



**STUDY ON THE COMPETITIVE STRATEGY OF NEW ENERGY
VEHICLE PARTS OF LITE-ON TECHNOLOGY COMPANY**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT OF
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**STUDY ON THE COMPETITIVE STRATEGY OF NEW ENERGY
VEHICLE PARTS OF LITE-ON TECHNOLOGY COMPANY**

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This Independent Study has been Approved as a Partial Fulfillment of the Requirement
of an International Master of Business Administration in International
Business Management

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Declaration

I, HAI PENG, hereby certify that the work embodied in this independent study entitled “STUDY ON THE COMPETITIVE STRATEGY OF NEW ENERGY VEHICLE PARTS OF LITE-ON TECHNOLOGY COMPANY” is result of original research and has not been submitted for a higher degree to any other university or institution.



Hai peng
(HAI PENG)
SEP 20, 2023

competitors in the industry show that Lite-On is in the middle and upper stream of the industry in the process of realizing the lightweighting of new energy vehicles. The SWOT analysis summarizes the opportunities and threats of Lite-on in the external environment and concludes that Lite-On's new energy vehicle parts business is a sunrise industry with a broad market prospect. 2), Combined with Lite-On's corporate vision and mission, the overall strategic objectives of Lite-On were formulated.

Keywords: competitive strategy, new energy vehicle spare parts, low cost, high differentiation.

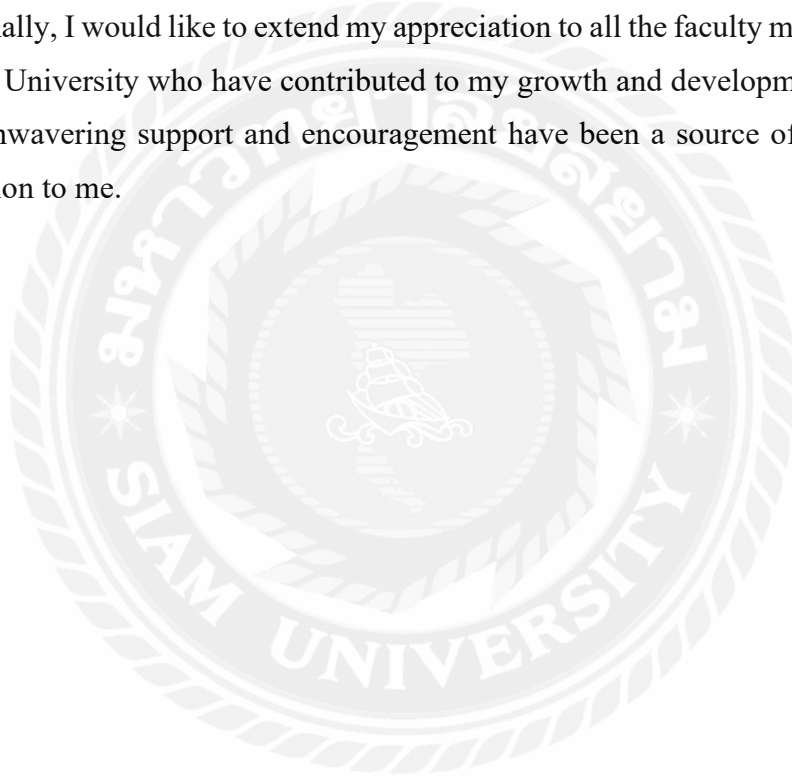


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1. Introduction

1.1 Research Background

Lite-On Technology Corporation is a global design and manufacturing partner in the field of communications and electronics, dedicated to providing customers with a full range of services and goods from design and concept, through to production, final assembly, and testing. Currently one of the wholly owned subsidiaries of Lite-On Group, the first listed electronics company in Taiwan, Lite-On Technology Inc. is a former Finnish company founded by three Finnish engineers in Helsinki, Finland. Starting in 1980, it produced and manufactured communication handsets and started operations in 2000 with factories in Hungary and China respectively (Wang, 2018). In 2009 the company set up a dedicated service division to meet the needs of its diverse customers and by 2014 it had sold up to 200 million mobile phone mechanisms. By 2014, the company had sold up to 200 million sets of mobile phone components and was working with major mobile device manufacturers around the world, including Apple, Amazon, Nokia, Google, Phoebe, Sony, Lenovo, Huawei, OPPO, and others. Since 2015, the industry's plight has been compounded by a significant reduction in the growth rate of the mobile phone and peripheral components market. In 2015 alone, 13 companies in South China collapsed, with a default capital of over RMB 2 billion (Xiao, 2015).

The majority of these were Tier 1 suppliers, and the impact of Tier 1 suppliers has led to a chain reaction of downstream Tier 2 suppliers. Like other Tier 1 suppliers, Lite-On Technology has experienced a sharp decline in orders due to a sudden drop in sales from end-user communication customers, which has led to a series of problems such as high inventory and shrinking subsidiaries. How to stand out in the current fierce competitive environment is a key element in the solution to the problems of Lite-On Technology Corporation. With the promotion of the government and public opinion, various new concepts, and technologies such as Internet+, Industry 4.0, cloud computing, precision molding, and big data are becoming important technical supports for the transformation and upgrading of many enterprises (Yuan, 2017). To cope with the sustainable development of the enterprise, Lite-On Technology has proposed a development strategy of providing solutions and services for the interior and exterior trim parts of new energy vehicles, relying on its advantages of manufacturing communication products for many years and developing the market of new energy vehicle parts to promote the transformation and upgrading of the enterprise.

