Tesla Marketing Strategy and Global Growth Plan

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Tesla's Vision and Mission

Tesla was formed by a group of engineers who were motivated to prove that electric vehicles can be better and more reliable. They were also focused on building green energy solutions and provide emission-free transport facility to the people. Thus, they outlined the vision and mission statement of the company as follows (ROWLAND, 2016).

Vision Statement:

"Create the most compelling car company of the 21st century by driving the world's transition to electric vehicles."

Mission Statement:

"To accelerate the advent of sustainable transport by bringing compelling mass-market electric cars to market as soon as possible."

The vision and mission are reflected in all the business and manufacturing activities of Tesla.

Current Market Position

Tesla holds a very unique position in the EV market because it is the founder of EVs (Chen & Perez, 2018). It started manufacturing electric cars when almost all other automobile companies were only focused on improving their conventional car models. Therefore, Tesla was able to get global attention as the first electric car manufacturing company which subsequently helped it increase its market share. However, in recent years when the initiatives for green energy and green transportation are increasing rapidly in the world with the support of national and international governments, many other companies are trying to introduce their hybrid models as well because there is generally the enhanced priority among consumers to buy eco-friendly products.

But Tesla yet does not have any direct competitors although many automobile giants such as BMW have announced that they are working on their electric car models. The Karma model of Fisker company can be considered as currently the only alternative of the Tesla Model S but customers are still more inclined to purchasing Tesla's products being the pioneer of the EVs (Moritz et al., 2015).

However, there is another factor that is considered challenging for Tesla to maintain its hegemony in the market and it is related to its market segmentation. The company primarily offers its models to high-end customers who love to have luxurious products and are not concerned about the prices. Although the company have been successful so far in attracting these consumers towards electric cars, the other automobile companies such as Ford, BMW etc., still have the greater market share. And then there are many other companies as well that mostly target the middle-end of the market which constitutes more than 80% market population. This all becomes a primary hindrance for Tesla to achieve its global mission of the world's transition to electric vehicles.

According to Aylin Kadriye Tansel (2016), Tesla has a supportive political environment when the US government is providing various tax incentives, the primary European economic environment, increasing awareness among people regarding EVs in the social environment, the highly advancing technological environment and legal environment which is greatly concerned about the safety regulations. This market audit explains that the company has currently a very positive image in the market and generally perceived as the visionary brand aimed to accelerate the world's transition to EVs which exactly matches its mission and vision. But it needs to offer more affordable and advanced car models to attract the middle segment of society.

Marketing Objectives

By using the Ansoff matrix, it can be assessed that the company is using all the four strategies of market development, product development, market penetration and diversification as concluded by Dudovskiy (2021). The market penetration involved selling the products in the existing markets of the United States and Europe. Product development is the primary marketing tactic of the company when it focused on introducing electric vehicles. Tesla has yet not tried the market development and the diversification strategies which deal with creating a new market to sell the existing products or selling new products in the new market.

Thus, it is proposed that the company needs to introduce a cheaper model for the countries outside Europe to achieve its global mission. In this regard, Tesla's entry into India can be very fruitful to grow its customer base and India has a big population and overall growing economy to support the infrastructure development. But the company cannot achieve its mission until it provides its products to all over the world. In this regard, the following marketing objectives are outlined for the company (Mangram, 2012):

1. Increasing the demand for electric vehicles and improve leads to the company's sales teams
2. Building a long-term awareness among people with regards to sustainability, green transportation and establish itself as the brand leading these innovations.
3. Providing strong customer support to the existing customers to win their trust and confidence to generate more customer referrals
4. Inviting customers' input in improving the company's car models

Marketing Plan

Customer segments

Customer segmentation plays a critical role in addressing the particular needs of the customers effectively and then offer the related products and services meeting those needs. In this regard, Tesla's customers can be segmented based on their demography, geography, behavioral and psychological patterns etc. Further, it can be assessed that the company is more focused on high-end sports car market, luxury vehicle segment and mainstream vehicle consumer segment (Jai Deo Tiwari, 2017). And as suggested above, the company now needs to pay more attention on mainstream vehicle segment because it constitutes the largest share of the market in order to achieve its mission.

Thus, the new and relatively cheaper model of Tesla will be able to attract somewhat a larger fraction of the society and enable the company to maintain its leading position in the market. But to achieve this, the company also needs to invest heavily in research and development to come up with innovative solutions for longer, stable and cheaper batteries and has to expand its production unit to decrease the overall cost of the model significantly (Kim, 2020; Narins, 2017).

