

**PERFORMANCE . . . IT'S ALL RELATIVE: BOB SGARLATA**

Here's a news byte I picked up on recently as reported at AdAge.com:

**GM to lower prices on most 2006 vehicles**  
*Cites Challenge from Asian Automakers*

DETROIT (AdAge.com) -- General Motors Corp. has announced a "permanent re-pricing" strategy lowering suggested retail prices on all 2006-model Chevrolet, Buick, GMC and most Pontiac models.

**Bob's thoughts:**

When you lose to competition - in reality or perception - on those product attributes considered most important to the consumer, price all too often seems to be the only response marketers turn to in order to regain lost consumers.

In my mind, GM lost to Japan on quality expectations, not price. Not being able to compete on that attribute, GM marketers were 'forced' to turn to price.

In retrospect, is this a quality issue or a price issue? Or a combination -- more to the price-value equation relative to the price paid for the quality received?

If the latter is true, "re-pricing" may be an appropriate response. -- But not if the quality of the product marketed is unacceptable at any price to your core or target consumers.

How does your brand & product stack-up against consumer-desired attributes . . . in reality or perception?

How does your company stack up against your competition in the eyes of your customers . . . in knowledge, business-building skills, flexibility, responsiveness . . . in reality or perception?

I believe that performance is relative -- relative to your competition and relative to the consumers' and your customers' expectations.

Consistent and candid measurement of your relative performance can only make your company, brands and product stronger and more meaningful in the marketplace . . . and do so not only in today's business environment, but also consider the future.

I would be delighted to assist your team in these critical assessments and subsequent strategy development.