

COVER STORY

A Fresh Outlook

Nigel Wark | Executive Director, Marketing,
Sales and Service, Ford India

A marketer's job goes beyond understanding consumer behaviour and to some extent involves an understanding of anthropology too, which makes his job that much difficult. Can someone from outside come and understand the local sensibilities better, particularly when you are challenged with the knowledge of the local language? Here are two expats – Nigel Wark (left) of Ford and Lutz Kothe (right) of Volkswagen, who have shown the way, and brought in a fresh outlook in the way marketing in the automobile sector is being done.

While the first is an Australian and the latter is a German, both have distinct sensibilities. Yet, both have one common thing running between them – a keen observation power and hunger to learn more. Brand expert Santosh Desai says, "Sometimes people may not notice very obvious things. Sometimes people from outside come and see India with new eyes. They notice things which are so obvious that local professionals may miss sometimes or take them for granted. So undoubtedly expatriates do bring in a fresh perspective to marketing."

Both see Indian consumers as 'value seekers' and not utterly price conscious. Both have relied on bold moves – Kothe's entire approach has been to grab disproportionate attention by dominating one of the biggest media vehicle in India (The Times of India) again and again; Wark has named the competition boldly in its 'Swap Your Drive' commercial (a big 'No' in the Indian advertising & marketing industry).

And yes, another thing that's common between the two, is their love for Tennis.

Turn over to peep into their minds how they are bringing in a fresh perspective to marketing.



Lutz Kothe | Head of Marketing and PR, Volkswagen
Passenger Cars, Volkswagen Group Sales India

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Wark: Australian

Life is not about being right or wrong. It is based on perceptions. And as a marketer, his job is to influence perceptions. Yet, he considers himself to be more of a business



for succes

*Nigel Wark feels,
manager coach*

By **Dhaleta Surender Kumar**

Nigel Wark is smitten by the diversity of India – the number of languages, the complexity of culture, religion, the festivities associated with the latter and consequently the number of auspicious days. While personally, this diversity humbles Wark, at the same time, donning the role of an Executive Director, Marketing, Sales and Service for an automobile company (Ford India), the number of auspicious days gives him more opportunity to target his audience. The **Pitch** team met him on Dhan Teras, two days prior to Diwali. The entire nation is on the roads – shopping, going home, gifting... and all roads to Wark's office in Gurgaon are jam packed. We are late for the interview by almost half hour in spite of the fact we started one hour early anticipating the jam. But Wark doesn't mind it. It's another auspicious day, when most of the automobile bookings are hoped to be cleared. Wark though shies from giving any numbers of bookings and sales expected. All he is willing to divulge is that there has been a significant interest in diesel cars in the past six months.

Early days

It's been three years now in India for Wark. He moved to Gurgaon, only a couple of months ago from Chennai. And he hopes to make India a long term destination. "I can't see a more exciting location than where India is and particularly where the company is at the moment. India is a hub now for exports for small engines, and we are exporting Figo to about 27 countries and we hope to see that number go up

to 50, shortly" he says.

Ford entered the Indian market as early as 1995 with a 50:50 joint venture with Mahindra. It later bought the stakes in Mahindra Ford and renamed the company as Ford India Private Limited. Though Ford Ikon and Ford Fiesta have been quite successful in the Indian market, the car maker was competing only in the 20 per cent of the automobile market till it launched Figo – in the small car segment, where the volumes are – in March 2010. The car boasted of having a blend of style, technology, along with the interior colours and designs that draws inspiration from Indian culture.

A business person or a marketer?

Figo's successful launch in India can be credited easily to Wark. And when he talks about having helped grow the business, Wark is speaking his heart, as he feels that he's more of a business person than being a marketer. "I'd like to think that I am a business person. My job as a manager is of a manager coach. That is a benefit of being with the company for so long."

Wark joined, in fact started his career with Ford in 1975, in Adelaide (Australia). That makes roughly about 36 years – a term that few can boast of being with one company. So what's kept him glued to one company for so long? "When I first got an opportunity to join Ford, a multinational company in Adelaide in 1975, I sat down having a discussion with my parents as many sons would do. There were two criterion that came up – that I am enjoying my job and that I

The career path

- 1953: Born in Adelaide (Australia)
- 1974: Bachelor of Economics from Flinders University
- 1975: Began his career with Ford Australia in the company's South Australian regional office
- 1997: Appointed Managing Director of Ford New Zealand
- 2007: Executive Director of Sales, Asia Pacific & Africa, based in Bangkok (Thailand)
- 2009: Appointed Executive Director, Marketing, Sales and Service, Ford India

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am learning. When I stop enjoying and learning that is when I will start looking for another opportunity. I have never got to that stage. The company has given me an opportunity to grow and an opportunity to move globally. I started in Adelaide, moved to Melbourne, to Sydney and been to New Zealand for five years, back to Melbourne... to Thailand and now India... If I was doing the same job I would have moved on."

