

**STRATEGIC MARKETING OVERVIEW**



**WELCOME.** A whole new world of possibilities awaits you and your sales force with the launch of the new V70 All-Wheel-Drive line. This model line represents a long-awaited and entirely new opportunity for Volvo. This brochure will help you put the strategic, training and marketing efforts for the entire AWD line into context. In turn, you can pass your knowledge on to your customers.

This kit is also designed to help you begin generating momentum for the entire AWD launch. Inside, you will find newspaper and magazine ad slicks and radio scripts that will be the public's first exposure to the AWD V70 concept. These materials will help you put together an effective advertising program at the retail level. You may also want to use these materials in conjunction with special events that call attention to this exciting new launch.

As you probably already know, the AWD Volvo has been developed to attract active people who value features offered by AWD cars and 4WD Sports Utility Vehicles (SUVs). With intelligent all-wheel drive and a high torque engine, the AWD line offers an outstanding balance between comfort, handling, driving experience, performance and maneuverability in most weather and road conditions. The AWD also

delivers a new advancement in safety from Volvo, placing the emphasis on active safety and the ability to help avoid accidents.

**GENERAL OVERVIEW.** While this Phase I AWD launch kit includes the materials that will help you retail the entire AWD line, the major part of the marketing effort will revolve around the Cross Country. As the most visually distinctive of the new V70s, the



Cross Country will be featured in television advertising to create interest in the entire line.

In Phase II of the AWD launch, which will include additional advertising and collateral, Volvo will take advantage of the Cross Country's rugged look to introduce people to a new side of Volvo. We will leverage the unique style of the Cross Country to appeal to people who want a vehicle that says more

about their personality. This, we believe, will increase awareness and consideration of Volvo as an option and, ultimately, drive retailer traffic.

**TELEVISION.** Beginning in September and continuing through the end of the year, Volvo will launch the AWD, featuring the Cross Country, at national launch levels. The launch will begin with a six-week flight of national television to build excitement and awareness. It will be augmented by several weeks of spot television activity in major markets. Market weight levels will be based on local priorities. All this television activity will generate excitement in the market, which will translate to more traffic for you.

**MAGAZINE INSERTS.** An eight-page insert is planned to appear in the September issues of broad-reach newsweeklies such as *Time* or *Newsweek*, and more lifestyle-oriented publications such as *Vanity Fair*, *Gourmet*, *Men's Journal* and *Outside*. This insert will feature the entire family of AWDs to demonstrate a range of vehicles that suit any lifestyle. The insert will have a dominant physical presence in each publication in which it appears. Additional inserts will be available to retailers.

**MAGAZINE SPREADS.** We will complement the insert with a sustaining plan of magazine spreads through December, focused on the Cross Country and AWD R. The spreads

will run in more targeted special interest publications and buff books whose environments are synergistic with the attitude and positioning of each model - for the Cross Country: *Ski* and *Outside*; for the AWD R: *Men's Journal*, *Forties FYI* and *Sports Illustrated Select*. These magazines target active, adventurous adults and families who enjoy life and the outdoors, as well as men with an enthusiastic interest in cars.

**OUTDOOR.** The advertising campaign for the AWD line will also include outdoor advertising executions - an important part of any launch. The outdoor materials for the Cross Country and AWD R will be available to you later this summer. The outdoor will be designed to tie in with the magazine inserts for a synergistic effect.

**RELATIONSHIP MARKETING.** A relationship marketing program is being developed to generate leads and increase sales of the V70s, particularly the AWD. Each component of the communication stream is designed to deepen the relationship that Volvo owners and prospects have with the Volvo brand. Ultimately, this program will drive retailer traffic, gather valuable marketing data and maximize profitability by adding value to the customer experience.

