



Research on Genius Marketing Strategy from NIO

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ABSTRACT

Since its launch four years ago, NIO has grown rapidly and become a leading brand of new energy vehicles in China. As the first auto company with the highest shipment volume in the world, NIO has a completely different sales market from classic models and has a unique marketing approach to other new energy vehicles. This paper will discuss the following issues in detail: When compared to traditional automobile enterprises, how should it use its marketing resources to close the gap with other brands in the new energy market? What specific psychological and practical benefits do these marketing methods bring to consumers? In addition, based on the specific data in the annual report on NIO's official website, we want to determine whether this innovative marketing method is in line with the consumer psychology of the public and whether it is worth emulating by other auto companies.

Keywords: *Fast development, Sales model, User experience, Marketing framework*

1. INTRODUCTION

NIO is a Chinese electric vehicle brand registered in the Cayman Islands in 2014 and listed on the New York Stock Exchange in 2018, with Li Bin as Chairman and CEO. In April 2019, the two companies inked a memorandum of understanding (MOU) for the commercialization of solid-state battery electric vehicles. At 10:14 EST on January 11, 2021, NIO, it has tens of millions of dollars, surpassing Volkswagen to become the world's third-largest car company by market value. Nextev, second only to Tesla in the United States and Toyota in Japan, has a smaller market and a smaller sales history than Toyota. What exactly does Nextev rely on to stand on the market value threshold of 100 billion dollars? Four years after its listing, Nextev has not only become the leading sales brand of new energy vehicles in China, but also the first automobile company with the highest delivery volume. However, the sales market of Nextev is completely different from that of classic cars, and it has a unique marketing method compared with other new energy vehicles. How does it use its marketing approach to open a gap with other brands in the new energy market? Literature study method will be used in this article, by consulting relevant literature, and corporate annual reports to prove that the NIO at this stage is developing rapidly and uses comparison method, the traditional car sales patterns and NIO to compare sales model, again in the new energy market compared with

other emerging cars, thus understands why NIO can successfully to enter the world's highest models.

2. NIO

2.1 Development

First of all, let's start with the brand of NIO; in the past four years, NIO has set up design, production and business offices in 13 places, including SAN Jose, Munich, London and Hefei, bringing together thousands of the world's top automotive, software and user experience industry talents, and initially establishing a user service system covering the whole country in the Chinese market. It also announced that it signed a framework agreement with the Hefei City government for NIO China headquarters to settle in Hefei. The Hefei government will invest in the NIO China Headquarters project through designated investment companies and market investors, and the total investment is expected to exceed 10 billion yuan. "NIO" expresses the vision of PURSUING a better tomorrow and blue sky and creating a pleasant lifestyle for users. The new Logo is composed of the sky symbolizing openness and the future and the road of action and progress, explaining the brand concept of NIO.

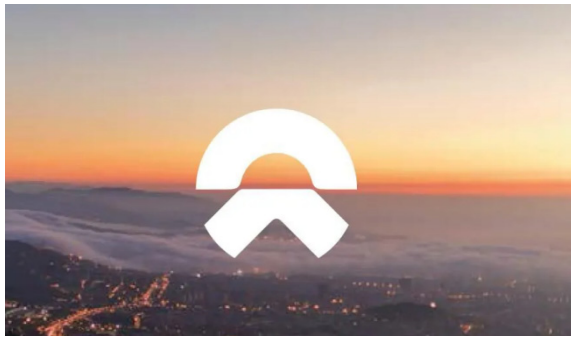


Figure 1. NIO logo design and trademark concept

In recent years, in the cooperation between Li Bin and other parties and specific marketing strategies, the latest data shows that the delivery volume of NIO cars last year is substantial. NIO delivered 10,878 vehicles in November 2021, up 105.6% yearly. The deliveries include 2,683 ES8 units, 4,713 ES6 units, five high-performance advanced ELECTRIC SUVs, 3,482 EC6 units, and flagship advanced innovative electric SUVs with six or seven seats. NIO has delivered 80,940 vehicles from 2021 to now, up 120.4% year-on-year. As of November 30, 2021, the cumulative deliveries of ES8, ES6 and EC6 reached 156,581 units.

