

Marketing Society Excellence Awards
2013

FROM PIT LANES TO POLISHED MARBLE

HOW A RECLUSIVE RACE TEAM TOOK ON THE MOST DESIRABLE BRANDS
ON THE PLANET



Category: F – Brand Extension

Brand: McLaren Automotive

Agency: VCCP London

Author: Rob Dougan

EXECUTIVE SUMMARY

Ferrari.

Lamborghini.

Even their names, written simply in black and white evoke strong emotions.

In an industry defined by desirability their products are positively worshipped. Their images have hung on bedroom walls around the world for over 50 years, vying for space alongside the other classic icons of desire; bond girls and supermodels.

McLaren™ is nothing at all like its super car competition.

Their mission has traditionally been winning races. Notoriety for McLaren™ always came in the form of sporting success not brand success - they were there to build sponsors brands, not their own.

To most, a Formula One™ team moving into road cars might seem like the most natural thing in the world.

That's just not the case. Surprisingly, the differences between the businesses far outweigh the similarities. The business model, scale, place, brand mindset and audience are all entirely different.

In understanding the audience we realised that it was the stories within McLaren's heritage that were by far the most valuable transfer to the road – not the technology as we'd initially imagined.

Our job was to fuel the myth and ensure it was steeped into every part of the new supercar brand.

McLaren™ had typically set itself a monumental challenge – develop a brand to take on the might of Ferrari and Lamborghini.

From a standing start McLaren™ took more than a quarter of the market's value against the category's two most entrenched players in just 18 months of trading.

(242)

THE COMPETITION – EPITOMES OF DESIRE

Ferrari and Lamborghini are two of the most recognisable and desirable brands on the planet. Their appeal is universal and transcends any comparatively shallow differences such as race, religion or class. Bedroom walls on every continent are adorned with their images. They share the real estate with other classic icons of desirability; Kelly Brook, Megan Fox or even Ursula Andress (depending on the age of the boy).

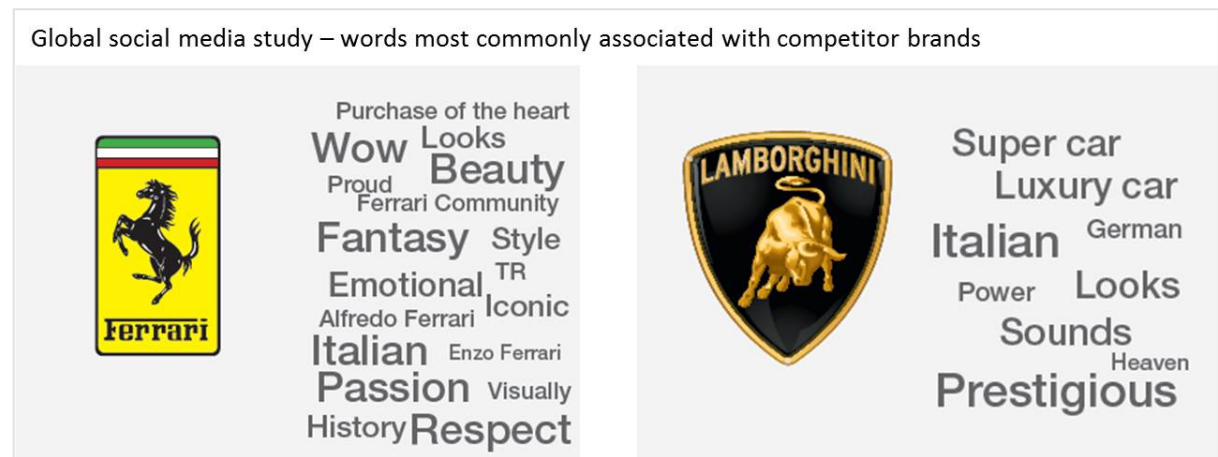
Made famous by celebrity endorsement and film appearances, fans can retrace every contour of the latest model at will. They're exotic, romantic and glamorous – loyalty to one or the other is given early on and often kept for life.

