**Message from Palmer EVP** 

## The new Infiniti has been attracting a great deal of attention and appears to be moving to a new level.

When you look across the industry, there are two types of luxury brands: those like BMW and Mercedes, whose livelihood depends on selling luxury cars, and the rest, where the luxury line is part of a major car company. Most of the latter are at the 100,000-unit level, one exception being Audi, which appears to have a degree of autonomy from the Volkswagen Group.

So in looking at what we need to do with Infiniti, the first thing is to give it oxygen—give it space from the Nissan brand so it can develop in its own way. Since space is geography, we decided to move the head office. We looked at Europe, the United States, and Southeast Asia, and the perfect position was Hong Kong. It's the gateway to China and Southeast Asia, it's only four hours flying time from Japan, the English spoken there makes it easy to communicate with Europe and the United States, and it has a major airport.

Secondly, we need talent. Selling in the premium and luxury market is very different from selling in the mass market. So having been able to recruit Johan De Nysschen to head our Infiniti operations which started on July 1 certainly brings credibility.

The final component is products that meet with the brand definition of "The Fusion of Inspired Performance and Hospitality". That will start with the JX, a product that is absolutely on fire in our sales operations. Hopefully, we'll break out of the 100,000-plus mire of brands and reach the 200,000 mark in FY12. Then, we can start to break away from the pack and close in on the German premium and luxury brands.

## What makes Infiniti different from the German luxury brands?

One key point to keep in mind is that once people reach a certain age and buy into German luxury, they tend to continue to buy into it. So you need to catch your customer much earlier. These "Young Premium Customers" are looking for something different from what their fathers are driving. If the German brands are representatives of old luxury with conservative straight line design, we want to be about modern luxury with curves and sexy designs. On a performance axis, we need to be equal to the Germans, but we don't want Infiniti to be performance "machines," as one of the makers are calling themselves. We want to be much more soulful, much more human and hospitable.

Also, we are not shying away from our Japanese heritage. Equally important to the Brand is hospitality, which draws on our Japanese and Asian roots and describes how you should feel when you get into one of our cars or step into one of our dealerships. The purchasing of an Infiniti should be a pleasure. And I think that *omotenashi*—hospitality in terms of the design, the accommodating nature of the vehicle, the design of our dealerships and the behavior of our salesmen and women—will set us apart.

## Nissan's latest mid-term plan is the first to focus on Brand, rather than on the company's "recovery."

Nissan Power 88 is the first mid-term plan we have gone into without a handicap. We have great products in the pipeline and we have strong financials. So what are the remaining weaknesses? They are Brand power and Sales power. So our latest mid-term plan is all about addressing those "last weaknesses" of the company. If we do, the consequence will be the "88" in the plan's name: 8% global market share and 8% operating profit. But they are not the goals. The real goal is "Power"—that is, Brand and Sales power.

So how do you elevate people's perceptions about your brand to the levels the vehicles themselves deserve? Marketing is not art, it's science, and we have to put science into place that allows us to manage the brand, to take actions and to be able to see the reactions.

## How do you achieve customer loyalty and get people to keep coming back to Nissan?

More and more, it is hard to convince people by pure, "above-the-line" advertising alone. They are referencing shared experiences through periodicals they trust like *ADAC*, *What Car*? and *Consumer Reports*. Experiences shared online are also becoming vitally important. Last week (June 2012), we opened a digital listening center in Chennai to listen for all the Internet chatter about Nissan or Infiniti, sorting it into categories, and allowing us to react to the real and instantaneous voice of the customer. If someone tweets something about Nissan, we're listening, and hopefully we'll react to that. The quicker the reaction, the more you can reinforce that the Brand is very trustful.