

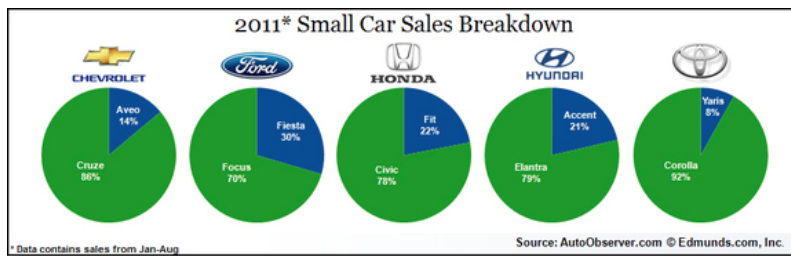
2012 Chevy Sonic Aimed (Gently) At Millennials

By SCOTT DOGGETT September 27, 2011



General Motors designed the all-new **2012 Chevrolet Sonic** for the Millennials – that 80-million-strong group of 18- through 30-year-olds that contribute \$200 billion annually to the American economy. The automaker believes the B-segment little brother to the highly-successful **Chevrolet Cruze** will interest those young adults when the car goes on sale this fall as a replacement for the **Chevrolet Aveo**. Accompanying ads will pitch it as safe, well connected and great fun to drive. GM also believes that without proper instruction, Chevrolet dealers across the country might unwittingly alienate hoards of the potential Sonic buyers and their friends by failing to appreciate the Millennials' profound insecurities and unique way of relating to others.

The group represents the largest generation in American history, has enormous raw spending power and influences half of all spending in the country today, John McFarland, head of GM's Global Strategic Marketing group, told reporters at a Sonic presentation and drive in San Francisco last week. "Forty percent of the total car-buying population in the U.S. next year are going to be the Millennials." McFarland, who at age 31 just missed being a Millennial by a year, was hired away from Proctor & Gamble last year by GM Chief Marketing Officer Joel Ewanick shortly after the two were named among Brandweek Magazine's **Top 10 Marketers of the Year**. He said he and his colleagues spent a year getting to know the Millennial consumer. "There are some fundamental differences about this group that you have to understand in order to really connect with them. I think there is tremendous opportunity for the Sonic to come out strong and for Chevy to be the brand that understands this generation better than anyone," he said.



Technology And Parenting Styles

What differentiates the Millennials from, say, the Boomers, Xers and Nexters are parenting styles and use of technology. Millennials text a lot – the average Millennial sends 60 a day, McFarland said. To them, digital communication isn't merely communicating. It's the beginning of a beautiful friendship – or it's not. "A conversation done over instant messenger, texting, email and so forth is just as meaningful and intimate as one that's happening face to face," McFarland said. So, if a Millennial sends a dealer an email, it shouldn't be treated as an inquiry or digital lead that needs tending to in 24 to 48 hours. "He just started a conversation, and the response he gets back and how quickly is just as meaningful as him going up to a desk and saying, 'Hey, I'd like some help,' and waiting and waiting and waiting," McFarland said.

The marketing man, who with his colleagues communicated with more than 9,000 Millennials over the last year to see what makes them tick and what ticks them off, said that another big difference between this generation and previous generations is how they were raised. Their parents essentially coached and befriended them, generally offering strong encouragement from the day they were born. Whereas the parents of earlier generations were more authoritarian figures, dictating rather than coaching, said McFarland, the father of a six-month-old boy.

Data shows that 96 percent of Millennials say they are absolutely positive they are going to get to where they want to go in life, but their perception collides with today's economy and "they discover it's hard out there," he said. A lot of people believe the group feels entitled to everything. "But what we believe is that what is commonly misconstrued as entitlement is actually an acute fear, and what that fear is is really not living up to this potential that's been bred into them," McFarland said. "That reality is forming a really intense tension that this consumer is starting to navigate, and it provides a really tremendous opportunity for this brand to play a supporting role."



Empower, Connect, Build Trust

This fear – insecurity, if you will – is something Chevy dealers can exploit to their advantage, McFarland said in more diplomatic language. He and other GM employees this week started a series of meetings with Chevy dealers across the country to inform them of the Millennials' insecurity to advise the dealers to offer parent/coach-like support to the young adult prospects. They should, for example, acknowledge that buying a car is a huge deal and that they fully support the young consumer's decision to buy a Sonic from them. "As a brand, let's take their side. Let's empower them to navigate this important milestone," McFarland said. "Let's take their side and fill that role of coaching them along the way."

