



Louis E. Lataif
Vice President
Sales Operations
Ford North American Automotive Operations

Ford Motor Company
Rotunda Drive at Southfield
P O. Box 1522-A
Dearborn, Michigan 48121

November 6, 1985

Mr. Paul V. Sheridan
22351 Columbia
Dearborn, MI 48124-3431

Dear Paul:

Thanks very much for your thoughtful letter and for your kind comments about Ford's involvement in the SEMA show.

Thanks also for sharing with me your 1983 motorsports paper. It's very well done.

You were kind to take the time to write.

Cordially,

A handwritten signature in cursive script, appearing to read "Lou".

December 16, 1983

Mr. P. E. Benton, Jr.	Mr. H. A. Nickol	Mr. Jack Roush
Mr. J. D. Donaldson	Mr. D. E. Petersen	Mr. Jackie Stewart
Mr. S. M. Frey	Mr. H. A. Poling	Mr. Robert F. Tasca, Sr.
Mr. Michael Kranefuss		

Subject: The Market Effect of Bottom-Up Versus Top-Down Motorsports Support:
A View from the Past

The purpose of this letter is to discuss with you my opinion in regard to the subject and its conceptual business/market application from the point of view of the young grass roots drag racer (although it could easily apply to other forms of grass roots motorsports). It is a letter written emphasizing my role not so much as a Ford Motor Company employee, but as a Ford Motor Company product enthusiast and a member of the National Hot Rod Association (NHRA). It is written in this way because I have worked on Fords longer than I, like many, have worked at Ford.

Of the many attributes that have contributed to Ford's position as one of the most powerful economic forces in the world today, two will continue to dominate in regard to its ability to remain as such. The first attribute is the personal depth and integrity of its people. The second attribute, resultantly, is Ford's historical ability to continuously respond to the needs of the market via the availability and desirability of its motor vehicle products. In regard to this second attribute, can one underestimate Ford's past contribution to motor vehicle availability (affordability) via the assembly line? Or Ford's present contribution to motor vehicle desirability exemplified by everything from the recently unmatched domestic quality to the excitement associated with five litre Mustangs and Thunderbird Turbo-Coupes? It is to this second attribute, and its long term market relationship to the average motor vehicle customer, that I seek to establish relevance with the subject. To do so, I would like to take a brief look at the relatively recent past, and then look at our present position as a direct result of that past.

In the late 1940's and early 1950's, "Powered by Ford" had come to mean at least two things to the motorsports enthusiasts as well as the 'man in the street.' It meant flathead V-8's and it meant, "First On Race Day!" Ford's position as the dominating automotive force on everything from the Bonneville Salt Flats to the city streets had been enjoyed for 20 to 30 years. It was at this time (1953) that a man by the name of Zora Arkus-Duntov, working for Chevrolet, astutely and prophetically saw the still valid market relationship between bottom-up motorsports support and the 'man in the street'. More importantly, he saw a way to reverse Ford's domination.

Mr. Duntov compiled his thoughts and an associated strategy with respect to the above in a memo written to Chevrolet Division management. This memo, entitled "Thoughts Pertaining to Youth, Hot Rodders and Chevrolet," essentially maintained that if Chevrolet was to successfully market its vehicles to the 'man in the street,' it must first capture the (low cost, bottom up) performance image that Ford had, at that time, enjoyed. Another crucial aspect of Mr. Duntov's strategy was to ensure the early product exposure and resultant automotive product confirmation by appealing to the mind and enthusiasm of the young hot rodder. It was a long term strategy and this latter aspect was seen as part of an overall characteristic of motorsports in that the "market wise negligible number of cars purchased for competition attracts public attention and publicity out of proportion to their number."

The correctness of these and other key points raised by Mr. Duntov is no longer, in my opinion, relegated to the judgment of posterity. This is all too true in the motorsport of drag racing. Chevrolet in particular, and General Motors in general, now dominates every class of grass roots attainable drag racing. Weekend after weekend I have attended both local and national drag race events, as both participant and spectator, and observed the undeniable. The staging lanes are now dominated by Chevrolet...armies of them! This fact, among others, is communicated to the young hot rodder in many, many ways. To paraphrase Duntov with respect to today's situation, "A young man buying a magazine for the first time immediately becomes introduced to" Chevrolet.

This perspective leads me to believe that in regard to the argument stating that more Chevrolet (G.M.) vehicles are drag raced because more are bought in the market is exactly wrong! To understand why it is wrong one must look at the relatively recent past and examine what strategy (Duntov and Chevrolet) effected what market trend over what period of time. The fact that for over a decade major National Hot Rod Association event wins by manufacturer almost exactly match domestic market share by manufacturer is extremely significant! But I, similar to Duntov, feel that knowing the effects of early and noteworthy impressions made upon the young are key to understanding which came first; the loyalty and product enthusiasm of the young American hot rodder (the chicken) or market share (the egg). My vote, like Duntov's, is for the former.