The ultimate icon of desire, Ferrari, was created by Enzo Ferrari, a racing enthusiast who sold cars to help fund his racing empire back in 1929. 66 years later his brand is one of Interbrand's *Best Global Brands 2012* valued at \$3,770m.

Established in 1963, Lamborghini was the creation of Ferruccio Lamborghini who set out to create a glamorous touring car rather than a racer.

While their founding philosophies differ, the modern similarities are striking. Both brands are Italian through and through. The stallion and the bull. Extravagant, passionate personalities full of flare and theatre. Attitude is as important to these brands as engineering. They appeal to hearts and heads almost equally.

The chart below shows just how well understood the competition was. It's taken from a social media audit in December 2011.



A CHALLENGER FROM WOKING

By comparison, McLaren™ heralded from humbler beginnings. Kiwi Bruce McLaren™ started his race team in 1963 in a garage in Woking competing in Can-Am racing across the pond.

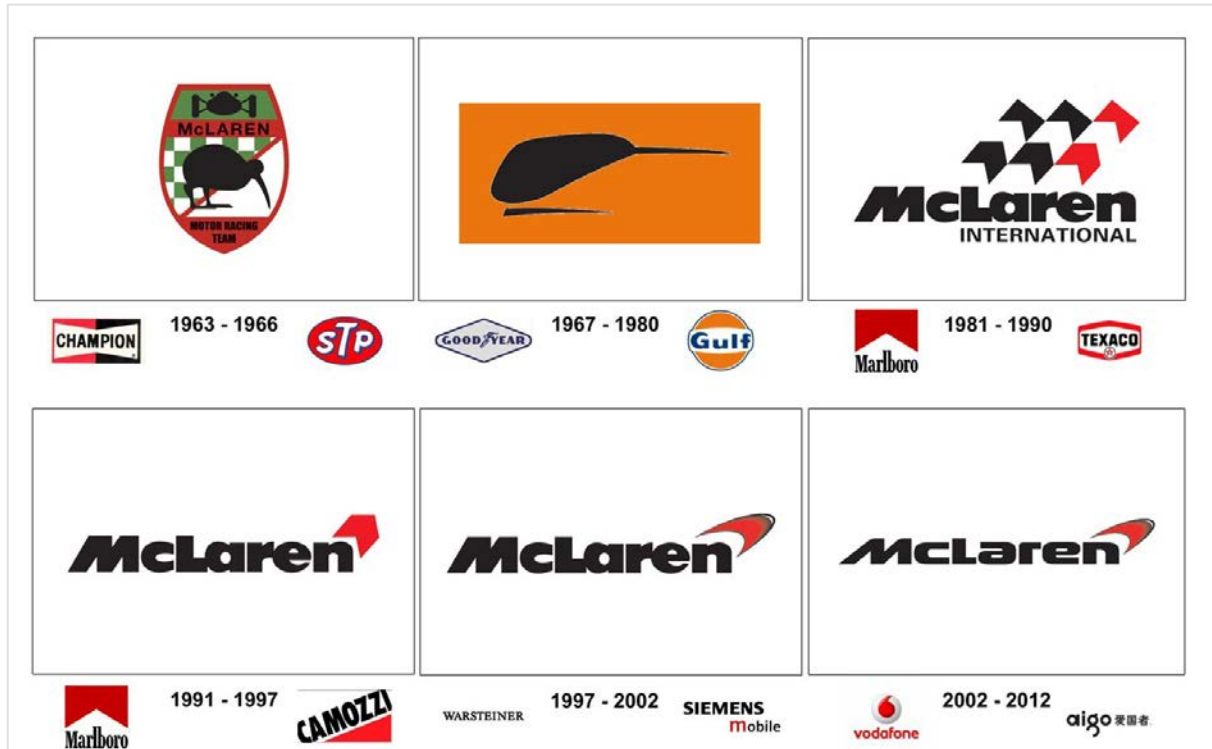
If the team lacked Italian flamboyance, it more than made up for it in racing performance and dominated the original Can-Am series with 43 wins. That success led to Grand Prix racing where McLaren™ came up against the more “fashionable” side of motor sport.