1.2 Research Problems

As a manufacturer of communication products transforming into the new energy vehicle industry, Lite-On Technology faces many challenges, the most typical of which include compared to traditional manufacturers of automotive components, Lite-On Technology's lack of experience in the automotive industry means that Lite-On Technology's transformation process is not destined to happen overnight and requires selective trial and error. Secondly, there is a shortage of professionals in the automotive industry, especially in the new energy automotive components business, which is a real challenge for Lite-On Technology. There is also the fact that more and more foreign entrants are planning and laying out the new energy vehicle parts market, and therefore this business will become an important battleground for fierce competition (Zhang, 2014).

The transformation of Lite-On Technology will come down to the topic of how to compete, which is an important issue for Lite-On Technology as it enters the new energy vehicle components market.

1.3 Objective of the study

After preparing for the automotive product qualification (TS16949) in 2014 and obtaining the qualification in 2015, Lite-On entered the field of new energy vehicle parts and components, followed by a large-scale industry dynamic analysis of the new energy vehicle industry, studying the current situation and development trend, and focusing on a series of services for the development, design, production, and sales of interior and exterior products.

1. To analyze the competitive environment of the company in the market through Porter's Five Forces model and SWOT analysis.

2. To develop a competitive strategy based on the status of the company's competitive environment in the market using the SWOT matrix.

1.4 Scope of the study

This paper focuses on the transformation of Lite-On Technology in China. By analyzing the external environment of the industry and considering the business situation of the company, the paper proposes a general development plan for new

energy automotive components, taking the opportunity of the times and precise positioning as the starting point.

1.5 Research Significance

The increase in oil imports year on year has seriously threatened our energy security and the increase in petrol- and diesel-powered motor vehicles has seriously polluted urban air. In order to solve these problems, countries have started to explore new industries to solve the problems of the automotive industry, and the emergence of new energy vehicles has reduced the risk to a certain extent. This is why the Chinese government has been encouraging and developing the new energy vehicle industry since 2006 through policies and laws that have been in place for over a decade, accelerating the promotion of new energy vehicles throughout society.

2. Literatures Review

2.1 New energy vehicle parts

Li (2017) proposed that the main trend in the future automotive industry is the development of new energy vehicles and the established of a variety of new energy vehicles, such as those powered by a mixture of gasoline and electricity, and those powered entirely by electricity, etc. He also categorized the standardization system for new energy vehicles into industry technical standards and designs for key parts of the vehicle, such as the power system, the electric system, and the battery (Li, 2017). As standards for key components of new energy vehicles constrain the development of new energy vehicles, it is necessary to establish a standard system for the design, manufacture, safety, and environmental protection of new energy vehicles based on existing technologies and manufacturing processes. The development of new energy vehicles is an unstoppable trend that requires understanding and familiarity with the current state of the industry on the one hand, and on the other hand, China needs to improve its own research and development capabilities while learning from the advantages of advanced foreign technologies and absorbing and digesting them for its own use (Qiu, 2017). Finally, through an inclusive approach, China needs to produce excellent new energy vehicle components, especially the core components, so that more consumers will accept and recognize new energy vehicles. However, if companies can leverage their R&D capabilities and production strengths in core components, it is also worth considering and implementing the transition to the

vehicle sector in the future. Yuan (2017) suggested that the core part of vehicle production is the production of components, especially the production and quality management of core components, such as electronic control, motors, and batteries, which are important for the production and quality of new energy vehicles. On the one hand, they can expand their competitive advantage, and on the other hand, they can obtain a more objective profit return by entering the new energy vehicle sector.

Research on the development trend of auto parts enterprises. In the past, traditional auto parts enterprises only focused on how to reduce costs and expand their internal competitive advantages, but often neglected to keep up with the trend of the times, especially in the era of network economy, the rapid development of the trend of intelligentization and informationization. Dong (2017) puts forward a few points that new energy auto parts need to pay attention to considering the current economic situation, including: firstly, keeping up with the progress of the times, understanding the mode of smart network vehicles, and exploring the new opportunities of smart network vehicles. Secondly, realizing that the development of OEMs and parts companies is a bundle of interests, paying attention to the needs of OEMs and users and providing them with high-quality services. Finally, it emphasizes the importance of accurate data analysis in the era of big data to understand the behavior and preferences of customers and users, and thus to understand the planning of countermeasures. Wang (2016) explained the definition and categorization of auto parts manufacturing industry. It is pointed out that the whole vehicle is composed of one by one parts, and these parts cannot be separated from the individual components, through the realization of a certain action or function and constitute a combination of parts. However, the parts can be a single part or a combination of multiple parts. From the perspective of the structure of the automobile industry chain, the auto parts industry is in the midstream of the entire automobile industry chain, with its upstream industry being raw material providers, such as steel, rubber, plastic, electronic components and other raw materials, and its downstream industry being automobile manufacturers and their parts and components supporting suppliers. The article emphasizes that under the background of the integration of the world economy, the future trend of the auto parts industry is globalization, including the globalization of the procurement of automobiles and auto parts industry, system integration and modularization, and that strengthening exchanges and cooperation among the global enterprises, research and development of the core technological capabilities and

realization of batch mass production are the competitive advantages of the auto parts industry in the future.

Wang (2016) explains the definition and classification of the automotive parts manufacturing industry. It was pointed out that a complete vehicle is made up of parts that cannot be separated into individual components, which form a combination of parts by achieving a certain action or function. However, a component can be a single part or a combination of parts. In terms of the structure of the automotive industry chain, the automotive parts industry is in the middle of the whole automotive industry chain, with the upstream industry being the suppliers of raw materials, such as steel, rubber, plastics, electronic components, and other raw materials, and the downstream industry being the vehicle manufacturers and their component suppliers. The article emphasizes that in the context of global economic integration, the future trend of the components industry is globalization, including the globalization of procurement, system integration, and modularization in the automotive and components industries, and that strengthening exchanges and cooperation among global enterprises, developing core technological capabilities and achieving mass production are the competitive advantages of the components industry in the future.

