

Marketing Strategy Analysis of BYD Using 7P Theory and the Large Language Model

Jingting Wei

Guangdong Country Garden School, Foshan, China

Email: weijingting@gcgsedu.com

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Abstract

As new energy vehicles (NEVs) have become more popular in recent years, many brands have started to focus on this market. With China emerging as the world's largest market, BYD (Build Your Dreams) has been the top-selling brand for nine years in this highly competitive space. Staying in first place for so long in such a competitive industry is impressive, and the marketing strategies behind this success are worth exploring. At the same time, BYD offers a wide range of vehicle models with different configurations, but why do customers prefer one over the other? How can the business observe its customers to achieve better sales? This paper analyzes BYD's marketing strategy and target customer group using the 7P marketing theory. The 7P framework expands the traditional 4P model to include seven key elements: product, price, place, promotion, people, process, and physical evidence. I integrate online comments from different websites, including BYD's official website and other vehicle-related websites. Through theory-driven analysis, the conclusion is drawn: the most important dimension is the product, and price comes second. This means BYD outperforms other electric car manufacturers because it has achieved a very good balance between quality and price. These two dimensions have helped BYD become the top new energy vehicle brand in China. More importantly, to further testify the above conclusion, this paper uses the latest artificial tools. With the use of a large language model, data-driven analysis is designed, including generating surveys and simulating consumers. First, five representative BYD users were identified by inputting data on BYD's top five best-selling models into the large language model (LLM) using appropriate prompts. Then, the LLM acted as these five users from 34 provincial-level administrative divisions in China to answer the designed survey. The LLM prompts incorporated real consumer reviews from BYD's official forums to enhance simulation accuracy. The survey answers were collected and analyzed to get the final results. Some interesting conclusions were drawn from the data-driven analysis: some are consistent with the above findings, and some are new, which

complement the theory-driven analysis.

Keywords

Marketing Strategy, 7P Theory, Large Language Model

1. Research Purpose, Theoretical Framework and Market Background

This essay aims to dissect the marketing strategies underpinning the new energy vehicle (NEV) industry and forecast the trajectory of the future market landscape. This paper analyzes the BYD brand through the 7P theory (Booms & Bitner, 1981), which is an extension of the traditional 4P theory (Cuofano, n.d.), covering seven aspects: price, product, place, people, promotion, physical evidence, and process.

In today's economic and technological environment, new energy vehicles occupy a large proportion of the market, as shown in **Figure 1**.

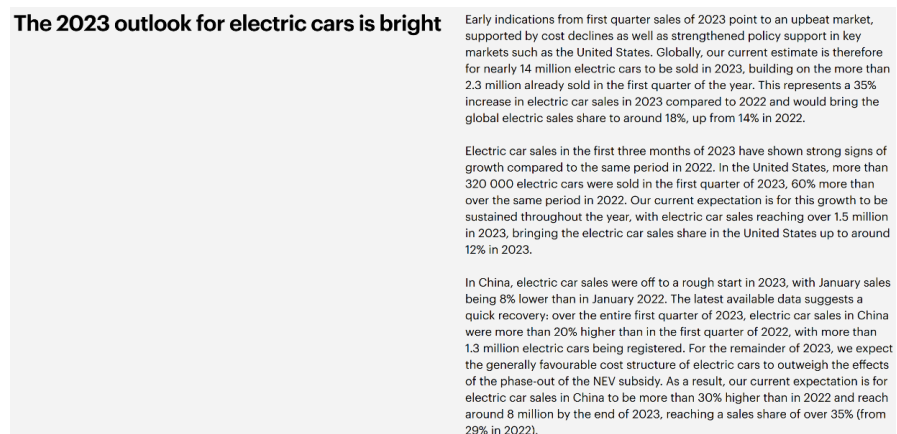


Figure 1. Global EV market trends (International Energy Agency, 2023).

