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Assessing Tesla's Potential for Achieving a Successful Entry into the Vietnamese Market



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1. Introduction

The Tesla brand has become one of the most powerful multinationals in the world, transforming the landscape of the automotive and clean-energy industry worldwide with groundbreaking battery technology, mass-produced products and a direct-to-consumer sales strategy (Forbes, 2024). Vietnam is a growing emerging market, catapulted by robust economic expansion, aggressive government support and a national strategy of transport electrification, as the adoption of electric vehicles (EVs) gains momentum throughout the continent of Asia (Ladyga, 2025).

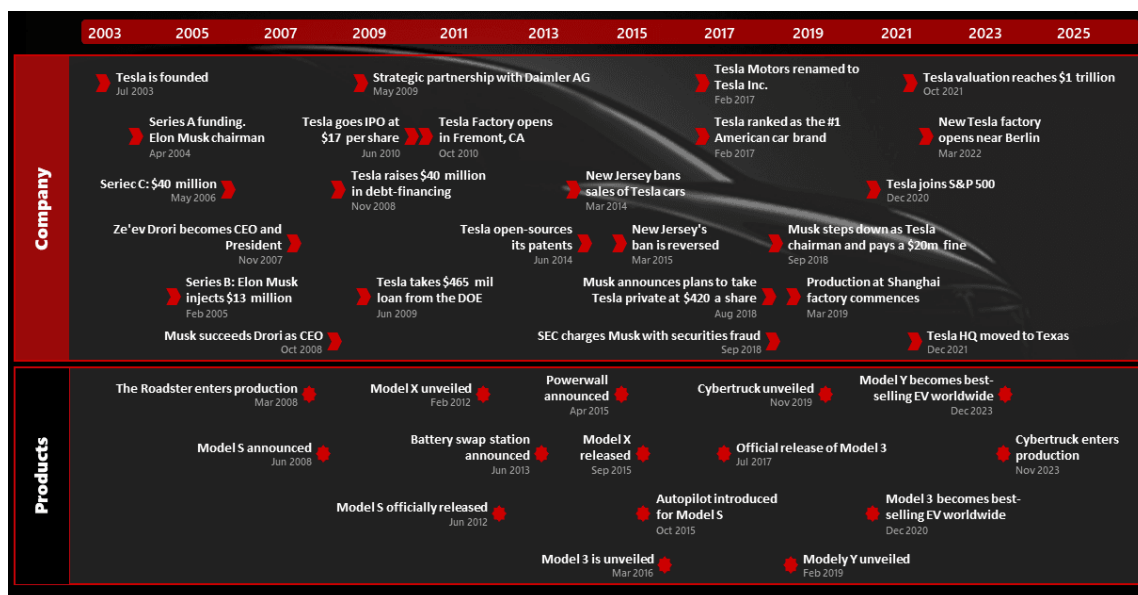


Figure: Tesla Inc. Timeline (Malik, 2017)

In this report, the potential opportunity of Tesla to expand into Vietnam is critically evaluated by considering the advantages and disadvantages of its internationalisation, the ownership of the firm, the location and internalisation benefits, and assessing cultural differences in the United States and Vietnam. It also presents a package of Standard operating procedure (SOP) modifications that are needed to attain operational viability, local responsiveness, and long-term competitiveness in the emerging EV ecosystem in Vietnam.

2. Benefits and Challenges of Tesla's International Operations

2.1 Tesla as a Multinational/Transnational Corporation

Tesla has developed into a multinational company, with large-scale production, research and sales networks in North America, Europe and Asia. Its global presence covers Gigafactories in the United States, China and Germany with over 1,350 sales, service and delivery centres across the globe. The worldwide EV leadership of Tesla can be seen through its sales: in the first half of 2024, Tesla experienced about 11% of the EV sales worldwide, which represents about 625,000 units (Tesla, 2024).

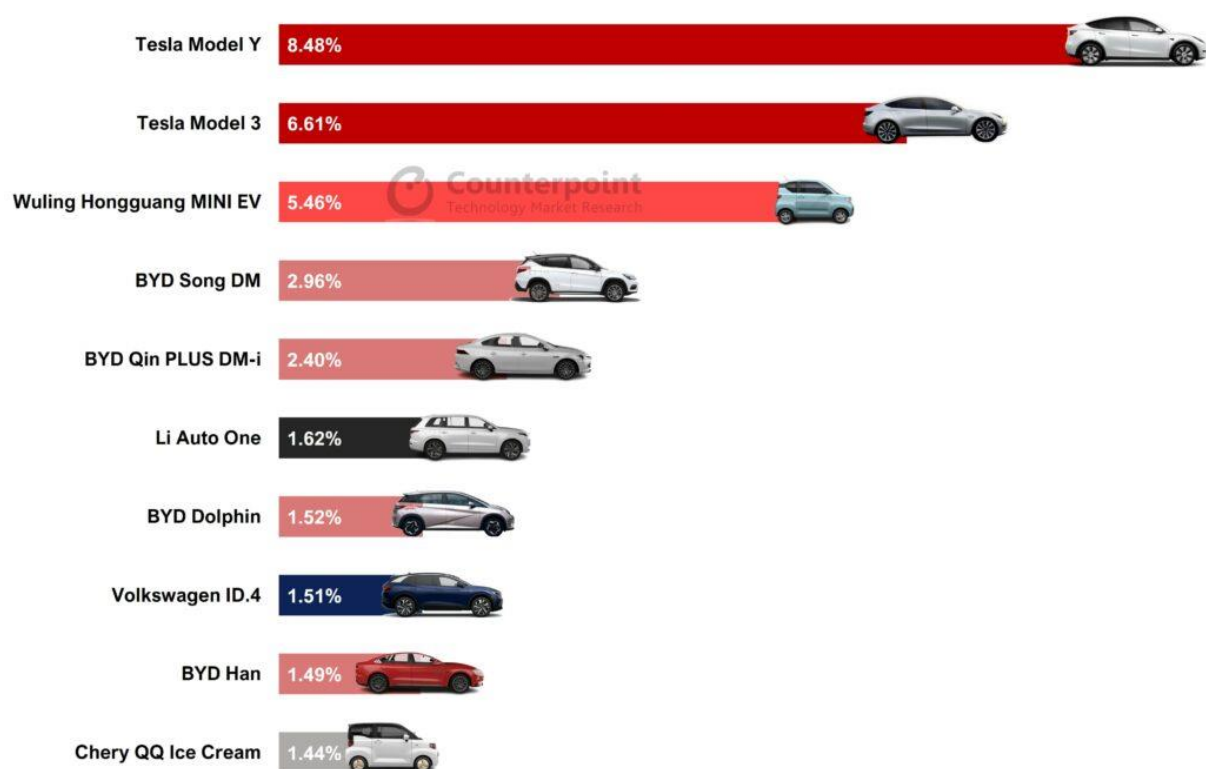


Figure: Global Top 10 EV Model Shipment Share (Counterpointresearch.com, 2022)

These statistics point to a transnational pattern of global standardisation of technology with regional acculturation in terms of the localised production, supply chain and market-oriented regulatory conformity. Tesla Company's cross-border coordination, operations, and value-chain integration, which is driven by scale, satisfy the core transnational requirements and establish a robust foundation to assess its feasibility to expand into Vietnam.

