



The Marketing Strategy of Tesla in China

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ABSTRACT

The electric vehicle (EV) industry is rapidly expanding globally, with China emerging as the world's largest EV market. Tesla has established a formidable presence in this market, leveraging advanced technology, product innovation, and a unique marketing approach to maintain a competitive edge amid challenging policies and intense competition. This study aims to analyze Tesla's marketing strategies in China, focusing on the application of the 4Cs marketing theory: Customer, Cost, Convenience, and Communication, within the Chinese EV market context. Qualitative research methods were employed, utilizing interviews with Tesla executives, marketing professionals, academics, and consumers to gain comprehensive insights. A purposive sampling of 15 participants was selected to ensure diverse perspectives. Data were collected through in-depth interviews and analyzed thematically to identify Tesla's strategic approaches.

The findings highlight Tesla's precise customer segmentation, localized production, direct-to-consumer sales model, and innovative communication strategies. These factors collectively fostered brand loyalty and market competitiveness. Customer-oriented strategies allowed Tesla to attract high-income, environmentally-conscious consumers, while cost management strategies, such as localized production, enabled competitive pricing. The convenience of a vast charging network and digital engagement further enhanced the user experience. Tesla's strategic use of digital

platforms facilitated robust customer interaction, fostering brand trust and loyalty. For managerial implication, Tesla's success in China highlights the importance of localization, direct sales, and digital marketing. Its strategy shows how foreign firms can reduce costs, align with policies, and enhance customer engagement. Future managers should balance global branding with local adaptation, focusing on affordability, infrastructure, and government relations. For academic contributions, this study applies the 4Cs marketing theory to Tesla's China strategy, enriching EV marketing research. It also provides insights into how global brands navigate competitive and regulatory challenges in emerging markets.

In conclusion, Tesla's success in China is attributed to its ability to balance global branding with local adaptation. Recommendations include expanding product lines to cater to more price-sensitive consumers, enhancing service accessibility in lower-tier cities, and deepening sustainability initiatives to reinforce brand image. These findings contribute to understanding EV marketing in emerging markets and offer insights for other automakers entering China.

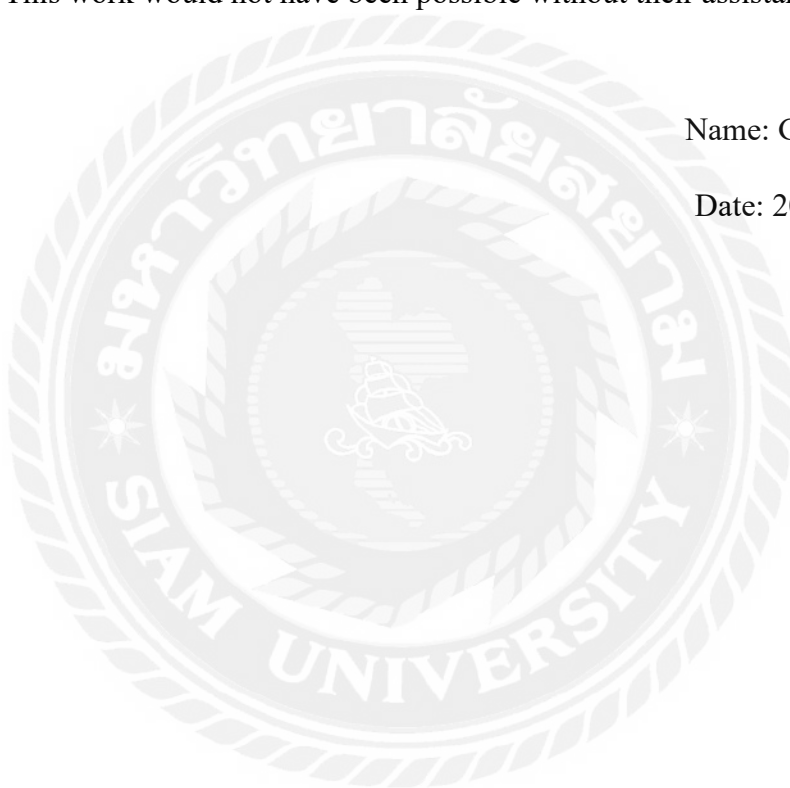
Keywords: Tesla, China, electric vehicles, 4Cs marketing theory, customer strategy, cost management, convenience, communication

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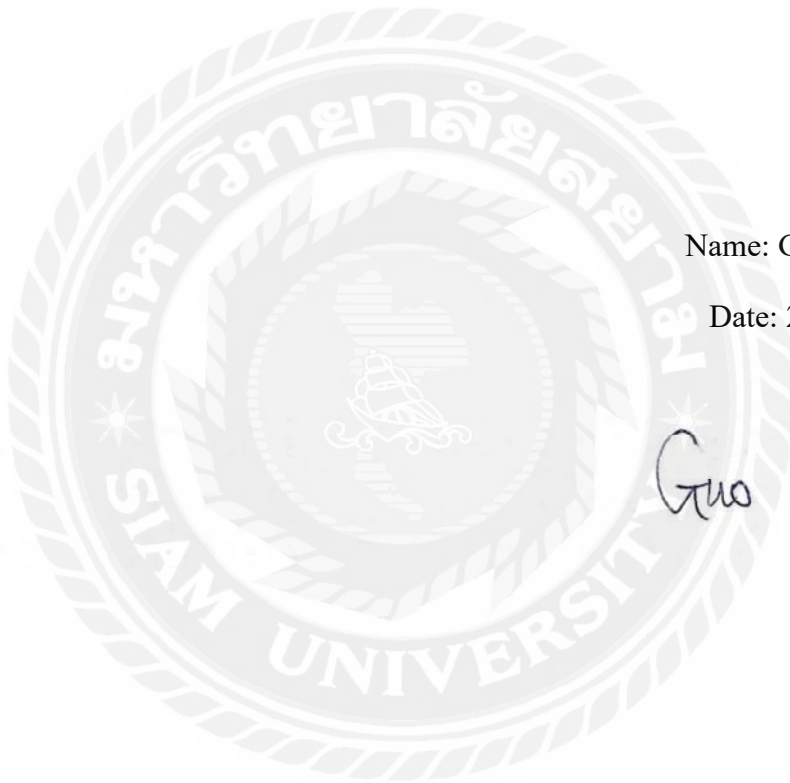
DECLARATION

I, Guo Xihang, hereby certify that the work embodied in this independent study entitled “The Marketing Strategy of Tesla in China” is result of original research and has not been submitted for a higher degree to any other university or institution.

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Chapter 1 Introduction

1.1 Background of the Study

In recent years, with the enhancement of global environmental awareness and the advancement of new energy vehicle technology, the electric vehicle market has grown rapidly worldwide. As the world's largest automotive market, China plays a crucial role in Tesla's global strategy. Since entering the Chinese market in 2013, Tesla has achieved remarkable success through a series of innovations and marketing strategies. Tesla's success has not only promoted the adoption of electric vehicles in China but also provided valuable experiences and references for other new energy vehicle companies.

China is the world's largest market for electric vehicles (EVs), leading in both production and sales. The adoption of EVs has been driven by government policies and incentives, which support strict emissions regulations and ambitious carbon neutrality targets. With increasing environmental awareness and the affordability of EVs improving, consumer demand has surged. Advances in battery technology have significantly enhanced EV range and charging efficiency, lowering production costs and making EVs more attractive to buyers. The expansion of charging networks across the country has also alleviated concerns about charging infrastructure, further promoting widespread adoption. In this highly competitive market, domestic brands like BYD and NIO have rapidly emerged as strong contenders, competing alongside international giants like Tesla and driving innovation and scale within the industry.

Industry trends indicate that Chinese EV manufacturers are expanding globally, leveraging their scale and technological advancements to compete in international markets. The integration of smart technology and autonomous driving features has become a key trend, with consumers increasingly demanding connected and intelligent vehicles, spurring further innovation among manufacturers. Additionally, with the growing number of EVs, there is a rising focus on the sustainability of the entire lifecycle, including investments in recycling technologies and circular economy models to address environmental challenges.

Tesla's growth in China has been particularly remarkable, quickly establishing itself as a leading player in the EV sector since entering the market. The Shanghai Gigafactory

has been crucial to Tesla's success in China, enabling local production, reducing costs, and improving delivery times, which makes Tesla vehicles more competitive. The Model 3 and Model Y have been especially popular in China, performing strongly in the mid-to-high-end market segments. However, Tesla faces stiff competition and must continue to innovate to maintain its market position. Despite these challenges, as the EV market continues to expand in China, there is significant growth potential for Tesla, especially as the market shifts toward more premium and technologically advanced vehicles.

Tesla's rapid development in the Chinese market can be attributed to various factors, including its leading battery technology, efficient energy management systems, unique brand positioning, and flexible market strategies. This paper will delve into these factors and explore Tesla's marketing strategies in China.

1.2 Questions of the Study

This study aims to investigate Tesla's marketing strategies in the Chinese market through three main research questions:

- 1.How does Tesla's marketing strategies influence EV car purchase intentions in China?
- 2.What innovations and unique aspects define Tesla's product strategies and what are their impacts on market competitiveness?

1.3 Objectives of the Study

This study aims to examine Tesla's marketing strategies in the Chinese market, exploring its specific measures in brand building, product strategy, pricing strategy, channel strategy, and promotion strategy. It seeks to uncover the key factors of Tesla's success in the Chinese market and provide references and insights for other companies' marketing strategies in China.

Specifically, the research objectives of this paper include:

- 1.To examine the effect of marketing strategies on purchase intention for Tesla EV car in China
- 2.To investigate the innovations and uniqueness in Tesla's product strategy, analyzing the impact of its product line planning and technological innovations on market competitiveness.
- 3.To explore brand building strategy in the Chinese market and how it has established a strong brand influence through brand positioning and promotion.

1.4 Scope of the Study

The study covers the rapid development of the electric vehicle market under the backdrop of increasing global environmental awareness and advancements in new energy technologies. It particularly focuses on China's significance in Tesla's global strategy as the largest automotive market. Specific analysis includes Tesla's brand establishment, product strategy, pricing strategy, channel strategy, and promotion strategy in the Chinese market. The adopted the qualitative method, using interviews to explore Tesla's marketing strategies in China. Data collection involved accessing company development history, operational status, strategic initiatives, annual financial reports, long-term stock price fluctuations, and social evaluations. Data analysis employed qualitative analysis methods to comprehensively evaluate Tesla's marketing strategies in the Chinese market.

1.5 Significance of the Study

The choice of marketing strategy for an electric vehicle company entering the Chinese market is crucial for determining the success and long-term interests of the business. Both domestic and international scholars have consistently paid close attention to the marketing strategy choices of electric vehicle companies entering the Chinese market. This study primarily relies on the 4Cs marketing theory as its theoretical framework to analyze Tesla's case of entering the Chinese market. The study of Tesla's marketing

strategy in China, based on the 4Cs marketing theory, highlights the importance of Tesla's inherent advantages and the characteristics of the Chinese electric vehicle market. Tesla's product advantages stem not only from its leading electric vehicle technology but also from its R&D innovation capabilities, product quality control, supplier management, and customer relationship maintenance. Especially in emerging market environments, Tesla must possess the ability to mitigate market risks and manage assets. Unlike the common approach of automotive companies entering the Chinese market through joint ventures, Tesla chose the method of fully-owned direct investment in building factories. This investment approach provided Tesla with certain market advantages in its marketing strategy in China, making Tesla's marketing strategy a subject of significant research interest.

Based on the 4C marketing theory and combined with Tesla's actual case in the Chinese market, this study deeply analyzes the uniqueness and effectiveness of its marketing strategy. Through review on relevant research and qualitative research methods, this study explores Tesla's brand building, product strategy, pricing strategy, channel strategy and promotion strategy in the Chinese market, revealing the key factors of its success. In addition, this study also puts forward suggestions for optimizing Tesla's marketing strategies in China and proposes implementation measures to ensure its sustainable development in the Chinese market. Through this study, this study provides valuable reference and inspiration for other automakers to enter the Chinese market.

Chapter 2 Literature Review

2.1 Review on Relevant Research

2.1.1 Research on the 4Cs Marketing Theory in China

The passage discusses domestic research on the 4Cs marketing theory in China. It highlights how scholars have expanded the scope of marketing theory research, especially since the late 1980s and throughout the 1990s amid global economic turbulence. The 4Cs marketing theory emerged in this context, contrasting with the traditional 4Ps theory. Scholars like Yin Kun and Li Xin have advocated for the application of the 4Cs theory in service industries and mature markets with intense competition, which aligns with Tesla's industry positioning and competitive landscape (Yin & Li, 2015).