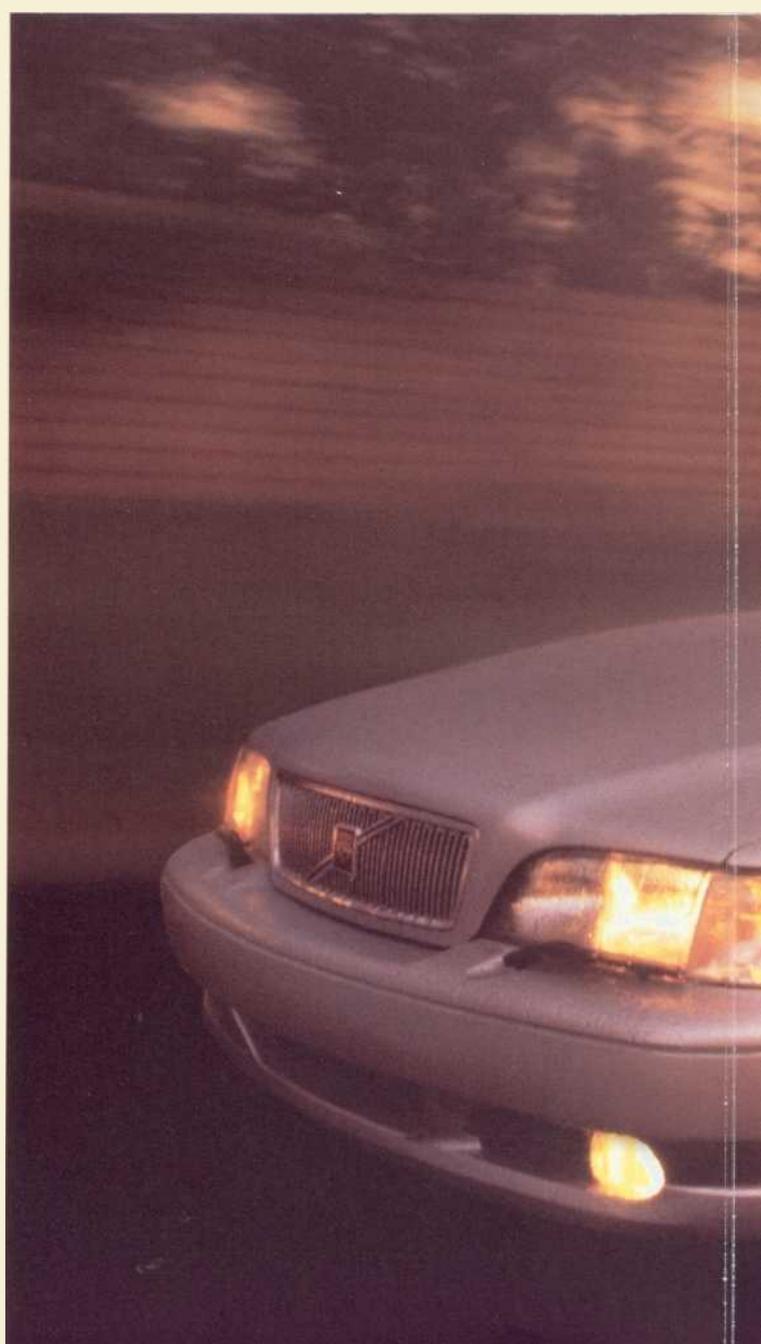
**INTERNET.** Volvo will have an ad presence on the Internet



between July and August, leading up to a September 1 "heavy up" plan for the AWD launch. Volvo is also in negotiation with America Online to promote the AWD V70 in September. Currently, the online advertising consists of banners that lead you to a Volvo "flash" page. The "flash" page gives the viewer several options, including test drive sign-ups, retailer locations, model specs and the Volvo Web site.

**SALES SUPPORT.** In mid-July, retailers will receive a new 36-page product brochure covering all the V-line models (AWD, Cross Country, AWD R, T-5, GLT and V70), as well as a four-color showroom poster featuring the full AWD line.

**A WHOLE NEW WORLD OF POSSIBILITIES.** Each of these models will move the entire Volvo brand into an area we have never been in before. The AWD V70s address Volvo's competitive disadvantage versus SUVs and AWDs. Indeed, the AWD V70s surpass their competitors in many ways. They will bring more people to your showroom. People will see the AWDs as vehicles that enable them to pursue all the activities they enjoy. It is important that you view this AWD launch kit as a crucial first step in the entire AWD introduction. Your contribution is critical to making the launch of the AWD from Volvo a success.