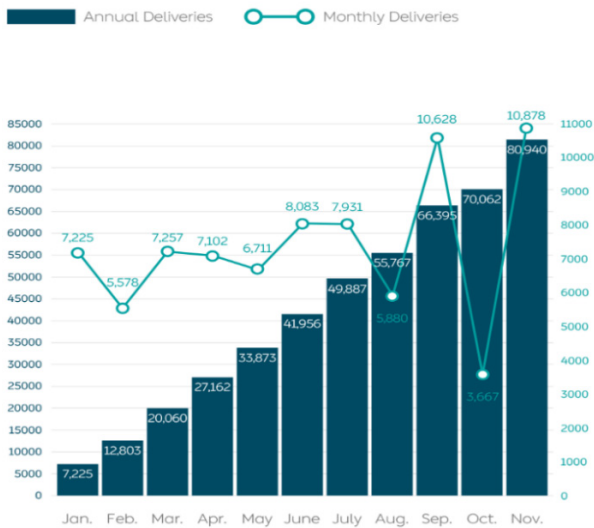


Figure 2. NIO's sales data and increase in 2021 fluctuate

2.2 Science and technology leading

In the automobile industry, the technology is fundamental, related to intelligent electric car manufacturing six core technology "three SanDian wisdom," namely, motor, electric control, battery pack and intelligent cockpit, automatic intelligent gateway, auxiliary driving system, currently only two building cars companies all over the world take is independent research and development, one is the Tesla, another is Wei. No matter what industry, their research and development of

core technology is significant, only in this way to develop for a long time.

In addition, the battery service is quite different from other new energy vehicles. Nio promotes the separation of vehicle electricity by establishing a battery Asset Management company. On this basis, launched Baas service, which allows users to purchase cars without buying battery packs and pay monthly service fees. At present, NiO's Battery Asset Company has completed two rounds of financing with eight shareholders and completed an investment of 1.4 billion YUAN. Meanwhile, it has also obtained bank credit. This scheme can reduce the purchase cost of electric vehicles, solve the problem of battery asset depreciation, and solve the problem of battery property ownership in battery recycling. Nio provides a lifetime warranty service and unlimited lifetime free electricity changing service, so that the car owners have no worries, so they have won a good reputation. Many car owners advertise for NIO for free, which is also a great wealth of NiO.

3. NIO SALES MODEL

The NIO sales model had been a significant factor in its marketing aspect to make the EV company an essential player in the industry. According to Berger [2], the sales model is an integral aspect of any marketing feature that a company may utilize. NIO has decided to offer a premium and personalized element to its sales model. Through this aspect, NIO has focused on a long-term strategy that is hinged on improving the vehicle industry. This marketing strategy was hinged on enhancing sustainability through its eco-friendly measures. Their eco-friendly strategy has been mooted as one of their most significant marketing aspects as it is the backbone of their business operations. By positioning itself as one of the eco-friendly brands such as Apple and Amazon, this is showcased in its advertisement aspects. The results of its sustainability and eco-friendly have been over 90% of its sales through the sale of its vehicles based on its sustainability aspect [5]. The marketing of its products from an eco-friendly perspective has been instrumental to the nature of its products and services through its perceived sales model. The premium personalized and enhanced strategy that NIO has implemented has also seen an increase in sales from the final quarter of the business sales point. This has been attributed to over 180% of the sales in its marketing attribute to catapult the company and its portfolio to a giant in the vehicle industry. The introduction of a fine sale structure for NIO has been a significant aspect of the company's marketing structure. Zhao & Jiang [10] believes that the market can conform to the nature of the business and its products if there is a good relationship between marketing and sales. Through implementing the sales strategy, NIO has been able to build a consumer line that is hinged on trust and accountability. This has been a critical factor in NIO

making steps in the marketing sector. The company has successfully implemented its sales action strategy hinged on personalized service and product acquisition. Although the company has implemented a good sales strategy by focusing on its eco-friendly aspect, it has suffered some losses attributed to over 800 million dollars, which translates to over 50% less than the previous years.

3.1 User experience

NIO is one of the leading electric vehicle brands in China. As a global intelligent electric vehicle brand, NIO is committed to creating a pleasant lifestyle for users by providing high-performance intelligent electric vehicles and an extreme user experience. "-- That's the slogan of NIO founder Bin Li when he created the brand. One of the biggest changes of NIO as an emerging auto company is to change the word from consumer or customer to user. Positioned as a "user enterprise," its brand marketing business model is built on the ultimate user experience.

