

# **Velocity**

## **——Customized Car, Customized Life**



Address: No. 2000 Jintong Road, Tangjiawan, Xiangzhou District, Zhuhai City, Guangdong Province

Telephone Number: +86 1234 5678

Students' Information: Chen Yike (Yager) 2030001008

He yuexi (Cynthia) 2030001028

Huang Xinghao (Harry) 2030001037

Li Xinran (Sophie) 2030001051

Wu Haiyue (Tina) 1930001083

Section Number: 1005

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Teacher's Names: Dr. Peimin CHEN

## Executive Summary

- **Brief Description of Your Business**

Our business conducts behavioral surveys and promote the preferences of potential customers. Besides, we also focus on personalized customization of vehicles , reducing the cost of personalized accessories and whole vehicles through internal MIS within the company.

- **Problems that Your Business Aim to Solve**

Difficulties in identification of potential customers, and improve traditional method of advertising. To fulfill the need of customized vehicles and reduce the cost of producing a car.

- **Target Market**

Young people, customers who seek personality/status

- **Financial Highlight**

Breaking through existing markets, attracting new customers/reducing production costs

- **Attractive to Investors**

The market has great growth potential and less competition. High profit margin and target customer have strong purchase ability.

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# **1. Business**

## **1.1 Description of business**

Velocity is a new energy vehicle product that the company will push out. The register location will be Beijing or Shanghai, representing the Chinese high level and first class to compete in the global market, in order to gain the market share, and the products will be veloT1 and veloT2 at first. Velocity is creating bigger sense of happiness to customers. The velocity new vehicle devotes itself to provide better and outstanding performance to customers, creating interesting and reliable lifestyle.

So as to better create the vehicles, and providing excellent service, velocity is ready to put forward to the O2O selling and service methods. It means that velocity will combine the online and offline for the customers who want to buy cars from velocity. This O2O method learns from Landrover and Porsche. The velocity has innovation capabilities and competitive supply chains, therefore, it can gain the market share, and maybe become the KOL of the whole industry, because the target market of velocity is middle or higher classes of customers. The detailed target will be young generations and the customers who persuade their own identity and social need.

## 1.2 Industry Analysis

### 1.2.1 PESTLE

#### Political

During 2009-2012, Chinese government put forward to the new energy vehicles policy as the country innovation industry, and push out new activities to support this new policy. At first, the government has push out the trail “ten cities thousand cars” of the new vehicles, attracting some of the companies and local government to make action.

When 2013-2017, Chinese government continue to expand the new energy vehicle. Also, government has push out policies like purchase car subsidy and deduction of tax. At the same time, companies also came into public eyesight like NIO.

#### Economics

In 2021, the Chinese GNI per capita is 11,890 dollars, which is belong to the middle high class of income level (NBS, 2022) . This data means that velocity can sell the cars smoothly to the customers who can afford the price of the cars. The employment rate is steady, people have enough income to purchase cars. In addition, consumers also have confidence of velocity.

2019	10,410\$
2020	Over 10,000\$
2021	11,890\$

Figure: Chinese GNI per capital (source: NBS)

## Social

The total number of population in China is 1,2443,497,378 in 2020, and the average growth of is 0.53% (Chinese government, 2020). Although the average growth is gradually becoming lower, but the base of the population is still very large. So it is believed that it can sell the cars.

## Technology

Nowadays, China is focusing on the innovation of new energy vehicles, and there is digital management and production also.

## Legal

The velocity will not obey the rules of law. For the employees, there is labor law. For the consumers, there is consumers protection law.

## Environment

The velocity is belonged to the new energy cars, so it is environmentally friendly.

### 1.2.2 SWOT

#### Strength

**Policy support:** Chinese government give new energy cars a lot of policy support, including purchase subsidy and deduction of tax.

**Market share:** China has large and wide cars market, which gives new energy cars opportunities to faster develop.

**Completed industry chain:** China now formed completed industry chain from

materials to product.

### **Weaknesses**

**Continuation time short:** Nowadays, the continuation time of new energy cars is short compared to oil cars, so velocity need to improve.

**Lack of charging piles:** Compared to oil-adding station, the new energy cars charging piles are shortage.

**Consumers acknowledge:** Consumers acknowledge is relatively low, which will do harm to company public image.

### **Opportunities**

**Environmental friendly:** The awareness of global environmental protection grows, new energy cars is a new way of sustainable development.

