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Volkswagen Goes Cashmere

Forget logoed key chains and baseball caps. For its new Eos convertible, VW is launching a line of high-end lifestyle products

by [Helen Walters](#)[View Slide Show](#) ▶

Think of traditional car merchandise and chances are you'll picture a baseball cap, a mug, or perhaps a logo-bedecked key fob. Well, now Volkswagen ([VLKAY](#)) is aiming to offer something a little different—like, say, a cashmere wrap or a pair of slip-on driving shoes—for women. That's

right. Despite earlier concerns that the VW brand was becoming too feminized (see [BusinessWeek.com](#), 5/22/06, "[The Craziest Ad Guys in America](#)") and in the wake of Nissan's announcement that it's set to increase its marketing budget by 20% this year to focus on female consumers, manufacturers increasingly are focusing on women in their dialogue.

Auto companies long have sought to leverage customer loyalty into free advertising by slapping their brand logos on just about any possible product. Generally sold directly through dealerships, these lifestyle pieces have been seen as an ideal way to turn the customer into a walking, talking, free advertisement.

In recent years, marketing departments conceived ever more sophisticated accessories that can reach into every part of a driver's life—everything from golf bags to luggage to chairs, watches, and pens. These products are more elegantly designed and, perhaps more surprisingly, less overtly branded. Most significantly, they're no longer freebie giveaways, but products for which customers are willing to fork out often-substantial amounts of cash.

WAKE-UP CALL FOR CARMAKERS

Hummer exemplifies an auto brand that has taken the lifestyle ball and run with it. The General Motors ([GM](#)) division currently produces more than 800 products through 190 licensees. More than half of this business comes from children's toys, remote-control cars, and diecast Hummer replicas. "Licensed product is unlimited in terms of possibilities. And though it is profitable, we look at it less from a profit standpoint, more as an extension of marketing and communications," says Hummer General Manager Martin Walsh. "We look for things that are relevant and that fit in with what the brand stands for— ruggedness, durability, and dependability."

In a way, the efforts of Hummer, BMW, Mercedes, Audi, and the like, reflect the general escalation of product marketing into lifestyle branding. "If you look outside of auto, we've been seeing this trend for about a decade now, with brands moving well beyond what they've historically been known for," says Wesley Brown, partner at Los Angeles-based consumer-experience design agency, Iceology. "Take Armani and Armani Casa, for instance. It does quite well, and you can be sure it's not selling its furniture at Ikea prices. Companies like that have made this push and seen tremendous success, and that's made the auto brands sit up and pay attention."

While none of the manufacturers was prepared to release specific sales figures or a breakdown of the accessories market, all the major upscale car brands now have some kind of lifestyle program. "The lifestyle business is extremely important to the BMW Group," says business communications manager, Martha McKinley. "And it's growing in importance, too. We bring out

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fresh products for sale at our dealerships while in the past couple of years BMW dealers have invested \$2 million in boutiques to display the merchandise. It complements the driver's lifestyle, and it's intended to help the BMW dealer remain profitable."

"FEMININE AESTHETIC"

And it's not just the luxury brands that have leapt into the fray. To accompany the reintroduction of the Mini, BMW Mini introduced a successful, widely acclaimed line of high-end designer products called Mini Motion. Now Volkswagen is getting in on the act with its luxury line promoting the new Eos convertible; both car and accessories are targeting women.

"Most cars are designed around the egos of men, and we felt that the Eos had a quality that would appeal to successful women," says Andrew Keller, executive creative director at ad agency, Crispin Porter + Bogusky. "There's a feminine aesthetic to the design of the car, and we wanted to create something for that audience which showed that VW had thought about them."

The New York design and branding consultancy, Aruliden, created the product line. Aruliden was founded last summer by two of the key players behind the Mini Motion project —Rinat Aruh, who had been global strategy manager for Mini Lifestyle, and Johan Liden, previously a partner at fuseproject, the San Francisco-based studio run by award-winning designer Yves Béhar. "We immediately thought to call Rinat," says Keller. "Mini had a different vibe, but this was perfect for her. After all, she's the audience—she's a successful woman with a honed design aesthetic, she's modern and independent, and she brought with her designers of the same cloth."

BLANKET, OR COAT FOR TWO?

The Eos line is decidedly upscale, with creations by tony shoemaker Sigerson Morrison and cashmere experts, Lutz & Patmos. The range will initially feature four items: a cashmere wrap, a silk scarf, a pair of upscale driving shoes, and a rather bizarre coat-cum-two-person-blanket, complete with two head holes for back-seat passengers. All the items are unbranded—not even a hidden VW logo. Instead, a "goddess" graphic was developed to riff off the name Eos, the Greek goddess of the dawn.

"So often car brands just bring out logoed apparel," says Aruh. "They might have a full apparel line but there's no real connection to the brand or car at all. We wanted to create things that this woman actually needs." Adds Liden, "We were very clear that a VW-branded route was not the right way to go. Our focus has been on the car, the Eos." There are also plans to introduce in-car items, such as a shoe holder for high heels.

It's an ambitious venture, which makes the most of online retail capabilities (there's a dedicated online store, the Eos Boutique) to cut back on retail or distribution expenses. The creators also hope that, as happened with the Mini products, upscale design stores like MOMA Design Store will pick up the products and introduce them to a new, non-car-focused audience.

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