

Interview

A German Brand with an American Story

An Interview with Tim Ellis,
Vice President of Marketing, Volkswagen Group of America, Inc.



Tim Ellis

EDITORS' NOTE Prior to joining Volkswagen in December of 2007, Tim Ellis worked for over a decade in Europe managing several pan-European and global international accounts such as Virgin, Sony Ericsson, and Volvo. During this period, Ellis led the development of industry-changing campaigns that earned multiple highly coveted awards, including several Gold Lions and the prestigious Titanium Award at the Cannes Advertising Festival. Ellis spent most of his U.S. career managing national accounts for the San Francisco advertising agency, Goodby, Silverstein & Partners. Prior to working in the advertising and marketing industry, Ellis worked as a freelance journalist and professional stage actor.

COMPANY BRIEF Volkswagen Group of America, Inc. (www.vw.com), founded in 1955, is headquartered in Herndon, Virginia, and is a subsidiary of Volkswagen AG, headquartered in Wolfsburg, Germany. As Europe's largest automaker, Volkswagen AG manufactures the VW brand as well as Audi, Bentley, Lamborghini, Seat, Skoda, and Bugatti, at plants throughout Europe, Africa, the Americas, and Asia Pacific. It also owns 71.8 percent of Scania (a Swedish truck maker) and has a successful financial services subsidiary.

Has Volkswagen changed the way it has been approaching the U.S. market in this current economic climate?

Volkswagen is in this for the long term, and we have to act accordingly. Volkswagen worldwide has very ambitious growth plans, and the U.S. plays into that in a significant way. From a pure marketing standpoint, like everyone else, we have to place a great focus on sales over the short term. But as we sell, we must build brand value. We can't afford to put our brand on sale. We have to convince people that we are the smart, intelligent choice, and perfect for the times, and we have to prove that through compelling content; by promoting our achievements such as having the Green Car of the Year and the World Car of the Year, and by being the only volume brand that offers no-charge Carefree Maintenance, which provides consumers more security against the perception that they may have to pay high maintenance costs. We have to tell people that we offer more standard safety features than any other volume manufacturer. And, on top of all of this, we launched five cars last year, and we're launching an additional three new cars this year. So there's a tremendous amount of momentum and exciting news out there. Our mission is to capture a greater share of the limited sales prospects out there today and, at the same time, build brand value with an eye toward the future.

Are you positioning Volkswagen's long history in the U.S. as part of your marketing plan?

Volkswagen is a German brand, but with an American story. We're part of the cultural fabric of this country. So yes, we do have an advantage in emotional equity, and we do take advantage of it. We've utilized an old 1964 talking Beetle named Max. As the brand voice, he is connecting our past with our present and our future. We're best known for the Beetle and the Jetta. But now, we have an exciting array of new products. We have the new Routan minivan; the new Tiguan compact SUV; the new TDI clean diesels – the Jetta, the Jetta SportWagon, and the Touareg – and we continually come out with new products that take us into new broader segments. So while it's true that we leverage the tremendous amount of affection people have for this brand, ultimately this strategy is to demonstrate how the brand has evolved, proven through an impressive array of new cars.

You are a leader in clean diesel technology. Have you been implementing that as well into the marketing messaging?

It's growing in importance for us as we come out with more vehicles that offer clean diesel. TDI clean diesel represents one of the most affordable and reliable alternative fuel technologies available right now. Most people have no idea that with TDI clean diesel you don't have to compromise performance for higher fuel efficiency and lower emissions. So we have a big opportunity to educate the American market and to not only increase our share in the diesel market, but also increase the size of the diesel market overall.

How much has the Web changed the marketing arena?

It has changed everything we do in marketing, and has certainly changed how people educate themselves about cars. It has empowered people and completely changed the shopping process, as well as the dynamics within a dealership. When people walk into a dealership today, they have not only read information from third-party sources on the Web, but have often engaged with other people on the Web who own similar cars. In fact, people will listen to complete strangers, and will trust them and assume they're credible. Therefore, it's about engaging people in a dialogue, and being a part of the social commerce that's going on out there, as opposed to just a one-way messaging strategy. In fact, we have an entire army of digital word-of-mouth VW marketers who are actively engaging with consumers and key bloggers to inform, inspire, and in some instances, correct perceptions. Finally, our digital marketing program is increasingly becoming more mobile, and more about how to blur the digital world with the physical world.

When this opportunity presented itself, what made you feel it was the right fit?

It was primarily the brand. I have tremendous respect for the Volkswagen brand. I'm in awe of the work that has been done over the decades. The heritage of Volkswagen advertising is astounding. To get the opportunity to write a chapter in Volkswagen marketing is unbelievable.

I was also attracted to the vision of Stefan Jacoby (President and CEO, Volkswagen of America). When I met with Stefan, I realized he fully intended to develop the business in the United States. So the real opportunity is to not only deliver another great chapter in advertising in America but to be a part of something that has never been done here, which is to build this brand into a mass brand in America, like it is around the world. ●