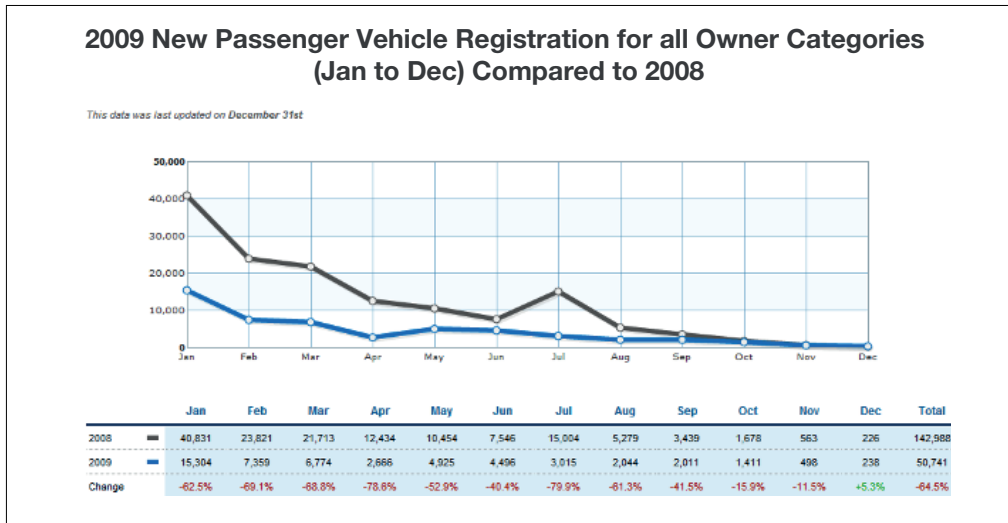


Introduction & Background

The car industry in Ireland has been in turmoil since 2008. That year saw a drop in new car sales of 64.5% - arguably the most severely hit industry with the onset of recession.



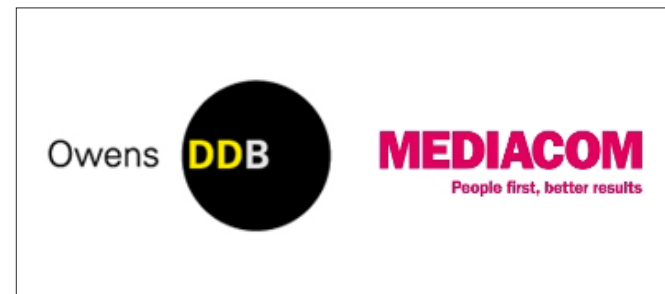
With the market facing such a difficult situation manufacturers knew that recovery would be a drawn out process. Furthermore, all aspects of their business would need careful examination to understand how their respective brands could survive in the new reality they faced. As one industry member said, "We, as an industry, have forgotten how to do the fundamentals of car sales and brand growth because for the last ten years we didn't need to."

ŠKODA was no different in this scenario, but had a couple of minor advantages against its more celebrated rivals. Its product range was well respected within Ireland and the brand enjoyed strong consumer perceptions in relation to value and reliability. However, both John Donegan (Marketing Director) and Ray Leddy (Marketing Manager) realised that relying on these facets alone would not suffice. Following a brand audit in 2010 in which elements such as pricing, retailer network and their approach to Aftersales were dissected and re-designed, a review of their communications strategy was conducted. Following a competitive pitch ŠKODA was satisfied that Owens DDB working with Mediacom would be a strong pairing going into 2011.

Awards

Judges Awards

Best Creative Campaign



## Introduction & Background

2010 had witnessed the introduction of the Government Car Scrappage scheme which had seen sales in the market recover to 86,857 (+71%) but ŠKODA were conscious that this figure was due to many rival manufacturers offering loss leading discounts, led in particular by Renault. Buying market share at all costs was not a sustainable strategy as Renault would later discover – and with the scrappage scheme coming to an end in June 2010 ŠKODA wished to see how the upcoming years could be employed to position the brand for economic growth which was forecast for 2014.

