

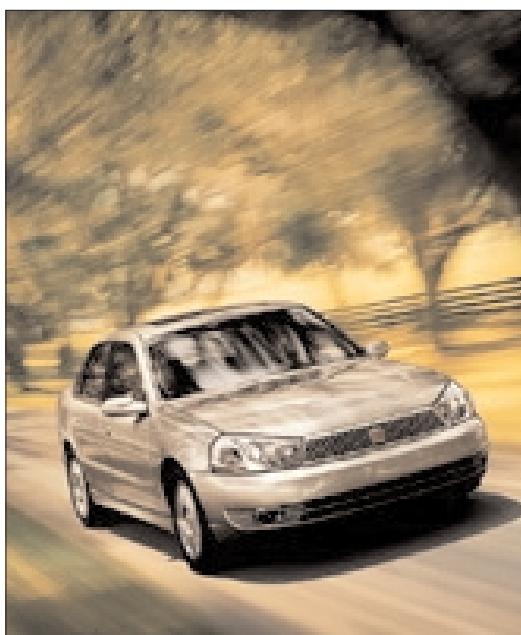
## THE MARKET

The automotive industry is more dynamic now than it's ever been, and every brand has to be smarter, more inventive, and more responsive in order to attract new customers and maintain existing ones. As always, the ultimate goal is to create the most appealing combination of customer service, product performance, features, value, and styling. In order to meet the needs of an ever more diverse customer base and fulfill these goals, Saturn has been aggressively expanding its portfolio. In just the past two years, the brand has developed two entirely new model lines and extensively redesigned a third.

## ACHIEVEMENTS

Saturn has always been focused on providing top-notch service, so it's safe to say that the brand's greatest achievement is its staunchly loyal customer base. Whether developing a new product feature or an entirely new model line, Saturn always starts with the same objective: Put people first.

The Saturn experience begins the moment a guest enters a Saturn retail facility. The environment is designed to be welcoming, and some have amenities like a fireplace or even an Internet workstation, so guests can be productive while waiting for their paperwork or for their vehicle to be serviced. Every Saturn retailer understands that buying a new car is a big decision, so they take



the time to guide you through the process by explaining every step of the transaction. Ultimately, the retailers genuinely feel that buying a Saturn is a smart decision, and they want customers to feel that way, too.

That same respect and honesty extends to the owning experience as well. Saturn has always been dedicated to forming long-term relationships with consumers, and Saturn owners are as valued as much as potential customers. Each Saturn retailer has his or her own way of showing customer appreciation. One might wash every vehicle that comes in for service; another might leave a thank-you card on the dashboard. While these courtesies are certainly part of Saturn's approach to earning sales, they are also a true reflection of the retailers' respect for customers.

In fact, Saturn's customer-centric principles are designed into every vehicle Saturn builds. The brand doesn't develop technology for technology's sake. Instead, product features are designed using a process that first identifies customer needs, and then engineers solutions to fulfill them. For instance, Saturn's polymer panels help keep vehicles looking new, resale value high, and time spent in the body shop to a minimum. Saturn's spaceframe technology, which is usually found in more expensive luxury cars, was designed to provide a superior level of safety.

The fact that customers appreciate Saturn's way of doing business is apparent from the numerous customer satisfaction awards that Saturn has received over the years. Saturn has ranked first in

the J.D. Power and Associates Sales Satisfaction Studies<sup>SM</sup> three years in a row. In 2002, Saturn was also ranked the #1 Nameplate in Customer Satisfaction with Retailer Service in the J.D. Power and Associates Customer Service Study<sup>SM</sup>.\*

## HISTORY

In the 1980s, General Motors led the evolution in the automotive industry through its efforts to redefine the consumer's retail experience. A group of GM dealers and Saturn leaders was convened to research and study what consumers valued, both in a vehicle and customer service. The results of that study effort helped GM launch Saturn with both an innovative, customer-centric product and a unique sales environment. Recent studies have shown that 79 percent of Saturn owners would have otherwise purchased an import car, so Saturn clearly has been successful in appealing to a valuable market niche.

## THE PRODUCT

Putting people first has always been an integral part of the Saturn design philosophy. Smart solutions take precedence over quick fixes, and user-friendly technology trumps high-tech gimmickry. The Saturn approach often requires engineers and designers to throw away old formulas and take a fresh look at customers' lifestyles, and then develop new products and unexpected features that truly meet customers' needs.

Saturn's three-door coupe is a good illustration of the combination of insight and innovation.