The rivalry between McLaren™ and Ferrari has always been fierce on the track but the *brands* were almost diametrically opposed.

In fact, McLaren™ couldn't really be called a brand. The prancing horse and Rosso Corsa (racing red) had been liberally deployed from ultra-exclusive vehicles like the FXX (which costs \$1.8M and can only be driven on certain days on certain tracks) down to mass produced key chains and of course the famous Ferrari World theme parks; any publicity was good publicity.

The British run McLaren™ was reclusive by comparison. The team’s own logo was a shifting amalgamation of the brands which sponsored it.

McLaren™ was primarily a racing team and then a media owner – in its entire 50 years it had never seen the value in developing its own brand. The business model combined technical excellence with business savvy – McLaren™ was paid to build its sponsor’s brands, not its own.



MAKING THE SHIFT FROM THE TRACK TO THE ROAD

Simply put, the ambition was to create a sports car brand to rival Ferrari and Lamborghini’s main models, the Ferrari 458 and the Lamborghini Gallardo and quickly establish a foothold in the market.

Easier said than done. The list of failed supercar brands is almost as long as the list of failed Formula 1™ teams.



Even TVR’s famous roller-coaster ride of success, failure, success and its ultimate demise demonstrated the difficulty of taking on the legacy marques.

McLaren™ had some very difficult decisions to make. The crucial shifts from track to road were:

- **Business model** - McLaren Automotive would be a manufacturer and retailer rather than a race team / media owner.
- **Production** - As mentioned previously, numbers would dramatically swell requiring a steep change in manufacturing capabilities.
- **Place** - Rivalries would no longer be fought on greasy pit lanes and Grand Prix tracks but on the polished floors of plush dealerships.
- **Mindset** - Formula 1™ races are won (among other things) by hard earned technological advantages that can be copied relatively easily. It’s no wonder that successful teams are fundamentally and organisationally secretive. But, McLaren™ needed stories to survive.
- **Audience** – While the “aspirant masses” are vital to sales as they give permission to purchase, the new audience were prospects who probably already had supercars in their garages not posters on their walls. This was where we could make a real difference to McLaren’s road business.

WHAT TO GIVE AN AUDIENCE THAT ALREADY HAS EVERYTHING?

Technical mastery is abundant within McLaren™. The McLaren Technology Centre (MTC) is designed entirely for the purpose of creating winning vehicles. It's an almost religious place dedicated to understanding machinery. The shift from track to road however required a much deeper understanding of sports car drivers and motivations.



We conducted research on wealthy prospects, the people that work with them and the experts that understand them best. We uncovered two key audience insights.

The first came from a conversation with Elizabeth Sieff, Founding Partner of Little Emperors, a concierge service to the rich and famous.

“It’s not about fashion anymore. That’s boring. It’s everything related to technology: Apple, tablets, home entertainment and the environment – that’s what’s turning people on right now”

This unchained us from any lingering desire to challenge the Italian brands on fashion. The tide was turning against the shallow, fashionista brands as the luxury world searched for more substance.

Yes, McLaren™ would be driven by aesthetics and style but it would avoid anything as fickle as *fashion*.

In fact, even the jocks felt dangerously out of touch when the new heroes were revolutionary thinkers like Steve Jobs and Sergey Brin.

The second audience insight was courtesy of a broker for Burgess Yachts. Jonathan Becket helped us fully understand the power in successful luxury brands. It doesn’t really come from the products they sell but from the stories they possess.

“They’ve already got the biggest and the best – it’s the story that makes something truly valuable”

We knew the product would be world beating. The vehicle was born from the hard won experience of a Formula 1™ patriarch.

The Italian's had their pouting pit girls and flaming exhausts. McLaren™ had something a bit deeper.

Bruce McLaren. Ayrton Senna. Alain Prost. Lewis Hamilton. Jenson Button. This wasn't ostentatious luxury; it was a Formula 1™ legend for the road.

OUR STRATEGIC APPROACH

Our approach revolved around one core marketing strategy:

Fuel the myth

This wasn't a challenge that would be met by advertising alone. All elements of the marketing mix would need to toe the line - from uniforms, to the floor tiles, to the motor shows - all of it.

