

# MARKETING EXCELLENCE 2

Audi

Vorsprung durch  
Technik Marketing



MARKETING  
SOCIETY

AWARDS FOR  
**EXCELLENCE**

in association with  
**Marketing**

# About The Marketing Society



## **INSPIRING BOLDER MARKETING LEADERSHIP**

The Marketing Society is a not-for-profit organisation owned by its members, with over 2500 senior marketers. Over the past 50 years it has emerged as one of the most influential drivers of marketing in the UK business community.

The Society challenges its members to think differently and to be bolder marketing leaders by supporting the development of leading-edge thinking, and promoting the evidence of effective marketing. The Society does this through the Marketing Society Awards for Excellence; its publications Market Leader, Our Week and rich online Knowledge Zone; a national programme of world-class events; innovative professional development, such as the annual Marketing Leaders Programme; and extensive on-and-offline networking opportunities.

[www.marketing-society.org.uk](http://www.marketing-society.org.uk)

# Foreword

By Roisin Donnelly,  
President of The Marketing Society

## What is marketing excellence?



Roisin Donnelly  
President of  
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Corporate Marketing  
Director and Head of  
Marketing at Procter &  
Gamble UK and Ireland

Marketing excellence can drive breakthrough business results for the short and long term. Marketing excellence requires great strategic thinking, great creative thinking and perfect execution.

But how do we assess *marketing* excellence? First we choose brilliant industry judges who are all experienced and successful practitioners of excellence and we ask them to pick out the cases which they see as remarkable. We ask them to look for two key qualities from our winners: creativity and effectiveness.

But marketing continuously changes and evolves, as consumers become more sophisticated and demanding and the media for communicating with them ever more diverse. So the standards for marketing excellence change and in turn become more demanding.

We believe that The Marketing Society Awards for Excellence in association with *Marketing* set the standard of marketing excellence in the UK. They have established this reputation over a period of

more than 25 years, and they have always been based on the principle of searching out the best examples of different marketing techniques in action, that showcase great strategic thinking, great creativity and perfect execution.

In order to be a winner of one of the Society's Awards, marketers have to demonstrate that what they have done is outstanding in comparison with marketing in all industries not just their own particular sector.

If a marketing story has been good enough to impress our judges, then all marketers can learn from it – however senior they have become. The collection of case histories brought together in this book is the best of the best from the past four years of our Awards, and I am confident that it truly demonstrates *marketing excellence*. I have been truly inspired by these case studies and I hope you will be too.

# Audi

## Vorsprung durch Technik Marketing

### Snapshot

A consistently high standard of car marketing has turned Audi into an iconic, best-selling brand in the UK.

### Key insights

- Audi has championed integrated, consistent, innovative and creatively ground-breaking marketing for over 25 years with the famous strapline *Vorsprung durch Technik*.
- This has helped make the brand the modern icon of the prestige car sector with an enviable competitive advantage.
- The power of the UK's approach to marketing is evidenced by the fact that sales in this market have out-performed those of Spain, France, Germany and Italy.

Marketing has played an instrumental role in Audi's inexorable rise from being a niche brand to challenging for the lead in the prestige car sector. It is proof that consistent needn't mean conservative, and that creative can also mean effective. For 25 years, Audi's distinctive approach has continued to challenge the boundaries of convention in marketing and the car industry alike. It has become synonymous with one of the most memorable straplines in advertising: *Vorsprung durch Technik*.

### Summary

Audi has manufactured cars since 1909 in Ingolstadt, Germany and is the major premium brand within the Volkswagen (VW) Group. In the UK, Audi has now become firmly established as a leading force within the prestige car sector, famed for its engineering and admired for its commercial success.

## Pushing boundaries

*Vorsprung durch Technik* has not just been Audi's brand message, but has also underpinned the philosophy for its behaviour. Audi has always been innovative in the way it reaches its customers, pushing the boundaries of convention, expectation and technological possibility and proving the brand's progressive credentials rather than just claiming them. However, this has never been about novelty for its own sake. Innovation has also allowed the brand to communicate in new and more relevant ways with the audience.

### 1. Launch of a new channel

- As car news became part of entertainment culture, in 1999 Audi created the Audi TV Channel. This was the first branded TV channel. It created a singular platform for prospective customers to engage with the brand at their own leisure within the context of TV entertainment and without the pressure of a showroom. In 2009 the channel moved from Sky to an on-demand model as it continued to evolve.

