



TESLA

MEDIA PLAN



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TESLA

TABLE OF CONTENTS

Executive Summary.....	1
Situation Analysis.....	2
Marketing Analysis.....	2
Communications Analysis.....	4
Marketing Objectives.....	7
Role of Communication.....	8
Communication Objectives.....	8
Media Objectives.....	9
Target Analysis.....	11
Consumer Persona.....	12
Communication Strategies	13
Communications Tactics.....	14
Communication Budget.....	15
Media Mix.....	16
Flowchart.....	17
Testing & Evaluation.....	18
Conclusion.....	19
References.....	20

EXECUTIVE SUMMARY

The following report details a media plan for Tesla to implement throughout the year 2023. Tesla is the leader in the luxury electric vehicle market, offering a range of models at various price points. The brand currently lacks traditional advertising but is looking to utilize a \$22.5 million budget to fund the campaign. With no current advertising efforts and an abundance of competitors with existing campaigns and significant budgets, Tesla requires specialized planning and an efficient use of its funds to achieve its goals.

The devised media plan will enable the company to meet its marketing objectives of increasing brand awareness from 14% to 25% nationally and increasing sales by 6% in the next year. In an effort to build brand awareness, Tesla is hoping to expand its storefront locations from the current 28 states to at least one store in all 50 states in the US. The more people in Tesla's target market that the message reaches, the more likely they are to purchase products and increase sales.

In terms of communications objectives, Tesla wants to instill a sense of pride in its target audience for contributing to Tesla's mission to accelerate the world's transition to sustainable energy. Furthermore, Tesla wishes to convince its target audience that electric vehicles can be better, quicker and more fun to drive than gasoline cars. Accordingly, the target market has been identified as all men between twenty-five and sixty years old who graduated college and have an average household income of seventy-thousand dollars or more. Using a mix of television, radio, magazines, newspapers, and digital media will assist in meeting these objectives and reaching the intended audience.

All in all, it is our belief that this media plan will allow Tesla to achieve its objectives with the available budget.

SITUATION ANALYSIS

MARKETING ANALYSIS

BACKGROUND

Tesla is an American automotive and clean energy company owned by inventor Elon Musk and based in Austin, Texas. The company, founded in 2003, designs and manufactures electric vehicles with the mission of accelerating the world's transition to sustainable energy. The founders were a group of engineers who wanted to prove that people didn't need to compromise to drive electric. They believed that electric vehicles can be quicker, more reliable and more fun to drive than gasoline cars. Today, Tesla builds not only all-electric vehicles but also infinitely scalable clean energy generation and storage products. Tesla believes the faster the world stops relying on fossil fuels and moves towards a zero-emission future, the better.

TARGET MARKET

In theory, Tesla's target market is made up of urban/rural populations who are working professionals. Tesla's demographic is typically made of males over the age of 30. The brand has multiple models, which each attract a slightly different consumer. However, with Tesla building its most affordable car to date, the company continues to make products accessible and affordable to more and more people, ultimately, accelerating the advent of clean transport and clean energy production.

DISTRIBUTION

Tesla currently operates in the United States and has also tapped into the European and Chinese markets. Tesla has storefronts in twenty-eight US states, and is looking to expand. As of right now, most consumers looking to acquire a vehicle from Tesla place an order from its inventory on the company's website.

PRICING

Currently, Tesla has four vehicle models available, all of which vary in price. The various models range from upwards of one hundred thousand dollars to just under fifty thousand dollars, making the product range attainable for different consumers within the market.

- Model X: \$114,990
- Model S: \$99,900
- Model Y: \$62,990
- Model 3: \$46,990

COMPETITORS

While Tesla has been the leader in the electric vehicle market, many competitors are emerging. Tesla has several competitors among traditional carmakers, such as Ford and Honda who are well established in the traditional car market and are tapping into the electric vehicle market. Tesla has managed to see success by focusing on premium electric vehicles. However, other companies are now entering the higher-end electric and self-driving car market. Still, when it comes to luxury EVs, Tesla owns the top spots.

