

# ***A Comparative Study of Global Marketing Strategies: Tesla vs BYD in the Electric Vehicle Market***

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**Abstract:** The global electric vehicle (EV) market is undergoing transformative growth, with 2023 sales surpassing 14 million units. This study investigates innovative EV marketing strategies through the lens of the 4Ps framework (Product, Price, Place, Promotion). By analyzing survey responses and social media comments, the study examines how brand positioning shapes consumer perceptions, evaluate the globalization-localization balance in marketing strategies, and assess cross-cultural variations in EV acceptance. Theoretical analysis serves as the primary research method. Findings reveal that localized customization enhances market penetration in emerging economies, while technological differentiation drives premium positioning in mature markets. The research provides actionable insights for automakers to align marketing strategies with evolving consumer needs and regulatory landscapes, ultimately advancing sustainable mobility adoption.

**Keywords:** Marketing strategies, Electric Vehicle, 4Ps framework, Cross-cultural variations, Globalization-localization

## **1. Introduction**

The global electric vehicle market is experiencing rapid expansion. In 2023, sales exceeded 14 million vehicles, with a penetration rate of 18% (International Energy Agency, 2023). Policy drivers play a crucial role in this growth. The European Union plans to ban the sale of fuel vehicles by 2035, the US Inflation Reduction Act provides subsidies for local production, and China has upgraded its dual credit policy. These factors collectively drive industrial transformation.

Technological advancements also contribute significantly to market expansion. Battery costs have decreased by 58% compared to 2018, and the range has generally exceeded 500 kilometers. Additionally, intelligent functions have become a new selling point. The market competition is intensifying, and Tesla and BYD are in a leading position, representing two different marketing strategies, namely global and local customization, as well as traditional car manufacturers accelerating electrification [1].

Despite these developments, several challenges persist, including range anxiety, inadequate charging infrastructure, and uncertainties arising from fluctuating government policies. This article focuses on the innovation of marketing strategies for electric vehicles and explores how to apply the 4Ps theory to respond to market changes and consumer demand. By utilizing survey data and crawling social media comments, this study aims to investigate the impact of brand positioning on consumer cognition, analyze the balance between standardization and localization of brands, and

explore the acceptance of electric vehicles by consumers in different cultural backgrounds, with the goal of providing insights into the further advancement of new energy vehicle marketing [2].

## **2. Theoretical foundation and industry background**

### **2.1. Overview of global marketing theory**

Global marketing theory consists two parts: standardization and adaptation.

The standardization is developed by Theodore Levitt from Harvard University. He believes the technology has narrowed the distance of the world, and advanced communications tools help people to interaction, enable everyone has the equal right to acquire information. These features provide the basis of standardization theory. As lifestyles converge across different regions, cross-national differences in consumer preferences diminish, making standardized global marketing strategies more viable [3].

Localization is another efficient strategy for marketing. It refers to a more flexible way compared to standardization and adjust the strategy according to the customers, taboos and cultures from different places, which focuses more on the differences of market demand and facilitate the marketing method more precise. It requests the marketing staff to investigate the consumers and their demand comprehensively and deeply, ensuring greater precision in addressing consumer needs [4].

The choice between standardization and localization significantly impacts a company's market trajectory. Different marketing strategies influence brand positioning, ranging from mass-market penetration to premium differentiation. Generally speaking, the global marketing choice depends on company's selection and the industry in which it operates. A proper choice could promote the performance of product, while an unsuitable approach may lead to strategic setbacks

### **2.2. Current status of electric vehicle market development**

New energy vehicles (NEVs) are defined as vehicles equipped with novel powertrain systems, propelled entirely or primarily by alternative energy sources. This category encompasses plug-in hybrid (including range-extended) vehicles, battery electric vehicles, and fuel cell vehicles. In the context of global climate change and China's "dual carbon" strategy (carbon peaking and carbon neutrality), energy conservation and emission reduction has become increasingly prevalent. The environmental drawbacks of traditional internal combustion engine vehicles—manifested in high carbon dioxide emissions, ecological damage, and intensifying energy demands—has accelerated the adoption of NEVs. These factors, particularly the urgent need for environmental protection, have emerged as the core driving force behind the development of new energy transportation technologies, providing a theoretical foundation for their widespread adoption.

### **2.3. Tesla and BYD Corporate Profile**

Tesla is an electric vehicle and clean energy company headquartered in Palo Alto, California, USA. It was founded in 2003 by Martin Eberhard and Mark Tapering. Elon Musk joined the company in 2004 and became the largest investor and CEO. Tesla is famous for its high-performance, long-range electric vehicles and has played a pivotal role in popularizing EVs.s

Tesla has achieved significant market share and financial achievements worldwide. In 2020, Tesla's market value exceeded US \$210billion, making it the world's largest car company by market value. In 2021, the market value reached a peak of \$1.3 trillion. As of June 2024, Tesla has produced more than 6million electric vehicles. In the Chinese market, Tesla's sales continue to

expand, with an 8.8% increase in cumulative sales in 2024. Globally, Tesla recorded sales of 17.89 million units in 2024, ranking second in overall EV sales. BYD

BYD, founded in February 1995, is headquartered in Shenzhen, Guangdong Province. The BYD brand covers four major fields including electronics, automobiles, new energy, and rail transit, and has established more than 30 industrial parks worldwide, achieving a strategic layout on six continents. BYD is the only new energy vehicle company in the world that simultaneously masters core technologies in the entire industry chain, including batteries, motors, electronic controls, and chips. In 2024, the sales of new energy vehicles reached 4.27 million units, a year-on-year increase of 41%, and it has won the global new energy sales championship for two consecutive years. In addition, BYD is actively expanding into overseas markets and has established production bases in Thailand, Brazil, Hungary, and other places.