2.2 Tesla's Global Value Chain

The global value chain of Tesla indicates a strong vertical integration and technological control that is not a characteristic of traditional automakers. The Value Chain by Porter offers an analytical framework to examine such operations.

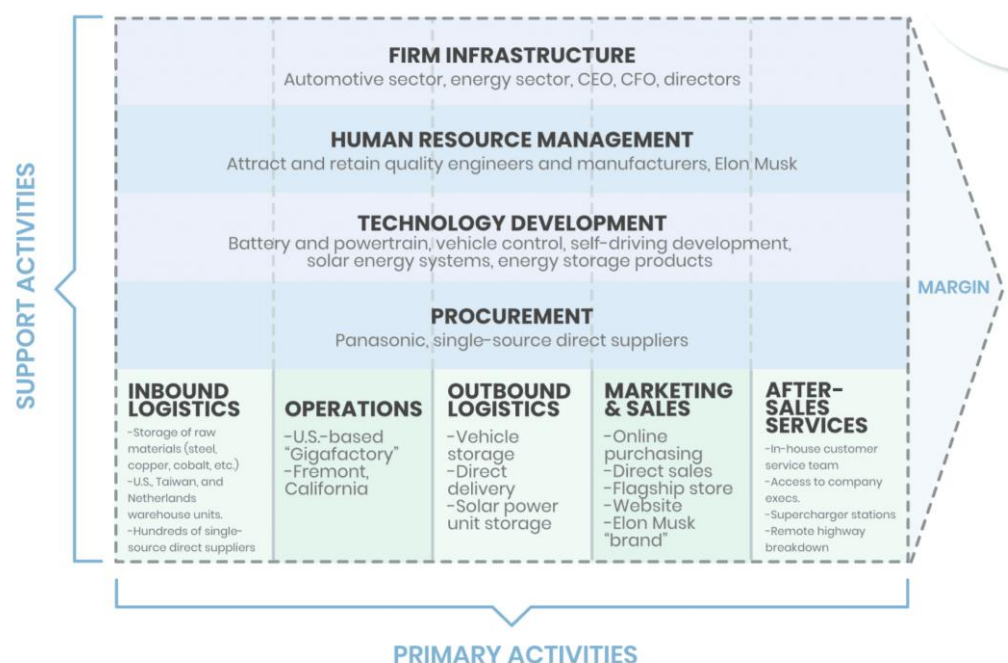


Figure: Value Chain Analysis of Tesla (Xiao, 2025)

Inbound Logistics: Critical minerals such as lithium, nickel and cobalt are sourced by Tesla suppliers located in Australia, Indonesia, Canada and South America. The company is also getting more involved in upstream operations, such as lithium refining in Texas and supply deals with international mining companies, to minimise the cost volatility. The reliance on geographically concentrated raw materials offers scale efficiencies and exposure to supply risks (Xiao, 2025).

Operations (Gigafactories): The competitive advantage of Tesla lies in its Gigafactory model. Gigafactory Shanghai was opened in 2019 and is expected to produce over 750,000 vehicles each year, becoming the highest-capacity plant of Tesla (Xiao, 2025). The Berlin and Texas facilities are focused on battery pack production, structural battery integration and advanced manufacturing automation. These plants allow economies of scale, reduced unit-battery prices and fast worldwide distribution. In the case of emerging markets, Tesla typically would launch exports out

of Gigafactory Shanghai because of economic competitiveness and geographic advantages.



Figure: Tesla's Global Operations (Reuters, 2023)

Outbound Logistics: Tesla employs a hub-based worldwide export approach. Gigafactory Shanghai is the export centre to Asian Pacific countries, including Australia, New Zealand and Singapore. Tesla has a direct distribution approach, which eliminates third-party dealerships, lowers the transaction costs, and provides closer control over the after-sales requirements. Export growth can also enable Tesla to experiment with new markets without investing in local assembly (Chen and Perez, 2018).

Marketing, Sales and Digital Systems: Tesla uses an unusual, experience-based marketing strategy that does not rely on paid advertising (Gao, 2023). Global branding focuses on performance, innovation and sustainability. Its internet-based buying platform and a single mobile application combine car ordering, servicing, billing and directions. OTA software updates provide uniform deployment of technology across the world.

Customer Support, Charging and Service: One of the most unique assets of the company is the Tesla Supercharger network, which has more than 55,000 chargers around the world as of 2024 (Ding, 2025). The global network density differs considerably in different regions. Customer care is simplified by Tesla Service Centres

and remote diagnostics. Hardware, software and charging infrastructure integration improve customer experience but complicate foreign expansion.

2.3 Tesla's Global Entry Modes

Tesla adopts a hybrid internationalisation strategy that is influenced by regulatory environments, potential supply chains, and market feasibility.

- **High-Commitment Forms:** Fully owned production via Gigafactories (e.g., China, Germany).
- **Middle-Level Commitment:** National sales subsidiaries backed by export-based vehicle supply (e.g., Singapore, Malaysia, Thailand).
- **Low-Commitment:** Mobile-delivery and online-ordering models in smaller markets.

