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1 Introduction

Two macro-environmental forces that have significantly helped in the rapid growth of the electric vehicle (EV) sector are technological innovation and environmental regulations. The factors create opportunities and threats facing the organisations that exist in the automotive industry and affect their strategic marketing decisions and positioning. The current report involves a critical analysis of the EV industry by comparing one of the pioneer organisations, Tesla, with one of the follower organisations, Ford. It examines the changes and impacts of the market opportunities and challenges of the government policies and technological innovations for both companies. Moreover, the report also compares the strategic responses adopted by the two companies by using Porter's Generic Strategies and Ansoff Growth Matrix to understand how they continue to expand and still have a competitive edge.

2 Overview of Pioneer and Follower Organisations

2.1 Tesla as the Pioneering Organisation

Tesla is another reputable, innovative firm in the electric vehicle sector, as it also invested in disruptive technological development and sustainable transportation at an early stage. The company had been founded in 2003 and was competing with the established production of the automotive industry by doing nothing more than making electric vehicles, when most of the industry giants were still not ready to go past internal combustion engines (Daylan, 2023). The Tesla pioneering approach entailed massive investment in battery and autonomous driving systems and charging systems that enabled the company to come up with a high first mover in the EV market (Schreiber, Gregersen and Ashburn, 2026).



Figure 1: Tesla

2.2 Ford as the Follower Organisation

Ford is a follower organisation within the electric vehicle market because the company has entered the EV market many years after the debut of firms such as Tesla. Ford, being one of the oldest car manufacturing companies in the world, had a history of mass production of cars powered by an internal combustion engine as the means of power. However, growing environmental concerns, regulatory requirement and changing technology compelled the company to re-conceptualize its strategic flow and increasingly switch to electrification (Inderjeet and Scheepers, 2022). Ford, instead of being a pioneer company as the first to enter the EV market, has become a follower company that processes electric versions of familiar car models using its own existing brand name, production power, and distribution globally. They are the electric Mustang Mach-E and the F-150 Lightning pickup truck (Ford Motor Company, 2026).



Figure 2: Ford

3 Macro-Marketing Actor 1: Technological Advancements

One of the most important macro-environmental forces that influence the automotive industry is technological advancement. The rapid development of battery technology, artificial intelligence, connectivity systems, and automatic roads has radically modified the electric vehicles market. These technological transformations are both opportunities and threats to organisations in terms of positioning, as far as strategic positioning and innovation capabilities are concerned (Pricopoaia et al., 2024).

3.1 Opportunities and Threats for Tesla

Technological development in the case of Tesla has given serious opportunities that have underpinned the innovative status of Tesla in the EV industry. The firm has made considerable investments in research and development that have enabled it to develop advancements in its battery systems, in-flight updates to its software, and even in automobile driving technology.

However, there are also threats to Tesla from technological development. Incidents, as well as new market entrants, can replicate the same capabilities once electric vehicle technologies are more accessible (Ma, 2025).

3.2 Opportunities and Threats for Ford

Technological advancements also present opportunities and threats for Ford as a follower organisation. The other principal opportunity that Ford will get to enjoy is the fact that it can learn about technological experimentation and market inquiry that is carried out by technological pioneers such as Tesla.

Nevertheless, there are threats to Ford, as well, due to technological development. As a follower organisation that has beaten the conventional automotive manufacturing, the company will need to invest many resources in the new manufacturing technologies, retraining workforce, and restructuring the supply chain (Wang, 2024). This expenditure could increase the cost of doing business and lead to strategic uncertainty.

4 Macro-Marketing Actor 2: Government Policy and Environmental Regulation

Government policies and environmental regulations are another significant macro-marketing factor that is going to have an influence on the electric vehicle business. More so as a strategy to control the issue of climate change and environmental sustainability, the majority of governments globally have formulated regulatory measures that have been oriented towards reducing carbon emissions and the adoption of electric vehicles.

4.1 Opportunities and Threats for Tesla

The government, in aid of electric vehicles, has also assisted Tesla immensely, as it has been able to create favourable market conditions that favour Tesla products. Monetary bonuses and subsidies in the direction of EV purchase have been weighed in favor of the consumers transitioning to the purchase of the electric vehicles at a higher pace, thereby increasing the Tesla products demand.

However, there are also certain threats that the state policy can pose to Tesla. The move in the subsidy programmes or regulating systems can influence the demand for electric vehicles (Ibrahim Abugarayesh, 2025). The government might even reduce the market expansion by eliminating the government subsidies for several consumers, resulting in EVs being costlier.

