Managing two brands for success: Peugeot and Citroën

One Group, Two Marques

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PSA Peugeot Citroën will continue its strategy of internal growth, and will launch attractive Peugeot and Citroën vehicles with different personalities that draw upon the Group's innovative capacity and bring customers attractive, high-performance cars that respect the environment.
The history of PSA Peugeot Citroën has been marked by a recent acceleration: after ten years when sales repeatedly turned around 2 million cars, with only 6% growth from 1987 to 1997, success of recent models of both brands Peugeot and Citroën in Europe but also in more remote countries have now made PSA Peugeot Citroën recognized as a key player of the European automobile industry. In 2002, with world sales of 3,267,500 cars, PSA Peugeot Citroën was clearly the #2 car manufacturer in Europe and early monthly sales in 2003 even ranked it as #1 when you consider both passenger cars and light commercial vehicles. This new situation, marked by a volume growth of 57% in 5 years, attracted renewed attention on the Group and a strong desire to understand its factors of success.

One must always been cautious and modest in explaining success. First, success is never granted. Secondly, it is always the result of a number of factors. Some are internal: the right decisions were made and then enacted, the company’s very specific historical culture and the role of the Peugeot family in providing a long-term view to the management are surely essential factors along with the quality of all the people dedicated to the two brands and to the Group… Others are external: the economic context may have been favorable, the choice of a geographical area for development proving fruitful because of its unforecasted rate of expansion, or the brands benefited from a temporary weaker proposition of competitors. Success in a company cannot either be allocated to one of its managerial functions alone. R&D, industrial management, logistics, commerce, financing, human resources and marketing are all intertwined in making success possible.

This book being dedicated to brand management in the automotive industry, we shall focus on some of the very significant facets of brand management at PSA Peugeot Citroën, which indeed in many respects has unique specificities. These specificities have been key drivers of our brands’ success, through a repeated flow of strong new products able to attract demand in Europe and far beyond, by consumers who knew little about the brands. Before analysing these specificities, a small word of history is needed about the Group, and its two brands Peugeot and Citroën, the main assets of the Group.

### 8.1 Two heritage brands: Peugeot and Citroën

The PSA Peugeot Citroën group was created in 1976 when Peugeot and Citroën merged. In doing so, the chance was given to pursue and develop on a European scale what had been two very different but remarkable automobile brands with a strong character and heritage.

We shall synthetise their history and the key events of each brand which shaped their identity in order to make the reader feel their spirit.