
AIB - Accelerator car finance.

"Increasing market share in a competitive market".

INTRODUCTION

The car finance market has expanded rapidly in the last 3 years. New car sales have increased from 115,121 in 1996 to 118,179 for the first 7 months of 1998. Influencing factors have been the pent up demand from both private and business customers as a result of the continued confidence in the Irish economy; higher disposable incomes; historically low interest rates; the variety and quality of product available from motor manufacturers and the Government Scrapage Scheme which ended in 1997. The key sales period for new cars and consequently car finance is January/February/March.

MARKETING BACKGROUND

AIB, as one of the largest financial services providers in Ireland, were aware that many of its customers were availing of car finance from sources other than the 'Accelerator' package provided by AIB. Part of the reason for this was a lack of awareness by some customers as to the availability of car finance from AIB while others believed that with an overdraft and perhaps a Home Loan, their chances of additional credit for a car "might be seen as stretching them a bit with their Bank" (customer research).

With a delivery system of over 300 branches throughout Ireland, in every city and almost every town, the infrastructure was already in place to provide AIB customers with a car finance package if they were made aware of it's availability.

AIB research revealed that in terms of asset purchase, most personal customers buy their car first, whether new or used, followed by their home.

If AIB could provide them with car finance then there was a much stronger chance of the customer availing of Home Loan finance from AIB. Thus, delivery of car finance was also an excellent cross sell product line.

MARKETING STRATEGY

Having analysed the opportunities for AIB in the car finance market, a decision was made to commit considerable resources to advertising during the key sales periods in December/January '96/'97 and again in December/January '97/'98.

The "Accelerator" car finance package is designed to add value to any customer. Offering, for example, a competitive interest rate in addition to other high value customer benefits which would distinguish AIB's product offering from that available elsewhere. The package includes concessions in AA services, Guardian Insurance as well as a free Eircell GSM phone.

McConnells was asked to develop an advertising campaign for the "Accelerator" product that leveraged the new corporate positioning "AIB - Your Own Personal Financial Advisor", while clearly communicating the benefits of the "Accelerator" package.

ADVERTISING OBJECTIVES

- To create awareness of the "Accelerator" car finance package
- To generate sales leads (by phone or through the branch network)
- To support the AIB corporate positioning as the bank that offers you the best financial advice (AIB - Your Own Personal Financial Advisor).



CREATIVE/MEDIA EXECUTION

The advertising campaign is based on the following consumer insight: "People spend a lot of time choosing a car and can tell you many reasons why they got a good deal but when it comes to car finance they often take the first deal, sometimes losing money."

Subsequently our advertising proposition is: **"Be as clever about choosing your car finance as you are about choosing a car"**.

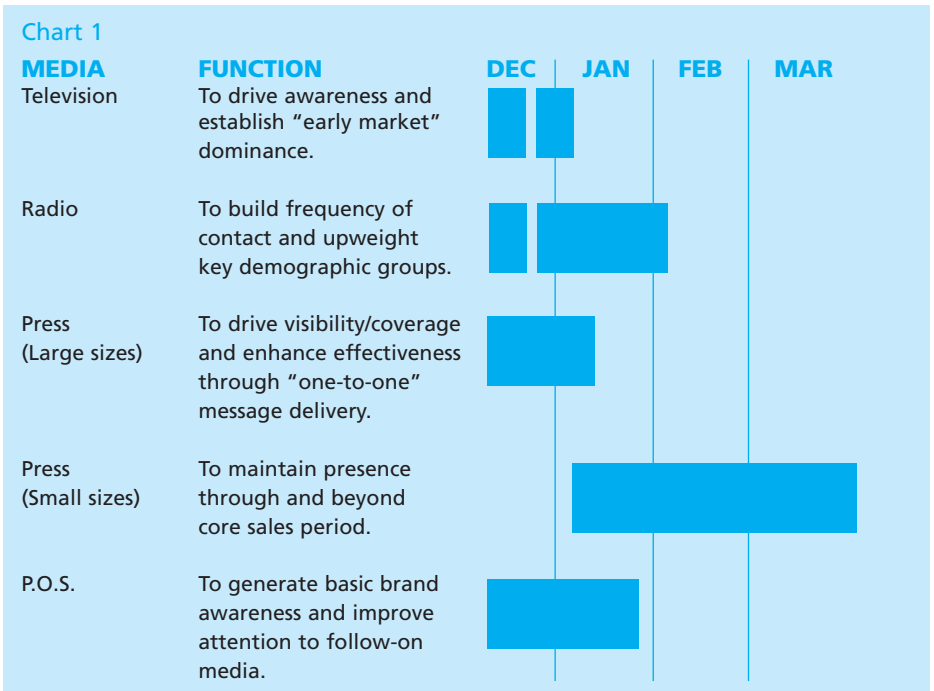
The campaign commenced in

chart illustrates the '97/'98 media plan (a replica of '96/'97 plus TV):

RESULTS

Qualitative research conducted in December '97 confirmed that the advertising:

- Positioned AIB as a "friend/advisor" rather than a mere provider of banking facilities
- Introduced a new positive tone of voice for AIB using "soft sell aids to increase empathy".