## Marketing Objectives

The Marketing Objective was actually quite straightforward – it was part of a long term business objective to grow market share year on year so that by 2014 ŠKODA would enjoy a market share of 8%.

A target of 8% does not sound challenging until it is placed within context. Going back to 2008 it is interesting to note the progression of market share in that and the subsequent two years:

Year	Ranking	Volume	Market Share
2008	11th	4,166	2.9%
2009	7th	2,211	4.4%
2010*	7th	4,905	5.6%

**\*Scrapage Scheme introduced**

There is no question that the brand enjoyed a major uplift thanks to the Scrappage scheme – exceeding 2008 volumes. A combination of the quality of its product and the accessible price point made these figures possible. Having made such in progress in 2010 there was real danger that share could evaporate at the end of the Scrappage scheme programme when the number of potential buyers would dramatically decrease again.

## Company Profile

### Owens DDB

Owens DDB is a 100% Irish owned Creative Agency generating ideas that will meet its Client's business objectives. It is an affiliate of the highly awarded DDB Network and has been trading in Dublin for over 50 years.

### Mediacom

Mediacom has rapidly risen through the ranks since the recent establishment of its Dublin office. Its emphasis on smart thinking means it now runs a number of high profile brands in the Irish market and continues to grow in strength as part of the world's largest buying media network.

## Marketing Objectives

To address this Owens DDB and Mediacom agreed a communications programme with ŠKODA that would prevent such an occurrence. The key to the programme was planning ahead for key product and range launches and, equally importantly, reacting to original opportunities when they presented themselves. All communications, whether tactical, product or brand focused had to build towards a positive perception of the brand for Irish consumers. The implication was that unlike the last three years we would be less reliant on centrally generated creative materials. The emphasis would be on the two Agencies to work closely with ŠKODA to generate ideas and opportunities that drove the brand forward.

Business Objective	Build on the brand's increased market share to meet our long term objective of 8% in 2014
Marketing Objective	Drive sales of our key models, educate customers about our innovations and improve perceptions of the brand.
Communications Objective	Drive positive brand perception & sales by dramatising the 'Human' side of our brand ethos of 'Simply Clever'.

## The Task

The major challenge within this task was its multi-faceted nature. The marketing team worked with us to identify key opportunities, but within that context we were regularly addressing divergent audiences, thus motivating them to buy ŠKODA was by no means easy. It was crucial to agree key objectives which resulted in the following:



## The Task

### Objective 1 – Spread sales across the ŠKODA range

The jewel in the ŠKODA crown was the Octavia. It sold in high volumes and consistently. A conservatively designed car strong on technical specifications it was ideal for the more traditional buying audience of the brand. The issue was that in 2008 it comprised 70.3% of ŠKODA's market sales. This was far too heavy a weighting, particularly when taking into account the quality products the brand enjoyed in other segments such as the Superb and the Fabia.

### Objective 2 – Improve ŠKODA's reputation as an innovator

ŠKODA's brand reputation had not come about by accident, since its 100% take-over by the Volkswagen Group in 2000 the brand had enjoyed more integration with VW's technological expertise. It led to a better quality product at cheaper prices than its parent brand. However, the brand could not afford to simply sit on its laurels and so it pursued two technologies in which it was seen as being weak:

- ▶ Fuel Efficiency
- ▶ 4x4 Drive

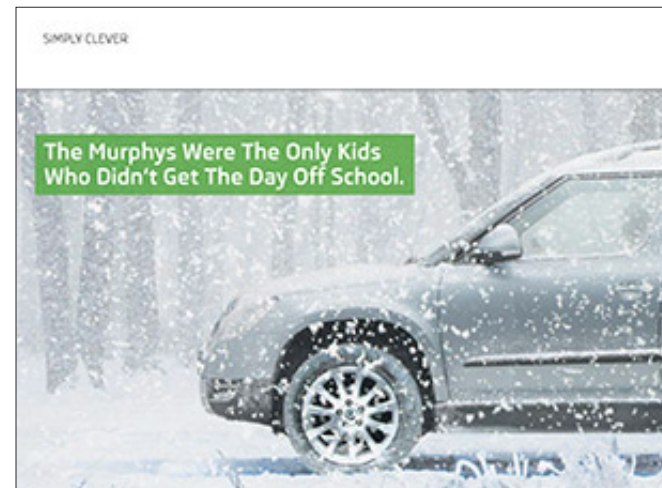
The local ŠKODA team felt that were we to successfully promote these technologies it would show a different side to ŠKODA that would surprise and impress potential customers.

