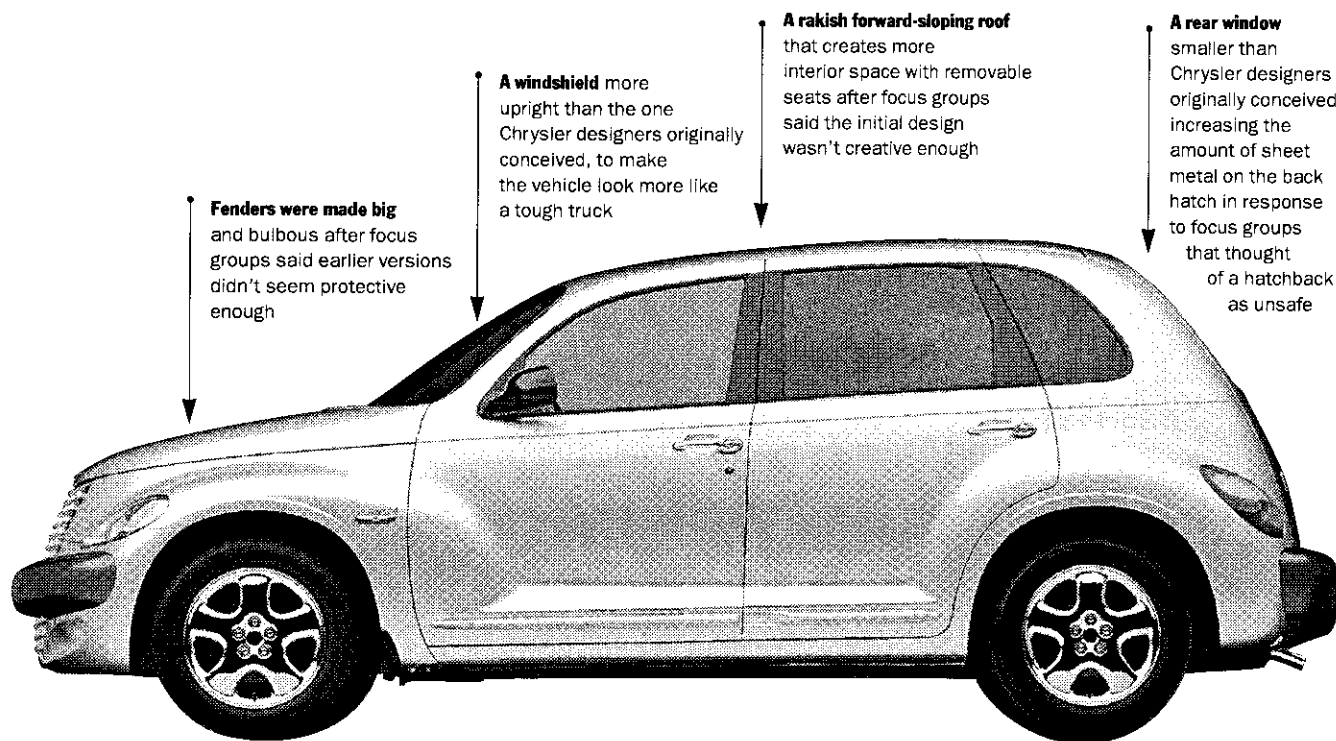


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CORPORATE FOCUS



'But How Does It Make You Feel?'

By JEFFREY BALL

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At first glance, DaimlerChrysler AG's new PT Cruiser looks like a massive gamble. Set to go on sale starting at about \$16,000 early next year, it's part 1920s gangster car, part 1950s hot rod and part London taxicab. DaimlerChrysler touts the vehicle as a sure-fire "segment buster" that combines the room of a minivan with the flair of a sport-utility vehicle and the practicality of a small car.

Huh? Privately, the company concedes that even some of its top executives—the same people who helped mastermind such hits as the original minivan and the macho Ram pickup truck—think the PT Cruiser is strange looking and would never buy one. In the latest focus groups, 41% of consumers who saw the PT Cruiser loved it and 26% hated it, according to Joseph N. Caddell, DaimlerChrysler's general product manager for small-car operations. That's a high negative for such an important product.

But that volatile response is exactly

what the former Chrysler Corp. intended. The PT Cruiser—the initials stand for Personal Transportation—is the company's first vehicle designed entirely through an unconventional market-research process known as "archetype research." It is overseen by a 57-year-old French-born medical anthropologist named G. Clotaire Rapaille. Since first learning of the process about five years ago, Chrysler, now effectively the American arm of DaimlerChrysler, has shifted much of its market-research program over to the Rapaille method. It was developed by Dr. Rapaille when he was working with autistic children in Europe and has been used by such companies as Procter & Gamble Co. and General Motors Corp.

In a business with billions of dollars of product investment on the line, DaimlerChrysler hopes the process will help it "institutionalize the insight," says David P. Bostwick, director of corporate market research and the company official most closely involved in Dr. Rapaille's work. "Being successful by chance is Las

Vegas," he says. "Being able to replicate your success by understanding it, that's business. That's good business."

The goal of the PT Cruiser development team, which began work before Chrysler merged with Daimler-Benz AG, was a big one: create a vehicle that mixed retro and futuristic and attracted a "cult" following like Volkswagen AG's redesigned Beetle, says Dr. Rapaille. He drives a black Porsche and a green Rolls-Royce, in addition to a white Chrysler minivan.

The process began with a series of free-wheeling, three-hour focus-group sessions in the U.S. and Europe. Participants were asked, with lights dimmed and mood music playing, to drift back to their childhoods and jot down the memories invoked by the prototype PT Cruiser parked in the room. After the sessions, Dr. Rapaille and a team from Chrysler pored over the stories with orange and yellow highlighter pens, sleuthing for the emotion sparked by the vehicle. Dr. Rapaille calls it "the reptilian hot button."

