



# Analysis of Audi's Marketing Strategy in China

Jiayi Yin(✉)

Shanghai Ocean University, Shanghai 201306, China

jiayihyl@163.com

**Abstract.** Audi, as one of the top three luxury car brands (BBA) in China market, has always been the first choice for consumers to buy luxury car. Audi, as a high-end brand of Volkswagen, entered China very early. In 1988, Audi realized its first domestic production. After more than 30 years of localization, Audi has not only had a say in the domestic automobile market, but also has been far ahead in sales. For most people who are not versed in cars, one important factor that can influence their choice is marketing. So I deeply study the marketing strategy, target population and price strategy of Audi, which help Audi leave a wide and deep impression on ordinary people.

**Keywords:** Audi · marketing strategy · target population · price strategy

## 1 Introduction

As we can see from Fig. 1. Use a perceptual map to define Audi. Audi is a relatively luxurious and powerful car in terms of its grade and user experience (UE). Generally speaking, Audi cars belong to the middle and high-end business and family cars; For example, Audi A4 belongs to the luxury family sedan, some official cars such as A6L belong to the upper medium business vehicles, and A8L belongs to the luxury business vehicles.

On our social media, I found that the videos of Audi's first view driving experience were extremely popular. Actually, Audi has great advantages in the model and shape. After 30 years of hard work and accumulation in China, Audi has developed a design philosophy of precision, quality and rationality [1]. Its unique design and long body are favored by Chinese customers. Moreover, among other brands on the same level, Audi is the most comfortable and the most spacious, offering a mature style on the whole and the comfortable riding experience which was reflected in the videos of Audi's first view driving experience. In terms of the product strength, Audi has very comprehensive product lines, ranging from SUV to sedan, with the ability to take the whole situation into account and plan accordingly. Every year, Audi launches many new models with different prices for the domestic auto market which can meet the tastes of different consumers.

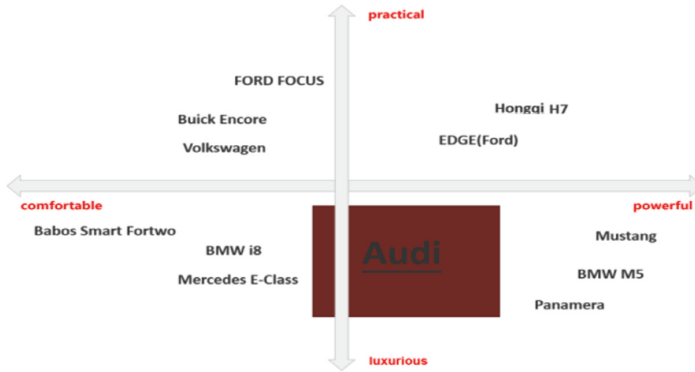


Fig. 1. The perceptual map of Audi

## 2 Target Population

To analyze the marketing strategy of Audi, it is necessary to know the target users of Audi first.

According to the data provided by the authority, among the Audi crowd, male users account for 77% and female users account for 23%. Compared with the average luxury brand, Audi is more popular among male users. As for the age, users aged 16–25 account for 13%, those aged 26–35 account for 55%, those aged 36–45 account for 21% and those aged 46 account for 11%. The proportion of young users is close to 70%. And the proportion of Audi users with university or postgraduate education is as high as 48%, 6 percentage points higher than the average level of luxury brands, with a significant level of high education. Moreover, among Audi users, the high-income group is more than 60%, reaching 65%. In addition, 63% of Audi users belong to the first purchasing, 37% of additional purchasing/exchanging users, higher than the average level of luxury brands (Selected from the website. <https://zhuanlan.zhihu.com/p/67513671>. Accessed on May 30th, 2019.); The appropriate increase in the subsidy for the replacement of old cars has a certain promoting effect on attracting the customers to choose Audi. When people purchase a second car, they are more likely to have higher budget to buy a car of a higher level. However, many people still choose Audi due to the satisfaction of driving Audi.