### Objective 3 – Position ŠKODA as the car of the people

The brand team recognised that ŠKODA had an opportunity to connect more closely to the Irish people. To ensure that we were able to achieve this Mediacom and Owens DDB were briefed to be alert to news opportunities which we could leverage. In turn the brand team would work at finding ways to capitalise on topical stories with tactical offers that were of relevance to the population.

### Objective 4 – Bring the advantages of ŠKODA Aftersales to life

ŠKODA's Aftersales programme had undergone thorough examination and resulted in a more consistent approach to maintenance and pricing throughout the network range. The Aftersales team led by Brendan Rogers briefed us to generate a sense of pride for ŠKODA drivers that would persuade them to use authorised ŠKODA Retailers instead of local independent garages for the maintenance of their cars.



## The Strategy

To ensure that ŠKODA achieved its objectives we worked to a very simple mantra. Every piece of communication activity should dramatise ŠKODA's ethos: SIMPLY CLEVER.

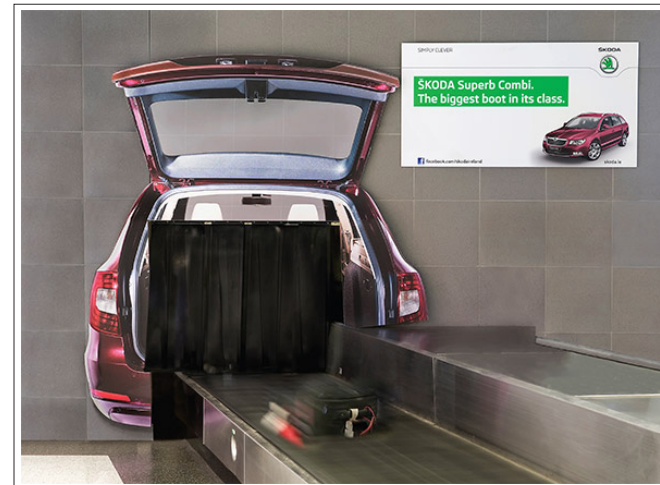
If we were celebrating a new technology we had to do it in an engaging manner. If there was an opportunity to tie in with a current event we had to do so in a way potential customers could relate to. If we wanted to persuade people to utilise ŠKODA's Aftersales services we had to connect with them emotionally.

A programme of communications was generated that would bring this approach to life.

- 1) Spread sales across Range  
Promote the Superb, Yeti and Fabia as vehicles that warranted consideration on their own merits.
- 2) Improve ŠKODA's Reputation as an innovator.  
Celebrate the efficiency of ŠKODA's Greenline range and introduce its 4x4 range in a timely manner.
- 3) Position ŠKODA as a car of the people  
Target the following national events for hi-jacking in a manner that would excite the Irish public rather than offend:
  - ▶ General Election
  - ▶ Presidential Election

We also were acutely aware that the GAA would be an excellent way of gaining a foothold in Irish hearts and minds so leading with the sponsorship of Tipperary GAA we looked to see how we could take that forward.

- 4) Bring the advantages of ŠKODA Aftersales to life  
We were tasked with generating a campaign that would communicate the fact that if drivers truly cared for their ŠKODAs, then their car deserved the best quality service and parts that ŠKODA could offer.



## The Idea & Communication Activity

Our media budget did not match that of many of our competitors therefore it was imperative that we utilised both media and production budgets to the maximum. Our audience profiling also required careful consideration on each occasion. As explained earlier the idea behind all communications was simple – dramatise the human nature of ŠKODA's ethos. The following demonstrates this against our 4 objectives.

### Objective 1 – Spread Sales across the range

ŠKODA Superb, Yeti and Fabia

The fundamental part of our communication strategy was to showcase the individual models and model variations at key sales times amongst their respective targets. We ran activity overlapping for greater ŠKODA brand presence. We also needed to be astute regarding budget allocation by model to ensure maximum yet balanced sales opportunities.

