I. INTRODUCTION

Transport causes around 23% of CO₂ emission globally and is projected to be doubled by 2050. Passenger transports in the road are in the highest among the transports causing these emissions (Edenhofer, 2015). So, it is high time to increase efficiency along with the shift from fossil-fuel to biofuel, hydrogen and/or electric vehicles to ensure decarbonisation (Creutzig et al., 2015).

Based on these ideas, an engineer group founded Tesla in 2003 in USA with the mission of acceleration of the worlds transition to sustainable energy. Tesla is producing its entire car in California, USA. Now they have started a manufacturing plant in China which is under construction (Tesla, 2019).

II. RELATIONSHIP MARKETING

Creating, developing and maintaining long term relationship based on trust and commitment is the main concern of relationship marketing concept (Morgan and Hunt, 1994). Network, relationship and interaction are the focal points of relationship marketing and CRM, customer relationship management, (Gummesson, 2011). Regular engagement with the partners for maintaining long term relationship and research on the effective relationship strategies give the company to keep pace with the fierce competition and gain success. Further, the buyer seller relationship can be influenced by dependence, trust, commitment and relational norms and values (Zhang et al., 2016). Overall, the understandings of the relationship marketing theories and frameworks and implementation of the dynamic strategies to the target audience market are the success factors for the companies in this digital era (Palmatier & Steinhoff, 2019).

Tesla relationship with its customers is not transactional like the traditional company customer relationships. The customers want Tesla to be successful. And the loyal customers were built based on the good experience relating to their mission with honesty, consistency, digital focus, and supportive services (Morgan, 2019).

Additionally, the 4Ps of marketing, (product, price, place and promotion), is the controllable and tactical tools that are used by most of the companies as an effective plan and strategy (Kotler et al., 2015). The Tesla 4Ps is different than the others automotive industries that made it stand out of the crowd. This is ensured by the significant control
of the management. Products are the first marketing mix element and for Tesla the main product is the vehicle. Additionally, components and batteries and solar panels are also the part of the product (Panmore Institute, 2019). This alternative to fossil fuel dependent car will save the world and should be the most priority and acceptability because of environment issue (Nordlund et al., 2018). The places for Tesla are the stores, company website, charging points and service centers. For promotion, viral marketing is most significant. Further, the promotion mix also plays a significant role except the advertisement (Panmore Institute, 2019). Other than the 4P’s of marketing by McCarthy in 1960, the 7P’s also developed adding people, process and physical evidence for the service industries by Bernard Booms and Mary Bitner in 1981. The people for the Tesla are engineers and the all other employees involving from the idea generation to after sales services are in consideration. The process is starting from the raw material collection to delivery and MRO services, how each of the service is provided as step by step process. Finally, the physical evidence is the store ambience and the charging and MRO stations. These all add values to get the proper experience regarding the Tesla (Dudovskiy, 2019).

![Diagram of Tesla relationship marketing](image)

**Figure 1: Tesla relationship marketing**

### III. GLOBAL RELATIONSHIP MARKETING (GRM) AND THEORY OF SCHOOLS

There are five schools of relationship marketing theories and for Tesla global relationship marketing, the Anglo-Australian School is most appropriate. Though it is seemed that the North American School emphasis on dyadic relationship (Payne, 1995), company and customer or company with supplier and it is helpful for building enduring profitable relationship with Tesla and its customers. Here we can observe a heavy influence and emphasis on the customer service. Thus, Tesla succeeds till now.

However, for a company to be globally successful and to keep pace with the global arena of competition and gain success, the relationship with the all stakeholders is also essential. This is the base of the Anglo-Australian School. Hence, the six-market model was developed based on this school to understand and implement the importance of building enduring profitable relationship within the customers market incorporating internal, influencer, supplier, recruiter and referral market (Christopher et al., 2002).

Thus, for the global marketing perspective to make a long-term profitable relationship and gain success, Tesla should go for beyond the dyadic relationship and maintain the proper relationship with the all stakeholders. Additionally, relationship marketing along with the loyalty program is the major differential strategies having factors influencing the global competition and gaining competitive advantage in a local market (Beck et al., 2015).

