figures. A fact we were no longer willing to accept, so we set a new commercial objective.

### Commercial Objective

Become the No.1 selling car in Ireland by 2015, while still remaining profitable.

Back in 2010 Volkswagen were the number three selling car in Ireland (10,391 cars), behind Toyota (11,129 cars) and Ford (11,273 cars).

In order to achieve our objective we would need to grow our market share by approximately 1.5%, a small but very critical percentage and a feat we had never achieved before.

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## MARKETING OBJECTIVES

Our marketing objective was to make our communications work harder to lead to increased sales.

### **Marketing Objective**

Make Volkswagen more appealing to irish consumers without effecting the brand premium.

The Volkswagen brand for the first time had to be more tactical, showing prices and offers in adverts. This was to react to the fundamental change in consumer mindsets and to assist consumers in justifying their new car purchase – to both themselves and to others.

## THE TASK

Volkswagen were fighting for a piece of the pie, but as you saw from the reduced sales figures, the pie had shrunk considerably, marketing budgets had also shrunk to reflect this smaller market.

In 2010 there were a number of trends affecting sales in Ireland:

- ▶ Lack of credit/finance
- ▶ Consumers not renewing cars
- ▶ Those who were renewing cars were very interested in UK imports and used cars

What was particularly difficult with our two objectives was that as straightforward as they sounded, we had been unable to achieve them when the car market was in growth despite having models that were on par with Toyota and Ford.

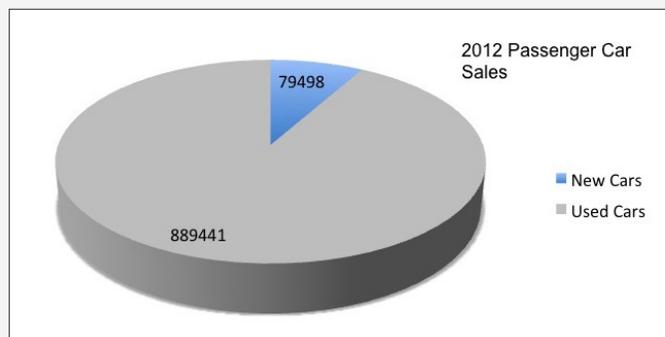
Segment	Volkswagen	Toyota	Ford
Small Hatch	Polo	Yaris	Fiesta
Mid Range Hatch	Golf	Auris	Focus
Mid Range Saloon	Jetta	Corolla	Focus
Large Saloon	Passat	Avensis	Mondeo
People Carrier	Touran	Verso	Galaxy
SUV	Tiguan	RAV4	Kuga

Irish people just loved and trusted Toyota and Ford because of their investment in communities at grassroots level, a trend that was converting into sales as they were topping the car sales charts. And in a recession people turn to loved and trusted brands!

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## THE TASK

*"In these unsettling times, people are looking for things that are real and authentic, that have stood the test of time and remained true to their heritage; these things provide both comfort and reassurance"*

- Bord Bia Consumer Research Nov 2011

Volkswagen was primed to tap into this insight. We just needed to find a way to convince people that they really could own a Volkswagen. We were keen to demonstrate that we could be a brand people turned to in recession: accessible and affordable.

Essentially, there were two barriers to purchasing a new car, and a third barrier to purchasing a Volkswagen

1. Buying a new car was seen as vulgar and very 'celtic tiger'.
2. Buying a second hand or imported car was particularly in vogue as it was seen as being frugal.
3. Consumers thought they couldn't afford a Volkswagen.

Volkswagen needed to challenge those barriers.

The car industry wasn't just competing against each other; they were competing against used car sales. Of the 968,939 cars that exchanged hands in 2012 only 79,498 were new cars. According to Carzone research the average age of a car in 2013 was 8.25 years – up from just 5 years old in 2001, proving that motorists were holding on to their cars for longer.

As a result car brands started offering discounts and deals to give the consumer a means of justification over second hand or imported cars. Hyundai and Kia were offering never seen before warranties - up to 7 years! Toyota were offering three years free servicing, Ford a 400km fuel voucher with any test drive, Renault were being fiercely competitive offering their own competitive scrappage scheme in conjunction with the government's.

But here's the problem, it was completely unsustainable and these brands must have been operating at a loss or a significant decrease in profits.

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## THE TASK

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**Volkswagen are a business and didn't want to get into a race to the bottom. It was important for us to remain profitable on our journey to the number one position.**

We were aware that we needed to adjust our price premium. Bring the premium down but still keeping a certain level, so the brand wasn't undermined. As part of the strategy 'quality' was redefined. Traditionally quality was product superiority. We redefined it to mean 'brand superiority' – a combination of better product, better finance and better long term value.

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## THE STRATEGY

Some competitor brands had decided to heavily discount their cars. This was the tempting thing to do but it wasn't right for the past or for the future of Volkswagen.