International TV executions adapted for the Irish market formed the bedrock of model communication which was supported by print, radio, online and OOH. We ran specific 'brand' advertising also and throughout all communications stuck to our mantra **ŠKODA – Simply Clever.**

ŠKODA Superb – As a top range model was targeted at upmarket, business, fleet and public sector prospects. We promoted 4 x 4 drive, Greenline technology, Low costs and the new Combi estate . We were innovative with well-targeted and impactful creative executions. We took advantage of excellent billboard rates at key times and dominated roadside. And our thinking led to a fantastic media innovation when we created a new media space on the baggage carousels in Dublin Airport to support our 'big boot' message.



## The Idea & Communication Activity

ŠKODA Yeti - With Yeti we targeted the 'downsizing' market considering the shrinking larger SUV segments. We also focused on conquest, despite limited direct competitors (Qashqai being the main one). We recognised the potential to attract more female customers and the grey market and provide positive brand association for those who had not previously considered a Skoda.

As ever we were quick to seize on opportunities and when Jeremy Clarkson reviewed the car on Top Gear we had the following award winning advert in press within 48 hours. Well it 's not every day he says something that nice is it?



ŠKODA Fabia – was intended to attract a style conscious customer (female and young families) with some attractive sporty models. Finance offerings were also important for this market. Strong international TV, supported by Print, radio and online were deployed and we also ran specific executions around our dealer 'open week' specifically for the Fabia Monte Carlo. Emphasis was also placed on Fabia Monte Carlo in a Sunday newspaper brochure insert.

## The Idea & Communication Activity

Objective 2 – Improve ŠKODA's Reputation as an innovator

ŠKODA 4 x 4 Range / Open week Campaign

In October 2012 we launched a campaign to promote our excellent but highly unknown 4x4 technology and it's availability across our range of cars. A couple of market factors combined to afford us the opportunity promote the range. Firstly, we had an opportunity to play on public's motoring and transportation concerns given the previous two very severe winters.



Secondly, the effects of the recession coincided with a significant move to 'downsizing' in the market which presented a great opportunity for ŠKODA to offer a range of options above the traditional larger 4x4 market offerings. Thirdly, ŠKODA was underperforming in this category with 0.9% share where other premium and mainstream offerings were taking a more significant piece of the market. The premium sector was expensive whilst the mainstream sector suffered with poor retail networks, petrol engine dependency, High CO2 running costs and weak financing.

ŠKODA on the other hand a range of cars with 4x4 technology, diesel offerings, low taxes and affordability. This effectively meant we were primed to challenge each of our competitors.



## The Idea & Communication Activity

The campaign commenced with a press trip to Russia, experiential at the ploughing championships, a microsite followed a by strong above the line campaign.

In order to create awareness and demonstrate our offering, we combined our above the line communication with a pre-winter 'open week' dealer incentive across the network and also drove customers to our dedicated webpage. We ran strong visual executions in print, a Sunday newspaper brochure insert, radio and relevant online across motoring, weather related sites, online forums, social networking and mainstream homepage takeovers.

We also strategically placed ads in context whenever there was severe weather editorial.



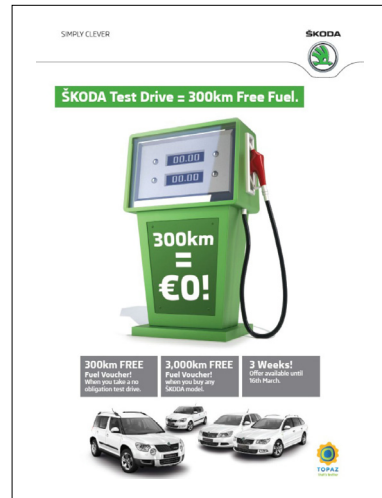
Greenline (Fuel efficiency)

ŠKODA's Greenline technology provided us with a highly innovative and practical opportunity to target customers. Greenline technology delivers fantastic fuel efficiency,

## The Idea & Communication Activity

so given soaring petrol and diesel prices we took the opportunity to bring this offering into the public domain at a key time. The campaign was as much about achieving trial and conquest from other brand loyal customers as it was about targeting the current ŠKODA heartland. As such, we devised a clever mechanic offering 'free fuel vouchers' as an incentive to test drive or purchase.

