



NEW YORK: Maserati CEO Harald Webster discusses the 2017 Levante SUV on Wednesday at the New York International Auto Show. — AP



NEW YORK: The 2017 Acura NSX GT3 is shown at the New York International Auto Show on Wednesday. — AP

## LUXURY CARMAKERS INNOVATE TO WOO MILLENNIALS

**NEW YORK:** British carmaker Jaguar has developed a tool to win over seen-it-all millennials who view a conventional test drive as pass. Seeking to tap into younger customers' desire for a few moments of cinematic glory, Jaguar films the prospective customers behind the wheel as they navigate the vehicle through several precarious driving challenges, channeling their inner speed demon.

Moments later, they are emailed a slickly edited two-minute film, which can conveniently be uploaded to Facebook and social media sites. "It all takes literally minutes," said Jaguar spokesman Stuart Schorr. "By the time you're done, you've taken a test drive, but you've also got an asset that's shareable and fun."

The clever tactic is part of the 94-year-old brand's effort to boost its US sales as it broadens its offerings in 2016 with the introduction of new models, including the F-PACE, Jaguar's first sports utility vehicle. But all the automak-

ers at this week's New York International Auto Show have the new generation in their sights.

"Generation Y will dictate who wins and who loses in the marketplace," said John Humphrey of JD Power's global automotive practice. "It is by far the biggest generation we've had in the US."

BMW, also eyeing millennials, has trained a cadre of some 1,000 showroom "geniuses"—like the staff at an Apple Store "Genius Bar"—to show drivers how they can customize the car's myriad gadgets and driving tools. They are distinct from the salesforce and are not supposed to seal deals, said Ludwig Willisich, president and chief executive of BMW North America. Millennials "don't like sales pressure," Willisich told the JD Power auto forum Tuesday, as opposed to their parents, the baby boomers, who rely more on test drives and multiple visits before making a purchase.

With millennials, he said, "You only get one shot." "If we get this right, and we will, we

have the opportunity to create lifelong BMW drivers."

### Pocketbook challenge

It is a crucial point for luxury cars, which account for about half of the auto industry's profits. A long-term worry for auto companies is that with the surge of rideshare programs like Uber and optimism about self-driving cars, younger Americans will drive less than earlier generations did. Humphrey said automakers face particular pressure because the overall US auto market is expected to cool significantly following several boom years.

"We're coming up on the end of the current cycle," said Humphrey, who warned that the industry could slip back towards overcapacity and a reliance on rebates and cheap prices to move inventory.

Those practices are less a problem for brands like Jaguar and BMW, which cater to a more select group of buyers less influenced

by price, Humphrey said. But luxury brands face other difficulties with millennials, a generation renowned for carrying hefty student loans and without the means to spend \$50,000 or \$60,000 on a car.

Compact and midsize cars accounted for the highest shares of the millennial market in 2015, with a combined 32.6 percent. Premium vehicles in total accounted for less than 10 percent, according to JD Power data. For that reason, luxury automakers are taking the long-term view in their marketing campaigns. Few of the 6,000 consumers who have participated in the Jaguar events have ordered one of their cars, Schorr said. But about 60 percent have shared their personal action videos on Facebook. That creates additional exposure and buzz, enhancing the brand's prospects. "The whole subtext is to reintroduce the Jaguar brand to a younger group of customers, and that's an investment you look to pay off over a number of years," he said. — AFP

## VW SET TO PROVIDE UPDATE ON FIX FOR DIESEL VEHICLES

**SAN FRANCISCO:** Attorneys for Volkswagen are expected to reveal where the company stands on a fix to bring nearly 600,000 diesel cars into compliance following an emissions cheating scandal.

Senior US District Judge Charles Breyer is scheduled to get an update from the company's attorneys about its remediation efforts at a status conference yesterday. Breyer told Volkswagen attorney Robert Giuffra last month that he wanted to know by Thursday whether Volkswagen had come up with a fix for the cars that was technologically feasible and acceptable to the US Environmental Protection Agency. He warned of consequences if Volkswagen didn't act quickly.

Volkswagen admitted in September that it intentionally defeated emissions tests and put dirty vehicles on the road. The cheating allowed cars to pass laboratory

emissions tests while spewing levels of harmful nitrogen oxide at up to 40 times the level allowed when operating on real roads.

The Department of Justice has sued Volkswagen on behalf of the EPA. The company is also facing lawsuits from angry owners. Those cases are both before Breyer.

Breyer said during last month's hearing that six months was long enough to determine whether there was an engineering fix for the vehicles. "It's not just that these vehicles on the road can't be sold or can't be crated," he said. "It is the fact that they are polluting, and therefore we must address it."

Volkswagen has been in talks with regulators about a solution for the vehicles. In January, the California Air Resources Board rejected Volkswagen's recall plan for some of its most popular diesel models, saying it was unacceptable for rea-

sons including that it did not include adequate information about how the fix would affect future emissions results.

Michael Steel, an attorney at Morrison & Foerster who has advised car manufacturers about air quality matters, said Breyer may not be happy if Volkswagen has little progress to report. He said the judge could insert himself in the remediation process and propose his own solution.

"I have you given you this amount of time, you haven't done what I asked you to do, I'm going to come up with my own order," Breyer might say, Steel said. Attorneys for Volkswagen owners, meanwhile, are ratcheting up pressure on the company to find a fix for the cars by proposing a July trial on the issue. They have called on Volkswagen to buy the affected vehicles back. — AP

## GOLD ON TRACK FOR BIGGEST LOSS IN MORE THAN 4 MONTHS

**LONDON:** Spot gold slipped to its lowest in four weeks yesterday and was poised for its biggest weekly loss since early November as the prospect of more US interest rate rises than previously expected stoked a recovery in the dollar.

Hawkish comments from several US Federal Reserve officials put investors on guard for the possibility of at least two rate increases this year, triggering a widespread correction across commodities. Brent crude oil plunged 3 percent this week, while copper prices fell below \$5,000 a ton. Spot gold dipped by 0.6 percent to \$1,212.20 an ounce, its weakest since Feb. 26, in early trade before cutting some losses at \$1,217.89, down 0.2 percent, by 1112 GMT.

It was on track for a 3.3 percent weekly loss, largely because of Wednesday's 2 percent decline. Liquidity was thinning ahead of the Easter holiday break, which starts on Friday.

US gold slipped 0.5 percent to \$1,217.80 an ounce. "In February there

were a lot of concerns about a dovish stance from the Fed, while economists are now starting to figure that there could be two (rate rises) and that would mean some pressure on gold," ING Bank senior strategist Hamza Khan said.

The dollar was on its best run in almost a year yesterday, making gold more expensive for foreign currency holders. St. Louis Fed President James Bullard joined a chorus of officials in highlighting the possibility of at least two rate increases this year, with the first perhaps as soon as April.

Earlier in the week, Philadelphia Fed President Patrick Harker said the central bank should consider another increase as early as next month if the US economy continues to improve, while Chicago Fed President Charles Evans also said he expects two more rate increases this year. The comments pushed investors to cut long positions, broker Triland Metals said in a note, with further consolidation looking likely. — Reuters