

Factors Influencing the Enhancement of Automotive Brand Power Analysis

Huiying Hu, Chunyan Zhang

China Auto Information Technology (Tianjin) Co., Ltd, China

Abstract

The research reviewed the core path development goal of brand power promotion proposed in the previous research. The goals include expanding market share, building brand image, building brand faith and increasing brand premium. On the basis of the five factors of Brand Power: product, service, culture, marketing and innovation. Based on user and expert research, this paper further optimizes the weight of the influencing factors, taking into account the characteristics of the 2023 market. The research provides direction for the promotion of corporate brand power. On this basis, the analysis of five major factors on the impact of brand power. Combined with the brand practice case, the paper expounds the important role of each influencing factor in the brand construction. The purpose of this study is to help enterprises identify the effects of different influencing factors in the process of brand building. Research to help enterprises achieve the rational allocation of resources, so as to achieve the overall promotion of brand competitiveness.

Keywords

Automobile Brand; Brand Power; Influencing Factors.

1. A Review of the Mechanisms Influencing the Enhancement of Automotive Brand Power (C-ABC)

In the research conducted by the China Automotive Technology and Research Center on the upward plan of domestic automotive brands in 2022, through the study and classification of brand building objectives in the automotive industry, four core development goals for enhancing brand power have been identified: expanding market share, establishing brand image, fostering brand belief, and increasing brand premium.

According to Keller's brand equity theory, brand equity is derived from consumers' responses to brand actions, and the differentiation of consumer responses comes from different brand knowledge. Brand knowledge can be categorized as product-related and non-product-related. Product-related brand knowledge includes the core products and services that consumers directly encounter when purchasing the product, mainly providing functional value that satisfies consumer needs. Non-product-related aspects primarily provide emotional and psychological benefits to consumers. In recent years, with the development of smart technology and changes in user operation methods, there have been greater innovative requirements for brand building in the automotive industry. Through extensive surveys of car companies and users, combined with research on the development trends of automotive brand building, it has been discovered that innovation plays a crucial role in brand building. Therefore, innovation has been identified as a factor influencing the enhancement of brand power. The research conducted in 2022 ultimately summarized these factors into five major influences: Product, Service, Culture, Marketing, and Innovation (as shown in Figure 1).

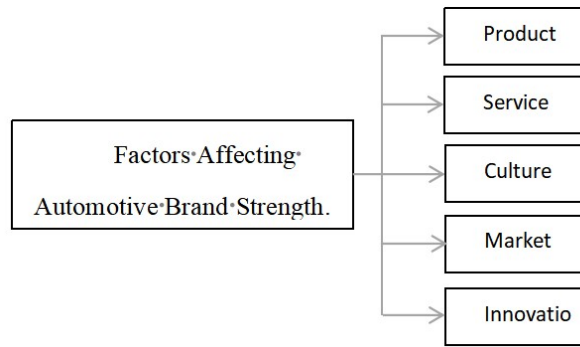


Figure 1. The Influencing Factors System for Enhancing Automotive Brand Power.

In the four paths of enhancing brand power: expanding market share, establishing brand image, fostering brand belief, and increasing brand premium, the importance of different influencing factors varies. In the 2022 research, the initial weights of the five major influencing factors under the four paths have been identified. This is shown in Table 1. In 2023, to further explore the impact weights of the five major influencing factors on brand power enhancement under different paths in the new market environment, the China Automotive Technology and Research Center conducted a quantitative consumer survey with 20,000 samples to collect users' judgments on the weights of influencing factors as foundational data. Additionally, 10 experts were interviewed to obtain expert evaluations. The collected data was then analyzed using the entropy weight method, factor analysis, and expert scoring method to assign weights to each indicator and optimize the results from the previous year. The impact weights of the five major influencing factors under different paths in 2023 are shown in Table 2.

Table 1. Impact Factor Weights in 2022.

	Expanding market share	Establishing brand image	Cultivating brand loyalty	Increasing brand premium
Product	47%	39%	33%	31%
Service	20%	19%	15%	16%
Market	18%	22%	17%	24%
Culture	8%	10%	27%	20%
Innovation	7%	10%	8%	9%

Table 2. Impact Factor Weights in 2023.

