

Positioning of the 'French Goddess'

MANAGEMENT DECISIONS

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Reaction and decision

“This company has the potential to become a global car company”. This was stated by the newly appointed CEO Carlos Tavares that has been selected to restore the negative trend of Peugeot and Citroën. Tavares wasted no time, he took over as CEO the 31st of March in 2014 and as of April 14th, he presented his intention with the new mid-term strategy named “Back in the Race”. This strategy revealed that the company would focus on key areas regarding brand management, product portfolio, market strategy and an overall greater efficiency to achieve its targets. The plan was set to idealize a period of 4 years, between 2014 and 2018, and to achieve this the company was set out to focus on four key operational objectives:

Further differentiate brands and improve net pricing

Focus on a global core model strategy

Ensure profitable growth worldwide

Enhance core competitiveness, including Europe

Concerning objective 1, which is under scrutiny, the decision was made to turn DS into a standalone brand with the intention to target the niche market among other high-premium brands. The DS would be positioned as an independent brand equal with Peugeot and Citroën in the PSA Group [Exhibit 1]. Actions were swift and as of July 1st, DS became its own brand and was set out to embody their French know-how in the automotive industry.

Positioning DS

The managerial decision to position DS as a separate brand required the PSA Group to ingrain the brand’s positioning in the market in a clear fashion. In order to accelerate DS as a premium brand, it required a dedicated product and marketing focus that worked with meeting their target group’s expectation which includes both high product and service quality. Also, to differentiate even more from the Citroën brand, the development of the DS product range needed improvement [Exhibit 2]. The historical roots of the DS brand is built on remarkable heritage. Just as when the Citroën DS was introduced back in 1955, the heritage was set out to continue to bring out the values of innovation, excellence and not least, avant-garde. The DS spirit of avant-garde is visualized in the manufacturing details that is both authentic but also crafted in a unique way to illustrate luxury. For example, the watchstrap leather seats exemplifies the fineness of DS that is unusual in the automotive industry.

Furthermore, in the year 2015, DS revealed its signature spirit of being avant-garde by presenting their new model DS 5 at the Geneva Motor Show that also presented the new DS wings at the front grill of the model. The Geneva Motor Show is ideally a prominent opportunity for DS to present its comeback and so it did. For the first time, DS was presented as a brand of its rights and in addition to showcase their latest flagship model, they also marked the 60th anniversary of their first DS car. During this worldwide event, their new DS 5 communicated their brand identity throughout its avant-garde styling with attention to detail and cutting edge technologies. They clearly expressed all the new features that makes DS what it is, and the forthcoming of DS cars. The style director of DS Automobiles, Thierry Metroz (DS Automobiles, 2020), considers the design of DS as an additional spark of brilliance and adds:

“We have the good fortune to work with experts who support us in our ambitions and efforts to remain avant-garde. This avant-garde spirit is the driving force motivating everybody who works for the brand. Our ambition is to push back the limits, to adopt a bold approach and to meet new challenges.”

The repositioning of the DS brand aims to embody French luxury which partly includes offering different interior designs. Not only does DS offer different styles, but also a wide range of new technologies while showcasing the tradition that the DS brand carries to the modern-day brand. Furthermore, as a part of DS's customer experience, they offer ‘Only You’ offering which entails home delivery with an expert advisor that explains the extraordinary features of the car. According to DS's managing director Alain Descat, their start up model of the DS brand was based on three pillars of the brand. These included launching new products, introducing a new dealer network and providing a new customer service.

Exhibit 1 - Brand relationship spectrum (PSA, 2014)

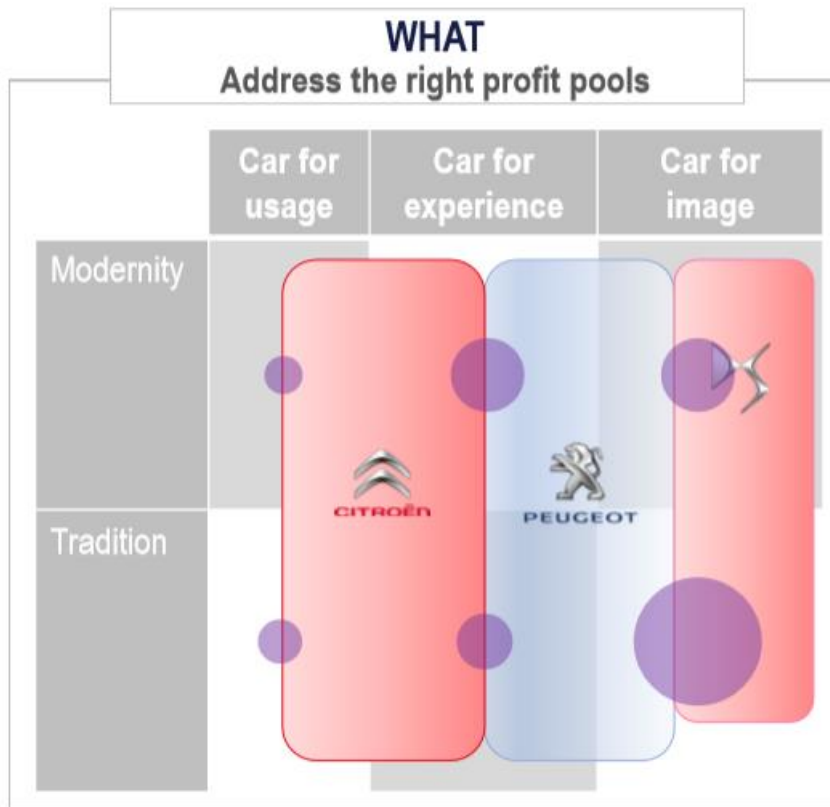


Exhibit 2 - Development of DS product range (PSA, 2014)



Endnote:

Ds Automobiles. (2020). Maison DS - Know How, Available online: <https://www.dsautomobiles.com/en/maison-ds/know-how.html> [Accessed 28 February 2020]

PSA (2014). *Back in the race: OPERATIONAL FRAMEWORK FOR A TURNAROUND* APRIL 14, 2014.