

## Ford Fiesta Movement

### Using Social Media and Viral Marketing to Launch Ford's Global Car in the United States

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This case was written by Andrew T. Stephen, Assistant Professor of Marketing, INSEAD. It is intended to be used as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

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## Introduction

In April 2009, the Ford Motor Company launched an ambitious new marketing campaign called the “Ford Fiesta Movement” (FFM). The FFM campaign was unlike any other used by Ford since being incorporated in June 1903. It was a grassroots campaign that made heavy use of online social media to build awareness and buzz for the 2011 North American Ford Fiesta, a sub-compact car that Ford had not sold in North America for over a decade.

The FFM used a combination of social media and viral marketing techniques. This was a huge departure from the typical kind of marketing communications strategy used in the automobile industry. The industry norm when launching a new car model was to use a combination of traditional media channels – for example, television, newspapers, magazines, and radio – in a large (and expensive) advertising campaign. Campaigns designed to generate awareness and interest typically ran just a few months before a new car went on sale, and continued during the first few months of the car being available at dealerships. Although the FFM campaign officially started in April 2009, and came to a close in November 2009, the actual car was not unveiled until December 2, 2009 at the Los Angeles Auto Show, and would not go on sale in North America until early 2010. So not only did the FFM use new and largely untested online social media and viral marketing tools, but it also operated on an atypical timeline, coming much earlier than usual for an awareness-building campaign.

This was an interesting move by Ford’s marketing team, particularly at a time when the other major US automakers were receiving federal government bailout money.<sup>1</sup> General Motors and Chrysler were grabbing headlines for having executives fly in private jets to testify in front of US congress committees, and for being forced to close plants, lay off workers, and phase out iconic brands such as GM’s Pontiac. Although Ford was also receiving its fair share of doom-and-gloom press during the 2008-09 financial turmoil and automobile industry crisis, it was also enjoying some good publicity based on its use of non-traditional, low-cost marketing programmes due to the apparent success of the FFM.

The FFM was different from other campaigns because it used the increasingly popular, but largely untested, tool of viral marketing.<sup>2</sup> It was a risky move because the essence of a viral marketing campaign (VMC) is that marketers and managers relinquish control over the message to consumers. This is a scary prospect for any marketing executive or brand manager, let alone a marketing team in a company that may or may not have a long-term future in its current form. Ford could not afford to have an unsuccessful new car launch in the North American market. Why drive down a risky, unknown, and potentially treacherous path to generate pre-launch awareness and interest for this car?

By the end of 2009, with the FFM campaign winding down, Scott Monty (Ford’s head of social media marketing), Sam De La Garza (the Fiesta brand manager), Connie Fontaine

1 Chrysler, Ford, and General Motors all sought financial aid from the US Congress in November 2008 but were unsuccessful. Chrysler and General Motors later received up to US\$17.4 billion in US federal government loans through the “Troubled Asset Relief Program” (TARP) in December 2008 from the Bush administration.

2 Viral marketing is sometimes called word-of-mouth (WOM) marketing, or buzz marketing. For consistency, these types of marketing campaigns are all referred to as viral marketing campaigns throughout this case.

(manager, brand content and alliances) and their teams began the challenging process of evaluating the campaign's performance so that they could report back to James Farley, group vice president for global marketing, on this marketing "experiment". The team also had to devise a plan for what to do next (for example, the FFM generated about 50,000 sales leads how could these leads be converted into sales?), and report back to the global marketing leadership on the appropriateness of social media to market other cars in the Ford line-up, and as a more general tool for engaging with Ford's global customer base.

### **The Car: the Ford Fiesta**

The Fiesta was Ford's most popular small car model in many countries around the world. It had been a mainstay of the Ford line-up in Europe since its introduction in 1976. The first version of the Fiesta ("Mark 1") was briefly sold in the US in the late 1970s, but for most of the model's history it had stayed out of the US market, mostly due to Americans' penchant for larger cars over compact models. Ford's image differed in other markets, however. In Europe, for example, Ford was associated with small, zippy cars that were affordable and had low running costs. The Fiesta had always been synonymous with this image.

Times were changing and the American driver was developing a taste for smaller, affordable, and fuel efficient cars. The successes of the new Mini, the new Volkswagen Beetle, and the super-tiny Smart car in the US market in recent years suggested that the Fiesta might find a market in the country. In early 2009, Ford announced the return of the Fiesta to the American market with a fun, fuel-efficient, and sub-compact 2011 model, which was unveiled on December 2, 2009 at the Los Angeles Auto Show. This was based on the 2009 European model launched in October 2008 in Germany (see Exhibit 1).

