

# A Brand Road Map for Autoglym in China's Market

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**Abstract:** Globalisation is a hot topic that is gradually developing. It makes the world a real global village, to this extend, a boundary less world where goods and services are produced and marketed worldwide. As well as it also brings numerous brands into China's market. Due to strong culture differences between western and eastern countries, lots of decent foreign brands including Autoglym cannot find a proper way to broaden China's market well. This article illustrates a brand road map for Autoglym which is divided into different stages of future marketing development in China. Also, the author proposes several suggestions for Autoglym about how to strengthen brand equity and develop brand power in China's market.

**Keywords:** Brand Road Map, Brand Management, China's Market

## 1. Introduction

### 1.1 Background

China became the largest vehicle market all over the world after took the lead of USA in the year of 2009<sup>[1]</sup>. The number of vehicle possessions are increasingly booming year by year <sup>[2]</sup> (figure 1). At the same time, the number of electric vehicle market surged to 343,675 in 2015 <sup>[3]</sup> and reached over 700,000 by the end of 2017<sup>[4]</sup> since the supporting policy issued by Chinese government that Chinese citizen who buy the new energy car will exempt from paying vehicle purchase tax until the end of 2020 <sup>[5]</sup>. What's more, the more vehicles Chinese people have, the more money they will need to spend on car care treatments. While in Chinese culture which is far different from western countries, most car owners prefer to do car care service in professional car beauty centre other than do it by themselves.

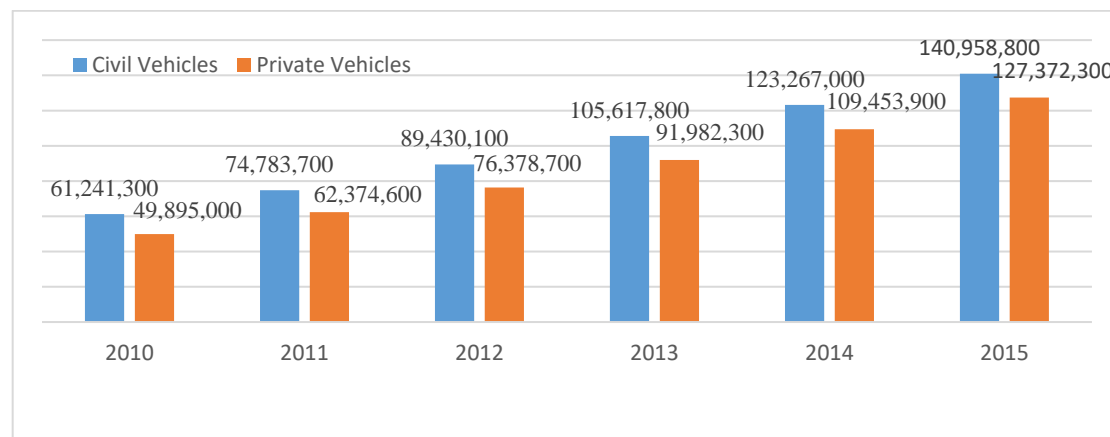


Figure 1. The number of Civil & Private Vehicles in China from 2010 to 2015

### 1.2 Define the challenge

After talking with Technical Director Paul Coley who is from Autoglym, UK. The author known that Autoglym entered China market in 2015. However, more than two years later, Autoglym still didn't go well with China's market. 'The biggest challenge we face is not fierce competition, we are not afraid of competition because we are so confident in our products and services, but we found that the challenge in

China's market is more or less pragmatic and we are not sure how to do with that.' said Paul. So, how to build and develop the brand of Autoglym in future China's market in both short term and long term is a big challenge Autoglym needs to deal with now.

### ***1.3 Aim and Objectives***

The aim of this report is to propose a road map for Autoglym to build their esteemed brand and develop adaptable strategies in future China's market. To achieve this aim, three aspects extracted from Autoglym brand will be synthesised, namely brand positioning, brand equity and brand power, together with the analysis of current vehicle and car care market in China, this article will devise the route from past to present to future and discuss the feasible strategic plans in unique China's market.