His business bent of mind can be credited to his 'economics' background, a subject he got his graduate degree in from Flinders University, Australia. Is there anything common between economics and marketing? They both work on the basis of assumptions, feels Wark. "All your modelling in economics is about assumptions and all your activities in marketing are about assumptions. I see a great deal of parallel in terms of going down the path of generating economics with modelling and trying to model the behaviour of consumers through varying inputs in marketing. Life is about the sum of inputs and outputs," he says philosophically.

A customer-centric approach

A keen observer of life and consumer behaviour, Wark doesn't apply economics to marketing "consciously." "It is what the university teaches you – to give back to those who are testing you what they want to hear."

The consumer wants exactly the same thing. The philosophy reflects in Ford's campaigns – Fiesta Experience, the launch of Fiesta Cafe and the latest Swap Your Drive. "All the things I have learnt in life are not about cre-



"I see a parallel in economics and marketing.
Both are based on assumptions"

ating clever scripts (TVCs) and getting actors decide exactly the right thing. It's about capturing the freshness of real people. That way you are going to be more successful. Swap Your Drive is one such effort in that direction," he says.

He feels that marketing is not just about print and TVCs. It is much larger than that – distribution and setting up a support for distribution. "You have to ensure – what today the Ford company is all about – that you have a product that people want to buy. It is so much about using consumer input to deliver an outcome. You have to understand the consumer well and give them the attributes they want. You have to be focused on the segment you are targeting. Like the Sandeep for Figo and Ajay for Fiesta. (Sandeep and Ajay are personification of the target audience). This all is about ensuring that 1+1=2 and adds to economic benefit. At the same time,

add value to the process," he says, adding philosophically, "It's easy to fix the product. It's difficult to fix the customer."

Wark draws his customer centric approach from major part of his ca-

reer being spent in the Customer Services Division. Prior to being appointed as the Executive Director of Sales, APA (Asia Pacific and Africa), based in Bangkok, Thailand in June 2007, Wark has donned the role of Director of Customer Service Operations (APA), since August 2002. Immediately before this, he held the position of General Manager, Ford Customer Service Division, for Ford in Australia.

The India vs Australia Test match

So how's India as a market different from Australia or New Zealand from a consumer point of view? Wark believes that there are more commonalities than differences. Everyone wants to ensure an out of the box purchase decision. "Consumers, everywhere, want other people to say that 'you have made a smart decision'. The worse consideration the consumer wants to hear is that 'it is cheap'."

As for the differences, the Indian marketplace is much larger for first time car users unlike other countries where one grows up with a car or two. "The real growth for this market – about 60 per cent – is from first time users and price is critical in this part... and people want value and that is why Figo is such an important brand in India."

Value, he feels is not just having the price right. "It is in like having a Bluetooth, a sound system that is above average, steering mounted controls... I ask my dealers: What is the most important thing about Figo? It's not about great driveability, not great interiors, it's the quality of the product because if I give a quality product, people will continue to share it (the experience). That doesn't mean that the product is perfect because no one is perfect. But I can tell you that we are better in the category," he assures.

He also believes that "word of mouth is stronger in India than any other market in the world."

While he cannot give us a "culturally relative" reason for that, he feels that earlier people took word of mouth from immediate neighbours or car

SHOOTING SALES

2009 (Jan-Dec): 29,488 units

2011 (Jan-Oct): 101,439 units

1,00,000 Figos sold in first 15 months since its launch

As of October 31, 2011 more than
1,20,000 proud Figo owners

2011

owners down the street, or even newspapers and magazines. "That's changing. There's a reason to that. SMS and voice mobile are relatively at very low cost here. That gives the consumers a chance to share their experience through mobile phones and even digital space," he says.

That gives Wark too an equal chance to be different and the ability to do things at low cost as compared to other markets where the costs are high.

While we are on low telephony costs in India, one Indian brand that Wark likes is Airtel. "I like the power of Airtel. I have to admire the power and success of its achievements," he says.

Coming back, in Wark's customer centric scheme of things, brand ambassadors play a minimal role. "People, earlier drew credibility from brand ambassadors. But now they have an alternative. They would rather hear from people who have bought and used the product," he says.

He limits a brand ambassador's role to drawing attention to a new product "and not necessarily convincing" the consumers. "Someone who is selling so many products is not necessarily an expert in all those products," he adds.