**VOLVO**

**V70**  
AWD

# DEMOGRAPHICS FOR THE AWD V70s

*This chart will help you identify potential prospects for each of the AWD V70 models.  
Each AWD V70 can be best matched to prospects according to their lifestyles and backgrounds.*

## AWD V70

- Married
  - Many with children
  - Age 35+
  - Well-educated
  - Affluent HH
  - Active lifestyle
  - Regional skew:  
NE, NW, Mtns.
- 
- Need space
  - Desire superior traction
  - Confidence, Safety,  
Handling, Security

## CROSS COUNTRY

- Married
  - Age 35+
  - Well-educated
  - Affluent HH
  - Active lifestyle
  - Want to express personality
- 
- Need space
  - Want superior traction and  
handling
  - Confidence, Safety
  - Sporty looks

## AWD R

- Married
  - Male Skew
  - Age 35+
  - Well-educated
  - Affluent HH
- 
- Need space
  - Controlled driving  
exhilaration
  - Handling, Safety

# AWD MEDIA OVERVIEW

The AWD provides Volvo with the opportunity to target a new demographic segment. AWD Volvo is not just about safety and getting through the inclement weather. It is about lifestyles and expressing personalities.

The objective of the AWD media campaign is to introduce "the news" about the AWD V70 to the Volvo prospect. Beginning with a September launch, we will reach targeted lifestyle segments with specific model communications. The distinctive look of the Cross Country lends itself well to telling a compelling story about the entire AWD introduction.

## *Television*

A six-week flight of national television featuring the Cross Country is planned to build immediate reach and awareness. By using television, we will be able to use sight, sound and motion to convert awareness into action. The media plan has a mix of 33% broadcast and 67% cable in the dayparts and networks that deliver the Volvo target:

- Broadcast Prime, Late Night & Early Morning
- Cable CNN, A&E, Discovery, Lifetime & ESPN

## *Print*

Print creative will be used to introduce the entire AWD V -Line. The communication will be that with AWD Volvo, you can live life to the fullest. An eight-page insert is planned to appear in mass-reach national magazines targeted towards upscale, active, pre-family and family-oriented adults to build awareness and extend the brand image:

- Time/Newsweek Mass-reach building
- Vanity Fair/Gourmet/Travel & Leisure/Bon Appetit Affluent, upscale image books
- Men's Journal/Outside Active lifestyle
- Family Life Family-oriented

The insert will be complemented by spread units focusing on the Cross Country and the AWD R. The spreads will run in more targeted special interest publications whose environments are synergistic with the features and attributes of each model:

- Cross Country Outside; Snow Country; Ski
- AWD R Golf/Golf Digest; Forbes FYI; Fortune

Please keep in mind that some of these media plans may change. Be sure to confirm with your Regional Operating Manager as the September launch date gets closer.