COMMUNICATION ANALYSIS

Before we can create objectives for Tesla's media plan, we needed take a look at where Tesla stands today. The team conducted a SWOT analysis in order to gain a better understanding of the company, and see how different factors will influence our decisions.

STRENGTHS

In terms of strengths, Tesla has many. The company stands as the leader in the electric vehicle market as they paved the way for batter powered cars. Tesla also holds digital brand recognition amongst consumers, despite its lack of advertising. The company has physical stores in twenty-eight states across the Unites States, and has begun to tap into the Chinese and European markets. While many people may see Tesla as a luxury brand, the release of its Model 3 has proved that they can be affordable, and has allowed them to target broader consumer markets. Tesla also produces its own batteries, allowing them to internally source an integral part of its product. The brand is innovative, environmentally friendly, and has a good footing in the market.

WEAKNESSES

When looking at weaknesses, Tesla has done minimal advertising up to this point. Creating a media plan that brings return on investment will be key. The brand does not have stores in every state, making its store front presence much weaker than other car manufacturers. While they have been broadening its model range, the brand is still seen as luxury to the average consumer. As a result, Tesla is not necessarily a practical choice for consumers in certain markets.

OPPORTUNITIES

When looking externally, we can see a lot of opportunities for Tesla. The brand has created a new market segment, and there is a lot of untapped market potential. The 22.5-million-dollar budget offers a sizeable amount to work with when developing a media plan. The Model 3 is under \$50,000 making it relatively affordable, creating the opportunity to be an affordable option for those not in the market for a luxury vehicle. With little advertising conducted up to this point, Tesla has the opportunity to utilize the other media channels available besides digital platforms. Tesla is also an innovative brand, with the opportunity to develop driverless cars. In fact, they are looking to open the largest battery factory in the country, opening the doors for a new venture.

THREATS

External threats exist as well. Tesla has competitors with billion-dollar budgets, making the development of an effective media plan extremely imperative. Well established car brands such as Ford are coming out with electric vehicles and developing their own technologies. The hybrid market is also a threat, as many consumers are likely to buy a hybrid option before committing to a fully electric vehicle. The company has also received a fair share of bad press about battery life and mechanical complications, which may concern consumers.

It is clear that Tesla has internal factors that create strengths and weaknesses as well as external factors that form threats and weaknesses. All of these will play a role in the development of our media plan.

STRENGTHS

- Leader in the electric vehicle market
- Brand awareness is there despite the lack of advertising
- Good digital presence
- Select areas have in person stores (28 states)
- Innovation in the market
- Environmentally friendly
- Model 3 has allowed them to target broader customer segments
- Tapped into US, Chinese, and European markets
- Manufactures its own batteries

WEAKNESSES

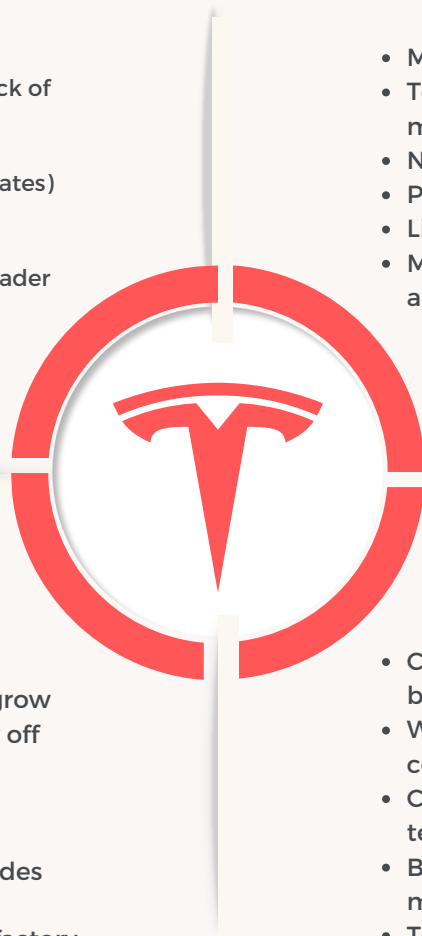
- Minimal advertising
- Tesla does not have stores in all markets
- No traditional dealership networks
- Premium product range
- Limited models to choose from
- More practical in certain markets and areas than others

