The APX programme:
A Jekyll and Hyde car

The British Motor Show
Car design is experiencing a boom. Never before in the car industry was design so important. Just look at the amount of money invested in new design studios. Not too long ago a car could be successful even if it had a mediocre design, as long as it was superior in quality or enjoyed a superior brand image. Not anymore. Even the best brands with the best cars have to battle it out with ever more imaginative designs. Design has become the main differentiator.

We too feel the ever-growing importance of design here at Lotus. In a recent survey among our customers, design was right up there as one of the main influences when buying a car.

Of course design without engineering is meaningless. Style without substance can no longer exist. No matter how imaginative a design, the integration of engineering is paramount. The new Freelander and Corsa unveiled at the London Motor Show are good examples of this. Also here at Lotus, we pride ourselves on creating cars with a perfect balance between imaginative design and clever engineering. To demonstrate this, we have created the fully production feasible APX.

In this issue of ProActive we focus on design, taking you behind the scenes of the APX by Lotus Engineering. We also review the latest cars launched at the London Motor Show and those responsible for the look of today’s new models. In addition, Rex Parker comments on California’s car culture and its influence on worldwide automotive design.

How important is design to you? Let us know your thoughts by emailing proactive@lotuscars.co.uk

Steve Crijns, Lotus Design Team
Mazda, GM and Ford are to introduce iPod adapters allowing the iconic personal music players to be operated through factory-installed audio systems.

Mazda’s device will be launched in Japan on 22 August and will later become a dealer option world-wide.

Mazda claims to be the first to offer iPod adapters for almost all of its models to be launched in the future.

The device costs JPY23,100 (GBP107, US$201) including installation and tax in Japan.

GM will also offer iPod integration on all new models, the music player’s maker Apple told the Associated Press (AP), and Ford will offer it on many of its Ford and Lincoln Mercury models later this year.

The new alliances mean the audio gadget will now be compatible with more than 70% of the new 2007 model vehicles sold in the United States, Apple told AP.

Carmakers reportedly say they are responding to a booming trend in which sales of iPods and other MP3 players are predicted to more than double from 58m units in 2005 to 132m in 2009.

The iPod holds about a 75% share of the portable player market in the US, AP noted.

“Consumers are listening to music, they’re messaging each other, and they want to engage in all those activities in their vehicles but in a safe manner,” Doug VanDagens, director of Ford’s product and business development in the electronics group, told the news agency.

Two years ago BMW incorporated iPods directly into its car audio systems, allowing users to plug the music player into an adapter that goes into the glove box and access the iPod’s music library through the car’s standard controls, the report said.

By last autumn, as sales of the iPod continued to surge, Apple had signed similar deals with about a dozen more car companies, including Honda’s US luxury brand Acura, Audi, Ferrari, Honda, Nissan and Volkswagen.

According to AP, Ford said on Thursday it would offer iPod integration as a dealer-installed option called “TripTunes Advanced” at a suggested price of about US$200, plus installation. An adapter that doubles as a battery-charging station would go in either the glove box or centre storage console. Users would then be able to control the iPod through buttons on the steering wheel or the radio. Playlists, artists and other song information will also be displayed on the cars’ systems.

In addition, Ford plans to add auxiliary audio input jacks on nearly half its lineup, starting this autumn, the report added. Tunes from any gadget — iPods, other MP3 or CD music players, cell phones and game handhelds — will then be playable on the cars’ audio systems without the need for extra adapters or FM transmitters.

GM reportedly said it will offer its iPod-only setup called “Personal Audio Link” at dealerships for all 56 of its models at a suggested retail price of less than US$160, plus installation.

“We know our music-loving customers have been clamoring for a system like this, but we were determined not to go into the market with one unless it was truly integrated, easy to use and affordable,” Nancy Philippart, executive director of GM accessories, told the Associated Press. “I think this system will be music to our customers’ ears.”

Analysts have told the news agency that US automakers are once again lagging behind foreign companies in new features, but in this case, “at least they’re finally getting more attuned to what consumers want,” according to Art Spinella of CNW Marketing Research.

The new iPod option particularly could help struggling GM, which has been attracting younger customers in recent years. “It won’t translate into sales in a dramatic way, but it certainly keeps customers from discarding the brand or its cars while shopping,” Spinella told AP.

Chrysler Group’s new Dodge Caliber hatchback — which replaced the Neon sedan earlier this year — has a centre console holder for an iPod or other music player (or a mobile phone) and offers an aftermarket adaptor to hook the player to the factory-fitted audio system.

Ironically, the new model has been criticised by some consumer writers for deleting the auxiliary socket that allows a music player to be plugged in from the optional high-end audio unit.

Source: just-auto.com
**SPAIN: Buyers opt for bigger, more expensive vehicles**

Though car sales are slumping in Spain, drivers here are buying bigger and pricier models, dealers’ federation Faconauto said.

In a statement, it noted that the average consumer spend on a new car in the first half of 2006 was EUR21,332, up 4.2% on the same period a year ago. Dealer promotions fell 9.2%, it added.

Spaniards tended to buy bigger and more powerful cars this year, Faconauto said, snapping up models which are on average 2.8% more powerful.

**US: Ford fits Fusion into cereal boxes**

Ford Motor Company has linked up with cereal maker Kellogg’s and supermarket chain Target to promote its Fusion mid-sized car for the next month.

The promotion, which started this week, includes advertising on cereal packaging and the distribution of 600,000 Fusion Hot Wheels toy car in boxes of Froot Loops, Apple Jacks, Frosted Flakes and Cocoa Krispies.

The manufacturer will give away one real Fusion car to the person who buys a cereal packet containing the only red toy car with Target’s logo on the side.

Ford spokesperson Monte Doran told just-auto: “From our perspective we have just launched the Fusion, and are starting from scratch with a brand new car and brand new name.

