
Book Review

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Auto Brand: Building Successful Car Brands for the Future
by: Anders Parment
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The car industry is facing many challenges, related to market characteristics as well as buyer behaviour and state regulation. Hence, fierce competition, an oversupply of products and a downward pressure on prices, not only in car sales but also after sales, is not the only problem the car industry has to deal with. Buyers get used to high transparency and strong consumer rights, hence, they put pressure on car companies to supply well-designed, safe, economic and comfortable cars at reasonable prices. Authorities force car makers to improve safety, reduce fuel consumption and apply more environmentally-friendly production and recycling processes. It is getting increasingly difficult and expensive to drive cars too, thanks to higher taxes and local communities implementing a variety of measures to reduce traffic.

Given the tough situation at hand – will there be a way out for car companies? Car industry researcher and branding expert Dr. Anders Parment provides many interesting pieces of information about the car industry, the challenges it is facing and what car companies could do to work smarter, understand buyers better, and be better prepared for the future. Parment deals with key industry challenges, such as the fact that the car industry has undergone a transition from over 40 leading car makers in 1970 to 2010. Particular attention is paid to marketing channels and how they could be designed for different types of market and customer profiles. Parment's research and consultancy experiences on marketing channels are reflected in this part, which is systematic and based on leading research.

The seventh chapter on sustainable business models again deal with marketing channels and how proactive car companies could work to be more sustainable, business-wise and environmentally. A challenge for the car industry that every car company has to deal with. Towards the end of the seventh chapter, Parment brings up a critical question for car companies: how can they make sure they will be preferred employers? In most countries, largely reflecting the tough situation of the car industry, car companies are not seen as very attractive employers but the need for talented young people in the industry is very high!

Car buyer behaviour and car cultures are covered, the latter being largely focused in the USA – to my surprise including South America. Although there is little doubt that the

USA is the origin of car culture, it would be great with a stronger focus on other parts of the world, not least China, India and Japan.

Fifty pages are spent on automobile brands, divided into a conceptual part and a discussion on specific brands. Towards the end of the branding chapter, future directions for car brands are discussed. A very interesting part of the book. I think it is too much focus on German, and to an extent US, UK, Korean and Swedish, brands in the book – the Italian and French brands are only treated superficially.

Despite of that criticism, the analysis of successful and iconic auto brands such as BMW is very interesting. The refocus of primarily Mercedes-Benz, but also Peugeot, to attract young car buyers is dealt with. The chapter provides many lessons for car makers in designing and developing branding strategies for the future.

Based on original research, Parment provides extensive survey data on car buyer behaviour. 4,700 surveys lay the foundation of a discussion on how different generational cohorts, and different market areas (metropolitan areas, intermediate city centres, and rural areas) differ when it comes to car buyer behaviour. The two most challenging conclusions are that car buyers – regardless of age and market areas – do not want to buy cars on the internet, and they want to own their cars to the extent possible. The latter opens up for a variety of finance options that still make it possible for buyers or users to feel that they own their cars. A third very clear conclusion is hardly challenging but worth a reminder: the software, as Parment puts it, is much more important than the hardware when it comes to convincing buyers. Here, Parment provides a lot of criticism against car makers in particular on their overfocus on ‘the visible’, e.g., retail facilities, and the underfocus on buyer experiences. The latter is a lot more important!

In the last chapter, Parment discusses ‘the car of the future’. This chapter could have been more extensive and it is a bit vague when it comes to future fuels and future car design. Maybe the reason for this is to avoid the fallacy of the book appearing dated – a lot happens when it comes to future mobility, telematics and fuels.

It is evident throughout the book that Dr. Parment knows what he is talking about. Few people have such great insights into how the industry is working on a strategic as well as operational level. The book is easy to read and managers in car companies are recommended to read it. The areas that lay the foundation of successful car brands for the future, as the title suggests, could have been emphasized differently, but it is clear that the book is a must read for anybody involved in shaping the future of the car industry.