Promotion and Price Analysis of the 2006 Dodge Charger

Muscle car: the term conjures instantaneous images of product and lifestyle along with historical reference. The late Sixties were the muscle car era as Detroit’s Big Three stuffed progressively larger V8s into their chosen models to elicit speed and sales. The names are legendary: Pontiac GTO, considered by many as the first muscle car; Ford Mustang as it transformed from mid-decade pony car to Boss 302 platform; Chevrolet Camaro, Chevy’s answer to the hugely successful Mustang.

Then there was the Chrysler stable sold primarily through its sports and value brands, Dodge and Plymouth. No carmaker had more muscle car choices than Chrysler Corporation, including Dodge Charger, Dodge Challenger, Dodge Coronet R/T, Plymouth Barracuda, and Plymouth Roadrunner (http://www.musclecarclub.com/musclecars/general/musclecars-definition.shtml). The fast iron helped define the Dodge and Plymouth brands during the era, driving showroom traffic even if consumers eventually rolled off the lots in more sedate Dusters and Darts.

Smog regulations and the first of two gas shortages shut down muscle cars by the early Seventies. Thirty years later, two factors have restored them to the marketplace:

- Engine technology that concurrently produces high horsepower and lawful emissions.
- Nostalgia, a constant of human nature and marketing.

As it led the way in muscle car diversity during the Nixon administration, Chrysler Corporation is spearheading the retro trend in the 21st century. Using its extensive brand equity, Chrysler has reintroduced the Dodge Charger for the 2006 model year. Today’s Charger is a four-door as opposed to its classic coupe design. It shares
chassis and engines with the new generation Chrysler 300 sedan and Dodge Magnum wagon. Common to all three models is the optional HEMI V8 engine, a resurrected brand in itself with its own marketing campaign (“That thing got a HEMI?” goes the tagline). Along with its product and promotional strategy for the Charger, Chrysler Corporation is enacting a pricing plan that balances the product’s newness in its product life cycle with its positioning as an affordable performance car.

At a cost of $60 million, an integrated marketing campaign is launching the 2006 Dodge Charger (Connelly, 2005a, p. 36). Primary tactics include:

- Advertising, print and electronic media
- Internet, anchored by a dynamic, interactive Web site
- Publicity, encompassing media editorial coverage, special events and community activities

**Advertising**

Approximately 65 percent of Charger buyers will be men, with most in their mid-forties, according to Judy Wheeler, Director of Dodge Marketing (Connelly, 2005b, p. e53). Per Darryl Jackson, Vice President of Dodge Marketing, 70 percent of company survey respondents remember Charger from the muscle car era and associate the name with Dodge (Connelly, 2005a, p. 36). Dodge’s advertising creative and placement reflects these demographic findings.

Television advertising consists of 30-second spots, all dealing with fantasy scenarios:

- “Dragster,” a Charger driver imagines he is racing a top-fuel dragster as he approaches a tollbooth.
• “Auction,” a car shopper views the Charger at a freewheeling auction, snapping back to reality when he finds himself in a showroom reading the low sticker price.

• “Bikers,” a biker gang admiringly trails a new Charger. When the car comes to a stop, a biker pulls up, only to transform into an awestruck paper boy on a bicycle.

• “Unleash,” targeting ethnic audiences, a conservative businessman morphs into a cool street racer in the Charger’s presence and creates a shockwave as he drives the new car through the heart of the city.

In tandem with the TV ads, print ads began in July with three different two-page spread concepts. Media buys include automotive, men’s, sports, technology, music and outdoor adventure publications (All-New 2006 Dodge Charger Marketing Campaign ‘Unleashed,’ 2005, p. 1).

Internet

Chrysler Corporation increased its 2005 online advertising budget 20 percent over the previous year and intends to make the Internet the cornerstone of its marketing. The fact that 70 percent of car buyers research their purchases online dictates the continued shift in marketing dollars from traditional media (Oser & Halliday, 2005, p. 4).

The Dodge Charger’s Internet campaign centers on its high-intensity Web site. The site features a rock soundtrack, extreme graphics, and short live-action and animated films. Four animated characters personify the car’s attributes. As described in Dodge’s press release:
Four animated icons, the Freaks, will represent Dodge Charger vehicle attributes: Power, Control, Speed and Style. The Power Freak demonstrates HEMI-grade power, street-smart prowess and strength. The Control Freak communicates superb control on the road, smart engineering, precision, balance, athleticism and brains. The Speed Freak embodies pure unadulterated speed, exhilaration on the road, a youthful, fun-loving, boyish rebel, and the ability to deliver an adrenaline rush. The Style Freak shows bold design, timeless style, sexiness, smoothness and mystery.

