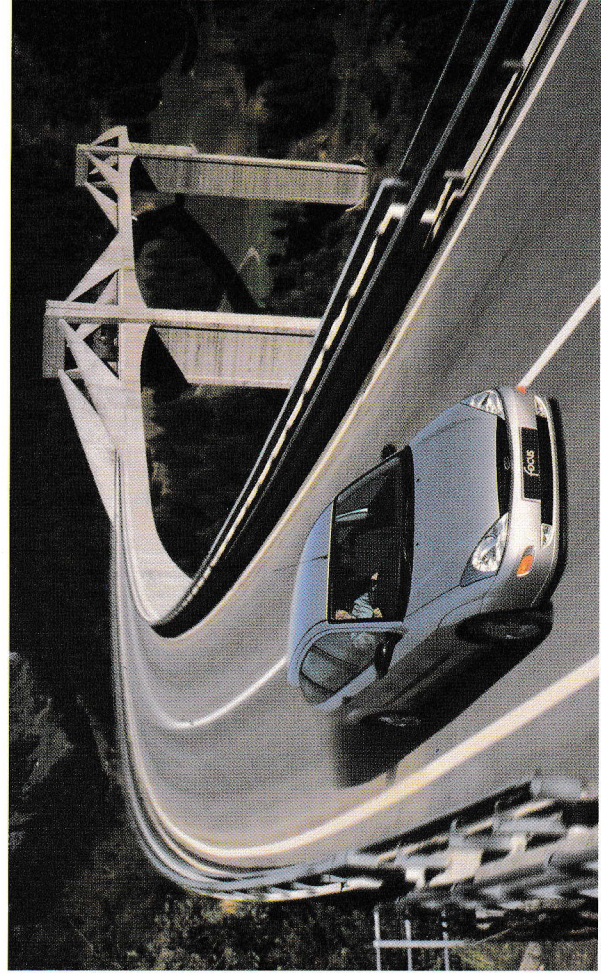


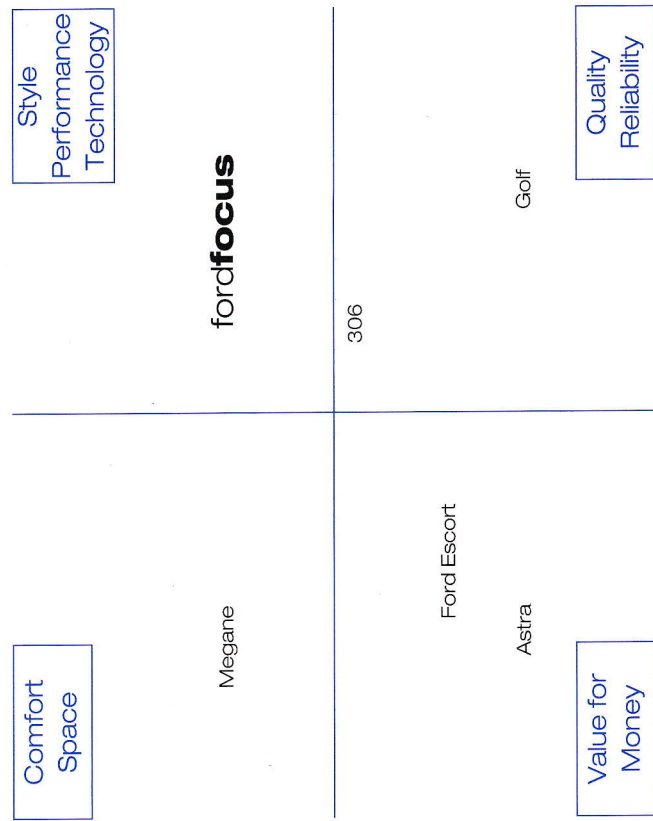
'Ford Focus is one of the most important cars Ford has launched in its history. It competes in the largest segment of the global market and goes head-to-head with formidable competition. To meet the challenge, Ford Focus had to be based on an all-new world-class platform, one that would first provide a class-leading generation of cars for Europe and then go on to provide the basis for a whole new generation of cars for sale right around the globe.'

Al Kammerer

Ford Focus Vehicle Line Director



The challenge was to develop Ford Focus as a new addition to the Ford range. The graph below illustrates how customers perceive the positioning of various cars in this part of the market.

