Integrated Marketing Communication and Brand Management: the Case Study of Fiat 500

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Integrated Marketing Communication and Brand Management: the Case Study of Fiat 500

Simonetta Pattuglia¹

Abstract
The increasing investments in communication put in evidence the need for innovation to fulfil and improve identity, positioning (brand and products), reputation, goodwill, networking. This paper aims to analyze – following the literature on brand management and marketing communication - the new synergy between real perspectives and virtual ones in communication. The aim is to demonstrate the importance of adopting a new integrated approach in order to manage the complex issues involved in communicating the brand to consumers and other stakeholders in the mature market of automotive. The Author considers the launch of FIAT 500, the new Italian small car, a best practice useful in terms of benchmarking, where many different tools and media are used in order to support the appeal of the car but also to reposition the corporate brand perception. A single product, a successful one, can be devoted to a new approach in managing an old brand. Moving from the empirical evidences of the communication strategies and operations, the paper identifies in a qualitative way the most effective factors that have led Fiat to attract again consumer attention and to succeed in repositioning its historical brand. Using this case study, as an exploratory case, the Author suggests the way in which a company can strategically plan and project an integrated marketing campaign useful also to an effective branding rejuvenation.

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**Editorial Notes**

1. Introduction

It may not be necessary to mention the School of Palo Alto, which at the end of the 1950s theorized that “one cannot not communicate”, especially thanks to Watzlawick’s work (Watzlawick, Beavin, Jackson, 1967). The brilliant intuitions and theories of the group of Californian psychologist have now become common wisdom. Everyone agrees that the factual objects in the life of businesses and institutions (as well as of individuals, small groups, communities and societies) have communicational messages and contents – whether intended or not. The point is, competitiveness and communication are highly correlated. If there is no competition I can afford not to communicate, but if I produce and I don’t communicate, I don’t sell (Cherubini, 2000) – neither products nor identity. Individuals, businesses and institutions face increasing competition, which means that communication is present almost everywhere, even in those settings where historically it was taken as given or considered as superstructure. An excellent example of this is communication in the public sector, e.g. in the Italian public universities. In heavily constrained or competitive situations, communication becomes a business function, even in those sectors where only a few years ago it seemed unthinkable.

As competition increases, communication develops – and this is true both with respect to direct competition and, all the more so, in the face of international competition. Internal competition can be easily tamed (even with the creation of “cartels”, maybe informal ones); global competition a lot less so.

But, of course, communication alone is not enough: a company also need products and services. Indeed, it needs excellent products and services. The main and most effective means of communication is an excellent product or service capable of generating its own “buzz”.

Those in charge of integrated marketing communication within the company (Duncan, 2002) should therefore be functionally involved in more than just the definition of the product’s secondary features. The noblest and most glaring aspect is undoubtedly the product design, which plays a very important communicative role, as we shall see later when presenting our case study. At the same time, products alone – excellent as they may be – are not
enough. Today’s world has become very fast (on a par with food). Rapidity of action and excellent communication abilities must go hand in hand.

Communication is indeed an essential ingredient from an economic point of view, since it can become a potential competitive factor itself. Therefore, companies must learn to communicate irrespective of fashion and fads, especially if they are to succeed and outlive their competitors.

Communication is an increasingly relevant, even essential, component of a company’s success and positioning on the market. Any company has compelling economic reasons to invest in communication (Kotler, 2008).

The second thing we need to be aware of is that when we talk about communication we talk about something sophisticated: the largest “share” of the communication pie is of course accounted for by marketing communication. However, in the present paper we wish to discuss communication as a whole, from corporate to brand communication, from traditional to web or web 2.0-3.0 communication.

Indeed, any organization should act according to an input-output framework (a cybernetic matrix), whereby it transforms inputs – including human capital and, above all, knowledge – in value-creating outputs (Rullani, 2004).

The new global economic, social, regulatory and communication scenario we operate in is characterized by processes of digitalization, virtualization, fragmentation, integration and – at the same time – disintermediation, digital convergence (in communication and content), prosumption and the continuous creation of knowledge (Tapscott D., 1995).

The new concept of consumption, including media consumption, creates new contexts for communication: we go from “one cannot not communicate”

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2 As Philip Kotler stated in a recent interview, “Companies will spend more in providing special experiences to their clients than in offering better products and services” (L’Impresa, n. 11, 2008).

3 According to Rullani, knowledge – unlike other factors of production – creates value in a number of different ways, as it lends itself several uses, thereby multiplying its value. Additionally, knowledge confers the ability to interpret and attach specific meanings to emotional and identity experiences, as well as an ability to self-regulate social relationships among those actors sharing knowledge and its economic implications through specific governance rules. For further details, see Rullani (2004).
to cross-mediality and to a culture of “convergence” in which media is a concept that can be applied to any phenomenon capable of generating a relationship with the consumer. Media convergence interacts with participatory culture and collective creativity and intelligence (Jenkins H., 2006; Kozinets et al., 2010).

Communication becomes more and more of a system itself, thanks to a number of new communication trends, the most important of which may be summarized as follow.

- **The role of information:** As the industrial age was characterized by an information asymmetry between individuals, consumers and companies, the information age is characterized by the “information democracy” in which information is ubiquitous – plethora of media and channels - and cheap, so that “customers are being empowered with far better information about marketers as well their competitors” (Shapiro, Varian 1999; Swaney M., Kotler P., 2001).

- **Branding:** The creation and the continuous management and enhancement of brands and branded contents as well as containers show us that if a company wants to become leader in its sector, or to keep up the pace, it has to be deeply involved in creating, positioning, integrating marketing channels and communications, protecting and adding value to the brand (Kapferer, Thonig, 2001; Aaker 1991, 1995, 1996, 1997; Aaker, Joachimsthaler, 2000; Aaker, Fournier, Brasel, 2004; Keller, Lehmann, 2006; Ohlins, 2008; Kapferer, Thonig, 2001; Kapferer, 2008).

- **Relationship communities and event marketing:** A special emphasis is given to the relationship with the local communities and to event marketing. This is a way of involving specific communities, which can be identified either by the territory they live in or by the common interests (ideals, products, brands) that move them. It is a new way of reading, thinking, planning and managing the sponsorship of existing or ad-hoc events (Muniz, O’Guinn,

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4 Consider, for example, the Renault Clio launch campaign, held in 2005 in the streets of Italy’s main cities (Milan, Rome, Naples). The operation involved a number artistic events, concerts and other shows targeted at the local populations.

- **Consumer-generated content models**: A culturally alternative and less expensive business model is used for producing and shaping contents and channels, as witnessed by the recent proliferation of blogs, of peer-to-peer social networks like Facebook, MySpace or LinkedIn, and social media like Wikipedia (Venkatesh, 1999; Kozinets et al, 2006, Levy, 1997; Benkler, 2006, Jenkins H, 2006).

- **Knowledge and technology development** as byproducts of new interactive processes in communication (Castells M., 1996, Venkatesh, 1999, Jenkins H. 2006).

The various forms, areas, tools and medias of communication create a new marketing and communication mix that defines a new integrated marketing communication that transmits benefits to the brand (Edel, Keller, 1989, 1999; Duncan, 2002; Naik, Raman, 2003; Keller, Lehmann, 2006).

While advertising is effective in responding to primary needs, the research and codification as well as the management of identity, starting from the brand, require other forms of communication, marking a transition “from real to virtual”. As we shall see, such a strong tendency towards “virtualization” is associated with, paradoxically, an equally strong tendency towards tangible and concrete forms of communication. “A marketing strategy consists in combining, from the beginning and in all possible ways, the old communication media with the new digital ones, to reach potential clients and stimulate their interest”.5

Investing in communication, even in a culture of communication, is a crucial business strategy that allows companies to consistently pursue a number of different goals in terms of identity, positioning (of products, brands and business), credibility, goodwill, reputation, network creation and building stakeholder trust (Grunig, Hunt, 1984; Keller, Lehmann, 2006), as well as internal communication and corporate social responsibility.

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5 Interview to P. Kotler, 2008.
Thanks to the new ICT technologies, combined with marketing processes, consumers have become increasingly smart, sophisticated, aware and hard to please. They demand products and services that must be increasingly adaptable, tailor-made and accessible, and companies must adopt a strategic approach of maximum differentiation that has already been analyzed by authoritative scholars in the 1980s (Porter, 1980).

