

**Specification of Competency Standards**  
**for the Automotive Industry**  
**Unit of Competency**

Functional Area - Sales and Marketing

|            |   |
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| Title      | Formulate purchasing strategy for new vehicles  |
| Code       | 108589L6  |
| Range      | This unit of competency is applicable to the decision-makers of the vehicle sales department for the formulation of forward-looking vehicle purchasing strategy matching with the operation and development of organisation.  |
| Level      | 6   |
| Credit     | 6 (For Reference Only)  |
| Competency | <p>Performance Requirements</p> <p>1. Knowledge (Characteristics of vehicles, and the actual market situation)</p> <ul style="list-style-type: none"> <li>• Master the characteristics and prices of different models of vehicles in the market.</li> <li>• Good understanding of the relationship between the economy of Hong Kong and the demand for vehicles; the cyclic changes of vehicle sales volume, customer needs and purchasing power.</li> <li>• Master the latest information on the traffic and transportation policy in Hong Kong.</li> <li>• Good understanding of the specifications of vehicles and the regulations governing vehicle sales.</li> <li>• Good understanding of the market position of the organisation as well as the resources available and risks affordable of the organisation.</li> </ul> <p>2. Performance (Formulate purchasing strategy)</p> <ul style="list-style-type: none"> <li>• Formulate the new vehicle purchasing strategy with the anticipation of various factors in market, such as the model, specification and disposition of equipment: <ul style="list-style-type: none"> <li>○ The impact of traffic and transportation policy of Hong Kong the development of local and cross border road networks public transportation networks migrating population and the development of new towns</li> <li>○ Customer requirements on new vehicles and purchasing power: <ul style="list-style-type: none"> <li>▪ preferences of target customers, such as high carrying capacity, high power or low fuel consumption and low emission, etc.</li> <li>▪ the trend in the economy change of Hong Kong</li> <li>▪ the rising and declining stages of popular styles or specifications</li> <li>▪ the extent of impact of overseas trend on local market</li> <li>▪ customer expectation on value-added products</li> </ul> </li> <li>○ Market demand: <ul style="list-style-type: none"> <li>▪ tendencies of competitors</li> <li>▪ images of the models and the brands</li> <li>▪ feedbacks on after-sales services</li> <li>▪ customer satisfaction on the products</li> <li>▪ second-hand market value</li> </ul> </li> <li>○ Comply with local laws and regulations on vehicle specifications and sales</li> <li>○ The social responsibility of the organisation</li> <li>○ Bargaining power with the manufacturers</li> </ul> </li> <li>• Determine the purchase volume according to market demand, customer acceptance of the brands and resources available from organisation.</li> <li>• Formulate contingency measures to cope with special incidents, such as dull sale, late supply, change of exchange rate.</li> <li>• Review the effectiveness of purchasing strategy and capable of making timely adjustment.</li> <li>• Effectively draw up the proposal presenting to the organisation for approval.</li> </ul> |

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|                     | <ul style="list-style-type: none"><li>• Apply for organisational support in resource.</li></ul>   |
| Assessment Criteria | <p>The integrated outcome requirements of this unit of competency are that the practitioner being assessed shall prove that he/she is:</p> <ul style="list-style-type: none"><li>• Capable of anticipating market demand for the formulation of forward-looking purchasing strategy including the styles and quantity of vehicles, matching the operation and development of the organisation; and</li><li>• Capable of making timely adjustment to optimise the strategy in accordance with the effectiveness of vehicle purchase.</li></ul> |
| Remark              | <p>The credits value of this unit of competency assumes that the practitioner concerned has already possessed knowledge of vehicles, related regulations and procurement.</p>   |