Well aware that two-door coupes have a limited functionality, Saturn designers, engineers, and even retailers brainstormed ways of increasing functionality without sacrificing safety or the coupe's sporty styling. When the idea of adding a rear access door was proposed, it was a clear "a-ha!" moment for the entire group, and the world's first three-door coupe went into production in 1999. The 2003 ION quad coupe builds on the solution: by adding a fourth door, the back seat is accessible from both the driver and passenger sides. The ION sedan also includes inventive features like raised theater seating, which gives back-seat passengers a better view.

Another example of Saturn's people-centric approach is the VUE's real-world functionality. Customers had been telling Saturn they wanted an SUV that drove like a car, but had the ruggedness and cargo space of a larger vehicle. Engineers and designers working on the project spent many hours observing exactly how people interact with their cars, how they load and unload cargo, and what aspects frustrated them. The Saturn team was able to incorporate their findings into the VUE, with features like a low, easy-to-load liftgate; a fold-flat front passenger seat that accommodates longer loads; and a foldaway cargo organizer for groceries, sporting equipment, and other miscellaneous items.

#### **RECENT DEVELOPMENTS**

Saturn is continuing to expand its portfolio. For the 2003 model year, the brand unveiled the new-from-the-ground-up ION. Available in both a sedan and a quad coupe, the ION was developed specifically to target the youth market. The midsize L-Series sedan and wagon underwent a dramatic redesign in 2003 with additional refinements that appeal to customers looking for a luxurious car at a reasonable price. And the VUE, which was introduced in 2001, continues to attract consumers to the compact sport utility vehicle segment.

Maintaining a dialogue with customers is critical in terms of developing new lifestyle-specific



packages and customization options. The Active Expression VUE is one example of this type of offering. The package combines an exclusive exterior color with elements specifically designed for a more outdoorsy lifestyle: roof rack cross bars, front grille guard, side step bars, and interior neoprene seat covers. The ION sedan and quad coupe, meanwhile, offer roof rails and interior trim kits that can be customized with a variety of patterns, an industry first.

Another important facet of Saturn's growth is its concept vehicle program, which not only allows designers to explore new technologies and market segments, but also provides an opportunity for Saturn to shift people's perceptions about the brand. A sleek, modern roadster called the SKY, one product of Saturn's concept vehicle program, can currently be seen on the auto show circuit.

#### **PROMOTION**

Saturn's first advertising agency, Hal Riney & Partners, developed the brand's original tagline, "A different kind of company. A different kind of car." Communicating the idea that the company and the car are inexorably intertwined was the key to Saturn's early success. Advertising focused on the folksy charm inherent in personal stories told by Saturn's employees and customers. The theme was clear: Saturn was a brand you could believe in, a brand you could trust. Collectively, the work balanced poignancy with humor and lofty goals with commonsense objectives.

In early 2002, Saturn moved its account to Goodby, Silverstein & Partners. Since then, the advertising has helped to evolve the brand to make it more modern and relevant, and to give a greater emphasis to Saturn vehicles. To that end, the tagline has become, "It's different in a Saturn." Humor remains an important component of the work, along with a sense of authenticity

and the overarching theme of putting people first. The message was strikingly illustrated in the agency's first brand TV spot for Saturn. Rather than standard car shots, the commercial presents images of drivers without their cars — the idea being that Saturn designs vehicles specifically for the people who will one day drive them.

#### **BRAND VALUES**

Numerous case studies have been written about Saturn, mainly because of the success the brand has had in building customer loyalty by incorporating its values into everything it does. Those values are inherently human: smart, honest, friendly, intelligent, and creative. In addition to the role that those values play in developing products and maintaining a high level of customer service, they also play a role in how the company interacts with the community. Each year, for instance, Saturn retailers partner with the National Association of Letter Carriers to organize America's largest one-day food drive. Last year, more than 60 million pounds of food were collected and distributed. Similarly, Saturn and the UAW team up each year to sponsor Donor Day, which is America's largest one-day drive for blood, marrow, organ, and tissue donations. In addition, Saturn has dedicated itself to developing more and more environmentally friendly manufacturing processes.

\*J.D. Power and Associates 2000–2002 Sales Satisfaction Study<sup>SM</sup>. 2002 Study based on 39,315 consumer responses. J.D. Power and Associates 2002 Customer Service Satisfaction Study<sup>SM</sup>. Study based on 49,830 consumer responses. [www.jdpower.com](http://www.jdpower.com).

#### **THINGS YOU DIDN'T KNOW ABOUT SATURN**

- The company was named by chief designer Phil Garcia after the Saturn rockets that carried American astronauts to the moon during the space race in the 1960s.
- The first Saturn ever — a metallic red four-door sedan — rolled off the production line in Spring Hill, Tennessee, at exactly 10:57 a.m. on July 30, 1989.