Consumer profiles have become inseparable from the individuals and the societies they live in. Therefore, companies should keep refining the overlapping profiles of the individuals, the consumers and the audiences they wish to address.

The mix of old and new media – which, according to Kotler, ought to be combined – is redefining the consumption habits of the new consumers (prosumers), who are moving from generalist consumption, to on-demand consumption, to shared and participatory (3.0) consumption – even of the media. Therefore, we are moving from general to niche, responding to the “long tail” approach (Anderson, 2008), and increasing individual patterns of consumption.

“Conversational marketing” becomes a likely paradigm that businesses can adhere to: markets are characterized by the quantity/quality of information incorporated in them. Markets are conversation. “A huge conversation is underway, through the net people discover how to share knowledge” (Locke, Levine, Searls, Weinberger, 1999).

Having discovered this, many companies keep creating new websites or web pages dedicated to the “relationship” with clients and stakeholders. Such relationships, paradoxically, go from being extremely virtual to being physical and human. Relationships become events that bring together individuals and communities. Companies are improving their ability to engage consumers. Communication goes from being one to many, to being one to one, and then many to many.

“Marketing assumptions must change“ (Swaney M., Kotler P., 2001): segmentation techniques and criteria are increasingly based on a behavioral, as opposed to cognitive, dimension – segments or clusters (communities) are located, identified and profiled through the Web (Muniz, O’Guinn, 2000; McAlexander et al., 2002; McConnell, Huba, 2006; Fournier, Lee, 2009; Kozinets et al., 2010).
Thanks to the Web, it is possible to trace the cultural and lifestyle behavior of consumers and potential clients – the pages they visit, the contents they are attracted by, the time they devote to it, the way they get there.

Such an activity is – at least at a conscious level – not at all invasive towards the consumer-surfer and relatively costless for the business-marketer-communicator.

Business communication, therefore, flows through better-targeted channels, costs less in both absolute and relative terms, allows for a greater differentiation of messages in order to provide information that is highly focused on the needs of consumers and clients, and enables a deeper control and monitoring of feedback and, as a consequence, better evaluation. “The information-rich regime empowers customers with a new set of capabilities” (Swaney M., Kotler P., 2001)

Products will become multi-platform (Keller, Lehmann, 2006) and will be communicated and consumed through a number of different marketing channels, which will foster the creation of an open relational environment. “Favorites” will be made up of large lists of contents, that users will edit and remodulate at will, creating new content that they will share with old and new members of their social networks.

2. Methodology

The launch of the new Fiat 500, which we’ll discuss as a case study, represents – in our opinion – a significant example of effective integrated communication, a benchmark at both the business and the product level.

The study addresses the ways in which the Company, FIAT Auto, have planned and managed a successful marketing and communication plan in launching new Fiat 500, and the reasons and factors that contributed to this success.

Following the typical processes enabled by the case studies methodology (Yin, 1981, 1994, 2004, 2009; Eisenhardt, 1989; Eisenhardt, Graebner, 2007, and recognizing the persuasive power of the single case (Siggelkow, 2007), this case study has been conducted through several observations of the Author
combined with the knowledge acquired by interviews with experts and managers in marketing and communication strategies.

The unit of analysis has been the event of the launch, and the pre-launch, of new Fiat 500 car, the processes that led from a declining period in business and company communication to a period in which a new leadership was established, as the late 2009 events have proved.

Secondary sources – company reports and communication artifacts (press releases, advertising copy strategy, tv commercials, event communications, websites instructions and information), articles based on interviews by the top management and specialized publications – contributed to explore and in some way to explain the evidences and complete them.

The research questions are: How did Fiat succeed in rejuvenating its brand? How did the launch, and the strategy of a pre-launch, of new product manage to lead the company to a new brand management? Which have been the main features that have been characterizing the process of brand management in the company? How did the company plan the marketing communication to reach coordinated results able to succeed in launching a new product, rejuvenating the brand and determining a turnaround in the company life? Which kind of integrated marketing communication mix did the company choose to reach its targets and its objectives?

The case is a tangible and clear illustration of the progress made by integrated marketing communication and of the broad reach of its tools, either traditional and real, or virtual. As we shall see, Fiat Auto’s communication strategy consisted in using a new product with a resonant name in people’s memory to successfully convey a new image and, most importantly, to revive and repositions a tarnished corporate identity and brand. As asset, the Fiat brand is supposed to be still endowed with awareness, attributes, values, and beliefs (Kapferer J.N., 2008), evoking emotion and nostalgia as well (Brown S., Kozinets R., Sherry J.F., 2003). For this reason, the company communication effort should be considered a point of reference for other organizations in both the same and other industries.
3. The recent history of Fiat and Fiat Auto

The year 2002 was Fiat Group’s *annus horribilis*, with new car sales at a minimum since 1993 (Volpato, 2004). The revenues of Fiat Auto were down 10% and the company had a net loss of 4,263 million euro.

In an attempt to adapt to the new competitive environment, which urged to focus on the core business, Fiat Group had already sold off a number of non-strategic business units, such as Alluminio Teksid, operations such as Aftermarket and Magneti Marelli’s Sistemi Elettronici, and its holdings in General Motors (34%) and Italenergia (12%). In February of the same year, the Group sold 70% of Fiat Engineering to Maire Holding, and in March it divested itself of Toro Assicurazioni, the third largest Italian insurance group, which was acquired by De Agostini in a transaction worth 2.4 billion euro. As a result, the Group reduced its net debt by 1.4 billion euro and made a capital gain of 350 million. In April the Group signed an agreement to allow due diligence by The Carlyle Group, for the sale of the aerospace activities of Fiat Avio – involving 14 production plants and 9 research centers – to a newco established for this purpose by The Carlyle Group and Finmeccanica.

On June 1, 2004 Sergio Marchionne is appointed CEO of the Fiat Group. He is tasked with carrying on and accelerating the company turnaround. To this end, he redefines Fiat’s “business scope”, which has already been refocused since May 2003.

The automotive business becomes once again Fiat’s true corporate mission, on which all industrial and service activities are centered. The “historic” core business of the Group – including cars, agricultural machinery and earth moving solutions, industrial vehicles and components – becomes the core business of the future. The executive team also carries out a radical reorganization of the company: it gives the holding company a leaner structure.

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6 Commenting on the company results during the shareholder general meeting held on May 13, 2003, the then CEO Giuseppe Morchio said: “2002 was a very negative year for the Group. We were badly affected by the negative operating results of Fiat Auto, which were not counterbalanced by positive results in other business areas. In addition, we have incurred very high costs as we began to restructure the company.”
and hires new executives to work on brand management and commercial activities. Indeed, one of the distinguishing features of the Turin-based automaker – and one of the historic strategic and managerial “weaknesses” (Volpato, 2002) – has been its tendency to underestimate the importance of commercial activities, and more generally the importance of marketing and communication activities related to the promotion of house brands (Fiat, Lancia and Alfa) and a smart use of design.

In November 2004 the Group appoints Luca de Meo and Antonio Baravalle as brand and commercial executives for Fiat and Lancia, respectively. This shows the great importance that the executive team now attaches to the brand, its management and promotion, and its commercial penetration. “The revitalization of brands always starts with major work of internal rejuvenation” (Kapferer, 2008).

The agreement reached with General Motors in 2005, which after a long and controversial mediation process puts an end to the joint venture between Fiat and the US car manufacturer, is welcomed with great emphasis by the Group’s executives.

In mid February 2005, as a further proof of the fact that “Fiat Auto is the one business unit within our Group we must focus our attention on”, Marchionne becomes the CEO of the Group’s automotive business.

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7 Whenever design has been part of the mission, this has been crowned with success – as in the case of the Panda designed by Giorgio Giugiaro in 1980. Not to mention, of course, the shortsightedness of its distribution approach, with most resellers concentrated in Italy and Europe.

8 As Sergio Marchionne declared: “I firmly believe that the settlement reached with GM is fair and equitable to both parties. While on the one hand it deals with the valorization of the put option […] it grants Fiat all the necessary freedom to develop its Auto business. We can now clearly focus on the operational objectives of Fiat Auto, and devote our full energies to the re-establishment and rationalization of our brands and the building of an effective network to maximize the success of our new product portfolio. The benefits of the relationship with GM are being preserved through a long term supply arrangement and other cooperation agreements, such as participation by Fiat in the GM alliance purchasing team model.” (Fiat Group press release, 13 February 2005).

