

**Show Date: 09/29/11**

**Guest Name and Title: Justin Osborne**

**Guest Company: Volkswagen**

**Ethan Whitehill:** Welcome to the Brand Show. I'm Ethan Whitehill.

IV Whitman: I'm IV Whitman.

**Ethan Whitehill:** Our guest today is Justin Osborne, General Manager, Marketing Strategy and Media with Volkswagen.

IV Whitman: In this show, Justin talks about the Volkswagen way and how VW connects with shoppers in genuine and meaningful ways.

IV Whitman: Justin, Volkswagen has this rich history going back to Bernbach in the 60s with great advertising, and a lot of it has always been very much command-and-control advertising. We do a print ad. We do a TV campaign, etcetera. Now, it has totally changed so consumers are controlling more of the information, more of the content, and mashing it up in new ways. I'm just curious how Volkswagen uses digital and social media in the current campaigns as well as future campaigns to really connect with these prospective customers and to let them connect with you in ways that they want to connect with you.

**Ethan Whitehill:** Volkswagen has this rich history going back to Bernbach in the 60s with great advertising, and so a lot of it has always been very much command-and-control advertising. We do a print ad. We do a TV campaign, etcetera. Now, it has totally changed so consumers are controlling more of the information, more of the content, and mashing it up in new ways. I'm just curious how Volkswagen uses digital and social media in the current campaigns as well as future campaigns to really connect with these prospective customers and to let them connect with you in ways that they want to connect with you.

**Justin Osborne:** Well, actually the biggest thing that we learned on the social side is timing. Volkswagen is always trying to have really cutting edge creative content that people would engage with and enjoy, but we can't just send it out into the [ether] and hope people grab onto it. It has always got to be linked to something that they'll talk about

in the real world or talk about online. For example, Super Bowl is a prime example, so there's anticipation about what's coming out and we knew the spot was really good, so we preceded it. When we launched, we had global review of the Beetle; that was another instance like we'll time this thing with the big launch that's something people actually care about. So with the Black Eyed Peas concert. We had the number one promoted Twitter trend next to – I think it's still ever. So, it's really about the content that's interesting but also linked to something that actually matters, that consumers care about. That's what we try to do and we can't really control the message. We can guard it, but consumers will do what they'll do with it, and we're fine with that because Volkswagen, it's a fun brand and people like to play with it and talk about it. Everyone's got their own story about it, so we basically just let it happen and time it with events. We do deal a little bit of reputation management online so if we see stuff that's completely inaccurate or etcetera on certain blogs, we're very transparent about it and we'll try to engage that person and, "Look, this is really what's going on, XYZ." The social space is a social space and it will do what it will do. We just want to be part of a conversation in a very Volkswagen way, which means being transparent, being honest, and being loose. They'll talk about that it's a brand to have fun with. Overall, it's usually very positive in any way when people think Volkswagen.

IV Whitman: How do you choose things that matter to people? You mentioned the Black Eyed Peas and other examples. What's your criteria?

Justin Osborne: Well, there are the big events like currently Super Bowl matters, the rollout of their own new Beetle matters, people care that that's happening. What you'll see more and more going forward is we're getting more and more into the spaces that both are what we call the Volkswagen target and then actually Volkswagen owners do. Whether it's from the sports side or a leisure activity side, you're going to start to see us back into a lot of the spaces that we were traditionally in. Those are spaces that matter to our consumer, our target, and spaces that are very Volkswagen. We'll start to engage them and they're both on the physical perspective in a sense, and then also on the social side. For example, if we have athletes that were part

of – we'll work with those athletes who actually will be at the events that they're at. Those athletes, they've got their own fans and we'll be talking to their fans and try to get that kind of alignment and associative rub off to Volkswagen.

**Ethan Whitehill:** I want to go back to this idea of consumer control and I understand that's a philosophy that comes out of corporate, but I know dealers in a lot of cases sometimes may be different. How are you connecting that with the dealers and how are dealers adapting to the new realities of social and digital consumers?

**Justin Osborne:** We have a pretty strong digital department and a lot of it really has to do with educating them, getting them over the fear. The Internet first freaked every dealer out. They're going to know my pricing. They're going to know all this kind of stuff, blah, blah, blah, and then they adapt it. The social thing came on of reputation and this dealer is not treating you well. What we're doing with them is we actually hold seminars with them. We have Adlab, which is where all our advertising assets are, but there's a section in there, a video that's like how to manage your reputation online, what to do about social media, how to handle digital leads, all that kind of stuff. Some dealers are much more progressive than others. It all depends but they're seeing the light and they realize they need to get involved. They're nervous and some gravitate to it, except they're much more open. Another is we have a dealer in Dallas that he says, "Look guys..." - he's a little rough but he goes, "There's a digital lead coming in that's basically somebody stands in the middle of your store saying, 'Please talk to me.'" Would you let that guy stand there for 30 minutes? No. So treat these leads as somebody standing in the middle of the store room asking for help. So this guy gets on leads within a minute and starts a conversation right away. We've been incentivizing the dealers in certain ways with leads of how quickly they communicate to the lead, with a person, and making sure that it gets to – we've got thresholds where we want them to engage, and it's very, very quickly because it's not computer to computer. It's just handling it that way. There's somebody at the other end, both on our ends, on the dealer's side, and [ask the] natural consumers. So we try to – it's not just computers talking; it's people, and we want to get to where it's very human.