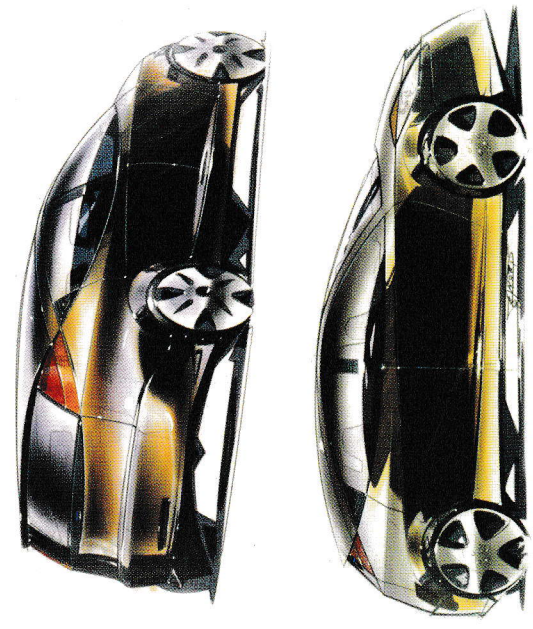


As you can see from the graph, Ford Escort has a strong reputation for value for money. Early research indicates that customers view Ford Focus very differently. They view Ford Focus as having a great deal of style and it is seen as modern, dynamic, spacious and progressive, featuring advanced technology.

'Ford Focus' striking appearance builds on the imagery established on the Ford Ka, Ford Puma and Ford Cougar. While clearly a new look for the class, Ford Focus is still very distinctly a Ford, and it takes New Edge design a major step further. The car's machined look and taut, crisp surfacing provide an athletic stance that reflects the precision of the car's under-skin engineering. More importantly, Ford Focus was created around the customer, with a package and proportions that set the vehicle apart from the competition.'



Claude Lobo, Small and Medium Vehicle Design Director

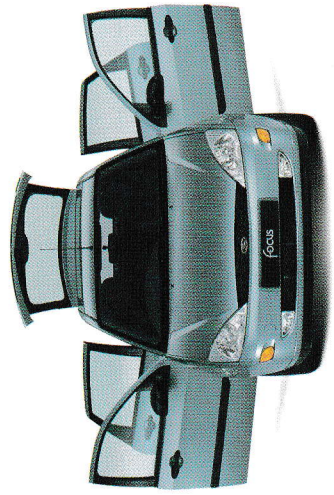


Stylish New Edge Design

Ford Focus was designed with strong, distinctive lines that convey motion and communicate the dynamic capabilities underneath the skin. The design features the trade mark New Edge flowing form, sharpened with crisp edges, sharp intersections and taut lines, together with distinctive front and rear lights.

Inside, the all-new interior complements the New Edge exterior with the same elements of curved lines and smooth surfaces. The instrument panel has been 'shrink wrapped' around the components beneath to give maximum feeling of freespace.

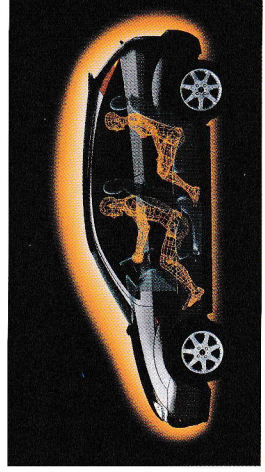
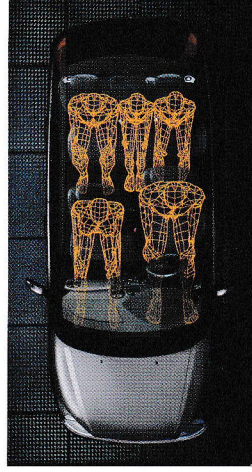
One of the key objectives set for Ford Focus was to have a best-in-class interior space. To achieve this, Ford Focus features the longest wheelbase in the class. Led by an ergonomist, the development team made extensive use of state-of-the-art 'RAMSIS' software to optimise the interior to accommodate comfortably a huge range of occupant sizes ranging from the small female, with height and weight of approximately 4 feet 9 inches and 6 stone 9 pounds, to the large male, at 6 feet 3 inches tall and weighing 16 stone 9 pounds.



As Michael Salonski the Ford Focus Package Supervisor says:

'With Puma, you know that approximately 80 per cent of customers will be a certain age group, so you can design a package to suit. With Ford Focus, the customer profile is hugely diverse. There is no 'typical' buyer, nor a typical human frame.'

As well as ensuring that the vehicle is large enough to suit all shapes and sizes, it is equally important to ensure that the space is versatile. To validate this, Ford engineers tested the design in a number of real-life situations. As Michael Bradley the Ford Focus Ergonomist says: 'We videotaped over the shoulders of members of the public driving and operating the controls to ensure that potential issues were caught early on. We even videotaped a family at the weekly supermarket visit - a mother, a 3-year-old, 5-month-old baby and a puppy. That exercise, in particular, proved we were on the right track.'