I do my own research as well. I first made some questionnaires among my friends around me. Most of them have Audi cars or have Audi riding experience. They think rich people, pragmatic people, and people who are fond of German cars, pursue brand, cost-effectiveness or appearance will choose Audi. They are 67.1% likely to recommend it to a friend. In general, the people around me are satisfied with Audi.

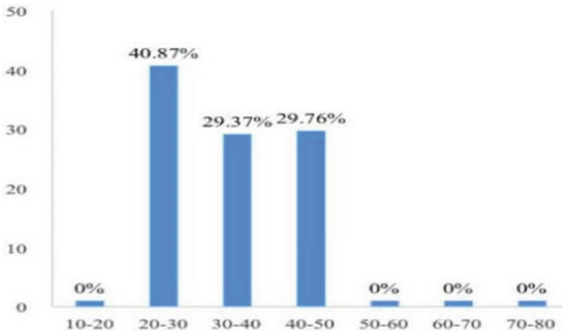
Then I conducted a survey among people around me who drive Audi or similar cars and their relatives. Finally, 783 questionnaires were collected.

As can be seen from Table 1, the interviewees are mostly male.

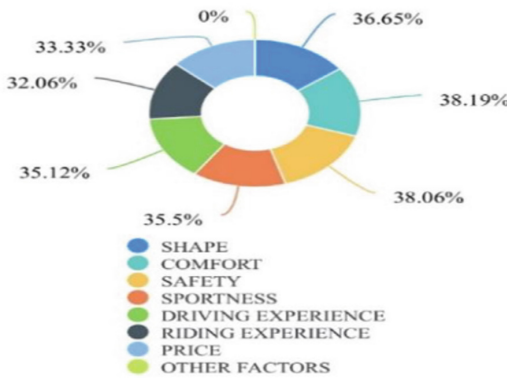
As can be seen from Fig. 2, people aged 20–30 account for 40.87%, people aged 30–40 account for 29.37%, and people aged 40–50 account for 29.76%.

**Table 1.** The proportion of the interviewees' genders

MAN	554	70.75%
WOMAN	229	29.25%



**Fig. 2.** The proportion of interviewees' ages



**Fig. 3.** The proportion of reasons why do interviewees choose Audi

As can be seen from Fig. 3, people choose Audi for its shape, comfort, safety, sportness, driving experience, riding experience and price.

As can be seen from Fig. 4, people rate the shape, quality and cost effectiveness all about 4 points.

As can be seen from Fig. 5, they think that people who own Audi have higher education, pursue driving experience, riding experience, safety and brand, and who are fashionable, younger and steady. And their cognition on Audi is relatively concentrated.

As can be seen from Table 2, their average willingness to buy an Audi as their second car was 61.1%. From my own perspective, it owes to high quality of Audi's maintenance service. There are three main maintenance types of Audi: the first free maintenance, routine maintenance and additional maintenance. The first free maintenance is for domestic

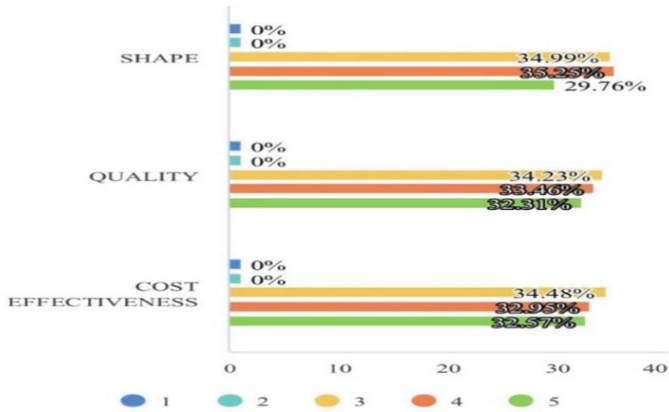


Fig. 4. Rating Audi from different aspects

OLDER	0	0%
YOUNGER	363	46.36%
KICKSTER	0	0%
STEADY	401	51.21%
PURSUE DRIVING EXPERIENCE	397	50.7%
PURSUE RIDING EXPERIENCE	411	52.49%
PURSUE SAFETY	389	49.68%
PURSUE BRAND	364	46.49%
HIGHER EDUCATION	396	50.57%
LOWER EDUCATION	0	0%
OLD-FASHION	0	0%
FASHION	412	52.62%
MODERATION	0	0%
FLAMBOYANT	0	0%