Research on key elements and capabilities of new energy automobile parts and components. First of all, the formation of new energy automobile industry supporting system is a prerequisite to regulate the rapid and orderly development of its industry, and the establishment of the supporting system is conducive to the enterprises to master the core technology of batteries, electric motors, electric control and so on. Yao (2015) puts forward one of the key directions to promote the development of new energy electric drive in the future, and at the same time builds and develops the database platform of automobile products which is conducive to the formulation of enterprise product strategy, and emphasizes the important role of industrial innovation alliance, in other words, it is required that the spare parts enterprises in the competition at the same time, but also can consider inter-enterprise cooperation and alliance, coordinate and coordinate the development of products, take the strengths to complement the shortcomings, and combine the advantages to achieve product innovation, and formulate the standardized production system. In other words, they are required to consider inter-enterprise cooperation and alliance to coordinate and harmonize product development, take advantage of each other's strengths and

weaknesses, combine their strengths and advantages to achieve product innovation, and formulate a standardized production and manufacturing system, improve product self-testing capability, and actively participate in the formulation of international standards and regulations. Second, industrial integration is conducive to industrial upgrading and transformation. Chen and Chang (2015) explain that an important way to realize the upgrading of China's auto parts industry is to integrate inter-industry exchanges and create a standardized market mechanism, under which the automotive parts industry and the information technology industry and the Internet industry can be jointly promoted and cooperated. Finally, in response to consumers' safety concerns about new energy vehicles. Xiao (2015) proposed that the realization of new energy vehicles with all-plastic body is conducive to new energy vehicles weight reduction, and eliminate safety concerns need to be realized through the realization of body lightweight to reduce the potential quality risks, and once the core technology of body lightweight will occupy a favorable position in the new round of market competition, and further win the trust of consumers.

A study on the implementation strategy of new energy vehicle components. What is strategy implementation? Strategy implementation is the actions of an enterprise's strategic management process, which include inputs for production, R&D, marketing services, and specific requirements for quality control. Ye (2014) emphasizes the importance of strengthening human resources training in production and operation, R&D and design, quality management, sales management, supply chain management and other aspects of China's parts and components industry in the context of the development and transformation of China's parts and components industry. Zhang (2014) suggests that one of the ways to break through the monopoly of the industry is to establish own-brand OEMs and component enterprises, enhance brand awareness and influence through the expansion of core competitiveness, gradually get rid of the dependence on key components and key technologies, and truly realize independent innovation, break the unequal regulations and reshape the rules of market competition.

A study on the competitive strategy of new energy automobile parts. Chen (2016) analyzed the unprecedented depth of change in the automobile industry, communications, high-tech, Internet and many other emerging enterprises have entered the field of new energy vehicles, new ideas, new thinking will continue to

impact the development of their business and model, parts and components enterprises how to seek development in the automobile industry in the increasingly drastic changes in the situation is worthy of deep thinking about the problem. It is difficult to win the competition by relying on low-cost or differentiated products alone, so the combination of low-cost and differentiated strategy will be beneficial for enterprises to occupy the winning point. With the development of Industry 4.0, breaking through the barriers of key technologies through technological innovation alliance will be the key point of transformation and upgrading of the automobile industry in the future (Liu, 2015). Cao (2016) explains that one of the measures for enterprises to enhance their core competitiveness is to actively guide the backbone enterprises of automotive parts and components to increase R&D investment, improve brand competitiveness through the enhancement of technological strength, and at the same time, focus on supporting a few autonomous parts and components enterprise groups with international competitiveness through policies and other tax incentives. At the same time, through policies and other tax incentives, it will focus on supporting several autonomous parts and components enterprise groups with international competitiveness, such as BYD and Desai Electronics. Lin (2012) emphasizes the importance of mastering key technologies and leading technologies. Finally, integrating multiple resources and capabilities to create core competitiveness is the top priority of enterprise management. Zhang (2016) concludes that technical resources, organizational resources, human resources, financial resources and operational capabilities, marketing capabilities, technology management capabilities, quality management capabilities are effective ways to achieve the core competitiveness of enterprises.

2.2 International Competitiveness

The development of new energy vehicles and the parts industry go hand in hand. Only the prosperous development of new energy vehicles can contribute to the longevity of the parts industry. Wang (2016) suggests that a strong automotive industry is only as strong as its components, and the prerequisite for strength is to work hard on technology research and development. Song (2018) talked about the serious overcapacity of low-end production in China, and the lack of mastery of the core technology of auto parts in China, the "three electric" key technology of electric vehicles still has a large gap compared to foreign countries, and the core components still rely on imports from abroad. Wang (2018) mentioned that as there is no unified

industry standard for many models, the phenomenon of parts not being common still exists, and even the market price of parts for some scarce models has been artificially inflated, resulting in a missed market.

2.3 Key elements of new energy vehicle components

Firstly, the formation of a supporting system for the new energy vehicle industry is a prerequisite for the rapid and orderly development of the industry, and the establishment of a supporting system is conducive to enterprises' mastery of core technologies such as batteries, motors, and electric controls. The article emphasizes the important role of industrial innovation alliances, in other words, it is a requirement for parts and components enterprises to compete while also considering inter-enterprise cooperation and alliances, coordinating and coordinating product development, complementing each other's strengths, combining advantages to achieve product innovation, and developing standardized production and manufacturing systems, enhancing product self-testing capabilities, and actively participating in the development of international standards and regulations (Yao, 2015). Chen and Chang (2015) highlighted that an important way to upgrade China's auto parts industry is to integrate inter-industry exchanges and create a standardized market mechanism under which the auto parts industry can work together to promote integration and cooperation with the information technology industry and the internet industry. Finally, in response to consumers' concerns about the safety of new energy vehicles, Xiao (2015) suggested that the implementation of all-plastic bodies for new energy vehicles would help to reduce the weight of new energy vehicles, while the elimination of safety concerns would require the implementation of lightweight bodies to reduce potential quality risks, and that once the core technology of lightweight bodies is mastered, it would be advantageous in the new round of market competition and further win the trust of consumers.

