

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-weighing the warnings. So his experience so far, in his

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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

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!

Pop 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

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

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



much awaited, courtesy - the 'Silver Jacket' 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.

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

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 time (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."

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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."

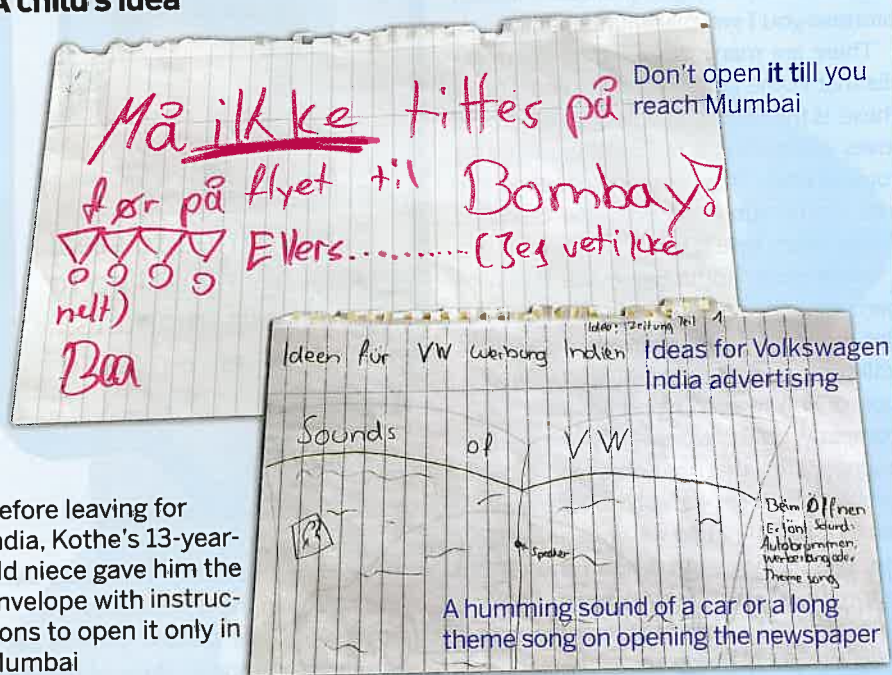
While stealing eyes help Kothe understand Indian consumers better, it's the gut feeling that plays a strong role in his decision making, unlike most managers who rely largely on data. "If we would have only relied on data, most of the biggest things done by us would not have ever happened. You also need 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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