TESLA

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TESLA

Industry Analysis

- Tesla’s success as an innovative manufacturer of electric vehicles is partly based on its strategies that tackle the external factors in the automotive industry environment.

Tesla Motors, Inc.'s Five Forces Analysis

- Competitive rivalry or competition (strong force)
- Bargaining power of buyers or customers (moderate force)
- Bargaining power of suppliers (moderate force)
- Threat of substitutes or substitution (moderate force)
- Threat of new entrants or new entry (weak force)

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Bargaining Power of Tesla’s Customers/Buyers

- Low switching costs (strong force)
- Moderate substitute availability (moderate force)
- Low volume of purchases (weak force)

Bargaining Power of Tesla’s Suppliers

- Moderate forward integration (moderate force)
- Moderate size of suppliers (moderate force)
- Moderate supply (moderate force)

Threat of Substitutes or Substitution

- Low switching costs (strong force)
- Moderate substitute availability (moderate force)
- Moderate performance of substitutes (moderate force)

Threat of New Entrants or New Entry

- High cost of brand development (weak force)
- High cost of doing business (weak force)
- High economies of scale (weak force)


KUKA


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Fundamental Ways Tesla is Disrupting the Automotive Industry:

- B2C
- Personalization
- Quality QA and R&D
- Open Source Technology
- PRICE:

Competitive Advantage that are Using the Company

- Keeping factories running at full tilt
- Satisfying dealers
- Reusing parts from other cars
- Branding
- Unions
- Cannibalizing existing products
- No bureaucratic inertia


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SolarCity

Diversification Strategy

- Tesla applies diversification, but only as a minimally significant intensive growth strategy. For example, Tesla aims to create new stationary battery products for a variety of non-automotive applications. Tesla focuses most of its efforts on market penetration and product development to grow its automotive business.

BCG of Nestle