9 While Fiat was trying to survive and overcome the corporate crisis that had begun in the previous decade, its local suppliers, located both in the Turin area and in the region of
The image of an “icy, detached, bureaucratic and arrogant” Fiat – which, in the words of the current head of communications G. Perosino, prevailed before the advent of Marchionne – was being replaced by a Fiat that had become “more direct, has style but it smiles”.

In June 2005, Fiat Auto announces the sale of the six-millionth Punto, the most popular car in Italy at the time. In September, Fiat announces a strategic cooperation agreement with Ford for the development and the production a small A-segment car for each company (Fiat 500 for Fiat and the future Ka for Ford). The outcome of the synergies between the two companies would be a reduction in the costs of development, equipment, machinery and materials. This, in turn, would allow Fiat and Ford to charge highly competitive prices to final clients.

The Fiat brand, tarnished after several years of corporate crisis, tries to regain market share by relying on the new Fiat 500 and on its corporate history, trusting in the unwavering loyalty of its customers. As Kapferer and Thoenig (1991) have put it: “Consumers make a choice between defection and loyalty. (...) they wait for the brand to recover. Once customers become loyal to brand, they remains so for some time: the brand has some respite to recover and recuperate”. “To bring brand back to life” (Kapferer J.N., 2008).

4. The launch of the new Fiat 500

Between 1957 and 1975, Fiat sold as many as 3.8 million Fiat 500 cars. The old 500 model had been conceived and designed by Dante Giacosa, the engineer who in 1936 had already designed the legendary Topolino, a car whose engine

Piedmont, had managed to cope with the negative impact of the Fiat crisis and to reorganize themselves. They had modernized their structures, diversified their client base (replacing Fiat with other car manufacturers), internationalized their businesses with only a minimum degree of delocalization, and adopted new innovative strategies (investment in machinery, facilities, IT, research) not necessarily product-related. Ref. Api Torino, Cna Torino, Ires Piemonte, PMI Indotto auto. Crisi Fiat superata in tre mosse. Le indicazioni di una ricerca Api di Torino, Cna Torino, Ires Piemonte, June 2007.

was however very different from the new icon of Italian style. Back then, the small Fiat 500 had a self-supporting body, a rear, water-cooled engine and independent wheels.

On July 4, 2007, exactly 50 years after the launch of the first 500, the Fiat Group launches the third millennium edition, with a production and communication plan that shows the crucial role that the car itself is bound to play for the Turin-based company as the Company declares officially: “For the company, the birth of the 500 represents the start of a new chapter, a declaration of the role that Fiat aims to interpret in the future on the market and in society. The stimulus to a new model of conscious consumption. A model for the exploitation of experience in the automotive field that focuses on quality and emotions, on uniqueness rather than on mass-production, where simplification does not mean doing without. The 500 is the tangible synthesis of these aspirations. With the 500, Fiat smiles at the future” (press release dated July 5, 2007).

The history of the corporate crises of the Fiat Group are indeed punctuated by the launch of highly successful cars, which “miraculously” managed to reverse its decline: the Fiat 127 in 1971, the already-mentioned Panda in 1980, the Fiat Uno in 1985 and the Fiat Punto in 1993 (Volpato, 2002).

The event draws a great deal of international attention proved by a huge press coverage as result of effective communications\(^\text{11}\) at the launch (and pre-launch), the Group has already processed 25,000 orders (5,000 of which in France alone), orders which increase to 185,000 by April 2008. The goal of the Fiat headquarters was to produce 120,000 units a year.

4.1 The A-segment market-City cars

The A-segment-City cars is highly concentrated on the supply side. The European market is dominated by Mini-BMW and Smart-Mercedes, with 144,000 and 94,000 units sold, respectively, in 2007, the year the new Fiat 500 is launched. As expectations build up around the new Tata Nano, other city cars are also quite popular – Kia Picanto, Chevrolet Matiz, Toyota Aygo, Peugeot 107, Citroen C1, Toyota iQ, and Twingo Sport.

The continental competitors of Fiat Auto, together with Corean and Japanese automakers, have strengthened and expanded their presence in the European and Italian markets since the mid 1990s (Gallo, 2003). According to Volpato (2008), the car market and the demand for cars in particular have a number of distinctive features. First, the product life cycle tends to get shorter and shorter (currently it is 5.6 years). Second, there is a proliferation of market niches, which has increased the number of segments (and sub-segments) from the traditional four to as many as 23. Third, consumers are increasingly attracted to cars for fashion-related reasons, which are determined by: 1) ever-increasing investments in communication; 2) the use of an increasingly diverse and integrated media mix; 3) a great acceleration of the pace of communication; 4) a careful research of specific forms/tools to better differentiate the “communication” of the product; 5) a radical change of the contents of communication, to prevent messages from blending in the “communication noise” in the background; 6) a repositioning of products towards more luxurious versions (upgrading of models in terms of performance, comfort and image); 7) additional (generally high tech) services that give products a unique identity and make them more competitive.

At the beginning of 2008, however, the European car market was stagnant (-10.2% on 2007, Source: European Automobile Manufacturers’ Association). The downturn appeared to be due to several causes, namely: a) fewer working days, due to several holidays; b) the new taxation systems that penalized polluting vehicles (especially in Spain and France); c) the soaring cost of raw materials; d) the economic crisis lurking in the background and the consequent slowdown of consumer expenditure.

In the same period, new car sales in Italy fall by 11.5%, in spite of the presence of financial incentives for the purchase of low-pollution cars (Anfia,
according to data provided by the Ministry of Transportation). Still, Italian brands witness a good success, with a 32.8% increase in sales. Fiat is up 2.8%. Even in Italian demand we observe a gradual strengthening of the small car segment, with a clear preference for models fitted with high-tech solutions and offering the same comfort and performance traditionally associated with large cars.

In short: at the beginning of the new millennium car purchases are mostly driven by “rational” factors, such as performance, safety, technology, as well as fuel efficiency, and discounts and other incentives for the purchase of new cars. But we should also mention “emotional” drivers, such as appearance, product line and comfort, which account for a weighty 25% of the decision to buy. The “focal point is the right price”.

4.2 The product: The triumph of “the iPod of cars”
Just a year and a half after the beginning of the project, the new Fiat car begins to take shape. Its main promoter, Sergio Marchionne, with an expression that will echo across the world, will call it “the iPod of cars” – a car that is small and easy to handle, yet endowed with advanced technological features and a design that will make it a cult object, just like the Apple mp3 player and many other small yet great objects that make up our modernity (or post-modernity). Cult objects that have been ironically summed up in the advertising campaign featuring the Fiat 500 together with other “magic” little items, such as the Swiss pen-knife, the Bic cigarette lighter, the Bialetti moka pot and Rubik’s cube (figure 1).

The design project is carried out by the Advanced Design Fiat center, headed by Roberto Giolito, who will declare: “We wanted to distil in the car proportions and identity, but with a present-day interpretation”. As we’ll see the product will actually be a co-creation between the company and its internet brand communities (Lusch, Vargo, 2006)

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12 Ref. Analisi delle motivazioni all’acquisto dell’auto, a quantitative and qualitative research conducted by the Istituto Piepoli for UNRAE and Confcommercio (the Italian General Confederation of Trade, Tourism, Services and SMEs), February 2008.
The new Fiat 500 is designed to conjure up the past, but definitely without being a copy or an unimaginative revival (vintage). The operation, as a marketing strategy, is considered a brilliant and successful example of retro-marketing (Cucco, Dalli, 2008) or retro-branding (Brown, Kozinets, Sherry, 2003).

The product is conceived as the most advanced in its segment – four comfortable seats, and an extra sixty centimeters compared to the 1950s version. The new Fiat 500 is available in a large number of versions, offering all the comforts and devices of a small city car: from Bluetooth connectivity for tech-savvy passengers to two-color seats (in several combinations) for those who are looking for a distinctive and identifiable urban style. The product range – comprising at the beginning two petrol models and a diesel car – is gradually enriched with new sport versions, such as the Abarth and the Cabrio, as well as other theoretically “unlikely” versions, such as the station wagon, a second Giardinetta.

Technology and style are widely communicated by leveraging on the “5” for effect: 500,000 ways of customizing it; 5-year guarantee or for 500,000 km; seven airbags of 5-star rating in crashes. The whole thing is structured in such a way that technical features and performance offer maximum driving pleasure as well as reliability. The price is affordable, and again it plays on the “5”
element: the Fiat 500 can be bought with 500 cents a day, and it costs between 10,500 and 14,500 euros.