4.2 Opportunities and Threats for Ford

Ford also receives significant opportunities due to the policies of sustainable transportation suggested by the government, as it keeps expanding its range of electric vehicles. Even the financial motivation and regulations are the reasons that the car companies turn towards the development of electric vehicles that coincide with the long-term plan of Ford to break the electrification cycle (Ford Motor Company, 2024).

Nevertheless, tension in regulation is also an issue for Ford. Because Ford is a well-established company and holds the history of manufacturing internal combustion engines, it will have to make an immediate shift in its manufacturing processes to meet the new requirements that have been set for the level of emissions (Adebayo, 2025). This transformation is associated with a lot of investment in new technologies and infrastructure.

4.3 Influence on Competitive Position

The Tesla and Ford competitive position in the electric vehicle (EV) market is highly reliant on the government policy, environmental regulation, and even technological advancement. Tesla has gained a reputable status of being on the frontline of the tightened environmental regulation and government policies which have promoted low emission transport in the early stages. The growing demand of EVs that Tesla must grow faster and seize its market leadership, is caused by subsidies and emission targets, among others (Nezhadkian and Zho, 2025).

On the other hand, having new entrants, Ford benefits with such policies, as well as rises transition cost to meet regulatory policies due to its background with internal combustion engines. Technological invention increases the competitive distance further. The battery invention, autonomous driving, and software integration work done by Tesla spent enormous funds enable it to continue product differentiation and contributes to the first-mover advantage. Brand perception and customer loyalty are enhanced by the pace at which it becomes innovative. At the same time, Ford approaches it as the followers adapting the available technologies, studying the innovators, and applying EV systems to the old types of vehicles. This reduces the risk at the expense of the technological leadership of Ford and delays its competitive positioning (Farida and Setiawan, 2022).

5 Task 2

5.1 Strategic Responses to Macro-Environmental Factors

The macro-environmental factors identified in Task 1, particularly the technological advancement and the government policies that triggered the green transportation, have had a significant impact on the strategic responses of organisations in the electric vehicles (EV) industry. To adjust to such forces, the companies must find a strategic marketing plan to match the external forces and maintain future growth. In comparison, Ford is focusing on the power of its conventional manufacturing capability and brand to accelerate its transition to electric mobility (Gini and Agala, 2023). Porter's Generic Strategies and Growth Matrix, designed by Ansoff, is a strategic model that helps to examine the way each organisation has put its competitive strategy and development path in response to these macro-environmental forces.

5.2 Porter's Generic Strategies

Porter's generic Strategies provide an appealing paradigm of understanding the methods of achieving competitive advantage by organisations within the industry. It comprises three competitive strategies as follows: cost leadership, differentiation, and focus strategies that can be adopted by firms in an attempt to entrench themselves in the market and respond to the competition. Using Porter's framework in relation to Tesla and Ford, it will be possible to evaluate the process of competitive strategy choice that both innovator organisations and follower organisations utilize to guarantee stagnation and stay topical in the market (Rahman et al., 2025).

Tesla's Competitive Strategy

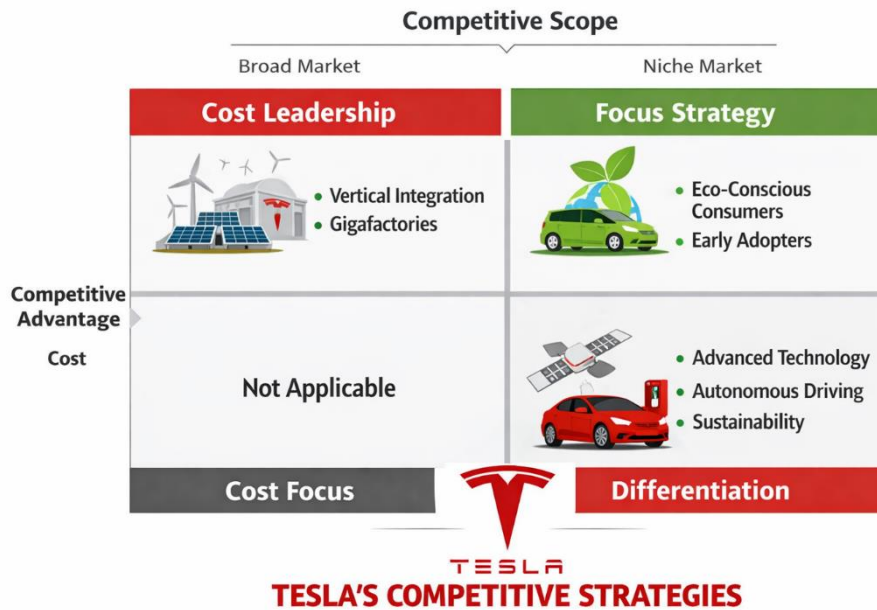


Figure 3: Porter's Generic Strategies for Tesla (Source: Self-Created)

Tesla is a pioneering organisation, and this has been achieved through strategic orientations that emphasize innovation, technology leadership, and differentiation of the brand as an innovative organisation in the EV industry. The competitive strategy that has been embraced by the company is very focused on the creation of high value through the assistance of high technology and a sound, sustainability-based brand image.