Over the past four years we have had a two phase strategy.

### **Phase One (2010-12):**

Make Volkswagen more accessible to consumers while still maintaining a level of brand superiority.

We didn't have huge budgets so we planned to do this through print and radio as this was the strongest, most cost effective way to reach the widest audience.

Each advert would have a different strength or reason to believe. The ads were tactical but they all played a role in the objective, which is evident when you see the advertisements.

### **Phase Two (2013-14):**

Position Volkswagen as an investment.

In 2013 the strategic planning department in Owens DDB undertook qualitative research to talk to Irish consumers. We purposely recruited Volkswagen, Toyota and Ford drivers into the mix and showed them some creative concepts. What was most insightful was how much respondent's interest peaked when presented with any creative that was set in Ireland.

*"A lot of car ads these days are left hand drive and you think this is a German ad and somebodies voice is dubbed over it – like you're not even trying!"*

- 29 year old male, Dublin

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Current adapted ads that ran on Irish TV in 2010-2012



'Sounds like a Golf'

<https://vimeo.com/92822796>



Polo 'Dad'

<https://vimeo.com/92822001>

## THE STRATEGY

*"That's a proper Irish car ad – not driving round mountains"*

-36-year-old male, Thurles

*"The fact that you'd film an ad here would make it huge"*

-47-year-old female, Dublin

We discovered that respondents didn't feel that any car brand was trying hard enough to get them to part with their hard earned cash. They were very advertising literate and felt many car ads (on TV) were dubbed over "left hand drive" European ads. There was a disconnect. We took the learning that if we wanted to really cut through with Irish consumers we needed to localize our communications on TV. Regardless of how popular the global TV ads that we ran here were.

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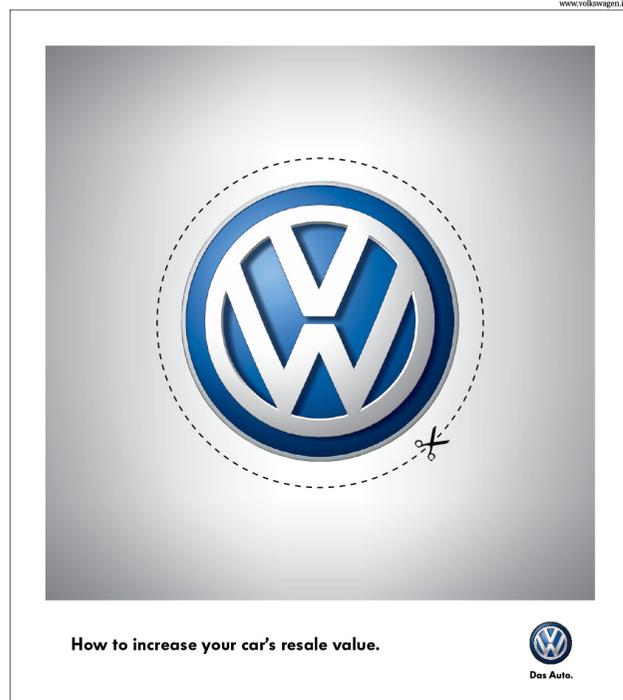
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## THE IDEA

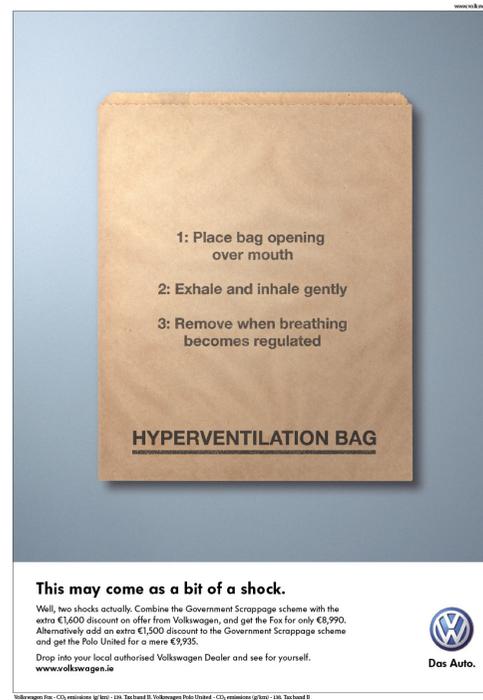
Post recession, Volkswagen were forced to divert a significant proportion of marketing budget and focus.

As previously mentioned, our strategy was to use tactical ads in a strategic way with a Volkswagen tone of voice. Each execution was showing a different strength, essentially reasons to believe in the brand.

Our award winning NNI Press Ad of the Year encapsulated this.



The strength: Residual value.



The strength: Value.



The strength: Affordability.