2.4 Strategy implementation

Strategy implementation is the action of the strategic management process, which includes investment in production, research and development, marketing and service, and specific requirements for quality control. Ye (2014) emphasized the importance of strengthening talent training in production operations, R&D design, quality management, sales management, supply chain management, and other aspects of the Chinese component industry at a time of transformation. Zhang (2014)

suggested that one of the ways to break through the monopoly of the industry is to establish own-brand OEMs and component companies, to enhance the brand awareness and influence through the expansion of core competencies, to gradually break away from the dependence on key components and key technologies, to truly achieve independent innovation, to break the unequal regulations and to reshape the rules of market competition.

Chen (2016) analyzed the unprecedented depth of change in the automotive industry, with many new companies entering the field of new energy vehicles, such as communication, high-tech, and Internet companies, new ideas, and new thinking will continue to impact their business development and models. It is difficult to win the competition by relying on low-cost or differentiated products alone, so adopting a combination of low-cost and differentiation strategies will help companies capture the winning points. Liu (2015) further elaborated that with the development of Industry 4.0, breaking through the barriers of key technologies through technological innovation alliances will be the key point of transformation and upgrading of the automotive industry in the future. Cao (2016) explained that one of the measures to enhance the core competitiveness of enterprises is to actively guide the backbone enterprises of auto parts to increase investment in R&D, enhance brand competitiveness by strengthening their technological strength, and at the same time focus on supporting a few internationally competitive independent parts enterprise groups through policies and other tax incentives. Such as BYD, Desai Electronics, etc. Secondly, Lin (2012) emphasized the critical importance of enterprises mastering key technologies and leading technologies. Finally, the integration of multiple resources and capabilities to create core competencies is a top priority for enterprise management. Zhang (2016) concluded that technical resources, organizational resources, human resources, financial resources and operational capabilities, marketing capabilities, technical management capabilities, and quality management capabilities are effective ways to realize a company's core competencies. The key to the continuous development of new energy auto parts enterprises is to cultivate their competitive advantages, integrate with industrial development, follow the pace of high-tech development, and innovate continuously with technology.

2.5 Porter's Five Forces Model

Michael E. Porter's seminal framework, the Five Forces Model, has persistently served as a quintessential tool in comprehending and analyzing the competitive environment within an industry since its inception in 1980. Porter meticulously outlined these forces in his landmark work, providing an in-depth perspective on industry attractiveness and profitability through various aspects (Porter, 1980).

New entrants introduce additional capacity and competition. Porter (1980) highlighted various barriers that can influence the threat of new entrants, including government policies, capital requirements, brand identity, and access to distribution channels. High barriers typically safeguard industries from potential entrants, preserving the competitive equilibrium within it.

A critical force shaping industrial dynamics is the bargaining power of suppliers, which pertains to the control exerted by suppliers in terms of pricing, quality, and availability of required inputs (Porter, 1980). This power is modulated by factors such as the concentration of suppliers, uniqueness of supplies, and the industry's reliance on them.

The power wielded by buyers—encompassing their capacity to demand superior quality, service, and lower prices—is intricately linked to aspects like buyer concentration, product standardization, and switching costs (Porter, 1980). Robust buyer power necessitates strategic adjustments to retain clientele and sustain industry position.

Substitutes emerge as a potential threat, offering alternatives and capping market prices and profitability. As delineated by Porter (1980), substitutes exert pressure on industry entities, especially when they present enhanced value propositions or lower pricing structures, necessitating innovative or competitive responses from industry participants.

Porter (1980) accentuates that the interplay among existing competitors is contingent on elements like industry growth, fixed (or storage) costs, differentiation, and exit barriers. The ensuing rivalry, sculpting the competitive milieu, can manifest

across various dimensions, including pricing, product introductions, advertising, and enhancements in service.

Through the lens of Porter's model, a multitude of scholars and practitioners have distilled the complexities of competitive dynamics within various industries (e.g., Dyer, Godfrey, Jensen, & Bryce, 2016; Grant, 2016). Notwithstanding the passage of time, the model's applicability persists, serving as an analytical scaffold in contemporary strategic management and business studies, albeit with necessary adaptations and reflections pertinent to modern, digitized, and globalized contexts.

In the context of the new energy vehicle (NEV) components industry, the threat of new entrants hinges on factors such as capital requirements, regulatory compliance, technology expertise, and access to distribution channels. High capital investment in technology and stringent regulatory standards may pose barriers to entry, whereas evolving market dynamics and technological advancements might lure new players. Evaluating how Lite-On withstands and mitigates the pressures from potential entrants necessitates a nuanced understanding of these variables (Lin, 2016).

Considering the transformative phase of the NEV market, buyers – comprising vehicle manufacturers and potentially, large-scale fleet operators – may exhibit varying degrees of bargaining power (Wang, 2016). A critical examination of Lite-On's customer base, its purchasing volume, unique demands, and overall influence on pricing and terms elucidates the strategic initiatives the company must adopt to safeguard its profitability and customer retention.

Suppliers wield substantial influence, in determining the cost, quality, and availability of raw materials. Investigating the dynamics between Lite-On and its suppliers, especially in securing critical materials and technologies for manufacturing NEV components, underscores the company's vulnerability or robustness against supply-chain disruptions and its capability to negotiate favorable terms (Zhang, 2016).