### 2. Imaginative content creation

- Since 1994 Audi has been a magazine publisher, producing a high-quality monthly magazine.
- In 2003, Audi created an edition of *GQ* magazine. The 'Power Edition' featured modern icons of power, including the Audi RS6.
- For the launch of the new TT, Audi offered contemporary versions of classic music tracks, with its 'TT Remastered' campaign.

### 3. Generating brand buzz

- To launch the A6, Audi partnered with the *New Scientist* for a competition, giving away a trip to space.

- 2003's A8 campaign involved the biggest-ever single burst of outdoor activity with the wrapping of 80 landmark buildings with giant posters.

### 4. Going interactive

- Interactive TV has been exploited for a number of TV campaigns, giving viewers a chance to access more content and register interest.
- Audi was the first car brand to move online, winning awards for its creativity as early as 1996. Audi.co.uk functions as a virtual dealership, enabling customers to research and configure the perfect Audi.

## Consistent integration

Integration has been a key tenet of Audi's communication. Creative ideas are executed across every relevant channel, allowing consumers to have a seamless experience with the brand across the many touch-points they may experience in purchasing a car.

Integration has a multiplying effect for creative ideas. As the communications have been integrated across more channels, the marketing spend per acquisition has reduced, proving the power of integrated creativity.

## Creative excellence

Since 1982 Audi has set the standard for great car advertising. It has used communications as a potent tool to create a distinctive identity for the brand. Audi's witty, intelligent but understated tone of voice has earned it a place in the British public's hearts and minds, and its advertisements get more than their fair share of attention.



Figure 1. Clip from R8 advertising

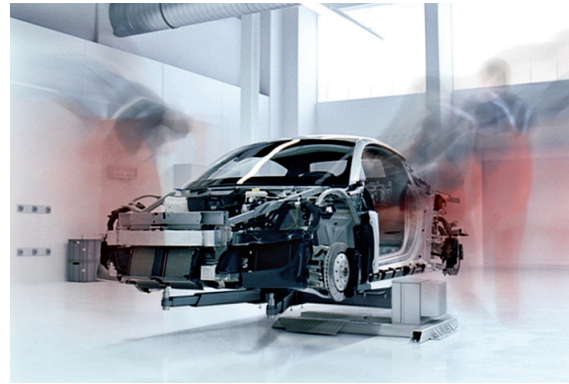


Figure 2. Clip from R8 advertising

*“Any motor advertising that breaks the mould of the traditional car commercial, with its laboured shots of leather interiors, alloy wheels and sleek bodywork, is to be welcomed. Clearly a supporter of this philosophy, Audi has made a point of applying creative thinking in the development, not only to its cars but also to its marketing.”*

Source: Superbrands Volume VI

The brand has perpetually infiltrated popular culture and been a genuine talking point. Award-winning campaigns that exemplify this have included Villa, Number One, Wakeboarder and R8 Construction, which had the tagline: ‘The slowest car we’ve ever built’ (Figures 1 and 2).

### Building close customer relationships

Customer retention is crucial in the automotive sector for long-term growth. Customer communications can build a sense of loyalty, and ultimately drive repurchase. Audi has developed an architecture of customer communications with a focus of fostering much tighter relationships with the brand: the Audi Customer Journey. This maps the ownership cycle and optimises communications within this.

Using all direct media channels (direct mail, e-mail, outbound telephone etc.), the tone and focus of each communication is varied to reflect the requirements at each ownership stage.

