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بإقرار

أقر أنا الطالب الموضح اسمه ورقم جلوسه على هذا النموذج  
بأنني قمت بنفسي بالإطلاع على هذا النموذج وقمت بالحصول  
على نسخة الاختبار المرفق بالنموذج وقمت  
بالعمل على اختبار بنفسي طبقاً للقواعد المعلنة ولم ألتجس أي  
مساعدة من أحد بالمخالفة لقواعد الاختبارات وأنني مسئول  
عن الإجابات التي تم تسجيلها من هذا الحساب الإلكتروني  
وأحمل كافة المسؤولية القانونية في حال مخالفتي لقواعد  
الاختبارات

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# **Foundations of Marketing Final Report**

## **Tesla**

### **Names:**

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## **First: Marketing Profile:**

### **a. Introduction**

Tesla, Inc. (formerly Tesla Motors, Inc.), is associate yank electrical vehicle and clean energy company based in town, California. The company makes a specialty of electrical vehicle manufacturing, battery energy storage from home to grid scale and, through its acquisition of SolarCity, solar battery and star roof tile manufacturing.

### **Its product/service**

The company makes a specialty of electrical vehicle manufacturing, battery energy storage from home to grid scale and, through its acquisition of SolarCity, solar battery and star roof tile manufacturing.

Tesla operates multiple production and assembly plants, such as: its main vehicle manufacturing facility at Tesla Factory in John Charles explorer, California; Giga Nevada on the brink of urban center, Nevada; Giga New York State in Buffalo, New York; and Giga Shanghai in Shanghai, China.

As of 2020, Tesla sells Model S, Model 3, Model X, and Model Y cars. Tesla together sells Powerwall, Powerpack, and Megapack batteries, star panels, star roof tiles, and some connected product.

### **Location**

It's based in America

### **History**

Tesla Motors was supported in solar calendar month 2003 by engineers Martin Eberhard and hard drink Tarpenning. The company's name could also be a tribute

to discoverer and somebody artificer. future three employees were Ian Wright, Elon Musk, and J. B. Straubel, all of whom unit of measurement retroactively allowed to call themselves co-founders of the company. Musk, World Health Organization once served as chairman and is that the present chief officer, aforementioned that he unreal Tesla Motors as a technology company and freelance car manufacturer, in gear toward eventually giving electrical cars at prices cheap to the common shopper. In solar calendar month 2017, Tesla Motors shortened its name to Tesla.

After eleven years at intervals the market, Tesla ranked as a result of the world's widespread plug-in what is more as widespread battery electrical coach manufacturer by cars sold-out in 2019, every as a whole and by automotive cluster, with a market share of FTO of the plug-in section and twenty third of the battery electrical section. Tesla world vehicle sales accumulated 5 hundredth from 245,240 units in 2018 to 367,849 units in 2019. On March 9, 2020, the company created its one millionth machine. As of March 2020, the Model 3 ranks as a result of the world's unrivaled widespread plug-in machine, with quite 500,000 delivered.

Tesla has never had a profitable year; however, it's had several individually profitable quarters, last the quarters ending Sept 2018, solar calendar month 2018, Sep 2019, solar calendar month 2019, and March 2020.

On solar calendar month twenty, 2020, Tesla reached a capitalization of US\$166 billion.

## **b. The main features of Tesla products:**

In concerning twenty years, Tesla has done what everyone at intervals the machine business thought was impossible: turn out associate all-electric complete that may sell several thousands of vehicles.

Tesla might have done that during a} very boring or modest methodology, developing the equivalent of Associate in Nursing electrical VW Beetle.

Instead, Tesla created fantastically compelling cars that unit of measurement fast, look tremendous, and unit of measurement packed with choices.

Here's an outline of all my favorites, ranked from bottom to top:

- Tesla has been in business for seventeen years. In that quantity of it slow, it's consistently captivated the earth not just because it makes all-electric cars, but as a results of those cars have forever been packed with cool choices.
- Bioweapon Defense Mode uses a sturdy filtration system to render the within air quality of the Model X or Model S "hospital grade," in step with Tesla.
- The Model X's 5,000-pound towing capability. Nobody ever talks concerning it, but the Model X can tow a large amount for Associate in Nursing electrical SUV. It's very competitive with gas-powered SUVs that tout their capabilities.
- Aero Wheels on the Model 3. The proprietary vogue is commonplace on the vehicle, enhancing air flow, reducing drag, and up vary.