Cost Leadership

Tesla is not being competitive with cost leadership; however, the company does attempt to leverage the cost of production through vertical integration, battery development, and Gigafactories. Such programs allow Tesla to step by step keep the costs of manufacturing to a minimum and maintain a leading level of technological capabilities (McCall, 2024).

Differentiation

High level of battery and autonomous driving technology and great sustainability-oriented brand history, Tesla possesses a core competitive advantage in the form of differentiation. The technological advantage of Tesla is also supported by constant software updates and individual charging systems to add value to the customers.

Focus Strategy

Tesla has initially targeted consumers who are concerned about both the environmental and the technological aspect as well as consumers who are willing to adopt new mobility solutions (Nezhadkian and Zho, 2025). This is the concentration in a niche market that has enabled the company to possess a strong brand, and then it expanded into other large market segments.

Ford's Competitive Strategy



Figure 4: Porter's Generic Strategies for Ford (Source: Self-Created)

In comparison to Tesla, Ford is a late entrant in the EV business, a follower organisation. This has adversely affected its competitive approach and thus the need to manage its available capabilities to adapt to the rapidly changing automobile environment (Ford Motor Company, 2026).

Cost Leadership

Ford has developed years of experience in manufacturing vehicles in big quantities, and this has achieved cost efficiencies because of the presence of supply chains and economies of scale. These competencies allow Ford to possess a prospect of producing electric cars at an affordable cost relative to newer EV producers (Sanci et al., 2022).

Differentiation

Ford is also distinguishing itself within its EV products by turning sports cars such as Mustang Mach-E and F-150 Lightning into electric vehicles. It has a strong brand legacy and electric

technology, allowing Ford to be creative in the consumption of the unique value offer that is appealing not only to its faithful consumers but also to the new EV entrants (Meyer, 2025).

Focus Strategy

Ford caters to the masses of consumers and other people who use commercial vehicles, and those who need to have practical and reliable cars (Yeung, 2024). With the strategic marketing to such segments, Ford will be able to boost the number of people who use EVs among the regular car buyers and not just among the first adopters.

5.3 Ansoff's Growth Matrix

Another strategic analysis tool used by Ansoff in the growth strategy analysis of organisations is the Growth Matrix. The model suggests that four significant growth options exist; they are market penetration, product development, market development, and diversification. Application of the Ansoff framework in Tesla and Ford provides valuable insight into the manner in which the two firms have managed to grow to respond to factors of the macro-environment.

Tesla's Growth Strategy

The growth plan of Tesla reduces to its intent to be the global leader in the discharge of sustainable energy and electric movement. As an innovative organisation, Tesla has been occupied with numerous growth initiatives that seek to sustain technological progress, globalisation, and infiltration in other pertinent areas.