	Expanding market share	Establishing brand image	Cultivating brand loyalty	Increasing brand premium
Product	47%	39%	33%	31%
Service	20%	19%	15%	16%
Market	18%	16%	17%	14%
Culture	5%	10%	27%	20%
Innovation	10%	16%	8%	19%

The weight results of the five major influencing factors remain generally stable across different paths, with the exception that the weight of the innovation factor has increased in the paths of expanding market share, establishing brand image, and increasing brand premium. Innovation plays a crucial role in the development of automotive brands and the advancement of the industry as a whole. It enables automotive brands to deliver better user experiences, enhance

brand competitiveness, and increase market share and profitability. Furthermore, innovation in automotive brands also drives innovation and accelerates the transformation and upgrading of the entire automotive industry. In the practice of innovation within automotive brands, different brands may have different focuses and approaches to innovation. However, overall, innovation practices mainly involve technological research and development, intelligent services, intelligent manufacturing, and other aspects. Through these innovation practices, automotive brands can continuously improve product quality and user experience, driving progress and development within the industry.

2. The Role of Influencing Factors in Enhancing Automotive Brand Power

2.1. The Impact of Products on Automotive Brand

With the continuous development and progress of society, people's demands and expectations for automobiles have been increasing. For automotive brands, their products are the core competitiveness, as they not only directly determine the brand's reputation and market position but also have a direct impact on sales and profitability.

2.1.1. Quality

The quality of automotive products is one of the most important factors for consumers when purchasing a car. A high-quality automotive product can provide consumers with a better user experience and a longer lifespan, while also earning trust and reputation for the automotive brand. Conversely, if an automotive product has quality issues, it not only results in a negative user experience and consequences for the consumer but also severely impacts the reputation and market position of the automotive brand. Therefore, automotive brands need to continuously improve the quality of their products to ensure consumer trust and satisfaction.

The key to the survival and development of automotive brands in a highly competitive market lies in the quality of their products. Quality is the foundation of the brand image and an essential factor for the brand's survival. Therefore, the impact of automotive product quality on the automotive brand is of paramount importance.

2.1.2. Design

The design of automotive products is one of the important factors for consumers when choosing a car. A good automotive design can leave a deep impression on consumers, make them have a favorable impression of the brand, and increase the possibility of purchase. At the same time, automotive design is also an important symbol of the brand, and different automotive brands often have unique design styles and features. Therefore, automotive brands need to constantly innovate and improve the design of their products to meet the changing needs and expectations of consumers for automotive product design.

In addition to exterior design, interior design is also an important design direction for automotive brands. The automotive interior is the main place where consumers interact with the product, and it is also an important aspect of reflecting the design style and concept of the automotive brand. The following are the factors that automotive brands need to consider in interior design. Automotive brand's interior design needs to consider comfort and space layout to achieve a better user experience. For example, luxury brand interior design usually focuses on comfort and luxury, while sports car brands pay more attention to the driver's sense of operation and movement.

2.1.3. Performance

In addition to the exterior and interior design of a vehicle, the performance of an automobile is also a crucial factor that influences the automotive brand. The performance of a car determines its driving performance, safety, and user experience. Therefore, when designing and

manufacturing automobiles, brands must focus on various aspects of vehicle performance to ensure their products are competitive in the market.

2.2. The Impact of Service on Automobile Brand

The success of a car brand depends not only on the product itself, but also on the service associated with it. Automobile service refers to all the services provided by automobile enterprises and dealers, including pre-sale and after-sales services. The services provided by automobile manufacturers usually include repair, maintenance, parts supply, technical support and consulting. Car dealerships offer sales, after-sales services, insurance, finance and leasing. The quality of automobile service is directly related to the experience and satisfaction of automobile users.

2.2.1. Good Service Helps to Increase Sales

Good service can increase the sales of car brands. When consumers purchase a car, they not only pay attention to the quality and performance of the vehicle itself, but also to the quality and level of related services. If a car company and its dealers provide high-quality and thoughtful car services that leave a deep impression on consumers, it can enhance the brand's reputation and visibility, attracting more consumers to purchase cars from the same brand and ultimately increasing sales.

2.2.2. Good Service Helps to Improve Customer Satisfaction

In addition to its direct impact on sales, good service can also enhance customer satisfaction. The quality of pre-sales and after-sales services directly influences consumers' purchasing and ownership experiences. When purchasing a car, consumers often require information consultation, test drives, and more. If the car company and its dealers can provide prompt, accurate, and thoughtful service, consumers will feel highly satisfied.