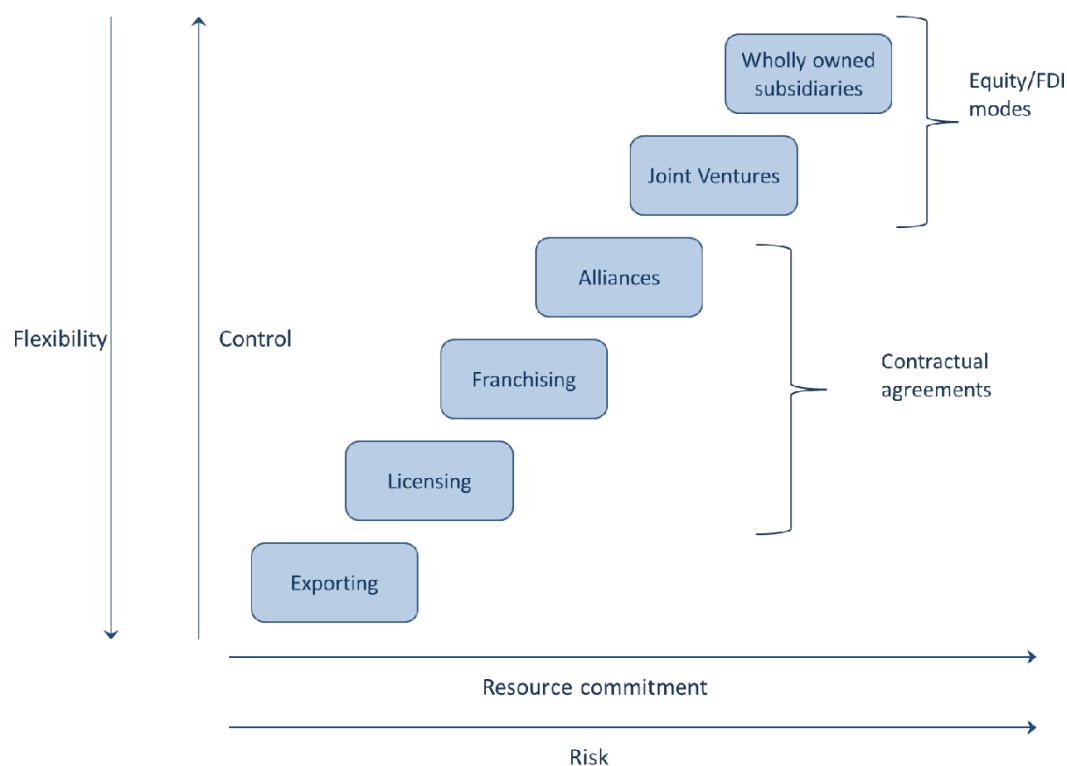


Figure: Market Entry Modes (Czinkota and Ronkainen, 2021)

Direct sales and the absence of dealerships are both a competitive strength of Tesla (greater control) and a regulatory limitation in the markets where dealership franchising is mandatory (Lei, 2025). This combination of entry modes enlightens the subsequent analysis of Vietnam.

2.4 Benefits of International Operations

Economies of scale and cost leadership: The internationalisation of Tesla prompts mass production efficiencies. Battery prices, which constitute up to 40% of the total cost of an EV, decrease considerably with more Gigafactory production. As an illustration, battery prices at Tesla have decreased by more than 200 USD/kWh in 2013 to as low as 100 USD/kWh in recent years, which is directly attributed to global scale (Xu and Arjmandzadeh, 2023). Diversification into other markets boosts global demand and further improves the economies of scale.

Diversification of Revenue and Market Expansion: In 2023, the global EV market was over 14 million units, growing 35% each year, and Asia had a high adoption rate. Global activities decrease reliance on the American market and allow Tesla to enter the new consumer segment with middle-income incomes. Asian markets- especially China, Thailand and Singapore- are showing increasing demand for premium EVs. With an estimated market size of USD 7.4 billion by 2030, the EV market in Vietnam correlates with Tesla's requirement for geographically diversified market growth (Bravo, 2025).

Learning and Innovation Benefits: The global business enhances the innovative ability of Tesla. Competitive EV environment in China has fast-tracked Tesla's software, design and pricing development cycles. The ability to operate in various regulatory settings enhances the flexibility and technology of Tesla (Reuters, 2023). The achievements in the digital markets of Asia allow Tesla to perfect its mobile application, OTA updates, and autopilot functionalities in accordance with the varying user opinions.

International Branding and Network Effects: The internationalisation of Tesla enhances its brand positioning as a premium EV innovator. Superchargers can create a network effect. The denser the network, the easier it is to use, which enhances the competitive moat of the brand (Ghar, 2025). The global charging ecosystem, coupled with interconnectedness, strengthens the loyalty of Tesla and minimises range anxiety among customers.

2.5 Challenges of International Operations

Institutional Complexity and Regulatory Complexity: There is a diversity of automotive and energy regulations. China demands strict compliance with cybersecurity, data localisation and safety testing. Europe sets broad eco- and manufacturing specifications. Certain markets limit the Tesla direct-sales concept, and efforts must be made to adapt. Vietnam offers its share of regulatory challenges, such as foreign investment regulations, EV tax legislation and permission to install charging infrastructure. This institutional distance adds risks and administrative costs (Đào Thị Hồng Nhung, 2023).

Global Supply Chain Vulnerabilities: The vertically integrated supply chain of Tesla is reliant on the availability of key minerals, which are concentrated in a few countries. Supply can be interrupted by geopolitical tensions, export bans (e.g. the graphite ban in China) and environmental policies. Global operations raise vulnerability to transport risk, currency fluctuation and part lag. In the case of Vietnam, where infrastructure and logistics networks are still lopsided, these weaknesses can influence the timing of market entry and cost (He *et al.*, 2025).

