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# 1. Introduction

The macro marketing environment is a core aspect of strategic marketing management since it determines the structure of the industry, forces of demand, and the strategic degrees of freedom of firms. Tesla is well known as the technological leader in the global marketplace of electric vehicles (EVs) that jump-started the modern-day mass-market electric-vehicle category by early-mover innovation in batteries, software, and charging. The Volkswagen Group (VW) is a strong scale-advantaged follower with multiple brands, multibrand coverage, and late-comer flexibility, but with legacy lock-ins that make change more difficult. This report aims to critically discuss how two key macro-environmental factors: Technological (software-defined vehicles, battery systems, charging standards) and Environmental Policies (emissions regulations, subsidies, charging mandates), impact the electric vehicle (EV) industry globally, and how these players generate various opportunities and threats to innovative and follower organisations. Because pioneers and followers are structurally different in the market, there are macro forces which do not influence them in the same way, including technological changes and changes in environmental policy, and this has a direct implication on strategic decision-making. This paper offers two facets: firstly, a critical, evidence-based diagnosis of change in the industry; secondly, a comparative assessment leading to the distillation of strategic implications between pioneer and follower positions in a context of rapid technological and regulatory change.

## 2. Task 1: Critical Analysis of the Macro Marketing Environment

### 2.1. Overview of The Macro Marketing Environment

Macro marketing environment involves external forces that affect organisations, though they cannot be manipulated. These forces are usually examined in terms of the PESTEL framework, incorporating the political, economic, social, technological, environmental, and legal fronts. In companies that work in industries with a high level of innovation, like car electrification, these forces are particularly important to comprehend since the macro-level trends may alter the demand trends, cost-structure, and regulatory pressures (Trovão, 2023).

Product attributes, customer experience and production efficiency are affected by technological factors. In the meantime, the forces of environment and policy (carbon-emission allowances, clean-energy policies, and subsidies) influence the demand incentives and competitive obstacles. The interplay of these macro forces is what defines the strategic flexibility of firms, particularly in rapidly changing industries.

The adoption of EVs in the world has shifted from early growth to a more competitive mainstreaming. The cyclical softness and competitive pricing pressure still see Tesla record large-scale deliveries amid cyclical softness and competitive pricing pressures (Tesla, 2025). VW has invested in EV platforms (MEB, SSP) and software (Cariad), and created a \$5-5.8 billion joint venture with Rivian to expedite SDV operations (Volkswagen, 2025). Nonetheless, software delays on product schedules have also been experienced by VW (e.g., Trinity), which has resulted in changes to the strategy. These facts highlight the growing competition, standard convergence, and execution risk.

## 2.2. Selection of Two External Macro Marketing Actors

Two macro-environmental actors are chosen to be analysed in detail: Technological factors and Environmental Policies. The latter two forces have the greatest impact on the world EV industry. The improvement of battery systems, software-defined vehicles (SDVs), and charging standards is defined by technological advances, which pioneers, such as Tesla, are normally ahead. The market preparedness and mandatory laws are influenced by the environmental policies, such as emissions and EV incentives. The policies affect investment decisions, restructuring of the supply chain, and competitive positioning. Technology combined with policy presents the best opportunities and threats to manufacturers of EVs.

## 2.3. Critical Analysis of Each Actor

The car is being turned into a software-defined platform having zonal architectures, over-the-air updates and services over hardware. In North America, charging standards are moving towards NACS, which will allow Tesla Supercharger to be opened to other OEMs starting in 2025; battery innovation is still central to the cost, range, and performance (Volkswagen, 2025).

### First Macro Actor: Technological Factors

#### Pioneer: Tesla

## **Opportunities**

**Network effects and platform leadership:** The adoption of NACS by traditional OEMs certifies Tesla's standards and commercialises its charging asset, which may catalyse ancillary revenue and diminish one of the major range-anxiety obstacles in the industry (Liu, 2024). This supports brand positioning as the point of technology reference.

