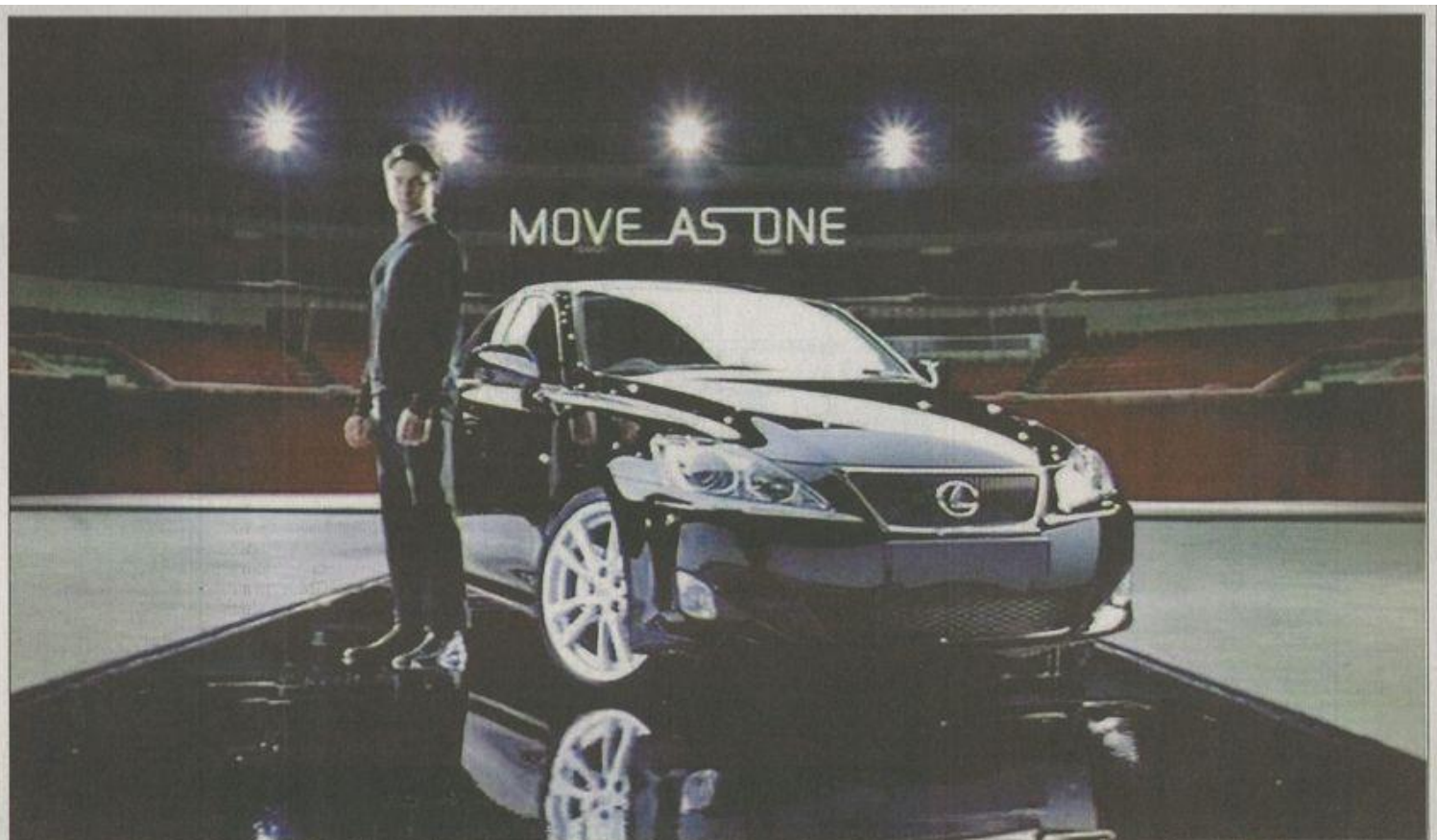


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Faster lane ... Lexus says it has lifted sales 20 per cent by targeting a big-spending category of consumer who links its car with "exhilaration, sustainability and responsibility".

## Lexus finds customer perfection in the super NEO

LAST December, upmarket car maker Lexus officially dumped "Old World" demographic segmentation techniques and switched its entire focus to an emerging social grouping known as "NEOs".

NEOs are code for an emerging consumer classification that represents 24 per cent of the Australian population but which accounts for 54 per cent of all discretionary spending.

Lexus went a step further, aiming for the top 30 per cent of the

group, otherwise known as "super NEOs". The difference between the classical upmarket consumer grouping known as the ABs and NEOs is that the latter have very different values and expectations for the products, services and experiences they buy.

Lexus decided there was an opportunity to streak past its rivals BMW and Mercedes-Benz to cement a top spot among this savvy group of willing spenders.

Nine months later the plan appears to have paid off.

Lexus has shot from being the tenth most popular car marque among NEO consumers to the third, the latest Roy Morgan data shows. The top marques among NEOs are Mini and Audi.

"It all really just clicked," says Lexus divisional manager Scott Grant. "What we were finding with Lexus was we were selling cars to people with similar attitudes and zest for life, whether they were 28-year-old professionals or 55-year-olds with a new girlfriend and a ponytail.

"It was a unique sort of place to be versus how Mercedes and BMW sell."

Working solely around NEO motivations and mind sets, Lexus and its advertising agency, Saatchi & Saatchi, completely reworked the communications and media strategy for the Lexus brand campaign and new model launches this year.

"It totally influenced our choice of media and the creative," says Saatchi's director of strategy, Adrian Barrow.

"NEOs like to understand and delve really deeply into the back-room story of a brand and they tend to be vociferous users of online and interactive media. The big emotional markers NEOs have for us were exhilaration, sustainability and responsibility."

The result? Grant says the luxury car market is growing at 3.6 per cent but Lexus is up by about 20 per cent. "Mercedes is flat and BMW is up in the order of 1 per cent." Paul McIntyre