#### A. RM Difficulties/ Barriers for Tesla in Indian Market

This report is based on the relationship strategies of Tesla for official starting in the Indian market. Though public and the customers has positive attitude toward the EVs, especially Tesla, there are some controversies that can hinder the build-up a relationship to a new market along with the current market. The issues are its green credentials. Though the Tesla doesn’t do harmful emission and maintain the charging needs electricity. Till now most of the countries in the world is dependent on fossil-fuel generated electricity (Marketline, 2013, 17). In India, though solar power electricity generation increased by 34%, 78% of the electricity is produced by thermal energy that is using of fossil fuel (CEA, 2018). So, the first challenge would be making the target group of customers and stakeholders to make aware that Tesla use solar and renewable energy. Further, the tax for importing will make the situation challenging as Tesla doesn’t have any factory in India. Importing a car that cost more than 27 lakh Indian rupee will cost an import duty of 100% and 60% for less than this amount. So, the Tesla’s all cars will have to incur a duty of at least 60%. If there
was an assembly plant the import duty would be 10 to 15% though the government reduced the GST on EVs from 12 to 5% (CarAndBike, 2019).

For the PESTLE analysis perspective, India has low score having 17.14 percentile in 2017 in case of political stability and violence absence because of hostile diplomatic relation, terrorism and increase in corruption (Marketline, 2019, 04). So, though the ease of doing business score is above average, 67.23, (The World Bank, 2019) it will be difficult for Tesla to maintain and build relationship with the stakeholders enforcing contracts issues along with high import tariff (CarAndBike, 2019). Further, in the economic aspect India is an FDI restrictive nation (Marketline, 2019, 05) that will hinder the relationship with the direct supplier and dealer investment for Tesla building plant and factories. Government regulations on vehicle mobility also hinder the relationship of Tesla with other parties (Bahree, 2019).

Further, Hofstede cultural dimension creates additional challenge for a US company relationship building in India. In the 6 dimensions, other than masculinity in all other aspects there is a huge cultural dissimilarity between US and Indian culture that will be a barrier for a US company to operate in a country like India to establish and maintain relationship with the stakeholders (Hofstede, 2019).

IV. CUSTOMER MARKETS AND RELATIONSHIP

Building and maintaining the customer relationship are the bases of relationship marketing. Customers should be given the first priority with the service and quality, and thus the customer relationship marketing works (Christopher, 1991).

To build and maintain relationship with the customers, the customer market should be analysed first because the relationship with the customer also depends on the company relationship with the other parties. Lots of customer relationship and retention related researches are going on. Here, the Cranfield University’s one of the most popular relationship framework, the six-market model for relationship (Payne et al., 2005, 857), is analysed for the Tesla in the Indian market perspective. Strategies on the basis of relationship have increased a lot because of deregulation and information technology over the last few decades.

Internal market comprises of the employee relationship with the company. Tesla has a very good employment environment along with good employer-employee relationship (Tesla, 2019). Then, Tesla doesn’t use any commercial and it is becoming successful without any commercial till the starting date. This is because of the loyal customer base has already made the successful referral who used the e-WOM and positive WOM and helped the company to reach this position (Balroo et al., 2019). Now Tesla is the number four in selling luxury cars in USA after Lexus, BMW and Mercedes in 2018 (Assis, 2019) and number one in R&D expenditure out- innovating the car industry (Richter, 2019). So, all of the above are creating a huge influencer group for the Tesla and they are working as influencers that create the success of the company as without traditional advertising and information technology over the last few decades.

There are a huge number of suppliers for manufacturing Tesla (Appendix 1), (Investopedia, 2019) and there is a huge possibility and option for most of them to work with Tesla in India as well.

In 2012, Tesla has the merger with the Daimler and Toyota (Cheong et al., 2016, 02) and other core supplier alliance is with the Panasonic the largest car battery manufacturer. With the supplier Tesla has already build Gigafactory to meet the need of the electric vehicle battery all over the world within decades (Tesla, 2019).
There is a huge employment opportunity creating by Tesla and currently around 45000 people are working (Tesla, 2019). Tesla CEO sometimes post on Twitter to hire and recruit excellent engineers having no prior experience of car and interview by himself. In India there is a no of engineers and lots of Indians are also working in Tesla with other expatriates. So, multicultural skill head can gain success in Indian market as well. The above illustration of the six-market model is the key to develop the following modification of this framework for the Tesla in India market:

Customer relationship is building and maintaining for a win-win long term relationship with customer by the company also known as total relationship marketing and 30 R (Gummesson, 2017). Among the 30Rs the most important and relevant relationships are given below for the company Tesla to start their operation and maintain in India:

- R1. Tesla as supplier and customer
- R2. The customer, Tesla and competitor triangle
- R5. Customer and Tesla as service provider
- R8. Close versus distant relationship
- R9. Dissatisfied customer of Tesla
- R11. Tesla Customer as member
- R12. Tesla Electronic relationship
- R15. The green relationship and CSR
- R18. Personal and social networks
- R25. Tesla Internal customer relationships
- R26. Quality providing a relationship between operations management and marketing
- R27. Tesla Internal marketing - relationships with the employee market
- R28. Two-dimensional matrix relationship (Relationship- Loyalty)

List: Tesla Relationships in India Market on the Basis of the Gummesson’s Total Relationship Marketing- The 30Rs
Adapted from (Gummesson, 2011)
R1: The main relationship is to maintain the long-term relationship with the customers. Here, for Tesla, to get success in Indian market the customer and company relationship is the first priority. Like any product, the product experience of Tesla can be the most influential variable for customer relationship marketing (Falat and Holubčík, 2017). So, Tesla product experience already created good relationship base and image for the USA market and it will definitely create a valued relationship with customers in the Indian market.

