

Sales Strategies and Comparison Between Traditional Vehicle Enterprises and New Energy Vehicle Enterprises

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Abstract. In today's society, car sales have become a challenge for every car company and salesperson. How to sell well produced cars? Nowadays, major car brand manufacturers are engaged in price wars, lowering prices to seek small profits and high sales. From the beginning of the 21st century until now, fuel powered vehicles have dominated the market. With the development of technology and social progress, people are paying more and more attention to environmental protection. Therefore, compared to traditional fuel powered vehicles, new energy vehicles have become a development trend in the global automotive industry. For the global environmental situation, it is necessary to take effective measures to prevent the worsening of environmental pollution. However, for traditional fuel vehicles that have been continuously developed for over a century, it is naturally impossible to give up. At the same time, the research and development and promotion of new energy vehicles are also imperative, only in this way can this paper ensure the development of new energy vehicles while traditional fuel vehicle enterprises are developing.

Keywords: New energy vehicles; traditional fuel vehicles; car sales; sales strategy.

1. Introduction

There is a significant difference between the sales strategies of traditional fuel vehicles and the current trend of new energy vehicles. For example, the vast majority of sales of fuel vehicles are made by 4S stores to customers for sales and after-sales service. 4S stores will order vehicles in bulk from car factories at wholesale prices and then sell them to customers at temporary prices, earning a price difference between retail and wholesale prices. In addition, the profits of 4S stores are mainly distributed in bank loan rebates. Therefore, 4S store salespeople will prioritize recommending loan based on car purchase plans to customers, to earn rebates from banks. Unlike this, new energy vehicle brands will directly open direct stores throughout the city, with factories and sales stores being the same. It can be understood as a factory direct sales model, which sells to customers through company pricing to earn the price difference between cost price and pricing. In this way, customers generally have discrepancies between the pick-up price and the listed price when purchasing a car from traditional fuel powered car companies, which may be lower or higher. Compared to new energy vehicles, they can only be purchased at official pricing, waiting for official price reductions, or receiving owner benefits from stores, and so on. This article aims to explore the sales strategies and differences between traditional automotive companies and new energy vehicle companies through a review of relevant literature. Due to the late start, there are still certain shortcomings in technology and application, facing severe challenges. While developing, how to sell people newly developed energy vehicles is a good research node [1].

2. Sales Strategy of Traditional Automobile Enterprises (Taking BMW as an Example)

Brand marketing: BMW has continuously strengthened its brand image of dynamism, youthfulness, technology, and innovation, committed to creating an "experiential brand" and an "emotional relationship brand". They bring personalized and emotional brand experiences to Chinese consumers, especially the younger generation, through multidimensional online and offline activities. For BMW,

a century old enterprise, its combination with localization strategy in China has created achievements in "efficient power strategy", "new energy strategy", and "BMW Joy" brand strategy [2].

Product strategy: BMW has a wide variety of cars, and their levels are set according to different series. These series have their own unique features and meet the needs of different consumers.

Market strategy: Since 2009, BMW Group's strategic plan has been to reduce emissions and fuel consumption, strengthen its advantages in traditional markets, and deeply cultivate the Chinese market; On the other hand, this paper will focus on investing in the four major areas of ACES to win the future. In addition, BMW will invest heavily in marketing and other aspects for the Chinese market, and adopt a more down-to-earth and consumer friendly strategy.

Customer service: BMW focuses on customer service, providing professional after-sales service and assurance to improve customer satisfaction and loyalty.

Digital marketing: BMW utilizes digital technologies and platforms, such as social media and mobile applications, to interact with customers and increase brand awareness and influence.

As a typical representative brand of traditional fuel vehicles, BMW's sales strategy and sales philosophy also represent the sales strategy of traditional fuel vehicle enterprises.

Firstly, the marketing of traditional fuel vehicle enterprises usually involves dealer sales, which are well-known 4S stores. Dealers will order vehicles from car manufacturers at wholesale prices. Based on the needs of different users, major dealers submit large quantities of orders to car manufacturers, and then the factory receives the orders and begins to produce and sell them to dealers. Generally speaking, each brand of car company will provide a guide price for a car, which is not the final pricing as the name suggests. The actual price of this car will also fluctuate according to the sales volume of the model. Some obscure car models may be heavily discounted by dealers in order to clear inventory and attract customers at low prices; Similarly, some best-selling car models require queuing when ordering, while some customers may raise prices from dealers in order to pick up the car as soon as possible. It is worth noting that dealers order vehicles from factories at wholesale prices, so it must be lower than the guidance price provided by the car manufacturer. So when customers make a purchase, they usually negotiate with the dealer multiple times to get a lower price that meets their expectations.