#### **Exhibit 1**

*Ford Fiesta: 2009 European Model, Launched in October 2008*



Source: Ford Motor Company.

This model was part of the “Mark 6” of the Fiesta line, and the first vehicle in Ford’s “One Ford” strategy that aimed to build a global product line with a series of “world cars” that were the same around the world so that Ford could take advantage of global economies of scale in production. The new Fiesta was a truly global car, being manufactured in plants in China, Germany, Mexico, Spain, and Thailand. (Exhibit 2 lists some key dates in the history of the new global Ford Fiesta).

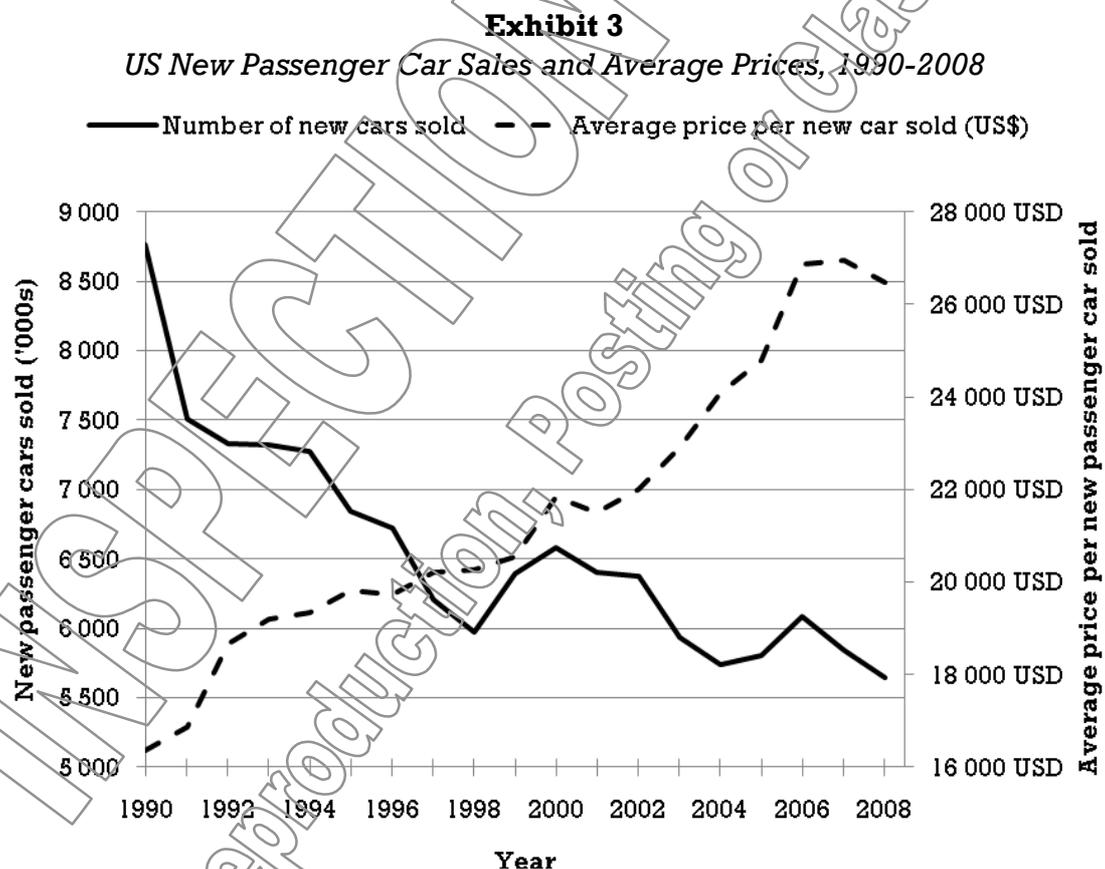
**Exhibit 2**  
***Key Dates for Global Rollout of the New Ford Fiesta***