OPPORTUNITIES

- 22.5-million-dollar media budget
- Tesla is optimistic that its efforts to grow and personalize distribution will pay off
- Relatively affordable cars
- Untapped market potential
- Development of driverless cars
- Other media channels available besides digital ones
- Looking to open the largest battery factory in the country

THREATS

- Competitors with billion-dollar budgets
- Well established car brands are coming out with electric vehicles
- Competitors developing their own technologies
- Bad press about battery life and mechanical complications
- The hybrid vehicle market



MARKETING OBJECTIVES

OBJECTIVE #1

Tesla wants to ensure that they have brand awareness within the market. The company has plans to expand from 28 states to having at least one store in every state in order to aid this goal. Tesla wants to **increase brand awareness from 14% nationally to 25% next year.**

OBJECTIVE #2

Tesla also wants to ensure its media budget of \$22.5 million dollars issues a return on investment within two years. in order to do so, Tesla wants to **increase sales by 6% next year.**



OBJECTIVE #1

Increase brand awareness from 14% nationally to 25% next year.



OBJECTIVE #2

Increase sales by 6% next year.

ROLE OF COMMUNICATION

Tesla will utilize communication efforts to increase brand awareness and sales in order to maintain its spot as the leader in the electric vehicle market. By using the chosen media channels to reach the target audience, Tesla will communicate that electric vehicles can be better, quicker and more fun to drive than gasoline cars. This will aid in the goal of increasing brand awareness from 14% nationally to 25% next year. Tesla's mission to accelerate the world's transition to sustainable energy will be a point of focus as well, evoking a sense of pride in Tesla owners. It is our hope that the sizeable investment in paid media will eventually lead to earned media, increasing brand awareness and credibility, and in turn sales by 6% in the next year.

COMMUNICATION OBJECTIVES



COMMUNICATION OBJECTIVE #1

To instill a sense of pride in our target audience for contributing to Tesla's mission to accelerate the world's transition to sustainable energy.



COMMUNICATION OBJECTIVE #2

To convince our target audience that electric vehicles can be better, quicker and more fun to drive than gasoline cars.

MEDIA OBJECTIVES



REACH OBJECTIVE

In order to increase Tesla's brand awareness from 14% to 25% nationally, Tesla's messaging will reach 80% of its target audience during the year 2023.



FREQUENCY OBJECTIVE

Tesla will distribute its messaging to the target audience an average of three times per month in the year 2023.



CONTINUITY OBJECTIVE

Tesla's messaging will remain continuous during 2023 in order to show consistency and maintain a media presence amongst its target audience.



IMPACT OBJECTIVE

Tesla will remain an industry leader by building brand awareness through the consistency of visual elements that align with its charismatic, innovative, and compelling messaging.

MEDIA OBJECTIVES

When formulating our media objectives, the team wanted to apply the knowledge acquired over the course of the semester to ensure our objectives were specific, measurable, and attainable for our client.

When developing the reach objective, we knew that the client wanted to raise brand awareness from 14% to 25% nationally. We asked ourselves- how much reach is enough? We chose 80% as a benchmark goal, as the team felt it was a large enough portion to confirm the goal was met, but was still achievable while maintaining frequency at an acceptable level.

With this in mind, we settled upon a frequency goal of three exposures per month. Although creative executions have the ability to generate response after the first exposure, we believed that using an average frequency of three exposures per month would be a realistic and effective benchmark for the media plan.