**Technology advances:** With the continuing improvement of technology, the functions of new energy cars will improve too, which can promote market competitiveness.

**Global market:** China has the cost advantage, helping China expand global market.

### **Threats**

#### **International trade friction**

**Technical barriers:** International cars market has higher and higher requirement for Chinese cars, it may threats the velocity.

**Competition by traditional cars:** Nowadays, still many people are using traditional cars, which may threat velocity.

### 1.3 Vision Statement and a Vision Trigger

The vision of car personalization is to create a unique driving experience for each owner that fully meets their personal needs and tastes. For the vision, the car is no longer just a means of transportation, but a truly personalized space that reflects and satisfies the unique lifestyles, preferences and values of its owners.

Firstly, in terms of appearance design, manufacturers should provide diversified appearance options, such as body color and wheel design, to meet users' pursuit of unique style and personalization.

Secondly, the interior space design should emphasize flexibility. With adjustable seat configuration, intelligent entertainment system and interior layout in line with users' living habits, the car becomes a mobile space that flexibly adapts to different needs and meets users' expectations for personalization and practicality.

Third, the personalized choice of the dynamical system is key. It provides diversified options such as traditional fuel, hybrid and electric power, enabling users to choose the power system that best meets their vehicle needs according to their own needs and values, and achieve personalized driving experience.

This vision not only drives a more innovative and user-oriented development direction in the automotive industry, but also satisfies consumers' desire for unique and personalized vehicles and improves the overall driving experience.



## 1.4 Business Objective (SMART)

In order to better meet the market demand of customized personalized cars, the following SMART goals can be set to ensure that the goals are specific, measurable, achievable, relevant and have a clear time-bond:

### Specific

First, we need to be clear about the goal of increasing personalized car sales. Through market segmentation, we can more accurately target potential customers and understand their needs and preferences. This includes detailed analysis in terms of age, geographical location, income level, etc., which enables us to develop personalized car programs that are more in line with customer expectations. We will drive sales growth through new customization options and personalized services, including customized appearance, smart technology configuration, cockpit layout and many other aspects. This ensures that we aim not only to increase total sales, but also to meet the unique needs of each customer by offering variety and differentiation.

### Measurable

Achieving clear gains in market share is a measurable goal. We will quantify the target by setting clear sales growth percentage, order volume and market share specific indicators. This not only provides real-time sales dynamics, but also helps us adjust and optimize sales strategies to achieve better results. At the same time, we will also evaluate the success of personalized cars through customer satisfaction surveys and positive indicators from market feedback.

### Achievable

Introducing at least two new personalization options is a concrete and achievable goal. By working closely with designers and technical teams, we can ensure that the design and manufacturing of these new options are practical. This includes considering multiple aspects such as production processes, technical feasibility, and cost effectiveness to ensure that the personalization options we offer are both unique and achievable.

At the same time, we will also develop a clear technology research and development plan to ensure that new personalized options can be brought to market within the predetermined time. This involves not only design innovation, but also corresponding adjustments on the production line to ensure that the new customization options can be put into use without compromising quality and efficiency.

### **Realistic**

Our goal is closely related to improving customer satisfaction and brand loyalty. By conducting regular customer feedback surveys, we can better understand customer needs and expectations so that we can adjust our products and services according to market dynamics. The improvement of customer satisfaction will directly affect brand loyalty and lay a solid foundation for us to win repeat purchases and word-of-mouth communication. While realizing personalized cars, we will also establish a closer relationship with customers through the improvement of brand image. By sharing customer stories, customization cases and innovation results on social media, we will strengthen the interaction with customers and build deeper brand relationships.

### **Timely (Time-bound)**

We will set the goal of bringing new personalized car models to market within the next

year. Through clear timelines, including the different stages of design, production, and marketing, we ensured that our goals were time-bound to stimulate execution and a sense of urgency in the team. Also, we were also able to better plan resources and coordinate team work to ensure that the entire launch of the new vehicle model was efficient and orderly. This helps us respond to market changes in a timely manner, meet customer needs and maintain the competitiveness of the company.

