

From Affordability to Aspiration: Branding Strategies of BYD in the Global EV Market

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Abstract: *Branding is a key differentiator in the automotive industry, shaping consumer choice through values and identity beyond product quality. This study explores the branding strategies of Build Your Dreams (BYD), a leading global electric vehicle (EV) manufacturer, focusing on innovation, sustainability, affordability, and global expansion. Survey and secondary data reveal that while BYD has gained presence in the EV sector, it lags rivals like Tesla in innovation and emotional appeal. Consumer awareness and loyalty are still developing, highlighting the need for stronger connections to achieve long-term global leadership.*

Keywords: Branding Strategies, Electric Vehicles (EVs), BYD (Build Your Dreams), Consumer Perception, Global Market Expansion, Sustainability in Branding

1. Introduction

In today's business environment, branding is a vital driver of consumer behaviour, organisational growth, and long-term competitiveness. It goes beyond logos and slogans to reflect identity, reputation, and emotional connection. In the fast-evolving EV industry, branding has become a core differentiator as firms must convey innovation, trust, and aspirational value.

Build Your Dreams (BYD), founded in China in 1995, illustrates this shift. Starting with rechargeable batteries, it has grown into a leading EV manufacturer competing with Tesla, Nissan, and Hyundai. As governments promote green mobility, BYD relies heavily on branding to communicate its values of sustainability, affordability, and innovation, especially as a relatively new global player. Unlike Tesla's luxury positioning, BYD emphasizes affordability and eco-friendliness, appealing to price-sensitive markets. Yet, long-term success requires aspirational branding that fosters loyalty and emotional resonance.

Theoretical models of brand equity (Keller, 1993) and identity (Aaker, 1996) highlight BYD's dual positioning: practical and affordable, yet striving for innovation and aspiration. Its tagline, "Build Your Dreams," reinforces its people-oriented image. However, globalization brings challenges—while trusted domestically, BYD faces skepticism abroad, where Chinese brands are seen as less premium. Overcoming this requires building credibility and differentiation across diverse markets.

This study analyses BYD's branding strategies, exploring how it balances functional benefits with emotional drivers and how it compares with Tesla. Findings underline that branding is not merely a marketing tool but a strategic force shaping BYD's global ambitions. Aligning with UN Sustainable Development Goals, BYD's emphasis on sustainability, innovation, and affordability demonstrates how branding can promote green mobility and responsible consumption.

Table 1: Alignment of BYD's Branding Strategies with UN Sustainable Development Goals

United Nations-SDG	Topic	Connection to BYD's Branding Strategies
SDG 7	Affordable and Clean Energy	BYD integrates renewable energy solutions and promotes eco-friendly technologies in its branding to support sustainable mobility.
SDG 9	Industry, Innovation, and Infrastructure	The company's focus on technological advancement and affordable EVs reflects commitment to sustainable industrial growth and innovation.
SDG 11	Sustainable Cities and Communities	BYD's branding highlights clean mobility solutions that contribute to reducing urban pollution and creating sustainable cities.
SDG 12	Responsible Consumption and Production	Positioning around affordability and sustainability encourages responsible consumer choices and resource-efficient practices.
SDG 13	Climate Action	Branding strategies emphasizing carbon reduction and renewable energy reinforce BYD's role in combating climate change.

2. Literature Review

Branding plays a pivotal role in shaping consumer behaviour and competitive advantage, functioning as more than a name or symbol by building identity, trust, and differentiation in competitive markets. In the electric vehicle (EV) industry,

this role is heightened due to the newness of the technology and evolving consumer expectations.

Keller (1993) defined brand equity as consumer associations that create value for both customers and firms, ensuring loyalty, financial returns, and sustainability. Aaker (1996)

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emphasized brand identity—essence, personality, and associations—as central to emotional connection. For firms like BYD, identity communicates not only affordability and sustainability but also intangible values.

Differentiation is difficult in the auto industry since technological advances are easily replicated. Kapferer (2008) argued that branding protects firms from commoditisation by creating meaning beyond functionality, a strategy seen in Tesla's aspirational positioning. BYD, by contrast, emphasized affordability and reliability—facilitating entry but lacking aspirational appeal.

In emerging markets, affordability and perception form a dual challenge. Kotler and Keller (2016) noted that consumers are price-sensitive yet conscious of global standards. Meanwhile, scepticism persists around EVs—longevity, charging, and reliability (Bohnsack, Pinkse, & Kolk, 2014). Branding here reduces risk perceptions and builds trust.

Sustainability further strengthens EV branding. Ottman (2017) highlighted green marketing as a differentiator, while Khan and Rahman (2015) cautioned that authenticity is vital for consumer trust. BYD promotes renewable integration and carbon reduction but must ensure credibility globally.

Comparisons with Tesla illustrate contrasting strategies. Tesla built an aspirational brand through innovation, design, and leadership, while BYD pursued practicality and accessibility (Mangram, 2012). Literature suggests that functional branding supports entry, but aspirational branding secures long-term loyalty (Kapferer, 2008). For BYD, this transition is critical.

Cultural context also matters. Hofstede's (2001) framework shows how consumer values differ globally. Chinese brands like BYD face challenges of quality perception abroad (Li, 2016). Studies on Asian firms reveal that while domestic branding stresses cost, global markets require alignment with local aspirations (Zhang & Schmitt, 2001).