The United States has a highly developed market economy and a mature consumer culture, and consumers have high acceptance of innovative technologies and high-end brands. With a developed capital market, Tesla can obtain a large amount of funds to support its R&D and expansion through stock market financing (such as IPO and additional shares). With the rapid growth of China's economy and the rise of the middle class, consumers' demand for new energy vehicles has increased rapidly. While the capital market is relatively young, BYD has obtained stable financing channels through listing in Hong Kong and Shenzhen. The competition in China's automobile market is fierce, and local brands (such as Weilai and Xiaopeng) and international brands (such as Tesla and Volkswagen) compete for market share together.

### **3. Marketing strategies of Tesla and BYD**

#### **3.1. Tesla's global marketing strategy**

Initially, due to high innovation costs and the uncertainties of a nascent market, Tesla did not position in affordable route but high-end market. Tesla launched its first product, Tesla Roadster, it is Tesla's first pure electric sports car in the whole world, which is benchmarking against traditional sports car. The Tesla Roadster adopt advanced technology and expensive material achieved longer lasting range and faster top speed, as a result, its price is higher than another vehicle brand.

To maintain its high-end market position, Tesla targets at the high income population who were eager to pursue distinct features, differences and exclusive brand status. To satisfy such demand, Tesla adopts standardization strategy in global marketing. To different culture, location and habits, it always advertise and sell the product in the same standard. Through this method, Tesla has become the industry leader of electric vehicle. After years of development, it gradually shifted towards a affordable route to attract more potential customer [5].

#### **3.2. BYD' s localization marketing strategy**

In contrast, BYD has positioned itself on an affordable route since its establishment. By offering a high performance - to - price ratio, BYD has attracted a large number of customers. Compared to Tesla, BYD' s average selling price of each series is very low, allowing it to establish a strong presence in the low-end market from the beginning.

Regarding the global market, BYD also focus on occupying the dominant share in market. It aimed to satisfy the demands from different area with its specific needs respectively. For instance, in response to the demand of Southeast Asian consumers for small cars and cost-effectiveness, BYD has introduced small electric vehicles like the Seagull. These vehicles are not only affordable but also suitable for daily use. To cater to the preference of European consumers for high-end models, BYD has launched models such as the Sea Lion and Tang EV, emphasizing design and performance. In Latin American countries such as Brazil, BYD has launched models that are

suitable for local road conditions and consumer budgets, such as the Yuan PLUS (Atto 3), and plans to launch more hybrid models [6].

Through years of technological and market experience accumulation, BYD has developed the capability to research higher performance product. In recent years, BYD has begun to develop high performance series of electric vehicle.

#### **4. Comparison of marketing strategies between Tesla and BYD**

The marketing mix theory, also known as the 4P theory, which originated in the United States in the 1960s and became a fundamental theoretical model in the field of marketing. This foundational model originated from the need to systematically analyze and optimize business activities to meet customer needs in an increasingly competitive marketplace. In 1960, Michigan State University professor Jerry McCarthy first elaborated on the 4P marketing theory in his book "Marketing" and summarized its core content into four core elements: product, price, place, and promotion. Among the four elements, product strategy involves the goods or services provided by enterprises to consumers, including product quality, design, functionality, brand image, packaging, and other aspects [7,8].

##### **4.1. Product**

Although both Tesla and BYD are new energy vehicle brands, their product launch routes are fundamentally different.

Tesla has positioned on the high-end route. As a result, it has strived to compete with traditional high - end sports cars. Tesla started in the high-end market, competing with luxury sports cars. It first introduced the Tesla Roadster (2008), followed by the Model S (2012) and Model X (2015), reinforcing its image as a high-performance, cutting-edge EV brand. After Tesla accumulated abundant reputation base, it begin to transform to the mass market. Tesla thus launched Tesla Model 3 (2017), Tesla Model Y (2020), Tesla Cybertruck (2023) and so on to meet the needs of the mass market.

BYD, on the other hand, entered the market with affordable vehicles like the BYD F3 (2005), which quickly became a best-seller due to its stylish design, spacious interior, and affordability. Since then, BYD has adhered to an affordable - pricing strategy for many years. From 2008 to 2024, BYD has launched models like the BYD F3DM, BYD e6, the BYD Dynasty series, and the BYD Ocean network series. Notably, after building a large user base, BYD entered the luxury and super - high - end markets through two high - end brands, DENZA and YANGWANG. The DENZA D9 has become a best - selling model in the high - end MPV segment, while the YANGWANG U8, positioned as a million - yuan - level luxury off - road SUV, showcases BYD's technological prowess in the high - end market.

