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Educational and Research Institute "Karazin Business School" Department of
Management and Administration

MASTER'S THESIS

Title: **“Comparative Analysis of Marketing Strategies of Chinese and
Japanese Automotive Companies in the European Market”**

Completed by 2nd year student, group M-63
Specialty 073 "Management"

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


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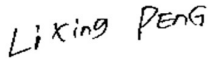
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INTRODUCTION

Relevance of the study. This article will focus on the competition between Chinese and Japanese car companies in the European market and the relevant background. Since the 20th century, with the deepening of globalization, the automobile industry has become one of the most important industries in the world economy. As the world's major automobile manufacturers, China and Japan are increasingly competing in the European market. Chinese automobile companies have risen to prominence in the international market in recent years and are constantly expanding their share of the European market through technological innovation and cost advantages. Meanwhile, Japanese car companies have long had a good market position in the European market, known for their high quality, high performance and reliability. As a result, the competition between Chinese and Japanese car companies has become a bright spot in the European market. Against the backdrop of increasingly fierce competition in the global market, Chinese and Japanese car companies are engaged in fierce competition in the European market in terms of market share, brand image, product quality and price competition. Understanding their marketing strategies and market positioning is of great significance for formulating effective competitive strategies. Therefore, a comparative analysis of the marketing strategies of Chinese and Japanese auto companies in the European market is of great significance for in-depth understanding of the competitive landscape of the global auto market, tapping market opportunities and enhancing the competitiveness of enterprises.

The competition between Chinese and Japanese auto companies in the European market has attracted much attention, and many scholars in the academic circle have conducted in-depth research on it. For example, Li lei (2019) conducted a detailed analysis of the sales data of Chinese and Japanese auto companies in the European market, revealing their differences and competitive relationships in terms of market share, brand perception and so on. This study objectively presents the current situation of the two countries' auto companies in the European market from the perspective of data, and explores the market mechanism and competitive strategy behind it. Tanaka (2020) discussed the marketing strategies of Chinese and Japanese auto companies in the European market from the perspective of strategic management. The study provides an in-depth analysis of the strategic differences between the two countries' auto companies in terms of market positioning, product innovation, channel management, etc., and analyzes the impact of these differences on their competition in the European market. Through the analysis at the strategic level, Tanaka puts forward some strategic suggestions for reference, providing theoretical support for the competition between Chinese and Japanese auto companies in the European market. Smith (2017) analyzed the similarities and differences of brand strategies and market positioning of Chinese and Japanese auto companies in the European market by conducting a comparative study on their brand images and market positioning, and revealed the impact of these differences on their market competition. Yamamoto (2018) focused on the product innovation strategies of Chinese and Japanese automobile companies in the European market, and discussed their differences and competitive advantages in

product design, technology application and other aspects through case analysis and market research, providing empirical support for automobile companies to formulate innovation strategies. Through comprehensive analysis of these literatures, we can deeply understand the competition status of Chinese and Japanese automobile companies in the European market, and provide an important reference for subsequent research.

Based on a comparative analysis of Chinese and Japanese auto companies in the European market, the aim of this research is to acquire a deeper understanding of the performance, strengths, and weaknesses exhibited by both countries' auto companies in Europe. With the ongoing process of global economic integration, Chinese automobile enterprises are confronted with increasingly intense competitive pressure and market challenges. Therefore, by drawing lessons from successful experiences in European markets and Japanese automobile enterprises, our objective is to provide targeted, scientific, reasonable, innovative, and cutting-edge marketing strategies for Chinese automobile enterprises.

The purpose of the research. Improvement of marketing strategies of Chinese automobile companies based on their comparison with Japanese ones on the European market.

Research objectives:

- to examine the evolution and conceptual frameworks of marketing strategies.
- to explore and analyze transnational marketing theories
- to conduct a methodological research on marketing strategies.

-to provide an overview of Chinese automobile enterprises in the European market.

-to provide an overview of Japanese automobile enterprises in the European market.

-to identify and analyze the challenges faced by Chinese and Japanese automobile enterprises.

- to conduct a comparative analysis of product and price strategies.

-to conduct a comparative analysis of sales channels and promotion strategies.

-to propose and analyze strategies to enhance the marketing efforts of Chinese automotive companies in the European market.

The object of the research is to compare marketing strategies in the European Market.

The subject of the research is how to improve the business strategies of automobile enterprises from the aspects of products, prices, sales channels and promotion methods

Research methods. a variety of methods will be used in this study to compare and analyze the marketing strategies of Chinese and Japanese automobile companies in the European market. Specifically, a comprehensive application of literature research, case analysis, data analysis, comprehensive comparison and other methods will be conducted.

Literature research method: By collecting, collating and analyzing relevant literature, we will understand the development history, market positioning, product

promotion, price strategy and brand building of Chinese and Japanese automobile companies in terms of European marketing strategy, so as to provide theoretical support and background information for the research.

Case analysis method: Select representative cases of Chinese and Japanese automobile companies in the European market for in-depth analysis, explore their marketing strategy formulation and implementation process in market positioning, product promotion, price strategy, brand building and other aspects, to provide empirical data and case support for the research.

Data analysis: Statistical analysis and qualitative analysis are carried out on the collected literature, case analysis and survey research data to reveal the characteristics, trends and influencing factors of the marketing strategies of Chinese and Japanese automobile companies in Europe, and to provide objective data support and empirical basis for the research.

Practical significance. The research significance of this study lies in conducting a comprehensive analysis and comparison of the marketing strategies employed by Chinese and Japanese automobile companies in the European market. The aim is to provide valuable references and guidance for relevant automobile companies to develop more effective competitive strategies in the international market.

Firstly, by conducting comprehensive research and comparative analysis of the European market strategies employed by automobile companies from both countries, this paper aims to offer a fresh perspective and establish a solid theoretical foundation for academic investigations in the field of international

marketing, thereby enhancing the depth and breadth of scholarly research.

Secondly, the research findings will offer valuable guidance for Chinese and Japanese automotive companies in formulating more effective competitive strategies, enabling them to better navigate market competition and challenges when conducting business in the European market. Moreover, a comprehensive understanding of the global automotive market's competitive landscape and trends will facilitate technological innovation, product enhancement, and market expansion within the industry, thereby fostering its healthy development.

This study will provide valuable references and guidance for relevant automotive companies to develop more effective competitive strategies in the international market. As significant players in the global automobile manufacturing industry, China and Japan are increasingly competing in the European market. Gaining an in-depth understanding of the marketing strategies employed by auto companies from these two countries in Europe can assist them in better managing market competition and challenges, optimizing their product mix, improving service quality, and strengthening brand building efforts. Ultimately, this will enhance their competitiveness within the European market.

Publications. Within the framework of the scientific and practical online conference “XIX INTERNATIONAL SCIENTIFIC AND PRACTICAL CONFERENCE «INTRODUCTION OF NEW TECHNOLOGIES TO IMPROVE EDUCATION» Rome, Italy”, which was held on May 13, In 2024, some results of the study on the topic “Comparative Analysis of Marketing Strategies of Chinese and Japanese Automotive Companies in the European Market.” have been

published.

The total volume of the document is 89 pages of printed text, includes 2 tables, 6 illustrations. The bibliography contains 90 titles on 10 pages.

SECTION 1

THEORETICAL AND METHODOLOGICAL FUNDAMENTALS RESEARCH OF MARKETING STRATEGIES

1.1 History and definition of marketing strategy

Marketing strategies have changed dramatically over time, influenced by a variety of theories, methods, and practical applications. This section provides an overview of the historical development and definition of marketing strategy, laying the foundation for understanding its importance and impact in the contemporary business environment. Marketing strategy consists of the comprehensive planning and execution of activities designed to achieve specific organizational objectives, often centered on product promotion, brand positioning, market segmentation, and competitive differentiation. The evolution of marketing strategy dates back to the early 20th century, with the advent of mass production and mass marketing techniques. During this period, companies focused primarily on product-centric strategies that emphasized efficiency in production and distribution. However, the conceptualization of marketing strategies underwent a paradigm shift in the mid-20th century, especially with the emergence of the concept of marketing. Marketing concepts emphasize customer orientation and the importance of understanding consumer needs and preferences in order to customize products and services accordingly. This shift in perspective laid the foundation for a modern marketing strategy that prioritizes a customer-centric approach and market

segmentation.

Throughout history, various scholars and practitioners have provided definitions and frameworks for understanding marketing strategy. Philip Kotler, often considered the father of modern marketing, defined marketing strategy as "the science and art of exploring, creating, and delivering value to meet the needs of a target market and generate profit." "The definition emphasizes the multi-dimensional nature of marketing strategy, including market analysis, value proposition development, and revenue generation. In addition to Kotler's definition, many other scholars have contributed to the discourse on marketing strategy, offering insights into different aspects and perspectives. For example, Michael Porter's seminal work on competitive strategy emphasizes the importance of industry analysis and competitive positioning in developing an effective marketing strategy. Similarly, Theodore Levitt's concept of marketing myopia highlights the pitfalls of focusing too much on product features rather than customer benefits. [1] Overall, the history and definition of marketing strategy provides a rich theoretical foundation for understanding its evolution and its meaning in contemporary business practice. By studying historical developments and renowned theoretical frameworks, researchers and practitioners can gain valuable insights into the principles and best practices behind the development and implementation of effective marketing strategies.

1.2 Transnational marketing theory

Transnational marketing theory explores the complexities and challenges of conducting marketing activities across national boundaries. As globalization continues to change the business landscape and companies increasingly operate in diverse cultural, economic and regulatory environments, a nuanced understanding of transnational marketing dynamics is required. One prominent theoretical framework in transnational marketing is the Uppsala model, developed by Johnson and Varnay in the 1970s. The model emphasises the gradual process of internationalisation of firms, arguing that firms gradually increase their commitment and engagement in foreign markets over time. According to the Uppsala model, companies usually start with sporadic exports and gradually develop into a broader international business as knowledge and experience are accumulated. Another important theory in transnational marketing is the phenomenon of "birth is global". This theory challenges the traditional notion of internationalisation as gradual and emphasizes the emergence of firms that expand rapidly and simultaneously internationally from their inception. Global born firms use advanced communication technologies, global supply chains and strategic alliances to penetrate foreign markets quickly, often targeting niches for innovative products or services. In addition, the "ecological paradigm" proposed by Dunning provides a comprehensive framework for understanding the motivations and strategies of companies entering foreign markets. The theory identifies three determinants of internationalization: ownership advantage, location advantage and internalization advantage. By aligning their unique resources, capabilities and market opportunities, businesses can develop

transnational marketing strategies that take full advantage of these advantages while reducing risk and uncertainty. A resource based perspective provides insight into how a business can leverage its internal resources and capabilities to gain a competitive advantage in a transnational market. According to the resource-based perspective, businesses with valuable, rare, imitable, and irreplaceable (VRIN) resources are more likely to succeed in foreign markets. By leveraging their core competencies, such as technical expertise, brand reputation or managerial talent, businesses can develop sustainable competitive advantages and achieve superior performance in the global market. In general, transnational marketing theory provides a valuable framework and perspective for understanding the complexities of international marketing activities. With the help of these theories, researchers and practitioners can develop strategic insights and practical guidelines to address the challenges and opportunities in transnational marketing activities.

1.3 Methods research of marketing strategies

The primary objective of this study is to employ the SWOT analysis approach in order to critically examine and compare the European marketing strategies implemented by Chinese and Japanese automobile enterprises.

