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*The Ford Fiesta movement was a social media campaign run by Ford in the US during 2009 to generate buzz for the upcoming launch of the 2011 Fiesta sub-compact car. This case examines the campaign's performance and asks what marketers should do thereafter to convert interested consumers into buyers.*

**Introduction/Overview**

In early 2009, Ford Motor Company began its new marketing campaign to reposition themselves within the auto industry and reintroduce their class B vehicle, the Ford Fiesta, into the US market.  This campaign was coined as the "Ford Fiesta Movement" (FFM) and was not a typical marketing campaign for an automaker.  This article will discuss the pros and cons to their new movement and determine what their next step should be.

**Problem Definition**

Introducing a new compact car in the US market provided many challenges for Ford.  Ford and other US car manufacturers had received negative press for their spending habits and poor quality in the past few years.  Because of this, foreign car manufacturers were able to come in and gain market share and credibility.  In an already saturated market, US cars were looking at a difficult challenge: taking back market shares.

To do this, Ford would need to convince consumers that compact cars, like the Fiesta, could be cool and hip.  This has been a challenge because the US demand, over the last two decades, for new passenger car sales have been on the decline all the while prices have been on increasing.  Needless to say, the competition for these new car sales is increasing and companies are being forced to decrease their price tags or make cars more economical.

**Competition**

Vehicles that compare to the 2011 Ford Fiesta are that of the Honda Fit, the Nissan Versa Hatchback, and the 2011 Toyota Yaris. When comparing price, the Fiesta comes in second place next to the Nissan Versa: with a difference of merely $180. All of the vehicles have seating capacity for 5 passengers, second row folding seats, front wheel drive, as well as many other features that are very comparable. Gas mileage between models is also very comparable with minimal differences listed in the feature listing. The major differentiating factor will likely be recognized in preferred appearance and although all of the models have a similar body, the Fiesta appears to be the sportiest version.

**Company Background**

The Ford Motor Company began on June 16, 1903 in Dearborn Michigan when Henry Ford commissioned the Model A automobile. Between 1908 and 1915, Ford also established a new process coined as “assembly lines” which fostered mass production. This new process meant that the Ford product could be produced much more quickly and at a much more affordable price.  Ford later became responsible for the makings of the Lincoln brands and gained partial ownership of Mazda as well as Aston Martin.

Today, Ford stands as the second largest automotive manufacturer in the US and fifth worldwide.  Ford initially introduced the Ford Fiesta to the US market in the 1970's, but the product didn't grab much of the car market.  While the Fiesta was not accepted in the US, it still had a place in the European market and has resided there for the last four decades.

**Industry Marketing Techniques**

In the past when manufacturers introduced a new car to the market, the company would use more traditional communication channels such as television, radio, magazines, and newspapers to raise awareness of the product.  This type of campaign would usually run on a timeline from a few months before the product launch to a few months after its launch and would be very large, therefore also very expensive.

The new trend in marketing is focused on viral or buzz marketing which pay special attention to the fact that consumers give more credibility to what other fellow consumers say about products than to what a company tells consumers about the products they sell.  The new way in which companies have begun to capitalize on this idea is to offer free samples of products to consumers in hopes that they will tell other consumers of their own favorable experiences.

Ford decided to pursue a marketing strategy such as this: it was called the Ford Fiesta Movement.

**Ford Fiesta Movement**

With the success of compact cars within the US in recent years, such as the Mini (Cooper), Volkswagen Beetle, and Smart car, Ford realized that the compact car class B market could be profitable within the US.  However, with the poor economy and the poor state the US car manufacturers were in, Ford was not in a position to be able to introduce a car and market it traditionally.  With the momentum of VMC's (Virtual Marketing Concepts), Ford decided to create its own kind of VMC.

Ford decided to target younger consumers within the car market whose age ranged from 14-29: 14 and 15 year olds were included in their target market primarily to generate interest for the future.  To do this, they realized that they needed to be a part of what younger consumers were doing, social networking. Considering the fact that vehicles are relatively expensive and that Ford could not afford to give thousands of product samples away to the market, Ford decided to be very selective and allow 100 consumers to drive a Fiesta for 6 months entirely free.

The idea was to get 100 socially vibrant, unique advocates who were "capable of telling a good story" to act as "agents" for the Ford Fiesta brand and over 41,000 people applied to become one of the lucky 100 agents.  To be a FFM agent, they were required to post at least once per month about their experience via social networking sites such as Twitter, YouTube, various blogging websites, Facebook, etc...  The idea was that although they were required to comment on the Fiesta, they were free to comment either favorably or unfavorably; whatever was on their mind.  This was a huge risk which Ford took as it relinquished control of its brand to consumers, creating advocates and let them tell the story.

**Situation Analysis**

In the previous year, the Ford team sent 100 agents to spend 6 months on a Ford Movement Missions which ironically had nothing to do with the Ford Fiesta; instead, missions featured activities such as finding a celebrity look-a-like and challenging them to act the part, taking an improvement class to learn tricks of the trade and then try your new skills in front of random people, or Parody a movie currently in theaters now. These Missions placed a great deal of emphasis on entertainment in hopes of their YouTube video going viral.

