

High beam

The brand is dead – long live the brand!

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When rainwater had soaked the floorboard of his super sports car for the fifth time, his thoughts drifted nostalgically back to that day when he picked up the vehicle: the lounge music whispering in the background, the bouquet of flowers waiting for his wife and the showroom looking like something straight out of Architectural Digest. And, then, this dream car! Actually, everything was done just right – but don't you have the right to expect to have a dry interior after shelling out €150,000 for a vehicle?

Brand management is the ultimate test in automaking. Every detail must be perfectly orchestrated – every single one! And still, the rising number of recent recalls demonstrates that automakers still encounter difficulties handling the core job of their business: solid product quality, good customer service and honest sales representatives – this is the essence of brand management. Is the customer demanding too much?

Instead, OEMs get caught in every sort of hype that comes along and end up tapping the »segment of one« – a »crossover model« for single mothers living out in the boondocks or a special model for the »young urban professional« without a college degree. Or they ask themselves: Do we have the right dealers in Tuvalu (editor's note: an island country in the Pacific Ocean with 12,000 citizens scattered across nine islands)? A brand-devouring threat is conjured up every time an opportunity is missed, and the trend of the month, no matter how outlandish, is hunted down. The minor matters become the major concerns. Brand substance vanishes.

There is another way to do things. Citroën, the terminally ill patient of the 1990s (the author was one of the consulting specialists who provided the diagnosis), has surprisingly sprung back to life and is a model of good health today. With appealing, fresh products, sales doubled in 15 years. Which established European volume brand has been able to pull that off? Of course, things can go in the opposite direction as well, as GM has shown us for years. Something for everyone, the right vehicle for no one.



The result: Oldsmobile – »the legacy will live on« – disappears. Saab goes into bankruptcy and is sold to a Dutch sports-car maker. Pontiac and Saturn are »phased out« – the socially romantic, sugar-coated American way of saying »buried.« Hummer is sold – or not. Daewoo – it is now also called Chevrolet. The brands are dead! The times of »badge branding« are finally over and done with.

At the same time, you can take satisfaction in knowing that Volkswagen has done (just about) everything right. The bouquet of brands made up of VW, Audi, Seat, Skoda, Bugatti, Bentley, Lamborghini, Porsche, VW commercial vehicles and Scania is being complemented by Suzuki. Cars, trucks and, finally, motorcycles – everything under one roof. Systematically exploiting shared qualities, accentuating individual features. The modular transverse matrix and the modular longitudinal matrix are keeping costs down, using proven technology or introducing innovations into all vehicle segments, models and Group brands. Every Volkswagen brand remains unique and becomes a leader among its peers. Complexity becomes manageable and does not turn into an automotive hydra. Long live the brand!

It is just that simple: problem seen, problem solved – this is the issue at stake. No sticking accelerator or elk in front of the hood can destroy good brand substance when the brand promise is constantly kept. Toyota will remain the be all and end all in product quality. And the German star – »Oh Lord, won't you buy me a Mercedes-Benz« (Janis Joplin) –, the »heavenly« brand will shine forever.

And what do we do about the swamp that pools up in the sports car? Fix the leak! All sins are forgiven once the speedometer hits 280km/h anyway.

»High Beam« highlights current developments in the automotive industry by looking beyond day-to-day business – at times critically, at other times enthusiastically, but always incisively – to fuel the debate among industry players as they compete for the most successful strategy. While not everything should be taken seriously, it should provide entertaining food for thought. The author looks forward to receiving readers' suggestions and comments.