

Marketing Strategy of New Energy Vehicles: A Case Study of Ford and Audi Sports based on Marketing 4p Theory

Mingjun Tang^{1, *}

¹S.I. Newhouse School of Public Communications, Syracuse University, New York State, United States of America

*Corresponding author: mtang11@syr.edu

Abstract. The background of this paper is based on the worldwide improvement of the traditional automotive industry in response to the environmental degradation and energy crisis. The research question is since new energy vehicles are entering the market with a new concept, how traditional car companies will pre-empt the market share through marketing strategies, and how they will face the challenges of new energy companies. The research significance of this paper is based on marketing guidelines and two new energy vehicle case studies, hoping to give market reference to some traditional car companies in the market that have to transform due to global environmental policies or car companies that have been working on new energy vehicle development. Also, to improve the efficiency of the use of new energy vehicle enterprise marketing resources so that the use of enterprise resources maximizes efficiency. Based on the marketing strategies of different car companies, it is hoped to give them and the car companies some ways to grab market share. It is also hoped that this paper will provide some ideas and references in an academic sense to companies and individuals studying marketing programs for new energy vehicles. This thesis uses a case study research method to explore the marketing strategy of the automotive industry for new energy vehicles to give the rest of the market car companies for market reference and competitive product analysis. The study concludes that the 4P marketing theory can still help both traditional and new car companies' new energy vehicles to earn the purchasing power of users in the market.

Keywords: Marketing 4P Theory, Digital Marketing Strategy.

1. Introduction

The perfect combination of marketing and strategy has always been one of the challenges facing marketers in the 21st century. With the advanced internet in the 21st century, and the daily tell-tale logistics resulting from globalization, strategic marketing is becoming a way for every company to capture market share in the coming decades. Joe Girard, who is the World's Greatest Salesman, has said a sentence "Start doing what is necessary; then do what is possible, and suddenly you are doing the impossible [1]." Moreover, for marketing nowadays, strategy is what people call 'necessary.' Reading Jeremy Kagan's Digital Marketing: Strategy & Tactics, this paper shows that a large part of marketing strategy is interlinked with digital [2]. Because in the 21st century, digital has become a large part of everyone's day. In the pandemic era, more markets have become digital in form. A research paper called "A Study on the Marketing Strategy of the Fashion Luxury Industry in the Post-Epidemic Era - GUCCI as an Example" stated that "Under the pandemic, people's purchasing power has been greatly weakened and their consumption behavior has changed dramatically, from offline to online [3]." The same applies to the automotive industry, especially in new energy vehicles.

The increasing demand for automobiles in the 21st century has led to the intensification of global environmental pollution and energy problems. Major automakers are gradually transforming their automotive products in response to global environmental policies and the environmental regulations of each country. Automakers are investing more in technology to develop new electric energy vehicles to replace traditional gasoline vehicles. Due to the special characteristics of the new electric vehicles and the low acceptance of the products, the overall market share is small. Therefore, marketing methods are fundamental.

2. Theoretical Foundation

This article is based on the classic Marketing Theory of the 4Ps proposed by the famous American scholar McCarthy [4]. That is the product, price, placement, and promotion strategies of enterprises under the background of the 6Ps and 10Ps theory of the new era market to explore the marketing of new energy vehicles. The Marketing Theory of the 4Ps is the traditional marketing theory based on product, price, placement, and promotion. The product can be any good or service the company sells that fulfills consumer needs or desires. A direct product's price affects people's desire to buy and customers' purchasing power, which indirectly impacts the volume of sales and business profit. Placement is the company choosing where products are to be made available for sale, and promotion involves decisions like public relations, advertising, direct marketing, and online campaign [2].

However, as the market has changed to digital marketing, the traditional 4Ps are changing dramatically. Online Marketing is diverse and growing; people need to connect different channels with unique targeting, pricing, and ROI considerations. Product is defined as what a brand can do for consumers that have been transformed by digital technology [2]. Price transparency is transformational in some categories [2]. E-commerce is revolutionizing many categories. Moreover, for promotion, not just where brands promote has changed, but also how marketing people do it [2]. As the market has changed, the 4Ps marketing theory has been broken down since the beginning of the 21st century to become the 6Ps, that is, the addition of people in marketing and presentation [5]. Even the 10Ps have emerged with the rapid development of the times: physical evidence, process, packaging, positioning, people, and personalization [6].