India: As diverse as it can get

Another thing that Wark finds unique about India and "didn't know" is its diversity. "There isn't just one language... and top it up with different dialects. We have launched campaigns for products in eight languages. We don't have eight languages in Australia. Even in China, there is one language. Then you look at the religions and the festivities and the number of auspicious days depending on the sect of religion you are involved. There is so much of passion..." he says.

Even though Wark doesn't get as many visitors in India as compared to Bangkok (Thailand), he personally, along with his family finds India "such an interesting and enthralling country."

- All new Fiesta launched in July
- 200 sales and service outlets across 111 cities as compared to 95 in 68 cities in 2007
- Exporting to 27 international markets



2010

- Feb: 28 Dealer openings in one day; implemented strategy of adding 2 service outlets for every new sales outlets
- March: Entry into small car segment through Figo

Key Milestones

2009

- Expansion of team – Marketing, Sales and Service across India
- Driving Skills for Life (DSFL), a programme started in India in 2009 and today boasts of 3,000 trained members trained through DSFL

“India is a hub for small cars”



*In a candid chat with **Ruchika Kumar** of **Pitch**, Nigel Wark talks about key marketing strategies for Ford India. Excerpts:*

What are some of your key learnings from your postings in Australia, New Zealand, Thailand and India?

That the customer actually knows best. Today marketers cannot force the customer to do things that they do not want to do. Ford India, today, is about building vehicles that customers want – as distinct from forcing customers to buy the products.

Our job is to make sure that we listen, observe and then make statements. That is using the power of our natural resources: our two ears, two eyes and mouth.

Marketing earlier was not like this. It operated in the grey areas, was more about the organisation and its functioning. That's the not the way an informed consumer would behave or react to now.

So how do you listen to the consumer?

We started engaging consumers at an altogether different level starting from

Figo in a very positive way and moved to Discover Smart Drive, engaging real people with the products. We picked four couples on a drive from Chandigarh to Chennai – a 30-day trip, cover almost 100 kms per day, trying to bring their experiences to life. We got them through social media. We did not pay them anything except for covering the daily expenses. Then we have done a lot of experiential work through our Fiesta Café in New Delhi. The Café is a technology hub that delivers the excitement of the look and feel that the product has from the tech point of view. Similarly, Swap Your Drive too had individuals exchanging their owned cars for a Figo or a Fiesta for a week. Their experiences and reactions were turned into commercials. Swap your Drive is an extension of the Fiesta Experience campaign, where four individuals shared their experiences of driving a Fiesta.

You have personified your target audience as Sandeep (for Figo) and Ajay (for Fiesta). What's the thought process behind this?

It is a lot easier to identify your TG this way. We do the same in other markets as well. We interact with consumers not revealing our identity and spend time with them... carry out research into their lives, aspirations and desires etc, interact with them at their offices and homes... conduct psychographic tests. This helps us to know how they will respond to our products; we implement that into our products.

How's India different from other markets globally?

India has its nuances. People believe in value and they want to

drive value. The small car segment is a strong market here – because of certain cost parameters and focused view. For us, India is a small car hub. We are utilising India for low displacement engines, and exporting the cars to other markets.

Can you throw some light on your STP (segmentation, targeting and positioning) strategy?

It differs from product to product... it is obviously consumer-led, affected by factors such as competition etc... We are not focusing just on the Tier-I and Tier-II cities. The hinterland, and the Tier-III & IV too are equally important for us. A lot of our growth in the past eight to nine months has come from these places. We have plans to increase the number of locations significantly in the country over the next three to five years. In the next 12 months we will be going to 20 cities (currently 108 cities) – which is a steady growth plan.

The reason why we cannot make it a large number quickly is because we take the process very seriously. We do a proper study of the city, appointing dealers, look at the opportunities, potential prospects, scrutinise our dealers why they want Ford dealership, their success rate etc... We then select two-three such candidates and bring them to a Ford panel of senior leaders. This can actually take up to 12 months to do that kind of research. This also includes time taken to conclude formalities related to acquisition of land for dealership etc.

Your comments on Indian roads and where do Ford products fit in the scheme of things?

Our cars are made to suit the terrain, infrastructure of the markets we cater to. However, with better infrastructure, it would be possible to get more and more sophisticated technology. Having said that, incon-

sistency in type of fuels is a bit of a concern for us. Nevertheless, there are high quality products in the Indian market and that encourages us to offer global standards here. We have classic customisations for Indian market – water wading, as monsoons play havoc in a lot of parts of the country. Secondly, the air-conditioning is according to the high levels of temperature in the country, a feature exclusive to the Indian market.

How do you see competition shaping up in India?

