

Yale on Sustainability: A New Marketing Strategy for Chevy Volt

Author : brandchannel

Date : June 25, 2015



In brandchannel's [series with the Yale School of Management](#), [Yale Center for Business and the Environment](#) and [Yale Center for Customer Insights](#), a team of MBA students considers how Chevy Volt could become America's top electric car. Their case study below reflects the views of the authors and not brandchannel or Interbrand.

When Chevy first launched the Volt—a sporty compact car that combines the benefits of an electric vehicle (EV) with a gasoline engine—it had high expectations for sales, looking to “leapfrog the Toyota Prius.”

Ultimately, the Volt significantly underperformed on its already conservative initial sales target of 60,000 units in one year, selling only 7,621 units. In late 2014, the Nissan Leaf was outselling the Chevy Volt at a 2:1 ratio.

It seemed that despite overwhelmingly positive customer reviews and [distinguishing performance features](#), consumers were not resonating with the brand. Major reasons for the Volt's poor sales include ineffective advertising and communication of the value proposition, as well as a tension with the Chevy parent brand.

Several marketing strategies could help the Volt gain additional market share and become America's truly all-purpose electric vehicle.

Ineffective Advertising and Communication

When we talk about EVs, the Toyota Prius is the clear first mover, with excellent brand recognition. The Nissan Leaf is associated with “innovation” and dedicated green consumers.

However, the Volt's differentiation has been much less clear. [Its ads](#) have been inconsistent, ineffective and boring—many of its 62 YouTube ads have fewer than 10,000 views.

The crux of the Volt's value proposition—its range extender, which eliminates “range anxiety” by enabling drivers to take long road trips without stopping to charge—is lost on ad viewers.

One short-term solution would be to develop a community of Volt evangelists through traditional and social media channels.

- Chevy can organize road rallies and meet-ups, as GM did with the [Saturn](#) brand.
- Chevy can leverage social media, as the marketers behind the Ford “[Fiesta Movement](#)” did when they gave 100 free cars to social media influencers. The campaign generated more than 40 million Twitter impressions and 650 million YouTube views, bringing brand awareness to 56 percent.
- Chevy can hold a social media competition between Volt drivers who have the highest lifetime MPG. Such a campaign would be a low-cost way to create a high return on brand recognition, as the Volt's target demographic primarily views advertisements online.

Tension with the Chevy Parent Brand

The Volt's advanced EV technology appeals to an urban, educated and liberal demographic—one that is concerned about climate change. This contrasts sharply with Chevy's brand image, with its top-selling car, the Silverado, considered a gas-guzzler. Silverado buyers identify with Chevy's marketing that emphasizes ruggedness, rural living and patriotism.

Notably, 70 percent of initial Volt buyers were first-time Chevy customers who primarily use their car for city commuting. Chevy must address how to resolve this tension, so the Volt and the Silverado do not hurt each other's brand image.

Tension with Parent Brand?

- ▶ Chevy alone makes up 12.5% of U.S. auto-market
- ▶ Silverado
- ▶ Gas guzzler
- ▶ Dems vs. GOP
- ▶ 1st Time Buyers?
- ▶ More Silverado's sold in a day than Volt's last month
- ▶ Sold in 2/3 of dealerships

Advertisement for Chevy Silverado: "THIS IS OUR COUNTRY." The image shows three people in cowboy hats sitting on a fence, looking out over a rural landscape under a blue sky.

Advertisement for Chevy Volt: "THIS IS OUR TRUCK." The image shows a blue Chevy Silverado truck parked in a rural setting. On the right side of the image, there is vertical text that reads "AN AMERICAN REVOLUTION".

The Volt Could Emphasize Similarities and Synergies with Other Chevy Brands

One solution is to more strongly marry the Volt brand with the Chevy brand. This strategy would emphasize areas where Volt and Chevy values overlap: performance and independence. Online advertising could focus on the power of the Volt—more horsepower than BMWi3 and quicker than any hybrid.

Another emphasis could be to use 100 percent “Made in America” energy for 90 percent of trips. And when you want to go on a road trip, you’ve got the independence and freedom to drive as far as you want.

Imagery for this campaign could include a young, all-American father leaving his urban job to drive out to the beach and surf with his young son, with Beach Boys-type music and an old-fashioned ’50s feel-good American surfing backdrop.



Advanced technology is another favorite feature of Volt owners, which also figures heavily in Chevy’s marketing of its new Wi-Fi-enabled Silverados. A popular Volt feature is its ability to recharge while driving down hills—drivers can see the electric range go up on their dashboard, which could be showcased in the surfing-themed advertisement.

The Volt Could Distance Itself from Other Chevy Brands

The Chevy Volt could also take the opposite route, detaching from Chevy and creating an independent brand. There is a strong case for this as well.

The 2013 [Consumer Reports](#) car brand perception survey found that consumers strongly associated Chevrolet with performance—it ranked third behind Ferrari and BMW.

Chevrolet’s worst showings though were for technology/innovation, safety and environmentally conscious/green fronts—it didn’t even make the list, while Toyota, Smart, Tesla, Honda and Ford all ranked in the top five.

Chevy’s brand image suffers on the very attributes the Volt attempts to compete on. In that way, Chevy, a 100-year-old brand, brings baggage that might negatively affect Volt’s brand positioning, denying the Volt a fair opportunity to appear credible and authentic to its target customers.

Creating a new independent brand—similar to what Toyota did with its Scion line—would provide Chevy with the opportunity to fundamentally rethink what a technologically advanced and futuristic car brand might look like, in a risk-free and controlled environment.

With a new brand, Chevy could experiment with next-generation dealership models in which orders are placed online or in-app only. Meanwhile, traditional physical dealerships would take the form of salesmen-less experience stores where consumers could “tour” the various features of physical cars using augmented reality, including live social feeds that capture global consumer feedback about, for example, the car’s futuristic dashboard.

This sort of disruptive innovation is best executed without the weight of a legacy brand, such as Chevy, dragging the new brand’s strategy down.

Next Steps

The Chevy Volt is a strong contender to be the car of the future with its distinctive range-extending features, medium price point and high customer satisfaction ratings. Its current marketing has failed to tap this potential, however. Its ads are diffuse with inconsistent and ineffective messaging. Above all, a tension with the parent brand threatens to undermine any strategy.

For the short term, it can borrow a page from its competitors and galvanize a community of brand ambassadors through social media competitions and give-aways.

In the long term, however, the Chevy Volt team should carefully consider aligning more closely with the parent brand or detaching completely—and stick to it.

By Rob Youngs, [Grant Mulligan](#), [Jade Zhang](#), [Deepak Ghosh](#) and [Pamela Jao](#) in partnership with [Professor Kosuke Uetake](#) of the [Yale School of Management](#), [Yale Center for Business and the Environment](#) and [Yale Center for Customer Insights](#).