

# Tesla marketing segment in singapore assignment

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Tesla Target Segment: Wealthy Individuals who want to make a statement

Our firm strongly believes that Tesla should adopt a Niche Marketing strategy and target the segment that considers both the predilections of the "Will. i. am" and the "Al Gores"; individuals who can afford to pay the premium to make a statement about being different. They are exclusive, they appreciate breaking-edge technology and they are environmentally responsible. Targeting Strategy: Cost considerations Al Gore Will. i. am

Niche marketing suits Tesla in Singapore because of the relatively small number of car owners who can afford the car and are willing to pay a premium for the exclusive technology. Niche marketing will ensure that any marketing initiative communicates specifically to the affluent and environmentally conscious segment, increasing the effectiveness of marketing dollars. Tesla, being a new entrant into the car market in Singapore, does not have the financial muscle of its competitors to adopt large-scale or extensive marketing campaigns.

However adopting this strategy will allow Tesla to create a brand image that is unique to its product offerings. Dominant Al Gore -Executive Look -

Environment-friendly -Appreciates Technology Tesla Model S TS Dominant

Will. i. am -Exclusivity (High Price) - Sports car Performance - Tesla Roadster

Target Segment (TS): The intersection of the purchasing power and self-consciousness of a "Will. i. am" coupled with the appreciation for technology and environmental responsibility of an "Al Gore". The target segment represents an uncontested space that Tesla can exploit.

Reasons for Target Segment 1. Purchasing power vis-a-vis Segment potential

The technology that drives the Roadster and Model S is unprecedented.

Tesla has invested a great sum of money into the R&D of the environmentally friendly EV technology, without compromising the power and performance. The cars have to be priced at a premium, around \$500000, to cover largely R&D and distribution costs in Singapore. This limits our target segment to individuals with high purchasing power, more prominently the “Will. . am”. Based on demographics, we see the rising affluence of Singaporeans; the numbers in the high-income band are growing and in industry forecasts, we see the upward trend in the purchases of cars priced at \$400 000 or higher. Also, the number of car owners paying premium for environmentally friendly vehicles is on the rise. Despite their high prices, the implications of the data present opportunities in this segment for the Roadster and Model in terms of building profits and customer relationships. . Degree of Product Variability Tesla’s defining EV technology is uncharted territory for the Singaporean car market; this is a blue ocean of opportunity where Tesla has the first mover advantage. Since Tesla is the first entrant with EV technology, we can consider product variability low in this segment. The Roadster is your first environmentally friendly sports car that can match the performance of the other super cars in the market; this will appeal to the dominant “Will. i. ams”.

The Model S is a Sedan that presents an executive look whilst maintaining the performance of Tesla’s EV technology; this will appeal to the dominant “Al Gores”. Tesla can meet both wants; new technology, high differentiation and exclusivity, whether it is in a Sports Car or a Luxury Sedan. This segment

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presents a space where Tesla faces little competition. Tesla's strategy vis-a-vis Target Segment Tesla's strategy of offering EVs at mainstream prices is untenable because of the high-end pricing that Tesla has adopted.

This is due to the high cost of distribution and all other taxes/COE that the Government of Singapore imposes. We therefore cannot target the mainstream car market here; instead we have to look at segments that can afford and are attracted to our value proposition. This is the only way our operations in Singapore can stay viable, going forward.

----- [ 1 ]. This is the estimated price after Green Rebates.