

## Marketing Challenges in The Era of The Transition of Fuel Oil Vehicles to Electric Vehicle

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### ABSTRAK

*Penelitian ini bertujuan untuk merinci dan menganalisis bagaimana tantangan marketing yang dihadapi oleh Arina Toyota Gresik dalam mengadaptasi dan memodifikasi strategi pemasaran mereka dalam menghadapi transisi kendaraan bahan bakar menjadi kendaraan listrik. Melalui wawancara mendalam dengan pemangku kepentingan utama di Arina Toyota Gresik, analisis dokumen internal perusahaan, dan observasi langsung dalam lingkungan industri otomotif, penelitian ini memberikan wawasan tentang bagaimana produsen otomotif menghadapi perubahan pasar yang signifikan. Temuan Hasil penelitian ini menyoroti tantangan-tantangan unik yang dihadapi oleh Arina Toyota Gresik dalam memasarkan kendaraan listrik seperti tingginya harga awal penjualan, Keterbatasan infrastruktur dan kurangnya kesadaran dan pengetahuan masyarakat tentang kendaraan listrik sehingga banyak dari calon pembeli yang lebih memilih kendaraan berbahan bakar minyak dibandingkan kendaraan listrik. Penelitian ini memberikan kontribusi penting bagi pemahaman tentang peran marketing dalam menghadapi perubahan pasar yang signifikan dalam industri otomotif. Selain itu, hasil penelitian ini juga diharapkan dapat memberikan panduan praktis bagi produsen otomotif lainnya yang menghadapi tantangan serupa dalam mengadaptasi strategi pemasaran mereka dalam era transisi menuju kendaraan berbasis listrik. Kesimpulannya, penelitian ini mengilustrasikan bahwa transisi kendaraan bahan bakar minyak menjadi listrik bukan hanya perubahan teknologi, tetapi juga perubahan yang mendasar dalam strategi pemasaran yang dibutuhkan oleh produsen otomotif untuk tetap relevan dan berkelanjutan dalam lingkungan bisnis yang dinamis.*

**Kata Kunci:** Pemasaran, Kendaraan listrik, Mobil Listrik

### ABSTRACT

*This research aims to detail and analyze the marketing challenges faced by Arina Toyota Gresik in adapting and modifying their marketing strategy in facing the transition from fuel vehicles to electric vehicles. Through in-depth interviews with key stakeholders at Arina Toyota Gresik, analysis of internal company documents, and direct observations in the automotive industry environment, this research provides insight into how automotive manufacturers face significant market changes. The results of this research highlight the unique challenges faced by Arina Toyota Gresik in marketing electric vehicles such as high initial sales prices, limited infrastructure and lack of public awareness and knowledge about electric vehicles so that many potential buyers prefer oil-fueled vehicles over electric vehicles. This research provides an important contribution to the understanding of the role of marketing in dealing with significant market changes in the automotive industry. In addition, it is hoped that the results of this research will provide practical guidance for other automotive manufacturers who face similar challenges in adapting their marketing strategies in the era of transition towards electric-based vehicles. In conclusion, this research illustrates that the transition of fuel-to-electric vehicles is not just a technological change, but also a fundamental change in marketing strategies required by automotive manufacturers to remain relevant and sustainable in a dynamic business environment.*

**Keywords:** Marketing, Electric Vehicles, Electric Cars

## **INTRODUCTION**

Oil-fueled motor vehicles have long been the backbone of human mobility throughout the world. However, with increasing awareness of the impact of the environment and climate change, as well as limited fuel resources, the automotive industry is facing a significant transition era. This era is marked by a shift from oil-fueled vehicles to electric vehicles as a more environmentally friendly and sustainable alternative. Environmental experts often support electric vehicles as a solution to reducing greenhouse gas emissions and air pollution. They see electric vehicles as an important step in efforts to mitigate climate change and preserve the environment.

Electric vehicles are a type of vehicle that uses electricity as the main energy source to drive an electric motor as a replacement for the engine that is responsible for moving the vehicle. The use of electric vehicles aims to reduce dependence on fossil fuels and reduce greenhouse gas emissions that contribute to climate change. In this context, marketing challenges are becoming increasingly important for companies operating in the automotive sector to understand and overcome, such as Arina Toyota Gresik.