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## THE IDEA

www.volkswagen.ie

**3** 3 YEAR FREE SERVICING  
3,000KM FREE FUEL  
3 YEAR ROADSIDE ASSISTANCE  
3 YEAR WARRANTY  
3.9% FINANCE\*

**The Limited Edition Golf 250.**

With specification including 16" Atlanta alloy wheels, climatic air conditioning, front fog lights, tinted rear side and rear windows, ESP and Bluetooth as standard, the Golf 250 can be your prized possession for just €20,495. But hurry - we only made 250 of them.

And with Volkswagen's new 3 offer, when you buy a Golf 250, you'll enjoy the added benefits of 3 years free servicing, 3,000 kilometres free fuel, 3 years free roadside assistance and 3 year warranty plus fantastic finance offers from Volkswagen Bank. And if you order your new car by December 31st, we'll also give you a free Sat Nav.

Order your Golf 250 today at your local Authorised Volkswagen Dealer.

Follow us on Facebook and Twitter

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\*Free Sat Nav offer applies to all new Volkswagen passenger cars ordered from any Authorised Volkswagen Dealer and registered by December 31st 2012. All models come with 3 years free servicing/45,000km whichever comes first, 3 years or 90,000km parts & labour warranty, 3 years free Volkswagen roadside assistance and 3,000km free fuel. Free fuel will be in the form of a 3 litre gift card, redeemable at participating repair outlets (please visit www.vopas.ie for participating outlets). Official government fuel figures (range shown) combined cycle/litre per 100km/mppg CO2 emissions g/km. Highest: Golf 2.0 TSI 270hp 6.5l/100km (32.2mpg/99g/km). Lowest: Polo BlueMotion 1.2 TDI 250hp 3.5l/100km (67mpg/99g/km). \*Finance starting from 3.9% APR from Volkswagen Bank, on the purchase only, on all models excluding hybrids and new Golf. Typical Finance example: Polo GTDP €30,000. Deposit/part exchange €3000. 48 monthly payments of €400. Typical APR 3.9%. Total cost of credit €2,577.57 including acceptance fee (€75) and completion fee (€75). Minimum deposit is 10%, subject to lending criteria. This offer is made under a hire purchase agreement. Volkswagen Bank GmbH Branch Ireland is authorised by the Federal Financial Supervisory Authority in Germany and regulated by the Central Bank of Ireland for conduct of business rules. For further terms & conditions please visit www.volkswagen.ie

The strength: Premium message.

www.volkswagen.ie

**3** 3 YEAR FREE SERVICING  
3,000KM FREE FUEL  
3 YEAR ROADSIDE ASSISTANCE  
3 YEAR WARRANTY  
3.9% FINANCE\*

**Eeeny.**

**One look and you'll know. The New Volkswagen CC from €419 per week.**

Forget 'Eeeny, meeny, miny, moe'. The New Volkswagen CC has done all the decision making for you. Its beautiful exterior and impeccable quality make it the only executive car worth thinking about.

**The new CC from €35,610. Test drive today at your local Authorised Volkswagen Dealer.**

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\*Excludes servicing & fuel for the New Golf. All new 2013 Volkswagens must be ordered by Dec 31st 2012 & registered by Jan 31st 2013. Free Sat Nav offered if new Volkswagen is ordered by Dec 31st 2012 & registered by Jan 31st 2013. PFD system (partable navigation and Bluetooth device) will replace a sat nav in the car model. All qualifying models come with 3 years free servicing/45,000km whichever comes first, 3 years or 90,000km parts & labour warranty, 3 years free Volkswagen roadside assistance and 3,000km free fuel. Free fuel T&Cs please see www.volkswagen.ie. \*Finance starting from 3.9% APR from Volkswagen Bank, on the purchase only. Typical Finance example: CC GTDP €36,300. Deposit/part exchange €10,000. 48 monthly payments of €419. Total cost of credit €2,577.57 including acceptance fee (€75) and completion fee (€75). Minimum deposit is 10%, subject to lending criteria. This offer is made under a hire purchase agreement. Volkswagen Bank GmbH Branch Ireland is authorised by the Federal Financial Supervisory Authority in Germany and regulated by the Central Bank of Ireland for conduct of business rules. For further terms & conditions please visit www.volkswagen.ie

The strength: Redefining value.

www.volkswagen.ie

**3** 3 YEAR FREE SERVICING  
3,000KM FREE FUEL  
3 YEAR ROADSIDE ASSISTANCE  
3 YEAR WARRANTY  
3.9% FINANCE\*

**The Passat BlueMotion. The most fuel efficient car in its class. From €299 per month.**

The Passat offers unrivalled fuel efficiency thanks to Volkswagen BlueMotion Technology making sure that you'll be making less trips to the forecourt. We rest easy because you'll need a reminder to refuel.

Visit your local Authorised Volkswagen Dealer today.

Das Auto.

