

THE REBIRTH OF CADILLAC: SYMBOL OF SUCCESS FOR THE 21ST CENTURY*

Pausing to reflect upon and assess the progress of the Cadillac brand over the past five years (2000-2005), Cadillac had good cause to be pleased. The brand now had a full product line poised to compete in the luxury category. The segments include:

- CTS Entry-level luxury sedan
- STS, DTS Prestige luxury sedan
- SRX Medium luxury utility
- Escalade Full-size luxury SUV (with the Escalade ESV and EXT entrants in luxury sport utility trucks and larger luxury SUVs)
- XLR Ultra-luxury convertible
- V-Series High performance luxury

The six new and revitalized car lines all met with critical acclaim, exceeded sales targets, and contributed to steady increases in the prestige image of the Cadillac brand overall.¹ The uptick in the financial and emotional health of Cadillac continued to hum along so Cadillac saw no reason not to set their sights even higher.

Growth in the luxury segment remains one of the bright spots in the US car and light truck market, as it continues to experience year-over-year growth. Since the early 1990s, the car and light truck categories have fragmented into relatively fine segments as more and more high-end roadsters, ultra-luxury, and ever larger and decked-out SUVs appeared on the market. Entry-level luxury segments (sedans, coupes, convertibles, SUVs, etc.) have also shown explosive growth. Further, the tech boom with its IPO and stock-option millionaires fueled growth across virtually all luxury segments. The ensuing dot boom slowed growth, but has not eliminated it. This growth provides some of the fuel for the Cadillac team's optimistic aspirations for the brand.

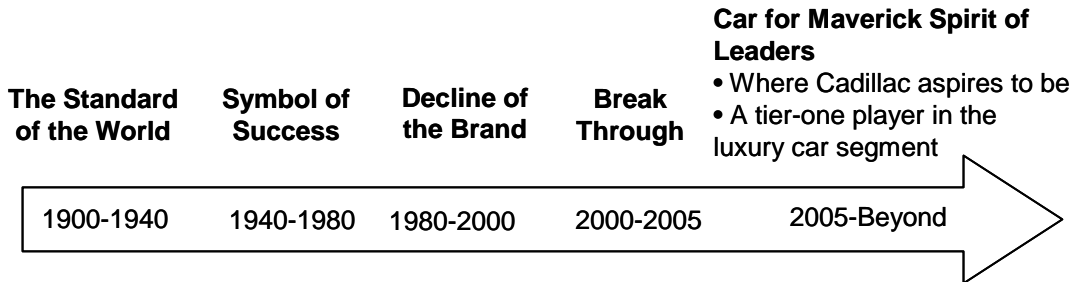
* Leo Burnett and Cadillac directed and managed the writing of the case and all annual revisions and updates. Original case developed by Bridgette M. Braig, Ph.D. Copyright 2006, EdVenture Partners. Last revised 1/6/2006.

¹ e.g., Car & Driver/Road & Track awarded SRX with the Luxury Sport Utility of the Year two years running.



In addition to changes in the market structure and social landscape, Cadillac's equities and brand positioning has evolved, and has once again, become relevant.

The Cadillac marketing team and Leo Burnett have begun to map out the next natural progression for the brand:



Cadillac is now poised to close the gap between them and the tier-one luxury car market (Mercedes, BMW, and Lexus). Cadillac has employed a variety of product, targeting, and brand positioning strategies to move toward its aspiration of joining the leaders. Cadillac now needs to refine its current strategy to keep the momentum and to begin attracting tier-one luxury buyers.

To help Cadillac restore itself to its former glory and leadership, it is useful to explore its path from success to decline and back again. The following sections sketch Cadillac's history, initial renaissance, current state of Cadillac, and initial plans for ascension to leadership.

Cadillac History, Heritage, and Hey Day

Cadillac Motor Cars first rolled off the assembly line in 1902. Its founder, Henry M. Leland, made huge advances in manufacturing processes that enabled more efficient mass production. Over the years, Leland focused his attention on developing new technologies and innovations in performance, quality, and creature comforts. Examples include the first V8 engine, first front-wheel drive suspension, and first sunroof. Even today, Cadillac's innovator history is a deeply held value.

Further, Cadillac's historical prestige stemmed from its easily recognized features:

- Wreath and crest
- Distinctive grill
- Stacked headlights and taillights
- And, of course, the fins of the 50s era

The performance and mechanical advances obviously enhanced the plush ride and smooth handling. However, the unique aesthetic design elements visually communicated the car's luxury driving experience even to those who would never own one. It was the design features that pushed Cadillac from a superior, innovative *product*, to an aspirational luxury *brand*.



Adopted by movie stars, royalty, and a succession of US Presidents, Cadillac was *the* pre-eminent luxury car brand in the US for decades. The people who had “made it” drove Cadillacs. The people on their way up watched the quintessential American luxury car drive past and pictured themselves inside. Cadillac became inextricably linked to the American dream. Even blue-collar Americans bootstrapped themselves into the middle class with a head-down, work-hard, be-frugal ethic. College-educated kids and a Cadillac in the driveway capped off a lifetime of work, making the car an attainable and well-deserved symbol of success.

Fall from Grace: 1980-2000

Cadillac sales continued to climb throughout the 70s and early 80s. However, despite the continued growth, signs of trouble for the brand also appeared. Cadillac's American dream equity meant the car was the pinnacle of achievement – celebrating that last big promotion when you became the boss instead of working for one, or rewarding a lifetime of responsibility and austerity once that last mortgage payment was made. The Boomers, however, had embraced yuppiedom with the guiding wisdom of its greed is good mantra. All about being young and upwardly mobile, success or making it was no longer an end-state, but a path. As a large stately symbol of a defined goal, Cadillac's image lost relevance to the corporate-climbing set.