3.1.1 Interact with users and pay attention to user feedback

Nextev marketing is an essential entrance for online user promotion, community construction, product sales and car owner service through the online user community. Nextev will process the information such as appointment test drives, news releases, and product comments posted by users on the DEBUG system. Fellow of Nextev (Sales consultant of Nextev) takes the trouble to drive your intended model to your door for a test drive for unlimited times and provides car rental experience service for up to 30 days. After the experience, you can also deduct part of the car rental. They even post user suggestions directly to the experience manager group and the person in charge. Regardless of whether the users have purchased NIO value-added services, they can feedback on any displeasure or question in the regular service in the exclusive service group. Li Bin and other senior executives also often interact with users in the community.

3.1.2 Focus on user experience and build brand image

Transparent national unified car price: the manufacturer directly manages the model so that all transactions are mainly online, offline stores do not accept any cash, and there are no "additional fees" for traditional car companies.

Open and transparent financial plan: For conventional consumers to purchase cars, NIO provides financial loan services of as low as 15% down payment and up to 60 terms, without any expenses except interest. Approval

and lending are conducted through online processes, and the costs are relatively low in the industry, without the "financial service fees" of traditional car companies.

Insurance scheme is rich, no mandatory project: project for insurance, regardless of whether the loan, NIO to allow the user to choose the insurance company and buying patterns, and NIO to based on providing "safe" insurance, "service worry-free" service, the user can choose according to oneself circumstance, there is no "mandatory" of traditional car companies.

To promote user satisfaction, NIO has built a variety of incentive mechanisms. For example, the official exchange ratio between NIO Points and RMB is 10:1, which can be used to exchange equivalent goods and services, significantly promoting user activity. Set NIO value to become a lifetime effective credit system for NIO users in the brand community; In the establishment of NIO User Trust, Li Bin will transfer 50 million shares of his own to the trust, and the community users can participate in the discussion and suggestion of stock income distribution and benefit from it. To promote user satisfaction, NIO has built a variety of incentive mechanisms. For example, the official exchange ratio between NIO Points and RMB is 10:1, which can be used to exchange equivalent goods and services, extensively promoting user activity. Set NIO value to become a lifetime effective credit system for NIO users in the brand community; In the establishment of NIO User Trust, Li Bin will transfer 50 million shares of his own to the trust, and the community users can participate in the discussion and suggestion of stock income distribution and benefit from it.

3.1.3 Deepen the membership system

The first owner of NIO will automatically enjoy three lifelong free rights, namely, lifelong free quality guarantee, lifelong free road rescue and lifelong free online vehicle service. In addition, in February 2018, NIO launched its membership Service packages -- NIO Power without energy and NIO Service without Service.

In addition to the realization system composed of member service packages and happy members and the user growth system composed of nio points and nio values, nio also has a top car owner club -- EPCLUB.

To allow more users to experience the ultimate service and experience of the club, the club has added quarterly experience members since 2020. Quarterly experience membership consists of the top 10 fastest growing users of NIO in each quarter. Unlike annual membership, experience members can participate in a single club activity.

3.2 Balance user experience with cost

Online user-centred NIO App and offline ultra-luxurious NIO House and NIO Day enhance the bond between NIO and users and increase sales management fees. As the capital chain becomes increasingly tight, NIO automobile brand marketing finally changes the "user experience only" operation mode. The first is cost reduction. The number of new NIO Houses decreased, but to expand the market through more and smaller NIO Spaces, The ES6 test drive venue was moved from the Bund to a professional circuit. The second is to adjust user service expenditure. After communication with users, we launched version 2.0 of "Service without worry," which carries out step pricing according to different models, purchase frequency and risk frequency, and provides complimentary services according to the pricing, so that the service loss can be controlled from over 4000 yuan per user per year to about 1000 yuan. Maximize 95% of users' daily needs rather than 100% satisfaction. Through management optimization, NIO will achieve breakeven in customer service within two or three years without considering its staff costs. [11]

3.3 Implementing a marketing framework

For NIO to make significant steps in its marketing, it must have implemented a marketing framework to help in its marketing endeavors. According to Jiang [3], a marketing strategy consists of a company's actions hinged on consumer capture and building a brand loyal consumer base attracted to the products and services offered. Through the marketing strategy, the company can include its value proposition and data on the targeted consumer base and a brand message to influence consumers. NIO would benefit significantly from the inception of a marketing strategy that would be used to communicate its sustainable competitive advantage. This would be hinged to communicate how, through its EV and battery services, the company can understand the needs and wants of the consumers. By following a marketing framework, NIO would look to implement social media, mass customization and advertisement of its products. Through the communication aspect represented in a marketing strategy, NIO would be able to effectively look into the core and value proposition aspects they represented [1]. The company's business operations have been hinged on the marketing framework NIO implemented.