## **2. Literature Review**

### ***2.1 Brand Positioning***

In terms of the brand positioning, "A brand is a person's gut feeling about a product, service, or company <sup>[6]</sup>." In other words, consumers are likely to prioritize a specific brand <sup>[7]</sup> rather than others before they purchase. Thus, to position its brand precisely in the market is a must for any company. Brand positioning is one of the core concepts in understanding the function of marketing, it designs products and services and offers key benefits to possess a unique target market place <sup>[8]</sup>. Successful brand positioning needs to both understand the competitive existing business environment deeply and analyse the company's unique capabilities within the market <sup>[9]</sup>. Specifically, to conduct market research, to segment existing market, to find target consumers and to gain the potential customers will be the important processes of identify and develop the brand positioning. Therefore, brand positioning is the first and foremost task of brand operation, it lays the foundation of brand building and it will lead to successful brand management <sup>[10]</sup> a precondition for a company.

### ***2.2 Brand Equity***

For the brand equity, the emerging of brand equity can date back to 1980 <sup>[11]</sup>, it identified the importance of brand equity which serves as invisible asset that will help a company to gain profits <sup>[12]</sup>. Asker proposed five essential factors in the model of brand equity, namely brand loyalty, brand awareness, perceived quality, brand associations and other proprietary assets <sup>[13]</sup>. Also, there is no doubt that the name of a brand will bring it considerable financial value by placing consumer's potential mental associations with the brand <sup>[14]</sup>. According to Keller, brand equity "provides a common denominator for interpreting marketing strategies and assessing the value of a brand" <sup>[15]</sup>. Thus, to build brand equity successfully will benefit the company greater customer loyalty, gain its larger margins <sup>[16]</sup> improve its quality perceptions, reduce its potential crises, attribute to its higher brand acquisition <sup>[17]</sup>, and create its brand extension <sup>[18]</sup> opportunities.

### ***2.3 Brand Power***

To the brand power, which is characterised by the distinctive features of its identity, personality, image, communication, and it has the ability to stand the test of time <sup>[19]</sup>. It captured consumers' memories tightly combing with multiple connections of its brand <sup>[20]</sup>. When a consumer has the desire for a product or service, it came to customer's mind quickly. It should be conveyed as subtle difference to different customer groups from market to market in order to maintain its attractiveness in a changing society <sup>[21]</sup>. To build brand power, a company has to work in different ways to create brand awareness <sup>[22]</sup> which could highly well-known and regarded among its customers <sup>[23]</sup>. The successful of creating brand awareness will have a positive effect on customers' knowledge level about the brand and will contribute extra value to brand power also <sup>[24]</sup>.

