

TRENDS AND OPTIONS OF ELECTROMOBILITY USE IN MARKETING ENVIRONMENT NISSAN LEAF

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Abstract

There is a number of reasons why the use of electromobility is becoming a significant factor, such as shrinking oil reserves, demand for oil which was primarily imported from countries with unstable economic or political regimes, or ever-gathering scientific reports on the impact of carbon dioxide emissions on global warming. Electromobile can be generally referred to as an essential element of economic development, leading to more effective, safer and greener transport in a global environment. The goal of electromobility on the European market is to contribute to reducing emissions by an average of 60% by 2050. Although the impact of electromobility on the environment is important, it is also necessary to investigate its impact on the marketing strategy, as an increasing trend in the sales of electromobility can be observed. The main task of continuously increasing the sales of electric vehicles is to lighten traffic in overcrowded cities, which are characterized by excessive emissions. The vehicles can also help to solve noise problems. From the market point of view, the article will focus on trends and possibilities of using Nissan Leaf electric car because of its global production and adaptation to the global market conditions. Based on the analyzed and compared available data on the Nissan Leaf brand, the article proposes a more effective marketing strategy to improve marketing performance of the company accepting current trends and the use of electromobility on a global scale.

Keywords: electromobility, marketing strategy, Nissan Leaf, market, environment

1 ANALYSIS OF CURRENT STATE OF NISSAN LEAF ELECTRIC CAR

The Nissan Leaf electric car production began on October 22, 2010 at Nissan's Oppama plant in Japan. The annual production capacity was 50,000 vehicles and over time, the company became a market leader in electric vehicles. Nissan Leaf's initial sales markets were Japan and the United States, where sales began in December 2010. In the first half of 2014, the worldwide market share of 45% was 100,000. In the European market in 2014, only 14,658 electric vehicles of the brand were sold. More than 300,000 units have been sold on the European market since the overall launch.

Currently, Nissan offers four models in its product portfolio, including Nissan Leaf Acenta, Nissan Leaf N-Connecta and Nissan Leaf Tekna and E + Tekna. The individual products offered differ from each other in a variety of features, such as the intelligent turning-on Nissan Leaf Tekna, the larger range, the maximum

speed, or the faster vehicle acceleration. Individual Nissan Leaf models are not product-specific to a particular market or customer segment, but their view of trends and market utilization options is discussed in general terms by Nissan Leaf. (Anar, 2012)

1.1 Nissan Leaf Electric Car on the European Market

The Nissan Leaf model was launched on the European market early in 2011. There was a problem with subsidies from some countries since the launch of the product on the European market, and the UK and Portugal became the primary European markets for the model. After 2012, the Leaf model began to expand into other European markets such as Denmark, Estonia, France, Spain, Germany, Ireland, Norway and so on. From the start of production of the Leaf model to the first half of 2014, a total of 29,036 units were sold on the European market. In 2014, it ranked among the best selling electric cars on the market. By June 2015, sales increased by an additional 10,874 units, bringing the total number of units sold to an average of 39,910 electric vehicles. Norway and the United Kingdom are among the most successful European markets for Nissan Leaf. (Euractiv, 2016)

Norway has become the most successful European market in 2014, with sales up almost 5.70%. This is evidenced by the fact that at the beginning of January, sales were averaging 650 models and in October of that year already rose to 716 units, thus the Nissan Leaf electric car was ahead of its biggest competitor, Tesla. By the end of 2014, the market share of sales in Norway reached approximately 13%. The percentage of electric vehicle sales increases in early 2015, when it reached 18% in February.

In addition to Norway, the UK is also a successful market for the Nissan Leaf, where the government offers subsidies of an average £ 5,000 for the purchase of electric vehicles. In the first half of 2015, Nissan Leaf sales averaged 2694 units, an increase of 69.4% compared to 2014. Sales are also strengthened by the fact that by 2020 the Leaf vehicles will be exempt from road tax. (Holder, 2015)

