Research On Optimization Of New Energy Vehicle Marketing Strategy - Taking Tesla As An Example

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Abstract. With the increasingly severe global environmental problems and the intensification of the energy crisis, transforming fuel vehicles into new energy vehicles has become the current development focus. As a leader in electric vehicles, Tesla is facing fierce competition from local companies in the Chinese market. This article analyzes Tesla's marketing strategies and problems in the Chinese market and puts forward optimization suggestions. Tesla has implemented a marketing strategy of penetrating from the high-end market to the low-end market in the Chinese market and has continued to innovate and launched new models such as Cybertruck. In terms of pricing strategy, Tesla adopts a cost-based pricing model and frequently adjusts prices to adapt to market changes. In terms of channel strategy, Tesla adheres to the direct sales model, but the coverage rate in China's second and third-tier cities still needs to be improved. However, Tesla still faces problems such as high product prices, stability of online marketing channels, and effect evaluation in the Chinese market that need to be solved. To this end, it is recommended that Tesla flexibly adjust prices, launch cost-effective models, and optimize cost and supply chain management to reduce costs. At the same time, it is recommended to strengthen online accuracy and improve evaluation mechanisms, increase marketing revenue, and reduce uncertainties. Through these adjustments, Tesla can achieve greater success in the Chinese market.

Keywords: Tesla; marketing strategy; price adjustment; online marketing.

1. Introduction

As global environmental pollution and energy crises become increasingly severe, the automotive industry is facing unprecedented challenges. The extensive use of traditional fuel vehicles has aggravated air pollution and greenhouse gas emissions, and over-reliance on oil has also become a major problem. As oil becomes increasingly scarce, oil prices are also rising, and some ordinary families can no longer afford the expensive oil. Therefore, the development of new energy vehicles, especially electric vehicles, has become the first choice of governments and enterprises around the world, aiming to promote the green upgrade of the new energy vehicle industry through technology and achieve a win-win situation for environmental protection and economic development.

New energy vehicles, with their advantages of zero emissions, low noise, and high efficiency, provide an effective way to alleviate the energy crisis and environmental protection issues. As a leader in the field of electric vehicles, Tesla is leading the rapid development of the new energy vehicle industry with its outstanding technological innovation, unique business model, and strong brand influence. Tesla's breakthroughs in electric vehicle technology, such as the improvement of battery energy density and the development of autonomous driving technology, have not only extended the range of electric vehicles but also redefined the car sales model.

Tesla was founded in 2003 and is headquartered in California, USA. It is the world's leading provider of electric vehicles and new energy solutions. Tesla's products range from the Economic Model 3 to the luxury SUV Model X, as well as the new pickup Cybertruck. The new Cybertruck is popular all over the world, and its performance exceeds that of most electric cars. Tesla is constantly improving the safety and range of its cars, and reducing production costs, so that more consumers can afford electric cars.

Although Tesla occupies a leading position in the global new energy market, it still faces many challenges in the Chinese market. First, although Tesla's direct sales model reduces the number of intermediate links and improves product quality control, its coverage rate in second-and third-tier

cities is low, resulting in frequent after-sales service problems. Tesla has relatively few charging stations, which makes some Tesla owners, especially those in second and third-tier cities, worry about not being able to find charging stations. Secondly, Tesla's response to market feedback and consumer complaints was too slow and not timely. Tesla's official response to the safety accidents of individual vehicles failed to fully consider the public's wishes, causing a public opinion storm. In addition, although Tesla's products follow globally standardized production, its after-sales service and marketing model have not been fully integrated into Chinese culture, resulting in a gap between consumers and the company. At the same time, the price positioning of Tesla products has not fully adapted to the price system of the Chinese market.

This paper aims to explore the strategic optimization path of Tesla's new energy vehicle marketing in China. By analyzing the problems encountered by Tesla in the marketing process and combining the characteristics of the Chinese market and the needs of consumers, this paper proposes targeted suggestions. The study will explore how to use innovative marketing methods to consolidate Tesla's position in China's new energy vehicles, and how to improve customer satisfaction and brand awareness in the Chinese market so that Tesla can gain a better reputation in China.

