

Marketing Management LCMB7001

Assessment 2



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Introduction

Automobile manufacturing is a fiercely competitive industry, especially in the alternative fuel sector vehicle sector, growing in popularity due to environmental concerns. This study would explain Tesla Motors, an electric vehicle manufacturing firm, and deal with intense competition from giant and luxury manufacturers. The article starts with an overview of Tesla Motors. Following that, the company's competitive role will be examined using major planning models such as the PESTEL and Porter's Five Forces structures and the Value Chain and SWOT review. Following that, the conclusion and advice will be given based on the results from the models.

PESTEL Factors

The PESTEL method analyses external environment variables to ascertain the opportunities and risks associated with specific tactics since changes in these variables can result in substantial market transitions, especially in the long run (Witcher, 2010). PESTEL places a premium on neighbourhood variables such as political, economic, social, technological, environmental, and legal ramifications.

Political

Unfavourable political considerations involve various exchange laws, such as the EU and NAFTA, entry mode policy, government cohesion, and social policies. Tesla started by trading automobiles in North America, then expanded into Western Europe and Asia. This globalisation takes a slew of political powers with it, many of which impact culture. Tesla's activity is influenced by several fundamental political issues, including environmental regulations to reduce emission levels. It has been encouraged to produce sustainable climate automobiles and various government discounts and other benefits that encourage consumers to purchase electric vehicles. The US government institution created a strategy to offer energy loan programmes that efficiently use modern vehicle technologies. In Europe, for instance, the Norwegian government promotes business by offering national connections to bus lanes and charging stations for electric cars (Du, 2013). Both of these investment choices taken by countries effectively represent an opportunity for Tesla to enter a new industry and make additional acquisitions to increase development and profitability. On the other side, various aspects of environmental legislation can significantly impair Tesla's capacity to operate



efficiently and effectively since these regulations influence the company's day-to-day operations.

Economic

Economic factors are often critical and favourable to Tesla, but they do not benefit Tesla financially. Consumers are reluctant to offer a premium for a hybrid vehicle over a standard vehicle. Rather than on technology, electric vehicles would compete on price. Additionally, with the relatively low cost of fuel in the United States, there is some economic incentive to buy and own an electric vehicle at the moment. Tesla's cost-effectiveness would increase as the economy increases and battery costs decrease (Frue, 2018).

Additionally, Tesla faces difficulties with economic stability, especially in Europe and Asia. This is not to assume that no case is without possibility of compensation. Tesla's products will become more attractive to those seeking environmentally friendly solutions as renewable energy costs decrease. This, along with a decrease in battery costs, increases their gross margin (Kissinger, 2019). Tesla is getting more attractive as the cost of renewable energy continues to decline.

Social

A positive social impact affects a customer's buying behaviour and attitude toward a good or service. In today's contemporary world, there is an increasing awareness of environmental concerns. Nowadays, consumers choose to purchase environmentally sustainable products over polluting ones (Baumgartner, 2016). Individuals wish to invest their resources in eco-sustainable products to preserve both the climate and their wallets. Individuals who are convinced represent an outstanding opportunity for Tesla to market electric cars in the sector and increase their products internationally to satisfy consumer demand on a wide scale.

Technological

Tesla is a beneficiary of technical advancements. Technological considerations include recent and innovative discoveries, different types of new technological platforms, and other influences. The strategic application of technologies accelerates the development of organisational effectiveness. Tesla will identify several ways to improve its degree of efficiency and lower its overall cost of input in the automobile sector by incorporating highly advanced technological steps into its manufacturing operation. Additionally, technological advances allow Tesla to provide a broad selection of vehicle choices to customers worldwide. On the other side, Tesla's R&D expenditure will need to be increased to recognise different



aspects of effective technological initiatives for the firm (Gnan, 2015). This presents a risk since it is challenging to find the most effective and suitable technological steps for its growth.

