**Datsun Returns: Reviving a Brand**

**Introduction**

Legacy branding has become a common in marketing today. Coca Cola relaunched 40-year-old Fresca. E.F. Hutton was revived by his grandson. In the automotive industry, Mini Cooper, the Beetle, Dodge Charger and other nostalgic brands returned to market.

On July 15th, 2013, Carlos Ghosn, president and CEO of Nissan introduced the company’s very first product offering in India, a *Durable, Attractive*, and *Trustworthy* car. Ghosn was referring to the DAT acronym on the giant blue screen behind him.

With the launch of the new Datsun Go in India, a new chapter in the Datsun story began.

Nissan was counting on the Datsun brand reputation for small, sporty, inexpensive cars to attract consumers in emerging markets, using a brand that had been discontinued in the U.S. thirty years ago.

Datsun was back, but would the brand strategy resonate with consumers in India today?

**History**

The decision to reintroduce the Datsun brand in India was made in 2010. Perhaps this was a difficult branding decision considering the history of the brand. Over three decades had passed since the name disappeared from the market.

The predecessor of Datsun was Kaishinsha Motorcar Works that produced a car named DAT in 1914. DAT was named from the first initials of its three investors (Den, Aoyama and Takeuchi). DAT also meant lightning-fast in Japanese. The company was renamed to DAT Motor Co. in 1925. In addition to DAT passenger cars, it had mainly trucks for the military until Nissan’s founding father Yoshisuke Aikawa took over in 1933.

Aikawa envisioned ‘mobility for all’ with a lightweight, economical yet durable car that fulfilled the needs and ambitions of up-and-coming Japanese people through local engineering and mass-production. He named the car ‘DAT-son’ or ‘the son of DAT,’ which became ‘Datsun.’ During this time, DAT began representing the core values of *durability*, *attractiveness,* and *trustworthiness.* Over 20 million Datsun vehicles were sold in 190 countries until the Datsun brand was phased out in 1981.

David Aaker in the book, *Managing Brand Equity*, calculated the cost of the name change from Datsun to Nissan. Operational costs, like changing signs at the 1,100 dealerships amounted approximately $30 million in the U.S. alone. Furthermore, he estimated that $200 million was spent on advertising to implement the new name between 1982 and 1984. Fifty million dollars were wasted because the successful “Datsun: We Are Driven” campaign was pulled from the market. He also pointed out that 0.3% market share was lost over a three-year period because of buyer confusion. That loss alone represented many hundreds of millions of dollars in marginal profit. According to Aaker, the total cost to change the Datsun name to Nissan was to exceed half a billion dollars.

With Nissan eliminating the Datsun product brand, Nissan became the global brand name. Executives at the time thought it was best to have one corporate brand name like Toyota, VW, and Honda. David Aaker and other marketing scholars considered this move as one of the worst branding strategies of the century.

**The Product**

The new Datsun Go was a hatchback priced at 400,000 rupees (about $6,500) in India. In order to cut costs, many functions and performances were sacrificed. For example, the engine was only 1.2 litters with three cylinders. A five-speed manual transmission was the only option available. Speakers were installed without a stereo system. The owner could connect the speakers to a smart phone or digital music player.

The cars were produced and the procurements of parts were managed in the local markets. Nissan and its parent company, Renault of France, worked together via a joint venture factory in Chennai, a southeast coastal city in India.

**Branding**

Nissan had aggressive plans for the Datsun Go. Ghosn planned to increase the number of dealerships from 100 to 300 by 2016, and to expand the current 1.5% market share to 10% globally. While Nissan targeted middle-income buyers, and the Infiniti brand was aimed at upscale clients, the Datsun Go was positioned to lower-income buyers.

Nissan’s brand strategy was to re-launch the Datsun brand along with other marques Nissan brands, and at the same time, resurrect the positive heritage of the brand they previously phased out.

In terms of branding, Nissan paid tribute to the Datsun brand heritage by offering a modern take on Datsun core values making the dream of first-car ownership a reality for consumers. Under the principles of DAT, (durability, attractiveness and trustworthiness), the brand now took a more modern approach, redefining DAT as Dream, Accessand Trust. The DAT principles represented a new modern take on three levels of the car ownership experience, according to Vincent Cobee, Global Head of Datsun, Corporate Vice President.

*Dream*: Customers in emerging markets dream to live in a new moment. Datsun wanted to make the dream of first car ownership a reality. *Access*: Customers wanted to access the type of products that fits their needs. Datsun wanted to provide customers with worry-free car ownership. *Trust*: Customers in emerging markets wanted to trust the automotive companies they deal with because a new car represented such a large portion of their disposable income. Datsun wanted to deliver trust by ensuring transparency, sincerity and reliability with the Datsun brand.

**The Target Segment**

Datsun was targeting a group within emerging markets that had unique psychographic characteristics. This segment of consumers was described as “Risers,” and they represented middle-class individuals and families who were on the move. Risers were described as ambitious, optimistic, and practical. They wanted high-quality products that made their lives easier without compromising design and performance.

**Decision Point**

Was Carlos Ghosn making the right branding move by bringing back a brand that was phased out more than thirty years ago? Would the Datsun brand resonate with consumers in India?

**References**

Aaker, David A. (1991). Managing Brand Equity: Capitalizing on the Value of A Brand Name,

The Free Press, New York, NY

Chappell, L. (2013, September 30). “Hallowed Datsun name reborn – as bargain brand,” *Automotive News*. Retrieved from http://www.autonews.com/article/20130930/RETAIL03/309309979/hallowed-datsun-name-reborn----as-bargain-brand

Dawson, C. (2012, October 1). “For Datsun Revival, Nissan Gambles on a $3,000 Model,” *The Wall Street Journal*. Retrieved from http://online.wsj.com/news/articles/SB10000872396390443890304578009284279919750

Ikehara, T. (2010, January 13). “Strategic Vehicles of Toyota and Honda in India: Avoiding Competition from Suzuki,” *Nikkei Business*. Retrieved from <http://business.nikkeibp.co.jp/article/tech/20100108/212090/>

Kusakabe, H. (2012, March 21). “How Will a New Datsun Look Like,” *Autoblog.com*. Retrieved from

http://jp.autoblog.com/2012/03/21/datsun-reborn/

Maruyama, N. (2013, July 17). “Datsun’s Revival and Its Challenges,” *Toyo Keizai*.

Retrieved from

http://toyokeizai.net/articles/-/15579

McLain, S. (2013, October 14). “Why the World’s Cheapest Car Flopped,” *The Wall Street Journal*. Retrieved from

http://online.wsj.com/news/articles/SB10001424052702304520704579125312679104596

Nissan Newsroom. (2013, July 21). “Datsun at the Kingdom of Dreams (full video). Retrieved from

<https://www.youtube.com/watch?v=N32rGzX-FuY>

Yoshida, J. (2012, November 20). “Price War is Approaching the Automobile Industry,” *Nikkei Business*. Retrieved from

http://business.nikkeibp.co.jp/article/opinion/20121116/239508/