The language in Dodge’s release is telling as the company seeks to segment its market based on buyer priorities. In essence, the four “freaks” represent a perceptual map for Dodge Charger, albeit one where the product scores high on every designated axis.

“The Induction Unit” is Dodge Charger’s second prominent online marketing vehicle. It is an application that creates a futuristic viewscreen on a subscriber’s desktop (http://www.dodge.com/charger/). By way of RSS (Real Simple Syndication), The Induction Unit transmits a regular schedule of videos, announcements, and vehicle information. RSS is an emerging platform that sends information on a chosen topic or from a chosen source directly to a user’s computer.

Publicity

Publicity in the form of media editorial coverage and staged events is another major element of the Dodge Charger campaign. The car has been covered widely in general media such as The New York Times, specialty media including automotive publications such as Car and Driver, and business media such as BusinessWeek. The Charger is often portrayed as part of the successful planning that has propelled Chrysler
Corporation to higher sales while Ford and GM have descended into crisis (Kewin & Welch, 2005, para. 5).

Live events draw audiences to the site and generate additional media coverage. The Dodge Model Box Event has a pair of actors assembling a prefabricated Dodge Charger on city streets across the county. The parts come out of a giant box for a hobbyist’s model. After the 20 minute assembly performance, the actors drive away in the vehicle. The Dodge Zoo Tour spotlights the Dodge Charger’s four-month tour of 12 zoos. A “herd” of sister vehicles accompany the Charger including the Dodge Magnum, Dodge Durango and Dodge Ram (All-New 2006 Dodge Charger Marketing Campaign ‘Unleashed,’ 2005, p. 1).

The Dodge Charger is even preparing to do its civic duty. In a campaign entitled “Hot Pursuit,” Chrysler is marketing HEMI-equipped Chargers to police departments around the country as patrol vehicles, harkening to the days when powerful Dodge Polaras and Coronets were preferred choices for black-and-whites (Kocher, 2005, p. 1).

Price Analysis

The Charger’s price is built on value pricing, “setting a fair price level for a marketing mix that really gives the target market superior customer value” (Perreault & McCarthy, 2002, chap. 17). Charger models start at:

- $22,295 for a V-6 equipped SE
- $25,995 for a V-6 equipped SXT which includes more standard features
- $29,995 for the R/T with the 340 horsepower HEMI V-8
- $31,500 for the R/T with the Road/Track Performance Group suspension and tire upgrade
• $32,495 for the Charger Daytona R/T with special graphics in addition to the previous model’s handling package (Phillips, 2005, p. 1)

• The SRT8 with a larger HEMI producing 425 horsepower. Pricing has not been announced for this model; however, the SRT8 model of the sister Dodge Magnum wagon starts at $37,995 (http://www.worldcarfans.com/news.cfm/newsid/2050524.005/Dodge/1.html)

These numbers stress performance and looks at an affordable price, as Car and Driver confirms with its observation of the R/T model: “Let us pause, here, to repeat that—a 340-hp rear-drive sedan for 30 grand” (Phillips, 2005, p. 1).

Simultaneous with its value pricing, the Dodge Charger is in the beginning stage of its product life cycle, as reflected in another important part of its pricing strategy. Throughout the summer of 2005, the Big Three have been offering “employee pricing plans” on most of their lines, selling cars to the public at the same discount that company employees receive. The Dodge Charger is exempt from Chrysler’s program (http://www.edmunds.com/advice/specialreports/articles/106363/article.html), underscoring the uniqueness and desirability of the car at this point in its product life cycle. This lack of a price cut is equivalent to a skimming price, a premium price assigned to products when they are at the top of their demand curve upon introduction (Perreault & McCarthy, 2002, chap. 17).

**Conclusion**

Chrysler Corporation has taken advantage of technology, demographic trends and brand equity to create a product directed at an underserved need: The Dodge Charger, designed for men in their forties wistful for the muscle cars of their boyhood. Chrysler’s
multimillion dollar marketing campaign uses multiple channels to reach the target market, from traditional TV and print advertising, to an aggressive Internet presence, to heavy publicity and public relations. The Charger’s pricing combines its position as an affordable performance car with its desirability at the beginning of its product life cycle. Chrysler is proving that it understands its market with a diverse and well-conceived marketing mix encompassing all of the Four Ps.
References


