

Car makers dig in as wheels turn slowly

Briefly

Record readership for Irish newspapers

A record 3.1 million people or 88% of the adult population are now regular newspaper readers, according to the influential JNRS report for 2008/09.

The new Joint National Readership Survey also shows that newspapers attracted an impressive 64,000 new readers in the past 12 months alone.

Frank Cullen of National Newspapers of Ireland (NNI) said the research highlighted "an unprecedented hunger for in-depth news coverage and analysis".

"First of all we're delighted with these figures, they're a good news story for newspapers at a tough time," he said.

"Clearly, when it comes to news coverage people are looking for more than soundbites," Cullen went on. "They want the insight that only newspapers can provide, in a setting they are comfortable with."

Report points to "deep insight" of newspapers

Meanwhile, one of the key strengths of newspapers has been highlighted in a major new report by global giant PricewaterhouseCoopers (PwC).

The report, based on surveys of 5000 people in seven countries, examined the behaviour of media consumers in the digital age.

And according to Marieke Van der Donk of PwC, who produced the report, newspaper readers place a high value on the "deep insight and analysis" provided by journalists.

"Our research indicates that people still choose the newspaper as their main source for news and background information," said Van der Donk, who is head of media and entertainment at PwC in the Netherlands.

"Convenience, a quick overview and in-depth news and analysis are also important for readers," she added.



"Things are as tough as they've been in a long time," says Ford Ireland marketing chief, Joanne Sheehan – but there are still 60,000 people thinking about buying a new car in 2010.

David Powell

Who'd be a car manufacturer? As the chill recessionary winds continue to blow, perhaps no other sector – with the obvious exception of property – has been buffeted quite like the motor trade.

Gloom abounds, and in a car market that has shrunk by almost two-thirds, the challenge that exists for companies like Ford is getting the right message across to the customers who do want to buy.

"Things are as tough as they've been in a long time and they got very tough very

quickly," says Joanne Sheehan, Ford Ireland's Marketing Director. "We've gone from a new car market of around 160,000 [units] in 2008 to just 60,000 this year.

Shrinking new car market

"That's something we've all had to adapt to, and right-sizing a business in such a rapidly-changing environment is always going to be very difficult," she says.

As tough as things are for

Ford, Sheehan acknowledges that others are faring even worse.

"We're getting more than our fair share of the market," she admits. "Ford currently holds 15.7% of the market compared with our full year share in 2008 of 13.5%. So we're out-performing the competition, although that's in the context of a depressed marketplace."

Good product, naturally, helps. "Practically all our cars are recently launched models so that's definitely helping," agrees Sheehan. "Last year we introduced a new Ka and a new Fiesta, Mondeo is also new while Focus remains Ireland's best

selling model.

"The strength of our dealership is another advantage," she says. "We have the largest retail representation in Ireland, whereas manufacturers with fewer dealers are probably finding it hard to reach out to their customers at the moment."

This last point is particularly relevant because reaching out is the name of the game. Five years ago, most car makers could afford to sit back and let the customers come to them, but the wheel has turned.

"When the recession began to accelerate at the start of this year, you had every car manufacturer on



TV shouting about offers, so nobody was able to achieve stand-out," says Sheehan.

"Things have changed now," she says. "In terms of advertising, newspapers have become more important to us," she says. "Many of our 2009 messages have been offer-driven and we find that press gives us the time and space to explain those offers.

Flexibility of press advertising

"There's also a flexibility with press advertising that suits us very well," she continues. "For instance, the day after Obama's inauguration we ran an ad that said 'Yes you can' – one of his key electoral phrases – in relation to

the affordability of a new car. That ad really got noticed.

"We did something similar in January with a 'Number 1' ad highlighting the fact that we were number 1 in the car and van market last year," she says. "By using an unusual upside-down T-shape we were able to use the full potential of the medium to our advantage.

"Not a good time to stop spending"

Talking to Ford's marketing chief, you don't get the impression that any sort of spending freeze has been imposed.

"Well, now is not a good time to stop spending, although obviously you have

to work within the constraints of your budget," she responds. "You can't spend if you don't have it to spend.

"The market may be down but there are still 60,000 people thinking about buying a new car next year – a large proportion of whom will buy in January/February – and I need to make sure that Ford is top of their mind when it comes to decision time."

The wheels may be turning a little more slowly than usual in the car showrooms of Ireland, but the environment in which those cars are being marketed is changing more quickly than ever before.

In the battle for stand-out, it's the brands with the best range of product and the most accessible retail presence that will come out on top. That, at least, is unlikely to change in the near future.