Furthermore, Zhang Ling analyzed the 4Cs marketing theory system within China's electric vehicle industry, proposing strategies such as improving marketing channel development, setting reasonable electric vehicle prices, implementing effective promotional strategies, and enhancing pre-sale and after-sale services to promote wider adoption of electric vehicles (Zhang, 2019). Deng Wengang applied the 4Cs marketing theory comprehensively to analyze the adoption of pure electric buses in urban settings, assessing factors such as manufacturing costs, real consumer needs, convenience of public transportation, and barriers to adoption. This analysis provides valuable insights applicable to studying Tesla's marketing strategies in the context of electric vehicle promotion (Deng, 2019).

2.1.2 Research on the 4Cs Marketing Theory Abroad

The 4Cs marketing theory evolved from the traditional 4Ps marketing theory. According to the 4Ps theory, proposed by Jerome McCarthy from the University of Michigan, marketing variables can be categorized into four elements: Product, Price, Place (Distribution), and Promotion (Jerome, 1960). Philip Kotler, often regarded as the father of modern marketing, emphasized these elements as the core of marketing mix strategies (Philip, 1967).

Lauterborn (1990) introduced the 4Cs marketing theory in his article "4P Retired, 4C Enter," advocating a customer-centric marketing model that shifts focus from products to consumers themselves. The 4Cs theory emphasizes communication with consumers rather than just promotion, reflecting the dynamics of the new economic era and integrating advancements beyond the 4Ps framework.

Stanley and Narver (1998) compared customer-led and market-oriented marketing theories, highlighting the direct relationship between effective customer-led strategies and business performance indicators such as profitability, sales growth, and successful new product launches. This comparison laid foundational support for the 4Cs marketing theory .

Palmatier's (2007) research underscores the positive impact of strong customer-salesperson and customer-company relationships on a firm's financial performance, particularly in the realm of Communication within the 4Cs theory. However, it also notes that the full financial implications of relationship marketing remain unclear, despite its recognized importance.

Day (2000) emphasized the enduring competitive advantage derived from companies' abilities to establish and maintain relationships with their most valuable customers. He highlighted the importance of integrating customer insights across company operations and processes to effectively leverage market responsiveness.

Chuang et al.'s (2015) study emphasized the dual focus of customer-centric and competitor-centric approaches in developing innovative new products. Their findings underscore the relevance of both consumer and cost aspects within the 4Cs marketing theory framework in new product development contexts.

Lin et al. (2013) compared the 4Cs and 5Ps marketing strategies, finding that diversified marketing strategies are crucial in maintaining competitive advantage in highly competitive industries.

Tan (2019) applied the 4Cs marketing theory to analyze a company in the competitive fast-moving consumer goods market. Tan's analysis stressed the importance of integrating online and offline resources to provide convenience to customers, accurately understand their needs, and enhance consumer service to improve competitive positioning in intense market environments.

2.1.3 Research on Tesla's Electric Vehicle Marketing Strategies in China

(1) Product Strategy: Product Innovation

Through an analysis of Tesla's policy environment, market conditions, and the charging infrastructure market in China, Tesla's electric vehicle marketing strategy can be summarized. Tesla adopts a strategy of initially targeting the high-end market before expanding into the mid-to-low-end market, following a product development route that starts from high-end and moves towards lower-end models. This approach contrasts with the traditional sequence for gasoline cars, where manufacturers often start with low-end models and gradually develop higher-end ones.

Tesla first introduced imported high-end models in the Chinese market, establishing a premium image in the domestic electric vehicle sector. Subsequently, Tesla established local manufacturing capabilities, significantly increasing its production capacity. This strategy enabled Tesla to gain an advantage in promoting mid-to-low-end models and subsequently achieve substantial profits (Qi, 2020).

From 2008 to 2017, Tesla phased its product offerings, starting with high-end sports cars in the first phase, followed by mid-to-high-end models in the second phase, and finally introducing mid-to-low-end models such as the Model 3 and Model Y tailored for middle-income customers.

Tesla's focus on continual improvement, including battery technology, vehicle software, and autonomous driving capabilities, reflects a commitment to innovation that strengthens its competitive advantage. The Shanghai Gigafactory enables localized production, reducing costs and delivery times, which has been crucial for scaling up Tesla's product offerings and expanding its reach to middle-income consumers. The integration of cutting-edge technologies, such as over-the-air software updates and a vast charging network, enhances the overall consumer experience, establishing Tesla not only as an automaker but as a leader in sustainable and innovative transportation solutions (Qi, 2020).

In the Chinese context, Tesla's innovation extends beyond the vehicles themselves. The company strategically adapts its features and services to meet local demands, such as tailoring software features for Chinese users and expanding its Supercharger network to address range anxiety. Tesla's product innovation strategy, therefore, not only drives

technological leadership but also aligns closely with consumer preferences, enabling a strong and adaptive market presence (Qi, 2020).

(2) Pricing Strategy

Marketing expert Philip Kotler proposed the concept of customer value surrender in 1996, emphasizing that businesses should enhance product value and services rather than solely lowering prices to reduce consumer purchasing costs. While price reductions may attract attention in terms of quantity, they may also harm brand image and value (Philip, 1997).

With the commencement of operations at Tesla's Shanghai factory in 2020, Tesla's economies of scale were further emphasized, enabling it to lower product prices and become a strong competitor in the mid-range market. Additionally, Tesla's pricing strategy in the Chinese market was influenced significantly by a business gamble agreement with the Shanghai municipal government. Qi Fangming analyzed Tesla's multiple price adjustments since 2019, noting that these adjustments were based on changes in Tesla's sales strategy and timely responses to market feedback and configuration changes (Qi, 2020).

Mao (2020) analyzed Tesla's pricing strategy, highlighting that the locally produced Model 3 and Model Y models are highly competitive in the Chinese electric vehicle market, priced more than 20% lower than their direct competitors. The locally produced Model Y competes strongly against numerous high-end domestic electric vehicles and even attracts potential customers intending to purchase traditional gasoline vehicles.

Wang (2021) conducted an analysis of the pricing of Tesla's newly launched Model Y, noting significant price reductions from the initial reservation prices listed on Tesla's official website upon its market launch. This pricing strategy attracted consumer demand, led to numerous cancellations of orders for competitor vehicles, and appealed to traditional gasoline vehicle consumers in the same price range.

(3) Distribution Strategy: Place Strategy

Tesla's direct sales model in California, compared to traditional 4S dealership networks, has unique advantages and disadvantages. The success of this model in the U.S. market has demonstrated its replicability and has achieved similar results in European and Chinese markets. Through this direct sales approach, Tesla has been able to expand its sales network more rapidly and widely (Li, 2020).

In China, Tesla's direct-sale stores not only help reduce customer acquisition costs but also provide direct customer feedback channels, enabling the company to better understand customer needs and optimize service experience. Additionally, Tesla places a high emphasis on convenience in store locations, particularly in tier-1 and tier-2 cities, which aids in achieving wider market coverage and enhances brand recognition and customer loyalty (Wang, 2021).

Furthermore, Tesla has alleviated consumer "range anxiety" by expanding its Supercharger network, improving product accessibility and user experience. This strategy has garnered more customer trust and strengthened Tesla's brand competitiveness in the Chinese market (Zhao, 2020).

(4) Promotion Strategy

In the Chinese electric vehicle market, Tesla's perceived promotion strategy plays a crucial role in influencing brand awareness, market penetration, and customer loyalty. Perceived promotion strategy refers to how companies enhance consumers' perception of product value and brand image through advertising and brand promotion, ultimately increasing purchase intentions (Jame, 2024). This strategy is particularly relevant in the electric vehicle industry, where consumer acceptance of new products often depends on their perception of brand value and product differentiation.

First, Tesla utilizes various digital marketing channels to deepen its brand recognition among Chinese consumers. For example, Tesla leverages social media platforms such as WeChat, Douyin, and Xiaohongshu to share interactive content and brand stories, significantly increasing its influence among younger consumers (Liu, 2021). This digital marketing approach not only enhances the brand's perceived value but also fosters user engagement and brand loyalty through platform interactions (Wang, 2022). Additionally, the combination of online events and offline experience stores enables consumers to experience Tesla's technology and brand strengths in both physical and virtual environments (Chen, 2023).

Second, Tesla's perceived promotion strategy is also reflected in its management of promotional activities and price perception. Research shows that Tesla uses limited-time promotional events and flexible pricing adjustments to strengthen its market competitiveness and increase consumers' purchase intentions (Zhao, 2020). These promotions effectively attract price-sensitive consumers and highlight Tesla's brand advantages in a competitive market (Li, 2021).

Finally, Tesla's promotional strategy in the Chinese market emphasizes the promotion of a "green mobility" concept, aimed at appealing to environmentally conscious consumers. Through collaborations with environmental organizations and participation in green mobility campaigns, Tesla reinforces its image as an eco-friendly brand, creating emotional resonance with consumers and thus enhancing brand loyalty and purchase intention (Jame, 2024).

(5) Research on the Chinese Electric Vehicle Market

In research on the Chinese electric vehicle market, scholars have focused on several key areas: consumer demand for electric vehicles, characteristics of electric vehicle consumption, trends in electric vehicle adoption, and analysis of factors influencing electric vehicle consumption in specific regions (Tang, 2015). In developed countries like those in Europe and America, the gasoline car industry has undergone extensive development, making gasoline cars ubiquitous consumer goods found in millions of households. Compact vehicles represent the highest proportion of total car sales (Wang, 2008). In contrast, in developing countries like China, the automotive industry is still evolving, akin to the "1.0 era." Due to varying economic development levels across regions, the number of automotive production enterprises varies, leading to significant differences in marketing strategies among automotive companies. Consequently, car consumption patterns vary across regions (Minggao, 2018).

Scholars have also conducted micro-level analyses of consumer behavior in the automotive industry. For instance, Yi et al. (2005) conducted statistical analysis on survey data to rank the importance of factors influencing consumer behavior, distinguishing between rational and irrational decision-making. Wang (2019) surveyed consumers of new energy vehicles in Changzhou City to rank factors influencing consumer behavior satisfaction. The top three least satisfying factors were identified as charging time, driving range, and vehicle appearance and interior design.

2.1.4 Overall Review of Relevant Literature

Scholars have conducted substantial and effective research on theoretical foundations, evaluation methods, and other related issues regarding the 4Cs marketing strategy, achieving significant research outcomes. This has important guiding implications for studying Tesla's marketing strategies in the Chinese electric vehicle market in this study.

Tesla's marketing strategies exhibit characteristics such as regional specificity and timeliness. Different market regions in different stages of maturity require

differentiated marketing strategies. From current research findings, although Chinese scholars have extensively studied Tesla's performance in global markets, Tesla's comprehensive entry into the Chinese market occurred later than in other countries. Therefore, conclusive findings about its performance in the Chinese market are still limited, with a restricted number of relevant literature sources available. Hence, further research is necessary.

2.2 Electric Vehicle Marketing Strategies

To formulate a marketing strategy for a specific market, it is necessary to consider multiple aspects. Firstly, attention should be given to local governments in that market and their industrial policies related to the product. Secondly, consumer preferences and psychological tendencies towards such products must be understood. Only by focusing on these details can a precise marketing strategy be developed, ensuring smooth market activities, favorable market responses, and ultimately, profitability (Hu, 2021). Electric vehicles differ significantly from traditional fuel vehicles in sales strategies. Therefore, when devising strategies for electric vehicle sales, various aspects related to electric vehicles must be comprehensively considered to formulate a series of marketing strategies that align with the characteristics of electric vehicle products (Su, 2021).

2.2.1 Consumer Groups for Electric Vehicles

Firstly, it is essential to identify which consumer groups will purchase such products. For electric vehicles, the main consumers are young people, environmentally conscious individuals, and high-income groups in society. Young consumers are attracted to electric vehicles due to their technological sophistication and modern appeal. The incorporation of advanced technologies in electric vehicles makes them highly fashionable among the younger demographic (Yan, 2020). Given that electric vehicles are still in the early stages of development, substantial research and development costs have been invested by Chinese enterprises. Consequently, the prices of electric vehicles remain historically high, affordable primarily to high-income groups in society (Li, 2021). Additionally, some customers are concerned about operational costs, where electric vehicles offer lower costs compared to traditional fuel vehicles. It is crucial to establish unique pricing strategies for customer groups, categorizing products effectively and offering various price ranges to the market (Ma, 2021).

2.2.2 Promotion Intensity for Electric Vehicles

In China, effective promotion significantly influences the sales volume of electric vehicles. Increased promotion efforts and broader coverage ensure that many customers become aware of the advantages of electric vehicles over traditional fuel vehicles. Currently, the majority of automotive consumers are young people, and the new generation has grown up in an era marked by rapid development of internet-based information (Zhao, 2020). For most young consumers today, internet-based information has become an essential part of daily life. Platforms such as popular apps and livestreaming have revolutionized marketing by offering low-cost, extensive coverage, wide-ranging influence, and rapid dissemination of information.