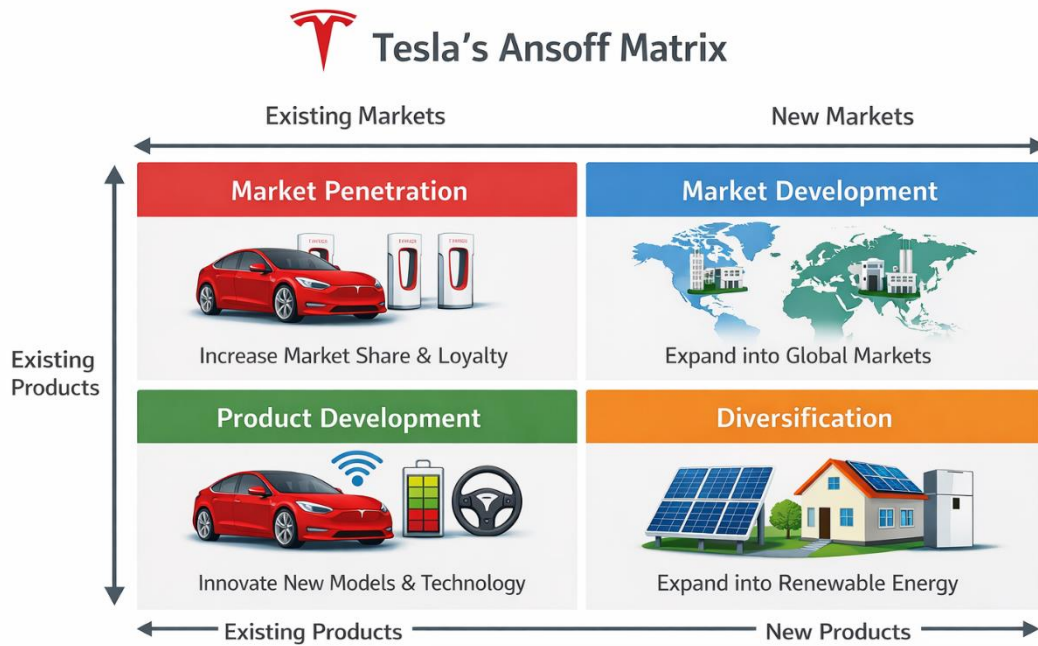


Figure 5: Ansoff's Growth Matrix for Tesla (Source: Self-Created)

Market Penetration

Tesla can create product loyalty, a continuous improvement of its products, and expansion of its charging networks to gain more power in the market. These attempts encourage existing clients to remain with Tesla and increase market share (Chen and Chen, 2023).

Product Development

Tesla has a routine in terms of the release of new models of cars and features. The commitment of Tesla to never-ending product development is evident in battery efficiency, autonomous driving software, and vehicle design innovations.

Market Development

Tesla is expanding out of the US and establishing production and distribution facilities in other regions globally, such as Europe and Asia. This increase in the international market will help Tesla to touch new circles of customers and take advantage of government subsidies regarding EV adoption (Brzeziński, 2024).

Diversification

Tesla has diversified itself into energy solutions in the field of renewable energy including solar energy systems and energy storage products. This diversification augments the general sustainability of the energy plan of the corporation and creates additional income.

Ford's Growth Strategy

The change of Ford as a company that focuses on the production of conventional cars to electric mobility is proven by the growth plan. The company is a follower organisation, and thus it focuses on exploiting its available resources and client base as time progresses, as it continues to diversify its electric vehicle portfolio.



Figure 6: Ansoff's Growth Matrix for Ford (Source: Self-Created)

Market Penetration

Ford will be able to sell electric cars to its existing clientele by tapping into its networks and brands of dealerships located globally. Fostering the application of EV models by assisting the traditional customers in the transition to EV Ford models, the company increases the number of customers positively adopting EVs (Ford Motor Company, 2024).

Product Development

Ford has an EV strategy, which entails the conversion of their popular vehicles into electric ones (Mustang and F-150). The strategy will help the firm to achieve a high degree of innovation based on a high degree of brand recognition (Purnawan, 2024).

Market Development

Ford exploits foreign countries with the EV market, environmental codes, and government subsidies with the aim of advancing the use of EVs. The strategy above will assist the company in exploiting new growth opportunities within the international market (Adam Khan Kasi, 2020).

Diversification

Ford is trying to develop batteries, digital mobile services, and cooperate with technological companies. Such ventures are a strategic diversification to increase the competitive advantage of the company over the long run in the dynamic mobility ecology (Chen and Chen, 2023).

5.4 Comparative Evaluation of Strategic Responses

Tesla and Ford comparison is a means of describing the different strategic paths that pioneer and follower organisations follow in their reaction to the macro-environmental changes. Tesla has a plan for technological innovation, product differentiation, and international expansion of the company to allow it to maintain its leadership position in the EV market. The company continues to mold the minds of consumers and industry norms as Tesla pursues the fresh trends of technology and energy that are environmentally friendly. To put it another way, Ford concentrates on the more moving approach, which leverages the already developed brand name, mass scale of production, and huge distribution systems (Chari and Ferreira, 2025). Rather than go directly against the technological leadership itself, Ford will integrate the electric technology with the ones it is providing currently, focusing on maintaining the spread of EV usage among its present clients.

6 Conclusion

In conclusion, government regulations and technological development are significant to the competition in EV, which gives Tesla an advantage of leading the first-mover competition and has Ford strategically diversify to become a competitor in the shifting market. Macro-

environmental factors such as technological advances and government-based policies are highly significant factors in determining strategic marketing decisions in the electric vehicle market. Being an innovative organisation, Tesla has had the opportunity to leverage technological innovation and high brand differentiation to create a high competitiveness advantage. Ford, on the other hand, being a follower organisation, has responded by diversifying its traditional manufacturing strengths, and the introduction of electric models of their long-established families of cars. Application of Porter's Generic Strategies and Ansoff Growth Matrix implies that the two companies have different approaches in positioning their companies to sustain their expansion.

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