

# **General Motors: Revitalizing the Advertising Blueprint**

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## **Executive Summary** - *Raul Garcia*

Since its beginning, General Motors has been highlighted for its strengths in effective brand positioning and focus on innovation. At its peak, General Motors was the world's largest automaker claiming 50% of the market share in the US (Fortune, 2023). With its four core brands: Buick, Chevrolet, Cadillac, and GMC, it is the largest automobile manufacturer in the country.

However, we have identified several categories of improvement. These include enhancing digital marketing efforts and balancing their advertising efforts through each of the four brands.

We have developed a comprehensive plan to position General Motors as the car customers boast.

Detail the need for better advertising

- General Motors is currently experiencing brand an imbalance in advertising its brands.
- General Motors spends the most amount of money on advertising compared to competitors and yields similar revenue.
- General Motors struggles to appeal to target audiences, notably Buick.

The benefits of better advertising

- Increased brand awareness.
- Increased brand loyalty.
- Increased profit margins
- Attract potential partnerships

The competitors used in the paper

- Toyota Motor Corporation
- Ford Motor Company
- Tesla

Recommendations for General Motors

- Implement a more balanced advertising plan.
- Target the target audience for each brand more effectively.
- Create more effective advertisements to reduce advertising spending.

This report will showcase the necessity of an updated advertising plan for General Motors. We believe that General Motors has all the necessary assets to once again, be the leading automotive manufacturer.

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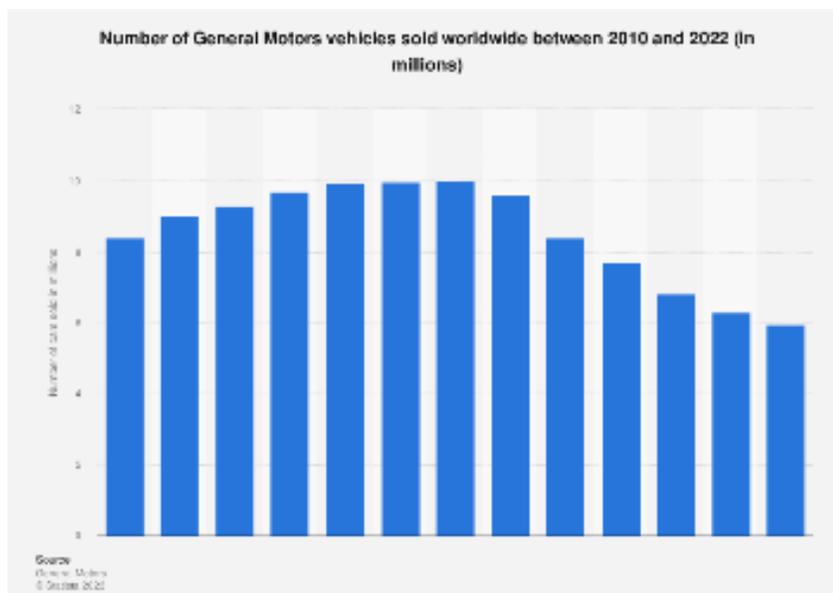
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## **Introduction - Bogden Manivilovski**

General Motors, A great example of American innovation and the influence of the vehicle on the world stage, is a historic powerhouse in the automotive sector. William C. Durant founded General Motors (GM) on September 16, 1908, in Flint, Michigan (General Motors, 2023). With the introduction of legendary brands like Chevrolet, Cadillac, Buick, and GMC, GM swiftly rose to importance and dominated the automotive industry (General Motors, 2023). A big obstacle that General Motors has had to deal with recently is a drop in sales (L. LaReau, 2022). GM's traditional car sales have been influenced by a number of factors, including shifting consumer preferences, the emergence of electric and autonomous vehicles, and a global shift toward sustainability. The business, like many others in the auto sector, has had to change to meet the demands of the market and new technologies.