As the NEV components industry experiences a technological influx, the availability and viability of substitute products or alternate solutions become pivotal. Assessing Lite-On's capability to innovate, adapt, and offer unparalleled value in the

face of alternative solutions, particularly focusing on quality, price, and technological superiority, remains imperative.

Delineating the competitive landscape, this study explores the intensity of rivalry within the NEV components sector. An in-depth analysis of Lite-On's position relative to its competitors – evaluating their respective market shares, growth trajectories, and strategic orientations – helps derive meaningful insights into how Lite-On can carve a sustainable niche and counteract competitive forces.

2.6 SWOT analysis

The SWOT Analysis, an acronym for Strengths, Weaknesses, Opportunities, and Threats, has been widely embraced as a pivotal strategic tool, allowing organizations and researchers alike to delve into both internal and external environments, crafting strategies that are both adaptive and prescient. Initially proposed in the 1960s by Albert Humphrey, the SWOT Analysis has endured as a principal framework across numerous fields, aiding in the design and recalibration of strategy across multifarious contexts (Hill & Westbrook, 1997; Pickton & Wright, 1998).

Strengths and weaknesses are intrinsic factors to an organization, shaping its ability to fulfill its mission. While strengths act as an enabler, weaknesses could serve as potential impediments. A myriad of attributes, including organizational capabilities, resources, and processes, coalesce to formulate these internal elements, rendering organizations their unique character (Valentin, 2001).

On the other hand, opportunities and threats emanate from the external environment. Opportunities provide a conduit for growth and advancement, while threats pose potential risks or hurdles that might require strategic mitigation or adaptation (Hill & Westbrook, 1997). This external scan often intertwines with macro-environmental frameworks, such as PESTEL analysis, amalgamating a multifaceted perspective that envelops various external variables (Aguilar, 1967).

Over time, the SWOT framework has been subjected to enhancements and critiques. Some scholars have posited that SWOT analysis, while ubiquitously applied, is often implemented sub-optimally, lacking depth and strategic linkage (Hill & Westbrook, 1997). Others have proposed augmentations to the framework, ensuring it

remains contemporaneously relevant and contextually adaptable (Kraus, Harms, & Schwarz, 2006).

Despite its critiques and suggestions for improvements, SWOT has sustained its preeminence as a strategic management tool, offering a straightforward, versatile, and comprehensible methodology for aligning organizational competencies with the environmental context, fostering strategic congruence and agility in a mutable business environment.

Crafting a compelling narrative that encompasses Lite-On's positioning within the new energy vehicle (NEV) parts industry through a SWOT lens involves a thorough investigation into these four dimensions.

Strengths entail the inherent capabilities, resources, and positive attributes that furnish a company with advantages over its competitors (Chen, 2016). In relation to Lite-On, the exploration of strengths may involve evaluating its technological prowess, financial stability, brand recognition, and particular competencies within the NEV parts sector. It encompasses dissecting facets like innovative capabilities, quality assurance, production efficiency, and client satisfaction, which might equip Lite-On with a competitive edge within the industry.

Conversely, weaknesses point toward limitations, vulnerabilities, and areas that require enhancement or strategic intervention within the organization. An examination of Lite-On's weaknesses may encompass factors like market areas where the company doesn't have a robust presence, technology that's becoming obsolete, or internal processes that could hamper efficiency and profitability. This entails a critical reflection on aspects like operational challenges, technological gaps, financial vulnerabilities, and market perceptions that could potentially hinder Lite-On's journey toward attaining its strategic objectives (Li, 2017).

Opportunities encompass external factors that the company can capitalize on or utilize to its advantage by deploying its strengths. In the milieu of Lite-On, the identification of opportunities could involve exploring emerging markets, technological advancements, policy incentives, and shifting consumer preferences within the NEV sector (Zhang, 2014). A keen eye on global market trends, regulatory

shifts, technological innovations, and evolving consumer demands will pinpoint arenas where Lite-On could potentially expand or enhance its operations.

Threats encapsulate external challenges or barriers that might pose obstacles in the path of the company achieving its objectives. For Lite-On, dissecting threats involves examining aspects like competitive pressures, regulatory challenges, technological disruptions, and market dynamics that might impede its growth within the NEV components sector. This section endeavors to map potential risks, competitive strategies, regulatory pitfalls, and market instabilities that could adversely impact Lite-On's market position and operational sustainability.

3. Research Methodology

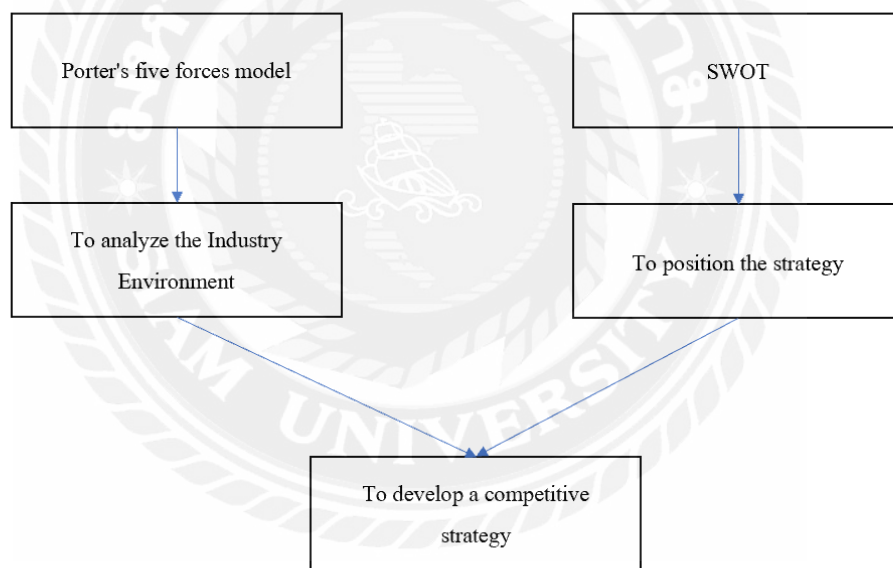


Figure 1 Research Framework

This paper used documentary methods, theoretical tools of domestic and international competitive strategies, literature review, and theoretical and practical methods to theoretically analyze the macro environment, industry environment, and internal and external resources of Lite-On Technology, and to complete the implementation of Lite-On Technology's strategies through the elaboration of effective operation management and marketing strategies. 1. Literature review: theoretically review the strategic management theories such as Porter's five forces

