

A BOLD MOVE...PERHAPS NOT.



Ford Motor Company announced recently that it is phasing out of nearly all its sedans in the United States market. Only the iconic Mustang and Focus Active will be spared the scalpel. It is rumored, however, that the Fusion may stick around for a time. But the “refresh” of that model was cancelled last year – perhaps a sign that the expense of the refresh is greater than the projected sales. Anyway, Ford’s “focus” will be on its SUV line and company’s best-selling F-Series trucks. Coincidentally, my mother announced to me last week that she wants to get rid of her Honda Accord and replace it with their SUV, the CRV. *The Times They Are A-Changin’*...ah, that Bob Dylan.

Interesting, but mother seems to be in sync with trends in the automobile market place. Witness what you see on the road these days: Every automobile brand has an offering of sport utility vehicles to choose from. The majority of them will never see a steep incline, but will blaze trails to and from sporting events and be handsomely stylish during morning and afternoon commutes. However, there are many “practical” product-feature advantages an SUV has over a sedan.

Consumer needs, wants and desires evolve over time. In regard to automobile features, consumers want different things today in what they drive versus what they wanted only a handful of years ago. The SUV, for example, provides a higher center of gravity for the driver, real or perceived greater safety, more room, the ability to go off-road, etc. Too, current gas prices seem to offset the lesser MPG that SUVs have when compared to sedans. So, somewhat of a perfect storm for the emergence of the SUV.

Seems like Ford’s plan, arguably bold, will also include either fixing or dumping those global operations that are not profitable to the company. Question for all of us in our current, precarious marketplace: Are we both willing and able to “focus” only on those areas of our business that consumers want the most? Or, are we unable to cut the cord and continue to allocate energies and dollars to unwanted (unprofitable) areas of our business?

Time will judge how well Ford’s latest efforts pan out. Similarly, time will conclude how brands within our industry fare during this tepid and tumultuous time.

PROTECT THY BRAND: The “bold” move is not one that provides the products and services your consumers want, but those they do not want.



5695 Indian Paint Run Littleton, CO 80125
 (303) 552-8454
jdepalma@brandintelligent.com
www.brandintelligent.com



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