The new Fiat 500 does not overlook the fact that public opinion in 2007, unlike in 1957, has a stronger awareness of environmental issues: the car is already compliant with the Euro 5 standard that will be introduced in 2009, and in 2012 will help Fiat achieve the lowest average levels of CO₂ emissions for all its models.¹³

The small Fiat 500, and its “sister the Ford Ka”, as it has been defined, are the result of a genuine industrial and strategic partnership between Fiat and Ford. By relying on a common manufacturing and assembly facility in Poland, the two companies manage to keep their costs down, in order to compete in an increasingly important and growing segment – the market of small vehicles, the so-called “city cars”, suitable for driving around in highly populated cities and countries with highly concentrated urban areas. However, competitors in the same segment are equally appealing: Kia Picanto, Mini, Smart Fortwo, Chevrolet Matiz, Toyota Aygo, Peugeot 107, Citroen C1 and so on. Although the segment appears to be very crowded, the Mini and the Smart are still the most credible and aggressive rivals (see Figure 2).

The skepticism surrounding the Fiat brand, combined with the still-vivid memories of the recent and extended negative performance of the Turin-based car manufacturer, gives rise to less emphatic and excited judgments on the new Fiat 500. Stuart Whitwell, managing director of Intangible Business, a famous consulting company based in London and specialized in brand valuation,

¹³ Source: ANFIA, Associazione Nazionale Filiera Automobilistica (the Italian Association of the Automotive Industry), press release, 18 April 2008. “Fiat sets European record in the reduction of CO₂ emissions, with an average of 137.3g/KM in 2007 – According to a recent analysis by JATO Dynamics, the world leader in automotive research, FIAT is the car manufacturer with the lowest average CO₂ emissions among Europe’s 10 largest automakers. With its 137.3g/Km, Fiat leads on Peugeot (141,9 g/km), Citroen (142,2 g/Km), Renault (146,4 g/km), Toyota (148,8 g/km), Ford (149,1 g/km), Opel/Vauxhall (152,9 g/km), Volkswagen (161,7 g/km), BMW (176,7 g/km) and Mercedes (188,4 g/km). The above data, calculated as an average of CO₂ emissions weighted by volumes, highlight once again the commitment and efforts made by the Italian automaker to develop environment-friendly technologies”.
sarcastically declared to The Wall Street Journal Europe (5 July 2008): “People don’t buy the BMW Mini simply out of nostalgia for the old Mini. Buyers of BMW buy a quality car. The new Fiat 500 may have some success in Italy and other parts of Southern Europe, but I don’t think it is iconic enough to sell equally well in other markets”. This predictive opinion will be completely swept away by the event of the launch in the United States (Los Angeles International Auto Show), dated 19th November 2010, heralding the return of Fiat to North America.

**Figure 2:** Years 2000-2009. A comparison of sales of the main city cars BMW Mini - Smart - Fiat 500, 2000-2009, Sales per year.

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Source: Acea-European Automobile Manufacturers’ Association data, 2010

During the launch event held at the “Lingotto” in Turin, Luca Cordero di Montezemolo, president of a reborn Fiat, declared: “Today is a very important day for Turin and Fiat. It is a time when the product is glorified, a time when every entrepreneur takes stock of his or her achievements”.

By way of comment, let’s consider Kapferer’s seminal words: “It is a mistake to believe that the added value of brands resides exclusively in their sign value [...] in short, in the image of self conveyed by advertising and communication. A brand can only survive if it displays consistent creativity and if production is
based on a level of quality that is pushed to the extreme” (Kapferer, Thoenig, 1991).

4.3 A year-long launch strategy

At the moment of the launch, the partnership between Fiat and MTV international broadcast, centered on the organization of surprise gigs, events and parties, showed once again, if at all necessary, how the main target of the new Fiat 500 was once more (as it was in 1957) a young target.

This is indeed a city car targeted at male and female adult populations with an urban lifestyle and pace of work, that tries to keep up with their social and professional development. However, the new Fiat 500 is still intended as a “debut” car for young people on their first driving experience.

Therefore, the communication strategy chosen to launch the product is targeted, if not at – strictly speaking – young segments of demand, most definitely at its more innovative components. “The 500 is an inclusive not an exclusive concept – said the Company - and Fiat felt that this was the best way to meet the tastes of all its potential customers, without distinction, from the most minimalist to the most eccentric” (Fiat Group press release, 5 July 2007).

It is a strategy that relies on integrated marketing communication, mixing together traditional and innovative tools in order to generate and exploit a precious “buzz” around the new product. The new strategy was implemented through a combination of interactive communication, community building and the organization of events, leveraging on the delicate relationship between the company and the brand, on the one hand, and the users, on the other, who were actively involved both in designing the product (see paragraph 3.4.4) and in its launch following the practice of typical “online creative consumer communities” (Kozinets, Hemetsberger Schau H.J, (2008).

As Volpato (2008) puts it, “With the launch of this model the company has combined in a single operation three particularly advanced marketing principles: a) establish a two-way communication with its audiences; b) advertise the product not only in conventional ways, but also by activating potential clients so that they themselves talk about the product; c) create an “event” related to the product being promoted, so that media take an interest and start dealing with the product”.


The whole process has been managed according to a well-known customer retention approach, which leads consumers to experience the new/revived product and enter a community of admirers that share awareness, common rituals and traditions, as well as a sense of “moral responsibility” – all typical elements of the so called “consumer communities”, especially in the automotive industry (McAlexander, Schouten, Koenig, 2002).

In the period of the pre-launch, from March 2006 to March 2007, the community of old-time “500 lovers” and new fans of the small Fiat car had a chance to submit to the Turin-based automaker ideas and suggestions through the www.fiat500.it website called “Configuration Lab”.

According to Fiat whose ambition was to create the “biggest internet-based interactive marketing platform”, as many as three million enthusiasts contributed to defining the new car. On the night of March 21, 2007, a preview of the first official pictures of the new vehicle was arranged on the Fiat 500 website. Technically speaking, the preview was meant especially for those who, in a display of customer loyalty, had contributed for over a year to the designing the product with suggestions, advice and comments. The on-line preview was, therefore, a way of thanking the most passionate supporters just before the general presentation to the press, which took place a few hours later on the same day and then again on July 4, when the product was officially launched and car dealers started accepting new orders. The first models were actually sold at the end of September 2007.

On November 19, 2007, the Fiat 500 was declared “Car of the Year 2008”. A year-long relationship with stakeholders, the press and the media produced hundreds of articles and television reports and hundreds of awards.

4.4 The role of communication: The communication plan “500 wants you!”

In the car industry, the so called sequential funnel communication - which accompanies “more capable consumers” (Swaney M, Kotler P, 2001) and relies on tools and techniques to follow each of them from the very first time they think about the idea to the final moment when a purchase decision is actually made – can be quite complex, since a very long time may elapse from the moment consumers think about buying a car to the moment they grab a pen to sign the purchase agreement.
For this reason, marketers and communicators in the car industry, rather than relying on a vertically integrated marketing communication approach – for example, starting with a traditional advertising campaign on newspapers, television and/or online, followed by a promotional campaign and then by a direct mail campaign, with a view to “close” the deal at the point of sale with a motivated and aggressive sales force – tend at present to prefer a horizontally integrated marketing communication, that uses several media, tools and many digital touch points at the same time to hit the predefined target or those target or out-of-target elements that contribute to purchase decision or define the decision-making unit (Cherubini, Eminente, 2000; Swaney, Kotler, 2001; Edelman, 2010).

A research by the Economist Intelligence Unit (2006), carried out on the web with Google, showed that in the car industry, as in all the other sectors where consumers purchase expensive items, new media – such as research engines, blogs, personal and professional social networks, downloadable videos and so on – were playing an ever increasing role next to more traditional commercial techniques. As specialized current literature highlights more and more frequently (Aaker, Joachimsthaler, 2000; Kapferer 2002, 2008; Ohlins, 2008), the 68% of the function directors interviewed said that online marketing helps building brand awareness and leadership and according to 55% of them, it increases brand preference\(^{14}\).

