

Oldsmobile:

How the 'King of Chrome' ended up on the scrap heap

Oldsmobile is among the brand legends in US car history. Conceived in 1897, it was one of the five core brands manufactured by General Motors (GM) – the other four being Chevrolet, Pontiac, Buick and Cadillac – and helped lead the company to a 57 per cent share of the US car market by the middle of the last century.

For decades, Oldsmobile was a pioneering brand. In the 1920s, it became known as the 'King of Chrome' because it was the first car with chrome plated trim. A decade later it became the first production line car in the US with a fully automatic transmission. In 1966, it introduced a car with front wheel drive.

However, in more recent times Oldsmobile has lost its pioneering edge. GM famously decided that instead of preserving and accentuating the unique identity of each of its brands it would increase its profits 'through uniformity'. As a result, Oldsmobiles began to look very similar to other GM cars, with only small, superficial differences. In 1983 a *Fortune* magazine article highlighted the growing homogeneity of the GM brands by including a photograph of an Oldsmobile alongside a Chevrolet, a Buick and a Pontiac. The article's headline was, 'Will Success Spoil General Motors?', but it may as well have been, 'Spot the Difference'. The article described GM's new state-of-the-art assembly plant at Orion, Michigan: The \$600-million plant bristles with robots, computer terminals, and automated welding equipment, including two massive \$1.5 million Ploogate systems that align and weld assemblies of body panels. Unmanned forklifts, guided by wires buried in the floor, will carry parts directly from loading docks. In its flexibility, Orion sets new standards for GM plants.

But while GM's technology may have been cutting edge, the values associated with the Oldsmobile brands were anything but. An article in the *Detroit News* in May 2002 explained the problem the Detroit-based company faced in the 1980s and 1990s: GM's historic brand strategy, pioneered by Chairman Alfred Sloan in the 1920s, counted on consumers methodically moving up the ladder of affluence from Chevrolet to Buick to Oldsmobile to Cadillac. The game plan worked when GM built distinct cars for every division, but fell apart when the company slapped different nameplates on essentially the same vehicles. A solid, but staid Oldsmobile has little appeal to consumers enamoured with sleek Audi sedans or Toyota's elegant Lexus luxury cars. Loyalty, instead of enthusiasm, drew consumers to GM showrooms. The average age of owners of Oldsmobile, Buick and Cadillac drifted into the mid-60s.

Towards the end of the 1990s, GM unveiled a new branding strategy to combat this lack of enthusiasm. The idea was to focus more on specific models rather than the brand division. Within the Oldsmobile range, GM launched the Alero, Aurora and Intrigue models in an attempt to catch up with its slicker rivals. Although the new cars received various positive reviews within the automotive press, and an intensive marketing drive that included strategic appearances in *The X-Files*, they failed to capture the share of the younger market they were designed to attract.

At the end of 2000, GM made what must have been a painful, if unavoidable decision to gradually phase out the Oldsmobile brand. The Oldsmobile collector's models mark the end of production. From 2004, no future Oldsmobile models will be manufactured. Since the decision was made,

marketing experts have been conducting post-mortems of the brand to see what exactly went wrong. One mistake that has been highlighted repeatedly is GM's attempt to strip the brand of its old fashioned connotations. This was always going to be difficult for a car that predates Ford and even has the word 'old' within its name. GM tried to get round this problem by launching an advertising campaign based around the slogan, 'This is not your father's Oldsmobile'. However, as Coca-Cola discovered with New Coke, it is not easy to reverse a brand identity which has been a century in the making. Another, rather pointless tactic was to build Oldsmobiles without the name Oldsmobile on the outside of the car. One *Brand Week* article, published in February 2001 after GM made its decision public, examines the folly of such branding exercises: The problem [Oldsmobile] encountered is that brands, particularly brands with a well-established image, cannot be repositioned. At best they may be nudged slowly in a new direction but not one that is the antithesis of what it stood for [. . .] A better solution, and a more unique approach, would have been to accept the brand as it was, with its older profile, and give its older customers a product they wanted to own with a message that appealed to their needs. In addition to capitalizing on the existing profile of the brand, that strategy would have taken advantage of the growing number of mature Americans and their increased spending power.

The Oldsmobile hadn't always been viewed as staid and boring though. Although it had never been a youth brand, it had been considered an innovator in its field. The most critical brand damage therefore occurred when this reputation faded, and the motivation to buy an Oldsmobile (as opposed to another GM car) no longer remained so great.

However, despite these obvious failings, affection among Oldsmobile's traditional customers is still strong. There is even a Web site (www.saveoldsmobile.org) dedicated to encouraging GM to reverse its decision to phase the brand out. But a visit to the Web site will only serve to remind you that the significance of the Oldsmobile brand is confined to the past. The affection most feel for the car is already tinged with nostalgia. Indeed, if it is the job of branding to distinguish one product from the next in the mind of the customer, the Oldsmobile brand failed decades ago.

Lessons from Oldsmobile

Make your brand distinctive. When GM decided to adopt a policy of uniformity, the Oldsmobile brand became too, well, general.

Don't betray your brand values. 'One can change some of the elements providing that the consumer continues to recognize that the same brand values are still present after the change,' says Jacques Cherron of brand consultancy JRC&A. Attempting to convert Oldsmobile into a young and hip brand was clearly one brand betrayal too far.