

# What Advertising Strategies Did VW Jetta Use to Promote in China and the United States?

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## ABSTRACT

With the increasingly obvious trend of globalization, the market of various countries is closely linked, and the world market is forming. However, top management in companies that work internationally sometimes overlook the importance of the invisible barriers that cultural differences create in marketing communication. As cultural differences have a profound influence on the process of brand internationalization and global marketing, businesses must pay more attention to those factors. Failure to place marketing strategy in the cross-cultural context of the countries where a company is doing business will work to the detriment of global marketing and public relationship. [1] What's more, international advertisement promotion has become one of the most common ways for companies to enhance the pace of internationalization, which can help them to compete with others in global marketing. According to the background information listed above, the purpose of this case study report is to examine how Volkswagen Jetta used different advertisements in China and the United States to adapt to the diverse national cultures including elements of pragmatism, individualism/collectivism, low/high context, and sexism.

**Keywords:** Cross-culture, international trade, marketing communication

## 1. INTRODUCTION

### 1.1 Company Background

Volkswagen was founded in 1937 by the government of Germany, which was controlled by the National Socialist Party. At first, the company was known as Gesellschaft zur Vorbereitung des Deutschen Volkswagens mbH. Later in 1937, the company changed its name to Volkswagenwerk, which means "The People's Car Company." Volkswagen is headquartered in Wolfsburg and its famous brands include Jetta, Atlas, and Golf. Volkswagen is the largest carmaker in Europe, with over 74000 employees and over 7700 dealerships. [2] In 2010, Volkswagen posted record sales of 6.29 million vehicles, with its global market share at 11.4%. [3] And by 2016, Volkswagen had become the second-largest car maker around the world.

Volkswagen has car factories in various countries worldwide. These factories which face the local market are set up in countries including China, the United States, Germany, and South Africa. The company's main markets are in China since it delivers 40% of its sales and

profits. [4]

Jetta is a small family car produced by Volkswagen after 1979. The car has developed in its power and exterior generation by generation. By mid-2011, almost 10 million Jettas have been produced and sold all over the world. As of April 2014, Volkswagen marketed over 14 million, becoming its top-selling model. [5]

Volkswagen's marketing strategy can be summarized as targeting, segmentation, and positioning. Since Volkswagen has multiple independent brands, the group mixes demographic, psychological, geographic, and other segmentation variables to meet the needs of customers in existing and emerging economies. The company adopts a differentiated target strategy to provide specific products for specific segmented customers of different group brands.

## 2. BODY

### 2.1 The Promotion of Volkswagen in China

With the development of China, the title of the world factory has gradually shifted to Asia, and China is,

therefore, one of the huge markets for various products, and the automotive industry is naturally no exception. In the ten years from 2008 to 2018, the number of private cars in China increased from 5.5 million to nearly 23 million. In 2018, Volkswagen's domestic sales in China reached 4.2 million vehicles, the number of employees reached 100,000, and more than 30 production bases, once became the leader of the automotive industry in the Chinese market. [6] More related cooperation projects have also been chosen to be carried out in China, and a more complete industrial chain, sales network, advertising promotion, etc. lay the foundation for Volkswagen's success in China.

The Volkswagen brand and its local partners in China FAW Volkswagen and SAIC-Volkswagen have always maintained a dominant position in the Chinese market, with sales of its Jetta models exceeding 325,000 in 2017. [6] The successful promotion of Volkswagen in China is closely related to the company's in-depth understanding of Chinese culture, and localized market strategies have played a huge role. Volkswagen's long-established production network began operations 35 years ago. Despite the success of this localization strategy, Volkswagen is still determined to become more Chinese in the future. Due to Volkswagen's research on the Chinese market, its marketing strategies are closely following the Chinese policy and cultural trends. For example, the new energy vehicle plan formulated by the Chinese government, Volkswagen immediately invested in new energy vehicles, and more in China Establish directly-operated factories locally to produce cars with Chinese characteristics for Chinese consumers at lower prices and cooperate with local companies to deeply understand every part of the Chinese market.

In China's 5,000-year historical and cultural tradition, Confucian culture has always been running through it, and as the orthodox thought of China, it has influenced every aspect of people's life. "Benevolence" is the core of Confucianism, which covers almost all human virtues, so the design of car advertisements is bound to be accompanied by the unique cultural color of China, advocating positive values. Collectivism is the core value of socialism, which has been emphasized by the leading public opinion of our society. Chinese automobile advertising design also pays more attention to "collective" rather than "individual", emphasizing mutual dependence and collective power. The life scene in advertisement design also shows affection and friendship more. Often appear a family of three happy picture; Successful man carrying the romantic journey of the United States wife; Businesspeople in the car self-confidence negotiation and other scenes. The advertisement of Jetta in China describes the development of the public in China for 25 years in the way of video, to witness the development of the city together with the persistence and ordinary mentality, and to achieve the dream of tens of thousands of families. It

focuses on a group of relatives and friends enjoying the fireworks in front of IFC Guang Zhou. This makes better use of the influence of collectivism in China so that the advertisement can reach the purpose of popular support and improve the promotion of Jetta.

