案例类别（勾选）：√商务沟通 □公共外交 □多元文化生活

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**An Intercultural Case**

**-- Pedal to the Metal: BYD in Brazil**

1. **Case Description**

BYD, as a leading company in China’s new energy vehicle sector, has been accelerating its global market expansion. Among its overseas markets, Brazil, the largest economy in Latin America, plays a crucial role in BYD’s global strategy. Since entering Brazil in 2013, BYD has continuously expanded its business scope. From its initial focus on electric buses to now encompassing electric vehicles, batteries, and solar energy, BYD has established a comprehensive new energy ecosystem in Brazil. With its long range, advanced technology, and excellent value for money, BYD has won the favor of Brazilian consumers. According to the Brazilian Automobile Dealers Association’s 2024 statistics, BYD has become the leading brand in Brazil’s new energy vehicle market.

In September 2024, BYD officially launched its compact all-electric vehicle, the Seagull, in the Brazilian market. During the live broadcast of the product launch event, Fiera, a popular Brazilian auto blogger, invited Li Ke, the President of BYD's Americas Division, and Sérgio Maia, the CEO of Saga, the largest car dealer in Brazil, to have a joint discussion about key factors behind BYD’s success in Brazil. The discussion involves cultural conflict in popularizing the brand in Brazil as well as some remedial solutions to effectively cope with stereotypes of products made in China.

In the first part of the interview, Fiera asks Maia what challenges Saga has encountered in sales of BYD over the past two years. Maia says that in the early stages of selling BYD electric vehicles, the sales performance was not promising. There exist some lingering biases and misimpressions of Chinese electric vehicles among Brazilians. Many Brazilians initially perceived Chinese cars as inferior in quality, compared to established brands. They also worry that Chinese brands might lack the established service networks that European or American brands provide. Asked by Fiera how BYD breaks the stereotypes, Li Ke replies that BYD has implemented several strategic actions to shift Brazilians’ perceptions about Chinese electric vehicles. BYD’s technological leadership, particularly in battery technology, has helped to change perceptions, making Brazilian consumers more aware of China’s role in driving global innovation in electric vehicles. In addition, BYD has expanded its dealership and service center network across Brazil. BYD’s efforts have improved consumer confidence in the brand. BYD’s market share in Brazil is continuously growing, particularly with outstanding performance in the new energy vehicle market. In 2023, BYD sold 10,000 electric vehicles in Brazil, and in the first half of 2024, BYD holds a 74% share in the electric passenger car market in Brazil.

In the second part of the interview, the discussion extends from BYD’s efforts to break the stereotypes to BYD’s strategy of glocalization in Brazil. From Maia’s perspective, Brazilians might be more hesitant to switch to electric vehicles due to concerns about the uncertainties related to battery life and charging stations. Consumers may prefer conventional vehicles that seem less risky and more reliable than electric cars. Moreover, Brazilians are sensitive to the relatively higher purchase price of electric vehicles compared to conventional cars. The lower fuel and maintenance cost of electric vehicles over time might not be as attractive to them if the short-term expenses are too high. Hearing Maia’s analysis, Fiera mentions BYD’ biggest opponent Tesla whose performance in the Brazilian market is relatively weak. Tesla relies on its proprietary supercharger network which is practically non-existent in Brazil. In addition, Tesla’s high price is another obstacle to its expansion in Brazil. Fiera asks Li Ke how BYD alleviates the risks associated with range anxiety and long-term durability while keeping its affordability. Li Ke tells Fiera that BYD has entered a significant strategic partnership with Raízen Power, an energy company under Shell in Brazil. Over the next three years, BYD plans to establish BYD-Shell electric vehicle charging centers across eight major cities across Brazil, adding 600 new DC charging stations, providing more convenient and efficient charging services for local users. BYD’s strategy involves producing vehicles locally and reducing costs to compete directly with traditional carmakers. One of BYD’s most significant advantages in Brazil is its commitment to local manufacturing. BYD’s decision to acquire Ford’s old plant in Bahia not only allows BYD to avoid high import tariffs, but also positions BYD to scale its production rapidly. At the end of the interview, Maia and Li Ke express their hope to cooperate closely to lead the new energy vehicle market in Brazil, providing driving force and innovation for sustainable development in Brazil.

1. **Analysis**

**Section A Major Issues & Theoretical Explanation**

1. **The Stereotypes of Products Made in China**

**· The Brazilian view:**

There exist some lingering biases and misimpressions of Chinese electric vehicles among Brazilians. Historically, Chinese products have been associated with concerns about quality and reliability. Many Brazilians initially perceived Chinese cars as inferior in quality, compared to established brands. They also worry that Chinese brands might lack the established service networks that European or American brands provide.