Environmental

Tesla's environmental stance is pernicious. Various considerations covered in the environmental process include one's attitude toward the atmosphere, waste management laws, and energy use laws. As global awareness of environmental concerns grows, this factor will jeopardise Tesla's ability to produce eco-friendly vehicles commercially and affordably if Tesla intends to sell an eco-friendly vehicle, this respect for the atmosphere results in an increase in high-end demand for the company's products on a global scale, potentially stimulating the company's growth.

Legal

Legal factors are favourable. Businesses may balance many legal factors in order to carry out their statutory obligations in an acceptable manner. Consumer protection, patent infringement, health and welfare legislation, and employment regulation are also instances of these reasons. The world sees a green movement, bringing together prominent and leading designers to produce environmentally friendly automobiles. The government has implemented various legal measures, including a carbon tax and environmental policies (Lam, 2012).

Advantages of PESTEL Analysis

PESTEL Analysis is expected due to the model's numerous advantages. To begin, the model is straightforward and requires little time to complete. Due to the model's simplicity, such a structure is easily understandable and widespread. Additionally, since the model is not time-consuming to analyse, the system is quickly implemented in meetings. Moreover, those with no experience or expertise in business strategy will connect to the paradigm and add their ideas to the debate. Second, the model is sufficiently robust and capable of providing insight into the broader market climate. This makes the model very helpful and realistic, as it directs and guides managers to think holistically without overwhelming them with ambiguity and technicality. Thirdly, the paradigm is advantageous in the management process because it promotes the growth of strategic thought. To explain, as managers apply the model, they must consider various environmental variables, including political, fiscal, social, and technological factors. This results in a more rational thought approach. Additionally, the model serves as a realistic reference for administrators, compelling them to view the strategic and competitive landscape from various perspectives. Additionally, the model is beneficial because it will enable



administrators to become more mindful of potential risks to a project. Apart from that, the model is advantageous since it is prospective. It will assist a company in anticipating potential problems, prompting management to take steps to prevent or mitigate the detrimental impact. On the other side, the model is effective when it enables a company to identify and capitalise on new opportunities.

Disadvantages of PESTEL Analysis

However, as a theoretical instrument, PESTEL inherently has several drawbacks and limitations. Once the organisation has implemented PESTEL for research, the data storage and processing must be subject to routine data accumulation. Additionally, it is criticised that defining, collecting evidence, and analysing the results is lengthy. It is expensive due to the large number of individuals involved. Scholars have suggested that such a shortlist could not be adequate or exhaustive due to the model's simplicity. Additionally, clinicians discovered that the model's effects and methods are not long-term benefits. To be realistic, the rapid speed of transition in culture makes it highly impossible to predict potential trends that may impact an organisation, and the model is incapable of coping with the changes. Not just that, since the model needs a large amount of data as input, amassing a large amount of data can impair one's ability to see the forest for the trees and result in "paralysis thorough examination." Perhaps the most significant drawback of the model is that it only analyses the exterior world, and therefore the outcomes could be ineffective or incomplete. Many additional considerations, such as internal factors influencing the company, competitor behaviour, and the organisation's market, are argued to be essential.

The Porters 5 forces

Micheal Porter creates the Five Forces concept, which is one of the most well-known strategic strategy techniques. It consists of five distinct fields that, when seen together, indicate whether or not an industry is enticing to begin investing in. Additionally, an industry's prospects for long-term survival (Porter, 1979). This strategic planning technique enables an organisation or investor to comprehend the conditions affecting success in a given field. Considering TESLA in this context, more research and study in the following areas are required:



Threats of new entrants

The entry barriers to the EV industry are high. A significant amount of capital investment is required, and a complex range of skills and technologies to be successful. To remain competitive, an organisation would also need a reasonably high degree of investment and experience.