Field data shows that sales of Indonesian electric cars reached 23,260 units during semester I/2023, an increase of 557.99 percent compared to 3,535 units in the same period last year. Based on data from the Association of Indonesian Automotive Industries (Gaikindo) quoted from [gardaoto.com](http://gardaoto.com) Sales of hybrid electric vehicles (HEV) reached 17,391 units or around 74.76 percent of total sales of electric vehicles throughout the first half of 2023. Even though the growth in sales of electric cars has been high, the fact is that electric vehicles are still not in demand by the majority of people in Indonesia. This may be due to by the many obstacles or challenges in marketing electric car products in Indonesia.

Marketing challenges in the era of transition from fuel oil vehicles to electricity have complex and deep implications. The

automotive industry, including Arina Toyota Gresik, must navigate various factors that influence their marketing strategies, including changing consumer preferences, changing government regulations, and continuously developing new technologies. Therefore, this qualitative research aims to detail and analyze the specific challenges faced by Arina Toyota Gresik in adapting and modifying their marketing strategy in facing this transition.

## **LITERATURE REVIEW**

Marketing is defined as a complex series of processes consisting of planning and actualizing concepts, determining selling prices, promotions, and conveying ideas, goods and services to the public in order to create mutually beneficial exchanges with the aim of meeting organizational and individual needs. Kotler and Armstrong (2009: 5), argue that "Marketing is a social and management process that organizes individuals and groups to fulfill needs and desires through the creation and reciprocal exchange of products and value with other people.

Electric cars are a type of motorized vehicle that uses an electric motor as the main power source, rather than an internal combustion engine that uses fossil fuels such as gasoline or diesel. The main components of an electric car are the battery, electric motor and charging system

Kotler and Armstrong, (2016), marketing is the process by which companies create value for customers and build strong customer relationships to capture value from customers in return.<sup>21</sup> Meanwhile, according to Abdullah and Tantri, marketing is a total system of planned business activities to determine prices, promote and distribute products that can satisfy the desires and services of both current and potential consumers.<sup>22</sup>

According to Steven Gunarto, head of the Arina Toyota branch, marketing is the spearhead of a company because marketing has

a very crucial role for all operations. This refers to the roles and responsibilities of individuals or teams who are directly involved in carrying out marketing strategies and interact directly, communicate with customers or potential customers, this is in accordance with the theory of Kotler and Armstrong, (2016), which defines marketing as "a social process involving activities that facilitate the creation, communication, delivery and exchange of offers that have value for customers, clients, business partners and society at large.

Marketing challenges refer to the various obstacles, obstacles, or problems faced by marketing departments or professionals in their efforts to achieve established marketing goals. Marketing challenges in the era of transition from fuel oil vehicles to electricity can be; lack of public awareness in reducing pollution, doubts by potential consumers about durability new technology, lack of adequate infrastructure, government regulations, etc.

## **METHOD**

This research will be carried out using in-depth interviews with main stakeholders at Arina Toyota Gresik, analysis of internal company documents, as well as direct observation in the automotive industry environment. Through this approach, the author hopes to gain in-depth insight into how Arina Toyota Gresik faces and responds to marketing challenges in the context of the transition from fuel oil vehicles to electricity.

It is hoped that the results of this research will provide a valuable contribution to the understanding of marketing strategies in the automotive industry during this transition period. In addition, it is hoped that the results of this research can provide practical guidance for other automotive manufacturers who face similar challenges. In conclusion, this transition is not only changing products and technology in the automotive industry, but also changing the way we understand and execute marketing in it.

Previous researchers have carried out a lot of research on marketing challenges in facing the new era to find out what marketing challenges are in the industrial transition era. The writings of previous researchers show that the marketing challenge in industrial shifts is the ability to adapt to new technology which an entrepreneur must always follow. the development of existing technology so as not to be inferior to competitors, various customer preferences for the products being marketed, the level of competition is intense but the author found that research on marketing challenges related to the transition from fuel oil vehicles to electricity has not been carried out much so the author is interested in connecting marketing challenges in the era of transition from fuel oil vehicles to electric vehicles. Research Subjects

Subject research is the subject that the researcher wants to investigate, in this research the subject that will be researched is the Toyota dealer located at Veteran KM 01 Segoromadu Kebomas Gresik which currently sells several types of electric cars starting from Hybrid Electric Vehicle (HEV), Plug-in Hybrid Electric Vehicle (PHEV), Battery Electric Vehicle (BEV), Fuel Cell Electric Vehicle (FCEV).