Due to the current car market and the consistent demand for Teslas throughout the year, we decided that a continuous media schedule is needed. Tesla will maintain a constant presence in all of the media channels decided upon, in order to aid in the goal of increasing sales by 6% in the next year.

In terms of impact, we know that Tesla is the industry leader in the electric vehicle market, and we wanted to keep it that way. Having a strong, recognizable and compelling brand helps to build awareness, so maintaining the consistency of visual elements that align with the branding is key.

TARGET ANALYSIS

In order to select a target, the team analyzed MRI data within a number of categories to see what kind of person we wanted to narrow in on. When looking at the data, we wanted to select those with an index above 100 which would indicate the market segments that should be targeted. The higher above 100 the index is, the better of an indication that the target is worth pursuing.

The target we have zeroed in on is **all men between the ages of twenty five and sixty, who have graduated college and have an average household income of seventy thousand dollars and up.**

MRI data was provided for different demographics within the categories of luxury car owners, hybrid/electrical vehicle owners, and ideal car/green and trendy. Between men, women, and working women, men had indexes of 116, 106, 115 (respectively) meaning they are the best target audience to choose.

When looking at level of education amongst those who graduated highschool, did some college, and graduated college, college graduates had the highest indexes amongst the categories with 144, 155, and 132 respectively.

In terms of income, the index broke 100 at \$70,000 meaning we would focus our efforts on those with an average household income of seventy thousand dollars and up.

Demographically, the places that we chose to market in are Chicago, New York, Los Angeles, San Diego, San Francisco. We selected these markets as they are placed in the Pacific and Middle Atlantic marketing regions which have indexes of 131 and 110 respectively. These five spot markets make up 17.7% the US.

CONSUMER PERSONA

MEET MATT

AGE: 35

OCCUPATION: Business Management

LOCATION: New York

MOTIVATORS:

- financial success
- working hard
- having a positive environmental impact

FRUSTRATORS:

- high gas prices
- unreliable cars

DEMOGRAPHICS:

- male
- between the ages of 25 and 60

INTERESTS:

- the environment
- luxury cars



COMMUNICATION STRATEGIES

The first communications objective is to instill a sense of pride in our target audience for contributing to Tesla's mission to accelerate the world's transition to sustainable energy. In order to accomplish this, we are going to use a mix of television, radio, magazines, newspapers, and digital media.

There will be a heavy emphasis on radio and digital media because they reflect the company's desire to be eco-friendly and sustainable and both have indexes above 100. These channels will reach our target audience in a continuous scheduling plan to remain consistent throughout the year due to the year-round demand for cars.

The second communication objective is to convince our target audience that electric vehicles can be better, quicker and more fun to drive than gasoline cars. In an effort to do so, we are going to use a mix of television, radio, magazines, newspapers, and digital media. There will be a heavy emphasis on radio, placing more units during morning and evening drives, while continuing placements throughout the day time and night time. Tesla will use these placements to reach current drivers during commuting hours to present the benefits of Tesla compared to their current vehicle. These channels will reach our target audience in a continuous scheduling plan and will be maximized during the business week. This will aid in achieving our desire to reach the working class with elevated household incomes.

COMMUNICATION TACTICS

Television:

- **Type:** Traditional
- **Cost:** 9.0% of Total Budget
- **Impressions delivered:** Viewers
- **Vehicles: Program Types (index):**
 - Late Night Network News/Info (130)
 - Soccer (127)
 - Tennis (119)

Magazines:

- **Type:** Traditional
- **Cost:** 2.1% of Total Budget
- **Impressions delivered:** Readers
- **Vehicles: Pub Avg Issue Aud (index):**
 - GQ- Gentleman's Qrtly (166)
 - Wine Spectator(1630)
 - Atlantic (163)

Radio:

- **Type:** Traditional
- **Cost:** 32.8% of Total Budget
- **Impressions delivered:** Listeners
- **Vehicles: Radio Format (index):**
 - Rhythmic (146)
 - All News (142)
 - Urban Contemporary (133)

