

SERVICE MARKETING STRATEGIES APPLIED BY BYD AUTOMOBILE NANCHANG HONGYUN 4S STORE*

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Abstract

In recent years, as affected by the COVID-19, there has been a decline in China's automobile industry and BYD Automobile Nanchang Hongyun's 4S Store branches as well. During the epidemic, the development of auto 4S Store branches has been even more difficult. Therefore, in order to improve the competitiveness of 4S Store branches, it is necessary for BYD Automobile Nanchang Hongyun to improve its original service marketing model, service capabilities, and market competitiveness in a targeted manner.

This paper aimed to investigate the service marketing strategies of BYD Auto Nanchang Hongyun 4S store through an analysis of the 7Ps of the marketing mix, its marketing environment based on the PEST analysis. In addition, the five forces model analysis and the SWOT analysis were employed.

The result revealed that the company emphasized three out of the 7Ps marketing mix elements: Segmenting, Targeting and Positioning. The research recommended that the company implement service marketing optimization for future development.

Keywords: 4S Store, 7Ps, Marketing Mix, Marketing strategy

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Introduction

The auto 4S shop is an auto service enterprise with four functions including vehicle sales (Sale), spare parts supply (Sparepart), after-sales service (Service) and information feedback (Survey). In the mid-1990s, the automobile 4S shop marketing model was introduced to China from Europe. Since 1999, Chinese automakers have established a large number of their own automobile sales 4S shops. The early 4S marketing stores were rich in profits, but in recent years, due to factors such as the new crown epidemic, the global economic crisis, international exchange rates, and purchase restrictions, the already flooded auto 4S stores have faced an unprecedented crisis of survival. In view of this, this paper takes BYD Auto Nanchang Hongyun 4S store as the research object, and seriously considers how the automobile 4S store

seeks development in the fierce competition, establishes its own competitive advantage, and finds a sustainable development for its 4S store. Service marketing approach.

Objectives of the Study

The main research purposes of this paper are in three aspects: First, by analyzing the products, prices, promotions and many other aspects of BYD Auto Nanchang Hongyun 4S store, to find out the main problems in all aspects; second, using the five forces model and SWOT analysis method And put forward seven innovative strategies on the basis of the research. The third is to put forward the marketing strategy of BYD Auto Nanchang Hongyun 4S store based on the 7P theory, establish an effective service marketing strategy system, and improve the company's profitability and overall competitive advantage.

Material

From the official birth of the automobile to the end of the 19th century, automobile marketing has become the research object of many researchers. Foreign experts' research on the automobile industry is earlier than that of my country, especially the research on automobile marketing services. Garvin (1983) first proposed a broader definition of service quality, that is, not only the objective quality considered in a narrow sense, It also includes the customer's subjective perception of service quality. American Vicky. Lenz (1987) believes that automobile marketing should be in the same rhythm as the development of the automobile industry; German scholar Airiis (1998) proposed that automobile brands will virtually establish their own unique image, which can serve automobile marketing. Jacques Landweg and Denis Linton (2000) believe that the model that can provide high-quality service is the franchise model, which has many advantages. Lewis and Booms (1983) believe that measuring a firm's service effect is a tool to meet customer expectations for car purchases, and it is also a tool for customers to purchase cars. The service marketing quality of 4S stores runs through the whole process of pre-sale, in-sale and after-sale, that is, the product quality and service quality obtained by the customer before purchasing the car, the customer's real perception and personal experience of the car during the car purchase process, and the post-purchase experience of the car. Recognition of car quality and after-sales service.