**· Theoretical explanation**:

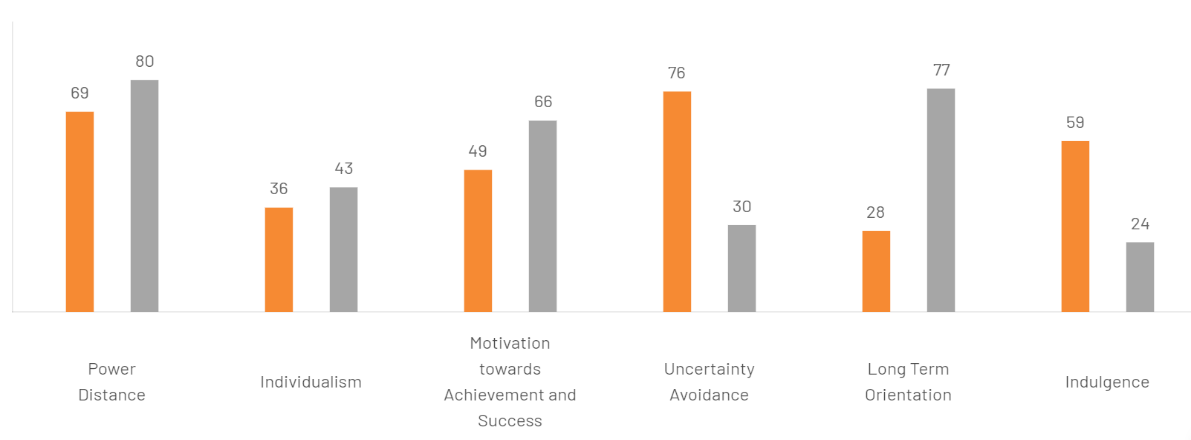
In the context of intercultural communication, a stereotype can be defined as “A fixed, oversimplified, and generalized belief or assumption about the characteristics, behaviors, or attributes of a particular group of people, which is often based on limited or incomplete information.” This definition highlights how stereotypes may influence perceptions and interactions in intercultural settings, often leading to miscommunication or bias. They can be both positive and negative but are usually reductive and fail to account for individual differences within the group.

In this case, Brazilians have formed the stereotypes that BYD’s electric cars have low quality and insufficient after-sales services compared to established European and American brands. Therefore, in the early stages of selling BYD electric vehicles, the sales performance was not promising.

1. **Uncertainty about Electric Vehicles**

**· The Brazilian view:**

In Brazil, people might be more hesitant to switch to electric vehicles due to concerns about the uncertainties related to battery life and charging stations. Consumers may prefer conventional vehicles that seem less risky and more reliable than electric cars.