Threat of Substitutes

Fossil-fuel car markets are the most common option to electric vehicle markets. The rate at which electric cars eventually supplant fossil-fuel automobiles is vital to the growth of the electric car industry. For example, in the United Kingdom, parliament agreed in 2017 that the transition to electric cars would take place in 2040 (Business, 2017). Since rivalry and competitiveness are situated in the centre of Porter's five powers concept, TESLA has yet to face a true competitor such as BMW, Volkswagen, or Toyota (Realmoney, 2020). As previously said, there are not many players investing in the Electric Vehicles segment, with firms such as TOYOTA, BMW, and Kia concentrating their efforts on electric cars.

Bargaining power of Buyers

TESLA has tens of thousands of customers seeking to acquire an electric vehicle through the vehicle private enterprise purchaser marketplace; however, clients lack bargaining power and cannot negotiate charges. Moreover, TESLA has top-class connectivity alternatives (Figure 1) that make automobiles which includes the model X, version S via subscription, and roadster available to customers or offers a very aggressive charge, as it attempts with version three to win a broad target audience (TESLA, 2021).

The Bargaining Power of Suppliers

Investors must consider how and where TESLA Motors' suppliers purchase the products to produce their products to determine their bargaining ability. For instance, they acquire the Model 3 battery from Panasonic. When it comes to parts for the Model S and Model X, one of the main disadvantages being that the company's lacklustre track record and small production capacity make it unattractive to suppliers; nevertheless, this is about to improve. TESLA achieved its target of delivering 5000 Model 3s per week by the middle of 2018, which boosted supplier morale (EVANNEX, 2019).



Tesla Model S Long Range	Tesla Model 3 Long Range	Tesla Model X Long Range	Tesla Model Y Long Range
			
196" L x 77" W x 67" H	184" L x 73" W x 67" H	196" L x 76" W x 69" H	187" L x 76" W x 64" H
3.7 s	4.4 s	4.4 s	4.8 s
155 mph	145 mph	155 mph	135 mph
391 mi	322 mi	351 mi	316 mi
100 kWh	74 kWh	100 kWh	74 kWh
517 hp	346 hp	417 hp	346 hp
60 cu ft	44 cu ft	88 cu ft	68 cu ft
5	5	5 * seat option available	5 * seat option available (2021)
200 kW max	250 kW max	200 kW max	250 kW max
\$79,990	\$48,990	\$84,990	\$52,990
- Free Supercharging included - Panoramic roof 17" vertical display + driver display	- Split panoramic roof 16" horizontal display	- Free Supercharging included - Falcon Wing doors - Panoramic windshield 17" vertical display + driver display	- Panoramic Roof 15" horizontal display

Figure 1 TESLA, different mode comparison (EVBITE,2019)

The Intensity of Rivalry in the Industry

The automobile industry is indeed very able to compete. However, competition within the electric vehicle marketplace in which Tesla competes is restricted, with just 18 companies competing for proven brands such as the Nissan Leaf, Ford Focus BEV, and Chevrolet Volt (Insideevs.com, 2014). Nonetheless, due to this niche's high popularity and steady growth, more manufacturers, BMW, Audi, and Volkswagen, have also hit the market lately for their plug-in hybrid vehicles (White, 2013). Furthermore, each industry is making an effort to carve out its market by producing environmentally sustainable vehicles, such as hybrids, limited performance turbo diesel, and biodiesel vehicles. As a result, competition will get more intense in the future, and businesses will need to remain competitive to improve and produce quality vehicles.

SWOT Analysis

Tesla has undeniably succeeded in making electric vehicles fashionable. Before Tesla's aggressive entry into the market, everybody felt these vehicles were very dull and uninteresting.



A SWOT review, which considers a company's capabilities, vulnerabilities, prospects, and risks, may help a prospective car buyer determine if Tesla is worth the excitement and price tag.