### **c. Tesla Inc.'s Organizational Structure & Its Characteristics (Analysis)**

Tesla, Inc. (formerly Tesla Motors, Inc.) has an organizational structure that supports continuous business growth. A company's organizational or corporate structure is the design and system that defines the patterns of interactions among the company's components. In this business analysis case of Tesla, the organizational structure takes a traditional form, considering the company's managerial focus and control, along with limited operational expansion in the global market. For example, as a manufacturer of electric automobiles, batteries, solar panels, and related transportation and energy solutions, Tesla Inc. uses its corporate structure to facilitate extensive control of the organization. Elon Musk's leadership effectiveness depends on the corporate structure's ability to disseminate and support the implementation of new strategies for business growth and improvement. The company maximizes its ability to implement new strategies and manage its operational activities and objectives through its organizational structure. Tesla's operations management is dependent on the effectiveness of the business structure in supporting strategic changes and implementations.

Tesla Inc.'s organizational structure creates capabilities that enable strong managerial control of the business despite its growing international operations. Growth increases complexity and challenges. For example, global expansion requires a broader set of considerations to succeed in implementing Tesla's generic strategy for competitive advantage and intensive strategies for growth. The corporation's structural characteristics help maximize top-level managers' information regarding these challenges, empowering them to respond accordingly. Thus, this corporate structure supports Tesla's corporate mission and vision

statements, which emphasize global leadership in the automotive and energy solutions markets.

### **Tesla managers:**

- **Elon Musk**

Elon has served as our Chief Executive Officer since October 2008 and as a member of the Board since April 2004. Elon has also served as Chief Executive Officer, Chief Technology Officer and Chairman of Space Exploration Technologies Corporation, an advanced rocket and spacecraft manufacturing and services company (“SpaceX ”), since May 2002, and served as Chairman of the Board of SolarCity Corporation, a solar installation company, from July 2006 until its acquisition by us in November 2016. Elon is also a founder of The Boring Company, an infrastructure company, and of Neuralink Corp., a company focused on developing brain-machine interfaces. Prior to SpaceX, Elon co-founded PayPal, an electronic payment system, which was acquired by eBay in October 2002, and Zip2 Corporation, a provider of Internet enterprise software and services, which was acquired by Compaq in March 1999. Elon holds a B.A. in physics from the University of Pennsylvania and a B.S. in business from the Wharton School of the University of Pennsylvania.

- **Zacary J. Kirkhorn**

Zach has served as our Chief Financial Officer since March 2019.

Previously, Zach served in various finance positions continuously since joining Tesla in March 2010, other than between August 2011 and June 2013 during which he attended business school, including most recently as Vice President, Finance, Financial Planning and Business Operations from December 2018 to March 2019. Zach holds dual B.S.E. degrees in



economics and mechanical engineering and applied mechanics from the University of Pennsylvania and an M.B.A. from Harvard University.

- Jerome Guillen

Jerome has served as our President of Automotive since September 2018 and previously served as our Vice President, Trucks and Other Programs from January 2016 to September 2018, our Vice President, Worldwide Sales & Service from April 2013 to August 2015 and our Model S Program Director from November 2010 to April 2013. Prior to joining us, Jerome served as Director, Business Innovation at Daimler AG, an automobile manufacturer, from September 2007 to November 2010. Jerome also served as Director, New Product Development at Freightliner LLC, a manufacturer of trucks and heavy duty vehicles, from September 2002 to September 2007. Jerome holds a PhD in mechanical engineering from the University of Michigan, in addition to a dual degree in energy technologies from Escuela Tecnica Superior de Ingenieros Industriales in Madrid and in mechanical engineering from Ecole Nationale Supérieure de Techniques Avancées in Paris.

- Andrew Baglino

Drew has served as our Senior Vice President, Powertrain and Energy Engineering since October 2019. Previously, Drew served in various engineering positions continuously since joining Tesla in March 2006. Drew holds a B.S. in electrical engineering from Stanford University.

**Tesla number of employees:**

48,016

Tesla's Marketing Strategy: Don't just make electric cars, sell a slice of the future. The cars are so good that they're winning all the awards that gasoline cars used to win. The Model S was given a 5.4 out of 5 safety rating from the National Highway Safety Administration.

They're literally a better kind of car, according to both experts and regular drivers. As William Gibson would say, "The future is already here – it's just not very evenly distributed."

**"Tesla Motors has no advertising, no ad agency, no CMO, no dealer network. And that's no problem."– AdvertisingAge**

If you drop by the Tesla forums, you'll see a community of passionate fans discussing how to market Tesla better. There are over 55,000 people subscribed to the /r/teslamotors subreddit. The brand has clearly struck a chord with its fans.

