Increasing Brand Equity in Chinese Automobile Market

A case study of Volvo Car Corporation

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ABSTRACT
The huge market potential of some fast growing markets attract many international organizations’ attention, especially China, as a huge automobile market is one of the most typical examples. Therefore, the purpose of this paper is to explore how Volvo Cars increase brand equity in Chinese automobile market. To answer this question, a literature review about brand equity and marketing strategy is done to create an analytical framework which is the foundation of the empirical observation and research analysis. Furthermore, the study constitutes a valuable source of information of Volvo’s operated marketing strategy, as well as providing practical situation on customer perception on a brand through interviewing Volvo's owners in different countries. The results of analysis and discussion indicated that there are distinctive customer perceptions in China and the appraised the Volvo brand equity is not completely matching the strategic goals. In this case, in order to increase brand equity in China, Volvo should craft and execute the corresponding marketing strategy on brand for the distinctive Chinese customer perceptions. As such, this paper complements previous research through presenting the current situation of Chinese automobile market and comprehending how Volvo as global car brand operating and performing in China from brand equity perspective. In that sense, this paper can contribute and add some useful information in this study field for other further studies.

Keywords: Volvo Car Corporation, Brand equity, Customer perception, Marketing mix, Chinese automobile market
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1. INTRODUCTION

Nowadays the huge market potential of some fast growing markets attract many international organizations’ attention, especially China is one of the most typical examples. The reports show that China is now the largest manufacturer as well as the largest buyer of automobiles in the world. The Chinese automobile market is stable fastest growing. With sales increasing by 4.3% in 2012, a total of 19.3 million automobiles were sold in China which has been growing steadily over the last five years. (Wright, 2013) There are 44.3% local brands in Chinese automobiles market, and the rest are produced by joint ventures with foreign carmakers such as Volkswagen, General Motors, Hyundai, Nissan, Honda, Toyota, and Mitsubishi etc. (Rozon, 2010) Therefore, the competition is fierce in Chinese automobiles market.

Among all the players in the market, Volvo Car Corporation connects subtly with Chinese automobile industry. According to Volvo Cars (or Volvo Personvagnar AB) history, as an automobile manufacturer, it originated from Sweden was founded in 1927, in Gothenburg, Sweden. It was originally formed as a subsidiary company to the ball bearing maker SKF. Volvo Cars was owned by AB Volvo until 1999, when the Ford Motor Company as part of its Premier Automotive Group acquired it. (Volvo Cars China, 2013) Zhejiang Geely Holding Group China then acquired Volvo from Ford in 2010. (MarketWatch, 2010) Volvo Cars as the only completely Chinese holding upscale auto manufacturer is an interesting case for researchers to study.

China as one of the biggest emerging markets plays an important role for Volvo Car Corporation’s international strategy. However, even though Chinese market has huge potential consumption, it is still a task for Volvo Cars to get advantage in the intense competition. After having been entered Chinese automobile market for almost 20 years, Volvo only holds 0.3% market share in Chinese market. In spire that Volvo Cars holds 18.8% market share in its mother market (Swedish market), its achievements in Chinese market still have large spaces to improve. Its old values of safety and performance over design and status might not yet gain much traction in China. Unlike Volvo, the rival car brand “Buick”, which entered the Chinese market 16 years ago, it turned into a well-known car brand and holds large market share from a new brand by using suitable branding strategy. (Chinawuli, 2004) The pervious studies also show that more and more marketers emphasize the importance of branding and the role of managing brand equity. Kotler (1994) claimed that the most redoubtable capability of professional marketers is how to create, maintain, protect and enhance brands. Brand equity as the key assets of the brand can enhance the efficiency and effectiveness of marketing programs and also provide a firm with a significant advantage. (Aaker, 2007) As the previous studies by scholars have realized the importance of brand equity and combining the real issues that Volvo Cars is facing in Chinese market, the authors realized increasing brand equity in Chinese market could enhance competitive advantage for
Volvo Cars.

Therefore, it is meaningful through discussing what kinds of measures have been used or could be used for the brand to show the company’s vision, to enhance the brand association, to increase brand awareness and to propel brand loyalty etc. Through illustrating real case of Volvo Car Corporation, this paper seeks to explore the main research question:

\textit{How can Volvo Car Corporation increase brand equity in the Chinese automobile market?}

The purpose of this study is to comprehend how Volvo Car Corporation as global car brands operating and performing in Chinese automobile market from brand equity perspective. It provides contribution and adds some useful information in this study field of the following three aspects: firstly, it will present the current situation of Chinese automobile market for other further studies. Secondly, it tends to fill up the research gap of global organization to increase brand equity in distinctive market by applying distinctive strategies which are different from its strategies in mother market. Thirdly, it also attempts to conclude some suitable suggestions of branding strategy for global firms to increase their brand equity in Chinese automobile market bases on existing researches and analysis in this paper.

Since Keller (1993) asserted the importance of understanding brand equity from the customer’s perspective. In order to understanding the distinctive strategies have been used or could be used on Volvo’s brand equity, the authors firstly try to figure out customer perception on Volvo in China through interviews compared with Swedish customers’ interviews. In this paper, the authors use Swedish market as an object of reference, through which the authors could differentiate typical characteristics of Chinese market from other markets. By choosing Volvo Cars’ mother market (Sweden), which is one of the important and successful markets, researchers could get a better understanding of Volvo’s operating strategies and target consumer segments in different countries. Through comparing the customer perceptions in two different markets to figure out the Chinese distinctive customer perception, which will be the basis of crafting and executing appropriate marketing strategies.

The reminder of this paper is structured as follows. First literature about brand equity management, marketing strategy and other relevant studies in the field are reviewed. A methodology section follows this that including the detailed parts consisted of research design, research approach, case selection, data collection, data analysis and research method assessment. The following section is empirical observation which is the detail about the description of collected data including both the information of the firm and the interviews with the consumers. This is followed by the research analysis part that including three parts. First part is about the distinctive Chinese customer perception on Volvo compared to Sweden; the second part is the discussion of Volvo’s Chinese marketing strategy on brand. Third part is the comparison of the appraised brand equity with strategic brand equity. Finally, some suggestions based on the results from the existing analysis in this paper are proposed in the discussion part.
2. LITERATURE REVIEW

The theoretical field of this research is about brand equity management. In this section, brand equity and marketing mix theories are the basic theories and foundation through the research in the paper. The two main theories of brand equity management: Aaker’s (1991) brand equity theory and Keller’s (1996) CBBE theory, indicate the concept, factors, function, meaning and relation in the field of brand equity. Besides brand equity, the research also involved in marketing strategy field and the representative of this field is marketing mix theory by McCarthy (1960), which is studied in the following in order to gain further insight into the operation of Volvo Cars in Chinese market. Moreover, the further study on the relevant researches helps to ensure the importance of brand equity in Chinese market or automobile industry. After reviewing the relevant theories and researches, a theoretical framework which integrates brand equity theories with marketing mix theory is designed to be the theoretical basis and fundamental through the analysis of this paper.

2.1. Brand Equity Theory

In the last centuries, more marketers emphasize the importance of branding and the role of managing brand equity. Brands have become the ultimate competitiveness, meanwhile, Kotler (1994) claimed that the most redoubtable capability of professional marketers is how to create, maintain, protect and enhance brands.

2.1.1. The General Definition and Contents of the Field

Brand is identified as a name, term, sign, symbol, or design, or a combination of them to be used to identify the products or services to differentiate them from those of the competitors (Pride et al., 2006). Branding and the role of brands were subject to constant review and redefinition. Keller (2003) mentioned that whenever a marketer creates a new name, logo, or symbol for a new product, he has created a brand, however, that brands today are much more than that. Nowadays brand is not all about products or packaged goods but a strategic asset that is a key to perform performance for company. As mentioned by Prasana et al. (2009) mentioned, marketers are more likely to take advantage of the source of brand meaning to fully achieve the potential of branding which will influence consumer purchase process and decision.

Otherwise, Cheverton et al. (2004) pointed out those branding matters the corporate performance through improving profitability, building loyalty, reducing risk. Top brands command premium price and win new customers much easier and less costly, win customer loyalty which results from the relationship between suppliers and customers, and minimize risky caused by new product development. As Kylander (2012) interviewed by Forbes said that strong brands enable organizations to build trust, gain resources, and establish network, which is meaningful to corporation profit. After recognized the importance of brand, the brand management process has been applied into corporation business strategy. Aaker and
Joachimsthaler (2000) discussed a phenomenon that brand manager’s focus was the short-term financial results instead of long-term because their primary goal is to maximize shareholder value. Under this situation, Davis (2002) proposed a new way of managing brands to adopt this diseased situation. He argues that growing support for managing brands drives every strategic and investment decision, through increasing customer loyalty, differentiating from the competition, and establishing market leadership. (Davis & Dann, 2002, P15) Aaker’s (2007) view about brand management mentioned about the reason why should firms build and maintain strong brand, and how to manage the most critical asset: brand equity. Currently corporation pays more attention on learning how to better build and manage assets that will pay off in the future. (Aaker, 2007) He also interviewed 250 business managers in order to get the result brand equity such as brand awareness, brand association, band loyalty, perceived quality will help corporation has sustainable competitive advantage, that means that company has strong brands will make corporation gets an alternative to competing on price and market share.

### 2.1.2 Brand equity

According to American market marketing research institute, the term “brand equity” is related to the association and behavior from consumers, channel members and mother firm to the brand. These customers perceive and behavior could add more sales and profit to a product with the brand name than that without the brand name. Meanwhile, brand would give strong, long-lasting and differentiation competitive advantages to the corporation than other competitors. When review the researches of brand equity sector, there are two famous models. One is called Aaker’s Model and another one is Customer-Based Brand Equity Model.

#### 2.1.2.1 Customer based Brand Equity Models (CBBE Model)

One important model is called customer based brand equity model. Being different from Aaker, Keller (1993) founds the customer based on brand equity which is now been widely used in research. Keller indicates the concept of brand equity from the view of consumers and discusses the method in evaluating and managing brand equity. “What elements constitute a powerful brand” and “how to construct a powerful brand” are two main issues could be solved in this model. It argues that brand strength exists when consumers understand, feel and experience the brand, or, brand strength is the total experience that consumers bear in their mind after long-term accumulation of experiencing the brand. A brand is said to have positive brand equity based on customers when customer respond more favorably attitude to a product or service compared to other brands. Brand as a reflection of past and direction for the future, provides marketers with a strategic bridge. Moreover, these processes are also depending on six aspects which are significance, performance, image, valuation, feeling and resonance. Keller (1993, 2001) claimed that customer behavior would be influenced by their brand knowledge construction; consumers would come up with different conclusion toward the two same products when one is branded another one is not. Keller (1993) defined customer-based brand equity as the differential effect that brand knowledge has on customer responses to the marketing of that brand. Meanwhile, according to Keller, “brand knowledge is a function of awareness, which relates to consumers’ ability to recognize or recall the brand, and image,
which consists of consumers’ perceptions and of associations for the brand.” Then Keller announced the dimension of brand knowledge which is shown as follows (Figure 1).

![Figure 1: Dimension of Brand Knowledge](image)


After years of development, Neremeyer et al. (2004) summarize the dimension of consumer-based brand equity theory (Figure 2), which grouped as two aspects: Core Dimensions and Other Dimensions which are clearer that what factors are more significant in evaluating and managing brand equity. The dimensions of summary on consumer-based brand equity is as followed (Figure 2).

![Figure 2: Dimensions of Consumer-Based Brand Equity](image)


The essence of reviewing Keller’s (1993) brand knowledge in CBBE Model for the study of
automobile brand equity management is as followed:

1. Brand knowledge of the customer is key factors affect customer perception of the brand. It means different brand image and brand awareness will lead to unexpected competitive advantage for the company.

2. Brand image is related to brand association, whose types have been divided into three parts: attributes, benefits and attitudes. Product attributes are controlled by corporate product strategy, in order to match customer requirement. Benefit refers to value created by corporation for customers and attitudes are the reflection of customer to products and service. These three parts of brand association reflect the relationship between corporation and customers.

