

The tesla motors inc marketing essay



**ASSIGN
BUSTER**

Tesla Motors, Inc. is an automotive company headquartered in Silicon Valley, California that design, manufactures and sell electric cars and electric vehicle components. The company gained special attention by producing the Tesla Roadster, which is the first fully electric sport car and the Model S, which is a fully electric luxury sedan.

Tesla is the only automaker that builds and sells highway-capable Electrical vehicles. According to paper works filed to US Securities and Exchange Commission, Tesla produces 15 cars per week, which are mostly customer ordered.

The company's goals is to make the number and variety of Electrical Vehicles to the general public increase in three ways:

Selling its vehicles in a growing number through showrooms and online

Selling patented electric powertrain components to other automakers so that they can make EV's available to customers sooner

Serving as a positive example to other automakers, so that to demonstrate that there are great numbers of consumers who are demanding efficient and high-performance vehicles.

Environmental Analysis

Objectives and Issues

Tesla missions and values are extremely focused on helping the environment and provide to customers a new experience.

Mission Statement

“ Tesla Motors designs and sells high-performance, highly efficient electric sports cars - with no compromises. Tesla Motors cars combine style, acceleration, and handling with advanced technologies that make them among the quickest and the most energy-efficient cars on the road.”

Our Vision

“ Create the most compelling car company of the 21st century by driving the world’s transition to electric vehicles”

Marketing Strategy

Step 1: Promotional Campaign

The main goal of the promotional campaign is to create a brand name recognition and consumer’s interest by motivating them to research about Tesla online or visiting Tesla website. The promotional message should appeal to both an emotional (cool, hip, status symbol) and rational (technically superior, zero emissions) but also emphasizing the theme (fun to drive) which should remain constant. Our recommendation relies on magazine and television advertising followed by a strong online media.

Step 2: Utilize the Tesla Brand Community to Engage New Consumers

Tesla current customers are the greatest source of sales because they want the company to survive due to their passion about Tesla brand. Recent comments posted by Tesla owners

Step 3: The In-Store Experience

A critical part of the promotional message is to confirm the in-store experience. As technology is an important aspect of our today's world and based on this approach we support Tesla's "Apple Store". Salespeople should be trained and able to educate consumers on the technological aspects of the Model S, and they should show as being passionate about the brand. Finally, this experience should be enhanced by a test drive on the Model S to confirm the "fun to drive" message transmitted in this campaign.

Step 4: Welcome New Owners to the Tesla Community

New owners will be an important part to be involved in Step 2 of the marketing process in the future, as they will become Tesla's brand champions.

Promotions/Advertising

Describe the company's "communications package".

For example:

advertising

selling

sales promotion

publicity

How much is budgeted in Year 1 in each category?

Advertising

What percentage of each media is to be used in your overall advertising package?

television

radio

newspapers

magazines

billboards

business cards

co-operative advertising with wholesalers/retailers

other

Selling

What type of sales persons are to be used-food brokers, commissioned salespersons, etc.?

What tools are to be provided to salespersons to assist getting orders (volume discounts, purchasing shelf space, etc.)?

Will a sales training program be offered?

How will sales effectiveness be measured?

What incentives will be offered to salespersons for new accounts, achievements?

Sales Promotion

What sales promotion activities are planned?

point of purchase displays/sales aids

samples

coupons

What costs are associated with each?

Publicity

How does the company plan to “kick off” the introduction of the product using publicity?

endorsements

testimonials

referrals

truck signs

consistent visual theme

Target Markets

Tesla target is relatively small due to the high cost of the Roadster. Owners are usually referred to as “eco-hipsters,” “affluent-environmentalists” or “rich early adopters.” Initially, the goal is to sell 20,000 units of the model S vehicles per year. The company must target a large segment of consumers who are both interested in:

Functionality

Performance

Environmentally and politically responsible

According to the IPO - Initial Public Offer (2010), Tesla believes that:

Combination of functionality, performance, style, energy efficiency and overall cost of ownership of the planned Model S will draw buyers from several market segments, including the lower, medium and upper premium sedan classes

Also, according to a GE consumer survey (GE Reports), the Electric Vehicles market can be divided into three following segments:

Drivers who see Electric vehicles as symbolizing their commitment to the environment

Drivers who “see the technology as simply “cool” - representing cutting edge innovations that puts them ahead of the pack. In tech circles, they are known as “early adopters”

Frugal drivers who see Electrical vehicles as a way to reduce travel costs

The target strategy for the Model S is to include consumers from segments one and/or two who can afford luxury vehicles. Moreover, the Model S will appeal to consumers who use brands for self-enhancement, self-verification, and self-construal purposes by presenting an environmental, hip, trendy, and independent image to themselves and others. Finally, the Model S ideal consumer is someone who will embrace the role as a member of a brand community and will become a Tesla Enthusiast.

Implementation

Summary and Recommendations

Appendices