



BENTLEY



Formerly owned by: Rolls-Royce Motors Ltd.

Owned by: Volkswagen Audi Group.

Current situation: Originally an impeccably-British luxury marque, Bentley is now simply one of Volkswagen's luxury brands. Bentleys are re-bodied Volkswagens with Bentley badges glued on. Rich and ignorant customers have ensured brisk sales for the new models. However, economic stormclouds threaten luxury car sales, and Bentley is no exception.

Chances of survival: Okay. If things get tough for Volkswagen, it is likely that Bentley will quietly cease Bentley production and wait for better times •

A brief history of Bentley

WALTER OWEN BENTLEY, known to all as 'W.O.', was a pioneer of British luxury performance motoring.



Bentley's first job was at the Great Northern Railway Locomotive Works in Doncaster, northern England.

However, bikes & motorbikes were Bentley's passion. Off duty, Bentley and his brother raced at the Isle of Man *TT* event and at the Brooklands race track, near London.

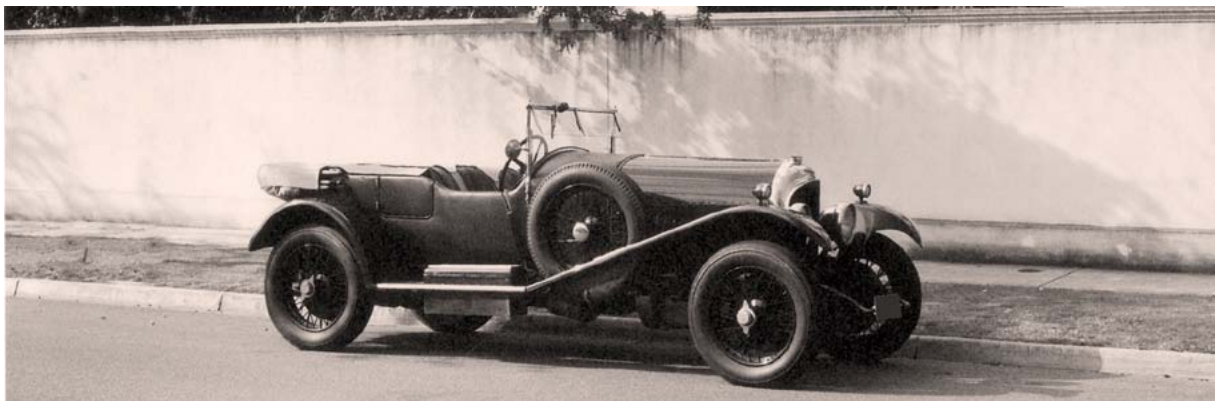
Bentley's passion then shifted to cars. In 1912 Bentley's family helped W.O. buy a small company importing French *DFP* sports models.



During a visit to the DFP factory in 1913, W.O. noticed a lightweight aluminium paperweight – and had the inspired idea of using aluminium instead of cast iron to make engine pistons.

The first such Bentley pistons went into service in aeroplane engines during World War I. Because Bentley's pistons were lighter, the engines they were fitted to used less fuel and put out more power.

After the war, Bentley used the same technology in his racing engines. In the '20s, Bentley Motors set numerous speed and endurance records.