Tesla fans are crazy advocates. They attach deep emotional significance to the car. They're not just paying for a mode of transportation, they're paying for a slice of the future.

#### **d. Marketing functions:**

##### **1-Sales:**

Tesla first quarter 2020 Vehicle Production & Deliveries

PALO ALTO, Calif., April 02, 2020 (GLOBE NEWSWIRE) -- In the first quarter, we produced almost 103,000 vehicles and delivered approximately 88,400 vehicles. This is our best ever first quarter performance.

	Production	Deliveries	Subject to lease accounting
Model S/X	15,390	12,200	16%
Model 3/Y	87,282	76,200	5%
Total	102,672	88,400	7%

Model Y production started in January and deliveries began in March, significantly ahead of schedule. Additionally, our Shanghai factory continued to achieve record levels of production, despite significant setbacks.

Our net income and cash flow results will be announced along with the rest of our financial performance when we announce Q1 earnings. Our delivery count should be viewed as slightly conservative, as we only count a car as delivered if it is transferred to the customer and all paperwork is correct. Final numbers could vary by up to 0.5% or more. Tesla vehicle deliveries represent only one measure of the company's financial performance and should not be relied on as an indicator of quarterly financial results, which depend on a variety of factors, including the cost of sales, foreign exchange movements and mix of directly leased vehicles.

## **2-Public relation:**

One company that stands above the rest when it comes to public relations is Tesla. The company is a non-stop news-making machine, headed by CEO Elon Musk.

- Tesla uses social media extensively. It does not use traditional advertising, but instead relies on media coverage to help promote its products.
- In November the company announced a live stream of an event in Los Angeles preceding the LA Auto Show, held at Tesla's Design Center. This event launched the new electric Cybertruck, retailing for \$39,900 – \$69,900.
- Tesla also provided information on its Web site about the new truck.

- In less than a week following the announcement, an estimated 150,000+ pre-orders (at \$100 each) have been placed for Cybertruck, and there were millions of web hits and stories generated.
- All this was accomplished with broken windows in the demonstration, but without a single paid advertisement!

### **3-Advertising:**

Tesla has been creative with the activation of the **brand through experiences**.

They have got consumers talking about the brand, but without paying a dime in advertising. Like Apple, Tesla controls the technological content and brand positioning. The attractive design is, the technological content also (autonomy, super loaders, punctual updates, Autopilot). Tesla is a luxury object that both geeks and sheikhs like as those who only want a Tesla because celebrities have one.

And to all this, the impact guaranteed by its CEO: Elon Musk. It's what Steve Jobs went to Apple, a guarantee that the brand will appear in the news in every news it gives. Musk is increasingly known and, above all, appears more and more in the media, which have a very high interest in what this manager does and says. A perfect cocktail that perfectly summarizes the success of Tesla.

### **4-Branding:**

Branding is all about consistency -- consistency in the colors you use, the words you say and, most importantly, the experience users have with your product.

Obviously, if the experience is consistently bad, no person is ever going to want to use your product again. But in Tesla's case, the fact that they have consistently proven themselves to care about the user experience -- and the fact that they work actively to improve that experience -- has shaped public perception of the brand.

Even though the Model X suffered from early reliability issues, Tesla's strong branding and environmental mission meant customers were more patient.

## **5-Distribution:**

Tesla owns its distribution channel. In its first quarter letter to shareholders, Tesla management says it will expand the company's sales and service footprint by 75% in 2014. In rough math, this brings the total to approximately 140 globally by year end 2014. For context, General Motors (GM) has 20,700 at year end 2013 globally. A GM dealer franchises use of the brand and sale of the product. In many jurisdictions, including individual states in the United States, this relationship is protected by state law. Dealers claim this protects consumers, as they can fix their vehicles. Tesla is currently pursuing legal cases in several states and countries to allow access to their markets. Tesla has been successful in several cases, but as Tesla becomes better known and makes a greater impact, dealer networks are increasing their resistance. This is an impediment to Tesla's sales.

## **6-Promotions:**

Every commercial on TV I see for cars make me cringe. They claim the highest technology, safety claims, mileage, and other such nonsense. Tesla occupies the top spot on many of these claims. All this while Tesla and electric cars in general lie in obscurity, with the exception of some news worthy events like opening up patents. I propose to all serious EV companies to band together and embark on a non-branded EV education campaign on TV to educate the public with the goal to start getting people primed to accept the coming technology.

The amount of electricity to drill, pump store, transport and produce fuels is one small element of the education needed. I could go on but i won't.

It's time for an EV manufacturing association to get John Q on board in advance of the gen 3 and other electric cars coming in the coming years.

