# CONTENTS

Preface viii

## Introduction 1

### 01 The car – fashion item or out of fashion? 21

How the car lost its advantage – emotional and functional rationales 22

Changes in societal values and the role of the car 23

The emergence of branded society 29

Aestheticization 31

Aestheticization of marketing channels: an extension of car makers' corporate identity programmes 37

Generational differences and the paradox of car image 41

# 02 Competition, market structure and global challenges 43

Herd behaviour: car makers apply similar strategies 44

Being proactive – a sign of competitive and sustainable strategies 45

Marketing intelligence and driving markets 47

Transparency 50

Business overlap – competition gets tougher 56

Balancing traditional and emerging countries 57

# 03 Marketing channels 59

Dealers will be necessary for the foreseeable future 59

Tensions between car makers, their national sales companies and dealers 61

Dealer control and channel power balance 68

Manufacturer-owned or franchised dealers? 70

Solus, dual or multi-franchising? 72

Competition from unauthorized actors 84

Model range expansion and complexity 85

Push and pull: a key indicator of industry health? 87

# **04** Car buyer behaviour 100

Buyers being less loyal – driving forces and effects 100
The shifting power balance between companies and buyers 102
Car buyer preferences 102
Country differences 122

#### **05** Car cultures 128

The car as a cultural expression – a global phenomenon 128 History of car culture 130

The car and other means of transport 131

Differences across countries 133

# **06** Automobile brands 149

Auto brands are very valuable 151
The foundation of strong brands 156
Strong and weak auto brands 160
Weak brands – characteristics and implications 163
Stuck in the middle – brands with premium aspirations 164
How to deal with weak auto brands 166
Brands with a broader purpose give brand extension opportunities 168
BMW 169

Mercedes-Benz 172

The Volkswagen Group 175

Porsche 184

General Motors 186

Volvo 188

Jaguar and Range Rover 190

Hyundai and Kia 191

Ford 192

Premium aspiration brands – a difficult position 193

The future of premium brands 195

Where has Mondeo Man gone? Premium brands going mass market 196

Beyond premium brands? Emerging values and consumer attitudes 199

The auto brand portfolio 200

### **07** Sustainable business models 202

Sustainability – an absolute requirement in the future 203
Avoid focusing too much on customer satisfaction 205
Successful marketing communications 213
One-stop shopping – a competitive advantage in transparent markets? 215
Small-scale or large-scale advantages 218
Successful dealer business models 221
The car industry: a great place to work? 225
Translating good ideas into action: a difficult path 225

## **08** The car in the future 227

Mobility in the future: sustainable and individual mobility 227
The self-driving car 230
Alternative fuels 231
Future purchase criteria – the broader picture 234

References 236 Index 249