2.1.2.2 Aaker’s Models
Another important theory in this field is Aaker’s brand equity model, Aaker (1991) divided brand equity discussion into five categories such as Figure 3, which are including brand loyalty, brand awareness, brand association, perceived quality and other proprietary brand assets such as patents, trademarks, channel relationships, etc. Aaker mentioned that there is inter-relationship among each of five categories, for example the perceived quality and brand association can affect consumers’ using satisfaction and confidence in the purchase decision, which will influence brand loyalty. During the further operation, Aaker (1996) detailed these five big aspects into ten more specific evaluation criteria, which are brand cognitive: quality cognitive, ascendancy/popularity; loyalty: premium, gratification/loyalty; brand association: value, brand personality, enterprise association; brand awareness; market situation: market price, sales area and market share. Aaker also emphasized that these aspects affect different degrees for a specific brand. His model makes brand equity modularization for the use of managing brand equity and it is more from a sight of enterprise.
When Aaker’s brand equity theory is applied into the study of the management of automobile brand equity in China, based on relevant viewpoints mentioned in CBBE Model, two main points should be highly considered is as followed:

1. Brand loyalty expressed through customer’s second purchase, which means positive brand loyalty will be benefit to corporate performance. According to Aaker (1993), brand loyalty is one of the factors reduce marketing costs, and attract new customers. Brand loyalty also creates word of mouth channel to increase brand association and a positive association.

2. Brand awareness means cognition from customers, which provides value to customers by enhancing brand information and makes it easy for customers to do purchase decision. Aaker (1993) claimed customer chooses the product in a well-known brand because brand awareness makes them to do purchase decision. It means good brand awareness will increase sales and profits of a corporation through influence of customer behavior.
2.1.3 Elements of Brand Equity

After combing the elements from Aaker’s brand equity model with Keller’s CBBE model, the researcher present the important elements which are the key factors affect brand equity as followed. Brand image as a crucial factor reflect customer perception about a brand plays an important role in this study of Volvo Cars’ brand equity. Brand positioning will be applied into this research of Volvo Cars since it is the organized system for finding a widow in customers’ mind, which builds and affects on brand image.

Brand Image

According to Keller’s (1993) theory, customer behavior would be influenced by brand knowledge. One of the important factors is brand image, which is defined as “customer perceptions about a brand as reflected by the brand association held in consumer memory”. These associations are anything linked in customer memory to a brand (Aaker, 1991). The brand image is formed by customer according to the associations they remember. Ditcher (1985) regarded brand image as the total impression in the mind of the consumer. In other words, brand image offer description of consumer’s thoughts and feeling about a brand (Roy & Lee, 2007). Brand image involves consumer’s knowledge and beliefs about product-related and non-product related attributes of the brand (Keller 1993, 2001). A favorable brand image would have a positive influence on consumer behavior about a brand such as increasing brand loyalty, managing a price premium and generating positive word-of-mouth (Martenson, 2007). Meanwhile Kotler (2000) defined brand image as the set of beliefs held by a particular brand. Moreover, there is special research about country image by Roth and Romeo (1992), figured out that consumers’ perception of products also based on their prior perception of the country’s production. Marketing studies argue that brand image is an important factor affecting brand equity (Biel, 1992, 1993). In this paper, the authors intend to find out through what marketing strategy that helps Volvo Cars to enhance favorable brand image and grow on positive consumers’ feedback in Chinese market. Moreover, brand image in this paper is reflected by two factors: brand positioning and brand association.

Perceived Quality

According to Aaker (1996) and Keller (1993), Perceived Quality can be defined as customer's perception to the total quality or superiority of a product or service; this perception regard to its related choice and purpose. Both of them believe Perceived quality is one of the core elements of consumer-based brand equity. Garvin (1987) states that the general index of 'quality' includes characteristics of the products to which the brand is connected with such as performance, identity, reliability, durability, convenience and style. Keller (1993) points out that the perceived quality of a product is determined by product performance and related product facets. These involve the speed, accuracy and carefulness in delivering and setting up product, immediacy and ardcency in account service, payment security and quality of maintenance service. Perceived Quality has some distinction with 'quality' Garvin announces, it is how consumers feel about reliability of the brand. Aaker (1991) states that perceived quality is beneficial for product positioning and differentiation competition, for generation of premium and enhancement of channel attraction, for supporting the execution of brand
extension strategy. These benefits are all due to consumers' attitude to the brand might more depend on abstract element such as brand personality or other symbolical meaning (Keller, 1998). Thus, Perceived quality is one judgment for consumers to clarify the brand from other competitors (Zeithaml, 1988). In this paper, the perceived quality will not be applied into the theoretical framework, because the authors choose brand association on product attributes to measure the perceived quality of Volvo Cars.

*Brand Association*

Aaker (1991) defined brand association as the category of a brand's assets and liabilities that include anything “linked” in memory to a brand. It is obvious that this association is abstract and it is about a way of living, the behavior or feelings, or factors mean something to consumers. Moreover, the mental association between consumers and brand could be developed as potential value of brand, basis of buying decision and brand loyalty as well. Keller (1993) also believed that the existing brand association would affect brand recall and buying decision. A core element of customer-based brand equity is the network of brand associations in consumer’s memory. (Christodoulides et al., 2010 & Keller, 2003) Keller (1993) classifies brand associations into three categories: attributes, benefits, and attitudes. Attributes are categorized as product-related which respects tangible aspects of a product or service, and non-product-related such as price, packaging and imagery. Benefits reflect to the value product attributes providing to customers. Benefits are categorized as three types: functional, experiential, and symbolic benefits. Attitude is the customer’s thinking of a brand, it indicate what customer think about a product or service. Strong brand association supports brand positioning, which can make brand be differentiated with other competitors and create a positive attitude of customers. Therefore, brand associations are important to marketers as well as to consumers. Marketers try to set up strong and favorable brand association linked with its brand image to take the lead of competitors and originate a positive effect on consumer purchase behavior (Keller, 1993). Marketers use brand associations to play a core role in separating one brand from another in brand differentiation and positioning, to provide a specific reason to consumer to purchase and use an unique brand in terms of product attributes and customer benefits, and to create positive attitude and feelings toward brands. (Aaker, 1991) Consequently, strength of brand association is expected to bring consumer behavior into changes. In this paper, brand association is a key factor to affect brand positioning, brand loyalty and brand image of Volvo Cars. Through examining Volvo car’s brand association in China and in Sweden, the researchers tend to evaluate whether Volvo car’s operated marketing strategy on brand association has gained positive effect on consumer purchase behavior so as to get a better understanding of the operations and performances of Volvo Cars in Chinese automobile market from brand equity perspective.

*Brand Awareness*

“Brand awareness consists of brand recognition and brand recall performance.” suggested by Keller (1998, 2001). He also believed that Brand Awareness is built based on consumers continuously engaging, boosting the familiarity to the brand. Consumers will prefer to choose the brand they are familiar with. For instance, “I’ll choose the brand I know; I’ve heard the
brand, so it must be good”, suggested by Macdonald (2000). Consumers’ purchase decision making will be affected by their recognition and recall on this brand, so that brand awareness will create competitive advantages for firms. Aaker (1991) claimed that in a more intensive competition, if there is no obvious winner among first-class attenders, then Brand Awareness is crucial to keep the feet on the market. He also argued that there is brand awareness pyramid: 1) Top of mind, 2) Brand Recall, 3) Brand recognition, 4) unaware of brand. In order to achieve brand awareness, brand or products need to be differentiable and memorable through taking advantage of symbol exposure, publicity, event sponsorship and etc. In this paper, considering the practical situation, the gap of Volvo Car’s brand awareness in China compared to Sweden is enormous and obvious. Meanwhile, it is not reasonable to test the extent of brand awareness in two markets just through the interviews done by Chinese and Swedish Volvo cars owners. However, the authors aware that brand awareness is a fundamental element of brand equity to estimate organization value. For this reason, the emphasis on Volvo car’s brand awareness in the analysis section is to discuss how Volvo operates marketing strategy to achieve brand awareness.

Brand Loyalty
In general, Brand loyalty from consumers is the most essential factor of brand equity (Aaker, 1991). Brand loyalty is the measurement of consumers' emotion to brand and is a long period of repeated purchasing behavior. If the reason of consumers purchasing the product is not due to the brand but others, there is a lost in brand equity. Brand loyalty could only occur during the process that purchase is done and consumers decide to make repeated buying action which is different from other dimensions. Other dimensions could emerge before the action of buying the brand. This means that only the consumers' experience could strengthen or weaken their future desire to the brand. In order to transferring market share quantity to quality, method of creating and consolidating brand loyalty is necessary. In this paper, brand loyalty as a measurement of consumers’ emotion to Volvo brand is the most essential measurement of brand equity reflected from customer perception.

Brand Positioning
As Ries and Trout (1981) mentioned, brand positioning is an organized system for finding a window in the mind, which means brand positioning is perception that happens in the minds of the target customer. Brand positioning creates an impression in the customers’ mind, builds and affects the brand image which plays an important role on brand equity. As Keller (2008) stated, a strategic brand management is the basis to position a brand and this goes through a four step processes as well as through its values and personal images to classify the brand among its competitors. Good brand positioning provides positive effect on brand value and brand image on customer compared to its competitors. Corporate marketers should proceed to a market segmentation to ensure that its values and image are adjusted to the target customers. With appropriate positioning adapted to the chosen market, the marketing strategy will be more effective to attract customers through taking advantages to other competitors. As Aaker (2001) said, segmentation is often the key to developing a sustainable competitive advantage which makes the brand be chosen primarily. The development of a brand positioning in the
market is by heightening customer perception of the brand equity over other brands of a similar nature. Brand positioning relies on the identification of a real strength or value that has a clear advantage over the nearest competitor and is easily communicated to the consumer. In automobile industry, ACRISS (the Association of Car Rental Industry Systems Standards, 2011) is wildly used in car classification. It divided car classification code into dozens of categories such as sports, luxury, economy, standard, Mini and so on. In this paper, the car classification is followed ACRISS. Meanwhile, considering the practical situation of interviewers on Chinese and Swedish customers, that most of them are not able to distinguish in professional standards, the target interviewees classified brand into upper-scale, upper-middle, middle and low-end market segments. Volvo car’s brand positioning is described to examine the brand image in target clients’ mind of Volvo in China compared to Sweden and the adaptation of Volvo car’s strategy to each segments to develop a sustainable competitive advantage over other brands in automobile market.

### 2.2 Marketing Strategy for Brand Equity Management

Strategic brand management, enhancing and protecting brand equity, can develop primary points of differentiation on competitors and sustainable competitive advantages based on non-price competition. As Hocker et al. (1994) mentioned that it is intangible assets which are resulted from marketing strategy, contribute with self-product to form brand equity. It is necessary to use marketing strategies to establish distinctive and suitable brand associations, brand loyalty, and brand awareness so that to be contribute to managing brand equity.

Hence, marketing strategy should function in a way that builds and manages brand equity. As Bachubire (1991) said that the ultimate goal of "tangible" commodities in marketing is to sell. Moreover, marketing emphasizes fulfilling the requirement of clients of product or services. One way to promote brand equity through a marketing strategy is to take advantage of consumer's satisfaction of getting the ultimate goal - selling. Marketer McCarthy's (1960) Marketing Mix theory is chosen to be applied into this research, because marketing mix theory which consists of product, price, place and promotion, indicated some relation between marketing and branding.

#### 2.2.1 Product Attributes

Products as tangible goods or service, satisfies consumer’s needs or wants. Chevorton & Peter (2004) mentioned that in the marketing, if a product has created added value which made by a seller of something comes only from added service to customers, not from the product itself, and then products are no longer a commodity. And if marketers cannot make products have added value, then he has failed in his task. Adder value of tangible products is in view of customer perceives the quality and value of the product depending on its product quality. In customer-oriented Model, Robert et al. (1993) focus on satisfying the consumer needs instead of research product added value. It emphasizes corporation does marketing strategy starts from customer needs, get profit by means of matching customer requirements.
The ultimate goal is to get win-win relationship between clients and corporation. The conception of brand equity management starts with a product. It means product attributes are the foremost consideration of strategy in brand equity management. According to Keller (1998), dimensions for product quality involve performance, feature, quality, reliability, durability, serviceability style and design. Above attributes help to develop consumer's attitude to a brand, influence their intention to purchase, create a price premium and put brand in differentiation position.

2.2.2 Pricing Strategy

Needham, D. et al. (1999) indicated that price is an amount of money that consumers are ready to pay for acquiring something from the product. In marketing mix, pricing depending on what you do with your product, how you promote it, and how you manage the place. Price strategy is one of the activities help corporation to realize the product value strategy. Most corporations use price strategy in terms of their expected revenue and market share target. Pricing will be challenge for marketers to balance between the market demands, own needs and competitor’s behavior. (Cheverton & Peter, 2004) Then in customer-oriented model, “cost” is related to the cost of consumer to meet their demand. It means when corporation apply price strategy, it needs to pay more attention on considering how much would consumers be will to pay in stead of emphasizing price and profit. (Robert et al., 1993) Keller (1998) mentioned that marketers apply pricing strategy based on understanding the amount of value that consumer is willing to pay and then premium over product cost. Price will influence consumers’ purchase appetency and purchase decision. Keller (1998) has termed it as “price bands” and in the market there is an acceptable price range. So, the pricing strategy is to sell the right product at the right price as per consumer’s wish. Therefore, the pricing strategy will have a direct impact on corporation brand positioning strategy. When a brand competes with other rivals starts with positioning, the suitable and effective brand position will contribute to get high brand awareness, perceived quality and positive brand association.