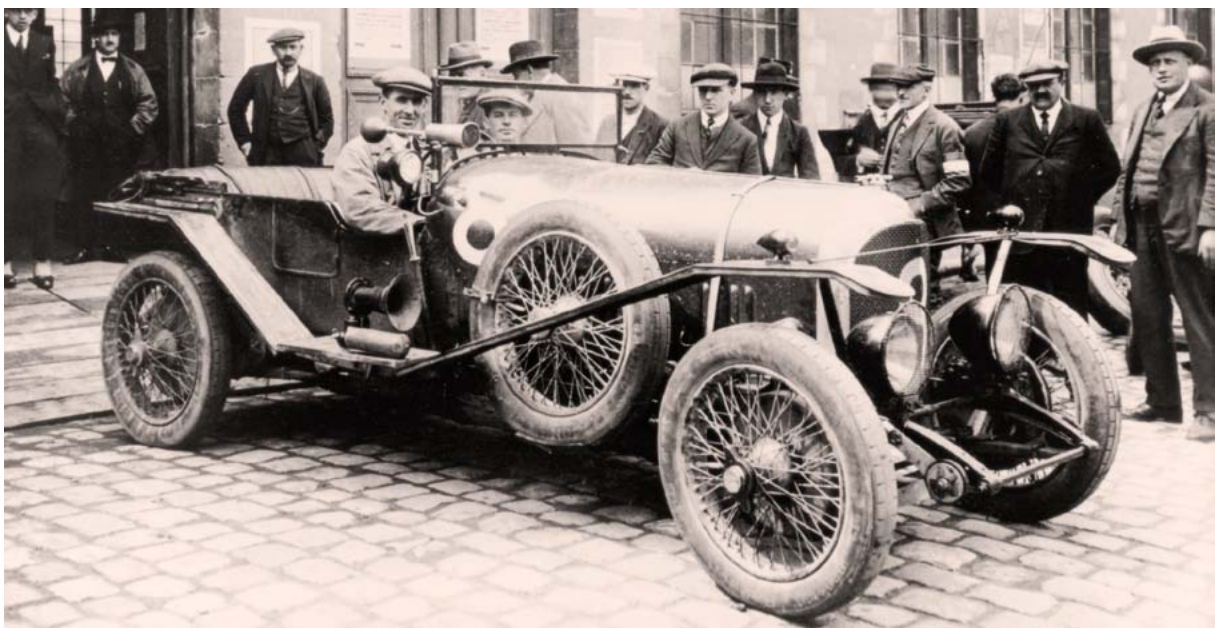
Bentley 3-Litre, 1923

Bentley cars were often both fast and stylish. Most rival cars of the time – even luxury models, were little more than boxes on wheels.



The Bentley name became synonymous with style, speed and glamour; Bentley cars were not just fast, they were often also beautifully styled.

The elegance did not go unnoticed. Before long, there was a clique of wealthy British motorists known as the ‘Bentley Boys.’



One of the Bentley Boys was Socialite Woolf Barnato. After buying a Bentley 3-litre in 1925, Barnato quickly realised that W. O. Bentley was a genius with cars but a dunce with money.

Thus, within 12 months, Banarto took control of the company. Barnato swiftly reorganised the company, and, after paying off the creditors, began making design decisions as well.



One of Barnato's decisions was to fit a supercharger to a Bentley 3-litre sporting model.

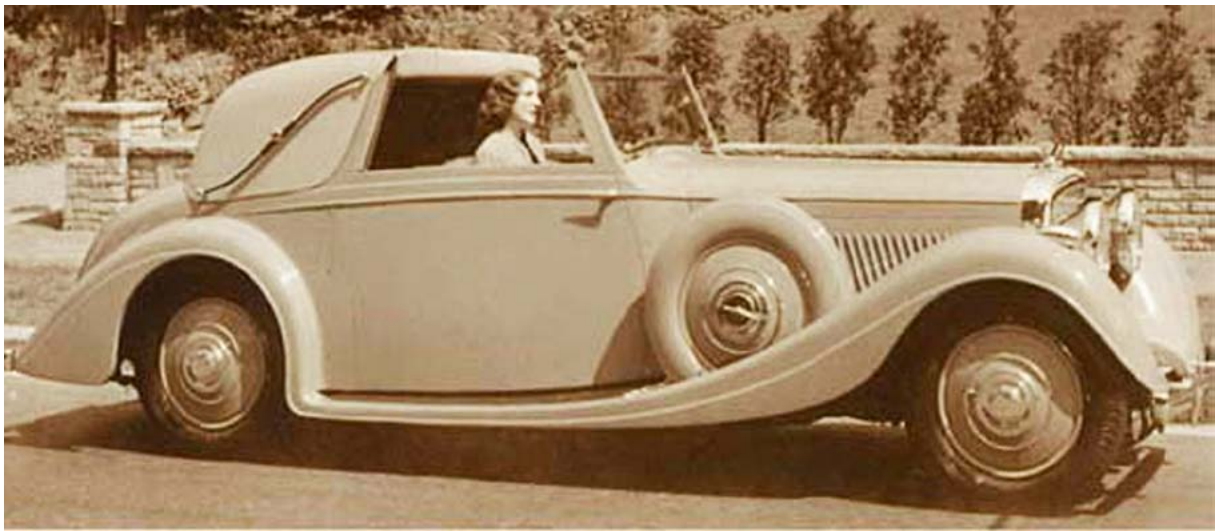
W. O. Bentley was furious, because he claimed (correctly, as it turned out) that the Bentley racing engine would not stand the extra strain of supercharging.

Barnato went ahead anyway. The end result was the famous 1929 'Blower' Bentley.



Although too unreliable to win many races, the Blower Bentley (at a time when few cars were driven faster than 70km/h), set a record time at the Brooklands racetrack of 222.03 km/h (137.96 mph). This earned the Blower Bentley its place in history.





Bentley Sedan Coupé, 1930

Racing has always been a ruinously expensive business. The Bentley company counted on the sales of luxury models to pay the bills.

Alas, the American stockmarket crash of 1928 triggered a global financial tsunami, wiping out entire economies as it spread around the planet.