Before consumers enter a car dealer, through the new media they can:

1) take an interest in the new product, as promoted through a multimedia advertising campaign – on the radio, TV, newspapers, and of course the web, with all its endless possibilities created by interstitials, pop-ups, keywords, all the way to corporate blogs (Sawney, Prandelli, Verona, 2002; Vescovi, Dallagnese, 2007; Cherubini, Pattuglia, 2009) or

2) take an interest entering the “conversation” that occur spontaneously or guided by the companies among the communities on the web (Fournier, Lee, 2009)

\(^{14}\) Economist Intelligence Unit, \textit{The future of marketing: From monologue to dialogue}, 2006
3) become aware of the brand’s own essence and style, and of the product and service it communicates through the various media it is conveyed by and learn about all the features that until recently could be appreciated directly at the dealership or seen on the catalogues provided by the sales network (Kapferer, Thoenig, 1991; Aaker, Joachimsthaler, 2000; Kapferer, 2008).

By visiting the websites of car manufacturers, consumers may now learn about ranges, models, colors, versions and prices also by participating to the manufacturers’ processes. By engaging consumers in experiential events, manufacturers and brands may attract potential clients well before they enter the car dealership.

Finally, if marketers use new media to listen to consumers and learn about their needs and preferences, then the Internet becomes a constant source not only of outbound brand communication, but also of inbound communication, which can be exploited to learn and profile, and therefore influence and accompany consumers – tracking their purchase behavior – to the final stage of their decision, knowing at all times what stage of the process they are at (Barwise, Meehan, 2010).

In this sense, the traditional “funnel communications” – starting from awareness and moving to familiarity, consideration, purchase and loyalty - seems to be responding to a quite old vision of what really happens in the decision making process of new always connected to media consumers (Edelman, 2010).

As a more recent consumer decision survey made by McKinsey has proved, new consumers start by considering an initial sets of brands, based on perceptions and exposure to traditional and innovative touch points; then, in an highly interactive second phase, consumers add or subtract brands after evaluation of needs/desires/aspirations; finally the consumer chooses a brand at the moment of purchase. But the process continues: there is an ultimate phase in which, after the purchase, the consumer shows expectations and real experiences to inform the next decision process and other people about their possible decision making processes (Court et al., 2009).

As Keller and Lehmann stressed in a seminal study about literature on brand and branding (2006), the ultimate success in brand positioning and brand equity depends on the combined work and synergistic results that occur when
a company is well guiding an integrated brand marketing. Three areas are involved: the contribution of the different brand elements (mark, logo, name, colours, the complete identity), the impact of coordinated communication and channel strategies and the interaction of company-controlled and external events.

The integrated marketing communication campaign of the new Fiat 500, called “500 wants you!” – with a total cost of 12 million euros – was a truly international operation aimed, first and foremost, at allowing people, “the people”, especially those connected through the Web and thus more innovative and dynamic (and on average of a younger age), to take an active role in the life of the new car, ever since its conception. So the communication effort kicked off when the Turin-based automaker made the strategic decision to produce a new A-segment car. Communication has not been ancillary to other core activities, such as development and production. It has been an integrated effort that has allowed Fiat to build the largest online laboratory for listening, marketing and communication created until then in the car industry.

4.4.1 The brand or the brand “turnaround and rejuvenation”
Through the pre-launch (May 2006-July 2007), the launch (July 2007) and the following promotion of the new 500, Fiat engaged in a brand revival operation, which was all the more interesting since it occurred in a relatively short period of time.

This operation – Kapferer’s words - can be named “brand rejuvenation”: even though the sales may be at the minimum (as Fiat sales were at the moment of the launch) some brands are still evoking resonance in our memory and are still endowed with brand awareness, attributes, beliefs, company values. These brands are still able to capture emotion and nostalgia. “Brand revitalization in the narrow sense consists of recreating a consistent flow of sales, putting the brand back to life, on a grow slope again”. Revitalization and revivals are based on an updating of the complete offer of the brand while staying tied to part of its identity. The revival implies a change in the product as in the market, or in the target market (Kapferer, 2008): that’s what actually Fiat strategically did.

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According to the general feedback received so far (the new logo seen as a cult by the press and the great success given by the public to the branded gadgets) the effort has turned out to be very successful. As a proof of this, let’s consider the indicator in communication, “the” communication code *par excellence* – language.

According to Grunig and Hunt (1984): “*Communication is successful when people use the words and symbols being communicated to build up and idea that reasonably resembles the idea of the communicator*”

Language helps us understand the clever effort that was made to communicate a brand identity and how such identity was well absorbed by users, whether opinion makers, leaders or final consumers. The institutional language adopted by Fiat in all communications related to the launch of the new product – communication targeted at the press as well as the general public (see the website and its by-products) – drew liberally on the mythological world of cars to generate great expectations. “Undisputed leadership”; “tradition of excellence in technology, design and human capital”; “quality breakthrough”; “advanced response”; “total freedom”; “a funny, functional, environmental-friendly, accessible, lovable, fascinating, extraordinary car”; “a jewel”; “a real asset” – these are only a few of the emphatic expressions used by the company, which we quote here as an illustration of the above-mentioned approach.

The language used by the media, as a consequence, was equally emphatic, thus attesting to the effectiveness of the communication strategy adopted. Reports everywhere talked about “myth” and “story” – a “myth that is part of Italian history” “reviving the myth of the old *cinquino*”; “an icon of Italy on four wheels”; “operation nostalgia”; “a city car to dream about”; “a mix of revival, comfort and technology”; a story of “days spent outdoors, of holidays, of Italy’s best moments” – as well as of “maximum driving pleasure”

*Corporate communication* –thus *corporate branding*– was, as we can see, a success.

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17 These expressions were analyzed by the Author in few of the most reputed Italian newspapers and magazines such as Il Sole 24 Ore, Il Corriere della Sera, La Repubblica, Panorama, etc.
As already mentioned, until mid-2005 Fiat appeared to be a declining brand, at least as far as the registration of new cars was concerned. Still, it was considered a traditional, if not historic, brand, that Italians were very fond of. The owners themselves, the Agnelli family, were still being perceived as the true “royal family”, in spite of the occasional unflattering stories reported on the press (Ferrante, 2007).

However, on the product side, the public sentiment at the time of the launch of the new Fiat 500 was generally negative: in spite of the favorable judgments surrounding the Grande Punto and the new Panda, Fiat cars were still considered reliable although scarcely appealing in terms of quality and design, which are factors that must be combined in a successful brand marketing (Thybout, Carpenter, 2001; Ohlins, 2008). The brand was suffering as a result. The “communication facelift” – to borrow Kapferer’s expression – that had already been undertaken was not enough, although several brand promotion operations were already underway, with good success among the public and the press. In mid-2005, with the slogan “Fiat never sleeps and never goes on holiday”, the brand manager L. Elkann inaugurated, under the “Lingotto” sign, the Sardinian beach at Punta Marana-Olbia, as he did in winter with the most exclusive ski resorts on the Alps. In the same spirit, he promoted the distribution of merchandising such as sweatshirts and shoes, or the opening of lounge bars across Italy, in order to support the image of a revived brand as well as the sales organization and the actual sales of cars such as Croma or Panda. He wanted to approach consumers with a communication that had to be different from the past, when it was based entirely on the more traditional medium of advertising.

Corporate branding and product branding. The Fiat corporate brand needed a distinctive new lease of life, which it definitely received through the Fiat 500 product brand (Collesei, 2006). Indeed, the only way to strengthen Fiat’s distinctive identity was to renew its product(s) and to improve their performance, quality, design, and image, in order to please consumers and customers. Communication – in its most traditional and perhaps obvious meaning of advertising and promotion – would only come at a later stage, after production and financial risk had made a “difference” and created added value (Kapferer, Thoenig, 1991; Aaker, Joachimsthaler, 2000; Kapferer, 2008).
Brand elements. In the age of one-to-one communication, Fiat had to manage its presence and visibility in the industry, as we have seen, in a truly innovative way starting by the key brand elements such as logo and its features (Schmitt, Simonson, 1997; Kohli, LaBahn, 1997; Keller, 2003). The corporate logo – modified for the sixth time in thirty years – was restyled so that it remained recognizable even with a new graphical appearance. The modern-looking sanserif characters set against a blue background were abandoned for a traditional font set against a red background.\(^\text{18}\)

Brand Value and Brand Loyalty. The innovative communication surrounding the brand, through the restyling of the logo and more, creates a new brand value – a value determined by the quality, credibility and “freshness” of the new product, and therefore of the company that has launched it, as well as by the loyalty that such a high-quality and communicative product may generate. Loyalty towards the product itself, the company and the brand. A loyalty that feeds itself, also thanks to inter-customer relationships - “the Brand Community Triad”, consumer-brand-consumer – the increasingly credible relationships fostered by interactive communication between the consumers-fans of the product and the brand (Schouten, McAlexander, 1995; Fournier, 1998; McAlexander et al. 2002; Aaker et al., 2004; Muniz, O’Guinn, 2001; Keller, Lehmann, 2006).