Digital:

- **Type:** Non-traditional
- **Cost:** 50.8% of Total Budget
- **Impressions delivered:** Follows, tags, likes, reposts, shares
- **Vehicles: Website/App (index):**
 - Foursquare (181)
 - Flickr (156)
 - Cheap Tickets (155)

Newspapers:

- **Type:** Traditional
- **Cost:** 5.2% of Total Budget
- **Impressions delivered:** Readers
- **Vehicles: Sections (index):**
 - Business/Finance (116)
 - Science & Technology (109)
 - Health (106)

COMMUNICATION BUDGET

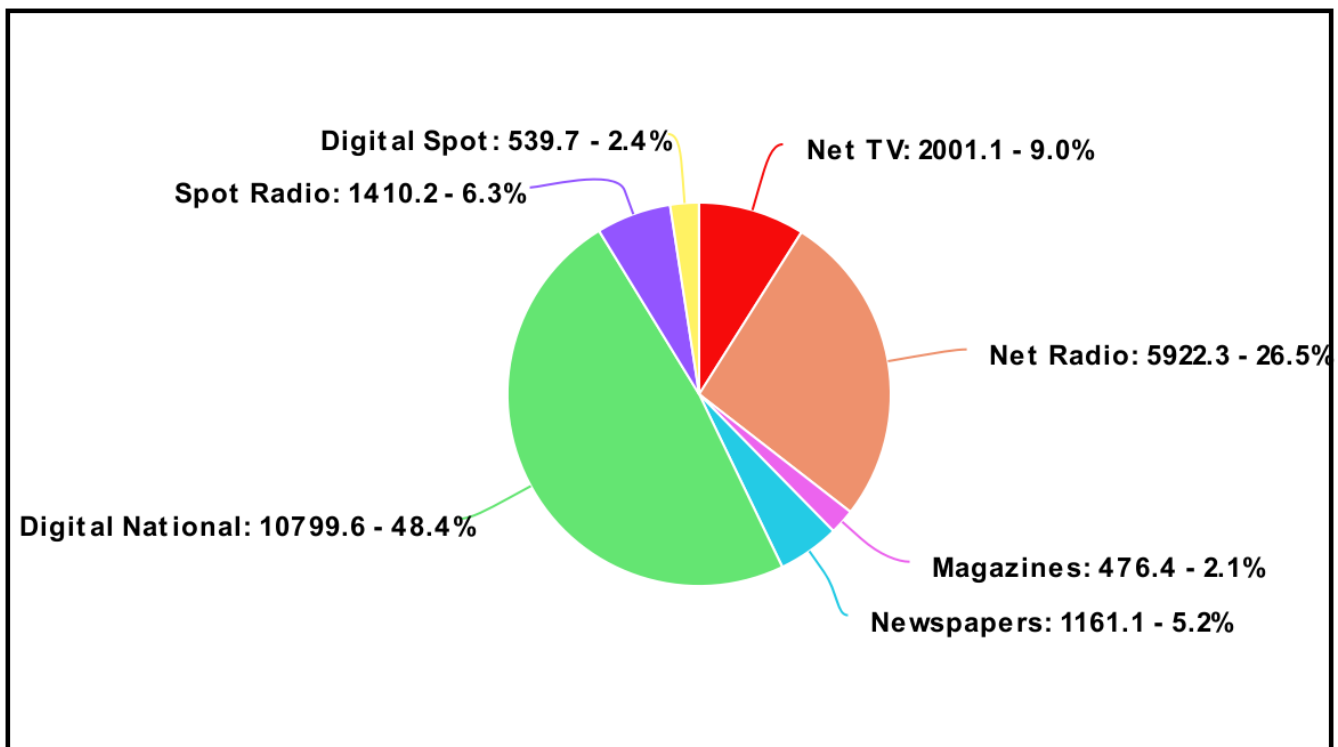
The total communication budget for this campaign will be \$22.5 million dollars. The budget will be allocated to a variety of media channels in order to help the brand gain awareness and ultimately increase sales. The main channels that will be used are television, radio, magazines, newspapers, and an array of digital media.