General Motors (GM), a tough competitor in the car manufacturing market, must constantly balance the opportunities and difficulties presented by shifting consumer preferences and technical improvements (Wayland, 2022). One of the primary elements influencing General Motors' market presence is the company's advertising strategy (L. LaReau, 2022). A portion of this project is to pinpoint the issues with GM's existing advertising approach and provide innovative ideas that, in addition to resolving these issues, will drive the company toward increased sales through the use of various advertising strategies.

The primary objective of this project is to objectively assess GM's present advertising strategies, identify any shortcomings, and provide new ideas that consider market behavior and consumer trends. Our objective is to create a series of suggestions and recommendations that not only deal with the issues but also the improvements. Some suggestions are: Identify Challenges, Consumer-Centric Approach, Creative Solutions, and Measurable Metrics.



## Discussion

### General Motors Advertising Survey - Raul Garcia

We have crafted a survey (see appendix a) to understand how General Motors is doing from the audience's point of view. With this information, we aim to fine-tune adjustments and ultimately gain insights from customers in the automotive industry.

One finding that we concluded was that twenty participants were either unfamiliar with or were completely unaware of the companies under the General Motors umbrella. This response highlighted a clear gap in brand recognition that General Motors currently faces. According to IBISWorld, General Motors currently has a market share of 3.6% and is trending downwards. Since the current market share is relatively large, it is absurd that several participants had no idea about several or any brands. In comparison, Ford Motor Company has 3.7%, and Toyota Motor Corporation has 4.5% of the current market share.

We introduced our participants to the four main brands that are owned by General Motors: Buick, Cadillac, Chevrolet, and GMC. Among these, twenty-five participants were familiar with Chevrolet, twenty-one with GMC, twenty with Cadillac, and fourteen with Buick. Notably, four of the participants needed to become more familiar with all of these brands. (See Appendix A, Figure 1) From this data and after diving into several social media platforms, it is clear that Buick and Chevrolet are outliers and must be addressed accordingly to the balance of the brands.

One of the most important questions yielding significant insights was asking the most recent occasion they encountered a General Motors advertisement. We found that of the thirty participants, thirteen had never seen a Buick advertisement. With this information, we decided to research why these advertisements lack recognition compared to other brands General Motors owns such as Chevrolet and GMC.

With the polarizing data, we wanted to note several reasons as to why this is. The upcoming rise of ad-blocking technology is dangerous for advertisements. According to eMarketer, "As of

March 2023, 31% of US adult consumers said they used an ad blocker to protect their privacy” (Wohr 2023). These applications can contribute to individuals missing the advertisements, minimizing the overall exposure for the advertisements General Motors launches. Another reason we found is General Motors is not targeting the media channels effectively. General Motors should act on targeting specific media channels based on the brand's (Buick, Cadillac, Chevrolet, GMC) target audience. (See Appendix A, Figure 2)

### **Marketing Mix and Presence - Mnahil Almaweri**

General Motors has a very strong presence in the market, and its marketing mix is the glue that keeps it intact. A dive into the product, price, place, and promotion strategies will reveal how General Motors paves its way to market success.

We begin with the products manufactured, which consist of automotive products such as automobiles and parts. General Motors’ product strategy focuses on quality, sustainability, and innovation. The company’s commitment caters to all different parts of the market. The product line consists of gas-powered vehicles and electric and hybrid vehicles. This diverse and extensive portfolio ensures their products align with the evolving preferences and needs of consumers. There is something for everyone. Vehicle types range from compact cars to SUVs, luxury cars, and trucks. General Motors values sustainability and integrated practices and technology into its product development. They are catering to eco-friendly consumers by producing electric and hybrid vehicles to promote a greener future for all. General Motors’ pricing strategies are crucial because they must balance competitors' prices, affordability, and the value of the product. General Motors is not only a nationwide company but expanded internationally as well. They are familiar with the distribution strategy and invested in a global network of dealerships. General Motor vehicles are accessible in many countries. Not only are vehicles available in dealerships but also online. General Motors allows consumers to browse their office website to see the variety of vehicles available for purchase. The use of promotions, discounts, loyalty programs, and financing options to foster customer loyalty, attract new customers, and boost sales. These pricing strategies cater to customers across the entire spectrum. From budget-friendly first-time driver options to luxury and premium options, General Motors has it. Advertising plays the most important role in stimulating sales and brand awareness. Involvement with communities, sports, and partnerships contributes to building the company’s image. The company utilizes different communication channels to advertise and market products.