Moving one step forward, thanks once again to multimedia and web-based tools, marketing and communication professionals engaged in promoting the company and the product become part of the consumer community being built around the product (see Figure 3).

This way, marketers and communicators give an increasingly active contribution to building the brand and its value, creating a framework where interactions between consumers and clients, brand and product, may proliferate and create innovation (Kozinets, Hemetsberger, Jensen Schau, 2010). “This is the message: behind the product and the normal corporate

\(^{18}\) Antonio Romano, a leading Italian brand designer, who assisted Renault in renewing its brand, recently said: “I believe Fiat has done a good job lately. With the new logo, renewed only eight years after its previous restyling, the company has shown once again its willingness to turn a page on the dramatic situation of the past decade”(Italia Oggi, 25 March 2008).
communications there are real people who understand and care about their customers” (McAlexander, Schouten, Koenig, 2002)\textsuperscript{19}.

**Figure 3:** A customer-centric model of a brand community. Adapted from McAlexander, Schouten, Koenig, 2002

4.4.2 Internet and the web people

According to a modern integrated marketing communication approach tended to stress the compatibility between new interactive media and high involvement experience (Aaker, Joachimsthaler, 2000; Fournier, Lee, 2009), the brand communication of the Fiat 500 has relied on an effective combination of advanced and innovative activities and tools, as well as more traditional ones, including public relations and live events. According to Kotler, “Internet has become a true medium of brand communication”.\textsuperscript{20}

\textsuperscript{19} Fabio Galletto, marketing manager Fiat, declared: “We believe in a marketing ever growing interactive where the consumer becomes “consumer-actor” and the protagonist”.

\textsuperscript{20} Dini, A. “Aziende Lovebrand”, cit.
Accordingly, the integrated marketing communication program had in the Internet its general content management and agenda setting tool following the scholars who referred to “collective innovation” of consumer groups or “crowds” in which the consumers are recognized as a collective force, collaborative and creative (Levy, 1997; Benkler, 2006; Jenkins, 2006; Tapscott, 2006; Kozinets et al., 2008).

The Fiat 500 website was conceived as a “great online lab”. Since the beginning, through the official site, users could participate in the “configuration lab”, which allowed them to play around and model their own favorite 500, their concept car, and to save their ideas on the website. The many versions of the car produced by the Turin-based automaker correspond to those proposed and most voted by the Web people. Following Hargadon and Bechky (2006) approach, the moments of collective consumer creativity are enabled by four categories of related activities: seeking, help giving, reflecting refraining and reinforcing behavior. These practices are findable in online communities of consumption as well (Kozinets et al., 2008).

This “distributed production” system was the concrete expression of a new prosumer attitude that modern consumers, taking on an active role, increasingly tend to display. As the underlying behavioral patterns of consumers change, so does marketing, moving from a “push” logic (whereby messages are received by passive subjects, such as the viewers of generalist television, as opposed to the customers of satellite or digital TV, who are willing to search for content and “pay to view” what they have chosen) to a “pull” logic (the message recipients actively draws on the Internet, iPod, YouTube, social networks, etc. to get to the desired message content).

It was a matter of communicating virtually, and therefore globally, to the nth power: communication as product design. On the www.fiat500.com website, for over a year (from March 2006 to July 2007), surfers could send ideas, recommendations, suggestions concerning the design of the real product, which in the meantime was being developed in Fiat’s design labs, blending personal interests, hobbies and consumption activities with the social need for belonging, difference and identity (Kozinets et al., 2008).

Surfers from all over the world were rewarded on the night of March 22, 2007, when they enjoyed an exclusive preview of the online pictures of the newborn car: according to most accounts, thousands of people watched in
rapture. The virtual preview was by all means a way of thanking the many fans who proved to be a cooperative community. A page dedicated to the new car was published immediately on Wikipedia.

*500 wants you* is still conceived, and forever will be, as a “cooperative web” effort: users are allowed to customize the website, manipulate the page structure, move the boxes as they see fit and reduce to icons the ones they are not interested in. This way, surfers can create their own page (my home), which they can access any time they visit the Fiat 500 website and modify as many times as they want. The site features also a “500-ology”, an online encyclopedia full of stories and images, written with the many contribution of web surfers.

### 4.4.3 Advertising

In 2004 Fiat didn’t have any car – i.e. new products – to promote, hence the company decided to launch a shocking advertising campaign where foreign brands thanked Italians for buying their cars in large numbers. The communication campaign hit Italians like a whiplash on their chest. In 2005 Fiat advertised the new Panda, hiring the Jamaican four-man bob team. This was followed by the a new campaign, in Fall 2005, with the Grande Punto associated to the very Italian singer Vasco Rossi. The national-musical climax was reached with the advertising campaign of the Bravo, a “*magnifica creatura*” (marvellous creature) celebrated by the song of Gianna Nannini. At the beginning, and before the new Fiat 500 was launched, the “renaissance” of Fiat was communicated mainly by means of “classic” advertising that hit Italian collective imagination with a brand that relied on Italian voices – first Vasco, then Gianna.

Although definitely a traditional medium, advertising was the only way to quickly shake the old and aristocratic Fiat out of its torpor, through a consistent, relentless pull on the consumer. The advertising effort reached its full expressive power when the showman Fiorello was hired to advertise with his gags Fiat’s brand and products, with a series of TV commercials that drew on his highly successful “W Radio Due” radio show.

In 2006 Fiat’s advertising investment totaled 107 billion euros, making the company rank seventh among the big spenders. In 2007, according Nielsen Media Research and Unrae data, Fiat Auto was the second largest spender,
before Toyota, GM, Citroen, Renault, Ford, Peugeot, BMW and Mercedes. The list of the most heavily advertised products did not feature, however, the Fiat 500 (we’ll come back to this later).

The first official commercial of the new Fiat 500, and the associated advertising campaign signed by the Leo Burnett agency, did not appear until Fall 2007. The campaign, that seemed very pervasive and generated a huge “buzz”, was in fact born from an idea of the CEO Marchionne, who gave it a sharp institutional (corporate) yet strongly emotional and engaging feel with two main objectives, as the Company said: “.... The first is about remembering and underlining that Fiat has always been part of the Country, both in the bad and good moments, participating to the history of the Country. The second one is a message of thanks to all the Italians, who have been trustful in the difficult periods, and in return of this trust and affection we give them back the car they were asking since a long time”.

The restyled Fiat logo was made to appear as a “symbol of all things Italian” – a symbol among symbols, perhaps arrogantly so, according to some opinion leaders. “Life is but a collection of places and people who define time. Our time”: as the script scrolled, the screen filled with the images of joy and pain that have made Italian history and art over the past fifty years – among them judges Falcone and Borsellino, Ciampi, Montanelli, Togliatti, Mother Teresa of Calcutta, Carla Fracci and Eduardo De Filippo. In the commercial, the Fiat logo was associated with the “eternal battle between Good and Evil”, between “what to be and not to be”, which is a constant feature of everyone’s life at any point in time. The images were taken from Tornatore’s hit movie New Cinema Paradiso, the soundtrack Back to Life was written and performed by Giovanni Allevi – a cult movie and a cult musician, respectively.

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22 The young Italian composer, whose music had already been used by BMW, Giovanni Allevi said to the press: “It’s exciting to know that my music is associated to the historic Fiat brand. I consider it a sign of affection towards myself and my musical creativity, which is deeply rooted in Italian traditions. The association with Fiat will allow so many people around the world to become acquainted with my notes. [...] For a new all Italian Renaissance”. In www.repubblica.it, 4 July 2008.
“The new Fiat belongs to everybody” is the claim that wraps up the commercial and the campaign, that ends with an overview of the seven changes the logo went through before reaching its present form. In just about two weeks, beginning of the day of the launch, the commercial was broadcasted 23 times during prime time on the RAI and Mediaset channels, for the most part on Canale 5 (11 breaks). The Fiat logo appeared only once in the final commercial, after Falcone, Ciampi, Gaber and Valentino Rossi.