Strengths: Evaluate the advantages of Chinese and Japanese automobile companies in the European market, such as technology leadership, brand awareness, cost advantage, etc. Chinese and Japanese car companies have a leading position in automotive manufacturing and engineering. They have significant advantages in

vehicle electrification, intelligent driving technology and fuel efficiency. For example, Japanese car companies are leading in hybrid power and energy conservation, such as Toyota's hybrid powertrain and Nissan's electric vehicle technology. Some Chinese and Japanese car companies have globally renowned car brands, which gives them an advantage in building trust and attracting consumers in the European market. For example, car brands such as Toyota, Honda and Nissan in Japan and Geely and Great Wall in China have certain visibility and reputation in the European market. Chinese and Japanese auto companies also have advantages in production costs and labor costs, which allows them to offer products with competitive prices. For example, Chinese automakers may have advantages in raw material procurement and production costs, enabling them to offer lower-priced but decent quality automotive products. Chinese and Japanese car companies have strong innovation capabilities in vehicle design, engineering technology and production processes. They are likely to maintain their competitive edge by constantly introducing new products, improving existing ones, and adopting new production techniques. For example, Japanese car companies often lead innovations in the automotive industry, such as Toyota's production system, the Toyota Production Mode (TPS), and Honda's Variable Valve Timing Technology (VTEC). Chinese and Japanese car companies can also offer a wide range of product lines, covering different types and price ranges of vehicles to meet the needs of different consumer groups in the European market. For example, Japanese car companies usually have products in a wide range of models such as cars, SUVs, trucks, ranging from economy to luxury. [16]

Weaknesses: Analyze the weaknesses of auto companies of both countries in the European market, such as product adaptability, quality problems, lack of brand recognition, etc. Chinese and Japanese automotive companies fail to fully align with European consumer preferences and requirements in terms of design, functionality, safety standards or environmental regulations. Although Chinese and Japanese car companies are generally known for their quality and reliability, there are also some quality problems or product defects, which may affect their reputation and competitiveness in the European market. This could include manufacturing defects, quality control issues or poor follow-up services. Chinese and Japanese car companies may have low brand recognition compared to local European brands or other internationally known brands. This may affect consumers' trust in their products and their willingness to buy them, especially in the face of consumers who buy high-end cars, and the Chinese and Japanese auto companies' positioning in the European market is not clear or consistent, resulting in the competitiveness of their products in the market. The lack of a clear brand positioning and market positioning strategy may lead to poor consumer awareness and understanding of their products.

Opportunities: Explore the opportunities that the European market brings to Chinese and Japanese auto companies, such as growth potential, policy support, changes in market demand, etc. The European auto market still has great growth potential, especially in emerging areas such as electric vehicles, smart cars and shared mobility. Chinese and Japanese car companies can seize this opportunity by launching innovative products that meet the needs of the European market. European governments are increasingly supporting environmentally friendly and

sustainable transport, such as promoting the development of electric and low-emission vehicles, and building a network of charging facilities. Chinese and Japanese car companies can take advantage of this policy support to increase the promotion of electric vehicles and environmentally friendly models in the European market. Chinese and Japanese car companies can enhance their visibility and recognition in the European market by strengthening their brand internationalization strategies. For example, they can enhance their brand image by sponsoring sports events, participating in international auto exhibitions and cooperating with well-known local companies. Chinese and Japanese auto companies have rich automotive technology and research and development capabilities, and can meet European consumers' demands for safety, intelligence and comfort through continuous technological innovation. For example, introducing more advanced driver assistance systems and intelligent connectivity functions.

Threats: Identify the threats that Chinese and Japanese car companies face in the European market, including increased competition, political uncertainty, changes in regulations, etc. The European market is highly competitive, and competitive pressure from local automakers, other Asian car companies, and global car brands is likely to intensify. This could lead to fierce price competition and further fragmentation of market share. Political factors and uncertainty over trade policies may affect the operation and development of Chinese and Japanese auto companies in the European market. For example, trade disputes, tariff adjustments, trade barriers and other factors may lead to increased costs and restrictions on market access. The rapid development of technology and changing market demand

may affect the product development and sales strategies of Chinese and Japanese auto companies. Auto companies in the two countries may lose market share if they fail to adapt to new technologies and trends in a timely manner. Increasingly stringent requirements for environmental protection and vehicle emission standards in Europe could increase costs for automakers and take a toll on product design and production processes. Car products that fail to comply with environmental regulations and emissions standards may be subject to restrictions or penalties. European consumers' preferences may change, such as increased demand for new types of products and services such as electric vehicles, smart connectivity functions, and shared mobility. Chinese and Japanese car companies could lose market share if they fail to meet these new demands in a timely manner.

Conclusions on Section 1

The first part systematically discusses the theory and method basis of marketing strategy, including the historical evolution of marketing strategy, definition, transnational marketing theory and so on. By reviewing the history and definition of marketing strategy, we learn that the development of marketing strategy is constantly influenced by new theories and practices. From product orientation to customer orientation, from single domestic market to global market, marketing strategy has evolved in different periods. The discussion of transnational marketing theory provides us with a deep understanding of the complexity of transnational marketing perspective, so that we can better understand and respond to the challenges and opportunities in the international market. On the basis of the first

part, this paper will further clarify the background and theoretical basis of the research, so as to provide a solid foundation for the analysis and discussion in the following chapters. In the following research, we will continue to deeply explore the marketing strategies of Chinese and Japanese automobile companies in the European market, and put forward targeted and forward-looking research viewpoints and suggestions based on the theoretical basis of the first part to promote the sustainable development of the automobile industry in the international market. Chinese auto companies adopt personalized promotion strategies in the European market, which fully reflects the practice of transnational marketing theory. [22] First of all, they have a deep understanding of the cultural background and behavior habits of local consumers. Transnational marketing theory points out that there are differences in culture, values and consumption habits in different countries and regions. In the European market, Chinese auto companies should have a deep understanding of the cultural background and behavioral habits of local consumers, and formulate personalized product promotion strategies according to European consumers' preferences for automobile brands, design styles and performance needs. Secondly, through market segmentation and positioning, for different consumer groups and market demand, flexible adjustment of marketing strategy, transnational marketing theory emphasizes the importance of market segmentation and positioning, it is recommended that enterprises according to the characteristics and needs of the target market, the market is divided into different segments, and targeted positioning. In the European market, Chinese car companies can develop personalized promotion strategies for different consumer groups and market needs

through market segmentation and positioning, and provide products and services in line with consumer needs.

In addition, Chinese auto companies pay attention to brand building and communication, and the transnational marketing theory emphasizes the importance of brand management and communication in the international market. In the European market, Chinese auto companies should pay attention to brand building and communication, and enhance brand awareness and reputation by establishing unified brand image and communication channels. At the same time, according to the market characteristics and cultural differences in different countries and regions, the brand communication strategy should be flexibly adjusted to meet the acceptability and needs of local consumers. The theory of transnational marketing emphasizes the importance of multi-channel marketing and personalized promotion strategies. In the European market, Chinese auto companies can carry out personalized product promotion and brand marketing activities through various channels, such as online platforms, social media, auto exhibitions, etc., to establish closer ties with local consumers and enhance the competitiveness and market share of their brands in the European market. These measures have effectively promoted the localized production and market expansion of Chinese auto companies in the European market, demonstrating the active exploration and practical spirit of Chinese auto companies in the process of internationalization. By applying the relevant viewpoints of transnational marketing theories, Chinese auto companies can better understand the characteristics and consumer needs of the European market, formulate personalized promotion strategies, and enhance the

competitiveness and influence of their brands in the European market.

SECTION 2

THE ANALYSIS OF THE EUROPEAN MARKET OF CHINESE AND JAPANESE AUTOMOBILE ENTERPRISES

2.1 Overview of the European market of Chinese automobile enterprises

With the rapid development of China's economy and the improvement of its technological strength, Chinese automobile enterprises are gradually becoming more competitive in the international market, of which the European market is an important development target. The main motivations for Chinese auto companies to enter the European market include expanding international market share, enhancing brand awareness and acquiring advanced technology and management experience. In this process, product quality challenges may arise from production process, material selection, quality management and other aspects. Chinese car companies need to invest more resources in research and development and technological innovation to improve product safety, reliability and comfort to meet consumers' demand for high-quality cars, while brand awareness needs to be improved through marketing, advertising, event sponsorship and other means. Chinese auto companies may face competition with well-known international brands, so they need to establish a differentiated brand image and build up consumers' trust and recognition of their products. [14] In terms of regulations and standards, Chinese auto companies need to constantly follow up on changes in domestic and foreign regulations, adjust product design and production processes, and ensure that products comply with various regulatory requirements. Especially in the case of

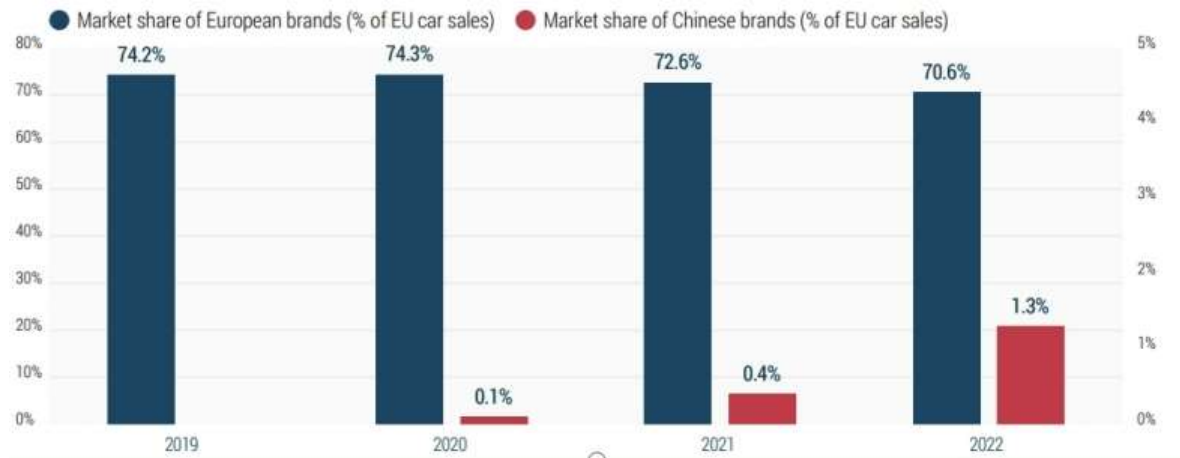
increasing environmental protection and safety regulations, Chinese auto companies need to increase investment in research and development, and launch products that meet the latest standards. The intensity of competition in the market may come from competition from domestic and foreign competitors in the same industry. Chinese car companies need to develop differentiated market strategies and offer more competitive products and services to attract consumers and maintain market share. Therefore, the challenges faced by Chinese auto companies involve many aspects such as product quality, brand recognition, regulatory standards and market competition, which need comprehensive consideration and targeted measures to cope with.

2.1.1 Market share

The market share of Chinese automobile companies in the European market is relatively low, far behind that of local European and other international brands. According to statistics, the market share of Chinese auto brands in Europe is usually only in the low single digits or even less. This is mainly due to the relatively low popularity and reputation of Chinese auto brands in the European market, and a certain degree of uncertainty and negative impression in terms of product quality and brand image. Although some Chinese auto companies have launched some products in the European market and adopted a series of marketing strategies to boost their market share, it still takes time and effort to achieve real market penetration and competitive advantage. As Chinese auto brands continue to improve product quality, technology level as well as brand image, their market share in the European market is expected to grow gradually, but they need to face fierce

competition and challenges. It is worth noting that with the gradual maturity of Chinese automobile brands in the domestic market and the improvement of technical level, especially Chinese new energy automobile brands have begun to achieve certain success in the European market. For example, some Chinese auto companies have gradually improved their competitiveness and visibility in the European market by offering products with competitive prices, constantly improving product quality and design, strengthening brand building, and expanding sales channels.

Figure 2.1 Market share of local European brands and Chinese brands in the EU market



Source: built by the author on ACEA database

2.1.2 Brand image

Some Chinese auto brands still have a negative impression on the quality and reliability of the European market. Consumers generally view local European and other international brands' cars as higher quality and more reliable, while Chinese brands' products may have quality problems. This impression has affected

consumers' trust in Chinese car brands and their willingness to buy them. When it comes to design and craftsmanship, some Chinese car brands may appear simpler or less innovative than their European counterparts. Consumers have high requirements for the appearance, interior and detailed craftsmanship of cars, and if the design and craftsmanship of Chinese car brands fail to meet the aesthetic and taste of European consumers, their brand image will be affected. [35] In terms of safety and environmental protection, Chinese car brands also need to be strengthened. European consumers are paying more and more attention to the safety and environmental protection of cars, and if Chinese auto brands cannot provide safety performance and environmental protection standards that meet European standards, it will affect consumers' recognition and choice of their brands. The brand recognition of Chinese car brands is relatively low compared to local European and other international brands. In the European market, consumers are more inclined to be familiar with local European brands, while they may lack sufficient understanding and cognition of Chinese auto brands, which also affects their brand image and market performance.

