

Tesla electric car



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| Will the electric car stick? | Tesla Motors|| 8/9/2012| [Type the abstract of the document here. The abstract is typically a short summary of the contents of the document. Type the abstract of the document here. The abstract is typically a short summary of the contents of the document.]| Is the electric car sticky? In the New York Times bestseller “ Made to Stick” Chip and Dan Heath explain why some ideas survive and others die.

In today’s constantly changing marketplace along with rapidly evolving technological innovations, how do we create ideas and products that will stand the test of time and possibly benefit humanity and our future as a whole? According to the Heath brothers there are six principles we can use as guidelines for making our ideas stick. These six principles: simple, unexpected, concrete, credible, emotional, and stories, when used together, spell success (minus the last s in success). Now back to my first question is the electric car going to stick?

According to Tesla Motors Inc. Chief Executive Elon Musk the answer is not only yes but Musk was quoted earlier this year saying “ In 20 years more than half of new cars manufactured will be fully electric. I feel actually quite safe in that bet. That’s a bet I will put money on. ” So who is this Elon Musk, what is Tesla Motors, and why is he so confident his idea will stick? To answer this question, I’ll use the six principles the Heath brothers laid out for us in “ Made to Stick” and let you be the judge.

First, let me tell you a little about the history of Tesla Motors. In 1988, after graduating from high school in Pretoria, South Africa, 17 year old Elon Musk left his home land to come to America telling his family and friends “ It is where great things are possible”. Musk was inspired by great innovators like

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Thomas Edison and Nikola Tesla and after a few years at Queen's University in Kingston, Canada he continued on to the University of Pennsylvania with a fullscholarship. After receiving a degree in conomics and a second degree in physics Musk decided there were three areas he wanted to be involved in that he believed would" affect the future of humanity" they were the internet, clean energy and space. He spent two days at Stanford's graduate program in 1995 and dropped out only to go on and help create the global internet payment system known as PayPal. By 2003 Musk and just a handful of others founded Tesla Motors in the Silicon Valley area of Northern California which is home to some of the world's largesttechnologycorporations.

Musk's vision of eventually being an independent automaker that could mass produce fully electric cars at an affordable price was becoming reality. Today Tesla Motors, Inc. has 31 stores and service locations worldwide, employs over 2, 000 people and is on the road in 37 different countries. Not only does Tesla Motors design, develop, manufacture and sell its electric vehicles, it also manufactures electric vehicle powertrain components which it sells to other companies.

To show the world that an electric car could not only be efficient but extremely powerful, the companies first vehicle was the Tesla Roadster, a high end sports car that can accelerate from zero to sixty in under four seconds and has a top speed of 125 mph. Once the lithium-ion battery is charged, the car has a range of roughly 245 miles per charge. With the price of the Roadster being out of reach for most people, Tesla knew the next step

would be to produce a sedan style vehicle that would be more affordable but still maintain the high level of quality.

In 2012 Tesla introduced the much more affordable and practical Tesla Model S sedan. There is also the new Model X SUV that will be available sometime in 2014. To give you an idea of Tesla Motors growth rate, the annual revenue for 2010 was \$117 million, the annual revenue for 2012 so far is \$543 million. So now let's look at how the six principles of SUCCES in "Made to Stick" has helped Tesla Motors succeed and continue to grow. The first principle is SIMPLE. The concept behind simplicity in "Made to Stick" is the importance of getting to the core of your idea and staying true to that core.

You must know the core of your idea and convey it as simply as possible. The book uses Southwest Airlines as an example of core simplicity. Southwest Airlines has a Commander's Intent which is "We are THE low-fare airline." This simple statement has guided the success of the airline for over thirty years. Tesla has used simplicity to convey their core mission since their beginning. Tesla Motors core, as they have stated over and over again is "the belief that an electric car need not be a driving sacrifice." This is the definition of simple and they have stuck to it.

Tesla knows that people have a negative image of electric cars and it's their sole purpose to make that image positive. The second principle of a "sticky" idea is the UNEXPECTED. The main objective of the unexpected is to first get the audience's attention and to then hold their attention. The book uses the words surprise, what gets our attention, and interest, what keeps our attention. Tesla did the unexpected when they introduced the very first

electric sports car to the world. You mean to tell me that you built a car that can go 0 to 60 mph in under 4 seconds with little to no sound and no gasoline?