Market position

The market position of any brand providing any kind of services or products depends on two factors i.e., cost and the nature of administration. The cost determines the overall market share of the company while the nature of the administration is concerned with the rate of item substitution and dependability of conveyance. As explained earlier, Tesla has been successful in the EVs market because it is the pioneer of this industry. But now as many other automobile companies have initiated the development of their electric vehicles, it would be difficult for Tesla to maintain its leading position due to the very high cost of its products. Also, the other car brands have a relatively greater production facility which will enable them to offer their products at a cheaper price and thus making it challenging for Tesla.

Moreover, they also have the better and larger distribution channel for their products throughout the world making it easier for them to enter the new markets. Therefore, Tesla needs to utilize more effective expansion strategies and need to collaborate with the local companies for assistance in mass producing and distributing their products. This will also help the company to strengthen its online business model and win the loyalty of its customers. Furthermore, about the company's mission, the company must connect itself with new customers who are driven by price in the same way it was able to make associations with high-end customers.

Marketing mix

The marketing mix of any company should be unique to stand out in the market because it determines the four important strategies of the company with regards to product, place, promotion and price as a part of its marketing plan (KISSINGER, 2016). Currently, Tesla has full control of all these four components which has helped it greatly to reach the target customers and increase the profits significantly. But as mentioned earlier, the company needs to expand itself at various other locations outside the United States and Europe to achieve its missions and this expansion is not possible without collaborating with local marketing channels.

The products are the primary value that consumers pay for. Tesla's new affordable product will help it get the consumers' attraction more easily because it will not only answer their concern for a reliable and eco-friendly vehicle but also its affordability. The location and venues which are used to reach out to the customers are also important and this is the element that the company needs to focus on heavily. Because when Tesla will launch its product in the new market, it will be expanding its supply chain and without the support of the local companies it would become very difficult to sustain an effective distribution channel. Thus, the company can establish more stores this way in the new regions and supply its products globally.

The promotion strategies play a critical role in managing the consumers' expectations and influence them positively in the particular global market. In this regard, Tesla can utilize different tools such as viral marketing, public relations, personal selling, direct marketing and sales promotion to promote its image as the best EVs selling brand. Lastly, with regards to pricing strategy, Tesla needs to shift its focus from a premium pricing strategy to a market-oriented strategy to maintain its competitive position in the market as explained in the above sections. The adherence to this 4P strategy will benefit Tesla to continuously increase its market share and manage the competition it has likely to face in the following years.

IMC plan

A consistent marketing communication message is the fundamental requirement for increasing the number of electric vehicles. And this message must be weaved through all communications media. It is also important that the message highlights the sales prospects so that the company can sell its products more often as compared to its competitors which include both the electric car manufacturers and conventional car manufacturers because they both target the same need of the consumers.

Further, the company needs to maintain a unified voice while engaging with its four key groups i.e., customers, industry analysts, in-house retail sales and the press. This includes sharing the key information about the company's business, new changes, and updates consistently to earn their trust. This is even more important with regards to the customers because they can easily shift their brand if they do not receive the important updates timely and thus Tesla can lose its customers.

In this regard, it is recommended that Tesla keeps its website always up to date with the more recent information about its existing and upcoming models. The website is also the first platform through which customers contact the brand and later on enquire different details and information. So, it should be the high priority of Tesla to provide an engaging experience to potential customers who visit its website and excellent support to existing customers.

Lastly, the strong presence of the company on social media platforms and traditional media such as TV is also important to influence the demand for the new product.

Conclusion

Tesla is a highly successful company in the EVs industry. But with many other brands entering the industry, it would be very difficult for the company to maintain its competitive position. Therefore, it is recommended that the company launches a new product globally which is much cheaper than the existing products by expanding its production capacity and improving the batteries. Once, the company successfully launches this product, it would need to establish a strong supply chain mechanism to deliver it to new markets. And to accomplish this the acquisitions of local companies can be an effective strategy.
The new product development is also very beneficial for its culture and level of innovation because it will boost the research and development and will attract the most talented professional from all over the world. And with regards to marketing the new product, Tesla can use the differentiated marketing approach to address the travelling needs of the different markets differently and accelerate the overall sales. This will further provide Tesla with a unique identity among its competitors and win the trust of its potential customers. Only this way, the company can be able to achieve its mission of the world's transition to EVs and accelerating the development of sustainable vehicles.

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