China’s hardest stage is only just beginning

BYD is riding as premium sponsor of the Tour de Suisse, has built the largest stand in the history of the Goodwood Festival and is reaching for millions of fans through top-flight football. The visibility is undeniable. But it is not enough to turn a name into a brand people desire. Brand strategist Markus Kramer explains why China’s carmakers now face their real test: developing a clear profile, earning customer trust well beyond the sale, and turning technological strength into cultural relevance.

Text: Michael Schenk. Photographs: Idd & Leon Elmazov.

Markus Kramer knows the mechanics of strong brands at first hand. The Swiss national was responsible for the global marketing of Aston Martin, before that led EMEA marketing for Harley-Davidson and has worked with manufacturers such as Ferrari. Today he advises executive teams on positioning, reputation and brand leadership. He spoke to AR about why the Chinese car industry has largely completed its technical catch-up, and why awareness, trust and desirability still cannot be produced in fast forward.

Chinese manufacturers are investing heavily in Europe and are launching new models at a relentless pace. What does it take for a good product to become a strong brand?

First of all, visibility. Without visibility, a brand simply occupies no space in people’s minds. That is why the large current investments by Chinese manufacturers in communication, retail, event sponsorship and brand building are justified and necessary.

BYD is now launching a full visibility offensive in Europe: premium sponsor of the Tour de Suisse, a record presence at the Goodwood Festival of Speed, and before that the UEFA Euro and partnerships with Inter Milan, Manchester City and Paris Saint-Germain. What can platforms like these do for a brand that is still very young by the standards of automotive history?

A great deal, provided the platforms fit the brand and are used consistently. Sponsorship generates visibility, softens reservations and places a brand in a positively charged environment. People encounter it not only in a showroom or in advertising, but as part of an event that moves them emotionally. In that way a brand can create closeness and anchor itself in society.

Why is the Tour de Suisse, or cycling more precisely, such a good fit for BYD?

Cycling embodies performance, endurance, teamwork, progress and closeness to the public. It does not take place in a closed stadium but in the middle of towns, regions and landscapes. The brand becomes part of a collective experience and can at the same time put its cars on show in a real mobility context.

Skoda has shown for many years how coherently and durably a platform like this can be developed.

The link between Skoda and cycling, and with ice hockey too, feels self-evident today because it was maintained over time. That long-term dimension will be decisive for BYD as well. The Tour de Suisse must not be reduced to a display area for cars and logos. The engagement has to be tied to retail, test drives, stories, digital content and concrete experiences.

Are engagements of this kind a sort of shortcut to familiarity?

You could put it that way. People recognise the logo, discover the cars and associate the brand with an emotional world that already exists. But familiarity is not yet trust, and visibility on its own is not yet positioning.

When does sponsorship turn into credible brand building, and when does it remain mere visual presence?

Brands are built through repetition. A one-off appearance can impress, but only consistency over several years changes perception. In under five years, a lasting effect is often barely visible. A brand that withdraws after two years may have bought reach and displayed logos, but has built little cultural capital. What is decisive is not only how visible a brand is, but what it does with its engagement. Can people discover the products? Is the engagement continued in retail? And does the brand’s behaviour match the values it adorns itself with?

«A one-off sponsorship attracts attention. Only consistency maintained over years changes the perception of a brand.»

So visibility is a precondition. What comes next?

Next you need clarity, focus and coherence. A strong brand has to be explainable in a single sentence: what does it stand for? Which problem does

it solve? Why should someone choose it, and not another? The question of what it does not stand for, and who it addresses, is just as important. It is only through that deliberate no that a distinctive profile emerges.

Is there not a risk that Chinese manufacturers, with their multitude of models and brands, will simply overwhelm the European market?

That risk is real. At the same time, it is entirely reasonable to assume that the Chinese offensive is orchestrated strategically at the highest level.

Leadership in electric mobility and battery technology carries major political and economic interest. Can we therefore assume they will not invade or flood the European market in an uncontrolled way?

It is more likely that pace, investment and local presence will be adjusted in a targeted way. What will be decisive is whether, after this first product offensive, manufacturers also manage to establish trust, build dealer networks, guarantee service quality and secure stable residual values. Because in the long run it is not those who launch the most models fastest who win, but those who turn them into credible and enduring brands.