	Helpful to achieving the objective	Harmful to achieving the objective
Internal Origin (attributes of you)	Strengths ▪ In the luxury electric vehicle industry, it is a strong brand; ▪ It controls the lion's share of the luxury electric vehicle market; ▪ It is a beautiful place to work for workers; ▪ It controls the lion's share of the electric car industry in the United States;	Weaknesses ▪ It does not produce enough of its components to meet consumer demand; ▪ It gets all of its batteries from a single source, and it rarely has enough of them; ▪ Its customer care is mediocre; ▪ It is overpriced and out of reach for the ordinary customer;
External Origin (attributes of your environment)	Opportunities ▪ In the Asian market, it has billions of potential buyers; ▪ By self-producing batteries, it will expand the number of vehicles available for sale; ▪ It is a guiding force in the development of self-driving vehicles; ▪ Buying a Tesla means helping the environment, something many customers appreciate;	Threats ▪ Tesla has manufactured faulty parts; ▪ Regulations that are unfavourable to Tesla's vehicles may jeopardise its strategies; ▪ Consumers may or may not consider self-driving vehicles soon;

Figure 2: SWOT Analysis

Strengths

- **In the luxury electric vehicle industry, it is a strong brand.**

The value of a business's identity cannot be overstated. When the ideal storm of early adoption, creativity, consumer demand, and sustained prominence occurs, a brand nearly becomes synonymous with the business it is attempting to corner. Consider Kleenex, Band-Aid, or even Google: the brand names are almost synonymous with the items.

- **It controls the lion's share of the luxury electric vehicle market.**



Tesla owns almost half of the luxury electric vehicle market. Though Nissan, Toyota, and Honda have established themselves as household names for affordable electric vehicles, Tesla is the only manufacturer pursuing high-end electric vehicles. It enjoys a business hegemony with no rivalry, providing it with an instant competitive edge. As a consequence of this, any who purchase a Tesla acquire credibility.

In the fourth quarter of 2020, Tesla will deliver 180,570 hybrid cars and manufacture 179,757. This is an increase from the previous highest year when it shipped 139,300 units in the third quarter of 2020.

- **It is a beautiful place to work for workers, and they continue to stay.**

The people a business employs will make or break it. Every employee represents the brand, and Tesla is known not only for recruiting the right people but also for treating them well once they become a part of the family.

Tesla is an organisation that thrives on creativity, and it instils this forward-thinking attitude in its staff. It has been named one of the good locations to live, with a high activity retention rate.

- **It controls the lion's share of the electric car industry in the United States.**

Earnings are a bonus of becoming the market's only significant rival. Tesla manufactures the most electric vehicles of any manufacturer. When it comes to electric vehicle sales, even the most prominent manufacturers, such as Chevrolet, clearly cannot compete with Tesla. Additionally, it has better revenue numbers, implying that it offers more trucks and vehicles at a higher gross value. Maintaining this market share over time would be vital, but Tesla is the one to beat for the time being.

Weaknesses

- **It does not produce enough of its components to meet consumer demand.**

Throughout production, services can be both a boon and a bane. While a company should strive for consistency in all of its products, it must also ensure that it can satisfy customer demand. Tesla's production facilities are far smaller than those of more prominent, more mature manufacturers, reducing the number of automobiles it will produce. It has to expand its page count to keep up with requests. Tesla dropped short of its reported annual delivery plan of 500,000 vehicles in 2020, delivering 499,550 vehicles instead of 500,000.

- **It gets all of its batteries from a single source, and it rarely has enough of them.**

Tesla quickly became the world's largest supplier of batteries manufactured by the same company. For an electric car maker, the battery is the most critical factor, and as stocks run



low, production essentially comes to a halt. This bottleneck is expected given the industry's nature, but the limited supply will constrain Tesla before it can adequately resolve the problem.

- **Its customer care is mediocre.**

Tesla might have some of the most innovative engineers working on its devices, but customer service remains a significant concern. Customer satisfaction with cars is similarly intense, but not with the ordering method. The buying phase accounts for a sizable portion of the new vehicle experience, and Tesla's consumer experience is not reliably positive.

