

BYD vs. Tesla: Battling for Leadership in the Global EV Race

Dominique Turpin

China Europe International Business School

Sandeep Puri

Asian Institute of Management, Philippines

Rameshwar Dubey

MBS School of Business, Montpellier, France and Liverpool Business School, UK

Sheri Lambert

Fox School of Business, USA

Abstract. Set in November 2025, this case examines the growing rivalry between BYD and Tesla in the global electric vehicle market. It focuses on BYD's European expansion, highlighted by the launch of the ATTO 2 Super Hybrid and the company's rapid rise in key European markets, such as the United Kingdom and Germany, through a strategy combining affordability with advanced technology. Against this backdrop, the case contrasts BYD's scale-driven, cost-focused model with Tesla's premium, technology-led positioning. It presents the central dilemmas facing both companies: whether BYD should expand into highly regulated markets such as the United States or consolidate its lead in Europe and other emerging markets, and how Tesla should respond to the increasing price competition without diluting its brand or margins.

Keywords: global market entry strategy, competitive positioning, pricing and cost leadership, innovation and technology strategy, emerging vs mature markets, strategic response to competition.

Disclaimer: This case has been written on the basis of published sources only. Consequently, the interpretation and perspectives presented in this case are not necessarily those of BYD or any of its employees.

1. Introduction

In November 2025, BYD unveiled its new ATTO 2 DM-i Super Hybrid in Barcelona, marking another milestone in the company's European expansion and reinforcing its strategy of providing electrified mobility solutions for everyday driving needs. At the launch, Stella Li, Executive Vice President of BYD, said,

This shortened version of the article is for promotional purposes on publicly accessible databases.

Readers who wish to obtain the full text version of the article can order it via the url

<https://www.neilsonjournals.com/IJBE/abstractijbe21bydtesla.html>

Any enquiries, please contact the Publishing Editor, Peter Neilson pneilson@neilsonjournals.com

© NeilsonJournals Publishing 2026.

“The Super Hybrid DM technology is the ideal step for those who want the electric-car experience without worrying about range. With the BYD ATTO 2 DM-i, we bring these advantages to the compact SUV segment, creating a unique model that shows what we mean when we say it’s not just a car – it’s a BYD.”¹ By November 2025, BYD had gained ground over Tesla in two of Europe’s largest plug-in vehicle markets. In the United Kingdom, BYD registered nearly seven times as many new cars as Tesla during that month. Its year-to-date (until November 2025) sales figures showed more than a sixfold increase, whereas Tesla’s reflected a 4.5 per cent decline. In Germany, BYD reached near parity with Tesla, registering over four times as many vehicles in October. By the end of the first 10 months of 2025, it trailed Tesla by only 424 cars.² This performance underscored BYD’s strategic emphasis on combining affordability with advanced technology.³

BYD’s combination of affordable pricing and cutting-edge technology raised a broader strategic question: could its success in Europe become a launchpad for leadership in the global EV market? How should it consolidate its dominance in Europe? Should it push aggressively into markets such as the United States, despite steep regulatory barriers and limited brand recognition, or should it strengthen its hold in emerging markets known for lighter competition and fewer compliance hurdles? For Liu Xueliang, BYD’s Asia-Pacific sales manager, the immediate challenge was to maintain momentum while convincing skeptical consumers that the brand could deliver the service, reliability, and trust required to sustain long-term growth.

2. BYD Company Limited

BYD Company Limited, headquartered in Shenzhen, China, was a Chinese enterprise engaged in the development and production of rechargeable batteries, electric vehicles (EVs), rail transit systems, and other new energy technologies. In 2025, its automotive division accounted for nearly 80 per cent of revenue, with BYD also ranking as the world’s second-largest EV battery producer,

-
1. Automotive, BYD launches the ATTO 2 DM-i Super Hybrid in Europe with test drives, The Manila Times, November 21, 2025, <https://www.manilatimes.net/2025/11/21/tmt-newswire/globenewswire/automotive-byd-launches-the-atto-2-dm-i-super-hybrid-in-europe-with-test-drives/2228771>
 2. Craig Trudell, BYD Pulls Ahead of Tesla in UK, Closes Sales Gap in Germany, Bloomberg, November 5, 2025, <https://www.bloomberg.com/news/articles/2025-11-05/byd-pulls-ahead-of-tesla-in-uk-with-sales-increasing-sixfold>
 3. Eirwen Williams, China’s BYD Stuns Market As “30 Percent Less” EV Directly Challenges Tesla and Targets Millions of Budget-Conscious First-Time Car Buyers, Rude Baguette, August 11, 2025, <https://www.rudebaguette.com/en/2025/08/chinas-byd-stuns-market-as-30-percent-less-ev-directly-challenges-tesla-and-targets-millions-of-budget-conscious-first-time-car-buyers>