If much of the assumption implied above is correct, that product confirmation via the young American is related (in the long term) to market share, then the relevance of product availability and desirability in the context of motorsports, and its relationship to a specific corporate strategy of motorsports support (for drag racers) can be formulated. At present, Ford Motor Company supports what many would call a top-down strategy. Most, if not all, will similarly express awe in regard to the participants of that strategy. The names Bob Glidden (Thunderbird), Roy Hill (Capri) and Rickie Smith (Thunderbird) continuously strike fear in the hearts of their competition in the class of drag racing called 'Pro Stock'. Even though Ford engines do not power the thundering 'Funny Cars' of Raymond Beadle (EXP) and Kenny Bernstein (LN7), their presence in the world of motorsports is well known. But as impressive as these participants may be, the critical point is that they are not effective in regard to the above (Duntov's discussion).

For example, when was the last time a neighborhood youngster was converted into buying a Ford product either directly or by indirect peer pressure under the guise of "megabuck", top-down Ford Motor Company motorsports? The young hot rodder simply cannot relate psychologically to this level of motorsports because it is monetarily impossible to attain and the product confirmation process emphasized above does not occur.

For far too long, Ford Motor Company performance and performance products have been out of touch and out of reach to the aspiring grass roots hot rodder. Chevrolet performance, on the other hand, has and continues to be available, and very importantly, is affordable. This latter fact has been having exactly the effect Duntov predicted it would in his memo of 1953. For example, I have never in my life, heard a grass roots Chevy man make the type of comment that was recently made by Tex Miller (1982 NHRA/Winston World Stock Champion - 1972 Ford Torino) during an interview with 'Super Ford' magazine:

"...I can't believe Ford doesn't give a diehard Ford man like myself a little help. I wasn't asking for that much, I wanted one of those good blocks. They wouldn't help me on that and it's disgusting to see a Funny Car go down the track, it's a (Chrysler-based) hemi and its got Motorcraft on the side and they're putting piles of money into it and I'm asking for one block because it's got thicker walls on it and it will help the car. You talk to other sponsors, Hooker, they've helped me out on headers, Goodyear's helped me out on tires, every sponsor's done something for me but Ford Motor Company."

Statements of this kind made by "die hard" Ford Motor Company product enthusiasts are not new, nor are the associated facts unknown to the young drag racer. However, their long term effect on our marketing plans are nothing short of devastating. This is especially true when analyzed in light of recent media statements:

"Amateur racing is at an all time high."

Hot Rod Magazine (November, 1983)

"Today, companies realize that their raw material, labor, and physical-resource costs are all screwed down and that the only option for dramatic improvement will come from doing a better marketing job."

Business Week (November 21, 1983)

I believe it is correct that "the...number of cars purchased for competition attracts...publicity out of proportion to their number." Also, with "amateur racing at an all time high," Ford's renewed activity in the area of motorsports could not be better timed. However, it is imperative that we not overlook the "little guy" of weekend drag racers and the long term bottom-up market power of their numbers. In this regard the following factors are offered for your review:

1. Ford Motor Company must continue to emphasize both the internal and external synergistic effects between being First On Race Day and its mainstream businesses. In this sense, the business/cycle plans must once again include the long term market implications/strategies of bottom-up motorsports participation.

2. Ford Motor Company must recognize the 30 year success of the bottom-up strategy utilized by Duntov and Chevrolet and concurrently formulate a plan to regain motorsports superiority. With the enormous grass roots participation/spectatorship in drag racing, Chevrolet's continued superiority must not be tolerated if the related market trend is to be reversed.
3. In regard to drag racing, Ford performance must be available, affORDable, and continuous. Continuity is especially important in that, similar to safety, quality, or a viable advertising campaign; motorsports must not be viewed as an 'on-again-off-again' activity subject to short term "budgetary" pressures. Motorsports must be viewed as part of a long term investment in Ford's overall reputation.
4. An organization within Ford (e.g. SVO) should be empowered with the overall task of implementing the technical aspects of a motorsports-inclusive corporate business plan. While assisting in the marketing aspects, the chosen organization must have formal access to corporate management and be viewed as a more integral participant in the accomplishment of our long term business goals. In this sense the organization must not be viewed as a "sand box" or part of a "risky" career path, but a valuable portion of Ford Motor Company activity, employment experience, and professional development.
5. Finally, the phrase, "Powered by Ford" must regain the associated aura of motorsports superiority that it enjoyed exactly 30 years ago.

Again, these thoughts are offered as a Ford Motor Company product enthusiast "...one man's thinking aloud on the subject."

Sincerely and Respectfully,

A handwritten signature in cursive script that reads "Paul V. Sheridan". The signature is written in dark ink and is positioned above the typed name.