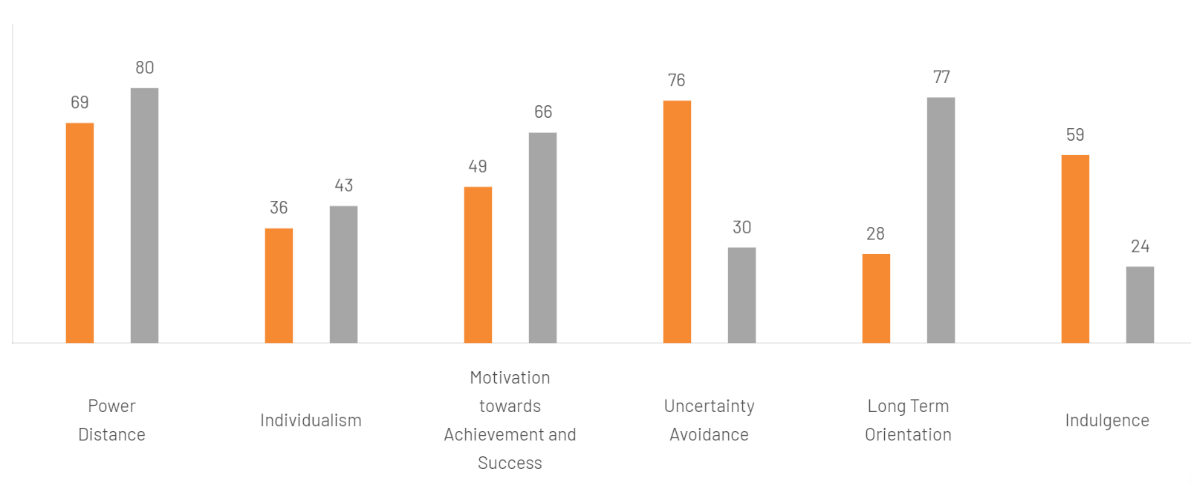
**· Theoretical explanation:**

Observed from the six dimensions of Hofstede’s theory (the color of orange represents Brazil, and the color of gray represents China), Brazilian culture has high uncertainty avoidance (with a score of 76). Uncertainty avoidance, a society's tolerance for ambiguity, is the extent to which culture programs its members to feel either uncomfortable or comfortable in unstructured (novel, unknown, or surprising) situations [1]. On the other hand, if a culture is characterized by strong uncertainty avoidance, people will try to minimize the possibility of situations different from “normal” by applying strict behavioral codes, laws and rules, and disapproval of deviant opinions. Prior research found that consumers in uncertainty avoidant cultures are less innovative [2] and have a weaker affinity to new technologies, such as e-commerce [3]. Vachon [4] find that a nation’s high uncertainty avoidance is positively related to sustainable and responsible corporate practices. Since there is a significant amount of financial, psychological, and other risks associated with buying eco-friendly cars [5], uncertainty-avoidant societies are less likely to adopt them.

1. **Concern about High Price of Electric Vehicles**

**· The Brazilian view:**

Brazilians are sensitive to the relatively higher purchase price of electric vehicles compared to conventional cars. The lower fuel and maintenance cost of electric vehicles over time might not be as attractive to them if the short-term expenses are too high.

**· Theoretical explanation:**

Observed from the six dimensions of Hofstede’s theory (the color of orange represents Brazil, and the color of gray represents China), Brazilian culture has low long-term orientation (with a score of 28) and high indulgence (with a score of 59).

Future-oriented cultures focus on adaptation to circumstances, learning, perseverance, and thrift, while past-oriented and present-oriented cultures respect traditions and the home nation [1]. Bukowski and Rudnicki [6] show that long-term orientation is a strong positive predictor of national innovation intensity. Long-term orientation has a significant positive impact on environmentally sensitive consumer behavior too [7]. A Vietnamese study [8] find that consumers with greater adherence to long-term orientation are more likely to engage in green purchase behavior because of their positive environmental attitudes, solid subjective norms, and tolerance of inconvenience associated with eco-friendly products purchase. A Chinese study of private firms confirms that proactive environmental strategy does not happen without commitment and long-term orientation [9]. Long-term oriented people in general are more likely to develop values and attitudes about protecting the natural environment [10].

Novotny et al. [11] find that indulgence has a strong negative impact on EV sales, while consumption of EV is significantly higher in more restrained cultures. Consumers in indulgent cultures may feel that electric cars constrain free travelling because of a lower driving range, longer charging times, and a need for carefully planning routes [12]. Escandon and Barbosa [13] suggest that people in indulgent societies are more anxious and stressed when they have to make a decision to adopt new technologies. Higher perceived costs in terms of altering travel habits and higher anxiety about the buying decision may lead to lower EV growth rates in more indulgent societies.

**Section B Resolution**

Facing the threat of stereotypes, BYD consciously adopts coping strategies to break these stereotypes through confident, composed, and proactive actions. BYD increases investment in the establishment of research and development centers. By offering reliable and durable electric vehicles with cutting-edge technology, expanding its dealership and service center network across Brazil, BYD successfully eliminates the bias and reshapes a positive overseas image of “Made in China”.

Realizing that Brazilians’ reluctuance to purchase electric vehicles arises from Brazilian cultural norms and values, BYD actively adapts to Brazilian culture and consumer psychology. To relieve Brazilians’ concerns about battery life, charging stations and high purchase price, BYD adopts a proactive adapation strategy that aligns with the principles of glocalization, paticularly in the implementation of localization. BYD works closely with local governments to build more charging infrastructure, providing more convenient and efficient charging services for local users. All these strategies show BYD’s commitment to understanding and addressing the specific needs and cultural concerns of Brazilian consumers.

In conlcusion, BYD’s success in Brazil provides valuable insights for Chinese companies’ global expansion strategies. Beyond technological innovation, strong product quality, and diversified strategic planning, the key lies in cultivating cultural awareness and sensitivity, understanding cultural differences, increasing cultural knowledge, and promoting cultural competence during the globalization process. This enables companies to accurately identify local market demands and effectively promote localized operations. By adopting these strategies, Chinese companies can navigate the path to internationalization more steadily while enhancing the global influence of Chinese brands.

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