



Volvo XC90: A holistic view of the launch



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Introduction

The small 4x4 market is the fastest-growing automotive sector. In the last decade in the UK, it has grown by 400%. Volvo's presence in this sector had always been limited to one model, which had not encountered a great deal of success. With a new entrant on its way, Volvo placed a substantial budget behind the launch of their new 4x4, the XC90, as they wanted to ensure its success in a highly-competitive marketplace.

Volvo invested in a great deal of qualitative research prior to launch, especially against the key segment competitors the BMW X5 and Mercedes M-Class, to try to give it the best possible start. Once the launch phase was in progress they wanted to assess how successful they had been in promoting their new vehicle and to pull together all available sources of data to provide a totally integrated piece of research validating the launch activity they had sanctioned.

Key issues that Volvo had wanted to address in the positioning of the new vehicle were the current failings of the 4x4 sector:

- Poor safety record (especially roll-over accidents)
- Compromised versatility in the cabin (particularly if it was to be for family use)
- Weak driving dynamics
- Overly complicated 4x4 interfaces

Due to their strong relationship with Millward Brown Precise, Volvo commissioned us to pull together these various sources of research in order to track and assess the success of the launch from a variety of different angles, with a specific focus on the PR launch.

Objectives

- To assess the launch of the XC90 in as holistic manner as possible, integrating all available data sources to prove its success.

What methodologies did we use?

This report analyses data collected between July 2001 and April 2003 by the various sources listed below. This data was then integrated to establish the success of the launch.

In order to meet Volvo's brief, Millward Brown Precise employed the following measures:

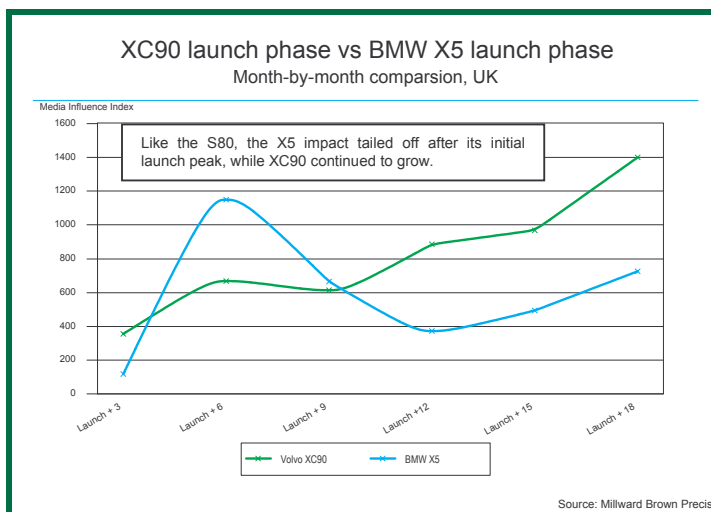
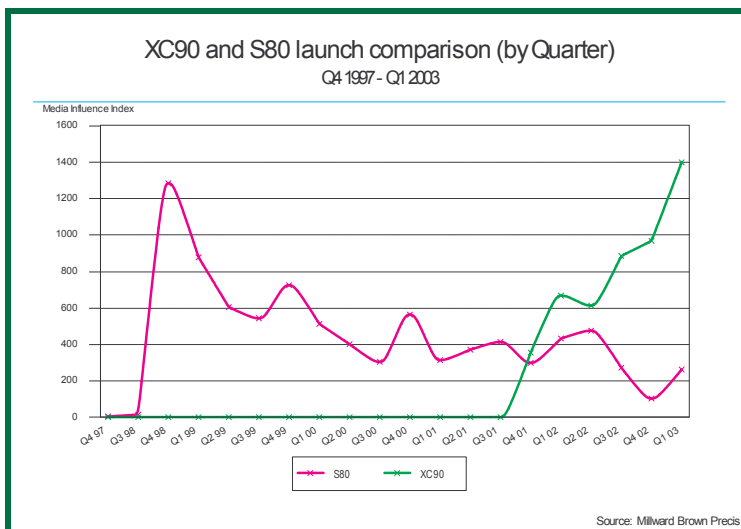
- Evaluation of the quality and quantity of PR coverage, its perceived strengths and weaknesses and overall effect on the brand using Millward Brown Precise's PR evaluation tool.
 - Comparison against key competitors
 - Tonality of coverage
- Measuring consumer perceptions about the XC90 and Volvo brand as a whole using Millward Brown's brand and advertising tracking study (ATP™)
- Monitoring internet traffic tracked on the Volvo website.
- Measuring personal and web-based customer enquiries.
- Assessing target audience segmentation analysis.
- The integration of all these measures was then used to assess the campaign in its entirety.

How did it differ from other launches?

Volvo's XC90 burst onto the scene at the Detroit motor show in January 2002. It was immediately picked up by the media as a favourite due to its looks, an essential to attract attention at a motor show, but also for its entire package. However, many models launched around motor shows enjoy a short burst of success then fade away, so did the XC90 fall into that trap?