'We've concentrated on four fundamentals – agility, stability, precision and comfort – and then fine-tuned them relentlessly with the aim of creating a vehicle with superb dynamics craftsmanship.'

Dr Franz-Josef Laermann
Ford Focus Engineering Manager

The Ford Focus – a 'feelsafe' drive

A common theme throughout the development of Ford Focus has been attention to detail. Nowhere has this been more true than in vehicle dynamics, where the intent was to build on the acclaim first established with Ford Mondeo and continued by Ford Fiesta. Great to drive, Ford Focus is designed to deliver smooth, progressive responses and enhanced safety for all types of driver.

Several hundred potential customers from all markets drove Ford Focus prototypes back-to-back with competitive makes and models. Cars were rigged with instruments to capture driver inputs and a host of dynamic data. A Ford engineer observed from the back seat, while all communication was conducted by a professional facilitator sitting next to the customer listening to what he or she liked and disliked about each vehicle. This exchange provided engineers with exceptional insight into the diverse range of customer expectations, helping ensure that chassis and controls were fine-tuned to enhance the safety and comfort for all drivers in all conditions, and make Ford Focus fun to drive, whatever their driving style.

A new, fully-independent, 'Control Blade' multi-link rear suspension represents a significant advance in the class – none of the major competitors offers it. As a result, Ford Focus combines superior comfort with better wheel control that greatly improves stability and active safety – particularly in extreme cornering or heavy braking situations.



'In developing Ford Focus, a single acid test remained in the backs of our minds: 'Is this the car in which we would prefer our families to travel?' The answer is a resounding 'yes' – from a safety perspective alone. On top of that, Ford Focus has the lowest anticipated ownership costs in the class, achieved through its very competitive prices, outstanding insurance ratings, low repair costs and low running costs. Combine this with a vehicle that is practical, versatile, easy-to-use and friendly to the environment, and we believe Ford Focus is a car that provides overall 'peace of mind'.

Rose Mary Farenden, Ford Focus Project Manager

Ford Focus – Safe and Secure

With Ford Focus we aimed to build on Ford's established reputation for safety and security. Once again our engineers were able to call on Ford's unrivalled computing power, to help design a 'whole car' approach to safety and simulate crash testing on computer. In addition, Ford Focus has been subjected to more than 100 different 'real world' crash test modes – and of course all of the mandatory destructive tests.

Of course, the one group of people to whom we aim to make Ford Focus unattractive is car thieves! Security on Ford Focus was developed in close co-operation with major European insurance associations. All vehicles are equipped with an engine immobiliser – the latest generation electronic Passive Anti-Theft System (PATS), and all Ford Focus models also have a key-operated bonnet lock, which prevents the bonnet from being opened from inside the car. This simple innovation, together with PATS, virtually eliminates the possibility of vehicle theft from 'hot wiring'.

Ford Focus - Low cost of ownership

Ford Focus continues the Ford tradition of providing exceptional value by providing a wide range of customers with safety, technology and comfort features normally associated with more expensive vehicles. Value is further enhanced by Ford Focus' low cost of ownership, achieved through its fuel economy and low running, repair and insurance costs.

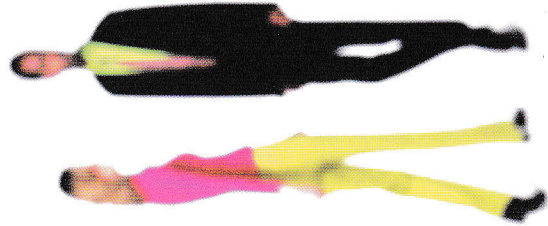
Ford Focus - Kind to the Environment

Environmental compatibility and recycling were carefully considered from the beginning of Ford Focus' development. Recycled consumer goods - such as old plastics, carpets and even denim jeans - have been used to make Ford Focus' components, such as the battery housing, heating components, sound-deadening materials, air filter housing and fuse box.

Taking Ford Focus to Market

'Ford Focus is Ford's new point of view in the heart of the market. Its modern, distinctive and ingenious personality will attract more progressive, dynamic and individualistic buyers. Because Ford Focus is targeted at different people from those who will still find Ford Escort appealing, Ford Focus is not Ford Escort's replacement but an incremental offering in the heart of the market.'

Mark Deans, Ford Focus Brand Manager



Ford Focus - Building the Brand

Although the Ford Focus will have a wide appeal, the key to establishing a brand in people's minds is to narrow the focus of your communications so that you really stand for something in the market place. In order to achieve this, the market research teams at Ford identified a group of people for whom Ford Focus has a particular appeal. They describe these people's attitude as 'BREAK FROM THE ROUTINE'.