Paul V. Sheridan

List of Attachments

- I. 'Thoughts Pertaining to Youth, Hot Rodders and Chevrolet'
- II. Major National Hot Rod Association Sanctioned Events Review
- III. The Cost of Bottom-Up Drag Racing
- IV. 'Ford's Race Program Needs a Benevolent Dictator'
- V. 'A Five Year Plan for Advertising'
- VI. "We'd like to take this opportunity to thank Ford and GM for using Chrysler engines in their Funny Car racers."

'Thoughts Pertaining to Youth, Hot Rodders and Chevrolet'

On the following pages of this attachment, reprinted in its entirety, is a copy of the memo sent to Mr. Maurice Olley from Mr. Zora Arkus-Duntov. It was written in December of 1953 shortly after Mr. Duntov joined Chevrolet's R&D team on the Corvette program. Mr. Duntov had claimed fame in the high performance arena by developing the 'Ardun Hemi Head' for the flathead Ford V-8. He was later branded by many as the "Father of the Corvette."

Mr. Maurice Olley was heading up the engineering efforts on the Corvette six cylinder engine. He was a former Rolls-Royce engineer who had helped General Motors develop the famous "knee action" independent front suspension. Olley, with Mr. Duntov's help, brought the Corvette from a G.M. Motorama show car of 1952 to the production vehicle of 1953.

The automobile market of 1953 was characterized as beginning a new era of high performance. The flathead Ford (with the Ardun conversion) and the legendary Chrysler Hemi were the dominate forces in practically every race event including the emerging drag races. The 1949 introduction of the Cadillac and Oldsmobile high compression V-8 engines basically failed to capture the mind of the average performance enthusiast because of their high cost. The unquestioned king of the low-cost, high performance engine market was Ford, which was the case since 1932. Ford was in the process of strengthening its position with the 1954 introduction of a new ohv V-8.

It was at this time that Duntov astutely saw the opportunity to capture the low cost performance image that Ford had enjoyed for more than twenty years. In 1955 Chevrolet introduced the immortal "small block Chevy." This engine continues to maintain its domination of low cost performance to this day. The prophetic and historic significance of Duntov's memo, as well as its conceptual validity, are also still with us today....only the brands have been successfully reversed!

Memo: Thoughts Pertaining to Youth, Hot Rodders and Chevrolet

To: Mr. Maurice Olley
From: Mr. Zora Arkus-Duntov

Date: December 16, 1953

The hot rod movement and interest in things connected with hop up and speed is still growing. As an indication: the publications devoted to hot-rodding and hop-upping of which some half-dozen have a very large circulation and are distributed nationally, did not exist some six years ago.

From cover to cover, they are full of Fords. This is not surprising then that the majority of hot-rodders are eating, sleeping and dreaming modified Fords. They know Ford parts from stem to stern better than the Ford people themselves.

A young man buying a magazine for the first time immediately becomes introduced to Ford. It is reasonable to assume that when hot-rodders or hot-rod influenced persons buy transportation, they buy Fords. As they progress in age and income, they graduate from jalopies to second hand Fords, then to new Fords.*

Should we consider that it would be desirable to make these youths Chevrolet-minded? I think that we are in a position to carry out successful attempt. However, there are many factors against us --

1. Loyalty and experience with Ford.
2. Hop-up industry is geared to Ford.
3. The law of numbers - thousands are and will be working on Fords for active competition.
4. Appearance of Ford overhead V-8, now one year ahead of us.

When a superior line of G.M. V-8's appeared, there were remarkably few attempts to develop these and none too successful. Also, the appearance of the V-8 Chrysler was met with reluctance even though the successes of Arduin Fords conditioned them to acceptance of Firepower.

This year is the first one in which isolated Chrysler developments met with success. The Bonneville records are divided between Arduin Fords and Chryslers.

In the non acceptance of G.M. V-8's, and the very slow beginning of acceptance of Chryslers, cost must have played a part.

Like all people, hot rodders are attracted by novelty. However, bitter experience taught them that new development is costly and long and therefore are extremely conservative. From my observation, it takes an advanced hot-rodder some three years to stumble toward the successful development of a new design. Overhead Fords will be in this state in 1956-1957.

The slide rule potential of our RPO V-8 engine is extremely high but to let things run their natural course will put us one year behind and then not too many will pick up Chevrolet for development.

It seems that unless by some action the odds and the time factor are not overcome, Ford will continue to dominate the thinking of this group. One factor which can largely overcome the handicap would be the availability of ready engineered parts for high output.*

If the use of the Chevrolet engine will be made easy and the very first attempts will be crowned with success, the appeal of the new will take hold and not having the stigma of expensiveness like the Cadillac or Chrysler, a swing to Chevrolet may be anticipated. This means the development of a range of special parts -- camshafts, valves, springs, manifolds, pistons and such which will be made available to the public.