Rationalism, as a unique culture of China, is also taken into account in the elements of advertising. Chinese people are conservative in their way of expression. Implicitly, always adhere to the "rational supremacy". In domestic automobile advertisements, attention is paid to the practical efficacy of the automobile, such as the safety performance of the car, what is the innovation point, and so on. It is obvious that when playing automobile advertisements, a large number of practical information is presented to consumers as much as possible. For example, another Volkswagen Jetta advertisement in China describes two women who are talking in an outdoor coffee shop and their requirements for a car: fast enough, good-looking enough, and safe enough. With the pop music playing, a Volkswagen Jetta that meets their expectations gradually drives in front of them. In the last second of the AD, subtitles such as "Volkswagen Jetta, rational choice" appeared on the screen.

Language often becomes one of the main obstacles for multinational companies to enter the field of advertising in the field of different cultures. Language is not easy to communicate, so the purpose of advertising cannot be achieved. Cross-cultural advertising communication usually adopts a common international language or translates the linguistic symbols in advertising works into local languages for communication. Companies are leading the way in translating their brands into local Chinese languages. Volkswagen is translated into "Volkswagen" in Chinese, which is not only faithful to the Original German meaning, but also in line with the psychology of Chinese consumers. "Volkswagen" in Chinese means the masses of the people, a car that ordinary people can afford. Compared with developed countries, the per capita car ownership rate of Chinese people is relatively low, and Chinese people love cars. Car culture is prevalent in China. Owning a car is a symbol of status, and populist brands like Volkswagen just cater to the psychology of consumers in The Chinese market. The brand's new global advertising slogan is "Das Auto" which means "This is the car". The slogan "Das Auto" is simple and catchy. It represents the global image of Volkswagen and makes people think "cars = Volkswagen".

## ***2.2 The Promotion of Volkswagen in the United States***

The U.S. auto market has been the largest single auto market since its inception in the early 20th century. Therefore, it makes sense that the car market was, or still is, very interested in German suppliers like Volkswagen. However, the US, like Germany, is one of the mature

economies characterized today by the saturation of many consumer goods. In this regard, it is questionable whether there is still growth potential in the US market, or whether it makes more sense for Volkswagen to focus more on the growth markets of Asia, Eastern Europe, and South America. What's more, since the United States is not the main market of Volkswagen, it will be critical for the company to design an appropriate advertising strategy in order to localize and improve its status in the US market.

The Volkswagen USA was founded in 1955. The company employs over 8400 people and creates more than 126,000 working opportunities in the United States. Just in 2017, the Group's economic activity contributed \$28.1 billion to U.S. GDP. [6] In 2017, the brands of the Volkswagen Group sold 625,107 vehicles in the United States. From January to October 2018, the Volkswagen Group delivered 528,900 vehicles, an increase of 3.9% compared to the same period of the previous year. [6]

Individualism is a key feature of the US culture since American culture is one of the most individualistic cultures worldwide. People in the US are more likely to consider themselves first rather than a group and they view independence as valuable. Therefore, it's no surprise that the advertisements of cars in the US always just appear a single person. For example, a US Jetta advertisement depicts a race car driver driving a car over the desert, and then in a huge dust storm, the car becomes a Volkswagen Jetta driving at high speed. Unlike the advertisements VW uses in China, in which the ideas of family and community are often mentioned, the advertising strategy the VW Jetta used in this video is to just present a single person who is a race car driver. The existence of the racer will give the company's target audience in the United States a psychological hint that if they drive Jetta then they can also be a severe racer.

Low context culture is another significant character in the United States. People in the US tend to communicate information that is most important directly through conversations. The primary purpose of communication for Americans is to exchange ideas and information. Therefore, in the US, advertising should be clear and send the core value directly to the target customers. Still take the advertisement of Jetta which is mentioned before as an example, in this advertisement, it's obvious that there are not any descriptions of the car's appearance design and internal performance in the advertisement. Instead, the company is trying to tell its customers that the Jetta can run fast and it is safe enough to travel in the desert.

Besides individualism and low context culture, egalitarianism is also essential while designing advertisements. The concept of equality is accepted and applied by most Americans. Although the United States is a melting pot of people from different ethnic and cultural backgrounds, there's a common understanding

that every people have equal rights, opportunities, and social obligations. As a result, Americans are lack deference of wealth, age, authority, and social status. For example, in a VW Jetta advertisement, seven generations of a family all show their own Jetta of different generations in front of the camera. The company sends the idea that Jetta is people's best choice and the development of a family is accompanied by the evolution of the Jetta car. In this advertisement, Volkswagen makes the boundary of age vague and implies the concept of egalitarianism.