Activity commenced in early February of this year running in Print Radio and Outdoor. The idea was to create a high intensive burst over a relatively short period of time, effectively a three week campaign. The print campaign was high frequency, combining a 16 page insert in Ireland's leading newspaper, general run of paper ads, motoring supplements, TV page ads and tactical placements on crossword and weather pages. Ads ran in national press with local titles added to target the dealer network. This was supported by high frequency radio and tactical OOH. Tactical OOH was deployed at point of purchase on petrol pump nozzles, digital screens and forecourt 6 sheets.



In conjunction with this topical PR ran around the pre Euro finals 'hype' with two fans doing a 4,000 kilometre round trip to Poznan for as little as €240 each in a Superb Greenline car!



## The Idea & Communication Activity

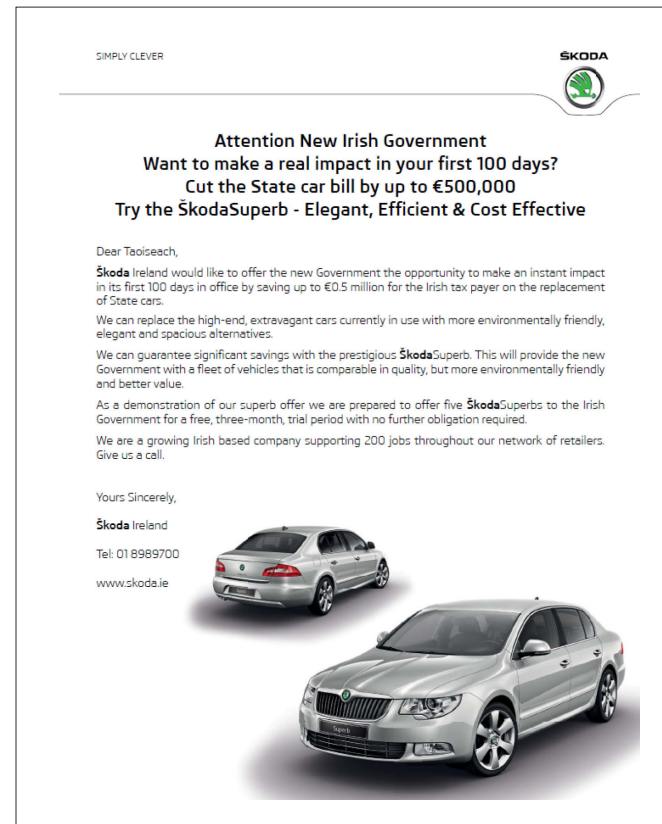
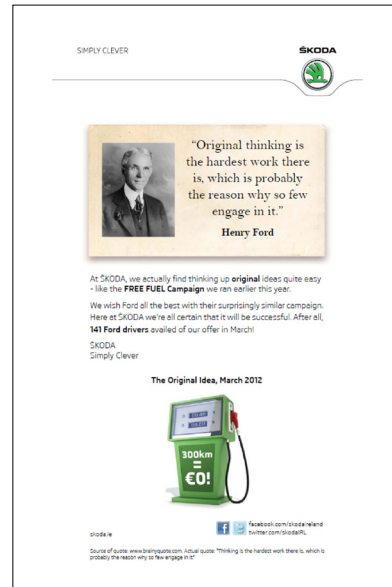
In order to further talk up the technology and generate greater consumer interaction we organised a national cross station promotion on Newstalk over a two week period, cumulating each week in what we entitled, 'Free Fuel Friday'. This involved a 'stop / start' mechanic to explain the technology with free fuel vouchers as prizes and was extremely successful through on-air engagement and digital interaction. Furthermore, we gave the breakfast show presenters a car for the week. All Presenters talked up both the promotion and the technology twice per show throughout the day.