The first task was to compare the XC90 launch against a successful launch of another Volvo vehicle using a more traditional PR campaign. The Volvo S80 was considered to be the most recent example of such a launch. The S80 achieved a huge peak in media attention around its launch, but then media interest diminished and it dwindled away to its current levels, where it is a low-volume player within its sector. XC90 was also mapped against the BMW X5, the sector leader, which also followed a similar strategy.

XC90 employed a different tactic whereby it built on its launch coverage to increase its impact quarter on quarter. Indeed, in the year since its launch in early 2002, it has become a benchmark vehicle in its sector, thus ensuring itself a place in major group tests in this sector.



Did it carry the right messages?

The comparison to its competitors and fellow models proves that the XC90 generated a major presence within the media, but did it convey its key Volvo messages of *safety*, *practicality* and *design*?

In short it was immensely successful in communicating all of them.

Safety: Both passive and active safety received absolutely no negative coverage and the XC90 far exceeded any of its rivals, recently achieving recognition of this as it was awarded 5-stars in NCAP safety tests.

Practicality - Again no negative coverage was noted, with its highly versatile seating system cited as the main reason for its success.

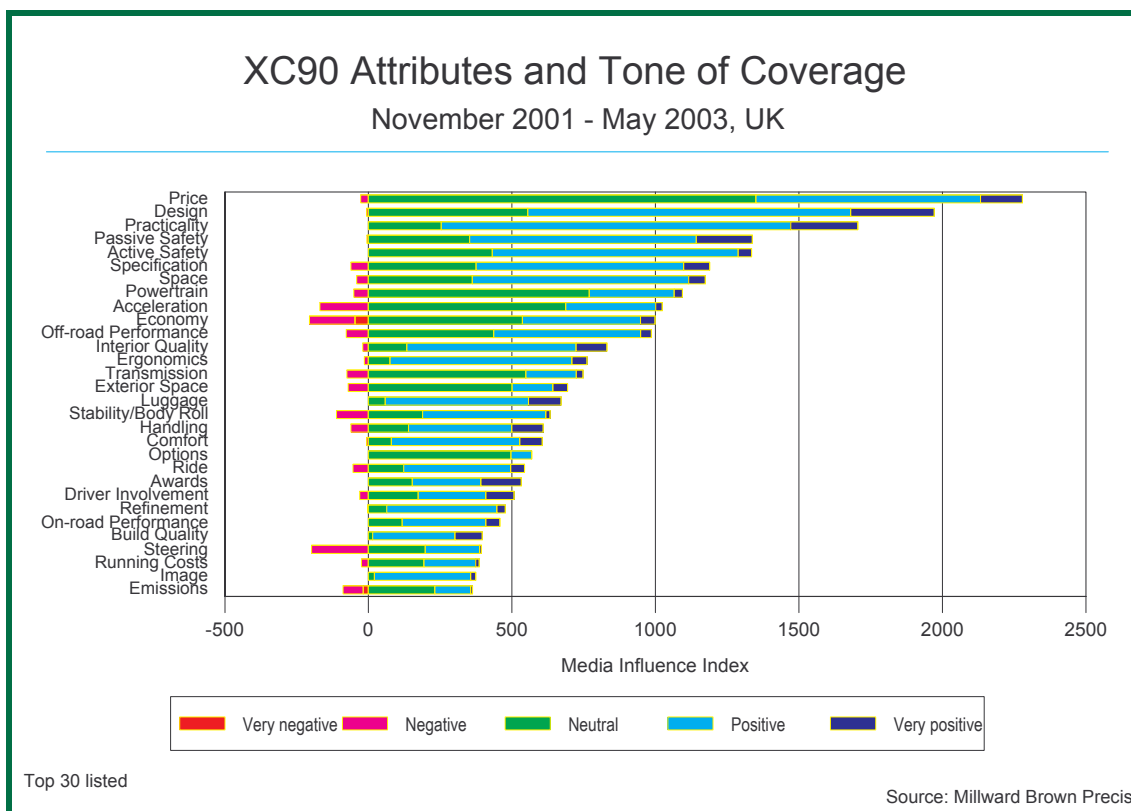
Other key areas that added to its success were the visual impact of its *design*, which is crucial to the success of any model, and its very keen pricing which led to it being championed as the sector leader on value.

Indeed to achieve such low levels of negative coverage for all attributes shows what a formidable vehicle it is. It received ringing endorsements from some of the highest-profile journalists:

“The best all-round vehicle I’ve driven this year” (Ken Gibson, The Sun)