This does not mean that these are the only people to whom we are looking to sell Ford Focus, but by consistently aiming our communications at these people, we can create a personality for Ford Focus that will help us develop the brand and extend the profitable lifecycle of the product as well as differentiating it from Escort. It's like throwing a stone into a pond: you make a splash in the middle but the ripples extend out to affect the rest of the water.

Ford Focus - Core Target Customers

So what do we know about our core 'break from the routine' target customers? We know that they are both men and women, of no particular age, but they do have certain attitudes that bring them together. They expect more out of life, they stand up for what they believe in - good enough is not good enough. When we research their attitude to cars they tell us they want a car that says something about their individuality and their personality.

The Quest for 'Market Differentiation'

All manufacturers are attempting to differentiate their products. Vauxhall are attempting to position Astra as a quality car that is accessible to 'ordinary' people. Renault are keen to establish Megane as fun and stylish, etc. But our research tells us that in this part of the market, none of our competitors is succeeding in establishing any real differentiation for their products with one exception - VW with Golf.

People strongly associate the Golf brand with Quality and Reliability. VW have built these brand values over more than 20 years through consistent product execution and consistent advertising.

Golf is a good car, but the 'Quality and Reliability' positioning combined with the conservative, carry over approach to styling and Golf's average driving dynamics presents an opportunity we can exploit with Ford Focus.



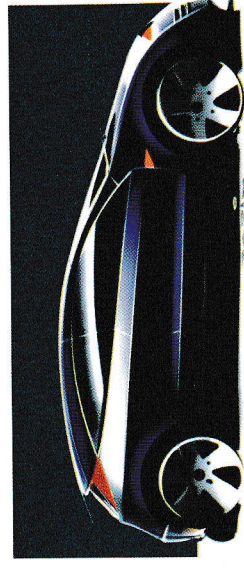
Mark Dobb

To understand this opportunity, think of two famous racing drivers - Michael Schumacher and Ayrton Senna. Both are known as great drivers, but whilst people respect Michael Schumacher, he has never been able to gain the public warmth and affection that Ayrton Senna commanded in his time.

Ford Focus with its exciting, individual design and engaging drive must be the car that people love rather than respect - the 'passionate alternative' to Golf. This is what will appeal to 'break from the routine' people - this is the key to our success.

So Ford Focus is a very different brand from Escort and will appeal to very different people - many of whom will be new to Ford. Every person working in the Dealership needs to understand this difference and be ready to deal with these new customers in a manner that meets their expectations. Remember these people 'expect more' - for them, good enough is not good enough.

But these people remain 'ordinary' people - unpretentious achievers, and they have a number of practical requirements of their vehicle as well as their desire for style and individuality.



Ford Focus - freechoice

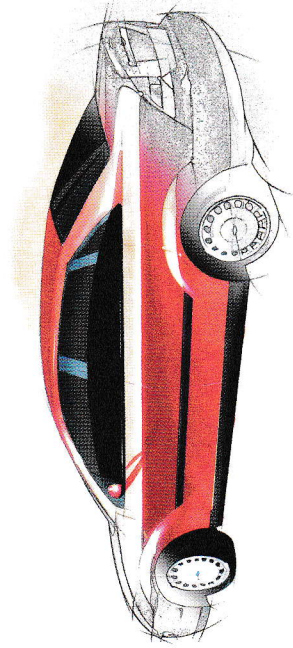
Foremost amongst these practical requirements is accessibility.

It is critical that we make Ford Focus fully accessible to our customers by offering real choice - we call it FREECHOICE.

Freechoice is a unique approach to pricing that ensures that customers can now have choice as well as outstanding value.

Our 'Connect with Ford' strategy aims to take the anxiety out of buying a car and offers consumers real choice. Through 'Connect with Ford' we make our cars more accessible to our customers and seek to ensure they get to drive the car **they really want**.

So, on Ford Focus, we will have a small number of price points with fixed spacing between the points making the pricing simpler to understand. But to deliver real choice we have gone further and squashed our model range into a narrower price band.



To understand the benefits of this narrow price band, consider one of our competitors: Astra. The Vauxhall Astra price range goes from approximately £12,000 for the Envoy through to almost £17,000 for the CDX Estate.

This wide price range has two key effects. It means their lowest price model, the Envoy, is under-equipped with thin tyres and unattractive black bumpers; the Astra Envoy is no advert for the Astra brand. Just as importantly it means that the majority of people, those who want to buy in the middle of the range, only have a small number of models to choose from. They can't afford the top-of-the-range Astras at around £17,000. So there is no real choice for the majority of people.