When a Millennial appears on a lot with a parent, dealers are advised to give at least equal attention to the child and to really hear what he or she has to say and respond appropriately, instead of just unloading a rote sales pitch or pushing them into a test drive. McFarland's research has found that Millennials typically spend 16 hours researching a vehicle before addressing a dealer, so the dealer had better know her products and should assume the Mil is well informed. And "let them experience the vehicle quickly and easily," he said. Unsaid: These people are anxious and easily spooked, so let them take the lead and play a supporting role. To help win their confidence, the dealers are being advised to be completely transparent with the Millennials about their purchase. "It's really about just being open and not hiding any portion of the transaction – show them what we're doing and why," McFarland said. "We can talk about marketing plans and such, but to me what I think is really going to be the most impactful and the most different is the amount of rigor and consumer understanding that we're bringing to our dealer network."

"GM should focus less on how to sell the Sonic to just one particular segment of the population and realize that persons of all backgrounds will become interested in a vehicle if it suits their needs. We see this every time fuel costs begin to rise, buyers from all walks of life regain focus on mpg and in particular, small cars," said Ivan Drury, Manager, Pricing and Industry Analysis for Edmunds.com. "The subcompact car segment is gaining market share nearly every year and with more consumers testing the waters of small cars, Chevrolet has the potential to establish themselves, especially if the Sonic has any carryover success that the Cruze has delivered."



The Car

All of the dealer coaching won't win the day if the Sonic is a lightweight effort, but it lives up to its billing. Indeed, it is safe, well-connected and has entertaining performance. The new subcompact is plenty stylish and offers decent fuel economy, although the upgrade powertrain is required to hit the sort of efficiency – including the magic 40 mile-per-gallon highway rating – that's now a virtual requirement in the segment. The 2012 Sonic is available as a **hatchback** starting at \$14,635 and as a **sedan**, starting at \$13,735 and comes in three trim levels.

Two engines are offered, mirroring the choices from Chevrolet's larger and highly successful Cruze: the base 1.8-liter produces 135 horsepower and 123 lb.-ft. of torque; the 1.4-liter turbocharged alternative (for an extra \$700) makes 138 hp and 148 lb.-ft. A 5-speed manual or 6-speed automatic transmission will be offered for the 1.8-liter engine; the 1.4-liter turbo will be available only with a 6-speed manual at launch. The initial powertrain availability seems to indicate Chevy is orienting early Sonic build mix toward lower cost rather than high economy, as the 1.4-liter version generates 29 mpg city/40 mpg highway ratings, but costs \$700 more, is available on the upper two LT and LTZ trims – and at first, at least, is available only with the 6-speed manual transmission. The company's inability to launch the highest-mileage version of the Sonic with an automatic almost certainly will blunt its appeal with those comparing fuel economy with the **Ford Fiesta** or new **Hyundai Accent**, to name a couple.

The Sonic has 10 standard airbags and a roof that can support five times the vehicle's weight. The car recently received an Insurance Institute for Highway Safety (IIHS) **Top Safety Pick**. When the National Highway Traffic Safety Administration (NHTSA) tests the Sonic, GM fully expects the agency to give the model a five-star rating, Joaquin Nuno-Whelan, the vehicle's chief engineer, told reporters this week. He said that the model's structure is super stiff, as are the vehicle's all-alloy wheels, which are three times stiffer than comparably-sized steel wheels. The result: Less structural vibration and ensuing cabin noise.



Indeed, during hours of driving in San Francisco, on the Pacific Coast Highway south of the city and on country roads winding through redwoods west of Silicon Valley, the car not only handled as surefootedly as the **Honda Fit**, **Accent** and **Fiesta** (all of which GM provided for immediate comparisons), it seemingly was quieter, too. Acceleration was wholly adequate, as might be expected from engines that already do just fine in Chevy's larger and heavier Cruze. Among the Sonic's other competitors in the increasingly popular subcompact market: the **Kia Rio**, **Mazda 2** and **Toyota Yaris**.

Sonics with both the automatic and manual transmissions managed the hills of San Francisco without fuss, thanks to the hill-hold feature that keeps the vehicle from rolling backward when getting started on an incline. The large single gauge binnacle borrows from motorcycle design and a steering wheel with standard tilt and telescope function makes seeing most gauges trouble-free. The Sonic offers Bluetooth connectivity for the latest handheld devices on the LT and LTZ trim levels. Surprisingly, a broad driver with six-foot-six-inch elevation could fit comfortably in the back seat. It's no **Fiesta** for a tall passenger in the back of Ford's Sonic rival.

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