2.2.3 Distribution Strategy

Distribution refers to a place which provides the product and be convenient for consumers to access. Various strategies such as selective distribution, intensive distribution, and exclusive distribution can be used by marketers to manage their marketing strategy. (Kerin et al., 2001) With the rise of Internet and hybrid models of purchasing, convenience has been taken into evaluating marketing strategy. In customer-oriented model, “convenience” strategy is to consider selecting distribution depending on customer’s convenience, the ease of buying the product, finding information about the product and several other aspects. (Robert et al., 1993) Distribution strategy will also influence consumer purchase decision, brand association, and attitude for brand.

2.2.4 Promotion Strategy

Promotion is defined by Needham and Dave (1996) as the methods of communication that a
marketer use to offer information about the product to consumers through different channels such as advertising, public relations, personal selling and sales promotion. Advertising covers any communication that needs to be paid for such as advertisements on TV or Internet, print media and billboards. Public relation is where the communication is not directly paid for, includes sponsorship, exhibitions, seminars and so on. World of mouth is superior communication about the product by satisfied customers. Cheverton and Peter (2004) mentioned that the corporation does promotion strategy in order to grow the market share and sales volume, to attack competitors’ offer, to develop awareness of product and brand, to affect customers’ needs and perception. All above is to transmit information with consumers and attract their interest and attention for stimulating consumers’ purchases desire. Keller (1998) claimed that marketing communication is considered as the voice of the brand, which advises, convinces and reminds customers about the brand. The purpose of communication or promotion strategy is to increase brand knowledge in consumer’s mind to create positive brand image, brand association, brand awareness and public relations.

The essence of reviewing marketing mix theory for the study of Volvo brand equity management is through researching the product attributes, price strategy, distribution strategy and promotion strategy of Volvo to comprehend the marketing strategy’s application which has been occupied by Volvo to increase its brand equity in the Chinese automobile market.

2.3 Relevant Studies

When talk about strategy, it can be said that successful strategy will enable firm to differentiate their brand and products in the industry, which will help them to maintain their position in the market. Therefore, it is vital for the company to apply different strategies in managing the different resources and activities inside the company. This will be helpful because of the current changes in the internal and external business environment including the changing preferences, demands and needs of both the customers and the employees, which are considered as the most important stakeholders for a business.

The new strategic brand management mentioned that brands guide consumers’ perception of products and on the other hand, products send back a signal that brands use to underwrite and build their identity. The automobile industry is a case in point, as most technical innovations quickly spread among all brands, creating and sustaining brand equity through long-term consistency, which is both the source and reflection of its identity. (Kapferer, 1997) From this study, it emphasizes that the consumers’ perception of product and brand has influence on corporation in automobile industry.

There are some researches about how automobile companies doing strategic brand management in foreign market. Kang (2010) discussed about how Korean automobile companies adapts in Swedish market. He mentioned that when Korean automobile company, such as KIA, entered Swedish Market, they changed their brand position and created their brand image through high fashion design and good quality to help building the
trustworthiness of KIA. Although the research by Kang (2010) focuses on developed market, Sweden, while the research area of this paper is Chinese market. Kang’s work pointed out the importance of strategic brand management when global brand enter developed markets, which brings some insights.

And the research on “branding cars in China” (Jason et al, 2003), which did by McKinsey, told us that for consumers in China, the meaning of a car’s brand can be as important as tangible performance characteristics. Chinese car buyers have strong emotional preferences, are extremely brand conscious, and place great importance on industry leadership. So automobile companies need to develop and maintain strong emotional and intangible associations between their brands and the customer not only on the level of individual models but also on the corporate brand level.
2.4 Summary of Literature Review

The main theoretical arguments of relevant literatures have been summarized and are presented in Table 1:

<table>
<thead>
<tr>
<th>Brand Equity Theory</th>
<th>Main Arguments</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand awareness, brand associations, customer loyalty and perceived quality are the main factors of brand equity; brand knowledge of the customer is key factors affect customer perception of the brand; all of these factors influence each other and provides values to customer and corporation</td>
<td>Aaker (1991); Keller (1993); Neremeyer et al. (2004)</td>
<td></td>
</tr>
<tr>
<td>Brand position as activity of creating a brand in a distinctive place and value in the target customers, creates an impression on customers’ mind and affects the effectiveness of marketing strategy and advantage over competitors</td>
<td>Ditcher (1985); Roy, Baner Jee (2007); Keller (1993, 2001); Martenson (2007); Kotler (2000); Biel (1992, 1993)</td>
<td></td>
</tr>
<tr>
<td>Brand association as the memory to a brand plays a core factor in affecting brand recall, providing a specific reason to consumer to purchase and separating one brand from another in brand differentiation and positioning</td>
<td>Aaker (1991); Keller (1993); Christodoulides et al. (2010) &amp; Keller (2003)</td>
<td></td>
</tr>
<tr>
<td>Brand awareness consists of brand recognition and brand recall performance and affects consumers’ purchase decision-making; the critical way to achieve brand awareness is to be different and memorable</td>
<td>Keller (1998, 2001); Macdonald (2000); Aaker (1991)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Marketing Mix Theory</th>
<th>Main Arguments</th>
<th>Authors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing mix theory consists of product, price, place and promotion strategy; promoting brand equity through taking advantage of consumer’s satisfaction of getting the ultimate goal - selling</td>
<td>Bachubire (1991); McCarthy (1960)</td>
<td></td>
</tr>
<tr>
<td>Products as tangible goods or service, satisfies consumer’s needs or wants; the adder value of products is help to develop consumers’ attitude to a brand and influence their intention to purchase</td>
<td>Cheverton &amp; Peter (2004); Robert et al. (1993); McCarthy's (1960)</td>
<td></td>
</tr>
<tr>
<td>Price as an amount of money that consumers are ready to pay for acquiring something from the product is according to expected revenue and market share target.</td>
<td>Needham, D. et.al. (1999); Cheverton &amp; Peter (2004); Robert et al. (1993); Keller (1998)</td>
<td></td>
</tr>
<tr>
<td>Distribution refers to a place which provides the product depending on customer’s convenience</td>
<td>Kerin et al. (2001); Robert et al. (1993)</td>
<td></td>
</tr>
<tr>
<td>Promotion as the methods of communication is to transmit information with consumers and attract their interest and attention for stimulating consumers’ purchases desire.</td>
<td>Needham &amp; Dave (1996); Cheverton &amp; Peter (2004); Keller (1998)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration
2.5 The Theoretical Framework

After reviewing the relevant theories and researches, the theoretical framework which integrates brand equity theories with marketing mix theory is designed to be the theoretical basis and fundamental through the analysis of this paper. Considering the relationship between brand equity, customer perception and marketing strategy, the theoretical framework is presented in Figure 4. This framework is announced about the relationship between three main factors: customer, brand equity and corporation. The empirical observation, analysis and discussion chapter are managed and developed based on this theoretical framework.

Customer perception in this framework stands for customers’ attitude towards a brand. In this research, the customer perception is tested from conducting interviews with customers. Marketing strategy in this framework stands for the marketing strategy that corporations have operated which will have effects on the brand equity. In this research, the marketing strategy is identified by collected data as empirical evidence.

The brand equity is discussed in this framework includes three elements: brand image, brand loyalty and brand awareness. All of them are essentials that have a direct impact on brand equity. Brand image as Keller (1993) claimed is the first thing come into customers’ mind, and in the following it is divided into brand association and positioning that each of them affects the brand image. Brand loyalty as Aaker (1991) claimed that would create trade leverage, reduce marketing costs, attract new customers and strive for time to respond to competitive threats.

As Keller (1993) mentioned the importance of understanding brand equity from the customer’s perspective, noting that “though the eventual goal of any marketing program is to increase sales, it is first necessary for consumers to respond favorably to marketing activities for the brand.” To sum up what the literature review of relevant studies, the authors aware that it will help the researchers getting a more comprehensive understanding of the relationship between customer, brand equity and corporation, if the relations between them could be presented into a complete picture. The framework that is announced in the following (Figure 4) is about the relationship between three main factors: marketing strategy, brand equity and customer perception. The influence on brand equity can be realized from both corporation perspective and customer perspective as described in figure 4. As Keller (1993) mentioned that each customer’s thought, feelings, beliefs exist on their mind is shaped in response to marketing mix, brand image, communication and value of a corporation in the process. And customer based brand equity helps marketers to set strategic direction and inform their brand-related marketing strategy. (Keller, 1998) The brand equity in customers’ mind will affect marketing strategy of corporation on brand management. As Aaker (1996) argued that brand equity influence consumer attitude and behavior and there is strategic value of each category for organizations. It means brand equity is attached with a brand when it is offered to purchase influencing consumer attitude and behavior. While, as Keller (1993) claimed that customer perception as the mind of the consumer on a brand, can be used to
measure the brand equity such as awareness, association, loyalty. Brands with high levels of awareness and strong, favorable and unique associations are high equity brands. In a word, there is interaction between brand equity, customer perception and corporate marketing strategy.

![Theoretical Framework of relationship between Customer Perception, Brand Equity and Marketing Strategy](image)

**Figure 4: Theoretical Framework**

Source: Authors’ elaboration

The authors analysis base on the theoretical framework are divided into three parts, the explanation of application in this research is as followed:

Firstly, according to the theoretical framework, customer perception as the mind of the consumer on a brand can be used to measure the brand equity such as awareness, image, and loyalty. In analysis section, this part of the analysis tries to figure out the distinctive customer perception in China through comparing the collected data of Chinese and Swedish customers. The analysis about customer perception on brand in terms of elements of brand equity follows the theoretical framework (Figure 4).

Secondly, according to the theoretical framework, the marketing strategy operated by corporation interacts with brand equity. In analysis section, this part of the analysis attempts to figure out how Volvo adapts its marketing strategy on brand in Chinese Automobile market.

Thirdly, according to the theoretical framework, the realistic brand equity can be measured in one market reflected by customer perception. Meanwhile, the strategic brand equity is set and affected by the marketing strategy of the corporation. In analysis section, the authors discuss whether the operating marketing strategy can help Volvo achieve their expected brand equity. The authors compare the strategic and appraised brand equity on the basis of this theoretical framework (Figure 4) and discuss about the marketing strategy’s application outcomes in Chinese market.
3. METHODOLOGY

In this part, the methodological issues about this thesis are discussed. This paper is aim to explore how Volvo Cars increase brand equity in Chinese automobile market. In order to follow this main goal of the research, the company’s branding strategy is identified and it is also curial to get information from customers’ feedbacks. The methodology chapter includes six factors: research design, case selection, research approach, data collection methods, data analysis and research method assessment. The method used to collect the data would be detailed and the reason of choose this method instead of others and how it suit the research would be explained as well.

3.1 Research Design

This paper is based on the case study of Volvo Cars in Chinese automobile market. According to Yin (1984), generally, the case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. Case study method enables the researchers to examine the data within a specific context thoroughly and closely. In most cases, a case study method selects a small geographical area or a very limited number of individual as the subject of study. (Zaidah, 2007) In this paper, the research question is to explore how Volvo Car Corporation increases brand equity in Chinese automobile markets. China is chosen as the geographical area and automobile market is the selected research study area.

Using case study design in this research is preferable to answer the “HOW” question and help to examine data thoroughly and to understand the phenomenon of real-life situation with a better insight. Also, one of the case study’s strength is has the ability to deal with a full range of evidence from different sources: documentation, artifacts, interviews and observations. (Charles, 1992) To Use different method to collect the data can strength the validity of the data. Moreover, case study includes both quantitative and qualitative data which helps explain both the process and outcome of a phenomenon through complete observation, reconstruction and analysis of the cases under investigation (Tellis, 1997).

3.2 Case Selection

The reason to choose Chinese Market as the research market is because the huge market potential of some fast growing markets attract many international organizations’ attention; especially China is one of the most typical examples. China is now becoming the largest manufacturer as well as the largest buyer of automobiles in the world. The Chinese car market is stable and fastest growing. With sales increasing by 4.3% in 2012, a total of 19.3 million automobiles were sold in China which has been growing steadily over the last five years. (Wright, 2013)
The global automobile brand Volvo Cars is the selected international organization as the study case. Volvo Cars as the only completely Chinese holding upscale auto manufacturer connects subtly with Chinese automobile industry. As a famous Swedish originated automobile brand, it has large market share in Sweden. In spire that Volvo Cars holds 18.8% market share in its mother market (Swedish market), its achievements in Chinese market still have large spaces to improve. It is crucial for Volvo Cars to increase brand equity so that it can enhance the competitive advantage in Chinese automobile market to get advantage in the intense competition. That makes Volvo Cars an interesting case to study.

