# Research on Chinese Automobile Independent Brand Strategy

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#### Abstract

In recent years, China's auto market has continued to take over the first position in automobile production and sales in the word, the automotive industry has become an important pillar of our national economy. But foreign brands has been dominating the market in the brand, Chinese-brand cars are still going ahead with difficulties. Xu Heyi, the chairman of Beijing Automotive Group, said smoothly that there is a very important criterion to measure the world's automotive power, that is, whether or not it owns world-class brands.

In the promotion of automobile brand, we should focus on the security configuration of the car, interior space, price, comfort, environmental protection, energy-saving, after-sale service and other core elements of the brand's planning and innovation, which is the fundamental cornerstone of the automobile brand strategy to survive and develop. We should strive to do the following: first, keep the market-driven strategy, choice the target market. Second, improve the overall quality of China's automobile by product innovation and the concept of innovation. Third, optimize brand structure, enhance the brand value, highlight the brand culture. Fourth, establish and perfect after-sales service system, foster credit system of enterprises.

**Keywords:** Chinese automobile independent brand, Brand positioning, Brand loyalty, Enterprise's soft power, Independent innovation, Network platform

With the continuous improvement of living standards, people require cars to offer more and more. They began the pursuit of comfort, aesthetics, high performance and low fuel consumption, except the function of transport.

China's auto market is full of increasingly fierce competition. China's auto market, which is going to enter the mature period, calls for leadership type independent brands.

# 1. The problems existing in the Chinese independent brand car

#### 1.1 The behindhand idea

For what independent brand is, people biased on the concept. It's a long way for people to understand the function and significance of the independent brand, we hope too much in "exchanging market with technology". As a result, the independent brand is missing, also unable to get advanced technology.

When explaining the relationship between the "manufacturing" and "brand", Ai Feng compares it to write articles. There are three ways to write articles: the first kind, the normal way, to write personally, then sign his own name. Second, the secretary way: to write personally, then sign others name. Third, the chief way: find someone else to write with his signature. We should insist the first way, support their own brand with technology, but because of the original backward technology, it will be very difficult and slow to build brand only by this way. The third "chief" way is the general way, which is using its own brand integration with the world's advanced technology to support their own brand. This way is especially important for China, because it is a shortcut to catch up with the pioneer successfully in the background of economic globalization trend.

1.2 The lack of independent intellectual property rights and capacity for independent innovation

At the moment, there are serious imitations of our country independent brand cars on product development. For example, automobile independent brands, such as BYD and Wild Horses, have a large degree of similarity on the appearance of the automobile product design and other products. On the core technology research and development,

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most of the domestic automobile enterprises did not form their own core technology. Instead, they imitated others blindly, attracted by the interests at the moment. "Exchanging market with technology" becomes the main way to develop automobile product. In the long run, this shortcut is very unfavorable for the development of independent brands.

#### 1.3 The "low level" of brand image

The domestic automobile enterprises in our country started from low-end market. In order to avoid competition with foreign well-known automobile enterprises, local brand products are small cars mostly, low-end has become people's first impression of domestic car brands. For example, when it comes to Chery, people would first think of the low-end brand "chery QQ". The low price strategy of independent auto brand in the early days left consumers an indelible brand recognition. Although the domestic brands began to march in high-end market in recent years, but it still need time to change the original "low-end" impression.

# 1.4 The brand image of "cheap copy"

"Shanzhai" has always been an embarrassing topic for local companies in China. In terms of design, capacity of independent innovation is still lacking in China, domestic companies frequently change their logo, "crash" with the international well-known enterprise's mark frequently. The reasons for this situation, on the one hand is due to our local design capacity is weak, is lack of consciousness of promotion in the soft power; On the other hand is due to local companies do not attach importance to the significance of the enterprise brand image, as a result, domestic auto brands are lack of soul.

# 1.5 The shortcoming in the design

Car brand image design is a complicated engineering system. It contains the whole VI design (including logo design and image design of terminal sales), model type design, etc. Indigenous cars exist the following problems in addition to the problem of imitation and originality previously mentioned: (a) the simplification of the design pattern, lacking of creativity; (b) the lack of design concept of "consumer centered"; (c) the lack of cultural accumulation.

