

# Analysis of Marketing Strategies for New Energy Vehicles: A Case Study of BYD

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**Abstract.** With the rapid progress of science and technology and the constant changes of The Times, cars have been deeply integrated into People's Daily life and become an indispensable means of transportation. However, in the face of increasingly severe climate warming and greenhouse effect, the emission problem of traditional diesel vehicles has gradually become prominent, and reducing its use has become the general trend. In this context, new energy vehicles, with their environmental protection and energy saving characteristics, are gradually coming into people's vision, and have received extensive attention and strong support from governments around the world. The vigorous development of the new energy automobile industry indicates that it will become the leading industry of future economic development. As a leader in the new energy industry, BYD has occupied a place in the field with its excellent technical strength and innovation ability. Next, this paper will use SWOT analysis to deeply explore BYD's strengths, weaknesses, opportunities and threats in the new energy industry, and analyze its unique marketing strategy to have a more comprehensive understanding of its future development.

**Keywords:** BYD, New energy electric vehicles, SWOT, marketing strategies, low-carbon development.

## 1. Introduction

With the increasing attention of society to environmental issues, researchers have found that the exhaust emissions of diesel vehicles have a significant negative impact on atmospheric pollution. Diesel car exhaust contains many tiny particles (PM<sub>2.5</sub>), which not only affect people's lung health but also increase ozone concentration, leading to an increase in the ozone layer and greenhouse effect. The IPCC Third Assessment Report states that the global average surface temperature has risen by 0.4-0.8°C since 1860 and suggests that the rate of warming is likely to be unprecedented in the past 1000 years; Global warming has been particularly evident in the past 50 years, and this warming may be mainly caused by an increase in the concentration of greenhouse gases such as CO<sub>2</sub> in the atmosphere [1]. In the context of responding to the "dual" policy (carbon peak and carbon neutrality), it is urgent to control the number of diesel vehicles. In the early 21st century, electric vehicles began to become popular. The new energy vehicle industry began to rapidly popularize and develop in 2010. During this period, China, the United States, and other countries began to strongly support and develop electric vehicles. With the implementation of policies supporting electric vehicles in each country, electric vehicles have developed rapidly in recent years and have quickly become popular in the automotive market. The low-carbon development goal and the new energy industry are inseparable, and their development is mutually reinforcing. For the low-carbon development goal, the development of the new energy industry is of great help. New energy vehicles do not produce exhaust emissions because their power comes from electricity and does not require the combustion of fossil fuels, so there will be no carbon emissions pollution; However, new energy vehicles require electricity to supply energy, and the process of generating electricity can lead to carbon pollution. The active advocacy of low-carbon development goals has significantly promoted the vigorous development of the new energy industry. With the widespread dissemination of this concept, "low-carbon" has become a popular term in public life, deeply influencing people's daily behavior patterns. More and more people are choosing low-carbon modes of transportation, such as replacing traditional diesel vehicles with environmentally friendly electric vehicles or cycling. These eco-friendly travel

habits not only reduce carbon emissions but also contribute to the market expansion and cognitive enhancement of the new energy industry, accelerating the popularization and application of new energy technologies and products.

BYD Auto Co., Ltd. is an IT enterprise that started with rechargeable batteries as its main business. After more than 20 years of operation, it has now developed into a high-tech enterprise with three major industries: IT, automotive, and new energy. In the field of new energy vehicles, BYD has achieved integration of research, production, and sales. It has now developed into an enterprise with over 30 industrial bases and more than 200000 employees [2]. In the electric vehicle industry, electric vehicle companies led by BYD have become pioneers in the industry. This article takes BYD as an example and uses the SWOT model combined with the marketing environment of the new energy vehicle industry to analyze the importance and necessity of BYD's new energy vehicle marketing strategy.