3.3 Research Approach

This paper relied on semi-structured interviews as the main method of data collection. The authors first considered using questionnaires to collect data, which allow the collection of a large amount of data. While, as Saunders (2009) mentioned questionnaires are usually not particularly good for exploratory or other research that requires large numbers of open-ended questions. They work best with standardized questions that the researchers can be confident will be interpreted the same way by all respondents. The reason to choose the semi-structured interviews instead of questionnaires is that the interviews focus on specific target groups (Volvo owners) would give more useful and detailed information which is more well-suited and valuable to answer the research questions. Open questions were used to give informants more spaces to answer and describe their own feelings about the brand and its products. The aim is to lead informants to give more detailed answers than expected. Former research shows that an open question is designed to encourage the interviewees to provide an extensive and developmental answer, and may be used to reveal attitudes or obtain facts. It encourages the informants to reply as they wish. (Saunders, 2009)

The semi-structured interviews are designed to conduct in both Chinese and Swedish market. Other large markets of Volvo Cars have also been considered to select as the study market, but since Swedish automobile market is the first home market and there are Volvo bases and plants in Sweden. China and Sweden are the only two markets of Volvo Cars operate the whole business own by the Group, which are very comparable. (Sohu Auto, 2011) It is interesting and also crucial to have the knowledge about the different customer perception between Swedish customers and Chinese customers. Customer perception on same brand products would have difference in different markets. The reason to comparing Chinese customer perception with Swedish customer perception is to figure out the distinctive Chinese customer perception by using Swedish market as an object of reference.

Meanwhile, due to the inevitable objective factors, the interviews with Chinese consumers and several interviews with Swedish customers were electronically via the Internet. Morgan and Symon (2004) argue that use the electronic interviews to refer to interviews held both in real time using the Internet. Using the Internet has significant advantages where the populations plan to interview is geographically dispersed. The advantage of online interview is that with all forms of electronic interview the software automatically records as people are typed in, thereby removing problems associated with audio-recording and transcription such
as cost, accuracy and participants’ apprehension. (Saunders, 2009) Moreover, the authors use empirical observation to collect secondary data. The main advantage of using seconding data is the enormous saving in resources: time and money. Also, it is the way to collect data quickly and it would help to place the findings within a more general context. (Saunders, 2009)

The respondents from Chinese market were chose from Shanghai, one of the biggest cities in China. There are several reasons to choose respondents in China from Shanghai instead of other cities. Firstly, as the major financial center in China and also the busiest container port in the world, Shanghai is one of the biggest car sales cities in China and the vehicle amount in Shanghai increase rapidly. It is reported that until 2015, the vehicle amount in Shanghai is expected to reach 3.6 million. Meanwhile, the average annul growth rate of vehicle amounts of Shanghai towards the end of this decade is among the top three. (Eastday, 2011) Moreover, after Volvo Cars was acquired by Zhejiang Geely Holding Group, the company opened its China Corporate Head Office and China region R&D center in Shanghai in 2011. (Wangyi Auto, 2011) All these reasons make Shanghai an ideal city to select Chinese informants.

The respondents from Swedish market were chose from Uppsala, one of the biggest cities in Sweden. The reason to choose Uppsala is to use the resource and geographical advantage. The researchers could conduct the interviews face-to-face with the Swedish Volvo owners in Uppsala. Meanwhile, due to the reason of limited time and money, Uppsala is also the priority city for the researchers to conduct the researches in Sweden.

3.4 Data Collection

3.4.1 Primary Data

The primary data of this research was collected through semi-structured interviews in China and Sweden. To strengthen the validity of the data, all respondents are from different age, different gender and different occupations. The common characteristic of the respondents is that they all have Volvo cars or had brought Volvo cars before. Due to practical reason that it is not so easy to find a group of Volvo Cars’ customers in China at once, it is more convenient to find the informants in Chinese market from the customers at Automobile Agency of Volvo in Shanghai. The Chinese participants were randomly chosen from customers at the Volvo agency. The authors asked assistants waiting outside of four Volvo Automobile Agency in different districts in Shanghai (Appendix A) to invite Volvo Cars’ owners to be the respondents of this research. Due to the geographical limitation, the interviews with Chinese consumers were electronically via the Internet. The owners who agree to take part in this research were asked to leave their contact information such as online chat or email address and make an appointment first and to conduct the interviews online later. The interviews with Swedish respondents were mainly conducted face to face. The researchers waited at the parking lots of large shopping malls in Uppsala (Appendix A) to invite Volvo Cars’ owners who meet the demands of this research to be the research respondents. The owners who agree to do the interviews were asked for 10-15 minutes to conduct face-to-face interviews, which
is to answer and describe their feelings about Volvo. While, there were two respondents who willing to participate in this research but did not have time at the moment. These two interviews were conducted through E-mails later.

The numbers of Volvo consumers have taken part in the research for each market is more than twenty (26 Chinese customers and 27 Swedish customers). Among which, some respondents did not want to talk much or did not give much detailed information is be identified as invalid interviews was filtered and removed. Finally, there are 40 semi-structured interviews in totally are used in this paper. 20 of the interview informants are Chinese Volvo costumers, while another 20 interviews are done with the Swedish Volvo owners. (Appendix A, Table 4) The age range of the 20 respondents from Chinese market is between 20 and 60 year old. Eleven of twenty are female customers, while rest of them is male customers. The age range of 20 respondents from Swedish market is between 25 and 65 years old. Ten of twenty are male customers, while the others are female customers.

According to Chinese respondents’ requirements, twelve of interviews were conducted through On-line Chat; eight of the interviews were conducted by E-mails. All the interviews with Chinese consumers were conducted in Chinese in consideration of the language background and were recorded automatically by computer software. Considering there is some complicated or irrelevant information during semi-structured interviews, authors transcribed and translated data into English, integrate and filter data before analysis.

The interviews with Swedish respondents were conducted mainly face-to-face and recorded in the meantime. The interviews were conducted in English due to reason that the researchers do not speak Swedish, while all the respondents involved in the interviews can use English to communicate. Considering there is some complicated or irrelevant information during semi-structured interviews, authors transcribed, integrate and filter data before analysis.

All the informants were initiated to answer the questions of their personal information, which affect the assessment of research analysis. Other interview questions were guided based on the theoretical framework which integrates Keller’s dimensions of brand knowledge (Keller 1993, 2001) with Aaker’s brand equity model.

At the beginning of interviews, the researches do self-introduction and explanation of the research purpose first. Then in order to get the picture of what kind of brand image does Volvo have in its consumers mind and also to test the brand association of Volvo, the interview questions started with the main question: “What do you think about Volvo’s brand and products?” This question aims at knowing respondents’ feeling about Volvo and its products. The following questions: “What does Volvo mean to you?” and “Why do you choose Volvo among other car brands?” lead respondents to talk about their own stories about Volvo brand and products. After knowing respondents’ feeling and stories about Volvo, the following questions are designed to lead respondents to talk about their feelings about Volvo
from brand loyalty and brand awareness perspectives. In order to get the impacts of customers’ brand loyalty, the interview questions like “Were/Are you satisfied with it? How do you think you are loyal to Volvo?” were asked. In order to get the idea of achieving brand awareness from customer perspective, interview question was set like: “By what channels of communication do you usually hear about Volvo?” In addition, all these interview questions are the guide of interview (Appendix B).

All the email interviews were conducted following the two main steps. At first, the authors asked four main questions which have been mentioned above to interviewees. After received interviewees’ replies, the authors need to guide interviewees to answer the research questions more relevant and further detailed when there were some misunderstanding answers or some answers were too general. For example, when the authors asked interviewees question like “How do you think of your loyal to Volvo”, the interviewees answered too briefly, the authors would like to know further ideas by asking “Are you satisfied with Volvo after you use it?” “Will you choose Volvo as your primary choice for your next car?” and “Will you recommend your friends to buy Volvo?” The email interviews complete through repeated inquiries. The time cost of email interviews is unfixed since it depends on the efficiency of emails and the speed of reply. It would take days to complete the email interviews via several emails between the researchers and respondents. During the process of the interviews, two interviewers tried to lead interviewees to narrate specifically and to provide practical answers. The answers that are interrelated or have interactions with the discussion are presented detailed in the empirical findings section.

3.4.2 Secondary Data

The method used to collect secondary data is empirical observation. The secondary data collected in this paper are both published materials available on the Internet and in the university libraries. The company’s home WebPages, financial reports and also national or international news and etc. are used as multiple sources for the secondary data.

The reason to collect data of Volvo Car Corporation’s marketing strategy from different markets: global, China and Sweden is to figure out what specific marketing strategy the company has operated in China through comparing to other markets.

3.5 Data Analysis

The collected data is described as the empirical findings which including both the information of Volvo Cars’ market strategy and the interviews’ results with Volvo car owners in different markets.

After repeatedly hearing 40 recordings of interviews, the interview descriptions were done by reading through the transcribed and translated recordings of the interviews carefully and
individually. In order to keep the closeness to the emotional reactions discussed by the interviewees, the empirical texts were presented as stories with an active and direct voice first. After that, the researchers highlighted the emphasis of interview contents mentioned frequently by the respondents. Relevant sections which are related to Volvo brands, products from brand equity perspectives were also highlighted and discussed before writing the empirical texts. The collected data is described and analyzed base on customer perception point of view in terms of theoretical framework of brand equity. After integrating 40 interviews, the representative empirical evidences were narrated as stories in Appendix. Meanwhile, the authors quote the typical opinions from the respondents to represent customers’ attitude and cognition towards the brand. The empirical findings are classified into four perspectives: brand association, brand positioning, brand loyalty and achieving brand awareness, to be the basis of research analysis. The general conclusions of the interviews among consumers in both Chinese and Swedish markets are described after comparing each interview.

The empirical findings of Volvo Cars’ market strategy are collected through empirical observation from Internet. The authors integrated the information which can be searched from magazines, research reports, economic newspapers and official website. After reading dozens of information, the emphasis information which is relevant to Volvo Cars’ branding, marketing and products were selected as the empirical findings. The general conclusions of Volvo Cars marketing strategy are presented in terms of marketing mix theory as the basis of research analysis.

After the descriptions of the findings, the collected data is analyzed from three bases on the theoretical framework of relationship between customer perception, brand equity and corporation. The first part of the analysis is through the comparison of the collected data in China and Sweden to figure out whether there are distinctive customer perceptions on Volvo in China. The second part of the analysis is to study the operating marketing strategy of Volvo in China. The third part of the analysis is to study the appraised brand equity of Volvo Cars in China by means of combining the company branding strategy’s goals with the feedbacks from present customers so that to explore whether the actual brand equity achieve expected goals.

3.6 Research Method Assessment

3.6.1 Reliability

There may be four threats to reliability of the thesis’s result that is argued by Saunder (2009), they are “subject or participant error”, “subject or participant bias”, “observer error” and “observer bias”. In order to test the reliability of the results, there are two types of reliability analysis. First one is internal consistency reliability. The second one is external reliability is a method to check whether the same results are displayed even through it is measured at different times by repeated measurement.
In the survey of this study, first a pre-test was taken with 8 samples of 4 Volvo customers from Chinese automobile market and 4 from Swedish automobile market was accomplished to enhance the reliability of the interviews. They were asked for their point of view about Volvo brand and feedback regarding to the interview questions. They informed that most of the questions were easily understandable and take about 5-10 minutes to complete the interviews. Nevertheless, according to the informants from the pre-test, one question was modified in order to help informants to understand the question better and one item was added in brand positioning to help identify customer cognition towards Volvo Cars in local market. Moreover, the order of the questions was also modified to fulfill a better construct.

### 3.6.2 Validity

The research is based on the semi-structured interviews to collect data. The numbers of Volvo consumers have been contacted for each market in more than twenty (26 Chinese customers and 27 Swedish customers) in each market. Among which, some customers did not accept the interviews and some invalid interviews was filtered and removed (interviews which customers do not want to talk much and did not give much information). The totally number of the interviews is twenty for each market.

One part of the participants took part in the survey were people living in China, in consideration of Chinese background, the interviews with Chinese customers were done in Chinese and translated into English later. Another part of the participants took part in the survey were people living in Sweden and the interviews with them were done in English. The researchers attempted to verify those who took part in the survey have or had Volvo cars. Moreover, the researchers made an effort to build the open questions in the interviews which can achieve the answers for the research problem.