R2: For the differential effect the point of difference should be highlighted comparing with the competitors to make a positioning of efficient eco-friendly driving without emission.

R5: The relationship of the Tesla with customer is also important as service provider as there are after sales services like- MRO. The emphasis on SERVQUAL dimension is highly recommended here.

R8: Though because of social networking and internet connectivity there is no close and distant relationship, Tesla can maintain the close relationship with continuous connection with customers in India.

R9: Dissatisfied customer can destroy company image by WOM and negative e-WOM. So, if these customers are found they have to be served with special care to turn them to delight.

R11: Tesla customers are different from the normal automobile customers as they think as they are a part of the company and they want the company to reach to a certain height (Morgan, 2019).

R12: Among the marketing communications for creating awareness to build and maintain relationship most of the campaigns for Tesla is done mostly on the electronic earned media other and less on the traditional communication mix (Pannmore Institute, 2019).

As India is a collectivist society (Hofstede, 2019), the opportunity is much to gain earned social media. It will also be helpful to maintain effective electronic relationship all the time with the customer as well.

R15: India is one of the Asian highest coal users emitting huge carbon in the environment. The CO2 emission rate is increased at an average rate of 6% from 2009 to 2016 and the current growth is 3.5% (Marketline, 2019, 06). So, launching an emission-free car like Tesla would help the company build the relationship with the environmental concern public and increase the option of further CSR.

R18: Electronic relationship will help to keep and maintain earned social media relationship where customer to customer interaction is happening at the personal level. Customers of sophisticated technology like automobiles get much benefitted here.

R25: Internal customer relationships are based on the networking sites groups and clubs like- Tesla model 3 users Facebook group. Customers share and exchange views and builds community of the same product usage.

R26: Quality providing a relationship between operations management and marketing to make the coherence in coordination of the departments for better relational performance.

R27: Internal marketing - relationships with the employee market are the relationships among the employees and the owners. If employees remain satisfied they serve perfectly to the customers. Most Tesla employees are satisfied of their company (Tesla, 2019)

R28: Two-dimensional matrix can be a Relationship marketing and Loyalty aspects for Tesla. There is a positive correlation between relationship marketing and customer loyalty.

Picture: Further illustration of the related Rs from 30Rs for Tesla in India
A. Retention
Retention is the process of holding the customer for a longer period of time maintaining relationship. For that the most popular IDIC model (Pepper and roger, 2004) can be applied for Tesla launching in India. The model is based on the Identification of the customer for Tesla, differentiation based on the value and needs of the customers, Interaction with the customers and Customization of the goods and services. It is mainly emphasis on the one to one relationship building, like- Tesla and the customers. The detail illustrated in the following diagram:

Huge carbon emission in India make it necessary to use alternative energy driving and there is a number of people will accept the new electric tesla vehicle

- **Tesla Customer Identification in India**: Middle high income people of India interested to buy environment friendly electric cars
- **Tesla Differentiation (Value)**: Electric eco-friendly driving experience without emission, belong to a community, long term value
  - **Tesla Differentiation (Needs)**: Average 215 miles per charge, efficient driving, easy charging
- **Tesla Customer Interaction**: Direct company interaction and C2C interactions through social media
- **Customization**: Though the cars are the same with different colors but there is huge collection of accessories and supplementary

**Eco friendly**
**Zero emission**
**Efficient driving**

**Opportunity to be a part of the environment friendly community with efficient luxury vehicle experience**

Figure 4: The customer, Tesla and competitor triangle, Modified from (Mbaboost, 2019)

Figure 5: The IDIC Methodology for Tesla in India, Adapted from (Peppers and Rogers, 2004)
According to a Harvard study, selling to an existing customer can reduce the company cost to 5 to 95%. For the service related company, it is much applicable. And providing continuous quality services, like MRO, after sales and components part for the car manufacturer can increase the customer retention and increase the overall customer lifetime value.