To sum up, by setting these SMART goals, enterprises can promote the development of personalized cars in a more orderly manner. This not only helps to meet the personalized needs of potential customers, but also can gain an advantage in the market competition, improve the brand's market share and customer loyalty.

## **2. Business Operation**

### **2.1 Marketing Mix**

#### **2.1.1 Service and Product**

Velocity is not only a new energy vehicle brand that can be customized, but also an intelligent automobile brand.

From the perspective of customized services, Velocity users will use the C2B model for vehicle purchase. This means that users can customize the appearance color, interior decoration, window glass material selection and so on of new energy vehicles according to their wishes. First, we will design our own APP and website to provide customized choices for car accessories. On the APP, users can see simulations of different

customized cars based on different colors and accessories, and decide whether the combination meets their requirements. In addition, if the owner does not want to spend time on this aspect, Velocity will also make customized plans for the owner based on the questionnaire survey combined with big data information analysis.

After all the designs are completed, users can make an appointment at the store to further communicate about the details of the customized car. In this process, we will automatically provide a sales person on the APP for every customer who wants to go to the physical store to look at the car, to help them solve problems and make choices.

From the perspective of intelligent, Velocity uses advanced technology and information systems to manage inventory, sales, maintenance, and customer relationships. This helps improve operational efficiency. In addition, every Velocity vehicle is equipped with electronic screens and audio equipment. The vehicle owner can activate Velocity's on-board intelligent system by calling or handwriting input in the vehicle to complete the requirements. For example, the owner can say "Hi velocity, can you help me back up?" After confirmation, the intelligent system will activate the vehicle's reversing system, using its accurate GPS positioning system and anti-collision system to help the owner park the car automatically. The on-board intelligent system can be understood as the small

### **2.1.2 Place**

Velocity is headquartered in downtown areas with high traffic. This can better reflect

the brand value, and improve awareness. The size and scale of the stores are determined according to different urban development levels and population consumption power. Therefore, in areas with strong purchasing power and high consumption level, Velocity will be equipped with more stores and more refined products to meet the consumer psychology of pursuing individuality. In cities with low consumption levels, Velocity will reduce the size of its stores to save costs, and at the same time mainly provide cost-effective auto parts and products to improve brand acceptance.

In addition, Velocity has an intelligent inventory management center. This center is located in different cities in favorable transportation locations and is used to keep track of automobile logistics information in different cities and distribute cars in warehouses. It reduces delays and uncertainties in the supply chain by establishing effective information sharing mechanisms with automotive parts suppliers and other interested parties. Moreover, the intelligent inventory system can identify and handle abnormal situations, such as sudden increases in customer orders, logistics delays, etc., so that timely countermeasures can be taken. For markets in different cities, this inventory center can timely count the sales of auto parts in inventory and generate annual automobile consumption preferences according to the characteristics of automobiles and the differences in markets, so as to assist Velocity in formulating better business strategies.

### **2.1.3 Price**

Velocity's APP and website will be available for free for customers to sign up.

Customized car models are also free to presented for consumers. In the process of customizing cars, we focus on providing diversity and choice to different consumer groups. From the color selection of the car paint to the material of the interior decoration, we offer a variety of options to meet the needs of different customers.

We have provided a variety of materials, including practical materials for affordable consumers, but also to meet the high-end, the pursuit of rare customers. This differentiated selection enables customers to choose the car customization plan that best meets their needs based on their personal taste and budget.

#### **2.1.4 Promotion**

Velocity adopts the "online + offline" publicity method. Online promotion uses targeted digital marketing strategy, data analysis and target positioning to accurately convey promotional information to potential customers, and develops different types of models and promotional effects for different consumer groups.

Offline auto product launches, test drives, auto shows, etc. In this way, consumers can directly experience the automobile and deepen their impression of the automobile products. At the same time, they can also cooperate with other brands to hold activities to attract the attention of the public.

Special discount for anniversaries or holidays. Velocity will announce some policies from time to time to stimulate the desire of consumers to buy cars. For customers with large consumption amounts, Velocity will also regularly send gifts to them or provide

them with higher after-sale offers to enhance consumer stickiness.

Support charity and assume social responsibility. Velocity is willing to devote into social welfare affairs and actively undertake social responsibilities. We will hold charity events every year and make charitable donations. In addition, we pay great attention to the working environment and physical and mental health of our employees. We will provide employees with a good working environment and salary benefits, improve their happiness, so as to create a responsible, compassionate car company.