At the same time Cadillac's positioning lost relevance, its product design and quality also suffered. Cadillac's line was still dominated by enormous sedans, pejoratively referred to as “sofas on wheels.” The luxury elements were still there, but they were tied to comfort and pampering, and effectively removed the driver from the driving experience.

While Cadillac continued to make impressively comfortable and plush sedans, imports were churning out performance cars with luxury appointments such as burlled walnut dash consoles and Bose sound systems. The German cars in particular (BMW was the yuppiemobile poster child, but Mercedes was also in the group) began making cars that satisfied the yuppie's desire for sleek, understated luxury that was still wicked fun to drive. Further, they were able to progress through both German and Asian luxury lines as income allowed (e.g., BMW 3-series followed by its 5- and 7-series). Success was about reaching ever higher and people were turning to brands that better matched this mentality.

The Cadillac Renaissance: 2000-2005

To summarize the Fall from Grace -- the state of decline of Cadillac occurred on two equally damaging fronts. The brand had become a symbol of success *for old people*, making its core positioning stale and threatening to further dilute its former strengths. In addition, the products or models themselves were seen as big overstuffed sofas on wheels reinforcing the negative, and aged view of Cadillac. However, Cadillac embarked on a mission to fix both problems, spending upwards of \$4B in re-engineered product with all-new aesthetics and over \$600M in advertising and promotion spending since 2003.²

The Break Through campaign, launched during the 2002 Super Bowl, encapsulated Cadillac's product and brand image renaissance. On the product side, Break Through served as shorthand for its new product development and design mission. On the brand side, the goal was to break through consumer stereotypes of Cadillac as an aging, stodgy car brand.

² New York Times, November 23, 2003. Sports, p. 17.



Break Through Targeting and Positioning. The primary insight behind revitalizing the brand was that its hey-day heritage of being a symbol of success was still meaningful. The problem was that it had failed to notice that the *meaning* of success had shifted, and as a result, both its products (cars) and image (advertising) had to change to make “symbol of success” relevant again.

In the post-yuppie era, success has meaning well beyond money. It is an inwardly driven concept again. Success or making it in the 2000s harkens back to historical notions of American self-determination – a maverick mentality of doing your own thing and being proud of it. Further, “making it” is more of a process, meaning that the journey to success is marked by a variety of stages or segments (e.g., entry-level luxury, active SUV luxury, prestige luxury, etc.). Acting on these more contemporary notions of making it in life from both a product and brand perspective, Cadillac was able to Break Through to relevance in the luxury car market.

Break Through Product and Advertising. Responding to the stages in the road to success, Cadillac developed product offerings across the full range of luxury-seeking target segments aged 30-100. Cadillac also adopted a product development mission best described as “style meets science.” Its car line became fun to drive and pushed out in a tech-savvy vs. a La-Z-Boy sort of way. Its goal was to focus on new technology features that enhance performance and redefine and shape the ultimate luxury experience. Examples included On-Star safety and security systems, futuristic dashboard consoles, DVD entertainment systems, seats that fold and reappear with the touch of a button, new advances in sound systems, etc.

Cadillac also developed a set of uniform design elements common across models defining Cadillac's new distinctive version of American luxury. The House Style unified the previously fractured Cadillac line and established the brand's new signature head-turning aesthetic characteristics:

- The wreathed Cadillac crest is larger and more visible on both the front grill and the tail of the car.
- Grill is shaped like a shield with a “V” at the bottom – sort of a stylized version of the Cadillac crest.
- Vertical head and tail lamps to give it a jeweled appearance.
- Hard angles and sleek lines convey muscular power and a commanding presence.
- Powerful engines.

On the advertising front, Cadillac used the 2002 Super Bowl as well as some other “unexpected” media for Cadillac (e.g., Hollywood parties, premium properties, etc.) to announce its new products and attitude to consumers. Cadillac wanted to make a splash with an unexpected song, so it convinced Led Zeppelin to license “Rock and Roll.” This was the first time Zeppelin agreed to such a commercial licensing agreement. The Break Through campaign song features excerpts in each execution in the campaign.

Rock And Roll -- (Bonham/Jones/Page/Plant)

It's been a long time since I rock and rolled. It's been a long time since I did the Stroll.
Ooh, let me get it back, let me get it back, let me get it back, baby, where I come from.
It's been a long time, been a long time, been a long lonely, lonely, lonely, lonely, lonely time. Yes it has.

The lyrics acknowledged that Cadillac used to be dominant but slipped. The song further announced that Cadillac was back – meaning that it has retained the great parts of its heritage (design, innovation, sign of having made it in life).



The early product and brand renaissance resulted in significant improvements in awareness, consideration, sales, and image measures. The biggest turnaround in image measures occurred in the under-40 age group. All these advances indicated that Cadillac has broken through far enough into the luxury car market that the brand could now plan for joining the top European and Asian competitors.

The Plan for Playing in the Big League

State of Cadillac 2005. Before turning to plans for the future, it is worth examining the current Cadillac product line as well as perceptions of each model.

PRODUCTS³

Escalade

- Full-size luxury SUV.
- Competes with Lincoln Navigator, Mercedes M-Class, Land Rover Range Rover, Lexus LX470, HUMMER, and GMC Yukon.



Escalade ESV

- Full-size luxury SUV with 3rd row of seats or extra cargo room (22.5" longer than the base model).
- Same competitors as the Escalade.
- Available in a fully loaded Platinum edition.



