



Micro and Macro
Environmental Analysis of
Tesla, Inc. Using SWOT and
PEST Frameworks.

- **Module Name : Introduction To Business**
- **Module Code:** LCBB4014
- **Lecturer Name : Afzal Munna**
- **Student Name: Mahmood ,Lazeni ,Vasille, Ripon**
- **Student ID:**
2414578,2428669,2430024,2416323



Introduction

- Micro and macro analysis of Tesla using SWOT and PEST
- Evaluate impact of globalisation and innovation
- Focus on EVs, sustainability, self-driving, and digital transformation
- Provide strategic recommendations for future positioning



TESLA

Company Overview

- Founded in 2003; global EV and clean energy company
- Vertically integrated model (batteries, software, manufacturing)
- Strong presence in US, China, Germany, and UK markets
- Key products: Model S, 3, X, Y + energy solutions (Powerwall, Solar)

(Tesla, 2026). (Yeung, 2025).



SWOT Analysis

Strengths & Weaknesses

Strengths

- Strong global brand and innovation leader
- High investment in R&D and autonomous driving
- Global Gigafactories and Supercharger network

Weaknesses

- High production and operational costs
- Dependence on lithium, cobalt, semiconductors
- Reputational risks linked to leadership and market perception

(Kempston et al., 2025), (Zhang et al., 2025), (Arslangulov and Ackrill, 2025).

SWOT Analysis

Opportunities & Threats

Opportunities

- Growing EV demand in UK and Europe
- Government sustainability policies
- Battery recycling and autonomous driving growth

Threats

- Strong EV competition from Volkswagen, Toyota, Ford Motor Company
- Regulatory changes in autonomous driving
- Trade tensions and fast technological change

(Godsell et al., 2024). (Zhang and Shi, 2025).



PEST Analysis

Political & Economic Factors



Political

- UK & EU net-zero targets support EV adoption
- Government subsidies and tax incentives
- Trade tariffs and Brexit-related challenges

Economic

- Inflation and rising raw material costs
- Lithium price volatility impacts battery cost
- Economic downturn affects consumer purchasing power
- (Godsell et al., 2024). (Zhang and Shi, 2025).

(Allam and Sharifi, 2022). (Schepis et al., 2023).

PEST Analysis

Social & Technological Factors



Social

- Growing environmental awareness
- Urban mobility trends (e.g., London congestion charges)
- Shift towards shared mobility among younger consumers

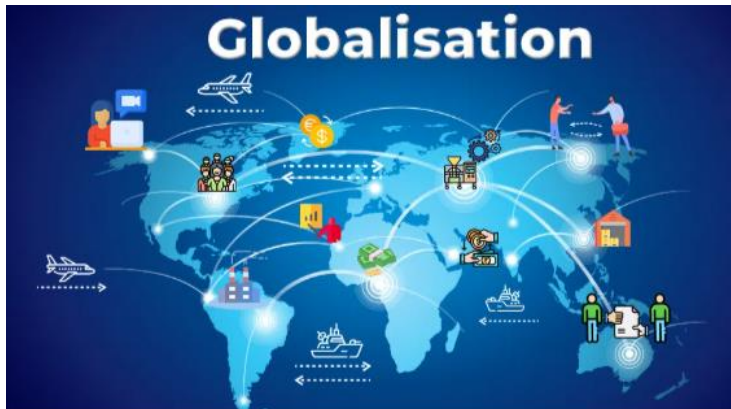
Technological

- Advanced battery innovation improves range
- AI supports autonomous driving
- Rapid innovation increases competition

(Frieske and Stieler, 2022). (Zhang and Shi, 2025).

Impact of Globalisation

Globalisation can be analysed through its wide-ranging effects on economies, political systems, social structures, and the environment. It is commonly associated with capitalism because it encourages free trade and the integration of national economies into the global market. As countries become more interconnected, globalisation shapes economic relationships at both regional and global levels (van Meerhaeghe, 2012).



Expansion into China and Europe (German Gigafactory)

Cross-border production reduces transport cost

Exposure to geopolitical and trade risks

(Zhang et al., 2025).

Influence of Innovation

Innovation performance is significantly affected by the type and intensity of research activities. Intensified basic research enhances innovation outcomes, mediated by the impact of scholarly publications and the novelty of patents, highlighting the pivotal role of scientific influence and technological originality (Qiu, Shunli, Cao, Qinwei, & Jiao, 2022).



- **AI and automation in manufacturing**
- **Battery development for cost and range improvement**
- **Over-the-air updates and digital vehicle platform**
- **Regulatory risks in autonomous driving approval**

(Yeung, 2025). (Godsell et al., 2024).

