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Marketing Luxury

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For University of Dayton graduate Jim Vurpillat, director of global marketing for Cadillac, these are exciting times to be in the automotive business and challenging times to market a luxury vehicle.

Not only is the General Motors Corp. facing a historic economic crossroads, but there's been a 50 percent drop in the luxury automotive market in the U.S. and around the world, said Vurpillat who spoke to School of Business Administration marketing classes on April 1.

"No one has ever experienced this much collapse this fast," he said. "But if we can get by all the things we're facing, it's really an exciting time with all of the things going on in the industry."

Vurpillat, a 1987 marketing and 1989 MBA graduate, said the 90-year reign of the internal combustion engine is about to end.

"The internal combustion engine is still the standard for reliability and cost effectiveness, but you'll see more and more different offerings in the next two years — electric, hybrid, biofuels," he said, adding that new technology will eventually replace it.

"We'll see the end of the internal combustion engine in your lifetime," he told the marketing students. "But over a period of 20 years, we'll see multiple solutions. I think eventually it will be biofuels, biodiesels. The hybrids will eventually go away."

Vurpillat said he sees considerable consumer interest in fuel economy and green technology, trends that will be reflected in the luxury market, but perhaps in different ways.

"You'll see it under the idea that it's advanced technology," he said.

With the contraction of automobile sales, Vurpillat said that Cadillac will be focusing on already well-recognized strengths.

"We will focus on the attributes of the brand," he said. "We'll talk about resale values, warranty coverage, advanced technology. And there's always a level of aspiration. People think 'When I make it, I'm going to buy that luxury.'"

Cadillac has long been associated with American celebrities — the signature tail fins of 1950s design with Elvis Presley and the Escalade with hip-hop and rappers in more recent times.

"As you go around the world, the American cachet still exists," he said. "Cadillac has been a uniquely American brand. It's a very distinctive design and it doesn't look like anything else on the road."

Vurpillat also encouraged the students to make sure their education is broad as well as deep.

"One thing that's good about the University of Dayton business education is that you are required to take courses outside of the business school; you're required to take humanities courses," he said.

"You really develop your thought processes in those classes. For example, I learned in a history class — Professor ( Pat) Palermo's class, how profoundly the Great Depression affected every aspect of people's lives. When you look at the amount of wealth that has been lost in the last six to 10 months, and you understand that history, you can see how this time will shape people's lives for years to come."

"You should take advantage of those humanities courses," Vurpillat said. "Marketing isn't just business."