According to the 2023 Record from the International Energy Agency (**Figure 1**), sales of electric cars have greatly increased during the recent year. Among so many tram brands, a Chinese brand BYD has contributed the largest proportion, having sold 1.8685 million vehicles and it has built a very solid foundation for BYD.

2. Theory-Driven Analysis Based on 7P

2.1. Price

How did BYD, a Chinese brand, attract so many customers? The most critical point is its flexible pricing strategy and market positioning. BYD initially entered the new energy vehicle market with a very high-cost performance. In 2007, BYD's first electric car sold for 115,800 yuan, more than 600,000 yuan cheaper than Tesla's electric car at the same time. This laid a very solid foundation for BYD and greatly enhanced its market competitiveness.

After gaining a stable customer base and positive market evaluation, BYD began to launch new series and move toward becoming a premium car brand. Many people are curious about how BYD can control costs so low, and the answer lies in its vertical integration capability across the entire industrial chain. A unique feature of BYD is its vertical integration capability, meaning it has independent R&D and production capacity for core components of new energy vehicles, from batteries, motors, and electronic controls to chips. This enables BYD to self-develop 75% (Chen, 2023) of its components, greatly reducing the cost of purchasing components from external suppliers.

Table 1. BYD NEV model price range, ratings, and sales performance (2023).

| Rank | Model | Price Range (10k CNY) | Avg. Rating | Pure EV Sales | PHEV Sales | Total Sales |
|------|---------------|-----------------------|-------------|---------------|------------|-------------|
| 1 | Seagull | 6.98 - 8.58 | 4.62 | - | - | 48,754 |
| 2 | Qin PLUS | 7.98 - 17.98 | 4.60 | 14,739 | 25,970 | 40,709 |
| 3 | Song PLUS NEV | 12.98 - 18.98 | 4.48 | 17,147 | 23,105 | 40,252 |
| 4 | Qin L | 9.98 - 13.98 | 4.55 | - | - | 30,062 |
| 5 | Seal 06 DM-i | 9.98 - 13.98 | 4.47 | - | - | 26,711 |

From the ranking (Table 1), we can also see that the first style—Seagull, its entry version of the model price of 69,800 CNY, the top version of 85,800 CNY, is a similar product, with a lower price to attract customers.

2.2. Product

However, low prices alone are not enough to sustain BYD's current sales. Besides, battery safety is an important factor for customers when choosing an electric vehicle. BYD's blade battery performs well in the "needle test"—the most demanding test in power battery safety testing—with excellent safety performance.

Affordability and safety have helped BYD attract wave after wave of customers, allowing it to stand out increasingly in the new energy vehicle field.

BYD officially launched the blade battery and conducted a number of public tests to prove its safety and reliability. In the official video released by BYD, after the needle-puncture test, the surface temperature of the Yadea Blade battery is only 30°C - 60°C. This relatively low temperature further improves the sameness of BYD (Sohu Auto, 2020). In 2023, a peer of BYD conducted an experiment on battery storage and safety, providing further analysis of the blade battery (Liu, Zhang, & Wang, 2023). After the blade battery was released, BYD's sales increased steadily: it sold 3,024,417 new cars in 2023, an increase of 61.86%, successfully meeting its annual sales target of 3 million units set at the beginning of the year.

Besides safety, another major advantage of the blade battery is its long life and long range—key features for an electric car. The average car brand's battery range can only reach 300 to 500 kilometers, but according to its official website (Figure

2), the blade battery has a maximum range of 600 kilometers, and with BYD’s current technology, it will soon break through 700 to 800 kilometers. The first model equipped with the blade battery, “Han”, has seen sales climb for five consecutive months since its launch in July, exceeding 12,000 units in December. This marks a breakthrough for BYD in the luxury car market.