Therefore, that will lead different strategies allow marketers to optimize the way to seize the market.

3. Case Study

3.1 Ford And Its Marketing Strategy

Ford separated its star product in 2021: Mustang series, into a new pure electric product, and this product is built in the mode of "user-centric" [7-8]. It is clear that Ford has determined to transform—using a marketing strategy for its new products.

In 2021, Ford China Electric Vehicle Division planned to open stores in 20 cities across the country, first covering the core cities where 90% of the nation's mid- to high-end electric vehicles are sold [9]. Based on Ford's existing national service network, it will create an "Everything Online" -- a one-stop online experience where users can place orders, pay for reservations, and have their cars picked up and delivered [10]. At the same time, a star rating system will be introduced as the main tool for channel management. At this point, Ford has adjusted the promotions in the 4p marketing theory by replacing the traditional middleman marketing model with the direct sales model to speed up the user's access to information about new energy vehicles. Moreover, with the development of the Internet in the 21st century, Ford is using the combination of online and offline marketing models to take the first share of digital marketing and broaden the market.

The 2021 Ford all-electric mustang E-Series makes a tremendous product play. This time, Ford has made a tremendous adjustment in product strategy, which is user-centric, by adjusting product nuances for the user experience in different markets in China and the United States. The two countries have different functions for the use of the back seat. The United States citizens will be used to put cargo or bags so that the vehicle will be designed with more consideration for the comfort of the front seat and reducing the gap between the rear nozzle and the front seat. However, in China, the front and rear seats are used equally. People will both sit in the front and rear seats. Therefore, the Chinese mustang E series adjusted the pitch between the seats and the material selection for the Chinese user experience. The marketing model incorporates digital marketing, highlighting the user-centered concept of social media promotion. Fig. 1 shows how Ford benefits from marketing strategy in the new-energy car industry.

Unit (Thousand)

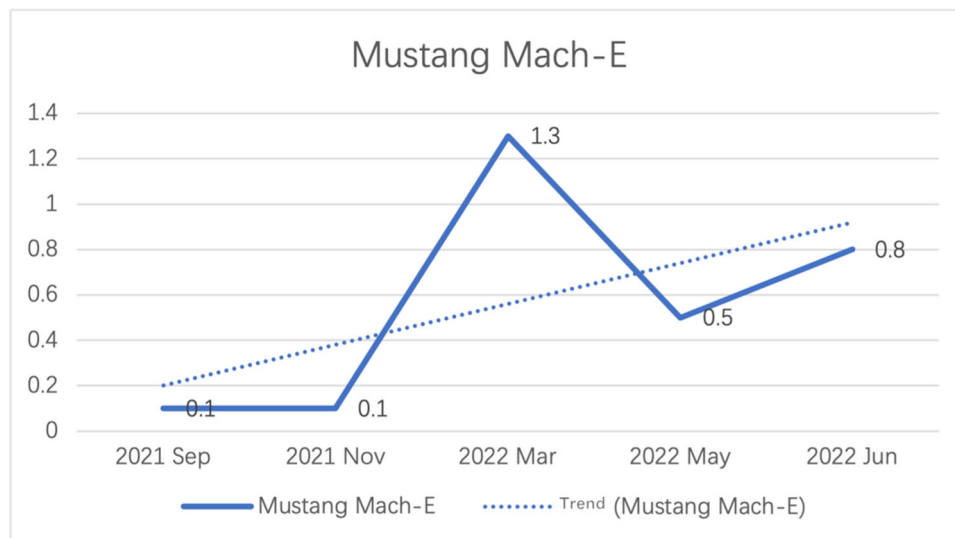


Fig. 1 Ford Mustang Mach-E Sales between 2021-2022 [11]

From Table 1, the Ford Mustang Mach-E was launched on April 11, 2022. In June 2022, Mustang Mach-E sales increased by 19,700% year-on-year and 74.07% sequentially; the highest Mustang Mach-E sales in the last 12 months were achieved in June 2022 with 792 units sold [12].