## **2. BYD's Marketing Environment Analysis**

### **2.1. Strengths**

BYD Auto has significant advantages in the new energy vehicle industry. Firstly, BYD has a wide audience in the Chinese market. Its target audience includes not only families, and governments, but also some well-known enterprises. BYD collaborates with well-known brands in both the automotive and nonautomotive industries, thereby increasing the company's market value, and automotive quality, and enhancing its advantages in the new energy industry. For example, BYD partnered with Huawei in 2024 to jointly develop intelligent driving solutions for automobiles. According to Li Yunfei, General Manager of BYD and Public Relations Department, both teams have started project approval, research, and development verification for a long time. At present, SUPER 8 has entered the real vehicle testing stage and is expected to be officially launched with Huawei Qiankun Intelligent Driving ADS 3.0 after the third quarter of this year. In the future, the follow-up new models of the SUPER 9 will also be jointly developed with Huawei Qiankun Intelligent Driving [3]. In addition to Huawei, BYD has also collaborated with many other automotive companies, such as Mercedes Benz, Changan Auto, and so on. In addition to its target audience, BYD has a large market share in the Chinese new energy vehicle market, which increases year by year.

### **2.2. Weaknesses**

Although new energy vehicles occupy a considerable share of the Chinese new energy market, this phenomenon indirectly reflects the high dependence of companies such as BYD on the Chinese market for market expansion. Currently, BYD's sales revenue mainly comes from the Chinese market, but its sales revenue in other international markets is much lower than that in China. If there is a sudden situation in the domestic market and the market shrinks, BYD will be threatened. In addition, consumers' actual demand for BYD is not very high and their awareness is not high. Due to the establishment of gas stations over a long period, consumers in many second - and third-tier cities still use diesel cars more than electric cars. So, the popularity of electric vehicles is not as good as diesel vehicles. Many consumers are not familiar with electric vehicles, and the topic of fewer charging stations for new energy vehicles is also quite popular today. These issues of convenience that the public is concerned about have led to low recognition of new energy vehicles by the public. So, many consumers of electric vehicles are still in a wait-and-see state.

### **2.3. Opportunities**

Firstly, with the increasing global attention to environmental protection and low-carbon, and BYD's gradual saturation in the domestic market, BYD can start developing the international market, not just relying on the Chinese market. BYD's demand in the international market will increase, which will enable it to expand its market share and gain more profits.

In addition, the government's high support and subsidies for BYD have also provided many new opportunities for BYD. As shown in Figure 1, the intensity of government subsidies has generally shown an upward trend from 2013 to 2019, which is directly proportional to the intensity of research and development investment. Under the trend of increasing national subsidy intensity, BYD has also seized this opportunity to invest more in research and development production.