National Plan	Reach	Freq	GRPs	%Share	Est \$(000)
January	80.0	3.1	248.0	8.3	1860.0
February	80.0	3.1	248.0	8.3	1860.0
March	80.0	3.1	248.0	8.3	1860.0
April	80.0	3.1	248.0	8.3	1860.0
May	80.0	3.1	248.0	8.3	1860.0
June	80.0	3.1	248.0	8.3	1860.0
July	80.0	3.1	248.0	8.3	1860.0
August	80.0	3.1	248.0	8.3	1860.0
September	80.0	3.1	248.0	8.3	1860.0
October	80.0	3.1	248.0	8.3	1860.0
November	80.0	3.1	248.0	8.3	1860.0
December	80.0	3.1	248.0	8.3	1860.0
			-----	-----	-----
National Media			2976	100.0	22320.0
National Contingency					180.0
Total National \$\$					22500.0

MEDIA MIX

Calendar year 2023

- Net TV: 9.0%
- Magazines: 2.1%
- Newspapers: 5.2%
- Net Radio: 26.5%
- Spot Radio: 6.3%
- Digital National: 48.4%
- Digital Spot: 2.4%



Net TV Net Radio Magazines Newspapers Digital National
Spot Radio Digital Spot

FLOWCHART

		Professor		Rachel Bailey											
		Semester		Spring 2022											
Target Demo: All Men ages 25-64															
Medium		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Across	
NATIONAL BUYS															
Net TV-Prime	10	10	10	10	10	10	10	10	10	10	10	10	10	GRPS:	120
\$(000)	166.8	166.8	166.8	166.8	166.8	166.8	166.8	166.8	166.8	166.8	166.8	166.8	166.8	COST:	2001.1
Net Radio-Morning Drive	60	60	60	60	60	60	60	60	60	60	60	60	60	GRPS:	720
\$(000)	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	142.1	COST:	1705.0
Net Radio-Daytime	40	40	40	40	40	40	40	40	40	40	40	40	40	GRPS:	480
\$(000)	113.8	113.8	113.8	113.8	113.8	113.8	113.8	113.8	113.8	113.8	113.8	113.8	113.8	COST:	1365.6
Net Radio-Evening Drive	60	60	60	60	60	60	60	60	60	60	60	60	60	GRPS:	720
\$(000)	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8	147.8	COST:	1774.1
Net Radio-Nighttime	40	40	40	40	40	40	40	40	40	40	40	40	40	GRPS:	480
\$(000)	89.8	89.8	89.8	89.8	89.8	89.8	89.8	89.8	89.8	89.8	89.8	89.8	89.8	COST:	1077.6
Magazines-Mens	5	5	5	5	5	5	5	5	5	5	5	5	5	GRPS:	60
\$(000)	39.7	39.7	39.7	39.7	39.7	39.7	39.7	39.7	39.7	39.7	39.7	39.7	39.7	COST:	476.4
National Newspapers	5	5	5	5	5	5	5	5	5	5	5	5	5	GRPS:	60
\$(000)	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.8	96.8	COST:	1161.1
Digital National															
- Ad Networks - Run Of Network															
- Ad Networks - Demo Targeted															
- Video Networks															
- Publisher Video Sites															
- Social															
- Mobile															
\$(000)	129	129	129	129	129	129	129	129	129	129	129	129	129	GRPS:	1545
	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	900.0	COST:	10799.6
National Only Area															
GRPS	348	348	348	348	348	348	348	348	348	348	348	348	348	GRPS:	4185
Cost	1696.7	1696.7	1696.7	1696.7	1696.7	1696.7	1696.7	1696.7	1696.7	1696.7	1696.7	1696.7	1696.7	Cost:	20360.4
Reach	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8		
Avg. Freq.	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3	4.3		
SPOT BUYS															
Spot Radio-Morning Drive	20	20	20	20	20	20	20	20	20	20	20	20	20	GRPS:	240
\$(000)	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	57.1	COST:	685.4
Spot Radio-Evening Drive	20	20	20	20	20	20	20	20	20	20	20	20	20	GRPS:	240
\$(000)	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4	60.4	COST:	724.8
Digital Spot															
- Ad Networks - Run Of Network															
- Ad Networks - Demo Targeted															
- Video Networks															
- Publisher Video Sites															
- Social															
- Mobile															
\$(000)	38	38	38	38	38	38	38	38	38	38	38	38	38	GRPS:	461
	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	45.0	COST:	539.7
Spot Only Area															
GRPS	78	78	78	78	78	78	78	78	78	78	78	78	78	GRPS:	941
\$(000)	162.5	162.5	162.5	162.5	162.5	162.5	162.5	162.5	162.5	162.5	162.5	162.5	162.5	Cost:	1950
Reach	40.4	40.4	40.4	40.4	40.4	40.4	40.4	40.4	40.4	40.4	40.4	40.4	40.4		
Avg. Freq.	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9		
NATIONAL + SPOT OVERVIEW															
Spot + National															
GRPS	427	427	427	427	427	427	427	427	427	427	427	427	427	GRPS:	5127
\$(000)	1859.2	1859.2	1859.2	1859.2	1859.2	1859.2	1859.2	1859.2	1859.2	1859.2	1859.2	1859.2	1859.2	Cost:	22310.4
Reach	87	87	87	87	87	87	87	87	87	87	87	87	87		
Avg. Freq.	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9		