# MEDIA PLANNING

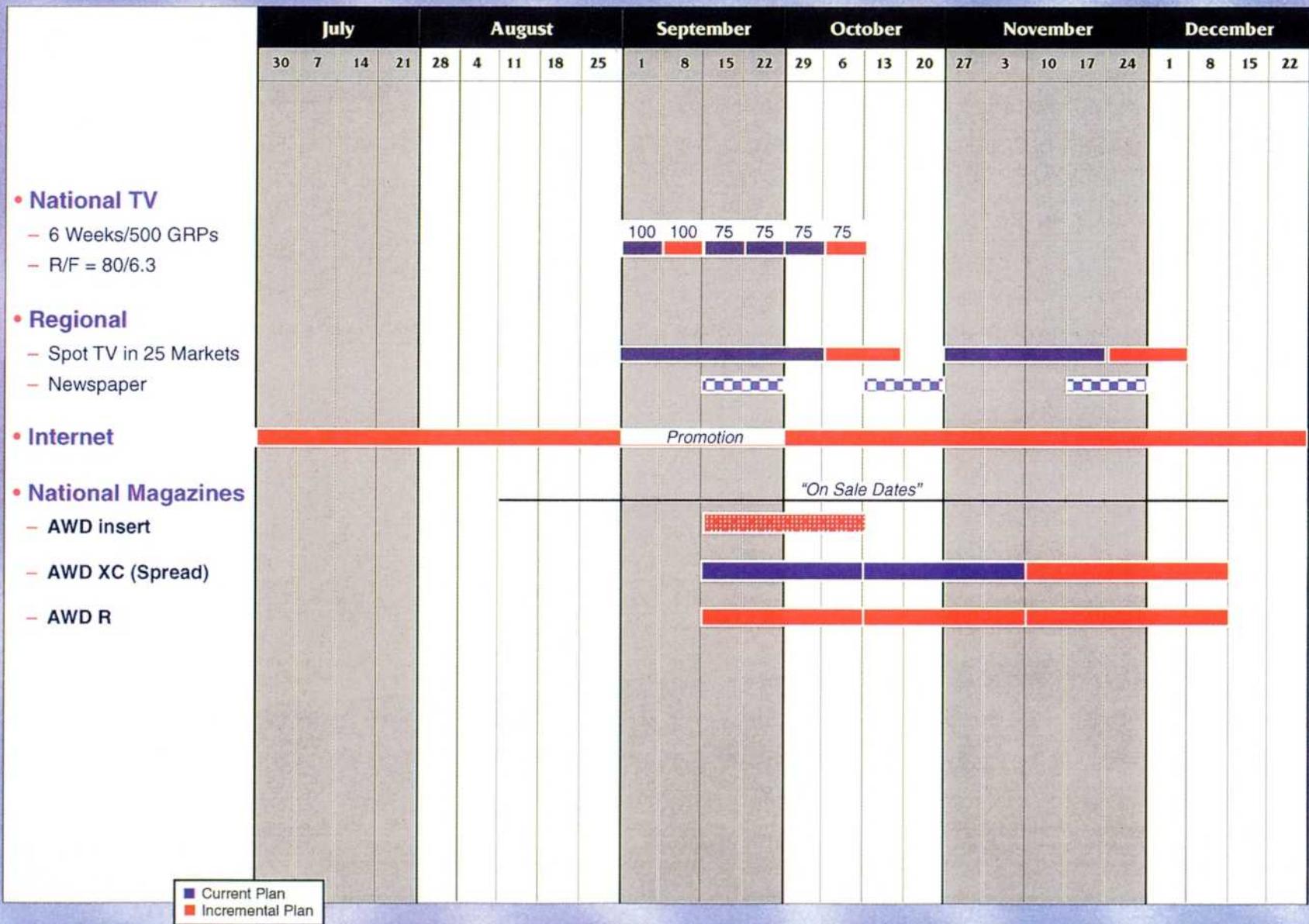
A flow chart of the national Volvo media plan and a local media planner have been included to help you coordinate your local media efforts to coincide with Volvo's media plans.

By strategically scheduling your local newspaper insertions, radio flights and relationship marketing programs to run simultaneously with national and regional efforts, you can make your media dollars work harder for you. A multitiered media campaign including national and regional spot television and a multipage national magazine insert, along with your advertising efforts, will be powerful tools to launch the AWD line.

As noted in the *Strategic Marketing Overview*, the main focus of the AWD advertising campaign will be on the Cross Country. For Phase II of the AWD launch, scheduled for mid-August, you will receive a retailer kit that will provide marketing support materials for the Cross Country. One element of the kit will be a relationship marketing piece. This should be used to target your current Volvo customers as well as AWD prospects. This is an effective way to invite prospects to your dealership to see the new Cross Country and to arrange for a test drive.

A final thought: before purchasing local media, whether it's an area newspaper, local radio station or cable television, be sure to review the demographic breakdown for the AWD line. The demographics of the media vehicle you are buying should fit the target for the AWD Volvo. Remember to review the media strategy behind the national media plan as a reference.

# 1997 Prototypical Incremental AWD Plan





# **VOLVO REINVENTS THE WHEEL. IN FACT, WE'VE REINVENTED ALL FOUR. INTRODUCING THE AWD VOLVO.**

It may be the most eagerly awaited Volvo of all time. Introducing the very first All-Wheel-Drive Volvo. Enjoy.

Drive safely.

**VOLVO**

(RETAILER NAME)

Retailer is solely responsible for satisfying federal, state and local requirements governing price advertising and specifications of vehicles.