There is no one biggest competitor. That depends on what names we have in each segment. We say 'yes there is a market leader' but others coming in fast. What takes us to become better and more successful in this area is to look at ourselves as the biggest challenger and not competition – and we'll be looking at delivering on a timely basis, managing the costs associated with that outcome and that's what the team is focusing on.

So what are your growth expectations for the coming months?

There are number of challenges in the market now with high interest rates and rising fuel prices. The latter has brought in a swing in the market with an increasing preference for diesel engines. We are continuing to grow in terms of numbers. On the export front, we are exporting Figo very successfully to 27 countries and we are pushing to ship to 50 countries shortly. Thus the stress is not just about the Indian market but about the capacity in all these markets as well.

Can you tell us a bit about your digital expenditure?

We started with Figo with seven per cent of our ad budgets into digital some 20 months ago. For Fiesta it is about 20 percent. For launches in future, you can expect more investment from Ford in interactive media. ■

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He's taken his family to Uttarakhand, North East (you need a permit to go there) – Kazhiranga National Park, full of rhinoceroses; to "dangerous locations" of Goa and lately to Srinagar, and he had his wife "just love" these places. His personal favourite place though is Varanasi. "Just because of its history... and you see so much of passion because of its religiosity – the Hindus, the Buddhists... and even the Muslims; and when you come back to the normal business life of the big cities – Delhi, Mumbai... or even the other major cities of the world... they are different... and you cannot explain that to people in words."

And Wark derives motivation from this diversity of characterisation and personalities of people Ford has in business and the dealerships in these locations. "However, there's one thing common – the desire to be successful and the passion for the customer," he says.

This diversity makes Wark's job more challenging, but more exciting. "People want value and no one product dominates in one sort of way in every single geographical location around the country. Historically, it's been a petrol market, but it's getting diesel now. The infrastructure... and the products are linked with it. Cars in India need to have more ground clearance," he says.

He hints at the way the luxury market – predominantly in the Tier-I markets – has come up in India despite the challenges of infrastructure. "The exciting part is that how much wealth is being created in India, which is so different from China. Genuine wealth is being created in India out of the land people own. That is a great legacy... Good business people have turned the business around," he adds.

However, money is not only the criteria, Wark says jokingly, to have a Ford dealership. That's one requirement but not the most important. "You have to have the capability of communication. Right people, right attitude. Look us in

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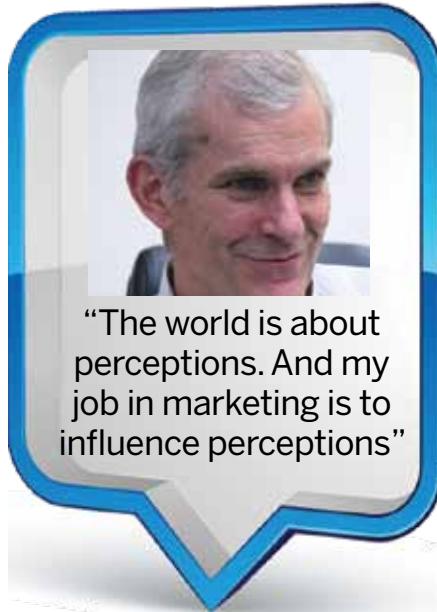
the eye and communicate and if you don't have the strength to say that 'I can make a commitment to you' then they don't pass the test," he says.

Despite the challenges of the local languages, does, not being an Indian, make life as a marketer any simpler for Wark? Dealing with the dealers is the easiest part, he says. Not being an Indian gives him an advantage in a way that he "can ask many challenging and tough questions". Though of course "in a nice way and not in an aggressive way." Having travelled globally has its advantages, and he can recognise and smell trends. "History repeats itself, and I can recognise trends some what like – not identical – I have seen in the past in other locations. I have made mistakes in other places and you learn from these mistakes and that you don't repeat them. The nice thing is that India doesn't have to make mistakes which other markets did," he says.

A team player

Wark feels that his biggest achievement in India has been having helped "develop a powerful team" that Ford India has now. "I have been in a position to grow the business and I am really proud of the dealership body and the quality we've brought in. I hope to leave a better legacy for the future," he says.

Wark has always been a team player, and that has been reinforced into him through the rigours of team sports he has been associated with. Had he not been a marketer, he'd been a golfer. But golf is an individual sport. And that's why he's a marketer. He's played Australian football in his college days. "It's a quick game and you have to be fit for that, and I have had an opportunity meeting people who are passionate about their teams. So being a part of the successful team is helpful in building relationships



"The world is about perceptions. And my job in marketing is to influence perceptions"

and beyond that," he says.