As a measure of our success, one of our peers immediately copied our campaign so we reacted placing ads tactically in the same environment to remind punters that it was ŠKODA, who were 'simply cleverer'

### Objective 3 – The car of the people

General Election Campaign & Presidential campaign

In order to help demonstrate that ŠKODA is 'the car of the people' we fashioned a quirky and humorous approach by challenging the very top of society to engage with our brand offering. This was a time of austerity - and quality combined with value for money was at the forefront of most minds. We recognised that Governments, institutions and even presidents were under the microscope. To this end we wrote an 'open letter' to both the new government (Minister of Finance) and subsequently the new President (Michael D. Higgins) - printed across the 3 main national broadsheet titles within relevant Editorial content - challenging them to consider what ŠKODA had to offer. This strategy (although somewhat tongue in cheek) demonstrated the confidence in the quality and reliability of the ŠKODA brand as well as the variety of cost saving to be made. AND we are happy to report that 4 ŠKODA Superbs were ordered as part of the Government fleet – so we ended up saving the taxpayer money!



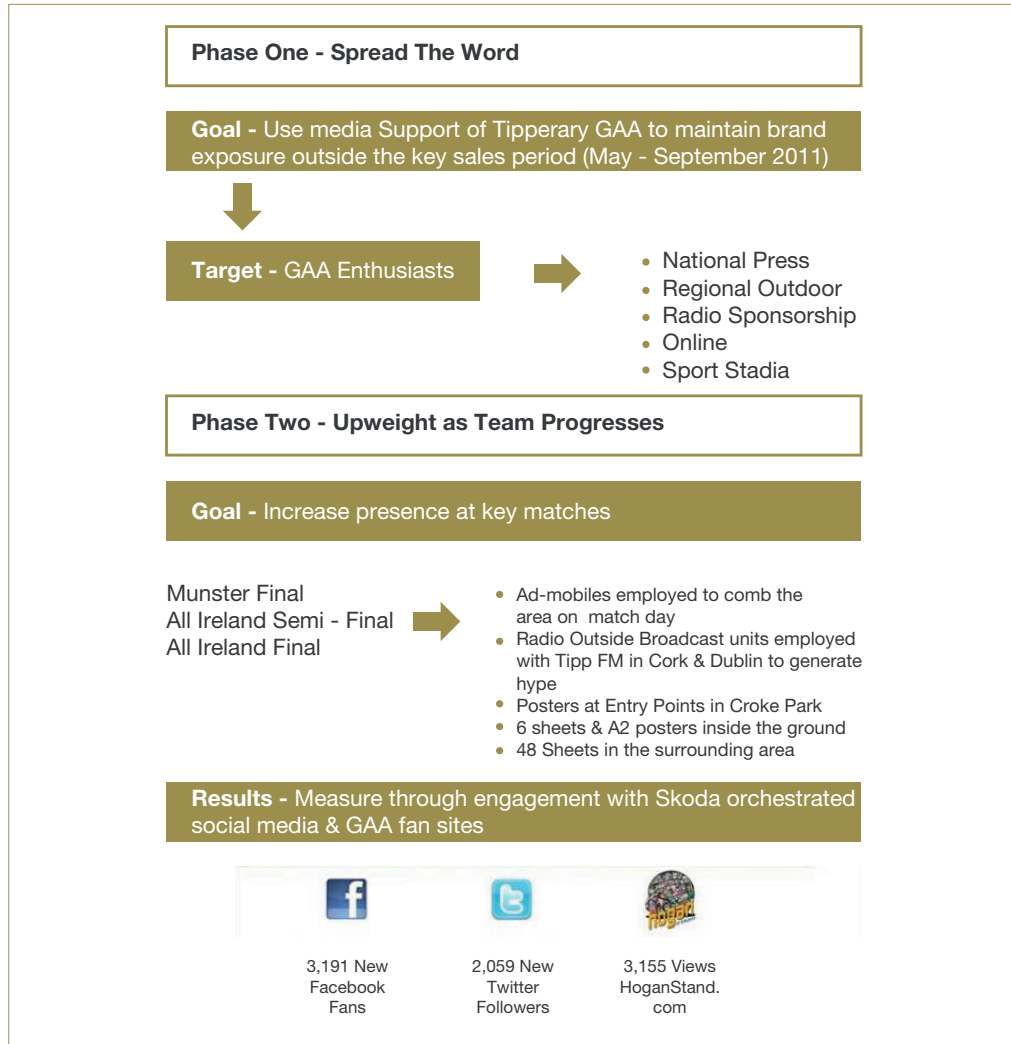
## The Idea & Communication Activity

### Tipperary GAA Sponsorship

In early 2011 ŠKODA officially launched its sponsorship of Tipperary GAA covering both hurling and football codes across all grades from minor to senior inter-county teams. The overall objective of the sponsorship was to increase ŠKODA's awareness and image ratings on the back of excellent sales results. We recognized that leveraging this sponsorship afforded us an opportunity to further connect with our core audience defined as 'middle Ireland' with particular emphasis on the 'agricultural heartland' and 'Out of Town Commuters'.

Further analysis demonstrated that GAA in particular played a significant role in their lives. The campaign commenced in May 2011 at the start of the qualifying series for the All Ireland Final. We focused on GAA enthusiasts whom we targeted through select national press, regional outdoor, radio sponsorship, online and sports stadia.





Objective 4 – Aftersales


Finally with regards to Aftersales we came up with an over-arching campaign to encourage ŠKODA owners to return to authorised dealerships for their servicing needs. The campaign was encapsulated with the line ‘Love your ŠKODA’.