Escalade EXT

- Luxury sport utility truck.
- Same concept as the Chevy Avalanche and the Ford Explorer Sport Trac, but with the same Cadillac amenities as the other two models including all the DVD players and On Star Navigation bells and whistles.



CTS

- Entry-level luxury sedan.
- Competes with Acura TL and TSX, Audi A3 and A4, BMW 3-Series, Chrysler 300, Infiniti G35, Jaguar X-Type, Lincoln LS and Zephyr, Lexus ES and IS, Mercedes C-Class, and Volvo S40 and S60.

³ To fully appreciate and research the new models, it is strongly recommended that you visit a dealership to see them in person and even test drive them.

The Rebirth of Cadillac



XLR Convertible

- Ultra-luxury convertible.
- Competes with Aston Martin, Bentley, BMW 6-Series, Jaguar XK, Lexus SC, Mercedes CL-Class and SL-Class.



SRX

- Medium luxury SUV/sport wagon.
- Competes with Acura MDX, BMW X3 and X5, Infiniti FX, Lexus RX, Mercedes M-Class and R-Class, Porsche Cayenne, Subaru B9 Tribeca, Volkswagen Touareg, Volvo XC70 and XC90.

STS

- Prestige Luxury Sedan
- Competes with Audi A6, Acura RL, BMS 5-Series, Infiniti M45, Jaguar S-Type, Lexus GS, Lincoln Town Car, Mercedes CLS and E-Class, and Volvo S80



DTS

- Prestige Luxury Sedan
- Competes with Audi A6, Acura RL, BMS 5-Series, Infiniti M45, Jaguar S-Type, Lexus GS, Lincoln Town Car, Mercedes CLS and E-Class, and Volvo S80

In addition to the models described above, there is also the V-Series – high-performance versions of the CTS, XLR, and STS. All V-series cars boast engines that allow for 0 – 60 in under 5 seconds. More information can be found at www.cadillacunder5.com. (See photo of the V-series cars on the next page.)



PERCEPTIONS: ESCALADE

In the luxury category overall, Americans lag behind Germany and Japan. However, the US dominates the luxury SUV segment, with Cadillac's Escalade and the Lincoln Navigator leading the way. Escalade leads the full-size luxury SUV segment in brand awareness, overall rating, and purchase consideration. Escalade performs well on specific attributes and imagery as well. Most encouraging for Cadillac, Escalade rates significantly more favorably than competitors (Infiniti QX56, Lexus LX 470, Lincoln Navigator, and Range Rover) on the following attributes:

- Attitude or Edge
- Attractive Styling
- Excellent ride
- Fun to drive
- High quality
- Innovative technology
- Modern and up to date
- Powerful
- Aspire to own
- People speak highly of

See Exhibit 1 for Escalade Brand Health Measures.

Looking at trends in brand health data, Escalade has show steady annual advances since 2001 on several image measures:

- Overall rating
- Aspire to own
- Attitude or edge
- Attractive styling
- Powerful

In addition to the generally positive quantitative research results summarized above, from a more global social and cultural perspective, Escalade has resonated with a range of "larger-than-life" celebrity segments – most notably, professional athletes and rap and hip-hop musicians. As a result, the Escalade has some powerful cultural equities, particularly among African-American groups, as a bold statement of having arrived in the world.

PERCEPTIONS: CTS

Like the Escalade, the CTS represents a new model for Cadillac rather than a revamping of an older model as is the case for the STS and DTS. The CTS is a critical component of the line up as entry-level luxury is likely to remain a high-growth segment in the industry.



Awareness remains high for CTS relative to competitors, an indicator of strong advertising creative and media spend, although BMW still leads in unaided first mention. Overall ratings of the CTS lag behind BMW, Mercedes, and Lexus (tier-one competitors), but are on par with Infiniti and Acura. Further, the CTS continues to hold its own in sales even though it is in its fourth year of its lifecycle (this is considered old in the auto industry).

Tier-one competitors obviously dominate the prestige factor (i.e., aspire to own). BMW owns performance in this segment, leading in fun to drive, high performance, and precise handling. And, Lexus owns dependability in entry-level luxury.

The good news though is that CTS trumps competitors in dramatic styling and is at parity with competitors in innovative technology and modern and up to date. See Exhibit 2 for CTS Brand Health Measures.

Trend results available for CTS also reveal consistent progress in several areas:

- Overall rating
- Fun to drive
- Attractive styling
- Innovative technology
- People speak highly of
- Modern and up to date

PERCEPTIONS: SRX

Another new model in the Cadillac family, SRX also boasts high brand awareness relative to competitors. However, the awareness of the SRX is quite low compared to other Cadillac models. While it falls short of tier-one overall ratings, the SRX is rated similar to Infiniti's offering in the medium-luxury SUV segment.

The SRX does not fare as well in its segment compared to other Cadillac models. As in other segments, BMW holds the leader position on performance-related imagery, Lexus leads in dependability, and all tier-one competitors do well on high quality, ownership aspiration, and modern. The bright spot for the SRX is that it appears to be closing the gap on offers exhilaration. See Exhibit 3 for SRX Brand Health Measures.

Industry experts, attempting to explain the struggles of SRX, have pointed to the frame of reference as the likely culprit. Consumers appear to have a difficult time categorizing the vehicle, because visually it shares features with a wagon, SUV, and sedan. Without a clear category, the SRX may not be entering consideration sets for some consumers even though the vehicle could be a prime candidate for meeting their needs. Cadillac is currently reworking the key message for the SRX so that the category is clear and its unique benefits are best showcased.



