

A Tesla Cybertruck is shown in a dark, industrial environment. The vehicle is positioned horizontally, with its headlights turned on, casting a bright beam of light to the left. The background is dark with some ambient light reflecting off the ground. The text "TESLA IN INDIAN MARKET" is overlaid in the center of the image.

# TESLA IN INDIAN MARKET

# MEET THE TEAM



Tarun Kumar Sharma  
pd15\_006



ANURAG PANDEY  
Pd15\_307



ADITYA SARKAR  
PD15\_128

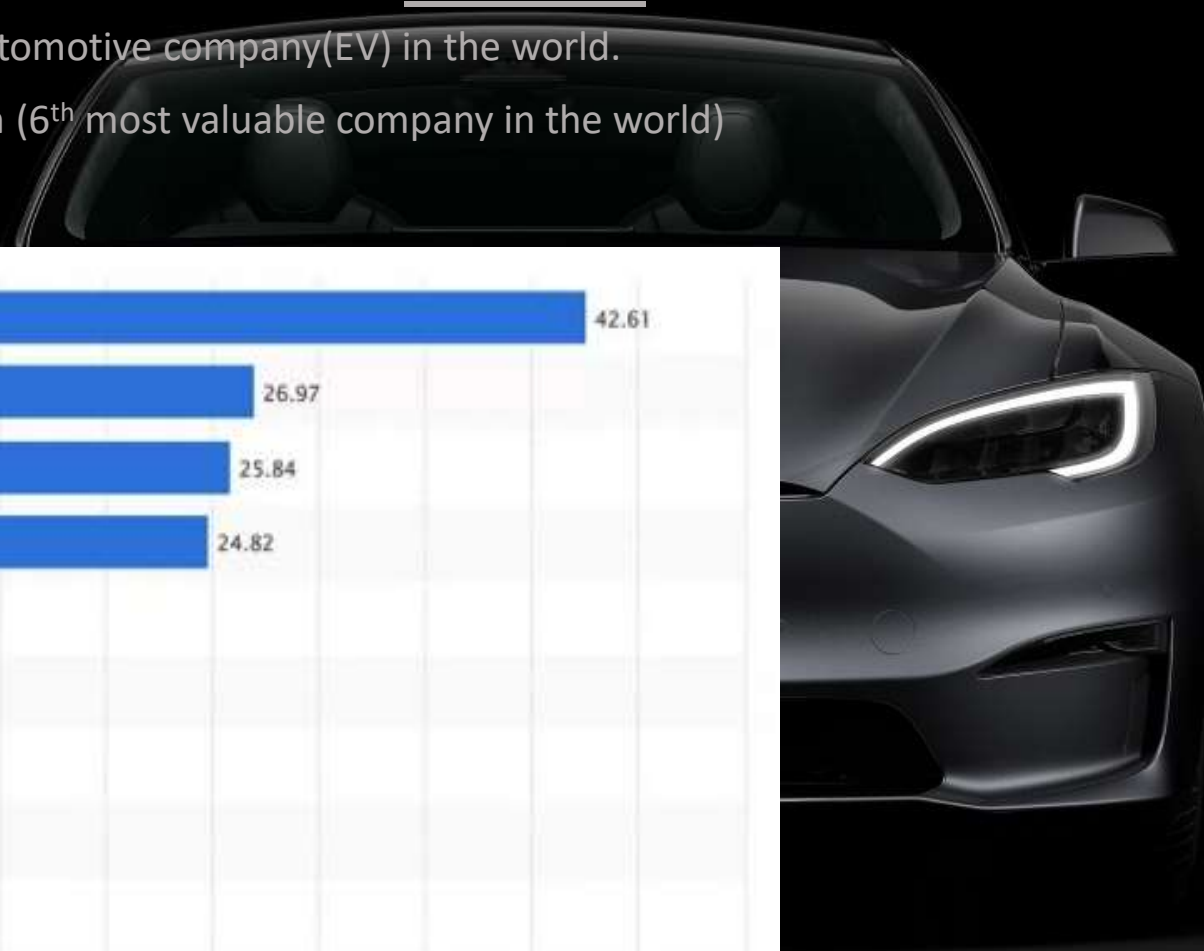
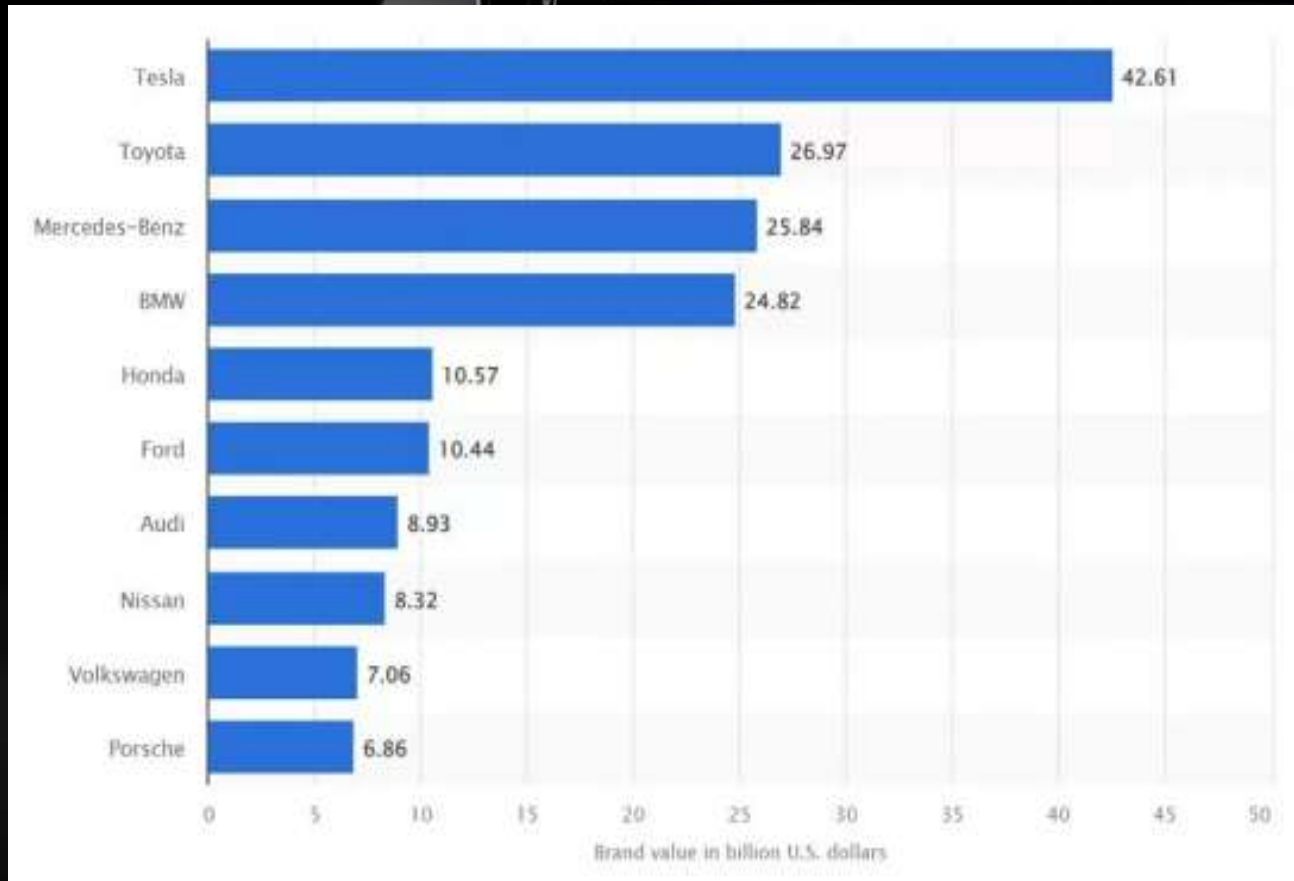
# OBJECTIVE