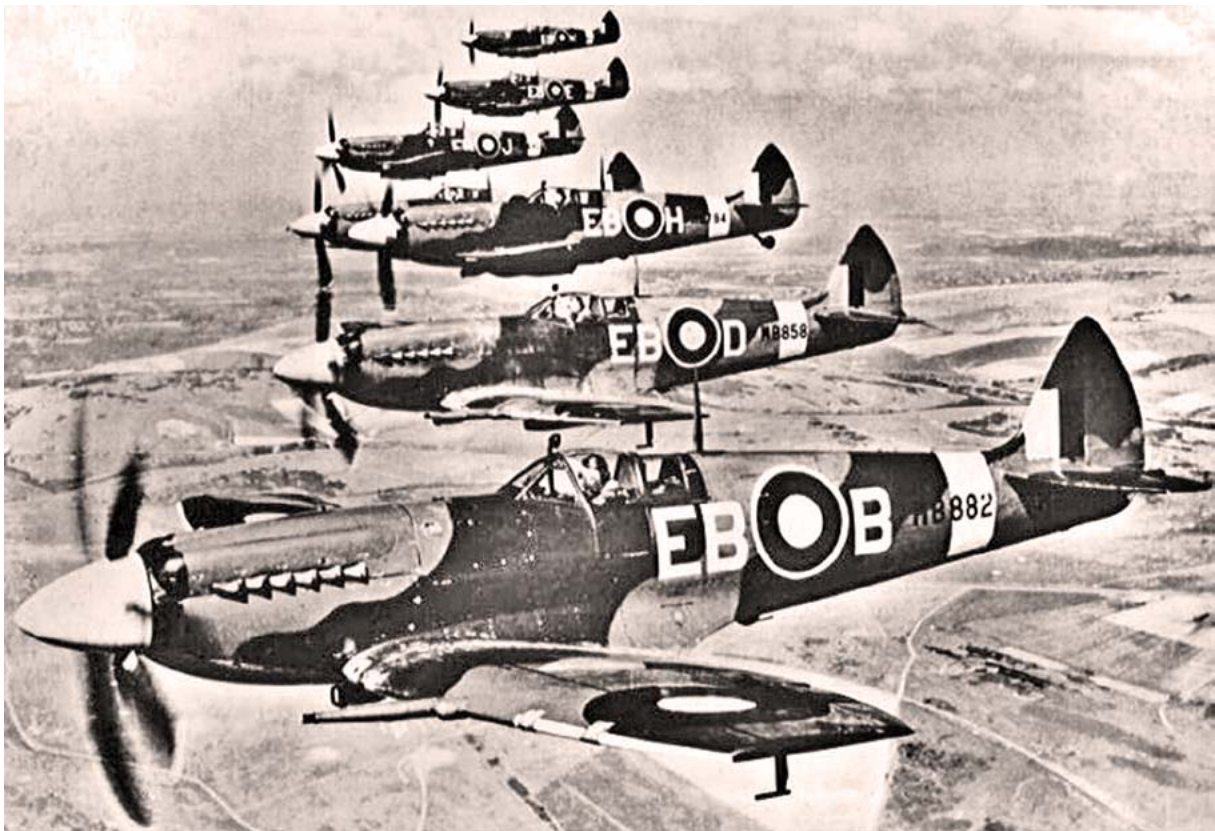
Overnight, the market for luxury cars collapsed. Thus, despite its excellent racing record and public acclaim, by 1931 Bentley Motors was bankrupt.

However, as closure loomed, Rolls-Royce stepped in to save the Bentley name. This wasn't just love: the Bentley company still had a few customers, plus a vital technological lead in the area of high performance engines, which were about to be tested in the skies over Europe.



As the threat of war grew, there was a huge demand for more efficient aircraft engines. Rolls-Royce began experimenting with supercharged Bentley engines. A large fortune later, Rolls-Royce was producing its famous *Merlin* engines to power combat aircraft. A new factory site was chosen at Crewe, near Cheshire, and the Bentley company became dedicated to war production.

At a time when the average British car put out less than 20 horsepower, the Merlin engine produced 1,280 horsepower. Merlin-powered planes such as the Spitfire, helped win the Battle of Britain, and eventually, outright victory.



After World War II, Rolls-Royce was anxious to resume building cars. To simplify production, Rolls-Royce's management decided that both Rolls-Royce and Bentley motor cars of various sizes would all be built from a single basic design.

Thus, from 1946 until 2002, both Rolls-Royces and Bentleys rolled off the same assembly lines at Crewe. Bentley versions were styled differently, but all these vehicles now had Rolls-Royce DNA.



Bentley R-Type, 1950.

Despite sharing its mechanical bits with the Rolls-Royce of the era, the Bentley R-Type is arguably the more elegant of the two vehicles. Yet, because the Rolls-Royce brand had more cachet than Bentley, Bentley was always seen as the poor cousin.