The association of Chevrolet with hot rods, speeds and such is probably inadmissible, but possibly the existence of the Corvette provides the loop hole. If the special parts are carried as RPO items for the Corvette, they undoubtedly will be recognized by the hot-rodders as the very parts they were looking for to hop up the Chevy.

If it is desirable or not to associate the Corvette with speed, I am not qualified to say, but I do know that in 1954, sports car enthusiasts will get hold of Corvettes and whether we like it or not, we will race it. Most frequent statement from this group is 'we will put a Cadillac in it.' They are going to, and I think this is not good! Most likely they will meet with Allard trouble -- that is, breaking sooner or later, mostly sooner, everything between the flywheel and road wheels.

In 1955, with the V-8 engine, if unaided, they will be still outclassed. The market wise negligible number of cars purchased for competition attracts public attention and publicity out of proportion to their number.* Since we cannot prevent the people from racing Corvettes, maybe it is better to help them to do a good job at it.

To make good in this field, the RPO parts must pertain not only to the engine but to the chassis components as well. Engineering-wise, development of these RPO items, as far as the chassis is concerned, does not fall out of line with some of the planned activity of our group. Use of light alloys, brake development -- composite drums, disc and such -- are on the agenda of the Research and Development group already.

As I stated above, V-8 RPO engine has a high power potential -- it is hard to beat inches, but having only 80% of cubic inches, it has 96% of the square inches of piston area of the Cadillac. In my estimation, the power output comparable to the Cadillac can be obtained not exceeding 270 ft.lb. of torque at any point (323 ft.lb. of Cadillac). The task of making power train reliability is therefore easier.

The thoughts are offered for what they are worth - one man's thinking aloud on the subject.

* Underline added.

Source: The Corvette Restorer Magazine, Summer of 1979 Issue.

Major National Hot Rod Association Sanctioned Events Review

PRO STOCK *

Season	Springnationals	Summernationals	U.S. Nationals	Fallnationals	Winternationals	World Finals
1982	1982 Ford EXP	1980 Olds Starfire	1981 Chevrolet Camaro	NA	1981 Chevrolet Camaro	1980 Olds Starfire
1981	1981 Ford Fairmont	1981 Chevrolet Camaro	1981 Chevrolet Camaro	NA	1981 Ford Fairmont	1981 Chevrolet Camaro
1980	1980 Ford Fairmont	1980 Chevrolet Camaro	1980 Chevrolet Camaro	1980 Ford Fairmont	1980 Chevrolet Camaro	1980 Ford Fairmont
1979	1979 Plymouth Arrow	1979 Chevrolet Camaro	1979 Plymouth Arrow	1979 Chevrolet Camaro	1979 Plymouth Arrow	1979 Plymouth Arrow
1978	1973 Chevrolet Camaro	1978 Ford Fairmont	1978 Ford Fairmont	1978 Ford Fairmont	1978 Ford Pinto	1978 Ford Fairmont
1977	1976 Ford Mustang	1977 Chevrolet Monza	1976 Ford Mustang	1977 Ford Pinto	1977 Chevrolet Monza	1977 Ford Pinto
1976	1976 AMC Hornet	1976 Chevrolet Monza	1976 AMC Hornet	1975 AMC Hornet	1976 Ford Pinto	1975 AMC Hornet
1975	1975 Chevrolet Monza	1973 Ford Maverick	1973 Ford Maverick	1973 Ford Pinto	1970 Ford Mustang	1973 Ford Pinto
1974	1974 Ford Pinto	1973 Chevrolet Vega	1973 Ford Pinto	NA	1974 Chevrolet Vega	1973 Ford Pinto
1973	1973 Plymouth	1973 Chevrolet Vega	1973 Ford Pinto	NA	1972 Ford Pinto	1973 Ford Pinto
1972	1972 Chevrolet Vega	1972 Chevrolet Vega	1972 Chevrolet Vega	NA	1972 Chevrolet Vega	1972 Chevrolet Vega
1971	1971 Plymouth	1970 Ford Maverick	1971 Plymouth Barracuda	NA	1971 Plymouth	1971 Dodge Challenger
1970	1970 Plymouth	1970 Dodge	1970 Plymouth	NA	1969 Chevrolet Camaro	1970 Plymouth

Event Wins by Manufacturer

							Total
Ford	5	3	5	4	5	6	28 (39%)
GM	3	9	4	1	6	3	26 (37%)
Chrysler	4	1	3	-	2	3	13 (18%)
AMC and Other	1	-	1	1	-	1	4 (6%)