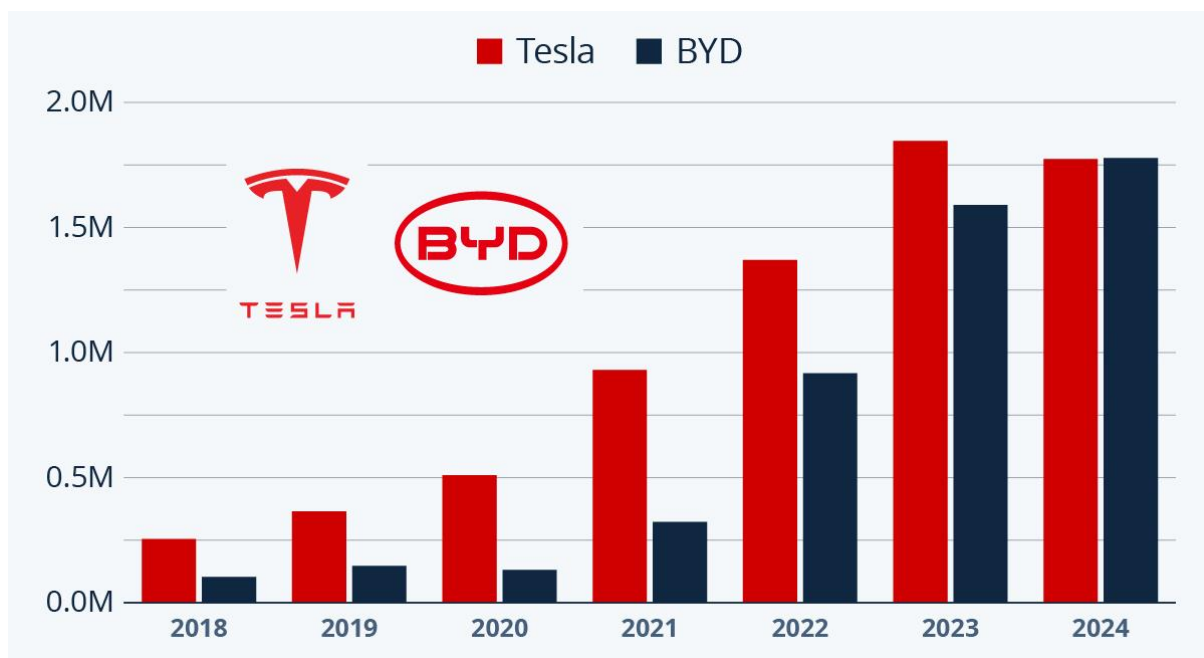


Figure: BYD Surpluses Tesla in EV Sales (Richter, 2025)

Global EV Competitiveness: Tesla competes with intense rivalry among the Chinese manufacturers like BYD, Wuling and MG, who control Southeast Asia with competitive pricing and assembly. In late 2023, BYD overtook Tesla in global EV sales, which

underscores the growing competition (Hopkins and Lazonick, 2024). In Vietnam, Tesla would have to face competition with VinFast, a powerful local producer with governmental support, a well-established network of chargers and diversifying product lines. Competition in a nationalistic market that has a local hero poses a strategic challenge.

Cultural and Consumer Behaviour Differences: The Tesla brand and sales model were established in markets characterised by high individualism, purchasing power, and knowledge of digital-first transactions (Wu, 2025). Expansion in new markets necessitates the adjustment to new consumer tastes, price sensitivities and service expectations. In Vietnam, EV penetration is on the rise but is very new to many consumers. Education, trust-building and after-sales service expectations are very different in comparison to Western markets.

Long Payback Cycles and Capital Intensity: Construction of Gigafactories, charging networks and service centres costs billions. There is no standardised adoption curve of EVs in each country, and forecasts are challenging (Wu, 2025). Fast international growth exposes Tesla to more financial risks and can exceed operating capacity. In the case of Vietnam, a complete-scale manufacturing strategy might not be immediately feasible, and a staged entry mode is necessary.

2.6 Implications for Vietnam Expansion

International business offers Tesla powerful global benefits, including scale, technology, brand and digital infrastructure, yet it opens the company to regulatory, cultural and competitive pressures. In the case of Vietnam, these forces imply that Tesla should enter through a gradual, localisation-based approach that exploits exports through the current Gigafactories, develops charging partners and adjusts consumer relations to local values. The cultural analysis and OLI assessment will further hone the best entry mode and operational modifications.

3. OLI Analysis for Tesla in Vietnam

3.1 Overview of OLI Theory

The OLI framework by Dunning describes international expansion based on the evaluation of firm-specific advantages, attractiveness of a host country and the advantage of maintaining a firm within the country. When applied to Tesla, it can be used to understand whether Vietnam has a strategic value and which entry mode is most appropriate by combining market, regulatory, technological and institutional factors.

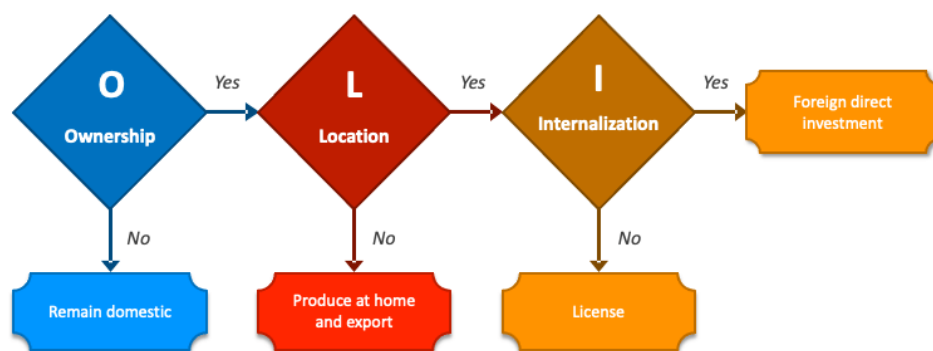


Figure: OLI Framework (Czinkota and Ronkainen, 2021)

3.2 Ownership Advantages

The ownership-specific benefits of Tesla are based on technological leadership, brand equity, scale of manufacturing and the integration of software and hardware, and distinct charging infrastructure.

Technological Leadership: It is the most unique competitive advantage at Tesla. Its sophisticated battery technologies, proprietary structural battery packs, power electronics and Autopilot software provide product differentiation, and competitors find it difficult to keep pace. Tesla has topped the world in EV efficiency scores, with certain models having a claimed range of more than 600 km in the real world, due to high-energy-density cell technology and efficient drive train design (Jia, 2024). Such characteristics provide highly transferable benefits in the markets where EV adoption is increasing, such as Vietnam.

Brand Equity: It is a strong asset. Tesla is commonly used as an international icon of high performance, sustainability and innovation. Tesla is one of the most familiar

international brands in the premium EV segment in Asia, which strengthens demand among wealthy consumers (Punit and Bhattacharya, 2025). This brand strength provides Tesla with a market-entry advantage in those countries where local rivals, including VinFast, have a lucrative market share.

Scale and Cost Efficiency in Manufacturing: It can create another advantage of ownership. The Gigafactory Shanghai is among the cheapest EV manufacturers in the world, which allows Tesla to export competitively priced vehicles to the Asia-Pacific. A plant in Shanghai alone manufactured over 950,000 units in 2023, which is an impressive output capacity and cost-efficiency (Han, Liu and Jiang, 2023). In new economies such as Vietnam, Tesla can use this supply chain power to evade initial capital investments.