model and SWOT analysis model in order to provide methods for strategic planning and decision making, combine theory with practice, and make strategy implementation more objective and realistic. 2. Linking theory to practice: Through macro environment analysis, industry environment analysis, and analysis of the company's own strengths and weaknesses, from macro to micro, layer by layer, the strategic management theory is combined with the reality of the environment in which Lite-On Technology is located and its own resource endowment, to clearly identify the company's development opportunities and potential threats.

4. Finding

4.1 Porter's Five Forces Model

4.1.1 Threats from New Entrants

The new energy vehicle industry is a relatively profitable and stable industry with a huge market demand, and more and more enterprises are entering the industry based on a comprehensive assessment of their own conditions. In addition, they have become entrants to the new energy vehicle market through the Internet platform, as reflected in the following two aspects: 1. more and more new industries are targeting the new energy vehicle market; 2. due to global environmental protection requirements and the gradual reduction of non-renewable resources, major global manufacturers have increased their development of new energy sources, especially in the research and development, production and sales of new energy vehicles.

4.1.2 The threat of substitutes

For new energy vehicles and even pure electric vehicles, more and more metal parts are being replaced with plastic parts, in order to reduce costs and increase the price competitiveness of the vehicle, so that consumers can buy cost-effective products, while at the same time reducing the weight of the body by developing more plastic parts to improve the safety factor of the body and reduce potential safety hazards. Therefore, pure electric vehicles, which are the main force behind new energy vehicles, are also an area where the new energy vehicle industry is competing. The products produced by Lite-On Technology are mainly aimed at the new energy vehicle companies represented by Tesla. Lite-On Technology is positioned to serve the production and manufacturers of mid- to high-end new energy-branded vehicles, gaining the favor of customers with its technology and cost advantages, while the pure

electric vehicle parts it produces and manufactures are difficult to replace by other mature products, reducing the threat of substitutes.

4.1.3 Level of competition from peer competitors

Firstly, under the strong impetus of national regulations and policies, there has been an influx of investment in new energy vehicle components, resulting in increasingly fierce competition in the industry. Companies from all over the world have started to invest in expanding their plants, expanding production capacity, and increasing the competition for new energy vehicle talents, leading to daylight competition in the market. Secondly, price competition among manufacturers has intensified. Due to the limitations of China's new energy vehicle parts industry chain, the scale and concentration of new energy vehicle parts in China are not high, making it difficult to compete with other countries with industrial clusters in terms of cost. The development of a high level of industry development and the rise to the top of the new energy vehicle market is a direction that China has been exploring and seeking to address, and component manufacturers have been hoping to attract customers with low-price strategies, leading to increased competition. From the beginning of its entry into the new energy vehicle parts business, Lite-On Technology has positioned itself to serve the interior and exterior components of new energy vehicles and will not compete with the control systems, motors, and battery systems of new energy vehicles. However, the biggest competitors for Lite-On Technology will come from two sides, one is from traditional interior and exterior trim manufacturers such as Visteon and Faurecia, both of which are globally renowned interior and exterior trim manufacturers with extensive automotive experience, and the other is from foreign entrants such as Foxconn and Jabil, both of which, like Lite-On Group, are large group companies with strong vertical integration capabilities and can achieve fast customer response. These two companies, like the Lite-On Group, are large group companies with strong vertical integration capabilities that enable fast customer response.

4.1.4 Supply-side bargaining power

As Lite-On Technology is a globally renowned group of companies, it has a large scale of demand for its products and a certain status in the industry, so Lite-On Technology has a relatively strong bargaining power over its suppliers, which is mainly reflected in two aspects. Firstly, Lite-On Technology has been mainly engaged

in the production of telecommunication products, and its customers are international first-class customers, whose orders and demand are large, and the purchase of some major raw materials is also relatively large, which belongs to centralized bulk purchase, and has stronger bargaining power with raw material suppliers. Secondly, the main suppliers of new energy vehicle components, especially interior and exterior trim parts, are in a state of complete competition and have not yet formed a monopoly by dominant enterprises. For plastic raw materials, most suppliers have advanced technology and mass production, and competition in the new energy vehicle parts market is fierce.

4.1.5 Buyer Bargaining Power

Due to the large demand of Lite-On Technology's end customers, the bargaining power of Lite-On Technology in relation to the purchase of raw materials has been increasing, which is analyzed as follows. In the end, customers of Lite-On Technology Company are internationally famous new energy vehicle brands such as Tesla and Audi, and the target of Lite-On Technology Company is the middle and high-end series of vehicles of these brands, their sensitivity to price is relatively low, but they pay more attention to the quality of the products, and the target price given to Lite-On Technology Company is also higher so that Lite-On Technology Company is in a favorable position as a buyer. This puts Lite-On Technology in a favorable position as a buyer, with a relatively large bargaining space for the upstream raw material manufacturers. Secondly, the level of standardization and scale of new energy vehicle components has increased significantly. In the past five years, with the influence of the external environment, the new energy vehicle industry has emerged rapidly, with technology research and development capabilities gradually becoming more mature, component product categories gradually becoming clearer, end-user demand gradually becoming more stable, and the production and manufacturing of component products gradually becoming more standardized and scaled up. The standardization and scaling of demand from downstream customers has given Lite-On Technology a stronger ability to negotiate raw material purchases.

