## Case Insight 13.1: Aston Martin

# Simon Sproule, Director of Global Marketing and Communications

Hi, my name’s Paul Baines, I'm Professor of Political Marketing at the University of Leicester, and co-author of the fifth edition of *Marketing* by Oxford University Press. In this clip, we talk to Simon Sproule, Director of Global Marketing and Communications at car brand Aston Martin, and he talks about how the firm promotes itself in China.

My name is Simon Sproule, I'm the Director of Marketing and Communications, so I perform the CMO role and the CCO role for Aston Martin globally.

We express the brand using three simple words which is power, beauty, and soul. The Americans would say the elevator pitch for Aston Martin is that we produce powerful, beautifully styled, hand-crafted cars made in the UK and if you're in the luxury market, you've got a lot of choices and so always the question is, what does Aston Martin bring that the others don’t and the truth is that in that market segment, you've got an awful lot of choices, there’s half a dozen brands, all of which are hugely credible, all of which have fantastic luxury performance and so forth, what we think we bring at Aston Martin is a unique blend of British craftsmanship, of powerful cars and of eternally beautiful styling.

When someone’s in the market for a luxury, a high performance luxury car and so that opens up the choices to many different brands, they’re looking for a combination of you know, evidence of hand-crafted excellence in terms of how we make the cars, they’re looking for the performance credibility of the car, they’re looking for technology but they’re also looking for depth and an emotional connection with the car.

So our role as a brand is how we connect with them emotionally and how they fall in love with the cars and for us Aston Martin, that’s through styling, that’s through coming here to the factory at Gaydon and seeing the cars being built, that’s the connection with the people and the company, so that’s what we think we bring to buyers when they’re looking to purchase a car in this segment.

Well we’re a business so we need to sell cars, you know the luxury market is growing, it’s forecast for solid robust growth over the coming decade, there are always going to be wobbles in the market but the last major wobble was of course the ’09 recession and the Lehman shock and the luxury market suffered and you’re seeing, you know, various wobbles in China and other markets but long term, the projection for the luxury market is going to grow.

So as a business, Aston Martin is set for growth and we’re going to propel, fuel that growth through new products, both replacing the existing line up of sports cars but also getting into new markets, so how do we expand the brand awareness and how do we expand the brand understanding to supply that growth? That’s the main challenge so, you know, our occupation at the moment on the brand side is really saying, how do we lay the foundations for building awareness and understanding of the brand, particularly in markets where we’re not so significantly present at the moment and examples of that would be China, growing markets around Asia Pacific and even to an extent, in North America where the brand is known but perhaps not as well understood as it is in the UK.

Well our point of differentiation starts with the sort of founder’s vision for the company, which was to produce fast, beautiful cars and we’ve not principally wavered from that original founder’s vision 103 years ago. So what we bring is sort of legacy, that heritage, so a lot of people feel very comforted by the fact that we’ve been around for 103 years, they can look back in time and they can see the evolution of the brand, there are iconic cars in our history that still today motivate buyers to buy our new cars and of course probably the most famous of all is the, is the DB5, so the car that was made famous in *Goldfinger*.

You manage a brand, a luxury brand with great caution. A luxury product by its very nature is discretionary so when someone is buying a luxury watch, a highly priced handbag, you know, a tailor made suit, beautifully made pair of shoes or a luxury car, they’re buying it both for some functional reasons but principally they’re buying it for emotional reasons and their love of the brand and their love of what the brand stands for.

So in nurturing the brand and in creating our position in the luxury market, we have to deliver on several fronts, first of all with price, you know, the entry point for our brand is accessible probably to only 1% of the world’s population, so immediately where we position the product automatically puts us in that luxury category within the automotive space.

The second is how we deliver that product so can someone, you know who sees our cars, they can say ‘ah that’s a luxury car’, you know, the attention to detail, how it’s made, the power, the technology. So, and we manage that image very carefully.

The interesting part about Aston Martin which is perhaps somewhat different to a conventional luxury brand is that we have a massive popular following, we have six and a half million fans on Facebook, we have a million on Instagram and you might characterise that as the ‘Top Gear crowd’, so the lovely thing about Aston Martin and the thing that we are trying to nurture, which in some senses is counterintuitive for a luxury brand, is that we want to be rare, we want to be special, we are expensive but we’re also friendly.

So there’s an interesting challenge for us from a brand and marketing point of view, is that we want to respect that fan base, we want to give them access to the company but we still need to maintain the exclusivity of the brand and we do that principally through price point and production.

So the communication strategy is, is two-fold and it relates a little bit to my previous point about the duality of us as a brand in that we are selling to 1% of the world’s population because of our price point but we have this mass appeal.

A great example of how we communicate that is the Bond film. So the Bond movie and our creation of the DB10 for the last Bond movie, you know, we produced ten vehicles for the film, we put only one of those up for auction at Christie’s recently, it fetched over £2m so it’s still a luxurious Aston Martin, it’s still rare and exclusive and we were doing previews for our clients and behind the scenes access, but at the same time, we used assets and we created content particularly for YouTube and, and social media channels, that showed us, how we created the vehicle, showed how a stunt driver used the vehicle.

We did a lovely little video short where we did 007 using tyre marks, so we got the DB10 to do tyre marks on a large area of tarmac and it spelt 007 and that’s a lovely thing that people, you know, appreciate, it’s a bit of fun, it’s not taking ourselves too seriously, they share it with their friends, so that’s one example of how we can use a platform like James Bond to communicate to our buyers and prospective buyers behind the scenes access, exclusive screenings of the movie but we can also provide content for that broader population that are fans of the brand.