©1997 Volvo Cars of North America, Inc. Drive Safely is a trademark of Volvo Cars of North America, Inc. Always remember to wear your seat belt. For car specifications, visit the Volvo Web site at <http://www.volvocars.com>.



# THE NEW AWD VOLVO. A WHOLE NEW WORLD OF POSSIBILITIES.

Introducing the first All-Wheel-Drive Volvo. So advanced, it can actually sense changes in road conditions. The possibilities are mind-boggling.

Drive safely.

**VOLVO**

(RETAILER NAME)

Retailer is solely responsible for satisfying federal, state and local requirements governing price advertising and specifications of vehicles.

©1997 Volvo Cars of North America, Inc. Drive Safely is a trademark of Volvo Cars of North America, Inc. Always remember to wear your seat belt. For car specifications, visit the Volvo Web site at <http://www.volvocars.com>.



# **VOLVO REINVENTS THE WHEEL. IN FACT, WE'VE REINVENTED ALL FOUR. INTRODUCING THE AWD VOLVO.**

Introducing the first All-Wheel-Drive Volvo. It may just be the most eagerly anticipated Volvo of all time. So advanced, it comes equipped with a driving system that just as eagerly anticipates conditions on the road ahead. Enjoy.

Drive safely.

**VOLVO**

AWD VOLVO RETAILER KIT  
LIVE ANNOUNCER RADIO :60  
"COMPARE"

LIVE ANNOUNCER:

Technology seems to move at a pace few of us can readily grasp.

Yet, occasionally, technology produces something we can all really enjoy.

Introducing the new All-Wheel-Drive Volvo V70, available right now at (NAME OF VOLVO RETAILER).

It's the very first All-Wheel-Drive Volvo.

The All-Wheel-Drive technology in the V70 is fully automatic and doesn't operate like traditional four-wheel drives that may not be as responsive.

Volvo's All-Wheel Drive can actually sense changes in road conditions, and transfer power to where it is needed most.

It responds immediately to every kind of driving environment, to constantly give you optimal security, grip, comfort and handling.

Very intelligent, wouldn't you say?

To test drive the new All-Wheel-Drive Volvo V70, stop by (NAME OF VOLVO RETAILER) today.

Technology can be a wonderful thing, can't it?

Drive safely.

AWD VOLVO RETAILER KIT  
LIVE ANNOUNCER RADIO :60  
"REINVENTING"

LIVE ANNOUNCER:

Errands here. Errands there. Go to work. Pick up this. Pick up that.

Is it any wonder so many of us have forgotten the real joy driving can sometimes be?

And for a carmaker like Volvo, that presents a problem.

So instead of reinventing the wheel, Volvo has reinvented all four.

Introducing the very first All-Wheel-Drive Volvo.

You can find the new All-Wheel-Drive Volvo V70 at (NAME OF VOLVO RETAILER) right now.

Finally, the freedom that only All-Wheel Drive can give you, together with Volvo's safety and comfort.

And this just isn't pick-up-the-kids-from-soccer-practice All-Wheel Drive.

This is grab-the-one-you-love-because-the-weekend-is-here All-Wheel Drive.

The freedom to get you to and from any one of the hundreds of places your life dictates. Now, in a Volvo.

To test drive the freedom that the new All-Wheel-Drive Volvo V70 can give you, stop by (NAME OF VOLVO RETAILER) today.

You may just remember the real joy driving can be.

Drive safely.

# RELATIONSHIP MARKETING

## *The Volvo V70 Relationship Program (U.S. only)*

Using relationship marketing to communicate with customers is important not only for driving immediate retailer traffic and sales, but also for building a positive, ongoing relationship between your customers and the Volvo brand.

*What are we trying to achieve?*

The Volvo V70 relationship marketing program is designed to:

- Generate awareness of the V70 models, especially the AWD.
- Build customer loyalty.
- Drive qualified (and hot) leads to your showroom.

*Who are we talking to?*

The program consists of a series of communications aimed at three primary targets:

- Volvo owners who may be in the market for a new car.
- Previous Volvo owners we want to recapture with the V70s.
- Prospects who now have a reason to consider a Volvo with AWD.