4.1.6 Result of Porter's Five Forces Analysis

From the perspective of Porter's Five Forces analysis of the new energy vehicle parts industry, Lite-On Technology is in the middle of the industry chain, providing solutions for the downstream new energy vehicle OEMs in terms of supporting

interior and exterior trim parts, and has switched from the production and manufacture of communication equipment to the new energy vehicle parts business. In terms of the upstream and downstream of the industry, Lite-On Technology's upstream enterprises are mainly suppliers of raw materials such as plastic pellets and steel and are not involved in the procurement of raw materials for motors, electronic control, and batteries. On the contrary, Lite-On Technology has the opportunity and ability to work with OEMs in research and development, and with its advantages and opportunities in the new energy vehicle parts industry. At the same time, major foreign manufacturers are interested in new and different products and are more interested in differentiated products, but are less sensitive to price, thus enabling the company to obtain higher profit returns. From the analysis of Lite-On Technology's internal and external environment, not only does Lite-On Technology have strong business integration capabilities, but it has also established solid customer relationship capabilities. In the long term, Lite-On Technology can capitalize on its strengths and weaknesses and combine them with its opportunities and threats to position itself as a developer, designer, and manufacturer of interior and exterior components for the entire automotive industry, while choosing different strategic options for different target customers. The European and American customers focus on technology first, so to penetrate the European and American automotive supply chain, we can start by recommending advanced technology solutions. For Japanese customers, who are conservative in nature, we can recommend technology solutions that are well-established in the European and American markets. As for domestic independent new energy vehicle brands, they should strengthen public relations and technical cooperation during the project development stage, gain the trust of customers, strive to obtain business in state-owned mid- to high-end new energy vehicle models, and develop the domestic market to reduce dependence on foreign orders. For the Korean market, we will actively recommend the innovative technologies that have matured in the European and American markets to Korean mainstream car manufacturers, especially in the mid-to-high-end car models, in order to differentiate and achieve high added value for our products, thereby gaining more market share.

4.2 SWOT analysis

<p style="text-align: center;">Internal capacity</p> <p style="text-align: center;">External factors</p>	<p>S: Strengths</p> <ol style="list-style-type: none"> 1. High-tech enterprise with state and government funding. 2. Strong research and development capability in foreseeable technologies for electric vehicles. 3. Relatively high-cost performance and low cost of products. 4. Strong vertical integration of business. 	<p>W: Weaknesses</p> <ol style="list-style-type: none"> 1. Lack of complete vehicle development capability. 2. Brand influence is not enough. 3. Limited marketing channels, need to develop more large customer resources. 4. Lack of flexibility in incentive and operational mechanisms
<p>O: Opportunities</p> <ol style="list-style-type: none"> 1. Increasingly stringent environmental requirements are being imposed on the automotive industry to reduce energy consumption. 2. The State encourages local demonstration of good policies to encourage the development of new energy vehicles 3. Demand for new energy vehicles is increasing and consumers are becoming more environmentally conscious. 4. China has gradually become the world's production base for new energy vehicle components. 	<p>S-O strategy:</p> <p>P1: Strengthen cooperation with national research institutions and increase incubation efforts.</p> <p>P2: Meet market demand and improve production and manufacturing capacity.</p> <p>P3: Strengthen the demonstration and promotion of new energy vehicle parts and components.</p> <p>P4: Expand the market and channels for the new energy vehicle interior and exterior trim business.</p>	<p>W-O Strategy:</p> <p>P5: Improve the structure of single customers and expand marketing channels.</p> <p>P6: Focus on product quality and performance and improve R&D capabilities in key technologies.</p> <p>P7: Design and improve processes using the DMAIC or DFSS process (6SIGMA management).</p> <p>P8: Maximize the motivation and dynamism of employees and create effective incentives.</p>
<p>T: Threats</p> <p>The market for interior and exterior trim parts is becoming increasingly competitive, with competitors expanding production capacity.</p> <p>2. Consumers are concerned about the quality and safety of new energy</p>	<p>S-T Strategy:</p> <p>P9: Reduce competitive pressure, expand production scale, and improve business efficiency.</p> <p>P10: Strengthen technological innovation and increase investment in research and development to enhance the</p>	<p>W-T Strategy:</p> <p>P12: Stronger alliances through partnerships with downstream companies.</p> <p>P13: Raise consumer confidence to eliminate concerns about product</p>

vehicles. 3. High turnover of talent in R&D and manufacturing of new energy vehicle components.	company's competitive advantage. P11: Expand domestic market share and reduce market risks arising from reduced exports.	quality. P14: Grasp core competencies, strengthen market development, and increase market share.
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4.3 Competitive strategy

(1) S-O strategy - Seize the opportunity to enhance the importance of scientific research projects, strengthen the incubation of its projects, especially the application of new technologies and new materials and new processes, to achieve differentiation and at the same time to achieve the effect of increasing the company's production capacity, follow the market demand, strengthen the demonstration and promotion of new energy automotive parts and components, and promote more models using injection molding technology to complete the production and manufacturing of automotive handlebars. We will follow the market demand, strengthen the demonstration and promotion of new energy vehicle parts products, and promote the use of injection molding technology to complete the production and manufacturing of vehicle handlebars for more models. At the same time, the Company will take this opportunity to further expand the market of interior and exterior parts for new energy vehicles and improve its channel construction.