In addition, some Chinese auto companies have accelerated their pace of development in the European market through cooperation with local enterprises, technical cooperation and brand promotion. For example, in 2010, Chinese car brand Geely successfully acquired a well-known European car brand, Volvo. The acquisition propelled Geely into the first-tier camp of the global auto industry and enhanced the international competitiveness of China's auto manufacturing industry. Through the acquisition, Geely not only gained advanced technology and

management experience, but also expanded its influence in Europe.

In general, the development of Chinese auto companies in the European market has a positive prospect, but at the same time, it also needs to face many challenges. In the future, Chinese auto companies can further enhance their competitiveness and influence in the European market by continuously improving product quality, strengthening brand building, expanding sales channels and strengthening cooperation with local partners.

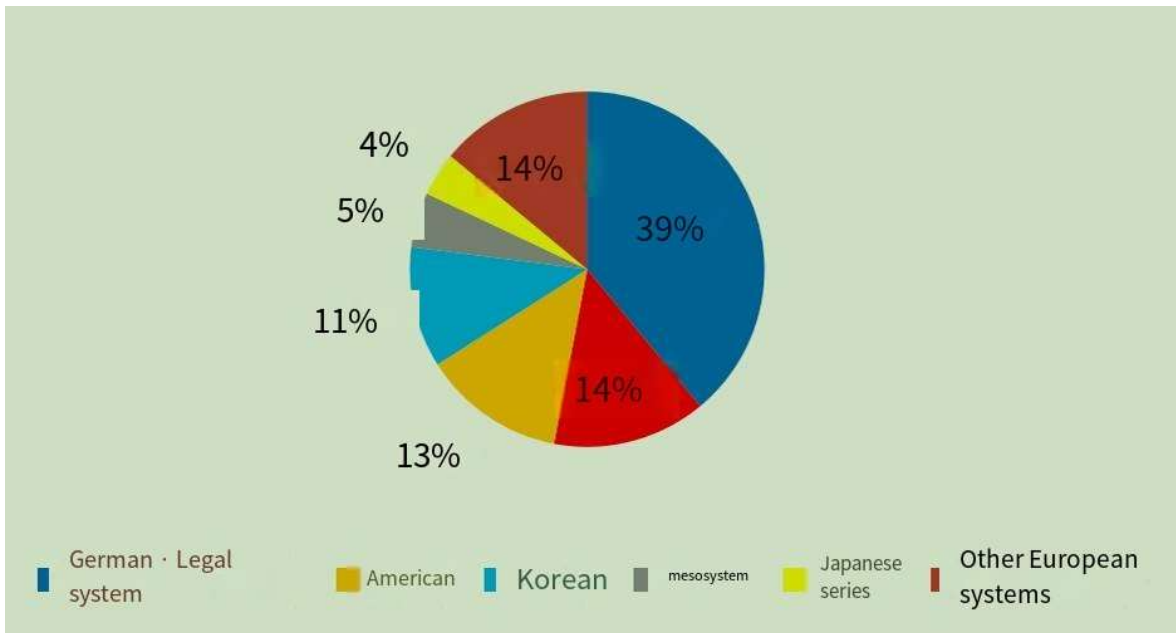
2.1.3 Product lines

The Chinese auto companies in the European market are continuously expanding their product lines to encompass various market segments, including economy cars, luxury cars, and electric vehicles..Although they initially focused on economy models, they have gradually moved into the more high-end segment as technology and quality have improved. Initially, Chinese auto companies mainly introduced economy models in the European market, taking advantage of price competition and cost-performance ratio. These models, which usually have good fuel economy and practicality, have attracted a segment of value-oriented consumers. With the improvement of technology and quality, some Chinese auto companies have begun to introduce mid-range models in an effort to gain more market share in the European market. These models offer more choices in terms of intelligent configuration, safety performance and interior design, attracting more consumers who pay attention to performance and comfort.

As Chinese auto companies develop and mature, some brands have begun to

dabble in the luxury car market, launching high-end models to challenge local luxury car brands in Europe. These luxury models may focus on quality, design and technological configuration in an attempt to offer products that compete with European luxury brands. Chinese auto companies are also aggressively pushing electric models in the European market. With the promotion of environmental awareness and the government's policy support for electric vehicles, some Chinese auto companies have increased their investment in research and development in the field of electric vehicles, and launched a number of electric models in the European market, which better meet consumers' demand for environmental protection and energy saving. In 2022, the proportion of China's new energy vehicle sales in the total sales of new energy vehicles in Europe will reach 5%, successfully surpassing Japanese cars. (Figure 2) Figure

2.2 Proportion of European NEV sales by country in 2022



Source: built by the author

In general, Chinese auto companies are continuously enriching and expanding their product lines in the European market, covering multiple segments from economy cars to luxury cars and electric vehicles. Such diversified product lines can better meet the needs of different consumer groups and enhance the competitiveness and influence of brands in the European market. With further improvements in technology and quality, Chinese auto companies are expected to achieve greater success in the European market.

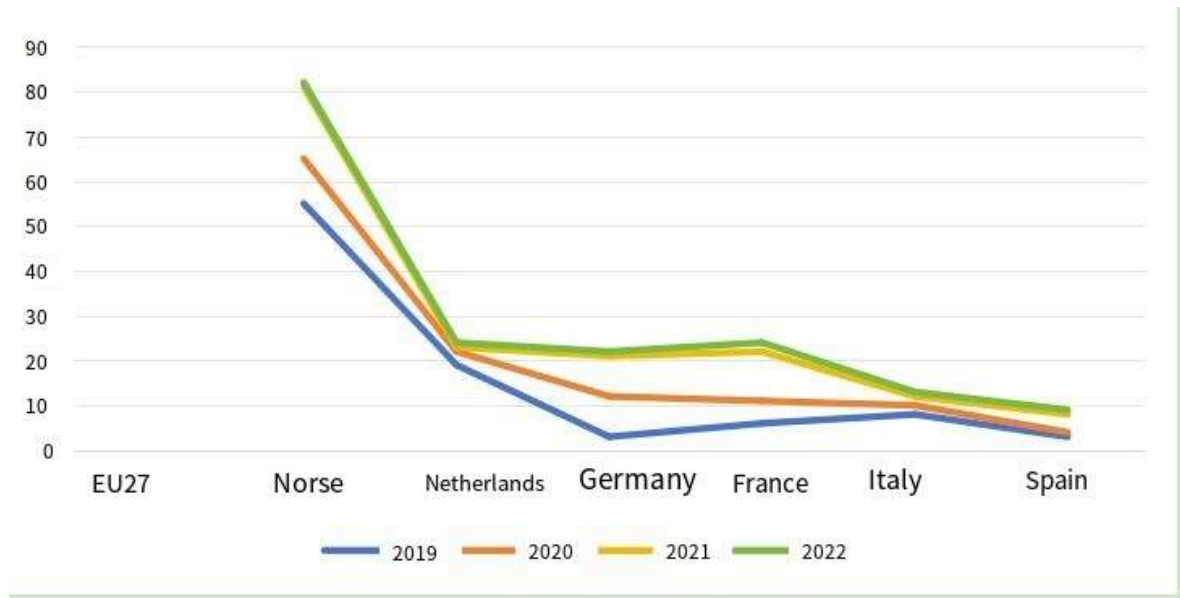
In addition, with the maturity of mobile Internet and automation technologies, the new energy vehicle market is ushering in new development opportunities. The maturity of these technologies has injected new impetus into the development of new energy vehicles, driving their transformation from an information island to an intelligent state. The development, use and maintenance models of new energy vehicles are becoming increasingly perfect, constantly pushing the industry towards a more intelligent direction. New energy vehicles integrate cutting-edge technologies such as new energy, the Internet, big data and artificial intelligence, further improving their quality, functionality, comfort and safety. This integration has enabled new energy vehicles to have higher performance and smarter functions, further enhancing consumers' experience and satisfaction. Secondly, the global NEV market is showing a trend of rapid growth. Such rapid sales growth shows that consumers have increasing demand for new energy vehicles and the market penetration rate is also increasing rapidly. This trend reflects the rapid growth of new energy vehicles in a short period of time as an emerging industry, and has become an important direction for the future development of the automotive industry. The new

energy vehicle market is undergoing a comprehensive transformation from the traditional fuel vehicle market to the new energy vehicle market. With the continuous progress of technology and the continuous growth of market demand, the new energy vehicle market is expected to continue to maintain rapid growth, and will become one of the main development directions of the automotive industry in the future.

European countries are actively promoting the electric transformation of vehicles, and have adopted a series of incentive policies, including measures such as car purchase by resident consumers, tax reduction and reduction, and increasing the construction of charging piles, to promote the popularization and development of new energy vehicles. These policies and measures have effectively improved consumers' acceptance of new energy vehicles and promoted the rapid growth of the European new energy vehicle market. As a pioneer in carbon emissions, Europe attaches great importance to the issue of carbon emissions in the transportation sector and has formulated a plan to achieve "zero-carbon transportation" by 2035. Under the guidance of this plan, the development momentum of new energy vehicles in Europe has been rapid, showing a rapid growth trend. According to the survey, from 2018 to 2022, the average annual growth rate of new energy vehicle sales in Europe reached 58 percent, although slightly lower than China's 61 percent, but still ranked second in the world. At the same time, the penetration rate of the European NEV market is also showing a trend of rapid growth. In 2020, the penetration rate of NEVs in the EU was 4.8 percent, and it will increase to 24.1 percent by 2022. This shows that European countries have made remarkable progress in promoting the

popularization of NEVs. However, although Europe as a whole presents the characteristics of a large market size and great development potential for new energy vehicles, there are still big differences between countries. For example, the penetration rate of NEVs in Norway is as high as 88.5 percent (Figure 2.3), while the penetration rate in countries such as Italy and Spain is still below 20 percent. This shows that although Europe as a whole has a high level of acceptance of NEVs, there are still significant differences between countries, and further policy promotion efforts are needed to promote the full popularization and development of NEVs in the European market.

Figure 2.3 Penetration of NEVs in major EU countries (2019-2022)



Source: built by the author

2.2 Overview of the European market of Japanese automobile enterprises

Japanese automobile companies have an important position in the European market, and this section will study and analyze the general situation of Japanese

automobile companies in the European market. Japanese automobile companies enjoy a high reputation in the global automobile industry, and their product quality and technical level have always been in a leading position. In the European market, Japanese car companies are known for their reliability, innovation, energy efficiency and environmental protection, and have a broad consumer base and market share. They have established production bases and research and development centers in Europe, and cooperated with local partners to produce automobile products that meet European standards and market needs. They have also carried out diversified marketing activities in the European market by focusing on brand building and marketing promotion. They also enhance their brand awareness and reputation through advertising, event sponsorship (Red Bull beverage, F1 race), social media and other channels to attract more attention and recognition from European consumers. In general, Japanese automobile companies have won the favor of consumers in the European market with their high quality, technological innovation and diversified product lines, and become one of the important competitors in the European automobile market. Through localized operations and personalized marketing strategies, they have continuously expanded their market share and achieved steady growth in the European market.

2.2.1. Japanese compact cars in the European market

Both highways and urban roads in European countries are generally narrow, which provides a better "innate" advantage for Japanese brands (A-B class) compact cars to expand the European market. The Japanese brands represented by Toyota, Honda and Nissan enjoy high visibility and credibility in the European market. As

one of the world's largest automobile manufacturers, Toyota enjoys wide popularity and credibility in the European market. The models Toyota sells in Europe cover a wide range of segments, from small cars to SUVs and hybrids. Its well-known models include the Toyota Corolla and Toyota Prius, among others. Toyota is favored by European consumers for its reliable quality, efficient powertrain and constant technological innovation.

Honda is another Japanese automaker that has been very successful in the European market. Honda's models in the European market are dominated by small cars and compact models, such as the Honda Accord and Honda Civic. In addition, Honda has established a certain market share in the European market with its advanced Hybrid technology, and its hybrid model, the Honda Accord Hybrid, has been popular among European consumers. This has served Japanese car brands well in Europe, where compact sedans are popular.