**Benefits of an integrated stack:** Rapid feature deployment and cost learning at Tesla is based on a vertically integrated battery strategy (including 4680 efforts) and an established OTA pipeline. Record deliveries and energy deployments reflect scaling prowess, which can amortise R&D.

## **Threats**

**Exclusivity is diminished by the diffusion of the standard:** With NACS going industry-wide, the distinction between charging convenience can be lost (Ezugwu et al., 2025). Supercharger congestion and cross-OEM prioritisation will have to be addressed to maintain the customer experience.

**Price pressure & technology commoditisation:** Tesla may lose its advantage as its rivals gain access to comparable charging and acceleration software through collaborations like Rivian JV. The growth in delivery has been sluggish at times, for example, the 2024 decline. It is sensitive to model cadence and price wars.

## **Follower: Volkswagen**

### **Opportunities of the follower (Volkswagen)**

**Alliances' capability leapfrogging:** The VW-Rivian JV is intended to scale SDV software and electrical architecture between brands faster, which could mean that time-to-feature is reduced and UX matches innovators (Goswami, 2024). The relocation is also an indication of a cultural shift to agile, software-based development.

**Access to superior charging:** The introduction of formal NACS since 2025 will provide VW customers with access to Superchargers, which will reduce a significant experiential gap in North America and assist in demand capture in the absence of a full proprietary build-out.

## **Threats**

**Execution risk and complexity:** VW Cariad reorganisation and slugs have postponed key EV rollouts, threatening to lose brand momentum and becoming more capital-inefficient. There is operational risk with the integration of new partners and the removal of legacy software stacks.

**Software parity race:** Despite alliances, it is difficult to provide reliable OTA, ADAS, and app ecosystems on Tesla-esque cadence, especially when it comes to multi-brand portfolios and international regulatory environments.

## Second Macro Actor: Environmental Policies

In a fleet-wide 0 g CO<sub>2</sub>/km target of new cars or vans by 2035, with tightenings in 2025 and 2030, the EU has reaffirmed the target in principle (EU, 2019). It has amended the near-term compliance flex. The UK has other plans for 100% zero-emission new vehicles by 2035 (Blenkinsop, 2025). The Inflation Reduction Act (IRA) in the US grants a \$7,500 clean-vehicle credit with increased battery sourcing and a tightening of the battery sourcing and foreign entity of concern (FEOC) limitations in 2025, which have a material impact on eligibility.

## Pioneer: Tesla

### Opportunities

**Policy-aligned footprint.** In the cases where models pass, IRA credits may make it affordable and help in penetration.

**Hedge of reputation and compliance:** Being already zero on tailpipe CO<sub>2</sub> makes the compliance cost shock less than in clean-ups, and the resources can be used on software and manufacturing innovations.

### Threats

**Eligibility volatility:** By tightening FEOC regulations and critical minerals levels, vehicles can be disqualified in case supply chains contain restricted sources, making it hard to price and demand models at the model level in the US.

**Trade and subsidy politics:** Changes in transatlantic policy or domestic politics may change incentives or introduce tariffs, which puts a strain on margins in price-sensitive segments.

## Follower: Volkswagen

### Opportunities

**Regulation and planning:** Planning is possible when there is regulatory clarity. The EU plans generate predictable demand curves of EV portfolios. VW can implement phases of platforms and factories to achieve targets and use its brand ladder (VW, Audi, Porsche, Skoda, Seat/Cupra) to span across several price points (Gebler et al., 2024).

**Subsidy-compatible localisation:** The supply of batteries locally to meet IRA guidelines and the ability to use the base of the JV in the US (Rivian in Illinois) can assist VW in re-qualifying the future models to earn credits (Sriram and Roy, 2024). And this will make US operations more competitive.

### Threats

**Compliance risks:** Cost and timing risk of compliance. Achieving both the 2030 and 2035 gates and fixing software/platform latency both raise exposure to execution and possible penalties/opportunity costs (Reuters, 2024). Further slippage in the programme (e.g. Trinity) indicates risk of overlooking demand windows.