PERCEPTIONS: DTS

The DTS is the revitalized DeVille, a long-time favorite of older, loyal Cadillac customers who prefer front-wheel drive for its ease of handling. It also has the highest average age of the Cadillac models. The initial plan was for the STS (revamped SeVille) to serve as the flagship prestige sedan with the DTS to service the “older loyals” until this target segment quite literally faded away. However, the new DTS enjoys positive word of mouth among a wider age group and received reasonably favorable reviews from the car enthusiast press, so the future of the DTS is uncertain.

Lincoln’s Town Car tops awareness figures while the Lexus LS receives the highest overall ratings. Imagery measures are largely dominated by the tier-one brands (Mercedes, Lexus). However, the Town Car takes the excellent ride (i.e., you could run over a crater and not feel it) honors. The DTS is largely comparable to the Town Car on all other imagery measures. See Exhibit 4 for DTS Brand Health Measures.

PERCEPTIONS: STS

As noted earlier, the STS is the rigorously reworked and improved SeVille. It is the true prestige luxury sedan of the Cadillac franchise. However, this segment (prestige luxury sedan) is flat to shrinking.

BMW 5-series dominates the STS competitive set along with the Mercedes E-class. The long-standing engineering quality, prestige, and envy factor of these cars ensures their place at the top with even Lexus playing catch up. However, there are a number of measures on which the STS ably stacks up to all competitors but BMW. The STS does not dominate on these measures, but fares nearly as well as the other tier-one players:

- Fun to drive
- High performance
- Modern and up to date
- Precise handling

Further, trend data reveal positive momentum over the last two years on a variety of imagery attributes:

- Awareness
- Overall rating
- For people like you
- Aspire to own

This means the gap between the STS and the big behemoths of BMW, Mercedes, and Lexus is steadily shrinking. See Exhibit 5 for STS Brand Health Measures.

Ascending to Tier One

Competitive Brands. As noted earlier, the US car and light truck industries are hyper fragmented. Exhibits 6 and 7 outline the luxury car segmentation and SUV market. Illustrative brands in each segment are also listed. It should be obvious that Cadillac’s primary competitors overall are:

- Mercedes
- BMW
- Lexus



MERCEDES -- The brand is more about the car than the user. It is the standard bearer of precise German engineering. Mercedes has a staid, even-keeled personality (much like the Germans who design and manufacture them). Of late, Mercedes has more aggressively marketing its entry-level C-Class, trying to attract Xers into the franchise early on, so they age their way into more expensive models. At the other end of the luxury market, Mercedes has launched its luxury G-Class SUVs, which compete with Hummer. Mercedes has also put resources behind its pricey SLK roadster. Finally, in an effort to compete more directly with BMS for performance-driven consumers, Mercedes has its AMG line of cars – one per class – that sport faster, more powerful engines with equally beefy brakes.

BMW -- The brand is more about the user than the car. This was the original yuppiemobile. It is not hard to picture the BMW barreling down the autobahn in Germany. The car is also German-engineered, but its focus is on the high-performance driving experience desired by the user rather than precision for precision's sake (i.e., Mercedes claim to fame). The BMW brand personality is racier and more risk-taking than Mercedes. The BMW driver, unlike a Mercedes owner, does not mind and even enjoys being noticed and looked at while driving the car.

LEXUS -- Lexus is the luxury division of Toyota. It was the second Asian luxury brand to enter the US market, following Honda's Acura to market nearly 14 years after its launch. Lexus is now arguably a stronger brand than Acura. Originally positioned as European-quality luxury at a lower price, Lexus has backed away from its initial value positioning. The brand's flagship model, the LS, contends that it is the "highly evolved sedan." It anticipates the needs of the driver, providing luxury and peace of mind. Hence, the Lexus brand is also more about the user than the car.

CADILLAC -- Exhibit 8 provides the brand health data for Cadillac compared to Lincoln and the top-tier brands. Cadillac rates lower than the tier-one cars, but it clearly outranks Lincoln on every dimension. In fact, Cadillac is on par with Infiniti, another brand aspiring to tier-one status.

Consumer Market: For the most part, contemporary luxury car buyers are all intense and driven (no pun intended) people. They live by goals they set for themselves, and fill their day-timers and Palm Pilots with activities and commitments to achieve these goals and set new ones. They often crave balance because of their intense personalities.

Luxury car owners use the cars for far more than high-performance or high-comfort transportation. Car brands provide other benefits such as decompression, peace and relaxation, increased productivity, safe haven, symbol of success, etc. Hence, a luxury car brand succeeds by becoming fully integrated into owners' day-to-day life activities as well as meeting more emotional goals such as social acceptance and self-esteem. These owners clearly use the car as a symbol of who they are, or at least how they would like others to perceive them.

In addition to the clear luxury car owners, brand competing in luxury autos also target the "move ups." These people are also referred to as the "near-luxury intenders." They drive tier-two cars (e.g., Acura, Audi, Infiniti), and are obvious candidates for entry-level tier-one luxury cars. The goal is to attract them to the tier-one brand so that they can trade up within the franchise (e.g., Mercedes C-Class, followed by E- and S-Class sedans).



Quantitative research shows the attributes and imagery that are most important in purchase consideration and attitudes. See Exhibit 9 for Luxury Car Opinion and Purchase Drivers.

It is also useful to consider the two roles that status plays in luxury car purchases. Qualitative research has found that people buy luxury cars either to maintain or acquire status. In fact, “maintaining” or “acquiring” status broadly impacts the consumption behavior and other activities of each group.

