

# THE RALPH LAUREN OF CAR DEALERS

Land Rover Centres sell boots, safari suits—and yes, cars



As Roger Gordon and his family ascend a steep, rocky hill that pitches the four-wheel-drive Land Rover carrying them at a gravity-defying angle, his children cheer wildly, his wife screams, and Gordon breaks into giddy laughter. And a Land Rover salesman behind the wheel smiles. The sale has been made. "It was amazing," marvels Gordon, 39, the proud new owner of a \$38,000 Land Rover Discovery. "My kids thought they were on a roller coaster."

This unusual test drive did not take place in some wild outback. It unfolded on a 25-yard, off-road course constructed in the parking lot of a Land Rover dealership on Long Island, N. Y., about 35 miles from Manhattan. It is here at Land Rover Massapequa, and at 24 other Rover dealerships, that the British maker of luxury sport-utility vehicles is attempting to redefine how cars are sold. Car buying "is literally the most horrible retail experience any customer can imagine," says Charles R. Hughes, president of Land Rover North America. "Why not make it easy, and why

## RETAILING ROADMAP?

At a time when cars can be bought anywhere, experts say such bold experiments are key to holding on to customers

tactics. The stores look and feel like exclusive Ralph Lauren or Burberry's shops. "If you want a really good mountain bike, you don't go to Wal-Mart. You go to a specialty store," Hughes says. "We're creating an environment that reflects a lifestyle."

**FANTASY SET.** Inside the airy, hunter-green-and-beige Land Rover Centres, \$30,000-to-\$65,000 vehicles rest on slate-and-wood floors, accented with compass markings. Nearby shelves display Land Rover Gear, a branded line of shirts,

not make it fun?"

To inject a little enjoyment into that high-anxiety experience, Hughes is asking his 93 dealers in the U.S. to erect multimillion-dollar automotive boutiques known as Land Rover Centres. Sales staff dress in khaki safari garb and are trained to avoid high-pressure sales

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## Marketing

gloves, sweatshirts, and coats. "After buying a car, people will drop \$1,000 on boots and clothing," says Bryan Lazarus, who, along with his brother Michael, owns three Rover Centres on Long Island. A ledge along the ceiling of the Massapequa Centre brims with artifacts of the country gentleman—bridles, saddles, fly rods—while videotapes of Rovers taking on the wilds of Africa play on a large-screen television. The decor is pure fantasy, of course: Fewer than 5% of four-wheel-drive vehicles ever leave the pavement.

Unorthodox? Certainly. But retailing experts say such bold experiments are crucial to pull car-buying away from its 19th century horse-trading traditions. At a time when cars can be purchased anywhere from the Internet to warehouse clubs, analysts warn that dealers need to innovate if they hope to hold on to their customers. The Rover concept combines the pampering of a Lexus store with the enthusiasm of a Saturn

retailer and the merchandising of a Harley-Davidson outlet. If it succeeds, it could provide a roadmap to the future of upscale car-selling.

Rover, which established an American dealer network only eight years ago, desperately needs to fortify its

wheeling out their own luxury four-wheel-drive vehicles. Even Land Rover's new corporate parent, BMW, is scheduled to field a competitor in 1998. "It's very important for Land Rover to use this Centre concept to differentiate its brand from the competition," says Christopher W. Cedergren, an analyst with AutoPacific Group Inc.

To do that, Rover is aggressively expanding the Gear line, with plans to add more outdoor accessories like utility knives. It's also looking at an in-showroom travel service and a mail-order cata-

log. The fashion business can be a stretch for a carmaker. Like plenty of other apparel makers before it, Rover tripped up early on the matter of hemlines. One Land Rover denim skirt was so long, women had a hard time climbing into their trucks. Still, Hughes remains upbeat. "Gear can be a developed into a meaningful source of revenue," he says. "Harley didn't make

### THE COMING TRAFFIC JAM

*Land Rover braces for intense new competition*

VEHICLE	LAUNCH DATE	EXPECTED PRICE
ACURA SLX	January 1996	\$23,000 to \$30,000
LEXUS LX 450	Spring 1996	\$50,000 to \$55,000
INFINITI T30	Late 1996	\$35,000 to \$45,000
MERCEDES-BENZ AAV	Spring 1997	\$35,000 to \$45,000
LINCOLN NAVIGATOR	Spring 1997	\$40,000 to \$43,000
BMW	Fall 1998	\$35,000 to \$45,000

DATA: AUTOPACIFIC GROUP

turf in the imported luxury sport-utility vehicle market. Since introducing the popular Discovery model in 1994, Land Rover has seen U.S. sales soar 78% so far this year on sales of 13,384 vehicles. That makes Land Rover America's top choice in its category, but its dominance is about to come under attack. Over the next two years, Acura, Lexus, Infiniti, Mercedes, and Lincoln are

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## Marketing

money on the first T-shirt they sold."

But Long Island Harley-Davidson dealer Martin Altholtz doubts Land Rover will ever affix its plain oval logo to as many items as the famed Harley wings, which now grace \$180 beer steins, \$50 fuel-tank cookie jars, and \$285 ceramic motorcycle figurines, all of which can be displayed in a \$3,200 Harley curio cabinet. "Are people going to tattoo 'Land Rover' on their bodies?" wonders Altholtz. "I don't think so."

Of course, plenty of people still come to dealerships in search of a deal. When Robert Daino shopped at the \$3.8 million Massapequa store recently, he was not interested in ambience or picking up a polo shirt. He wanted a bargain. "I'm going to talk to some leasing firms," he said, as he left the Centre. "By going through fleet buyers, I saved over \$100 a month on the lease for my BMW 525."

**HAGGLING ROOM.** Land Rover considered adopting Saturn's one-price policy when it was coming up with the Centre concept in 1990. But the no-haggle approach wouldn't fly with dealers, who say they need room to negotiate—above and below sticker—when dealing in hot-selling \$40,000 sport-utility vehicles. "There are clear-cut advantages to the customer when they are all getting the same price," says Hughes. "But how do you administer something like that in a market based on supply and demand?"

Hughes has managed to convince only about a quarter of his U.S. dealers to build Centres. Rover officials hope that will grow to half next year. The Lazarus brothers recently opened the country's largest Land Rover Centre in a converted Chevrolet dealership in Glen Head, N. Y., and they own another one in the tony resort of Southampton. But the company can't force independent franchisees to construct the costly stores. "As a marketing ploy, this is very clever," says Ted Orme of the National Automobile Dealers Assn. "But sport-utility vehicles are selling without any problem or extra expenses."

Roger Gordon enjoyed his time at the Land Rover Centre so much that a week later he was back, picking up a Land Rover money clip, key fob, and tire cover. "If they came out with Land Rover luggage, I'd buy it right now," he gushes. For auto dealers like Land Rover, the key to keeping customers coming back could have as much to do with hemlines as horsepower.

By Keith Naughton  
in Massapequa, N. Y.