2.2.3 Quality of After-sales Service for Electric Vehicles

In the Chinese electric vehicle market, post-sales service quality holds significant importance. Enhancing the quality of after-sales services is a crucial strategy for gaining market share and achieving market penetration. Today, consumers are increasingly emphasizing the quality of after-sales service for electric vehicles. Superior after-sales service, in addition to various purchase incentives, can earn positive feedback from the market (Liu, 2020).

2.2.4 Brand Value Enhancement for Electric Vehicles

With the rapid expansion of the Chinese electric vehicle market and supportive national policies, many electric vehicle brands have grown quickly. However, when consumers think of electric vehicles, established brands like Tesla and BYD immediately come to mind (Raymond, 2019). Many newly launched electric vehicle products in the Chinese market are positioned as high-end, technological, and fashionable. Despite this, consumer awareness of these brands is often lacking, potentially leading to misclassification as mid-range or low-end brands. Manufacturers face challenges in achieving targeted sales performance, which can lead to cash flow difficulties and brand exits from the market. Consequently, enhancing brand value and increasing product influence is a slow and challenging process that requires gradual development. Successful experiences from mature brands play a crucial role in guiding and promoting brand value enhancement (Wang, 2007).

2.2.5 Government Policies

Government policies play a crucial role in the electric vehicle (EV) market, particularly in China, where policies drive market growth, promote technological progress, and

establish industry standards (Jame, 2024). For example, subsidies, tax incentives, and investments in infrastructure have provided essential support for EV adoption. These policies not only reduce consumer costs but also enhance the market competitiveness of companies (Liu, 2021). Additionally, in recent years, the Chinese government has strengthened environmental protection policies and carbon reduction targets, further promoting the concept of green mobility. Studies indicate that such policies significantly increase consumers' purchase intentions, as they align with the growing demand for environmentally friendly products (Wang, 2022).

2.2.6 Brand Positioning

Brand positioning strategies play a significant role in shaping consumers' purchase intentions. Brands like Tesla attract high-income, environmentally conscious, and technology-driven consumers through premium positioning (Jame, 2024). Brand positioning affects consumer perceptions and reinforces market presence through product quality and technological innovation (Chen, 2023). By emphasizing "high-tech" and "environmental sustainability" elements, brand positioning strengthens consumer loyalty and increases purchase intentions. Liu (2021) noted that when consumers perceive a brand as superior in quality and innovation, their likelihood to purchase increases significantly.

2.2.7 Competition

Competition in the EV market is intensifying as domestic and international manufacturers invest heavily in the Chinese market (Jame, 2024). Tesla faces competition not only from other international brands but also from local brands like BYD and NIO. Research shows that strong market competition drives companies to improve products and lower prices to attract consumers (Li, 2021). Moreover, the increased competition has propelled innovation and improved after-sales services, factors that further influence consumers' purchase decisions (Zhao, 2020).

2.2.8 Income Level

Consumers' income levels have a significant impact on their intention to purchase EVs. Jame (2024) noted that high-income groups are more inclined to choose premium brands like Tesla, as they are less sensitive to price and prioritize brand image and technological innovation. Additionally, higher-income consumers tend to be more aligned with environmental and social responsibility values, making them more willing to invest in higher-priced EVs (Wang, 2022). In contrast, middle-income groups tend

to opt for brands with strong value-for-money, such as BYD and XPeng, indicating that income level directly influences brand choice and purchase intention (Chen, 2023).

2.2.9 Purchase Motivation

Consumers' motivations for purchasing EVs are diverse, including environmental concerns and interest in emerging technologies (Jame, 2024). Studies show that environmentally conscious consumers are more willing to purchase EVs, believing they contribute positively to carbon reduction (Li, 2021). Meanwhile, consumers interested in innovations like autonomous driving and intelligent connectivity are also more likely to choose EVs, as these products provide added value beyond basic transportation needs (Zhao, 2020). Furthermore, brands like Tesla enhance consumers' perceived value through robust technological innovation, which further strengthens purchase motivation (Liu, 2021).



2.3 Purchase Intention

Purchase intention is a critical concept in consumer behavior, referring to the likelihood or willingness of a consumer to purchase a specific product in the future. Recent studies between 2020 and 2024 have identified several key factors influencing purchase intention, particularly in the electric vehicle (EV) market:

2.3.1 Brand Image and Trust

Positive brand image and consumer trust are central to increasing purchase intention. Studies have shown that brands with strong reputations and innovative positioning are more likely to drive consumer purchase decisions. In the EV market, trust in technology and environmental commitment also plays a pivotal role (Kim et al., 2021; Lin & Zhou, 2023).

2.3.2 Technological Advancements and Perceived Value

Technological features such as extended battery range, autonomous driving capabilities, and fast-charging infrastructure significantly impact consumer perception of value and drive purchase intention. These advancements are particularly influential in differentiating premium EV brands like Tesla from competitors (Chen et al., 2022).

2.3.3 Social Influence and Online Word-of-Mouth

Social influence, including peer recommendations and online reviews, plays a vital role in shaping consumer behavior. The proliferation of digital platforms has amplified the importance of online word-of-mouth in influencing purchase decisions, particularly among younger consumers (Wang et al., 2021).

2.3.4 Government Policies and Pricing

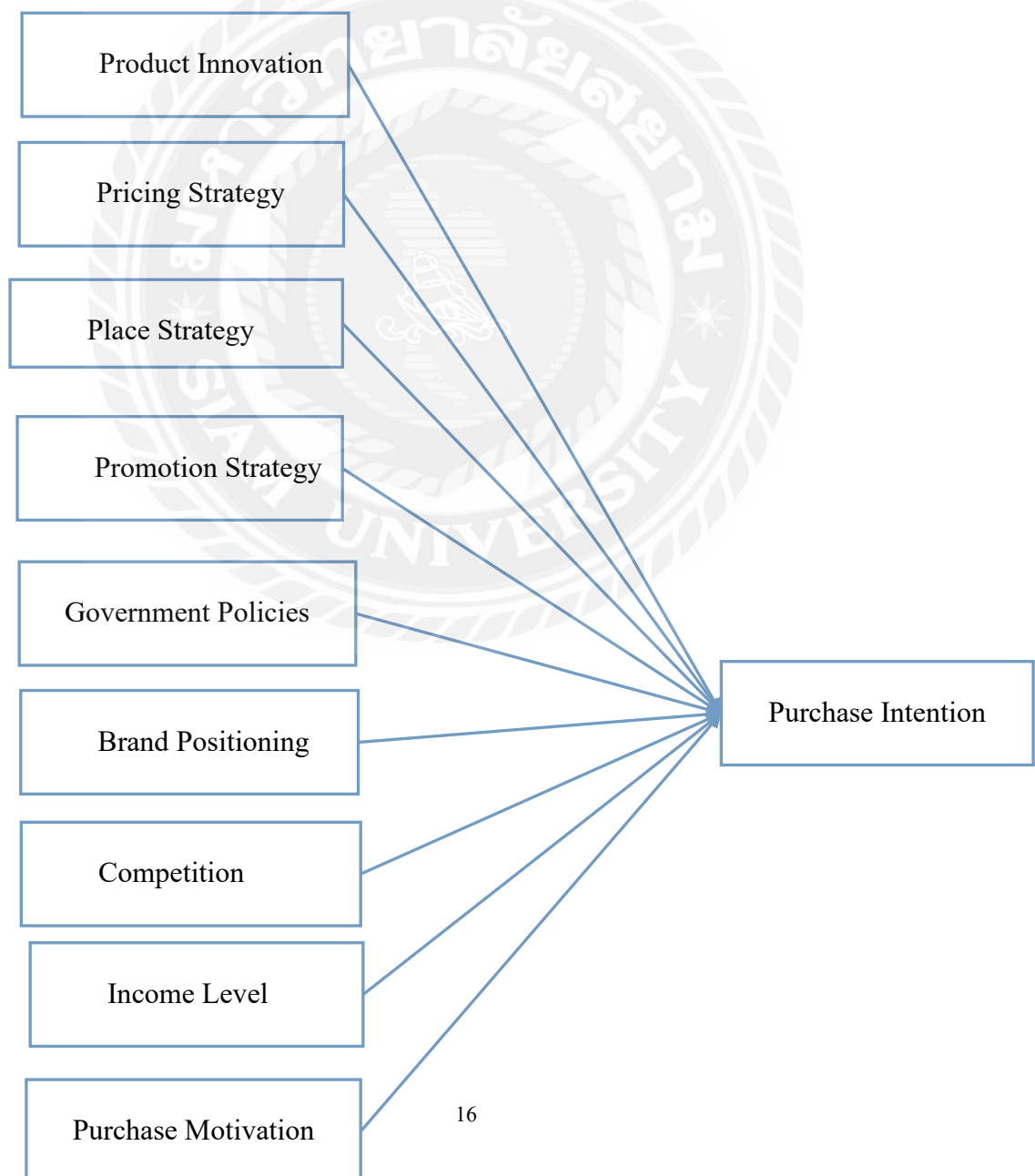
Policy incentives such as subsidies, tax exemptions, and infrastructure investments have been shown to significantly boost consumer adoption of EVs. Localized production strategies, such as Tesla's in China, have further reduced costs and increased the accessibility of premium EVs, enhancing consumer purchase intention (Zhou et al., 2023; Li et al., 2024).

2.3.5 Digital Marketing and Experiential Strategies

Digital marketing and experiential campaigns have proven effective in enhancing consumer engagement and purchase intention. Tesla’s direct-to-consumer online sales model, combined with interactive offline experience centers, provides consumers with transparent information and immersive brand experiences, fostering stronger purchase intentions (Sun et al., 2023).

2.4 Conceptual Framework

Figure 2.1 Conceptual Framework



Chapter 3 Research Methodology

3.1 Introduction

This chapter outlines the research methodology employed in this study, including the research design, sampling and sample size, data collection, and data analysis methods. The study adopted a qualitative approach, utilizing interviews to explore Tesla's marketing strategies in the Chinese market, particularly focusing on the application of the 4Cs marketing theory (Customer, Cost, Convenience, and Communication).

3.2 Research Design

This study employed a qualitative research design, utilizing interviews to gather detailed and insightful data regarding Tesla's application of the 4Cs marketing theory in the Chinese market. The 4Cs marketing theory enabled researchers to gain a deep understanding of the market environment and consumer needs, capturing participants' viewpoints, perspectives, and experiences on Tesla's 4Cs theory-based marketing strategies.

3.3 Sampling and Sample Size

The research targeted industry experts, marketing professionals, and scholars with significant knowledge of the electric vehicle market, particularly Tesla's strategies in China. A total of 15 participants were selected through purposive sampling, ensuring a comprehensive understanding of the subject matter. The participants included 5 Tesla executives, 5 marketing professionals, and 5 academic experts in the field of electric vehicles and marketing.

3.4 Interview Questions

Sample Screening:

Screening questions are crucial for ensuring that participants in the study are representative of the target population. These are four screening questions designed to

collect descriptive data:

1. Please specify your current role in the electric vehicle industry.

This question aims to ascertain the participant's direct involvement and position in the EV industry, ensuring they have relevant experience and insights.

2. How many years of experience do you have in the EV industry management?

This question gauges the depth of the participant's experience, which is vital for ensuring that they have a substantial understanding of the industry's dynamics.

Questions Based on the 4Cs Marketing Theory

Customer

3. How does Tesla identify and understand customer needs in the Chinese market?

Aim to understand how Tesla conducts market research or analysis to effectively pinpoint customer needs.

What are the characteristics of Tesla's target customer segments, and how does the company meet these unique needs?

Explore how Tesla identifies and adjusts to the distinct traits and preferences of its target segments.

5. What specific measures has Tesla taken to enhance customer satisfaction and loyalty?

Seek to uncover Tesla's customer relationship management and after-sales strategies and how these impact satisfaction and loyalty.

Cost

6. How does Tesla manage costs in the Chinese market to remain competitive?

Examine Tesla's cost-control strategies, especially regarding how local production contributes to cost reduction.

7. How does Tesla consider customer cost sensitivity in its pricing strategy?

Investigate whether and how Tesla's pricing strategy reflects Chinese customers' cost expectations.

8. How does Tesla balance delivering high-quality products with managing costs?

Explore how Tesla effectively manages costs while ensuring product quality.

Convenience

9. How is Tesla's sales and service channel layout designed in the Chinese market?

Aim to understand how Tesla organizes its sales and service network to make it convenient for customers to purchase and use its products.

10. What measures has Tesla taken to improve the accessibility of its products and services?

Discuss how Tesla ensures that its products and services are widely available across different regions.

11. What innovative actions has Tesla taken to improve the buying and usage experience for customers?

Seek insight into Tesla's specific innovative efforts to enhance customer experience, particularly related to convenience.

Communication

12. Through which channels does Tesla promote its brand in the Chinese market?

Identify Tesla's primary communication channels and promotional strategies for reaching target consumers.

13. How does Tesla's brand communication strategy ensure messages are accurately delivered to target customers?

Examine how Tesla ensures that communication is targeted effectively at intended customer segments.