The big difference between the competitor brands was written into McLaren's values - Innovation, Courage and **Obsession**. It wouldn't work unless it all worked together.

Racing was the source of the two most important ingredients:

1. Rational – expertise and technology informing the road car from the track
2. Emotional – deep heritage infusing the brand mythology



Our audience wanted to buy into a myth. But to tell it straight was the quickest way to shatter it.

We knew that while advertising would be necessary, it wasn't going to meet the brand's challenge alone. We needed to find the right ambassadors, to empower others to tell our stories for us.

The one thing McLaren™ had in spades was technical ability. They didn't need to play the he-said-she-said popularity game. The machine was going to do the talking for them. And it did – coming third in Top Gear's leader board and converting the fence sitters (ahem, Mr Clarkson). It placed behind the Ariel Atom and the Pagani which costs roughly four times as much. Happily it also beat the Bugatti Veyron, the £1.5m hypercar de jour and the world's fastest production car (assuming there are no corners of course).

LAP TIMES

1. Pagani Huayra	1.13.8
2. Ariel Atom V8 500	1.15.1
3. McLaren MP4-12C	1.16.2
4. Bugatti Veyron Supersport	1.16.8
5. Gumpert Apollo	1.17.1
6. Lamborghini Aventador	1.17.1
7. Ascari A10	1.17.3
8. Koenigsegg CCX (with Top Gear spoiler)	1.17.6
9. Pagani Zonda F Roadster	1.17.8
10. Nissan GT-R (2012)	1.17.8
11. Caterham R500	1.17.9
12. Bugatti Veyron	1.18.3
13. Pagani Zonda F	1.18.4
14. Maserati MC12	1.18.9
15. Ferrari Enzo	1.19.0
16. Porsche 911 GT2 (997)	1.19.5 (pd)
17. Ariel Atom	1.19.5
18. Lamborghini LP560	1.19.5 (pd)
19. Porsche 911 GT2	1.19.5 (pd)
20. Ferrari Scuderia	1.19.7
21. Nissan GT-R	1.19.7
22. Porsche Carrera GT	1.19.8
23. Lamborghini LP640	1.19.8
24. Koenigsegg CCX	1.20.4
25. Ascari KZ1	1.20.7

All this would mean nothing if the marque didn't answer the audience's most basic questions – generally speaking these aren't people who spend £200k without doing their homework. The car would have to be cleverly priced and widely available to compete with the Ferrari and Lamborghini.