SUPER STOCK *

Season	Springnationals	Summernationals	U.S. Nationals	Fallnationals	Winternationals	World Finals
1982	1966 Chevrolet	1964 Chevrolet	Chevrolet Camaro	NA	1968 Plymouth Barracuda	1967 Chevrolet Camaro
1981	1968 Chevrolet Chevelle	1966 Chevrolet Chevelle	1967 Ford Fairlane	NA	1969 Chevrolet Nova	1969 Chevrolet
1980	1967 Chevrolet Camaro	1966 Plymouth Barracuda	1969 Chevrolet Camaro	1971 Plymouth Duster	1965 Chevrolet Nova	1969 Chevrolet Camaro
1979	1969 Chevrolet Camaro	1966 Chevy II	1966 Chevy II	1971 Plymouth Duster	1966 Chevy II	1967 Chevrolet Camaro
1978	1969 Chevrolet Corvette	1969 Chevrolet Camaro	1966 Chevrolet	1969 Chevrolet Nova	1964 Chevrolet Chevelle	1969 Chevrolet Camaro
1977	1973 Pontiac Firebird	1965 Chevrolet Chevelle	1969 Chevrolet Camaro	1969 Chevrolet Camaro	1971 Dodge Challenger	1971 Dodge
1976	1976 Oldsmobile	1972 Oldsmobile	1971 Dodge	Chevrolet Corvette	1967 Chevy II	1955 Chevrolet
1975	1963 Pontiac	1970 Chevrolet Corvette	1963 Pontiac	1974 Plymouth Duster	Chevrolet Corvette	1971 Chevrolet Corvette
1974	1967 Chevrolet Camaro	1965 Plymouth	1966 Chevrolet	NA	1968 Ford Mustang	1969 Chevrolet Camaro
1973	Plymouth Barracuda	1968 Dodge	Plymouth Barracuda	NA	1955 Chevrolet	Chevrolet
1972	1969 Chevrolet Camaro	1955 Chevrolet	1969 Chevrolet Camaro	NA	1968 Plymouth Barracuda	1971 Dodge
1971	1971 Plymouth	Plymouth	1965 Dodge	NA	1969 Ford Mustang	1969 Ford Mustang
1970	1968 Ford Mustang	1968 Dodge	1968 Dodge	NA	1968 Ford Mustang	1970 Chevrolet

Event Wins By Manufacturer

							Total
Ford	1	-	1	-	3	1	6 (8%)
GM	11	8	8	3	7	10	47 (66%)
Chrysler	1	5	4	3	3	2	18 (26%)
AMC & Other	-	-	-	-	-	-	- (0%)

STOCK *

Season	Springnationals	Summernationals	U.S. Nationals	Fallnationals	Winternationals	World Finals
1982	1972 Ford Torino	1973 Plymouth	1970 Ford Mustang	NA	1972 Ford Mustang	1969 Plymouth
1981	1971 Pontiac Lemans	1965 Plymouth	1969 Chevrolet Camaro	NA	1972 Plymouth Barracuda	1977 Olds Cutlass
1980	1970 Dodge Challenger	1971 Chevrolet Corvette	1970 Dodge Challenger	1961 Chevrolet	1969 Ford Mustang	1972 Dodge
1979	1965 Chevrolet	1970 Dodge Challenger	1966 Chevrolet	1972 Chevrolet Vega	1967 Ford Fairlane	1970 Dodge Challenger
1978	1967 Ford	1969 Chevrolet Camaro	1976 Oldsmobile	1969 Ford	1969 Ford Mustang	1968 Chevrolet
1977	1969 Chevrolet Camaro	1969 Mercury Montego	1968 Pontiac Firebird	1973 Plymouth Barracuda	1971 Ford Mustang	1969 Plymouth Barracuda
1976	1974 Olds Omega	1974 Oldsmobile	1974 Ford Pinto	Buick	1966 Chevrolet	1975 Dodge
1975	NA	1969 Chevrolet Camaro	Chevrolet Camaro	1974 Plymouth Duster	Chevrolet Camaro	1974 Plymouth Duster
1974	NA	1966 Chevrolet	1974 Pontiac Ventura	NA	1966 Chevrolet	1966 Chevrolet
1973	NA	1969 Chevrolet Chevelle	Pontiac Firebird	NA	1966 Chevrolet	Chevrolet
1972	NA	NA	1966 Chevrolet	NA	1972 Buick	1972 Buick
1971	1969 Chevrolet	Dodge	1964 Plymouth	NA	1971 Dodge	1971 Dodge
1970	1957 Chevrolet	1969 Chevrolet	1969 Chevrolet	NA	1967 Ford	1969 Chevrolet

Event Wins By Manufacturer

							Total
Ford	2	1	2	1	6	-	12 (18%)
GM	6	7	9	3	5	6	36 (55%)
Chrysler	1	4	2	2	2	7	18 (27%)
AMC & Other	-	-	-	-	-	-	- (0%)

Total Event Wins By Manufacturer

							Grand Total
Ford	8	4	8	5	14	7	46 (22%)
G. M.	20	24	21	7	18	19	109 (52%)
Chrysler	6	10	9	5	7	12	49 (24%)
AMC & Other	1	-	1	1	-	1	4 (2%)

* By vehicle year and model

Major National Hot Rod Association Sanctioned Events Review

Shown on the facing page is data covering thirteen years of NHRA's most prestigious drag race events. The race car classifications of Pro Stock, Super Stock and Stock were chosen for analysis due to the easily recognized vehicle make and model of the participants by the spectator/consumer.