Vertical Integration: It also consolidates internal capabilities. Tesla manages the development of the drivetrain, batteries, software design, over-the-air (OTA) updates and charging networks. This integration will improve consistency in quality and eliminate reliance on third parties (Gao, 2023). The global Supercharger network, consisting of more than 55,000 chargers all over the world, introduces the additional ownership bonus, consisting of high-quality charging reliability and customer experience.

Taken together, these ownership advantages provide Tesla with the technological, operating, and brand-based foundation it needs to enter Vietnam with a competitive advantage.

3.3 Location Advantages of Vietnam

Vietnam has a number of strong location factors that can facilitate the Tesla expansion in terms of market development, policy incentives, labour competitiveness and regional integration.

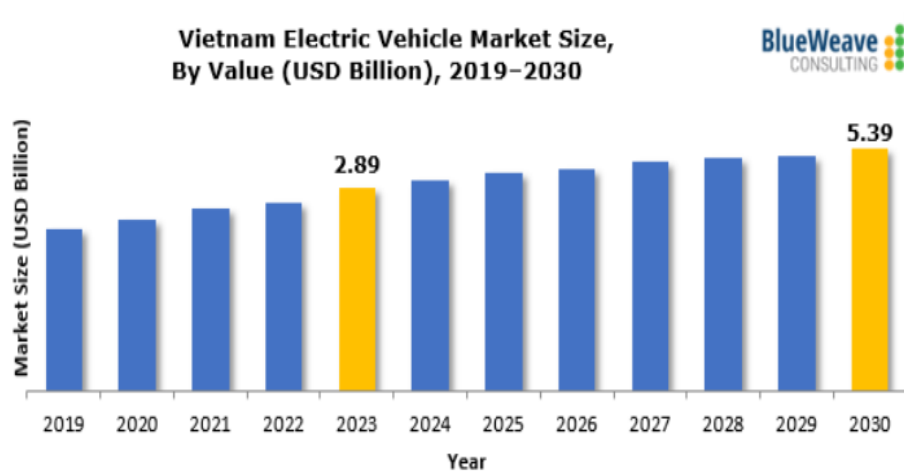


Figure: Vietnam EV Market Size (Kim, Shrestha and Kanya, 2025)

One of the strengths is market demand growth. The EV market size in Vietnam is expected to grow to USD 7.4 billion by 2030 due to a fast urbanisation process, growing incomes and environmental awareness (Kim, Shrestha and Kanya Pranawengkapti, 2025). The uptake of EVs is still at a very early phase nationwide, yet the consumer demand is rapidly increasing as people become more concerned with air pollution and fuel prices. The ownership of vehicles is rising steadily because the size of the middle class in Vietnam is projected to grow to 56 million by 2030 (Nguyen and Earl, 2024). Tesla's premium positioning aligns with the upper-middle-class city customer situation in Vietnam.

The policy incentives promoted by the government contribute greatly to the attractiveness of Vietnam. The government has introduced generous EV-supportive policies that include:

- No registration fees within the first 3 years of EVs,
- 1-3% excise tax on battery-electric vehicles,
- Import-duty exemptions on EV components,
- The goal of 30% electricity by 2030.

These policies ensure that the costs of operating Tesla are minimised and price competitiveness against internal combustion vehicles is enhanced.

The appeal of Vietnam is also boosted by regional supply chains. Trade agreements, political stability and closeness to China are making the country a manufacturing hub of ASEAN. There are already large-scale automotive manufacturing plants in Vietnam, including Toyota, Hyundai, Kia, and VinFast. This emerging automobile ecosystem offers regional sourcing of parts, electronics and assembly items. The logistics network in Vietnam, including the growing ports, industrial areas and expressways, facilitates effective distribution of vehicles (Thi, 2024).

Competitiveness on labour costs boosts long-term viability. The average manufacturing wage in Vietnam is still considerably lower than in China, Thailand or Malaysia, which makes future local assembly or component production one of the more appealing.

However, these benefits are curtailed by charging infrastructure issues. Vietnam heavily depends on the charging network offered by VinFast and restricts access by third parties. The charge infrastructure is not well developed yet, with a few thousand chargers around the country (Ngoc and Nishiuchi, 2023). Though the government has focused on charging expansion, the fact that it is being implemented at a slow rate may not allow Tesla to be immediately accessible in the market, a problem that will be discussed later in the internalisation analysis.

The growth in demand, policy incentives and the strategic position of Vietnam provide a favourable location advantage to Tesla, with the infrastructure gaps being manageable constraints.

3.4 Internalisation Advantages

The benefits of internalisation describe why Tesla must maintain a high level of control over its activities in Vietnam instead of adopting a third-party relationship or licensing.

The best internalisation driver is control over intellectual property. The competitive advantage of Tesla depends on proprietary battery technologies, motor architecture, Autopilot algorithms and software systems. Direct ownership or highly controlled subsidiaries guard these assets against imitation and minimise the risk of IP theft, which is still an issue in developing markets.

Internalisation is also initiated by charging infrastructure control. Tesla has an extensive global approach based on its Supercharger network that makes the ecosystem of EVs different. Quality and reliability can be compromised by letting third parties run or manage Tesla-branded chargers (Ngoc and Nishiuchi, 2023). Ownership of charging operations would maintain uptime, compatibility, and user experience. Since Vietnam has limited public charging infrastructure, internalisation of fast-charging deployment is a strategic consideration.

Another important aspect is service and customer experience management. Tesla has a direct service model with OTA updates, remote diagnostics, mobile service, and a proprietary repair protocol. It needs to be controlled to ensure the same standards are maintained. The outsourced service functions might water down quality, which influences brand perception in new markets.

Internalisation is also supported by transaction cost economics. Specialised chargers, proprietary software, and unique parts (high asset specificity) increase the cost of coordination and monitoring when outsourcing activities. Service and charging, and production inward would minimise transaction costs, and protect quality.

Export-based internalisation helps market entry at the outset. Tesla can keep up manufacturing control but avoids the risk of early investment by supplying Vietnam out of the Gigafactory Shanghai. Subsequent stages might involve assembly or localised manufacture when the demand warrants increased investment (Đào Thị Hồng Nhung, 2023).