*What are we saying?*

The advantage of relationship marketing is that we can tailor the message to each target audience to improve response.

- Owners "Experience the all-new AWD and our exciting new design."
- Recaptures "Take another look at Volvo because things have changed."
- Prospects "If you've never thought of owning a Volvo, you should now!"

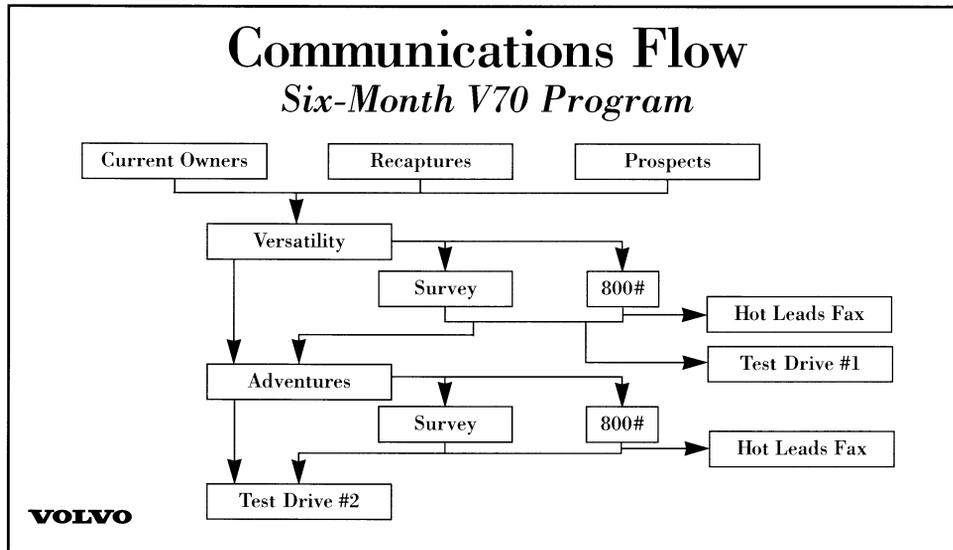
We can also change the message from one mailing to the next, depending on how the customer responds.

*(continued on page 2)*

# RELATIONSHIP MARKETING

(continued from page 1)

How does it work?



The communication stream is designed to move the customer from interest to purchase (or lease). All mailings will include a survey and an 800 number for response.

- **Versatility** This first mailing introduces the V70 models to all three targets. Hot leads (those who indicate they're going to be in the market for a car within 30 days) will be passed immediately (via fax) to the appropriate retailer for personal follow-up. Customers who say they're going to be in-market anytime after 30 days will receive a special test-drive invitation. All other customers will receive the next mailing.
- **Adventures** This second mailing encourages customers to get on the road with an AWD V70 and even includes a map and suggestions of places to go in their area. Again, hot leads will be faxed to retailers. All other customers will receive the test-drive invitation.
- **Test-Drive** This third mailing demonstrates why the AWD V70 is superior to the competition and invites customers for a test-drive at the appropriate retailer. Galley lists will be provided to inform you of those customers who have been recommended for a test-drive at your retail facility.

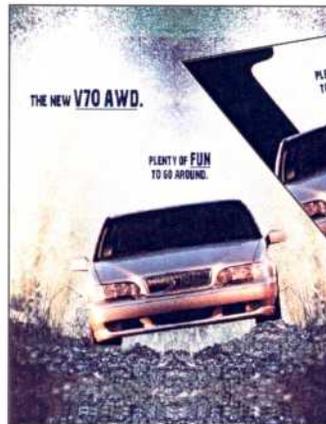
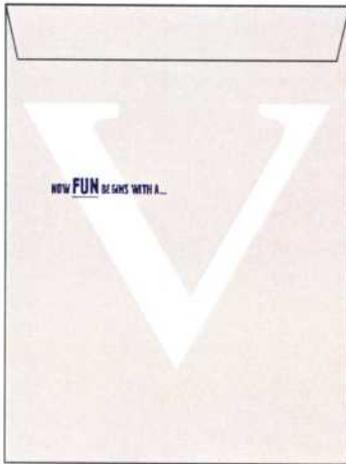
By this time, most customers who respond to the final mailing will be open to a retailer's sales message and will have an increased likelihood of purchasing or leasing a V70.