### **S.W.O.T. ANALYSIS - Mnahil Almaweri & Dan Kimura**

#### General Motors

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>● Market Dominance</li> <li>● Innovation</li> <li>● Global presence</li> <li>● Reputation</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>● Lack of product diversity</li> <li>● Reliance on the U.S. Market</li> <li>● Lack of digital presence</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>● Environment-friendly options</li> <li>● Strength presence in the global market</li> <li>● Diversify portfolio and products</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>● Recession</li> <li>● Labor issues</li> <li>● Civil Lawsuits</li> </ul>

<ul style="list-style-type: none"> <li>● Self-Driving Cars</li> </ul>	<ul style="list-style-type: none"> <li>● Competitors</li> </ul>
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### Toyota

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>● Global Familiarity</li> <li>● Strong Brand</li> <li>● Product Diversity</li> <li>● Leading tech-innovation</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>● Manufacturing Defects</li> <li>● Poor Marketing</li> <li>● High dependence on suppliers</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>● Environmental friendly actions</li> <li>● More investment on different vehicles</li> <li>● Invest in new emerging countries</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>● New arising brands</li> <li>● Tech Race</li> </ul>

### **Technologies In Use - Raul Garcia**

According to D&B Hoovers, General Motors' social media advertising currently specializes in Twitter ads and Facebook conversion tracking. The primary data collected from the survey may be a small sample size, but the vision is still relevant.

According to Statista, General Motors spends the most amount of money on advertising compared to its competitors. In the past five years, General Motors has spent on average \$2.85 billion Toyota spent \$1.49 billion, Ford spent \$1.98 billion, and Tesla has spent \$151,947 (see Appendix B). Tesla stands out as the company is usually advertised on social media by CEO Elon Musk which is free. With the amount of money General Motors puts into advertising, it is expected for the organization to lead in terms of revenue.

Contrary to expectations, the revenue figures for these three companies show the opposite. In 2022, Tesla's revenue totaled 81,462 million, followed by General Motors at \$156.74 billion, Ford Motor Company followed with \$158.06 billion, and Toyota Motor Corporation reached an impressive \$279 billion (see Appendix B). This is a signal that the advertising strategy needs to be thoroughly addressed. The target audience needs to be reevaluated and the advertising budget needs to be overhauled.

### **General Motors' Current Advertising Strategy - Raul Garcia**

General Motors currently tailors its advertisements toward its audience utilizing a multi-channel advertising approach. This allows the advertisements to air on television, radio, and social media, to create brand awareness in a broad fashion. The advertisements focus on evoking emotions while showcasing the vehicle to craft compelling narratives and create deep connections with consumers.

General Motors has recently launched a new emotional strategic advertisement called "A Holiday to Remember". This advertisement showcases how Alzheimer's can affect the lives of millions. The advertisement has seen great feedback, and we advise you to continue to include emotional aspects in future advertisements. A [study](#) was conducted by Beatriz Casais and Aline Costa Pereira from the University of Minho, Bra, Portugal discussing the usages of emotional tones in advertisements. The study suggests that older audiences can resonate with the emotional

tones in advertising much more. With the current target audience we intend to target, this fits perfectly with the approach.

### **Conclusion** - *Raul Garcia*

Overall, General Motors is still a highly successful company. But with the advertising spending being approximately \$170 billion over the next highest competitor and resulting in the least amount of revenue, priority must be given to the current advertising plan. The advertising plan and spending budget must be changed as General Motors is losing the potential to record a higher gross profit.