Table 1. Ford specific sales table in 2022 [12]

Name	2022-7	2022-6	2022-5	2022-7YTD	Month 1-7 cumulative	2021
Ford Mustang Mach-E Sales	520	792	455	2,066.67%	4689	537
Share of Ford electric vehicles	3.03%	4.61%	4.59%	---	4.99%	0.24%
Share in \$280,000-\$420,000 models	0.21%	0.25%	0.22%	---	0.3%	0.02%
Ranking in the \$280,000-\$420,000 segment	49	42	44	---	46	56
Share in midsize class	0.22%	0.37%	0.22%	---	0.23%	0.02%

In the SUV market, Mustang Mach-E's market share in June 2022 increased by 0.08% year-on-year, moving up 12 places in the SUV rankings from the previous month. It is enough to see that Ford has succeeded in laying the market foundation for its electric mustang range through the strategic deployment of marketing [12].

In terms of promotion, the Ford electric Mustang E-Series takes full advantage of digital marketing, combining online and offline promotion features. For offline promotion, Ford focuses on various auto shows such as Shanghai Auto Show 2021, Chengdu Auto Show 2022, and Beijing Auto Show 2020 [13-15]. By building themed booths at stations, users can experience the elegant cabin and intelligent screen of the new energy vehicle to increase their willingness to promote the mustang E on social media and interact with related topics. The online part of Ford took full advantage of social media in digital marketing by using social media effectively, like Twitter and, WeChat, Weibo, to release weekly content regularly. These contents included previews to pre-sales to details of vehicle improvements and smart technology. This marketing model has also helped Ford quickly capture market share in the highly competitive electrification market.

3.2 Audi And Its Marketing Strategy

Audi unveiled the Audi e-Tron Concept in 2009, and it has since become one of the icons of the Audi family [16]. Mr. Peter Mertens, Director of Technical Development at Audi Motor AG, said, "The Audi e-Tron is a colorful entry in Audi's history and signals the launch of Audi's electrification

strategy [17]. "Audi Sports has also launched its all-electric era with the e-Tron's progressive pursuit of performance, stability, and fuel economy in the Le Man's rally. 2022, Audi Sports has been competing in the 44th Dakar Rally since the Audi brand with its purely electric drive car, the RS Q e-Tron. This move also makes Audi the first car manufacturer to use electric drive racing to compete in the Dakar Rally, signaling that Audi's official motorsport has fully entered the era of electrification. Audi Sports also opened up the market of new energy racing cars by combining the Dakar event with electric energy racing with its marketing theory.

Audi is one of the most prepared and fastest responders in the luxury car camp at the time of the new energy vehicle wind switch handover. Audi e-Tron is committed to standing out from the product perspective and seizing the new energy vehicle market with its product strategy. As the pioneer of electrification, Tesla has made eyes pop with selling points such as large screens, the elimination of physical buttons, and autonomous driving. However, with the popularity of these features and the disappearance of novelty and mystery, consumers gradually realize that electric cars are still an important transportation tool. Safety, reliability, comfort, and luxury are important to evaluate a product. So Audi e-Tron is the new energy vehicle 2.0 era in the driving fun, luxury, safety, and other aspects to achieve, comparable to the fuel car driving fun, but also has highly intelligent networked products. In the electric 2.0 era, many car companies are focused on improving intelligence and network connectivity while neglecting the fundamentals of the car-driving experience and safety performance. However, Audi's new energy vehicle e-Tron series has identified the problem of the "over-design" of cars in the market and started from a series of safety perspectives. Such as body stiffness, chassis grip, engine operation, and wiring harness design to improve the product's comfort and consider consumers.

Audi can develop its e-Tron series into the racing era by greatly considering the safety performance and energy consumption, using the racing car as a carrier and the Dakar race as a breakthrough for marketing. This can help Audi to seize the new energy racing market first. In order to do this, Audi e-Tron is never just as simple as using more advanced materials and more complex processes. It needs a wealth of experience and goes through repeated design, testing, and adjustment to achieve the desired effect. In addition to safety, the Audi e-Tron does not shed the luxury and high quality that the Audi brand should have because of its purely electric model attributes. In order to maintain the driving experience of the pure electric version, the e-Tron also provides the suspension height adjustment function, which can take into account the passability of unpaved roads and the stability at high speed [18].