The company implemented a 4P marketing strategy to enter the global industry. NIO had been primarily a China company that had its operation only in the Asian country. IT's significant steps in the marketing arena had been influenced by its adaptation of the four P's marketing strategy. According to Kumar [4], the four ps of marketing are essential since they offer four aspects: product, place, price, and promotion of goods and

services. NIO has enhanced its four P's marketing aspect, hinged on both the external and internal factors that the business environment interacts with significantly. The company has improved its place by creating a new place for its operations in other countries. Through this marketing aspect, the company can implement essential components to its service, such as showcasing what the consumers want. This communicates how their services and products meet the consumer demands and how they stand from the existing market competitors. Through the inception of the marketing strategy, the company has been able to transcend its marketing structure to one of the multinational corporations worldwide and a leader in its EV products.

4. DISCUSSION

NIO has made significant steps in its marketing approach by introducing new products and services such as its new energy vehicles. According to Teece[7], a unique selling proposition is what the company has employed as a significant factor in its marketing rise. Including new products and services as its unique selling proposition was how the services offered were better than NIO's competitors. The company, through this aspect, has used its unique selling proposition to create a sustainable brand aspect and a differentiation portion of its product portfolio. The new energy vehicles that NIO had created as its flagship product have showcased the company's unique product position that has effectively captured its consumers [8]. For instance, it has enhanced its marketing aspect and grown to be a big player in the automobile industry by communicating its sustainability through the new energy vehicles [6]. The new energy vehicles created were focused on aspects such as their premium SUV segment that gained popularity immensely among its Chinese consumers. The development was a significant factor in spreading the marketing aspects of the NOI corporation through channels such as social media and consumer preference. The company avoided direct competition with Tesla in the Chinese market space through the development of the EP6 since it offered a cheaper alternative to the already existing model ES8, ES6. Model Y and Model X. The bullish behavior that the company portrayed forced Tesla to change its price point and evaluation to direct competition with NOI. These sentiments increased the market margins of NOI on a domestic and global scale, thereby improving its position and making a big step in marketing. According to Zhang & Zhang [9], for most electric vehicle customers, the main problem is battery costs. The current products in the market have not addressed the issue, which has a significant hindrance in the industry. Through NIO's new service provision aspect that allows for battery leasing, this unique market proposition has been an essential step in its marketing since it saves its consumers over 100 RMB. The nature of battery leasing has been a significant price pointy for its products,

increasing its competitive advantage in the industry. Through direct marketing, the company has strengthened its marketing aspect.

5. CONCLUSION

In conclusion, from the analysis conducted, NIO has come a long way through its marketing aspects and the possible outcomes. For instance, through its brand user experience and marketing the company's products as a significant player in the industry, NOI has increased its marketing scope. The company has placed some of the strategies to introduce new consumer policies that are hinged on sustainability and corporate social responsibility. These have enhanced their marketing aspects and increased the nature of consumer engagement. For instance, through the NIO user trust, the company's owner transfers shares to the company. This has been a marketing strategy that has worked to communicate an aspect of corporate social responsibility. The company's marketing and sale strategy has communicated its position through messages such as the accountability and sustainability aspect of its products and services. Through these factors, the company can increase consumer loyalty and build its brand to accommodate consumer needs. The marketing aspect has been supported by increased popularity from the products and services realized and word of mouth. Consumers have been impressed by the products created by NOI and its unique value proposition. It has incorporated marketing strategies into its operations, such as the 4P's, to solidify its place in the market and build its brand's popularity. By balancing user experience with cost and enhancing the member system, the company has showcased how it has built its brand recognition to world status in its market. These potential outcomes received by the company have been the driving force behind the NOI company's rise through marketing and in the market.

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