

Marketing Promotion Analysis Of Tesla in the Electric Vehicle Industry

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ABSTRACT

The present paper evaluates the strategic framework as applied by Tesla to the SWOT model. Its main advantages are in electric vehicle technology, self-driving systems and brand power. It is the industry leader based on its reliance on continuous innovation and energy ecosystem integration (solar energy + energy storage). Today, it is threatened with fluctuations in the supply chains, lack of charging infrastructure, and currently enjoys global policy implementing carbon neutrality and the increasing demand in the market. Its opportunities concentrate on increasing the market share and commercializing Robotaxi and delve deeper to work on AI technology.

KEYWORDS

SWOT analysis; Tesla electric vehicle technology; Autonomous driving; Sustainable energy; Brand Influence; AI technology; Green economic clean energy ecosystem

1 Executive summary

1.1 Introduce the background of Tesla

Tesla is an American multinational car and clean energy company. Its headquarters are set up in Austin. Tesla designs, manufactures and sells battery electric vehicles, stationary battery storage devices from home to grid scale, solar panels, and related products and services. (Kay, G. (2023/07/19/, 2023 Jul 19).

1.2 Summarize the key strengths, weaknesses, opportunities and threats of Tesla

1.2.1 Key strengths

Advanced electric vehicle technology and leading-edge autonomous driving systems. Continuous innovation, research and development investment, New energy and environmental protection technology. A strong brand powerful influence

1.2.2 Key weaknesses

Supply chain issues and delivery delays. The availability of charging infrastructure and charging times needs to be improved.

1.2.3 Key opportunities

Continuing to lead the electric vehicle market and increasing market share by expanding its product line and improving production efficiencies. Tesla has the opportunity to grow market share globally as the global demand for clean energy and sustainable transportation increases.

1.2.4 Key threats

Competitors are continuously strengthening their entry into the electric vehicle market, increasing market competition pressure.

2 Introduction

2.1 Describe their business (all available products/services)

Tesla develops and produces a full range of battery-powered cars. Research on energy storage and distribution. Development and production of solar energy products. Autonomous Driving Technology. The charging infrastructure of electric-powered vehicles.

2.2 Explain their mission, vision and future direction

2.2.1 Mission

Compared to traditional fuel vehicles, the most obvious advantage of new energy vehicles is their low carbon emissions, which makes traveling more environmentally friendly and sustainable. As a new energy vehicle company, Tesla should shoulder the responsibility of environmental protection.

2.2.2 Vision

Tesla's future vision includes a wide range of creations and developments to push the spread of sustainable energy and transportation options. An ecosystem that manages energy from clean energy production to storage and then to use. Through these visions, Tesla hopes to lead the global transition to sustainable energy, reduce dependence on fossil fuels, and promote environmental protection and resource conservation.

Greimel, H. (2023/07/10/).

2.2.3 Future direction

Climate issues are becoming increasingly important and have attracted widespread attention from many people. In theory, the primary way to combat global warming was to reduce carbon dioxide emissions, which is why many climate meetings had been organized in Tesla. So in the future, Tesla needs to pay more attention to research and development of new energy technologies, so that carbon dioxide emissions can be reduced. It would make a big difference to the planet's environmental problems today.

3 Selecting product lines

The Tesla Model X is an all-electric luxury SUV from Tesla, featuring a range of advanced technologies and distinctive design elements.

3.1 Performance

It can drive more than 480 kilometers on a time charge. The car has a three-motor all-wheel drive for higher speeds and faster acceleration.

3.2 Automatic driving system and safety

The car includes features such as Automatic Lane Change, Automatic Stop, and Traffic Sensing Cruise Control. This car is set up with active and passive safety technologies, including the Advanced Crash Avoidance System, all-around airbag protection, and so on.

Dickson, A. (2023/05/05/).

4 SWOT analysis

4.1 Strengths

4.1.1 Innovative design and performance

- (1) Advanced electric powertrain

The Tesla Model X is outfitted with double-motor all-wheel drive, providing impressive speed and high performance. The Long-Range model offers a range of up to 348 miles on a single charge; beside that, the Plaid model can accelerate from 0 to 60 mph in just 2.5 seconds.