Nissan, one of Japan's big three automakers, also has a large presence in Europe. Nissan sells models in the European market including small cars, family sedans and SUVs. Its well-known models include the Nissan Leaf (Qashqai) and Nissan Teana (Teana). Nissan is also pushing its electric vehicle technology in Europe, where its electric model, the Nissan Leaf, has done well. The success of Japanese auto companies in the European market is mainly attributed to their consistent product quality, reliable performance and continuous innovation in technology. These factors have enabled Japanese auto companies to stand out in the fierce market competition and continue to expand their market share in the European market.

2.2.2 Product quality and technological innovation

Japanese automobile companies pay more attention to product quality and technological innovation. They continue to introduce advanced technologies and processes to develop high-quality, high-performance automotive products to meet consumers' demands for safety, comfort and environmental protection. The success of Japanese automobile companies in the European market is partly attributed to their emphasis on product quality and technological innovation. They have continuously introduced advanced technologies and processes to develop high-quality, high-performance automotive products to meet consumers' demands for vehicle safety, comfort and environmental protection. First of all, Japanese automobile companies pay attention to product quality. They strictly control the production process and use high-quality materials and parts to ensure the durability and reliability of their cars. This emphasis on quality has enabled Japanese auto products to enjoy a good reputation in the European market and win the trust of consumers. Secondly, Japanese auto companies are also committed to technological innovation. They are constantly introducing new technologies and processes to improve vehicle performance, safety and environmental protection. For example, Japanese auto companies have carried out continuous research and development and innovation in engine technology, intelligent driving systems and body materials, and launched a series of automotive products with leading levels. In addition, Japanese auto companies have actively responded to the trend of environmental protection by launching many hybrid and electric vehicle products with low emissions and high efficiency to meet consumers' demand for environmental protection. This environmentally focused product concept is in line with the environmental

awareness of the European market, helping Japanese auto companies gain wider recognition and market share in the European market. By continuously improving product quality and introducing technological innovation, Japanese auto companies have successfully met European consumers' demand for high quality, high performance and environmental protection of cars, thus achieving greater success in the European market.

2.2.3 Actively participate in localization operations

Japanese car companies actively participate in localization operations in the European market. They have established production bases and sales networks in Europe, increased their input and layout in the local market, enhanced their competitiveness and influence in the European market, and greatly helped Japanese cars gain a foothold in the European market. (Table 2.1)

Table 2.1 Japan Motor vehicle Exports by region

Region/Year	2018	2019	2020	2021	2022	2022 accounted for %
Asia	635045	651814	559998	611446	597296	16
Middle East	476157	464,195	325027	346405	425423	11
Europe	885705	980,516	675630	588648	555037	15
European Union	646943	770512	396,451	324154	354352	9

United States	1731025	1,726, 139	1,384,998	1331718	1283934	34
Latin America	323591	286, 374	177864	217631	260108	7
Oceania	438362	383261	362785	435, 381	417532	11
Total	4817470	4818132	3740832	3818910	3813269	100

Source: built by the author

According to Table 2.1, between 2018 and 2022, Japanese motor vehicle export data show that the number of exports to the European market decreased from 885,705 units in 2018 to 555,037 units in 2022, representing a decrease from 15% to 9%. This indicates that Japanese auto companies are facing certain challenges in the European market, and they need to adopt active localization operation strategies to cope with them. By establishing production bases in Europe, Japanese auto companies can reduce costs, shorten lead times and better adapt to local regulations and standards by producing cars locally. These production bases can not only meet the needs of the European market, but also create local jobs and promote the development of the regional economy. Toyota Motor, for example, has eight production sites (including engine plants) in six European countries that produce seven different models, and these plants not only supply the local market, but also produce vehicles for export around the world. These localized production sites give Japanese auto companies more flexibility to adjust production capacity to meet European demand.

In addition, Japanese auto companies have established sales networks and marketing teams in Europe to adopt targeted marketing strategies to enhance brand awareness and market share. By understanding the buying habits and cultural background of local consumers, Japanese auto companies can promote their products more effectively and enhance consumers' recognition and goodwill toward their brands. At the same time, Japanese auto companies are also actively fulfilling their social responsibilities and participating in local community building and public welfare undertakings. By participating in localized social responsibility activities, Japanese auto companies are able to establish a good corporate image, win the support of local governments and consumers, and further promote the development of their brands in the European market.

2.2.4 Brand building and marketing

Japanese auto companies also pay attention to brand building and market promotion. They have enhanced their brand awareness and image through advertising, race sponsorship and brand image building to expand their influence in the European market. Objectively speaking, Japanese car companies have demonstrated strong performance in the European market, exhibiting robust market competitiveness and garnering significant consumer recognition. Looking ahead, as the global automobile industry continues to evolve and competition intensifies, Japanese automotive firms will persistently expand their presence in Europe through product innovation, localized operations, and brand development strategies. Consequently, they are poised to maintain their leading position in the global automobile market.

Toyota is strengthening its brand image in the European market through its "Toyota Quality Revolution" campaign. The campaign highlights the quality and reliability of Toyota vehicles and emphasizes its commitment to vehicle quality. Toyota also emphasized its brand's core values, such as "sustainability" and "innovation," through advertising and other marketing campaigns. Honda successfully launched the Honda Civic Type R model in the European market, a high-performing compact sedan that stands out for its aggressive exterior design and powerful power performance. The model attracted widespread attention and recognition, helping Honda gain a foothold in the highly competitive European market. Toyota has carried out various forms of marketing campaigns in the European market, such as Toyota's "Feel Different" advertising campaign, which has attracted consumers' attention and enhanced brand recognition and favorability by showcasing the innovative and unique nature of Toyota vehicles. Nissan has enhanced the brand's presence in the European market by Posting interesting, creative content on social media platforms. For example, Nissan posts photos and videos related to its latest models on Instagram and promotes a connection between the brand and its consumers by engaging with fans. Honda's partnership with motorcycle racing MotoGP in the European market has led to a successful brand sponsorship campaign. As the official sponsor of MotoGP, Honda has expanded its brand exposure in the European market and enhanced its brand image and awareness through its partnership with this prestigious race. Toyota focuses on providing quality after-sales service and customer support in the European market. For example, Toyota has provided preferential policies such as extended warranties and

free maintenance to enhance consumers' satisfaction and loyalty, building good customer relationships. All these effectively illustrate the effective measures taken by Japanese auto companies in brand building and marketing in the European market, which help to enhance brand image, enhance market competitiveness, and achieve sustainable development in the European market.

2.3 Challenges existing in Chinese and Japanese automobile enterprises

Chinese and Japanese auto companies face a number of challenges in the European market that could have an impact on their market share and competitiveness. The European market has some long-established and well-known auto brands, such as Germany's Audi, BMW and Mercedes-Benz, and these local companies have obvious advantages in technology, brand awareness and market share, posing strong competitive pressure on Chinese and Japanese auto companies. With the increasing demand for new energy vehicles and smart cars in the European market, there are more competitors from around the world, such as companies such as Tesla. Chinese and Japanese auto companies need to continuously upgrade their technological level and accelerate the research and development and promotion of new energy vehicles and smart cars to meet market demand. In addition, Europe has very strict requirements for environmental regulations and vehicle emission standards, which puts higher technical and quality requirements on automakers. Chinese and Japanese auto companies need to invest more resources to develop low-emission vehicles that meet environmental regulations and guarantee the

quality and reliability of their products. [66]

Tesla's rise in the European market is a notable example. Tesla's electric vehicle technology and autonomous driving system have led the industry and challenged the position of traditional car companies. Especially in some European countries, Tesla's sales are growing and it has become the leader of the electric car market.

This has prompted Chinese and Japanese auto companies to speed up research, development and application of electrification technology and intelligent driving systems to stay competitive in the market. In terms of environmental pressure, Europe has increasingly stringent requirements for vehicle emission standards. Toyota, Honda and other auto companies have launched new models that meet European emission standards to meet consumer and government demands for environmental protection. This pressure for environmental protection has also prompted Chinese and Japanese auto companies to step up research, development and promotion of new energy vehicles and low-emission models in the European market.

In terms of supply chain issues, supply chain problems on a global scale will also have an impact on the development of Chinese and Japanese auto companies in the European market. For example, in the global supply chain, natural disasters or political unrest in a certain region may lead to parts shortages or production disruptions, which in turn affect the production and sales of Chinese and Japanese auto companies exporting to the European market. Therefore, Chinese and Japanese auto companies need to build a more resilient supply chain system to cope with unpredictable risks.

Due to the high uncertainty of changes in the political and economic environment in the European market, factors such as trade policies and tariff adjustments may have an impact on the import and export business and market access of Chinese and Japanese auto companies. Political risks and geopolitical tensions may also have a negative impact on the companies' operations and investments. Compared to local European brands, Chinese and Japanese automotive companies may encounter challenges in terms of brand awareness and market recognition, necessitating a heightened focus on brand building and market promotion endeavors. Improving brand image and consumer trust is the key to the success of Chinese and Japanese auto companies in the European market. In the face of these challenges, Chinese and Japanese automotive companies must enhance their innovation capabilities, elevate product quality and technological standards, proactively adapt to market dynamics and policy adjustments, while reinforcing collaboration with local partners to uphold competitiveness and achieve sustainable development in the European market.

Conclusions on section 2

The focus of this chapter is to analyze the market presence and challenges faced by Chinese and Japanese auto companies in Europe. Firstly, our focus lies on the market share, brand image, and product portfolio of Chinese automotive companies in the European market. Despite their relatively modest presence in Europe, Chinese automakers are progressively enhancing their competitiveness through improved brand perception and continuous diversification of their product offerings. Secondly,

with regards to the situation of Japanese car companies in the European market, we will focus on the status of Japanese compact cars in Europe, product quality and technological innovation, active participation in localization operations, brand building and marketing. Japanese auto manufacturers are renowned for their high-quality products and innovative technology. They have established a certain market share in Europe and continue to expand their influence by actively participating in localization operations while strengthening brand building and marketing promotion. Finally, we will analyze the challenges faced by Chinese and Japanese auto companies operating within the European market including fierce competition among rivals, diversified consumer preferences as well as changes to policies and regulations. .

In order to achieve better development in the European market, Chinese and Japanese automotive companies need to continuously optimize their products and services, enhance their brand image and market competitiveness, and flexibly respond to market changes as well as policy and regulatory adjustments. The development trends of Chinese and Japanese automotive companies in the European market exhibit certain distinctions; however, they are confronted with common challenges and opportunities. Only by consistently improving their competitiveness, adapting to market demand and changes can they excel in the fierce marketplace competition while attaining long-term stability.

SECTION 3

COMPARISON OF MARKETING STRATEGIES OF CHINESE AND JAPANESE AUTOMOBILE ENTERPRISES IN EUROPE

3.1 Comparative analysis of product and price strategies

Product and price strategies play a key role in the marketing of Chinese and Japanese auto companies in the European market. This section will provide a comparative analysis of the strategies of the two countries' enterprises in terms of products and prices.