\*Excludes servicing & fuel for the New Golf. All new 2013 Volkswagens must be ordered by Dec 31st 2012 & registered by Jan 31st 2013. Free Sat Nav offered if new Volkswagen is ordered by Dec 31st 2012 & registered by Jan 31st 2013. PFD system (partable navigation and Bluetooth device) will replace a sat nav in the car model. All qualifying models come with 3 years free servicing/45,000km whichever comes first, 3 years or 90,000km parts & labour warranty, 3 years free Volkswagen roadside assistance and 3,000km free fuel. Free fuel T&Cs please see www.volkswagen.ie. \*Finance starting from 3.9% APR from Volkswagen Bank, on the purchase only. Typical Finance example: CC GTDP €36,300. Deposit/part exchange €10,000. 48 monthly payments of €419. Total cost of credit €2,577.57 including acceptance fee (€75) and completion fee (€75). Minimum deposit is 10%, subject to lending criteria. This offer is made under a hire purchase agreement. Volkswagen Bank GmbH Branch Ireland is authorised by the Federal Financial Supervisory Authority in Germany and regulated by the Central Bank of Ireland for conduct of business rules. For further terms & conditions please visit www.volkswagen.ie

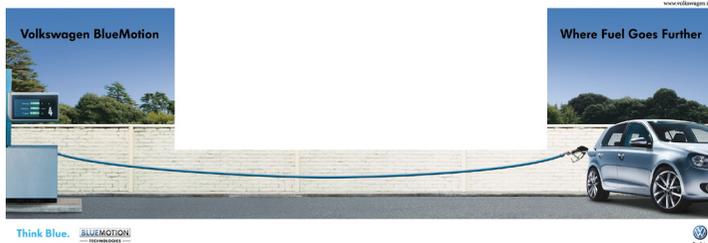
The strength: Economy.

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## THE IDEA



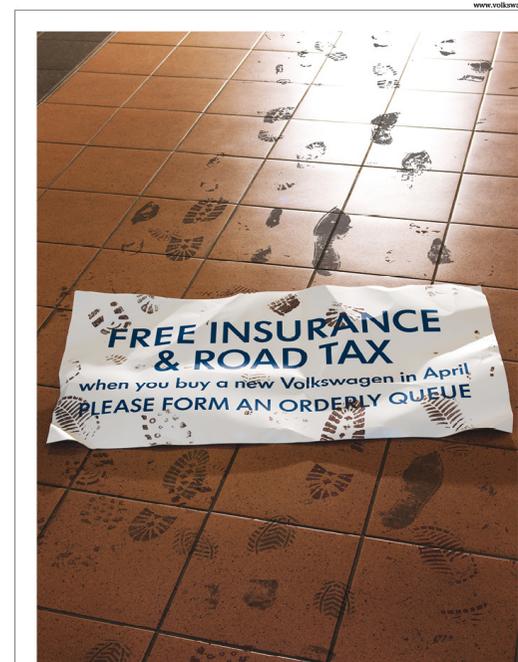
The strength: Economy.



Since it first rolled off the production line in 1974, the Volkswagen Golf has enjoyed the adulation of drivers everywhere - and nowhere more than here, in Ireland. 2013 saw the Golf become the best selling car in the country, while Volkswagen ended the year, yet again, as Ireland's number one car brand. And today, countless Golfs later, that love between Irish drivers and Volkswagen continues to flourish. So to all you Volkswagen drivers out there, we'd like to say a big thank you. Call into your local Authorised Volkswagen Retailer and test drive the Golf today or visit [www.volkswagen.ie](http://www.volkswagen.ie) for details. The new Golf CO<sub>2</sub> emissions 199g/km. Combined fuel consumption from 3.8l/100km.



The strengths: Reliability and longevity.



Follow us on Facebook and Twitter



Das Auto.

\*Terms and conditions apply. Models for illustrative purposes only. Typical Finance example: Polo DTDP €15,205. Deposit / Part Exchange €4,804.47. 36 monthly payments of €149. Optional Final Payment €5,657.45. Total lease purchase price €36,055.92. Volkswagen Polo 1.2 408HP CD2 emission (g/km) - 128. Combined fuel consumption 5.3l/100km. Example includes acceptance fee (€20) and completion fee (€20). Minimum deposit is 10%. Subject to lending criteria. These offers are made under a hire purchase agreement. Volkswagen Bank is regulated by the German Financial Regulatory. Offer includes delivery and related charges. Insurance and Road Tax paid for 12 months only. Car insurance is arranged and underwritten by Allianz plc, and applies to new Volkswagen cars (including commercial and Golf FI models) purchased in April. Normal underwriting acceptance criteria apply. Allianz plc, is regulated by the Central Bank of Ireland.

The strength: Suggest demand.



The strength: Spaciousness.