Maintaining Status	Acquiring Status
Comfortable with success	Looking for recognition
Are self-possessed	Wear wealth on their sleeves
Understated, traditional style	Showy, flashy style
Possessions facts of life	Possessions very important
Protective of home	Happy to show off home
Money/status aren't worries	Fear losing money/status
Rarely notice new money	Aware of old money
Buy stuff with meaning	Buy stuff that “looks nice”
Knowledgeable connoisseurs	Collectors of stuff

Cadillac has a great deal of demographic information on buyers of its brand as well as buyers of competing brands. See Exhibit 10 for Luxury Car Brand Demographics. Several distinctions among brands are worth noting.

<p>Mercedes</p> <ul style="list-style-type: none"> ➤ Even age distribution from 40-64, with 40 as major point of entry into the franchise. ➤ Higher percentage of Asian and Hispanic owners than competitors. ➤ Income representation high at low and high ends. Suggests doing well with entry-level luxury and the ultra-luxury consumer. Has highest percentage of \$250K+.
<p>Lexus</p> <ul style="list-style-type: none"> ➤ More female buyers than competitors – relatively even gender split. ➤ Brand gains traction with buyers 45-49 and builds from there. ➤ Somewhat better representation with the under \$99,000 set than Mercedes and BMW.
<p>BMW</p> <ul style="list-style-type: none"> ➤ Relatively even age distribution 25-59 – brand gains traction at 25-34 and has youngest average age. ➤ Lowest % of retired owners in the group. ➤ Second only to Mercedes as choice of the super rich \$250K+ market, but Lexus gaining ground.
<p>Cadillac</p> <ul style="list-style-type: none"> ➤ More male buyers than competitors. ➤ Age distribution evenly distributed 50-65, followed by a heavy skew 65+. ➤ Greater African American buyers than competitors. Especially the CTS and Escalade EXT. ➤ Wider range of income representation (distribution skews <\$99,999) and education.



Exhibit 10 also includes the demographics on owners of the various Cadillac models. There are a handful of observations here that are also of interest:

- A greater percentage of women own the CTS and SRX than for the Cadillac brand overall, suggesting that these models may be more appealing to women than the other models.
- The models each hit their stride at slightly different age points -- Escalade begins to gain traction with the 25-34 set, SRX at 45-49, CTS at 50-54, with the XLR and STS appealing to the even older 55-59 crowd.
- The Cadillac brand overall is owned by married couples with no young kids. However, Escalade, CTS, and the SRX owners generally have more kids at home than owners of the other models.
- Escalade skews more African-American than the other models, with the CTS also showing greater appeal with this ethnic segment.
- The XLR and STS have the greater percentage of retired owners.
- Finally, the XLR, SRX, and Escalade have the greatest appeal to the super rich. Interestingly, the SRX also has a significant percentage of the <\$99,000 group. The CTS has the highest percentage of the <\$99,000 segment though.



Your Task

The previous sections traced the golden era of Cadillac and heritage; the social, environmental, and product factors responsible for its precipitous decline in sales and perceptions; and its successful efforts to remold its formerly stodgy image back to relevance. Cadillac is clearly inching its way toward being mentioned in the same breath as BMW, Mercedes, and Lexus.

The next steps for Cadillac need to take into account its key challenges and opportunities:

- Perceptions of Escalade remain favorable and the halo effect extending to the Cadillac brand has shown signs of increasing.
- The entry-level luxury segment is holding with steady growth.
- Medium luxury utility (could this industry get any more fragmented?) also holds strong growth potential. However, Cadillac will not offer a new entrant under the SRX model name until 2008.

Your job is to help Cadillac make in-roads against one of the key prospective target audience segments outlined below. This task requires primary and secondary research as well as the development of a marketing communications plan.

1. For your chosen target audience segment, conduct your own primary (and secondary) research to better understand beliefs and attitudes about Cadillac and Escalade.
 - What are their perceptions of Cadillac and Escalade's brand equities and product features/attributes?
 - Where do these perceptions come from? What influences their views?
 - What specific beliefs and attitudes must be overcome and changed in order to move beyond these barriers to consideration and purchase?
 - What are they seeking from a product perspective and emotional benefit perspective in a luxury car/SUV?
 - How can Cadillac/Escalade's features and equities be leveraged to show they provide the benefits the target segment seeks?
2. Design a marketing communications plan for Cadillac. Call out any differences for Escalade where relevant. The goal of the plan is to reach your chosen target audience segment and engage them beyond traditional advertising, creating experiences with the brand that will ultimately prompt them to consider and purchase Cadillac. In particular, you should consider innovative ways of using traditional media channels. For example, how might you incorporate TV into non-traditional channels.

Your plan should include:

- Customer retention/brand experiences
- Grassroots programs
- Emerging media
- Interactive
- Events/promotion/sponsorships
- Advertising.

Make sure your research findings to justify your plan elements. Please include the plan elements as well as examples of creative.



Target Segment Options:

1. Women 35+. Often single, but also married, women with sufficient incomes are trading up, treating themselves, etc. and entering the luxury car ranks.
2. Move ups. These are current owners (men and women) of "tier two" luxury brands: Audi, Acura, and Infiniti. Owning these near-luxury cars makes them prime targets for the "tier one" crowd: Mercedes, BMW, Lexus, Cadillac.
3. Diversity segments. Focus on *either* African-Americans (men and women) or Hispanics as their perceptions, purchase drivers, and aspirations will differ wildly.