“It is a strong model, which research has shown is bought by six out of 10 shoppers who come into the show room and test the car, but we also need to get people to add it to their shopping list in the first place.”

Other promotions for the Fusion, which is selling around 14,000 units per month, include partnerships with NASCAR racing and pop star Kelly Clarkson’s 2006 “Addicted” tour.

“We hope to sell 100,000 Fusions this year and take some sales away from Toyota and Honda. Adding the Fusion to our car line has added value, market share, and enabled us to achieve gains,” Doran said.
Introduction

Lotus Design has a world-wide reputation for designing emotional and iconic sports cars but it is a well-kept secret that we also offer a design and showcar build service for other OEMs. Within an increasingly competitive market, the ability to “design in” character and excitement has never been more relevant to the worlds automotive industry. The APX programme was therefore a fantastic opportunity for us to publicly demonstrate how the skills and methodology used on Lotus sports cars can be transferred to a product that more closely answers the needs of our clients.

Many of the landmark Lotus products have been defined by a combination of beautiful design and engineering innovation. It was therefore fitting that the APX should be a production feasible showcase for our specialist engineering capability in niche vehicle architecture and powertrain.

Brief

Our brief was to create a car with a “Jekyll and Hyde” personality, a dramatic looking, high-performance driving machine which also provided safe, practical and flexible everyday transport.

The seating layout

Exciting designs are often driven by innovative packaging solutions that necessitate new proportion and functionality. Success can in part be attributed to a clear brief but is often accelerated when the team identify with the customer segment and see the product as an answer to real and personal needs.

Image board for Jekyll and Hyde philosophy

Process

The “in-house” project followed a typical process employed for both client and Lotus Cars programmes. Initial sketch and design strategy work was followed by scale models, digital surface development and finally, full-size models. Proportion and stance are key to the success of all car designs but pedestrian impact legislation and unfamiliar seating layout demanded volumes that were taller and longer than classically expected with a dynamic sporting vehicle. Therefore Design and Engineering worked closely from the outset with bucks and CAD simulation to minimise the envelopes and balance aesthetics, functionality and legality. Once these were established, the designers could set about developing line and surface language that further minimised the visual volume.

Fundamental to the creation of an innovative design was to engaging the collective imagination of the studio team. Early sketches explored a variety of surface language and proportion before being distilled into two main themes from Steve Crijns and Anthony Bushell. A low sleek monovolume and a dramatic cab rearward theme were pursued into scale model before Anthony’s theme was chosen as the final design.

Feature

The APX programme: A Jekyll and Hyde car

Early sketches of APX by Steve Crijns (Top) and Anthony Bushell (Bottom)
Exterior Design: designer Anthony Bushell

Russell Carr explains the exterior design philosophy: “We wanted the design to communicate the driving experience of the car, which is characterised by extreme power, performance and grip. Therefore the form language had to convey strength and velocity whilst looking planted to the road. As with all designs, the essences of strength and movement are generated from stance and proportion which are, on this car, characterised by an extreme cab rearward, teardrop-like silhouette and prominent wheel arches. The illusion of speed is further communicated by a taut, fluid form language within which feature lines and surfaces stretch seemlessly from the penetrative nose to the boat-tail rear end. A classic front engined hood-line instantly conveys a sense of power whilst the deep bodyside, flared arches and shallow glasshouse give visual strength.”

Interior Design: designer Euan Jenkins

Inside the car we wanted to create a sporty environment with a high degree of functionality and a contemporary sense of luxury.

Russell Carr explains further: “We started by working with the engineering group to optimise the driving position and major controls. Then we created memorable features and controls that combine intuitive function with a unique design and high quality materials. This is evident in the design of the HVAC control, the start button and instrument pack. The latter communicates the car’s sporting personality through a distinctive sports bike look which mixes analogue and digital displays within a high-quality aluminium casing.”

The digital screens of the instrument pack has multi-functionality enabling major data, including satellite navigation, to be placed logically in front of the driver. Great care was taken in developing the grains, textures and material finishes to ensure an ambience of sportiness and contemporary luxury.

Russell Carr, Chief designer – Lotus Design
Most participants in the automotive industry are at least peripherally familiar with California’s unique “car culture” (or, as some describe it, “kar kulture”) and its sizable influence on how vehicles throughout the world are designed and viewed. Less known are the influences and ingredients that have led to this phenomenon. Let’s take a closer look at California as both a state within the US and state of mind to understand better where it fits in the overall scheme of automobiling in general, and in the automotive design community in particular.

Unlikely Roots?

Viewed from a strictly objective perspective, California is a somewhat unlikely source of automotive inspiration. No significant automobile company is headquartered there. No specific vehicle engineering or production engineering of any consequence is performed there. Mass production is now confined to only one location – the GM-Toyota NUMMI plant in Fremont, California – itself more a result of politics and union commitments than ideal manufacturing facility placement. Moreover, California is a very expensive place to do business, with both land and labour costs more closely aligned with Geneva and Monte Carlo than, for example, Toluca or Hangzhou. So, once again, why California?

Need We Mention The Weather?

Of course, the weather is a factor. Contrary to popular rumour, it can rain in California and yes, there can be cloudy skies. There can even be snow, though (it must be confessed) a fair amount of it is man-made. Notwithstanding these caveats, most of the time and in most locations, California is fundamentally sunny and dry, meaning that all manner of cars and trucks can be used on public roads year-round.

Just as California can be cold, it can also be hot. In some locations, unbearably hot. Some heat makes it possible to own and use convertibles throughout the year. Too much heat means convertibles become an exercise in futility, and closed, air conditioned vehicles become a literal necessity.

The weather creates another phenomenon particularly important to the way vehicles look, that of ambient lighting. Californian skies can be very blue or, in notoriously smoggy areas, very brown. The resulting sunlight is not only eyeball-searingly bright, but also tinged with enough brown cast to make car paint and brightwork really stand out visually. Think of looking at the world through Serengeti-brand polarised sunglasses, and you get an idea of how painted body colours and bright trim pieces take on new casts and qualities in California sunlight.

