

"The Letter That Saved The Corvette"



"I was walking in the hall of the GM building (before the Technical Center in Warren was built). A man approached (I've since forgotten his name). He buttonholed me and announced with glee, "The Corvette is finished--no more will be built." The man was a high-up member of Chevrolet's sales department and was dressed in "uniform"--a blue suit and yellow shoes." At that time, Mr. Ed Cole, Chevrolet's chief engineer, along with a handful of people like Harry Barr, "Rosie" Rosenberger and Russ Sanders, all former Cadillac employees, were trying to mold Chevrolet with an eye for the future. The Corvette was an important part of changing Chevrolet's image. The monolithic Chevrolet organization and their 6,000 dealerships all were geared to sell family cars in the millions. Of course, in this regard the Corvette was a flop, and the prevailing attitude of many at Chevy was "good riddance." A Corvette failure would have been a black eye for Ed Cole and the organization. With this in mind, the letter I wrote to Cole and Maurice Olley appears here." - Zora Arkus-Duntov, pg 15, "Duntov: The Man Behind the Corvette" - by the Editors of VETTE Magazine, 1996

INTER-ORGANIZATION LETTERS ONLY

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TO	Mesars. E. N. Cole and M. Olley	ADDRESS	
FROM	Mr. Z. Arkus-Duntov	ADDRESS	Research & Development Section
SUBJECT	<u>CORVETTE</u>	DATE	October 15, 1954

In this note, I am speaking out of turn. I am giving options and suggestions without knowing all the factors. I realize this but still am offering my thoughts for what they are. In order to make the content clear and short, I will not use the polite apologetic phrasing and say, "it is" instead of "it possibly might be" - and I apologise for this now.

By the looks of it, the Corvette is on its way out.

I would like to say the following: Dropping the car now will have adverse effect internally and externally.

It is admission of failure. Failure of aggressive thinking in the eyes of the organization, failure to develop a saleable product in the eyes of the outside world.

Above-said can be dismissed as sentimentality. Let's see if it can hurt the cash register. I think it can.

Ford enters the field with the Thunderbird, a car of the same class as the Corvette.

If Ford makes success where we failed, it may hurt.

With aggressiveness of Ford publicity, they may turn the fact to their advantage. I don't mean in terms of Thunderbird sales, but in terms of promotion of theirs and depreciation of our general lines.

We will leave an opening in which they can hit at will. "Ford out-engineered, outsold, or ran Chevrolet's pride and joy off the market". Maybe the idea is far-fetched. I can only gauge in terms of my own reactions or actions. In the bare-fisted fight we are in now, I would hit at any opening I could find and the situation where Ford enters and where Chevrolet retreats, it is not an opening, it is a hole!

Now if they can hurt us, then we can hurt them! We are one year ahead and we possibly learned some lessons which Ford has yet to learn.

Is the effort worthwhile? This, I am in no position to say. Obviously, in terms of direct sales a car for the discriminating low volume market is hardly an efficient investment of efforts. The value must be gauged by effects it may have on an overall picture.

The Corvette failed because it did not meet G.M. standards of a product. It did not have the value for the money.

If the value of a car consists of practical values and emotional appeal, the sports car has very little of the first and consequently has to have an exaggerated amount of the second. If a passenger car must have an appeal, nothing short of a mating call will extract \$4,000 for a small two-seater. The Corvette as it was offered had curtailed practical value being a poor performer. With a 6-cylinder engine, it was no better than the medium priced family car.

Timing was also unfortunate. When the novelty appeal was the highest, we hadn't had the cars to sell. When the cars became available, hypnotized by the initial overwhelming response, no promotional effort was made.

The little promotion which was made was designed to depreciate the car rather than enhance it. Hundreds or possibly thousands of dollars contained in the price of a sports or luxury car are paid for exclusivity. What did our promotion say on the radio and advertised in magazines? "Now everybody can have it! Come and get it". What virtues did advertising extoll? Only X inches high, only X inches long, etc. In the country, in which bigger is synonymous with better, and we really know it, we were trying to sell a car, because it is small! Crosley is smaller.....

Were there no virtues to talk about? Quite some, but a condensation of best reports which appeared in motoring press previously had more glow and enthusiasm than our advertising.

Summarizing, the promotion was uninspired and half hearted attempt with no evidence of thought or enthusiasm.

Where do we stand now?

The Corvette still has the best and raciest look of all the sports cars, the Thunderbird included. performance is far superior to all the passenger cars and to 99% of the sports cars used on the road. It has flow in respect to passenger protection. Water leaks and cumbersome top and side window. With these minor flaws removed, we have a sports car with as much practical value as the sports care can have.

The borderline between the value and lack of same is not the absolute performance but comparative one. "My car can go X miles per hour does not mean as much as "My car can trim anything on wheels". The '55 Corvette will have this pride attached to its ownership. To be a success, it will need

more emotional appeal which can be provided by promotion which will fit the product and inflame the type of customers which can buy the car.

As I see it and put it down, the Corvette is a product different from a passenger automobile having in every phase of operation problems of its own. With sales potential between 3 and at the most 10,000 cars a year, it is bound to be a hindering step-child in an organization which acts and thinks in terms of 1,500,000 units. A subdivision, section, department or what not, but an organization no matter how small but which is directly responsible for the successes of operation is necessary.

An organization which will eat and sleep Corvette as our divisions are eating and sleeping their particular cars.

I am convinced that a group with concentrated objective will not only stand a chance to achieve the desired result, but devise ways and means to make the operation profitable in a direct business sense.

Z. Arkus-Duntov

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