Audi Sports has the most extensive luxury brand dealer system, with more than 530 dealers. At the same time, it has a mature after-sales service network construction system. It has already established perfect product information monitoring, analysis, and processing standards and mechanisms for new energy vehicles, which is something that leaves other competing models in the dust. In addition, Audi will also expand its R&D center in China, boosting the number of R&D staff and expanding its technical equipment to focus on the needs of Chinese customers [19].

In the promotion strategy, Audi's main strategy is more focused on offline user experience, and users voluntarily increase their exposure on social media. Especially in the offline technology era is to promote digital industry change. Audi e-Tron staged a high-energy test drive across virtual and reality in Zhangjiakou Tianmo base, which was applauded. The "XR Player Audi e-Tron High Energy Driving Day" test drive event is the first game perspective driving and virtual game racing visual experience in China. At the event site, the test car was fully enclosed and completed the challenge of wading sections, undulating sections, and another multi-road terrain with the assistance of professional drivers and only with the guidance of the display screen. Fig. 2 shows the data from Audi e-Tron from 2021 to 2022, which also gains profit from digital marketing strategy. That is why the Audi e-Tron still has a good share of sales a year after its launch.

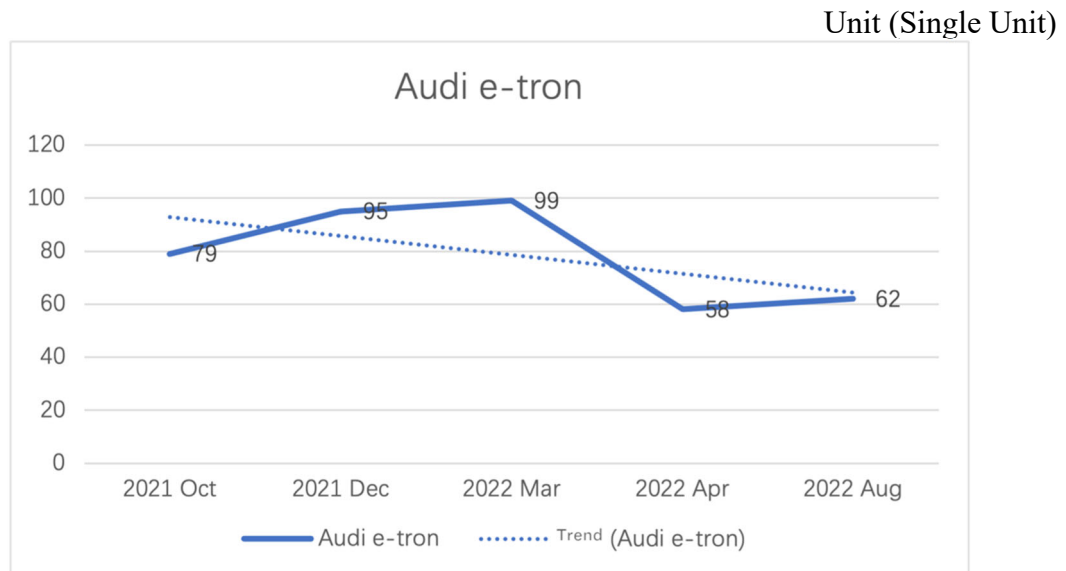


Fig. 2 Audi e-tron Sale Sales between 2021-2022 [20]

With latest monthly sales of 62 units and cumulative sales of 603 units in 2022 as of September 2022, the Audi e-tron ranks 28th in monthly sales and 29th in annual sales among SUVs and 72nd in monthly sales and 70th in annual sales among German cars. Table 2 showing the specific sales data of Audi e-eron during 2021 to 2022 [21].

Table 2 Audi e-tron specific sales table in 2022 [22]

Name	2022-7	2022-6	2022-5	1-7 cumulative	2021
Audi e-tron sales	133	83	128	620	0
Share of FAW-Audi	0.22%	0.11%	0.26%	0.19%	0%
Share in the 42-70 million yuan model	0.14%	0.08%	0.15%	0.1%	0%
Share in SUV class	0.02%	0.01%	0.02%	0.01%	0%
Ranking among 42-70 million RMB models	26	26	23	26	27

Under the global epidemic, Audi Racing still takes advantage of digital to lay the foundation for its new energy racing brand under the market and take advantage. Thus, the ultimate driving control performance of the Audi e-Tron was fully demonstrated. Through XR, game perspective, and other new strategy ways, the Audi e-Tron's extreme driving fun was fully reflected, which allowed users to feel the new fun of electric vehicles. At the same time, Audi Sports combines various online activities through WeChat applets with local hotspots. That digital strategy is making Audi e-Tron fully attract the attention of major media and racing fans to the self-developed desert beast electric drive racing car, RS Q e-Tron, during the 2022 Dakar Rally event [23].