In terms of products, Chinese auto companies usually focus on providing cost-effective products, emphasizing price advantages and functionality. They tend to focus on meeting consumers' demands for practical and economical cars, and focus on constantly improving product quality and design to enhance their competitiveness. In contrast, Japanese auto companies pay more attention to product quality, innovation and technological leadership. They tend to launch high-quality, high-performance cars, paying attention to design details and user experience to build brand image and attract more high-end consumer groups. Chinese auto companies tend to price their products at a relatively low level to attract consumers. They achieve competitive advantage on price by reducing production costs and improving production efficiency, as well as economies of scale. As a result, their products are usually priced more competitively than similar products. In addition to price advantages, Chinese auto companies also pay attention to the functionality of their products. They tend to offer basic functions that meet consumers' needs, and continue to improve and innovate on this basis. This focus on functional product

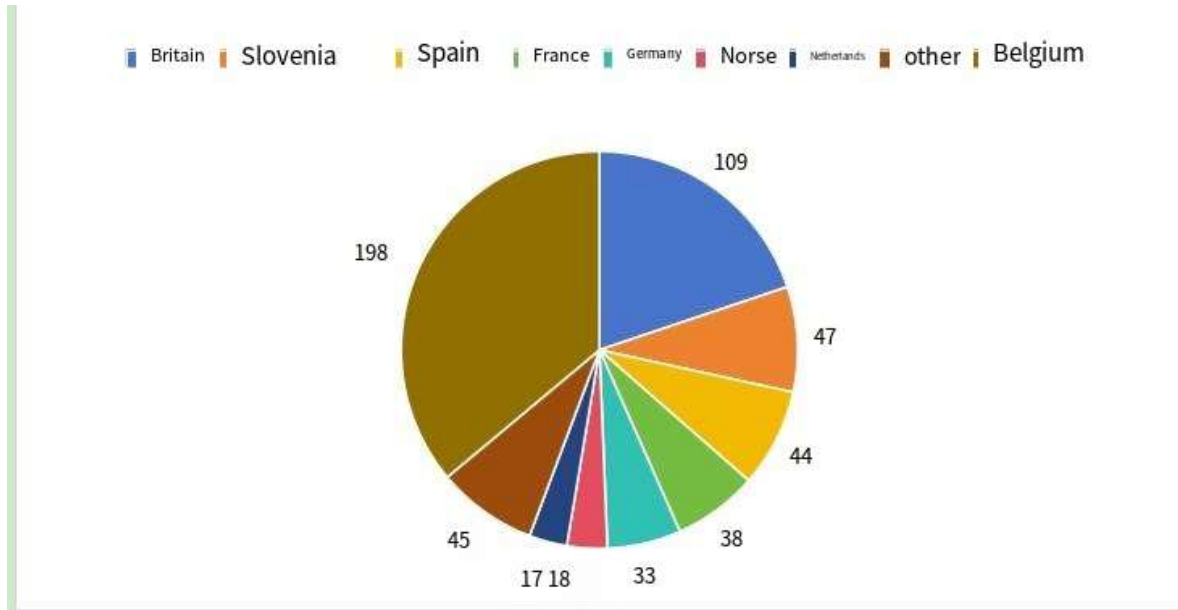
design can meet consumers' demands for practicality and performance, thus enhancing the competitiveness of products. To stay competitive, Chinese auto companies usually focus on constantly improving and upgrading their products. They invest resources in research and development and innovation, launching new products that are in line with market trends and consumer needs. This dynamic of continuous improvement helps to enhance the quality and performance of products, making them more competitive.

In terms of products, Chinese auto companies pay attention to providing cost-effective products, emphasizing price advantage and functionality. Through price competition and continuous improvement of product quality, they strive to meet consumer demand and enhance product competitiveness and market share. In terms of specific countries, the top three countries for China's new energy vehicle exports to Europe in 2022 are Belgium, the United Kingdom and Slovenia, with an export volume of 198, 109 and 47 thousand units respectively. The explosive growth of China's new energy vehicle exports to Belgium, from 500 in 2019 increased sharply to nearly 200,000 in 2022, Belgium has become the largest export country of China's new energy vehicles to Europe, and most Chinese car companies choose to transport vehicles to other European countries through Belgium.

Figure 3.1: Figure of the number of Chinese NEV exports to major European

countries in 2022

Unit: thousand units



Source: built by the author

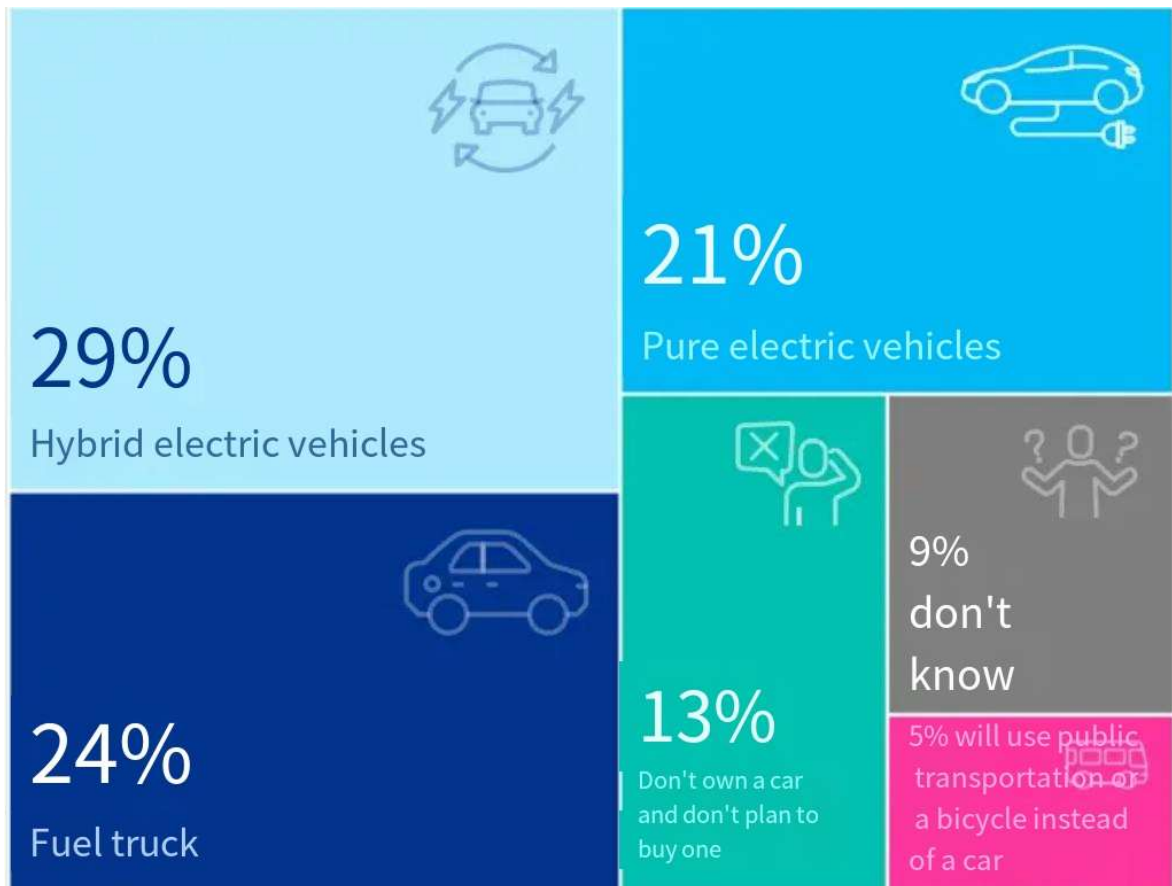
Japanese auto companies have unique characteristics and strategies when it comes to products. Japanese automobile companies are known for their technological innovation. They focus on the development and application of advanced vehicle technologies, such as hybrid systems, autonomous driving technology and fuel efficiency. Through continuous technological innovation, Japanese auto companies are committed to improving the performance, safety and environmental protection of their products, thus establishing their brand's leading position in the field of technology. At the same time, Japanese automobile companies are known for their excellent quality and reliability. They are committed to providing high-quality automobile products, from design to production, to ensure that each car can meet consumer expectations, with low failure rate and stable performance characteristics. Japanese auto companies focus on personalized product design and user experience.

The company caters to the demands of various consumer segments by providing a wide range of models and configurations, demonstrating an in-depth understanding of consumers' needs and preferences. In addition, Japanese automobile companies also pay attention to improving the driving experience of users, through humanized design and intelligent functions, to bring consumers a more comfortable and convenient driving experience. Japanese automobile companies usually have high-end brand positioning and good brand image in the global market. With their unique design style, exquisite craftsmanship and advanced technology, they have won the recognition and trust of consumers and become one of the leaders in the global automobile market.

On the whole, Japanese automobile companies have demonstrated their unique competitive advantages in terms of technological innovation, reliable quality, strong user experience, high-end positioning and brand image, laying a solid foundation for their competitive position in the global automobile market. [54] For example, Toyota Motor Corporation is a Japanese automaker known for its advanced hybrid technology. In contrast, China's auto industry has relatively little technological accumulation and innovation, but in recent years, Chinese auto companies have made some breakthroughs in the field of new energy vehicles, such as BYD's electric vehicle technology, which has won a good market expansion in the world with its deep technological accumulation and better cost control. Japanese auto brands enjoy a high reputation and popularity around the world, such as Toyota, Honda, Nissan and so on. These brands are favored by consumers because of their reliable quality and high safety. In contrast, Chinese auto brands have relatively low international visibility, but some Chinese auto companies such as Geely and Great Wall Motors are working hard to boost their brand image and international market share. The low emission, low noise, environmental friendliness and other characteristics of new energy vehicles are also in line with the needs and values of

European consumers, who consciously choose low fuel consumption cars instead of large displacement cars when buying cars, and replace traditional fuel with new energy vehicles. According to a 2021 report by the European Investment Bank (EIB) nearly half of the proponents of low-carbon strategies said that they would prefer a hybrid electric vehicle when buying a car, and would be more willing to buy a conventional fuel car.

Figure 3.2 EU consumers' willingness to buy cars



Source: built by the author

Japanese car manufacturers typically emphasize their commitment to high quality, exceptional performance, and superior value proposition, primarily targeting the mid-to-high-end market segment. For example, Honda models such as the Accord and Civic have garnered consumer admiration owing to their exceptional performance capabilities and superior quality. Conversely, Chinese automotive

companies tend to prioritize affordability in order to cater to the needs of mass consumers. For instance, Great Wall Motor's Haval brand has achieved considerable success in the global market due to its cost-effective features. Particularly in the field of new energy vehicles, Chinese auto companies have demonstrated strong competitiveness worldwide. They possess the world's most comprehensive and efficient "three power" (battery, motor, electronic control) industry chain and have made significant advancements in intelligence. In recent years, Chinese auto companies have brought a fresh and innovative experience to European consumers with their unique advantages such as ADAS(Advanced Driver Assistance Systems), voice interaction, and car entertainment. BYD is an example of a local Chinese brand that has gradually gained substantial market shares through its technological expertise in electric vehicles. In contrast, Japanese automakers have exhibited a relatively slower pace in the development of the new energy vehicle sector—nevertheless, prominent Japanese companies such as Toyota and Nissan are actively investing in electric vehicle technology and expanding their market presence. Despite both Chinese and Japanese automobiles holding significant global positions, discernible disparities exist between them with regard to technological advancements, brand recognition, market positioning, and the domain of new energy vehicles."

3.2 Comparative analysis of sales channels and promotion strategies

3.2.1 Sales Channels

Chinese automotive companies typically employ diverse sales channels, encompassing proprietary dealer networks, collaborative dealerships, and online

sales platforms. In the European market, Chinese automakers tend to leverage online distribution channels and direct sales models in conjunction with partnerships with e-commerce platforms to directly reach consumers for automobile product transactions. Some Chinese auto companies have started to set up their own online sales platforms to sell auto products directly to European consumers through their official company websites or dedicated online car sales platforms. This model allows consumers to buy cars directly from manufacturers, simplifying the purchase process and improving the convenience of buying cars. In addition to setting up their own online sales platforms, some Chinese auto companies have also cooperated with well-known e-commerce platforms to introduce auto products to the auto zones of e-commerce platforms for sale. By cooperating with e-commerce platforms, Chinese auto companies can expand their sales scope and increase sales volume with the help of e-commerce platforms' huge user base and sales channels. Although Chinese auto companies will also make use of the traditional car dealer network, in the European market, they pay more attention to the development and utilization of online sales channels, and meet consumers' car purchase needs through online direct sales. This tendency to use online sales channels and direct sales models reflects the innovation and change of Chinese auto companies in European market promotion and sales strategies, and is also in line with the trend of consumers increasingly tending to online shopping. Through online sales channels, Chinese auto companies can communicate more directly with consumers and provide a more personalized and convenient car-buying experience, thus enhancing their brands' competitiveness and market share.