3.5 Resulting Entry Mode Choice

The overall OLI analysis suggests a staged approach to entering the market, with Tesla focusing on a fully owned national sales subsidiary, at first with vehicle exports out of Gigafactory Shanghai. The initial phase must target direct online sales, rollout of limited showrooms and strategic charging partnerships. With increasing demands, Tesla will be able to move to semi-knockdown (SKD) assembly or full knockdown (CKD) assembly, capitalising on the tax benefits and labour cost benefits of Vietnam. Local production or a local Gigafactory can work in the long term when volume goals are met. This gradual strategy is consistent with the ownership capabilities and the location factors of Vietnam and internalisation needs.

4. Cultural Differences: Implications for Expansion in Vietnam

4.1 Introduction to Cultural Frameworks

Cultural variation influences customer expectations, communication and working behaviour. Tesla should apply the Hofstede dimensions and Hall context model to determine the difference between US and Vietnam behaviours and make the necessary changes to its direct-sales/digital-based model to enter the market successfully and be accepted over time.

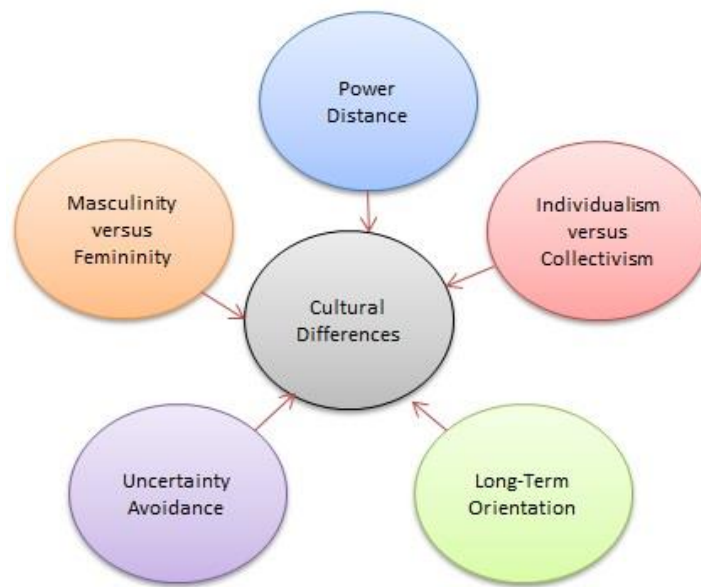


Figure: Hofstede Cultural Dimensions (Czinkota and Ronkainen, 2021)

4.2 Hofstede's Cultural Dimensions: United States vs. Vietnam

The six cultural dimensions highlighted by Hofstede show some major differences between the United States and Vietnam, all of which have implications for Tesla operations, marketing and HR strategies.

Power Distance: Vietnam is a high-power distance country (70), meaning it embraces hierarchy, centralised power and structured relations. Customers would be willing to have orderly relationships with defined roles, whereas employees would want to be explicitly guided by supervisors. Conversely, the United States scores lower (40), which depicts egalitarian norms and autonomy. In the case of Tesla, where the managerial system is lean and empowers frontline employees, Vietnam will need more formalised SOPs, more role hierarchies and more visible management in service

centres. Respect, politeness and formality should be the main focus of the training to meet local expectations (Lee and Ande, 2023).

Collectivism vs. Individualism: The United States has a high score (91) in individualism and a low score (20) in Vietnam, which indicates a strong collectivist orientation influenced by the family, community and social connectivity. This has a direct impact on marketing: Tesla has been promoting itself in the U.S. using messages that appeal to personal identity, independence, and innovation, yet Vietnamese customers respond to messages that address community and social approval. Family consultation is a common feature of purchasing decisions, so Tesla should modify its promotion approach and emphasise mutual gains, safety, family utility and social harmony. In collectivist societies, group incentives, referrals, and community events are more effective (Plachkinova and Janczewski, 2023).

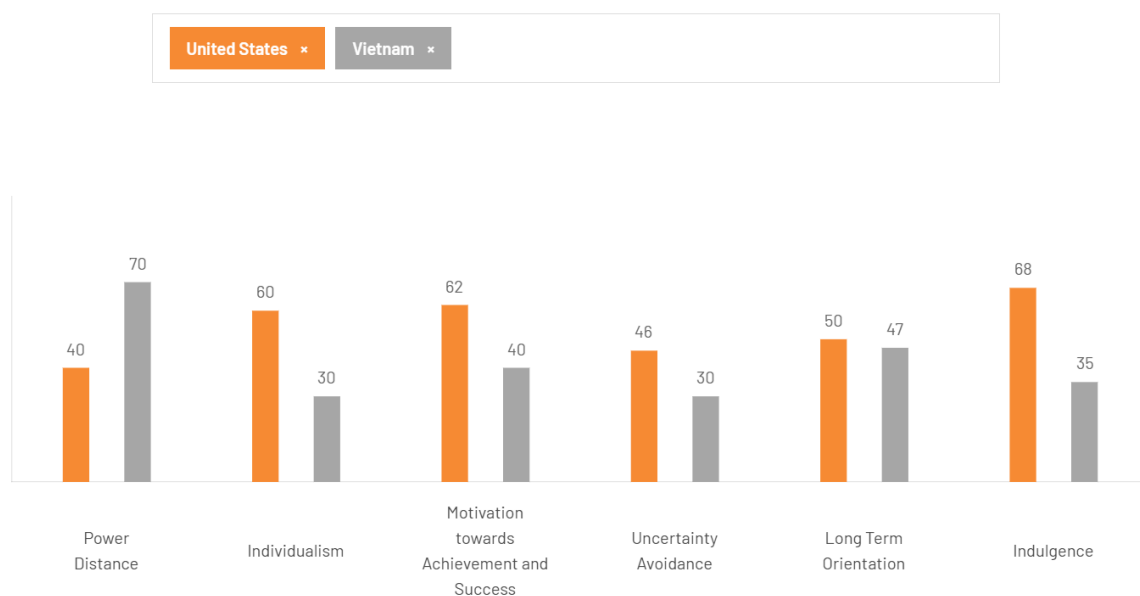


Figure: Comparison of the US and Vietnamese Culture (The Culture Factor, 2020)

Uncertainty Avoidance: Vietnam has a moderate score on uncertainty avoidance (30), which implies that the nation tolerates ambiguity and is welcoming to new technologies. This is an advantage to Tesla, as consumers would be more open to using electric vehicles even in the absence of a high-density charging system. Nevertheless, the moderate score of the United States (46) indicates that the market Tesla has entered is used to transparent information and detailed technical communication. In Vietnam, Tesla is forced to walk the fine line between innovation-

oriented messaging and straightforward descriptions of charging options, range, maintenance and safety, where misinformation is likely to slow the pace of adoption (Plachkinova and Janczewski, 2023).

