

The New Lexus

An Interview with Mark S. Templin,
Group Vice President and
General Manager, Lexus



Mark S. Templin and the Lexus LF-LC concept car



EDITORS' NOTE In addition to his current post, Mark Templin was recently appointed General Manager, Lexus Product Marketing Planning Division, Toyota Motor Corporation (TMC). Prior to this, Templin served as Vice President of Scion. Since joining Toyota Motor Sales U.S.A., Inc. in 1990, Templin has held a number of positions, including Lexus Southern Area Manager and Assistant Area Manager for both the Southern and Western area Lexus offices. He served as Sales Administration Manager and Retail Operations Manager at Lexus' national headquarters in Torrance, California and as Vice President of parts, service, customer satisfaction, and training for the Lexus Division. In addition, Templin served as Vice President of Lexus marketing. Before coming to Toyota, Templin held several positions at the Oldsmobile Division of General Motors Corporation. He is a graduate of Central Missouri State University in Warrensburg, Missouri where he earned a degree in automotive technology.

COMPANY BRIEF Since its debut in 1989, Lexus, a division of Toyota, has earned a reputation for high-quality products and exemplary customer service from its 231 dealers. Lexus (www.lexus.com) is the luxury hybrid leader, offering five hybrids that provide the best in innovative technology and first-class luxury. When it was founded, Lexus offered two models of vehicles. Now more than 20 years later, Lexus offers variations of 10 vehicles, from the sporty CT 200h hybrid to the V10 supercar, the LFA.

What is the secret to the success of Lexus?

Lexus has been known for 23 years in the U.S. as the brand with the best quality and customer experience, as well as the quietest cars, but over the past few years, people are taking notice of a new Lexus. Now design and style are a large part of our vocabulary.

With the launch of the LFA and the new GS, people are starting to take notice of the exceptional driving dynamics of our cars today. They offer the most beautiful interiors in the industry and the new advanced electronics we're putting in all of our cars is spectacular, like our Lexus Enform

system with its App Suite and eDestination and Destination Assist. With our eDestination feature, an owner can sit at his computer, smartphone or tablet and put together a list of places he needs to go and can send up to 200 of those at one time to the car, where it will automatically download into the navigation system.

With regard to the design of new models, will you retain the brand heritage or will we see a new design in the future?

In 2012, we saw a new design language emerge. You can still see some elements of previous generations of Lexus products, but over less than a two-year period of time, the face of every single Lexus is changing to our new Spindle Grill with our new daytime running lamps that are so distinctive that when you see a car in your rear-view mirror, you know it's a Lexus.

We're starting to launch some concept cars that will demonstrate the direction of our future styling. In Detroit in 2012, we showed a concept car called the LF-LC, which is a great sports car that people have fallen in love with and they're urging us to build that car. We built a second version of it so we could show it around the world.

In Paris in 2012, we also showed another concept car called the LF-CC, which has been another huge success – it's an exotic coupe that people are falling in love with.

Is there consistency among the different models in all parts of the world or are they tailored to specific markets?

We build the same products for all of the markets around the world – from a styling and design perspective, and as far as the advanced electronics and driving dynamics, you would not notice a difference. The difference you will notice is different power trains in different markets, because in places like Europe or China, they get taxed heavily for CO² or the size of engines, so we have smaller power trains in some of those markets outside the U.S.

How much of a niche is your clientele? Is it only the top tier market or is it more broad?

The competition in the luxury set is growing because we all forecast the luxury market to grow faster than the mass market. We all succeeded because of the baby boom generation. Now their kids are getting to the point where they're growing up and having careers, and they want to drive premium-branded vehicles

as well. We're seeing an influx of new buyers in the luxury car market so it's important for us to offer a wide spectrum of cars that meet the needs of many different buyers.

Within North America, are your dealership portfolios and the distribution channels working as you had envisioned?

Yes. One of our biggest strengths is the base of dealer partners we have throughout the country. When we launched Lexus 23 years ago, we did the best market representation research to find the best dealer in each market to represent our brand – we wanted people who were passionate about taking care of customers and that has really paid off for us. They deliver a customer experience that is unparalleled in our industry.

We want our dealer body to be profitable. If they have fewer dealers, we have higher throughput in each store and it provides a better profit opportunity, which means that those dealers can reinvest those profits in facilities and customers, and their associates. It's a great business model.

How critical is it to maintain an innovative culture?

We have a special culture and it's all driven by the Lexus covenant that was penned before our launch in 1989, which states that we'll have the finest dealers ever; we'll have the finest cars ever built; and, most importantly, we will treat each customer as we would a guest in our own home – that drives every decision we make.

In order to do that better than anyone else, we have to innovate. We were the first in 1989 to offer service loaners, pick-up and delivery services, free car washes, and roadside assistance for our customers.

But for us to stay in the lead, we need to continually innovate and think of new ways to drive the customer experience.

We do the same thing in R&D and design – we need to be innovative in every part of our business.

How much of a focus is after-sales service?

It's what has made our brand successful. The people that came to our family 23 years ago took a chance on Lexus and loved their product, and the experience they got at their dealerships became the advocates who became our sales force and marketing department – they went out and told everybody about us. ●