The development of China's industrial technology and the continuous improvement of people's living standards have brought unprecedented opportunities to the automobile manufacturing industry, and the demand for automobiles is increasing year by year. Automobile marketing has become an important topic in the field of automobiles, and more and more researches have been conducted by Chinese scholars on the automobile market. Zhang Youlin (2010) pointed out the shortcomings of the sales model of automobile franchise stores, and on this basis, put forward suggestions on the existing shortcomings. . Jiang Nan and Wang Yifeng (2013) put forward suggestions for the innovation and development of the marketing model of automobile 4S stores on the basis of the bipartite analysis of automobile marketing channels such as automobile 4S stores and automobile trading markets. Chen Yongge and Zhang Lin (2015) conducted on-the-spot research on the domestic automobile market demand, and proposed an automobile marketing system based on the dynamic changes of market demand. Chen Bo (2016) compared the advantages and disadvantages of various problems found in China's automobile marketing, combined with the industry background, and proposed a future development model of automobile marketing with Chinese characteristics.

Zhang Jianliang (2019) put forward many feasible suggestions for automobile marketing based on the theory of 7P model of service marketing.

Main Problems Existing in Service Marketing of BYD Auto Nanchang Hongyun 4S Store

BYD Auto Lacks Competitiveness in High-end New Energy Field

Compared with well-known electric vehicle brands such as Tesla and Volkswagen, many people's impression of BYD seems to be still at the relatively low-end electric vehicle stage. Although the new energy models launched are deeply loved by domestic consumers, they have never made a huge noise in the high-end segment. At the same time, there is another key issue. Tesla is almost the only one in the high-end segment of new energy vehicles. In contrast, most of the models launched by BYD are aimed at the field of mid-to-low-end new energy vehicles. In the future, if you want to fully compete with companies such as Tesla and Weilai, you cannot always focus on the mid-to-low-end segment. The high-end new energy vehicle field and the global new energy vehicle market share are the goals of BYD Auto.

Global 2021 New Energy Passenger Vehicle Sales Ranking

TOP	Model name	2021(台)	Market share(%)
1	Tesla Model3	500713	7.7
2	Wuling MINI EV	424138	6.5
3	Tesla Model Y	410517	6.3
4	Volkswagen ID.4	121631	1.9
5	BYD QIN PLUS DM-I	111553	1.7
6	LEADING IDEAL ONE	90491	1.4
	Other types of cars	4836345	74.5%
	Total	6495388	

The quality of service personnel is not high

In order to understand the customer's satisfaction with the service staff of BYD Auto Nanchang Hongyun 4S Store, this paper adopts the questionnaire survey method, distributing a total of 150 questionnaires, and recovering 145 valid questionnaires. After data processing, the results are as follows.

The main reason is that the service staff is not enthusiastic enough for the customers, the service is not timely after the customers enter the store, and the sales staff are not active and professional. The reason why this phenomenon occurs is essentially due to the influence of supply and demand. Because the BYD brand has been popular for a long time, there is no need to deliberately pursue sales for a period of time, which will lead to a decline in service levels and affect the overall sales of 4S stores. The price competition of auto 4S stores has reached a white-hot stage. It is an indisputable fact that many brands of 4S stores will lose money when selling cars. If this continues, self-destruction is an inevitable result. What creates value is the service fee that customers are satisfied with.

Project	Very satisfied	Satisfy	Generally satisfied	Not so satisfied	Dissatisfied
Appointment service	81.56%	11.29%	5.45%	1.25%	0.45%
Service attitude	81.23%	11.34%	2.16%	4.96%	0.13%
Service response	78.23%	15.56%	4.18%	1.56%	0.47%
Service expertise	67.16%	26.75%	5.16%	0.75%	0.18%
Whether to contact after service	90.5%(Connected)		9.5%(No contact)		

The service process is not perfect

At present, in the process of car sales in BYD Auto Nanchang Hongyun 4S store, customers need to go through a lot of procedures and related charges, which discourages some buyers. In the after-sales maintenance process, due to the unreasonable repair procedures and the effective number of pick-up personnel, the process of picking up and reporting for repairs is lengthy and time-consuming. The service process is not strictly implemented in accordance with the company's regulations, the maintenance report is not written or signed after the maintenance is completed, and the objective dissatisfaction record is ignored and so on.