Exhibit 1: Escalade Brand Health Measures

	Escalade	Infiniti QX56	Lexus LX470	Lincoln Navigator	Range Rover
<u>Competitive Brand Measures</u>					
Total TV ad awareness	49%	17%	22%	42%	33%
1 st mention brand awareness	8	*	*	5	1
Excellent overall rating	35	10	19	29	18
Only car considering	1	*	*	2	1
<u>Attribute Associations</u>					
Attitude or edge	56	28	34	40	34
Attractive styling	74	47	57	67	36
Dependable	58	45	54	56	48
Excellent ride	59	33	43	53	24
For people like you	59	29	41	57	35
Fun to drive	53	34	40	48	42
High quality	73	57	69	67	55
Innovative technology	63	51	58	59	42
Modern and up to date	75	60	68	70	51
Powerful	65	30	37	59	50
Aspire to own	60	22	36	51	30
People speak highly of	71	46	62	62	47

For each attributes, respondents were asked, "Based upon anything you're seen or heard, or any impressions you may have, which of these makes and models, if any..." They were allowed to check as many of the brands listed as they desired.

* Less than 1%



Exhibit 2: CTS Brand Health Measures

	CTS	BMW 3-Series	Mercedes C-Class	Infiniti G35	Lexus ES300
<u>Competitive Brand Measures</u>					
Total TV ad awareness	51%	33%	37%	32%	31%
1 st mention brand awareness	2	5	1	1	1
Excellent overall rating	14	26	23	17	26
Only car considering	1	2	*	*	1
<u>Attribute Associations</u>					
Attractive styling	53	64	58	58	59
People speak highly of	47	71	71	53	71
Dependable	43	55	55	51	65
Dramatic styling	44	37	32	40	33
For people like you	32	46	35	38	42
Fun to drive	39	60	40	44	40
High performance	40	60	45	46	41
High quality	54	72	71	65	74
Aspire to own	25	39	35	27	35
Innovative technology	51	59	55	54	56
Modern and up to date	61	67	61	65	67
Precise handling	34	57	44	43	39

For each attributes, respondents were asked, "Based upon anything you're seen or heard, or any impressions you may have, which of these makes and models, if any..." They were allowed to check as many of the brands listed as they desired.

* Less than 1%



Exhibit 3: SRX Brand Health Measures

	SRX	BMW X5	Infiniti FX	Lexus RX330	Merced M Class
<u>Competitive Brand Measures</u>					
Total TV ad awareness	39%	23%	22%	33%	35%
1 st mention brand awareness	1	3	*	6	3
Excellent overall rating	10	26	11	32	25
Only car considering	1	1	1	2	1
<u>Attribute Associations</u>					
Attractive styling	41	67	50	67	54
Dependable	37	55	44	71	56
For people like you	28	52	35	57	42
Fun to drive	32	58	37	50	44
High performance	39	63	42	46	52
High quality	50	74	59	79	73
Innovative technology	48	61	50	63	59
Modern and up to date	54	75	63	74	65
Offer driving exhilaration	27	52	30	34	34
Precise handling	28	55	33	43	44
Aspire to own	25	53	30	51	47
People speak highly of	37	66	43	72	66

For each attributes, respondents were asked, "Based upon anything you're seen or heard, or any impressions you may have, which of these makes and models, if any..." They were allowed to check as many of the brands listed as they desired.

* Less than 1%



Exhibit 4: DTS Brand Health Measures

	DTS	Mercedes S-Class	Lexus LS	Lincoln Town Car
<u>Competitive Brand Measures</u>				
Total TV ad awareness	30%	32%	42%	25%
1 st mention brand awareness	1	1	2	17
Excellent overall rating	15	38	45	32
Only car considering	1	2	1	4
<u>Attribute Associations</u>				
Attractive styling	49	68	70	53
Bold and distinctive	41	59	54	43
Speak highly of	51	81	76	58
Dependable	50	67	72	64
Excellent ride	57	60	61	70
For people like you	35	55	58	50
Fun to drive	35	61	61	41
High performance	35	69	57	31
High quality	61	83	82	65
Aspire to own	28	49	53	45
Innovative technology	56	70	68	52
Modern and up to date	57	70	75	55

For each attributes, respondents were asked, "Based upon anything you're seen or heard, or any impressions you may have, which of these makes and models, if any..." They were allowed to check as many of the brands listed as they desired.

* Less than 1%



Exhibit 5: STS Brand Health Measures

	STS	Audi A6	BMW 5-Series	Lexus GS	Merced E-Class
<u>Competitive Brand Measures</u>					
Total TV ad awareness	53%	24%	37%	34%	36%
1 st mention brand awareness	3	3	7	*	3
Excellent overall rating	20	15	38	27	34
Only car considering	1	1	1	*	1
<u>Attribute Associations</u>					
Attractive styling	52	49	71	60	64
People speak highly of	45	41	77	66	76
Completely redesigned	33	21	28	14	18
Dependable	45	44	63	63	62
For people like you	39	40	62	48	51
Fun to drive	39	43	69	46	48
High performance	47	45	72	47	52
High quality	54	52	78	68	76
Aspire to own	29	24	52	34	45
Innovative technology	53	47	70	57	63
Modern and up to date	59	53	72	63	64
Precise handling	38	43	69	47	51

For each attributes, respondents were asked, "Based upon anything you're seen or heard, or any impressions you may have, which of these makes and models, if any..." They were allowed to check as many of the brands listed as they desired.