Now he plays tennis. "Doubles," he adds quickly. That's team work again. "It is about the psychology of psyching out the opponent. And how the two of the team coordinate in the court. It's also about the confidence in your partner. You can pass and move on... and that's how the team develops," he says.

He of course, couldn't do that in Chennai "as it's too hot there". He hopes to pick up the sport again in Delhi.

It's not only the humidity and the climate that's helped the 58-year-old Wark train himself personally; Delhi and Chennai, have made him appreciate the traffic flow back in Australia and other countries. "I went back to Adelaide for my mother's 83rd birthday last month and I asked: Where are all the cars? I thought there was no traffic. When I grew up there, I thought that there was too much of traffic... and everywhere I've gone - Melbourne, Sydney... I thought that there was too much traffic. And when I went to Bangkok, I thought it was chaotic. Now when I go to the 35th floor, where

the offices are in Thailand, I say: Such an orderly city and orderly traffic vs Chennai and Delhi," he says.

He's quick to point out in the same vein that "It's about relativity and point of view."

An influencer of perceptions

To keep his mind free of prejudices and to understand the point of view of others, Wark prefers to have friends outside the company. He also falls upon his wife, Nattakan Earn Wark, his 10-year-old twin boys, and his daughter from his first marriage for perception and point of view. "Everyone's got an opinion about advertising. So we do debate. The boys like this and that... It's often quite useful to use people like that to have their opinions," he says.

But that doesn't mean that they may be right. "The world is not about being right. The world is about perceptions. And my job in marketing is to influence perceptions. And that is the most powerful things we can do with quality products," he adds.

India, Wark feels, has already helped Ford drive up the quality ladder. "The strength of quality... the rigours and the process of the dealers, the developing process... and we see all that with Figo right now. We are heading in the right direction and there's more work to do. We are not just developing products for India but products for the global market. What makes it right for this market, makes it right for other markets as well. It is not just about having a car as an Indian edition, and that's what is exciting about the Indian market," he says.

So which is his dream car? Wark sighs and goes on to state, "Ever since James Bond first drove the Aston Martin (a Ford brand, which the company sold in 2007), it is being one of my picks of my motor cars. My dream might come true by being with a motor company... and I have to say that it is still an outstanding car."

He "though" still encourages "friends and family to go for a Ford car". And his job to recommend and convince Indians to buy a Ford has just started. ■

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"I have made mistakes and you learn not to repeat them. The nice thing is that India doesn't have to make mistakes, which other markets did"

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The career path

Lutz Kothe took charge of the Marketing and Public Relations department for Volkswagen India in 2009. Additionally, he is in charge of product planning and product marketing along with sales control operations.

Prior to this, Kothe was the International Head of Marketing Communication and Sponsoring at Volkswagen AG in Wolfsburg, Germany.

Kothe has studied media science and has spent a total of 16 years working for various advertising agencies including DDB Needham in Dusseldorf, Intevi in Cologne and Springer & Jacoby in Hamburg at various senior positions including the post of Managing Director

Shock and Awe

While stealing eyes help Kothe understand Indian consumers better, it's the gut feeling that plays a strong role in his decision making, unlike most who rely largely on data

By **Pallavi Srivastava**

It's a 'not so swanky' office – yet is appealing – at Level 4 of the Maxity Building in Bandra East (Mumbai), from where came some of the biggest marketing ideas that India Inc. has seen in the last two and a half years' time. Looking at the smiling German across the table, I realise his office reflects his personality well: simple yet appealing. Contrary to prejudice about Germans being very serious and business-like, Lutz Kothe, Head of Marketing and PR, Volkswagen Passenger Cars, Volkswagen Group Sales India seems a very pleasant man. Probably, Volkswagen India's zooming top and bottom lines have also added some extra zing to his personality.

What Volkswagen?

While brand awareness of Volkswagen and its road-block campaigns are a talk of town today, the reality was different five years ago. On a visit to a Delhi Motor Show five and half years back, Kothe realised a confusion had lead to a no room booked for him at a hotel. He tried to influence upon the hotel staff as a man from Volkswagen. "They stared blankly at me and said, 'What?' I realised, nobody knew Volkswagen in India then!" reminisces Kothe.

For the record, just before the first road-block in November 2009, Volkswagen's brand awareness in the country was a meager eight per cent. As of October 2011, it stands at 44 per cent, a 550 per cent jump in two years.

It has been two and a half years for Kothe in India and he can't get enough of it. Quiz this marketing wiz-kid, who in

his college days aspired to be a teacher in Germany, about what lured him to India and he perkily replies, "The passion with which people work here, the flexibility and the possibilities of improvisations. I could smell success here and I wanted to be a part of it."

