



The End of the Road

An odd but beloved car attracted a cult following.
Where did Saab go wrong?

BY GLENN RIFKIN

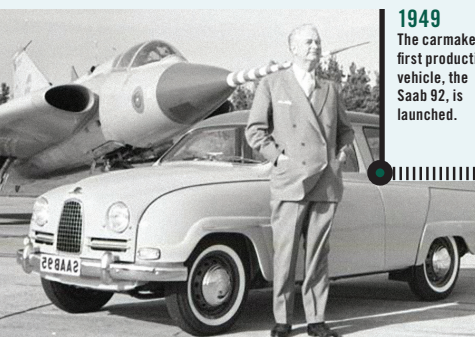
WHEN THE LAST SAAB AUTOMOBILE rolled off the assembly line in Trollhättan, Sweden, in April 2011, it marked the last gasp of an iconic Swedish brand beloved by many—but in the long run not enough.

Known for their unique engineering, safety, quirky looks, and dependable performance in winter climates, Saab cars had a cult following mostly in Sweden, the United States, and the United Kingdom. Saab owners had a unique emotional attachment to their cars, falling in love with the many innovative touches such as front-wheel drive, turbo-powered engines, heated seats, deft handling in bad weather, and fuel efficiency. They were fun to drive

and deemed among the safest cars on the road.

First sold in 1949, Saabs were admittedly funny looking, and as their styling and design evolved over the decades, their devoted buyers formed a strong bond with the brand. In 2000, the company sold a record high 133,000 vehicles worldwide, but ultimately, Saab just couldn't attract a big enough audience to survive. Sales nosedived to 98,000 by 2008 and just 21,000 in 2009. The company, which tried desperately for three years to find a buyer to save the brand, declared bankruptcy on December 19, 2011.

For Saab lovers, it was a painful ending. Sanford Bogage, a middle-school math teacher in Wellesley, Massachusetts, is president of the Saab Club of



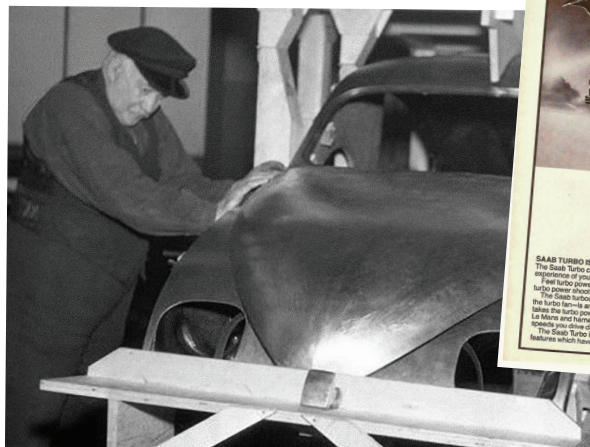
1949
The carmaker's first production vehicle, the Saab 92, is launched.

1960
Saab 96 becomes the first model widely exported out of Sweden.



1968
The Saab 99 introduces the wraparound windscreen.





North America, an enthusiast group that's been around for four decades and still has around 800 die-hard members. An uncle was an early Saab devotee and impressed young Bogage with tales of the car's prowess on the road. An elderly woman in Bogage's hometown drove a bright-yellow 1973 Saab 96, which she gifted to Bogage in 1992 when she could no longer drive. "I used to see it around town and I just loved it," Bogage recalls. "I was so impressed when I owned it, not just because it was cool to look at, but it was very solid on the highway." Today he owns six Saabs. "They are like my children," he says.

Ultimately, Saab painted itself into a corner without an exit strategy. The automobile division of the company, spawned from Saab's aviation business in the late 1940s, was created as a revenue stream for the company, whose sales were soft after World War II ended. Marketed as a technologically innovative and safe vehicle with a unique turbo engine, the car's appeal grew in fits and starts. It was immensely popular in New England, for example, but failed to gain traction over much of the rest of the US. It also achieved significant popularity in England and its home country of Sweden, but its value proposition was ill-defined.

Promoted as a cost-efficient luxury vehicle, Saab was sandwiched between Mercedes-Benz, BMW, and Audi at the high end, and Honda Accords and Toyota Camrys at the low end. Tough, dependable, with front-wheel drive, leather interiors, and that turbo engine, the Saab 900, introduced in 1978, attracted buyers who were smitten by its unusual

design. But over the years, it would suffer from an inability to adjust to changing consumer desires. The brand offered just two sedans, the 9-3 and the 9-5, while buyers were looking for SUVs and smaller, more fuel-efficient vehicles. The company did not sufficiently update the models it had and eventually was forced to rely on a shrinking customer base that had grown disillusioned.

For two decades during its history, General Motors owned Saab and tried to revive the brand, but the giant motor company itself faced bankruptcy woes during the 2008 recession and sold it. The end of Saab was assured as the division ran out of cash and couldn't pay its employees or suppliers. The car "collapsed under the weight of its own contradictions," according to a 2012 study of Saab's demise, by Matthias Holweg and Nick Oliver from the University of Cambridge's Judge School of Business.

Saab's assets are now owned by a Chinese entrepreneur who is said to be preparing to launch an electric car based on Saab's design. But even if they are built, they will be sold only in China, minus the Saab name. "Saab graphically demonstrates that a strong brand alone is no guarantee of success," wrote Holweg and Oliver. "Limited numbers of enthusiastic customers cannot keep a company alive in industries that rely on scale economies—no matter how iconic the brand." ▀



1978

The iconic Saab 900 is launched. Nearly 1 million will be produced in the coming decades.

1988

General Motors pays \$625 million for a 50% ownership stake. Buys the rest in 2000.



2000s

Several models geared for American consumers are commercial failures.

2011

Saab, which GM had sold off in 2010, files for bankruptcy.