* Less than 1%

Exhibit 6: Luxury Car Segmentation

	Ultra Luxury	Prestige Luxury	Entry Luxury	High Sport	Large Luxury	Large
Sedan	<p>Audi A8 BMW 7-Series Mercedes S-Class Jaguar XJ-8 Bentley</p>	<p>Acura RL Audi A6 BMW 5-Series CADILLAC STS, DTS Infiniti M Jaguar S Type Lexus GS Mercedes E-Class Volvo S80</p>	<p>Acura TL, TSX Audi A3, A4 BMW 3-Series CADILLAC CTS Chrysler 300 Infiniti G35 Jaguar X Type Lexus ES300 Lincoln LS Mercedes C-Class Saab 9-3, 9-5 Volvo S60</p>	<p>Audi TT, BMW Z4 Corvette, Ferrari Dodge Viper Ford Thunderbird Porsche Boxster Mercedes SLK</p>	<p>CADILLAC DTS Buick Park Avenue Lincoln Town Car</p>	<p>Buick LeSabre Ford Crown Victoria Pontiac Bonneville</p>
Wagon	<p>***</p>	<p>Audi A6 BMW 5-Series Mercedes E-Class</p>	<p>Audi A4 BMW 3-Series Mercedes C-Class Saab 9-5 Volvo Cross Country</p>			
Coupe	<p>CADILLAC XLR BMW 6-Series Jaguar XK Lexus SC340 Mercedes CL, SL-Class</p>	<p>Mercedes CLK</p>	<p>Acura CL Audi A4 BMW 3-Series Saab 9-3 Volvo C70</p>			

Exhibit 7: SUV Segmentation

	Luxury	Regular Utility	4D Utility	2D Utility
Large	CADILLAC ESCALADE (ALL MODELS)			
	Hummer H1 and H2	Chevy Suburban		
	Land Rover Range Rover	Chevy Tahoe		
	Lincoln Navigator	GMC Yukon	***	***
	Mercedes M and G-Class	Nissan Armada		
	Infiniti QX56 Lexus LX470	Toyota Sequoia		
Medium	CADILLAC SRX			Ford Explorer Sport
	Acura MDX		Honda Pilot	Chevy Blazer
	BMW X3 and X5		Chevy Trailblazer	Isuzu Rodeo Sport
	Infiniti FX		Dodge Durango	
	Land Rover Discovery	***	Ford Explorer	
	Lexus RX		Isuzu Rodeo	
	Lincoln Aviator		Jeep Grand Cherokee	
	Mercedes M-Class		Nissan Pathfinder	
	Porsche Cayenne		Toyota 4-Runner	
	Volkswagen Touareg		Nissan Xterra	
			Toyota Rav 4	Jeep Wrangler
			Ford Escape	Chevy Tracker
			Honda CRV	Land Rover Freelander
Small	***	***	Jeep Liberty	
			Hyundai Sante Fe	
			Saturn Vue	
			Subaru Forester	
			Land Rover Freelander	
			Honda Element	



Exhibit 8: Cadillac and Competitor Brand Health Measures (under age 40 / over age 40)

	Cadillac <40/+40	Lexus <40/+40	Merced. <40/+40	BMW <40/+40	Lincoln <40/+40	Infiniti <40/+40
<u>Competitive Brand Measures</u>						
Total tv ad awareness	54/68	45/52	37/42	43/41	31/36	33/37
1 st mention brand awareness	6/10	3/6	2/3	8/8	2/5	4/2
Excellent overall rating	24/25	33/42	41/38	43/35	10/17	18/18
Only car considering	2/2	1/1	1/1	3/1	1/1	*/*
<u>Attribute Associations</u>						
Attractive styling	47/57	66/70	68/63	78/67	31/44	51/52
Dependable	46/49	60/69	58/59	59/56	35/40	45/48
For people like you	35/41	53/51	49/43	64/47	23/34	39/35
Fun to drive	36/38	47/47	57/49	75/63	20/27	36/36
High performance	40/40	50/52	65/59	79/73	21/25	42/38
High quality	58/57	75/78	77/76	81/73	41/47	57/60
Innovative technology	46/50	60/63	66/59	69/62	32/33	45/49
Known for excellent sales/svc.	28/38	47/54	46/51	48/46	17/27	24/30
Modern and up to date	53/58	72/73	68/64	79/71	34/43	62/58
Precise handling	25/33	42/46	50/53	67/67	14/21	31/34
Aspire to own	31/40	48/53	58/52	63/50	18/29	28/26
People speak highly of	56/58	73/79	80/80	82/76	35/43	47/50

For each attributes, respondents were asked, "Based upon anything you're seen or heard, or any impressions you may have, which of these makes and models, if any..." They were allowed to check as many of the brands listed as they desired.

* Less than 1%



Exhibit 9: Luxury Car Opinion and Purchase Drivers

Attribute	Overall Opinion Rank	Purchase Consideration Rank
High quality	1	10
Superior ownership experience	2	4
Well-engineered	3	8
Dependable	4	5
Aspire to own	5	1
Prestigious	6	15
Precise handling	7	2
Attractive styling	8	7
Fun to drive	9	3
Innovative technology	10	9
Good safety protection	11	11
Luxurious	12	16
Comfortable	13	13
Good value for the money	14	6
Expressive styling	15	14
Trend-setting	16	12
For youthful people	17	17