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2014 'Mistakes' campaign



## THE IDEA

2010-2012 RADIO:

Touran 'Family Trip': <https://vimeo.com/92848423>

Passat '007': <https://vimeo.com/92848425>

We had discovered that in order to really connect with Irish consumers we needed to be on TV and to be local. But what would our message be? We were having success with our tactical ads in 2012 in conjunction with European ads such as 'Sounds like a Golf' and Polo 'Dad' adverts running on TV. We felt that there was an opportunity and quite frankly a commercial need to steal share of market from our competitors. This time we turned to psychology in order to understand our consumers even better.

Our 2013 strategy was to head off any post purchase cognitive dissonance by reassuring the potential customer that their hard earned money wasn't just being spent – it was being invested.

Post purchase cognitive dissonance is a state of unease, which exists in the consumer's mind after buying a product or service. Big-ticket purchases such as cars are subject to post purchase cognitive dissonance more than smaller purchases. The buyer usually narrows down their search to two or three options and even after their purchase they admire the models that they didn't choose and wonder if they made a mistake.

2014 'Mistakes' campaign:

At the end of 2013 and the start of 2014 we started to see worrying signs of a slow down order bank sales for Q1. The order book was low in January and we were under attack from Toyota and their increased share of voice. All our competitors were active in January 2014 especially Toyota who were on TV with an Australian ad edited for Ireland.

Concerned about by this surge in competitor activity the Volkswagen team briefed OwensDDB to develop a radio campaign. OwensDDB believed we needed more cut through than radio could provide. Instead we agreed with the client that in order to truly fight to retain the top spot we needed to connect with consumers, cut through, be on brand, be Irish, and tackle the post purchase cognitive dissonance we had identified.

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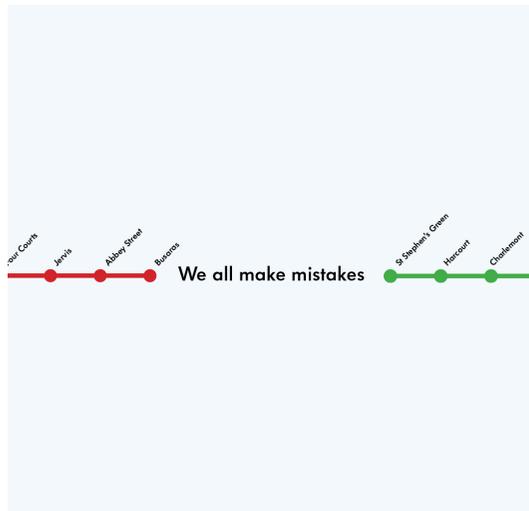


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## THE IDEA

Born out of this brief was the new Irish 'Mistakes' campaign. Repeating the simple message:

**“We all make mistakes but investing in a Volkswagen will never be one of them”**



**But investing in a Volkswagen will never be one of them.**

And that's because we offer everything you'd expect from Ireland's best selling car brand. With a multitude of awards for safety and innovation, 3 year warranty plus incredible finance offers through Volkswagen Bank, it's easy to understand exactly why we're Ireland's number 1 car brand. Call into your local authorised Volkswagen Retailer or visit [www.volkswagen.ie](http://www.volkswagen.ie)

Volkswagen Bank Credit is authorised by the Central Bank of Ireland for conduct of business only. Volkswagen Bank Credit is authorised by the Central Bank of Ireland for conduct of business only.



Das Auto.

The strength: Residual value.



We all make mistakes

**But investing in a Volkswagen will never be one of them.**

With our extensive range of models, plus the daily arrival of new stock to our dealers, your problem is you'll be spoilt for choice. When you add that to our 3 year warranty plus fantastic finance plans through Volkswagen Bank, you'll begin to understand exactly why Volkswagen is Ireland's number 1 car brand. Call into your local authorised Volkswagen Retailer or visit [www.volkswagen.ie](http://www.volkswagen.ie)

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Das Auto.

The strength: Value.



**But investing in a Volkswagen will never be one of them.**

And that's because we offer everything you'd expect from Ireland's best selling car brand. With a multitude of awards for safety and innovation, 3 year warranty plus incredible finance offers through Volkswagen Bank, it's easy to understand exactly why we're Ireland's number 1 car brand. Call into your local authorised Volkswagen Retailer or visit [www.volkswagen.ie](http://www.volkswagen.ie)

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Das Auto.

The strength: Affordability.

2013-14 Radio:

Mistakes 'Mark': <https://vimeo.com/92848422> Mistakes 'Pitch': <https://vimeo.com/92848393>

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Detailed Report

Advertiser	2010 Expenditure	2011 Expenditure	2012 Expenditure	2013 Expenditure	Jan-Feb 2014 Expenditure
<b>SPEND</b>	<b>32,879,995</b>	<b>36,416,352</b>	<b>34,232,455</b>	<b>30,059,012</b>	<b>8,103,157</b>
Ford	2,278,341	2,456,036	1,312,114	1,819,402	462,852
Toyota	2,758,713	3,771,056	2,705,541	2,726,187	818,146
VW	2,020,772	2,651,884	2,425,118	2,080,028	407,993
<b>SOV</b>					
Ford	7%	7%	4%	6%	6%
Toyota	8%	10%	8%	9%	10%
VW	6%	7%	7%	7%	5%

## THE IDEA

### Media:

The media mix for Volkswagen passenger cars has been carefully planned to include strategically placed print, radio, TV and digital advertising communications, targeting the most valuable audiences (ABC1s).

