

Behemoths

Martin James



Two sets of events occurred recently that at face value appear to have little in common; the announcement of the winner of various car awards and the implosion of the Liberal Party.

This year's economic turmoil smashed the car industry around the head rather badly. It may be concluded, though, that these economic conditions only brought to a head the need for the car industry to evolve from manufacturers of 'petrol guzzlers' to designers of 'eco-friendly' vehicles; and evolving they most certainly are. The dominant theme in all major car shows across the planet this year has been the showcasing of low or zero-emission cars, motorbikes and even trucks. The gains in fuel efficiency made by most car manufacturers over a short period of time are nothing short of remarkable.

While some of these innovations are simply window dressing, and others are in response to political muscle being applied, by and large these innovations are driven by consumer demand. These are exactly the conditions Kotler (*Marketing Management*) described 33 years ago when he said of the on-going need for innovation, "There are too many competitors with fast-moving research laboratories, sophisticated marketing strategies, and large budgets standing ready to woo away customers." Indeed, the forecast made by US President of Toyota Motor Sales, Mr. Jim Lentz, during an interview this week that the company's Prius hybrid model could outstrip the Camry sedan as the company's best selling product in the United States is strong evidence of underlying consumer demand for innovation.

The motoring press has acknowledged these innovations, with Drive giving the gong to the Volkswagen Golf, which has a minute 1.4-litre engine that uses a third less fuel than a Holden Commodore, while accelerating quicker than the big Aussie sedan, while in the Japan Automobile Manufacturers Association (JAMA) awarded Toyota's third generation Prius, Car of the Year.

In the true tradition of marketing, these low-emission cars are increasingly offering the consumer 'more for less' in terms of performance. The Tesla electric car accelerates to 100kph in under 4 seconds ... as quick as Mercedes Benz' 6.0L 500 kW V12 behemoth. Even Porsche, which may not be known for the environmental qualities of its cars, is hoping to turn this around. In recent test this sports car achieved fuel consumption of 6.7 l/100 klm a 30% reduction in fuel consumption in a decade.

At the same time we find a brand in crisis, the Liberal Party, which is going through the same pain of change the car industry has had to respond to. It, like General Motors and Ford in the US in the past, has yet to accept the inevitable: consumers (in this case, voters) increasingly demand eco-friendly solutions to the problems we face. Like it or not. They do this for two reasons; to help conserve the environment but *also* because these new products evolve into something even better.

Hopefully the Liberal party can satisfy this consumer need or it could well be the next Hummer.

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