September 2007	Ford Verve concept car, which would later become the new sixth-generation Fiesta, is shown at the Frankfurt Motor Show in Germany.
October 2008	Fiesta goes on sale in Germany, the rest of Europe soon after.
January 2009	Fiesta becomes the top-selling Ford model in Europe, the second best-selling vehicle in Europe (behind the Volkswagen Golf).
January 2009	Launched in Australia.
March 2009	Launched in China.
March 2009	Fiesta overtakes Volkswagen Golf to become the best-selling vehicle in Europe.
April 2009	The US launch is announced, the Ford Fiesta Movement campaign begins.
October 2009	Ford reports global sales of 500,000 new Fiestas one year after launch. Fiesta now sold throughout Europe, as well as Australia, New Zealand, China and South Africa.
November 2009	US Ford Fiesta Movement campaign generates a lot of buzz – e.g., approximately 400,000 blog posts, 4.3 million YouTube views, 500,000 Flickr views, 3 million Twitter impressions.
December 2009	2011 Ford Fiesta for North American market is unveiled at Los Angeles Auto Show.
Summer 2010	2011 Ford Fiesta goes on sale in the US.

Although the market tide seemed to have been turning with American consumers growing increasingly interested in smaller cars, Ford needed to be careful as to how it introduced the new Fiesta to the US market. The benefits of the One Ford strategy – better manufacturing efficiencies and leveraging global economies of scale – were badly needed to help alleviate some of the pain caused by the crisis in the US automobile industry and the broader global financial crisis in 2009. A successful launch of the new Fiesta in the US was critical to the broader success of the One Ford strategy.

## Launching a Small Car in the US Automobile Market

The US passenger car market was tough. As Exhibit 3 shows, the total number of new passenger cars sold (solid line) had steadily decreased while at the same time the average price per new passenger car had increased (dotted line). This meant that US automakers like Ford were simply selling fewer cars. Interestingly, however, sales of used cars had held steady over the period 1990-2008. US consumers were buying cars, but not as many new cars as in the past. In 2009, in the midst of a recession, tighter lines of consumer credit, and shaky consumer confidence, Ford had a difficult US launch on its hands. Introducing a smaller, lower-priced, and cheaper-to-run car would make things easier, but attracting new car buyers during tough economic times with a sub-compact car that US consumers were unfamiliar with presented Ford with a complex set of challenges.



Source: US Bureau of Transportation Statistics.

The US Fiesta launch, therefore, required a different approach, which was why a non-traditional campaign was used. Traditional pre-launch awareness-building campaigns are designed to do just that – generate awareness and interest in a new car. These campaigns can be very effective, provided that target consumers are already sold on the idea of the type of car. In this case, Ford's marketing team also had to convince Americans who would otherwise opt for a larger but still affordable family-sized sedan, such as the Chevrolet Malibu or the Toyota Camry, that a small car would fit their needs. Sub-compact cars

accounted for only 2% of new car sales in the US in 2007, and although this was expected to double to 4% of sales by 2012, this number paled in comparison to the rest of the world where 27% of new cars sold were sub-compacts like the Fiesta.<sup>3</sup>

Ford's marketing strategy was to target the new Fiesta at so-called "millennials" – young consumers in the 14-29 age bracket. According to Sheryl Connelly, one of Ford's global marketing executives, by 2010, millennials would make up 20% of the US new car buyer market.<sup>4</sup> To woo this target segment, Ford positioned the Fiesta as an ecologically friendly and affordable car that did not compromise on styling, and was cool and hip. A problem with this basic marketing plan, however, was that Ford was going head-to-head against other automakers also chasing this lucrative segment of consumers.

The issue faced by Ford's US marketing team responsible for preparing the Fiesta launch was not only how to convince target customers that a sub-compact company car was best suited to their needs and would be hip and cool, but also how to stand out from the competition. How could the millennials be convinced that the Fiesta would be functional *and* fun, cool, and hip – and better than the other fun, cool, and hip options on the market?

## The "Ford Fiesta Movement" Campaign

### Objectives

The FFM's objectives were to (i) build awareness of and interest in the 2011 Ford Fiesta, and (ii) convince the primary target market of young American consumers – many of whom were first-time new car buyers – that sub-compact company cars were functional and stylish. The pre-launch campaign not only had to generate buzz and interest in the Fiesta itself, but also have a consumer education component that was needed to demonstrate the functional and psychological (social, emotional) value in sub-compact cars.

The campaign's objectives, on the surface, were like any other marketing campaign for a new product: build awareness and inform targeted consumer segments about the product. However, the challenges described made what this campaign tried to achieve anything but conventional. There was no shortage of challenges facing Ford's marketing team for the 2011 Fiesta launch. They included:

- Building awareness for a car that had not been in the US for decades, in a market saturated with new car models every year.
- Convincing target consumers – in particular younger drivers in their twenties – that small cars such as the Fiesta could be fun, hip, and better than more familiar alternatives such as large sedans, sports cars, and SUVs.
- Demonstrating the benefits of the Fiesta in a meaningful, authentic manner without a large-scale sampling programme (which was unfeasible).

