
WANG Xinsheng
Department of Management
Shandong Jiaotong University
Jinan, China
e-mail:hzq-1230@163.com

FAN Xiaohui
School of mathematics and quantitative economics
Dongbei university of finance and economics
Jinan, China
e-mail: ss_huangzq@ujn.edu.cn

Abstract—In recent years, the independent brands of Chinese car industry have sprung up. Some not well-known companies now has taken up the banner of national brands, such as CHERY, GEELY, BYD. Brand is guarantee of performance, quality and service, and it is based on the market. At present, there are nearly 200 well-known trademarks across the country. However, trademarks of automobile accounts for only 12 percents. Based on the positive analysis of development strategy in Chinese independent brand of automotive industry, combined with the management theory of business strategy, this paper aims at revealing the development process of Chinese family car industry, and proposing strategies and measures for nurturing and developing our own brands, in order to improve the core competency of the domestic automobile enterprises and promote the development of the industry.

Keywords—family car; independent brand; empirical analysis; development strategy

I. INTRODUCTION

Compared with the saturated car market of developed countries at the threshold of the 21st century, nevertheless, Chinese market maintains sustained and rapid growth. The volume of sales of domestic market is 2.37 million, ranking seventh in the world; in 2009 sales is 13.6 million, become the first. The increase of Chinese auto consumption has accounted for around 20% of the global increase all the time.

But there are still many problems existing in automotive industry. It is the key that there is not a world-class brand car companies yet, which is alien to identity of large producer nation. Automobile production in China now as a great power as a serious discrepancies. The eleventh Five-Year Plan for China's auto industry promulgated in 2006, clearly pointed out that Striving to develop independent brand firms, try to increase market share in domestic market to upwards of 30 percent. That is challenge, which needs government, industry, businesses and consumers to make joint efforts.

II. CORRELATION THEORY OF BRAND DEVELOPMENT

A. Brands and Independent Brands

Brand has a deep, very wide meaning. Brand is a complex concept, which consists of association, logo, colors, packaging and other elements constitute trademark. Meanwhile, the brand is a huge intangible asset, which has strong marketing power, cultural cohesion, reputation radiation, the capital expansion and profitability. As the car logo, it expresses the connotation of enterprise, concentrates all the experience between consumers and products.

The so-called independent brand is that corporations have exclusive right of products brand.

It is an integrated carrier of capital, technology, management, and cultural capacities and features of the enterprises, the carrier of creation and accumulation of the enterprise core competitiveness, the external embodiment of enterprise value.

B. Brand Management Theory

Since P&G's Michael • Roy put forward his brand manager system in 1931, the brand has increasingly become the main source of corporation competitiveness. Up to now, the theoretical studies of Western brands has gone through the following five stages:

1) Brand stage
Brand researches become a hot field of marketing theory.

2) Brand strategy stage
This phase will elevate brand management to a strategic height, and come up with strategic Brand Theory in the view of brand building, such as Ries and Trout's brand positioning theory, Keller and Aaler of brand extension research series and so on.

3) Brand equity stage
The important outcomes of this phase are: Lu Taihong in terms of conceptual model, divided the theory of brand equity into three categories: conceptual model of financial accounting, market-based conceptual model of brand strength, consumer-based conceptual model. That respectively showed
Finance Odd and Interbrand brand equity evaluation model, and the core literature is Pitta and Katsanis of brand asset management plan in 90s, Keller's brand equity model based on the consumer, Aaker's brand equity five-star model and so on.

4) Brand management phases

A large number of monographs came into being in the phase, including Kapferer's book, Strategic Brand Management, Keller books and papers of the same name, Brand Report Card, Aaker's book (management of brand equity and brand leadership).

5) Brand relationship stage

Core documents include Fournier’s analytical framework brand relationship, Blackston’s conceptual model of brand relationship and AggarWal’s interaction of brand relationship norm research.

III. EMPIRICAL ANALYSIS OF DEVELOPMENT STRATEGY OF CHINESE INDEPENDENT BRANDS

A. Analysis of the Current Situation of Chinese Automobile Brand

Only if sales volume of car firms is up to about 2 million, the companies have international competitiveness. Obviously Chinese own brand car industries are far apart in size. Chinese car companies now outperforms well in human cost, management cost and so on. However, a pointed shortages show in the following areas: small scale enterprises, low grade of the product poor brand image and lack of technological innovation. And technological innovation is particularly inadequate, shows as follows:

1) Investment of innovation.

As the car industry's technological innovation is a huge project, it requires not only investment companies, but also the government's public investment. According to statistics, the research and development expenses of transnational corporation has accounted for 5 to 6 percent of sales income, whereas the expense only 2 percent in Chinese car industries. Compared with foreign companies, there is a huge gap between China and foreign whatever from absolute number or the proportion. (shown table 1).