### **e. Key Competitors:**

Ford Motor Company (F), the multinational automobile manufacturer founded in 1903.

Ford's vehicle sales market share in the U.S. 2003-2019

In 2019, Ford's U.S. market share was around 14.1 percent, trailing only General Motors (GM). The two largest U.S. brands are relentless competitors in the global automobile industry.

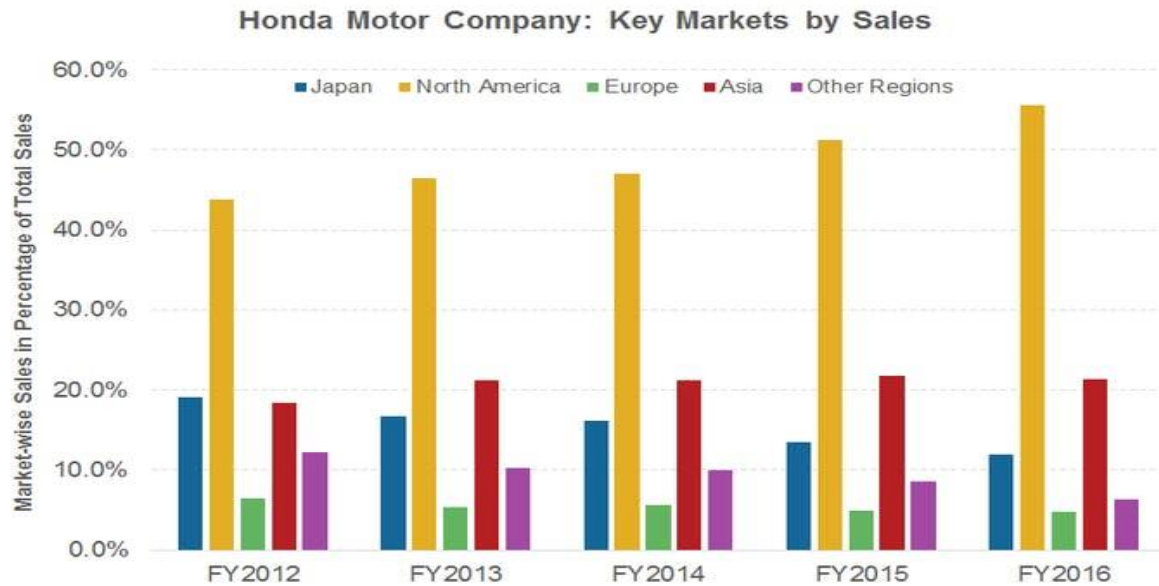
### **-Their market strategy:**

Ford applies two main pricing strategies:

**Market-oriented pricing strategy:** - In the market-oriented pricing strategy, Ford's goal is to set prices that are appropriate to market conditions, with consideration for competition, demand, consumer perception, and other variables

Honda has brought several attractive product models to the market. It has also used a smart marketing strategy with focus upon creating a reliable image and trust among the customers. It uses both traditional and digital methods of promotion to promote its brand and products

Honda Motor Company (HMC), a multinational automobile manufacturer founded in 1948. Let's take a look at some of the key geographical markets for Honda.



Market Realist<sup>®</sup>

Source: Company's Filings

North America is the largest single market for Honda Motor Company (HMC). In fiscal 2016,[1. April 2015–March 2016] North America accounted for 56% of its total revenues.

As you can see in the chart above, the company's revenues from the region have more than doubled in the last five years. While Honda has been witnessing a minor slowdown in its other key markets, including Japan and Europe, for the last couple of years, North America has remained strong with good profitability. These higher revenues from North America were primarily driven by strong demand for the Honda Civic and Honda HR-V models.

## **Second: Marketing Process:**

**A.** Tesla distribution strategy depends on the sales teams and its internal marketing to deliver products to target consumers.

The cars are sold and distributed by using the tesla website or at the company stores that owned by them.

Tesla is controlling and all aspects of distribution as there is no car can be sold without their permission and they control all their marketed products.



**B.** Social responsibility is centered on a balance between the economy and ecosystems and this means you have obligation to act for the benefit of society for large scale. Tesla has a social responsibility strategy which focuses on the nature of the business and its products and also on sustainability and environmental friendliness of automotive, energy storage, and energy generation products. Tesla produces electric cars which has zero emission and doesn't have back impact on the world and environment.