TESTING AND EVALUATION

TESTING TECHNIQUES

Tesla will use surveys to get insight on the performance of its campaign by gauging levels of awareness. The survey can also include elements to gain better insight as to which channels are producing sales so that Tesla will be able to further reformulate and to use its budget more efficiently in the future. Additionally, the surveys can include questions regarding brand perception pertaining to environmental performance which, according to Kantar, dominates the social conversational around sustainability. Since brands need to meaningfully engage with its audience to drive business, Tesla can utilize surveys to meet the needs of more consumers by becoming more impactful and relevant. Through the use of this form of opinion based research, Tesla will be able to understand if its message is being properly interpreted by the consumers.

In addition to surveys, Tesla will be able to assess data through Information Networks. This will allow Tesla to actively measure its progress and how it is performing in the market compared to its competitors.

MEASURING EFFECTIVENESS

Tesla will actively record and analyze its sales and impressions and compare the results (pre-campaign and post-campaign) to gauge the effectiveness of the media. If Tesla's increase in awareness does not correlate with an increase in overall sales, target demographics and/or spot markets should be reevaluated and the media plan should be reformulated accordingly. If awareness and sales increase after the implementation of the campaign, the media plan will be considered successful once the objectives are reached.

CONCLUSION

With an overall budget of \$22.5 million, including \$180,000 as a contingency, we plan to use a continuous schedule of television, radio, magazines, newspapers, and digital media in order to reach Tesla's marketing objectives: (1) raise brand awareness from 14% to 25% nationally; (2) increase sales by 6% within a year. After the implementation of the campaign nationally and within the designated spot market, Tesla will use surveys and Information Networks to measure the progress and evaluate the success of the campaign. If both marketing objectives are met, the campaign will be deemed successful. If one and/or both of the objectives are not met, Tesla should use its new and existing data to reevaluate and reformulate the provided media plan to maximize the effectiveness and efficiency of the campaign.

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TeslaCaseMRI.xlsx

Tesla Seasonality-1.xlsx

TelsaStoresByDMAandState.xlsx

TelsaCDIBDldata.xlsx