But few people know that Kothe had to make his decision about coming to India in the week when the 26/11 terror attacks hit Mumbai in 2008. Obviously, the German man got warnings from friends, family and acquaintances across the globe but ignored them as he found the possibilities in the country out-weighting the warnings. So his experience so far, in his

a late entrant to a potential leader in a cluttered market, it wasn't an easy task when Kothe took the reins of the Volkswagen Brand in India in 2009. He has been the brain behind the brands' much talked about innovative print campaigns including the first roadblock – The Talking Newspaper, the Polo Die-Cut, Painting the newspapers Blue for Think Blue or the Silver Jacket for Jetta.

Ideas: A child's play!

Drop the word 'idea' and here is what Kothe has to say: "Anybody can have a great idea... you just have to walk around with open eyes and open mind." And

"The passion with which people work in India, the flexibility and possibilities of improvisations. I could smell success here and I wanted to be a part of it"

own words: "Incredible India has been really incredible."

Well, it surely has been incredible for the Volkswagen top lines! Sample this: In the year 2009 (Jan-Dec), Volkswagen sold 3,039 units, in 2010 (Jan-Dec) the sales were at 32,627 units a whopping over 1,000 per cent jump in just one year's time. In the first 10 months (Jan-Oct) of 2011, the brand has already sold 66,086 units.

Brand Volkswagen entered India in 2007 and for the first two years it kept a low profile and tested the waters in the country with its international models Jetta and Passat, which were in the executive and premium segment. From

here is an interesting story he narrates to team Pitch on how the idea for one of the most talked about campaign of the brand came up.

Circa 16th January 2010: Kothe was having a fun evening in Munich with his wife, kids, his wife's sister and her kids. He was enjoying the evening with his family... the kids were playing. His 13-year-old niece, Beatrix Madersbacher, came running to him with an envelope. She handed him the envelope saying, "Uncle Lutz, in this envelope there is something for you but open it only when you reach Mumbai." When finally in Mumbai Kothe opened that envelope, it had a drawing of a newspaper on which scrawled were

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the words: 'Sounds of Volkswagen' and 'Speaker' (see picture). And that's how came the biggest advertising idea in print media: The Talking Newspaper, which was used to launch Volkswagen Vento in India. "We gave her a little gift obviously and she was proud of it," Kothe shares.

"So one has to run around with open eyes to have fantastic ideas and that's what I did in India," he adds. Surely, his advertising background has helped him in keeping his eyes and mind wide open in India. Kothe has 16 years of experience in advertising agencies including DDB Needham in Dusseldorf, Intevi in Cologne and Springer & Jacoby in Hamburg at various senior positions including the post of a Managing Director. He says, "In the agencies, I have learned to think aloud and to think different, which especially in India turned out to be very good. My agency experience clearly helped a lot."

Incredible India

Here is an example of how his habit of thinking aloud worked wonders for Volkswagen: It was January 2010, coming back from the Delhi Auto Expo, Kothe and one of his colleagues were waiting for the flight at the Delhi Airport, which was delayed. So to kill the extra time, Kothe decided to wear his thinking cap and brainstorm for some ideas with his colleague for the launch of Polo, which was round the corner. After struggling for some time, Kothe asked his colleague, "Has there ever been a newspaper with a hole in form of a car in India or in the world?" The person replied, "I don't understand your question. I don't know where are you heading to?" Kothe picked up a newspaper and ripped in it sort of a car hole with his hand. That's how the idea for the Volkswagen Polo's die-cut campaign came up. In March that year, Volkswagen made a car shape hole in 4.2 million copies of The Times of India.

There must have been inhibitions and doubts about these ideas. So how does Kothe handle that? Kothe shares that the first doubt came up with the Polo die-cut campaign. He was presenting it in front of the member of the board who was visiting India at that time. He said, "Nice idea but

2011

Vento overtook Honda city's 10 year dominance in the executive segment and became the largest selling car in that segment



2010

Launch of the Polo with the much talked about Polo die-cut campaign, it marked Volkswagen's entry in the hatchback segment

Key Milestones

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2009

Establishment of the brand strategy and the first print roadblock. That's when the real journey of brand Volkswagen began in India

you can't make it happen." Prompt came the reply from Kothe, "Well, this country has a wonderful slogan 'Incredible India', I promise you I will make it happen."

There are many other things about India that Kothe finds incredible and one of these, is the festival of colours, Holi. Kothe loves celebrating it in Rajasthan with his royal friend. "The Maharaja bathes the kids in the tub filled with the coloured water... they love it too."