With Ford Focus it's different. There is no such thing as a 'basic' Focus; we, unlike our competitors, have an alternative to cover that part of the market: the Escort. So every Ford Focus on the road looks great, every car is a moving advertisement for Ford Focus and every car offers outstanding value. In addition, because of the narrow price range, the majority of customers can reach to the top of the range if they really want to and drive the Ford Focus Ghia: that's real choice.



The Five Fundamental Facts

So that's the marketing strategy. Now let's talk about the other key to Ford Focus accessibility – the way that Focus overcomes the trade-offs that customers have traditionally experienced in the heart of the market.

The traditional C segment has often been seen as the segment of compromise. People have bought cars in this segment more out of default than by choice. Some may want a larger car but can't really afford it. Others would really like the style of a coupé but have children and so need the extra interior space.

Ford Focus is set to change all of that – it is the car that overcomes all of the traditional trade-offs you expect to find in a car of this class.

In order to help salespeople communicate these benefits, we've established the 'Five Fundamental Facts' about Ford Focus that summarise the key attributes inherent in Ford Focus design that cannot be matched by competition and which resolve the traditional trade-off between needs and wants.



style **and** space

Exciting New Edge Design is combined with exceptional interior Freespace.

performance **and** economy

Flexible free-revving engines with excellent fuel consumption and low insurance ratings.

size **and** safety

Manoeuvrable and easy to park but with 'large car' safety attributes such as twin airbags and a rigid safety cell as standard.

comfort **and** handling

Innovative suspension design gives comfortable ride with a rewarding drive.

design **and** functionality

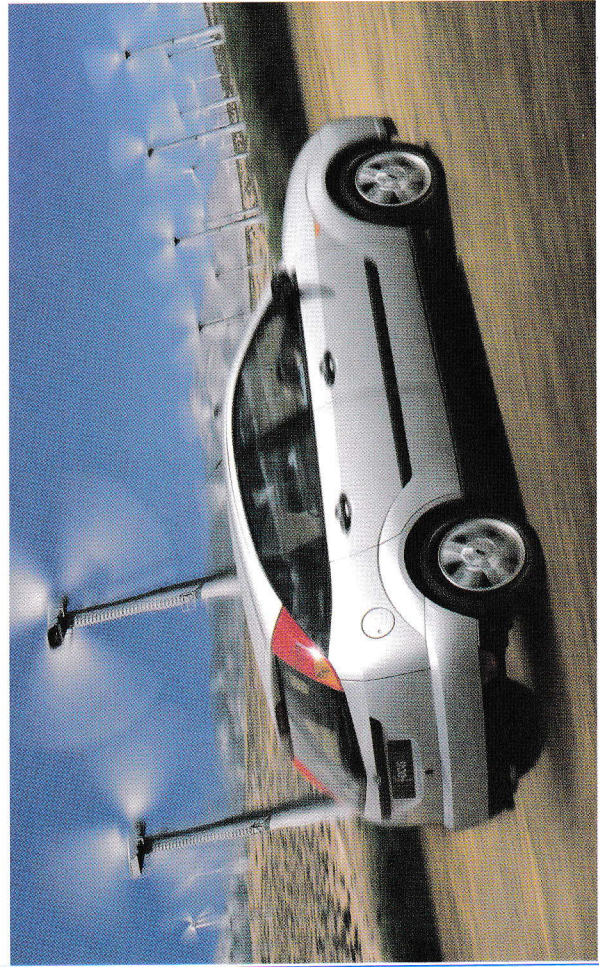
Inside, the distinctive New Edge interior design is combined with a logical and intuitive control layout.

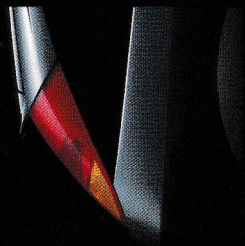
It is critical that these 'Five Fundamental Facts' are communicated to every potential Ford Focus customer. We have an advanced product: much of the value is in the engineering and the ingenious design and we must communicate the **value** of this engineering investment to every customer.

Conclusion

The 'Inside Story' seeks to provide an insight into the design, engineering and marketing challenges faced by the teams who developed Ford Focus. Their objective was very clear – to develop an all-new car in the heart of the market that sets new standards in Design and Package, Driving Dynamics, Ingenuity and Accessibility – the four areas of the Ford DNA.

We believe they have succeeded and we are convinced when you drive Ford Focus you will be fired with the same enthusiasm for our new car as we are. With your help, we can make it the best selling car in Britain for years to come.





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