##### **4.2. Price**

Initially, Tesla, because of its high - cost production involving expensive materials and advanced technology, was regarded as a symbol of luxury, which led to its exorbitant pricing. Taking the Tesla Models as an example, the starting prices of 60, 85 and p85 series cars of three different models of Tesla Model s in the United States are \$62400, \$72400 and \$87400 respectively. Tesla attracts consumers' attention through high prices and uses skimming pricing. This strategy first obtains high profits from high-end customers at higher prices, and then launches more cost-effective electric models to expand market share and ultimately maximize profits.

In contrast, BYD was born in an era when the overall consumption power of the Chinese people is low, and consumers are more concerned about whether the vehicle can meet the needs of daily

travel, and the attention of technology, materials or brand effect is relatively low. Therefore, BYD has adopted penetration pricing to introduce a large number of affordable and cost-effective electric models to meet market demand. As the social environment changes, the market demand for higher performance electric vehicles increases, BYD is also continuously accumulating capital and technology, and finally can enter the high-end electric vehicle market. With the change of market demand, BYD's pricing strategy has gradually tilted towards more high-end models [9].

#### 4.3. Place

Compared to the traditional car dealer model, Tesla has opted for the direct sales approach, building its own sales and service network worldwide, including experience stores, service centers and online sales platforms. This model enables Tesla's direct control of brand image, pricing strategy and customer experience, avoiding the intermediate link of the traditional dealer model. In addition, Tesla has a unique online sales mode. Users can enjoy the service of delivering Tesla vehicles to their homes by selecting the required styles and paying online. This not only cuts down on Tesla's operational costs, but also enables users to feel the unique experience of purchasing high-value items at home.

In contrast, BYD has adopted a more conservative model by collaborating with local car dealers. This enables BYD's products to be rapidly deployed in local markets and reach a broad customer base. Alongside its dealership partnerships, BYD has opened company - owned stores and experience centers in some first - tier or key cities. This gives users the opportunity to experience BYD's new - energy vehicles offline. Moreover, BYD also provides online sales services. After users select products and place orders on BYD's official website or other sales - related applications, BYD's dealers handle the offline delivery process [10].

#### 4.4. Promotion

Tesla's brand name was derived from Nikola Tesla, a great inventor and physicist in American history. Just from its name, one can sense the high - tech aura of the Tesla brand. Through this naming approach, Tesla effectively utilizes the celebrity effect to promote its brand. Tesla frequently employs star - driven promotion strategies, leveraging the influence of Key Opinion Leaders (KOLs). This helps convert star fans into fans of the Tesla brand. Additionally, Tesla collaborates with film companies to feature its vehicles in movies, thereby increasing its brand's visibility. BYD is more inclined to adopt multi brand strategy and differentiated marketing.

In comparison, BYD has launched a variety of series products such as Dynasty Series and Ocean network series to meet the needs of various groups with different requirements. Additionally, BYD uses the way of sponsoring sports events to carry out publicity. For example, BYD will become the official partner of the European Cup in 2024 to further enhance its influence. The most distinctive feature is that BYD will conduct localized marketing according to different regions, customs and habits to meet the special needs of local people. For example, BYD launched the "BYD Thailand" brand in Thailand, advertising in combination with Thai culture, and its Dynasty Series is particularly localized in the Chinese market.

In general, Tesla focuses more on celebrity and brand building than traditional advertising; BYD, on the other hand, prefers multi-brand strategy, sports marketing and local marketing to meet the needs of different markets.

### 5. Conclusion

Standardization and localization marketing are both integral parts of the entire electric vehicle market. This market is developing rapidly, with various marketing strategies emerging one after



another. Whether it is global marketing or local marketing, their essence is to establish a brand and achieve marketing through the dissemination of products, prices, locations, and promotions. According to statistical data, it can be inferred that BYD's annual sales in 2024 reached 4.272 million vehicles, a year-on-year increase of 41.26%, making it the top selling car company and brand in the Chinese automotive market. BYD's market share in China is about 16.2%, which is equivalent to one out of every six passenger cars being a BYD product

Tesla's sales in the Chinese market in 2024 were 657000 units, a year-on-year increase of 8.8%. Despite Tesla's sales growth, its market share has decreased from 7.8% in 2023 to 6% in 2024, still lagging behind BYD, indicating that localization is more popular in the Chinese market.

Tesla and BYD have different products, pricing and marketing methods, but they have become the leaders in the new energy vehicle industry. It can be seen that there is no fixed and feasible marketing strategy in each market, and each brand has its own applicable strategy.

This study focuses on Tesla and BYD's current marketing strategies but does not explore challenges and future market trends. Future research should investigate the problems these brands face and potential strategies for overcoming them in the evolving EV market.

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