

Chapter 2

Literature Review

The researcher has studied concepts, theories and related research used to determine the research guidelines as follows:

Development of New Energy Automobile Industry

New energy vehicles (NEVs) are crucial in the transportation sector for reducing CO₂ emissions and achieving carbon neutrality. Conducting dynamic evaluations and regional difference analyses is beneficial for the development of the NEV industry in terms of policy design and industrial planning. This study utilized provincial data from China between 2016 and 2020 and employed the grey target model and Dagum Gini coefficient method to evaluate the dynamic changes and regional differences in the NEV industry's development. Based on the findings, it is recommended that different provinces adopt tailored strategies and pathways to promote their NEV industry development (Liang & Lu, 2022). PWC has observed eight development characteristics in China's new energy vehicle industry as it transitions from old to new, with a focus on the future (2035). Additionally, new energy vehicle sales are dominating, and both new and used car sales are experiencing rapid growth (Jin, Xu & Yang, 2022).

New energy vehicles, which are primarily powered by electric energy, play a vital role in safeguarding the social ecological environment and represent the key direction for the future of the automotive industry (Chen, 2022). However, the development prospects of the new energy automobile industry have become more uncertain due to global economic factors, energy concerns, political dynamics, and the ongoing pandemic. To address this issue, this paper employs Porter's Diamond model to analyze the impact on the new energy vehicle industry development from six different angles: factor conditions, demand conditions, related and supporting industries, corporate strategic structure, government role, and opportunities (Yu & Dai, 2022).

Our country prioritizes the development of new energy vehicles as a means to protect the environment. The relevant departments should gradually increase their focus on the advancement of new energy vehicles and implement various policies to facilitate their growth. New energy vehicles (NEVs) have emerged as a crucial industry in China. By ensuring their long-term and stable development, we can mitigate the

exhaust pollution generated by traditional automobiles, thus representing a significant future trend in the automotive market (Huang, 2019).

The background of New Energy Vehicles (NEV) policies in China was examined in the study, along with the important scientific and market obstacles that must be overcome to advance fuel cells (FCs) in the fast-growing NEV market. The discussion includes the global importance of the Chinese market, major stakeholders, fundamental FC technologies, and future areas of research focus (Kendall, 2018).

Currently, the issues related to environmental pollution and energy scarcity have become significantly more severe. As a result, the development of new energy vehicles has become an urgent requirement. In China, the main focus of new energy vehicle development lies in electric vehicles (Liu & Wang, 2016).

Over the years, scholars have conducted research on the birth of new energy vehicles and the correlation between environmental protection policies and the growth of the new energy automobile industry. By collecting and analyzing these research findings, it is evident that while some scholars have focused on these topics, very few have explored the competitive strategies of specific automobile brands. Consequently, this paper aims to investigate and analyze the competitive strategies that A Co and other new energy vehicles might face in their current business development.

Competitive Environment Analysis

1. Business Competitive Environment

Analyzing the competitive environment of a business is a vital procedure that aids organizations in comprehending the different elements that impact their functioning. This process involves evaluating both internal and external factors in order to ascertain the present condition of the organization and how it can effectively address the challenges and prospects that arise. This essay will delve into the significance of business environment analysis, the techniques employed to analyze the business environment, and the factors that exert influence on it (Hitt, Ireland, & Hoskisson, 2017).

Analyzing the competitive environment is crucial for various reasons. To begin with, it assists organizations in recognizing their strengths and weaknesses, thereby facilitating well-informed decision-making. Additionally, it empowers organizations to identify potential market opportunities and threats, enabling them to effectively prepare for forthcoming changes. Lastly, it aids organizations in comprehending the