

Analysis of How Tesla Creates Core Innovation and Capability to Sustain the Market

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Tesla as green technology is new concept to current market. Current conventional market is significantly comparative. As a new comer to existing difficulty to enter the market, the company demonstrates significant innovation in various ways. Thus, Tesla has different concept of management and marketing to the market place. The company demonstrates online strategy and vehicle's IT connected system. To improve integration of technology, the main firm acquired solar panel and installing firms. The company's pathway to manage the organization and approach to its consumers would bring significant understanding in terms of business and management. Global consumption for fossil fuel energy is around 82% and demand for the energy had been increased more than twice from 1971 to 2015. This phenomenon has significant impact on carbon dioxide emissions which had been skyrocketing from 1950. Carbon dioxide emission caused by transportation reached 25% in 2015 and among transportation emission, 28% was emitted from China and 17% was emitted from North America. In terms of saving the planet, introducing electric car seems to be remedy for worsened environment (IEA, 2017). Turning point that auto industry paid attention to electric vehicle was one of leading automobile maker, Volkswagen

was hit by diesel emission scandal and fined for \$ 15 billion. One of significant solutions to maintain in current market place was introducing electric power engine (Focus, 2017). Not only the world faced negative perspective on carbon dioxide emission which causing climate change and other harmful effects, but also the energy consumption for industrial activities caused major concern of depletion of oil reservoir (Bilbeisi & Kesse, 2012, p. 2017). Price of crude oil was peak point in 2014 and it was around \$ 96.2 per barrel. Years later, the price was plunged as around \$ 56 per barrel in 2018. However, anticipation of the World Bank for the price of crude oil is gradually increasing from 2016 to 2030. High price of petrol can be one of reasons for shifting from conventional engine power to electric power engine (TheWorld Bank, 2018). Carbon dioxide problem and high price of gasoline are tremendous forces to consider other alternative resources to power the engine. There is trial to set recharging stations for electric vehicles, supported by the International Economics Forum of the Americas in Montreal, Canada (DUNN, 2016). As above indicated, some of researchers in these fields suggest that big auto producers such as GM, Toyota and some others to shift their manufacturing line from conventional engine to electric car