In order to find out the most important strengths of the Leaf model, a survey was carried out on the European market to find out what the Leaf model is and what the preferences and preferences of the electric car prefer respondents. Two families participated in the survey, one from the UK and the other from Norway. The selection of the listed markets was preceded by the fact that during 2014 they became the most successful for the Leaf model. The survey found that safety, low running costs, and practicality were considered the main priorities of the Leaf model. Survey results can be considered the strengths of the model. In addition to respondents, Nissan has also added strength to the fact that the electric vehicle can effectively save the family budget, reducing family fuel bill. Using the Leaf model, families can save up to 60% on their fuel costs, saving up to 400 gallons of gas compared to conventional cars, on average 48 km per day. This fact demonstrates not only the strength towards the family budget, but also the strengthening of environmental protection at the global level. There is also another environmental advantage associated with zero exhaust gas production. In addition to the strengths, the Nissan Leaf can also be perceived as having a number of disadvantages, which mainly include the power generation system. There may be a situation where power plants will not manage the mass production of power generation for all electric vehicles as this trend is now considered to be very attractive and popular. When initially introducing the Leaf to the market, there was also a drawback, which was a 24 kWh battery, which has a short lifetime, long charging times and high weight.

A new battery with a capacity of 30 kWh is added to the model series produced since 2016. Its lifetime is shorter but the disadvantage is its higher weight. This change is also positively reflected in the increase in the range of the electric car, which reached the value of 250 - 300 km from the original 160 km. (Kane, 2015)

Nissan Leaf has managed to change the city's inclusion of electric cars. With CarWings¹ telemetry data, the electric car has confirmed that Nissan's European drivers have driven more miles than classic car drivers. Weekly average mileage by combustion engine cars is 222 km, while the Leaf electric vehicle is 319 km per week.

An important factor for assessing the use of electromobility is market readiness, which can be closely linked to major trends. Market readiness needs to be analyzed from two perspectives, namely subsidies provided on a particular market and infrastructure. According to Carter and Yeo, the elements of collective intelligence must also be explored (Carter, Yeo, 2018, p. 11-38). Some countries in the European market have provided subsidies for the development of electromobility since 2012, with the assumption that 50,000 electric vehicles will be registered in 2017. In Norway alone, more than 50,000 electric vehicles were registered at the end of April 2015. For other countries, it is very difficult to fund electromobility (for example, the country

¹ CarWings is a system that records the kilometer of the Leaf model.

itself is losing € 470 million a year). In addition to value added tax relief, other countries also provide additional benefits such as road tax exemption or highway charges, as well as free parking in free city centers or lanes. In addition to the subsidies provided, infrastructure is also important. In Norway, infrastructure was very poorly developed by 2008. Subsequently, since 2009, Transnova's national infrastructure program was established, which, in cooperation with the Oslo local program, began to expand the Type 2 charging station network. Since 2011, CHAdeMO² fast-charging stations have also begun to develop. There are currently 5,800 charging stations in Norway, of which 79 are CHAdeMO. Other infrastructure development countries are building charging stations such as the UK, which has provided a € 58 million subsidy for their construction in 2012 and currently has more than 10,000 charging stations built across the country. (Pasley, 2017)

1.2 Marketing Strategy of Nissan Leaf Electric Car

Creation of marketing strategy is a challenging process. Some authors say that when creating marketing strategy it is needed to take into account more factors such as readiness of market, competitive position, environment and the like. Roberts and Marchais say that technologies and social media have an important impact on building marketing strategy of the company too. (Roberts, Marchais, 2018, p. 9-42).

The company began to produce Leaf according to the typical "Japanese style". The marketing strategy is that the Japanese manufacturer has precisely defined who the customer is, what his requirements are, what his needs are. A typical Nissan Leaf customer is an individual who is 45 years old, has an average annual income of € 100,567.29 and has a university degree, is purchasing an electric car exclusively for private use. Furthermore, these customers have their own house with a garage, which provides space for charging an electric car during the night and is interested in new technologies, or have a sense of environmental protection. Therefore, the model is considered a practical vehicle and, with its strategy, is mainly focused on urban mobility.