### 3. Visual Graphic

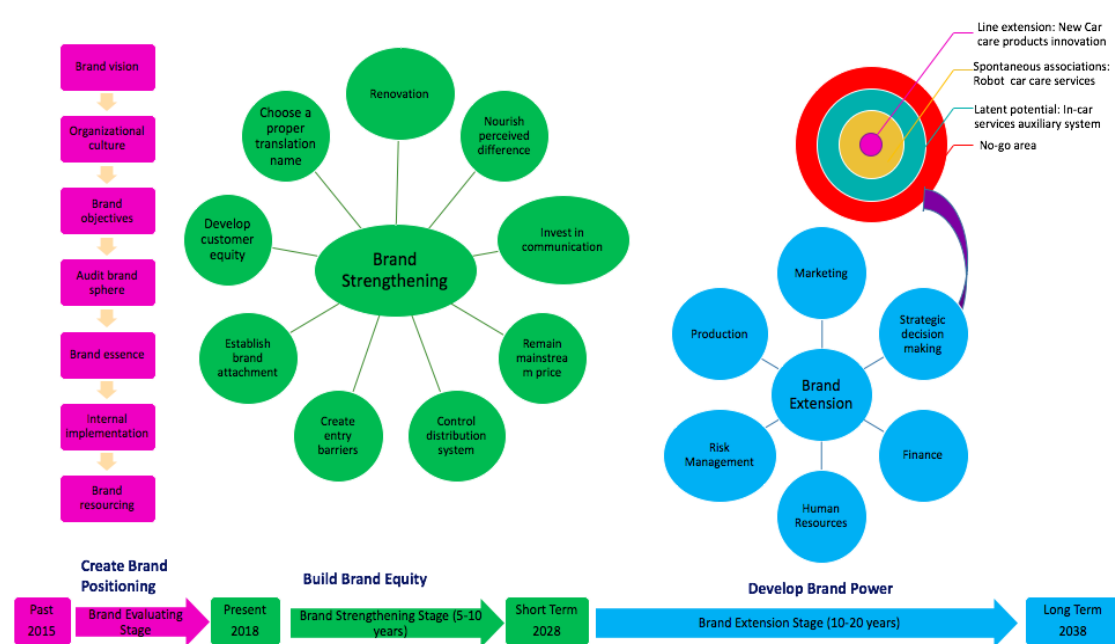


Figure 2. A brand road map for Autoglym in China's market

### 4. Discussion

To Autoglym, the brand road map is presenting into 3 main parts, past, present and future, and the future parts are including short term and long-term development in China.

#### 4.1 Summarize Autoglym's Brand Positioning in China's Market

Viewing brand in multidimensional criteria, the assessment of a brand needs to consider a variety of measures. Till now, it has been two and half years since Autoglym the first time launched in China's market, it is necessary for Autoglym to evaluate brand now before they build and strengthen it next. Approaches to Autoglym brand evaluation are start with brand vision<sup>[25]</sup> since it is about assessing how Autoglym could benefit its stakeholders over these years. To Autoglym, they would like to 'achieve perfection in car care and every car all over the world will be touched by Autoglym during its lifetime.' (Paul Coley) With the 'expert, trusted and perfect' way of building brand essence (figure 3)<sup>[26]</sup>, Autoglym positioned its brand as premium and cooperated with car beauty centres as its key partner in China.

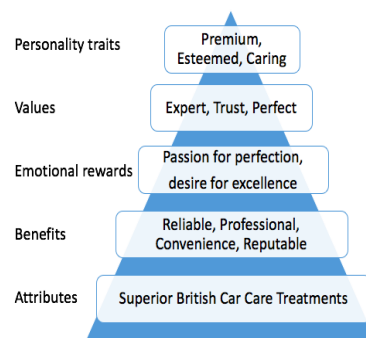


Figure 3. Summarized Brand essence for Autoglym

#### 4.2 Build Autoglym's Brand Equity for Short Term Development

To sustain and strengthen Autoglym Brand in the near future, several fundamental factors need to be considered at first. With the rapid development of domestic science and technology, China became the world's second largest economy since the year end of 2010<sup>[27]</sup>, since then, numerous western brands

would like to become international by appearing in China's markets. However, few brands are successful such as Apple, Philips, Nike, Adidas, KFC, Coca Cola etc. <sup>[28]</sup> while many others are hard for Chinese people to identify, recognize and accept, so that affect customer's judgement and buying decisions directly <sup>[29]</sup>. The foremost challenge lies in culture barriers especially in language difference because Chinese language belongs to ideographic languages while English language belongs to alphabetic languages <sup>[30]</sup>. Thus, to break down the linguistic barrier, Autoglym are strongly advised to create a proper translation name in China. What's more, when a brand becomes lazy, cheaper copies may take advantage of the market <sup>[31]</sup>, thus never stop to renovate existing products and services is a good way to defence competitor's cheating. No matter in renew product packaging or in upgrade customer service. In addition, to strengthen brand's reputation will preserve the esteemed image of Autoglym, and to invest in communication no matter through advertising, social media, celebrity endorsement <sup>[32]</sup> or other marketing strategy will add brand equity of Autoglym. Moreover, to maintain the brand positioning, Autoglym needs to remain the premium price of its products rather than decrease price in order to attract more potential customers and compete with competitors. At the same time, Autoglym are advised to control its distribution in China's market strictly to avoid copies from unscrupulous merchants. Furthermore, to establish word-of-mouth brand image will help Autoglym to create entry barriers for its competitors from entering market, which will add financial value of Autoglym. Besides, from establish brand equity to develop customer equity which will help Autoglym to maintain the customer's stickiness and contribute to its brand attachment, which will lead to successful brand strengthening in the short term.