During the Next Chapter of the Fiesta Movement, fans will be selected to use their own advertising skills to promote the 2011 Fiesta, and will be provided with a Ford Fiesta, gas, and public spaces to promote the vehicle. While promoting the vehicle, the teams will also host local events and compete to win the keys to their own Fiesta.

**SWOT Analysis**

Strengths

Ford Motor Company has a unique ability to take an otherwise threatening situation and find a way to turn it into an opportunity. Despite their recent downturns, they have been able to stay afloat, pay off debts, and turn themselves around in an otherwise uncertain economy. They have a unique ability to analyze their markets and create a demand for their products.

Their most recent efforts have been to restructure the company which has achieved the original goal to better align with the market mix and market demand. They have made attempts to up their efforts around their products by making a massive investment in the products they offer and any future products. Through this effort, team work within the company has been a huge focus. This has allowed Ford to work more closely among departments and to better understand their markets in an uncertain world.

These efforts have ultimately led to a much needed brand transformation. Previously, when consumers thought of Ford, they thought of a mid-west industrial company who built large trucks. According to John Felice (General Manager, Ford Lincoln Mercury Marketing) these new initiatives have brought about changes within the company with regards to where they are heading with their brand. They have led an initiative to change their brand image in order to incorporate the small car class B segment, alongside the already established truck, and have done so effectively.

Weaknesses

When analyzing Ford’s presence within the automobile market, they do not match the market accordingly. Ford sales are not aligned properly with the market, as of 2005, although new initiatives, as mentioned above, have been changing their presence within the market. As of 2005, the market and their presence was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|   | *SUV* | *Car* | *Truck* |
| *Ford* | 12% | 23% | 64% |
| *Market* | 21% | 41% | 37% |
| **Difference** | **-9%** | **-18%** | **+27%** |

Opportunities

While the above table proves that there are weak spots within Ford, this can also be seen as an opportunity, room for improvement, and/or expansion. In recent years, there have been trends within the auto industry that pose an opportunity for Ford: one example includes fuel efficient automobiles. While Ford has room to expand their sales for the class B car segment within the industry, they can also work to change their brand image (as stated above) in a direction that is in accordance with the demand (see the above table). While attempting to become more prevalent in the class B car segment within the US, they can also provide features which are aligned with market demands.

Another opportunity is the ever changing environment of marketing. In recent years, Social Networking has become a vital aspect of marketing strategies. This is something that the auto industry has been a part of, but only to a small extent. Entering this new trend of using social networking as a source of marketing is an opportunity for auto companies if they can determine a safe way to participate in this new trend. This new demand allows auto companies, including Ford, the opportunity to attract new customers they have previously not reached in traditional ways of marketing: most prevalent is the younger market who are heavily submerged in this new environment of social networking.

An additional aspect of the changing environment of marketing is the model of marketing itself. The traditional model of marketing was that of interruption. Marketers were focused on creating the demand for customers, rather than allowing consumers to create the demand for the product. A new model of marketing is showing up and is focused on being a dialogue rather than a monologue. The opportunity this new model provides is that of engaging customers and becoming a part of what they are doing rather than interrupting their lives and this opportunity goes hand in hand with social networking. Many consumers (especially the younger market segment) are using social networking on a daily basis and if marketers can become a part of that culture, then they are better equipped to determine what customers want.

Threats

The automobile industry has been hit hard on account of the recent economic downturn. This within itself has decreased the number of sales as consumers have fewer resources to spend.

Previous ways to reach consumers through marketing are not working anymore (especially with the younger segment) because people have learned to tune out traditional forms of marketing where companies are shouting at them and interrupting their daily lives. Consumers are no longer listening to advertising, but are rather listening to each other.

While using social networking can be seen as an opportunity, it also poses risks which have never been dealt with in the past. Using social networking to market products requires that the company give up control over what is said about the products. This risky because if you can’t control the outcome, you brand image can be easily tarnished and/or destroyed. In essence, using social networking requires companies to hand over their brand and they must have great faith in their products. This threat however can be offset by continuously monitoring and being prepared to respond to a crisis: the company can even create crisis management team who is prepared for all different kinds of scenarios.

**Conclusion and Recommendation**

So far, it seems that the FFM has created some buzz and has been successful in their efforts.  They ultimately generated 50,000 sales leads which exceeded their target by 12.4% according to John Felice (General Manager, Ford Lincoln Mercury Marketing) and the most impressive part of this marketing strategy outcome was the fact that 97% of these customers were new customers who had never owned a Ford vehicle previously.  Therefore, their efforts to enhance their brand image within the class B car segment were successful.

However, Ford will still need to work hard at converting these leads into sales and how it will sustain the momentum in the future with other Ford products. Even if Ford is successful in converting most of these leads into sales, their work will not be done.  Ford will then need to make a decision on whether it wants to switch all of its marketing to VMC's, stay with traditional and more expensive campaigns, or use a mixture of both.

Our recommendation is to use both forms of marketing to reach a broad spectrum of consumers.  However, they should continue to rely heavily on VCM’s in order to reach their target market (the younger market) and become a part of what that market is interested in rather than being an interruption in their lives. This type of marketing in which they use a dialogue is an important factor as well because markets are increasingly consumer driven versus product driven: this will allow Ford to communicate with consumers and determine what they need to do to meet consumer needs. In an ever changing environment, marketing strategies must transform accordingly and VCM’s are accomplishing just that.