Tesla in Indian Market: derive Strategies to be Profitable



# Current Scenario - world

- Tesla-biggest multinational Automotive company(EV) in the world.
- Tesla's market cap-\$840 Billion (6<sup>th</sup> most valuable company in the world)
- The market position of Tesla–



# POLITICAL FACTORS

- Government incentives for EVs-Tesla enjoys incentives worth \$7500.00 tax credits to every buyer of a new EV by the US government, with a cap of 200,000+ deliveries of EVs in the US.
- International trade agreements- Tesla has been hit by the trade war b/w the US and China under the Trump administration to a considerable extent

# ECONOMIC FACTORS

- Currency exchange rates - Due to changes in exchange rates Tesla had foreign currency transaction gains of USD 334 million in 2020.
- Tax rates-Tesla benefits from Govt. tax zero Emission Vehicle (ZEV) credits apart from incentives provided to electric car manufacturers to a certain extent.
- Decreasing costs of batteries- According to estimations by Bloomberg New Energy Finance report, the current price of USD137 per kilowatt-hour for lithium-ion will drop as low as USD 100 per kWh by 2023.
- Decreasing renewable energy costs (opportunity).

# SOCIAL FACTORS

- Increasing awareness of climate change and a sustainable environment boosts customers' demand and makes the EV market more attractive for Tesla Motors.
- -Tesla's biggest strength lies. The cars are marketed as environmentally friendly because it uses electricity more than gas.

# Current Scenario -India

## ❖Barrier to entry

- Musk's issue with the Govt. of India
- while the center wants Tesla to set up a base in India and sell locally and export, Musk insists on slashing import duty 1st.
- India levies a 60% import tax on EV's priced \$40,000 or less & 100% on those priced above \$40,000. Tesla's market starts at \$44,000(approx. Rs.34 lakh) in the US and selling in India with 100% import tax makes it around Rs. 60 lakh for a car.

## ❖Market rivalry

- Tesla's Competitors in the world include direct competitors - Ford, General Motors, NIO, and Volkswagen
- Indirect competitors- Uber and Google
- Some of Tesla's competitors in India are - Tata Electric, Hyundai, Mahindra Electric, Morrison Garages India, and Mercedes Ben.



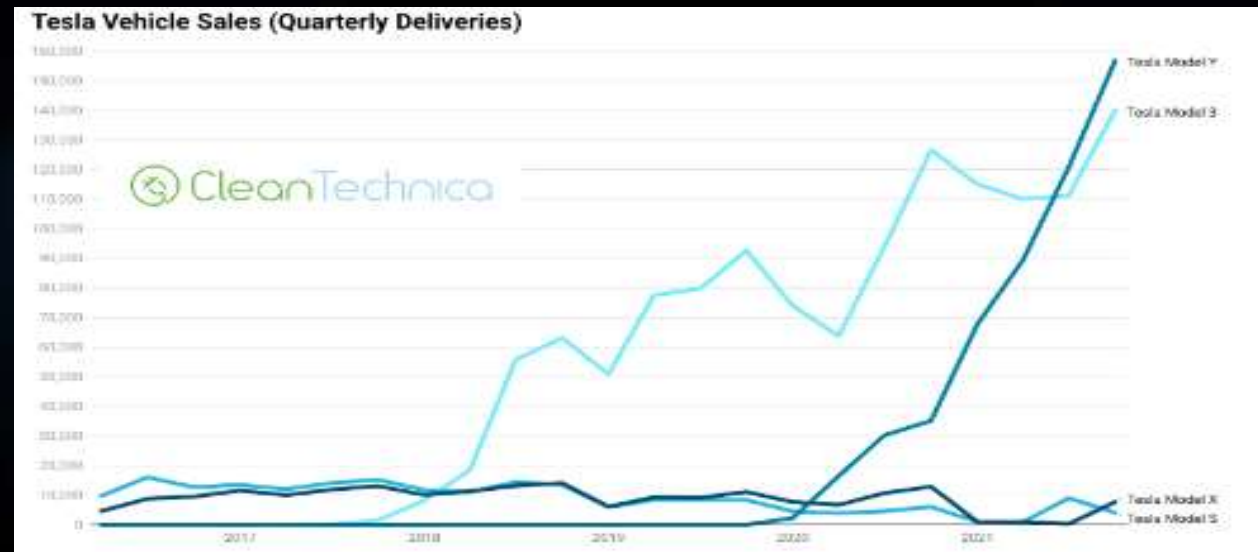
# UNIQUE BUSINESS INSIGHTS

## TESLA'S CUSTOMER ANALYSIS

- Tesla's target market segmentation - is highly educated professionals and families with solid incomes whose lifestyle is built around reducing their carbon footprint
- The US is by far the biggest consumer segment for Tesla, representing nearly half of the total worldwide sales for the brand in 2021.