**C. Segmentation** means group of people who share one or more common characteristics, lumped together for marketing purposes. Each market segment is unique, and marketers use various criteria to create a target market for their product or service. Marketing professionals approach each segment differently, after fully understanding the needs, lifestyles, demographics, and personality of the target consumer. The criteria for a market segment are that there is homogeneity among the segment's main needs, the segment must be unique, and the segment's



members must produce a common reaction to marketing tactics. Tesla segmentation, targeting and positioning is a chain of activities that involves identification of a specific population segment(s) and developing products to cater for the needs and wants of consumers belonging to segment(s). Segmentation involves dividing population into groups according to certain characteristics such as age, social status, psychological characteristics etc. Targeting implies choosing specific groups (segments) identified as a result of segmentation to sell products to. Positioning is the selection and application of the marketing mix the most suitable for the target customer segment. Tesla uses mono-segment positioning. Accordingly, the alternative fuel vehicles manufacturers targets individuals concerned with negative environmental implications of oil and gas consumption. Tesla products are considered to be expensive for average consumers and thus, the target customer segment for the company is wealthy individuals and households. Tesla also uses anticipatory type of positioning. Specifically, the electric automaker positions its products and services for a market segment that has low turnover with the anticipation that the turnover will increase in the future.

### **Positioning:**

Tesla is deliberately situated within the electric vehicle advertise as a tall conclusion producer and merchant. Tesla picks up competitive advantage over other occupants since of their direct-to-consumer deals, stores and benefit centers, inventive shopper financing alternatives, and innovative developments.

The competition of electric cars can be looked at from numerous levels, and in this case there has been chosen for two levels: full electric cars and half breed cars. The electric cars have not however a parcel of competition, but producers are busy to create them. This could be affirmed by the truth that a parcel of electric cars is in

a test stage or as it were accessible by renting. In any case, many cars are as of now straightforwardly for deal, but most of them are little city cars.



tesla Motors use this product to prove they have enough ability to produce great electric vehicles (EV). Tesla's avant-garde design gives customers a deep impression. Tesla combines super sports cars' appearance and electric vehicles' environmental protection and energy saving. Another strong brand equity and loyal customers. As the first company to offer fully practical electric car, Tesla has the first mover advantage.

**The Following Table shows Market segmentation to Tesla's products according to Geographic, demographic, psychographic and behavioral segments**

Type of segmentation	Segmentation criteria	Tesla target customer segment		
		Vehicles: Model S, Model X, Model 3, Future Consumer and Commercial Evs,	Energy storage: Powerwall 2, Powerpack 2	Solar energy systems: solar panels, inverters, racking, electrical hardware, monitoring device
Geographic	Region	North America, Asia, Europe	North America, Asia, Europe	North America, Asia, Europe
	Density	Urban & Rural	Urban & Rural	Urban & Rural
Demographic	Age	30+	25-65	30-65
	Gender	Males & Females	Males & Females	Males & Females
	Life-cycle stage	Full Nest I Full Nest II Full Nest III	Full Nest I Full Nest II Full Nest III	Full Nest I Full Nest II Full Nest III
	Occupation	Employees, professionals, senior manager, executives	Employees, professionals, senior manager, executives	Employees, professionals, senior manager, executives
Behavioral	Degree of loyalty	'Hard core loyals' 'Soft core loyals' 'Switchers'	'Hard core loyals' 'Soft core loyals' 'Switchers'	'Hard core loyals' 'Soft core loyals' 'Switchers'
	Benefits sought	Status Perception of being environmentally friendly Long-term cost effectiveness	Long-term cost effectiveness Perception of being environmentally friendly	Long-term cost effectiveness Perception of being environmentally friendly
Psychographic	Personality	Determined & ambitious	Determined & ambitious	Determined & ambitious
	User status	Non-users, potential users, first-time users	Non-users, potential users, first-time users	Non-users, potential users, first-time users
	Social class	Middle class & upper class	Middle class & upper class	Middle class & upper class
	Lifestyle[1]	Aspirer, Succeeder, Explorer, Reformer	Aspirer, Succeeder, Explorer, Reformer	Aspirer, Succeeder, Explorer, Reformer

**Targeting:** TM focuses on males (83.9%) and trade administrators. The lion's share is between 45-64 years old. 77.3% have an income over \$100,000 and are considered to be wealthy and in the upper-middle class (LeBeau, 2013). They are less cost delicate, seeing TM's vehicles as a prestige and portion of their lifestyle (KPMG, 2014) and focus on luxury premium cars which are fast, save and eco-friendly. Extraordinary service, performance and brand reputation are also important (Tesla Motors, 2014).

TM targets families by selling the Model S and X equipped with seven seats, which offer big space for families (Tesla Motors, 2014) The offer of these models is attractive for family trips and holidays.