Recommendations



- Strengthen European supply chain partnerships
- Invest in affordable EV models
- Expand sustainability and recycling programmes
- Diversify revenue through energy and mobility services

(Schepis et al., 2023). (Frieske and Stieler, 2022).



Conclusion

- Strong brand, innovation, and global expansion
- Facing competition, supply risks, regulatory challenges
- Strategic localisation and partnerships needed
- Well-positioned but must adapt to maintain leadership

References

- Allam, Z. and Sharifi, A., 2022. Research structure and trends of smart urban mobility. *Smart Cities*, 5(2), pp.539-561. Available at <https://www.mdpi.com/2624-6511/5/2/29>. Accessed at 3rd March 2026.
- Arslangulov, U. and Ackrill, R., 2025. Advancing the concept of windows of opportunity to explore the dynamics of the sustainability transition: The development of the EV market in the UK. *European Policy Analysis*, 11(3), pp.333-367. Available at: <https://onlinelibrary.wiley.com/doi/abs/10.1002/epa2.1216>. Accessed at 3rd March 2026.
- Frieske, B. and Stieler, S., 2022. The "semiconductor crisis" as a result of the COVID-19 pandemic and impacts on the automotive industry and its supply chains. *World Electric Vehicle Journal*, 13(10), p.189. Available at: <https://www.mdpi.com/2032-6653/13/10/189>. Accessed at 3rd March 2026.
- Godsell, J., Zafeiriadis, A., Mate, O.A. and Monge, R.C., 2024. Towards net-zero: Exploring the current state of low carbon supply chains in the Midlands. Available at: https://repository.lboro.ac.uk/articles/report/Towards_net-zero_Exploring_the_current_state_of_low_carbon_supply_chains_in_the_Midlands/24114642?backTo=/collections/Climate_Change_and_Net_Zero/7191546. Accessed at 3rd March 2026.
- Kempston, S., Coles, S.R., Dahmann, F. and Kirwan, K., 2025. UK electric vehicle battery supply chain sustainability: A systematic review. *Renewable and Sustainable Energy Reviews*, 210, p.115216. Available at: <https://www.sciencedirect.com/science/article/pii/S1364032124009420>. Accessed at 3rd March 2026.
- Schepis, D., Purchase, S., Oлару, D., Smith, B. and Ellis, N., 2023. How governments influence autonomous vehicle (AV) innovation. *Transportation Research Part A: Policy and Practice*, 178, p.103874. Available at: <https://www.sciencedirect.com/science/article/pii/S096585642300294X>. Accessed at 3rd March 2026.
- Tesla, Inc. (2025) 'Annual report'. Available at: <https://ir.tesla.com/flysystem/s3/sec/000162828025003063/tsla-20241231-gen.pdf> (Accessed: 3 March 2026).
- Yeung, K., 2025. Understanding value creation and appropriation in a disruptive narrative: the UK EV sector. *International Journal of Business & Management*, 6(1), pp.23-42. Available at: <https://www.ijbms.net/assets/files/1737336271.pdf>. Accessed at 3rd March 2026.
- Zhang, L. and Shi, W., 2025. The impacts of the US inflation reduction act on EV supply chains. *Sustainability*, 17(2), p.653. Available at: <https://www.mdpi.com/2071-1050/17/2/653>. Accessed at 3rd March 2026.
- Zhang, L., Xia, Y. and Guo, Y., 2025. Cooperation between competitive electric vehicle manufacturers: a strategic analysis of charging pile construction. *Scientific Reports*, 15(1), p.34862. Available at: <https://www.nature.com/articles/s41598-025-10690-y>. Accessed at 3rd March 2026.
- Van Meerhaeghe, M.A.G. (2012). Globalisation and the free market. *European Journal of Law and Economic*
- Qiu, Shunil; Cao, Qinwei; Jiao, Meng et al. Technology analysis & strategic management. 2022.

Member	Topic	Framework	Key Points	Slides Responsibility
Vasile	Company Overview & Micro Environment	SWOT	Strengths: Strong brand, innovation, EV leader. Weaknesses: High production cost, limited service centers.	Introduction, Company Overview, SWOT – Strengths & Weaknesses
Lazeni	Micro Environment Continued	SWOT	Opportunities: Global EV demand, renewable energy market. Threats: Competition, supply chain risks.	SWOT – Opportunities & Threats, Micro Environment Summary
Mahmod	Macro Environment	PEST	Political: Government EV policies. Economic: Inflation, battery costs.	PEST – Political & Economic Factors
Ripon	Macro Environment Continued & Conclusion	PEST	Social: Environmental awareness. Technological: Battery innovation, AI, automation.	PEST – Social & Technological, Conclusion

■ Group Work Distribution – Micro and Macro Environmental Analysis of Tesla (SWOT & PEST)



Question?