The business plan of the company is to accelerate the company's growth in new markets and turn Nissan's attention to new segments in these markets. As part of the program, Nissan focused primarily on environmental protection, zero emissions, new product innovations. It strives to improve services and is committed to bringing electric vehicles available to people around the world. For example, the business plan aimed at achieving an 8% share of the global market for electric vehicles by the end of the year. The stated objective, based on the available data, can be considered fulfilled. The plan further reflects a clear global vision and strategic management of the company in the long term. Based on the business plan, two of Nissan's most important marketing strategies for the Leaf model can be identified. (Pontes, 2015)

The first strategy is environmentally conscious. The beginning of this strategy dates back to 1947 and is the company's primary strategy to date. Nissan in the 40s came with the first electric car - Nissan Tama and in 1949 with the model - Nissan Tama Senior. In developing this strategy, it mainly took into account the trend of environmental protection and sustainability. In particular, it took into account population growth and climate change. The aim of the company was to reduce the production of CO₂ from internal combustion engines. The primary goal of the company was to find an alternative source for automobile driving. In 1992, Nissan began developing a lithium-ion battery for its electric vehicles. The first battery with this battery was the Prairie JOY.

Despite further developments in electric mobility, there have been various discussions that companies have produced "green cars" in a non-organic way, with electricity produced from fossil fuels. An example of solving the problem was Nissan with the production of the Leaf model. Given the response to this problem, the main message of Nissan has become a zero emission vehicle production. The mission also includes the goal of strengthening the development of an environmentally neutral portfolio of electric vehicles by using wind energy in the production process. The goal is to achieve the company by working intensively with different countries, their governments, electricity suppliers and professionals to build strong infrastructure.

In addition to an environmental-oriented strategy, a customer-oriented strategy is an important part of the business plan. Nissan has attempted to focus on the mass segment with the Leaf model and not only provide the product to a specific segment. They wanted to provide an electric car that would become available to everyone, regardless of who the customer is, what his income was, where he came from and what his motivation was in life. The effort to provide the model to the mass segment was reflected in a lower price compared to competing electric cars, but also in a classic car. It was the lower price that Nissan wanted

² ChAdeMO is the trade name for a charging station, with a fast charging method for electric vehicles of 62.5 kW.

to give the general public the opportunity to purchase an electric car. However, these facts can be considered relevant and realistic only in countries where the government provides a high percentage of subsidies for the purchase of electric vehicles. Based on this, the company has decided to define the primary segment described in the introduction to this subchapter. From identifying the primary segment, the company has defined a goal to achieve 92% coverage of all markets, including segments. The secondary goal is to improve customer interaction and build lasting relationships with electric car owners through a world-class service level. The strategy also includes a promotional strategy to get the product to the customer. Its goal is to bring immediate awareness and strengthen the position on the European Leaf model market. In addition to promotional, research and development-oriented support is part of the overall strategy. The overall objective of the support strategy is to expand and build effective market mobility. The company wants to continue to invest heavily in research and development in order to gain as many customers as possible thanks to pioneering technology. The primary objective of the support strategy is to prepare large urban areas for electromobility over 2.5 years. It also wants to work with charging services organizations and improve distribution networks so that the charging station infrastructure covers all electric vehicles. The company is also committed to building other electric vehicles that would be innovative in the Leaf model with new technologies and innovative features. To bring these innovative models to market by 2020 with differentiated offerings, which will be based primarily on simplicity, security and availability (Pontes, 2015).

2 DISCUSSION

In the discussion section of the article, it is important to ask how the company's marketing performance in the European market could be strengthened.

Nissan says the electric car they produce is not just for the city. Despite this, they have published a pan-European marketing campaign ("Feel Surge") focused on central city districts and cities. Currently, the campaign is intensively expanded, but we are proposing that Nissan is more focused on competitive strength with other marketing campaigns. Kanovska says that the main motive of electromobility is to protect the environment and "to be eco-related to nature and to people" (Kanovska, 2018, p. 45-56). Therefore, in strengthening the marketing campaign, the idea of "nature conservation" must be retained, thereby strengthening the environmental strategy, but the idea will not be primary. The campaign's priority idea should be mass market-oriented - as already mentioned in the analytical section of the article. To strengthen the campaign, it is necessary to identify a new customer segment that would not only focus on the individual, but would take family as a whole into consideration. The new customer segment should take into account all the needs, values, goals and reasons of the family why the Nissan Leaf electric car is right and important for it. On the basis of the data and information found, it can be argued that it would be the family that would strengthen the marketing campaign, the main aim of which would be to spread the message among consumers in a market environment. Similar opinion is expressed by Hraskova (Hraskova, Bartosova, 2014, p. 92-96).