- (2) Unique falcon wing doors

The Model X characteristics by falcon wing doors that not only add to its trendy attraction but also provide easy access to the second and third rows, even in tight spaces.

- (3) High-tech features

The vehicle comes with a 17-inch touchscreen, advanced autopilot capabilities, and a HEPA air filtration system, which is really useful for a high-tech and user-kindly driving experience.

- (4) Over-the-air updates

Tesla could push software updates over the air to ensure that the Model X continues to improve with new features and

enhancements without needing a visit to a service center. This keeps the vehicle up-to-date with the newest technology and performance improvements.

4.1.2 Sustainable development and environmental protection

(1) Full-year warranty

Tesla offers a full-year warranty on the Model X, including an 8-year or 120,000-mile battery and drive unit warranty, which provides a sense of security to owners regarding the vehicle's long-term use and performance.

(2) Zero carbon dioxide emissions

As an all-electric vehicle, the Model X produces zero tailpipe emissions, which may help to a reduction in air pollution and greenhouse gases.

(3) Energy efficiency

Model X's commitment to sustainability is reflected in its energy-efficient design, and through technology allows for longer ranges on single charges and utilizes renewable energy sources for charging.

(4) Recyclable materials

Tesla uses recyclable materials in the construction of the Model X, aligning with its duty to reduce environmental impact. This includes the use of recycled metal and other sustainable materials in the vehicle's production.

4.1.3 Strong brand and market position

(1) Brand loyalty

Tesla has a strong and loyal customer group due to its uniformly innovation and high-quality products. The Model X benefits from Tesla's strong brand reputation and customer trust, which has made the Model X have such a huge sales volume.

(2) Market leader

Tesla is a leader in the electric vehicle market, with a significant market share and a strong influence on the electric vehicle market industry trends and developments.

(3) Continuous creation

Tesla continues to improve, and innovation keeps the brand at the forefront of the electric vehicle industry. Regular over-the-air updates ensure that vehicles remain current with the latest features.

(4) Global influence

Tesla has a strong global presence, with a lot of stores and service centers across major markets. This wide service ensures that the Model X is suitable for a wide range of customers worldwide.

Automotive markets intelligence service: 2023 Q1 edition: New mobility company analysis. (2023/01//).

AS. (2023/07/07//).

Automotive markets intelligence service 2022 Q4 edition: New mobility company analysis. (2022/10//).

4.2 Weaknesses

4.2.1 High price point

(1) Cost barrier

The Model X is one of the more expensive vehicles in Tesla's lineup, with prices starting at around \$99,990 for the Long-Range model and going up to \$119,990 for the Plaid model. This high cost can be a barrier for many potential buyers.

(2) Limited to luxury models

The high price point places the Model X in the luxury vehicle segment; in that way, it may limit its market to rich consumers, potentially reducing the overall volume of sales compared to more affordable models.

4.2.2 Charging infrastructure

(1) Dependence on charging facility

While Tesla has an extensive Supercharger network, it is not everywhere, just as gasoline stations, which can be a limitation for long-distance travel, especially in regions with less developed electric vehicle basic installation.

(2) Charging time

Although Tesla's charging devices are the fastest charging facilities in the world, the time required to charge the vehicle is still longer compared to refueling a traditional gasoline vehicle. This can be inconvenient for users whose time is of the essence.

4.2.3 Maintenance and repair costs

(1) High maintenance costs

Although electric vehicles usually have lower maintenance requirements than traditional vehicles, repair costs can be a little expensive because of the advanced technology and components used in Tesla vehicles.

(2) Limited number of service centers

Despite Tesla's growing network of service centers, the number of service centers is still less than traditional carmakers. This can result in longer wait times for maintenance and repairs.

4.2.4 Complex software

(1) Software reliance

The Model X's heavy reliance on software for many of its functionalities can be a double-edged sword. While it allows for high-level features, it can also lead to big issues if the software has occur error or breakdown.

(2) User screen complexity

Some users find Tesla's simple user interface and reliance on the touchscreen for most controls to be less visual compared to traditional buttons and controls, which can impact the experience of users.