2. Analysis of Tesla’s New Energy Vehicle Marketing Strategy

2.1. Product St rategy

2.1.1. Product positioning

Tesla’s products are different from those of most traditional car companies. It adopts a promotional approach from high-end to low-end, starting with luxury cars, luxury sports cars, and SUVs, and then moving on to some popular car products, although their prices are still higher than mid-range models of the same grade [1]. With the rapid development of China’s new energy vehicle market, consumers’ demand for cars is becoming increasingly diversified, which also requires Tesla to pay more attention to the demand in the mid-and low-end markets in China.

2.1.2. Product Innovation and R&D

Tesla has many models, such as Model 3, Model S, Model Y, etc. These models all correspond to consumers with different needs. They recently launched the Cyburtruck. Tesla is currently researching autonomous driving technology. Although it has made significant progress, it still faces many challenges.

2.2. Pricing Strategy

The pricing strategy is formulated by manufacturers based on the different payment capabilities and utility conditions of consumers and is aimed at maximizing profits [2]. Influenced by the economy and real-time information, current automobile consumption has changed from luxury consumption to quality consumption. Tesla's pricing is largely based on cost. When costs change, Tesla will adjust the selling price accordingly. For example, when Model Y completes its evolutionary upgrade, Tesla will raise the price.

Of course, Tesla will also adjust its prices to maintain its market competitiveness. Tesla will lower prices to attract more consumers and expand its market share. For example, in early 2023, Tesla reduced the prices of some models of Model 3 and Model Y by more than 30,000 yuan. This move undoubtedly won Tesla more market share. However, if demand exceeds supply, Tesla will also raise the price of the same model. The Chinese government will also introduce corresponding policies to support Tesla, allowing it to enjoy the same new energy subsidies as domestic car brands [2].

2.3. Channel Strategy

Tesla uses a direct sales channel. This model can be said to have pioneered the way cars are sold. It combines offline experience with online purchases, providing consumers with a novel and easy car-buying experience. Compared with traditional car companies that often exert purchasing pressure,

Tesla focuses more on creating an environment for consumers to make independent decisions [3]. However, in a country as vast as China, the direct sales model also faces challenges, such as delivery time and cost issues. Although Tesla has worked hard to expand its direct store network in China, especially in second and third-tier cities, its coverage is still limited. This not only affects consumers' car-buying convenience but also brings about after-sales problems, such as the difficulty in finding 4S stores for repairs and maintenance in these cities, as well as the need to improve the response speed of after-sales service.

2.4. Promotional Strategies

2.4.1. Celebrity effect

Tesla's successful promotion is due to the personal influence of CEO Elon Musk. His active presence on social media has brought Tesla a lot of exposure and attention. With the increasing convenience of information exchange, his remarks on platforms such as Twitter have spread rapidly to China, enhancing people's recognition and loyalty to the Tesla brand.

2.4.2. Social media promotion

The company has established official websites on platforms such as YouTube, Twitter, and China's Weibo, and has also gained a lot of attention through fan reposts on self-media such as Douyin. In addition, Tesla uses social media algorithms and data analysis to accurately locate customers and push advertisements and content that customers are interested in. In China, customers can make phone inquiries or scan QR codes to get recommendations through official accounts. These high-quality, unique contents show the charm of Tesla, which can deeply grasp the hearts of every customer, understand their needs, and provide them with corresponding help.

3. Problems with Tesla’s New Energy Vehicle Marketing Strategy

3.1. Excessively High Product Prices and Market Acceptance Issues

Tesla's new energy vehicles have occupied a place in the Chinese market with their environmental protection, high technology, and high quality, but the excessively high product prices are also a major factor hindering its market expansion.

3.1.1. Price positioning and consumer group analysis

Tesla's product positioning is mainly for middle- and high-income consumer groups. Although this type of consumer has a certain purchasing power, it accounts for a relatively small proportion of the huge automobile sales market. Therefore, Tesla's high-price strategy has led to a relatively low market penetration rate, and most consumers are on the sidelines about Tesla's high prices.