Pricing, you measure the value of a luxury brand in your ability to price and over time, building that price and ultimately increasing that price and that increase in price is reflected through the transaction price that people will pay for your car as a new product, so any new car, whether it’s a Ford Fiesta or an Aston Martin, has a, as the Americans say, a sticker price, MSRP – Manufacturers Recommended Selling Price. Whether that car transacts for that price or not is a good test of the strength of the brand.

So we’ve been over the last few years, able to increase our transition price for the car because people see the value, they want to be associated with the brand and so they’re prepared to pay for that, you know, for that privilege to own a car.

It is also reflected in a couple of other ways, one is the residual values of the cars which is hugely important, particularly in markets like the US where a lot of cars are leased, so that affects your residual value, so that affects the monthly payment. You'd be very surprised how many people put an Aston Martin or Rolls Royce on a monthly payment, you know, it’s a lease driven market, even in the luxury segment and it’s also reflected in the classic car prices of our cars and over the last five plus years, you’ve seen a dramatic increase in the value of all classic cars as an asset class, so people have invested in classic cars, be they Aston Martins or Ferraris or whatever, and we’ve seen particularly strong growth in Aston Martin classic cars, so the DB5s, the DB6s and so forth, which is a very good sign as the people respect the brand and are investing in the brands and that, and that all has a very positive flow-through into our new car pricing as well.

There are many challenges when you're managing a global luxury brand because no market is the same. One of the things that characterises a luxury brand generally is consistency, so if you go to a Louis Vuitton store in London or you go to Shanghai or you go to New York, it will feel the same, it will smell the same, it has the same atmosphere, you’ll see the advertising and the marketing is very consistent. So consistency is a hallmark of luxury.

So we start, if we start with Aston Martin in its home of the UK which in a sense somewhat defines us and we have the highest level of awareness of the brand in the UK, as you would expect, people grow up with Aston Martin, they understand it, James Bond is a popular cultural figure. So we start with that as a base and if you sort of work out from the UK, to other markets, the US, Continental Europe, the Middle East, and China, so you see varying levels of awareness and understanding of the brand and one of the principle growth areas for us in terms of market opportunity, is in China, from what we’ve seen.

We were relatively late into the market, into China and what we’ve seen is that the Chinese customer appreciates a car like an Aston Martin but many of them haven’t heard of us or if they have heard of us, they don’t perhaps quite understand us, so the challenge that we’ve been working on is how do we raise how do we raise both absolute brand awareness of Aston Martin and how do we raise understanding of the brand? So that’s been one of the challenges that we’ve been working on over the course of the last few months.

Well you don’t change a brand overnight so it’s a journey and in China, you play for the long term, China’s the world’s largest car market, 20 million cars out of 85 million a year, roughly, it’s projected to grow dramatically, it’s projected to grow both in the mass market and the luxury market and the car business by its nature is also a long term business because you're investing, you know in, a car generally takes three to four years to develop, it’s in the market for six plus years so you're looking at a ten year bet per car, very capital intensive, so forth.

So very much this is a journey so you don’t fix the brand overnight but you plan for the future and, and the business plan that we have for Aston Martin calls for over the next five years, a complete renewal of all of our sports cars but also the addition of new vehicles like saloons and the crossover which we think will have a real appeal for the Chinese consumer.

So where do we start in that journey with China? We start with that brand awareness and that understanding. Now we’re a small company, we don’t have massive above the line advertising budgets so we need to do things differently and one of the places where we’re starting is on events, on roadshows, on activation and our dealers so we've used the James Bond film, for example, during 2015 when the Bond movie was out, you know, previewing that to customers, getting them into the sort of the Bond mythology, but we’ve also been doing roadshows where we’ve been interestingly taking not only our new cars but some of our classic cars and last summer, the summer of ’15, we did a roadshow where we did exactly that, so we, it was an introduction to the brand so we were explaining the brand but we were explaining the context of the brand and we were showing our classic cars and you know, let’s face it, everybody appreciates a beautiful car and you know, a DB5 or a DB6 is a beautiful object, so I think that helped Chinese customers who are new to our brand, set us in context that we’ve been around a long time, that we’ve always made beautiful cars, you know, the founder’s vision is still strong within the company and it, and I think we’re going to continue on that strategy to build that level of awareness and you know, when you're selling a luxury car, you're doing it very much on a one to one basis, you know, this is not a one click to buy market, you know, we’re, we’re not talking here about the surfing the internet and clicking it and it turns up on Amazon, you know, delivered to your door the next day.

We’re talking about a very considered purchase, a purchase that has a lot of emotion in it and people need to see the product, they need to meet the people, they need to understand what they're investing in because in, you know when you're buying a luxury product at our price point, it’s in a sense an investment as well.

Well the future of Aston Martin, I think is brighter than it’s ever been before. The future calls for the complete renewal of all of our sports car line-up but it also calls for the expansion of our product line-up to include new product segments such as saloons, so something that we think will go against Bentley and Rolls Royce and also the addition of a crossover, so there are four product pillars within our business plan, sports cars, saloons, crossovers and special vehicle projects and special vehicle projects are really interesting because those are the very high value, very rare cars and last year in 2015, we launched the Vulcan £1.5m, 24 of, a real hit with our, our collectors and we’re going to continue on that path so if you look at where we are as a business today, we have a six year business plan, we’re going to more than double the size of the company but on a relative basis, we’re still going to be small and exclusive and we’re not going to waver from that vision of our founder which is building beautiful, hand-crafted cars and the important point there is about product expansion into particularly the crossover market, which some way, ‘Well how can Aston Martin build a crossover?’, crossovers are big and, and so on and so forth. Our crossover will be beautiful, it has to be, it’s an Aston Martin.