**Policy tightening:** In the US, FEOC regulations could leave certain VW models with no credits unless supply chains can be shifted quickly, which makes it more difficult to position prices in comparison with competitive models that are eligible.

EV-committed portfolios are favoured by environmental and policy forces, but their results are distinguished by supply-chain origin rules and timing. Structural alignment is an advantage of pioneers. Followers have to transform fast and obediently lest they lose their value.

## 3. Task 2: Strategic Responses of Pioneering And Follower Organisations

### 3.1. Pioneering Organisations' Strategic Responses (Tesla)

| New Market      | Market Development                                                                                                                                                                                          | Diversification                                                                                                                                                                                                                                        |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                 | <ul style="list-style-type: none"> <li>Expanding into emerging regions</li> <li>Localising production to meet regional sourcing laws.</li> </ul>                                                            | <ul style="list-style-type: none"> <li>Diversifies into energy generation and storage</li> <li>AI-driven robotics and grid-scale services</li> <li>Integrates solar, Powerwall, and vehicle-to-grid offerings</li> </ul>                               |
| Existing Market | Market Penetration                                                                                                                                                                                          | Product Development                                                                                                                                                                                                                                    |
|                 | <ul style="list-style-type: none"> <li>Frequent price adjustments of their EVs</li> <li>Expansion of the supercharger network.</li> <li>Aggressive marketing in energy saving and cost ownership</li> </ul> | <ul style="list-style-type: none"> <li>Develops a new model of cars and energy storage solutions</li> <li>Advances in autonomous driving and OTA software features to sustain differentiation</li> <li>Launches new software subscriptions.</li> </ul> |
|                 | Existing Products                                                                                                                                                                                           | New Products                                                                                                                                                                                                                                           |

Figure 1: Tesla's Ansoff Matrix (Author)

**Differentiation through combined technology:** To maintain performance and UX gaps, Tesla enhances product-software integration (battery, OTA, ADAS) (Nasirinejad and Sampalli, 2023). Supercharger moat is shifting to exclusive differentiator and platform revenue and customer-experience control point as NACS spreads out, Tesla must deal with capacity and service-quality SLAs as third-party usage rises.

**Ansoff Matrix:** product and market development. New nameplate or updated model (e.g. regional version), expansion and scale-up of energy storage (utility storage growth), diversify the revenue, and smooth out cycle utilisation. Delivery and storage deployments recorded by record Q3-2025 designs cost learning leverage of scale.

**Localisation policy hedging:** To reduce IRA variability, Tesla remains localising parts/putting together and adjusting chemistries (e.g., LFP) and sources of supply to render models eligible (Mordue and Vallejo, 2024). Where feasible, a sensing-seizing power forms the basis of pricing strength in the mass market.

**Pricing and product mix strategies:** Tesla has been open to price reductions in less-demand seasons to protect volume and learning curves, but this narrows down on margins

and can lead to brand dilution, unless it is backed by cost savings and the value of new features.

### 3.2. Follower Organisations' Strategic Responses (Volkswagen)

|  | Market Development                                                                                                                                                                                                                                                 | Diversification                                                                                                                                                                                               |
|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> <li>• Focuses on the Chinese and North American EV growth</li> <li>• Positions Cupra and ID-family EVs for new, younger digital-native segments</li> <li>• Joint venture with Rivian opens a potential co-production</li> </ul> | <ul style="list-style-type: none"> <li>• Explores battery-manufacturing ventures</li> <li>• Invests in software platforms</li> <li>• Partnerships in synthetic fuels and renewable-energy sourcing</li> </ul> |
|  | Market Penetration                                                                                                                                                                                                                                                 | Product Development                                                                                                                                                                                           |
|  | <ul style="list-style-type: none"> <li>• Enhances brand portfolios</li> <li>• Improves dealership incentives</li> <li>• Adopts NACS charging from 2025 to reduce consumer friction and strengthen market trust</li> </ul>                                          | <ul style="list-style-type: none"> <li>• Introduces refreshed MEB/SSP-based EVs across brands</li> <li>• Invests in SDV software</li> <li>• Develops high-performance and luxury EVs</li> </ul>               |
|  | Existing Products                                                                                                                                                                                                                                                  | New Products                                                                                                                                                                                                  |

Figure 22: Volkswagen's Ansoff Matrix (Author)

**Ability acquisition through alliances:** The Rivian JV is a grab move to medium-speed SDV software and electrical structures, and the recognition that internal programmes (Cariad) had to be supplemented (Sriram and Roy, 2024). In cases of tight execution, this may also eliminate the software difference and allow for the reuse of cross-brand features.