Let’s Not Forget Wealth

What discussion of California would be complete without mentioning money, wealth, and (dare we say it?) taste. Since gold was discovered in 1849, people have flocked to California to either become wealthy, secure their wealth, spend their wealth, flaunt their wealth or, all too often, display wealth they don’t even have. Those with real wealth are fairly well known worldwide: Hearst, Huntington, Giannini, Wrigley, Warner, Goldwyn, Annenberg, Spelling. Added to these are lesser publicised magnates from Silicon Valley, as well as the glitterati from LA’s Westside. You know who they are. They’re in the movies and on TV.
In a Californian context, wealth and automobiles have gone hand-in-hand for generations. Good weather means wanting to get out of the house. Wealth means wanting to get out of the house in a way that communicates money. These, plus an inherent need to entertain, make Californians want the widest variety of the most interesting and intriguing vehicles possible – in, of course, the greatest quantity. Call it the “Imelda Complex”. Why limit yourself to 50 pairs of shoes when 400 will do? Few places on earth can equal California’s concentration of fascinating vehicles actively driven on the road for all to be seen, coveted and appreciated. Vehicles in California aren’t just seen in pictures. They’re seen, recognised and appreciated in-person. Year-round.

**Appropriate Viewing Angles**

Why are American vehicles generally thought of as being so large? Because streets are large. And why are streets so large? Because there is a lot of space. And what does space do for viewing motor vehicles in their entirety and from the proper viewing angles? Well, everything.

Good weather plus ample room to view cars and trucks from every conceivable angle and perspective optimises the way vehicles look and, more important, the way they are seen. Californians – artists, designers and novices alike – can and do see vehicles from the proper distances and angles for complete absorption and comprehension. You would be surprised how this “total viewing angle” makes good-looking vehicles look that much better, and in turn highlights proportion and detail flaws in others. No wonder Nissan Design America’s outdoor viewing courtyard in La Jolla California is the size and shape of a football pitch. Everything is revealed. Nothing is hidden.

---

**More History Than You Might Think**

Equally important to the way the car culture plays out in California is the simple weight of history. True, California has never been a major automotive production centre, or at least manufacturing hub, in the order of the Midlands, Detroit or Nagoya, but it has played an important role in vehicular design for the better part of a century. Automobile body design and construction were undertaken in California from about 1905. In fact, a certain Jacob W. Earl made custom automotive bodies in Los Angeles starting shortly thereafter. His son, Harley Earl, born, raised and educated in California, went on to Detroit to found the overall industry of automotive design as head of General Motors Styling (1927-1959). In his time, and even in subsequent times, it was said more vehicles were designed under Harley Earl’s direct supervision than under any other designer in the world. Suffice to say, and it must be said for better or worse, these vehicles all reflected a certain Californian influence.

---

**Walter P. Murphy advert from the late-1920s**

California’s impact on automotive design continued in the interwar years. Walter Murphy in Pasadena was a leading producer of bespoke automotive bodies through the early-1930s. The same facility was taken over by Bohmann & Schwartz in the mid-1930s, again producing a variety of highly individual bespoke bodies. When Hollywood celebrities came calling for bigger, grander and more ostentatious vehicles, California automotive designers and fabricators were more than happy to meet the need.

**Pardon The Pun: War “Explodes” The Permutations**

With World War II and its immediate aftermath came interest in not only new vehicles, but for the first time in used vehicles. War and war production created a variety of phenomena that became concentrated and magnified in California. Those soldiers who returned home alive and able came back with money. Some spent their newfound wealth on conventional new cars, others on MG TCs and other imports, still others on used cars. These used cars
often became customs, or what we now know today as hot rods, rat rods, highboys, lowboys, lakesters, lead sleds, cruisers and low-riders. Where did the customs come from? Well, California of course.

Designing customs in California should come as no surprise. But how about making them? Easy. Tens of thousands of Douglas and Lockheed aircraft were made in California during the war, as well as thousands of ships, millions of munitions, etc. Suffice to say, production equipment and infrastructures for these items came from California as well. The end of war signaled literally thousands of highly skilled labourers coming into the postwar job market. Some built race cars: Kurtis, Watson, Lesovsky, Epperly, Shelby, Holman & Moody. Some built customs: Barris, Deigt, Mickey Thompson, Jeffries, Winfield, Chapouris. Others built components: Iskenderian, Moon, Halibrand. The net effect was scores of designers and fabricators competing for attention and business with intriguing looks and, often, unsurpassed quality. Yet another element in the California car culture.

International Hub

Sunshine, economics and talent have clearly played a role. Now for a fourth element. California has three of the largest deepwater ports in the world. California is also a major immigration center, as it has been since its separation from Mexico in the 1840s. Following World War II, California was optimally poised to import cultural, art and design influences from all over the world. This phenomenon, of course, continues unabated today.

Volkswagen arrived in the early 1950s, and immediately captured the collective hearts of Californians eager for something different, unique and new. The British came too, and California responded in kind by buying every Austin, Morris, Hillman, Sunbeam, Humber, Armstrong-Siddeley and Jowett it could get its hands on. Lotus arrived in 1958 with the Elite. Then came the Asians, establishing their distribution centres and basing their eastward expansion from Southern California. No need to elaborate on Japan’s – and now Korea’s – long-term success. Also no need to mention California’s everlasting love and fascination for all things Lotus!