- **It is overpriced and out of reach for ordinary customer.**

Tesla has positioned itself as a luxury automaker catering to a distinct and exclusive segment of the market. Luxury automobiles are typically out of control for a sizable portion of the consumer base, which may be detrimental to the industry. Many citizens are wary of jumping on the electric car bandwagon due to the high cost. Tesla's premium price is justified by the high costs of testing, innovating, and assembling electric vehicles. Also, when cost-cutting measures such as in-house manufacturing are implemented, electric cars remain an expensive prospect before certain economies of scale are achieved. Tesla will have to make up with a limited pool of prospective buyers before that.

Opportunities

- **In the Asian market, it has billions of potential buyers.**

Asian countries represent a sizable market for companies from all over the world, including automakers. They are flocking to these countries with the expectation of tapping into new markets of vehicle buyers when these countries boast billions of potential customers. Tesla is uniquely positioned to bolster its position in Asian markets, boosting its bottom line and providing a convincing reason to expand its production capability, considering the company's already booming reputation for creativity in the field of electric vehicles.

- **By self-producing batteries, it will expand the number of vehicles available for sale.**

Tesla also produces a significant portion of its components, with the notable exception of the battery. If Tesla successfully brings battery production in-house, it would have a huge opportunity to increase its battery supply (and therefore its vehicle supply) while potentially lowering costs. That would eliminate the need for third-party vendors, allowing it to provide products to customers more quickly and in more significant amounts.

- **It is a guiding force in the development of self-driving vehicles.**



Tesla is a pioneer of self-driving technology, pushing the limits of electric power. This additional advance, like SpaceX's, raises general awareness of technological capability and opens up new business opportunities once accurate autonomous driving is effectively mastered. Tesla also has an autopilot capability that enables the vehicle to guide, accelerate, and brake automatically inside the lane in which it is travelling, ensuring that we cannot fall asleep at the wheel and let the car drive itself.

- **Buying a Tesla means helping the environment, something many customers appreciate.**

Tesla has dedicated a substantial part of its marketing and public affairs efforts to promoting its environmental stewardship. As a consequence, customers place a premium on the automobiles' environmental friendliness. Tesla has been the poster child for upending the status quo as more countries adopt environmental strategies and activities.

Threats

- **Tesla has manufactured faulty parts.**

Any modern invention has flaws, and Tesla is no different. Since it uses many proprietary materials in its vehicles, it has some problems with certain parts. Poor construction, unreliable performance, and even inappropriate implementation have resulted in several different parts used to manufacture Tesla's vehicles. More real-world testing and component optimization are expected.

- **Regulations that are unfavourable to Tesla's vehicles may jeopardise its strategies.**

Tesla also has some compliance questions to work out. The lack of legislation for self-driving car service is one example. Since it is modern technology and nothing is learned on how to bring it into effect, thorough research is needed before laws keep up with the technology. When it is, ideally, it will be in Tesla's favour. There are a few rules on the national stage that prevent car owners from promoting at once to the general public in certain states. on account that Tesla does no longer promote its product to dealerships, it could be close out of those markets those hurdles cannot be conquered.

- **Consumers may or may not consider self-driving vehicles soon.**

Despite advancements in the technologies needed by self-driving vehicles, the general public cannot embrace the concept of self-driving cars. Potential consumers are concerned about their personal safety and the "ethical" choices that the vehicles are designed to make when



confronted with a situation involving multiple potential casualties. Furthermore, the possibility of device bugs and errors makes this technology a non-starter at the moment.

Segmentation, Targeting and Positioning

Geographic, geographical, social, psychographic, and behavioural indicators are used to segment the EV market.

Geographic segmentation

The EV industry is concentrated in areas with existing and upgraded infrastructure and areas with significant expenditure in networks di recharge.

Demographic segmentation

The scale of a family affects the supply and development of electric cars, and the demographics of the industry's target markets. Tesla's target market is adults aged 18 to 65.

Socioeconomic segmentation

Consumers are wealthy and broadly knowledgeable regarding the impacts of climate change and pollution.

Psychographic segmentation

The ability to practise environmental stewardship and to use alternate modes of transportation are critical considerations. Consumers can pay extra for environmentally friendly cars in order to reduce emissions.

