

Title: Comparison The Differences of Sales Models Between Chinese and Foreign Enterprises; The Case of Byd China and Siemens in China

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Degree: Master of Business Administration

Major: Management

ABSTRACT

The sales model has a significant impact on how a business runs, and for a company to operate in a highly competitive climate and earn high returns for its shareholders, it must adopt effective tactics and implement them efficiently. The study attempted to ascertain the sales models adopted by motor vehicle components manufacturing enterprises (BYD and Siemens), as well as to identify competitive strategies. The study adopted a systematic review of the literature and existing empirical data to compare the sales models adopted by the two companies. The authors of the study's theoretical foundations were Porter's five force analysis and generic competitive strategies. The study employed a descriptive qualitative approach, and primary data was obtained using a questionnaire containing both open and closed questions. Data analysis was done using frequencies and percentages, and the findings were presented in the form of tables, charts, and graphs. According to the findings, BYD and Siemens companies in this market face tough competition from rivalry among firms, the prospect of new entrants, and customers and suppliers with significant bargaining power. To

thrive, BYD and Siemens have adopted competitive strategies such as cost leadership, focus strategy, and differentiation strategy, according to the report. The best sales models adopted by both companies are the dealership models through the strong online presence in the era of internet penetration worldwide. Comparatively speaking, conventional automotive companies could seem a little hesitant to switch to this direct sales approach because they have adapted and become more reliant on their current dealership model. Adopting the direct sales model would also need reevaluating, redefining, and rebuilding their operational flows as well as their legal contract/compliance framework with their clients, warehouse and logistics providers, etc. Due to the COVID-19 epidemic, global auto sales have slowed down, and the issue has only become worse in 2020 and may do so in the months and years to follow.

Keywords: Sales model, Automotive industry, Strategic management