Putting The Pieces Together

We’ve discussed the weather, the money, the taste (questionable and otherwise), the sheer hands-on talent, and the admixture of international influences. Now let's tie all these together to form a single picture of California auto design and its influence on the world. First, some gives:

- California has a population of 34 million (and growing!).
- If California were a national economy, its GNP would be eighth-largest in the world.
- There are 18 million registered cars and light trucks in California
- 1.6 million new vehicles are sold each year in California (~10% of the national total)
- Californians love their cars, the more varied and interesting the better

As for the vehicle design community:

- California is a long-standing world design leader in the plastic arts, architecture, cinema, computer graphics, aerospace and automobiles. It’s a good place for artists to be, if not one of the world's few great places to be.
- Artists can be persuaded to live in sunny, balmy climes. They are less interested in living in Detroit or, it must be said, Beijing.
- “Import” brand vehicles now take up more than 50% of Californian new-vehicle sales, making the market interesting for both the (ever-advancing) Imports and (continually receding) Domestics.
- There is a strong academic foundation for automotive design in California, spearheaded by Pasadena’s Art Center College of Design and San Francisco’s Academy of Art University
- To place automotive design in context, reference properties – both current and historic – are everywhere. On the streets. In hidden garages. In public and private collections. Even in art museums.
Since the market is in California, the talent is in California, and much of the talent wants to remain in California, it is reasonable to assume OEM design centres will continue to thrive in California. This is particularly true for advance design studios, as there is a recent trend for shorter-lead studio production engineering work to be transferred to locations closer to manufacturing. An example of the latter is the recent Nissan expansion at its Farmington Hills, Michigan development/engineering facility.

**OEMs And Their Supporters – Where They Are**

Without delving into great detail, multiple OEM design and advanced-design facilities are located along the Southern Californian coastline. Starting from farthest north, and progressing south, a selection of these is:

- Volvo, Camarillo
- BMW Designworks USA, Newbury Park
- Volkswagen-Audi, Santa Monica
- General Motors, North Hollywood
- Honda, Torrance
- Mitsubishi, Cypress
- Toyota-CALTY, Newport Beach
- Mazda, Irvine
- Mercedes-Benz, Irvine
- Ford, Irvine
- Hyundai-Kia, Irvine
- DCX-Pacifica, Carlsbad
- Nissan, La Jolla

Some of the work – and resulting vehicles – from these studios is public knowledge. Some is not. Suffice to say, however, each of these studios has designed and developed motor vehicles that are familiar and admired worldwide. The facilities exist to do real work, actually do fantastic work, and can in no way be described as mere window dressing. As a typical Californian might say, “they’re for real!”

Supporting the OEM operations is a veritable who’s who in the independent design and fabrication community, including such well-known names as Metalcrafters, Aria, 5-Axis, Fisker, Foose, Form Design and literally countless 2nd-tier and aftermarket manufacturers and suppliers. All based in California. So too is SEMA, or the Specialty Equipment Marketing Association, linking the disparate elements of the aftermarket together.

**Lotus’ Expanding Role**

With Lotus vehicle production rising to unprecedented levels and worldwide distribution measurably stronger than ever, it follows that Lotus as an organisational whole is increasingly interested in participating in one of its largest vehicle markets – California. Stay tuned to these pages for updates on Lotus Engineering developments in the states, both in the areas of providing studio/engineering services as well as in parts procurement for the vehicle end of the business. Many interesting prospects in store!

Rex Parker, Lotus Engineering, California
Technologies for Niche Vehicle Design, Development and Manufacturing

Tuesday 12 September 2006
Hethel Engineering Centre, Hethel, Norwich, Norfolk

For Programme and Registration Information please visit:
www.imeche.org.uk/events/niche
Q&A with SMMT’s chief executive, Chris Macgowan

The UK automotive industry’s trade association, the Society of Motor Manufacturers and Traders (SMMT), looks after the collective interests of its company members and also organises the British International Motor Show, held this year in London. The SMMT’s chief executive, Christopher Macgowan, spoke exclusively to just-auto editor Dave Leggett just ahead of the London Motor Show.

What’s taking up most of your time at the moment?

There’s one very clear answer to that: it is of course the London Motor Show. It has been out of London for 30 years. It is back in London as from press day (18 July), we’ve a significant number of product launches and all sorts of people wanting do things at the show – and it’s really humming. So, that’s the number one topic in my diary at the present moment.

And how are plans for the show shaping up? Are things going pretty much as expected in the run-up?

I don’t want to become a hostage to fortune, but the planning has gone better than we could have dreamed. This is the biggest single consumer event of its type in the UK, so you move something like this with great care, but the planning has really gone very well indeed and we’re ahead with ticket sales, we’re ahead with product launches. One doesn’t want to be complacent or over-confident but it is really looking good, I have to say.

Most of the big international auto shows have a central appeal or reason for existence: Frankfurt to showcase the German manufacturers, Paris for the French, Detroit for the US Big Three, Tokyo for the Japanese, Geneva a neutral alternative for Europe. Given that the UK effectively lost the last remnants of its indigenous volume car manufacturing industry with the demise of MG Rover, where exactly does a British Motor Show fit in?

A British Show fits in in two ways. Firstly, London as a city has huge pulling power. It is still one of the top attractions globally, so anything that happens in London has a head start. That’s one area. And the second area that differentiates the London show from others is that the consumer is at the heart of all our thinking. What we are trying to do is give the visitor a rattling good day. It is very much focused on a rattling good day out where the cars are the stars but the consumer is just behind in the league table.

Why do you think that London is a better venue for the British Motor Show than [previous venue] Birmingham’s NEC (National Exhibition Centre)?

The NEC venue was a good venue for many, many years, but the manufacturers decided to reassess the NEC for two reasons: the cost of exhibiting and the cost of being a visitor to the NEC. Those two things, manufacturers felt, were getting way out of kilter.

So a beauty parade was held and the decision was taken to move the show to London’s ExCeL. ExCeL had two winning elements to its bid. Firstly, the cost issues were addressed and secondly, it meant the show would move to London and manufacturers felt that if the show was to be moved at all, it needed to be a decisive move. That turned out to be London, but we didn’t set out to move it to London. London offered the better deal.