4. Compare & Contrast

The comparison shows that both the Audi e-Tron and the ford mustang have their marketing strategies. However, these are based on the traditional 4Ps of marketing. Ford managed to get a share of the market for its first electric Mustang by adapting its sales channels and promoting of the electric Mustang. On the other hand, Audi has consolidated its market presence by developing digital content and combining its daily content output on social media platforms with its strategy. Even though sales figures are on the decline, the overall figures are still at the forefront of the new energy market. Table 3 shows different marketing theories with strategies from Audi and Ford.

Table 3 Compare with the 4P Marketing Theory with Audi and Ford [22]

	Audi	Ford
Product	Focus on the new electric auto’s both speed and safety	China / US- User centric. AI Interaction
Placement	China & USA	China
Promotion	Online campaign--Social Media: WeChat(Mini app), Twitter, Weibo, Instagram	Offline Campaign – Car show, Experience Shops
Price	Same as the normal Audi series car	Cheaper 20% than original

The comparison of Audi and Ford shows that they are two representative examples of new energy vehicles. Audi has firmly established itself in the market for new commercial vehicles and has broadened its new vehicle range to include motorsport. Racing has been the new energy vehicle range's main target for decades due to Audi's strategy of using digital, which has integrated the new energy vehicle approach into people's lives in a more accessible way. With social media content, such as online campaigns that incorporate Audi's own new energy vehicle product improvements and features. Ford is using offline campaigns and limited-time offline experiences to highlight its brand performance more than Audi. However, this is the most appropriate strategy for Ford, as it is a less national and less branded vehicle brand and cannot rely on online-marketing like Audi. With some strategic adjustments offline, customers will be able to experience Ford's first new energy vehicle on the ground. At the same time, it will lay the foundation for future Ford's new energy vehicle range. These results in the long term for marketing, as seen in Fig. 3. These two auto firms still profit from the competitive new energy car industry.

