

EV's Leading in China, Ford is a Few Cars Behind

Brianna Rose, David Whitehead, Chris Sterling, Hayden Harrison, Jacob Murfin, Katie McCombs, Tyler Lehman

Abstract

As the world is looking at sustainable energy sources, electric vehicles are likely to be a big part of the perceived future. China has 18.47% of the world's population, is one of the highest emitters of carbon dioxide, and is the world's largest market for electric vehicles (Country Meters). China's GDP was USD 13.608 trillion in 2018 and is expected to increase substantially in coming years (Wang, 2019). With 25 million vehicles sold in 2019, China's automobile market is the biggest in the world. With that, China accounts for 27.52% of the world's CO₂ emissions (Statista). To decrease that number, China stated in 2019 their goal was to have 60% of all automobiles sold in 2035 to run on electric motors (Tian, 2019). With car sales in China declining rapidly over the past 3 years, automobile companies are looking for a way to develop a sustainable competitive advantage. Ford Motor Company, a \$156 billion global leader, has been struggling to compete in China and is now looking to the electric vehicle market as a way to expand. However, China's EV market is hypercompetitive with over 400 domestic EV manufacturers, including some multinationals like General Motors. To differentiate themselves from the competition, Ford announced plans of building facilities that will specialize in creating technology for their EV's. SYNC+ is a popular technological option available to enhance the consumers experience (Media Ford, 2019). However, investment in technology could raise the prices of their vehicles. With annual income in China at about 82,413 yuan (\$11,727 USD), raising prices may not be an option for Ford (Statista). This case study discusses the many challenges that Ford faces in China and how it needs to change its marketing mix in order to succeed there.

Keywords: Ford, China, Electric Vehicles, Pollution, Environment, Automobiles, Case Study, Emerging Markets, International marketing