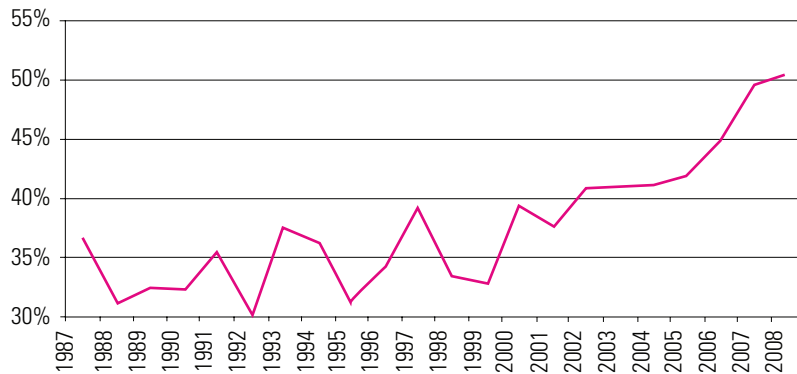


Figure 3. Audi UK brand loyalty

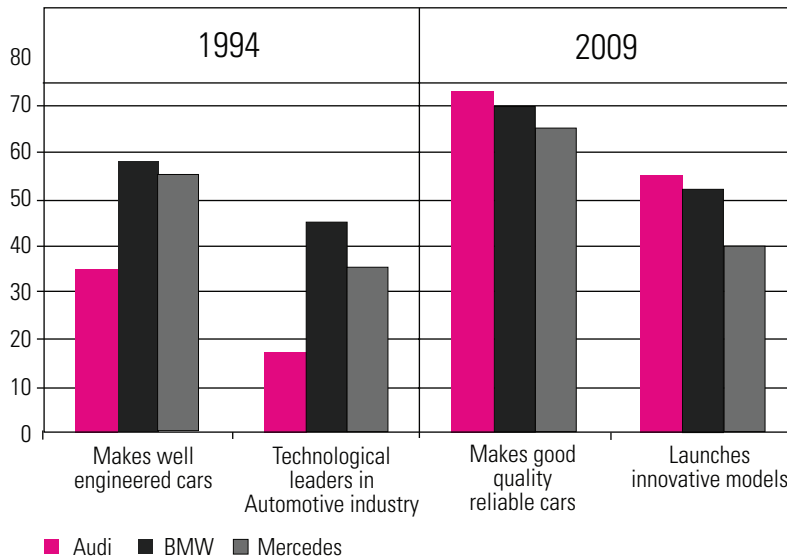


Figure 4. Brand image shifts over time

Audi has also built a predictive marketing database that understands the lifecycle of each customer (Table 1). This ensures direct communications are timely and well targeted. The impact of this initiative has been marked: Audi’s loyalty rate has increased rapidly since 1987 (Figure 3).

Table 1

Ownership stage	Focus
Post-vehicle handover	Celebration/reinforcing decision
Early ownership	Getting to know your car
Mid-ownership	Getting to know the Audi range
Late ownership	Keeping your Audi in perfect condition
Retention/repurchase	Choosing your next Audi

### Excelling at distribution

In 1982 Audis were distributed from the corner of VW showrooms nationally. A key part of the brand’s success has been to build a network of dedicated Audi Centres as tangible local flagships for the brand. These have allowed the brand to build local relationships with customers and offer integrated purchase and service experiences. The network has also helped galvanise the sales force. Most recently, the Audi West London Centre opened in 2009, including two floors committed to Audi’s brand heritage of *Vorsprung durch Technik*.

### Developing a modern iconic brand

By 2010 the Audi brand was the modern icon of the prestige car sector. This is the consequence of years of single-minded brand-building. From once having been the outsider, then becoming a quality contender, Audi has set the agenda in the prestige sector. Audi’s reputation among car buyers for ‘engineering excellence’ and ‘innovation’ has now overtaken BMW and Mercedes (Figure 4). Further evidence of the impact of marketing has been its rise in the car

buyers' consciousness, with brand awareness more than doubling. The Audi brand's success has not been limited to shifts in brand image measures alone. It is now a brand with genuine momentum and advocacy among buyers of prestige cars, with the highest levels of advocacy, preference and buzz among this audience. Most crucially, Audi has become the most desirable and considered brand among the car-buying audience.

### The numbers say it all

The ultimate measure of marketing success is the brand's commercial success. Sales have increased radically over the last 25 years. Volume sales have increased by 452% and value sales by 1,325%. No other car brand has grown its share of the market at this rate, let alone managed to compete genuinely with the most established prestige brands.

Volume sales increased from under 20,000 in 1982 to over 100,000 in 2008 (Figure 5), while value sales have increased steadily since 1987 (Figure 6). Even before volume sales began to rise significantly, the brand was able to command an increasing premium per car as its reputation improved.

Audi's market share has also grown consistently since the late 1980s, from 1.18% in 1982 to 4.73% in 2008 (Figure 7). The emergence of Audi's brand is evidenced by the brands from which it has stolen market share. In 1987 the brands Audi buyers were most likely to switch from were Vauxhall and Ford. By 2008 these were BMW and Mercedes.