TM focuses on more than one target market and utilizes the differentiated marketing approach by offering different products for different target markets. TM employs a separate marketing mix for more than one targeted segment. It is essential to construct specific target markets, making possible for TM to identify countries or where TM can exploit its strengths and competitive advantage best (Tesla Motors, 2014). The differentiated marketing strategy helps TM to identify specific needs and preferences of the single target markets, making it possible to boost customer loyalty and satisfaction. The targeting strategy enhances TM to differentiate itself from other competitors (Hartung, 2013).

## **D. Marketing Environment:**

### **D. a. Macro Environment:**

#### **1- Political Environment:**

Electro mobility is being extensively discussed and a highly political topic. The following factors are significant to Tesla and the automotive and energy solutions industries:

- Incentives issued by governments for electric automobiles as being tax-free or incentives for companies to build charging stations.
- New global trade agreements that widens the relations between global markets.
- Political stability in the majority of major markets but that was severely impacted by the COVID-19 crisis.

In China for example, to speed up further the promotion and application of new energy Vehicles, improve social identification of new energy vehicles and make their Development more effective, the government issued Financial Support Notifications successively. The financial support and continuous publications of aiding subsidies shows that the government is determined on the support of new-energy vehicle industry in the government future plans.

The government implements the remission policy for new energy vehicles' purchase taxes and travel taxes in 2014, the notice of reducing purchase taxes was issued until the end of 2016.

In 2014, the State Council decided that charging infrastructure is a must in the steps of new-energy vehicles development. He planned that charging infrastructures would reach or exceed 5 million new energy vehicles until 2020.

So far, new energy vehicle industry has been a highly independent industry. The national policies are considered as the conclusive power to promote the industrial development. Until the end of 2015, sales volume of new energy vehicles in a single month has already exceeded 1% of all vehicles' sales volume.

Shown in Table 1 the subsidies for new-energy Vehicle Company over the last 5 years.

New energy models	Driving mileage	National subsidy amount(Yuan)					
		2015	2016	2017	2018	2019	2020
BEV	BEV						
	$100 \leq R < 150$	31,500	25,000	20,000	20,000	15,000	15,000
	$150 \leq R < 250$	45,000	45,000	36,000	36,000	27,000	27,000
	$R \geq 250$	54,000	54,000	44,000	44,000	33,000	33,000
Plug-in HEVs	$R \geq 50$	31,500	30,000	24,000	24,000	18,000	18,000

Table 1 National Subsidy Planning of New Energy Vehicles in 2015-2020

	US	Norway	Switzerland	The Netherlands	China and HK
<b>Taxes</b>	\$7,500 Federal tax credit	Lower annual fee; higher mileage allowance writedown; exemption from congestion charge, initial car tax and VAT (~\$97,000); 50% discount on company car tax	Depending on canton (county) reduction/no annual road tax	Exclusion of vehicle tax until 2015; No BPM (private motor vehicle tax) until 2017; 4% Bijtelling (tax credit) for 5 years	Up to \$9,800 tax credit (China); registration tax waived (HK)
<b>Subsidies</b>	Various purchase subsidies/rebates for Evs				Free vehicle licence worth up to \$14,000 (China)
<b>Parking</b>	Parking incentives for Evs	Free access to some parking spots			
<b>Bus lanes</b>	Access to HOV lanes	Bus lane access			
<b>Other</b>	Several other incentives for EV owners	Free pass in toll roads			

Table 2 Governmental Incentives for BEVs in main markets

## **2-Economic Environment:**

These conditions that affect the economic environment include market growth, trade levels, currencies, and other variables that influence the automotive business. For example, the solar energy market's growth rate determines the growth opportunities of the company's solar panel business. Tesla needs to address the following economic external factors that influence the automotive market:

1-The decrease in production costs of batteries.

2-Decreasing renewable energy costs.

3-Economic stability issues.

Tesla's business performance benefits from lower battery costs. For example, this external factor translates to affordability of the company's electric automobile products.

These environment is strongly associated with the political environment, for example the formation of trading union between USA and Europe.

The continuous decrease in Renewable energy cost is in favor of Tesla alongside the continuous regulations in % of carbon emissions that Tesla's electric cars nature can abide to these regulations easily, therefore has continuously increasing growth rate. The following figure 1 shows the cost of renewable energy and growth rate of Tesla, the company has achieved compounded annual growth rate of 3.35% in 2019.