## 2.2 Competitive Analysis

- Who are the competitors?

Velocity has two existed main competitors Porsche and Mercedes-Benz and two potential competitors Wuling and Great Wall Motor.

- What are the major determinants of competition?

The Variety of customized accessory, Price performance and accurate respond to customers' needs.

### Porsche

As a famous high-end vehicle manufacture, Porsche has a history over 92 years and a considerable market share in both traditional and customized market. As Velocity greatest competitor, Porsche is very experienced in customized vehicle aspect. Within Porsche it has a Porsche Exclusive Manufaktur which offer personalized transformation

of mass-produced vehicles, providing an extremely wide range of optional configurations, covering numerous exterior and technical customization options such as body paint and interior paint, lighting, wheels, engine, and drive devices. Besides physical customized accessories, Porsche also provides meticulous pre-sales and after-sales services, you can communicate to a team consistent of designers, engineers and experts who will help you build your Factory One-Off and answer your questions.

However, Velocity has some competitive advantage such as boarder market aim and quick respond to customers' complaints. For Velocity, it's products have a affordable price for those young people who don't have a strong purchase power, therefore it can have more potential customers than Porsche. Recently, the double standards and arrogant attitude in handling customer complaints also make consumers disappointed towards Porsche. As a newly emerged customized manufacturer, Velocity have a quick respond to customers' complaints through utilizing Internet and Complaints Hotline which can avoid the negative impact on brand's reputation.

### **Mercedes-Benz**

As one of BBA (Benz, BMW and Audi), Mercedes-Benz has been consistently make changes in order to fulfill the latest needs of customers. In 2016, Mercedes-Benz announced their own customized department and roll out MANUFAKTUR service for Mercedes-maybach S-Class, Mercedes-Benz CLS and S-Class and Mercedes AMG GT. In the next few years, this customized service will roll out to other types of cars.

For their customers, Mercedes-Benz also provide a range of equipment options like engine, painted finishes, interior equipment and comfort features. Velocity has some



comparative advantages compares to Mercedes-Benz. Compares to Mercedes-Benz, Velocity has much longer time in developing customized cars and customers needs. Besides, Velocity offer customers with a wider range of optional equipment with a more reasonable price.

### **Wuling**

As a newly merged domestic brand, Wuling also started to enter customized market to gain customers' favor. Compares to Mercedes-Benz or Porsche, it may not have many optional accessories. It paid more attention to visual customization of appearance which is more attractive to users who prefer chasing new trends.

### **Great Wall Motor**

Great Wall Motor is also a domestic brand, its customized pickup truck is especially welcomed among family. Its full scene pickup truck enables customers to choose

## **2.3 Legal Structure and Management Expertise**

### **2.3.1 Legal Structure:**

Velocity's full name is Velocity Motor Co., Ltd. (hereinafter referred to as Velocity), located at No. 2000 Jintong Road, Jintong Street, Xiangzhou District, Zhuhai, Guangdong Province. It has six shareholders who are members of the board of directors. The total capital contribution is RMB5,000,000, and the registered capital of Velocity as registered with the government on 27 November 2023 is RMB5,000,000.

Sophie, CEO, in charge of daily affairs of Velocity; Tina, COO assisted Sophie in her work and was responsible of company's daily routine and operation management of Velocity; Cynthia , CFO, in charge of financial and accounting affairs of Velocity; Harry, CMO, responsible for Velocity's market expansion plans and brand promotion; Yager, CTO, in charge of grasping overall technical direction of Velocity and maintenance of the software; Thomas, CHO, responsible for developing a strategic plan for HR department and monitor work of HR department.

Each shareholder of Velocity holds a management position, and monitors the manager of each department. The managers are appointed by the decision of the BOD.

The managers of each department are appointed and supervised by the BOD.

The BOD is responsible for the management and supervision of the BOD.