Fig. 5. The kind of people do interviewees who choose Audi

Table 2. The price of Audi as the second car they want to buy

4	149	19.03%
5	144	18.39%
6	180	22.99%
7	156	19.92%
8	86	10.98%
9	68	8.68%

Audi models (A3, A4, A6, Q3, Q5). Routine maintenance mainly refers to the replacement of oil and oil filter within the specified period, and vehicle inspection according to the maintenance table. Additional maintenance is that the vehicle needs to be replaced separately after every certain mileage or time, such as spark plugs, air filters, brake fluid, etc. Precise service projects and meticulous service attitude determine the reputation of Audi in the hearts of the public.

Moreover, I asked the salesmen and saleswomen in the Audi store who are between 40 and 50 years old and have been selling Audi cars for many years. They gave me several key words: business cars, people with large families who are above the middle class (most of them buy SUVs), those who pursue high comfort, those who choose cost-effective cars from luxury cars, and those who want to buy brand-name cars. The description they gave me was identical with the survey results.

Generally speaking, Audi is for orthodox, introverted people who are mostly elites in all walks of life because Audi fits their need to drive a uniquely powerful, comfortable automobile which can show their status.

### **3 Publicity Strategy**

#### **3.1 Cooperation with Chinese Authorities**

Audi has a lot of cooperation with Chinese authorities and is expert at taking advantage of these opportunities to advertise its superiority. For example, the official car of the 2008 Beijing Olympic Games is Audi. In the decades since entering the Chinese market, Audi has been continuously cooperating with the authorities, appearing in many authoritative occasions [2]. In the past Winter Olympics in Beijing, Audi sponsored five core winter sports national teams: China Figure Skating Team, China Short track speed Skating Team, China freestyle skiing aerials Team, China Snowboarding Halfpipe Team and China Alpine Skiing Team. Taking advantage of this opportunity, Audi also launched a number of ice sports models, including A4 allroad, Audi A6 allroad, Audi Q7 and Audi Q8. Compared with the conventional models, the ice sports version in addition to the standard quattro all-wheel-drive system, also has the steering wheel heating, seat heating and other very practical configuration for winter. The fit with the ice and snow directly pull full, can be called a great marketing.

#### **3.2 Advertisements**

The most creative car advertisement I've seen so far is from Audi. At the beginning of the video, it poses a question: "What do you want in a car? The design of Alfa Romeo? The comfort of Mercedes-Benz? The safety of Volvo? Or the performance of BMW?" And then the four key rings that represent the four cars form the logo of Audi which means that customers can have all the excellent functions the other four cars have in only one car. Three points of the advertisement's design are instructive—The first one is the unmarked comparison with Audi's major competitors. The ad does not compare the Audi with all types of cars in the world, the other four brands—Alfa Romeo, Mercedes-Benz, Volvo and BMW are at the same level as Audi which means that people

who have the budget to purchase Audi are likely to buy the other four brands. So the ad cleverly explains why customers should choose Audi instead of the other four brands possibly considered; The second one is that it briefly lists 4 advantages of Audi which are the main factors customers always take into consideration when choosing a car. Audi has perfect design, comfort level, safety and performance at the same time which conveys the concept that customers can buy a car with all the advantages they need; And the last one is that all the four rings form the logo of Audi, which not only vividly demonstrates the superiority of the brand, but also shows its spirit of consistent learning and all-embracing. The advertisement cleverly exploits the particularity of the logo to give people a refreshing feeling.