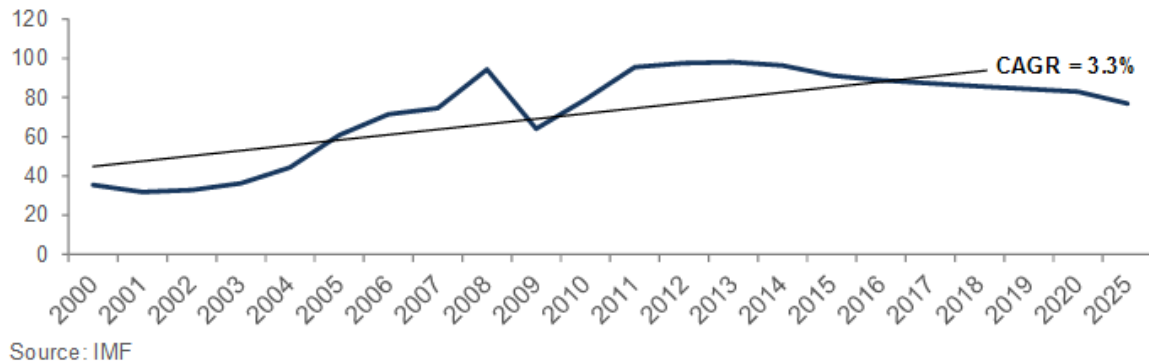


Figure 1

### 3-Social Environment:

Traditional energy is becoming more exhausted by the standards of the society now, pollution is a severely serious problem that mankind is facing and any products biased towards decreasing environmental pollution is greatly favored by society and consumers, such green food or environmental friendly homes.

Therefore, Tesla's new-energy vehicles abide these favors and will be continuously approved by consumers.

### 4-Technical Environment:

The advancement of Tesla technically depend on key technologies availability, for example materials science engineering technology affect the batteries; their cost and durability. Thus, affecting the company's competition.

These factors also affect the company's business

1. High rate of technological change.
2. Increasing automation in business.
3. Increasing popularity of online mobile systems.



The high rate of technological change is an opportunity for the company, but it is also an active threat. The company excels in the automotive industry as long as no other competitor alter the technology Tesla uses and succeed in outstanding them.

#### **5-Nature Environment:**

Creating awareness among public is one key factor in which Tesla can increase their opportunity to sales. Waste disposal standards can easily convince the government thereby promoting sales.

#### **D. b. Micro Environment:**

1- **Company:** The Company has achieved a respectable position in the automotive industry, Elon Musk has succeeded to pass his vision to each and everyone of his company's employee.

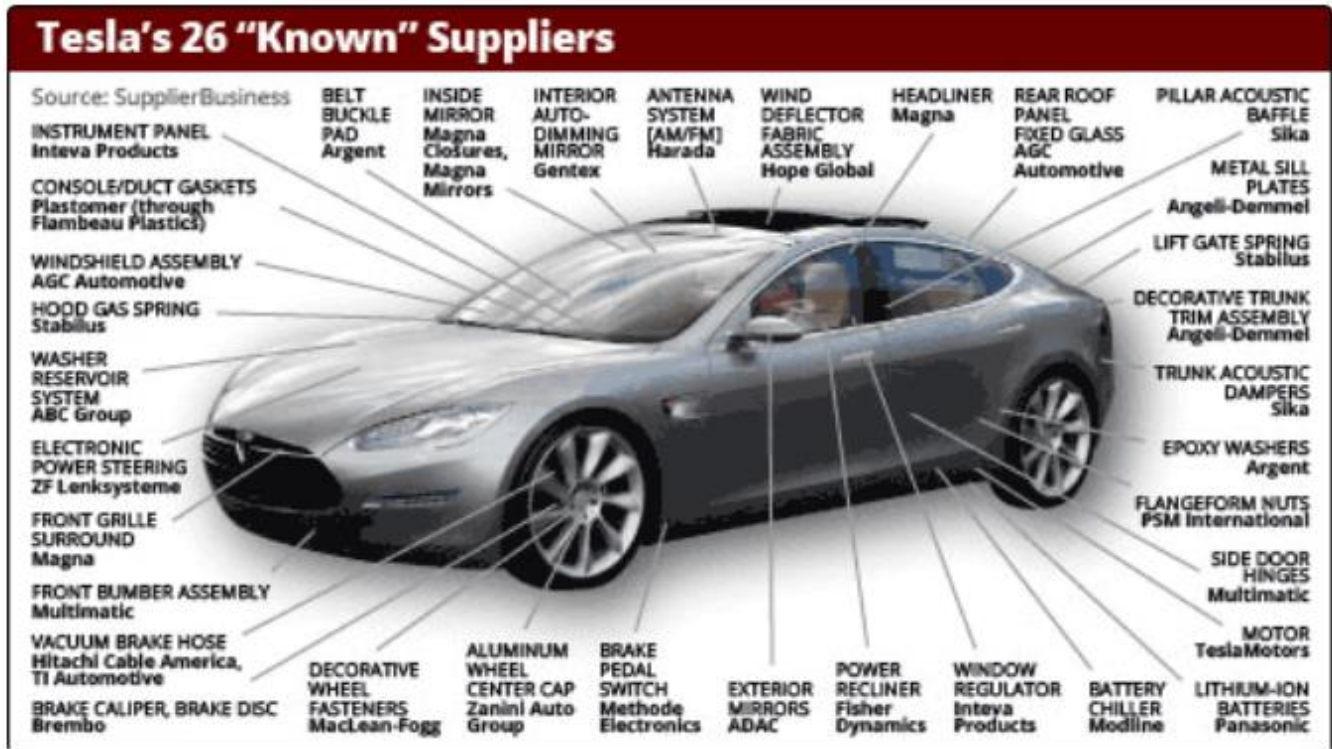
2- **Suppliers:** The company tries to keep the identity of their supplies a secret, in order to not give a chance that one of them bought by a competitor company. However the main suppliers for the company has been unveiled.