No wonder, Kothe has made Volkswagen's journey in India equally colourful. But the high blitz big buzz campaigns of Volkswagen, obviously give an impression of Volkswagen being an automobile company with extravagant marketing budgets! Tell that to Kothe and here is what one will get in reply: "The market is totally overestimating what we are spending. We are not even among the top 10 automobile advertisers in India. Look at Tata, Maruti, Hyundai and many others... they all spend much more than us. But because we are doing it totally differently, so everybody assumes that we have the biggest marketing and PR budget in the world which is not true."

Hit hard and lay low

So what is Kothe's secret marketing formula that gets him such impressive results? "The trick behind the Volkswagen success story is: Hit once hard and big to create awareness and then go very selective," he shares.

For every new launch or campaign, Volkswagen has followed the same strategy of creating a buzz with one huge campaign in print and then targeting the core audience through digital media and selective TV channels. Kothe explains, "We start with newspapers and then media wise go only into digital media or do TVCs but on very selective channels. For example, for Jetta, we did the silver jacket in print, but we also had TVC, which was aired on channels where we knew exactly the target group is and that is definable today +- 10 per cent." Owing to this strategy (of first dominating and then going selective on media) helped Volkswagen make Polo and Vento the most awaited launches of 2010. In 2011, Jetta too was



"I have tried to steal with my eyes. I go to the malls, markets... and observe people"

much awaited, courtesy - the Silver Jack 'et' campaign in the newspapers.

But experts are divided on this campaign by the company. Many of them feel that it is disruptive but not relevant for the brand. But Kothe is completely unphased and feels, "They are all jealous. If you do good great things... there will always be some people who will tell you it wasn't that good. But we have numbers to prove them wrong." Here is the numbers he threw at us: 93 cars were sold on the first day of the campaign and 253 cars sold during the campaign period. Over 2,240 dealer enquiries and 1,036 calls at the call centre on the first day of the campaign.

An adman at heart

Cars have always been the focus of Kothe's attention, whether he was in his advertising shoes or donning a corporate hat. In his advertising career, he has worked on brands like Mazda, Volkswagen, Mercedes trucks and buses, and Mercedes passenger cars, besides others. He then moved to the corporate side and joined SEAT, SA and later moved to Volkswagen.

So what made Kothe move to the corporate side? Well, it was his lifetime plan to work in advertising till the age of 40 and then move to the corporate side. "It happened a little bit earlier. It happened at the age of 35," he adds.

Stealing eyes

Coming from a completely different country, it would not have been an easy task for Kothe to understand the Indian consumers and the Indian market. So what has been Kothe's cheat code to get hold of the Indian consumers' pulse within such a short span of time? "I have tried to steal with my eyes... I go to the malls, streets, super markets and observe people. That's why (for the first six months) my family was not here... they came six months later. So I had a lot of time to do this. It was more or less a 24X7 job, seven days a week. I use to go to Lonawala and see what are people wearing, what cars do they drive etc... that was quite fun."

Bobby Pawar, Chief Creative Officer, Mudra Group (DDB Mudra is Volkswagen's advertising agency) sites one example of how Kothe goes on Indian streets stealing with his eyes, "In the month of Ramazan on Mohammad Ali Road in Mumbai, free food is distributed on the streets and people from all parts of the city gather there. Lutz actually went there to observe those people and ate that street food. It shows how eager he is to explore the country."

Divya Gururaj, Head of South & South East Asia at MediaCom, has worked closely with Kothe as MD of MediaCom India (the media agency of Volkswagen), until recently. She explains how Lutz' stealing eyes has helped him in understanding Indian consumers, "Lutz nailed the Indian consumer with his understanding of their psyche - the car they want to buy had to be the car that everyone was talking about. And he made sure that every Volkswagen campaign got people talking."

The trick behind the Volkswagen's success story in India is: Hit once hard and big to create awareness and then go very selective on media

COVER STORY EXPATRIATE CMOs

Kothe's stealing eyes gave him a peek into another key insight about Indian consumers that has surfaced in the last few years: getting value conscious instead of looking for just cheap. So Volkswagen focuses more on giving more value at the same price instead of heavy discounts, at the end of the year. While other brands have flooded newspapers and other media with ads shouting heavy discounts, Volkswagen has come up with a witty TVC, communicating extra features worth ₹ 40,000 free on select models for the end of the year.

Kothe explains, "Think if you are a customer who bought a car just one week before the heavy discounting of about ₹ 60,000-70,000. You will feel you have been fooled. So we try to avoid discounting and rather give extra benefits for which the customer doesn't have to pay. This way, we do not create angry customers and maintain our aspirational image too."