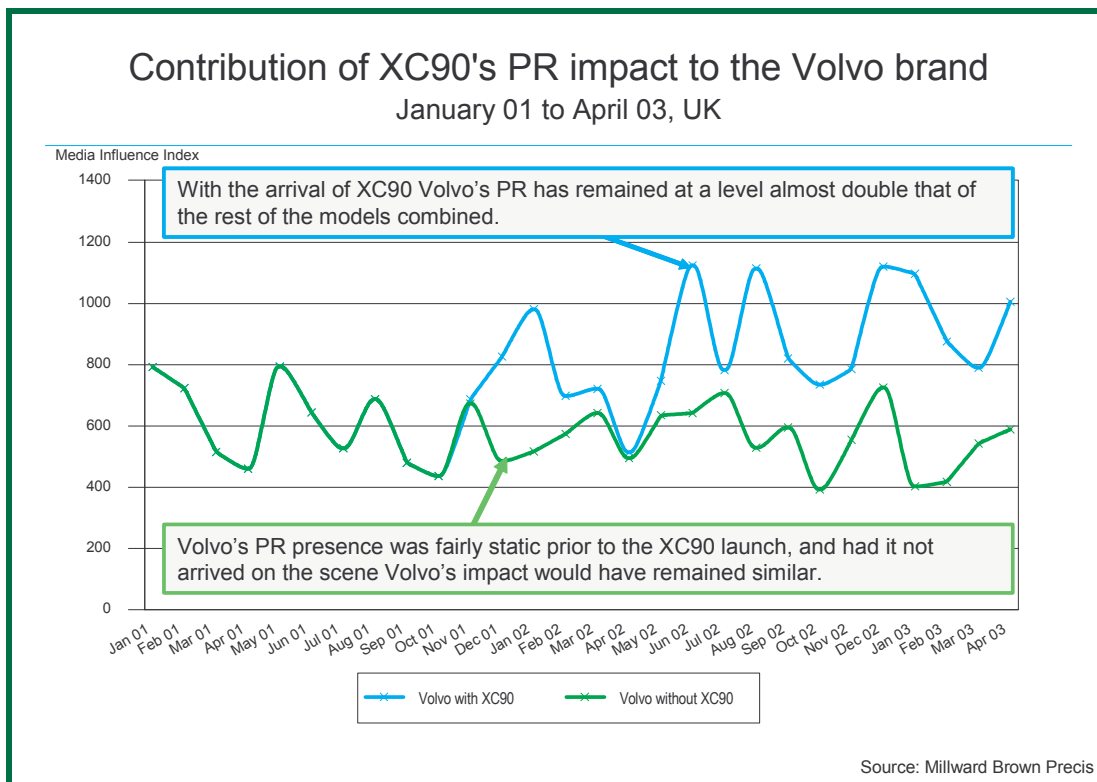
“The best family car money can buy” (Jeremy Clarkson, The Sun)

“The best of its class, by quite a margin” (Michael Booth, The Independent)



What did XC90 PR contribute to the Volvo brand?

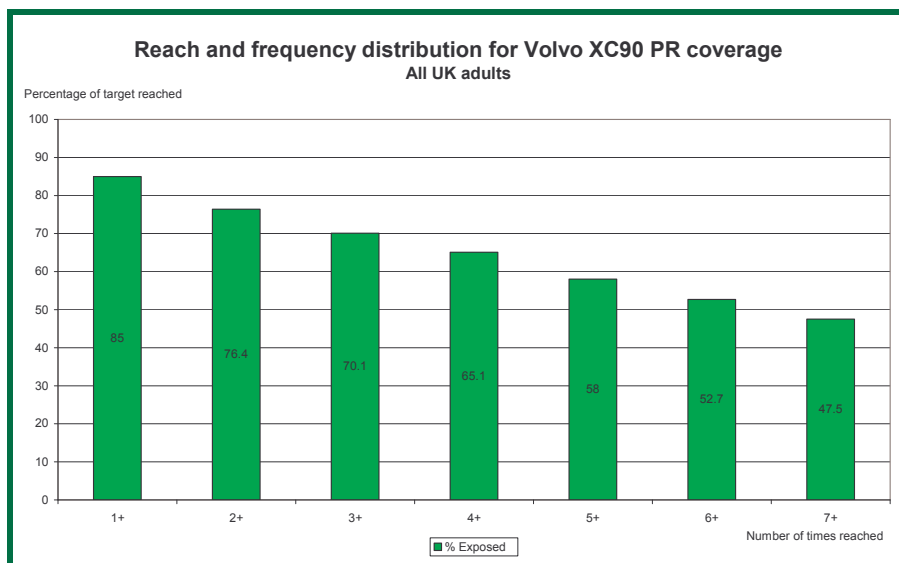
XC90 boosted the brand across a 15-month period, during which it contributed around 45% of the PR impact generated for the whole Volvo brand. It also boosted Volvo’s core attributes of *design*, *safety* and *practicality*, pushing these to their highest ever levels versus other manufacturers. It continues to be the highest-impact model for the brand.



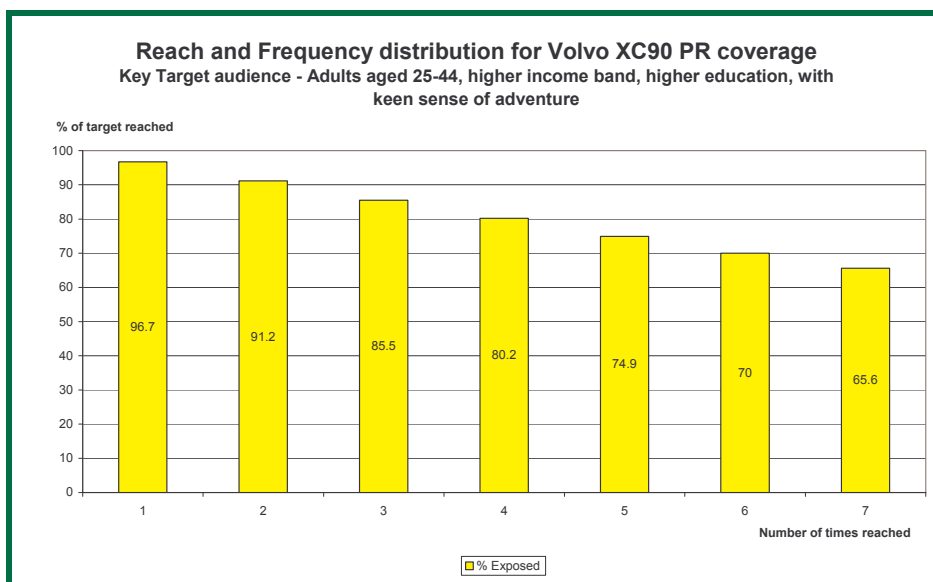
Did Volvo reach the potential 4x4 buyers?