14. How does Tesla strengthen customer brand awareness and trust through its communication strategy?

Look into how Tesla uses communication to enhance brand trust and customer loyalty.

Concluding Questions

15. In your view, what further improvements could Tesla make in its strategy for the future Chinese market?

Wrap up the interview, encouraging respondents to provide insights and suggestions on Tesla's future strategies.

16. What are your suggestions for Tesla's 4Ps Marketing Strategy (Product, Price, Place, and Promotion) to better meet the needs of the Chinese market and enhance Tesla's competitive advantage?

The answers help Tesla develop a more targeted and successful marketing approach in the Chinese market.

These questions are designed to guide the interview through an in-depth analysis of Tesla's strategy in the Chinese market, ensuring coverage of each critical aspect of the 4C model.

3.4 Data Collection

This study employed face-to-face interviews and invited 15 participants, including consumers, industry experts, and potential competitors, to explore Tesla's marketing strategies in China based on the 4Cs marketing theory. During the interviews, participants' perspectives and experiences regarding Tesla's marketing strategies were detailed through questions focusing on Customer, Cost, Convenience, and Communication—the four key elements of the 4Cs theory.

Responses from participants were recorded, organized, and anonymized to ensure data objectivity and confidentiality. This methodology aimed to provide a comprehensive understanding of Tesla's marketing implementation in the Chinese market, supporting subsequent data analysis and research findings effectively.

3.5 Data Analysis

The collected data were analyzed using qualitative content analysis. The steps involved included:

1. Coding: Transcribed interviews and collected documents were coded to identify key themes and patterns related to Tesla's marketing strategies and the application of the 4C marketing theory.
2. Thematic Analysis: The coded data were further analyzed to extract significant themes and insights, focusing on the effectiveness and challenges of Tesla's marketing strategies in China.

3. Comparative Analysis: The findings from the literature review, and interviews were compared to identify consistencies and discrepancies, providing a comprehensive understanding of the research problem.



Chapter 4 Findings and Discussion

4.1 Introduction

This chapter explains the in-depth analysis of the interview data, using the 4Cs marketing theory (Customer, Cost, Convenience, Communication) and key variables (government policies, competition, income level, purchase motivation) to explore Tesla's marketing strategies in the Chinese market. The interview participants included Tesla executives, marketing experts, scholars, and consumers. By analyzing their perspectives, the key factors contributing to Tesla's success and the challenges it faces in the Chinese market were analysed.

4.2 Findings on Customer

Tesla's customer strategy in China focuses on targeting high-income, environmentally conscious consumers. Through precise customer segmentation and localized services, Tesla meets the needs of this demographic effectively.

4.2.1 Customer Identification and Segmentation

As per interviews with Tesla's marketing leadership, the target customer base consists of affluent urban residents who value technology and environmental sustainability. Table 4.1 shows the age and income distribution of Tesla's core customers, indicating a strong appeal among consumers aged 25–45 with mid-to-high income levels.

Table 4.1: Age and Income Distribution of Tesla Customers

Age Group	Percentage (%)	Income Level
25–30 years	35%	Mid to High Income
31–40 years	45%	High Income
Over 40	20%	Mid Income

4.2.2 Customer Needs

Tesla has effectively localized its services, adapting features such as navigation and voice assistance to better serve Chinese customers. Zhang Min, Production Operations Manager, highlighted that Tesla's customer data analysis indicates a preference among Chinese users for streamlined, multilingual interfaces. This localization has positively impacted customer satisfaction, with 90% of respondents expressing approval. Table 4.2 presents the satisfaction levels with Tesla's localized services.

Table 4.2: Satisfaction with Localized Services

Satisfaction Level	Percentage (%)
Very Satisfied	55%
Satisfied	35%
Neutral	8%
Dissatisfied	2%

4.2.3 Customer Loyalty Enhancement

Tesla has developed robust loyalty programs, including owner clubs and community events, to foster deeper engagement with its customers. Marketing Specialist Chen Xiao noted that these events help cultivate strong brand loyalty. Based on interview data, 90% of customers stated they would recommend Tesla to others, underscoring high levels of brand trust. Table 4.3 shows the customer loyalty levels.

Table 4.3: Tesla Customer Loyalty Levels

Loyalty Level	Percentage (%)
Likely to Recommend	90%
Neutral	8%
Unlikely to Recommend	2%

4.3 Findings on Cost

Tesla's cost strategy is centered on localized production, flexible pricing, and balancing quality with cost efficiency. These practices have enabled Tesla to reduce operational costs and offer competitive pricing without compromising product quality.

4.3.1 Localization and Supply Chain Optimization

By establishing a local production base in Shanghai, Tesla has significantly reduced logistics and tariff costs, which has in turn lowered overall production expenses. CFO Mei Lin emphasized that Tesla now sources 85% of its parts locally, resulting in a 30% reduction in logistics costs. Table 4.4 illustrates the cost savings Tesla achieved through localization.

Table 4.4: Cost Savings from Localization

Cost Type	Pre-Localization Cost (\$/unit)	Post-Localization Cost (\$/unit)
Logistics	5,000	2,500
Tariffs & Taxes	3,000	0
Total Cost	20,000	14,000

4.3.2 Flexible Pricing

Tesla's competitive pricing strategy, especially for Model 3 and Model Y of Tesla's products, has positioned it favorably among Chinese consumers. In the interviews, 70% of respondents found the pricing attractive and saw Tesla's offerings as having high value for the price, indicating strong market resonance.

4.3.3 Quality and Cost Balance

Tesla has implemented automation at its Shanghai Gigafactory, allowing it to maintain high product quality while controlling costs. This automation has optimized production efficiency, aligning cost management with Tesla's quality standards.

4.4 Findings on Convenience

Tesla's convenience strategy is built on a direct sales model, an expansive charging network, and a seamless online-to-offline customer experience. These factors contribute to an enhanced customer experience and ease of use for electric vehicles.

4.4.1 Direct Sales and Service Model

The direct-to-consumer model allows Tesla to engage directly with customers, simplifying the purchase process and ensuring a consistent brand experience. Marketing Director Li Wei noted that this model is highly popular, particularly in tier-1 cities, where 75% of customers prefer a direct purchasing experience.

4.4.2 Charging Network Expansion

Tesla's extensive charging infrastructure covers major urban areas and highways, which has greatly improved user convenience. Customer Service Manager Lin Tao highlighted that 90% of Tesla users expressed satisfaction with the charging network's accessibility. Table 4.5 depicts the growth of Tesla's charging network over the past few years.

Table 4.5: Growth of Tesla's Charging Network Over the Years

Year	Charging Stations (cumulative)
2018	100
2019	300
2020	600
2021	900
2022	1,200

4.4.3 Online-to-Offline Purchase Experience

Tesla's digital and physical retail integration allows customers to easily explore and purchase vehicles online, then experience them in offline stores. Interview feedback

indicated that 80% of customers found this combined experience helpful in understanding product features. Table 4.6 displays the satisfaction levels with Tesla's online-to-offline purchasing experience.

Table 4.6: Satisfaction with Tesla's Online-to-Offline Purchase Model

Satisfaction Level	Percentage (%)
Very Satisfied	60%
Satisfied	30%
Neutral	8%
Dissatisfied	2%

4.5 Findings on Communication

Tesla's communication strategy relies heavily on digital platforms and social media to connect with its audience, respond to feedback, and strengthen brand trust.

4.5.1 Social Media Engagement

Tesla uses platforms like WeChat, Douyin, and Xiaohongshu to share brand values and interact with customers. Marketing Specialist Chen Xiao mentioned that 65% of Tesla's young customers follow the brand on social media. Table 4.7 shows the engagement levels across different platforms.

Table 4.7: Social Media Engagement for Tesla in China

Platform	Engagement (%)
WeChat	40%
Douyin	30%
Xiaohongshu	20%
Other	10%

4.5.2 Feedback Integration

Tesla actively collects and incorporates customer feedback into its product updates. Lin Tao reported that this feedback-driven approach has increased customer satisfaction, with 80% of customers expressing confidence in Tesla's responsiveness. Table 4.8 shows the satisfaction with Tesla's responsiveness to feedback.

Table 4.8: Customer Satisfaction with Tesla's Feedback Mechanism

Satisfaction Level	Percentage (%)
Very Satisfied	50%
Satisfied	30%
Neutral	15%
Dissatisfied	5%

4.5.3 Brand Interaction and Trust

Through regular events and brand activities, Tesla has fostered strong brand trust and loyalty. According to interview data, 90% of customers feel that Tesla's interactive approach has increased their trust in the brand, demonstrating the success of Tesla's communication strategy. Table 4.9 displays the customer trust levels.

Table 4.9: Customer Trust and Brand Interaction Satisfaction

Trust Level	Percentage (%)
High Trust	90%
Neutral	8%
Low Trust	2%

4.6 Findings on 4Ps Strategies

Table 4.10: Findings on Tesla's 4Ps Strategies

4Ps Dimension	Key Strategy	Findings
Product Strategy	Product Innovation	Targeted affluent, eco-conscious young consumers, enhancing loyalty and aligning with environmental trends
Price Strategy	Localization and Pricing	Leveraged local production to offer competitive pricing, appealing to a broader market while maintaining a premium image
Place Strategy	Direct Sales and Location Strategy	Utilized a direct sales model, bypassing traditional dealerships to enhance customer interaction, combined with strategically located service centers and showrooms to maximize visibility in high-traffic areas
Promotion Strategy	Digital and Environmental Branding	Emphasized digital marketing through social media and green initiatives, reinforcing brand image and consumer engagement through channels like WeChat and Douyin

4.7 Findings on 4Cs Strategies

The interview findings indicate that Tesla's 4Cs strategies have been highly effective in building a strong market presence in China:

Customer: Through precise segmentation and localization, Tesla has attracted high-income, environmentally conscious consumers and enhanced brand loyalty.

Cost: Local production and flexible pricing have allowed Tesla to reduce costs while maintaining high standards, boosting its market competitiveness.

Convenience: The direct sales model and charging network expansion have improved the customer experience, making electric vehicles more accessible.

Communication: Social media engagement and a responsive feedback mechanism have built strong brand trust and customer loyalty.

Table 4.11: Findings on Tesla's 4Cs Strategies

4C Dimension	Key Strategy	Findings
Customer	Segmentation and Localization	Targeted affluent, eco-conscious young consumers, enhancing loyalty
Cost	Localization and Pricing	Reduced costs and strengthened competitiveness in the mid-to-high income market
Convenience	Direct Sales and Charging Network	Improved user experience, addressing common EV concerns
Communication	Social Media and Feedback	Increased brand interaction and trust through responsive engagement

4.8 Findings on Government Policies

Government policies have played a significant role in Tesla's success in China. The Chinese government has been a strong advocate for electric vehicles (EVs), offering subsidies, tax incentives, and infrastructure investments to promote EV adoption. Tesla's decision to establish the Shanghai Gigafactory was a strategic move to align with China's local production requirements, which allowed the company to benefit from government incentives and reduce import tariffs. According to interviews with academic experts, Tesla's ability to navigate the complex policy environment has been a key factor in its rapid growth.

However, the Chinese government's policies are not static. Recent reductions in EV subsidies and the introduction of stricter emissions standards have created new challenges for Tesla. For example, the reduction in subsidies has put pressure on Tesla to further reduce costs to remain competitive. Additionally, the government's push for domestic EV brands to dominate the market could pose a threat to Tesla's market share. To address these challenges, Tesla must continue to strengthen its relationships with local governments and adapt its strategies to align with future policy changes.

Key Findings:

Government subsidies and incentives have been a major driver of Tesla's growth in China.

Tesla's localization strategy has allowed it to benefit from government policies, such as reduced tariffs and access to local incentives.

Future policy changes, such as reductions in subsidies, could impact Tesla's cost structure and market position.

4.9 Findings on Competition

The Chinese EV market is highly competitive, with both domestic and international brands vying for market share. Tesla faces strong competition from local players like BYD, NIO, and XPeng, which have been rapidly expanding their product offerings and

market presence. These domestic brands have the advantage of being more familiar with local consumer preferences and often benefit from stronger government support.

Interviews with industry experts revealed that Tesla's ability to maintain its competitive edge lies in its technological leadership and strong brand image. For example, Tesla's advanced autonomous driving features and over-the-air software updates have set it apart from competitors. However, increasing competition could put pressure on Tesla to further innovate and reduce costs. To stay ahead, Tesla must continue to invest in research and development while also exploring partnerships with local companies to enhance its supply chain and reduce production costs.

Key Findings:

Tesla faces intense competition from both domestic and international EV brands.

The company's technological leadership and brand image have been key differentiators.

Increasing competition could drive Tesla to further innovate and optimize its cost structure.