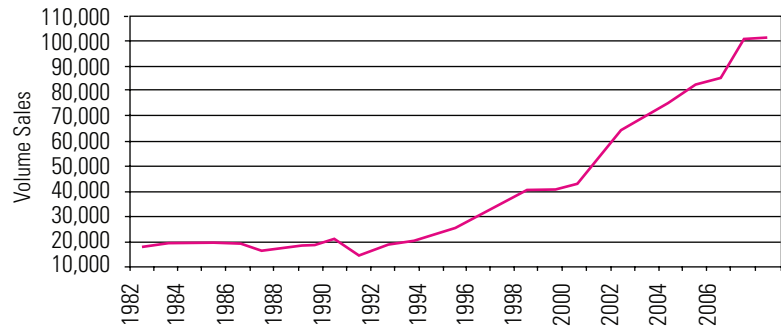


Figure 5. Audi UK volume sales

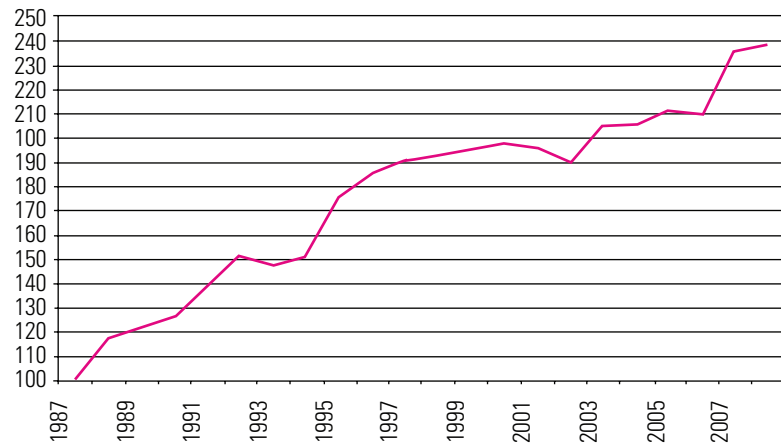


Figure 6. UK indexed value sales



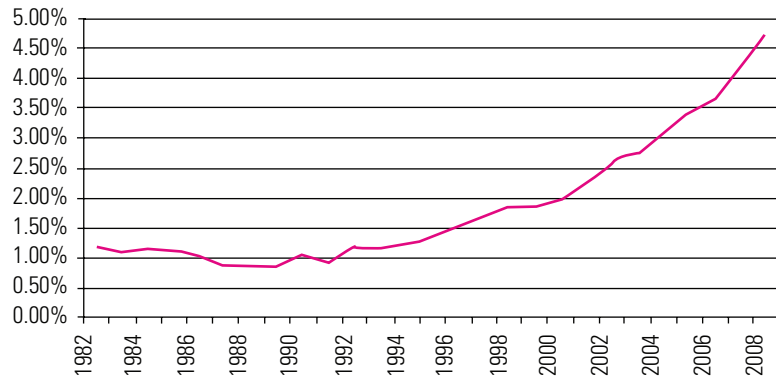


Figure 7. Audi UK market share

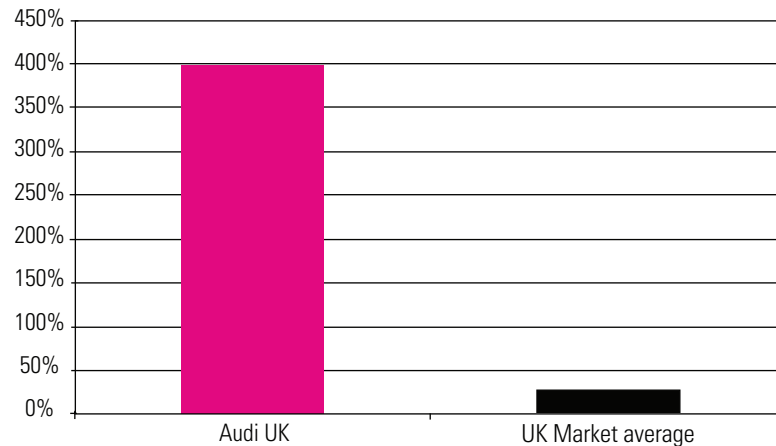


Figure 8. Relative UK performance versus UK car market 1982-2008

Moreover, since it began to compete actively in the prestige sector in the mid-90s, Audi's share of this sector has grown from 24% to 33% and it continues to rise at the expense of its direct competitors: Mercedes has declined and BMW has stagnated.