The first piece of integration carried out was to investigate how successfully the PR had reached Volvo’s key target audience. For most of the analysis the target audience remained broad, looking at the general public, in order to be able to compare the XC90’s performance against other competitors.

Then the broad audience was segmented into a core group of target consumers. These were men or women aged 25-44 with a household income of over £50k, educated to degree level and who have a keen sense of adventure. This left us with 609,000 people within the core target.

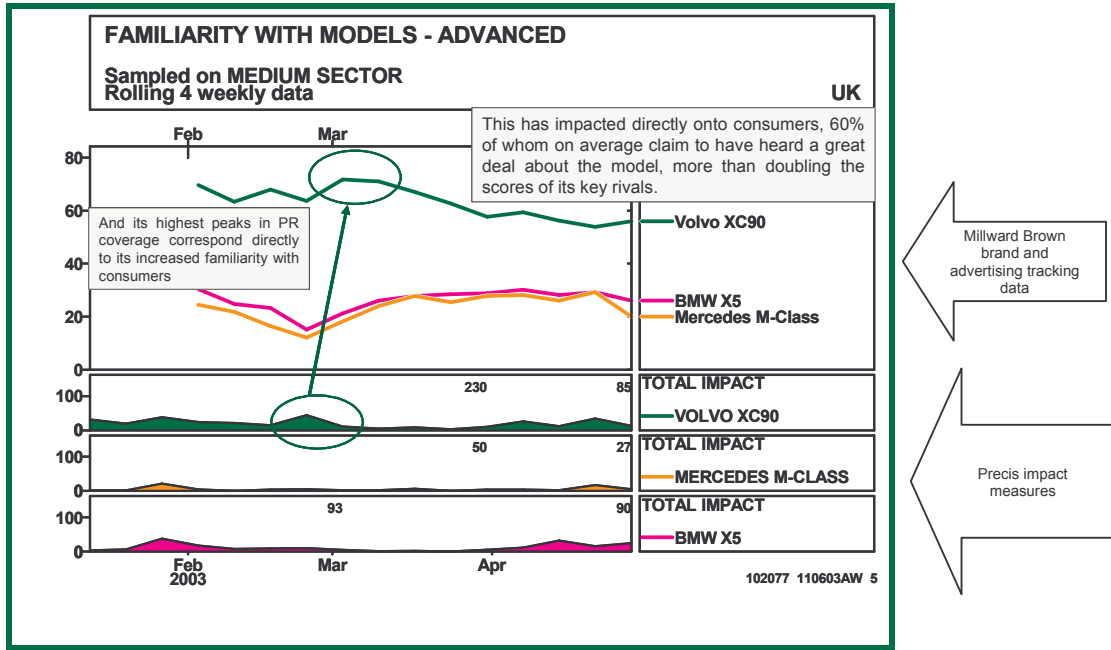


Amongst the general public, XC90’s presence was so universal that 85% of the total adult population had an opportunity to see a piece of XC90 PR at least once. In itself this was well above expectations. When focussing on the core target audience, a massive 96% of people had the chance to be exposed to media coverage on the XC90, and over 90% who had at least two opportunities to be exposed to coverage. This represents effective saturation of its target audience and any further advance would be very difficult and costly to achieve.