Pro Stock

Pro Stock, as the title implies, involves those vehicles campaigned by the sponsored, seasoned professional. The bodies are required to be in essentially stock condition, net of approved spoilers, air dams and hood scoops. The Pro Stock vehicle has the most flexibility of the three classes in terms of modifications to the engine and chassis, and is required to run on gasoline, be carbureted and naturally aspirated (i.e. no turbo or supercharging). Basically, this class of drag racer is an all-out machine with a stock body and costing in the hundreds of thousands of dollars to campaign. It is due to the latter that the noteworthy success of Ford Motor Company vehicles does not have the type of consumer impact as the other classes. Although this class has recognizable vehicles, in terms of the O.E.M. styling, the ability of the average hot rodder to attain, identify and relate to this "Megabuck" level of drag racing does not occur. This in turn does not allow for O.E.M. loyalty, as described by Duntov. This is the class where Ford participates in the top-down strategy and therefore its support remains out-of-reach for the young hot rodder. (A Chevrolet Camaro won the Pro Stock championship in 1983).

Super Stock

Super-Stock on the other hand is the place where Duntov's discussion and bottom-up participation has historic and strategic validity. It is here that the fairly avid hot rodders can be successful given sufficient support by the O.E.M. Super Stock has rules allowing for extensive machine work to the engine and chassis components while retaining bodies that are O.E.M. (net of some hood scoops and decal/paint schemes). Ford Motor Company product performance in this class of drag racing events is, and has been, embarrassingly poor. This performance has not gone unnoticed by the young spectator/consumer. (A Chevrolet Nova won the Super Stock championship in 1983).

Stock

Stock is the class where most aspiring drag racers get their start in the sport and therefore, where the beginnings of long term product loyalty can take root. This class allows the least amount of vehicle modification. Those that it does allow require meticulous and dedicated application of mechanical skill and product knowledge. In stock, a few horsepower and a slight driver capability advantage can keep the racer from being "trailerred." Although Ford Motor Company can do little to increase driver capability for the aspiring Stock drag racer, it should and could effect the Duntov/bottom-up strategy of motor sports involvement to its greatest commercial advantage. (A Chevrolet Camaro won the Stock championship in 1983).

In the chicken vs. egg argument, I, like Duntov, believe that product loyalty is established at an early age. The fact that market share closely matches the grand total of event wins by manufacturer suggest that more G.M. products are bought because more are winning races (with the concurrent effect on the novice/young), not the reverse.

THE COST OF BOTTOM-UP DRAG RACING

One of the most reliable ways to predict product loyalty, and therefore ownership and enthusiasm, is how quickly that loyalty flattens the wallet. If a drag race/hot rod enthusiast can buy performance more cheaply with one automotive product base versus another, he/she will eventually, if not undoubtedly, do so.

Listed below are the aftermarket performance components and prices advertised month after month in just about every hot rod enthusiast magazine on the newsstand. The vendors were chosen because they are typical and frequent advertisers, though there are many others. The components were chosen because they represent those performance parts that can easily and are typically installed by the young (or old) hot rod enthusiast of average mechanical ability.

	<u>Small Block Ford V-8</u> (221,260,289,302 and 351W)*	<u>Small Block Chevrolet V-8</u> (265,283,302,305,307,327, 350 and 400)*
<u>Summit Racing Equipment</u> <u>Akron, Ohio</u>		
. Edelbrock Intake Manifold	\$112.50	\$ 77.95
. Edelbrock Camshaft Kit	160.95	109.95
. Edelbrock Valve Covers	35.95	32.50
. Holley 600 cfm. Carburetor	79.50	79.50
. Cloyes Double Roller Timing Chain and Gear Set	38.95	23.95
. High Volume Oil Pump	24.50	24.95
. Moroso High Volume Oil Pan	119.95	94.95
. Richmond Ring & Pinion Gear Set	137.95 (9" ring gear)	114.95 (G.M. 12 bolt)
. Engine Rebuild Kit (Gaskets, Rings, Rod Bearings and Main Bearings)	89.95	78.95
	<u>\$800.20</u>	<u>\$637.75</u>
<u>Performance Automotive Wholesale</u> <u>Northridge, California</u>		
. Unassembled Short Block, High Performance Engine Kit	\$995.00	\$785.00
. Assembled High Performance Cylinder Heads	<u>300.00</u> <u>\$1295.00</u>	<u>300.00</u> <u>\$1085.00</u>

Even if one were to assume that the showroom performance level of the Ford and Chevrolet are equal, although most would vote for the latter (imagined or real), additional performance for the Chevrolet is had more cheaply. This is crucial when the impact on the young hot rodder is considered in light of Duntov's statement (Attachment I).