Like many traditional car companies, BMW's salespeople base salary is also not high. Taking a BMW 4S dealership in Shanghai as an example, its salespeople base salary is 2600 yuan / month. The salespeople commission is determined based on the sales revenue of the car, and the higher the sales revenue, the higher the monthly salary received. The base salary also varies depending on the dealer, but it is not too high. On average, a monthly salary of over 10000 yuan is earned through turnover. If sales are dismal after a month, sales may not even receive a basic salary, which is clearly unsustainable. Therefore, traditional gasoline car companies also need to continuously sell vehicles to obtain high-tech returns.

Due to direct sales from non-manufacturers, when customers purchase traditional fuel vehicles, the price, which is also the guide price, serves as a guiding role. Generally, their salespeople will apply for low price sales for the sake of vehicle sales, that is, they will sell below the guidance price. The greater the discount, the more attractive customers are to come and make purchases. Customers need to negotiate with salespeople multiple times to obtain an ideal price that meets their psychological expectations.

Therefore, the sales price elasticity of traditional fuel vehicles is still very strong.

3. Sales Strategy of New Energy Vehicle Enterprises (Taking Tesla as an Example)

Brand mission and vision: Tesla's primary task is to accelerate the world's transition to sustainable energy. They believe that shifting from fossil fuels to a zero emission future is the best solution to address climate change.

Customer experience: Another driving force behind Tesla's success is its focus on providing the best customer experience. The car purchase process does not require negotiation with salespeople or bargaining with dealers, making buying a car a relaxed and enjoyable experience.

Brand personality: Maintaining a genuine and interesting brand personality plays an important role in communicating with consumers. When people talk about Tesla, they have to mention the shining CEO Elon Musk, whose social media influence has played a crucial role in Tesla's brand building.

Product strength: Continuously invest in research and development to build strong product strength. Tesla made people realize for the first time that cars are no longer just a means of transportation, but can also be a symbol of lifestyle and technology.

Marketing model: Tesla does not have a traditional marketing team or CMO, but its marketing model focuses on product quality and user reputation, digital marketing, sales and service network construction, brand building, and public relations activities.

Environmental protection, technology, and luxury positioning: Tesla has successfully combined these three elements to attract the attention and purchase intention of consumers through brand building, word-of-mouth marketing, online and offline promotion, and cross-border cooperation.

In terms of sales, Tesla, as a best-selling industry for new energy vehicles, mainly relies on city showrooms as its main marketing strategy. Similar to the sales methods of other new energy vehicles, both belong to the direct sales model of enterprises rather than the traditional 4S marketing model. The manufacturer also sets official prices for vehicles, which are manufactured from Tesla factories and directly transported to various city showrooms for delivery or sale.

For Tesla's salespeople, their task is just to sell the car hard. According to reliable data, the basic salary for Tesla's official salespeople staff ranges from 8000 RMB/month to 10000 RMB/month for new energy vehicle sales. The company sets commission limits based on each salespeople revenue, with an average monthly salary of around 12000 RMB. However, this varies from person to person. Tesla will also optimize the bottom 30% of salespeople for three consecutive weeks, so in order to work smoothly, Tesla employees need to maintain a high performance state for a long time.

Due to the characteristic of direct sales by manufacturers, Tesla's pricing is determined by the official, and the preferential policies are also determined by the official. Therefore, like most new energy vehicle companies, salespeople cannot offer any lower prices and can only offer richer gifts or rebates to car buyers to attract customers.

Another point worth mentioning is that new energy vehicle companies also have a profit point in subscribing to subsequent functions and renewing various functions, such as charging function, which requires user subscription, battery swapping function, full vehicle warranty, etc., all of which require users to pay later.

4. Comparison of Sales Strategies Between Traditional Automotive Enterprises and New Energy Vehicle Enterprises

The most obvious difference between traditional fuel vehicle enterprises and new energy vehicle enterprises lies in the type of dealers who sell cars to customers. Traditional fuel vehicle companies adopt a traditional dealer, also known as a 4S dealership operation model. Dealers order vehicles from car factories at a low price and then sell them to customers at a price lower than the guidance price but higher than the wholesale price, in order to earn profit from the price difference; For new energy vehicle companies, dealerships do not exist. The factories and sales offices are all part of the same company and are included in the same group, while the profits of the sales stores and the entire group are included in the vehicle pricing. Therefore, the profits of the entire group are linked to vehicle sales, so new energy vehicle companies need to maintain high sales.

Compared to new energy vehicles, the salespeople base salary of traditional fuel vehicle companies is relatively low, because in fact, dealers do not have such a strong demand for monthly vehicle sales for new energy vehicles. Because overall, although the basic salary for salespeople in new energy vehicle companies may be more ideal, they are implementing an elimination system. If their

individual abilities are not good enough to bring benefits to the company, they will be eliminated. The reality is so cruel. In fact, the same applies to traditional fuel vehicle companies. If one car cannot be sold for a month, although it will not be eliminated, such a meager basic salary is also difficult to make a living. Survival of the fittest is the hard truth.