### 3.6.3 Limitation

Even though the researchers made their best efforts during the limited time and tried to make the research more comprehensive, there are still some limitations of the research. The results of customer perception have the limitation to represent the overall customer perception on Volvo in China and in Sweden due to the limited informants that involved in the interviews. Also, the selected around 40 respondents in both two countries were from Shanghai and Uppsala, which limited the geographical distribution and may not generalize the population of Volvo customers in China and Sweden. Moreover, the interviews with Chinese customers were done through Internet that may limit to get informants’ body languages and facial expressions. And the language translation of the interview results may limit the expression meaning more rigorous accurate. Besides, the credibility of data collection which depends on respondents’ integrity also can not be guaranteed directly.
4. EMPIRICAL FINDINGS

In this section, the collected secondary and primary data is presented. Firstly, the Chinese Volvo Cars Corporation’s marketing strategy is identified through collected secondary data from global, Chinese and Swedish market. The background information is presented firstly, which is followed by the global, Swedish and Chinese marketing strategy in terms of the elements of brand equity in the theoretical framework (Figure 4).

Secondly, the collected data from the consumers’ interviews is described and analyzed base on customer perception point of view, which is through brand image, brand association, and brand loyalty. During the interview data descriptions, the general conclusions of the interviews among consumers in both Chinese and Swedish markets are described. Meanwhile, the typical opinions from the informants are quoted in this section to represent customers’ attitude and cognition towards the brand.

4.1 Marketing Strategy of Corporation

Volvo’s background and marketing strategies in Global market, Swedish market and Chinese market are presented in this part. The description of the brand equity programming and the operating marketing strategy, which helps to show the specific marketing strategy in China are the foundation of research analysis.

4.1.1 Global Marketing Strategy

Background
Volvo Car Corporation is a Swedish automobile manufacturer, whose vision is to be the world’s most progressive and desired luxury car brand. Volvo Cars have long been marked and stressed their safety and durability while their brand has been regarded as good reputation on reliability and solidity. The symbol of Volvo is an ancient chemistry sign for iron which is used to be signified for Swedish high quality. This corporate brand symbol represents commitment made by Volvo for customers that safety, quality and environmental protection. (Volvo Car Corporation, 2013)

Marketing strategy
The company intends to achieve corporate objective through unique business strategy such as professional design, technical innovation, and personalized service. In order to retain and broaden Volvo's market share in competitive environment of automotive market, Volvo Car Corporation must ensure its commitment, design around people, simplify and improve customers’ life, and enhance its brand value. (Nylander, 2011)

The company promotes their brand image into several conceptions such as safety, quality, environmental protection, design and development, sustainability and life style. Volvo has maintained its upper scale position as a brand by sponsoring events linked to the industry of
luxury such as Golf or sailing. (Volvo Cars Value, 2013)

According to media site of Volvo, global events sponsored by Volvo are published on the “Event calendar”. These sponsorship events could improve Volvo brand awareness, brand influence in consumers mind. “Volvo Ocean Race” which is a nine-month race in extreme conditions, conformed to Volvo’s brand image, quality, environmental protection, also matches its target consumers. Volvo hopes to make their target potential customers be attracted by those meaningful events. Then Volvo launches other event “International Auto Show”, which makes Volvo brand be recognized by motoring enthusiasts, also increase its brand awareness and brand value in public. Except for events information, on the media site, there are several social media choices there, which promote Volvo’s brand spirit into consumer’s mind through communicative network. (Volvo Car Corporation Media, 2012)

Volvo has announced its new corporate and brand strategy “Designed around You”, which puts customers at the center of the entire operations of the company. The strategy is a guide for its business, technology, products and corporate culture. (Autoevolution, 2011) According to its new corporate strategy, global expansion makes Volvo Cars showed sharply increased sales and growth during 2011 in global markets.

The differentiation of marketing strategy in two home markets, Sweden and China, is pointed out as below.

4.1.2 Swedish Marketing Strategy

Marketing strategy on brand equity
Volvo Car Corporation was founded in 1927, in Gothenburg, Sweden. (Volvo Car Corporation, 2013) Volvo Cars as a Swedish corporation with high reputation does not really need to advertise a lot in Sweden since they are so popular, and consumers know and trust this brand, quality and value of Swedish steel. (Samam & Vega, 2010) In Sweden, Volvo’s home market, Volvo brand is widely well known, one of the reasons is that Swedish people who have strong loyalty to Swedish cars manufacturer might prefer to buy Swedish cars. Therefore, The Volvo Car focuses on safety over all other features. In addition to safety they also emphasize family unity in the advertisements, which is very important value of the Swedish culture. (Wordpress, 2007) With its new brand strategy, Volvo Cars pointed out the design and economies of the cars, while the main focus remains on other factors which are foundation of Volvo brand image: safety, environmental-friendly and high-quality. Consumers paying extra attention to Volvo’s dedication to safety and high-quality, has been evident since Volvo’s inception in 1927. (Wordpress, 2007)

Marketing Strategy
The product attributes of Volvo Cars in Sweden are focusing on keeping its traditional attributes: Safety, Swedish Manufacturer, Scandinavian-design and Environment- friendly cars. The types of Volvo Cars are involved with series S, series V and series XC. (Volvo Cars
Sweden, 2013) Each of them represents different car segments such as business, family, and traveling. Comparing with Chinese Volvo Cars’ types, products in Sweden pay more attention on family and traveling style such as series V and series XC. The differentiation of types design is due to the favorable style in two countries. Then in order to increase its brand influence, Volvo Cars established Car Visitor Centre and Brand Experience Centre, which provides exhibition and conference so that customers could get insight into Volvo’s brand knowledge: safety and environmental protection. Instead of advertising which is high-cost, Volvo takes advantage of its brand loyalty and influence, using social media such as Facebook to public their current news; promote their new products and technology through public Internet media such as YouTube. (Volvo Car Sweden Media, 2013) Meanwhile, advertisements focus on safety and family unity also be invested that range from commercials to magazines ads and the company’s website. (Wordpress, 2007) Besides, Exclusive agent or distributor is appointed to cover the Swedish market. Volvo has 188 effective agencies around Sweden, who have operated for a long time and build sustainable relationship. (Volvo Car Sweden, 2013) Furthermore, the price strategy of Volvo Cars in Sweden is set the price range of different series from 215,100SEK, according to average earnings in Sweden: 23,539SEK per month, this price strategy is schemed differentiated with Volvo car’s price positioning in China. (Volvo Cars Sweden, 2013)

4.1.3 Chinese Marketing Strategy

Background
The automotive industry in China has been the largest in the world since 2008 (The Economist, 2009). After Volvo is acquired by Zhejiang Geely Holding Group, part of the Volvo's development strategy is to build China as the company's second home market and upgrade its image and define its brand, searching for a clear definition of what the brand stands for. Volvo performed well especially in 2011 with more than 54% growth in China, which is a strong indication that Volvo is on the right path of its global market. With strong growth in 2011 and stable expansion in 2012, Volvo has got a good start in 2013 (Financial Report, 2012), cumulative sales in first quarter is 13,780 increased 26.6% compared with last year which is more than average of other luxury brand. (Chexun News, 2013) Also, Volvo’s new models are launched and there is significant brand promotion in China, Chinese market has become the second largest single market instead of Sweden.

Marketing Strategy
According to the Chinese strategy which be announced in 2011 by Volvo Car Corporation, marketing strategy of Volvo China will focus on developing brand and product promotion, distribution capability, after-sale service and brand loyalty. In distribution strategy, Volvo Cars build broad distribution strategy, increasing Auto Agency from 106 to 220 in Chinese market, in 2011. (Tencent Auto News, 2011) Automotive agency which is different with Geely, according to Volvo’s brand positioning - luxury. Volvo plans to make its brand to represent for the leader of quality of life. One direction for Volvo is to become a more full-fledged premium brand by adding bigger cars to its product lineup. In fact, new CEO
Jacoby was very explicit are his comments: “...we have to up-scale Volvo in the near future to have a solid position in the premium segment. We have to define a Scandinavian version of what luxury means.” (Lefler, 2010)

In order to strengthen relationship with customers, Volvo used some promotion strategy such as sponsoring “Volvo China Open” for 16 years which has become the most extensive golf tournament. This is a strategic marketing strategy, because it will attract the participants and visitors who are the potential consumers of Volvo. In 2009, Volvo Cars organized sailing race “Ocean Race” in China, representing passion, challenge and innovation, which is consistent with Volvo Cars spirit. New car free driving activities and social media channels also provide closer communication with consumers. Meanwhile, it also has Jeremy Lin, the NBA basketball player as their spokesman in China and has sponsorship with ongoing popular and successful competition in China. (Volvo Car China Media, 2013)

Furthermore, it obviously indicates the product attributes of Volvo Cars is focusing on developing and innovating safety, environmental-friendly, professional and high-quality cars. (Volvo Car China, 2013) In order to take part in the race and stand out from competition of Chinese luxury car market, Volvo has launched a new model V40 in April 2013, which is called “the safest compact and intelligent model of luxury cars in history”. Unlike the flaunting image of its main target competitors, Mercedes-Benz A-class and Audi A3, Volvo V40 wants to keep low profile and meanwhile maintain its good taste and elegant lifestyle for consumers. (Li, 2013) Meanwhile, the relevant authorities released a test report of “vehicle interior air quality” in 2013, Volvo S60 is at the top of the list and Volvo is the only five-star luxury car among others. Among all the 43 vehicle models from 25 car brands, Volvo S60’s was ranked first due to its perfect performance of a comprehensive score superior to the national standard 2.5-1500 times. (Auto Home, 2013) From all the outstanding performance, it is shown that Volvo Cars put environmental-friendly as one of the most important product attributes.

Moreover, the price strategy of Volvo Cars in China is set the price range of different series from 249,000 to 1,480,000SEK, according to average earnings in Chinese modern city: 4,000SEK per month, this price strategy is schemed based on Volvo car’s luxury brand positioning. (Volvo Car China, 2013)

**Marketing strategy on brand equity**

After acquired by Zhejiang Geely Holding Group China in 2010, the company tries to keep its original image and value. The current president of Volvo Cars, Li Shufu, constantly emphasized “Geely is Geely, while Volvo is Volvo.” The company wants to keep Volvo away from Geely’s common and popular image and avoid being assimilated by Geely’s image so that it can still maintain its aristocratic tastes and Scandinavian-design style. (Sina Auto News, 2011)

At the conference of 2011 Volvo Cars China business strategy launch, ShenHui, the chairman
of China area and vice president for worldwide operation, said that the brand positioning for Volvo Cars in China is really clear. He mentioned, “According to the products catalogue, the auto markets can be divided into three segments which are luxury car, standard car and economy-car. It is shown that the growth rate in luxury car segment is much higher than other ordinary segments, although the market share of luxury cars is about 5% at present, the growth rate always maintains over 35%.” The organization wants to build a luxury car brand in Chinese automobile market with features of safety, low-key and good taste. (Sina Auto News, 2011)

He also said, “We predict that the luxury market will keep growing at double-digit rates. We also think the main drive for the growth of luxury car market due to the rapid growth of the rich class in China. We made calculates that the population of China in 2020 will over 1.5 billion and there close to be 4 hundred million people among middle class level. In other words, the numbers of family who have ability to afford luxury cars grow rapidly; meanwhile, they have the strong willing to buy. Under these conditions, we have reason to believe that the sales of luxury cars will increasingly grow in China.” (Sina Auto News, 2011)

4.1.4 Summary of the Marketing Strategy Findings

After study the introduction of Volvo Car Corporation and its marketing strategy, the following table 2 summarizes the findings in Chinese market and other markets which will be the basis of research analysis.