Now we are beginning to realise just what a huge pull London is. My office is in London and I am constantly aware of the huge number of tourists the city attracts and the special place that London has in the hearts of so many people. We are seeing that reflected in advance ticket sales and also – because London is such a major centre of fashion and an economic centre – manufacturers have also decided that they want to exhibit and launch new product at the show; it is London and it is July. And that is something that separates out this show from Birmingham, enormously.

Are you happy, then, with the response of the UK auto industry and its support for the London Show?

Yes, I am. I am enormously comfortable with it. It is demonstrated in several ways. Firstly, a show of this sort has to stand on its own merits in terms of being a viable and attractive show. We don’t have the advantage that our colleagues in say, France, Germany or perhaps Japan have, i.e. they can appeal to a very clear national interest in terms of their national manufacturers. We have to have a show that stands up on its own two feet, on its merits. The shape of this show clearly does and I’m really pleased with the response and, without being complacent, I think we are up for a very, very good show.

It certainly does look as if the premiere count is well up on the last Birmingham show, but what do you think are the key factors that sway some manufacturers to premiere models at London rather than other international motor shows?

Well, I think the time of year has helped. July is well away from Geneva or the autumnal Frankfurt/Paris slot in terms of Western Europe, so the timing is very helpful.

Secondly, we may not have an indigenous volume carmaking industry here, but we have lots of brands being built here – more brands than any other EU member state. If you couple that diverse manufacturing aspect with the size of the UK new car market, the second largest in Europe, the net result is that those men and women with responsibility for a brand in Britain say, “hang on, we’d like to have that model previewed or launched in London, as this will help our marketing plans”.

Lotus Engineering

Change the rules
Are visitor numbers a key measure of the show’s success and how many visitors are you expecting?

I think they are a key measure. I must tell you though that I am not impressed with some shows that announce visitor numbers on the opening day. That seems a little disingenuous. We know what figure we are going for – we want 400,000 properly audited visitors. None of the other shows are properly audited so their figures are exaggerated because they include all sorts of weird and wonderful double entries and exhibitors and so on. Being typically British we audit ours. We are confident that we will get 400,000 audited visitors and if we do, we will be very happy with that.

You might say that that doesn’t shape up too well against 1.2 million in Seoul and I wouldn’t want to cast doubts on the figures of another exhibition, but you have to recognise where we are in the loop. Getting people to any public attraction in the UK requires great skill. The days of just opening the doors and saying "here's the motor show" – well, those days are gone. They can do it in some countries – they can do it in Paris, for instance. They just open the doors and say "here we are" and hundreds of thousands of people pour in. But in Britain it is highly competitive. You are looking to see if you can attract that family’s fifty quid and that’s why we have to have a rattling good show.

And how important is the automotive trade element to the London Show?

Oh, it is hugely important and I am well aware of the needs of that side of the show too. The show is, in a sense, a collection of parts that together add up to a brilliant show. For instance: to what extent do you think that the rock concerts in the evening are important? Well, you may think that that is a trivial sideshow. On the contrary, Londoners love doing things in the evening and concerts in the evening are exactly what they want and it gives them free entry to the show after 4pm. Brilliant marketing initiative and it will work well.

Turning to the UK auto industry, how do you see the state of the UK auto industry currently, particularly in the context of the failure of MG Rover last year, PSA’s decision to shut Ryton next year and Vauxhall’s Ellesmere Port facility losing a shift?

Well, the way I see it is like this. Our strongest card is that we don’t believe in protectionism. The UK, politically, and the auto industry within the UK, does not subscribe to any form of protectionism. Therefore, the UK stands up on its own merits. We have a huge number of brands being built in Britain. But obviously I am enormously saddened by the decision of PSA to close Ryton in 2007; I am also hugely saddened by the collapse of MG Rover and the human casualties – redundancies – there; of course I am and it would be foolish to imply otherwise.

But, you can’t have it both ways. You can’t have, on one hand, an open market where you are attracting investment and then on the other hand, act in a protectionist way when difficulties come along. So, in France for example, when foreign interests wanted to buy the Danone yoghurt company they decided it was a “national treasure” and needed to be protected. That’s fine, but we don’t have that attitude here in the UK. The London Stock Exchange could even be sold to foreign ownership. That’s the way we are.

I’m saddened, naturally, by auto industry closures in Britain but I am not downcast about it because I know that the UK has a strong manufacturing base and it has that base on merit and merit alone. I know that other jobs will be created – look at the way we are moving into engine and transmission manufacturing, added value manufacturing that we are so good at.

We can’t have it both ways. If I get all uptight about someone who decides to move offshore that is really not very helpful, because at the same time we are looking to attract new manufacturing and expand existing manufacturing activity.

Do you believe that the auto industry in Britain – vehicle manufacturing and the supplier sector – is seriously threatened by the emergence of low-cost competition in Central and Eastern Europe?

The answer to that question has to be yes, of course, we are threatened. But, we have to view this in a global sense. And we’re back to the subject of the extent to which we plan to protect things. I know, for instance, that some of the low-cost countries that have attracted manufacturing and will continue to do so are not quite as low-cost as many people originally assume. There are wage pressures, inflation pressures and there are skills issues. So, one has to be cautious about saying that automatically, these countries are inherently more able to hold on to manufacturing jobs than say, Germany, France or the UK.

But what’s the point of saying that there’s nothing we can do about the threat? On the contrary, the way in which we work in this global market is important and the UK has a long history of working with many partners and I’m sure we will do that when it comes to India and China, in particular.
What about UK currency concerns and the strength of sterling relative to other major currencies?