## The Idea & Communication Activity

Having generated a compelling message about your ŠKODA and a compelling offer we proceeded to drive further engagement with ŠKODA Aftersales by promoting a range of unique offers – but each of them communicated in our new style. The thinking was simple, maintain the same level of media support with our local dealers but invest more in creative production so that their messages really stood out.

We found that our campaigns were regularly generating far greater upsurges in dealer visits than had previously been experienced. Our use of media, pre-dominantly Local print and radio had not changed, the way we used them had.

Simply Clever ŠKODA



**Free Health-Check on Any ŠKODA, of Any Age, at Any Time.**

**Love your ŠKODA.**  
The engine of a ŠKODA is not just the result of clever engineering. It is constructed by our engineers using one secret ingredient - the human touch. That's why a ŠKODA deserves expert care. In honour of this, we are offering a free health-check on any ŠKODA, of any age, at any time.  
Take advantage of this great offer by booking a free health-check for your ŠKODA today.  
For more information contact your local ŠKODA Retailer.  
**ŠKODA Service**  
Burns Car Sales, Dublin Road, Co. Sligo. 071 9161500

skoda.ie Terms and conditions apply

Simply Clever ŠKODA



**Unfortunately we don't repair relationships.**

**Bangs, bumps, dents and scrapes, however, are right up our street.**  
Should your ŠKODA, for whatever reason, require body or paint work, make sure you call in to your local ŠKODA Retailer. Our experts meet the exacting standards of ŠKODA excellence and only use genuine ŠKODA parts, guaranteeing you a repair job that's visible, efficient and great value.

skoda.ie Terms and conditions apply

## The Results

On any measure we look at, the results for ŠKODA Ireland have been fantastic. When purely looking at market share objectives we have managed to increase market share once more with the 'Winter 4x4' Open Day and 'Fuel Test Drive' campaigns delivering incredibly well. The 'Winter 4x4' campaign resulted in our selling out of 4x4 stock and generating an order book that saw ŠKODA enjoy its greatest January since the boom times of 2007.

Year	Ranking	Volume	Market Share
2008	11th	4,166	2.9%
2009	7th	2,211	4.4%
2010*	7th	4,905	5.6%
2011**	7th	4,641	5.2%
2012(YTD)	7th	3,776	6.3%

\*Scrappage Scheme introduced  
\*\*Scrappage Scheme ends in June 2011  
Source: SIMI Annual New Irish Car Registration Data

The 'Fuel Test Drive' promotion on Newstalk reached 364,000 people over the two weeks on average 6.7 times. They received an un-precedented amount of entries, more than they ever had for a weekly promotion with 6,143 over the two weeks. There was also online coverage of the promotion as it was announced on facebook (16,407), twitter (29,339) and google (127).