# 2. Development opportunities of Chinese domestic automobile independent brand

## 2.1 The wide prospect of market

Our country is a country with a large population, and it is no doubt a big market with prospects. In recent years, our domestic independent brands constantly increase the market occupancy. But in the context of the current development situation, cars per person in our country is still much less than the world's average level.

#### 2.2 Brand opportunities

With the rapid development of Chinese economy, demand for cars increasing dramatically, and recently, the country introduced policies to revitalize the auto industry, such as encourage the development of automobiles with small output volume. All these have created the extremely good opportunity for the development of Chinese independent brand.

## 2.3 good social and cultural environment

Young adults make up a high proportion of the population in China, and young people's purchasing power is relatively strong. Environmental awareness of our government and people has also been gradually enhanced too. In addition, the government introduced three policies: the first is the energy-saving auto subsidies; The second is encouraging consumers to buy electric cars in new energy field; The third is energy-saving in the field of public as well as demonstration and promotion of new energy vehicles. The 18th session of the National People's Congress clearly put forward "promote the healthy development of strategic emerging industries and advanced manufacturing industries". Chinese local independent auto enterprise should seize these opportunities, comprehensively grasp core technology, improve the ability of self-dependent innovation, strengthen the integration of resources, make itself stand in the fierce international competition.

# 3. Implementation strategy of Chinese domestic automobile independent brand

## 3.1 brand positioning

Kapferer once said: "the brand positioning means to let the brand apart from the competitors' and to attract the attention of the public".

A good brand concept should be accurate first of all, fully reflect the characteristics of automobile product design. Once the position formed, it can become the foundation of the brand, attaching to the car brand as added value

products. Consumers generate interest in automobile products through the identification of brand positioning, thus form the particular impression of the brand.

## 3.1.1 The price positioning

This is the most direct and the most commonly used method of brand positioning. After all, for the majority of people, the first thing to buy a car is to consider the price. After the price positioning of brand, the enterprise will input their own brand products in each level. The most typical case is Shanghai GM, which is known for its three major brands: Chevrolet, Buick and Cadillac. Chevrolet represents a low price, Buick is in the middle, while the Cadillac represents high-end luxury series. It is this clear brand positioning and product structure, the GM has been a huge success in China.

#### 3.1.2 The consumer orientation

Consumers tend to classify himself into a particular group. Consumers focus on specific points of the interests, declaring blindly that "domestic car is a national brand, although not too much advantage in the product, but better in terms of service and sales experience" almost plays no positive role.

Enterprises' accurate positioning, depends on the deep understanding of the consumers' demand. The generation after 80s attracts attentions from the society, is growing in the "subcustomer". Generally, they accept new things faster, at the same time, because they generally understand the network well, they are able to treat the information online rationally, instead of following blindly.

Chinese consumers buy cars with the purpose of the realistic demand of convenient travel, another important reason is that they hope to highlight their increasing living standards and social status through the car. Domestic auto enterprise can gain consumers' psychological identity on the basis of scientific research and analysis of the consumer demand, on the basis of accurate positioning, market segment. Only in this way can they target to build brand image.

# 3.2 To build brand loyalty and establish consumers' confidence

Xue Xu, a professor in Peking University, once said that "the Chinese all want to support the development of domestic independent brands, but they just stop at the mouth and thought, few people go out and buy their own brands."

Then, as domestic independent brand cars, how should they build brand loyalty and establish consumer confidence on earth? First of all, independent auto enterprises shall plan out the clear brand vision according to the brand strategy, attach importance to the convergence between brand building and the customers' requirements. Second, short the distance between brands and customers. Brand is the carrier of enterprise information, only when the independent brand automobile spread appropriately to the target audience, can it promote the formation of independent brands and customers' perceived value. Finally, shorten the psychological distance between brand and customers. Brand can deliver related product and service information to customers, but customers perception of the brand is not totally rely on these information.

## 3.3 To strengthen the construction of enterprise's soft power, to win by service

In the auto industry there is an old saying: "car to sell twice."The first is the sales staff to sell cars, and the second is the service personnel to sell cars. There are two main indicators to judge a country or a region's car market, one is vehicle sales market, the second is the aftermarket. Therefore, in order to have our own independent brand, we must work hard in the service.