<table>
<thead>
<tr>
<th>Rank</th>
<th>Corporate Name</th>
<th>country</th>
<th>R &amp; D (billion pounds)</th>
<th>Annual growth rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>DaimlerChrysler</td>
<td>Germany</td>
<td>4.006</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>FORD Motor</td>
<td>America</td>
<td>3.854</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>Toyota Motor</td>
<td>Japanese</td>
<td>3.838</td>
<td>11</td>
</tr>
<tr>
<td>4.</td>
<td>General Motors</td>
<td>America</td>
<td>3.386</td>
<td>14</td>
</tr>
<tr>
<td>5.</td>
<td>VolksWagenwerk</td>
<td>Germany</td>
<td>2.948</td>
<td>1</td>
</tr>
</tbody>
</table>

2) Number of the application of patents

Although the main focus of domestic enterprises is in the application of new patents and design patents, the real core patent is still relatively small. Most of these patents result from improvement of mature foreign models. Only if the technical capacity accumulates to a considerable extent, then can invention patents be taken as the main stage.

In Table 2, although independent brands occur after DongFeng, FAW and other joint venture, because these companies have taken in a relatively short history of independent research and development, so they typically show rapid growth momentum.

<table>
<thead>
<tr>
<th>Corporate Name</th>
<th>Patent New Application</th>
<th>Design Patent</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>DongFeng auto</td>
<td>66</td>
<td>145</td>
<td>61</td>
</tr>
<tr>
<td>China Faw Group</td>
<td>30</td>
<td>157</td>
<td>66</td>
</tr>
<tr>
<td>Chery Auto</td>
<td>5</td>
<td>65</td>
<td>148</td>
</tr>
<tr>
<td>Chana Auto</td>
<td>7</td>
<td>77</td>
<td>49</td>
</tr>
<tr>
<td>Geely Auto</td>
<td>6</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>114</td>
<td>453</td>
<td>334</td>
</tr>
</tbody>
</table>


B. SWOT Analysis of Chinese Automobile Brands

Using the SWOT tool of strategic management theory, we can draw SWOT Matrix as follows (Table 3):

<table>
<thead>
<tr>
<th>Internal Forces analysis (S, W)</th>
<th>ADVATAGES(S)</th>
<th>DISVATAGES(W)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Large Potential consuming groups and space</td>
<td>scale of production is uneconomical;</td>
</tr>
<tr>
<td></td>
<td>Low labor cost; Strong overall capacity of manufacturing; Perfect marketing network; Complete product system; Good development tendency of joint investment brand</td>
<td>Level of technology is backward;</td>
</tr>
<tr>
<td></td>
<td>Enterprise system is not perfect; Funding sources are not smooth; Innovation concept is not strong;</td>
<td>Product structure is unreasonable;</td>
</tr>
<tr>
<td></td>
<td>Brand awareness is weak.</td>
<td>Brand awareness is weak.</td>
</tr>
</tbody>
</table>

TABLE III. SWOT ANALYSIS OF CHINESE AUTOMOBILE BRANDS
### Opportunities (O)
- Technology break through opportunities;
- New international automotive manufacturers and brand market entry;
- Lack of ability of product innovation;
- Lack of price advantage;
- Lack of low-cost advantage brought from complete industrial chains;
- Lack of international business philosophy;
- Face technical, financial and brand impact after accession to the WTO.

### Threats (T)
- New international automotive manufacturers and brand market entry;
- Lack of ability of product innovation;
- Lack of price advantage;
- Lack of low-cost advantage brought from complete industrial chains;
- Lack of international business philosophy;
- Face technical, financial and brand impact after accession to the WTO.

### Strategies

<table>
<thead>
<tr>
<th>ST Strategy</th>
<th>WT Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focusing on developing economical brand middle and low grade cars;</td>
<td>Striving to improve core capacities and international competencies of the domestic automobile enterprises: ENCOURAGING private capital to join, and business combination with domestic brand firms;</td>
</tr>
<tr>
<td>Developing of new energy vehicles, implementing of the leap-forward development strategies;</td>
<td>Shifting price war to brand war and services war gradually, making the products integrate with the world market.</td>
</tr>
<tr>
<td>Maintaining continually development tendency of joint brand, taking the introduce-digestion-absorption innovation path</td>
<td></td>
</tr>
</tbody>
</table>

IV. DEVELOPMENT STRATEGY OF CHINESE AUTOMOBILE BRAND

A. Government Policy Strategy

Government policies will affect competitive advantages of the industry to a large extent. In the current management in the automobile industry, the government's priority is to maintain a level playing field, from the public interest to manage the industry, shifted from the economic regulation to social control.

Now the Government attaches great importance to developing its own brand cars. In addition to Automotive Industry Development Policy, the concrete operation of its supporting measures "constitute the characteristics of auto parts imported vehicle management approach" was formally promulgated, have come into effect on April 1, 2005. The core of this approach greatly inhibits the pace of rapid occupation of the Chinese market by foreign brands in the way of assembling, and will encourage more of the core components of production and development in China, which will be of great value to improve the quality of car parts own brands.