Print advertising was booked to appear in national newspaper titles - dailies and Sundays – around and during weekends - when prospects were more disposed to considering a new car purchase, and visiting a dealership. Running press ads mid week would have seen wastage.

Radio was planned for planned to run in Drivetime morning and evening slots, on national and regional stations, with key spot programming incorporated into the media planning mix.

Digital advertising was booked on high volume key sites such as Carzone, RTE, Independent, The Journal, MSN, YouTube. We also ran retargeting campaign aiming to keep Volkswagen top of mind to interested customers.

Two cycles of outdoor advertising were booked per year to boost the weight of the campaign.

We continued with the same media mix for the Mistakes campaign as it was working well for Volkswagen and had attributed to the success in market share growth in 2012. We also continued with radio and digital. In 2014 we launched the Irish produced Mistakes campaign.

This strategy was very effective in achieving results.

Between 2010 and 2014 Toyota always had more share of voice than Volkswagen. Toyota were constantly out spending us, they were spending more but we were winning more share of market.

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## THE RESULTS

Success arrived sooner than our 2015 target!

As previously cited we were the third best selling cars in 2010 at the start of this journey.

Rank	Make	2010 Units	2010 % Share
1	 Ford	11,215	12.91%
2	 Toyota	10,660	12.28%
3	 Volkswagen	10,300	11.86%

In 2011 we made it to number two with our eyes firmly on the prize.

Rank	Make	2011 Units	2011 % Share
1	 Toyota	11,646	13.1%
2	 Volkswagen	11,187	12.58%
3	 Ford	10,436	11.74%

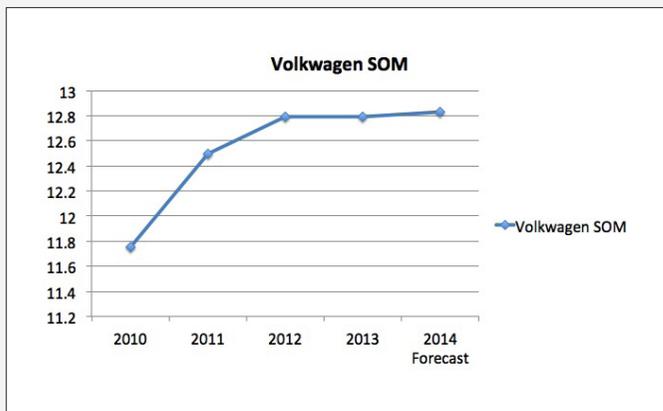
In 2012 we obtained the number one selling car position.

Rank	Make	2012 Units	2012 % Share
1	 Volkswagen	10,128	12.79%
2	 Toyota	9,956	12.58%
3	 Ford	8,563	10.82%

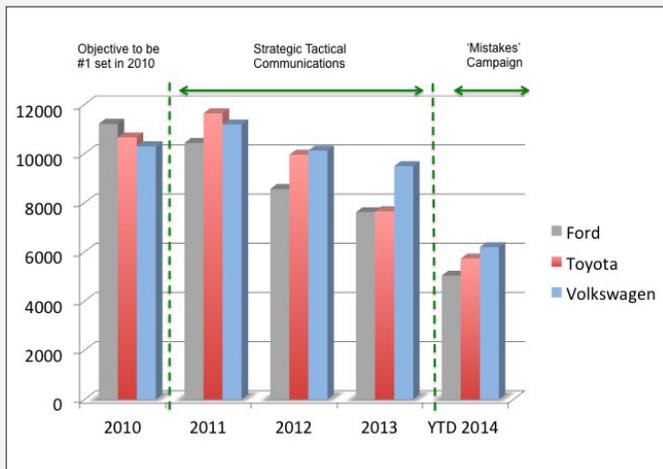
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Car Sales: 2010 – 2014 YTD:



## THE RESULTS

A position we held in 2013.

Rank	Make	2013 Units	2013 % Share
1	Volkswagen	9,492	12.79%
2	Toyota	7,658	10.32%
3	Ford	7,619	10.27%

In 2014 with the new 'Mistakes' campaign we pulled further away from our competitors.

Rank	Make	2013 Units	2013 % Share
1	Volkswagen	9,492	12.79%
2	Toyota	7,658	10.32%
3	Ford	7,619	10.27%

Forecasts are positive for the rest of 2014, the car market is forecast to hit approx. 88,000 and Volkswagen hope to get about 12.8% of the market which would see us finishing the year as the number one selling car brand again in 2014.