2.2.3. Good Service Helps to Increase Brand Reputation

Customer satisfaction is a key factor in building brand reputation. By enhancing customer satisfaction, car brands can increase their reputation. Providing high-quality pre-sales and after-sales services can enhance consumer trust and recognition of the brand.

2.2.4. Good Service Helps to Increase Brand Loyalty

On one hand, by providing high-quality pre-sales and after-sales services, car companies and dealers can build consumer trust and identification with the brand. When consumers receive excellent after-sales service after purchasing a car, they are more likely to be satisfied and willing to make repeat purchases from the same brand, thus increasing brand loyalty.

2.3. The Influence of Culture on Car Brands

Cars are indispensable means of transportation in modern society, and the position of car brands in the market is becoming increasingly important. Compared to the mere automobile products, the concept of a brand is more about delivering emotional and experiential value to consumers. These emotional values are not solely derived from the good performance of the products; they require the brand to shape stories and establish a spiritual resonance with consumers. To differentiate themselves from competitors, car brands need to possess unique cultural charm and brand symbols, which are developed through the shaping of brand culture. Therefore, the influence of cultural elements on car brands is of great importance.

Brand culture refers to the collective cultural genes formed by a brand's philosophy, values, and brand symbols, representing the brand's uniqueness and cultural appeal. Brand culture is the core values of a brand, which are not only reflected in the product design and manufacturing process but also permeate the brand's marketing activities and services.

Every brand has its own philosophy and values, which constitute the core cultural elements of the brand. For example, Hongqi represents the pride of being the first domestically produced

luxury car brand in New China, leading the development of China's automobile industry. BMW's brand value lies in the joy of driving, representing BMW's pursuit of excellence and innovation. A strong brand culture helps establish a distinctive label for the brand in the market and find points of empathy with consumers. It captivates consumers through the emotional values embodied in the brand culture, resonating with their individuality and spiritual pursuits, thus gaining consumer recognition.

2.4. The Impact of Marketing on Car Brands

2.4.1. Enhancing Brand Awareness

Marketing is the best way to enhance brand awareness. Brand awareness is crucial for car brands as it helps them stand out in a highly competitive market. Through advertising campaigns, social media presence, event marketing, and other strategies, car brands can promote their brand to a wider audience.

2.4.2. Generating Sales Growth

Marketing activities can also have a direct impact on the sales of car brands. When consumers have a sense of affinity towards a car brand, they are more likely to purchase vehicles from that brand. Car brands can enhance brand recognition through marketing activities, thereby promoting sales growth.

2.4.3. Increasing Brand Loyalty

Marketing activities can also help car brands increase brand loyalty. When consumers have a sense of loyalty towards a car brand, they are more likely to make repeat purchases from that brand in the future. Marketing activities can enhance brand loyalty by creating positive brand experiences and engaging in loyalty-building marketing campaigns.

2.5. The Impact of Innovation on Car Brands

As the global automotive market continues to evolve, car brands face constant competition. In this scenario, innovation becomes a crucial factor for the development of car brands. Innovation can enhance production efficiency, reduce costs, improve brand image, and increase competitiveness.

2.5.1. Technological Innovation Enhances Competitiveness

Competition is inevitable in the automotive industry. Therefore, car brands need to seek various ways to improve their competitiveness. Innovation is a key factor in achieving this goal. Through innovation, car brands can develop new technologies and processes to meet consumer demands. This can help car brands stand out in fierce competition and gain a larger market share.

2.5.2. Innovation Improves Production Efficiency

Innovation can also enhance the production efficiency of car brands. Through innovation, car brands can develop new production technologies and processes, thereby improving production efficiency. This can help car brands produce more cars at a faster pace to meet market demand and increase sales.

2.5.3. Operational Model Innovation Enhances User Stickiness

In addition to technological innovation, innovation in marketing and user operation models can also bring additional benefits to consumers, thereby increasing user stickiness and creating a unique brand image, ultimately winning market reputation. For example, NIO's battery swapping model is an operational approach that combines technological and operational model innovation. Through the battery swapping model, NIO has created a unique brand label in the new energy market and gained a competitive advantage.

Innovation for car brands is a long-term process that requires continuous technological research and product innovation to constantly improve user experience and brand competitiveness. Additionally, innovation for car brands needs to be closely aligned with market demand and industry trends, continually adjusting the focus and direction of innovation to provide products and services that better meet consumer needs.

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