

Marketing mix assignment

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The Model X will be branded as a SLAV-Mailman hybrid, which will attract both SUB and Mailman consumers. 13 Model X can satisfy families' needs for more space and more seats. In February 2012, Tests revealed an early prototype of the Model X. 13 This Model X prototype can help the company to test the target customers' reaction. Tests Model X provides the innovators and early adopters an Impressive feature – the “ falcon doors” equipped with sensors. 17 With sensors, the door will adjust when opened In order to avoid hitting other objects.

With this style of door people can easily step In, Install baby seats and park their car. They design this kind of door not only for the fabulous appearance, but also for the functions. When this new design is showed in Model X prototype, it truly impresses new customers. In the beginning of 2013, Model X has been introduced to the public in the American Auto Show. The exhibition of Model X is a kind of market testing. Tests can notice customers' attitude about Model X. Tests can figure out what the price Is acceptable to Its potential customers and what special requirements they need.

In this Auto Show, salespeople introduce specific features and answer customers' questions about the Model X. For example, some consumers do not want to buy a SUB because they think it is hard to control when they make a turn on the road. Model X is different from ordinary SUB. Model Ax's center of gravity is a lower than any other SUB. Some customers do not believe that an SUB can have strong acceleration. Actually, the Model X surpasses the fastest Subs and many sports cars because It can accelerate from 0 to 60 MPH In under 5 seconds. 17 Tests focuses on potential customers who have environmental consciousness.

Since the environment elution becomes a serious problem all over the world, customers are eager to have a GAVE (Zero Emission Vehicle) to reduce environmental damage. The fully electric cars meet the requirement of environment protection and the fashion requirement. B. Price: Price Is one of the most Important factors affecting customers buying decision. L We agree that a lower price will create a competitive advantage. But Tests did sale Its first Model – Roadster (started at \$1 28, 500) at a high price. Tests focused on wealthy people who have higher environmental consciousness.

The starting price of their second vehicle, the Model S, is \$69, 900 which is lower than their first vehicle. The Model Ax’s price may be equal or even lower than the Model S because, after the early-stage per unit cost inefficient, Tests tries its best to reduce the cost of battery packs, materials and sloping of materials. 13 As the manufacturing cost of Model X price. Then they may start to focus on more price-sensitive customers. Tests has sold only a few vehicles at the highest price so they try their best to reduce cost during the production processes.

Tests wants to sell their vehicles at a lower price to attract ore customers. Based on this information, we assume that Tests uses a skimming price policy in their business. This policy is useful to Tests since they are a new company providing new technology products and they know little about the shape of the demand curve for the product. Teasel’s CEO, Leon Musk, has said he envisions Tests as an independent automaker, aimed at eventually offering electric cars at a price affordable to the average consumer.

Recently, Tests announced that the price in China or other countries would be same with the price in North America. 13 They intend to use one-price
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policy. However, due to the addition of unavoidable taxes, customs duties and transportation costs, the selling price will be inevitably higher than the selling price in America. 13 The same price policy sounds fair to most international customers since most vehicles have different prices in the local market and the foreign markets. Teasel's "fair price" policy breaks this tradition. This is an attractive condition for the price sensitive foreign customers.

For example, in China, the price of Tests vehicles would be comparable to a mid-sized premium vehicle instead of a large luxury vehicle so that people who want to buy an eclectic fashion car and cannot afford a luxury car can take Tests into consideration. 13 c. Place: Tests is located in San Carols, California, in Silicon Valley where many elites gather. 17 This is a huge advantage for new technology. Lots of sources are available to Tests in this location. The world's most famous electronics companies are also concentrated in Silicon Valley. They can design, manufacture and test their out-of- the-state vehicles in the same place.

Tests realizes that most customers do not enjoy recharging vehicles in dealer shops. The shopping environment is really uncomfortable. Customers remain vigilant during purchasing to avoid being cheated by dealers. Tests takes a different way to sale their vehicles. They set their showrooms in fancy shopping malls. People prefer to shop in shopping malls. It is a place that people can relax themselves and experience new and different stores. We believe it is important to market the Model X heavily in the United States, due to a higher percentage of the population opting to drive Subs and Minivans. People in the

United States enjoy traveling around when they are on vacation. An SUB can help them to carry all the stuff that their family members need and can provide enough capacity for their families. Tests is focused on the East and West coasts of the U. S. We suppose that they use a “ rollover” method to establish their business. The reason why they establish their stores in these areas may be that the demand in these regions is higher than the middle of America. When the Model X is released, Tests should still focus on the high demand regions. But we assume that they will build their stores in he middle of America in the future.

However, consumers in other countries such as Asia tend to have smaller needs for Subs. For example, due to the high gasoline price in China, Subs may be not as popular as it in America. People may want to buy cars that can save energy. When the fully electric Model X is released, it may attract gasoline price. However, most Chinese consumers are conservative. The rollover policy is useful in Chinese market. Model Ax’s market places should focus more on the cities where SUB is popular and people eager to experience new technology and people in here do not afraid of taking risk.

They should establish a few showrooms in a Metropolis to figure out the shape of demand curve in China. Then, based on the demand curve, they can adjust their marketing plan and increase/decrease the investment in China. For other new markets, we suppose they should use the same strategy to expand their economy. D. Promotion: Promotion is the communication of information between the seller and potential buyers. L Since Teasel’s eclectic vehicles are still in the introductory stage, the

objective of promotion is to tell target customers that the right product is available and entice them to try and evaluate the product.

Tesla's promotion strategy is similar to Apple. Tesla uses personal selling at this stage to inform their customers. Tesla builds "experience" stores where their potential customers can evaluate and try their new Model X. There are salespeople who can introduce the new technology and products to potential customers. Different from traditional car manufacturers and the Apple store, they do not sell their cars in experience stores or dealer stores. If customers want to buy the car, they have to order it online and wait for Tesla to send the vehicle to them directly.

It is difficult to predict customers' reaction to a new product. Tesla needs to get the feedback from customers immediately so personal selling is a useful way. When the Model X is released, we believe that Tesla should continue to market in their experience stores all around the world. Model X is a new style of fully electric vehicles. It is bigger and heavier than the Model S. Most people suppose that there is not enough energy of the battery packages to support such bigger and heavier cars and they also think the "falcon doors" may not be as useful as the producer said.

Based on the suspiciousness, we can conclude that the salesperson plays an important role in the introduction stage. They cannot only help the potential customers to know better of new products but also give the feedback to manufacturers immediately. Without using mass selling or sales promotion and cooperation with dealer stores decrease the cost of products. This kind of promotion has a positive effect on the Price. We also believe that digital

marketing will prove important in creating a large geographic range of consumers for the Model X.

They do not use advertising to communicate with their potential customers. However, people can see the commercial video of Tests on their website. Based on that, we think they use the personal selling and publicity to inform potential customers. Most of buying actions are finished on Teasel's website. Tests put whole product information on the website. Customers can find information about what they want to know about the product on the website. On-line shopping is an easy and convenient way for people to purchase products. The digital marketing saves consumers' time and gives them a comfortable way to shop.