GM's Ads Aren't Getting The Job Done

Tom Krisher, AP Auto Writer

DETROIT (AP) — General Motors' ads just aren't getting the job done.

Since the company left bankruptcy three years ago, its ads haven't boosted sales much. The company's biggest campaign, "Chevy Runs Deep," has failed to generate buzz. And now, GM has forced out its star marketing chief just as it launches two key vehicles.

The lackluster ads and loss of marketing head Joel Ewanick raise doubts about GM's ability to improve sales longer term. Experts say that even though it's making better cars and trucks, advertising has failed to get the message across. Despite spending upwards of $4 billion a year on marketing, GM hasn't been able to dent the perception that other brands are better.

"GM continues to have an image problem, which really isn't fair because their products are vastly improved," says Rebecca Lindland, an analyst with IHS Automotive, an industry consulting firm.

GM's U.S. sales rose just 4 percent in the first half of the year, lagging the 15-percent gain for the industry. The growth is paltry compared with increases of more than 30 percent at brands like Volkswagen and Chrysler. Sales at two GM brands, Cadillac and Buick, have fallen, and GM's share of the U.S. market has dropped almost two points in the past year to 18.1 percent.

"Nothing from a pure advertising point of view popped," says Larry Dominique, Executive Vice President of the TrueCar.com auto pricing site and a former Nissan product planning executive.

GM's July sales, due out Wednesday, are expected to be stagnant. And analysts predict its second-quarter earnings will show a decline when they're announced on Thursday.

The results aren't what GM expected when it poached the industry's hottest marketer from Nissan in 2010.

Ewanick was an industry standout. He burnished his reputation during a brilliant stint at Hyundai. The company's U.S. market share leaped from 2.7 percent to 4.4 percent during his three years there. During the peak of the financial crisis in 2009, he rolled out a program that allowed buyers to return their cars if they lost their jobs.

For months, everyone at GM waited for Ewanick to bring the same magic to GM. But the big idea never came. Instead, "Chevy Runs Deep," the campaign that tied Chevrolet to a century of American history, didn't catch on. Ewanick even had

doubts. He reviewed the campaign, but said last spring that GM research found it was helping the brand's image.

The number of people looking into buying Chevrolets on the Edmunds.com automotive site actually fell from the campaign's start in October of 2010 to June of this year.

Instead of flashbacks to vintage Chevys and sentimental stories about soldiers returning home, the ads should have emphasized GM's improved cars and trucks, says Charles R. Taylor, a marketing professor at the Villanova University School of Business.

"The idea that many consumers are going to buy it simply based on the heritage is misguided," he says. "You really need to give the consumer a reason to buy the product beyond just long-term brand loyalty."

The campaign's tagline never matched the buzz created by old Chevy campaigns going back to the 1950s, such as "See the USA in your Chevrolet" sung by Dinah Shore, or more recently, Bob Seger's "Like a Rock" that epitomized the ruggedness of Chevy pickups.

GM also couldn't touch Chrysler's "Imported From Detroit" campaign. The ads were part sales pitch, part rallying cry for a beleaguered Detroit, and they quickly became an Internet hit after the 2011 Super Bowl. Detroit rapper Eminem, who appeared in one of the spots, helped re-instill civic pride. The ads lasted for months after the spots aired.

"Young people started to tweet 'Imported From Detroit,'" Taylor says.

The ads carry the message that Chrysler is back from disaster and building better cars that are cooler than imports, something the GM ads lack, Taylor says.

Some of GM's ads have shown flashes of genius. During this year's Super Bowl, a Chevy ad showed a graduate ecstatic over his parents buying him a convertible Camaro. The car, it turned out, belonged to a neighbor. And the graduate's real gift was a small refrigerator.

The buzz around the ad faded after the game, and the ad didn't give anyone a reason to buy a Camaro, Taylor says.

"Our ads have a strong story to tell about one of GM's best product lineups in its history," spokesman Greg Martin says.

The campaigns weren't the reason for Ewanick's departure, nor were his decisions to yank ads from Facebook and pull out of next year's Super Bowl, GM has said. The company will say only that he didn't meet expectations.

But a person with knowledge of the matter says GM's upper management was surprised by the price tag of up to $600 million for putting Chevrolet's logo on

Britain's Manchester United soccer team jerseys.

Ewanick wouldn't comment on Tuesday.

Now GM is looking for its fifth marketing chief in a little over three years. The timing is bad, as GM is launching new versions of two top-selling vehicles, the Chevrolet Malibu midsize sedan this summer and the Silverado pickup truck next year.

And the jury is still out on Ewanick's stint at GM because it takes a lot of time to measure the effect of car ads, Dominique says.

"Some people would argue that there hasn't been enough time," he says. "But this is an impatient industry."

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