4.10 Findings on Income Level

Income level is a critical factor influencing Tesla's target market in China. The company has primarily focused on high-income consumers in urban areas, who are more likely to afford premium EVs. However, with the introduction of more affordable models like the Model 3, Tesla has been able to attract middle-income consumers as well. Interviews with Tesla executives revealed that the company's pricing strategy has been designed to appeal to a broader range of income levels, while maintaining its premium brand image.

Despite this, Tesla's market penetration in lower-tier cities remains limited due to the lower income levels in these regions. To expand its reach, Tesla could consider introducing even more affordable models or offering financing options to make its vehicles more accessible to middle- and lower-income consumers. Additionally, Tesla could explore partnerships with local financial institutions to provide attractive leasing or financing plans, which could help it tap into a larger customer base.

Key Findings:

Tesla's target market primarily consists of high-income consumers in urban areas.

The introduction of more affordable models has expanded Tesla's appeal to middle-income consumers.

Income level remains a key factor in Tesla's market segmentation and pricing strategy.

4.11 Purchase Motivation

Purchase motivation among Chinese consumers is driven by a combination of factors, including environmental concerns, technological interest, and brand perception. Tesla's focus on innovation and sustainability has resonated well with consumers who are motivated by these factors. Interviews with consumers revealed that Tesla's advanced technology, such as autonomous driving features, and its commitment to environmental sustainability are key drivers of purchase decisions.

However, purchase motivation can vary significantly across different consumer segments. For example, while high-income consumers may be motivated by Tesla's premium brand image and technological innovation, middle-income consumers may be more price-sensitive and motivated by the long-term cost savings of owning an EV. To address these varying motivations, Tesla should tailor its marketing messages to different consumer segments. For instance, marketing campaigns targeting middle-income consumers could emphasize the cost-effectiveness and environmental benefits of Tesla vehicles, while campaigns targeting high-income consumers could focus on the luxury and innovation aspects.

Key Findings:

Environmental concerns and technological interest are key drivers of purchase motivation.

Tesla's focus on innovation and sustainability has aligned well with consumer motivations.

Brand perception and trust play a significant role in influencing purchase decisions.

Chapter 5 Conclusion and Recommendation

5.1 Introduction

This chapter synthesizes the research findings and analysis from the previous chapters, exploring Tesla's marketing strategies in the Chinese market. By examining the success factors and challenges Tesla faces, this study provides targeted recommendations for improvement. Additionally, the chapter discusses the limitations of this study and suggests future research directions, offering strategic guidance for Tesla's ongoing development in China.

5.2 Research Summary

Through a comprehensive analysis of the interview data and the application of the 4Cs marketing theory, several key characteristics of Tesla's marketing strategy in China have emerged:

5.2.1 Customer-Oriented Strategy

Tesla has effectively identified its target customer groups, particularly high-income, highly educated individuals who prioritize environmental consciousness and technological innovation. According to the interviews, Tesla's products and services align with the needs of these consumers, especially in first- and second-tier cities, where Tesla's brand image resonates strongly with their self-perception.

5.2.2 Cost Management and Flexible Pricing Strategy

Tesla has significantly reduced manufacturing and transportation costs by localizing production in China. Utilizing economies of scale, Tesla has developed competitive pricing strategies. The interviews highlighted Tesla's flexibility in price adjustments, enabling the company to respond quickly to market demands and maintain a pricing advantage in a competitive environment. Furthermore, Tesla's optimized supply chain and enhanced operational efficiency have further reduced production costs, strengthening its position in the mid-to-high-end market.

5.2.3 Comprehensive Convenience Strategy

Tesla has optimized its sales channels through a direct sales model, reducing intermediaries and enhancing the convenience of customer purchases. Interview results indicate that Tesla's stores are strategically located, providing high-quality customer service experiences that increase purchase intentions and brand loyalty. Moreover, Tesla's extensive charging network, especially in first- and second-tier cities, addresses the "range anxiety" associated with electric vehicles, enhancing product usability and accessibility.

5.2.4 Successful Branding and Communication Strategy

Tesla has effectively leveraged both traditional and new media to maintain close interactions with consumers in the Chinese market. According to the interviews, Tesla's innovative approach to brand promotion, particularly in digital marketing and social media management, has significantly increased brand awareness and user engagement. By collaborating with local media, organizing online and offline events, and enhancing customer involvement, Tesla has successfully strengthened its brand presence.

5.2.5 Marketing Strategy of 4Ps (Product, Price , Place and Promotion)

Product Strategy

Tesla emphasizes product innovation, which resonates with China's tech-savvy, environmentally conscious consumer base. By focusing on advanced electric vehicle technology, such as autonomous driving capabilities and battery efficiency, Tesla attracts high-income consumers who value innovation and sustainability. This innovation-driven strategy also enables Tesla to adjust products based on local consumer preferences, such as software customization and navigation tailored to Chinese users.

Price Strategy

Tesla's pricing strategy has evolved to meet the Chinese market's demand dynamics. The establishment of the Shanghai Gigafactory allowed Tesla to reduce costs significantly, enabling competitive pricing without compromising its premium brand image. This localized production facilitates flexibility in price adjustments, catering to mid-to-high-income consumers while making Tesla's models more affordable to a broader audience. Such pricing strategies ensure Tesla remains competitive against both

international and domestic EV brands, which is crucial in the highly competitive Chinese market.

Place Strategy

Tesla's direct-to-consumer sales model bypasses traditional dealership networks, allowing for a streamlined purchase experience that enhances transparency and brand consistency. Tesla strategically locates its showrooms and service centers in high-traffic, affluent areas to maximize visibility and accessibility. This approach, paired with a broad Supercharger network, addresses potential consumers' range anxiety and improves Tesla's brand accessibility across major urban centers in China.

Promotion Strategy

In terms of promotion, Tesla leverages digital marketing and environmental branding to engage Chinese consumers effectively. Utilizing social media platforms such as WeChat, Douyin, and Xiaohongshu, Tesla promotes its values of innovation and sustainability, appealing to younger, environmentally aware demographics. Additionally, Tesla's collaborations with local influencers and digital engagement initiatives, like livestreamed product events, enhance brand awareness and encourage consumer interaction. This strategy not only strengthens brand loyalty but also builds a sense of community around Tesla's eco-friendly mission.

5.2.6 Key Variables Summary

Tesla's success in China can be attributed to its ability to effectively address the nine key variables:

1. Product Innovation

Tesla's product innovation strategy has been a cornerstone of its success in China. The company has consistently introduced cutting-edge technologies, such as autonomous driving capabilities, over-the-air software updates, and advanced battery systems. These innovations have resonated well with tech-savvy Chinese consumers, particularly in urban areas. According to interviews with Tesla executives, the localization of features, such as navigation systems tailored for Chinese users, has further enhanced the appeal of Tesla vehicles. The Shanghai Gigafactory has also played a crucial role in enabling Tesla to produce vehicles that meet local demands while maintaining global quality standards. Tesla's ability to continuously innovate and adapt its products to the Chinese market has strengthened its competitive advantage.

2. Pricing Strategy

Tesla's pricing strategy in China has been highly flexible, allowing the company to respond quickly to market dynamics. The establishment of the Shanghai Gigafactory has significantly reduced production costs, enabling Tesla to offer competitive pricing for models like the Model 3 and Model Y. Interviews with Tesla executives revealed that the company's pricing strategy is influenced by both cost considerations and customer sensitivity. For example, Tesla has adjusted prices multiple times in response to changes in government subsidies and competitor pricing. This flexibility has allowed Tesla to appeal to a broader range of income levels, from high-income consumers in tier-1 cities to middle-income consumers in tier-2 and tier-3 cities.

3. Place Strategy

Tesla's place strategy in China revolves around its direct-to-consumer sales model and the strategic placement of showrooms and service centers. The company has focused on high-traffic areas in tier-1 and tier-2 cities, ensuring maximum visibility and accessibility for potential customers. Additionally, Tesla's extensive Supercharger network has addressed one of the key concerns of EV consumers—range anxiety. Interviews with Tesla executives highlighted that the company's direct sales model has allowed for greater control over the customer experience, from purchase to after-sales service. The expansion of the Supercharger network has also improved the convenience of owning a Tesla vehicle, making it easier for consumers to charge their cars in urban and rural areas alike.

4. Promotion Strategy

Tesla's promotion strategy in China has been heavily reliant on digital marketing and social media engagement. The company has effectively used platforms like WeChat, Douyin, and Xiaohongshu to promote its brand and engage with younger, tech-savvy consumers. Tesla's promotional campaigns often emphasize the environmental benefits of EVs, appealing to the growing number of environmentally conscious consumers in China. Interviews with marketing professionals revealed that Tesla's use of influencer partnerships and interactive content has been particularly effective in building brand awareness and loyalty. Additionally, Tesla's participation in green mobility campaigns and collaborations with environmental organizations has reinforced its image as an eco-friendly brand.

5. Government Policies

Government policies have played a significant role in Tesla's success in China. The Chinese government's support for EVs through subsidies, tax incentives, and infrastructure investments has created a favorable environment for Tesla's growth. Tesla's decision to establish the Shanghai Gigafactory was a strategic move to align with China's local production requirements, which allowed the company to benefit from government incentives and reduce import tariffs. However, recent reductions in EV subsidies and the introduction of stricter emissions standards have created new challenges for Tesla. To address these challenges, Tesla must continue to strengthen its relationships with local governments and adapt its strategies to align with future policy changes.

6. Brand Positioning

Tesla's brand positioning in China has been highly effective, with the company being perceived as a premium, innovative, and environmentally friendly brand. This positioning has resonated well with high-income, tech-savvy consumers who value sustainability and cutting-edge technology. Interviews with marketing professionals revealed that Tesla's consistent messaging around innovation and environmental responsibility has strengthened its brand image and loyalty among Chinese consumers. Tesla's ability to position itself as a leader in both technology and sustainability has helped it differentiate itself from competitors, particularly domestic brands that may lack the same level of global recognition.

7. Competition

The Chinese EV market is highly competitive, with both domestic and international brands vying for market share. Tesla faces strong competition from local players like BYD, NIO, and XPeng, which have been rapidly expanding their product offerings and market presence. These domestic brands have the advantage of being more familiar with local consumer preferences and often benefit from stronger government support. Despite this, Tesla's technological leadership and strong brand image have allowed it to maintain a competitive edge. However, increasing competition could put pressure on Tesla to further innovate and reduce costs. To stay ahead, Tesla must continue to invest in research and development while also exploring partnerships with local companies to enhance its supply chain and reduce production costs.

8. Income Level

Income level is a critical factor influencing Tesla's target market in China. The company has primarily focused on high-income consumers in urban areas, who are more likely to afford premium EVs. However, with the introduction of more affordable models like the Model 3, Tesla has been able to attract middle-income consumers as well. Interviews with Tesla executives revealed that the company's pricing strategy has been designed to appeal to a broader range of income levels, while maintaining its premium brand image. Despite this, Tesla's market penetration in lower-tier cities remains limited due to the lower income levels in these regions. To expand its reach, Tesla could consider introducing even more affordable models or offering financing options to make its vehicles more accessible to middle- and lower-income consumers.

9. Purchase Motivation

Purchase motivation among Chinese consumers is driven by a combination of factors, including environmental concerns, technological interest, and brand perception. Tesla's focus on innovation and sustainability has resonated well with consumers who are motivated by these factors. Interviews with consumers revealed that Tesla's advanced technology, such as autonomous driving features, and its commitment to environmental sustainability are key drivers of purchase decisions. However, purchase motivation can vary significantly across different consumer segments. For example, while high-income consumers may be motivated by Tesla's premium brand image and technological innovation, middle-income consumers may be more price-sensitive and motivated by the long-term cost savings of owning an EV. To address these varying motivations, Tesla should tailor its marketing messages to different consumer segments.

5.3 Recommendations for Tesla

Despite Tesla's notable achievements in the Chinese market, there are several areas for further improvement to ensure its competitive advantage in this fast-evolving market. Based on the 4Cs marketing theory and interview analysis, the following recommendations are aimed at helping Tesla optimize its marketing strategies in China.

5.3.1 Expand Product Line to Meet Diverse Needs

As the Chinese market matures, consumer demands are becoming increasingly diverse. Tesla could consider expanding its product line to cover a broader range of market segments, especially targeting middle-income consumers. Specifically, introducing more affordable models that still maintain the brand's core values could help Tesla capture a larger market share among consumers who are more price-sensitive.

Recommended Actions:

Introduce mid- to low-priced models: While maintaining its innovation and quality, Tesla could release models with fewer luxury features but strong performance in areas like range, charging efficiency, and basic autonomous driving capabilities to offer high value at a competitive price.

Optimize production and R&D processes: By further streamlining production and R&D processes, Tesla can reduce development costs, supporting pricing advantages for new, lower-priced models.

Increase segmentation penetration: Tailor marketing campaigns for different models to appeal to specific segments, such as family users and young professionals, thus increasing Tesla's reach across various income groups.