Due to differences in pricing and profit generation methods, the two companies make different concessions in order to attract customers. For example, new energy vehicle companies will attract customers through personal rebates, gifts, quality assurance, and free charging stations. Traditional fuel vehicle companies will use the advantage of strong price elasticity to sell to users at a lower price to attract customers, and in addition, give away maintenance and other benefits to attract customers. Compared with new energy vehicle companies, the price is difficult to change because it is the official pricing within the company. However, it is worth mentioning that new energy vehicle companies will price their vehicles at relatively low and cost-effective prices to attract customers first.

There is actually a fundamental difference between the two in terms of marketing promotion. New energy vehicle companies usually pay more attention to brand building and market promotion, and improve brand awareness through various marketing activities and advertising. Traditional fuel car companies, on the other hand, rely more on traditional advertising media and car exhibitions, such as auto shows.

5. Better Way to Sell the Cars for Different Types of Car Companies

Sales strategy is a series of methods, means, and measures adopted based on purchasing patterns to stimulate and strengthen purchasing motivation, and to transform purchasing motivation into purchasing behavior. The correctness of sales strategy directly affects whether a company's products can be sold in a timely and smooth manner, and whether reproduction can circulate normally [3]. The sales of different types of vehicles mainly focus on consumer psychology. For the sales of both new energy vehicles and traditional fuel vehicles, it is important to strengthen research on customer consumer psychology, which is beneficial for improving the scientific nature of sales [4].

Based on the entire article, the sales focus of traditional fuel vehicles lies in how to sell them at a larger price difference; The sales strategy for new energy vehicles focuses on selling the vehicles with minimal profits, with subsequent service subscriptions as the main means of profitability. Similarly, for companies that are also selling cars, strengthening internal control management is also very important. It can not only improve the safety of assets, but also ensure the accuracy of financial data. This is crucial for a company's smooth operation and profitability [5].

The sales price of gasoline vehicles should be the first to bear the brunt, and in today's environment, high fuel prices cannot be accepted by everyone. In addition, the overall intelligence level of the configuration and functions of gasoline vehicles is not as good as that of new energy vehicles. The means by which gasoline vehicles can attract the public to purchase are mostly limited to pricing, and the significant difference in discount strength from pricing has become the key for customers to purchase. Customers will compare the previous and current prices and consider purchasing once they find that the price discount has reached their acceptable range. For new energy vehicles, rather than selling cars, it is more important to consider how to make a profit in after-sales service and service subscriptions. And each enterprise needs to be aware of the current development status of the enterprise, which can widely expand digital sales models for sales, flexibly use big data, help and drive new ideas for enterprise innovation and development, and improve the efficiency and effectiveness of marketing activities [6].

Similarly, for enterprises, sales is also an indispensable position, and how to better sell cars has become a key and difficult point for automotive companies. In fact, for sales, it is simply not to be afraid, to do more and give more, to learn to persist, to be willing to communicate more, and to maintain customer relationships [7]. Not only that, salespeople should also strengthen training, clarify customer model needs, and vigorously develop online and digital marketing methods to bring higher quality after-sales service to customers [8].

In addition, the automotive industry also needs to enhance its corporate influence, which is a powerful tool for the survival and sustainable development of enterprises. By implementing a systematic brand marketing strategy, promoting sales with the brand and forming a competitive advantage with the brand as the core, the enterprise can achieve scale expansion and sustainable development [9].

Finally, automotive marketing should pay more attention to customer needs. Customers have diverse personalized needs for cars, and providing different personalized services and satisfactory automotive service quality to users is also the key for automotive companies. Therefore, enterprises should pay more attention to improving service quality and product quality [10].

6. Conclusion

Whether it is new energy vehicles or traditional fuel vehicles, in order to increase car sales, efforts should be made to improve customer service and product quality. Then, by vigorously expanding online platforms and sales, a new marketing model can be achieved to achieve better marketing results.

For the sales of new energy vehicles, efforts can be made to improve the quality of after-sales service and increase its related revenue, ensuring that users have a strong demand for after-sales subscription services after purchasing a car, in order to ensure greater company benefits; For traditional fuel vehicle companies, the most important thing is to negotiate an ideal price with customers that both parties can accept, which is a win-win situation to some extent.

With the advancement of future technology and economic development, it is expected that more new types of vehicles with different energy sources will emerge. But without exception, in order for cars to be better accepted and recognized by the public, the group must enhance its own reputation, ensure product quality, and maintain excellent after-sales service.

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