## TESLA'S PRODUCT ANALYSIS

- Tesla's brand communication focuses on the user experience.
- Tesla succeeds because it positions itself not just as a car, but as a lifestyle and philosophy that extends to every aspect of the customer relationship, including its Tesla Centers, better sales, and service experience for customers.
- The company produces and sells the Model Y, Model 3, Model X, Model S, Cyber truck, Tesla Semi, and Tesla Roadster vehicles.
- TM's Model S is the EV with the highest performance in the EV market, putting TM in a very competitive position.



# TESLA POSITIONING ANALYSIS

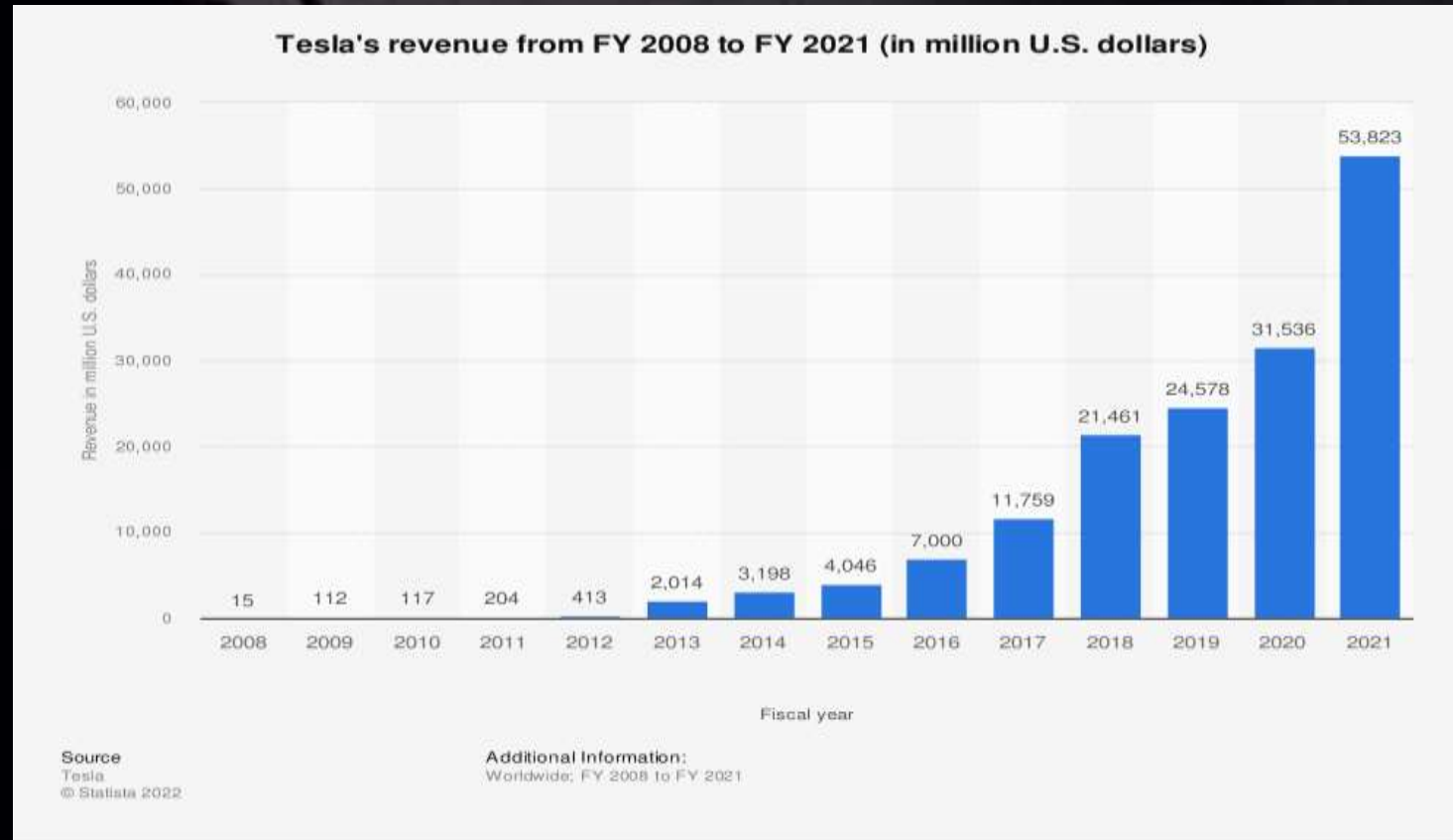


## TESLA'S BUSINESS MODEL

- Is based on direct sales and service, not franchised dealerships, keeping control over sales and service, and bringing compelling EVs to the market
  - It is based on a three-pronged approach to selling, servicing, and charging EVs
- pays particular attention to rolling out charging stations. That may be the biggest obstacle to the mass adoption of electric