3.1.2. Market segmentation and product positioning analysis

Tesla occupies a leading position in the Chinese energy market, but its product line is relatively single and fails to fully meet the diverse needs of different consumers. To attract a wider range of consumers, Tesla should consider launching some relatively low-priced entry-level electric vehicles to meet the needs of the mid-and low-end markets. By implementing product segmentation and precise positioning, Tesla can expand its market acceptance and thus expand its market share.

3.1.3. Price adjustment and market demand analysis

Tesla has been constantly adjusting its pricing strategy in the Chinese market to adapt to market demand. However, frequent price adjustments may hurt consumer psychology [4]. Tesla needs to carefully adjust its pricing strategy to build consumer confidence and ensure that the auto market maintains stable and rapid development. Avoiding the negative impact of too fast or too large price adjustments is an issue that Tesla needs to focus on in its pricing strategy.

3.2. Online Marketing Channel Stability Trend Selection and Effect Evaluation

3.2.1. Advantages and limitations of online sales

Online sales can significantly reduce the operating costs of physical stores and improve sales efficiency. However, as a high-value, complex commodity, consumers often need to go to physical stores for test drives and consultations during the purchase process. Although Tesla provides test drive services, online reservations are required and the time is uncertain, which to some extent limits consumers' purchasing experience. In addition, online sales have limitations in terms of service, and it is difficult to fully understand the needs of consumers, which may cause consumers to hesitate when buying. Although it avoids the disadvantages of 4S stores' forced sales, it also increases sales uncertainty.

3.2.2. Online channel selection and integration strategy

Tesla currently sells its products mainly through its official website and relies on social media platforms for promotion [5]. To expand its online operation channels and increase brand exposure and popularity, Tesla should consider cooperating with e-commerce platforms. Through a diversified channel layout, Tesla can more effectively reach potential consumers and improve sales performance.

3.2.3. Evaluation and optimization mechanism of online marketing

For Tesla's online direct sales model, timely evaluation and optimization strategy are crucial. Tesla needs to establish a scientific evaluation system to monitor and analyze indicators such as the input-output ratio, conversion rate, and customer satisfaction of online marketing. Through data analysis, Tesla can better understand consumers' behavioral characteristics and preferences, optimize marketing strategies, and improve operational effectiveness.

4. Conclusion

Through the analysis of Tesla's new energy vehicle marketing strategy, this article elaborates on its status and characteristics in terms of products, price channels, and promotion strategies, and points out two key problems. First, the high price of the product has limited market acceptance. Second, there are deficiencies in the channel selection and effect evaluation of the online marketing strategy. As a high-end product, Tesla's product positioning is certainly important, but the high price has become a threshold in the minds of consumers.

In response to the above problems, this article proposes the following suggestions to help Tesla further optimize its marketing strategy:

First, Tesla should flexibly adjust its pricing strategy. While maintaining brand positioning, it is necessary to adjust prices more flexibly according to market feedback, especially for the mid-and low-end markets, and to launch more cost-effective models to expand its market share. At the same time, by optimizing cost and supply chain management, production costs can be reduced, providing space for price adjustments.

Secondly, Tesla needs to strengthen the precise guidance and evaluation of online marketing models. Recommend favorite models based on the preferences of different consumers. And build a scientific marketing evaluation system to ensure the maximum return on marketing investment, which is also a part of reducing costs. Although the online marketing model has many advantages, it also has many uncertainties. For example, consumers may change during the purchase decision process, resulting in fluctuations in sales. Therefore, Tesla needs to continuously optimize its online marketing strategy to improve conversion rate and customer satisfaction.

Tesla's new energy vehicles have a leading position worldwide, and its marketing strategy has a different meaning for the industry. By adjusting its pricing strategy and strengthening its online marketing capabilities, Tesla will be able to take a step closer to leading the future development of the new energy vehicle industry.

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