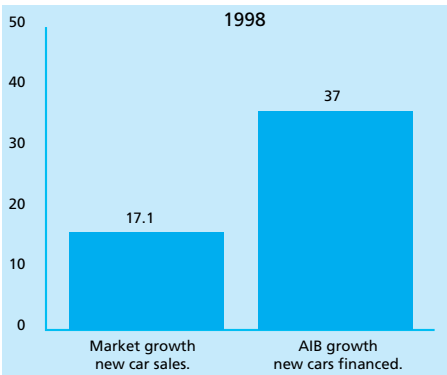
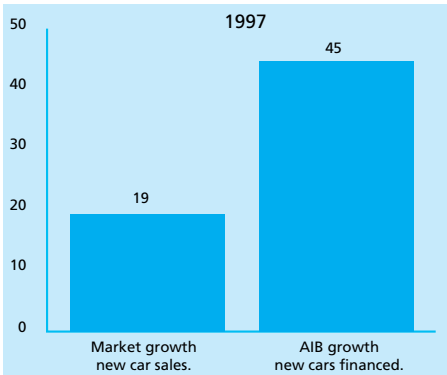
December '96 using press, radio and P.O.S.

An important decision was to commence the advertising ahead of the actual peak sales period (January) and to invest disproportionately heavily at this time.

Television was added to the media mix in December '97. The following

The following charts illustrate that 1997 and 1998 (YTD) have been the most successful years ever for "Accelerator". Increased brand awareness has lead to 37% growth in 1998 (YTD) vs 17% market growth and this growth was achieved having already out performed the market by 26% in 1997.

NEW CAR SALES			
Year:	1996	1997	January - July 1998
Cars:	115,121	136,662	118,179



CONCLUSIONS

The car market has experienced unprecedented growth in the last three years. Each of the 18 companies that provide car finance have shared in this growth.

During this period the "Accelerator" package from AIB has remained competitive: not the lowest APR but providing added value through special offers. These special offers have been part of the "Accelerator" package for the past number of years. Distribution (through the branch network) has remained constant. Hence, the only significant change to the marketing mix in 96/97/98 was the advertising.

We conclude that the careful development of the advertising proposition coupled with prudent media planning has played a significant part in helping AIB

outperform the market thereby securing its position as Ireland's first choice (26% market share) for car finance.

SUMMARY

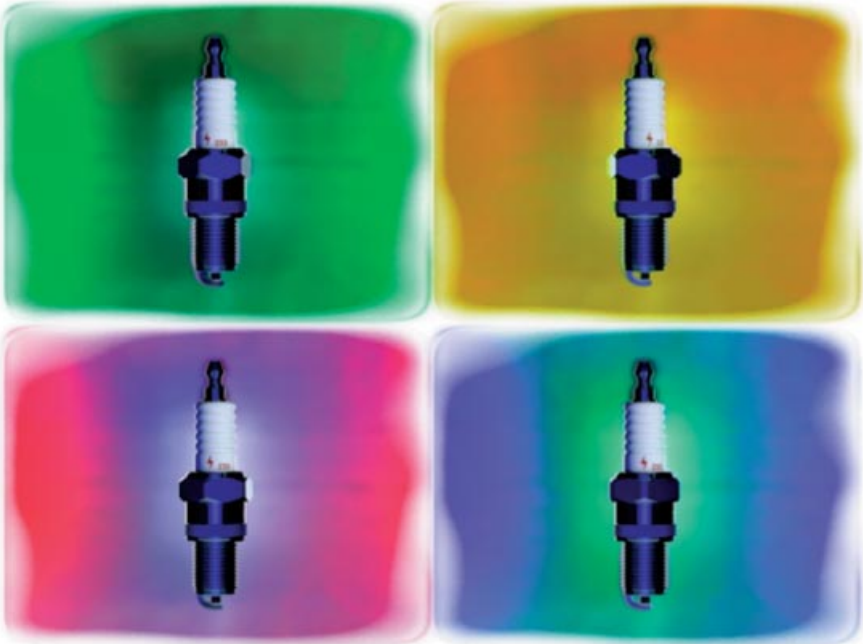
In 1996 the Irish car finance market began to expand rapidly on the back of record new car sales. AIB Finance & Leasing as one of Ireland's leading providers of car finance was favourably positioned to take advantage of this growth.

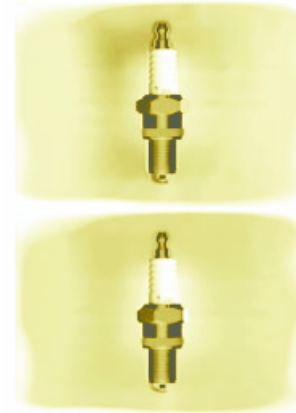
However, research revealed that awareness of their "Accelerator" car finance product was low, particularly among existing AIB customers. McConnells was asked to develop an advertising campaign which would increase awareness and generate leads for "Accelerator".

An advertising campaign based on the proposition "Be as clever about choosing your car finance as you were about choosing your car" was developed and implemented during the key sales periods of December/January 96/97 and December/January 97/98. During this period "Accelerator" distribution, product and price (competitive but not the lowest APR) remained constant. The only significant change in the marketing mix was the advertising.

The results were exceptional with increased brand awareness leading to 37% growth in 1998 (YTD) vs 17% market growth and this growth was achieved having already outperformed the market by 26% in 1997.







AIB
Bank

AIB - YOUR OWN PERSONAL
FINANCIAL ADVISOR

A large rectangular frame with a blurred, bokeh-style background of warm yellow and orange tones. In the center is the AIB Bank logo, which consists of a stylized bird emblem above the letters 'AIB' in white on a blue background, and the word 'Bank' in white on a green background below it. Below the logo, the text 'AIB - YOUR OWN PERSONAL FINANCIAL ADVISOR' is written in a serif font.

TV commercial.