**Ethan Whitehill:** Other than getting shoppers into the dealerships to test drive a Volkswagen, what are other ways that do you help people have any Volkswagen experience? I'm thinking particularly about there was the GTI racing mobile game that came out last year. There were other things that you've done that have been pretty groundbreaking.

**Justin Osborne:** We had a pretty cool experience with the Touareg Hybrid this year, which was pretty amazing. We're going to have a really cool experience for Golf R, which we'll probably see some of that creative and it's a very social play, very tablet and mobile focused. We also do – to get people bumping the Volkswagen in the ways that they would expect is if you can go to the [Volkswagen Academy](#), it's Bill Hader talking about Volkswagens and doing jokes and doing all kinds of stuff, and there are skits on each car. It allows a consumer to learn about our cars and all the stuff that we want to get across but in a very Volkswagen-relatable way. Check out some of those skits. He was amazing. We just let him freeform it and a lot of wacky stuff came out of it. What's great about working here is that all the way back in Germany, they embrace that kind of stuff. It's like nobody wants to watch a really dry video about legroom or how the audio systems are great or what the MPG is but if Bill Hader is sitting back there and we've got a skit going on about it, it's fun. You're learning but you're also learning about Volkswagen in a very VW way. It has always got a smile to it, so pretty fun.

**Ethan Whitehill:** Just to talk about another subject close to shoppers' hearts right now and it's the economy [laughter]...

**Justin Osborne:** Yes.

**Ethan Whitehill:** I know your past work with Hyundai really addressed that with the successful Hyundai Assurance Program. How are promotions and rewards programs changing for automotive companies like Volkswagen today?

**Justin Osborne:** Well, I don't know if somebody's going to have another insurance program this year or next year. I hope not. It did shake up the industry quite a bit, but what I can tell you just quickly about us is we're less about the

programs and more about highlighting the repositioning and new value equation with Volkswagen. Jetta was a prime example, great for the price of good, but now our cars are actually in line with the mainstream. They were always a little bit more expensive and so the price points have been dropped down, which is one thing, but it's also about all the content and the German engineering, everything that's behind that that we're telegraphing. It's really coming down to this idea of valuable which we focus on and then accessibility, which is really what matters. For us, it's never going to be a price point play. That's the lowest, lowest price. We don't really compete in that area. We're in the mix. We're competitive with all the pricing. The new Passat and new Jetta are prime examples. For us, it's a long-term play on value. It's a car you love to drive. It's fun to drive. It's a cool brand. It's German-engineered. It's all those tangibles and intangibles that make up VW, and that's really what we're focusing on. We're not focusing on the Deal of the Day or the sky is falling, we'll-help-you-out kind of stuff. It's the very pragmatic approach. If you're shopping for a new car, you're probably doing alright anyway. You might as well get one that makes sense, and that's what we try to be.

**Ethan Whitehill:** Speaking of deals of the day, I know you guys did something with Gilt with the launch of the new Jetta last year, too.

**Justin Osborne:** Yes.

**Ethan Whitehill:** I think that's a very brilliant use of the Deal of the Day and a great way to connect with your audience. Could you just mention something about that for us, too?

**Justin Osborne:** It was very successful. It sold out in seconds or minutes. It was...

**Ethan Whitehill:** I wish I hit that deal [laughter].

**Justin Osborne:** It was pretty exciting when the Gilt folks came down. They actually came down from New York and we met with them. It just seemed like a perfect collaboration. The campaign was great for the price of good. Gilt's all about that, too. The stars just aligned. It took us a little while on the legal part to try to figure out how to

handle it but once we got through that, it was an overall success. We were very happy with it. It's a very Volkswagen thing to do, kind of be in first, doing things that are a little unique, the [cars will go], all kinds of stuff. Again, another engaging way that Volkswagen can pull off. Some other brands, we try to do stuff like that and it just feels like Volkswagen has a little more latitude.

**Ethan Whitehill:** Justin, thank you for joining us on the show.

**Justin Osborne:** Appreciate it. Have a good one guys.