Japanese automotive companies also employ a diverse range of sales channels, with a heightened emphasis on cultivating brand image and delivering an elevated high-end sales experience. In the European market, Japanese auto brands typically establish dedicated showrooms and upscale retail outlets to offer customers a more personalized encounter and professional service. Toyota stands as one exemplary representative of these Japanese automakers. Within Europe, Toyota frequently collaborates with local car dealerships to establish an extensive network of specialized dealerships. For instance, Toyota's franchised stores and authorized dealers can be readily found in major cities and key regions across Europe, providing customers with an extensive selection of models, test drive opportunities, and comprehensive after-sales support. Honda Motor has also established an extensive dealer network in the European market. Similarly to Toyota, Honda collaborates with local car dealerships to offer professional sales and service. Honda's dealer network spans across all European countries and regions, ensuring a convenient car purchasing experience and comprehensive after-sales support for consumers. Nissan also actively engages with local car. In the UK market, for example, Nissan has established a dealer network with a range of partners to provide services such as sales, after-sales service and repair and maintenance. These partners have rich local sales and service experience and are better able to meet consumers' needs. Mazda Motor has also established a professional dealer network in the European market. Mazda cooperates with local car dealers to provide a diversified product line and excellent after-sales service. These dealers have provided consumers with satisfactory car-buying and after-sales experiences through

professional sales teams and technical support. Japanese auto companies in the European market usually establish a professional car dealer network and cooperate with local car dealers to provide offline sales and after-sales services. This traditional face-to-face sales model allows consumers to easily buy products of Japanese auto brands locally and get professional after-sales support services. Meanwhile, Japanese automotive companies will also utilize online sales channels; however, in contrast to their Chinese counterparts, they place greater emphasis on the conventional automobile dealership network.

3.2.2 Promotion strategy

Chinese automotive companies typically employ price competition and promotional activities to boost sales. In the case of BYD, Chinese automakers may offer time-limited discounts on specific models to reduce their prices. These promotions can be advertised through both traditional advertising channels and online platforms in order to entice consumers into taking advantage of these deals. Additionally, Chinese automotive companies may collaborate with financial institutions to offer specialized financial incentives such as low-interest loans or extended loan terms. These incentives aim to reduce the cost of car purchases for consumers and enhance their motivation to make a purchase. To further attract consumers, Chinese automotive companies may introduce comprehensive car purchase packages that encompass complimentary maintenance services, extended warranty periods, gift car parts, or premium gifts. These additional benefits serve to augment buyers' sense of ownership and stimulate their purchasing decisions. Chinese auto companies may offer trade discounts or trade-in incentives to

encourage consumers to trade in old cars for new ones or choose certain models. Such incentives can enhance the affordability of car purchases and encourage consumers to choose to buy. Chinese automotive companies may integrate car sales with additional products or services, such as car insurance, auto parts, or complimentary test drives. This bundling approach can enhance the value proposition of car purchases and entice consumers to make a choice in favor of buying. These instances exemplify the pricing competition strategy and preferential initiatives implemented by Chinese automotive companies in the European market to stimulate sales and attract customers. Typically, these promotional activities are executed through a combination of offline sales channels and online platforms to maximize consumer reach and augment brand competitiveness.

Japanese automobile companies prioritize product quality and service experience, while their promotional strategies emphasize brand communication and image marketing. These brands often organize high-end events or exhibitions to showcase the distinctiveness of their products, aiming to attract consumers through positive word-of-mouth and foster brand loyalty. Japanese auto companies may focus on providing consumers with more value-added services, such as extended warranties, free regular maintenance, road rescue services, etc. By providing these additional services, Japanese auto companies can increase consumers' satisfaction with their products and boost brand loyalty. At the same time, Japanese auto companies are generally known for providing excellent after-sales service. They will establish a perfect after-sales service system, including professional maintenance team, original parts supply and efficient after-sales service process. This kind of

high-quality after-sales guarantee can enhance consumers' trust and recognition of automobile brands. Japanese auto companies also promote brand awareness and image by holding brand events and sponsoring events. For example, Honda holds events such as new car launches, exhibitions at auto shows or sponsorship of sports events to attract public attention and showcase the brand's strengths and value. These brand events and sponsorships can effectively enhance the brand's influence and market position. Japanese auto companies usually attract consumers by showcasing the high quality and innovation of their products. They also emphasize the advantages of their products in safety performance, driving experience, energy saving and environmental protection, and let consumers experience them through product demonstrations and test driving activities. This way of demonstrating product quality and innovation helps build consumers' trust and goodwill towards the brand. In general, Japanese auto companies generally focus on product quality, service and brand image in the European market, instead of competing solely on price. By providing more value-added services, quality after-sales guarantees, holding brand events and sponsoring events, they strive to enhance consumers' awareness and goodwill toward their brands, thereby boosting sales and maintaining a competitive edge. In the European market, Chinese automotive companies typically prioritize price-sensitive markets and mass consumer segments, thus tailoring their sales channels and promotional strategies towards ordinary consumers. Conversely, Japanese automotive companies tend to focus on the high-end market and brand loyalty, resulting in sales channels and promotion strategies that are more targeted at affluent consumers and specific consumer

groups.

3.3 Improve the marketing strategies of Chinese automobile enterprises in the European market

In the context of fierce competition in the global automobile market, it is of great strategic significance for Chinese automobile enterprises to enter the European market. However, to gain a foothold and succeed in this highly competitive market, Chinese auto companies need to constantly improve their marketing strategies to adapt to the characteristics of the European market and the needs of consumers. This chapter aims to explore in depth the marketing strategies of Chinese auto companies in the European market and put forward suggestions for improvement to help these companies better achieve market expansion and brand promotion. By comparing and analyzing the differences in product and price strategies, sales channels and promotion strategies, and combining with actual cases and market research, this chapter aims to provide targeted marketing strategy suggestions for Chinese auto companies to promote their long-term development and sustainable competitive advantages in the European market. [39]

3.3.1 Establish stable sales channels

Establishing stable sales channels is crucial for the success of Chinese auto companies in the European market. Specific suggestions include collaborating with local dealers to establish a robust sales network, leveraging their extensive sales experience and customer resources to provide professional sales services and after-sales support. Additionally, Chinese auto companies can consider establishing their own independent sales outlets in key European cities or regions, enabling direct

product distribution to consumers. This approach allows for better control over the sales environment, enhances brand image, and enables personalized sales services. Partnering with a reputable European car dealership group is also an effective strategy for rapidly expanding the sales network and increasing brand exposure. Furthermore, strengthening online sales channels is essential; Chinese auto companies can either develop their own e-commerce platforms or collaborate with local online car sales platforms in Europe to offer convenient and efficient online car purchasing services that cater to consumer demands. Lastly, establishing brand image stores proves advantageous in attracting consumers; setting up driving experience brand image stores in major European cities showcases automotive products' design characteristics and technical advantages while providing test drive opportunities, ride experiences, and consultation services – ultimately creating a positive car buying experience for consumers.

Through the above measures, Chinese automobile enterprises can establish a stable sales channel and achieve better sales performance and market share in the European market. In order to better serve local consumers in Europe, Chinese new energy vehicle brands have also established a variety of marketing and after-sales service networks. At present, Chinese auto companies mainly adopt the mixed mode of direct operation, agency and distribution. For example, brands such as Lynk & Co and NIO are also actively exploring the popular subscription model in Europe on the basis of the direct operation model.

Table 3.1: Major marketing models of Chinese NEV brands in Europe

Marketing model	Automobile enterprise	Country	Time	Specific description
Direct sales	Nio	Norwegian	September 2021	Opens Europe's first directly operated store and charging station
		Germany	December 2022	Opened the first user center in Germany, with plans to open more NIO centers in Germany, including Frankfurt, Dusseldorf and Hamburg
	Xiaopeng	Sweden	February 2022	Opens its first directly operated store
	Mg SAIC	European 16	October 2022	Brand sales outlets have expanded rapidly from 65 in 2020 to more than 400, with plans to reach 650 by the end of 2022
Agency, distribution	Geely Polar Star	Espana	July 2022	Direct sales in the Spanish market through the opening of offline experience Spaces and online sales for specific groups such as small and medium-sized enterprises
		Xiaopeng	Netherlands	March 2022
	Sweden		February 2022	The first retail experience store is handled by local partner Bilia using a network of 58 dealers and 66 service centers in Sweden to handle retail and service
	BYD	Sweden	August 2022	Plans to open offline stores in several cities in cooperation with Hedin Mobility Group

		Germany	August 2022	Plans to cooperate with Hedin Mobility Group to select a number of local quality dealers to cover multiple regions in Germany
		Spain	March 2023	In partnership with Ouadis, Caetano Retail Espana and Astara, a distribution agreement has been signed in the Spanish market, and BYD also expects to open eight pioneer stores in Spain in 2023

Source: built by the author on the information from internet

3.3.2 Expand online sales channels

Expanding online sales channels is a crucial strategy for Chinese auto companies to enhance their marketing efforts in the European market. With the advent of the digital era, consumers are increasingly inclined towards online shopping and consumption. Therefore, by establishing and expanding robust online sales channels, Chinese auto companies can effectively reach out to consumers, elevate brand awareness, boost sales figures, and provide a more convenient car-buying experience. Online sales channels encompass official website sales, e-commerce platform transactions, social media commerce activities, among other forms. By setting up official websites, companies can directly showcase product information along with pricing details and promotional campaigns to consumers while offering seamless online car purchase services and establishing direct communication with potential buyers. At the same time, by cooperating with well-known e-commerce platforms, companies can promote their products to a

wider audience, take advantage of the platform's traffic and resources, expand sales channels, increase product exposure and boost sales. In addition, by using social media platforms, enterprises can interact with consumers and share product information, user reviews and car-buying experience, improving brand exposure and enhancing consumers' confidence in car-buying. In general, by expanding online sales channels, Chinese auto companies can better meet consumers' car-buying needs, improve brand awareness and sales, and achieve sustained growth and development in the European market.

Expanding online sales channels plays an important role in the marketing strategy of Chinese auto companies to enter the European market. For example, NIO, a Chinese new-energy vehicle brand, has adopted an aggressive online sales strategy in the European market. They communicate and interact directly with European consumers by setting up official websites and opening official accounts on major social media platforms. The official website of NIO provides detailed product information, configuration options and prices, as well as online booking and car-buying services. Such online sales channels provide European consumers with a convenient and fast car-buying experience, and enhance their trust and awareness of the brand. In addition, Chinese auto companies can further expand their online sales channels by cooperating with well-known e-commerce platforms. For example, NIO has partnered with a well-known e-commerce platform in Europe to set up an official flagship store on its platform to sell products directly to European consumers. Through such cooperation, NIO can use the e-commerce platform's rich user resources and traffic to promote its products to a wider audience, improve brand

exposure and visibility, and thus increase sales. In addition to selling products on official websites and e-commerce platforms, Chinese auto companies can also make use of social media platforms for online marketing and sales. For example, by Posting product promotional videos, user reviews and sharing of car-buying experience on social media such as Instagram and Facebook, companies can attract more European consumers' attention and learn about their products. At the same time, by cooperating with well-known bloggers and influencers, companies can leverage their influence and fan resources to quickly expand brand influence and boost sales performance. As can be seen from the above examples, expanding online sales channels is an important measure for Chinese auto companies to promote their marketing strategies in the European market. Through the establishment of official websites, cooperation with e-commerce platforms and the use of social media, these companies can better reach European consumers, improve brand awareness and sales, and achieve sustainable growth and development in the European market.

3.3.3 Adopt personalized promotion strategies

The adoption of personalized promotion strategies is another important measure for Chinese auto companies to promote their marketing strategies in the European market. Personalized promotion strategies can more accurately meet the needs of different consumer groups, improve the car-buying experience, enhance brand appeal, and promote sales growth. Enterprises can formulate targeted promotion activities according to the characteristics of consumers such as region, culture and car purchase preference. For example, according to the festivals and traditional customs of different countries or regions, enterprises can launch

corresponding promotional activities to attract consumers to participate in car buying. In addition, according to consumers' purchasing power and consumption habits, companies can launch models of different grades and types to meet the needs of different consumer groups and boost sales. Secondly, through personalized promotion methods, such as customized preferential programs and personalized car-buying services, enterprises can enhance consumers' car-buying experience and satisfaction. For example, to provide customized car buying programs, according to the needs and budgets of consumers, recommend the most suitable models and configurations for them, provide personalized car buying advice and services, improve the car buying experience and enhance consumers' confidence in car buying. Finally, by using technical means such as big data and artificial intelligence to conduct precise positioning and consumer behavior analysis of consumers, enterprises can more accurately grasp the needs and preferences of consumers, formulate personalized promotion strategies, and improve promotion effects and sales conversion rates. The adoption of personalized promotion strategies can effectively improve the market competitiveness and sales performance of Chinese automobile enterprises in the European market, and achieve sustained growth and development.

