

The Radical Advertising Strategy Of Chrysler's Kumbaya King

by Joann Muller, Forbes Staff

On any other day the actor Sean Penn would score a seat at the head table for a private luncheon where he was about to be honored for his extraordinary earthquake relief efforts in Haiti.

But on this particular April day in Chicago all the seats next to the host, Chrysler Group's chief marketing officer, Olivier François, were taken. There was the Dalai Lama of Tibet; former Soviet president Mikhail Gorbachev; former Polish president Lech Walesa; American political activist Jody Williams; and microcredit pioneer Muhammed Yunus of Bangladesh—all Nobel Peace Prize winners meeting in the U.S. for the first time at an annual summit to tackle global problems like violence and poverty. Penn and his family were seated at the next table. Chrysler was the sponsor.



A smiling François warmly greeted each one of his special guests (Penn included), chatting in his heavy French accent about the challenges of achieving peace, prosperity and social justice, and assuring them of Chrysler's commitment to their causes. "Peace is not merely the absence of violence," he said. "You've reminded us that peace - begins when the hungry are fed, the homeless are sheltered and the poor are given a voice. Peace is precarious unless it is based on justice and human dignity."

It was a moving tribute to the power of the individual to better the human condition. But how does rubbing elbows with the Dalai Lama and backslapping Sean Penn help Chrysler sell cars? Simple, explains François, 50, one of Chrysler Chief Executive Sergio Marchionne's most trusted aides. "People buy products, but they are also buying into brands and buying into values," he says. "I think it's probably valuable to tell you what I'm standing for and try to find a connection between you and me through our shared values."

A Paris-born poet and songwriter with degrees in economics, marketing, finance and political science, François is guided by emotional instincts and political idealism more than research or focus groups. In his short tenure at Chrysler Group, he boosted ad spending by 36% to an estimated \$1.2 billion in 2011. But it isn't how much he's spent that's made his reputation. It's how well.

He first gained notoriety during the 2011 Super Bowl with an audacious two-minute paean to Detroit's hardscrabble spirit starring rap star Eminem. The estimated \$6 million commercial reminded America that Chrysler was not only still alive but also proudly turning itself around. Over the next two weeks consideration of the Chrysler brand jumped two - percentage points on Edmunds.com, according to the auto shopping website. More than 15 million people have viewed the ad on YouTube.

He followed it up during this year's Super Bowl with "Halftime in America," starring Clint Eastwood, an ad he describes as a rallying cry for struggling Americans. Again he struck a nerve. The ad generated 18 million views on YouTube. Saturday Night Live even did a spoof. "There is a moment to speak about the product," François says of the ad. "But there is also a moment to give this product a soul."

Not everyone is buying it. "This is an Italian-owned car company blatantly trying to guilt America into buying more of its cars and trucks, and willing to do it by using any means necessary," wrote automotive blogger Peter DeLorenzo, a 22-year veteran of Detroit's ad business. "Even if they have to drag Clint Eastwood into the mix in order to pull it off."

Republican strategist Karl Rove saw the Eastwood spot as a thinly disguised endorsement of the Obama Administration's auto industry bailout. "I was, frankly, offended by it," Rove told Fox News. While acknowledging that it was "an extremely well-done ad," Rove said it was "a sign of what happens when you have the government getting in bed with big business like the bailout of the auto companies." Chrysler executives, he said, must have felt it necessary to "repay their political patrons."

Marchionne, in an interview on CBS' 60 Minutes, didn't take kindly to the criticism: "I paid back the loans at 19.7% interest. I don't think that I committed to do a commercial on top of that."

Whatever the truth, the buzz is good for business. Sales of Chrysler, Jeep, Dodge and Ram vehicles are up 33% so far this year, triple the growth of the U.S. industry. The company's market share currently stands at 11.4%, a full two points ahead of last year. And Chrysler is on track to post at least \$1.5 billion in net income in 2012.

Provocative issue advertising is nothing new for François, who created similar ads in Europe, when he ran Fiat Group's Lancia brand after a 15-year career at Citroën. One spot, featuring Richard Gere, was seen as promoting Tibetan independence from China. Others sought to win the release of pro-democracy leader Aung San Suu Kyi of Myanmar, winner of the 1991 Nobel Peace Prize.

"Providing humanitarian aid is part of our corporate culture, doubly so now that Chrysler Group and Fiat have become partners," said François, who joined Chrysler in October 2009, shortly after Fiat took control. He is also president and chief executive of the Fiat brand worldwide.

"What he has so brilliantly latched on to," said John Grace, president of BrandTaxi, a consultancy in Stamford, Conn., is that cars are commodities. "Values are becoming the most important part of differentiating a brand." Chrysler's Super Bowl ads, says Grace, "just made your heart beat. You wanted to stand up off the couch and say 'Yeah!' You can't tell me ten other companies that make you feel that way. He's intelligently touched on what we're all searching for, the need for essential truths."

François isn't surprised at the success of his unique cocktail of do-gooding, sales and celebrity. But he does see it as more than just marketing. "This sounds extremely idealistic," he says. "Why wouldn't peace be part of our long-term business plan?"