It is always a concern, but the SMMT does not promote a view on, for instance, whether or not the UK should sign up to the euro or not. The majority of players that we have in the UK now take the view that they work in many currencies around the world and currency exchange rates are a part of their business which they get on with. Some 70% of cars produced in the UK are exported and of those, some 70% are exported to EU countries. So we cope with our exchange rates and we live with them and it’s down to the skill of those corporations to be fast on their feet.

And the SMMT does not advocate that Britain should sign up to the euro, then?

No we don’t say that and that’s because there are many different views within the SMMT on whether the UK would or would not be better off with the euro. A recent survey suggested that staying outside of the euro had not damaged the UK economy. Of course, there are SMMT members who would like to see Britain adopt the euro, but it is a question for the UK government to decide.

And don’t forget companies like GM [Vauxhall] and Ford, who have been here for many years and tend to be forgotten about and are almost perceived as British because they have been around so long – yes, of course, they have made operational changes. But they are both still enormous investors in manufacturing in the UK. Ford recently invested a huge sum in its engine plant in South Wales. GM likewise has its light commercial vehicle manufacturing centre in Luton and other facilities here.

The headlines may be that the Ford brand no longer makes cars in Britain or that there’s been an operational change at GM’s Ellesmere Port [the Astra-making plant recently went from three-shift to two-shift operation], but the headlines tend to mask the enormous investments that those two companies make here.

And I would put it to you, by the way, that the change of emphasis at Ellesmere Port plant will ultimately mean that Ellesmere Port becomes one of GM’s most productive and most economic European plants and I would be very surprised if Ellesmere Port did not pick up a new model shortly [it is one of GM’s European assembly plants competing for the next generation Astral] because of the tough medicine they have had to swallow this year.

Turning to the UK car market, how do you see immediate demand prospects?

The market at the moment is very difficult indeed. We’ve been bowling along at annual car sales of 2.5m or just under that for two or three years, but it is a difficult market right now – around 4% down on last year. It’s down in the area of private consumer purchases. The business/company car side is acceptable, but it is consumers that have been affected by a loss of confidence. I suppose it just comes down to the fact that you can’t have three or four interest rate rises without people putting off purchases. We are having a tough time in the private retail area. Any dealer you talk to – with one or two notable brand exceptions – will tell you that it is hard work. A 4-5% drop in the market seems to be inevitable for 2006, putting the market at around 2.37m units. But people do have short memories – back in 2001 we were at 2.1m. The small decline is off a high base, but a decline is not good news, obviously.

Stepping back to the global picture, what do you see as the main challenges facing the auto industry on a global level?

I think that the top topic is how we balance the governments around the world with their rampant desire to regulate, against the industry’s need to try to remain competitive and profitable. There is no better arena for looking at that than Europe where conflicting legislation emerges that is expensive and it’s only recently that the EU has accepted that somewhere along the line you have to work out costs and how industries survive that.

The second huge topic is environmental concerns. We’re getting to the point where governments around the world are beginning to understand that it is simply too glib and too easy to say that all of
the environmental ills that we face – such as global warming – are caused by the auto industry. There is beginning to be a realisation that there are several people in this marriage and that one of the participants has to be governments around the world. How can they help? What tax breaks and initiatives can be applied in a constructive way to help us towards the goals we want to achieve, such as meeting Kyoto targets, for instance?

Another participant in this marriage is the motorist. How do we influence them to make appropriate buying decisions in terms of the environmental credentials of their cars? How do we convince them that they need to be responsible motorists in terms of the way they use their cars?

These are things that we all have to face. It exhibits itself in the UK with the introduction of things like labels on cars in showrooms, different tax bands for vehicle excise duties [VED or annual road tax]. All of these things are part of that same environmental topic and I think we are moving to the point where governments around the world realise that just beating motor manufacturers around the head with a big stick doesn't get you anywhere and that the environmental impact of the auto industry is a bit more complex than that.

The third big topic for the industry globally is how we change attitudes towards safety. In some countries, the numbers of people killed on the roads is obscene. It is socially and morally unacceptable and much more work needs to be done around the world to bring those figures down and fast.

Would you like to see Toyota admitted to ACEA?

It is up to the members of ACEA to decide, of course. But I would just ask this question: how is it that my American counterparts in Washington five years ago disbanded the Big Three association and formed a new association which embraced all of the companies who manufacture in the United States?

What gives you the most satisfaction in your job?

The biggest charge I get is when I see the industry heading in the right direction, in any particular area, because in some small way you have got people together to say, ‘Look, there’s a bigger picture here, let’s work together constructively.’ Whether it is something like pedestrian protection or labels, or the motor show, you know that you are affecting change, doing the right thing and you see that being delivered.

The men and women who run big corporations are big competitors, rivals at daggers drawn. But when you convince people by sheer logic, regular meetings – and not meeting only at moments of confrontation – that there’s collective progress to be made, that’s a powerful thing and gets the adrenalin going. That happens not just with [SMMT] member companies but the adrenalin flows when you see governments also recognising that there is a way of working together to deliver things which is more constructive than legislation or any amount of snatching headlines on the 10 o’clock news. That really charges me up.
Where California is the centre for car culture in the US, you could argue that London is the centre for car culture in the UK. Londoners love their cars. Walk anywhere in the leafy lanes of Chelsea or Kensington and you are guaranteed to see the latest offerings of Aston Martin and Lotus and plenty of significant classic cars casually parked in the street. You might even have odd sightings like a Messerschmidt pulling up at the traffic light next to a Phantom, or a bare aluminium Defender cruising down King’s Road behind a McLaren F1. There is respect for great cars in London. People will smile or give the thumbs-up when they see one. Yet even with such interest in all things automotive there has been no recent Motor show in London. That is until now, with the UK Motor show returning to London after 30 years.