Masculinity vs. Femininity: The score of Vietnam (34) indicates a more feminine and relationship-oriented culture that promotes modesty, work-life balance, and social harmony. The U.S. score (62) speaks of a competitive, achievement-oriented culture. The international Tesla brand, characterised by technological dominance and performance, might not best fit Vietnamese cultural priorities in their current form. Vietnam marketing efforts must thus focus on comfort, environmental friendliness, family well-being and peaceful driving experience over aggressive performance characteristics.

Long-Term Orientation: Vietnam is high in long-term orientation (57), which implies pragmatism, future orientation and readiness to make long-term investment. This characteristic complies well with EV adoption, which involves long-term cost-benefit arguments. This is something that Tesla can capitalise on by highlighting battery longevity, lifetime savings on operating costs, maintenance benefits and future-proof technology. The U.S. scored lower (26), which reflects greater short-term orientation, so corporate messages in Vietnam need to be more strategic, focusing on more sustainability, durability and long-term environmental objectives (Escandon-Barbosa and Salas-Paramo, 2022).

Indulgence vs. Restraint: Vietnam's score low on indulgence (35) indicates a reserved society in which spending choices are taken with care. The consumers are very price-sensitive, and they seek practical value rather than symbolic consumption. The luxurious positioning, which is strong in hedonistic markets like the U.S (68), should be adjusted by Tesla. Competitive funding options, reduced models, extended warranties and economic justifications will be critical. The brand value proposition in Vietnam should not be luxury but rather accessibility.

4.3 Hall's High–Low Context Communication Model

The Hall model emphasises significant variation in communication style between the high-context culture of Vietnam and the low-context culture of the United States.

Vietnam is a High-Context Culture: Vietnamese communication is highly dependent on mutual understanding, social context, non-verbal cues and phrasing. Consumers demand subtlety, relational and emotional depth in marketing messages (Munis, 2021). Politeness, humility and empathy are preferred in service interactions. Directness or being too open may be regarded as disrespectful or insensitive.

The United States is a Low-Context Culture: The U.S. communication is explicit, heavy and direct. Low-context norms are echoed in the global communication strategy of Tesla, which aims at technical clarity, direct value statements and bare messages. In Vietnam, however, such messaging might seem too crude or cold (Grant, 2016).

Implications for Tesla: Tesla should change its message to focus on symbolism, community values and emotional narration. The marketing materials are to be based on culturally significant imagery, relational framing, and soft tone. Launching products should instil confidence by collaborating with reputable institutions or influencers in the area. Customer service teams also need to be trained to use an indirect, polite and face-preserving manner of communication. The mobile application and web of Tesla are to be not only linguistically but also tonally and visually localised.

4.4 Strategic Implications of Cultural Differences

The cultural analysis demonstrates that Tesla will need to adjust various operational and strategic behaviours to achieve a culturally aligned entry into Vietnam, including changing its marketing to focus on performance-oriented messages to those that emphasise community, family usefulness, and environmental contribution along with the support of the partnership building credibility (Abdelazim, 2024). It must also increase outreach based on education by use of workshops, road shows, community test drives, and online explanatory literature to tackle the low awareness of EV in a high context communication setting. Adjustments of service quality and HR policies to the hierarchical and collectivist norms of Vietnam should be comprehensive, as it should be trained on respectful communication, more formal managerial oversight, and provide group-based rewards (Grant, 2016). The direct-sales structure used by

Tesla has to be altered to accommodate the aspects of relationship-based consultation, where a hybrid approach of online and interpersonal assistance is provided with culturally aware explanations of its products (Wang, 2025). Lastly, it should develop long-term, relational relationships with government bodies to facilitate the development of infrastructure, standards of charging and national sustainability interests.

5. SOP Adjustments for Successful Market Entry into Vietnam

The internationalisation of Tesla in Vietnam needs specific SOP adjustments according to the Vietnamese institutions, consumer behaviour, infrastructure gaps and labour norms. Modifications of supply-chain, pricing, market approach and Human Resource measures are needed with justifications clearly justified, plans of implementation and feasibility.

5.1 SOP Adjustment 1: Supply Chain Localisation & Charging Infrastructure Development

Localised Component Sourcing and Assembly SOP: Since Vietnam has incentives to develop EV parts and CKD/SKD activities, Tesla must launch SOPs that could be integrated over time with local suppliers of non-critical parts, including plastics, internal parts, Wiring stamps, and metal hits. High-tech products (batteries, motors, inverters) should first be imported by Gigafactory Shanghai under strict quality requirements (Grant, 2016).

Charging Infrastructure SOP: The lack of public charging infrastructure in Vietnam means that Supercharger deployment requires SOPs. Site-selection criteria, power-grid evaluation, construction standards, safety compliance, and local agreement with property developers should be established through procedures (Hopkins and Lazonick, 2024).

Supplier Compliance SOP: New SOPs should take into account Vietnamese environmental standards, material certifications and the regulations of the Ministry of Transport concerning the importation and assembly of EV products.

Justification: EV incentives in Vietnam, such as zero registration fee within a period of three years and significantly low excise tax, ensure that partial localisation is highly cost-effective. Local sourcing also reduces import tariffs, shortens the delivery time

and increases the price competitiveness of Tesla in comparison to VinFast and Chinese brands (Ladyga, 2025). Charging infrastructure SOPs cover the principal EV adoption obstacle facing Vietnam: lack of public charging. Direct-controlled operation is a stable service that aligns with the international quality requirements of Tesla.

Implementation Steps

- Perform supplier capability studies within major industrial zones (Bac Ninh, Hai Phong, Binh Duong).
- Form Tesla Vietnam Supply Office to assist in the selection and auditing of suppliers and onboarding.
- RECM - Start local SKD assembly pilots with imported battery and drive units.
- Introduce Supercharger site-assessment checklist, including grid load, land access, and regulatory permits.
- Sign with malls, office complexes and residential developers to use as early charging locations.
- Conduct quarterly compliance audits in line with Tesla's global Supplier Quality.

Feasibility Considerations: Toyota, Hyundai and VinFast already have automotive manufacturing facilities in Vietnam, which implies the presence of industrial capacity and supplier base. The biggest limitation is grid readiness, but Tesla's experience with developing markets eliminates it. Initial dependency on Gigafactory Shanghai lowers initial deployment risk (Han, Liu and Jiang, 2023).