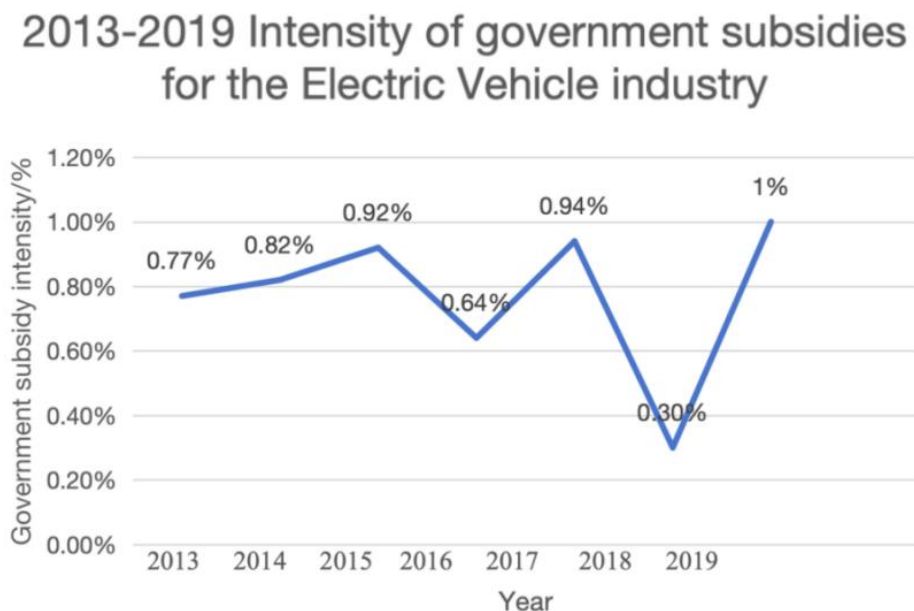


**Figure 1.** 2013-2019 Intensity of government subsidies for the Electric Vehicle industry

According to the latest data from the China Association of Automobile Manufacturers, in August 2024, the production and sales of new energy vehicles in China reached 1.092 million and 1.1 million respectively, an increase of 29.6% and 30% year-on-year. The sales of new energy vehicles have reached 44.8% of the total sales of new cars. From January to August, the production and sales of new energy vehicles reached 7.008 million and 7.037 million respectively, an increase of 29% and 30.9% year-on-year. The sales of new energy vehicles accounted for 37.5% of the total sales of new cars [4].

## 2.4. Threats

In the context of BYD's strong development in the Chinese market, many small companies that have recently entered or have not yet joined the market are also eager to seize a place in the new energy vehicle industry, such as NIO, Li Auto, and other domestic new energy vehicle companies. Many companies have begun to develop their own innovative models. Therefore, competition in the future new energy vehicle industry is bound to increase. In the context of global economic integration, many foreign new energy vehicle companies have also begun to flood into the new energy vehicle industry. Many foreign-funded new energy enterprises have a good foundation and conditions in technology, so their advanced technology has become a threat to BYD's future development.

## 3. BYD New Energy Vehicle Marketing Status Analysis

### 3.1. Product Orientation

BYD's current product line distribution is mainly divided into three parts. For the "Dynasty Series", its main models for sale include Han, Tang, Qin, Yuan, Song, etc. The main models for sale in the Ocean series include Seagull, Escort 07, Seal, Destroyer 05, Dolphin, etc. These two types are priced between 100000 and 300000 yuan, and their styles are more suitable for families and individuals. It has a wider coverage in the market of new energy vehicles. BYD is committed to improving product specifications while maintaining affordable prices, aiming to significantly increase market share by

expanding sales. The "Tengshi series", its price is 300000 yuan or more, and its mission is to "create a new luxury and excellent travel experience for users". The product positioning is more high-end, and consumers' purchasing power is also higher. The main models for sale in the "Look Up Series" are the Look Up U8 and Look Up U9, which are more advanced and cutting-edge in product technology, focusing on providing a more luxurious service experience. Their price and consumer positioning are currently the highest among BYD.

### 3.2. Relevant Marketing Data

As shown in Figure 2, BYD's annual sales have shown an overall upward trend from 2019 to 2023. Due to the strong impact of the pandemic in 2020, BYD's sales volume was slightly lower than in 2019. But in 2021, with the gradual recovery of the economy, strengthened control over the epidemic, and strong government support policies for new energy vehicles, BYD's annual sales have increased exponentially since 2021. BYD's sales revenue will triple year-on-year in 2022. BYD's sales in 2023 increased by 61.9% year-on-year.