Exhibit 10: Luxury Car Brand Demographics

AUTO SPIES



	CADILLAC	MERCEDES	LEXUS	BMW
Gender				
Male	63.18%	57.30%	51.36%	58.38%
Female	36.82	42.70	48.64	541.62
Average Age	59	52	54	47
Age Breaks				
Under 25	.84	1.85	.90	3.23
25-34	4.77	9.69	7.86	15.71
35-39	4.17	7.57	6.50	11.65
40-44	6.98	12.10	9.38	12.65
45-49	8.57	12.47	10.99	13.45
50-54	10.67	11.74	13.04	13.32
55-59	13.31	13.65	14.15	11.89
60-64	13.75	11.86	12.72	7.90
65+	36.94	19.07	24.46	10.20
Marital Status				
Married	80.13	74.82	79.47	73.82
Single	7.22	11.58	8.03	13.74
# of Children Under Age 16				
None	77.04	71.32	73.02	67.88
1	9.93	12.84	11.80	15.88
2+	13.04	15.83	15.18	16.24
Race				
Asian	1.57	10.22	8.18	5.28
African-American	8.90	7.03	3.77	5.63
Hispanic	3.09	7.45	3.07	6.77
White	85.50	74.41	83.47	81.59
Highest Level of Education				
High School	15.71	7.97	8.38	7.34
Some College	25.60	21.77	18.05	17.12
College Graduate	29.25	35.50	35.49	36.07
Postgraduate College	23.02	31.60	35.28	36.04
Occupation and Employment				
Tech/Sales/Admin	13.62	14.49	16.10	15.99
Mgr/Professional	58.18	62.31	61.63	65.91
Service	5.13	6.67	6.99	4.46
Full Time	40.28	51.65	47.51	63.78
Retired	40.17	21.03	28.91	11.62
Avg. Annual HH Income	\$145,171	\$175,197	\$163,634	\$173,901
Income Breakouts				
<\$99,999	39.95%	25.18%	28.04%	24.41%
\$100K-\$149,999	23.55	23.03	27.55	23.24
\$150K-\$199,999	10.67	12.89	12.46	16.13
\$200K-\$249,999	7.86	9.48	9.62	10.56
\$250K+	17.97	29.42	22.34	25.54

Exhibit 10, con't: Luxury Car Brand Demographics

AUTO SPIES



	XLR	CTS	STS	SRX	ESCAL. EXT*	ESCAL. ESV*	ESCAL.
Gender							
Male	75.49%	59.06%	67.24%	60.00%	77.81%	62.16%	56.73%
Female	24.51	40.94	32.76	40.00	22.19	37.84	43.27
Average Age Overall							
Average Age Overall	60	57	64	59	51	50	51
Avg. Age Women Owners	53	55	60	54	45	46	46
Avg. Age Men Owners	62	59	66	61	52	53	54
Age Breaks							
Under 25	1.40	.96	.48	.54	4.24	.91	.77
25-34	1.98	4.88	1.59	3.63	11.94	7.35	11.43
35-39	1.37	5.80	1.25	1.68	5.94	12.09	7.45
40-44	3.91	7.77	2.86	9.59	9.81	17.02	11.53
45-49	9.04	8.20	5.57	10.13	12.19	13.65	14.92
50-54	10.30	14.05	5.69	11.20	12.67	12.25	14.65
55-59	18.71	15.28	14.92	13.24	13.88	10.56	12.69
60-64	14.08	11.43	15.67	15.54	12.76	11.91	12.47
65+	39.20	31.63	51.97	34.47	16.57	14.26	14.09
Marital Status							
Married	79.28	76.24	77.05	83.06	75.48	89.50	85.76
Single	6.96	9.79	6.93	6.93	12.04	4.95	4.78
# of Children Under Age 16							
None	88.10	78.57	86.31	76.99	70.68	43.14	60.90
1	6.30	9.63	6.39	12.07	13.50	12.90	18.12
2+	5.60	11.80	7.30	10.94	15.82	43.96	20.98
Race							
Asian	3.55	.92	.99	2.96	1.44	2.94	3.09
African-American	5.57	9.44	10.98	5.80	17.89	5.18	9.50
Hispanic	1.25	4.65	1.08	1.91	4.86	3.13	5.52
White	86.14	84.73	85.25	88.71	75.64	85.94	81.57
Highest Level of Education							
High School	13.09	13.12	14.37	12.03	21.67	11.02	17.42
Some College	26.85	28.38	22.99	21.64	28.52	25.85	23.79
College Graduate	36.70	27.94	34.05	36.12	25.20	35.38	29.55
Postgraduate College	21.75	23.63	23.93	25.31	15.62	25.47	22.03
Occupation and Employment							
Tech/Sales/Admin	9.71	15.95	12.66	13.57	15.02	11.33	10.36
Mgr/Professional	81.41	57.05	60.84	61.15	44.05	61.78	61.59
Service	1.01	5.49	6.63	5.19	6.69	6.99	3.58
Full Time	39.58	50.48	32.16	37.58	50.07	41.55	46.03
Retired	44.11	34.86	55.10	37.57	25.54	17.04	20.00
Avg. Annual HH Income	\$203,772	\$118,316	\$146,379	\$160,826	\$150,751	\$219,131	\$179,079
Income Breakouts							
<\$99,999	15.49%	52.14%	39.71%	32.50%	34.41%	12.77%	20.91%
\$100K-\$149,999	18.08	25.85	23.26	21.22	25.93	12.43	24.89
\$150K-\$199,999	13.28	8.69	10.46	14.98	12.75	11.31	15.15
\$200K-\$249,999	10.74	6.94	10.38	10.90	6.61	7.93	9.27
\$250K+	42.42	6.38	16.18	21.21	20.29	55.55	29.77

*Note: the Escalade ESV and Escalade EXT are relatively low-unit volume vehicles. The "regular" Escalade figures are more representative of the brand demographics overall.