

The US car makers disaster could reproduce in other industries...

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By Thierry Poupard

GM is in bad shape; they are cutting all cost and even cutting brands! As dinosaurs disappeared from the globe, many brands have experienced the same destiny. The sad thing is that we can't remember their names after a while. Who will spontaneously mention Pontiac in the near future?

Those sub-brands could be a wise diversification under two conditions: they must have a great amount of personality to justify their existence aside that of the flag ship brand and they should have success, even on a niche segment of the market, so as to be self profitable. What's happening to the US car industry was predictable as they have stopped exporting for years, meanwhile imports of European and Japanese cars started. That was quite a long time ago. US cars remained in old thinking, old technological and environmental standards while foreign cars were stepping into modernity. Could anybody on earth have imagined Fiat providing its technology (and more) to Chrysler? Ok, the sub-brand Ferrari belongs to the Fiat group, but what's under the hood of a Fiat 500 as not much to do with the 599 GTB... Survival at the lowest stage and success at the highest is possible for those brands that follow at least three principles:

1. Don't believe that what has made you succeed yesterday will be true tomorrow. Environment, people, technology, rules, everything changes around.
2. Pay attention, adopt and include consumption trends who seem to be strong and durable (not fashion) for your products or services on the markets you provide them. If you are a leader in high tech you anticipate and create them (Cf. Apple), if not, just follow them.
3. Make your brand distinct from that of competitors and the mother brand if you belong to a group so that its products or services will be attractive due to unique features (very rare), to suitability to needs (current, especially when the crisis is severe), or to image and brand's personality. Have a strong promise and sustain it.

This applies to almost all industries in the world, including the hospitality sector. Some worldwide chains should switch from dinosaur's to chameleon's behavior in order to - at least - keep up with the competition of Asian groups who have understood first that more customers don't care about marble and golden faucets and are looking for genuine luxury, for non show off facilities, for environment friendly resorts. And the introduction of a spa is not enough.

About the Author



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Previously he was Director of Strategic Marketing of a large European fast food chain, consultant on local marketing and sales for retail chains and networks, account director in various advertising agencies. He holds an MBA from University of San Francisco.

In addition to his professional activity, Thierry is the author of "Service Attitude" published (in French language) in June 2007. He is speaker at H.E.C. school of management for Executive Education and MBA Program, trainer at IFHOR (school for employees of hotels and restaurants), member of [the Leaders Club](#)(restaurants) and [Restaurants sans Frontières](#) (caritative) associations, columnist on [neorestauraton.com](#) since January 2006, and partner of [NESS](#), the Wellness Business Magazine.

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