Putting the "Umph" back in Triumph

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By 2007, Triumph seemed to be back on its tires after screeching to a halt in the 1980s. So why was "consideration to buy" still so low?

Triumph's history is not short on emotion or theatrics, as IESE's Francisco Iniesta, Julián Villanueva and Jordan Mitchell find out in the new case study, "Triumph: Marketing British Steel."

Founded by a German immigrant, Siegfried Bettmann, in 1887 in Coventry, England, the company began life as a distributor and later manufacturer of bicycles. It launched its first motorcycle in 1902.

By the 1920s, production ran full steam and the company diversified into automobiles. Eventually, it split its car and motorcycle operations into two different companies.

Edward Turner took control of the latter and steered the company to several highly successful products, such as the 500cc Speed Twin, the Thunderbird and the Bonneville or "Bonnie" as it is affectionately called by enthusiasts. In the '50s and '60s, a stream of celebrities including Steve McQueen, Marlon Brando, Clint Eastwood, James Dean and Bob Dylan all drove them and helped to seal their legendary status.

By the early 1970s, competition from a new wave of Japanese motorcycle competitors resulted in bankruptcy for the company. The British government stepped in and created the Norton-Villiers-Triumph (NVT) Group to salvage the various brands. A spinoff plant created a workers? cooperative and acquired the rights to produce Triumph motorcycles.

However, the new organizational form experienced inefficiencies and financial difficulties, and eventually shut down in 1983. That same year, a 40-year-old real-estate developer, John Bloor, bought the manufacturing rights to the venerated, yet slightly dented, Triumph name.

Rise from the ashes

In resurrecting the brand, Bloor set out to achieve the same quality as the Japanese. In doing so, he ordered the construction of a state-of-the-art production plant in Hinckley, Leicestershire, and steadily built up a strong management team, often tapping talent from outside the motorcycle industry.

Product quality guided the rebirth, as Tue Mantoni, then-commercial director and now CEO, explained: "It comes back to relying on substance first."

Despite growing momentum throughout the late 1980s and 1990s, Triumph?s acceleration again skidded to a halt when a fire ravaged one of its factories in early 2002. Luckily no one was hurt, but the company lost 20,000 bikes in production and the plant had to be rebuilt.

Six months later, the company resumed production in a reconstructed factory and heralded the moment as a new beginning. The company used the opportunity to conduct thorough internal and external analyses and to focus on essential questions such as: Who are our customers? Who should they be? What is the brand all about?

Soul searching

The reevaluation process spanned 18 months and came upon several important discoveries, of which one of the most pronounced was that the company wasn't taking full advantage of the passion that people had for their Triumphs.

To address this issue, the company delved deeper into the soul of the brand and distilled three core elements:
-- *Character.* A heritage that is raw and cool.
-- *Connected.* That special feeling of riding a Triumph.
-- *Truly Sexy.* Provocative design and engineering.

The company invested heavily in product development, and between 2002 and 2006 the product mix changed drastically. Each of the 13 models was targeted at addressing a specific need for one of Triumph's six consumer segments. For example, whereas only 4 percent of Triumph bikes were considered to be in the "urban sports" category in 2002, nearly half of the sales came from that category by 2007.

Certain models like the Rocket III cruiser straddled several segments, appealing to the ?design conscious,? ?hobby riders? and the ?fast and furious? equally.

To complement the "hard steel" of the motorcycles, the company also developed accessories and fashion goods, at one point even collaborating with famed British designer Paul Smith.

The road ahead

The dealers -- largely independent business people with a stand-alone shop -- became another area of focus. Triumph conducted extensive studies to understand how to boost dealer profitability. Product assortment was customized, and Triumph hosted in-depth product training on the functionality of each newly released bike. The company also collected statistics on buying behavior to inform each dealer on consumers within their district.

The restoration of product and place was backed by a healthy dose of promotion. Triumph advertised via print and web, featuring the tagline, "Go your own way," to reflect the individuality and originality of the brand. Steering clear of expensive ad vehicles like TV, radio and billboard, the company engendered a sense of community through its fan network, the Riders Association of Triumph (RAT).

The rebirth era of 2002-2007 produced a revenue lift of 70 percent and an improvement of profits by a factor of 17. While the change was most welcome, Triumph executives wanted to continue paving smooth roads for the future.

At the time of writing, the managers were debating how they could make the dealers even more profitable. They were also planning specific actions to improve the low conversion of consumers from "consideration to purchase" to actual purchase.

To confront these challenges, readers are tasked with thinking through how they would tune up the so-called "marketing engine" of Triumph.

At the same time, they must also tune in to the long, sometimes wild, definitely great, frequently rebellious and never impossible history of Britain's favorite motorcycle brand, Triumph.