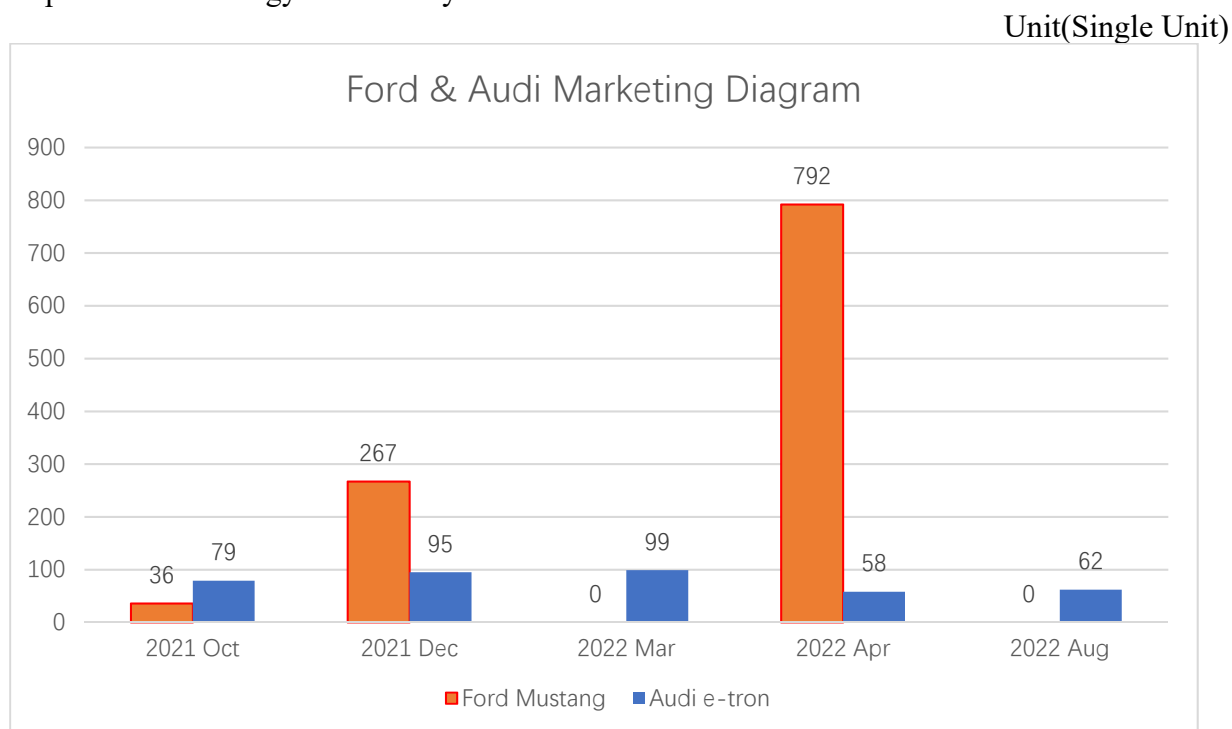


Fig. 3 Comparing Audi e-tron and Ford Mustang between 2021-2022 [11] [20]

5. Conclusion

Now that the new energy 2.0 era has opened, Audi Racing is not only the first to launch products that meet the comprehensive value needs of users in the 2.0 era. Audi Sports has also taken full

advantage of digital marketing to open up the market for its new energy models. Ford has strongly highlighted online marketing in its marketing model for the Mustang series of new energy vehicles. Ford's online marketing includes adopting a direct sales model from the web and creating an exclusively electric vehicle sales network. It also will significantly increase Ford's price advantage and provide direct sales customers with a complete lifecycle experience with the vehicle. The new marketing model will also better align with Ford's marketing strategy, such as offline model experience. Helping Ford to maintain their product better in later processes and improve customer repurchase rate is also part of Ford's strategy to use digital marketing to create a new market system for electric vehicles in the new era.

Currently, concepts such as artificial intelligence, and visual search, have become part of digital marketing to attract audiences and have become mainstream digital marketing trends. Meanwhile, inclusivity, personalization, and sustainability will drive the marketing evolution that is taking place even more in the future. In the digital economy, companies need to grasp the key digital marketing trends in the globalized market in the future. To reach this goal, companies need to optimize their marketing strategies and cultivate new digital marketing capabilities that will help them seamlessly connect and interact with end users.

References

- [1] "Joe Girard Quotes (Author of How to Sell Anything to Anybody)." Goodreads, Goodreads, https://www.goodreads.com/author/quotes/133768.Joe_Girard.
- [2] Digital Marketing: Strategy & Tactics, Jeremy Kagan. Wessex Press Publishing Co. (n.d.). Retrieved September 24, 2022, from <https://wessexlearning.com/products/digital-marketing-strategy-and-tactics-1e-jeremy-kagan>
- [3] *Research on the marketing strategy of the fashion luxury industry in ...* (n.d.). Retrieved September 24, 2022, from <https://clausiuspress.com/conferences/LNEMSS/FMESS%202022/Y1215.pdf>
- [4] *Marketing mix revisited - JSTOR*. (n.d.). Retrieved September 24, 2022, from <https://www.jstor.org/stable/1251988>
- [5] Chan, H. K., He, H., & Wang, W. Y. C. (2012, May 5). *Green marketing and its impact on supply chain management in Industrial Markets*. Industrial Marketing Management. Retrieved September 24, 2022, from <https://www.sciencedirect.com/science/article/abs/pii/S0019850112000855>
- [6] A marketing mix typology for integrated care: The 10 PS. Taylor & Francis. (n.d.). Retrieved September 24, 2022, from <https://www.tandfonline.com/doi/abs/10.1080/0965254X.2020.1775683>
- [7] *Challenges in the development of Ford Mustang Mach-e Bev motor calibration and controls for NVH & Losses*. IEEE Xplore. (n.d.). Retrieved September 24, 2022, from <https://ieeexplore.ieee.org/abstract/document/9490104>
- [8] Login. All-New Ford Mustang Redefines Driving Freedom with Immersive Digital Cockpit, Advanced Engines and Bold Style | Ford Media Center. (n.d.). Retrieved September 24, 2022, from <https://media.ford.com/content/fordmedia/fna/us/en/news/2022/09/14/2024-ford-mustang-reveal.html>
- [9] *Ford building out dedicated Mustang Mach-e stores in China*. (n.d.). Retrieved September 24, 2022, from <https://fordauthority.com/2021/07/ford-building-out-dedicated-mustang-mach-e-stores-in-china/>
- [10] *Ford to start selling vehicles directly to customers in China*. Carscoops. (2021, April 14). Retrieved September 24, 2022, from <https://www.carscoops.com/2021/04/ford-to-start-selling-vehicles-directly-to-customers-in-china/>
- [11] Ford electric car/Mustang Mach-e. [Ford Mustang Mach-E] Ford electric car_Ford Mustang Mach-E offer_price_Ford Mustang Mach-E picture_parameters_sohu car. (n.d.). Retrieved September 24, 2022, from <https://db.auto.sohu.com/ftdd/6460/salescar.html>
- [12] Mustang Mach-E Related reading:. Mustang Mach-E sales 792 units in June 2022, up 19,700% year-over-year_Sales data - Owners Home. (n.d.). Retrieved September 24, 2022, from <https://news.16888.com/a/2022/0713/20073601.html>
- [13] Raynal, W. (2021, November 1). *Here's what's coming to the 2021 Shanghai Motor Show*. Autoweek. Retrieved September 24, 2022, from <https://www.autoweek.com/news/auto-shows/a36143388/2021-shanghai-motor-show/>