Despite the image many now have of the British as being quaintly old fashioned, in the years following the war, British industrial engineering was often world class. That's why, in the 1950s, Japanese companies like Nissan & Toyota frequently copied British cars, not American or European ones.

The late 1950s saw Rolls-Royce and Bentley in reasonable shape, with a new, modern car model on the way and aircraft engine development going at full speed.



John Lennon's psychedelic Bentley S2, 1966.

The British Establishment was horrified, but the Beatles gave brands like Rolls-Royce and Bentley credibility with a newer generation of young and wealthy car buyers. This is ironic, because John Lennon's psychedelic Bentley was intended to ridicule the very shallow materialism that these luxury car brands represented.



Rolls-Royce and Bentley struggled through the first half of the 1960s.

However, the launch of the Rolls-Royce Silver Shadow in 1965, together with its sibling the Bentley T1, saw the first totally new models for decades. The future looked bright; initially, demand vastly exceeded supply.



The Bentley T1 (left) & Rolls-Royce Silver Shadow (right).

Aside from the grill and the name badges, the two vehicles were identical.

Bentley's parent company, Rolls-Royce continued its investment in modern aircraft engines. However, the unexpectedly high costs of developing an innovative engine for the new Lockheed TriStar put Rolls-Royce in serious financial trouble. The British government could have saved the company simply by providing loan guarantees, but nothing effective was done and Rolls-Royce went bankrupt in 1971.



The same government that couldn't find money to help Rolls-Royce develop its new engine then found the money to nationalise Rolls-Royce and keep it running. The new Rolls-Royce aircraft engine was a great success and thus the aircraft engine division – eventually privatised as *Rolls-Royce PLC* – became a completely independent entity.



The Rolls-Royce car division was considered a white elephant and under government ownership suffered years of near-zero technological development. The last new model was released in 1965 and everything from then till nearly the end of the century was a tart-up of this original 1965 model.



Eventually the government effectively gave the Rolls-Royce car company to British industrial conglomerate *Vickers PLC* because no one else wanted it.

Slowly and sadly, the Rolls-Royce motor company followed the rest of the British motoring industry into decay and then ruin – effectively abandoned after decades of poor decisions and lack of investment. Finally, in the early 1990s, Vickers PLC – the last British owner – decided to sell up.

Despite its troubles, the Rolls-Royce brand was still strong. A bidding war began between BMW and Bentley, and finally Vickers agreed to sell Rolls-Royce to Bentley for US\$704 million.

However, after the deal was done, Bentley discovered that the aircraft engine company – Rolls-Royce PLC – owned the rights to both the Rolls-Royce brand and trademark. In other words, Bentley could make Rolls-Royces, but they couldn't call them Rolls-Royces. As if that wasn't bad enough, Rolls-Royce PLC announced that it was licensing the rights for the Rolls-Royce brand to Volkswagen's rival, BMW, for \$66.3 million.



A complex agreement was negotiated: BMW agreed to let Volkswagen use the Rolls-Royce name – but only until 2003, when ownership would revert back to BMW. BMW in turn agreed to keep supplying BMW parts to Rolls-Royce until 2003.

Under the agreement, Volkswagen retained the Bentley brand and continued Vickers' policy of rebadging Rolls-Royces as Bentleys until 2003.

Since then, new Rolls-Royces have been based on BMW technology, while new Bentleys have been based on Volkswagen technology.



The Bentley GT (left) & Bentley Phaeton (right)

Underneath the shiny panels, both vehicles share most of their DNA. The Phaeton was a sales disaster, but the GT, which had more bling (and a Bentley badge on the front) was an instant hit.



Bentley has recently enjoyed boom times, with predictions of ever greater success in the near future. Maybe. There's a time in every economic boom when it seems natural and inevitable that it will go on forever. People with easy money in their pockets assume the boom will be permanent, because they'd like it to be so.

Historically, it's always around this time, when the economic bubble seems to be an unstoppable force, that it suddenly bursts, taking the dreams of its investors with it.

Some oil-rich Arabs keep buying expensive cars even in bad times. However, oil-rich Arabs are a limited market. For the last two decades, it's mostly America, Europe, Russia and China that have kept luxury carmakers in business. Sales in Europe, Russia and the USA hit the wall after the 2008 crash. America has recovered, but China staggered in 2015.



The newly-rich tycoons of the early 21st Century didn't care that their Bentleys, underneath the shiny panels, were simply recycled Volkswagens. Desire clouds the mind, and the wealthy people who bought these luxury cars were drunk with success.

As booms become busts and reality dawns, there are inevitably a lot of people who go from rich to poor in the blink of an eye. Luxury cars become much harder to sell, and customers are far more careful with their money.

In the longer term, the Bentley brand will probably continue in some form or other.

However, both Bentley and Rolls-Royce are essentially trophy companies as far as their German owners are concerned. Lean times may make such vanities less appealing •