Great Wall Motor launches customized product series for the European market. For example, Great Wall has launched customized versions of its SUV models under the Haval brand in the European market, such as the Haval F7x "Black Label Edition", which features special exterior color schemes and luxury interiors to meet local consumers' demand for personalization and high-end quality. Great Wall

carries out regional promotions based on the cultural and market needs of different regions in Europe. For example, Great Wall launched a special Christmas promotion in the French market, offering car purchase gift packages and limited-time offers, which attracted a large number of consumers to participate. Great Wall conducts cooperative marketing activities with local partners. For example, in cooperation with well-known auto dealers in Europe, Great Wall Motor's product display activities and test drive experience activities are held locally to provide consumers with the opportunity to personally contact and understand the products. Great Wall Motor carries out special promotion activities in key cities or regions of the European market. For example, in the UK market, Great Wall Motor carries out personalized digital marketing campaigns targeting young consumer groups in the London market, releasing brand information and product introductions through social media platforms to attract the attention of target customers. Great Wall Motor also holds experiential marketing activities in the European market, for example, in the German market, Great Wall Motor holds events in major cities called "Great Wall Explorer Experience Tour" to provide consumers with test driving experiences and outdoor activities so that consumers can feel Great Wall Motor's products and brand culture in person. Great Wall has adopted personalized promotion strategies in the European market to better meet the needs of local consumers and enhance the brand's competitiveness and influence in the European market.

3.3.4 Strengthen brand marketing and publicity

Strengthening brand marketing and publicity constitutes a pivotal component of the marketing strategy employed by Chinese automobile enterprises in the

European market. By means of effective brand marketing and publicity endeavors, enterprises can bolster brand awareness, establish a distinctive brand image, as well as captivate greater attention and recognition from consumers. Primarily, companies can promote their brands through an array of channels encompassing traditional media platforms such as mainstream automotive magazines, newspapers, television broadcasts, alongside social media outlets and exhibitions. At the same time, brand marketing activities can be carried out on social media platforms, such as publishing brand stories, product introductions, user word-of-mouth and other content, to interact with consumers and establish an emotional connection between the brand and consumers. In addition, participate in the international automobile exhibition (Munich International Motor Show, Germany) and other activities to showcase the latest products and technologies of the company to enhance the brand's visibility and image in the European market. Secondly, companies can strengthen brand promotion through sponsoring activities, partnerships and other ways. For example, sponsoring sports events, cultural activities or public welfare activities can enhance the brand's social responsibility image and establish a good brand image. Establish close cooperative relations with local distributors and partners to jointly promote the brand, expand sales channels, and enhance the brand's influence and competitiveness in the European market. Strengthening brand marketing and publicity is an important measure for Chinese automobile enterprises to promote their marketing strategy in the European market, which can help enterprises enhance brand awareness, establish brand image, attract more consumers' attention and recognition, so as to achieve sustained growth in sales performance and steady

improvement in market share.

For example, SAIC MG actively participates in global event sponsorship, such as participating in the International Automobile Federation (FIA) certified events. Among them, as the sponsor of the event, MG cars participate in the FIA Formula E Championship, which is one of the top international competitions in the field of electric vehicles. By sponsoring such events, MG Cars successfully enhance its brand awareness and influence in the world. Mg also produces and publishes advertisements to enhance the brand's publicity. These advertisements include TV ads, online ads, print ads and other forms, and show the product characteristics and brand concept of MG cars through carefully designed advertising content and images, attracting more consumers' attention and recognition. Mg SAIC actively uses social media platforms, such as Weibo, wechat and Facebook, to carry out brand publicity and marketing activities. Through the release of product information, brand stories, user cases and other content, it establishes interaction with consumers, strengthens the connection between the brand and consumers, and promotes brand loyalty and word-of-mouth effect. Mg SAIC also regularly participates in various automobile exhibitions and brand activities, such as international automobile exhibitions and auto shows. By displaying the latest products and technological achievements at these exhibitions, it communicates and interacts with global auto enthusiasts and professionals to expand its brand influence and enhance its international image and recognition. By focusing on product positioning and optimizing design style, SAIC MG is committed to building internationally competitive automotive products. Mg Automobile integrates international elements

and fashion trends in product design, and constantly launches product series that meet different market needs, enhancing the international image and competitiveness of the brand. Through the above methods, MG SAIC has successfully created an international brand image and achieved certain influence and competitive advantage in the international market. These brand marketing and publicity activities not only enhance the brand awareness and reputation, but also strengthen the emotional connection between MG cars and consumers around the world, laying a solid foundation for its international development.

3.3.5 Provide quality after-sales service

Providing quality after-sales service is one of the key measures for Chinese auto companies to strengthen their marketing strategies in the European market. By providing exceptional after-sales service, companies can bolster consumer confidence in purchasing vehicles, enhance brand reputation and generate positive word-of-mouth, ultimately fostering brand loyalty and driving sales growth. First of all, Chinese automobile enterprises can establish a perfect after-sales service system, including the layout of after-sales service network, the training and management of service personnel, and the optimization of service process. To ensure that all parts of Europe can provide timely, convenient and efficient after-sales service, so that consumers can enjoy high-quality after-sales protection at any time and place.

Second, enterprises can enhance the individuation and customization of after-sales service, providing personalized repair, maintenance, modification and other services according to consumers' needs and feedback. For instance, they can offer customized maintenance programs and repair services for various models and

usage environments, as well as develop personalized vehicle maintenance plans tailored to individual consumers. Geely Auto, for example, is dedicated to establishing a comprehensive after-sales service network in the European market to ensure timely and professional support for consumers. Geely Auto's after-sales service network extends globally, covering both domestic and international markets in China, providing consumers with convenient post-purchase experiences. Geely Auto consistently invests resources and efforts into enhancing the quality and standard of its after-sales service. It has implemented stringent service standards and processes while ensuring that service personnel possess professional skills and a customer-oriented attitude to deliver high-quality experiences to consumers. By introducing various value-added service initiatives, such as extended warranties, regular maintenance packages, and complimentary roadside assistance programs, Geely Auto offers consumers more choices along with an enhanced level of service experience. Adhering to the principle of "customer first," Geely Auto prioritizes the needs and satisfaction of its users by actively listening to their feedback and suggestions while continuously improving its products and services to meet user requirements. Geely Auto also actively participates in various social responsibility activities, focusing on environmental protection, public welfare and other issues to make positive contributions to society. Through these social responsibility activities, Geely Auto has established a good corporate image and won the trust and recognition of consumers and society. This has not only established a good brand image in the domestic market, but also won the recognition and trust of consumers in the international market. Through the establishment of a sound after-sales service

feedback mechanism, timely collection and analysis of consumer opinions and suggestions, and constantly improve and optimize the quality of after-sales service. Actively listen to the voice of consumers, solve problems and provide help in time, win the trust and satisfaction of consumers, so as to enhance the brand competitiveness and market influence. Providing quality after-sales service is an important measure for Chinese auto companies to strengthen their marketing strategies in the European market, which can effectively enhance brand image and market competitiveness, promote sales growth and sustainable brand development.

3.3.6 Build an international brand image

Building an international brand image is one of the important strategies for Chinese auto companies to further explore the European market. This means that enterprises need to take a series of measures to enhance the visibility, recognition and reputation of their brands in the international market, so as to enhance their competitiveness in the European market. First of all, Chinese auto companies should focus on product quality and design level. Through continuous improvement of product quality and innovative design, they should build internationally competitive auto products. This includes continuous improvements in safety performance, driving experience and fuel economy to meet European consumers' demand for high-quality cars. Second, companies should step up their branding and communication efforts. By participating in international automobile exhibitions, sponsoring international sports events, and conducting global advertising campaigns, they should enhance their brand exposure and awareness.

Chinese car companies can learn from the example of Formula E (FE) electric

racing car in building an international brand image. As an international race, FE has attracted global attention. For Chinese auto companies, participating in it is not only an opportunity for sports marketing, but also an important platform to build international brand image. One of the features of the FE event is to promote the development of electric vehicle technology and the popularization of environmental protection concepts. Chinese car companies can participate in FE events to demonstrate their technical strength and innovation ability in the field of electric vehicles and establish an environmental image. For example, Chinese car companies can develop high-performance electric racing cars and demonstrate their technological achievements on the field to prove their commitment to sustainable development and environmental protection. The FE race is an international event, and participation in it can give Chinese car companies global exposure and recognition. By displaying their vehicles and brand logos on the race track, Chinese car companies can enhance their brand awareness and image on the international stage and attract more attention and recognition from international consumers. By sponsoring FE events or cooperating with FE teams, Chinese car companies can strengthen their association with the event and enhance their brand image. For example, a Chinese car company can become a sponsor of an FE team, associating the brand with values such as high technology, innovation and passionate sports to inject new vitality and charm into the brand image. Participation in FE competitions is also a way for Chinese car companies to fulfill their social responsibilities. Chinese car companies can demonstrate their concern for society and the environment and build a positive corporate image by carrying out public welfare

activities and promoting environmental protection concepts during the event. At the same time, these activities can also promote brand exposure and positive image through media coverage and social media communication. By demonstrating their technical strength, establishing an environmental image, gaining international recognition, strengthening brand cooperation and fulfilling social responsibilities, Chinese car companies can use the platform of FE events to enhance their brand image, expand the international market and achieve the goal of global development. In addition, they will actively use social media platforms and digital marketing tools to establish a close interactive relationship with consumers and enhance the emotional link between brands and consumers.

Companies should also establish a good corporate image and social responsibility image. By fulfilling their corporate social responsibilities, actively participating in public welfare activities and advocating the concept of environmental protection, they should establish a good corporate image and win the trust and support of consumers. At the same time, strengthen the cooperation with the local government, media, social groups, etc., actively participate in the construction and development of local communities and social welfare undertakings, and establish a good image and reputation of the enterprise in the local. To build an international brand image, Chinese automobile enterprises need to make continuous efforts in product quality, brand promotion and corporate image construction, so as to enhance the international influence and competitiveness of their brands and further explore the European market.

3.3.7 In-depth understanding of consumer needs

An in-depth understanding of consumer demand is one of the key strategies for Chinese auto companies to further explore the European market. Understanding consumer demand means that companies need to conduct in-depth research on consumer groups in the European market, including their preferences, habits, needs and behavioral characteristics, to better meet their needs and provide products and services that meet market demands. First of all, Chinese auto companies can collect and analyze consumer data in the European market by means of market research and consumer surveys. This includes a comprehensive understanding of consumers' purchasing behavior, preferred models, price sensitivity, brand perception, etc., so as to determine market positioning and product positioning strategies. By establishing good communication channels, companies can interact and communicate closely with consumers. This includes collecting feedback and suggestions from consumers through social media, online forums, customer service centers and other channels to understand their evaluations and expectations of products and adjust product design and marketing strategies in a timely manner. Companies can also refer to the practices of their competitors to learn and draw on their successful experiences and lessons. Take the experience of BYD Auto in Germany as an example. The success of BYD Auto in the German market is a typical case that shows how Chinese auto companies can build an international brand image through innovation, quality and market positioning. As a leading electric vehicle manufacturer in China, BYD has successfully entered the German market with its leading electric vehicle technology and product advantages. Byd started research and development of electric vehicles as early as 2003 and has continuously innovated in technology. In the German

market, BYD's electric vehicles have been well received by consumers, who are concerned about environmental protection and sustainable development and have a high acceptance of advanced electric vehicle technology. The products offered by BYD in the German market are not only technological leaders, but also focus on quality and performance. Byd's electric vehicles are recognized in the German market for reliable quality and excellent performance, and can meet German consumers' demand for high-quality cars. By constantly improving the quality of its products, BYD has won a good reputation and credibility in the German market. Byd has adopted clever market positioning and marketing strategies in the German market. Focusing on the field of electric vehicles, BYD has launched a number of electric vehicle products suitable for the local market for the needs of German consumers, ranging from small cars to SUVs and other different types to meet the needs of different consumer groups. At the same time, BYD has also established a professional sales network in Germany through cooperation with local dealers to provide quality after-sales service and better car-buying experience for consumers. Byd pays attention to building a positive corporate image in the German market. Byd has actively promoted electric vehicle technology in Germany and participated in local environmental protection and sustainable development projects, demonstrating its commitment to environmental protection and social responsibility. These positive actions have established a good brand image for BYD in the German market and won recognition from consumers and society. In these ways, BYD has successfully built an international brand image in the German market, demonstrating the competitiveness and influence of Chinese auto companies in the

international market. This successful case provides valuable experience and inspiration for other Chinese car companies, prompting them to make greater efforts to go international and expand in the global market. In addition, through the analysis of competitors' product positioning, marketing strategy, service system and other aspects in the European market, we can understand the competitive pattern and trend of the market, and provide references for enterprises to formulate more effective marketing strategies. In a word, in-depth understanding of consumer demand is a crucial part of Chinese auto companies in further exploring the European market. Through in-depth understanding of consumers, enterprises can more accurately grasp the market dynamics, provide more competitive products and services, and achieve sustained growth and development in the European market.