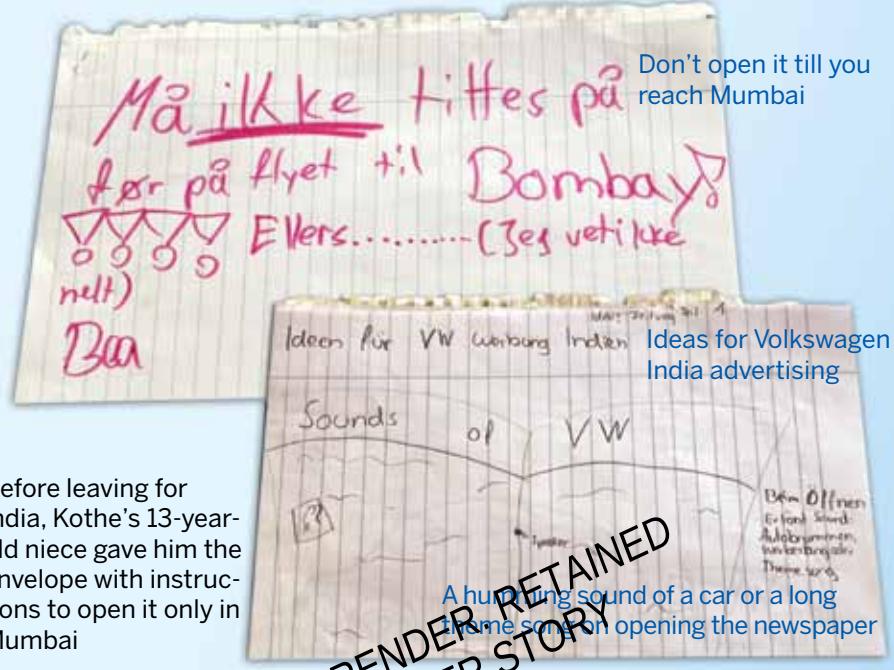
While stealing eyes help Kothe understand Indian consumers better, it's the gut feeling that plays a strong role in his decision making, unlike most managers who rely largely on data. "If we would have only relied on data, most of the biggest things done by us would not have ever happened. You also need a very good feeling about what can work in the market... but feeling can also be delivered by someone else... so listen to your people," states Kothe. In short, sharp stealing eyes coupled with a strong gut feeling are amongst the biggest weapons in this man's arsenal.

But some of the industry experts question the performance of high end brands like Beetle. By the end of this year, Volkswagen expects to touch 600 units sale of Beetle in India. Kothe argues, "Currently, there is no segment in India where the Beetle fits in. For a non-existent to be able to sell around 600 cars is pretty good."

BIGGEST ACHIEVEMENT? KIDS!

So what is Kothe's biggest achievement in India? He feels it is the response of people on first roadblock and the Talking News-

A child's idea



Before leaving for India, Kothe's 13-year-old niece gave him the envelope with instructions to open it only in Mumbai

paper. When he came to office the first morning after the first roadblock "Everybody was hugging each other". When questioned about the occasion, his colleagues explained it's the tons of the messages flooding their cell phones.

On the personal front, Kothe feels that it's his kids that are his biggest achievements. "I am slightly on the older side, getting 50 next year, and my kids are six and eight. They keep me up all the time. My son is already better with an iPad than I will ever be," he admits.

The non-decisive dragon

Before coming to India, Kothe was in China on a project for Volkswagen. Quiz him about his experience in China vis-à-vis India, here is what he has to say, "In China, if you want to take a decision, you can take a decision but it will not be implemented. So there is a long range of other decisions to be taken together with you. And therefore, you may take a decision but it takes ages to get it done." He feels, in India it is totally different. "You decide and you do it! Which is also, by the way, beauty of this company: You simply can do it."

And it was at the Delhi Motor Show, where Kothe found himself after China. At the show venue, he was in for a crude shock from "hammering, sawing and hell of dust" coming from the adjacent hall. Volkswagen wouldn't expose its cars to that dust. Kothe's team decided to close the openings to their hall with plastic curtains. But that too weren't available easily. Finally, one was found and everything was neat and clean. Kothe exclaims, "One thing, I really liked about this incident was the flexibility here in India and the possibilities of improvisations. So when we mix our German planning with Indian improvisations, we get the best of both worlds. That was a very special experience for me, especially coming from China and I really liked it a lot."

Kothe only has to thank his wife, Vilde – who had visited India 25 years ago – for exposing him to India. "India was a little bit different at that time. She really liked it. She told me, whenever I get a chance to go to India, I should raise my hands."

And Kothe obliged and isn't regretting the decision. ■

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