This I got to see! Let's just say, right off the bat, they got the world's attention and are still holding it to this day. Tesla made a conscious decision to make their first car a sports car even though they knew they were targeting a smaller elite market. They came out of the gate guns blazing and made the cover of Time magazine for best inventions of 2006. When we hear the word CONCRETE we immediately think of buildings, roads and foundations for homes, things that exist all around us that we can touch and see. In "Made to Stick" the Heath brothers mention that "Language is often abstract, but life is not abstract. When we can visualize things in the real world we can put them in context and remember them better. The book uses the example that concrete nouns, like bicycle are easier to remember than abstract ones like justice. If you want your idea to stick with someone, speak in terms of things that people can relate to in their daily life. One way that Tesla uses concrete language to compare their car with other traditional cars is in a statement on their website " The powertrain, tucked between the rear wheels, uses energy three times more efficiently than a gas-burning engine. You may not know what a powertrain is but we can all visualize using energy three times more efficiently than gas-burning. The fourth principle in making an idea stick is CREDIBILITY. Credibility is the level that you believe something to be true. If you believe a source of information is highly credible then you will more than likely accept it as the truth. The Heath brothers hit on a few ways we can make our ideas more credible and a couple of them

stood out to me while doing my research of Tesla Motors. Authorities and experts can be a reliable source of credibility.

The book uses Stephen Hawking as an authority on physics but I prefer to use Carl Sagan as an authority on astronomy, just a personal favorite of mine. Along with the external credibility of authorities, there is internal credibility like the uses of testable credentials i. e. try it before you buy it. Of course all car companies will let you drive it before you buy it and Tesla is no exception. What stood out to me among all the glowing reviews was an article in the Wall Street Journal by Dan Neil, a winner of the Ken Purdy Award for automotive journalism.

When Dan was given one of the new Tesla Model S sedans to review he was “ ready to be disappointed”. That was not the case as he went on to compare the 4-door electric sedan with that of a Lamborghini and a Ford GT supercar and the design quality to that of a Jaguar. Sometimes credibility comes from a completely new source as with the example used in “ Made to Stick” of the 1984 Wendy’s commercial “ Where’s the beef? ” Wendy’s was using testable credentials by leaving it up to the consumers to go see for themselves. Where’s the beef?

I still remember that commercial from when I was a kid. When we feel strongly about something we not only remember it but we want to do something about it. The fifth principle of “ sticky” ideas is EMOTIONAL. Emotional messages can evoke powerful feelings both good and bad in people. We naturally care more about the things that affect our own personal lives than those things that don’t directly affect us, so how do we get other

people to care about our own ideas? The Heath brothers suggest three ways that we can make people care.

By using the power of association, we can relate to people's individual lives and show them that we care about the same things they care about. Another way to make people care is to appeal to their self-interest. People have ideas about who they are and who they would like to be and if we can tap into that emotion our message is more likely to stick with them. Appealing to people's identity is emotionally powerful and Tesla Motors knows just how to do that. Cars have always been more than just a means of transportation, they tell people who you are and what you care about.

Tesla has already created strong brand loyalty for being the thinking man's car of the future. Tesla knows that a growing number of people feel very strong emotions about sustainable energy. To quote Elon Musk "The overarching purpose of Tesla, and my reason for personally funding the company, is to expedite the move from a mine-and-burn hydrocarbon economy towards a sustainable, solar electric economy." The sixth and final principle of sticky ideas is STORIES. Throughout human history we have used stories to convey important messages.

Stories not only grab our attention and entertain us but inspire us to act. One of the examples of the use of stories in "Made to Stick" is the Subway tale of Jared. In the 90's Subway used a true and unique story about a young man, who was dangerously over weight, lost over 100 pounds in just three months by eating at Subway. This story had a huge impact on many people and put Subway back on the map. Many people could relate to Jared's story and were

inspired to eat healthier. I believe the story of Elon Musk is inspiring and that through human innovation anything is possible.

In 2009 things were not looking good for American car companies, many of which were completely shut down to cut costs. During that same year Bob Lutz of GM said Tesla would never compete effectively as a car company because nobody really wanted an electric car especially at that price. That year Tesla sold 100% of its production and opened a second dealership. In closing, there are many stories like Tesla that inspire us to think outside the box. Human innovation is the foundation of society, without it we would grow stagnant and die out.

It's true that some ideas survive and others die that's just the nature of things but there are things we can do to make our ideas stick. The principles that Chip and Dan Heath laid out in "Made to Stick" aren't set in stone but can be used as a foundation for success (pun intended). Tesla has done a good job of pushing the boundaries of technology and is getting closer every day to making that technology affordable to everyone. With all the haters out there it's hard to say if Tesla's electric car will stick, but as long as we all keep aspiring for greater things the world will be a better place.