Finally, communication strategies highlight the role of storytelling. Escalas (2004) argued that narrative branding builds emotional connections. Tesla has excelled in this, whereas BYD must strengthen storytelling to resonate beyond functional messaging.

In conclusion, literature demonstrates that EV branding extends beyond promotion to trust-building and long-term success. BYD's current positioning in affordability and sustainability is effective, but its evolution into a global leader requires aspirational branding, cultural adaptation, and authentic storytelling.

Research Objectives

- 1) To analyse the branding strategies adopted by BYD in the EV sector.
- 2) To evaluate the effectiveness of these strategies in building consumer trust and loyalty.

Hypotheses

H¹: BYD's branding strategies significantly influence

consumer perceptions and enhance competitiveness in the EV market.

H⁰: BYD's branding strategies have no significant impact on consumer perceptions or competitiveness.

3. Research Methodology

This study employed a **descriptive research design** to examine BYD's branding strategies and their impact on consumer perceptions. The approach enabled analysis of existing practices, consumer attitudes, and EV industry trends, particularly BYD's position as an emerging global player.

Both **primary and secondary data** were used. Primary data came from a structured survey of 100 respondents across varied demographics, with multiple-choice and Likert-scale questions on brand awareness, affordability, sustainability, trust, and purchase intentions. Secondary data included scholarly articles, books, industry reports, and company publications, offering theoretical grounding and comparative insights with firms such as Tesla.

Convenience sampling was applied due to time and resource constraints. While limiting generalizability, the sample size was adequate for drawing meaningful insights. Data was analysed using **descriptive statistics** (frequencies, percentages, charts, and tables) and thematic analysis of secondary sources.

To ensure validity, the questionnaire was designed for clarity and only credible sources were used. Ethical standards were observed: participation was voluntary, confidentiality maintained, and responses used solely for academic purposes.

In sum, the methodology combined descriptive design, mixed data, and comparative analysis to build a comprehensive basis for evaluating BYD's branding strategies.

4. Data Analysis

Survey findings, supported by secondary data, provided insights into consumer awareness and perceptions of BYD's branding strategies. Most respondents were aware of the brand, associating it primarily with **affordability and sustainability**. This reflects BYD's success in communicating its functional positioning but also highlights its limited appeal as a **premium or aspirational brand**.

Affordability and reliability were the strongest perceived attributes, indicating that BYD's cost-effective strategy resonated with consumers. However, **innovation was less associated with BYD**, unlike Tesla, which respondents consistently linked to modernity, status, and technological leadership. This gap underscores a key limitation: while BYD is seen as practical and sustainable, it lacks the innovative and aspirational qualities that drive long-term loyalty.

Sustainability messaging was positively recognized, especially for BYD's focus on eco-friendly mobility and carbon reduction. Yet, the findings suggest that **sustainability alone does not secure consumer trust or loyalty**, as aspirational identity and emotional engagement remain weak. Brand loyalty was moderate; many respondents were undecided or preferred competitors, pointing to the need for stronger **emotional connections**.

Cultural perceptions also influenced attitudes. Some respondents expressed skepticism toward Chinese brands, associating them with lower quality compared to Western competitors. This emphasizes the importance of credibility and trust-building in international markets.

In sum, BYD's branding strategies have created awareness and positioned the company as an affordable, sustainable choice (supporting H1), but their limited ability to inspire innovation-driven trust and loyalty leaves BYD at a disadvantage against aspirational competitors like Tesla.

5. Interpretation

The data showed that while BYD achieved considerable brand awareness, this was largely **functional rather than aspirational**. Consumers associated the brand with affordability, reliability, and sustainability, but not strongly with **innovation or emotional value**, limiting its ability to compete with global leaders like Tesla.

BYD's strength lies in attracting cost-sensitive consumers, with affordability emerging as its most recognized attribute. However, this positioning is insufficient for long-term loyalty in markets where **innovation and aspirational appeal drive preference**. Sustainability was positively noted, but alone it does not secure trust; consumers expect it to be paired with innovation and stronger engagement.

Comparisons highlighted Tesla's positioning as innovative and aspirational, while BYD remained practical and accessible. Added skepticism toward Chinese brands further emphasized the need for **credibility and quality reassurance** abroad.

In sum, BYD's branding has created awareness through affordability and sustainability, but future competitiveness requires **aspirational storytelling, innovation, and emotional connection** to strengthen consumer loyalty.

6. Conclusion

The study highlights branding's central role in shaping consumer perception and competitiveness in the EV industry. BYD achieved moderate awareness, mainly associated with **affordability, sustainability, and reliability**, confirming its positioning as a cost-effective, eco-friendly alternative. However, consumers rarely linked the brand with **innovation or aspiration**, leaving it behind competitors like Tesla. While effective for market entry, BYD's strategies lack the **emotional engagement** needed for long-term loyalty. Cultural skepticism toward Chinese brands further challenges its global image, underscoring the

need for **greater credibility, innovation, and aspirational appeal**.

7. Limitations

This study was limited by a small sample of 100 respondents and the use of convenience sampling, reducing the generalizability of results. Time and resource constraints restricted exploration of cultural variations, while reliance on secondary sources may not fully capture recent industry shifts. These factors require cautious interpretation of the findings.

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