

COMMERCE

As more automakers enter SUV space, questions of access and exclusivity arise

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Maserati Levante

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Italy's Maserati is the latest automaker to create an upscale SUV, but is such a vehicle viable for brands in the luxury tier?

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The Maserati Levante, premiering at the ongoing 2016 Geneva Motor Show, is the brand's first SUV and follows the release of Bentley's Bentayga. Consumer desire for SUVs is growing and other brands have models in production, but the segment can present problems with positioning and image.

"Maserati has been building four door cars for years," said Bob Prosser, CEO of [Auto World Marketing](#). "The Quattroporte has been around since 1963 and [Maserati] recently reintroduced its Ghibli as a four-door.

"The outlier in this SUV topic is Maserati's cousin, Ferrari," he said. "A few years back, the CEO of Ferrari, Amedeo Felisa, was quoted as saying, 'As Enzo Ferrari would say, 'We will never do four doors' . . . and we will keep this tradition.' Felisa also said, 'If you want a four door Ferrari have a Maserati,' So there you go."

Autoworld shakeup

The Levante is an all-wheel drive model equipped with both petrol and diesel engines. Its rear has a tapered back window and a streamlined shape typical of the sports car style for which Maserati is known.

Maserati boasts that the Levante has the same on-road handling levels as their lighter, smaller cars and also off-road capabilities that SUV consumers demand. In addition, its design and the use of lightweight materials, namely aluminum, give it a center of gravity lowest in the SUV class.



Maserati Levante

The vehicle will launch this spring in Europe and later this year in the rest of the world.

SUVs have long been popular in the United States, but the growth has continued and expanded to other parts of the world. The vehicles sell well in India due to the country's rough roads, have become a status symbol in China and are coveted in Brazil for their spaciousness.

In the U.S., SUV sales are projected to surpass sedan sales by 2018 and the growth of small SUVs and crossovers from December 2014 to December 2015 outpaces any other vehicle class, with midsize SUVs and crossovers in second place.

During the mid- and late-00s, sales of the vehicle class slowed owing to high gas prices, but with oil prices at their lowest point in over 12 years, consumers do not worry as much about emptying their wallets on a tank of gas.

Maserati is the latest luxury automaker to get a piece of the growing pie, but last September Bentley entered the market with its Bentayga model ([see story](#)). Lamborghini, who briefly produce the LM002 SUV in 1986, will deliver the Urus SUV in 2017 or 2018.



Bentley Bentayga

Not much is yet known about the Urus, but there is speculation of a hybrid powertrain, which will further nullify gas-guzzling worries and minimize environmental impact. While some luxury brands work toward SUVs, almost all have or have plans to dabble in electric powertrains.

Indeed, the Tesla Model X crossover SUV began deliveries late in 2015. With an MPGe of around 90 and a 0 to 60 mph time of just 3.2 seconds, the vehicle offers a cost-effective, energy-efficient option for consumers who want the benefits on an SUV without sacrificing speed.

However, this may be harder for some brands than others. Small companies or those with overwhelming aesthetic and design limitations may find that their brand DNA is irreconcilable with large vehicles.

"We are not doing an SUV," said Matthew Clarke, head of public relations and brand communications, [Aston Martin](#), The Americas. "However, as recently announced, our DBX - a luxury GT crossover - will go into production by the end of the decade at a new plant in the UK."



Aston Martin DBX concept

In some ways, the problem of reconciling brand DNA with the popularity of SUVs is equivalent to making room for an electric vehicle.

Brands known for sports and racing cars, including Porsche and Aston Martin, are working hard to sell loyal consumers on the place of electric vehicles both within the brand's heritage and as a sustainable option that does not entail a performance compromise. SUVs pose similar questions of performance and also of design, but the class's popularity is tough to ignore.

The Porsche Cayenne is an instructive case. Anticipation for the vehicle was tepid, but the power and handling of the vehicle helped it stand out among other SUVs, which could in turn have created new fans who would go on to explore the rest of the brand's fleet.



Porsche Cayenne

Over a decade later, Porsche is setting sales records and the Cayenne, now available in hybrid models, remains in production. With proper branding, marketing and engineering, unfamiliar and unexpected new products can help a brand thrive in the long-term.

Big name hold-outs

Even Italian automaker Ferrari, despite dismissing the possibility of an SUV on the grounds that the brand will never have a four door vehicle, has made smaller changes to adapt to new consumer habits.

Ferrari is offering consumers the pleasures of its brand anywhere, anytime with a new vehicle.

The Ferrari GTC4Lusso, set to debut at the Geneva International Motor Show next month, aims to position the brand better for younger viewers, who tend to drive their vehicles more. As consumer habits have shifted, automakers defined by sports and racing cars have been especially pressed to adapt ([see story](#)).

While the GTC4Lusso is still a long ways from an SUV, electric vehicle or sports car, it does indicate a willingness to adapt and leave open possibilities for the future.

Other sectors have equivalent brands that buck trends that may initially seem like common sense as a testament to their innate desirability and exclusivity, taking only small steps to adapt.

For example, French atelier Chanel has unveiled its first ecommerce Web site for the fashion division in the U.S. to sell its sunglasses collection.

Instead of a category-wide launch of ecommerce, Chanel has taken a slower path to brand-operated commerce by offering first skincare and beauty products, and now entry-level sunglasses to test the waters. Launched on Nov. 4, Chanel takes a holistic approach by creating an omnichannel ecommerce experience to complement its bricks-and-mortar boutiques to better serve consumers through enrichment and customization ([see story](#)).

Just as most fashion brands could not get away with eschewing ecommerce, most automakers cannot afford to

ignore electric and SUV trends. For most, being discerning about what trends are for real and which are mere fads is the key to balancing access with prestige.

"[SUVs] obviously seems to be the trend that has staying power," Mr. Prosser said. "Though Maserati's beginnings started as builder of race cars, sports cars and grand tourers (along with its four-door Quattroporte), the company is simply following the 21st century's market's wants and needs as so many other famous marques have before it I'm talking marques such as Porsche, Bentley, Rolls-Royce and Lamborghini."

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