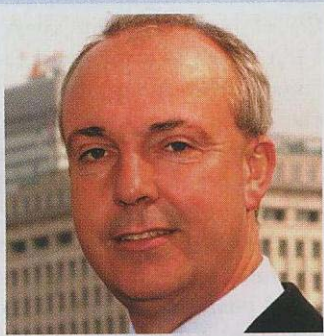


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INTERVIEW

Staving off the threat from the East will be Fiat's most significant challenge. There is a consumer shift from European and the US car brands to Asian manufacturers.



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Will Fiat 500 be able to raise Italian carmaker's fortune?

The Fiat 500 was not and will not be VW Golf. Fiat's revival relies on much more than the launch of a single model.

To draw a comparison with other revived car brands, such as the Beetle or Mini, is flawed as the Fiat 500 was never in the same league as these in terms of brand equity or quality.

Nostalgia is bound to play a part in the car's appeal, but I suspect that this will be largely limited to young women and Fiat's domestic market.

What are Fiat's strategies in the long run to become one of the top three producers globally?

Staving off the threat from the East will be Fiat's most significant challenge. There is a consumer shift from European and the US car brands to Asian manufacturers. This is fueled by the increase in quality, greater value for money and brands that are becoming more established.

What benefits does Fiat foresee from the joint venture with Tata Motors for a manufacturing base for commercial vehicles in Russia?

Fiat outsourcing its manufacturing to India, through a JV, reduces both risk and cost. India is gaining manufacturing parity with the Western world; so quality is also not compromised.

These cost savings can then be passed on to the consumer and invested in R&D to fund future developments.

Additionally, Fiat can leverage Tata's local and international capability to increase its foothold in these emerging markets.