B. Community Relationship
As Tesla owners belong to a member in a community, they always want to be by the side of the company. Previously mentioned social networks platform and groups made them to contact and communicate with each other and sometimes works as referrals.

V. RELATIONSHIP WITH OTHER STAKEHOLDERS IN INDIA MARKET
Though most of the relationship networks with the stakeholders are justified in relating to the previous models for the Tesla in Indian market further network management with model relativity has pervasive impact.

A. Relationship with the Suppliers
It has already been mentioned that there are a number of Tesla suppliers (Appendix 1). Supplier diversity ensures competitive advantage as well. All suppliers are equally important. But for specific, there is a greater Gigafactory plan for the world lithium ion battery supply for the electric car industry by Tesla and Panasonic partnership providing over 60% of the world's current electric car battery and providing the demand of the electric vehicle battery of the world by 2030 (Bahree, 2019).
Though it is possible to meet the demand of the electric car and accessories of the Asian market from the ongoing China manufacturing plant, new establishment in India could reduce the production cost and ultimate price. Suppliers' coproduction also can have the same comparative advantage for accessories and parts in the Indian market with proper relationship (Anon, 2019).

B. Relationship with the environmental groups in India
In case of CO₂ emission, India is the fourth largest country the world (Gayathri, 2019). As most of the vehicles are fossil fuel dependent, they are contributing more and mentioned before. Tesla already saved more than 4 million metric ton CO₂, equivalent to emission produced by more than 500K ICE automobiles having fuel economy of 22 MPG (Tesla, 2019).
Additionally, usage of the water while production is minimized and battery recycling also contribute to environment safety and less pollution (Tesla, 2019).
In USA energy generation, electricity is 100% solar dependent for Tesla ensuring zero emission in all aspects (Tesla, 2019).
So, all these technologies can be implemented in the Indian market as well if Tesla create production plan in India. The environmental activist and community will also support these issues for the greater benefit.
C. Relationship with the Government

Indian government is encouraging the alternative fuel vehicle and giving a 12-5 percent reduced GST for electric vehicles (CarAndBike, 2019). So, maintaining the proper relationship over the Indianization will have a greater impact. The main challenge is that the Indian government is patronizing the local Mahendra product ordering 10000 EVs from them. But there is an option in luxury category. Proper networking and connectivity with the key parties will make this a success for Tesla. This is because of the ease of doing business score of India, is above average, 67.23% (DBR, 2019).

D. Business Network Strategy and Implementation

There are lots of relationship strategies to maintain and implement for the success of the company. These are to maintain relationship with the other stakeholder along with the customers. Zhang and others developed the mechanism for relationships states and migration. For Tesla in Indian market, existing customers of fuel based car users can be migrated to the EVs with the awareness and information providing of the overall benefits.
Further, Becker and others developed the relationship between loyalty program and relationship marketing is mediated by the following contingency factors. The Tesla customers can go through the same effect in case of Indian market if the loyal customer base be developed in the long term period.
E. Network management for Tesla in India by McKinsey 7s Model

Tesla is building and maintaining relationship network in a different way than other traditional business. The strategy is to gain sustainable energy in the world by zero carbon emission. Its distribution and manufacturing by own channel with huge suppliers. Low cost is the competitive advantage. There is no formal organizational structure but division based classification in the company. Each division can maintain relationship with the related parties. Business intelligence, CRM, Equal employment opportunity, transaction processing, and team development are the systems that ensure company success. The stuffs are recruited sometimes even by the CEO. So, it can ensure utmost skills and knowledge of the employees and partners (Dudovskiy, 2019).

Figure 8: Loyalty Program and Relationship Marketing effectiveness on Emergency Factor in International Market (Beck et al., 2015)

![Figure 8: Loyalty Program and Relationship Marketing effectiveness on Emergency Factor in International Market (Beck et al., 2015)](image_url)

Figure 9: McKinsey 7S model in 1980 (Dudovskiy, 2019).

![Figure 9: McKinsey 7S model in 1980 (Dudovskiy, 2019.](image_url)
VI. CONCLUSION

To recapitulate, personal normative reasoning can influence the acceptance of electric vehicles over the fossil fuel vehicles. So, public policies regarding the use of electric and alternative fuel vehicles for the benefit of the environment can have a huge impact on the people’s acceptance toward the fuel alternative vehicles (Nordlund et al., 2018).

Further, Long term relationship building with the all stakeholders with the company and customer can gain the success of the Tesla in the Indian market. The related model, frameworks and strategies have greater impact along with the social and political needs like– Indian government requirement for electric car to be 30% by 2030 (Bahree, 2019) and huge carbon emission in India by using huge thermal energy (Marketline, 2019, 04).

REFERENCES