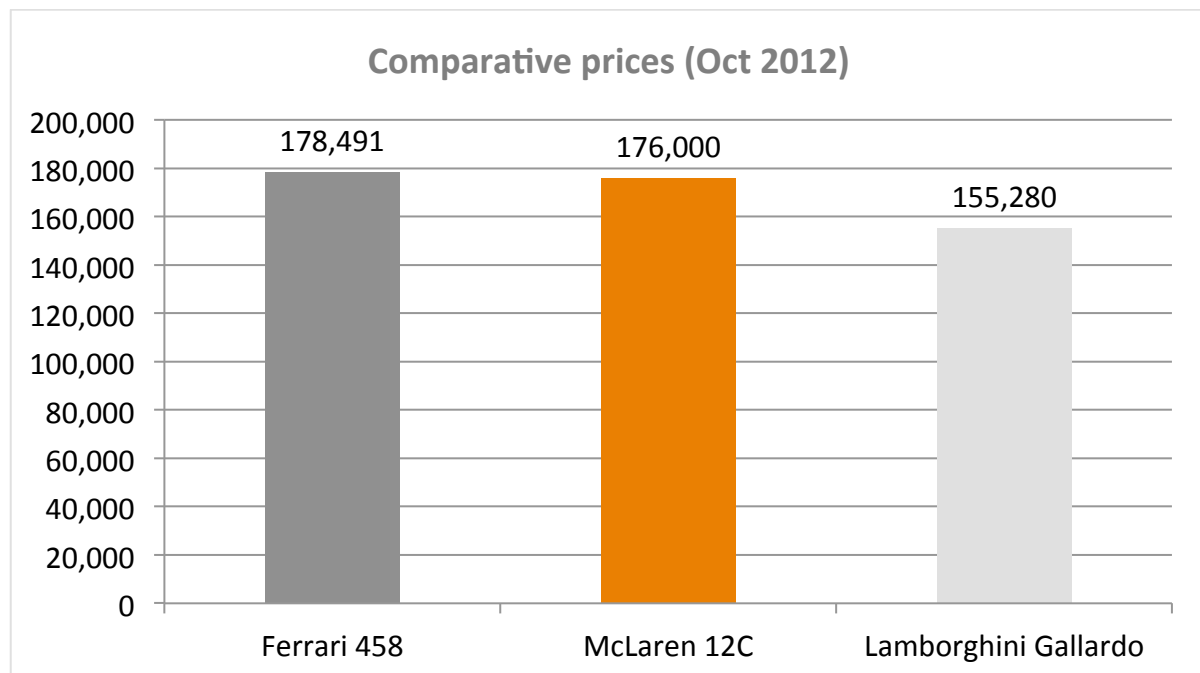
THE EXTENSION IN ACTION

First, the product was indeed outstanding. Born in the same building as the track cars it was not only inspired by their development but included technology that was actually banned in Formula 1™. BrakeSteer, a system that applies braking to the inside rear wheel during cornering to effectively pivot the car around a corner was developed by the team in 1997 but banned for giving an unfair advantage. It was a key selling proposition and a great story for the golf club, enhancing the sense of myth and history in the physical product.

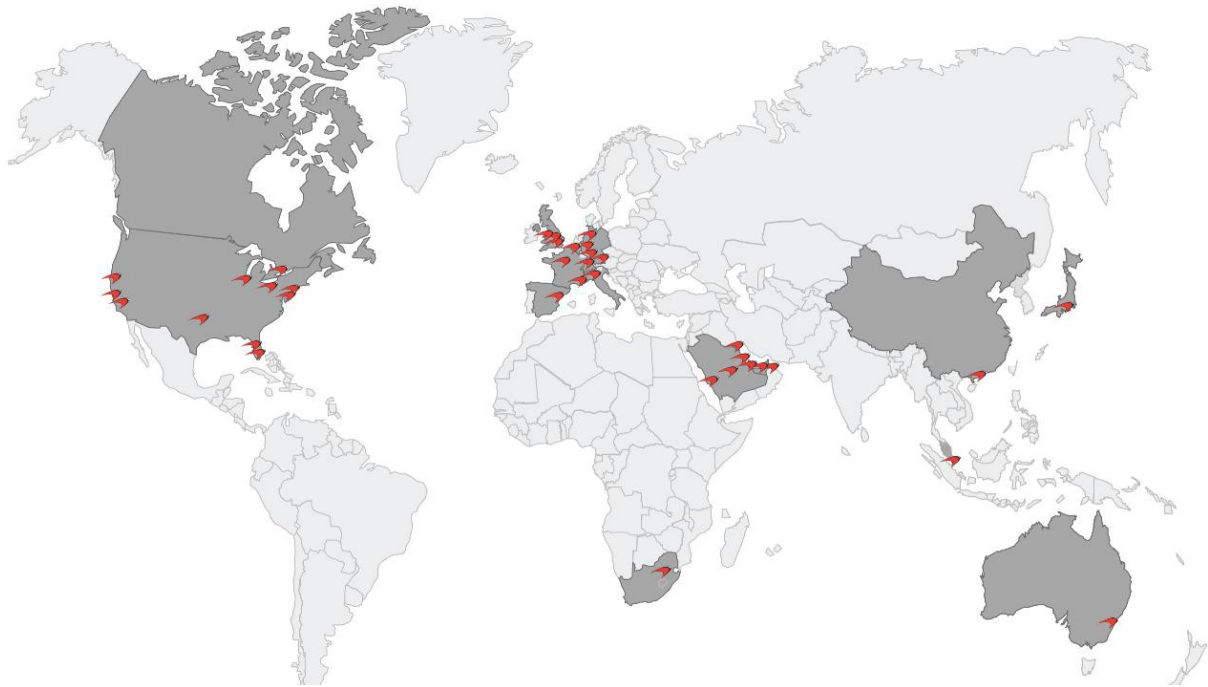
In fact, the product outperformed the competition in all the important numbers.