In the backyard horsepower per dollar battle, Chevrolet has been the undisputed favorite of the young aspiring hot rodder for over a decade. A weekend visit to the local drag strip will undeniably verify this.

* Cubic Inch Displacement

"FORD'S RACE PROGRAM NEEDS A BENEVOLENT DICTATOR"

If you've got a few bucks for telephone calls, an easy way to spend a cold winter afternoon is to try to run down all of the rumors about who really has a Ford "factory deal" - and who doesn't. As one would expect, the number of persons claiming to have "deals" far outstrips those who actually do. If one were to believe all those claims, in 1983 Ford would be backing about half a dozen Funny Cars, four or five Pro Stockers, and at least a dozen other cars racing in assorted eliminator categories.

According to the folks at Ford, the ones who should really know what's going on, as of press time they had inked just one firm contract for next season.

One of the problems with a large corporation is its size. Ford Motor Company is so huge that it's simply impossible for anyone to know what is going on throughout the company. Nowhere is this more evident than in Ford's racing efforts. The basic problem boils down to the fact that nobody really knows who's supposed to be in charge. Is it the people at SVO (Special Vehicle Operations)? Maybe it's the guys in the Motorcraft Division. Is it the promotional wizards in the Ford Division marketing office, or is it the same group that operates under the Lincoln-Mercury banner?

One of the first things that must be decided when any racing effort is being contemplated is what the programs's goals are going to be. In the case of an entity like Ford the goals are fairly clear cut: Sell more cars and high performance parts.*

Ah, but what we have here are two distinctly different goals. The desire to sell more cars is obvious to everyone, but what about the selling of high performance parts? This is a goal that eludes the average person, but one that's critically important to the factory.

For too long Ford has been lacking an aggressive, hard parts program, but that's a situation that's about to be remedied if things go as planned, Ford will be able to match Chevrolet and others piston-for-piston and gearset-for-gearset within the not too distant future.

Okay, so the goals have been decided upon. Now the only thing left to argue about is which racers are going to be the ones to help promote Ford's new cars and parts programs. And this is where the proverbial fly gets stuck in the ointment. As of right now there are just too many different departments/divisions/sections/individuals, etc., trying to put people into the Ford racing program. The end result is that there are some racers who run top-to-bottom Fords and others who only run a few Ford pieces. Examples abound, particularly in Funny Car racing, where even the most uninformed fan realizes that only the fiberglass shells truly represent a particular brand of car.* But it goes way beyond that. If Ford is in the business of selling everything from oil and filters to items like batteries and the like, then everyone who's involved with the factory race program should automatically run those pieces and the appropriate decals that go with them. And if Ford has decided that its performance image cars are going to be Mustangs and Thunderbirds, then the factory-backed racers should be campaigning those machines exclusively.

What needs to be decided now is just who is going to have the final word on Ford's racing programs. We think the ones best qualified for that job are the folks at Special Vehicle Operations.* They've got years of racing experience both here and abroad, and they're well versed in the proper way of putting together complete programs.

If someone in the Lincoln-Mercury sales division thinks they ought to be involved in Pro Stock or Funny Car racing, then they ought to make a formal proposal to the gang at SVO. SVO should be the ones who say yea or nay, and then the L-M people should probably make a paper transfer of the funds necessary to underwrite the program.

Years ago, during Ford's last venture into racing, one man ran the entire corporate effort with an iron hand. There were times when his decisions were a little unpopular, but the bottom line was that Ford ended up winning races from Le Mans to Daytona. Without one man or one department being charged with the responsibility for the corporate racing policy, it's simply too easy for too many people to be heading in too many different directions at once.

It's fantastic having Ford back in active competition. But, if their involvement doesn't end up producing hard parts that the average consumer can purchase at a local dealership, and if the showrooms don't reflect Ford's new-found enthusiasm, then all those millions of dollars will have been wasted.

* Underline added

Source: Car Craft Magazine (Editorial), December, 1982.

**“A
five-year plan for
advertising?”**

***I don't
think we have a
five week plan.”***

The most important point to agree on before your next advertising budget meeting is this: Advertising is not an expense but an investment.