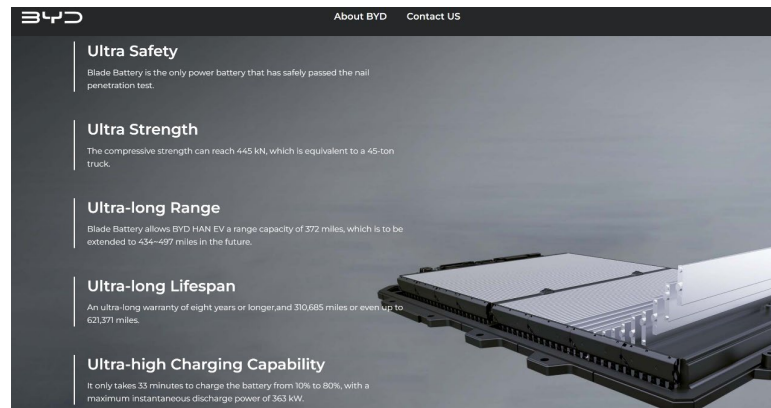


Figure 2. Blade battery performance (BYD Company Limited, 2020).

The average car brand battery life can only reach 300 to 500, but as the introduction (Figure 2) on its official website, this blade battery has the maximum range of 600 and with BYD’s current technology, it will soon be able to break through 700 to 800 kilometers. The first model equipped with blade battery “Han”, since its launch in July, sales have climbed for five consecutive months, exceeding 12,000 units in December. This marks a breakthrough for BYD in the luxury car market.

2.3. Place

As BYD’s customer base has grown, so has its number of stores. According to the Blue Book on the Development of Auto Brand Stores in 2023, BYD’s total number of domestic offline stores has exceeded 5000 (GeoQ Data, 2024), ranking first among

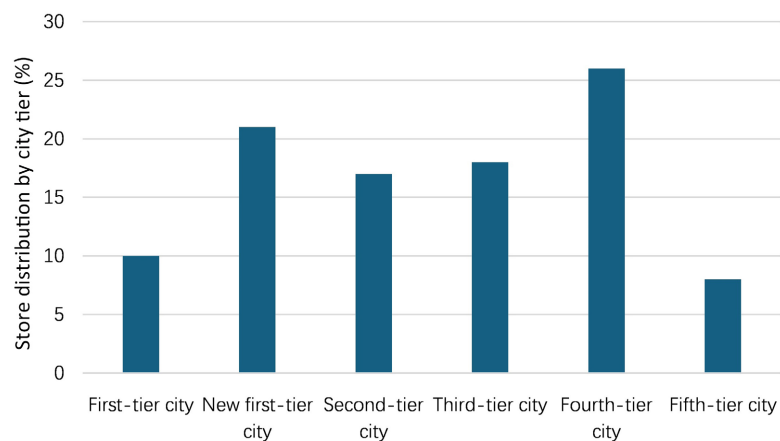


Figure 3. BYD store distribution (2023).

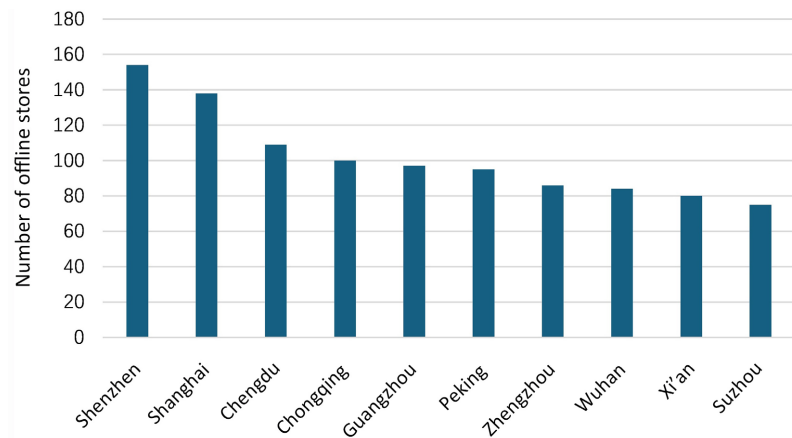


Figure 4. Top 10 cities for BYD stores (2023).

all auto brands. These 5000 stores are distributed relatively evenly, with BYD branches in many remote areas.