### 3.3 Creative Marketing Strategy

With the rise of young consumers, FAW-Volkswagen Audi has once again led the trend of seeking change in the domestic luxury car market. Facing the independent and distinctive young people of generation Z, Audi has launched a series of innovative circle marketing.

When the pandemic just broke out, FAW-Volkswagen Audi quickly introduced a number of dealer support programs, shared the operating pressure of dealer partners, and promoted product communication and terminal sales by establishing direct online channels between users and dealers. After the epidemic was gradually brought under control in China, FAW-Volkswagen Audi created a series of excellent actions based on the product characteristics of different models of its cars. The new Audi A4L Cloud Workshop, the urban Air circuit, the new Audi Q7 Fearless experience season, Audi A6 all road, Avant "Two-sided Life Journey" and so on. Each of these are very popular marketing events in the industry. While improving the product volume, it also really makes users resonate and establishes a warm connection with them.

In the recent year or so, FAW-Volkswagen Audi has also brought a series of phenomenal crossover marketing.

The choice of spokesperson allows FAW-Volkswagen Audi to open the door of many young fans of stars in the entertainment circle. Through the "online plus offline" cooperation model, Audi effectively realizes the new media marketing strategy. Audi takes advantage of the synchronization of various platforms with offline information, reducing the cost of time for consumers [3]. Moreover, live streaming is one of the most popular areas in China. This interesting and interactive consumption mode is attracting more and more young people. In order to be in tune with young consumers, Audi has created its own official platform: the Audi Channel. However, different from other live streaming products that are becoming more and more homogeneous, Audi knows that only valuable and interesting content can impress consumers, so Audi Channel attaches more importance to differentiated live streaming content. The topic of "cool" and "tide" directly plays a role in the interest of young people, plus the Audi crossover co-branded cool cover single product launched during the live broadcast.

## 4 Product Strategy

### 4.1 Retail Environment: New Retail

As we all know, new retail refers to a new retail model in which individuals and enterprises upgrade and transform the production, circulation and sales process of commodities through the use of big data, artificial intelligence and other advanced technological means, thus reshaping the business structure and ecosystem, and deeply integrating online services, offline experience and modern logistics.

In recent years, new retail has been greatly developed in all industries. As an important part of commercial activities, automobile retail is also constantly exploring and applying the model. At present, the exploration of new automobile retail by domestic automobile manufacturers mainly revolves around three directions: user-centered, data gridding and service chain integration [4].

The first is user-centered; In the new automobile retail industry, users have become the core of the relationship between supply and demand, which has changed from the previous orientation of providing unified products or services for users dominated by automobile manufacturers to the orientation of providing customized and humanized services dominated by users. Users can customize vehicles according to their actual life scenes, and even participate in the design, production and manufacturing of cars. For example, new platforms are different from the traditional car sales, which only has limited configuration and selection package. Users can directly choose the configuration of more parts such as the sunroof, wheel hub, lights and seats of the car on the platform, realizing the personalized configuration of thousands of faces.

Audi has always been customer-centered. The creation of AudiCity in Audi's digital City showroom aims to provide a more intuitive display platform for Chinese consumers to learn about Audi's cutting-edge innovation. For example, the AudiCity exhibition Hall features two private experience rooms for one-on-one personal consultations, each equipped with a separate interactive terminal and small projection screen. Moreover, AudiCity allows customers to design their own car configurations and get a printed configuration list [5]. This kind of humanized service is conducive to the formation of consumers' trust in the Audi brand and shortens the time for consumers to make purchasing decisions. When the cars designed by consumers are successfully produced, their satisfaction and brand loyalty to Audi will be greatly improved, thus further enhancing the brand reputation of Audi and improving the overall satisfaction of consumers.

The second is data gridding; By collecting data into a data pool, the manufacturer collects, organizes, analyzes and applies the data, connects the users' online and offline data in series, and generates the user hologram through the all-channel data, so as to better serve the users. At the same time, network connected data assets make the overall decision making more effective.