The in-store facilities are not complete

BYD Auto Nanchang Hongyun 4S store does not apply innovative Internet technology to after-sales service. For example, the maintenance management information system, so that

when customers do car maintenance, the 4S front desk enters the car information, and the customer can view the whole process of car maintenance in real time in the lounge, and can effectively grasp the maintenance time. The 4S shop can carry out the process of car digital maintenance, understand the exact time spent in each process by the university, and improve work efficiency. At the same time, the design and layout of the store were not updated in time, the features and brand elements were incorporated, and the brand culture was promoted.

Analysis of Service Marketing Environment of BYD Auto Nanchang Hongyun 4S Store

Analysis of external macro environment based on PEST

Analysis of Political Environment

The automobile production and sales industry is one of the key development industries in my country. With the development of the economy, the domestic automobile industry has developed rapidly, and China has also issued a series of related policies. One is the long-term standardized development policy of the automobile industry. For example, in 2017, the Ministry of Industry and Information Technology of China, the National Development and Reform Commission and other departments jointly promulgated the "Mid- and Long-Term Development Plan for the Automobile Industry", which, from overall goals to sub-divided goals, plans and develops key tasks and key projects, and vigorously promotes the rapid development of domestic automobiles. The second is the management policy of automobile sales, such as the "Measures for the Administration of Automobile Sales" issued by the Ministry of Commerce of China in 2017 to maintain the order of the automobile sales market and protect the legitimate rights and interests of consumers. The third is the rise of the new energy vehicle industry. With the implementation of the concept of low carbon and environmental protection, new energy vehicles are gradually favored by consumers, and the traditional vehicle market is threatened. Subsidy and preferential policies such as exemption of purchase tax for new energy vehicles proposed by the China Energy Administration have promoted the consumption of new energy vehicles. BYD Auto responded to the development trend and actively carried out strategic layout in the field of new energy vehicles.

Analysis of Economic Environment

The BYD Nanchang Hongyun 4S store studied in this paper is located in Nanchang, the capital city of Jiangxi Province. In 2021, the permanent population of Nanchang is about 6.25 million, the per capita GDP is expected to exceed 100,000 yuan, and the per capita disposable income of urban residents will exceed 50,000 yuan. The economic development environment of Nanchang provides better economic conditions for the consumption support of automobile sales and after-sales service.

Economic Environment Analysis

Economic development, living standards and cultural literacy continue to improve, car consumption is no longer the exclusive product of dignitaries, coupled with people's comparison and follow the traditional concept, the proportion of private cars owned by ordinary families continues to increase. For example, in addition to buying a house, buying a new car is undoubtedly a family plan for many young married people. This part of the younger consumer group pays more attention to the technology and fashion of automobiles, and the pursuit of after-sales service is also higher.

Analysis of technical environment

At present, China's automobile production industry has mature, intelligent and automated core power parts and parts production lines, which has reduced the overall price of automobiles. In particular, BYD Automobile has invested in the research and development of automobile power battery technology earlier than its peers in the layout of new energy vehicles. BYD has made great achievements in the research and development of motors, electronic controls and batteries. As of 2019, BYD has more than 18,000 patented technologies, ensuring its own market share in a competitive environment.

Analysis of Micro-Industry Competitive Environment Based on Five Forces Model

Suppliers

Advantages: BYD is a product with independent intellectual property rights in China and has many distributors under it. At present, BYD has more than 1,000 4S stores in China. BYD manufacturers guide and manage the sales of 4S stores in a unified manner. In the near-day-to-day incentive competition in the automobile production and sales market, BYD Auto's market share has achieved steady and sustainable growth. increase.

Disadvantage: China's new energy vehicles are in a monopoly. The complete monopoly power of BYD's main plant over supporting enterprises has both advantages and disadvantages. The advantage is that the monopoly has changed the way of competition, or to a certain extent, it has eliminated competition. Increased costs.

Purchasers

Government procurement: The government's procurement of new energy vehicles is of public welfare, support and advocacy. Therefore, the government's bargaining power in the procurement of new energy vehicles is not dominant and relatively weak.