- [14] McDee, M. (2022, September 3). *Ford mustang Mach -e Twister special shows up in China*. ArenaEV.com. Retrieved September 24, 2022, from https://www.arenaev.com/ford_mustang_mach_e_twister_special_shows_up_in_china-news-667.php
- [15] *Ford Mustang Mach-e to make its China debut at the Beijing Auto Show*. (n.d.). Retrieved September 24, 2022, from <https://fordauthority.com/2020/09/ford-mustang-mach-e-to-make-its-china-debut-at-the-beijing-auto-show/>
- [16] *Audi e-tron (2009)*. Audi MediaCenter. (n.d.). Retrieved September 24, 2022, from <https://www.audi-mediacycenter.com/en/audi-e-tron-155>
- [17] *The e-tron as a starting signal: Audi launches e-offensive*. The e-tron as a starting signal: Audi launches e-offensive - The Deadline Network. (n.d.). Retrieved September 24, 2022, from <https://www.autodeadline.com.au/Content/Audi/e-tron-releases/Article/The-e-tron-as-a-starting-signal-Audi-launches-e-offensive/1031/5966/26252>
- [18] *Challenges in the development of Ford Mustang Mach-e Bev motor calibration and controls for NVH & Losses*. IEEE Xplore. (n.d.). Retrieved September 24, 2022, from <https://ieeexplore.ieee.org/abstract/document/9490104>
- [19] Meiners, J. (2021, April 30). *Inside the 2022 Audi e-tron GT's design process*. Car and Driver. Retrieved September 24, 2022, from <https://www.caranddriver.com/news/g35461023/2022-audi-e-tron-gts-design-process-revealed/>
- [20] *Audi Research & Development Center for Asia in Beijing, China*. Audi Research & Development Center for Asia in Beijing, China | Audi MediaCenter. (n.d.). Retrieved September 26, 2022, from <https://www.audi-mediacycenter.com/en/photos/detail/audi-research-development-center-for-asia-in-beijing-china-70740>
- [21] *Owner's guide*. (n.d.). Audi e-tron August 2022 sales, annual sales data. Owner's Guide. Retrieved September 24, 2022, from https://www.icauto.com.cn/rank/car_1785.html
- [22] FAW AUDI/e-tron. [Audi-tron] FAW AUDI Audi-tron offer_price Audi-tron pictures_parameters_Sohu car. (n.d.). Retrieved September 24, 2022, from <https://db.auto.sohu.com/yiqiaudi/6299/salescar.html>
- [23] *Audi RS Q E-tron at the Dakar Rally: Successful start into a new era*. Audi MediaCenter. (n.d.). Retrieved September 24, 2022, from <https://www.audi-mediacycenter.com/en/press-releases/audi-rs-q-e-tron-at-the-dakar-rallysuccessful-start-into-a-new-era-14468>