3 Priddle, Alisa (2008), "2010 Ford Fiesta and Refreshed 2009 Focus to Satisfy US Craving for Small Cars?" Car and Driver Magazine, May.

4 Ibid.

- Reaching a target audience which was consuming content through traditional media channels less and less (e.g., less television viewing).
- Doing all this with a low-cost campaign, particularly given the financial troubles facing the US automobile industry (including Ford) in 2009.

### **General Approach: Social Media and Viral Marketing**

Ford's marketing team and the Fiesta brand management team called on Scott Monty and his social media team to build a campaign that would reach the target consumers through online social media channels. However, they wanted to take this a step further. While cool and quirky videos and advertisements could be produced and distributed through video-sharing sites such as YouTube and through large social networks like Facebook, MySpace, and Twitter, such content could only do so much. After all, an advertisement is just an advertisement. Ford wanted to show potential customers what this car could do, what people "just like them" thought about it, and how they used it in their daily lives. For this, they needed consumer-generated content that spoke directly to other consumers.

Such content can be highly influential and more convincing than firm-sponsored advertising and promotional campaigns when it comes to getting consumers to buy products.<sup>5</sup> Ford needed this for the Fiesta, but it was not possible (in early 2009) since the 2011 Fiesta was not yet available on the US market and would not be for some time. In this kind of situation – where companies want to generate buzz about a new but unreleased product – marketers tend to turn to viral marketing campaigns, which is what Ford did, but on a much larger scale than usual.

Viral marketing is a new type of marketing practice that emphasizes the use of consumers as "agents" for generating and disseminating information about a company, brand, product, or service. At a basic level, a VMC starts with a company reaching out to a relatively small number of consumers and encouraging them to talk about the product to people they know. Often, companies send free samples of new products to these special consumers (called "seeds" in a VMC) so that they have first-hand experience to pass on to their friends and family by word of mouth and via social media tools like Facebook and Twitter. For example, in a moderately sized VMC for a basic consumer product (e.g., a new cosmetic or a new confectionery item) it is not uncommon for thousands, if not tens of thousands, of product samples to be sent out to seed consumers.<sup>6</sup>

In Ford's case, a typical VMC was not feasible. Obviously, they could not give out such a large number of unreleased cars. They had to find a way to start "a conversation" without large-scale sampling, while keeping their involvement at arm's length so that an authentic consumer-to-consumer conversation could unfold. The marketing challenge faced by the Fiesta team was tackled using principles of viral marketing (sampling and word of mouth) and social media, but adjusted to accommodate the large scale of Ford's campaign (the entire US) and the constraint of not being able to put the car into many consumers' hands.

5 Chevalier, Judith A. and Dina Mayzlin (2006), "The Effect of Word of Mouth on Sales: Online Book Reviews," *Journal of Marketing Research*, 43 (3), 345-354.

6 Toubia, Olivier, Andrew T. Stephen, and Aliza Freud (2009), "Viral Marketing: A Large-Scale Field Experiment," INSEAD Working Paper No. 2009/48/MKT.

## Basic Components of the Campaign

The marketing team decided that short of getting to drive the car themselves, the best way for target consumers to learn about the car was from consumers who were similar to them. This is precisely what Ford did – they gave a new Fiesta (the 2009 European model) to a small number of very carefully selected Americans (individuals or couples) and let them drive it (for free) for six months. Over 4,100 people (or couples) applied to be “Agents of the Fiesta Movement” and just 100 were selected. Each Agent had a profile on the FFM website ([www.fiestamovement.com](http://www.fiestamovement.com); see Exhibit 4) and had to use social media (Twitter, Facebook, Flickr, and YouTube) to post about the Fiesta.