This innovative direct marketing program, scheduled to launch July 21, represents one more way Volvo is supporting the exciting introduction of the AWD V70.

# RELATIONSHIP MARKETING COMMUNICATION STREAM

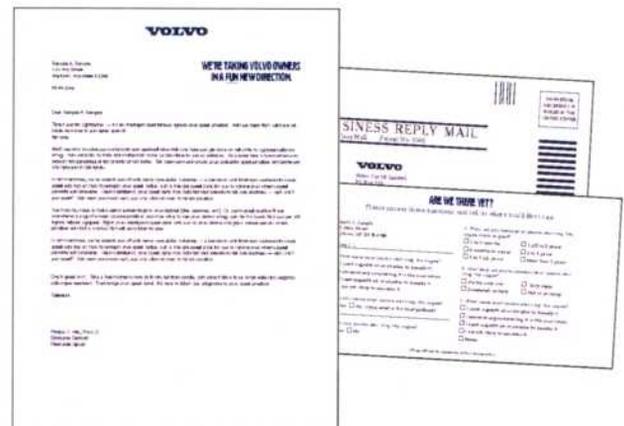
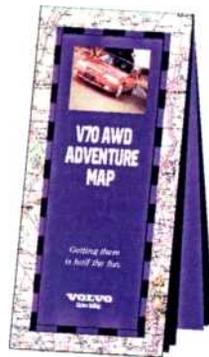
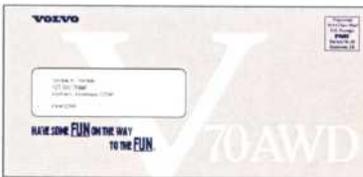
## MAILING NO.1

"VERSATILITY"



## MAILING NO.2

"ADVENTURES"



## MAILING NO.3

"TEST DRIVE SELF-MAILER"



## **VOLVO AWD V70 TRAINING INFORMATION**

The purpose of the AWD V70 product training is to promote the success of the AWD in the U.S. by providing the retailer with the information needed to effectively present the AWD to customers. Your sales consultants' knowledge of the AWD system will generate enthusiasm for the AWD and, in turn, generate sales. Your regional product information specialist will be visiting you soon to present this information so you can "hit the ground running" as soon as the vehicles are available. Listed below are the topics that will be covered:

### MARKETING STRATEGY AND PROSPECTS

#### *Objectives*

- Identify the V -line product strategy.
- Recognize how the AWD supports Volvo's mission and goals, including:
  - How AWD fits into brand and product development to help Volvo become the most desired specialty car brand.
  - How AWD opens new market segments, fits into the vertical marketing strategy, and was created using new product development efficiencies all to help Volvo become the most successful specialty car brand.
- Describe the AWD market positioning and potential prospects.
- Describe the AWD marketing campaign.

# **VOLVO AWD V70 TRAINING INFORMATION**

## AWD SYSTEM OPERATION

### *Objectives*

- Explain the operation of the AWD system, including:
  - Identification of all the parts of the AWD system and how the parts work together.
  - Benefits of each of the parts of the AWD system.
  - Benefits of a many-layered, automatic AWD system.
- Explain how the V70's AWD system is better than a "truck-based" system.
- Explain the benefits of AWD over front-wheel drive and rear-wheel drive.

## CUSTOMER BENEFITS

### *Objectives*

- Recognize that one of the greatest benefits of this AWD system is that it is a Volvo.
- Describe the benefits of the AWD, including:
  - Versatility
  - Safety
  - Security
  - High performance
  - Maneuverability
  - Comfort
- Describe the AWD's superior performance in the following scenarios:
  - Slippery-surface takeoff
  - Accident avoidance
  - Hill climbing
  - Braking on wet and dry surfaces