Emotional advertising has proven to be effective and valuable as showcased in the latest Chevrolet advertisement. However, these advertisements can be costly, launching an emotional advertisement for each brand General Motors will prove to be ineffective in the long run.

General Motors must not forget about Buick and GMC, as Buick has the lowest current subscriber count on YouTube at 60.9k subscribers and 179k GMC. Compared to Chevrolet at 731k subscribers. Although Chevrolet is the most successful brand, there is a clear issue with the attention of the other brands under the General Motors umbrella. This trend is consistent with other social media platforms such as Instagram, X, and TikTok.

Ensuring each brand under the General Motors umbrella gains the same attention is critical if General Motors wants to claim the top spot in the automotive industry.

### **Recommendations** - *Yahya Mawri*

From the discussion and findings, we can narrow down the picture of some problems that General Motors faces in its advertising efforts. The first one is related to the social media platform, and the second one pertains to the type of customers they target. General Motors is a large and dominant company that establishes its presence in the market through both quality and quantity. Despite the array of options that General Motors provides to the global market, it still falls short in supporting them with the best advertising criteria. As mentioned in the current advertising strategy, General Motors started with a good approach to their customers through emotional ads, which reflected good. In contrast, the survey has shown a significant number of people are still unaware of all the related cars and brands that fall under General Motor company, indicating a weakness in their advertising approach. In this section, I will provide some recommendations using examples from some other competitors to help General Motors enhance its marketing strategy, making it more effective in increasing awareness of its different vehicle models.

Starting with social media, although General Motors already has ads, and yet they are not sufficient due to several barriers, such as ad blockage, preventing the company from reaching its ideal customers. To overcome this challenge, General Motors should start by implementing a customer-targeting strategy. Identifying their customers to show the most applicable ads for the right type of customers, will make it easier to find alternative ways to reach them if social media ads are not effective. the Forbes Agency Council has given a perfect example of this barrier

“Display ads have always been the worst of the worst -- messages that appear when consumers are looking for something else. Focus instead on reaching consumers with messages they want, when they want them, and where they live their lives: authentic

branded content, engaging social media and video, useful blogs, press coverage, SEM, and more (Council, 2018)”

Another significant challenge facing General Motors is the limited scope of its advertising efforts beyond the borders of the United States. While General Motors vehicles enjoy robust sales in certain countries such as China, mirroring the success in the US, there remains a vulnerability tied to geopolitical tensions. According to General Motors's official website, China alone purchased over 2.3 million General Motors vehicles in 2022 (GM, 2023). However, these numbers could be jeopardized in the event of political conflicts between the two nations. To mitigate this risk, General Motors should establish alternative markets for their vehicles in regions where their offerings align with consumer preferences.

Diversifying its product portfolio is crucial for General Motors to thrive in various international markets. Toyota, a formidable competitor, employs a strategic approach that enables it to penetrate global markets effectively. Toyota tailors its cars to meet the specific demands of each market, ensuring that there is a model favored by consumers in every country. General Motors can learn from this approach and enhance its adaptability to different market needs, thereby securing a more resilient position in the face of geopolitical uncertainties and changing consumer preferences. (Miller, 2022).

In terms of the costs of market advertising, which for General Motors as a traditional company are too high, on the other hand, there is Tesla. Tesla keeps its costs at a minimum and depends much more on the power of the public. As a comparison between General Motors and Tesla, Jeff Cunningham has explained how Tesla got rid of the ad costs:

“Instead of advertising, Musk’s digital instincts led him to build a product that compelled customers to advertise for him, research for him, and spread the word contagiously, at no charge. He built the product, opened the stores, the customers came, and they posted. And they posted. And they posted. In taking the path less traveled, he changed automotive and marketing history. The result was that by 2015, advertising spending at Tesla was zero. At the same time, GM spent over \$5 billion, a sum that represented more than half their annual profit, according to Mediakix” (Cunningham, 2017)

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## Appendix A: Survey

The survey used in this research was formulated using Google Forms. The aim was to find current data and research the results thoroughly with secondary data to back the information up.

