

# Mercury Marauder Marketing Strategy

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# Customer

## Target Customer - Demographics

Following is a demographic comparison of the Marauder target versus the current Grand Marquis customer. In order to define the Marauder target customer, we analyzed customer demographics for vehicles such as Taurus and Caprice which have offered both a performance and mainstream model (example Impala versus Caprice or SHO versus Taurus). Additionally, our target customer demographics are supported by the selected needs based segments.

	Memo:					
	<u>Marauder</u>	<u>Grand Marquis</u>	<u>Impala</u>	<u>Caprice</u>	<u>300M</u>	<u>B'ville</u>
Age:	35-55*	70	43	58	52	54
Sex (% male)	80-85	74	72	64	60	55
Income (\$):	60-80	51	61	51	86	63
% College Educ.	60	32	44	42		38
% Married:	65	83	80	76		78

\* Marauder target customer would be 35-55, expected Marauder customer to be 45-55.

Source: NVCS

## Target Customer - Needs Based Segmentation

### Primary Target Segment - Men Behaving Badly

Looking for powerful aggressive, fast vehicle. Pro-American. Like to live on the edge. Vehicle is a reward and is suited for a "mover and shaker". Vehicle provides a great deal of driving pleasure. Not concerned with safety and security, operating costs, easy entrance and exit, good value for the money.

*Customer Snapshot:* Listen to music on radio, like to rent movies, active, participate in sports, enjoy going out to movies, dancing, outdoor activities or night clubs. May own a cell phone or boat, automotive enthusiasts. Many are older singles and couples with children. High percentage of white collar.

### Secondary Target - Want It, Buy It

This segment wants attention-getting design and performance and has the means to get it. Total and operating costs are not a hurdle. Vehicle is a reward that sets them apart as movers and shakers. Vehicle is one of many toys and they are self centered to the extreme. They are independent and want a vehicle to set themselves apart.

*Customer Snapshot:* Uses internet and email, technologically oriented, auto enthusiasts, baby boomer, highly educated, male

### Additional Target - Driveway Detailers

Want an attention-getting, but familiar looking vehicle. These vehicle enthusiasts have fallen in love with their car or truck, and enjoy driving and taking care of it. Vehicle/driving/styling enthusiasts. Take a lot of pride in vehicle and see it as a reflection of self. Classic styling is better than newer styles and they want power and acceleration. Pro-American. 130+ miles per hour is important. These customers are independent minded.

*Customer Snapshot:* Listen to music on radio, automotive enthusiasts, single, male, younger.

## Media and Customer Reaction

### Media Reaction

The media has enthusiastically supported the Marauder. Here's a sampling of the clippings:

- "The Marauder has a completely clear market before it.. the Marauder seems ready to sell out... the decision to build certainly can't be market driven, enthusiasts have been asking for this combination since the current Crown Vic/Marquis platform hit in 1991, and there is no question such a car would easily sell a limited run or many thousands...the Marauder would do wonderful things for Mercury. Foremost, it would greatly assist in drawing younger buyers into Mercury showrooms. ... Above all just build it!" *Super Ford*
- *Car and Driver* had Kenny Brown a popular Mustang after market tuner built a supercharged Crown Vic for the magazine similar to this car. He said "It's the most popular car I've ever modified... this thing drives people insane ... at the gas pumps you can't get away without five or six interviews"
- "Shed the hockey-stick grille badge, bring back the classic Mercury "god's head" crest, keep the way-cool Marauder name-from-the-past, give us the supercharged motor, and put this puppy in the showrooms. Like, now." *MT 2/99*
- The Impala SS and the Kenny Ford modified Crown Vic made two journalists top 10 favorite cars built in the last 50 years.
- "This one would be so easy to slip into production it's not even funny. ... we'll take ours in black." *Hot Rod 5/99*

Conversations with media from Motor Trend and USA today confirmed their support of this product. I firmly believe that Marauder would make the cover of several major magazines if we produced the car.

### Customer Reaction

Customers have overwhelmingly approved of the Marauder at its only public appearances at SEMA and IOLA.