5.2 SOP Adjustment 2: Market Strategy, Customer Experience & Product Localisation

EV Education & Awareness SOP: Tesla should roll out systematic SOPs of public education about charging, battery life, total-cost-of-ownership and safety—implemented via online tutorials, community gatherings and showroom-based consultations.

Pricing & Financing SOP: Vietnam has limited expenditure habits that necessitate formal SOPs in competitive financing, leasing facilities and instalment plans. The processes should involve collaborations with local banks and fintech platforms.

Localised Service-Centre SOP: Tesla should modify the operation of the service-centre to meet the Vietnamese requirements of personal consultation. SOPs are to

describe booking schedules, in-person advisory scripts, regular check-up guidelines and emergency measures (Gao, 2023).

Mobile App / UX Localisation SOP: The entire Tesla digital ecosystem (ordering, servicing, charging payments) needs to be supported in the Vietnamese language, culturally adjusted images, and connected to the most popular payments (MoMo, ZaloPay, VietQR).

Justification: Vietnam has unequal EV knowledge. Consumer research points out fears regarding the range of charging, maintenance, and costs. Education-based SOPs limit barriers to adoption and bolster trust. Adjusted pricing SOPs are necessary as Vietnamese consumers focus on affordability even in higher-end segments. Localisation of UX is essential because Vietnam has one of the highest levels of smartphone penetration (77) and prevalence of local digital-payment systems. In a high-context culture, relationship-based customer expectations are supported by using SOPs in service centres (Thi, 2024).

Implementation Steps

- Introduce Tesla Experience Days in Hanoi and Ho Chi Minh City to test drives and battery-education activities.
- Secure a financial solution SOP with local banks that provide 5–7-year instalment plans.
- Introduce a “Vietnam Efficiency Package- such as home-charger installation benefits and off-peak charging benefits.
- Localise Tesla app interface, including domestic e-wallets and EV tax credits.
- Stock service centres with bilingual advisors knowledgeable in EV technology and cultural communication standards.
- Make quarterly customer-experience assessments, with references to NPS (Net Promoter Score) and service-time metrics.

Feasibility Considerations: The SOP cluster is supported by the fact that Vietnam has a rapidly growing middle class and a highly developed digital payment ecosystem. The main issue is how to deal with cost-conscious price expectations, and Tesla's export supply model, Gigafactory in Shanghai, can assist in keeping prices competitive until local assembly is possible.

5.3 SOP Adjustment 3: HR Systems, Workplace Culture & Service Delivery

Hierarchical Team-Structure SOP: Since Vietnam has a high-power distance, Tesla will have to implement more specific reporting lines, supervisor roles, and decision-authority matrices than U.S. norms. SOPs should outline leadership levels in service centres, retail spaces and technical teams.

Customer Service Communication SOP: Vietnamese cultural values emphasise politeness, nuance and non-confrontational communication. Greetings, tone, escalation, apology frameworks and intervention protocols must be outlined by SOPs oriented to high-context communication (Munis, 2021).

Training & Cultural Orientation SOP: SOPs must incorporate training about EV systems, battery safety, customer education, and cultural communication. Role-plays modelling of Vietnamese customer situations need to be compulsory.

Group-Based Performance & Incentive SOP: The current performance model at Tesla needs to be adjusted to collectivist values. Team-based KPIs, group bonuses and cross-functional collaboration measures should be included in SOPs.

Justification: The cultural characteristics of Vietnam, such as high levels of collectivism, high power distance, and relational approach to interaction, necessitate adaptation of the U.S.-oriented HR model at Tesla. Higher levels of hierarchy lead to better cohesion of the team, whereas group rewards are more consistent with local motivation patterns. Communication SOPs make service delivery satisfy customer expectations. Training SOPs fill gaps in skill levels within the early-stage EV workforce of Vietnam, and facilitate trust-building, which are critical in a premium-priced market (Kim, Shrestha and Kanya, 2025).

Implementation Steps

- Prepare a Vietnam-specific HR manual that incorporates the levels of hierarchy and workplace conventions.
- Implement a required course on Cultural Intelligence for all frontline employees.
- Implementation of 3-level certification system: EV Basics, Service Protocols and Advanced Diagnostics.
- Define bilingual communication SOPs and service scripts.

- Introduce a team-based quarterly performance appraisal system with customer satisfaction indicators.
- Establish local HR representatives who will monitor labour law and cultural compliance.

Feasibility Considerations: The labour force in Vietnam is young, service-oriented and more technologically literate, and so training investments are quite possible. The global HR structure of Tesla can be modified without significant structural alteration. Ensuring consistency among service centres is the primary issue; SOP standardisation and periodic audits can help with this.

5.4 Justification and Feasibility of the SOP Framework

The suggested changes in the SOP collectively align the global capabilities of Tesla with the cultural norms, conditions in the regulatory environment, and infrastructure in Vietnam. Localised supply-chain and charging SOPs improve operational efficiency, and market-adaptation SOPs handle consumer knowledge gaps and price sensitivity. HR, service SOPs make staff behaviour consistent with what the Vietnamese expect in terms of politeness, in the context of hierarchy, and relational interaction (Plachkinova and Janczewski, 2023). Since Vietnam has a favourable policy climate in EV, digital preparedness and a growing middle class, these SOPs are both operational and strategically sound. They combine to create a logical construct that can help Tesla enter Vietnam and gain long-term market legitimacy.

6. Conclusion

The opportunity of Tesla entering Vietnam is a great strategic opportunity with good ownership benefits, favourable market conditions and the government interest in electric mobility. The technological advantage, integrated supply chain, and production efficiency throughout the world markets set the company in a better position, with additional market appeal being in the EV incentives of Vietnam, its increasing middle-income demographic, and environmental sensitivity, even though infrastructure development is a bottleneck, and competition facing the company are VinFast and Chinese automakers. The cultural gap between the United States and Vietnam highlights the necessity of adaptation in marketing, service provision, and human resources and the suggested SOP changes cater to the needs in the form of localisation, consumer education, development of infrastructures, and enhanced digital and human resource systems. A more gradual approach starting with the export and then advancing to local assembly and culturally-oriented operations is a way Tesla can get access to the legitimacy, competitiveness, and long-term success in the changing EV environment of Vietnam.

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