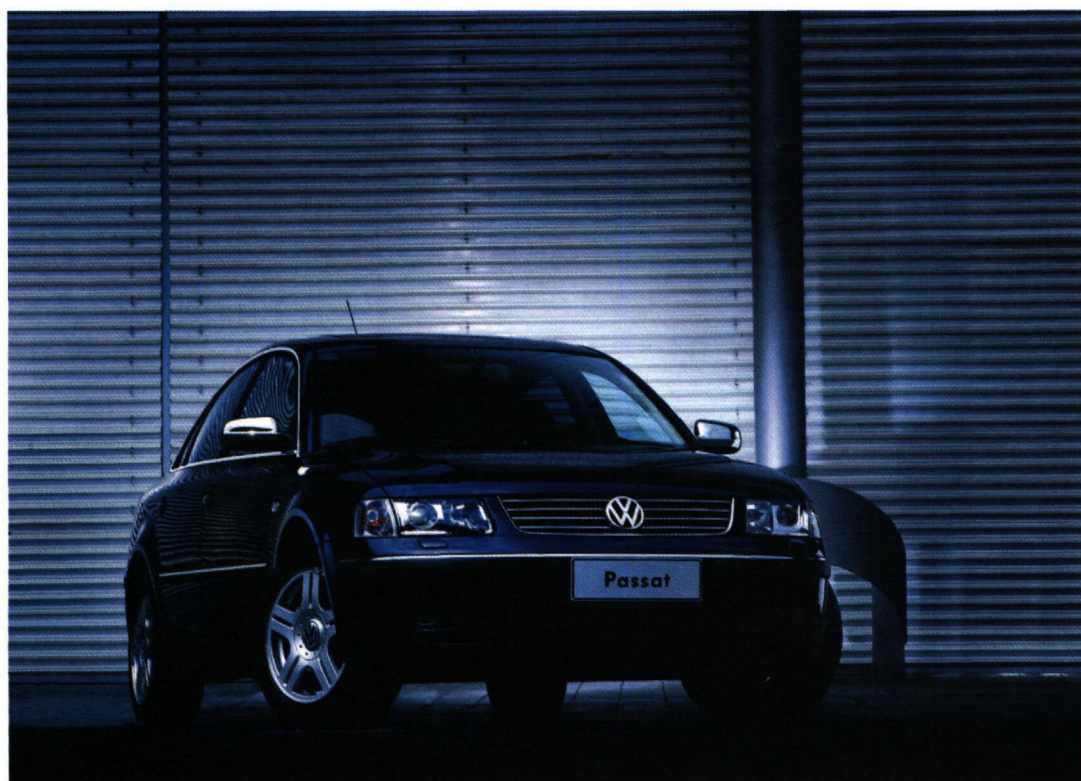




上海大众



THE MARKET

The precise definition and overall coverage of its products are pivotal to an enterprise when the consumption market is becoming more and more specialised. In the highly competitive car market, Shanghai Volkswagen China Co Ltd (SVW) has carried out its customer-oriented development strategy and consolidated and boosted its stronghold in the Chinese market.

In 2003 SVW produced 405,252 cars and sold 396,006 of them, making that year the company's best in China. It also made SVW the only manufacturer in China to have an annual production capacity of 400,000 cars.

The product lines have developed from Santana series to five series of dozens of types including Santana 3000, Passat, Polo and GOL. Santana is the biggest brand in China, with more than one million cars assembled to the widespread approval of customers in past decade. SVW says this has been possible due to its philosophy of "pursuing excellence and always striving to be No.1".

ACHIEVEMENTS

Passat: In October 2003 Passat Success Tomorrow Promotion won the only gold prize of the second Eiffel Effects Advertisements Prize and the silver prize of the 10th China Advertisement Festival (Innovation Type). In June 2004 it earned the silver prize of Kelong Cup 2004 China Outstanding Sales Prize.

Polo: Polo was awarded the highest prize in the car industry at the ninth China Advertisement Festival in 2002. It also won the TV Ad (Box) Silver Prize; TV Ad (Ring) Bronze Prize; TV Ad (Polo Theme) Entry Prize; Outdoor Ad (1.6L Being Listed) Silver Prize; TV Ad (Taiji) Bronze Prize; and Surface Ad (Polo series) Entry Prize.