Tesla is responsible for manufacturing the main car parts; the electric engine, the battery pack and the car charger. And other main parts come from another companies as shown:

- **AGC Automotive:** windshields
- **Brembo:** brakes
- **Fisher Dynamics:** power seat.
- **Inteva Products:** instrument panel.
- **Modine Manufacturing Co. :** battery chiller.
- **Sika:** acoustic dampers.
- **Stabilus:** liftgate gas spring.

- **ZF Lenksysteme:** power steering mechanism.

These are the suppliers for the main parts, there are tens of other parts suppliers. Shown in figure the known suppliers for the model S car type.



- 3- **Customers:** Customers have more incentives for buying new-energy vehicles especially the cutting-edge ones of tesla.
- 4- **Competitors:** Tesla's main competitors are other electric and hybrid type cars: Tesla Model S, Coda Sedan and GM Volt.
- 5- **Marketing Intermediaries:** Although the company and consumers can benefit from middlemen, Tesla prefers to have no middle men and by the one and only supplier of their products.

Consumers seeking the company's products can visit the company's official site or visit the official stores of Tesla. This was the vision of CEO Musk " Existing dealers have a fundamental conflict of interest

between selling gasoline cars, which constitute the vast majority of their business, and selling the new technology of electric cars.” Elon Musk 2015.

The company has opened many official stores owned by Tesla with a Tesla product specialist that has a vast information on the companies’ vehicles.

**E-pricing:** Initially, Tesla Motors decided to target rich buyers and to later capture larger markets with lower prices. It thus adopted a premium pricing strategy at its inception, and maintained high prices for its premium products.

This was for a niche market that was more interested in high-quality products with the latest technology regardless of their price range, since they could afford such products easily. Later the company launched affordable products with the general mid-scale consumers in mind. It wanted to capture a large part of the consumer market and thus adopted a pricing strategy that was reasonable. This contributed to increasing the revenues and rising the profit margin of the company.

The company also uses market-oriented pricing strategy for Solar panels, solar roofs and related products. The company is expected to change its pricing strategy with its increasing market share and variety of products being introduced by the company.

**F-** Yes, the marketing department have online applications. The main one is the company’s [official site](#), all of the company’s products can be bought online from this official site, from the 4 car models; Model S, model X, model 3, or model Y. Also other products can be bought as solar panels and solar roofs.

### **Third: Your Opinion:**

a-We believe that marketing is the most important branch running our business, as we direct the largest part of our budget to this branch.

Reaching the maximum satisfaction to our customers is our goal so we care about how to achieve his satisfaction by different ways of marketing as we have the best marketers.

b-Our competitive advantage lies on our prices compared to other companies. We deliver the best quality by a very proper price, so here is our competitive advantage.

c- We recommend that the company follow the market-oriented pricing more, as they introduce more products this strategy will attract more buyers, contrary to the premium pricing strategy they used for the past years.

d-Marketing is how to make people interested in our products and this happens through market research and study well about people preferences and knowing enough information about your competitors to produce something different from their products with a competitive advantage.

e- Yes, we are a smart company as our company is a fast growing Company with different business unit, looking forward to more expansions in a diversified manner that will enable the company to grow in different industries.

And we follow proactive strategies as we place a greater emphasis on forward thinking strategic planning as opposed to reactive strategies to deal with problems or to approach opportunities as they arise. Being proactive offers a business a lot of advantages when approaching business opportunities and managing problems.

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