The chart on the left best demonstrates the advertising effectiveness from our campaigns. Volkswagen made the advertising work harder to convert sales.

Despite the fact sales were decreasing due to economic factors, we were winning share of market and fulfilling our objective to be the number one selling car.

From a lemon we have grown an accessible and commercial success. A strategy for driving Volkswagen from a desirable but expensively perceived brand to a profitable market leader.



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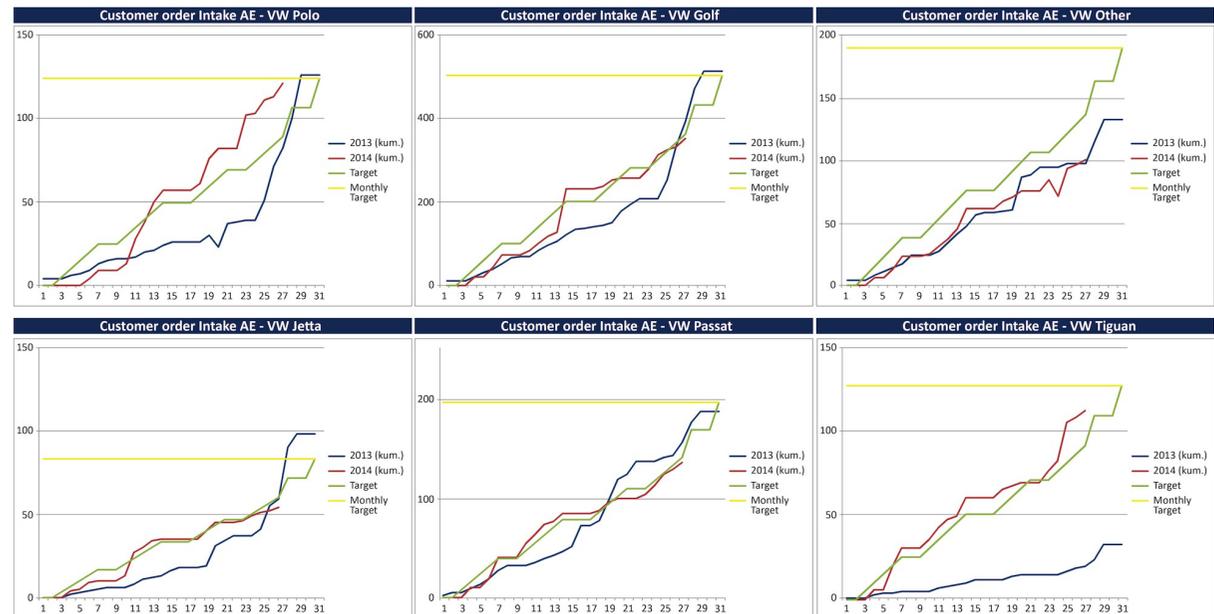
## THE RESULTS

The Mistakes campaign was launched in on the 22nd of February 2014.

Volkswagen and OwensDDB had made the campaign as swiftly as possible and as a result did not adhere to the usual procedures with Germany.

Daily report Ireland - AE Graphs

VWPC



Looking at the above sales for 28th March 2014 when the campaign was still in its infancy you can see order uplifts with some of the models performing ahead of their target. This sales uplift came as a direct result of the campaign. The above chart negated any worry Germany may have had about not following procedures and helped build our case for creating more locally produced creative.

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## THE RESULTS

The below table demonstrates the increases in website traffic. The quality of traffic and their engagement is very strong. More visitors to the site are going further into the car configurator, where they can build their car – i.e. select model, paint colours, engines, wheels, etc.

In the first four months of 2014 we already have more completed configurations than in the whole of 2013.

	2012	2013	2014 (Jan – April)
<b>Website Visits</b>	378,862	418,861	178,269
<b>Completed Configurations</b>	21,179	33,968	36,651
<b>Facebook Fans</b>	20,001	43,269	60,866

During the ‘Mistakes’ campaign in March 2014 we benefitted from:

- ▶ **61,811** unique website visitors to volkswagen.ie (up from 58,067 in March 2013)
- ▶ **32,568** unique website visitors to retailer websites
- ▶ **9,129** completed car configurations ( a huge increase from 2,024 in March 2013)
- ▶ **39,871** views for 3 new ‘Mistakes’ TV ads on YouTube.

Return on investment:

In 2013 we pulled away further in market share, that year Volkswagen had 9,492 car sales and 12.79% market share.

Toyota had 7,661 car sales and 10.32% market share.

Ford had 7,619 car sales and 10.27% market share.

Hyundai had 5,827 car sales and 7.85% market share.

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## THE RESULTS

The top selling model out of all new cars in Ireland was the Volkswagen Golf, selling 3,604 cars in 2013. A model we had made a hero in many of our communications.