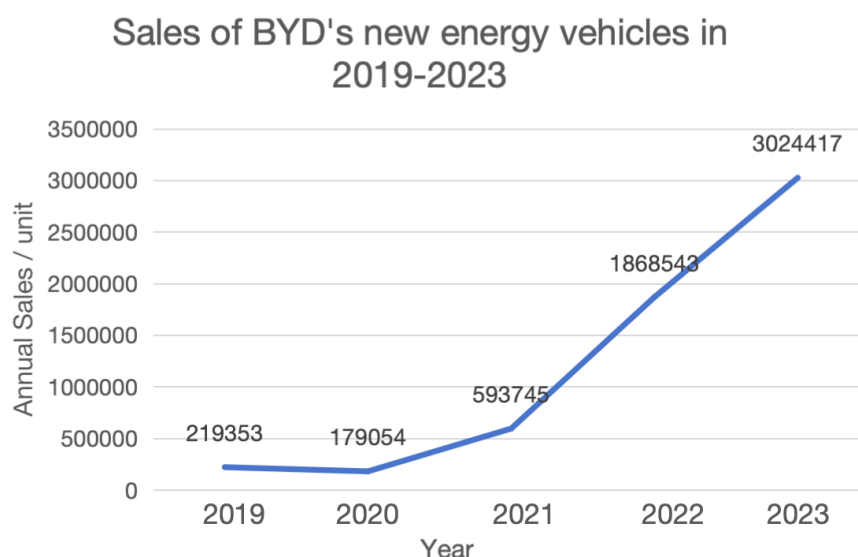


**Figure 2.** Sales of BYD's new energy vehicles in 2019-2023

## 4. BYD New Energy Vehicle Marketing Strategy Optimization Suggestions

### 4.1. Promotion Strategy

BYD's promotional strategy is roughly the same as traditional promotional strategies. In terms of advertising, different models are publicized through new media, television, the Internet, and other channels. To achieve better sales and promotion, BYD has also adopted many promotional activities. For example, some holiday gifts, discounts, etc. BYD has also established a VIP customer base and held exclusive events. For example, holding a flower handover ceremony, small salon afternoon tea, implementing a points system, and giving away merchandise and benefits for consumption have helped increase the proportion of old and new customers to 15% [5]. This VIP customer group can not only promote sales, but also increase customers' sense of brand belonging, and is more likely to purchase from a unified brand in the future, thereby further increasing sales.

### 4.2. Price Strategy

The low-price strategy is the main pricing strategy adopted by BYD. BYD is very smart. At the beginning of its establishment, it quickly occupied the low-end market of fuel vehicle sales with a low-price and low-value cost leadership strategy. It only took ten years for the public to become familiar with the BYD brand [6]. In fact, BYD's early development was very difficult, and many parts manufacturers were unwilling to take risks in developing new production lines or cooperate with

BYD, so most of BYD's parts were manufactured by themselves. The biggest advantage of self-manufacturing parts is cost reduction, which forms a natural advantage for BYD's price positioning. The strategy of "low profit, high sales" can enable BYD to rapidly increase its market share in the new energy vehicle industry and quickly attract consumers. For products that have just entered the market, such as new energy vehicles, many consumers have not yet formed awareness of the new products and have low price sensitivity. Therefore, a low-price strategy can increase sales.

## 5. Conclusion

New energy vehicles are a hot topic today. The rapid development of new energy vehicles not only improves people's consumption patterns but also largely resolves ecological problems in society, which has a significant positive impact on the environment. This article uses the SWOT industry environment analysis method to analyze BYD's strengths, weaknesses, opportunities, and challenges in the new energy vehicle industry. BYD, as the company with the largest market share in the new energy vehicle industry, has obvious advantages in the industry. BYD's new energy vehicles have a wide and diverse audience, not only favored by the public but also actively cooperating with many well-known brand enterprises. This strategic measure greatly enhances its visibility and influence in the market. However, at the same time, BYD is overly reliant on the Chinese market, with most of its sales coming from Chinese consumers and insufficient expansion into foreign markets. So, the foreign market is a great opportunity for BYD. With BYD's new technological innovation and government policy support, BYD can seize opportunities in foreign markets in the future, and increase market share and sales. BYD's rapid development in the domestic market has led many new entrants to actively invest in research and development, using differentiated competitive advantages to jointly promote the entire industry towards a more diversified and intelligent direction. BYD's main product line includes mid-range cars, including the "Dynasty Series" and "Ocean Series", mainly aimed at individual households, and their performance can also be close to daily life. For the high-end market, BYD's "Sagitar Series" and "Look Up Series" are committed to providing consumers with more luxurious services and positioning themselves higher, thereby increasing their revenue. In summary, in the well-developed new energy vehicle industry, people hope BYD can seize the opportunity to better develop better models for consumers and further protect the environment!

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