The show has attracted lots of international visitors and UK motoring fans alike, all piling into London’s ExCel, the docklands home of the waterside conference centre. It’s a wonderful setting, the area has a nice mix of old warehouses and cranes next to modern bridges and buildings. Alongside the halls are the hospitality boats. BMW has taken advantage of this and has a presence outside in the summer sun. The atmosphere is stylish but casual too, something that is carried on throughout the show, it certainly feels somewhat like the famous Geneva Motor Show in so much as all the stands have the same height restrictions.

**NEW CARS**

**Land Rover Freelander 2**

In defiance of London’s “anti-car” Mayor, Ken Livingstone, Landrover launched their new Freelander right on Ken’s home turf. Ken hates what he calls the “Chelsea Tractors” a term that would no doubt apply to this new meatier Freelander.

It arrives just as Ken announces he will increase the GBP8 per entry to central London congestion charge to GBP25 for cars that emit high levels of carbon dioxide, (more than 225g/kg), directly aimed at off-roaders. Yet, amazingly, the new Freelander TD4 will be exempt due to its low emission of 194g/km. Don’t get the wrong idea though. Looks-wise, Freelander has no intention of trying to be politically correct or socially aware. It’s big and it looks tough. Ken will hate it. And so will Barbie. There is no doubt that it’s gone all sophisticated and grown up. There are no generous 4x4 features that would have looked the business in pink.

Earl Beckles is the exterior designer. He spent some time at Lotus Design back in 1995 for an internship during his time at Coventry university. He explains how the compact 4x4 market has matured with the arrival of the X3 and soon the Q5. “The Freelander had to grow up to stay ahead. The Freelander styling also had to reflect that it is both a great road vehicle and a great off-road vehicle. It needed to broaden the appeal of Land Rover as well as try to convert people who would normally not buy an off-roader”.

Now with the proportions chunky but dynamic, with chiselled geometric volumes but a generous planshape at the front and a steeply raked windscreen for car-ness there is no doubt that this new Landrover is a pedigree model of the brand. The surfaces are clean and simple, as if milled out from solid, but not as minimalist as on the Discovery. Again they are more car-like. There are clear Land Rover clues: the trademark clamshell bonnet and the stepped roof. It looks very purposeful. But gone are the black plastic bodypanels. This is partly because everybody knows what a Land Rover can do. It doesn’t need to show off. Also, the American market does not appreciate black plastic body panels. The American market is very important for the Freelander. The first generation never worked in the States: too small, too soft, not enough power. The new one is is 50mm longer, 100mm wider and 25mm taller. This is not apparent in the photographs but very noticeable in the flesh. It’s huge. The same width as the Range Rover Sport. In the flesh the new Freelander has a lot of presence. The heavy flake metallic grey suits it well, much more so than the orange. It nicely complemented the milled-out-from-solid look.

The increased size makes the interior noticeably more spacious. The large glass areas emphasise this spacious feel and complement the commanding driving position and the “stadium seating” for the rear passengers. The sight lines were a priority and therefore the shoulder line is relatively low. The panoramic two-part sunroof makes the interior feel even more light and airy.

**BMW stand outside ExCel**
The dashboard is very sophisticated and noticeable once more is the absence of any patronising 4x4 styling features. All in all the Freelander has grown up.

Very clever as well is the ‘Flexfix’ as seen on the Trixx concept car back in 2004. The ‘Flexfix’ is pulled out from the rear bumper like a drawer and can safely carry 2 bicycles.

Opel / Vauxhall Corsa

Six years after the unveiling of the previous Corsa in Paris, GM chose London to launch the new Corsa. The Corsa is hugely successful in the UK. But it is facing stiff competition here now with the new 206, new Clio, the new Punto, the new Yaris. They all make pretty strong design statements, and so the new Corsa cannot afford to be left out. Where the current one looks neat and purposeful, the new one needed to look desirable. It is just as well that Opel and Vauxhall have enjoyed a design revolution with a new dynamic automotive form language. It comes in handy here.

The new Corsa is by Neils Loeb. He was the one who started new form language back in 1999 when he worked at the Lotus design studios. The new Corsa has a dynamic stance with powerful rear haunches.

The interior has the right balance of being stylish but at the same time it too has grown up and will have no trouble keeping up with any of the cars mentioned above.

A smart touch is the illuminated translucent control knobs and switches. The Opel colour and trim department (which used to be nicknamed grey and trim) has also done a fantastic job specifying high-grade materials and finishes. Particularly successful is the red dash with gloss black trim.

The new Corsa is 183mm longer, 61mm wider and 52mm taller than the current model. The track is wider and the wheelbase longer. All this has resulted in a more spacious cabin, with more leg and shoulder room and expanded luggage space. Like the Astra, the three-door Corsa has successfully adopted coupe-like styling which differentiates it from the five-door, a Mark Adams idea. The rear seating package and headroom is the same for the three-door and five-door.

MX 5 retractable hardtop

Since this year retractable hardtops outsell the soft-top convertibles in Europe. Mazda decided not to be left out and joined the party with a retractable hardtop on the MX 5. And get this: when folded, the boot space is totally unaffected! By some miracle they managed to fit the hardtop in the space where the softtop normally sits. Let’s hope this marks the end of the brick-like back ends on cars with retractable hardtops, and the return of elegant cabrios. After all, elegance is essential DNA of each cabrio surely.

Mazda miracle engineer Tomoaki Matsunobu
Lotus

The Lotus stand was home for a trio of scorching new Lotus models. From the executive Europa S, to the sporty and affordable Elise S right to the bad-boy Exige Lotus really did show something for every kind of automotive and driving fanatic. Also debuting for the first time in the UK was the Lotus Design watch. The timepiece designed by Lotus’ Barney Hatt is again testimony to both the company’s design and engineering excellence and is proving a popular choice for all Lotus fans.

Chrysler Sebring

Although the previous Sebring never caught on in Europe, many are familiar with the car. Most people visiting the US will have rented a Sebring convertible at some point. It never caught on here because it was too soft, the interior too plastic-like. With this new Mondeo-sized model, Chrysler has big hopes for Europe, and big hopes for the UK. It is even offered here in right-hand drive.