**Standard alignment:** Making the financial commitment of the NACS in 2025 is a practical way to enhance convenience in charging in North America, as well as minimise consumer friction, which is a significant obstacle to adoption, without the multi-year, capex-intensive construction of a network.

**Portfolio risk management:** According to Reuters (2025), VW staggers launches (e.g. update MEB before SSP) to control investment risk whilst having achieved EU milestones, but Cariad restructuring continues to be a headwind to speed and integrity.

**Ansoff:** penetration and development of the market. VW has a brand ladder, dealership network to target various price segments, such as performance (Porsche, Audi), and mainstream (VW, Skoda), and it is able to customise deals to local incentives/regulations.

Tesla has answers that are consistent with a differentiation-through-integration playbook, now with platform monetisation (charging, software). These actions of VW are practical: purchase speed (Rivian), embrace standards (NACS), and change portfolio time. The effectiveness of the strategy of VW will be based on the quality of execution and time-to-software parity, and not simply on capital investment.

### **Comparative Effectiveness Competitiveness**

The critical variable is time-to-capability. Tesla stack enables quick OTA feature speed and manufacturing learning, and has defensible differentiation despite other access to NACS. Nevertheless, with charging becoming a non-exclusive standard, the performance disparity becomes less significant, and the rivalry moves on to software dependability, price per kilowatt-hour, and model innovation.

In the case of Volkswagen, Rivian joint venture can also be a step-change if it provides a shared SDV backbone that allows prompt releases and cross-brand scale (Chari and Fernandes, 2025). This may convert scale to software leverage, a requirement of cost and feature sustained competitiveness. Nonetheless, risks to organisational integration, including governance, architecture decisions, brand inconsistency and overlap of a legacy platform may reduce profits. Signs of implementation to date (CARIAD restructuring; programme deferrals) indicate positive developments, but with latent weaknesses.

In Environmental Policy factors, the two firms should make the supply chains conform to IRA eligibility. The localisation and flexible chemistry strategy previously employed by Tesla can offer them a short-term advantage in affordability in the US (Gebler et al., 2024). VW will have to pay the price-positioning losses more quickly or endure the losses. Policy transparency in the EU/UK up to 2035 contributes to the overall portfolio planning of VW, and the interim gates during software restructuring are not an easy matter. In conclusion, Tesla has a competitive edge through integrative capabilities and platform size. The directional soundness of the strategy adopted by VW is fragile in its execution. In certain segments/regions, competitive parity is achievable when the JV provides credible software that is continuously updated, and the battery supply by VW is compliant at scale.

## 4. Conclusion

The automotive competitive game has been re-architected as a result of technological and Environmental/Policy forces. Being a pioneer, Tesla continues to enjoy the vertical integration and the scale of its platform, and brand-encoded technology leadership, although the uniqueness of its charging advantage is declining as NACS becomes a standard in the industry. The alignment of standards within Volkswagen and the Rivian collaboration is a logical shortcut towards capability equality, and the results will be achieved by the solution of software complexity and policy eligibility between supply chains. The EV competition has reached software-defined, policy-qualified scale in a strategic sense. Companies that combine speed of responding to software changes with conforming, local battery sourcing will have better unit economics and customer value. This bundle is implemented more regularly by Tesla nowadays; VW has developed an execution-critical path to parity. Whether the followers can make alliances to translate on-road reliability and cost competitiveness, or whether the pioneers will re-stretch the frontier by new products, lower cost per kWh and monetised platforms will be determined over the next three years.

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