The criterion for any investment is future return. Advertising is expected to generate future revenue. It is therefore, by definition, an investment. It's an investment in market share, inventory control, predictable production flow, backlog, a stable work force, brand recognition and preference, and good will. So logical, so believable, and yet—

And yet most companies persist in treating advertising as a discretionary expense. "We've got a surplus. Let's put more into advertising." Or more frequently: "The pressure's on. How fast can we cut the new ad campaign?" Our long-range planning and judgement is too much influenced by short-term business conditions. In the peaks of the cycles we hire people, build inventory, and pour on the advertising effort. In the valleys, like the one we're in as you read this, we abandon

our advertising plans and steal from the future.

Recession trauma sets in. Our view of the future is most influenced by whether the telephone is ringing. "If only we had a long-range plan, sighs the ad manager as he lays down his axe."

Most companies have a five-year plan today. There is no reason why the advertising plan cannot be a part of that plan. There is every reason why it should.

Is there any company which does not want to increase its market share in all or certain of its product lines? Building market share is the objective that virtually all companies have in common, and for good reason. A company's market share is directly related to its Return On Investment. (If you'd like to document this, ask your library to find you the January and February, 1975 issues of Harvard Business Review, which report on a study of 57 companies in an article entitled "Market share—a key to profitability.")

Your market share is no less important in a shrinking market than in an expanding one. In fact, some of the sharpest marketing companies take advantage of the confusion and uncertainty of a recession to build their market share. Many believe it's easier to get the jump on competition in a downturn.

Market share is a long-range investment. Five years from now you'll be concerned about the market share of products you're not even making now. You must position your company today to launch those new products tomorrow.

Is a five-year plan for advertising a real possibility or an ad manager's dream? Both. Many ad managers have made this dream come true. I know one who tells me it took him five years to do it. That was *his* five-year plan.

Productive advertising starts at the top.

Jim Pierce
James R. Pierce, Publisher





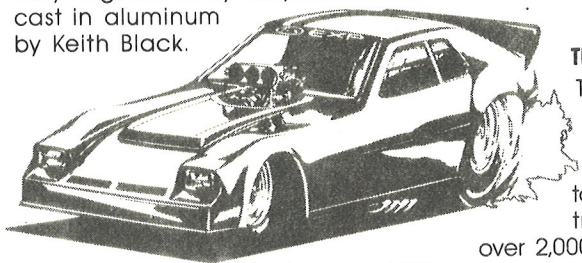
direct connection
racing highlights

We'd like to take this opportunity to thank Ford and GM for using Chrysler engines in their Funny Car racers.

Anyone can make a fiberglass body. Only Chrysler can engineer The Hemi.

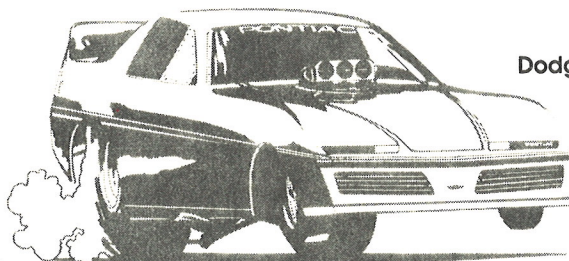
Ford and GM using Chrysler engines.

Lift up the fiberglass body on any top Funny Car and you'll find the hemi originally engineered by Chrysler, the one cast in aluminum by Keith Black.



Chrysler-powered EXP

You'll find the Chrysler-engineered engine whether the body looks like a Ford EXP, Mercury LN7 or Pontiac Firebird. Now why would Ford or GM



Chrysler-powered Firebird

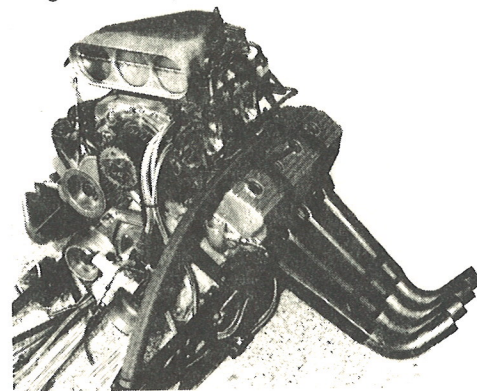
want to use a Chrysler engine when they make engines of their own?

The Chrysler Hemi

The plain fact is, there isn't a Ford or GM engine used in Funny Car racing today with enough horsepower to put a Chrysler Hemi on the trailer. We're talking about over 2,000 horsepower from a supercharged, fuel-injected Chrysler/Keith Black drag racing motor, the king of the Funny Car and Top Fuel Dragster classes.

Dodge wins Funny Car Championship

The only thing better than a Hemi engine in a fiberglass-bodied car is a Hemi in a Dodge body. That's what Frank Hawley proved when he won the National Championship in his Hemi-engined Dodge Charger Funny Car. By the way, a Hemi engine also carried Shirley Muldowney to an unprecedented 3rd National Top Fuel Dragster Championship.



GREAT PERFORMANCE STARTS WITH GREAT ENGINEERING.



CHRYSLER CORPORATION

POPULAR HOT RODDING / 11