### Exhibit 4

#### Examples of Ford Fiesta Movement Agent Profiles



**Olga Kay**  
Los Angeles, CA  
My name is Olga Kay and I'm very excited to be one of the agents for this program. I'm originally from Russia therefore I think I will call myself agent 007 from Russia with Love! To come to USA with the circus!!! So I'm definitely full of tricks and I hope to incorporate some of those tricks into my adventure. For the last 3 years, I've been very active on [www.youtube.com/OlgaKay](http://www.youtube.com/OlgaKay) traveling the world and documenting my life experiences. That hobby of mine opened up a lot of doors.  
I love to entertain and I been doing that for the last 13 years and loving it!!!  
Currently I live in Los Angeles and I'm an actress. I've been very fortunate to be in national commercials for Burger King, Verizon, Smirnoff and Dirt Devil. My other credits include shows such as: CSI: NY and Arrested Development.  
Fun facts about me: I held on to my placement while he was spinning for over a minute.  
My cat Mushka only drinks water out of her paw.  
My Ford Fiesta's name is Lola.  
For more information please visit [www.OlgaKay.com](http://www.OlgaKay.com)  
See you on the road!!!  
OlgaKay

**Mark Schoneveld**  
Philadelphia, PA  
Mark's first car was a lil' red 1989 hatchback Ford Escort named "Sparky". He drove that car for over 6 years, criss-crossing the United States more than half a dozen times and never once breaking down. Thus began his love of Ford automobiles.  
A few sound bites about Mark - he is obsessed with indie music. He has traveled the far reaches of the globe with nothing but a backpack and a smile. He is hopelessly in love with a filmmaker and musician named Audrey who will undoubtedly accompany him on most his Fiesta Movement adventures. He is a reluctantly reformed ski bum. And he is an internet and new media pioneer having produced several award-winning video series and music videos.  
In his day job, Mark runs an Internet video startup called Poptent.net that crowdsources video commercial creative for companies.

**Cassie Duncan**  
Charlotte, NC  
Cassie F. Duncan, born and raised in North Carolina and will probably have this southern accent 'til the day I die. I am graduating from UNC Charlotte this year with a degree in Psychology and Philosophy. After graduation, traveling, and relaxation, I plan on furthering my schooling to become a clinical psychologist. If I am not at school you would probably find me serving at P. F. Changs China Bistro. Categoricaly book smart, common sense I could probably use some work. I am eccentric, funny, spontaneous, and humanistic. I have a carefree personality that is sometimes a help and a hindrance. I live everyday as it comes, follow my heart, be happy, and aim to make my family proud. I am utterly disgusted by mayonnaise and I believe you should all consider boycotting it. I love music; it definitely plays an important role in my life. Some of my favorite artists are: Lil Wayne, Biggie, Bone-Thugs, M83, Animal Collective, & Blonde Redhead. I have champagne taste with beer money. To solve this problem I play the North Carolina educational lottery every week in hopes that maybe one day my taste will prevail. As you may have noticed I tend to be random. An octopus is my favorite animal; I am intrigued by their intelligence and fluidity. I love to travel. Aside from some surrounding states the first time I ventured outside of North Carolina was to New York City on my 21st birthday. Since then I have traveled all over the United States spending most of my time with a best friend in the beautiful state of California. My favorites past time activities are: reading, sleeping, and driving around in my car.

Source: [www.fiestamovement.com](http://www.fiestamovement.com)

According to Ford, the 100 Agents were chosen because they were “socially vibrant, unique, and able to tell a good story”; they had an established presence across large online social networks, were tech-savvy, and had hundreds or thousands of Facebook friends and Twitter

followers.<sup>7</sup> Basically, in addition to being prototypical target consumers for the Fiesta in the US, Monty and his social media team selected these Agents because they were already well connected in online social networks.

In exchange for the use of a Fiesta for six months, the 100 Agents were asked to report on their experiences with the car using social media. Specifically, they were encouraged to post videos of their experiences on YouTube, regularly tweet about the car on Twitter, and blog about the car. The Agents could speak their minds (even if their views were unfavourable). The idea was that real drivers sharing their real, unedited experiences with the car would be more compelling and influential than showing the car in only a positive light. This was a risk for Ford – negative videos could spread like wildfire and destroy the Fiesta’s chances of a successful launch. (For example, what if someone had a major accident or malfunction that was Ford’s fault?)