Chrysler hopes the new Sebring will be as well received as the 300C. There are similarities in the styling; the high shoulder line. Unfortunately there are also styling features from the well-loved Crossfire. The combination of both is overkill. The car looks nowhere near as sweet as the Crossfire and nowhere near as cool as the 300C. The clean 300C is loved for the fact it stands out from the crowd. It looks so American, so straight out of an MTV video. The Sebring tries to look European in order to fit in, but is this what the Europeans want from an American car?

All change at the rental car counter. Rumour has it that soon a retractable hardtop will be available for the Sebring replacing the soft-top. I think I might just go for the Mustang GT-H at Hertz instead.
Stretching the brand through merchandising

Car manufacturers don’t just sell us a car – they sell us a dream. And you can live the dream not only behind the wheel, but also as you shop with a branded credit card, travel with branded luggage, and sign in at posh hotels with a branded pen.

If you are not flush enough to afford the car of your dreams you may still live a little of that dream with branded goods. You may not afford a Porsche car but you can afford the Porsche cufflinks, golf balls and Espresso cup set.

Manufacturers build a whole world of their own in which people live the lifestyle reflected in their cars.

So Land Rover extends its outdoor image with tents, survival aids and books by survival expert Ray Mears.

From Mini, you can buy an illuminated textile-covered ring with LED technology, key fob and various items of clothing – T-shirt, baseball cap, and tie.

Many companies now offer credit cards to their customers, with special offers on fuel, hotels or interest rates.

Audi, which launched its credit card in the UK in June, had around 1,000 applicants within the first four weeks. The VW Group was the first to launch a credit card – for VW and Audi – in Germany in 1990. Its other main brands, Skoda and SEAT have since joined in.

The Audi UK credit card was developed with Audi Finance and Citibank, the largest bank in the world.

“We have done it for a number of different reasons. It is partly to do with the strong Audi brand,” said Audi UK marketing service manager John Holman.

For Audi, one bonus of distributing the card is that it provides a good excuse to make regular contact with customers. Monthly statements can be sent out with other communications in an unintrusive and cost effective way.

Audi sells GBP1 million of merchandise (such as watches and sportswear) a year. It is conducting a global redevelopment of its range.

Holman says there is no profit. “It is about extending the brand – much of it is used by our centres as gifts for customers.

Ferrari, which has a number of exclusive stores in prestigious sites selling top of the range branded goods, has also looked at issuing a credit card.

But Giulio Zambeletti, Ferrari’s brand development and partners director, says it would need to be something very special. “We are not interested in just providing a logo on a credit card. If ever a Ferrari credit card exists, it needs to allow the owner to enter into the Ferrari-related world.”

“What is very important is to avoid just applying a badge to a product or situation. It is always very important for us to have a product with the right quality and also to design with the right overall quality.”

Ferrari takes care always to associate itself with market leaders – whether it is in the field of children’s toys, laptops, sunglasses, sports wear, watches or trousers, for example.

Zambeletti says Ferrari does not need to promote its name because the name is so very well known and strong worldwide.

But Ferrari is interested in brand extension to respond to owners of its cars, including grand prix drivers, and to respond to the millions of Ferrari fans, including children, around the globe.

“The number of stores will remain limited because exclusivity is part of the strategy. The Ferrari store concept is where you can live the Ferrari experience. The Ferrari experience is passion. I believe passion is the most powerful feeling that pertains to Ferrari.”

Credit cards though are growing in popularity with carmakers. DaimlerChrysler launched a credit card for its Smart brand at the London Motor Show in July. The Chrysler and Jeep brands launched their credit cards in 2004.
Mercedes-Benz followed VW with the launch of its credit card in the mid-1990s, while BMW added Mini- and BMW-branded cards earlier this year and Porsche launched its own card in 2004.

Stretching the brand isn’t just about fancy goods and credit cards. The internet is playing an increasingly important role in raising brand awareness.

Companies have moved on from the witty viral ads much loved by companies like Honda to full-blown internet campaigns.

When Nissan Europe launched the Note earlier this year it was accompanied by what has proved to be its most successful Internet campaign focused strongly on children.

During the three-month launch period, the Note site had more than one million unique visitors who were encouraged to tell a family story.

The launch of this family car was linked to the movie *Ice Age: The Meltdown* with free tickets given in exchange for test drives.

Encouraged by the success of its websites, Nissan Europe has set a target of 15.5 million visitors this year, almost double the eight million people who visited the sites in 2004.

Group Lotus, no stranger to brand extension, earlier this year launched the Type 1 Lotus watch, the first wristwatch to be created by Lotus Design.

This is a quartz analogue chronograph which is claimed to be infused with Lotus core values – highly technical yet clean, stylish and elegant.

It is, says Lotus, more than just a branding exercise. Barney Hatt, principal designer of Lotus Design and originator of the Type 1 Lotus watch, said: “Lotus has always been about innovative engineering solutions presented in the most elegant form whilst avoiding superfluous detail. Highly machined aesthetic forms underline the precise nature of the watch which are balanced by the use of tactile materials.”

Source: Tony Lewis

---

**Group Lotus plc**

**Head office:**
Lotus Cars Ltd
Hethel
Norwich
Norfolk
NR14 8EZ
United Kingdom

**Editor:** Peter Morgan
E: proactive@lotuscars.co.uk

**just-auto.com**

**Head office:**
C/o Aroq Ltd
Seneca House
Buntsford Park Road
Bromsgrove
B60 3DX
United Kingdom

**Contact:** Mike Gove
E: mike.gove@aroq.com

This newsletter was produced for Lotus Engineering by Aroq Ltd. © 2006 All content copyright Group Lotus plc and Aroq Ltd.