Procurement by ordinary people: BYD and other brands of new energy vehicles are emerging, and it takes a certain process for customers to change their ideas. At the same time, customers are often skeptical about the safety, battery life, and charging issues of cars, and the purchase price is not absolute compared to traditional models. Advantages, customers often make cost conversions for the part of the car purchase price higher than the ordinary gasoline model and the part that saves the cost of charging later, and the bargaining power is strong.

New entrants

At present, Tesla, Ideal and Weilai Automobile, including later FMC and Xiaopeng Motors, have entered thousands of households. BYD Auto Nanchang Hongyun 4S Store has to face the threats brought by domestic cars and prevent the impact brought by foreign cars. At present, all new energy vehicle brands have expanded their territory in Nanchang, occupying a certain market share. If BYD Auto Nanchang Hongyun 4S store has insufficient understanding and attention to the current industry competition, it will inevitably face a reduction in brand influence, loss of customers, and impact on operating efficiency.

Alternatives

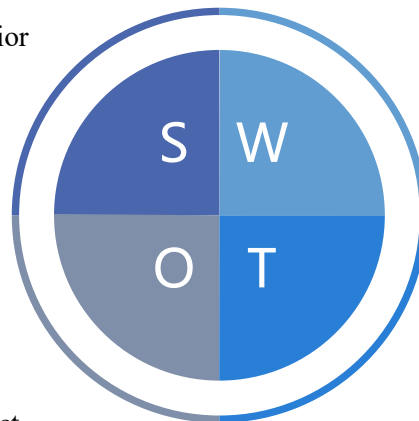
Traditional cars may become a substitute for new energy vehicles. The production technology of traditional automobiles is close to maturity, the production scale is large, the sales price is low, and the late-stage supporting facilities such as gas stations and maintenance are in place. Although the cost of using traditional vehicles is high, the price of new energy vehicles has offset the advantage of using cost. Therefore, as a substitute for new energy vehicles, the threat brought by traditional vehicles cannot be ignored in the short term.

Analysis of Competitive Situation Based on SWOT

The company's strategic planning needs to fully consider the internal and external environment of the company, and try to use its advantages as much as possible to avoid and restrain it. Necessary analysis with disadvantages.

- 1.Nanchang has a superior geographical location
- 2.Sales channels mature
- 3.Good brand reputation

- 1. The number of desire to buy cars in Nanchang has increased
- 2.New energy vehicles have strong support in policy and capital
- 3.The battery and contract manufacturing market is stable



- 1.Single marketing means
- 2.Low quality of service personnel
- 3.The talent structure is single

- 1.The number of motor vehicles in cities has soared
- 2.Industry competition is fierce, the price advantage drops
- 3.More competitors

Countermeasures for Perfecting the Service Marketing Strategy of BYD Auto Nanchang Hongyun 4S Store

Create differentiated service products There are dozens of models of the same car category in the Nanchang Hongyun 4S store, each with its own characteristics. For example, Qin, Han, Tang, Song, Yuan and other dynasties are classified according to different functions and different needs. Qin Pro is a good choice as a scooter. It's a compact car. Its high configuration and low price are the way to survive in this competitive market. Han is positioned as the brand's flagship sedan, with two versions, pure electric EV and hybrid DM, with certain differences in appearance. Power is definitely the biggest highlight. Tang is positioned as an SUV, which is the first model in the new home improvement design and the first model to use a plug-in hybrid system, among others.

Do a good job in employee training and improve service quality

The first is the training of their professional competence in automobiles. In response to the requirements of the rapid development of automobiles, technical employees can gather in a timely manner to exchange and learn between old and new employees, or hire other Experienced people train employees to improve their professional skills. The second is the training of staff service norms, whether it is their work clothes or language norms, they must pass the professional training requirements of the enterprise. Do our best to achieve unified, standardized and humanized service standards, improve the brand's status in the minds of consumers, and establish customers' trust in the brand.