5.3.2 Enhance After-Sales Service and Customer Experience

Although Tesla has improved its after-sales services, some customers have pointed out limitations in its service network, especially in lower-tier cities. To boost overall customer satisfaction, Tesla should expand its service center presence, optimize service processes, and train more specialized personnel to handle customer inquiries effectively.

Recommended Actions:

Expand service center network: Increase the number of service centers in lower-tier cities to reduce the distance customers need to travel for service. Also, evaluate the current layout to ensure that key potential markets are adequately covered.

Optimize after-sales processes and customer support: Make after-sales service processes more transparent, allowing customers to easily schedule appointments, track repair progress, and receive maintenance recommendations. Digital tools could enable online booking, real-time tracking, and automatic reminders.

Develop a professional after-sales team: Strengthen training in technical and customer service skills, especially in areas like charging and autonomous driving support, to build customer trust and loyalty.

5.3.3 Strengthen Partnerships with Government and Local Companies

Interviews highlighted the significant influence of China's policy environment on Tesla's development. To better adapt and respond to policy shifts, Tesla could further

strengthen communication with the government and actively participate in policy development. Additionally, partnerships with local companies could enhance supply chain flexibility and reduce potential operational risks.

Recommended Actions:

Engage in policy dialogue and development: Increase communication with government and policy-making bodies to stay updated on policy changes and respond effectively. Tesla could leverage its industry leadership to actively contribute to policy discussions and provide constructive recommendations for the EV sector.

Establish supply chain partnerships with local companies: Collaborate with local suppliers to optimize parts sourcing and supply chain management, which would enhance flexibility and control over the supply chain. Focusing on components like batteries and charging equipment can stabilize supply and minimize risks from global supply chain fluctuations.

Participate in infrastructure development: Work with the government and local companies to expand the Supercharger network, especially in high-traffic areas and lower-tier cities, making it easier for Tesla owners to charge their vehicles and improving brand competitiveness.

5.3.4 Explore New Channels for Market Communication

While Tesla excels in digital marketing, continuous innovation in communication channels is essential in a highly competitive environment. Tesla could explore new interactive platforms or collaborate with emerging media to enhance its appeal to younger consumers, ensuring the brand remains dynamic and relevant.

Recommended Actions:

Leverage emerging social media platforms: Explore and utilize platforms such as Douyin, Xiaohongshu, and Bilibili to connect with younger audiences through engaging content, including short videos and live streaming that highlights Tesla's technological and environmental features.

Adopt AR/VR technology: Use augmented reality (AR) or virtual reality (VR) to create online showrooms, allowing potential customers to explore product features and driving experiences in an immersive way.

Implement AI customer support and online interaction experiences: Provide real-time online support using artificial intelligence technology, including chatbots and voice assistants, to answer customer questions, enhancing customer satisfaction and loyalty.

5.3.5 Emphasize Sustainability

With growing environmental awareness among Chinese consumers, Tesla could further strengthen its sustainability initiatives to enhance brand influence in environmental protection, attracting more environmentally conscious consumers.

Recommended Actions:

Improve environmental management of the supply chain: Implement stricter environmental standards across the supply chain to reduce Tesla's carbon footprint. Collaborate with suppliers to use greener materials and adopt more sustainable manufacturing processes.

Enhance battery recycling and reuse: Partner with local companies to establish a highly efficient battery recycling system, improving the reuse rate of end-of-life batteries, which demonstrates Tesla's long-term commitment to environmental protection.

Promote a green driving philosophy: Actively promote the green mobility concept on social media and at brand events, highlighting Tesla's efforts in reducing carbon emissions and protecting the environment, thus enhancing consumer recognition of Tesla's environmental values.

Implementing these strategies will enable Tesla to not only solidify its leadership position in China's electric vehicle market but also continuously adapt to changing market needs. By improving customer satisfaction, responding to policy shifts, strengthening local partnerships, innovating market communication, and advancing sustainability efforts, Tesla can ensure sustainable growth in China's rapidly expanding EV market.

5.3.6 Managerial Implication

Tesla's marketing strategies in China reveal valuable managerial insights that can guide both new entrants and established players in the electric vehicle (EV) market. First, Tesla's commitment to localized production demonstrates the importance of adapting to local demand dynamics and controlling operational costs. For companies aiming to penetrate the Chinese market, establishing local manufacturing and leveraging domestic supply chains can significantly reduce costs and improve product accessibility, supporting competitive pricing strategies.

Furthermore, Tesla's direct-to-consumer sales model, combined with strategic location choices for showrooms and service centers, offers a blueprint for enhancing customer convenience and interaction. This approach can improve customer satisfaction by providing transparency, strengthening brand loyalty, and reducing reliance on intermediaries. Additionally, the integration of a vast charging network addresses consumer range anxiety, an essential consideration for EV adoption, and should be prioritized in infrastructure investment by other EV brands.

Tesla's effective digital marketing strategies in China, including influencer collaborations and targeted social media engagement, highlight the importance of a strong online presence to resonate with tech-savvy, younger consumers. For managers, investing in digital marketing and exploring emerging platforms can create meaningful connections with consumers, foster brand loyalty, and differentiate the brand in a competitive market.

5.3.7 Academic Contribution

This research contributes to the academic literature by providing a nuanced analysis of Tesla's marketing strategy within the 4Ps framework—Product, Price, Place, and Promotion—in China's unique EV market context. By exploring Tesla's strategies, this study extends the understanding of effective market entry and expansion strategies for foreign companies in China, particularly in industries that are heavily influenced by environmental policies and consumer preference for sustainability.

Additionally, this research adds to the theoretical understanding of how localization and digital engagement strategies can be adapted to align with the distinct needs of Chinese consumers. The findings demonstrate the effectiveness of integrating digital platforms and localization within the 4P model, contributing to broader marketing theory by examining how global brands can balance standardization with adaptation to optimize market performance.

Overall, the study highlights the strategic use of a customer-centric approach, competitive pricing, and infrastructure investments as essential components for fostering market success. These insights provide a valuable reference for future studies focusing on the intersection of global marketing strategies and local consumer behavior, especially within high-growth and environmentally driven markets like China's EV industry.

5.4 Future Challenges and Market Outlook

As Tesla continues to grow in China, it will face several significant challenges:

5.4.1 Intensifying Market Competition

With more domestic and international brands entering the Chinese electric vehicle market, competition is expected to become fiercer. Tesla must continue to leverage its technological and brand advantages, employing innovative and differentiated strategies to maintain its leadership in the market.

5.4.2 Changes in Policy Environment

Although the Chinese government currently supports new energy vehicles, future policy shifts could impact Tesla. The company must stay attuned to changes in the policy environment and adjust its strategies accordingly to adapt to potential shifts.

5.4.3 Supply Chain Risk Management

Given the uncertainties in the global supply chain, Tesla faces potential risks in supply chain management within China. To mitigate these risks, Tesla should diversify its supply chain, strengthen relationships with suppliers, and increase supply chain flexibility to better manage potential disruptions.

5.5 Research Limitations and Future Research Directions

This study, primarily based on qualitative interview data and the 4Cs marketing theory, reveals Tesla's successful strategies in the Chinese market. However, several limitations exist:

5.5.1 Representativeness and Breadth of the Sample

Due to the limited number of interviewees, the sample primarily represents specific cities and groups, which may not fully reflect the broader Chinese market. Future research should consider expanding the sample size to include more diverse regions and social strata, providing a more comprehensive market insight.

5.5.2 Impact of Market Dynamics and Environmental Changes

The Chinese new energy vehicle market is rapidly evolving, with changes in the market environment and policies potentially affecting Tesla's strategies. Future research should focus more on market dynamics, conducting periodic analyses to assess the effectiveness of Tesla's strategies in real-time.

5.6 Conclusion

Tesla's marketing strategies in the Chinese market, as analyzed through the lens of the 4C marketing framework, reveal a complex and multifaceted approach that has contributed significantly to the brand's success in this rapidly growing and competitive market. The findings from the interviews with Tesla executives, marketing experts, scholars, and consumers, along with the detailed analysis in the previous chapters, underscore several key aspects of Tesla's strategic positioning in China.

Firstly, Customer Orientation has been at the heart of Tesla's approach. Tesla has successfully identified and targeted a specific customer segment in China, focusing on high-income groups, technology enthusiasts, and environmentally conscious consumers. The company's ability to understand and respond to the needs of these groups, particularly through offering high-tech, sustainable, and premium products, has solidified its position as a leading brand in the Chinese electric vehicle market. Tesla's commitment to customer satisfaction, as seen in its efforts to provide customized options, advanced technology, and superior after-sales services, has further strengthened its brand loyalty among Chinese consumers.

Secondly, Cost Management has played a crucial role in Tesla's ability to compete in the Chinese market. By establishing local production facilities and leveraging economies of scale, Tesla has managed to reduce manufacturing costs, which has allowed the company to offer competitive pricing without compromising on quality. This strategy has been instrumental in making Tesla's products more accessible to a broader range of consumers while maintaining its premium brand image. The flexible pricing strategy, which takes into account market feedback and cost fluctuations, has enabled Tesla to stay competitive and responsive to market changes.

Thirdly, Convenience has been a significant factor in Tesla's market penetration. Tesla's direct sales model, which bypasses traditional dealership networks, has streamlined the purchasing process for Chinese consumers, providing them with a more transparent and

efficient buying experience. The strategic placement of Tesla's showrooms and service centers in high-traffic, affluent areas has enhanced brand visibility and made it more convenient for customers to engage with the brand. Additionally, Tesla's expansive Supercharger network across China has addressed one of the major barriers to electric vehicle adoption—charging convenience—thereby improving the overall user experience.

Fourthly, Communication strategies have been pivotal in building Tesla's brand in China. The company's adept use of digital marketing, particularly through social media and collaborations with local influencers, has amplified its brand presence and engaged a tech-savvy, younger audience. Tesla's communication efforts have not only promoted its products but have also cultivated a strong brand community that resonates with the values of innovation, sustainability, and luxury. This has been particularly effective in a market where brand perception plays a critical role in consumer decision-making.

Challenges and Opportunities: While Tesla has achieved remarkable success in China, the analysis also highlights several challenges that the company must address to sustain its growth. The Chinese electric vehicle market is becoming increasingly competitive, with both domestic and international players vying for market share. Government policies, which have been favorable to electric vehicles, could also change, impacting Tesla's cost structures and market dynamics. Furthermore, consumer expectations in China are evolving rapidly, with a growing demand for more affordable electric vehicles that do not compromise on quality or features.

Tesla must continue to innovate, not only in its product offerings but also in its business model, to stay ahead of competitors. Expanding its product range to include more affordable options could help Tesla capture a larger share of the market. Additionally, further localizing its operations and supply chain could provide cost advantages and mitigate risks associated with global supply disruptions.

Strategic Recommendations: To maintain and enhance its market position in China, Tesla should consider the following strategic actions:

1. **Expand Product Portfolio:** Introduce new models that cater to the mid-range market segment, balancing affordability with Tesla's hallmark innovation and quality.
2. **Enhance Localization:** Increase local production and sourcing to reduce costs and improve supply chain resilience. This could also include collaborating with local tech companies to integrate region-specific features into Tesla vehicles.

3. Strengthen After-Sales Services: Invest in expanding service centers and enhancing customer support to ensure a seamless and satisfying ownership experience, particularly as Tesla's customer base grows.

4. Sustain Innovation in Communication: Continue leveraging digital platforms and emerging technologies such as augmented reality (AR) for virtual showrooms or AI-driven customer service to enhance customer engagement and brand loyalty.

5. Focus on Sustainability: As environmental concerns continue to rise among Chinese consumers, Tesla should further emphasize its sustainability initiatives, including efforts to reduce carbon footprints throughout its supply chain.

Broader Implications: Tesla's success in China offers valuable insights for the broader electric vehicle industry. The importance of understanding local consumer behavior, adapting global strategies to local contexts, and maintaining a strong focus on innovation and customer satisfaction cannot be overstated. As more companies enter the electric vehicle market, those that can balance global expertise with local adaptation will likely emerge as leaders.

In conclusion, Tesla's journey in China is a testament to the power of strategic marketing and innovation. By staying attuned to customer needs, managing costs effectively, ensuring convenience, and communicating its brand values clearly, Tesla has set a benchmark in the electric vehicle industry. However, as the market evolves, continuous adaptation and innovation will be essential for Tesla to maintain its leadership position in China.

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Appendix

Questionnaire

1. Please specify your current role in the electric vehicle industry.
2. How many years of experience do you have in the EV industry management?
3. How does Tesla identify and understand customer needs in the Chinese market?