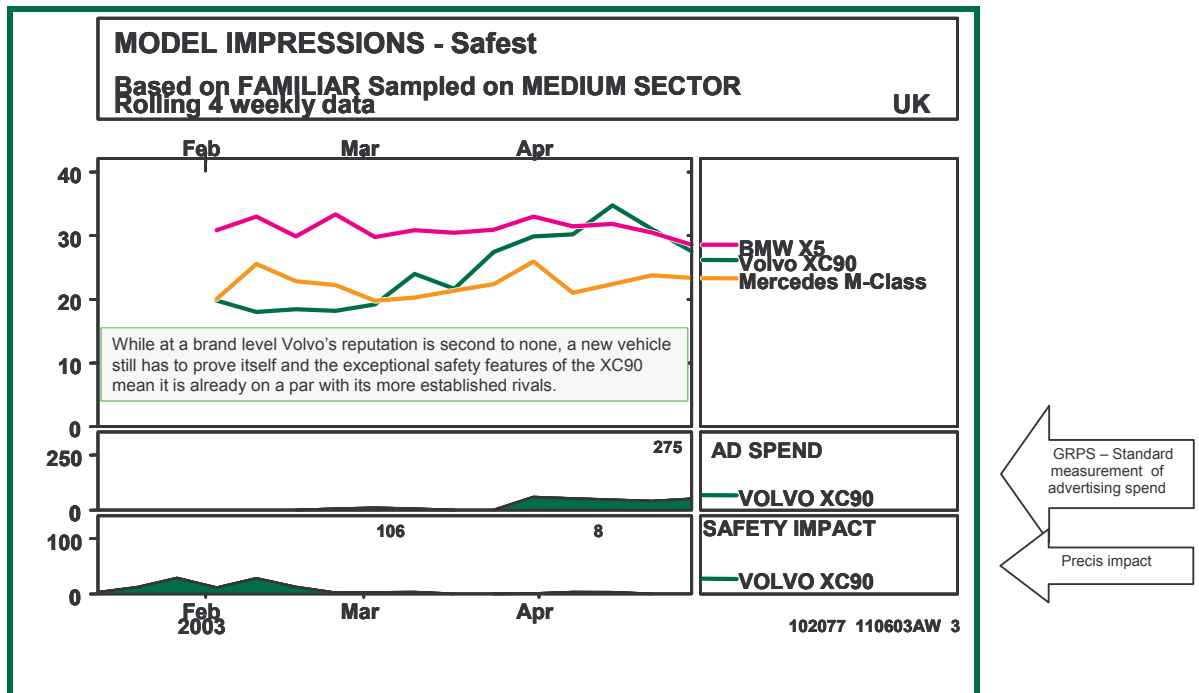


Did this huge presence in the media translate into consumer awareness?

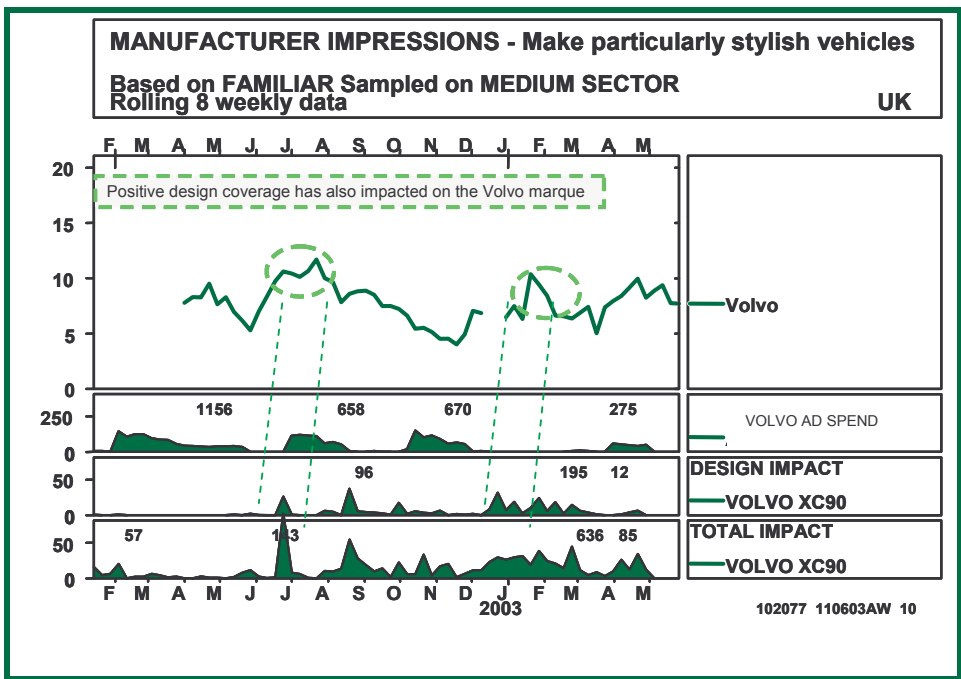
Precis media impact data integrated with Millward Brown data confirms that this is the case. Almost twice as many people claimed to be very familiar with the XC90 than of either of its two key rivals. This is a major coup for such a new brand in this sector. The largest increase in familiarity during the analysed period was directly attributable to its highest peak in PR in 2003.