# **VOLVO AWD V70 TRAINING INFORMATION**

## COMPETITIVE COMPARISONS

### *Objectives*

- For the competitive AWD vehicles Ford Explorer, Jeep Grand Cherokee, Audi Quattro, Subaru Outback and/or the Honda CRV:
  - List the points that make the AWD a better value than each of the competitive vehicles.
  - Describe the limitations of the competitive vehicles, relative to the benefits of the AWD.
  - Contrast the competition and the AWD in terms of ride quality, noise level, tire life, fuel economy and safety.
- Describe the competition's inferior performance in the following scenarios:
  - Slippery-surface takeoff
  - Accident avoidance
  - Hill climbing
  - Braking

## AWD V70 ACCESSORIES

### *Objectives*

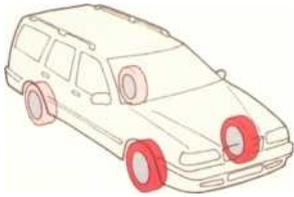
- Describe Volvo lifestyle accessories that may be of interest to AWD customers.

V70  
AWD

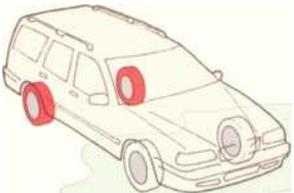


**VOLVO**

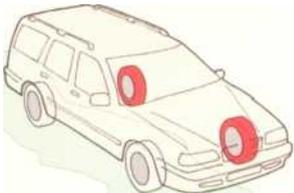
## How Volvo's All-Wheel Drive Functions:



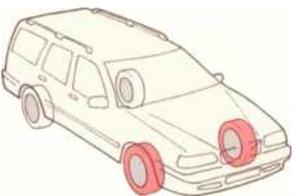
When driving normally, most of the power is distributed to the front wheels. The brightness of the red color is an indication of the amount of torque.



If the front wheels start to spin, power is transferred to the rear wheels.



If one of a pair of wheels starts to spin, the viscous coupling, in combination with the TRACS system on the front axle and the locking differential on the rear axle, distributes more power to the wheel with the best grip.



When the driver brakes, the freewheel unit disengages the drive to the rear wheels to produce greater braking stability.

## V70 AWD Features

190 hp, 5-cylinder, turbocharged and intercooled engine

4-speed Automatic transmission

Automated All Wheel Drive System with viscous coupling

TRACS Traction control system

Anti-lock brake system (ABS)

Multilink Independent rear suspension with automatic load leveling

8-way power adjustable driver's seat with 3-position memory

Dual Zone Electronic Climate Control

Heated front seats

Velour upholstery

Outside ambient temperature gauge with freeze warning

Wiper washer system for headlights

Front and Rear mud flaps

16 inch, 5-spoke Alloy wheels with high performance all season tires

Remote keyless 2-step entry with alarm

Security system

Driver and front passenger supplemental restraint system (air bag and knee bolster)

Seat belts: five, 3-point, inertia-reel belts.

Front seat belts have automatic height adjustment and pretensioners

Five padded head restraints (center-rear is adjustable)

Side Impact Protection System

Side Impact Protection System

Air Bags

Daytime Running Lights

SC-813 AM/FM cassette stereo, Dolby, anti-theft circuitry, 100 watt amplifier, six speakers

Integrated dual diversity window antenna with signal amplifier

Power windows with "auto down" for driver's window

Dual power mirrors

Cruise control

Central power door locking system

Tilt/telescopic steering wheel

Illuminated, lockable glove box

Illuminated vanity mirrors in driver's and front passenger's sun visors

Tinted windows

Center console with cupholders

Front door-panel storage pockets

Front seat back storage pockets

Split 40/60 folding rear seat; front passenger seat backrest folds forward

Rear-window defroster with automatic timer

Two-speed windshield wipers with intermittent cycle

Rear window wiper/washer with intermittent cycle

Front and rear floor mats

Four cargo tie-down rings

Cargo area lights

Prewiring for front foglights

Tool kit

Rear fog light

Four, front and rear reading lamps

Two entry lights (in front door foot wells)

Interior cabin light delay

"Open door" Traffic warning lights on door

## Options

Grand Touring Package:

SC-816 Audio system with in dash CD

Wood trim on instrument panel and floor console

Power passenger seat

Leather faced seating surfaces

Power glass sunroof with slide and tilt positions and sliding sun shade

**VOLVO**  
Drive Safely

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