Establish a complete service process system

After so many years of industry development, BYD Auto has achieved a high industry status in China, and has accumulated a wealth of service specifications and skills during this period, but these are still unable to meet customer needs. In view of this, Nanchang Hongyun 4S store should make overall planning, adapt to market needs, establish a relatively complete service system, and optimize the service process. For example, a call center is established in a 4S store to provide customers with more information consultation methods, so that customers can accurately find the information they need and reduce intermediate links.

Improve the space effectiveness of 4S stores

Pay attention to understanding the spatial structure. According to the scale of the 4S store and its own structure, the interior space should be reasonably planned. Use the space to do a good job in the service area. Set up an extended reading area and a children's play area to provide children or friends with customers a better way to spend time, such as waiting to see a car, so that customers can enjoy meticulous and thoughtful corporate services. Make a reasonable layout of the space. 4S store design needs to pay attention to the reasonable layout and planning of the space, including the integration of sales, display and publicity. In order to facilitate display and serve customers, a warm car buying environment is created.

Guarantee Measures for Perfecting the Marketing Strategy of BYD Auto 4S Stores

Optimize service marketing process and improve service experience

With the continuous improvement of consumption level, the competition in the automobile consumption market is very fierce. Enterprises dig deep into the deep connotation of customer-centricity, and service experience has become the key to forming purchasing behavior. Service experience is a brand-new service marketing concept that is different from traditional services. Consumer behavior is not only rational, but also has emotional needs and perceptual cognition. Therefore, it is necessary for BYD Nanchang Hongyun 4S store to strengthen interactive experience services in the customer relationship management or communication and interaction before, during and after the sale. The way of feeling and active experience establishes the emotional resonance and intercommunication between products, services and customers, which requires optimization and reengineering of existing service processes to improve the service experience brought by Hongyun 4S stores to customers.

Strengthen the construction of human resources to ensure service quality

An excellent organization needs to continuously improve the professional quality and professional level of its employees. Human resources construction can be said to be the primary guarantee for the implementation of service marketing strategies. This article suggests that BYD Nanchang Hongyun 4S store strengthen human resources construction from two aspects and improve the quality of employees to ensure 4S shop service marketing quality. One is to optimize and improve the organizational structure of Nanchang Hongyun 4S store. The second is to clarify the division of labor and responsibilities of employees and strengthen performance appraisal.

Strengthen the construction of corporate culture and establish a service concept

First, the management changes its thinking, attaches importance to the construction of corporate culture, and condenses and precipitates the unique cultural connotation of its own operation and development on the basis of a practical and profound understanding of BYD's brand culture and BYD's manufacturer's corporate culture, that is, truly customer-oriented The

center wins customer satisfaction with high-quality service, strengthens service awareness from business philosophy, strengthens the direction of value guidance, and conveys corporate philosophy and values to employees, so that they can establish a service concept and maintain service awareness at all times. The second is people-oriented. The corporate culture construction of Nanchang Hongyun 4S store should emphasize and highlight the importance of employees to the enterprise, respect employees, trust employees, cultivate employees, and form the common values and cohesion of the enterprise and employees. , Pioneering and innovative team.

Concluding remarks

In recent years, under the development trend of low-carbon and environmental protection, China has provided strong policy support for the new energy vehicle industry. The 2022 government work report proposes continuous tax and fee reduction policies for the new energy vehicle consumption market. The industrial chain, supply chain and consumer market side of China's new energy vehicle production side are undoubtedly a big positive. In recent years, the new energy vehicle industry has been going strong all the way. At the same time, many traditional fuel vehicle manufacturers have entered the new energy vehicle market one after another. More and more intense, brand influence, price, performance, models, and after-sales have their own advantages, and customers have many choices for car purchases. As the most important sales channel between manufacturers and customers, auto 4S stores have brand advantages and professional advantages. However, their models are single, lack price control and pricing authority, and maintenance costs are relatively high. If you want to have core competitiveness, you must Marketing services must be constantly innovated and strengthened.

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