From **Figure 3** and **Figure 4**, setting up stores in different regions greatly increased the exposure of BYD's brand, so that consumers in every region are close to contact.

2.4. People

To operate its vast network of stores, BYD has invested significantly in human resources. On 13 September, Li Yunfei, General Manager of BYD's Brand and Public Relations Department, announced in an official statement that the company's total workforce had exceeded 900,000 employees. This makes BYD the automotive company with the highest number of research and development personnel worldwide, employing approximately 110,000 technical R&D staff. These numbers clearly demonstrate BYD's strong commitment to investing in new technology development (BYD Company, n.d.).

2.5. Promotion

BYD has multiple product lines, including Dynasty, Ocean, and other high-end brands, which meet different market needs and allow BYD to cover multiple types of customers. In 2023, BYD announced its cross-border cooperation with *Genshin Impact* at the "Brand Renewal Night" event, becoming the game's first automotive industry partner. They chose to cooperate with *Genshin Impact* because the game has more than 60 million monthly active users worldwide (2023 data), especially young technology enthusiasts aged 18 - 35.

The two parties introduced a special collaboration model—the Han EV *Genshin Impact* Collector's Edition, with exclusive exterior decals inspired by the game character "Xiao". This activity was very effective: 200 sets of the "Han EV *Genshin Impact* Limited Model" sold out within 1 hour, and even with a 15% premium, they were still snapped up. According to **Takahashi and Chen (2024)**, this collaboration led to a 23% increase in quarterly sales for the ordinary version of the Han

EV.

On 20 October this year, BYD announced a cooperation with the game *Black Myth: Wukong* to become its only partner car brand. The special appearance and interior after the collaboration increase the product's scarcity and collection value, attracting consumers who pursue personalization. *Black Myth: Wukong* received much praise after its release, attracting many customers. According to statistics, the gross sales revenue of *Black Myth: Wukong* is more than 1.1 billion US dollars, equivalent to 7.96 billion yuan. According to the game's own introduction, its main audience is adults, and data shows that the largest customer group is males aged 18 - 35—also BYD's biggest potential customers. This cooperation not only boosts sales but also promotes Chinese culture and China's new energy technology.

2.6. Physical Evidence

BYD participated in several auto shows this year, including those in Beijing, Shanghai, and Guangzhou. At these auto shows, customers can intuitively observe each car's appearance and experience its interior. On 20 May 2023, BYD opened China's first brand experience center in Wuhan (**Figure 5**), with a total area of 6550 square meters.



Figure 5. Wuhan experience center (Kang, 2023).

This center has 5 floors, including functional areas for brand display, model display, technology display, and user co-creation. Customers can experience every car in BYD's portfolio by themselves, which helps them fully understand each BYD vehicle and improves brand exposure. According to Park and O'Connor (2023), such experience centers increase customer purchase intentions by 37%, higher than the industry average of 21%. This data shows that physical evidence also provides a significant advantage for BYD and is the most useful and direct way to help customers learn about the brand in depth.

As mentioned earlier, BYD set up “Genshin × BYD” theme booths at China Joy (Asia’s largest and most influential annual digital entertainment event) and other exhibitions, offering interactions such as AR photo check-ins and limited peripheral lotteries. Some of BYD’s 4S stores launched activities like “test drive to receive Genshin Impact game gift packages” (including primogems, limited business cards, etc.). The Weibo hashtag #BYDGenshin has been read 520 million times and discussed more than 1.2 million times. Related short videos on TikTok have been viewed more than 1.2 billion times, with the “Genshin Impact theme car sticker” DIY tutorial alone getting 3 million views. Overseas, related discussion posts on Reddit ranked in the top 3 of the Genshin Impact weekly list.