GOL: In 2002 its advertisement in the ninth China Advertisement Festival was granted Entry Prize of the Surface Ad (Substance series).

HISTORY

SVW successfully assembled its first Santana on 11 April 1983. Localisation of manufacture and assembly began in late 1986. In March 1992, a team of several engineers went to Brazil Latin America Automotive Corporation to jointly design the new Santana car. By the end of the next year, the 100,000th Santana car had been assembled. In April 1995, the Shanghai Santana 2000 was put into mass production, and SVW's second auto plant came on stream.

On November 28th 1995, Santana car's tally reached 500,000 and by February 1998, the one millionth car rolled off the assembly line in Shanghai. As the pace of R&D and manufacture picked up, new models and series came on to the market in quick order: Santana 2000GSI (1998); Version '99 of Santana (1999); Santana 2000GSI-AT (2000); Century version of Santana (2001); Pride of the Times Santana 2000 (2002); Version "Times Sunshine" of Santana 2000 (2003). In early March 2004, Santana 3000 "Conqueror" went on the market.

THE PRODUCT

Santana B2: This is a reliable car for reliable people.

Santana 3000: This car is made with reliable



technology and spirit of premium quality. It is the choice of mature and confident people.

Passat: This is a representative of middle- and high-end brands made in China. It is developed, advanced, friendly and unique. It stands for the leading technology and handicraft originating from Germany and adapted to the needs of Chinese customers.

Polo: This is a car that gathers global leading technology and fashion. Its tenet is "never compromise, enjoy challenges, be fashionable".

GOL: A sporting brand which stimulates the dynamic elements in people so they can experience movement and comfort with freedom.



Passat 2.8 V6

RECENT DEVELOPMENTS

From "Summer Feast" to "Winter Feast", SVW has consistently adapted itself to the markets and quickly responded to the competition with its own stimulating promotions.

PROMOTION

On November 28th 2003, SVW celebrated the export of the first series of 600 Polo cars with right-hand drive to Australia. This deal created many firsts in China's auto history: the first large

export consignment of cars; the export consignment of cars to a developed country; the first instance of export cars bearing the same sales price in the target company as in China; the first right-hand drive cars to be exported.

It is notable that the cars also passed more than 30 stringent Australian requirements, proving that Polo had become a notable international brand from China.

In the highly competitive Chinese car market, SVW has focused on a customer-oriented

development strategy, including anticipating consumer needs and tastes as well as zooming in quickly when a campaign or product catches the public's imagination.

development strategy, including anticipating consumer needs and tastes as well as zooming in quickly when a campaign or product catches the public's imagination.

Based on its market foresight, SVW made Passat a success and its sales rose quickly. The early TV ads attracted a lot of attention. Its tagline of "surprising beauty made by nature", presenting outer elegance and inner abundance, were very popular. The company quickly upgraded its advertising to other media including on-line ads. In addition, Passat VIP clubs and magazines were set up to keep customers loyal to the Volkswagen brand.

Capitalising on the success, SVW launched new Polo models, extending the range and choices for customers. As a result, 70,000 Polo cars were sold in 18 months.



Meanwhile, SVW was playing an increasingly important role in the middle- and low-end car markets with its Gol range. The company says its success in 2003 was largely due to its quick response to the markets.

BRAND VALUES

The Santana series of models highlights SVW's and parent Volkswagen's brand values. Although it was designed with China in mind, it went through many improvements to suit the road conditions and fuel needs of the Chinese. Meanwhile, the basic Santana was modified for a variety of functions covering commercial, personal, hire-car, police and other special uses. In 2001 and 2002 Santana Racing won the National Championship.

In 2003, the Santana 2000 model achieved sales of 216,000 cars. The Santana 3000, launched in early 2004, has been equally successful.



THINGS YOU DIDN'T KNOW ABOUT SHANGHAI VOLKSWAGEN

- SVW created a series of firsts for the Chinese automotive industry when, in November 2003, it exported 600 Polo cars to Australia
- Polo cars are the only vehicles to have reached 4-star security standard in the examination of European New Car Assessment Program