



Press release
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Pioneering innovations

Borgward invented the compact car in 1950 with the Lloyd LP 300 model

Stuttgart. Throughout automotive history, only very big automakers have succeeded in defining a new vehicle class on their own. Borgward accomplished this feat in 1950, when it invented the small car in the form of the Lloyd LP 300. The theme of a compact yet full-fledged car runs like a common thread through the history of the Bremen-based car manufacturer. Carl F. W. Borgward had demonstrated his abilities in this area as early as 1931 with the Goliath Pionier. Nearly 4,000 units of the three-wheel car were sold, which was a huge commercial success at that time.

Many small car concepts were developed after the Second World War, but none of them had any impact to speak of on the automobile market. One thing was clear, however: Motorcyclists during the era of Germany's Economic Miracle longed to have a "roof over their heads" — i.e. they wanted a simple vehicle with four wheels. Borgward immediately understood that three things were needed to ensure a small car concept could be successful: sparing use of materials ("clever omission"), low-cost manufacturing and mass production in order to further reduce unit costs.

Armed with this knowledge, Borgward became the first manufacturer to present a newly designed small car: The LP 300 was marketed under the company's third brand name, Lloyd, and it was later succeeded by the LP 400. The two would remain the top sellers in their segment until 1955. The new model made a tremendous visual impression with its modern pontoon body, which was initially made of wood due to the ongoing steel quota in Germany. The vehicle was equipped with a front transverse mounted two-stroke engine with 300 cc displacement and an output of 10 hp, and its standard version sold for exactly DM 3,334.

The small Lloyd immediately became a best-seller. Borgward built more than 300,000 units of the successful Lloyd LP 300 and its LP 400, LP 600 and Alexander TS successor models and continually improved the technology in its top product over the years. Coupé and estate car versions were launched in 1951, and these were followed in 1953 with the introduction of the LP 400 with an output of 13 hp. The company switched over to a steel bonnet in 1954; in October of that same year, the Lloyd was given an all-steel body and a four-stroke engine. In 1957, new modern four-stroke engines with an output of 19 hp were introduced, and these were later followed by engines with as much as 23 hp and 25 hp. Indeed, the most powerful Alexander TS was able to hold its own on the German autobahn with Germany's best-selling car, the VW Beetle. Borgward's approach with the Lloyd was typical of the way the company operated: A successful concept would be

continually improved gradually, almost on a yearly basis, in order to keep up with advancements in technology.

However, there were other reasons why the Lloyd was so successful, and these had to do with Carl F. W. Borgward's skills and talents beyond the field of technology. First of all, Borgward's establishment of the Lloyd Maschinenfabrik GmbH as its third brand in 1949 enabled the company to gain access to additional steel and raw materials through the quota system. The Lloyds were built in Bremen-Hastedt until January 1951, after which they were manufactured in a former munitions factory located on the left bank of the Weser River (Bremer Neustadt). The INKA engineering office that was founded by former employees of the DKW automobile company played a major role here. INKA's Chief Engineer, Martin Fleischer, presented a pioneering new small car concept to Borgward right after the war ended. Carl Borgward immediately recognised the possibilities offered by such a vehicle and later appointed Fleischer Chief Designer for the Goliath. Borgward decided that the modern pontoon-shaped body for the Hansa 1500 should also be used with the new small car. The DKW engineers contributed to the project their knowledge of wooden bodies with a leather covering. However, this was only one aspect of the Lloyd success story.

The second aspect had to do with the fact that Borgward also decided to use new partners to sell the Lloyd — more specifically, former motorcycle dealers. The company chose such partners because they had a better understanding of the main customer group: motorcyclists who wanted to switch to four wheels. Such dealers were also useful because they made it easier for these new customers to cross the threshold of a "real" automobile dealership. In addition, the use of the former motorcycle dealers allowed Borgward to elegantly avoid potential internal conflicts with existing Goliath and Borgward dealers. The new sales concept proved to be exactly the right one for ensuring the success of Lloyd vehicles.

Naturally, Borgward also employed marketing campaigns for the Lloyd, whereby one particularly effective marketing instrument was packaged in a streamlined body: In 1954 and 1955, a one-seat record-setting vehicle fittingly known as the Lloyd Rekordwagen set a total of 27 records for the vehicle class of 350–400 cc displacement at the high-speed racing circuit L'autodrome de Linas-Montlhéry in France. Three of the records set in the 350-cc segment still stand today. In other words, the Lloyd's winning ways weren't just limited to sales, although it certainly was a winner in that regard as well. For example, in 1952, just two years after its début, the LP 300 was considered the best-selling small car in Germany, with sales of 9,981 units.

Caption:

Although it featured simple technology, the small Lloyd LP 300 was a fully-fledged automobile that immediately became a bestseller.

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