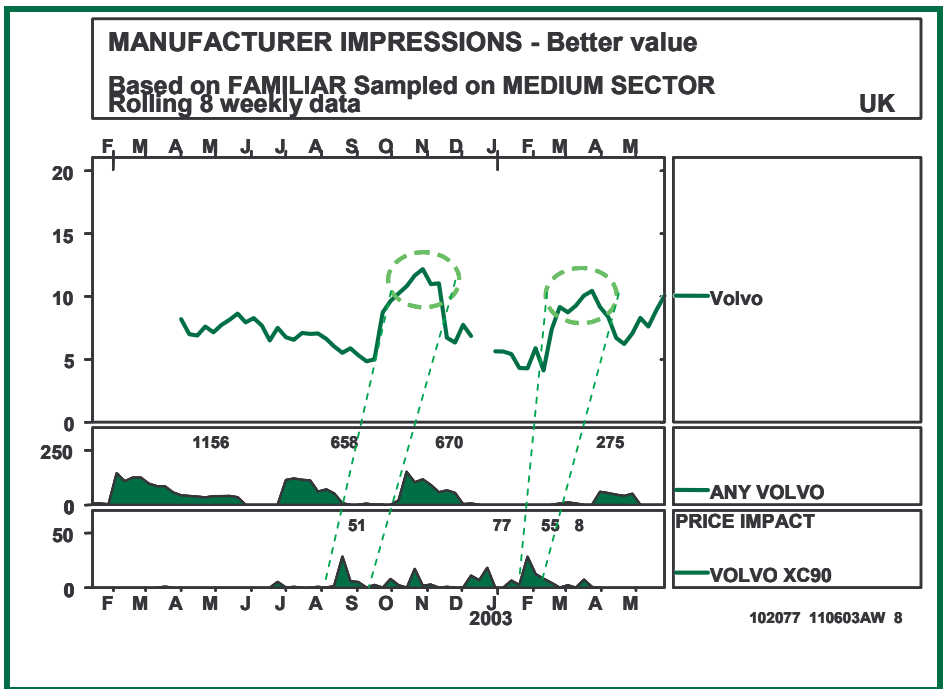
Not only did consumer awareness and familiarity of the model augment significantly, but some of its key attributes also improved in consumers' opinions. Safety was one of these with the XC90 matching and recently exceeding its rivals.



The favourable design coverage was also responsible for a sharp uplift in perceptions at a brand level of Volvo being a company that make stylish vehicles, with the largest increases happening around its launch at the Detroit 2002 motor show, and its on-sale date in early 2003.



XC90's greatest strength in its media coverage was pricing, and at the point where this was most heavily communicated, the perception of Volvo's value for money at a brand level increased significantly. Again, these peaks coincided with specific events, with pricing information being released in August 2002, and once again the on-sale date in February 2003.

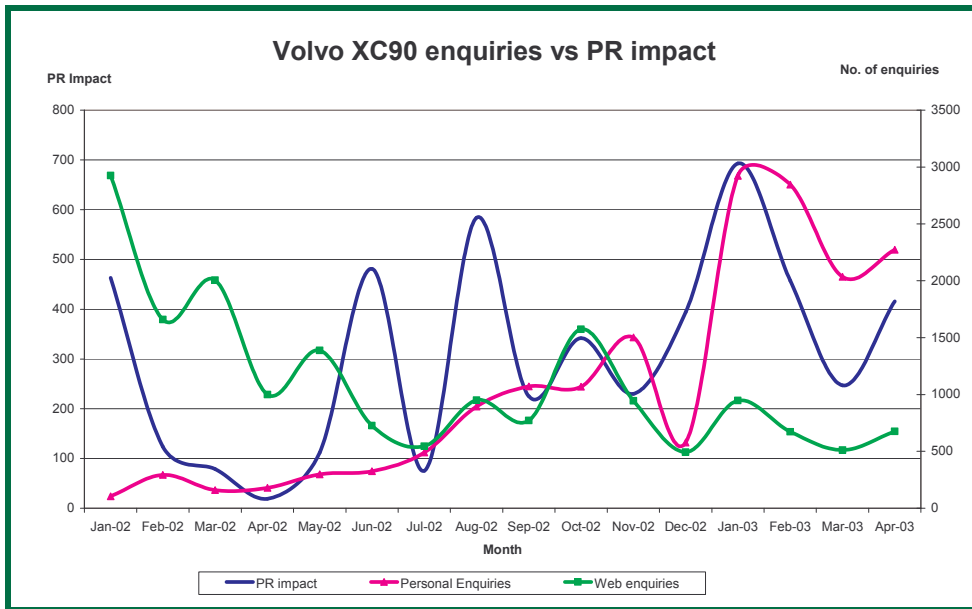


So did consumers act on this information?

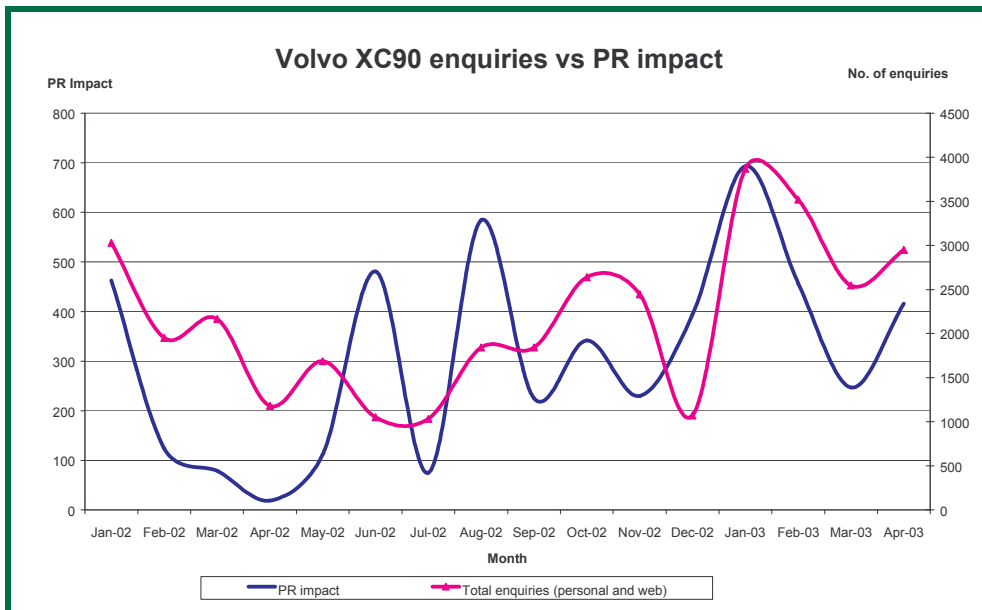
We have established that XC90's media presence convinced consumers about its claims, but would this translate into interest, action and potentially sales?