The survey results can be accessed through the following link:

[https://docs.google.com/spreadsheets/d/1AKkGOUmEt9eBwzH600RVcCEWCS\\_K1MEdXv3UPTehw0M/edit?resourcekey=#gid=166635074](https://docs.google.com/spreadsheets/d/1AKkGOUmEt9eBwzH600RVcCEWCS_K1MEdXv3UPTehw0M/edit?resourcekey=#gid=166635074)

Figure 1

Did you know that General Motors portfolio included brands such as Buick, Cadillac, Chevrolet, and GMC?  
30 responses

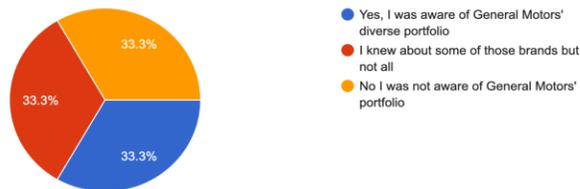
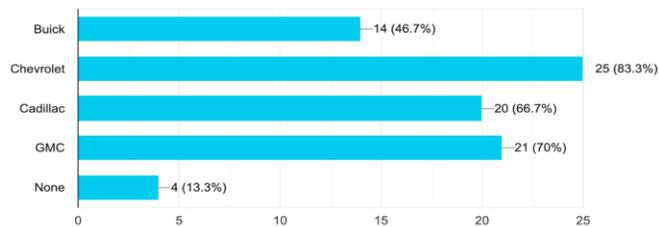


Figure 2

Among these brands, please indicate which one you were aware of. (Check all that apply)  
30 responses



## Appendix B: Revenue and Advertising Spending

These figures are used in the “Technologies In Use” section of the paper and each figure was taken from Statista.com.