Table 2: Volvo Car Corporation’s Marketing Strategy in China Compared to Others

<table>
<thead>
<tr>
<th>Marketing Strategy</th>
<th>CHINESE MARKET</th>
<th>OTHER Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision</td>
<td>To become the preferred brand in Chinese luxury automotive market</td>
<td>To be the World’s most progressive and desired luxury car brand</td>
</tr>
<tr>
<td>Target Clients</td>
<td>The elite who focus on high quality life</td>
<td>Family Loyal Customers</td>
</tr>
<tr>
<td>Product Attributes</td>
<td>Safety &amp; Quality</td>
<td>Safety, Swedish Manufacturer, Scandinavian-design, Environment</td>
</tr>
<tr>
<td></td>
<td>Low-profile</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Professional</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Environmental Car,</td>
<td></td>
</tr>
<tr>
<td>Price Strategy</td>
<td>According to average earnings in Chinese modern city: 4,000SEK per month, the</td>
<td>According to average earnings in Sweden: 23,539SEK per month, the</td>
</tr>
<tr>
<td></td>
<td>price range of different series is from 249,000 to 1,480,000SEK.</td>
<td>price range of different series is from 215,000SEK.</td>
</tr>
<tr>
<td>Distribution</td>
<td>About 220 Auto Agencies were managed in 2011, and because of the new strategy,</td>
<td>About 188 Auto Agencies has been operated in Sweden, because of</td>
</tr>
<tr>
<td>Strategy</td>
<td>focusing on Chinese market, there will be more numbers of agency in China, which</td>
<td>the long history of Volvo in Sweden, the relationship between Volvo</td>
</tr>
<tr>
<td></td>
<td>will provide intimate sales and services.</td>
<td>and Agency will provide trust and advantage in distribution channel.</td>
</tr>
<tr>
<td>Events</td>
<td>“Volvo China Open”</td>
<td>Volvo Museum Brand Experience Centre International Auto Show Ocean Race</td>
</tr>
<tr>
<td></td>
<td>Social Media: Weibo, Youku</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Spokesman: Jeremy Lin (NBA)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Shanghai Auto Show</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Ocean Race</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sponsor of well-known competition</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration
4.2 Customer perception on brand

In this part, the results of the interviews are described so that it would help to show the differences of customer perception between Chinese and Swedish markets, which indicate the distinctive customer perception on Volvo in China. The general conclusions of the interviews among consumers from both Chinese and Swedish markets are described which will be the basis of research analysis and discussion. The typical opinions from the informants are quoted to represent customers’ attitude and cognition on the brand during the data description.

4.2.1 Customer Perception on Brand in China

Chinese Volvo owners generally mentioned that brand image and association of Volvo Cars is safe, high-quality, famous European car brand and originated from Sweden. Since the brand development of Volvo Cars is not yet mature enough in Chinese automobile market and the limitations of interviews, the brand loyalty and brand awareness on Volvo in Chinese customers’ mind is difficult to reach a conclusion through the interviews. According to the customers’ feedback, the degree of the satisfaction among Chinese Volvo owners is high. Due to the particular Chinese consuming culture in terms of basic national conditions, customers in China seem to give more consideration in brand image when purchasing products. The representative and distinctive opinions are listed and presented as below.

According to Keller (1993), brand knowledge alter consumers’ perceive to products, and customer behavior would be influenced by one of the important factors in brand knowledge -brand image, which is defined as customer perceptions about a brand as reflected by the brand association linked in consumer memory. The brand image is formed by the customer based on the associations they remember. From the collected data, “safety” has been mentioned frequently by Chinese customers. About 18 respondents mentioned the factor “safety” during the interviews. Like one of the informants, a 30-year-old male company employer said:

“When we talk about Volvo, the first thing come into my mind is “safety”. For me Volvo is represent “safety” and “high-quality” cars and I would consider safety as one of the most important factors when choose a car.”

18 of the Chinese informants mentioned “safety” performance of Volvo was what they expected before they chose the car and also what made them satisfied. 12 of respondents mentioned “safety” as the main reason why they choose Volvo among dozens of automobile brands. As one of the respondents, a 43-year-old female freelancer said:

“I choose Volvo mainly due to its “safety” performance which is differentiate from other Upper-scale car brands. I think it would be the essential competition for Volvo.”

“Famous European car brand” and “originated from Sweden” are two other main factors respondents often associates with Volvo and also could be the reason made they choose the car. As one of the informants, a 48-year-old male owner of a private company said during the interview:

“I finally made the decision to choose Volvo is because it is famous Swedish car brand...
which I think stands for quality.”

There is also a unique brand image which mentioned by many Chinese customers that they like Volvo Cars is because it keeps a low profile with high performance and represent a high quality life and a elegant lifestyle. Like one of the informants, a 29-year-old female teacher said:

“I think people who pay attention on their own image and like simple and elegant lifestyle will be appreciated with Volvo cars.”

Moreover, another fact is that more than half of the respondents thought Volvo cars were expensive cars to drive due to the reason of fuel consumption and maintenance cost. 12 of the 20 informants mentioned it during the interviews, one of them said as follow:

“The cost of usage, especially, the fuel cost and the maintenance fee are what I think it should improve since being more energy efficiency and environmental-friendly are really crucial among car manufacturers. As for me, when talking about Green Design, Japanese manufacturers rank near the top.”

According to the informants involve in the interviews, fuel consumption and maintenance cost are the two main factors that made Chinese customers dissatisfied. They thought Volvo might not strongly competitive in these areas compare to other economic Japanese cars. Besides, there are small percentages of informants who were not satisfied with Volvo Cars’ after-sell services and comfort level, 2 of the 20 informants mentioned about after-sell services and 3 of the 20 informants did not satisfied with the comfort level.

As Ries and Trout (1981) mentioned, positioning is an organized system for finding a window in the mind, which means positioning is perception that happens in the minds of the target market. As Aaker (2001) said, segmentation is often the key to developing a sustainable competitive advantage which make the brand be chosen primarily. During the interviews, the informants were asked to classify Volvo for its market segment. Here, the target Chinese informants classified brand into upper-scale, upper-middle, middle and low-end market segments consider the situation that most of them are not able to distinguish in professional standards (ACRISS).

According to the respondents in China, almost all of them (19 of the 20) thought Volvo is an upper-middle car brand. As one of the informants said:

“As for me, I will say Volvo is an upper middle brand like Audi. The prices of these brands are higher than the average brands, but they are cheaper than some luxury brands like: BMW and Mercedes.”

Since brand loyalty could only occur during the process that purchase is done and consumers decide to make repeated buying action, the respondents have been asked whether consider to buy Volvo cars again. Among 20 respondents, 11 of them want to buy Volvo cars again and 9 of them are not sure yet. More than half of the informants would consider buying Volvo again shows that the loyalty level among Volvo owners is optimistic although there are still some improving spaces.

The communication channels used by Volvo that influenced Chinese customers most were
TV advertisements, Internet, and recommendations from friends. Through Volvo Cars has the sponsorship with large event all over the world; few respondents mentioned it during the interviews.

4.2.2 Customer Perception on Brand in Sweden

Swedish customers generally mentioned the brand image and association of Volvo Cars is traditional, safe and Swedish. Moreover, according to the informants that involved in the interviews, Volvo as a traditional car brand in Sweden, it has high brand awareness and loyalty especially in traditional Swedish. The brand image, brand loyalty and brand awareness of Volvo in Swedish customers’ mind is distinct, however, the brand positioning and communication channels of Volvo in their mind are ambiguous. Questions about brand positioning and communication channels are hard for Swedish Volvo owners to answer. Meanwhile, one unexpected and interesting finding is that it is always mentioned by Swedish respondents that their car purchase preference is practicability. The particular characterization and distinctive opinions of Swedish owners’ interview pointed out as follow.

Brand knowledge, mentioned by Keller (1993), is formed as consumer memory of the product or service, which affect customer perceptions. According to the respondents, when it comes to brand image of Volvo car, “safety”, “practical” and “Swedish” have been mentioned frequently as the most important factors. From the collected data, about 17 respondents narrated their opinions about “safety” during the interviews. For instance, one of the respondents, a 48-year-old male taxi driver said:

“Volvo for me means “safety” which is the most important reason for me to choose Volvo as my taxi. I prefer to buy reliable and safety car, which is protection for my life.”

From the collected data, there are 13 respondents mentioned another key point, “Swedish manufacture”, which is frequently associated by respondents with Volvo brand. As one of the respondents, a 45-year-old male professor said during the interview:

“When I did the purchase decision, I have compared several car brands, I preferred to choose Volvo is because it is from Sweden, it has high reputation here and I trust it.”

There is also a unique brand image which mentioned by 8 respondents that they think Volvo Cars as “traditional” brand in Sweden. The feelings and memory of Volvo passed on from generation to generation, which makes Volvo brand image be linked to country association. One of the respondents, a 43-year-old female company manager said:

“I choose Volvo as my family car is because I’m used to it and for me it is a traditional symbol. My father has a Volvo. So after I got driving license, I drive Volvo. It let me feel familiarity and easy to control.”

According to Swedish respondents, another key brand image on Volvo is “practical” which is the primary factors make customers choose Volvo. Some of the respondents mentioned that they choose Volvo is because it meet their requirement on practical performance. It involves model design, space inside, space for luggage, durability in Swedish winter and so on. One of the respondents, a 55-year-old housewife mentioned during the interview:

“The space of luggage and reliable quality is the most satisfied factors after I use Volvo,
especially the durability of Volvo exceed my expectation, even in -20 degrees we do not need to worry about whether the car will be broken.”

After “practical” be realized in the interview, the importance of it also be testing in the informants, most of the respondents indicated that the key point make them decide the purchase choice is the practicability and price of the car, but brand does not matter their decision. As one of the respondents, a 46-year-old female professor indicated:

“When I choose a car, I will consider about its practicability and whether the price level is what I want. Brand will not be the primary consideration for my purchase decision.”

There is scarcely any dissatisfaction on Volvo Cars among the informants. According to Swedish respondents, 14 of 20 respondents do not have any dissatisfaction after they using their cars. The rest of respondents do not coincide in opinion.

In addition, when the respondents answered question about Volvo brand positioning, about 9 of 20 respondents said that they were not sure about it and they also do not care about it. As a 38-year-old female office lady said:

“I’m not sure about positioning of Volvo, may be middle or upper middle. I really do not know. Honestly, when I buy a car I pay more attention on its practical performance, I do not care about the brand positioning.”

On the other hand, other opinions of respondents on Volvo brand position has nothing in common. 3 of respondents put Volvo in upper-middle market, and 3 of respondents thought it is in basic market, and then 5 of respondents identified Volvo as expensive brand market. Consequently, the respondents did not coincide in opinion.

Brand loyalty is identified that repeated purchase action made after customers used the products. Among Swedish respondents, most of them are satisfied with their car after several years using and one of the typical brand image of Volvo is “traditional”. According to many of the Volvo owners, Volvo in Sweden is more like a culture to their families. Most of the typical and traditional owners are loyal to Volvo. As one of respondents, a 38-year-old female accountant said:

“When I bought my first car, I choose Volvo without any consideration. Because my father had bought Volvo since he was young, and my husband also did that. For me, Volvo is traditional culture and I think each of us is loyal to it. Next time, I also will choose it.”

When the respondents have been asked whether consider buying Volvo Cars again, 16 of 20 respondents put Volvo Cars as their primary brand option for next car. The percentage of loyal customers shows that the brand loyalty level among Volvo customers were really high. As one of the respondents said in the interview:

“Yeah, I will choose Volvo again. I am really satisfied with it, and it exceeds my expectation of Volvo.”

The communication channel is one of the frequently used marketing strategies when promoting brand to increase brand equity, especially brand awareness. According to the respondents, barely any informants recognize some advertisements on TV or Internet. Some of respondents mentioned that, in Sweden, almost everybody know about Volvo, so they will
not be followed on communication channels, because it will not affect their purchase decision. As several of respondents mentioned, they were aware of Volvo via observation on street. One of respondents said:

“I am not sure about any commercials, I notice Volvo car because I realize there are so many Volvo cars on street, especially Taxi. So I think that the quality of it will be great and it will be practical. So I followed Volvo after I saw it on street.”

4.2.3 Summary of the Customer Perception Findings

After describe the results of customer perception in China and Sweden, the following table 3 summarizes the findings of customer perception’s comparison in China compared to Sweden, which will be the basis of research analysis.

**Table 3: Chinese Customer Perception Compared to Sweden.**

<table>
<thead>
<tr>
<th>Customer Perception on Volvo Cars’ Brand Equity</th>
<th>China</th>
<th>Sweden</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand Association</strong></td>
<td>Safety &amp; High quality</td>
<td>Safety &amp; High quality</td>
</tr>
<tr>
<td></td>
<td>Famous brand</td>
<td>Swedish Manufacture</td>
</tr>
<tr>
<td></td>
<td>Swedish brand</td>
<td>Practical</td>
</tr>
<tr>
<td></td>
<td>Keep a low profile</td>
<td>Traditional</td>
</tr>
<tr>
<td></td>
<td>High fuel consumption</td>
<td>Reliable/ Durable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Comfort</td>
</tr>
<tr>
<td><strong>Brand Positioning</strong></td>
<td>Upper-Middle Market</td>
<td>Not Clear, spreads between upper-middle to middle market.</td>
</tr>
<tr>
<td><strong>Brand Loyalty</strong></td>
<td>Little loyal customers, but brand loyalty increase steadily</td>
<td>Confirmed loyal customers</td>
</tr>
<tr>
<td><strong>Achieving Brand Awareness</strong></td>
<td>TV Advertisement, Internet and recommendation by friends</td>
<td>Scarcely any attention on commercials, most of Swedish know about Volvo and word-to-mouth</td>
</tr>
</tbody>
</table>

Source: Authors’ elaboration
5. RESEARCH ANALYSIS

In this part of the paper, the analysis on observation of Volvo marketing strategy and interview findings from Chinese and Swedish respondents are developed based on the theoretical framework of relationship between customer perception, brand equity and marketing strategy. The first part of the analysis is through discussing the interview findings in China compared to Sweden to figure out whether there is a distinctive customer perception on Volvo in China. The second part of analysis is through arranging and comparing Volvo marketing strategy in Chinese market and other markets to comprehend how does Volvo apply marketing strategy on brand in China. Finally, the third part of the analysis is to study the appraised brand equity of Volvo Cars in China by means of combining the company branding strategy’s goals with the feedbacks from present customers so that to explore whether the actual brand equity achieve expected goals.