#### 4.3 Develop Autoglym's Brand Power for Long Term Development

For Long Term Development of Autoglym is the stage of brand extension since only constantly surpass itself by developing new products to adapt the changing market demands and to meet up-to-date customers' satisfaction can a brand survive and remain its dominant position in the market. Before make strategic decision of what product should be extended, which technology should be used, several factors including production, finance and human resources are involved to consider, most important, rush into brand extension will dilute the brand totally, so to anticipate risks are the key factor that cannot be ignored. Brand extension is a strategic decision that should distinguish different layers from concentric zones (figure 4) <sup>[33]</sup>. From the inner core to the outer core is the ranking of successful possibility of brand extension. To Autoglym, as a traditional car care treatment enterprise, to innovate new perfect products of car care which adjusting to the fast developing era is their line extension choice such as self-healing paint and surfaces; then the next layer is to develop robot car care services to replace manual work in order to build a more convenient and comfort user experience; then, the next layer is to create in-car services auxiliary system such as driving fatigue monitoring system by detecting driver's facial expressional and other characteristics to develop comfort driving. The outer space is the highest risk area that Autoglym will not plunge in since it will lose the brand principle when entering the no-go-area.

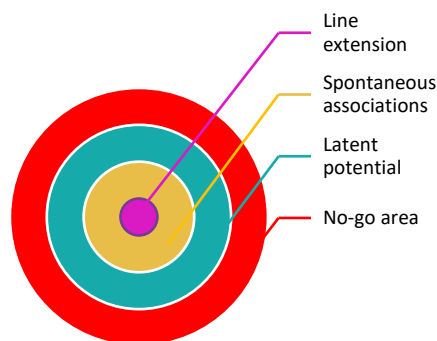


Figure 4. Brand Extension

## 5. Conclusion

This brand road map for Autoglym was designed according to the time stage. From past to present to the future, it presents different stages of building Autoglym's brand in China's market. No matter short term development or long-term development, by analysing Autoglym's value proposition (figure 5), the author state the mission of Autoglym's branding route in China, namely sustain and strengthen Autoglym's brand equity and then develop Autoglym's brand power.

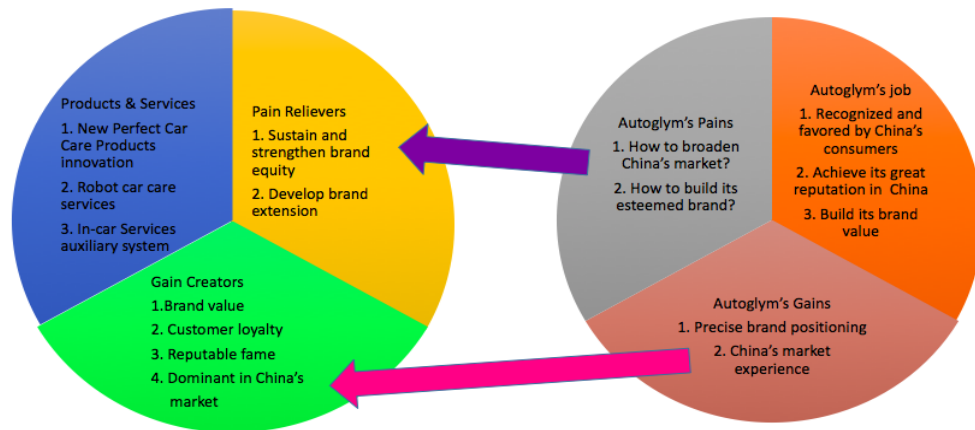


Figure 5. Autoglym's Value Proposition

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