Behavioural segmentation

Consumers' price aversion and perceived advantages related to expense, safety, and quality are prevalent in this industry, influencing EV manufacturers' research and development and customer care. Tesla's primary market is upper-middle-class baby boomers with an average income of more than \$100,000, accounting for 77% of our customers. Males make up the remainder of the segment.



Targeting

Tesla's new client is purchasing the Model S. The bulk of customers are chief executives and technologically sophisticated, environmentally aware entrepreneurs. There are wealthy and early adopters with upper-middle-class incomes.

Positioning

Since electric vehicles are uncommon, Tesla would benefit from a distinct positioning. The consumer's message must be that Tesla is the company to switch to for electric cars and an environmentally conscious brand. The words "global warming" and "climate change" both gained traction in recent years. As a result, individuals are compelled to assist the world. Tesla can be the company that addresses the environmental conscience vacuum in the automobile sector.

The Marketing Mix Strategies

The Marketing Mix comprises several components, each of which may be determined under the organization's primary objective. The Marketing Mix's primary components are the 4 'P's (product, price, place or distribution, and promotion). These Marketing Mix components can help to increase consumer loyalty (Raewf, 2015).

Product

Each component of the marketing mix pertains to the services or goods offered by a company to its target audiences. In this market study scenario, Tesla's services are in the car, energy management, and energy production sectors. The term "healthy products" refers to those that have a monetary worth that customers can pay. The company utilises product development to accomplish market objectives in this 4P variable. Additionally, it is worth remembering that the company is steadily expanding its product offering. Tesla's international product portfolio includes cars, electric car powertrain components, motors, energy storage, and solar energy panels. Tesla is well-known for its electric vehicle production. The Model S sedan, for example, is one of the most popular electric vehicles on the market. Apart from automobiles, the firm also manufactures powertrain parts for other automakers' hybrid vehicles, thus advancing the world's shift to electric vehicles and clean energies. Additionally, the company supplies batteries for both residential and industrial use. In this respect, the company expanded its product range to include solar panels and related installation facilities following its



acquisition of SolarCity Corporation. This element of Tesla's marketing mix reflects its current focus on electric vehicles as it scales and expands its global business. The company's approach enables this aspect of the marketing mix to be profitable.

Price

Tesla vehicle prices have been declining since their introduction. The cheapest car, the “Model 3,” starts at £40,000, comparable to the price of most new cars today. The Model 3 is Tesla’s best-selling model, making it the most popular electric vehicle on the road. It is incredible how little you have to pay for the most refined electric vehicle on the market. The corporation employs two distinct price strategies: premium pricing and market-based pricing.

Tesla employs a high-cost strategy. This direct selling strategy involves establishing high price points depending on the product's high demand rarity. For example, customers can expect to pay a premium for Tesla cars, which are considered technologically and environmentally advanced. Thus, product design and innovation are critical components of successfully integrating this marketing mix component.

Premium pricing is consistent with the generic differentiation strategy, which emphasises the uniqueness of products. Additionally, the company, through its subsidiary SolarCity, uses a market-based pricing strategy for its solar panels and related products (services). This technique aids in maintaining stability in a constantly evolving market while still managing the heavy power of competition.

Distribution

This thing of the advertising and marketing blend takes into account the places or websites used to attain clients. A company uses these venues to distribute or sell its merchandise. Tesla Inc. increasingly extends its product offerings, but the position component of its 4Ps remains constant. As the business grows through acquisitions or new investments, it can add additional locations or venues. The following locations are included in Tesla's case: Corporation-owned shops and Galleries, reputable company internet site, organisation-owned carrier facilities, Charging Stations. Customers would have the opportunity to inspect Tesla cars, energy harvesting, solar panels, and related products at company-owned stores and galleries in malls and other public spaces. Customers must, though, complete orders via the company's website. Additionally, Tesla runs service centres where customers can obtain repair and maintenance services and where the organisation can perform services following its delivery contracts. Customers may also use the company's docking stations to fuel their cars. These places are



representative of the company's preference for tiny yet strategic business locations. As a result, Tesla's marketing mix's position aspect emphasises considerable corporate management influence over product sales and delivery.