While Audi's commercial success in the UK has been impressive in its own right. The impact that its marketing approach has made is highlighted when measured against Audi sales in other European markets, with Audi UK sales significantly outperforming its European counterparts.

The performance of the Audi brand in other European markets (Spain, France, Germany and Italy) is the most solid control for highlighting the impact of marketing. The cars they sell are identical to the UK and have similar market dynamics, competitors and economies. The only independent variable in the UK has been the marketing approach, and the brand in the UK has far outgrown the European markets.

Since the inception of *Vorsprung durch Technik*, well over a million Audis have been sold in the UK, with the millionth reached in 2007. This feat would have taken until 2024 at the rate of Audi's old competitive approach.

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We're the world's sixth-largest insurance group and the biggest in the UK, with 46,000 employees that everyday serve 53 million customers worldwide.

We are committed to delivering one distinctive experience for our customers. Wherever they are, we want them each to feel that "no one recognises me like Aviva". Our global consumer research reveals that most of our competitors are particularly bad at recognising people's individual significance. This research also tells us that small human touches can make a huge difference to a customer's experience. Our aim is to make recognition the familiar quality that distinguishes Aviva from our competitors - just as Apple means user-friendliness and FedEx means reliability.

BT operates in over 170 countries and is one of the world's leading communications services companies. BT is a major supplier of networked IT services to government departments and multinational companies. It's the UK's largest communications service provider to consumer and business markets and is made up primarily of four customer-facing lines of business: BT Retail, BT Global Services, Openreach, and BT Wholesale.

BT operates in a thriving, multi-trillion pound industry that spans the whole world. In recent years the global communications market has been focused on convergence, whereby the boundaries between telcos, IT companies, software businesses, hardware manufacturers and broadcasters have become intertwined to create a new communications industry.

BT has evolved from being a supplier of telephony services to become a



"We know insurance isn't just about policies' and pensions; it's about people. That's why we're making our customers the big picture, putting a spotlight on them and our people. Putting customers at the heart of everything not only makes sense for them, it makes good commercial sense too." (Amanda Mackenzie, Aviva's chief marketing and communications officer)

We are working hard every day to build the company around what our customers want from us. That's why Aviva now ranks among the UK's top ten most valuable brands, according to the 2010 Brand Finance Global 500 survey and that success is something we are looking to replicate across the world.



leading provider of innovative communications products, services, solutions and entertainment products. BT's business customers range from multinational, multi-site corporations to SMEs and start-ups.

More than 80 per cent of the FTSE 100 and 40 per cent of Fortune 500 companies rely on BT for networking, applications and system integration. The National Health Service, Procter & Gamble, PepsiCo, BMW, Emirates, Fiat, Microsoft, Philips, and Unilever are just some of the organisations working with BT.

BT has been a driving force behind the success of 'Broadband Britain'. Thanks to the company's investment, nearly every home in Britain now has access to broadband and in September 2009, BT announced plans to more than double the availability of its fastest fibre broadband service.

# MARKETING EXCELLENCE 2

“A treasure trove of examples covering the whole waterfront, from launching new brands to revitalising, sustaining and extending established ones, and from insights to advertising and sustainability. Whatever your business, it should make you proud to be a marketer, shake up your thinking and inspire you to go the extra mile.”

Professor Patrick Barwise, London Business School, Chairman of Which?

“This exciting book demonstrates how great marketing can solve the most difficult problems, through analysis, teamwork and creativity.

It contains 34 fascinating case studies, selected from hundreds of high quality entries to The Marketing Society Awards for Excellence. Those involved had the determination to win, and the courage to think differently. An inspiring read.”

Professor Hugh Davidson, Co-Founder, Oxford Strategic Marketing

“This is the textbook, the toolkit and the manual for marketing excellence.”

Cilla Snowball, Chairman, AMV BBDO

“These cases are a great source to stimulate your thinking. Some will stimulate new thoughts, some will unlock ideas from the back of your memory. All of them however are great fuel for growth.”

Keith Weed, Chief Marketing and Communication Officer, Unilever

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