	Ferrari 458 Italia	Lamborghini Gallardo	McLaren MP4-12C
Power	570 PS	560 PS	600 PS
Torque	540 Nm	540 Nm	600 Nm
Weight/Power Ratio	2.9 kg/PS	2.9 ks/PS	2.6 kg/PS
0-60 (mph)	3.4s	3.7s	3.1s
Top Speed (mph)	202	202	207

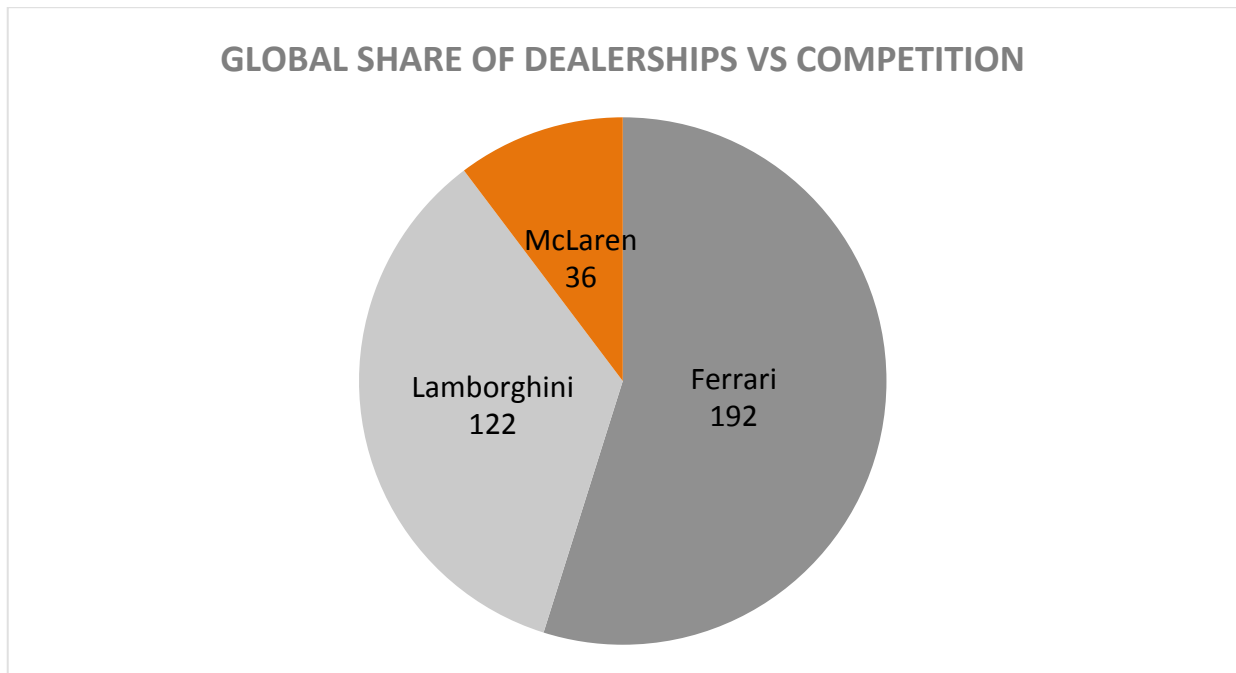
McLaren priced itself just under the Ferrari and above the Lamborghini. High enough to give the product initial credibility but low enough to force serious consideration on the competition’s loyalists.



The dealerships gave a formerly reclusive brand a physical presence. The first flagship store was located in a very prominent London location – 1 Hyde Park. And that was just the beginning.



Within 18 months, McLaren™ had gone from having no dealerships to having 36, operating in 20 countries. An impressive achievement but they still had a small fraction of the real estate. The combined competitor presence was ten times greater than McLaren's.



The showrooms were quality, not quantity. They brought the brand's story to life as an emotional, tactile experience - each contained one of McLaren's historic Formula 1™ cars.