Data was obtained directly from stakeholders at Arina Toyota such as branch heads, marketing division heads, marketing teams, and buyers of electric car units through interviews and direct observation regarding the information needed to support this research. Interviews are activities to obtain information through direct question and answer face to face between the interviewer and the informant.

## **RESULTS**

The research findings show that the challenges faced by the marketing division are based on the results of interviews conducted with Mr. Andri R Jatmiko as head of the marketing division of PT. Arina Toyota, among others: the high initial purchase price of electric vehicles, the limited availability of

infrastructure in the form of public electric vehicle charging stations (SPKLTU), and the lack of prospective consumers' insight into electric vehicles

Prices are an important element in a market economy, because they are the main mechanism used to allocate resources and link producers with consumers. Price is one of the factors that consumers consider when making purchasing decisions because consumers will be more inclined to buy products that are affordable and fit their budget and choose an item according to their previously calculated budget. According to Steven Gunarto, branch head of PT. Arina Parama Jaya, this is caused by several factors such as: high production costs because in electric cars there are many electrical components whose production is still limited, technology development costs and the level of competition in the electric car segment are still low so that the selling price of electric cars is currently quite high. tall.

Electric vehicle infrastructure is a series of facilities that support the use and charging of electric vehicles (EVs). It includes various elements necessary to charge electric vehicle batteries, facilitate the use of EVs, and promote the adoption of electric vehicles. Infrastructure is a very important thing to pay attention to in supporting the operation of electric vehicles, especially in Gresik district. Several types of charging stations commonly used by electric vehicles are:

1. Home Charging Station: This is a charging station installed in the home of the electric vehicle owner. It is usually connected directly to the home electrical network and is used to charge vehicles overnight.
2. Public Charging Stations: These charging stations are located in public places such as shopping centers, rest areas, restaurants and public parking lots. They are used by electric vehicle owners when they are away from home and need additional charging.
3. Fast Charging Station: A fast charging station is a facility that allows faster

charging compared to regular public charging stations. They are usually placed along highways and in city centers to enable long-distance travel and shorter charging times.

4. Ultra-Fast Charging Station: This type of charging station provides very fast charging and is used primarily for ultra-fast charging in high-performance electric vehicles. They are usually placed along highways.
5. Product knowledge refers to understanding various information received, such as terminology, features, prices, and trust in a product so that they are encouraged to buy. Customer knowledge of a product can influence whether someone will decide to buy or not buy a product. For the electric vehicle automotive market in Indonesia, most consumers prefer conventional vehicles that use oil fuel over vehicles powered by electricity because oil fuel vehicles are commonly used and have been proven to have good performance and durability, whereas electric vehicles are currently still rare. people who use and have very little knowledge and experience from electric vehicle users to be used as guidance by potential electric vehicle users.

To overcome the existing challenges PT. Arina Toyota Gresik applies several appropriate strategies to overcome existing obstacles in introducing and selling electric vehicles to the public. The strategy implemented is as follows:

1. Customer Education: By providing comprehensive information about technology and the benefits of electric cars to potential customers. These include economic advantages, environmental impact, and how the battery is charged. In educating potential customers apart from explaining about specification and the impact of using electric vehicles on the environment of the marketing team from

PT. Arina Toyota Gresik also provides potential buyers with the opportunity to experience the sensation of driving an electric vehicle on the road Raya through events test drive which is carried out at the dealer every day at the dealer and is also sometimes carried out in the center expenses in the area Gresik as a promotional and educational effort to the general public.