5.1 Customer Perception in China compared to Sweden

In this section, the authors comprehend distinctive brand equity on Volvo in China through comparing the Chinese customer perception with Swedish customer perception on the basis of the theoretical framework (Figure 4).

Brand image-Brand association:

One of the most striking results from the interview analysis is that in both two countries Volvo has been associated as a quality car manufacturer; quality and safety is the main factors associated with Volvo by the respondents from both China and Sweden; almost in all of the respondents’ mind, Volvo is related to “Safety”.

The main differentia of brand image on Volvo in two countries results from different consumer mentality and requirement. The major factor leads Chinese consumer to make the purchase decision is “brand”, it means consumers prefer to choose car brand which brand image tally with customer image. Moreover, because of the specific consumption environment in China, some of the consumers require a car, which keeps a low profile to evade others nonsense. On the contrary, the major factor makes Swedish consumer to choose the car is “practical”. Swedish customers with mature mentality pay attention to the practical function of the car. When the respondents be asked about their perception of the Volvo brand image, most of them offer these three main point: reliability, durability and comfort, which are the main impressive factors that Volvo gives them. According to respondents, customers in China associate Volvo as a famous European brand with specific trait: keep a low profile. While in Sweden, customers recognize Volvo as local and traditional Swedish manufacturer with practical and reliable function.

Brand Image-Brand positioning
The brand positioning of Volvo in Chinese customers’ mind is unambiguous. Almost all respondents recognize Volvo as an upper-middle car manufacturer, because they realize that the price range of Volvo is more expensive than the average local Chinese car brands, while cheaper than luxury foreign car brands such as BMW. Indeed even though Volvo Cars are rather expensive ones, in customers’ mind, the price is reasonable for the quality provided.

Whereas in Sweden, the results of respondents are ambiguous, because there is divergence occurred in the opinion of Swedish customers on brand positioning of Volvo. The findings are spread between upper-middle class manufacturer and middle class manufacturer. Some of respondents regard Volvo as expensive cars but not luxury as Audi or BMW, and others mentioned it as a basic choice. After discussing with respondents, there is a particular finding. The divergence of brand positioning in Sweden is because the primary factor influence Swedish customers’ purchase decision is practical instead of brand. Although Swedish consumers are so familiar with the brand Volvo, they do not show solicitude for where is Volvo’s brand positioning.

*Brand loyalty*

From the empirical findings mentioned in observation, it is hard to evaluate the brand loyalty of Volvo in Chinese market. Although Volvo entered Chinese market many years ago, the brand development of Volvo Cars is not mature enough and the sales and profit of Volvo increased sharply just in these three years. Moreover, due to the limitations of the research method, the second purchase of consumers cannot be measured. However, it is shown from the exiting interviews, the respondents are mostly satisfied with Volvo Cars, and half of them would take Volvo as their primary consideration of next purchase decision. On the other hand, almost half of respondents have declared to be rather not loyal to their car manufacturer, which is probably linked to their curiosity about other car brands. These respondents are mostly young people who might only have had one car until now and who probably still want to experience other brands before doing their purchase decision, which means it is difficult for them to become loyal to the brand.

As a traditional Swedish car brand, the performance of brand loyalty on Volvo Cars in Sweden presents a different picture from China. According to the interviews, some respondents mentioned they bought Volvo because they knew this brand from their parents and they thought Volvo as a tradition passing from generation to generation. Moreover, all of the respondents have a high satisfaction on their cars, and they mostly consider Volvo as their primary choice of the next car purchase decision. Some of the respondents mentioned they are loyal to Volvo as they know that it is high quality car with good reputation which makes customers trust for it.

*Achieving Brand Awareness:*

From the respondents’ feedback, it is indicated that different practical approaches should be used to help Volvo Cars to increase its brand awareness in different markets. It is obvious that
the communication channels Volvo used to convey its brand perception to customers is diverse in different countries. The cause of the enormous divergence is the differentia of brand awareness. Compared to Sweden, since the brand development of Volvo in China is still in progress, customers get to know Volvo brand mostly through TV commercials, magazines and Internet. On the contrary, as a traditional Swedish automobile manufacture, Volvo is widely known in Swedish customers’ mind with high brand awareness. According to Swedish respondents, they mostly recognize Volvo through word-to-mouth. The respondents in Sweden pay scarcely any attention on Volvo commercials, because Volvo has high brand awareness in Sweden and customers realize it from their parents and friends.

5.2 Marketing Strategy in China

Volvo targets China as its second home market that means Volvo has to operate reasonable and adaptive marketing strategy to attract Chinese consumers. According to previous empirical findings, Volvo has modified its products to adapt the Chinese Market. The model of cars in China will be designed longer than in Sweden. In this study, the main research is about “brand”, except the product design modification, the way of attracting Chinese potential customers might vary due to specific brand value. This section is through arranging Volvo marketing strategy on brand in Chinese market compared to other markets in terms of the marketing strategy’s empirical findings (Table 2), to comprehend how Volvo operates its marketing strategy in China.

Product strategy

According to previous empirical findings in marketing strategy of China, Volvo Cars core brand value including three factors: “safety”, “high-quality” and “environmental-friendly”. It indicates the product attributes of Volvo Cars are focusing on developing and innovating safety, environmental-friendly, professional and high-quality cars. The major competitive advantage of Volvo to rival with other international organization that has higher awareness in the Chinese automobile market is its product attributes: “safety” and “high-quality”. They are two main factors of Volvo same as Swedish marketing strategy. Don et al. (1993) emphasized that the corporation does marketing strategy starts from customer needs, get profit by means of matching customer requirements. Two major product attributes are implemented to match customer requirements. From the respondents’ attitude on Volvo, they are assured of the products’ safety and high quality. These two attributes also attract target clients who focus on high quality life. Since the product attributes: “safety” and “high-quality” are accepted by Chinese customers, Volvo Cars China sustains on promoting these main attributes to attract target consumers and manages to increase its unique competitive advantage through developing brand image of it safety and quality. Martenson (2007) announced that a favorable brand image would have a positive influence on consumer behavior, managing a price premium and generating positive word-to-mouth. “Safety” and “high-quality” as the two common and typical brand image of Volvo, has positive effects on corporation. Meanwhile, the product strategy on Volvo in China also emphasizes other product attributes such as
“environmental-friendly”, “low-profile” and “professional”, which be promoted through innovating new types of cars to match different car segments, keeping low profile with its good taste and elegant lifestyle for consumers, innovating environmental-friendly engine to promote vehicle interior air quality.

**Price Strategy**

Keller (1998) mentioned that marketers do price strategy based on understanding the amount of value consumer is willing to pay and then premium over product cost. Price will influence consumers’ purchase appetency and purchase decision. Volvo’s price strategy is schemed based on Volvo car’s luxury brand positioning. Compared to other luxury brand in China such as Mercedes-Benz, BMW and Audi, which positioning on high profile to attract much attention and publicity, Volvo chooses to position its brand on safety, environment, taste and keeping a low profile to attract target consumers. Also from the respondents, most of them consider Volvo as an expensive car with a reasonable price due to its reliable quality. The burden of Chinese consumers to buy Volvo is much higher than the burden of Swedish consumers. However, the price strategy in China still set price higher than Sweden. This price strategy is implement in order to match the requirement of positioning its brand on its target clients, elite and professional customer, whose consumer mentality is focus on brand value. The pricing strategy will directly impact corporate brand positioning strategy. As respondents mentioned about brand image that they associate Volvo as “famous brand” and “keep a low profile”, Volvo position its brand on luxury market to match its target customers who do not want to show off their money, ability, standing. Volvo does this pricing strategy according to expected revenue and market share targets. While particular brand positioning makes Volvo to own loyal customer, who appreciates the combine of trustworthy quality and reasonable price.

**Promotion Strategy**

Taylor and Shanka (2008) mentioned that one of the good ways to develop customer relationship and loyalty is to convey the brand perception through marketing communication. According to the situation of Volvo in China, the brand development of Volvo Cars is still in progress. Volvo tries to attract target clients who are the elite focus on high quality life through consistent sponsor events, such as “Volvo China Open”, whose target people is similar to Volvo China. Volvo intends to promote the brand through Golf competition, and attract much more potential consumers realize a professional and reliable brand. Volvo could increase brand awareness of potential consumers and also provide positive brand image of Volvo, associating it with healthy, high quality and professional brand image by means of this marketing strategy. Since Golf sports in China are applied to people with enough incomes, the vision of Volvo China “luxury market” tallies with the image of Golf in China. In addition, in order to create and develop its brand awareness in China, Volvo has sponsored many famous events such as “I am a singer”, which is the top one audience rating TV shows. Another strategy is to sign spokesman, Jeremy Lin, who is America born Chinese and famous NBA sportsman to build healthy and active brand image.
5.3 Brand Equity in China

According to the previous study of Volvo marketing strategy, it indicates that China is going to be built as the second home market of Volvo after it acquired by Zhejiang Geely Holding Group. That makes Chinese market a very important target market for Volvo Cars. After the acquisition, Volvo Cars has paid more attentions on Chinese market and launched new car models and many campaigns in order to increase brand equity. Based on the empirical findings (Table 2 & Table 3), this part of the analysis is to study the appraised brand equity of Volvo Cars in China through combining the company branding strategy’s goals with the feedbacks from present customers on basis of theoretical framework (Figure 4) to explore whether the actual brand equity achieve expected goals.

Brand image-Brand association

There are three core brand values which also can be consider as the good image that Volvo wants its products to have. Besides the two well-known products feature and brand value “safety” and “high quality”, another important core brand value of Volvo is “environmental-friendly”. Volvo has operated relevant product strategy such as technical innovation in higher safety factor and environmental-friendly area during its development history. Meanwhile, according to the earlier research about Volvo Cars China, there is evidence shows that Volvo have done a great job in environmental-friendly area. The product Volvo S60 is at the top of “vehicle interior air quality” and Volvo is the only five-star luxury car among other 43 vehicle models from 25 car brands. From all the outstanding performance, it confirms that Volvo Cars put environmental-friendly as one of the most important core value of the brand.

According to the customers interviews which are described before, the other two core brand value of Volvo “safety” and “high quality” have been mentioned frequently by respondents. “Safety” and “high quality” are definitely can be seen as closely connected with Volvo’s brand association in customers mind. These are the two words blurted out from Volvo owners that represent the brand features. While the “environmental-friendly” factor is rarely mentioned by respondents, though it is also one of the most important core values of the brand. Moreover, fuel consumption, which is relevant to environmental-friendly function, is mentioned by respondents frequently as one of the main factors makes them not so satisfied with Volvo Cars. Comparing to other Japanese competitors in the same price range in Chinese automobile market, Volvo Cars do not have strong competitor advantage in energy efficiency field. It means from customers’ point of view, it is hard to say that Volvo is associated with “environmental-friendly”, which is differentia with company’s desire.

This finding indicates customers associated Volvo as a “safety” and “high-quality” car brand, which matches Volvo’s brand equity strategy. However, the strategic brand association of Volvo Cars is also intended to be associated with “environmental-friendly” as well, which does not put into effect according to respondents’ feedback. All in all, the results indicate that brand association form customer point of view is not completely matching the company’s
desire.

**Brand image-Brand positioning**

At the conference in 2011 of Volvo Cars China, the chairman of China area mentioned the reason for the company to target luxury car segment is because there is data indicates the main drive for the growth of luxury car market is the rapid growth of the rich class in China. There would be more potential consumers who are willing to choice Volvo Cars in this class. Volvo Cars positioned its brand as a luxury car brand in Chinese automobile market with features of safety, low-key and good taste. In order to achieve this brand positioning, Volvo Cars operates corresponding product strategy and pricing strategy. The price strategy in China set price higher than other markets to match its brand positioning- luxury market. The operated product strategy such as the launch of new cars are aim to compete with other strong rivals in luxury segment, for example the new model V40 which was launched in recently is a luxury car target consumers who pursuit elegant lifestyle and have good taste.