For example, at the auto retail end, Guazi, China's largest used car platform, accumulate massive data in operation through data collection, cleaning, correlation and mining, forming their own "gene pool" which can help make decisions on advertising and new business incubation. Many Audi owners trade on the platform and it formed one important part of Audi sales. In addition, Audi makes deep use of the "Audi Cloud Mirror"

big data system to screen out precise user information from massive data and make use of it [6].

The third is service chain integration; As the business model of the automobile service industry continues to change, the single-brand service model of 4S stores is gradually broken, and the automobile dealer group has become an important mode to achieve cross-brand and cross-shop service [7]. Different from the traditional model, the user center of auto enterprises under the new retail model undertakes the whole-process delivery function of users' vehicles, and provides other value-added services such as test drive, travel, sales and maintenance of second-hand cars, which enables auto manufacturers to control the whole-process of users' car purchase and improves user experience. As the core of the whole process of car purchase, retail stores become the first station to accept the transformation of the new retail concept. Some brands upgrade directly in the original 4S store, while others find a new way to build a better experience center.

As China's automobile market gradually shifts from "incremental competition" to "inventory competition", new automobile retail may become the key to change the automobile industry. The current mode of 4S shop plus second network plus second-hand car dealer in the automobile circulation industry may also have a great change on the border.

## 4.2 Pricing Strategy

Because the vehicle is equipped with a strong power system, and also has the advantages of high performance and low energy consumption, it occupies a certain advantage in the competition of vehicles of the same class. Vehicles with stronger power always have the multi-cylinder engine, which allows running very smooth and people in the car to feel slight vibration, will naturally improve the ride comfort and driving experience. At the same time, vehicles with stronger power system always cost more whereas Audi's pricing is relatively the lowest in its class. In my opinion, taking all of these factors into consideration, the biggest advantage of Audi is exactly its cost-effectiveness compared with cars of the same class. As supplementary, Audi constantly adjusts vehicle discounts in response to market changes. What's more, Audi is revamping its products step by step, with different configurations for different models to meet customers' needs and narrow the price gap between different models. Therefore, Audi has been able to win market share in the luxury car market with its excellent pricing strategies [8].

Take A6L as an example. From a consumer's point of view to analyze the Audi A6L car, the first intuitive feeling is that this generation of the A6's shape is perfect from the inside out. Whether it is the interior or the exterior of the car, the design of the car has broken the design template of the original car. What's more, Audi adopts the latest family design style, Audi family front hexagon air intake grille, with a new front encircle shape, which make the overall visual effect sharper. And headlights on both sides have also become sharper and shaped, plus strong straight line elements, so that the new car has created a sense of sportness. In terms of the engine, the Audi A6L 2020 40TS FI Luxury Sports is a 2.0L turbocharged engine, and the fuel is supplied by Audi's usual practical hybrid injection, so the car can reach a maximum horsepower of 190Ps, a maximum power of 140 kW and a maximum torque of 320 N · m. With good-looking and smooth lines, the Audi A6L guide price ranges from 40,800 to 650,800 (actual price quoted by



local dealers), and terminal discount is about 17 points (Selected from the Audi China Official Website. <https://www.audi.cn/zh/models/a/a6/a6l.html>).

Moreover, the Audi A6L actually has some price advantages over the Mercedes E-Class and BMW 5 Series. For instance, BMW 5 Series is equipped with 2.0T turbocharged engine, the maximum horsepower is 252Ps, the maximum torque is 350N·m, matching 8AT transmission combination. And The Audi A6L has two turbocharged engines: the 2.0T and 3.0TV6. The 2.0T engine has 224Ps and 350N·m of torque, while the 3.0TV6 engine has 340Ps and 500N·m of torque. It matches the 7-speed wet dual-clutch transmission (Selected from the website. [https://www.bmw.com.cn/content/dam/bmw/marketCN/bmw\\_com\\_cn/model-finder/index.html?by=series&data=5](https://www.bmw.com.cn/content/dam/bmw/marketCN/bmw_com_cn/model-finder/index.html?by=series&data=5)). More power gives the Audi A6L an advantage. And I compared the BMW 530Li Premium Deluxe package version (502,900 yuan) with the Audi A6L 45TFSI quattro Premium dynamic model (499,800 yuan). In fact, there is not much difference between the two configurations. The BMW 5 Series and Audi A6L both carry 12.3-inch LCD dashboard. The BMW 5 Series has a 12.3-in display, while the Audi A6L has a 10.1-inch and 8.6-in display. The Audi A6L has matrix headlights, while the BMW 5 Series only has LED headlights. In terms of appearance design, Audi A6L is more exquisite and fashionable.