2. Provision of Charging Stations: Build or invest in charging infrastructure in the Gresik area to provide convenience to customers. With the existence of public Electric Vehicle Charging Station (SPKLU) infrastructure that can recharge electric vehicle batteries with a shorter duration, it is hoped that there will be factor encouraging people to switch to using electric vehicles and abandon oil-fueled vehicles, apart from that, the construction of SPKLU in the Gresik area automatically shows that the Gresik area already supports the electric vehicle transition and is able to serve electric car users from outside the city who travel to Gresik district.
3. Subsidies and Incentives: Take advantage of government incentives and subsidy programs that support the purchase of electric cars. Provide clear information to customers about the financial benefits of electric car ownership. The government through Presidential Instruction Number 7 of 2022 also supports the use of electric vehicles as the main vehicle. It is hoped that with this support people will switch to using electric vehicles.
4. Adapting products to market needs: Every customer at Arina Toyota has different needs and abilities, therefore, PT. Arina Toyota as an official dealer for Toyota electric vehicles needs to adapt its products to various market needs. To do this, each salesman is required to analyze the needs and abilities of each potential customer. Before carrying out negotiations, the

salesman will dig up information on the potential customer's abilities and needs and match them with appropriate products. For example, for consumers who want an electric vehicle but are worried about the availability of general SPKLTU, the salesman will educate and introduce a hybrid electric vehicle unit that supports the use of electricity and fuel oil as well as the purchasing power of prospective consumers if they want an electric vehicle with a price below 400 million rupiah, the salesman will offer a hybrid vehicle with the Yaris cross hybrid type, while consumers who want better performance can choose the Innova Zenix at a price of approximately four hundred million rupiah.

5. Customer service: Having good after-sales service from dealers will increase consumers' attention and interest in electric vehicles because they can consult with experts regarding the vehicles they use, thereby providing consumers with a sense of security and comfort in using electric vehicles. Good after-sales service includes:
  - a. Adequate guarantee. An adequate guarantee can provide a sense of security for consumers if damage occurs to the electric vehicle.
  - b. Ease of access to spare parts. Ease of access to spare parts can ensure that electric vehicles can be repaired quickly and easily if a breakdown occurs.
  - c. Quality of service. Good service quality can provide satisfaction for consumers when using electric vehicles.
  - d. With good after-sales service, consumers can consult with experts regarding the vehicle they are using. This can help consumers understand how to use electric vehicles optimally and overcome problems that may occur.

Here are some of the benefits of good after-sales service for electric vehicle consumers:

1. Increase feelings of security and comfort. Good after-sales service can provide consumers with a sense of security and comfort when using electric vehicles. Consumers don't need to worry if there is damage to their electric vehicle because they can rely on the dealer to repair it.
2. Increase consumer satisfaction. Good after-sales service can increase consumer satisfaction with electric vehicles. Consumers will feel satisfied if they get quality and professional service from the dealer.
3. Increase consumer loyalty. Good after-sales service can increase consumer loyalty to electric vehicle brands. Consumers will be more inclined to buy electric vehicles from brands that have good after-sales service.
4. Therefore, electric vehicle manufacturers need to pay special attention to after-sales service. Good after-sales service can be a determining factor in the success of marketing electric vehicles.

## **CONCLUSION**

Based on the research results and discussions previously explained, it can be concluded that electric cars are the government's solution to reducing air pollution and the issue of global warming. Electric cars produce fewer emissions than fuel oil vehicles because electric vehicle engines use electric power that has been stored in the battery and then transmitted to the engine to move the vehicle, however there are still several challenges experienced by PT. Arina Parama Jaya as the official Toyota dealer in Gresik offers electric vehicles to the public. According to resource person 1, the marketing challenge experienced was the high initial sales price of electric vehicles so that the price of electric vehicles was not affordable for most people. The next challenge was the limited infrastructure

supporting electric vehicles, namely the electric vehicle charging station (SPKLU) in the Gresik area, while home charging was built-in. It is felt that it has been embedded in the car sales package for too long. The final challenge experienced in marketing electric vehicles is the lack of product knowledge potential consumers about electric vehicles where potential consumers think they don't have electric vehicle performance and durability as good as conventional vehicles, so it becomes an obstacle for consumers to switch to using electric vehicles.

Based on the information provided by resource person 2 to overcome the existing challenges of PT. Arina Parama Jaya implements several strategies, namely: providing education to customers about electric vehicles, investing in providing public electric vehicle charging stations, taking advantage of subsidies and incentives for electric vehicles from the government, adapting products to market needs, and improving customer service.

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