(2) W-O strategy - Aim at opportunities and avoid disadvantages, abandon the single-customer structure in the past, increase product development efforts, emphasize product quality and performance, improve the R&D capability of key technologies, develop more products such as vehicle handlebar two-color injection molding products, and implement stringent quality control by adopting the Six Sigma management (using the DMAIC or DFSS method). We also implement strict quality control, adopt Six Sigma management (using DMAIC or DFSS process for process design and improvement) to improve product performance, and optimize the management mode through organizational reforms to fully utilize the dynamic efficiency of personnel and activate internal incentive mechanisms.

(3) S-T strategy - to give full play to the advantages and avoid the threats. It is suggested that we should give full play to the advantages of the enterprise, strengthen the technological upgrading and transformation, expand the scale efficiency of the

enterprise, and improve the production efficiency of the enterprise in order to reduce the great pressure brought by the competition in the same industry, and at the same time upgrade the technological reforms, strengthen the investment in research and development, and expand the domestic and international market share by making a good reputation to reduce the risk caused by the shrinkage of exports. At the same time, upgrading technological reforms, enhancing R&D investment, and making a reputation to expand the share of domestic and foreign markets, so as to reduce the risk of export shrinkage.

(4) W-T strategy - to make up for the shortcomings and cope with the threats, it is suggested that while competing, we can also strengthen the cooperation with the traditional auto parts enterprises and jointly participate in the research and development and production of new energy vehicles to increase the market share, and eliminate the consumers' concern about product safety by strengthening the quality control and core technology capability to enhance the consumers' confidence and grasp the core competitiveness. By strengthening quality control and core technology capability, we can eliminate consumers' concerns about product safety and enhance consumers' confidence, as well as grasp the core competitiveness, strengthen market development, and increase the promotion and application of handlebar products in the vehicle industry.

5. Conclusion and Recommendation

5.1 Conclusion

First, the company should adjust its product structure, strictly control the timing of the launch of new products, and creatively apply various new product development strategies according to the new situation of the current market changes, in order to truly turn "crisis" into "opportunity" and achieve sustainable development of the enterprise. Lite-On Technology is developing new products to capture the new energy vehicle interior and exterior trim market, thus enabling the company to gain more added value. At the same time, the development of new technologies and products will be transformed into mass production capabilities, leading to the development of new energy vehicle interior and exterior trim. Secondly, we will improve the quality and performance of our products through process innovation, pre-designing our molds, injection molding, and other advantageous aspects, and provide better quality products and services than our competitors through the improvement of product

processes and production procedures. Once again, new materials will be used in the manufacture of new energy vehicle parts to differentiate the products of other competitors and to profit from differentiation based on achieving customer performance and quality requirements. The company will continue to look for suitable suppliers of plastic materials, steel, and other raw materials in the global market to continue to expand its differentiation advantage, continuously implement technological innovation, and continue this innovation for a long time to develop more products such as door handles for new energy vehicles, not only to meet the Tesla customer's product completely different from other car manufacturers' products but also to achieve the product high test and zero defect quality requirements. The quality requirements of the products are high and have zero defects.

The strength of a marketing strategy lies in setting the right price, and it can be very challenging to set the right price. Firstly, categorize pricing on mass-produced products according to large, medium, and low volumes, i.e., ladder prices. Optimize the product cost structure to give the product a cost and differentiation advantage. Afterward, customers are classified according to their price sensitivity. The well-known manufacturers of new energy vehicles in Europe, North America, and Japan require solid technology, reliable performance, and consistent quality for their components, as their models are expensive. Therefore, for these customers who are not highly sensitive to the price of new energy vehicle parts, the pricing strategy of new energy vehicle parts enterprises can adopt a different price system from that of domestic new energy vehicle enterprises but should be set at a level not lower than the industry average profit, and according to the different target customers, determine the size of the profit margin in order to seek profitability. Finally, strengthen the construction of sales and service teams, develop target industries, channels, and partners, and improve product sales access channels.

Production is planned and scheduled in a uniform manner. The company's current product line is changed from a single loading area to a common loading area for the products to reduce the waiting time and change of lines. Lite-On Technology's existing product line is changed every three hours, mainly due to the size of the product and the different processes, which require re-drying and re-measuring the first part. If a unified plan is implemented to arrange production, it will greatly improve the efficiency of the work, from the plan according to the SAP system information,

directly in the system after the display of customer demand automatically linked to the preparation area, advance notice to start the preparation of materials, and then the warehouse staff directly to collect materials, bake materials in advance of loading, directly reduce the waiting time for loading 80%, and improve production capacity. Lean production. Lean production is a management philosophy based on the Japanese Toyota Production System, which aims to reduce waste of manpower and capacity through continuous improvement by pulling rather than pushing production. Training of staff in lean production theory, implementation of fishbone analysis, Kanban control and other production methods to define, measure, analyze, improve, and control real problems in production. Reduce overproduction, long waiting times, high stock levels, etc. The company has also strengthened the optimization of processes and workflows by accurately calculating the standard time required for each production process and the sequence of workstations to reduce wasteful waiting caused by imbalances between processes. Standard workflows are implemented, and process control is strengthened to reduce quality risks caused by changes in product processes. The use of "pull" production and the "Kanban" method in production is designed to avoid high inventory levels and the operational risks associated with high inventory levels.

5.2 Recommendation

The article applies the theories of corporate strategic management and competitive strategy to solve the problem of Company B's fierce competition in the communications industry, which has led to a decline in profits and difficulties in survival. The company's competitive strategy is formulated through the positioning of its business and the market, which points out the direction of the company's development. In future research, it is recommended that the strategic management practices of other successful companies in the telecommunications industry be further explored to provide Lite-on with a wider range of references and comparisons. In view of Lite-on's specific problems and solutions, it is recommended that the thesis analyze in depth how macro factors in the external environment affect corporate strategy to enhance the completeness and depth of the study.

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