Figure 1

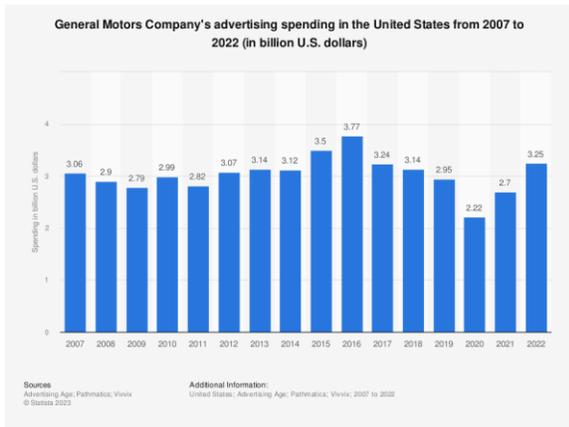


Figure 2

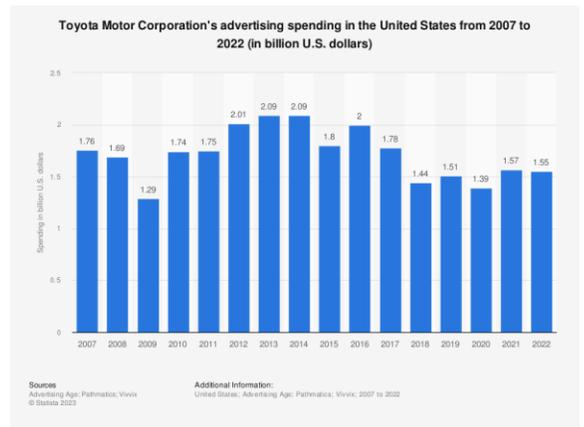


Figure 3

Figure 4

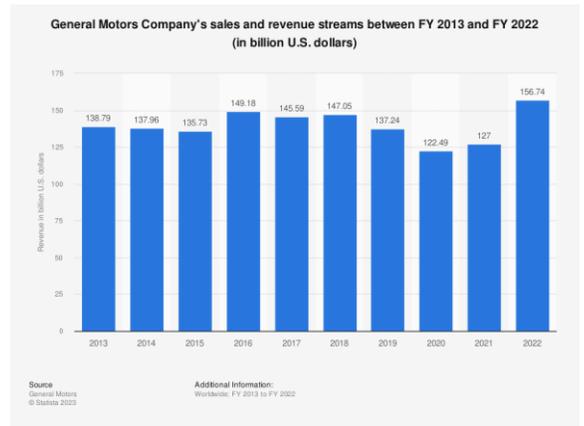
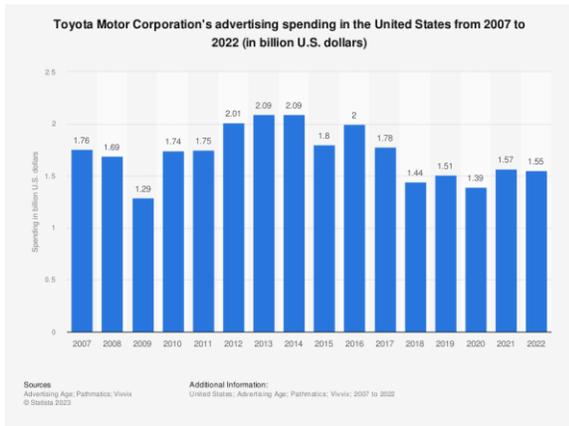


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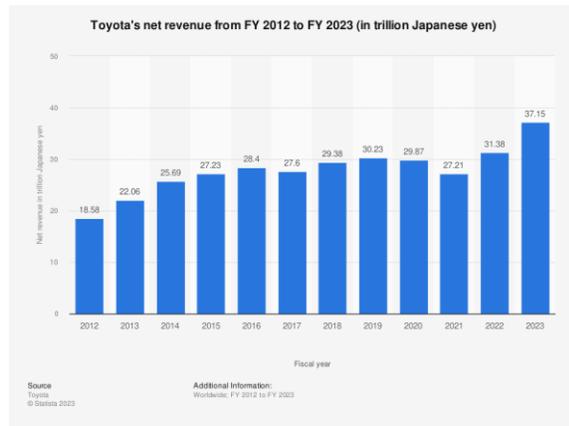


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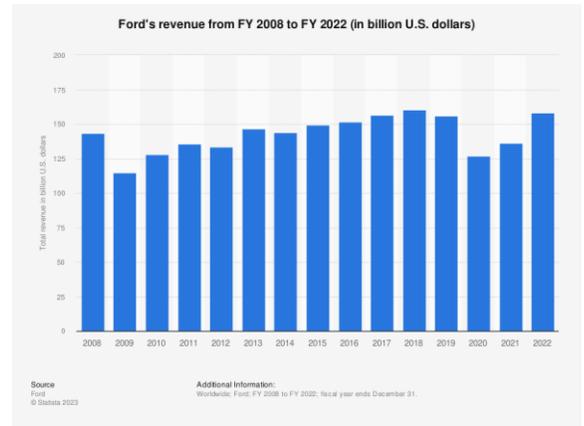


Figure 7

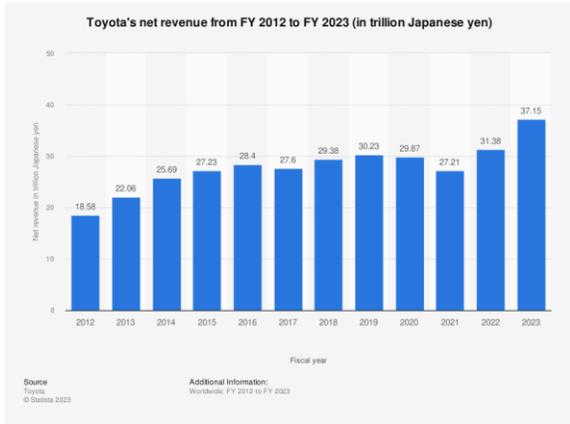


Figure 8