Ideally, as PR efforts translated into media coverage on the XC90, consumer enquiries would increase in line with this. Two sources of information regarding enquiries were used for this, those that happened on the web and those that were logged as personal enquiries. The chart below shows how these correlated against the XC90's PR impact.

The initial peak of activity around the Detroit show saw an immediate surge of people accessing the internet to request information, which at that time was the only source. With time web enquiries decreased and personal enquiries began to build as models became available to view in showrooms.

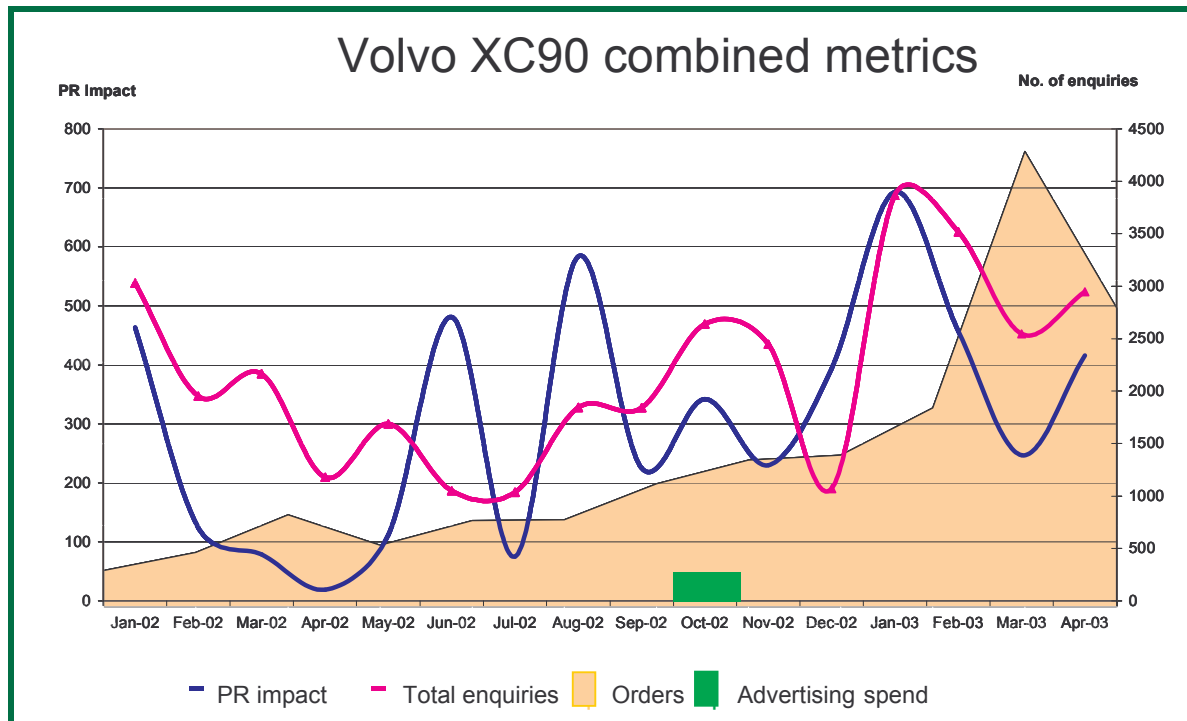


The combined enquiries correlate even more strongly with the PR impact as shown below.



The final chart (below) also includes the orders placed for the XC90 which shows a strong growth in orders over time, before the vehicle became available, and which far exceeded forecasts. It culminated in a large peak in orders immediately following the final big hit of PR announcing the on-sale date for the model, and because demand was higher than anticipated, people ordering the vehicle at this stage were placed on a waiting list.

The small amount of advertising done by Volvo explains a minor uplift in enquiries, but not sales. However, on the basis that the orders already far exceeded the forecast when the advertising was aired, Volvo made the decision to cancel the advertising of the air time at short notice and as a consequence made a saving of £2.5 million. This was attributed to the fact that PR had helped to sell the required number of vehicles and they would not be able to produce many more than this in the time available. The advertising budget was then diverted to support other models.



Conclusions

The success of the XC90 can be attributed to a series of unique events, activities and marketing approaches implemented to support Volvo’s entry in this new sector. This analysis incorporated all facets of the campaign to give a complete assessment of all these activities.

The execution of the XC90 PR campaign proved highly successful not only at the model level, but also in moving brand perceptions.