Based on adapting the key cultural dimensions while advertising, Volkswagen also adopts more bold and humorous expressions, sometimes the advertisements will contain narrative themes. For example, in another VW Jetta advertisement, a man is driving in a VW Jetta, and the businessmen this man meets on the roads all raised the price of their products as soon as they see the Jetta car. At the end of the video appeared a humorous sentence: "The new Jetta. Not nearly as expensive as it looks."

### ***2.3 Several false and classic advertisements of Volkswagen***

Although Volkswagen is one of the largest automobile companies in the world, and the above successful marketing has helped them achieve such great achievements, Volkswagen still has some marketing and promotion failures, which have caused large negative impacts on the company's reputation and sales.

#### ***2.3.1 The false Case Advertisement of VW in the UK***

Volkswagen shot a series of advertising videos on May 8 2020 in Buenos Aires, Argentina, and aired them on its social media accounts to promote the new golf. In one of the videos, the public mimics a popular filming template in Tik Tok, which is supposed to be a happy, warm love story between a white girl and a black boy. But the black boy, like a puppet, was caught and tortured by the white girl; To make matters worse, at the end of the video, as the words "Der Neue Golf" fade out, the spelling of the letters appears to change to "neger," a derogatory term for black people. [7]

After the video premiered, it drew attention for its strong racial bias. Volkswagen initially did not take the video offline, saying: "The message was misinterpreted and the details and context were distorted by people with ulterior motives." But following a public outcry, VW said it was sorry, and after careful examination, changed its mind, took the AD down, and made a formal apology. VW said: "The advert is false and offensive; I am conducting an internal investigation and we fully understand the disgust and anger over the video and sincerely

apologize." Eight ads were eventually taken offline in a series of videos shot by VW.

### 2.3.2 *The VW false marketing strategy in the US*

On April 1, 2021, news that VW US business will be renamed "Voltswagen" set the Internet on fire, sparking hopes that the company will go electric and send shares soaring. VW later confirmed that the planned name change was nothing more than an April Fool's Joke to draw attention to its electric car efforts. However, it had the opposite effect, drawing widespread criticism on social media for the company's falsified information and prompting a hasty apology from VW America.

VW later acknowledged on Twitter that an April Fool's joke had caught the world's attention. It turns out that people are just as enthusiastic about our heritage as they are about our electric future. So whether it's a VW tram or a VW, people talking about electric driving and our ID.4 can only be a good thing.

VW also said its false claim to change its US business as "Voltswagen". The company said the move was to draw attention to its efforts in electric vehicles. News of VW's name change was reported by several US media outlets and confirmed by insiders. A person familiar with VW's plans told the media that VW had not been hacked, that the announcement was not a joke or a marketing ploy, and that the plan was a permanent change. But it now appears that those "insiders" lied to the press.

Not only the media but also some industry analysts took the news of VW's name change at face value. At least one analyst wrote a research note praising VW's plan. Investment bank Wedbush commented that VW's strategy further reinforces the company's commitment to its electric brand and initiatives in the coming years.

As a result, VW'S American ADR surged for two days in a row on Monday and Tuesday, with a total gain of 16%. But after VW's announcement that the name change was an April Fool's joke, the stock fell more than 6 percent at one point on Wednesday before closing down 3.84 percent.

### 2.3.3 *The False Case Advertisement of VW in South Africa*

A Volkswagen advertisement in South Africa has caused a stir by alleging sexism. The AD depicts a man sitting helplessly next to a mall, guarding a dozen shopping bags, and a woman running like a predator to the high-heeled shoe counter and hunting prey. [8]

Professor Susan Goldstein from the School of Public Health at Wits lodged a complaint with the ARB, calling the ad "extremely sexist". In a country with some of the highest levels of gender-based violence, she believes that advertising such elements

would have a detrimental effect on society.

The most important thing for multinational companies' advertising strategies in overseas markets is to correctly grasp the political economy, social culture, living habits, and consumer psychology of the target market in the context of global integration strategy. Only by accurately grasping this information can marketing strategies be successful.

## 3. CONCLUSION

The most important advertising strategy for multinational companies in overseas markets is to correctly grasp the political economy, social culture, living habits, and consumer psychology of target countries under the guidance of a global integration strategy. In the process of large-scale expansion of multinational corporations, detailed and clear interpretations of other countries' cultural systems have been formed. This interpretation will be improved in future advertising campaigns by multinationals. With cross-cultural promotion so intense today, the following suggestions are for companies to adopt.

1. Hire cultural intelligence specialists to the marketing team for each VW local company. The specialists will coach associates on promotion before companies decide to do the advertisement, ensuring this promotion can adapt to the local cultural value and avoid misunderstanding.
2. Research about the discrimination or political stance of the country before launching the advertisement to avoid inappropriate content. As it could prevent the undertaking of legal liability.
3. Highlight the cultural connotation in the advertisements. In order to reduce the differences between different countries and regions in the content and expression of advertising.
4. Ensure that the HR department of VW company can accept employees from various cultural backgrounds. Diversity of culture environment will enable the employees to have high cultural tolerance and better recognition of culture in countries like China and the US

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