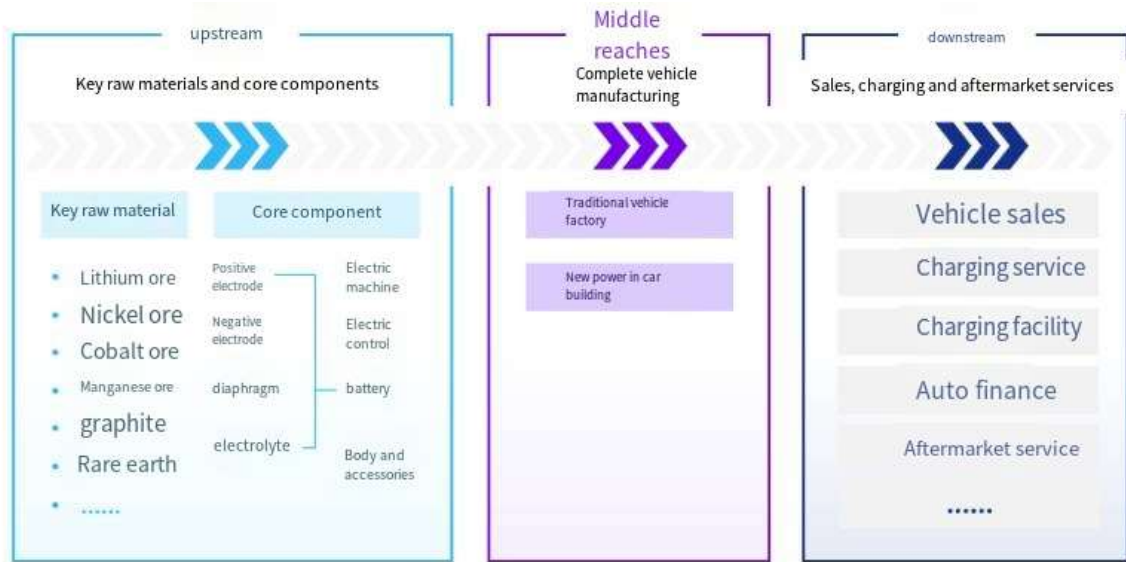
3.3.8 Promote localized production

Chinese automobile companies can establish production bases in European countries to manufacture automotive products that comply with local standards and requirements, thereby facilitating local employment opportunities and increasing tax contributions. By engaging in localized production, enterprises can mitigate the costs associated with international transportation and tariffs, reduce delivery cycles, enhance product competitiveness, and improve market responsiveness. For example, some Chinese auto companies have set up production plants in Europe, such as Geely Holding Group, Volvo's Chinese parent company, which has set up factories in Belgium to produce Geely and Volvo brand cars. Chinese auto companies can also cooperate with local suppliers to establish a stable supply chain system and realize localized procurement and production of parts. By cooperating with local suppliers,

companies can better meet the needs of the local market, reduce supply chain risks, and improve production efficiency and flexibility. For example, certain automakers in China have established long-term cooperative relationships with suppliers in Europe to realize localized production of auto parts. Chinese auto companies can develop customized auto products based on the needs and preferences of the European market. By understanding the needs and preferences of local consumers, companies can adjust product design and configuration, launch customized products that meet local market needs, and improve the market adaptability and competitiveness of their products.

In particular, Chinese auto companies have a comparative advantage in new energy vehicles. With a long industrial chain and complex technology, new energy vehicles mainly include key raw materials and core components in the upstream, vehicle manufacturing in the middle reaches, and charging, sales, aftermarket and other services in the downstream. China's new energy vehicles have accumulated strong technological first-mover advantages and sound supply chain advantages. Through the complete industrial chain structure, it can ensure the localized production of new energy vehicles in Europe. (Figure 3.2)

Figure 3.2 Analysis diagram of new energy automobile industry chain



Source: built by the author

The investment of China's new energy automobile industry in the European market has formed a pattern that basically covers the whole industrial chain. This is mainly due to the advantages accumulated by Chinese enterprises in the field of power batteries over the years as well as mergers and acquisitions around the power battery industry chain. On the upstream side, Chinese power battery companies have accelerated the pace of building factories in Europe and are committed to deep cultivation of the "three power system" (batteries, motors, electronic controls) to create the core competitiveness of new energy vehicles. These companies have established or plan to establish production bases in Europe to meet the needs of the future new energy vehicle market in Europe. The European Key Raw Materials Agreement issued by the European Commission will also facilitate investment and localization of raw material production capacity. In midstream, China's NEV Oems are gradually developing to improve product quality and control industrial chain costs through cross-border mergers and acquisitions and the construction of

overseas production bases. Some Chinese auto companies have set up research and development centers in Europe to better meet local market demand. On the downstream side, in order to better serve local consumers in Europe, Chinese new energy vehicle companies are also laying out sales, charging and replacement and late-stage market services. They are adopting hybrid models such as direct operation, agency and distribution, while exploring the subscription model popular in Europe. As the penetration rate of new energy vehicles in Europe increases, so does the demand for charging piles, and Chinese companies will play an active role in building charging infrastructure to support and guarantee the development of the European market.

The following are the main Chinese car companies that currently have production bases or factories in Europe:

Geely: Geely is one of China's largest private car manufacturers and owns London taxi maker LEVC and Swedish car brand Volvo. Geely Auto has production sites in Europe, including a plant in Girsselle, Belgium, which mainly produces Volvo-branded cars.

Great Wall Motor: Great Wall Motors is a leading SUV and pickup truck manufacturer in China, with brands such as Haval, Great Wall and WEY. Great Wall Motors has production sites in Europe, including a plant set up at Lazdijai Industrial Park in Bulgaria, which mainly produces Haval brand cars.

NIO Motor: NIO is a Chinese new energy vehicle manufacturer that focuses on the research and development and production of electric vehicles. NIO has established a research and development center in the United Kingdom, aiming to

further expand the European market and upgrade the product technology level.

BAIC Group: BAIC Group is a state-owned automobile manufacturing group in China, with a number of subsidiaries and brands, including BAIC Motor, BAIC New Energy and others. Baic Group has production sites in Europe, including a plant established in Austria, which mainly produces electric vehicles and new energy vehicles, localized so as to better meet local consumer demand for electric vehicles and new energy vehicles. Through local production, transportation costs and time can be reduced, delivery efficiency improved, and market demand can be met in a more timely manner. Through localized production, it can avoid the cost pressure caused by factors such as tariffs, transportation and exchange rate fluctuations, improve the competitiveness and market share of products, and also help to enhance the brand image and awareness of BAIC Group in the European market

Localized production effectively demonstrates the company's unwavering commitment and substantial investment in the local market, thereby enhancing consumers' trust and brand recognition. By introducing advanced production technology and management expertise, it is possible to elevate the level and competitiveness of the local automotive industry, thus making a significant contribution to regional economic development. Furthermore, European countries offer stringent policy support and subsidies for new energy vehicles and environmental protection industries. Establishing production bases in Europe enables us to efficiently access policy support and subsidies from local governments, mitigate investment risks, as well as enhance project sustainability and profitability.

Conclusions on section 3

This chapter mainly discusses the improvement of Chinese automobile enterprises' marketing strategies in the European market, including establishing stable sales channels, expanding online sales channels, adopting personalized promotion strategies, strengthening brand marketing and publicity, providing quality after-sales service, building international brand image, deeply understanding consumer needs and promoting localized production. Among these strategies, the establishment of stable sales channels is crucial, and ensuring the stability of the sales network can be achieved through establishing long-term cooperative relationships with dealers. Simultaneously, it is also imperative to expand online sales channels. With the advent of the digital age, consumers are increasingly inclined to purchase automotive products through the Internet; thus, reinforcing the development of online sales channels can better cater to consumer demands.

In addition, personalized promotion strategy is also an effective means to enhance market competitiveness. The attractiveness and competitiveness of products can be improved by making personalized promotion plans according to the characteristics and needs of different consumer groups. Strengthening brand marketing and publicity is the key to enhancing brand awareness and reputation. Through effective publicity and promotion activities, we can enhance the brand's awareness in the European market and enhance consumers' trust and goodwill towards the brand. Providing quality after-sales service is the key to maintaining customer relationship and improving customer satisfaction. By establishing a perfect after-sales service system, including rapid response and timely solution of

problems, it can enhance consumers' trust in the brand and improve customer satisfaction. To build an international brand image is an important strategy for long-term development. By improving the brand image and internationalization level, it can attract more consumers' attention and recognition, and then enhance the brand value and market position. An in-depth understanding of consumer needs is the foundation of an effective marketing strategy. Only through a profound comprehension of consumer preferences, needs, and purchasing behaviors can we devise targeted marketing strategies and enhance the market competitiveness of products.

Finally, promoting localized production can improve the competitiveness of enterprises in the European market. By establishing local production bases, enterprises can better meet the individual needs of consumers, reduce costs, improve efficiency, and thus enhance market competitiveness. To succeed in the European market, Chinese auto companies need to apply various marketing strategies in a comprehensive manner, and constantly optimize and adjust their strategies to adapt to market changes and the constant changes in consumer demand, so as to achieve sustainable development and growth.

CONCLUSION

This study aims to compare the marketing strategies employed by Chinese and Japanese automobile companies in the European market, while analyzing their respective strengths, challenges, and areas for improvement. In this research, we initially conduct a systematic examination of marketing strategy theory and methodology, encompassing the historical background and definition of marketing strategy as well as transnational marketing theories. Subsequently, we assess the current status of Chinese and Japanese automotive firms in the European market, including an analysis of their individual market profiles and encountered challenges.

By conducting a comparative analysis of the marketing strategies employed by Chinese and Japanese automotive companies in the European market, we have gained profound insights into the numerous challenges and opportunities faced by Chinese auto firms within the fiercely competitive international landscape. Consequently, this paper presents a comprehensive set of strategies aimed at attaining sustainable competitive advantage in the European market.

First of all, Chinese auto companies should strengthen cooperation with local partners and establish a solid sales network and channels to improve the coverage and penetration of products in the European market. This will not only help companies better understand local market demand, but also effectively reduce market entry costs and risks. Second, Chinese auto companies should focus on product differentiation and innovation, and meet European consumers' demands for high quality, environmental protection and safety by continuously improving product quality, performance and design, so as to enhance the competitiveness and

attractiveness of their products. In addition, strengthening brand building and marketing is an important way for Chinese auto companies to enhance their competitiveness in the European market.

By creating a unique brand image and brand story as well as implementing diversified marketing activities, consumers' awareness and favorability of the brand can be enhanced, thus increasing sales and market share. A well-established after-sales service system is also crucial for the success of Chinese automotive companies in the European market. By providing comprehensive and efficient after-sales service and technical support, it can enhance consumers' trust and loyalty to products, help enterprises establish a good brand reputation, and enhance customer satisfaction and word-of-mouth communication effect.

Finally, continuous market monitoring and competitive intelligence collection, coupled with timely adjustment of marketing strategies and product positioning, are essential means for Chinese automotive companies to maintain their competitive advantages in the European market and adapt to market changes. In other words, only through persistent innovation and adaptability can they maintain their invincibility in the fierce market competition and achieve long-term and stable development. By implementing these aforementioned specific strategies, Chinese automobile enterprises will be better equipped to seize opportunities in the European market, overcome challenges, and attain sustainable growth and development on the international stage.

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