# TESLA'S REVENUE MODEL



- Tesla's revenue for 12 months ending June 2022, was \$67.166B, a 60.45% increase year-over-year. Tesla's annual revenue for 2021 was \$53.823B, a 70.67% increase from 2020.
- The company delivered almost 1M EVs in 2021,

# HOW TESLA CAN ENTER INDIA?



**1) PLI(Production Linked Incentive) scheme-** Centre approved Rs 26,058 crore for EV space to boost domestic manufacturing.

Tesla can set up a shop in India to manufacture EVs under the PLI window.

**2) demand incentives provided by Govt. under the FAME II scheme.**

**3) Tax incentives.**

The govt. has revised GST for Indian EV makers to 5% as compared to the 29-50% range applicable for internal combustion engine vehicles. The govt. the focus right now is made in India and not imported into India.

**4) Red Carpet-** 4 states i.e. Telangana, Maharashtra, Punjab, and West Bengal have offered the red carpet welcome to Musk, be it infrastructure, sustainability, or a streamlined approval process.

## **MUSK'S PROBLEM IS SIMILAR TO APPLE'S,**

Now Apple has captured 1/3rd of the market share in the premium segment of smartphones in India. Apple started by locally assembling and manufacturing in India dedicating fully to Make in India

### **ESTIMATED MARKET SIZE**

- India's EV market is expected to grow at a CAGR of 49% between 2021-2030 and reach annual sales of 17 million units with almost 15 million of these projected to be electric two-wheelers, (According to BEF, Govt. of India)
- There are a total of 13, 92,265 EVs on Indian roads as on August 2022 (data by Ministry of Road Transport and Highways, India). By 2030, this will likely increase by 45–50 Mn EVs on the road.

### **COMPETITORS IN THE MARKET**

- Tata Motors enjoys a commanding position in the electric vehicle space with a market share of 71%, led by their two key models, Nexon and Tigor EV. MG Motors India enjoys the second position and offers the longest-range EV.
- It is unlikely that Tesla will eat into the market share of Tata Motors or Mahindra & Mahindra (M&M).
- Tata Motors' cheapest EV model, Tata Tigor EV starts at around Rs 11.5 lakhs while the Model 3 without any customs duty starts at Rs 30 lakhs (US\$ 39,990).
- Where Tesla does pose a threat though, is the luxury market. Among luxury brands, the company's position appears to be getting stronger as demand for EVs grows.
- In India, it could give tough competition to Mercedes Benz, BMW, Jaguar Land Rover, and Audi.

## FY 2021-22 Indian EV market analysis

Product	Market type	Body Type	Production type	FY 2021-22 Volume	Market share
Tata Nexon EV	Mass-market	SUV	Local	13,879	63%
Tata Tigor EV	Mass-market	Sedan	Local	5,227	24%
MG EZS	Mass-market	SUV	CKD	2,525	11.5%
Hyundai Kona	Mass-market	SUV	CKD	131	0.59%
Mahindra E-Verito	Mass-market	Sedan	Local	79	0.36%
Audi e-Tron	Luxury	SUV	CBU	73	0.33%
Jaguar I-Pace	Luxury	SUV	CBU	69	0.31%
Mercedes EQC	Luxury	SUV	CBU	30	0.14%
Audi e-Tron Sportback	Luxury	SUV	CBU	23	0.10%
BMW iX	Luxury	SUV	CBU	3	0.01%
				22,039	100%

- Tata commands 87% of the total EV market, followed by MG's 11% share
- Hyundai and Mahindra with one product each remained fringe players
- Luxury EV accounts for 0.9% of the total EV market
- Audi leads the luxury EV market in terms of offerings with a luxury EV market share of 48%