The BOD is composed of three members, two are employee selected representatives and one is from members of the BOD. The term of the Supervisors in Velocity is three years. Supervisors may attend meetings of the BOD as non-voting delegates and raise issues or suggestions on matters decided by the BOD. (The Central People's Government of the PRC, 2018)

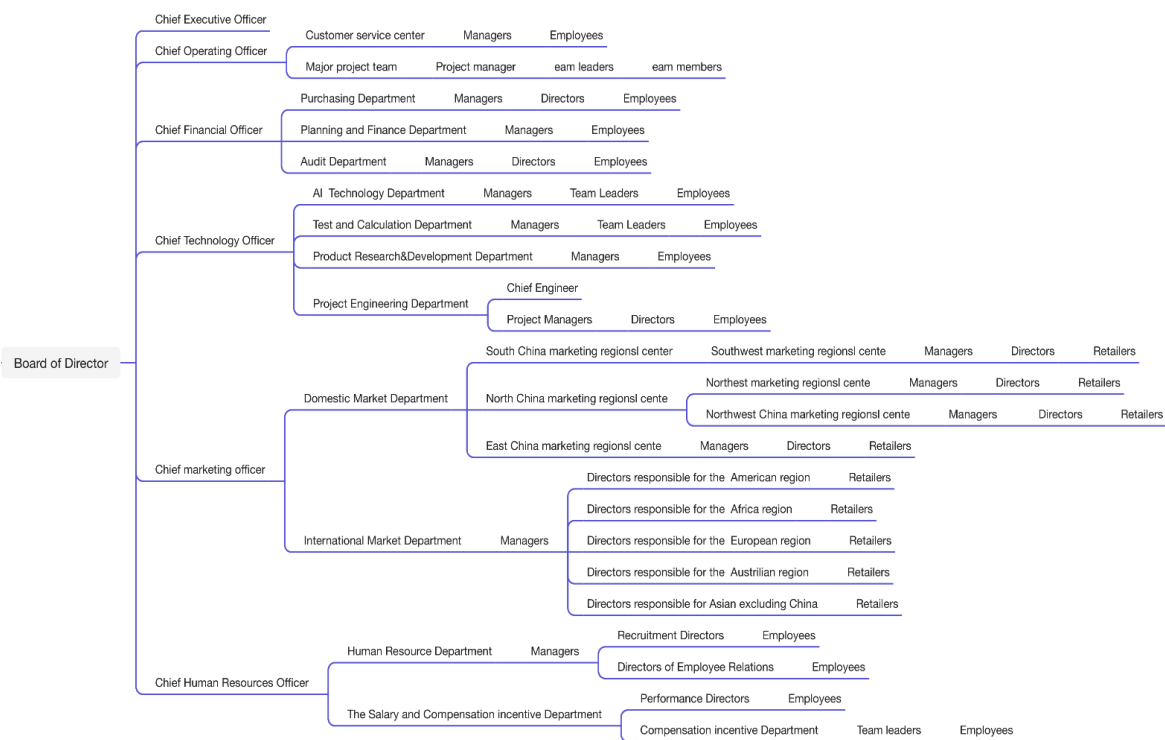
### **2.3.2 Management Expertise**

Top managers like Sophie, Tina, Harry, etc. have a strong interpersonal skills and communication skills. In velocity, the top managers create an atmosphere of free-speech and unity. Employees can bring their doubts, suggestions or complaints to their supervisors to help Velocity become better. Each week, there's a small meeting that