By all measures, Audi is cost-effective compared with cars on the same level.

### 4.3 Social Responsibility

As part of its global “Vorsprung 2030” strategy, Audi has introduced an ESG management system. ESG stands for environment, sociality and governance. It is playing a role in all the company’s corporate decisions as well as its products and services, the carmaker said. Audi’s commitment to environmental protection also extends to programs that benefit society. With its “In China, for China” focus, Audi is committed to supporting the development of Chinese society as a responsible corporate citizen. In cooperation with Volkswagen Group China, Audi China will plant around 8.5 million trees in 10 ecologically vulnerable areas in provinces and autonomous regions such as Gansu, Qinghai, Inner Mongolia and Ningxia between 2021 and 2030 [9].

In addition to protecting the environment, Audi has also made great contributions to social issues such as promoting gender equality, common prosperity. Audi has successfully made a good impression on people by showing its sense of social responsibility.

## 5 Conclusions

Generally speaking, Audi has carved out a unique path in the high-demand Chinese market. Once luxury cars arbitrarily raise prices to gain huge profits, they will be slowly abandoned by the market, along with the rise of more and more high-performance affordable cars. Therefore, Audi should maintain its advantage of cost-effectiveness, which is crucial to stabilize the market. If the total amount in circulation in the market is low, or even if there is a shortage of stock resulting in a sharp rise in demand, then the discount of the car should be reduced by a part. If the market price is not different

from the transaction price, the minimum floating difference will be controlled within a certain range [10]. And its key to attracting younger users should be followed in the next years. What's more, with the development of the car market, Audi needs to continue to develop innovative technologies, upgrade subsystems and accelerate the development of new energy vehicles to catch the trend of the market in CHINA and continue their success.

## References

1. Yibo Gao. Research on Faw-volkswagen audi new media marketing strategy in Northeast market [D]. Northeastern University, 2019.DOI:<https://doi.org/10.27007/d.cnki.gdbeu.2019.002104>.
2. Hongji Yu. Review and reconstruction of Audi brand strategy[J]. China Collective Economy, 2022(27):91-93.
3. Wenquan Zhang, Jianghong Zhao, Hao Tan. Research on the Formation of Audi Brand and Design Feature[J]. Decoration, 2011(07): 75-77.DOI:<https://doi.org/10.16272/j.cnki.cn11-1392/j.2011.07.011>.
4. Yuan Zhang. Research on the new automobile retail model based on Data Mining[D]. University of International Business and Economics. November 2020.
5. Automotive Business Review, Research Department. When will there be the personalized car. Monthly Investigation. May 2013.
6. Qiutao Yu. Audi's content communication plus big data. Cover Story. 2016.
7. Lixiao Geng, Jingjuan Xu. The integration of Car Service Chain Based on Analytical Kano Model [J]. Logistics, Sci-Tech2016,39(10):49-50+76.DOI:<https://doi.org/10.13714/j.cnki.1002-3100.2016.10.013>.
8. Chao Yu. Research on the Brand Image Building Strategy of "Refined Recommendation" of FAW-VW Sales co., LTD[D]. Jilin University. April 2017.
9. Fusheng Li. China Daily (December 12, 2005). German carmaker Audi aims to drive transformations with ESG efforts. Retrieved December 16th, 2022.
10. Xiaoxiao Xu. Research on Audi's marketing strategy in Shandong market[D]. China University of Petroleum (East China). June 2017.

**Open Access** This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