In addition to the European market, the company's marketing performance should also be strengthened on the Slovak market. As the Slovak market is still not ready for electromobility, it is very difficult to strengthen marketing performance within Slovakia. According to the recommendation, Nissan should primarily focus on raising consumer awareness in Slovakia.

Another topic of discussion in conjunction with the strengthening of marketing performance is the readiness of the Slovak market for the Leaf model. On the basis of the analyzed data on the provision of excessive subsidies (e.g. Norway and the United Kingdom) in other European countries, it can be argued that the Slovak market is still not sufficiently prepared to receive any electric vehicle that would be intensively used by individuals or families.

There are many reasons why the model cannot be placed in Slovakia. The first reason is the mentality of people who do not think too ecologically as people in other countries (Germany, Norway, Austria, etc.). Another reason why residents are not willing to buy a Nissan Leaf is its high price, which averages € 25,000, a costly item for Slovaks. Since the country's average monthly salary of 800 €, few can afford to purchase an electric car. It is important to realize that the purchase itself is not the final expense. There are other costs associated with the use of an electric car (e.g. more frequent replacement of a battery that is expensive). Kliestikova and Janoskova say that one of the key attributes of perception of brand value is also price of product. (Kliestikova, Janoskova, 2017, p. 149 – 157). Kliestikova further claims that the specifics of national socio-cultural profiles are identical in the priorities of the components of individual subjective perception of brand value (Kliestikova, Durana, Kovacova, 2019, p. 15-32).

An important indication that many people are interested in is the electric car's range. During the publication

of this topic, a survey of 50 respondents aged 19 to 35 was conducted. On average, 45% of individuals who are living on their own and have no family and 55% have individuals who have a family and an average of 2 children. In a brief survey we asked if they would be willing to buy a Leaf model. As a result, up to 68% of respondents would not buy a Leaf model on the Slovak market because of its short run, which most seemed untrustworthy because Nissan said different lengths of distance and respondents did not know which to trust. The high price for the model discouraged respondents in the second row. Kliestikova and Janoskova say that medzi kľúčovým atribútom vnímania hodnoty značky je aj cena produktu.

Another problem of the Slovak Republic's preparedness for intensive use of electromobility is the insufficiently built charging station infrastructure. In most cases, these are classic charging stations where the consumer has to wait for a long time until the electric car is charged. In our opinion, people appreciate the value of their time they have to spend waiting to be charged, and that can be the reason for discouraging a potential customer from buying a model. In September 2015, the Government of the Slovak Republic approved the Strategy for the Development of Electromobility in Slovakia, which in our opinion is a positive step towards the development of electromobility in Slovakia. Based on the assessment of the current situation, it can be argued that if the strategy is not implemented, the number of customers in Slovakia will not grow.

Another topic under discussion is focusing on some of the improvements that Nissan could include in its offer. It is important that Nissan is not only satisfied with the results achieved and is continually moving forward, as competition continues to grow in the field of electromobility, aiming at continuous innovation and the introduction of new technologies.

3 CONCLUSION

The aim of the article was to analyze the data on the Nissan Leaf model and to point out trends and possibilities of using electromobility in selected markets. In addition to analyzing the preparedness of selected European markets, the article was also intended to propose a more effective way of marketing the presented model to improve Nissan's overall marketing performance. The analytical part showed that the company created a perfect strategy for its electric vehicle, thanks to which it dominates not only in the European market but also in the global sense. Above all, the company has built on a typical "Japanese practicalism" and has created an electric vehicle designed primarily for the needs and requirements of customers. However, the negative is the fact that the company created one marketing campaign focused on the primary customer segment and was unable to effectively adapt to all European markets in its marketing performance. Therefore, some markets for these campaigns did not respond for a number of reasons, such as insufficient market readiness for electromobility, or poorly targeted campaign for the selected segment. Campaigns and market readiness such as the UK and Norway can also be positively evaluated, with the Leaf model outperforming the competition and ranking first in sales in 2014. Its stability and position on the European market has also been strengthened thanks to the marketing campaign aimed at the major urban areas. The design part was supported by the company's marketing strategy. Chijioke says that the important factor in building a marketing strategy is the sustainability of the competitive advantage (Chijioke, 2018, p. 15-25).

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