Another component of the campaign was a clever twist by Ford on the standard VMC approach. Agents were given “missions” to complete. Each month, there was a new theme and missions were assigned. For example, under the “entertainment” theme, Agents completed missions such as “Puppy Ball” (“borrow some puppies and film them playing puppy soccer – in other words, prove how good you are at making the ultimate YouTube video”) and “Face Off” (“find a celebrity lookalike and challenge them to re-enact a scene or song”). Under the “travel” theme, missions included “Fast Food Nation” (“go to your favourite fast food joint, order one of everything, and give it all away”), and “Show Us Around” (“travel to every major landmark in your town”). Completing a mission required producing content and posting it online, specifically a video on YouTube and photos on Flickr. These missions were an ingenious way to keep Agents engaged in pumping out fresh multimedia content featuring the Fiesta every month. This was critical for keeping the buzz alive and for reinforcing their excitement about the Fiesta and keeping it top-of-mind among the thousands of people who were following the Agents on Twitter, Facebook, YouTube, and other social media outlets.<sup>8</sup>

A final component of the FFM was a test drive programme that Ford used during the campaign to capitalise on the growing buzz around the Fiesta. Fleets of 2009 European Fiestas in five regional locations (northwest, southwest, central, southeast, and southwest) were sent to towns and cities so that non-Agents could also have a chance to see the Fiesta and test drive it. Although not obligated to, some Agents also attended test drive events. Ford’s goal was to have 100,000 consumers test drive a Fiesta in one of about 100 cities and towns across the US and Canada between May and December 2009.

### **Campaign Performance**

As the campaign drew to a close in the final quarter of 2009, the results looked impressive. The FFM appeared to have been successful in getting the hand-picked Agents to produce

<sup>7</sup> Ford Motor Company Press Release (May 11, 2009).

<sup>8</sup> Repeated messages are essential for keeping buzz for products alive when consumers have limited time to focus on any one product or brand and can be easily distracted by other demands on their time and attention. See Stephen, Andrew T. and Jonah Berger (2009), “Creating Contagious: How Product Characteristics and Social Networks Combine to Reinforce Persistent Social Epidemics for Products,” INSEAD/Wharton Working Paper.

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content and to post it on social media websites. Agents had posted videos on YouTube, photographs on Flickr, and tweeted about the Fiesta on Twitter. Some also wrote blogs, and linked to their videos and photographs from their Facebook and MySpace profile pages. (Exhibit 5 shows examples of photographs that Agents posted on Flickr. Details about how much content was produced and how it was viewed are presented in Exhibit 6). Ford reported that approximately 50,000 consumers had expressed interest in buying a Fiesta once it was available, and that 97% of these leads did not own a Ford car.<sup>9</sup>

### Exhibit 5

#### Examples of Photographs Posted on Flickr.com by Agents



Source: [www.flickr.com](http://www.flickr.com)

9 Parr, Ben (2009), "Ford Fiesta Movement: Can Social Media Sell Cars?" Mashable.com, October 2 2009. Ford Motor Company Press Release (October 1, 2009).

**Exhibit 6****Key Performance Outcomes for Ford Fiesta Movement (October-November 2009)**

YouTube videos	Agents posted approximately 10,000 videos on the Fiesta Movement YouTube channel.  The FFM channel had 158 subscribers.  The FFM videos on YouTube were viewed approximately 4.3 million times.
Flickr photographs	Agents posted approximately 20,000 photographs on Flickr.  The FFM photographs were viewed approximately 540,000 times.
Facebook	The FFM page gained approximately 2,100 fans.
Twitter	Tweets from Agents reached approximately 3 million Twitter users.  The FFM Twitter account gained approximately 5,300 followers.  Tweets referring to the FFM were generated at an average rate of 92 tweets per day.
Blogs	Approximately 27,000 blog posts about the FFM campaign.
Mainstream media	Approximately 2,300 news stories about the Fiesta and the FFM.
In-person	Test drive events resulted in approximately 35,000 test drives.  Another 162,000 consumers looked at a Fiesta at an event.
Brand awareness	Pre-launch brand awareness of 38% among 16-24 year-olds – equivalent to brand awareness for other cars Ford sold in the US and backed with traditional advertising.
Sales leads	50,000 consumers, 97% of whom did not own a Ford car, expressed interest in buying the 2011 Ford Fiesta once available in the US.

Sources: Ford Motor Company, [www.trendrr.com](http://www.trendrr.com) and [www.mashable.com](http://www.mashable.com)

**Campaign Evaluation, and Developing a Post-Campaign Strategy**

As 2009 came to an end and the FFM was winding down, the marketers behind the campaign – Monty, De La Garza, and Fontaine – shifted their focus to answering four critical questions for James Farley, group vice president for global marketing:

- How successful has this campaign been? What are the right metrics to use?
- Will this type of campaign work for other consumer segments and other car models?
- What should be done next? Do we keep Agents engaged, and if so, how? How do we keep the buzz alive with still over six months until the car goes on sale?
- How do we convert the 50,000 sales leads to Fiesta buyers? Do they present any additional opportunities for marketing the Fiesta in the US?

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