Martin, W. (2019/06/27/, 2019 Jun 27).

Howes, D., & The, D. N. (2020/01/24/, 2020 Jan 24).

Iliff, L. (2024/04/08/).

Kay, G., & Fox, M. (2023/10/18/, 2023 Oct 18)

4.3 Opportunities

4.3.1 Growing requirements for online car booking

(1) Electric vehicles market growth

The global market for electric vehicles is growing quickly as consumers have become more environmentally conscious and governments carry out stricter emissions regulations. This policy presents a significant opportunity for the Tesla Model X to access a larger market share as consumers look for sustainable transportation options.

(2) Government encouragement

Many countries offer incentives such as tax credits and aid for electric vehicle purchases. These incentives can make the Model X more accessible to an extensive range of consumers and meet their needs.

4.3.2 Expansion of charging facilities

(1) Increase in Supercharger network

Tesla continues to expand its Supercharger network, making it easier for Model X owners to find convenient and fast charging places. This charger network expansion can relieve anxiety over long distances and make long-distance travel more acceptable.

(2) Partnerships with businesses

Partnering with businesses to set up charging stations at popular destinations, such as hotels, shopping centers, and restaurants, can enhance the convenience and attractiveness of buying a Model X.

(3) Home charging solutions

Promoting the installation of home charging solutions can increase the convenience for Model X users, ensuring they can charge their vehicles at home.

4.3.3 Technological advancements

(1) Autonomous driving

Tesla's advancements in autonomous driving technology can be a major advantage. Continued improvements in full self-driving capabilities can attract more customers looking for advanced technology.

(2) Battery technology

Creation in battery technology that increases range, reduces charging time, and lowers production costs can make the Model X even more attractive. Tesla's investment in research and development positions it well to lead in these advancements.

(3) Combination with renewable energy

Tesla's development of energy products such as the Powerwall and solar panels provides an opportunity to offer

combined energy solutions to Model X owners, promoting sustainable energy use and deeply enhancing the vehicle's attraction to environmentally conscious consumers.

4.3.4 New markets and subsections

(1) International expansion

Expanding into new international markets where there is growing interest in electric vehicles can drive sales growth. New rising markets in Asia, South America, and Europe offer significant opportunities.

(2) Ride-hailing and shared mobility

Partnering with online car booking services or promoting the Model X for use in shared electric vehicles can increase exposure and reputation. As more and more cities move towards sustainable transportation solutions, the Model X can be positioned as a perfect, eco-friendly option.

Benzinga: Tesla's opportunity in China could double on relaxed regulations (2017/09/27/).

Kai, X. T. (2023/12/18/, 2023 Dec 18).

4.4 Threats

4.4.1 Intense competition

(1) Increasing number of competitors

The electric vehicle market is becoming more and more competitive, with numerous old automakers and new entrants rolling out their electric vehicles. Companies like BMW, Mercedes-Benz, and Rivian constitute significant competition to the Model X.

(2) Price wars

As more and more competitors enter the market, price competition can be heightened. This can pressure Tesla to reduce prices or offer more service, potentially impacting profit margins.

(3) Technological advancements by competitors

Competitors are also investing heavily in technology, possibly developing features and innovations that could be better than those of the Model X. Keeping up with or overtaking these advancements is crucial for maintaining market leadership.

4.4.2 Economic factors

(1) Economic instability

Global economic instability and downturns can affect consumer spending power. High-priced items like the Model X may see a reduction in demand during economic hardships as consumers prioritize essential spending.

(2) Raw material costs

The cost of key raw materials, such as lithium, cobalt, and nickel, are essential for battery production. Price instability due to market and geopolitical factors can increase these costs and impact production expenses and vehicle pricing.

4.4.3 Laws and regulations challenges

(1) Regulatory changes

Changes in government policies, regulations, and incentives can impact the electric vehicle market. For example, the reduction or removal of benefits for electric vehicles in key markets can affect sales.

(2) Emissions and safety standards

Varying emissions and safety standards across different countries can pose logistical and financial challenges for Tesla.