*"The ŠKODA Greenline 'Free Fuel Friday' promotion was a great success. The interaction and engagement levels that we experienced during this promotion was one of the highest level of entries that we ever received"* – Karl Tracey (Newstalk).

## The Results

In terms of our objective of spreading ŠKODA sales across our model range we were also successful and much of our overall sales success can be attributed to achieving this goal. While maintaining volume sales of the Octavia we managed to increase share on the other models of the range with the biggest factors being the Fabia & Yeti.

Model	% of total Sales 2009	% of total Sales 2012
Fabia	16	18
Octavia	60	48
Superb	21	21
Yeti	1	11
Roomster	2	2

In terms of making ŠKODA more a car of the people we have had incredible PR off the back of the numerous initiatives that we embarked upon. Perhaps our favourite was the debate that started on Joe Duffy's high profile Radio 1 show "Liveline" when many callers asked whether anyone knew if the Government would take up ŠKODA's offer of a range of affordable Superbs. While we did receive four orders, suffice to say we're ready to offer more!

Finally, Aftersales has seen our greatest success – working with the team we have seen revenues rise by 17% over the last three years against a marketing budget increase of just under 8%. This has been a great fillip to the brand in general as when the New Car market is struggling manufacturers cannot afford to have owners using independent garages for their servicing needs.



## Impact on Behavioural Attitude & Payback

New car sales have always been price sensitive but on the understanding that a well protected brand should not need to reduce prices at the same rate as competitors to increase volume.

In the last four years one of our rivals (Renault) embarked on a programme of price dropping and incentive schemes that make no sense. Their market share journey in the last four years is an important warning to all manufacturers in this segment (Source: SIMI Annual New Irish Car Registration Data):

- ▶ 2009 4.71%
- ▶ 2010 9.76%
- ▶ 2011 9.59%
- ▶ 2012 7.44%

You'll note that in one year they doubled their market share but it was bought at great cost both in terms of incentivised deals and media investment. They are now no longer in a position to sustain this activity and as a result are seeing their market share drop. Irish car buyers are knowledgeable and they look for assurance that the value of their car will give a good return at trade in; this again is something that our competitor now struggles to defend having flooded the market with cheap vehicles.

ŠKODA Ireland is determined to grow market share but not at any cost. The brand must be protected and its reputation has to be kept intact. Recent awareness figures have shown spontaneous awareness increase from 24% to 26% (Source: Behaviour & Attitudes Study Apr 2012) and marks on quality, value and reliability all increasing. We firmly believe that the work generated in the last three years has put us on the road to our ultimate target of 8% market share by 2014.

Thinking differently about how we educate people about ŠKODA and get them engaged with the brand has been crucial. The 'Fuel Test Drive' campaign was not purely a media success but a commercial one as the following statistics demonstrate (Source: ŠKODA Ireland Sales)

- ▶ Over 2,300 Test Drives completed over the three week period
- ▶ Resulting in approx 257 car sales
- ▶ 40% of those who took part never having driven a ŠKODA model previously



## Impact on Behavioural Attitude & Payback

- ▶ 1 car sale for every 9 test drives.

And perhaps that is the greatest lesson of this case study, keeping your eyes focused on a long term goal does mean ignoring short term gains. But that self discipline will repay itself in abundance. We're happy about what we've achieved and excited about what ŠKODA can become in the future.

## Summary

The story of ŠKODA's growth in the last three years is a testament to remaining focused on a long term objective at the expense of short term gains. Amidst a turbulent market ŠKODA did not panic, but instead focused on the four key objectives that would drive market share en route to their 2014 ambition:

- ▶ Spread sales across the range
- ▶ Improve our reputation as an innovator
- ▶ Become the car of the people
- ▶ Showcase the advantage of ŠKODA Aftersales

We did not engage in a price war nor did we deviate from the objectives set. It is this disciplined approach that has given ŠKODA the growth it targeted during this period and more importantly means we are in a stronger position going into 2013. It has been a great period of success for the brand and this paper explains how we did it.