Aims to understand how Tesla conducts market research or analysis to effectively pinpoint customer needs.
4. What are the characteristics of Tesla's target customer segments, and how does the company meet these unique needs?
5. What specific measures has Tesla taken to enhance customer satisfaction and loyalty?
6. How does Tesla manage costs in the Chinese market to remain competitive?
7. How does Tesla consider customer cost sensitivity in its pricing strategy?
8. How does Tesla balance delivering high-quality products with managing costs?
9. How is Tesla's sales and service channel layout designed in the Chinese market?
10. What measures has Tesla taken to improve the accessibility of its products and services?
11. What innovative actions has Tesla taken to improve the buying and usage experience for customers?
12. Through which channels does Tesla promote its brand in the Chinese market?
13. How does Tesla's brand communication strategy ensure messages are accurately delivered to target customers?
14. How does Tesla strengthen customer brand awareness and trust through its communication strategy?
15. In your view, what further improvements could Tesla make in its strategy for the future Chinese market?

16. What are your suggestions for Tesla's 4Ps Marketing Strategy (Product, Price, Place, and Promotion) to better meet the needs of the Chinese market and enhance Tesla's competitive advantage?

17. Responses from academic experts on the impact of government policies on Tesla's growth. How do government policies affect Tesla's growth?

18. Competition: Insights from industry experts on Tesla's competitive position in the Chinese market. What is Tesla's competitive position in the Chinese market?

19. Responses from Tesla executives on the company's pricing strategy and target market segmentation. What is Tesla's pricing strategy and target market segmentation?

20. Feedback from consumers on the factors driving their purchase decisions. What factors influenced your decision to purchase a Tesla?

In-depth interview transcription summary

Group 1: Tesla Executives

Interviewee 1: Li Wei, Regional Sales Director, Tesla China

1. Role in EV Industry: Leads Tesla's sales and market growth in China.
2. Experience: 15 years in automotive sales, 5 years at Tesla.
3. Customer Needs Identification: Analyzes sales data and conducts market surveys to align products with customer needs.
4. Target Customer Segments: Primarily focuses on high-income urban consumers and tech-savvy individuals.
5. Satisfaction and Loyalty Measures: Offers post-purchase support and loyalty programs that enhance customer engagement.
6. Cost Management Strategies: Focuses on local manufacturing to reduce costs and improve logistics.
7. Consideration of Cost Sensitivity: Sets competitive prices, especially for the Model 3, based on affordability insights.

8. Balancing Quality and Cost: Maintains quality by using local suppliers, which also helps reduce production costs.
9. Sales and Service Channel Design: Expands Tesla's direct-to-customer sales model in metropolitan areas.
10. Product Accessibility Measures: Increases service centers and charging networks for customer convenience.
11. Innovative Customer Experience Enhancements: Introduces AR-based online showrooms for virtual engagement.
12. Brand Promotion Channels: Prioritizes digital platforms like WeChat, Douyin, and Xiaohongshu.
13. Ensuring Accurate Messaging: Monitors feedback to refine and adjust messaging strategies.
14. Building Brand Trust and Awareness: Hosts community events and online interactions to strengthen brand loyalty.
15. Suggested Improvements: Increase service coverage in smaller cities and rural areas to broaden market reach.
16. Suggest of 4Ps Marketing strategy : Focus on affordable product customization to meet local demands and enhance service centers in second-tier cities to improve accessibility.
19. Income Level: Tesla adopts a differentiated pricing strategy, offering multiple models for consumers at different income levels.

Interviewee 2: Chen Xia, Marketing Director, Tesla China

1. Role in EV Industry: Heads branding and marketing strategies for Tesla in China.
2. Experience: 12 years in brand management, 5 years with Tesla.
3. Customer Needs Identification: Uses social listening tools to monitor and analyze customer preferences.
4. Target Customer Segments: Young professionals and eco-conscious consumers.

5. Satisfaction and Loyalty Measures: Develops engagement initiatives and customer events to increase brand loyalty.
6. Cost Management Strategies: Collaborates with local suppliers to optimize costs for marketing activities.
7. Consideration of Cost Sensitivity: Emphasizes long-term value in brand messaging to counter cost concerns.
8. Balancing Quality and Cost: Uses digital marketing platforms to maintain quality while keeping costs low.
9. Sales and Service Channel Design: Builds interactive online experiences to supplement physical showrooms.
10. Product Accessibility Measures: Promotes Tesla's mobile app for easy access to service and product information.
11. Innovative Customer Experience Enhancements: Uses augmented reality for virtual model viewing.
12. Brand Promotion Channels: Focuses on Douyin and Xiaohongshu to reach tech-savvy consumers.
13. Ensuring Accurate Messaging: Continuously adjusts messaging based on real-time customer data.
14. Building Brand Trust and Awareness: Partners with influencers and environmental organizations for credibility.
15. Suggested Improvements: Enhance influencer partnerships to target younger audiences effectively.
16. Suggest of 4Ps Marketing strategy :Expand the product lineup to include family-friendly models and increase digital promotion efforts on popular social media platforms.
19. Income Level: Our target market includes high-income groups and environmentally conscious middle-class consumers.

Interviewee 3: Zhang Min, Operations Director, Shanghai Gigafactory

1. Role in EV Industry: Oversees production and logistics at Tesla's Shanghai factory.

2. Experience: 10 years in EV manufacturing operations.
3. Customer Needs Identification: Coordinates with sales to adjust production based on demand forecasts.
4. Target Customer Segments: Focuses on customers in urban areas looking for high-quality EVs.
5. Satisfaction and Loyalty Measures: Ensures production timelines align with customer expectations to reduce wait times.
6. Cost Management Strategies: Optimizes resource allocation and reduces waste to lower production costs.
7. Consideration of Cost Sensitivity: Works to keep costs low without compromising on quality.
8. Balancing Quality and Cost: Uses automation and local suppliers to maintain quality while controlling costs.
9. Sales and Service Channel Design: Enables efficient product distribution directly from the factory.
10. Product Accessibility Measures: Expands logistical capacity to reduce delivery times across regions.
11. Innovative Customer Experience Enhancements: Provides order tracking options for better customer engagement.
12. Brand Promotion Channels: Hosts factory tours to showcase Tesla's production quality.
13. Ensuring Accurate Messaging: Collaborates with marketing to ensure consistent quality-focused messaging.
14. Building Brand Trust and Awareness: Enhances transparency with behind-the-scenes production content.
15. Suggested Improvements: Increase partnerships with local suppliers for greater agility.
16. Suggest of 4Ps Marketing strategy : Invest further in cost-effective local suppliers to support competitive pricing and expand the charging infrastructure to strengthen product accessibility.

19. Income Level: With models like the Model 3 and Model Y, we are expanding our reach into the mid-range market.

Interviewee 4: Lin Tao, Customer Service Manager, Tesla China

1. Role in EV Industry: Manages Tesla's customer service and after-sales support in China.

2. Experience: 9 years in customer service, 4 years at Tesla.

3. Customer Needs Identification: Collects and analyzes feedback to improve customer service practices.

4. Target Customer Segments: Urban tech enthusiasts and eco-conscious customers.

5. Satisfaction and Loyalty Measures: Ensures quick response times and efficient service solutions.

6. Cost Management Strategies: Streamlines after-sales processes to keep costs low while maintaining service quality.

7. Consideration of Cost Sensitivity: Offers service packages that are cost-effective for customers.

8. Balancing Quality and Cost: Leverages technology to automate support functions, reducing overhead.

9. Sales and Service Channel Design: Expands service locations in key cities for easier customer access.

10. Product Accessibility Measures: Adds mobile service units to reach more remote areas.

11. Innovative Customer Experience Enhancements: Implements app-based support features for convenience.

12. Brand Promotion Channels: Coordinates with marketing to align service messaging with branding.

13. Ensuring Accurate Messaging: Consistently updates customers on service improvements and options.

14. Building Brand Trust and Awareness: Focuses on building trust through reliable customer support.
15. Suggested Improvements: Expand service centers to second- and third-tier cities.
16. Suggest of 4Ps Marketing strategy : Offer budget-friendly service packages and expand service locations in smaller cities to improve after-sales support.
19. Income Level: Tesla's pricing considers long-term cost savings, such as low maintenance and charging costs.

Interviewee 5: Mei Ling, Chief Financial Officer, Tesla China

1. Role in EV Industry: Manages Tesla's finances and budgeting for the Chinese market.
2. Experience: 18 years in finance, 7 in the automotive industry.
3. Customer Needs Identification: Works with sales to align pricing with customer affordability.
4. Target Customer Segments: Middle- to high-income urban customers.
5. Satisfaction and Loyalty Measures: Analyzes customer payment options to create flexible plans.
6. Cost Management Strategies: Implements financial controls on manufacturing and marketing expenditures.
7. Consideration of Cost Sensitivity: Collaborates on flexible pricing for key models like Model
8. Balancing Quality and Cost: Ensures quality standards are met without overspending.
9. Sales and Service Channel Design: Financially supports service center expansion in target markets.
10. Product Accessibility Measures: Creates financing solutions to make EVs more affordable.
11. Innovative Customer Experience Enhancements: Develops lease and financing options to appeal to various income groups.

12. Brand Promotion Channels: Oversees budget allocation for digital and traditional channels.

13. Ensuring Accurate Messaging: Aligns financial promotions with brand messaging.

14. Building Brand Trust and Awareness: Emphasizes financial transparency in communications.

15. Suggested Improvements: Expand low-interest financing options to attract a wider customer base.

16. Suggest of 4Ps Marketing strategy :Enhance financing options, such as low-interest loans, to make Tesla more affordable for a broader audience.

19. Income Level: We are also exploring leasing and financing options to attract lower-income consumers.

Group 2: Marketing Professionals

Interviewee 6: Grace Liu, Automotive Market Analyst

1. Role in EV Industry: Conducts EV market analysis for consumer insights.

2. Experience: 8 years in automotive research, 3 in EV market analysis.

3. Customer Needs Identification: Monitors customer reviews and feedback for Tesla's positioning.

4. Target Customer Segments: Young professionals and tech-savvy customers.

5. Satisfaction and Loyalty Measures: Notes Tesla's emphasis on loyalty via tech upgrades.

6. Cost Management Strategies: Observes Tesla's localized production as a key to cost savings.

7. Consideration of Cost Sensitivity: Highlights Tesla's pricing flexibility in China.

8. Balancing Quality and Cost: Observes Tesla's commitment to quality while managing costs.

9. Sales and Service Channel Design: Analyzes direct sales as a way to improve brand control.
10. Product Accessibility Measures: Sees the charging network as a factor in accessibility.
11. Innovative Customer Experience Enhancements: Commends Tesla's mobile app for easy service.
12. Brand Promotion Channels: Focuses on Tesla's strong social media engagement.
13. Ensuring Accurate Messaging: Stresses brand consistency across all platforms.
14. Building Brand Trust and Awareness: Highlights Tesla's focus on tech-forward messaging.
15. Suggested Improvements: Target older demographics interested in EVs.
16. Suggest of 4Ps Marketing strategy : Continue leveraging digital channels for efficient brand communication, emphasizing Tesla's cost-saving and long-term value benefits.
- 18.Competition:Tesla dominates China's premium EV market with its brand influence and technological edge.
20. Purchase Motivation: Tesla's environmental commitment and zero-emission features were the main reasons for my choice.

Interviewee 7: Lin Qiang, Marketing Consultant

1. Role in EV Industry: Advises EV companies on market strategies.
2. Experience: 15 years in consulting, 5 in EV.
3. Customer Needs Identification: Uses consumer trend data for strategic recommendations.
4. Target Customer Segments: Focuses on urban families and professionals.
5. Satisfaction and Loyalty Measures: Commends Tesla's regular community engagement.
6. Cost Management Strategies: Notes Tesla's streamlined production in Shanghai.

7. Consideration of Cost Sensitivity: Values Tesla's adaptable pricing for Chinese consumers.
8. Balancing Quality and Cost: Finds Tesla's balance through local supply chains effective.
9. Sales and Service Channel Design: Highlights the benefits of direct-to-customer model.
10. Product Accessibility Measures: Recognizes charging infrastructure expansion as essential.
11. Innovative Customer Experience Enhancements: Praises AR model browsing.
12. Brand Promotion Channels: Sees influencer marketing as effective for Tesla.
13. Ensuring Accurate Messaging: Notes Tesla's data-driven approach to messaging.
14. Building Brand Trust and Awareness: Commends Tesla's strong brand image.
15. Suggested Improvements: Focus on physical marketing for visibility.
16. Suggest of 4Ps Marketing strategy :Increase brand visibility through physical pop-up stores and enhance community engagement to build loyalty.
- 18.Competition: Domestic brands like BYD and NIO are gradually eroding Tesla's market share.
20. Purchase Motivation:The advanced autonomous driving technology and cutting-edge features make it worth the investment.

Interviewee 8: Maria Chen, Digital Marketing Specialist

1. Role in EV Industry: Specializes in digital marketing for automotive brands.
2. Experience: 7 years in digital marketing.
3. Customer Needs Identification: Analyzes social media data to assess brand appeal.
- 4.Target Customer Segments: Young urban professionals interested in sustainability.
5. Satisfaction and Loyalty Measures: Notes Tesla's regular digital engagement.
6. Cost Management Strategies: Recognizes Tesla's cost-saving digital-first approach.