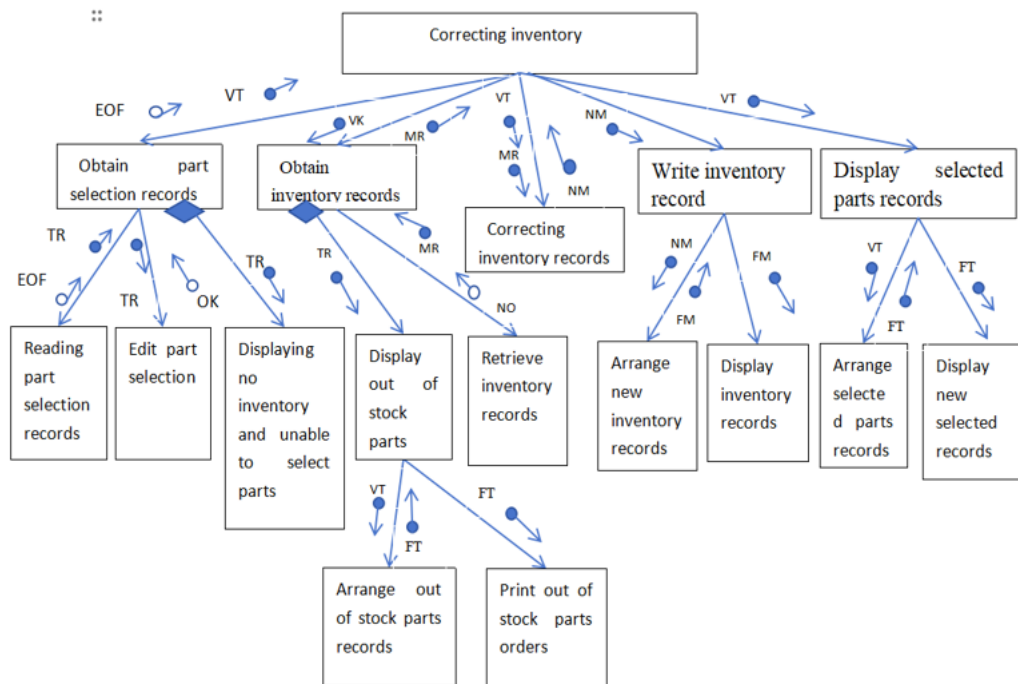
gather all the departments and their managers to discuss latest issues and work out a solution right away.

## Organizational Structure of Velocity

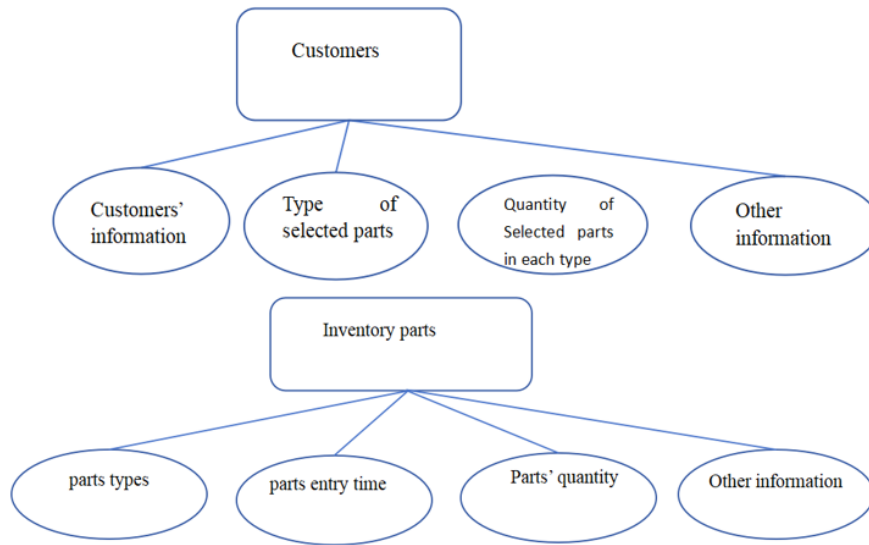
The following diagram shows the internal organization of velocity. Velocity is a corporation limited by shares. At Velocity, the various departments have clearly defined responsibilities, forming a fine and orderly organizational structure. This clear division not only helps to improve the operational efficiency of the company, but also creates good conditions for the rational use of resources. At the same time, we also allow employees to have clear responsibilities in their respective fields, thus better stimulating their sense of responsibility.



### 3. Financial planning tools



**Database**



First of all, customers choose their personalize assembly parts though APP, system record the parts data into customers' database, and compare the selected parts information with stored parts database. If selected parts have no record in stored parts database, output cannot select parts in APP and print parts order in firms. If selected parts have record in stored parts database, output new stored parts database and new selected parts record sheet.

## 4. Summary

Our company are aiming to offer customers more choices compared to the traditional vehicle market. As individuality design for vehicle business are uncommon in the vehicle market, our business anticipates facing minimal competitive pressure.

Customers can design their own styles for their vehicle though our APP, and our target customers are more likely to be customers with middle and high income who have their wills to modify their cars. Our business lowered the cost for customers of

buying a new car and modify it. Customers can have a modified car in one step if they choose our company. We are confident that our business will have a great attractive to people who pursue individuality. Our system structure would help us to collect data from customers though APP and quickly give the response to service customers, the well-designed system structure also helps us to reduce the time cost though information transformation.

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