

BYD Vs. Tesla: Who Will Win the Global EV Race?

Syeda Ikrama* and Syeda Maseeha Qumer**

The case is about the battle for global supremacy between two electric vehicle (EV) giants, US-based Tesla Inc. (Tesla) and the Chinese automaker BYD Company Limited (BYD). While Tesla continues to be a leading player in the EV market, BYD has been rapidly gaining ground surpassing it in Q4 2023 to become the world's largest seller of battery electric vehicles (BEVs), shipping more than a half a million cars in the quarter and meeting its target of 3 million+ cars annually. However, Tesla reclaimed the crown in Q1 2024. The case describes the competitive advantages of both the automakers. BYD's broader range of EVs, battery technology, vertical integration, affordable pricing, and expanding global presence are key factors that led to its ascendance in the global EV space. On the other hand, Tesla had distinguished itself from rivals with its sleek EV models, cutting-edge technology, electric-only strategy, vast supercharging network, and continuous innovation. However, as the competition in the crowded global EV market heated up, both BYD and Tesla faced some common challenges such as a weak market demand for EVs, quality control issues, regulatory compliance, and the profit generation. Going forward, the competition between these two giants will likely intensify. While BYD is well-positioned to challenge Tesla's leadership in the EV market, Tesla also has the latent possibility to remain the EV champion.

Keywords: Competitive advantage, Competitor analysis differentiation, Competitive environment, Global electric vehicle (EV) market, Hybrid strategy