2.7. Process

BYD has relevant online and offline channels to help consumers understand its products. Both online and offline channels offer ordering functions, and most stores provide test drives, on-site car viewing, and other services—only a few remote locations cannot provide test drives due to venue constraints.

With the development of the internet, like other brands, BYD has conducted extensive online promotion, including official accounts and mini-programs on WeChat, an official account on TikTok with more than 5 million followers, and presence on e-commerce platforms such as Taobao, Tmall, and JD. The WeChat mini-program includes functions such as booking test drives and a loan calculator. The TikTok live broadcast room has a “one-click inquiry” feature that redirects to local dealers. All these platforms and programs indicate that BYD attaches great importance to brand marketing, has opened multiple promotional channels, and received good feedback on each platform, as evidenced by the number of fans, attention, praise rates, and purchase rates of its content.

In-depth analysis of multi-dimensional user groups based on 7P theory.

Table 2. BYD product portfolio by price tier.

| Price Tier | Entry-Level | Mid-Range | High-End |
|------------|-------------|------------------------|----------|
| Low-Price | Seagull | Qin PLUS, Song Pro NEV | N/A |
| High-Price | N/A | Song PLUS NEV | Han |

Note: Data generated via large language model (LLM) simulating 5 representative users.

According to **Table 2**, the representative models of BYD can be easily understood. In order to explore the connection between 7P theory and BYD, I also designed seven related questions, each question for one part, so as to explore the real situation of customers.

3. Methodology

3.1. User Persona Construction

The research constructs user profiles based on the five most popular vehicle mod-

els of BYD instead of simulating a single “average consumer”. This is because the new energy vehicle market exhibits distinct product-user matching characteristics. Different vehicle models correspond to different consumer groups and potential customers. Analyzing based on user profiles can reveal the preference differences among different market segments.

3.2. LLM Simulation Process

The research was based on real user reviews of BYD’s top-selling models (Han, Tang, Song, Yuan, Dolphin). From these reviews, key features—including model specifications, price points, usage scenarios, and user pain points—were extracted to construct five distinct user personas. Moreover, a standardized prompt template was designed for each person as follows: You are a [age/occupation/usage scenario] consumer considering purchasing a BYD [model name]. Based on the following information—[price, battery range, safety features, maintenance policy]—please rate your preferences across the 7P dimensions. Person-based analysis can reveal preference variations across markets, preventing key information from being masked by averaging. Finally, the each prompt was run five times through the LLM, and the average scores were calculated to minimize randomness in single-generation outputs.

3.3. Survey Design across 7P Dimensions

1) Product: Among exterior design, interior material and craftsmanship, power performance, battery range, safety configuration, and intelligent technology configuration, which is the most important product feature when considering buying a BYD car?

2) Price: What is the approximate weight of the price of BYD cars in your purchase decision? (0 - 100%).

3) Place: Which channel through which you usually obtain information about BYD cars has the greatest influence on you? (A. BYD official website; B. 4S store; C. Online auto information platform; D. Social media platform; E. Recommendation from friends or family; F. Auto show; G. Others).

4) Promotion: Which of the following promotional activities is most likely to prompt you to buy a BYD car? (A. Cash discount; B. Free car decorations; C. Free maintenance service; D. Financial loan discount; E. Trade-in subsidy; F. Lottery activity; G. Others).

5) People: To what extent do the performances of BYD salespeople or after-sales service staff influence your decision to buy or recommend BYD cars when you interact with them? (A. Greatly influential; B. Fairly influential; C. Moderately influential; D. Slightly influential; E. No influence).

6) Process: Which has a greater impact on your purchase decision, the car-buying process or the after-sales service process of BYD cars? (A. Car-buying process; B. After-sales service process).

7) Physical Evidence: Which can influence your purchase intention of BYD cars

more, the store environment of BYD 4S stores or the promotional materials? (A. Store environment of BYD 4S stores; B. Promotional materials).