All this struck many on the PT Cruiser

(over please)

team, accustomed to traditional focus groups with direct questions and concrete answers, as more than a little strange. "Everyone was skeptical," recalls the principal designer of the vehicle's exterior, Bryan Nesbitt, who was in his late 20s during the sessions and had never traveled abroad. "The results seemed so vague."

Yet the research led to major design changes that made the car look more outlandish and the company more confident it would sell.

The idea for what would become the PT Cruiser was hatched at Chrysler before the company met Dr. Rapaille. The company wanted a vehicle short enough to appeal to international buyers but tall enough to offer more room and utility than a compact car. More than a decade ago, the company considered building a "mini-minivan," but scrapped the idea because it lacked pizzazz and function. Then, in the mid 1990s, the company's designers sketched a new version: aerodynamic but not very distinctive. It looked like a VW Golf.

About that time, Mr. Bostwick was introduced to Dr. Rapaille. Working in the 1960s in France and Switzerland to figure out how to help autistic children learn to talk, Dr. Rapaille concluded that remembering a new concept required associating it with an emotion—what Dr. Rapaille calls a "mental imprint." For autistic children, that concept could be a word. For consumers, Dr. Rapaille would later decide, it could be a car.

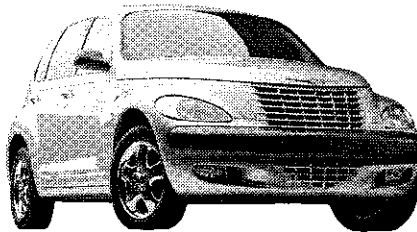
Frustrated by his lack of progress with autistic children, Dr. Rapaille switched to business consulting in the early 1970s. He moved to the U.S., and his list of clients grew to include some corporate giants.

Proctor & Gamble began contracting him about 15 years ago to do market research on a variety of products. Studying P&G's Folgers coffee, Dr. Rapaille concluded that aroma sells coffee more than taste does because aroma invokes feelings of home. His research led to the Folgers commercial in which a young man returns home from the Army and walks into the kitchen to brew a pot of Folgers. Its aroma wakes up his mother, who senses immediately that her son has returned.

Chrysler was taken with Dr. Rapaille and hired him as a consultant. He and about a dozen other members of the PT Cruiser team took the designers' first

prototypes and hit the road. Over several months, they held a series of the three-hour sessions in cities across the U.S. and Europe. Unlike in traditional focus groups, where participants are chosen because they fit into a particular demographic segment, the members were picked by Dr. Rapaille to represent an entire culture.

In the first hour, after showing the group a PT Cruiser, Dr. Rapaille would stand up and tell the participants, seated in a circle: "I'm from another planet and I don't even



Chrysler's goal was to figure out what 'reptilian hot button' the PT Cruiser pushed.

know what you do with that. What is the purpose of this thing?"

One early prototype, a variant on the one that resembled the Golf, was described by many participants as too toylike. "They said, 'I'm grown up, so I don't want a toy,'" recalls Dr. Rapaille. "So we knew that was wrong."

In the second hour, the participants were asked to sit down on the floor, like children, and use scissors and a pile of magazines to cut out collages of words they thought described the vehicle. At that point their chief concern about the prototype became clearer: It looked insubstantial and unsafe.

The discomfort was particularly notable with the focus groups in the U.S., where hatchbacks don't sell as well as they do in Europe. In the conversation following the collage making, many participants suggested the rear hatch's large window would let prying outsiders see in and make the car dangerous if hit from behind.

A group in Paris had a different reac-

tion. Accustomed to hatchbacks, the French group was more concerned about the car's utility than its safety. It described the prototype, Mr. Bostwick remembers, as a tantalizingly wrapped box under a Christmas tree that promised a great gift but didn't deliver one.

The result: The Chrysler team went back to the drawing board and, at a later session, introduced a foam model of removable seats. That and a front passenger seat that folds forward to make a tray that can hold a laptop have become among the PT Cruiser's most talked-about features.

The third hour was perhaps the most bizarre—but also the most productive. Dr. Rapaille asked the participants to lie down on the floor. Then he dimmed the lights, began playing tapes of soothing music and told the group to relax their bodies. The researcher-turned-consultant wanted to lull them into a semisleeping state, when the intellectual part of the brain hasn't yet seized control from the "reptilian," or instinctive, part. The goal was to figure out what "reptilian hot button" the PT Cruiser pushed.

Dr. Rapaille gave the participants pen and paper and asked them to write stories triggered by the prototype they had just seen. In the first focus groups, the stories centered again on toys. In later groups, when Dr. Rapaille asked the participants to write about what they hoped the PT Cruiser would become, the stories contrasted a dangerous outside world with a secure interior of the car.

The general sentiment was that the participants wanted more of a sport-utility vehicle. "It's a jungle out there," says Dr. Rapaille, recalling the message. "It's Mad Max. People want to kill me, rape me." The consultant's message to the designers: "Give me a big thing like a tank."

So the designers went to work to make the PT Cruiser more tough looking. They bulked up the fenders, giving the car a "kind of bulldog stance from the rear," says Mr. Nesbitt, the designer. And they made the rear window smaller, increasing the amount of sheet metal in the hatch to make it look stronger.

The result: a vehicle that thrills some and puts off others. "We have what we call a healthy level of dislike," says Mr. Bostwick, who thinks that's a good sign that "we didn't make a generic vehicle."