B. Industry Management Strategies

It's known to all that any enterprise is in commercial ecosystem. Strong as is the member, every member will eventually shares weal and woe with the whole system.

Car is assembled by the tens of thousands of parts, needs many, so it needs the supply of spare parts by many cooperation manufacturers. To improve the overall strength of China's auto industry, it is indispensable for vehicle manufacturers and parts manufacturers to make joint efforts, and neither is dispensable.

Development of own brand products is based on the support of production system of independent brand car parts. Development of own brands cars does offer great opportunities for domestic auto parts business, and it is the key for them to seize the opportunity to focus on innovation, develop high performance, reliable quality products. And in the same conditions they will get priority of delivery opportunities from vehicle plants. Then it is necessary to strengthen the complementarities between industries and enterprises, in particular the joint efforts of independent automotive enterprises, and the collective will develop a new model for the Chinese market.

C. Enterprise Development Strategy

In accordance with differences of technical capacity and fund demand, development of independent brand enterprises can be classified into four strategies: large group strategy, technology strategy, talent strategy, marketing strategy.

1) Large group strategy

In the face of economic globalization and the impact of large foreign automotive group, Chinese auto enterprises must follow the international trend to form large internationally competitive automobile groups to survive.

It is supposed to start with dealing with unreasonable allocation of car industry resources at present to develop strategy of Chinese enterprise groups, adapting capital operating model with characteristics of the automotive industry, making full use of domestic and foreign resources and going on the optimum allocation of resources. Led by the government, We formulate large-scale specialized vehicle enterprise group, based on cultivating leading enterprises core competencies which are compatible with economic globalization. We should select the favorable market segments in multi-level car market, with unique comparative advantages, focusing on developing our own car brands.

2) Technology strategy

By means of reverse engineering, Chinese automobile companies develop their own brand cars, learn design ideas and concepts of foreign models, and gradually increase the intensity and scope of the positive design to enhance the level of their development and research. Meanwhile, unifying domestic scientific manpower to develop in the field of fuel cell cars, seizing the favorable opportunity of on the same starting point at home and abroad to breakthrough, strive to leading position of the future automotive development.

3) Talent Strategy

The so-called concept of human capital emerges internationally. It mainly refers to two kinds of people: one entrepreneur; Second, technology innovators. To improve competitiveness, the key is to have core technology business. Therefore, for transnational enterprises, it is ought to focus on to establish an effective incentive mechanism of human capital
and stress the active role of human capital. Some incentives will be adapted, including job wages, end of year awards, options, job subsidies, welfare subsidies and so on, of which the most important incentive is the option.

Chinese state-owned auto companies face the competition of foreign companies. In addition to leaders' valuing, they should attract and retain talents by feelings, undertakings and other measures (especially the core personnel). In income distribution system, not only theory should break through, but measures must be innovative.

4) Marketing strategy

For an enterprise, a good marketing strategy is the best weapon in marketing war. Although the programs of Chinese auto enterprises in marketing strategies are equally significant, according to the overall trend, Chinese auto business marketing strategy can be classified as four categories.

a) According to different times, meeting the mainstream atmosphere of the time.

b) Considering technology leading as a focal point, highlight its value.

c) By The certification authority to win consumer trust.

d) Grasping the quality of life of consumers can meet the consumer's appetite.

The establishment of sales channels of the Chinese enterprises should increases the 4C factors based on the traditional 4P factors: user needs and desires (Customer-needs) and users to purchase and use cost (Cost), before, during, and after-sales service / convenience (Convenience), companies and the exchange of information between customers and feedback / communication (Communication). Make the "customer first, service first" deep root into our corporate business behavior.

D. Construction of Own Brand Innovation Chain

Business is the most fundamental and important subject and carrier for self-development, independent innovation of the national car industry. For car enterprises in China on the stage, the main goal of sustainable innovation is continuously to improve capabilities of independent development and manufacturing technology, open up new markets, increase market share, establish a good brand image and enhance the competitiveness of enterprises. The innovation of enterprises, especially continuous innovation and progress, is based on sustained technological learning and accumulation of knowledge and experience.

The Government should make up for market failures and provide research grants, subsidized loans and tax concessions to encourage business innovation by tendering important issue and enhance independent innovation capability. And then mobilizing social resources to participate actively in the activities of independent innovation, promote innovation chain operation. Research institutions and private institutions should strengthen their cooperation with the automobile industry, exchanges and communication, taking advantage of their advantages, to form reciprocity relationship.

The industry associations can provide information for members actively, organize exchanges and corporations between enterprises, and organize technical training for developers.

V. CONCLUSIONS

Development of independent brand sedans in China today, plays an essential role in the national economy. The global economic development of the 20th century shows that automotive industry has tremendously promoted promoting the national economy. In the current market of china dominated by foreign brands, development of own brand sedans is wise and has a national strategic significance. We firmly believe that under the guidance of national policy, in the joint efforts of the industry, related industries, related research institutes, and family car industries, Chinese independent brand sedans industries will surely make considerable progress.

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