4. Discussion of Combined Results

4.1. Analysis of the Data

Through systematic analysis of BYD’s new energy vehicle consumer research data, it is easy to clearly understand the performance of the 7P marketing theory in the actual market.

First, according to the collected data on product features affecting purchase decisions (**Table 3**), safety configuration is the top reason customers choose BYD, far ahead of battery range (14.00) and exterior design (12.67). This finding validates the correctness of BYD’s research and development direction for blade battery technology and reflects the extreme importance new energy vehicle consumers place on safety.

Table 3. Statistical averages of product feature selections.

| Product Features | Average Number of Selections (Counts) |
|--------------------------------------|---------------------------------------|
| Exterior Design | 12.67 |
| Interior Material and Craftsmanship | 0.67 |
| Power Performance | 0.67 |
| Battery Range | 14.00 |
| Safety Configuration | 36.67 |
| Intelligent Technology Configuration | 7.67 |

Note: Data generated via large language model (LLM) simulating 5 representative users.

The price sensitivity analysis in **Table 4** shows a normal distribution: the 41-60% range gathered the most consumers (20 people), followed by the 61% - 80% range (18 people), while the 0% - 20% and 81% - 100% ranges accounted for a relatively small proportion. This distribution suggests that BYD’s current multi-level pricing strategy is reasonable, covering price-sensitive customers while preserving premium space for high-end product lines—another advantage of BYD.

Table 4. Consumer price sensitivity analysis for BYD models.

| Price Weight Range (%) | Simulated Number of Selections (Counts) |
|------------------------|---|
| 0 - 20 | 10 |
| 21 - 40 | 15 |
| 41 - 60 | 20 |
| 61 - 80 | 18 |
| 81 - 100 | 5 |

Note: Data generated via large language model (LLM) simulating 5 representative users.

From the data on information acquisition channels (**Table 5**), online vehicle information platforms became the most useful cognitive channel with a selection frequency of 27.33 counts, followed by recommendations from relatives and friends (16.67) and social media (10.00). It is worth noting that the traditional 4S store channel (10.33) still maintains a certain influence, while auto shows (0.00) had little drainage effect. However, this data might not be very accurate, as it is unlikely that BYD has never attracted customers at auto shows. This may be because the LLM was primarily trained on online review data and lacked input from offline experiential contexts, potentially leading it to underestimate the influence of auto shows. Nevertheless, this result has important guiding significance for marketing resource allocation in the future.

Table 5. Statistical averages of information channel selections.

| Information Channels | Average Number of Selections (Counts) |
|---------------------------------------|---------------------------------------|
| BYD Official Website | 4.67 |
| 4S Store | 10.33 |
| Online Auto Information Platform | 27.33 |
| Social Media Platform | 10.00 |
| Recommendation from Friends or Family | 16.67 |
| Auto Show | 0.00 |
| Others | 0.00 |

Note: Data generated via large language model (LLM) simulating 5 representative users.

There are obvious differences in the effectiveness of promotional methods (**Table 6**): free maintenance services (25.00) and cash discounts (22.67) are the most popular, followed by financial loans (10.67), while trade-in subsidies (2.33) and other promotional methods had almost no effect. This preference distribution suggests that companies should focus their promotional budgets on substantive offers rather than formal marketing gimmicks.

Table 6. Statistical averages of promotion activity selections.

| Promotion Activities | Average Number of Selections (Counts) |
|---------------------------|---------------------------------------|
| Cash Discount | 22.67 |
| Free Car Decorations | 0.00 |
| Free Maintenance Services | 25.00 |
| Financial Loan Discounts | 10.67 |
| Trade-In Subsidies | 2.33 |
| Lottery Activities | 0.00 |
| Others | 0.00 |

Note: Data generated via large language model (LLM) simulating 5 representative users.