While from the interviews’ feedbacks with 20 Chinese Volvo owners, the feedback from the customers’ points of view is not the same. It shows that almost all of them (18 of the informants) consider Volvo as an upper-middle car brand, not upscale car brand or luxury brand. Even though all the respondents satisfied with its safety, high quality features of the products, the brand positioning of Volvo in their minds still have slight distance from a luxury brand.

This finding indicates the strategic brand positioning of Volvo Cars is the Chinese luxury car market and “Luxury” is one of the core brand images of Volvo Cars, while their customers may not experience and realize yet.

**Brand loyalty**

The strategic brand equity can not be cognized through understanding the target of corporation. While Aaker (1991) mentioned that brand loyalty is the measurement of consumers' emotion to brand and is a long period of repeated purchasing behavior; in order to transferring market share quantity to quality, method of creating and consolidating brand loyalty is necessary. It means the higher brand loyalty leads to the better performance. According to the empirical findings of marketing strategy, Volvo has operated promotion strategy to strengthen the relation with customers such as new cars free driving, which is planned to contribute to Volvo’s brand loyalty. However, since brand loyalty could only occur during the process that purchase is done and consumers decide to make repeated buying action, brand loyalty of Volvo in the Chinese market is hard to be evaluated, as the second purchase of consumers cannot be measured. All in all, although Volvo has executed corresponding promotion strategy to enhance customer relationship which is related to Volvo’s brand loyalty, its strategic brand loyalty still can not be confirmed due to less information. Meanwhile, according to customers’ feedback, most of respondents are satisfied
with their Volvo and half of respondents consider Volvo as their primary choice on next purchase decision, despite all this, the actual brand loyalty still can not be measured due to there is a lack of second purchase process from the respondents.

Achieving Brand Awareness

As Aaker (1991) claimed that in order to achieve brand awareness, brand or products need to be differentiable and memorable through taking advantage of symbol exposure, publicity, event sponsorship and etc. According to the empirical findings of Volvo Cars’ promotion strategy, Volvo has launched many communication campaigns in China in order to improve its brand awareness and influence the brand image and value in consumers mind. “Volvo China Open” and “Volvo Ocean Race” are two largest sponsorship events of Volvo China in order to raising the brand awareness of the public, strengthen relationship with customers and attract potential target consumers. Meanwhile, the ideas of having the famous NBA basketball player as their spokesman and having sponsorships with ongoing popular and successful competitions in China are used to strengthen the brand awareness among Chinese consumers.

Whereas the finding is in terms of the Chinese customers who have been interviewed in this research, it is possible that the target group of sponsor events may not contain in the selected informants. However, according to the interviews with Volvo owners in China, they have heard about Volvo Cars and commercials of cars through many different channels. Among them, TV commercials, Internet and recommendations from friends are three main ways for customers get information about Volvo. Although Volvo Cars has much sponsorship with famous events, it is not the main communication channel to acquaint consumers with the brand. Customers may have heard about the events but the sponsorships may not have profound influence on consumers.

This finding indicates that Volvo Cars operates promotion strategy through sponsoring events to increase its brand awareness, attract potential target clients. While the customers are mostly attached by Volvo’s commercials and the effects and gains on using sponsorships to increasing the brand awareness among customers are not significant which means Volvo’s promotion strategy has not completely achieved expected results.
6. DISCUSSION

From the analysis part, through comparing the Chinese customer perception with Swedish customer perception in terms of brand image, brand loyalty and brand awareness, the authors comprehend there are distinctive customer perceptions on Volvo brand equity in China compared to Sweden. After combining the findings of Volvo Car’s branding strategy goals with the feedback from Volvo’s present customers in terms of brand equity, the authors get the result that the appraised customer based brand equity of Volvo is not completely matching the strategic goals. It means the operating marketing strategy of Volvo Car China has not completely achieved its targets.

Brand image

The marketing strategies, like product innovation on engine, launching luxury car type, setting higher price strategy than other markets, are proposed to achieve its strategic brand image including “safety”, “quality”, “environmental-friendly”, and “luxury brand”. According to customers’ feedback, Volvo’s brand image in China includes “safety” and “high-quality” which have a similarity with that in Sweden. While, Chinese customers also associate Volvo as an upper-middle brand with specific trait: keep a low profile, which is largely different with Swedish customer based brand image “practicability”. The result indicates that the distinctive appraised brand image includes “upper-middle brand” and “keep low-profile”, which does not completely match with the strategic brand image such as “preferred luxury brand” and “environmental-friendly”. This results in the necessity of adjusting the present marketing strategy to be corresponding to the distinctive customer based brand equity.

Brand loyalty

The promotion strategy such as new cars taste is operated to enhance the relation with customers in order to increase or maintain brand loyalty. While from customer perspective, the customer loyalty in Chinese owners is hard to be evaluated due to the limited second purchase process. According to customers’ feedback, the characteristic related to brand loyalty in Sweden is that the feelings and memory of Volvo passed on from generation to generation. Compared to the situation in Sweden, it does not indicate any distinctive characteristic related to brand loyalty in China. Also, the strategic brand equity can not be cognized through understanding the targets and strategies of corporation. All in all, it is difficult for the authors to draw any conclusions on Volvo’s brand loyalty due to the limited information.

Achieving Brand Awareness

The communication channels company used which would help to achieve brand awareness in China are different than those in Sweden. From customer perspective, Chinese customers
recognize and recall Volvo brand mostly through TV commercials, magazine and Internet, which is largely different with Swedish customers. Swedish customers recognize Volvo through word-to-mouth instead of commercials. Volvo Cars operates promotion strategy through sponsoring events to increase its brand awareness and attract potential target clients. However, the customers are mostly attracted by commercials instead of sponsorships, which mean Volvo’s promotion strategy on brand awareness has not completely achieved expected results. It results in the necessity of improvement for present marketing strategy in order to increase brand awareness.

As a result, the appraised brand equity does not completely match the strategic brand equity, which means the operating marketing strategy of Volvo Car China has not achieved its target yet. However, the trend of market share development in China is sanguine, meanwhile, Volvo performed well especially in 2011 and got good start in 2013 cumulative sales in first quarter. It is indicated that the operating marketing strategy still has positive effects on corporate performance. It is resulted not only the effectiveness of operating marketing strategy but also the necessity of executing the corresponding marketing strategy on the distinctive Chinese customer perception to increase brand equity.

Diverse marketing strategies are needed to cater to the unique consumer mentality of each market. Also, even for one brand, there are cognition differentiations of brand image from customers in different geographic market. It is crucial to formulate corresponding marketing strategy based on different customer perception. Based on the results of the study, the authors will provide several suggestions for Volvo. According to the analysis of customer interviews and observation on marketing strategy of Volvo, there is a discrepancy between the actual situation and the strategic expectation of corporation. One of the main findings is that the perception of Volvo in China is not perceived as a luxury car brand and not associated with an environmental-friendly car manufacturer. Therefore, as a suggestion for Volvo, brand positioning and brand association should be distinct and recognized. Meanwhile, it is necessary to promote and popularize the brand through using reasonable communication channels. Customers in China are not sensitive to the existing marketing network of Volvo. In consideration of this problem, a suggestion for the communication channels in China is that besides commercials on TV and Internet, the company could add more advertising on free newspaper to increase Volvo car brand awareness and to draw more attention of the public than before. Also, Volvo could popularize the events it sponsored which is a good way to attract consumers and develop brand loyalty. Moreover, it is one of the major tasks to make the commercials and sponsored events corresponding to Volvo brand association and positioning. In order to make its brand positioning clear to consumers, Volvo could exhibit its products with other luxury car brands that have similar brand value and positioning during the promotion of Volvo cars such as automobile exhibition. In addition, when Volvo wants to build and increase brand equity in Chinese automobile market, it is crucial for the company to get the idea of the distinctive local customer preference on car purchase. In order to increase brand equity of Volvo car brand, marketers of Volvo China should realize the differentiation of Chinese and Swedish customers preference and match the requirements of Chinese target
consumers, elites who pursue high quality lifestyle. According to the respondents in China, customers prefer to choose Volvo because they appreciate its high-quality, low profile and global brand. In order to match Chinese customers’ preferences, Volvo could maintain its low-profile design philosophy. Furthermore, the suggestion on the practical situation is besides paying more attention on executing and crafting corresponding strategy on increasing brand equity, Volvo should always focus on maintaining its product quality to keep its competitive advantage during the competition.
7. CONCLUSION

This study has used the case of Volvo to explore how global brands can perform in Chinese automobile market. More specifically, the authors intend to answer the research question: How can Volvo Car Corporation increase brand equity in Chinese automobile market? Since the results of empirical findings and data analysis indicates that there is a distinctive customer perception in China; and the operating marketing strategy does not make the appraised customer based brand equity of Volvo completely matching the strategic goals. In order to increase brand equity in China, Volvo should craft and execute the corresponding marketing strategy on brand, which is aimed at the distinctive Chinese customer perception.

Even though the authors of this paper tried to wide perspective and aimed to explore how global automobile brand perform in Chinese market by study the case of Volvo Cars, the main conclusions have the limitation of representing the entire global brands in Chinese automobile market. Also, the main findings of customer perceptions in Chinese and Swedish market are drawn based on the limited existing samples of interviews so that the analysis about the appraised brand equity of Volvo Cars in China has the limitation of representing the company’s overall conditions. In addition, even though the authors tried to collect the data of corporation’s marketing strategy from various angles, the analysis results in terms of marketing strategy findings have the limitation of representing the actual situation and strategic brand equity of Volvo Cars. Moreover, brand loyalty is hard to be evaluated since the limitation of this research method and the second purchase of consumers cannot be measured, which means there might be a limitation in evaluation on strategic and appraised brand equity. Furthermore, previous studies about automobile markets were more about automobile markets in developed countries while other studies more focus on other markets catalogue in China or study the automobile market from other point of view, such as the study of Jason et al. (2003) about branding cars in China was from customer emotion perspective. This paper is aim to contribute to studying the Chinese automobile market from the brand equity perspective, where there is still more researches are required to confirm these findings and to develop best practices for global car brands.
REFERENCE


Equity”, Journal of Marketing, 57 (January), 1-22.


APPENDIX

Appendix A: Interviews Information

Table 4: Demographic Information of Respondents

<table>
<thead>
<tr>
<th>Country</th>
<th>Gender</th>
<th>Numbers</th>
<th>Age</th>
<th>Numbers</th>
<th>Interview Type</th>
<th>Numbers</th>
<th>Occupations</th>
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<td>20-30</td>
<td>4</td>
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</tr>
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<td>25-35</td>
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Table 5: Detailed information of Interviews in China

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<tr>
<th>SHANGHAI, CHINA</th>
<th>Inviting Respondents: (Volvo Agency) On 23rd March; 24th March</th>
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<tr>
<td>Location:</td>
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<td></td>
<td>Fuxiang Volvo Agency; 552, Wuzhong Road, Minhang Distinct</td>
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<td>Shenjie Volvo Agency; 325, Hongliu Road, Putuo Distinct</td>
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<td></td>
<td>Shimao Volvo Agency; 1465, West Beijing Road, Jingan Distinct</td>
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<td>Respondent 4</td>
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</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
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<td>Respondent 5</td>
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</tr>
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</tr>
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<tr>
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**INTERVIEW TYPE:** Email

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<td>HR</td>
<td>26&lt;sup&gt;th&lt;/sup&gt; March - 1&lt;sup&gt;st&lt;/sup&gt; April</td>
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<td>Respondent 18</td>
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<tr>
<td>Respondent 19</td>
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<td>26&lt;sup&gt;th&lt;/sup&gt; March - 2&lt;sup&gt;nd&lt;/sup&gt; April</td>
</tr>
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Table 6: Detailed information of Interviews in Sweden

UPPSALA, Inviting and Interviewing respondents on 30<sup>th</sup> March; 6<sup>th</sup> April
SWEDEN

Location: Kungsgatan Shopping Mall Parking Lot

30th March

Gränby Centre Parking Lot

6th April

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INTERVIEW TYPE: Email

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<td>Professor</td>
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</table>

Appendix B: Interview Guidelines
1. What do you think about Volvo? What does Volvo mean to you? When we talk about Volvo brand, what is the first thing come to your mind?
2. Why do you choose Volvo among other car brands?
3. Were/ Are you satisfied with it? How do you think you are loyal to Volvo?
4. According to you, what do you think about Volvo’s brand positioning? For example, which market segment is Volvo in? Please give examples about car brands you think in the same
market segment.
5. By what communication channels do you usually hear about Volvo? And how often?
6. Will you consider buying Volvo next time? Will you recommend your friend to choose Volvo? Why and Why not?
7. Please offer us your demographic information. Age, gender, occupation and the type of your car