While the 12C was the launch car, the next model, The McLaren P1™, was revealed late last year at the Paris Motorshow. Another opportunity for McLaren to fuel the myth. Ron Dennis launched the car in front of an orange Formula 1™ race car - there was no mistaking the brand's pedigree.



While the brief wouldn't be answered by advertising, the dealership network would need a flexible suite of ads to use in their own markets and it was an ideal opportunity to solidify the new brand. The campaign balances the need for elegance required in luxury publications and the grittier link with racing.



OPEN



TOP



VERSION 134



TO JOIN THE TEAM
 McLaren London
 100 Knightsbridge
 London, SW1X 7LJ
 T +44 (0)20 3151 0020
 E info@london.mclaren.com
 www.london.mclaren.com

The official fuel consumption figures for the McLaren MP4-12C in city 5.7 (l/100km), Urban 13.3 (l/100km), Extra Urban 3.6 (l/100km), Combined 6.2 (l/100km) emissions combined 279 g/km. Fuel consumption in accordance with EU Directive 93/116/EEC.

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It's easy to draw comparisons between the MP4-27 and the MP4-12C. Because everything we do down to the finest detail is born of McLaren DNA. **The McLaren MP4-12C. Every part tells a story.**

TO JOIN THE TEAM
 McLaren London
 100 Knightsbridge
 London, SW1X 7LJ
 T +44 (0)20 3151 0020
 E enquiry@london.mclaren.com
 www.london.mclaren.com

It's not just about the McLaren name, it's about the passion, the heritage, the tradition, the innovation, the performance, the excellence, the craftsmanship, the attention to detail, the passion, the heritage, the tradition, the innovation, the performance, the excellence, the craftsmanship, the attention to detail.

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YOUR 12C'S PEDIGREE

Your 12C will be born of the same winning pedigree that is clearly visible in the Formula 1™ Championship-winning cars on display at the MTC. Half a century of success and innovation continues to inspire the designers, engineers and technicians who create your 12C. The same pride, passion and hunger for success permeates every aspect of the day-to-day operation of the MTC and MP4 and the cars that are produced within their walls.

Internally, the brand heroes were being celebrated and a film was created to give voice to the legacy of Bruce McLaren. It's recently been released to the public to celebrate their 50th birthday.



For reference the final film can be viewed at -<http://bit.ly/VA4j2y>



McLaren 50 - Courage

Let's start at the beginning.

I am a racing driver. I always was. Always will be.

Ever since my dad restored an aging Austin 7 Ulster and I entered my first hill climb competition, I never stopped. At age 22, I won my first Grand Prix and became the youngest ever winner up to that time.

I would push the car to its limits over and over and over. On the track, in the paddock, in the mechanic shop. I'd modify it, improve it and master it till I dropped on the floor with exhaustion.

In 1963, I founded my own Motor Racing team. Now, let me tell you just one story so you get what it was about.

One day as I was testing a car, I noticed that the fuel filler access door was flapping up and down.

The thinking at the time was that it should have been pressed more firmly in place as the speed of the car increased. But instead, it bounced more vigorously.

At first, I was angry that the door hadn't been properly closed...

I've always hated sloppy work – But an idea was soon born out of my frustration. Stopping in the pits, I jumped from the car, ran to a mechanics toolbox, grabbed a pair of shears and started cutting the bodywork away behind the radiator.

You should have seen the faces of the mechanics... immediately I began turning lap times faster than before. From that incident, came the "nostrils", a key design feature that is still used today...

On the 2nd of June 1970 my Can-Am car crashed on the Lavant Straight just before Woodcote corner at Goodwood Circuit in England. I was testing my new M8D when the rear bodywork came adrift at speed.

I died aged 32... But what might be seen as a tragic end was in fact a beginning. As I always said; to do something well is so worthwhile that to die trying to do it better cannot be foolhardy.

Indeed, life is not measured in years alone, but in achievement.

That would make a good epitaph, wouldn't it?

So, on that beautiful summer day, on that racetrack, I did something more than leave a name and a memory...

Hopefully, I became an inspiration."