**TESLA**



# BUSINESS DECISIONS TO COPE WITH THE MARKET DEMAND

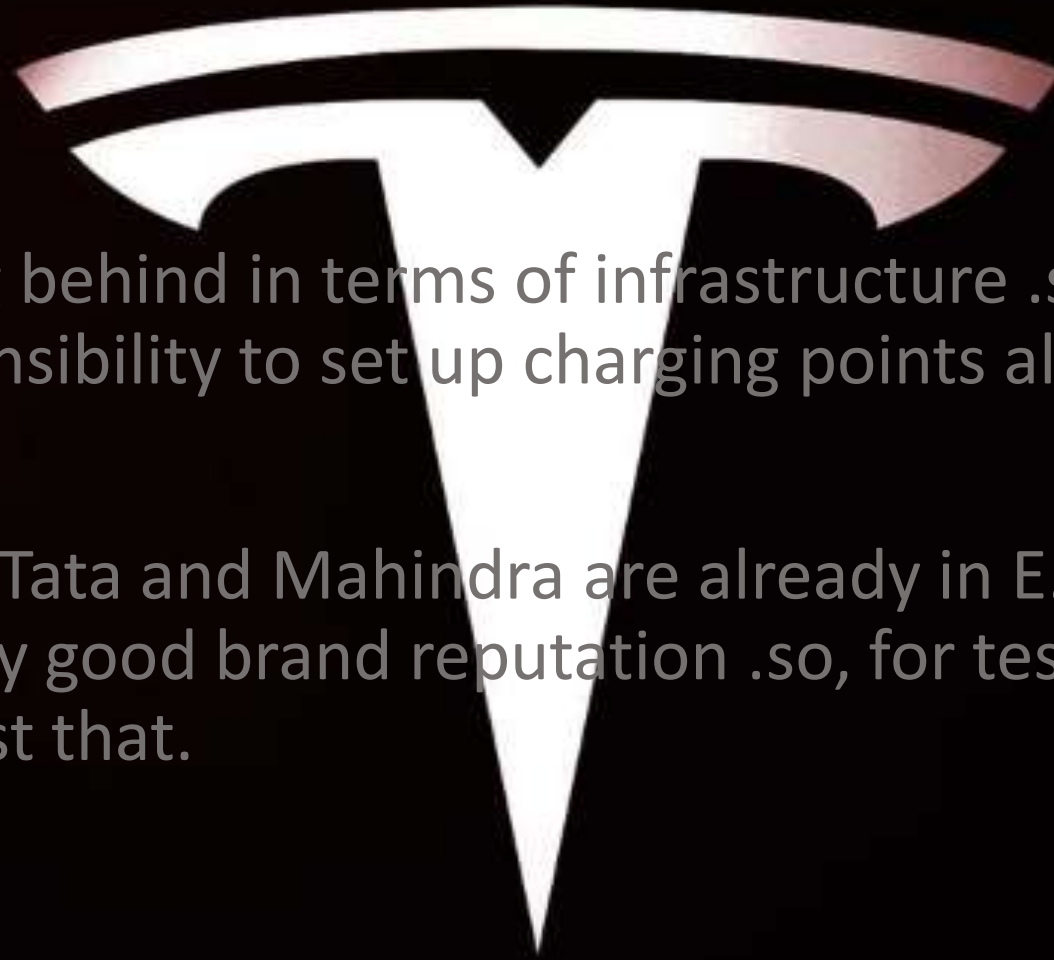
- From guesstimate it is possible that tesla will capture market of 10% medium range E.V market and 50% from luxury E.V market .So , total of 15% from all the E.V market.

## BREAKEVEN PERIOD

- Breakeven point is the estimation of when can be a business is profitable. So, according to IBEF estimated no.of E.V will be around 40-50 million by 2030.it is a 30 times growth .so , tesla can recover there investment in around 3-4 years of time.



# RISK ASSOCIATED



- 1) India is lacking behind in terms of infrastructure .so , for tesla it will be a big responsibility to set up charging points all over India .
- 2) As all we know Tata and Mahindra are already in E.V market in India and they have very good brand reputation .so, for tesla that can be risk to compete against that.



# CONCLUSION

- Brand reputation of tesla in world can help tesla to acquire 10 % market share of medium E.V and 50 % market share in Luxury E.V.
- If tesla invest now in India ( through made in India ) then they can recover their investment in 3-4 years.
- Tesla can acquire of overall of 15 % in 4 wheeler E.V market of both medium and luxury E.V market.

# CHALLENGES FACED BY THE TEAM AND YOUR LEARNINGS

- The one challenge was lack of communication as we are college students and working professional time was a big factor .
- Keeping Team on The Same Page was a big challenge but we did it anyways.
- We got to learn a lot about tesla and the history and the issues that business faces .