The pay off “You are We car”, featured in the massive billboard campaign for the new Fiat 500, finalized the renaissance of a brand that appeared, if not dead, definitely tarnished and doomed to decline.

4.4.4 The “fastes en direct”: Relational tools and events
According to some scholars, the above mentioned features of a typical brand community – a sense of belonging, shared rituals and common traditions, as well as a sense of moral responsibility towards the brand – would not exist in the same way in the absence of brand promotion events, “brandfests” (McAlexander, Schouten, Koenig, 2002). The benefits that the members of the brand community derive from “physically” attending events that are expressly designed to create brand communities are symbiotic in nature, being the outcome of a process of “socialization” of the brand.

The new fans and participants of the brand promotion events enjoy the social approval of old-time loyal customers (just read the comments posted on the Fiat 500 website by both newcomers and veterans). At the same time, the more recent fans grant old-time loyals a leadership role in the communication process.

Marketing and communication professionals, as we have seen, also give their own contribution to the community. What we are witnessing, here, is a typical win-win situation created by a strategic marketing mechanism strengthened by new technologies and characterized by a higher degree of emotional involvement.

Fiat seemed to understand this perfectly well. As written by the French newspaper La Tribune, the company organized and inaugurated what we may call “fastes en direct” (live celebrations), which, as we shall see, if supported by a substantial investment in communication, may justify a reduced investment in
those items – such as billboard advertising – which ex ante appeared quite necessary.

The actual launch took place with a series of events covering the three days of July 4 to July 6, 2007. The day after, with a pinch of malice, the French talked about “lancement en fanfare” (Les Echos) and “grandmesse du lancement” (Le Figaro). The English, with no more benevolence, wrote of “big aspirations” (Herald Tribune) and “50th birthday extravaganza” (the Times).

The event held at the Lingotto on July 4, 2007 had a 7000-strong guest list – among them, 3750 car dealers from 63 countries, the 500 workers of Mirafiori (the Fiat plant in Turin), 1000 national and international journalists, 200 suppliers, and 1000 other guests selected among politicians, businesspeople, celebrities, fashion designers and, last but not least, sportspeople. It was also a time for massive celebrations in many Italian towns – Turin, of course, and 30 others chosen among those cities with the most beautiful “piazzas”.

The willingness to build corporate social responsibility around the brand lead Fiat to promote a large charitable initiative in cooperation with “L’Albero della vita Onlus”. During the launch events held in the different cities, the company supported – through the sale of its merchandise – the project “Un nido per Pollicino”, aimed at assisting needy parents and their young children, helping them to “grow up” in a hopeful and joyful environment. The initiative continued at the dealerships across the country, especially during the open days.

23 L’Albero della vita Onlus undertakes educational initiatives for younger children within a larger project called “Pedagogia per il Terzo Millennio®” (Pedagogy for the Third Millennium). The project is carried out in cooperation with the Fondazione Paoletti and places a great emphasis on communication as a means for improving human relations. Here is the Onlus’ institutional mission: “Pedagogia per il Terzo Millennio® is a system for development and communication aimed at improving human relations. It is the outcome of the experience acquired over the many years we have spent studying the mechanisms affecting human behavior and those factors that allow it to change. Our research team, made of doctors, psychologist, philosophers and physicist, has been engaged for several years in applying and promoting this system in educational and social settings”.

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The show in Turin, held on the river Po, was designed by the creative minds and producers of the Winter Olympic Games, with a grand fireworks finale. It was, to put it shortly, “Notte Bianca 500”.

The day after (5 July) the small Fiat 500 was presented to the President of the Italian Republic at the Quirinale, followed by another press conference in front of over 1000 journalists. For two days the Fiat 500 was on display in the 30 Italian piazzas.

The following weekend the car was already on sale at the Fiat car dealers across the country, who in the meanwhile had a chance to present the new car locally to their clients and stakeholders with parties and other events resembling those held at the corporate level.

As the Mito 500 continued its road show, the car went on display in Rome, at the Miti in Italy exhibition held in the Eur suburb, from 6 to 17 September 2007.

On April 18, 2008 the Design Week opened in Milan, featuring the “500 Work Pop” exhibition organized by Fiat in cooperation with Guzzini. On July 5, 2008, the “500 picnics” were staged. To celebrate the Fiat 500’s first birthday, the world’s most beautiful cities, from Budapest to London, from Milan to Paris, from Palermo to Rome to Valencia,²⁴ hosted “the coolest picnic around” (as the company announced in a press release), to which everybody, 500 lovers or otherwise, where “obviously” invited. Car enthusiasts could bring their own 500 or, lacking one, cycle all the way to the event. The program featured music, shows, entertainment and “community”. Moreover, the event included an art contest for singers, dancers, musicians and street artists selected by Fiat in cooperation with MTV. The prize: a Fiat 500, of course, and white Fender guitars. The picnics were highly successful, as shown by videos and photos uploaded on the dedicated site.

²⁴ Picnic 500 events were also held in many other cities across the world: Athens, Budapest, Cape Town, Casablanca, Copenhagen, Hel (Poland), London, Milan (Idropark), Munich (Hans der Kunst), Palermo (Parco Case Rocca), Paris, Rome (Semenzaio S. Sisto), Tokyo, Rotterdam, Valencia, and Zurich.
4.4.5 The multimedia place

Even distribution – which thanks to the new creative layouts of exhibition spaces and shop floors has become once again a crucial marketing driver – gained the right prominence and a new emphasis in the Fiat 500 Temporary Store in Milan. This was the first store entirely devoted the Fiat 500 and its values, in the belief that such a place could offer consumers and potential clients unforgettable experiences and positive memories.

In the Fiat 500 Temporary Store enthusiasts could find all the information they wanted to satisfy their curiosity; they could buy all sorts of merchandise, book a test drive and read magazines and books about cars. From April to July 2008 the store could be visited on the Web, through a laptop or a mobile phone, after registering on the 500 pop.up store, the Internet version of the physical showroom in Corso Como.

The Fiat 500 temporary store was meant to offer consumers a rewarding shopping experience and a very higher level of customer satisfaction. Indeed, the whole idea of sales being confined to traditional car dealers is considered obsolete. By then time consumers enter a physical dealership, they will have a wealth of relational and multi-sensory, often virtual experiences, which have made them active participants in the Fiat 500 experience. The Open Days organized by car dealers complete the experience and lead consumers to make a purchase.

5. Results of the campaign. Some final considerations.

“The value of a brand does not lie in its assets, but in the ability of a company to make a profitable business with this assets” (Kapferer, 2008). Fiat actually did it in an effective way as recent forthcoming events have proved (Fiat is conquering the American market by the purchase of Chrysler Group in 2009 and effectively reorganizing its presence in four areas –Italy/Europe, North and South America, Asia).

The analysis of this case study, as exploratory one, related to the integrated marketing communication and brand management of the new Fiat 500, has been selected because it seemed “particularly suitable for illuminating and extending relationships and logic among constructs” (Eisenhardt, Graebner, 2007) or “unusually revelatory, extreme exemplar or opportunity for unusual
research access” (Yin, 1994). The case reveals that the Group’s corporate mission was not limited to selling the city car of a “reborn” Fiat, even though sales have given a positive contribution to revenues so far.

The actual goal, or better still the strategic meta-goal of the Italian automaker, was a great integrated marketing communication effort, articulated at both the national and international level, and at both corporate and marketing level, which is still alive and devoted to accomplish a “rejuvenation of the brand” (Kapferer, 2008).

For this reason, the case study we have analyzed is in line with the general topic of this paper, the relationship between a modern and effective brand management and an integrated marketing communication approach based on the creative and collaborative effort of the consumers, and should perhaps be considered a benchmark for the automotive industry and other businesses.

Some limitations of the study can be considered those related to a) the fact that the interest of the case responds to a contemporary description of recent events and the need, on the contrary, of observing facts from a long period approach and a more complete scenario and b) the need of comparing this case study with others similar to stress analysis from a “replication logic” point of view (Eisenhardt, 1989; Eisenhardt, Graebner, 2007).