(3) Data privacy

Tesla's corporate system holds the personal information of all car users. Tesla should properly keep this information and use it when necessary to ensure the security of customers' personal information and privacy.

(4) Security regulations

As vehicles become more connected and reliant on data, complying with varying security regulations in different regions can become increasingly complex and expensive.

4.4.4 Supply chain disruptions

(1) Component inadequate supply

The automotive industry has faced significant supply chain interruptions, particularly with semiconductor shortages.

These disruptions may delay production and delivery times, affecting customer satisfaction and final volume.

(2) **Transportation challenges**

Global transportation challenges, including shipping delays and increased transportation costs, can affect the prompt delivery of vehicles and components, impacting Tesla's ability to meet requirements and maintain customer satisfaction.

Milne, R. (2023/11/28/).

Caldwell, A. (2020/07/14/, 2020 Jul 14).

Naughton, N. (2023/12/13/, 2023 Dec 13).

5 Suggestion

5.1 According to the production challenges, Tesla should

5.1.1 Enhance production efficiency

Invest in advanced robotics and automation technologies to streamline and minimize production steps and reduce human mistakes. Provide regular training programs for employees to make sure that they are skilled in the newest production techniques.

5.1.2 Improve supply chain management

Reduce dependency on single suppliers by diversifying the supply chain to ensure a steady flow of components and materials. Build strong, long-term relationships with key suppliers to ensure the reliability of the suppliers. Use advanced supply chain management software to gain real-time information on inventory levels, order status, and potential problems.

5.1.3 Invest in technology and innovation

Invest in research and development to discover new materials, manufacturing techniques, and technologies that can improve production efficiency and product quality. Use data analytics to predict and reduce production issues before they become bigger, using discernment to promote continuous improvement.

R., & Campbell, P. (2019/03/16/, 2019 Mar 16).

Copley, M. (2017/01/06/).

Peltz, J. (2024/01/08/).

5.2 According to the high costs, Tesla should

5.2.1 Optimize research and development spending

First, be concerned about research and development projects that align with Tesla's key strengths and future goals, such as battery technology and autonomous driving. Cooperation with other technology companies or academic agencies to share research and development costs and gain access to additional expertise.

5.2.2 Increase production efficiency

Invest in advanced manufacturing technologies to reduce production costs and improve efficiency. Optimize the supply chain to reduce costs relevant to materials and logistics, including consulting on better terms with suppliers.

5.2.3 Control capital spending

Prioritize capital spending that offers the highest return on investment, ensuring that funds are reassigned to projects that will significantly impact earnings. Carry out cost management programs across all departments to identify and remove unnecessary costs.

Iliff, L. (2023/10/23/).

Iliff, L. (2023/10/02/).

6 Digitization - digital marketing

6.1 Identify influencers

Cooperate with influencers who have a strong following in the technology, automotive, sustainability, and lifestyle. Ensure these influencers are consistent with Tesla's brand values and target audience.

6.2 Campaign planning

Develop campaigns so that the guests can know Tesla vehicles' unique features, such as Autopilot, electric range, and sustainability benefits.

6.3 Increase interaction

Increase interaction with customers. The content can include test drives, feature demonstrations, and day-in-the-life vlogs with Tesla cars.

6.4 Increasing authenticity

Encourage influencers to share their real experiences with Tesla cars, highlighting personal stories and the positive impact of driving an electric vehicle.

6.5 Content creation

Create visually appealing and informative content for social media platforms like Instagram, YouTube, and TikTok. This includes high-quality photos, videos, and stories that highlight Tesla's cutting-edge technology and design.

7 Conclusion

In conclusion, Tesla's strong brand recognition, innovative technology, and environmental focus provide a solid foundation for growth. However, challenges like production delays and high costs must be addressed. To maintain its market leadership, Tesla should enhance production efficiency, improve supply chain management, and invest in new energy technologies.

Additionally, focusing on customer experience and expanding global market presence will be crucial for sustained success. By leveraging digital marketing strategies and continuous innovation, Tesla can drive sales and strengthen its position in the competitive electric vehicle market.

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