Promotion

This component of the marketing mix takes into account Tesla's marketing communications plans and tactics. These policies and practices allow the global automotive industry to assert control and power on consumer preferences and the presentation and transition of the corporate brand. Tesla, Inc.'s promotional mix includes the following materials mentioned in order of their importance in the automobile and energy solutions industries: Personal advertising, public interaction, advertising ads, and direct marketing are all forms of viral marketing. Due to Tesla's focus on viral marketing, the company's campaign mix is unmatched in the automotive industry. Viral advertisement constitutes the lion's share of a business's commercial interactions with prospective buyers. For instance, the Tesla Model S for Kids is heavily promoted on social media through viral videos, thus promoting the company's product portfolio. Personal messaging is a four-point technique used by salespeople in company-owned retail locations and galleries.

Additionally, Tesla leverages public relations to control and improve the brand. Integrating the company's patents into the open-source revolution, for example, demonstrates the company's contribution to promoting the global transition to renewable energy. These applications help users develop a sense of trust in the brand and its logo. On the other hand, profit revenues provide promotions on specific goods and the organization's consumer referral service. In comparison, sales deals include discounts on specific products and their consumer referral programmes. Additionally, the firm engages in direct marketing by supplying powertrain parts and batteries to other companies. In this component of the marketing mix, viral marketing has a significant impact on Tesla's ability to promote its goods and brand.



Conclusion

In conclusion, Tesla is a promising start-up that has risen to the forefront of the automotive industry thanks to its ground-breaking ideas and strong leadership. They also recognised the significance of clean energies and environmental conservation and how they should address these challenges by accelerated high-tech solutions. As a result, they have transformed the car industry and offered a viable alternative to fuel cars.

The PESTEL study of the company's external climate found that the organisation had more strong potential to improve its operation with funding from the American government. The global research conducted using the SWOT analysis showed that the enterprise had underlying vulnerabilities, which resulted in the business performing in a highly profitable sector due to a lack of proper financing. Established car manufacturers with more significant substantial competencies and finances to build electric vehicles much cheaper than Tesla have been identified as threats in the electric vehicle market. The Porters Five Forces study performed on Tesla Motors showed it was difficult for new players to join. Because of the high capital rate, this was the case. The sector requested, as well as the skills required for a company to run efficiently.

Finally, the organisation has implemented a differentiated focus approach, focusing on upper-income consumers and offering high-performance and innovative vehicles that provide them with a central competitive edge.

They are the industry leader, and they do not have a significant rival. The most critical challenge is the transformation deadline and how they will gain longevity by expanding their product range to appeal to all tastes.

Recommendation

According to Bowman's Strategy Clock, The business strategy will move from Concentrate Differentiation to Differentiation by offering distinct advantages from competitors and high consumer demand at comparable costs. As a consequence, consumer share will increase, as will long-term stability. It is recommended to expand the product line up within the compact and small premium vehicle markets to contend with other manufacturers and pursue a differentiation strategy. They should aim to be inexpensive and available to a diverse variety of market segments, not only the luxury segment. Additionally, the company must strive to maintain a leadership position in innovation and success and accelerate the production of



innovative products through technological advancements in Tesla's products. For instance, they can minimise the time taken to charge the car to the point that it is equivalent to gasoline-powered cars, and they can improve battery types and modularity to maximise the distance covered on a single charge. To pursue distinction, the company's cost structure must be strategically controlled to maintain lower costs in areas unrelated to differentiation while and costs in critical operations that have a distinct advantage, such as research and production and promotion (Akroyomare, 2012). Due to Tesla's relative youth, publicity is vital to the company's success. Tesla can create a brand name and become globally recognised by marketing applications.



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