- Marauder web sites have been set up showing pictures of the car and with bulletin boards which include customers looking for more information.
- Numerous customers have contacted Ford Motor for information on this product - one in Georgia even considered driving to Iola, Wisconsin just to see this car. Discussions with these customers confirms they fit our target customer.
- The regional LM PA personnel said the Marauder was the surprise hit of IOLA, and stated that it received more interest than any other car.
- "I'm 37 years old, married with three kids and the car I want and currently drive is a '95 Impala SS. Despite its abysmal build quality and component reliability, it has a character like no other sedan on the road" *Bill Fliotics AI Letter to the Editor July '99*
- "Put me on the list for the new Marauder, I need something big with style because of my family..." common reaction at SEMA

## Brand Positioning

### Brand Personality/Image

*Imaginative*- surprising performance in roomy full size vehicle. Provides new life into a old platform

*Experiential* - enjoy driving and automobiles, like to live life to fullest

*Individualist*- not looking to follow the trend, out-of-the box, want something special, unique

### Product Benefits

*Purposeful Innovation* – steering wheel audio/climate control switches, rear seat cup holders, lots of interior space, powerful, high torque, high tech engine

*Expressive Styling* - Unique perforated leather bucket seats and titanium/brushed aluminum trim. Monochromatic exterior, fog lamps, polished stainless steel exhaust tips and aggressive stance conveys bold performance.

*Engaging Driving Experience*- Handling package and performance engine deliver unexpected performance for a large car.

### Positioning

To individualist, Mercury Marauder is the unconventionally fun full-sized vehicle which delivers pure driving pleasure (performance, ride, room and sound system)

### Fit with Mercury Brand

Following are several reasons why the Marauder makes sense for the Mercury Brand:

- **The Marauder is closer to fitting the Mercury bulls eye than the Grand Marquis.**
  - Adding the Marauder is a step in the right direction, as not all products can fit the brand positioning like a "My" Mercury. Even the 2000 Sable isn't an ideal fit for the current Mercury brand as it was developed before we established our current Mercury positioning.
- **Marauder would signal life in Mercury in the Mercury Brand**
  - Marauder would unquestionably create excitement with media, dealers, customers and within Lincoln Mercury. Numerous articles have been written about the Marauder - all of them supportive of the concept and product. Dealers, Customers and Media are almost begging for this car.
  - Marauder would build confidence that the Mercury brand was still alive and that new products were coming
- **Build shareholder value**- this product would make a significant contribution to shareholder value and assist in our efforts to maximize the ROI of the Mercury brand.
- **Attract new customers** - based on the NVCS data and our research the Marauder would attract new, younger buyers to the Mercury showrooms. The target customers are individualistic and expressive.
- **Fit with new Mercury's new direction.** Although the Mercury brand positioning may be changing, the Marauder would fit with the positioning of Hot, Cool and Bold and appeal to the new image-driven trend setters. The Marauder would send a signal that Mercury was once again a driver's car. Following is an overview of the fit with the new Image-driven segment:
  - **Image:** Vehicle reflects self image, independent, pro-American, stylish, technological, sets them apart, target auto enthusiasts.
  - **Product:** New stand-out designs, loaded with options, high performance, enthusiasts
  - **Price/Value:** \$29,495, will pay for luxury and technology

## Pricing/Financials

### Competition

*Primary:* Supercharged vehicles -- Regal GS Sport, Grand Prix GTP, Bonneville SSEi, and anticipated Intrigue OSV

*Secondary:* 300M.

*Other:* Displaced Impala owners.

The Marauder fulfills a niche currently not being fulfilled in the marketplace. A full-sized car with performance.

### Sales

Expected cycle average volume is conservatively projected at 10,000 units with 50% incrementality. Excluding Powertrain all suppliers are capacitized for 20K upa. Following is the substitution pattern

	<u>Rate</u>		<u>Volume</u>
Grand Marquis/Crown Vic		30.0%	3,000
Sable/Taurus	15.0%		1,500
Mustang	2.5%		250
F-Series	2.5%		250
			<hr/>
Total Substitution	50.0%		5,000

Note: The Chevy Impala SS sold 69,768 units over a 3 year life cycle including 41,941 units in 1996.

### Price Consideration

- \$29,495 MSRP well-equipped. Based off Grand Marquis LS Ultimate with Handling Package.
- Limited options and colors to minimize complexity