Bruce McLaren 1937 - 1970.

AN EARLY LEAD IN A LONG RACE

In 2008 McLaren™ sold no sports cars.

In 2009 McLaren™ sold no sports cars.

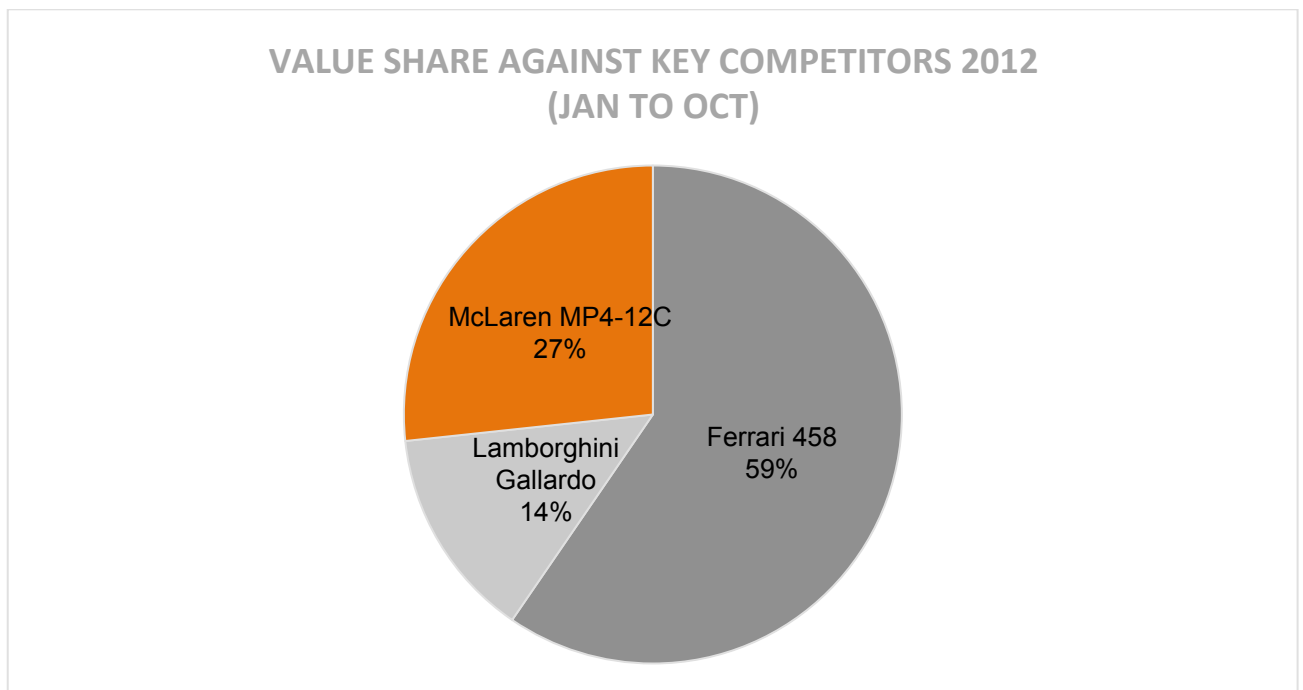
In 2010 McLaren™ sold no sports cars.

In 2011 they sold 210 sports cars.

In 2012 they sold 1398 sports cars.

From a standing start and with a tiny fraction of the showroom real estate, McLaren had taken on the established might of the supercar market and carved itself a more than sizeable foothold. The brand had sold 1,608 12Cs in just 18 months.

The brand captured over a quarter of the market share against the two biggest competitors for their key models.



(Based on exchange rates at 13th Jan and base model prices)

This is made even more impressive because over this period both Ferrari and Lamborghini had convertible variants for sale. Traditionally the spiders outsell the coupes and in this instance they account for more than half of Ferrari's sales.

The 12C's Spider version wouldn't register in the sales volume until November this year; after this data run.

Once again McLaren has proven that it has the vision, conviction and ability to meet its own aggressive ambitions. Who knows, soon we might even be seeing McLaren posters on Italian boys' bedroom walls.

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