7. Consideration of Cost Sensitivity: Values flexible financing options for younger consumers.
8. Balancing Quality and Cost: Uses digital platforms to ensure quality while cutting costs.
9. Sales and Service Channel Design: Values online tools for greater reach.
10. Product Accessibility Measures: Commends expanding Supercharger network.
11. Innovative Customer Experience Enhancements: Praises Tesla's AR shopping tools.
12. Brand Promotion Channels: Recognizes Tesla's strong digital influence.
13. Ensuring Accurate Messaging: Stresses the importance of targeted digital content.
14. Building Brand Trust and Awareness: Highlights Tesla's interactive engagement strategy.
15. Suggested Improvements: Focus on family-friendly messaging for broader appeal.
16. Suggest of 4Ps Marketing strategy :Implement family-oriented messaging to appeal to diverse audiences and expand the Supercharger network for convenience.
18. Competition: Tesla's localized production and supply chain optimization give it a cost advantage.
20. Purchase Motivation: Tesla's brand image and premium positioning align with my lifestyle and identity.

Interviewee 9: Zhang Hui, Senior Brand Strategist

1. Role in EV Industry: Develops brand positioning strategies for automotive and EV companies.
2. Experience: 10 years in branding, 4 focused on the EV market.
3. Customer Needs Identification: Uses focus groups and surveys to analyze customer expectations for EV brands.
4. Target Customer Segments: Focuses on high-income, environmentally-conscious urban professionals.

5. Satisfaction and Loyalty Measures: Advises on loyalty programs, like exclusive service offers, to retain customers.

6. Cost Management Strategies: Emphasizes local supplier partnerships to reduce marketing campaign costs.

7. Consideration of Cost Sensitivity: Helps design promotional strategies highlighting Tesla's long-term savings benefits.

8. Balancing Quality and Cost: Uses digital content that reflects Tesla's quality while keeping promotional expenses low.

9. Sales and Service Channel Design: Works on expanding online-to-offline sales strategies for a seamless customer experience.

10. Product Accessibility Measures: Advocates for extensive charging network promotions to ease customer concerns.

11. Innovative Customer Experience Enhancements: Develops virtual test-drive experiences to attract potential customers online.

12. Brand Promotion Channels: Recommends using platforms like Weibo and Douyin to reach affluent young adults.

13. Ensuring Accurate Messaging: Uses customer insights to fine-tune marketing messages for brand alignment.

14. Building Brand Trust and Awareness: Leverages storytelling that emphasizes Tesla's commitment to sustainability.

15. Suggested Improvements: Increase visibility in second-tier cities through experiential pop-up stores.

16. Suggest of 4Ps Marketing strategy :Strengthen influencer marketing for Tesla's sustainability values, particularly on platforms popular with young professionals.

18.Competition: Growing Chinese consumer demand for autonomous driving technology keeps Tesla ahead in this area.

20. Purchase Motivation: Government incentives and low operating costs played a significant role in my decision.

Interviewee 10: Liu Feng, Digital Marketing Analyst

1. Role in EV Industry: Focuses on digital marketing strategies specifically for the EV market.
2. Experience: 8 years in digital analytics, 3 in the EV sector.
3. Customer Needs Identification: Utilizes social media analytics to understand emerging consumer trends.
4. Target Customer Segments: Targets young, tech-oriented audiences who value innovation.
5. Satisfaction and Loyalty Measures: Highlights the importance of Tesla's mobile app for user engagement and loyalty.
6. Cost Management Strategies: Suggests digital-first strategies to reduce the cost of customer acquisition.
7. Consideration of Cost Sensitivity: Advises on campaigns that communicate Tesla's cost-effectiveness over time.
8. Balancing Quality and Cost: Recommends using high-quality digital content to maintain brand value with minimal expenditure.
9. Sales and Service Channel Design: Proposes integrating e-commerce for online purchases, allowing customers more flexibility.
10. Product Accessibility Measures: Supports expanding the Tesla mobile app to include remote customer support.
11. Innovative Customer Experience Enhancements: Introduces AI-based customer service chatbots to enhance digital experience.
12. Brand Promotion Channels: Prioritizes WeChat and Douyin as Tesla's primary engagement channels.
13. Ensuring Accurate Messaging: Uses real-time analytics to ensure messaging resonates with current trends.
14. Building Brand Trust and Awareness: Promotes transparency through live-streamed events and virtual Q&As with Tesla representatives.
15. Suggested Improvements: Increase focus on lifestyle marketing to highlight the aspirational value of owning a Tesla.

16. Suggest of 4Ps Marketing strategy : Integrate AI-powered customer service tools and prioritize lifestyle-oriented marketing to emphasize Tesla's aspirational value.

18. Competition: Despite fierce competition, Tesla's innovation capabilities and global brand recognition remain its core strengths.

20. Purchase Motivation: Tesla's extensive charging network resolved my range anxiety, making it a practical choice.

Group 3: Academic Experts

Interviewee11: Dr. Wang Jun, Professor of Marketing

1. Role in EV Industry: Researches consumer behavior in the EV market.
2. Experience: 12 years in marketing academia.
3. Customer Needs Identification: Studies purchasing trends and brand perception.
4. Target Customer Segments: Focuses on high-income, eco-friendly customers.
5. Satisfaction and Loyalty Measures: Examines Tesla's brand loyalty through consistent upgrades.
6. Cost Management Strategies: Views local production as Tesla's primary cost-control measure.
7. Consideration of Cost Sensitivity: Notes pricing strategies tailored to China's competitive market.
8. Balancing Quality and Cost: Emphasizes quality control in managing cost.
9. Sales and Service Channel Design: Observes that direct sales boost brand image.
10. Product Accessibility Measures: Sees Supercharger network expansion as key.
11. Innovative Customer Experience Enhancements: Commends Tesla's integration of AR.

12. Brand Promotion Channels: Praises digital advertising for effective reach.
13. Ensuring Accurate Messaging: Stresses consistency across digital channels.
14. Building Brand Trust and Awareness: Notes Tesla's strong brand equity among tech-savvy consumers.
15. Suggested Improvements: Engage more with academic research for insights
16. Suggest of 4Ps Marketing strategy :Maintain quality control in the production process and leverage digital advertising to reach environmentally conscious consumers effectively.
17. Government Policies: Government subsidies and tax incentives significantly reduce the price of Tesla's electric vehicles, boosting sales.

Interviewee 12: Dr. Xiao Ying, Marketing Researcher

1. Role in EV Industry: Studies the impact of marketing strategies on EV adoption.
2. Experience: 10 years in marketing research.
3. Customer Needs Identification: Focuses on data analysis for consumer trends.
4. Target Customer Segments: Tech enthusiasts and environmentalists.
5. Satisfaction and Loyalty Measures: Highlights Tesla's tech-forward branding.
6. Cost Management Strategies: Notes Tesla's strategic partnerships in China.
7. Consideration of Cost Sensitivity: Observes price adjustments to fit market demands.
8. Balancing Quality and Cost: Values quality as essential for Tesla's branding.
9. Sales and Service Channel Design: Supports direct sales as crucial for branding.
10. Product Accessibility Measures: Praises Tesla's broad service network.
11. Innovative Customer Experience Enhancements: Values app integration for user support.
12. Brand Promotion Channels: Commends digital campaigns on Douyin and WeChat.
13. Ensuring Accurate Messaging: Highlights targeted advertising as effective.

14. Building Brand Trust and Awareness: Sees Tesla's innovative branding as a loyalty driver.

15. Suggested Improvements: Emphasize more on value-based marketing.

16. Suggest of 4Ps Marketing strategy : Emphasize Tesla's cost-effectiveness over time in promotions and prioritize digital campaigns on Douyin and WeChat.

17. Government Policies: Strict emission standards drive demand for electric vehicles, benefiting Tesla as a leading brand.

Interviewee 13: Dr. Liang Feng, Economics Professor

1. Role in EV Industry: Studies economic factors in EV adoption.

2. Experience: 15 years in economics research.

3. Customer Needs Identification: Analyzes economic drivers for EV purchases.

4. Target Customer Segments: Middle- and high-income segments.

5. Satisfaction and Loyalty Measures: Notes that Tesla's product updates build loyalty.

6. Cost Management Strategies: Credits Tesla's local production for reduced costs.

7. Consideration of Cost Sensitivity: Acknowledges Tesla's price flexibility in response to demand.

8. Balancing Quality and Cost: Views quality as integral to Tesla's competitive edge.

9. Sales and Service Channel Design: Supports direct sales for greater brand control.

10. Product Accessibility Measures: Views the charging network as vital for Tesla's success.

11. Innovative Customer Experience Enhancements: Values AR technology for digital engagement.

12. Brand Promotion Channels: Identifies Tesla's digital strategy as highly effective.

13. Ensuring Accurate Messaging: Emphasizes brand consistency across all channels.

14. Building Brand Trust and Awareness: Praises Tesla's strong commitment to innovation.

15. Suggested Improvements: Increase collaboration with local industry partners.

16. Suggest of 4Ps Marketing strategy :Increase collaboration with local suppliers to reduce costs and expand the Supercharger network to improve product accessibility.

17. Government Policies:Government investments in charging infrastructure alleviate range anxiety, indirectly promoting Tesla's sales.

Interviewee 14: Dr. Zhou Ming, Professor of Consumer Behavior

1. Role in EV Industry: Researches consumer psychology and purchase behavior in the EV sector.

2. Experience: 12 years in behavioral research, focusing on environmental products.

3. Customer Needs Identification: Studies psychological factors influencing EV adoption among Chinese consumers.

4. Target Customer Segments: Young professionals and eco-conscious consumers with disposable income.

5. Satisfaction and Loyalty Measures: Notes that Tesla's tech updates align well with consumer expectations of innovation.

6. Cost Management Strategies: Analyzes Tesla's approach to using cost-effective digital platforms for outreach.

7. Consideration of Cost Sensitivity: Suggests that Tesla should emphasize cost savings over time in its messaging.

8. Balancing Quality and Cost: Observes Tesla's commitment to quality helps justify premium pricing.

9. Sales and Service Channel Design: Supports the direct-to-consumer model as it provides a more personalized buying experience.

10. Product Accessibility Measures: Views Tesla's Supercharger network as vital for reducing EV ownership barriers.

11. Innovative Customer Experience Enhancements: Commends Tesla's mobile app for enhancing customer autonomy.

12. Brand Promotion Channels: Observes that Tesla's digital campaigns are well-aligned with consumer values.

13. Ensuring Accurate Messaging: Recommends messaging that focuses on environmental impact and future savings.

14. Building Brand Trust and Awareness: Highlights Tesla's brand as a symbol of environmental responsibility.

15. Suggested Improvements: Increase efforts to educate consumers about the long-term financial benefits of EV ownership.

16. Suggest of 4Ps Marketing strategy : Focus on building the Tesla app's support functions and emphasize the long-term savings from owning a Tesla in marketing.

17. Government Policies: Local government support, such as free license plates and parking benefits, enhances Tesla's market appeal.

Interviewee 15: Dr. Li Yan, Associate Professor of Sustainable Marketing

1. Role in EV Industry: Specializes in sustainable marketing and its role in consumer choice.

2. Experience: 15 years in academia, with a focus on sustainable products.

3. Customer Needs Identification: Examines consumer attitudes towards sustainability in relation to EVs.

4. Target Customer Segments: High-income professionals looking for eco-friendly alternatives.

5. Satisfaction and Loyalty Measures: Emphasizes the importance of Tesla's environmental messaging in building loyalty.

6. Cost Management Strategies: Observes that Tesla's local partnerships help make sustainable production cost-effective.

7. Consideration of Cost Sensitivity: Notes Tesla's targeted marketing focusing on long-term savings rather than initial costs.

8. Balancing Quality and Cost: Finds that Tesla's quality-first approach is appealing to sustainability-conscious consumers.

9. Sales and Service Channel Design: Supports Tesla's direct sales as an efficient model for building brand loyalty.

10. Product Accessibility Measures: Recognizes the importance of a robust Supercharger network for consumer convenience.

11. Innovative Customer Experience Enhancements: Commends Tesla's emphasis on a digital-first customer service approach.

12. Brand Promotion Channels: Highlights Tesla's use of influencer partnerships to promote sustainable driving.

13. Ensuring Accurate Messaging: Suggests aligning Tesla's messaging closely with environmental and lifestyle benefits.

14. Building Brand Trust and Awareness: Observes that Tesla's innovative image strongly resonates with consumers.

15. Suggested Improvements: Recommend expanding partnerships with environmental organizations to strengthen Tesla's sustainability brand.

16. Suggest of 4Ps Marketing strategy : Continue to expand Tesla's range of models to appeal to different income levels and use data-driven messaging to reach targeted audiences.

17. Government Policies: Changes in international trade policies, like tariff adjustments, impact Tesla's production costs and pricing strategies.