The data on the impact of personnel services (**Table 7**) shows that “considerable impact” (31.00) accounted for the highest proportion, followed by “moderate impact” (22.33), while “great impact” (9.33) and “slight impact” (3.33) accounted for smaller proportions. The data indicate that while professional sales services contribute to customer satisfaction, they must also be effectively integrated with complementary marketing strategies to enhance the effectiveness of business advertisements.

Table 7. Statistical averages of the impact of personnel selections.

| Impact of Personnel | Average Number of Selections (Counts) |
|---------------------|---------------------------------------|
| Great Impact | 9.33 |
| Considerable Impact | 31.00 |
| Moderate Impact | 22.33 |
| Slight Impact | 3.33 |
| No Impact | 0.00 |

Note: Data generated via large language model (LLM) simulating 5 representative users.

The comparison between the purchase process and after-sales service is striking: the impact of the after-sales service process (44.00) in **Table 8** is almost twice that of the purchase process (24.00). This finding subverts traditional sales-oriented service system design ideas and strongly suggests that enterprises should increase investment in after-sales service systems.

Table 8. Statistical averages of car-buying and after-sales service process selections.

| Process Types | Average Number of Selections (Counts) |
|-----------------------------|---------------------------------------|
| Car-Buying Process | 24.00 |
| After-Sales Service Process | 44.00 |

Note: Data generated via large language model (LLM) simulating 5 representative users.

Finally, the data in **Table 9** shows that the influence of the 4S store environment (48.00) is 2.4 times that of promotional materials (20.00). This huge gap emphasizes the critical role of physical terminal experience in consumer decision-making. Therefore, enterprises should pay attention to the image construction and experience design of offline outlets.

Table 9. Statistical averages of tangible exhibit selections.

| Tangible Exhibit Types | Average Number of Selections (Counts) |
|------------------------|---------------------------------------|
| 4S Store Environment | 48.00 |
| Promotional Materials | 20.00 |

Note: Data generated via large language model (LLM) simulating 5 representative users.

4.2. Limitations

Despite the steps to enhance simulation accuracy, such as constructing detailed user personas based on real consumer reviews, designing standardized prompts with specific product information, and running each prompt five times to reduce output randomness. There are limitations in the research.

First, LLM-simulated responses are based on textual patterns in training data and may not imitate real consumers' emotional responses. Second, the LLM model may exhibit some cultural or area biases, which may further influence the accuracy of the result.

5. Conclusion and Implications

In conclusion, this study combines the 7P theory analysis with consumer simulation based on LLM to examine BYD's marketing strategies, thereby deriving specific insights that go beyond general principles, namely that all 7P dimensions are crucial. Although the theoretical analysis confirmed that product quality and competitive prices are the cornerstone of BYD's success, LLM simulation provides quantitative verification and adds detail: based on five user roles, safety factors become the most important product feature, indicating that BYD should emphasize the safety of the blade battery in its promotion. The LLM simulation provides quantitative verification and adds detail.

Moreover, based on five user roles, safety factors become the most important product feature, indicating that BYD should emphasize the safety of the blade battery in its promotion. In the promotion dimension, the free maintenance policy is more attractive than exposure at car shows, indicating that after-sales guarantee can be a core selling point. In the promotion dimension, the free maintenance policy is more attractive than exposure at car shows, indicating that after-sales guarantee can be a core selling point.

On the other hand, the responsiveness of after-sales service has the greatest impact on the repurchase willingness of all user roles. Moreover, the responsiveness of after-sales service has the greatest impact on the repurchase willingness of all user roles. These findings have refined the traditional 7P understanding and revealed which specific elements are most important for different consumer groups. These findings have refined the traditional 7P understanding and revealed which specific elements are most valued by different consumer groups. For marketing personnel of new energy vehicles, this means shifting from a general strategy of "all aspects are important" to a targeted investment strategy: brand positioning should highlight safety performance, partnerships should prioritize service capabilities, and sales channels should facilitate support after vehicle purchase.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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