Technically, can we now say with certainty that Chinese cars are taken seriously everywhere?

Yes. A few years ago people still often asked whether Chinese manufacturers were technically capable of competing. Today that debate has practically no basis left. In software, digitalisation, battery technology and charging power, many consumers now credit manufacturers from the Middle Kingdom with a leading role, no longer because they are good at copying, but because they are themselves the source of innovation.

And yet many people still hesitate to buy a Chinese car. Why?

Because a car is not bought with reason alone. For most people it is one of the biggest purchases of a lifetime. That is why safety, trust and emotional certainty play an enormous role. A vehicle can perform excellently in comparative tests and still be dropped from the final shortlist if buyers do not know where the brand will be in five or eight years.

Strategically, then, there is a considerable gap between «interesting» and «this is what I want to own». At what point does that openness turn into real trust?

Not really at a spectacular launch or in the showroom. The real test begins after the purchase: does the dealer network function well? Can I get an appointment and the spare parts I need quickly? Is after-sales service reliable? How does the residual value develop? And do I feel taken seriously as a customer when a problem arises?

That is exactly where established manufacturers in Europe hold a considerable lead. Dealer groups and importers such as Amag, Emil Frey or Merbag have built trust over decades.

Yes, a network like that can neither be copied nor replaced by an advertising campaign. It takes investment, capable people, efficient processes and above all time. That is precisely why, for many Chinese manufacturers, the most demanding brand work is only just beginning.

Do you think Chinese manufacturers are capable of closing this trust gap?

Yes. It would be a serious mistake to think otherwise. Japanese and then Korean manufacturers had to follow a similar path. They too were met with scepticism at first and won public trust through the quality of their products, their warranties, their dealer networks and coherent brand work.

Does this area nonetheless remain harder than developing a new model?

It does, but Chinese manufacturers have almost unlimited capital, learn very fast and can work with existing European dealer groups. They therefore do not need to rebuild every network from scratch.

Should Chinese manufacturers put their origin forward assertively, or present themselves in as European a way as possible?

An international brand needs a clear core, but its story has to be understood in the cultural context concerned. When we established Aston Martin in China, we assumed that James Bond would be an enormous brand accelerator for us. In Europe, and to some extent in the USA, that seemed self-evident. In China at the time, however, a large part of the target audience could make as little of Bond as of any bar of soap.

So a brand story cannot be exported unchanged?

The brand core has to stay consistent worldwide, but its translation has to fit the cultural context. A brand cannot stand for architects in Switzerland, golfers in England and families in Germany. It would lose its shared identity.

If you had to develop the European strategy for a new Chinese car brand today, where would you begin?

With uncompromisingly clear positioning: who the brand is for, and who it is not for. It then has to become consistently tangible through product, design, price, communication, retail and service. The strongest brands never sell products alone. Harley-Davidson created a community. Aston Martin and Ferrari sell far more than fast cars. Brands like these create belonging and give their customers a story they want to appear in themselves. That is exactly where Chinese brands have to arrive. People buy products, but they commit to brands they trust and identify with. The technical catch-up is largely done. Now begins the far harder competition for a place in people’s minds and hearts.

ABOUT MARKUS KRAMER

Markus Kramer is a brand strategist, author and Managing Partner at Brand Affairs, working from Zurich and London. He led EMEA marketing for Harley-Davidson and was later responsible for the international marketing of Aston Martin. Today he advises boards, executive teams and operational teams on strategic positioning, reputation and brand management. Kramer is Honorary Senior Visiting Fellow at Bayes Business School in London, where he teaches strategic brand management. He holds an MBA from the University of Oxford and is the author of «The Guiding Purpose Strategy» and co-author of the «Responsible Investment Brand Index».

PICTURE CAPTIONS

Visibility on the finishing straight: as premium sponsor of the Tour de Suisse, BYD places its brand at the heart of the sporting action, and so directly in front of crowds and cameras.

Sponsorship links this brand, still relatively little known in Europe, to performance, emotion and moments of glory.

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