The sustained nature of the XC90’s successful campaign allowed it to achieve virtual saturation of its core target market, but also very high levels of penetration amongst the adult public as a whole.

The implementation of integrated metrics around such a successful campaign enabled Volvo to deploy their resources more effectively, and to make an informed business decision which in this instance saved them £2.5 million from the advertising budget.

APPENDIX A - Publication List

UK reading list

Magazines

4x4
 Auto Express
 Auto Industry Newsletter
 Autocar
 Automotive Management
 Automotive News Europe
 Blueprint
 Business Life
 Business Week
 Campaign
 Car Magazine
 Company Car
 Cosmopolitan
 Country Life
 Creative Review
 Design Week
 Diesel Car
 Elle
 The Engineer
 Esquire
 Event
 EVO
 FHM
 Fleet Car Business
 Fleet News
 Fleet Management
 Focus
 Forbes Global
 Fortune
 Golf Monthly
 GQ Magazine
 Harpers and Queen
 Harvard Business Review
 High Life
 Homes and Gardens
 Loaded
 Management Today
 Marie Claire
 Maxim
 Marketing Weekly
 Men's Health
 Motor Industry Management
 Motorsport
 Motor Trader
 Newsweek
 Red

Stuff
 T3
 Tatler
 Time
 Top Gear
 Truck
 Van User
 Vanity Fair
 Vogue
 Wallpaper
 What Car?

UK Nationals/Regionals

Aberdeen Press & Journal
 Belfast Telegraph
 Birmingham Evening Mail
 Birmingham Post
 Bournemouth Daily Echo
 Bristol Evening Post
 Cheshire Evening Sentinel
 Coventry Evening Telegraph
 Daily Mail
 Daily Post (Liverpool)
 Daily Star
 Daily Telegraph
 Derby Evening Telegraph
 Dundee Courier and Advertiser
 East Anglian Daily Times
 East Anglian Daily Times (Ipswich)
 Eastern Daily Press
 Edinburgh Scotland on Sunday
 Evening Argus – Brighton
 Express & Star Series (Wolverhampton)
 Evening Chronicle (Newcastle)
 Evening Gazette (Colchester)
 Evening News (Edinburgh)
 Evening Standard
 Financial Times
 Glasgow Daily Record
 Glasgow Evening Times
 Glasgow Sunday Mail
 Hull Daily Mail
 Independent on Sunday
 International Herald Tribune
 Irish Independent
 Irish News
 Irish Times (Dublin)
 Leicester Mercury
 Lincolnshire Echo
 Liverpool Echo
 Lloyds List
 Manchester Evening News
 Middlesbrough Evening Gazette

Newcastle Journal
News of the World
Nikkei Weekly
Northampton Chronicle & Echo
Northern Echo (Darlington)
North Wales Daily Post
Nottingham Evening Post
Oxford Mail
Scotland on Sunday
Southern Daily Echo
South Wales Echo
South Wales Evening Post
Sunday Business Post (Ireland)
Sunday Mirror
Sunderland Echo
Southern Reporter
The Business (*originally the Sunday Business 24/04*)
The Economist
The Express
The Express on Sunday
The Guardian
The Herald (Glasgow)
The Independent
The Journal (Newcastle-upon-Tyne)
The Mail on Sunday
The Mirror
The Observer
The People
The Portsmouth News
The Scotsman
The Scottish Sun
The Stoke Sentinel
The Star (Sheffield)
The Sun
The Sunday Telegraph
The Sunday Times
The Times
Wall St Journal Europe
Ulster Newsletter
Western Daily Press
Western Mail (Cardiff)
Western Morning News
Yorkshire Evening Press (Leeds)
Yorkshire Evening Post (York)
Yorkshire Post

APPENDIX B - Methodology

About the Report...The Precis Media Influence Index

Precis is a computerised way of evaluating the impact of coverage of selected material on a given target audience. This material may relate to competitors, competitors' products, key messages, market issues or any other topic of interest. The Media Influence Index is a sophisticated, comprehensive measure that encompasses all the factors that contribute to the likelihood of the target audience assimilating the coverage analysed.

Using information from articles fed into the system, it is possible to produce reports showing the physical impact of the material on the selected target. This is done by using an algorithm that produces an impact measure based on a variety of factors that have a role to play in determining impact. These are as follows:

The circulation of each publication	<i>An article in a high-circulation title will have more impact than one in a smaller title.</i>
The percentage of the page occupied by the article	<i>A large article will have more impact than a smaller article.</i>
The percentage of the page occupied by a photograph	<i>An article with a photograph will have a higher impact score than one without.</i>
The columnar spread of the article	<i>An article with a large headline will have more impact than one with a smaller headline.</i>
The position of the articles on the page	<i>An article in the upper-right of the page is more likely to be read than an article elsewhere.</i>
The location of the page (front, back, etc.)	<i>A front- or back-page article will have a higher impact score than an article inside a publication.</i>

Each article is attributed an impact value of between 1 and 100, based on the above parameters, thereby providing a composite measure of impact. For each period, these individual impact scores are cumulated, thereby giving an effective measure of the overall amount of 'noise' on the issues, products, or companies analysed during the period.

Word Count : 1423 excluding table of contents, headings and appendices

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