The company carried out an integrated marketing communication aimed at repositioning the corporate brand – and the Group’s brand(s) – around new (rediscovered) brand values: “Italian style”, “Made in Italy” – in a word, popular, yet trendy, culture. A repositioning centered around the identity and image of a car manufacturer that produces popular yet trendy cars, for older and younger crowds alike. An image that goes beyond the Fiat 500 and Fiat Auto and involves, independently and synergically, the other brands of the Group: the more luxurious Lancia and the more sporty Alfa.25 A marketing and

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25 In December 2007, during the conference “High Tech High Touch. La comunicazione oggi tra reale e virtuale”, (High Tech High Touch. Today’s communication between real and virtual), organized by the Master in Economics and Management of Communication and the Media, Economics Department, Università Di Roma Tor Vergata, G. Spagnolo – Head of Marketing and Communication of Lancia Automobiles SpA – illustrated the set of values and associated messages that the Lancia brand had chosen as a basis for its revival – elegance, luxury, accuracy, heritage and tradition, character, a modern interpretation of traveling in comfort. A
communication strategy that finally stresses the importance of distinction and modernity, or values evoked in aged people (Kapferer J.-N., 2008) renewing products by means of a mix of co-marketing and co-branding initiatives aimed at younger customers, by definition more dynamic and innovative, as well as older ones.\(^26\)

Having examined the composition and horizontal and vertical integration, at both a strategic and operational level, of the different communication techniques adopted in this case, we have found that the effective launch of a new product may have a number of positive effects on the overall product range, on the company brand itself and the group. A budget in communication of a similar amount (12 million euros plus 4 million for leaflets and brochures)\(^27\) would have not generated the same massive coverage results by all national and foreign media had it been devoted only to the corporate brand and had it not taken advantage of the “buzz” generated by product communications and, most of all, by interactive and event-based communication surrounding the new car.\(^28\) A campaign focused exclusively on the Fiat brand would have not had such a large following all over the world – especially if it was just an advertising campaign\(^29\).

detailed account of the marketing and communication strategy of the new Lancia cars is featured in the present volume.

\(^{26}\) We should also mention the partnership between Fiat and Valentino Rossi’s Yamaha at the moto grand prix – a strategy aimed at capturing younger customers without neglecting the “hard core” of old 500 enthusiasts, attracted through a series of promotions like the one organized with Fabbri (the brand of the historic Italian “sour cherry”) with the game “Con Fabbri vinci Fiat Cinquecento” (Fabbri gives you a chance to win a Fiat 500).

\(^{27}\) Rumors have it that for the launch of the new Alfa “Mito” the company spent 30 million euros to allow potential customers “to talk online and get excited”. See Odini A., “Alfa Mito parla il linguaggio del web”, Marketing Oggi, 5 September 2008.

\(^{28}\) Volpato G., cit.

\(^{29}\) The so-called corporate or institutional brand campaigns, usually aimed at (re)positioning a corporate brand, are more conceptual, even too sophisticated for the generalist media audience (TV and newspapers), too elitist. Just to mention other famous cases in different sectors, it is worth remembering Enel’s “L’energia va oltre quello che vediamo” (“Energy is more than what we see”) institutional campaign (2006), or Ericsson’s “Mobile Broadband Benefits Society” – campaigns that sometimes take on a global dimension and are often targeted to specific stakeholders.
Corporate communication is generally aimed at transmitting a company’s values and identity; it is targeted at specific external or internal audiences as opposed to the consumer market.

On the other hand, product communication, interactive and community communication, and event-based communication, if adequately integrated, quickly achieve the company’s communication goal, whether it’s positioning, sales, brand awareness or brand image.

The main communicative goal of the Company was “Participation”: Fiat 500 is the car for the people, made by the people. This represents a big change of perspective: the participative approach renewed completely the old fashioned brand management system of the Company (Volpato 2008).

“The Automotive one is a technical sector, generally made by technicians and really specialized people. On the contrary we wanted to think about Fiat as an open source organisation. People’s participation is what really makes the difference between a successful brand and a “lovemark”, and 500 is really close to be a “lovemark”. 2.0 is participation, sharing, respect”30

The ambition of the Company was to create the biggest internet-based interactive marketing platform. On the 3rd May 2006, 500 days before the official launch, the platform “500 Wants you” was born and the count-down began.

Figure 3: The communicative process

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30 Fiat presentation of the campaign “500 belongs to everybody” (2006-2010).
The communicative approach was devoted to the “Consumer Engagement”: the Company asked all the users their inputs and suggestions to build together the 500 in five hundreds days: “Just free your creativity, let’s shape a new 500 which also speaks about you!”: “to give voice to people’s aspirations and build the new 500 with them because 500 is the car of our dreams, of happiness and positive thinking, of our desire to move on”, the Company outlined.

The new 500 reinterprets these brand values and forms and asks people to give free rein to their impulse to express themselves, to imagine and to dream. 500 days, more than twenty different platforms (both for specialists and for general users) were created: an international laboratory.

The results of FIAT campaign in the (pre-)launch of the new 500 are actually astonishing: in the period, May 2006-July 2007, 109,549,789 were the visited pages; 9,129,813 were the contacts, 6,529,857 unique visitors, 96,169 registered users. 47,093 were the on line configurations in the Concept Lab.

The most selected colours were white, red, black, and light blue: the designers at the Style Centre then made the necessary changes to the actual final colours used to ensure that they were best suited to the character of the car.

The Concept Lab in the period 3 May – 14 December 2006 received 171,070 configurations and 22,481 suggestions.

There was also a great success for the so called “Design boom” page of the Concept Lab: three were three categories, accessories, lifestyle, everywhere. 5,433 people registered in the contest from 97 countries; the Company received 1,057 design projects. An international jury was composed by Giorgio Armani, Jasper Morrison, Gabriele Salvatore, Luca Cordero di Montezemolo.

For the “500 wants a mascot” (design a mascot using the new Fiat 500 inspiration) initiative the graphical proposal submitted were 1,263 in the period June -October 2006

From December 2006 a new chapter in the Concept Lab was added: interiors. Configurations received: 111,638; suggestions received: 75,558. The final design of the stereo and gear lever knob has been suggested by the users.

On Tuesday 20 March, by reserved access and exclusively between 9 pm and 12 am, all registered users had the opportunity to see the official images of the new car in world première. The results were noteworthy: 114,462 unique visitors on 20 March; 15,000 users viewed the première.
In the meantime a great operation in online booking was spreading out: the car was booked from 32 countries in the World. The Company declares “one booking request every 40 seconds!”.

The 500 launch event (Turin, 4th and 5th July 2007) streaming “Welcome Bambina!” was viewed from all over Europe and people had the opportunity to connect to the website and see the show and the convention. The 4th July, 91,920 were the contacts for the Show in the web streaming, the 5th 99,305 the contacts for the Convention.

The website “500 wants you” had more than 500,000 unique visitors on the 5th July. Canale 5, the Italian commercial broadcaster, had an audience of 4,780,621 with the share of 34,7%, the audience media 2,927,366 with the share: 22,1%.

1,500 journalists from all over the world participated to the Convention on the 5th July, with a streaming of 99,305 contacts; in the meantime the website “500 wants you” had 423,665 unique visitors.

As the Marketing & Communication Direction stated: “There is a 500’s recipe: The ability to look at the world with children’s eyes; the awareness that 500 belongs to everybody; - people’s participation; - Joy, the smiling eyes! At that point a strong positioning was defined, but we added something else to be even more different from anybody else: we wanted everything regarding 500 to be a world first application, such as something never seen from people because never done before”31.

According to the company, the Fiat 500 merchandise were very much in demand even in Japan, even until the car had not been introduced yet. Even the Fiat 500 itself was conceived as a sort of corporate merchandise by the manufacturer, as shown by the “perfect alliance” – as the Group called it – between Fiat and Ferrari. The Ferrari have decided to provide their sales network with the small city car as a courtesy car. A limited edition of two hundred luxury models, painted in a bright red color, representing a paradoxical “prancing horse version” of the city car.

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31 Interview to the Fiat Marketing & Communication Direction, Eleonora Coffaro, December 2010.
Fiat, the Turin-based automaker, will further refine its repositioning, tying its communication destiny to the international success of a continuously growing brand.

The Italian brand, after a long crisis, is now able to compete with the other brands of the automotive market thanks to effective communication programs based on its history, innovative products, “creative consumer communities”, very good combination of old and new tools that are able to reposition the consumer perception and loyalty.

The more recent history of the company is able to prove it. A comparative cases analysis between different successful examples would be suitable to deepen this research in the future.
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Integrated Marketing Communication and Brand Management: the Case Study of Fiat 500

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