**It is important to note that unlike many of our competitors, Volkswagen remained profitable on our journey to the top. We did not lower the premium of our brand or affect the residual value of our used cars.**

We were also efficient with our communications. Dividing car sales into adspend to get the average cost per car Volkswagen spent €219 per car sold, while Toyota spent €287 in 2013, and brands like Hyundai that were growing fast were spending €340 per sale. Ford were spending less but their sales were decreasing. This further demonstrates the need for advertising and the effect it can have on car sales.

	Media Spend 2013	New Car Registrations	Cost per sale
Volkswagen	€2,080,028	9,492	€219
Toyota	€2,724,857	7,658	€287
Hyundai	€1,983,414	5,827	€340

Discounting factors:

Was it our advertising that helped push us those critical percentages into the coveted top spot? As mentioned in the strategy we had invested in offers but they were not market leading offers. So that was not the difference. There wasn't a surge in the market - in fact we were fighting for share of market as the market was declining. We didn't have the most share of voice, our biggest competitor Toyota were outspending us.

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## THE RESULTS

It wasn't that we had different models; we offered the same range as our main competitors. The '3 offer' was on par with the others, other cars were offering freebies and some were also offering significant price discounts. Something we could not afford to engage heavily in while remaining profitable.

Every brand faced the same difficulties with the market and the recession so we were all facing the same marketing restraints and sales issues. We won the top spot through targeted and relevant communications. When we shifted the focus of our communications towards being quintessentially Irish we could see instant sales. Proving that the right message and marketing increased Volkswagen business. The factory in Germany were happy and we were happy with our advertising success.

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## THE IMPACT

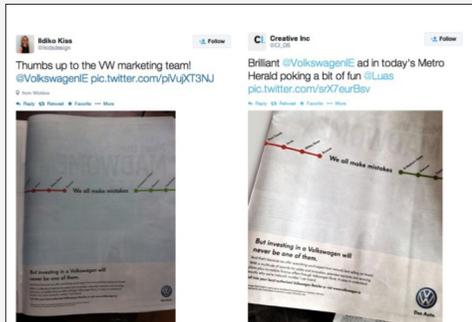
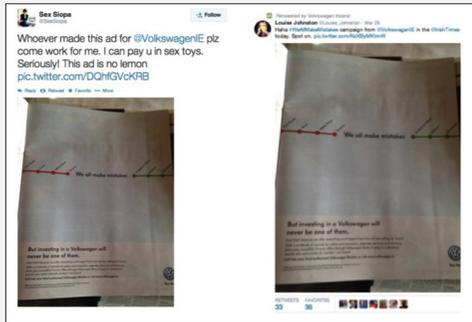
We helped frugal minded consumers see the virtues of having a new car and later in the campaign to see a new car purchase as an investment.

We also negated any post purchase cognitive dissonance consumers could potentially experience with the strong message in the 'Mistakes' campaign.

Unfortunately, we don't have any attitudinal research. Once our marketing budgets were slashed any research, aside from copy testing, became a luxury we could not afford. We do however have positive anecdotal evidence of our campaigns gaining traction and resonating with the general public.

You will have noted that the campaign that got most traction was authentically Irish. Eamon Dunphy (soccer pundit) defended the Saipan ad in his newspaper column. The JK Rowling press ad did not receive as much traction which indicates the importance of being Irish.

We were also becoming part of the vernacular being quoted in social media.



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## NEW LEARNINGS

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1. In order to achieve cut through in today's car industry you need more than share of voice - you need to be on TV and be seen to be Irish. Irish consumers appreciate when you talk straight to them and they clearly have an appetite for communications tailored specifically to an Irish audience.
2. When there are many chains of command, sometimes you need to be reactive and essentially ask for forgiveness instead of permission; we did not have time to go through procedures with Germany if we wanted to remain number one. The Dublin marketing team was brave and acted like a market leader in signing off the 'Mistakes' campaign. We convinced the factory in Germany of the power of local creative insights.
3. Brands can still compete in post recession Ireland without getting sucked into a race to the bottom; you will damage your brand with discounts and undo many years of hard work. No one wants to be the agency or marketing department that ruins a brand in order to make sales.

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## SUMMARY

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This story started in New York in 1959. The Volkswagen and OwensDDB story started in the 1990's, reaching a commercial pinnacle in 2012 when Volkswagen became the No.1 selling car.

We have demonstrated that no matter how famous and loved your brand is, if you don't have the right message at the right time you will never be the number one.

We finished 2012 and 2013 with 12.79% market share and were maintaining the top position at the end of quarter one in 2014 with 11.89% market share.

At time of publication we remained the number one selling car in Ireland with forecasted continued small but critical share of market percentage growth.

This wasn't business as usual, this marketing was ambitious, reactive and successful advertising and other brands could learn from our success.

We will certainly be fighting to keep Volkswagen Ireland's creative tailored to the Irish audience in the future.