

TESLA: DISRUPTING AUTO INDUSTRY CASE STUDY

Introduction

Tesla motors has brought the automobile industry to its new competitive front wherein the old internal combustion gas guzzling vehicles are facing stiff competition from new generation electric vehicles. The company's evolution has been characterised by visionary and sustainable strategies, coupled with a focus on direct-to-consumer approach to sales thus putting it on a vantage for EV market.

Tesla's Disruptive Strategy

Tesla upended the auto industry and entirely centered its once struggling company on EVs with better performance, design, and sustainability. Therefore, Tesla's differentiation strategy is in electric power trains, high efficiency batteries, and self-driving features.

Key Challenges

Tesla, similar to other disruptors, shook the auto industry, but it needs to overcome important obstacles, like covering economies of scale, dealing with supply chain problems, and achieving profitability within a rather competitive market for the production of EVs.

Conclusion

The main strategy to reduce growing competition is to create more Supercharger stations and bring up new cheaper models to increase the proportion of the audience. This will help to bring long term growth and high profitability in the company.

Recommendation

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