4S shop, that is the all-in-one car service of vehicle sales (sales), supply of spare parts (Sparepart), service (Service) and feedback (Survey), is a great way to service the current media. Automobile trade, repair, maintenance and other processes are required to complete in the 4S shop. Quality of service in 4S shop will directly affect the consumers' intuitive feelings. The service staffs in 4S shop need to be able to provide specialized knowledge, but also need to be consumer-centric, provide comprehensive information record, service, improve their ability to solve problems. Only by strengthening the internal training of service personal, perfecting the service evaluation system, establishing performance evaluation mechanism can we promote the service staffs to actively concern about the demand of consumer, to find and solve problems from the perspective of customers.

## 3.4 strengthen independent research and development, improve the ability of independent innovation

The key really determines whether the brand is independent or not is core technology and intellectual property that hides behind the brand. A national brand with independent intellectual property rights based on innovation and careful market operation held by Chinese enterprises and Chinese capital, is a real independent brand.

Based on the particularity supply chain of household car automotive, our local auto companies can almost completely control the low-end household car engines and other key technologies. But in terms of high-end household car, the situation is quite different. Many of the high-end household car brands, such as the rotary engine, TSI direct fuel injection technology, I - VTEC system are leading the global average. In addition, the international automobile brands have the aerospace, electronics, energy saving and environmental protection technology successfully applied on automobile production. Local brands in China should draw lessons from foreign experience of development, speed up the independent research and development, improve the technology in the field of car use. In addition, the automotive industry should also optimize technical cooperation with the upstream parts enterprises, because the quality of auto parts will directly affect the consumers' perception of the brand.

## 3.5 The automobile network marketing based on network platform

Network marketing is the combination of marketing practice, modern information, communication technology and computer network technology, is referred to the enterprises based on electronic information technology, regarding computer network as the media and means of marketing activities (including network research, new product development, network promotion, network distribution, network services, etc). There are five main existing car sales models: brand stores, auto trading market, sales of multi-brand stores, chain stores and online sales. With the continuous development of Chinese automobile industry, the way of creating a web site for car brand marketing has become so common that automobile network marketing makes full use of network interaction, community and strong ability of customer orientation, selecting sales business chain from the automobile industry chain in order to realize greater value chain of auto sales.

At present, the automobile network marketing is presented three development trend: first is the media diversification, in addition to the web portal, a growing number of professional vertical website sharing the share of network marketing; Followed by the marketing model diversification, BBS, Blog, SNS, IM, Video and other models increasingly are favored by consumers; Third concern is the increasingly dispersed audience's attention, the scope of Internet users expanded, increased concern, focus on the carrier is growing, results in the decrease of online audience attention and concentration. This suggests that online marketing is in the strategic pass from extensive pattern to elaborating management mode, network marketing will be more dispersed, more sophisticated, it will be more and more difficult to master the effect of network marketing, which may subvert the market position and industry marketing model comprehensively. How to take advantages of the car network marketing, and actively respond to the development trend of network marketing has become a determinant key for local independent brand car business to succeed.

## 3.6 reference and Innovation - the era of globalization of China's auto logo design and brand promotion

Chinese domestic car logo design and branding aspects of backwardness and blindness, are many foreign economists as a "Spanish phenomenon" is reflected in China. The so-called "Spanish phenomenon" refers to economic structures that focus on the use of cheap labor only in labor-intensive manufacturing without any awareness of brand. There are more than 100 car manufacturers in China, but none of them can really compare with famous car brands like Ford, Mercedes-Benz.

The problems and the reasons of local car logo design and brand building are mainly embodied in the following aspects: first, there is a great blindness in the logo design and brand building of the local cars, which simply imitate international big car logo, lacking its own characteristics. Second, logo design is short of forward-looking and scalability, causing many Chinese car standard is difficult to twist into a classic design. Third, the blind pursuit of symbol meaning of broad, leads it difficult to be remembered and deeply rooted in the hearts of people. Fourth, over-reliance on the surface of the visual image, pay no attention to enhance brand awareness and strength in terms of car culture, intellectual property and technology content and so on.

Many Chinese auto companies have realized the importance of the local culture in car logo design and brand building. Chinese traditional culture provides a wealth of resources to create for modern design, such as the different kinds of philosophical ideas, graphic elements and composition method. Chinese traditional graphics such as auspicious animals (dragon), auspicious flowers, and Chinese characters, are regarded as the international symbol of China, is the essential design elements of Chinese logo design. How to correctly use it to the car logo design and construction of Chinese culture will determine the rise and fall of the road of independent brands.

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