

Research on the Consumption Psychology of Chinese Consumers Toward the American Brand Tesla

Tianjiao Xu^{1,a,*}

¹*Midas, Beijing, 100000, China*

a. CynthiaXu0128@outlook.com

**corresponding author*

Abstract: In recent years, with the rapid development of the electric vehicle market, the United States brand Tesla has gradually gained a certain market share in China. As a representative of a high-tech electric vehicle brand, Tesla's entry into the Chinese market has had a significant impact. Understanding the consumption psychology of Chinese consumers towards Tesla is of great significance for Tesla to better adapt to the Chinese market and the development of the domestic electric vehicle industry. This study aims to explore the consumer psychology of Chinese consumers when choosing the United States brand Tesla, including their motivations, concerns, and evaluation criteria. By analyzing these aspects, we hope to provide valuable insights into Tesla's marketing strategy and product development in the Chinese market. The study will employ a combination of quantitative and qualitative methods. Quantitative methods may include online surveys and questionnaire data collected from a large number of Chinese consumers who have shown interest in Tesla vehicles or who have purchased Tesla vehicles to obtain statistics on their consumption behavior and psychological tendencies. A qualitative approach may involve in-depth interviews with a number of key consumers, industry experts, and Tesla dealer staff to gain a deeper understanding of the factors influencing Chinese consumer choices.

Keywords: Purchase Motivation, Brand Image, Marketing

1. Introduction

In recent years, a paradigm shift has taken place in the automotive industry. Electric vehicles (EVs) have been widely recognized as a viable alternative to traditional fossil fuel-powered cars. Among various electric vehicle brands, Tesla has established itself as a market leader, not only in terms of technological innovation but also in shaping consumer preferences and behaviors. China is the world's largest automobile market and has played a key role in Tesla's global success, presenting both opportunities and challenges for the brand.

Tesla is an extremely influential electric vehicle and energy enterprise that was born in the United States. Its headquarters is located in Palo Alto, California, USA. In 2003, Tesla Motors was established in California, the United States. As a professional electric vehicle manufacturer, it focuses on the research development and sales of electric vehicles.

The genesis of Tesla originates from the pursuit of sustainable transportation and clean energy. In the context of severe environmental pollution caused by traditional fuel-powered vehicles, Tesla is dedicated to developing high-performance electric vehicles to diminish reliance on fossil fuels, reduce

carbon emissions, and make contributions to the sustainable development of the earth. Tesla's founder, Elon Musk, is a truly legendary individual. Through his remarkable leadership and unwavering belief in the future, he has guided Tesla in continuously surmounting technical obstacles and realizing a significant leap in electric vehicle technology. Musk's vision extends beyond merely manufacturing electric vehicles; it is to drive the global transition toward sustainable energy. Tesla's development process is full of challenges and opportunities. In the early days of its establishment, Tesla faced many difficulties such as technical problems, shortage of funds, and market doubts. However, through continuous investment in research and development and innovation, Tesla has gradually launched a series of high-profile electric vehicle products, such as Model S, Model 3, Model X, and Model Y. These models have won the favor of consumers around the world with their excellent performance, long cruising range, advanced autonomous driving technology, and fashionable exterior design. Tesla has always been at the forefront of the industry in terms of technological innovation. It has advanced battery technology that can provide battery packs with high energy density, providing strong power and long cruising range for electric vehicles. At the same time, Tesla is also committed to the research and development of autonomous driving technology. Through the continuously upgraded Autopilot system, it provides users with a safer and more convenient driving experience.

In addition, Tesla's supercharging network is also one of its important competitive advantages, providing users with fast and convenient charging services. In addition to the electric vehicle business, Tesla is also actively expanding into the energy field. The company has launched solar roofs and energy storage products such as Powerwall and Powerpack, aiming to achieve energy self-sufficiency for households and enterprises and promote the widespread application of renewable energy. At the beginning of 2020, the stock price of Tesla, an American electric vehicle company, achieved a leap in growth and even exceeded the total market value of the three major American automobile companies. In early July 2020, Tesla even surpassed Toyota to become the world's largest automaker by market value. Whether viewed from report data or financial market data, Tesla has achieved leapfrog growth. Recently, Tesla has been extremely impressive. Its stock price has soared crazily to 1,000 US dollars, and its market value has also exceeded one trillion US dollars. It has become the first automaker with a market value exceeding one trillion after the six giants of Apple, Microsoft, Saudi Aramco, Google, Amazon, and Facebook. The researcher specifically consulted the latest global auto company market value rankings. Adding up the market values of the nine companies including Toyota, BYD, Daimler, Volkswagen, General Motors, Great Wall Motors, NIO, Ford, and BMW in ranking order, the total is only 965 billion US dollars. It seems that Tesla will soon be able to be worth ten companies by itself. Nowadays, Tesla has become the leader in the global electric vehicle market, with its brand influence and market share continuously expanding. Tesla's success has not only altered people's perception of electric vehicles but also indicated the direction for the future development of the entire automotive industry.

With its innovative technology, outstanding products, and resolute mission, Tesla has established a benchmark in the field of electric vehicles and energy, making significant contributions to global sustainable development.

In today's rapidly evolving market landscape, understanding the consumption psychology of Chinese consumers towards the American brand Tesla is of great significance. This study delves deeply into the complex factors that influence Chinese consumers' decision-making when considering Tesla products. The study examines multiple aspects, including brand perception, product features, personal values, and social influences.

This article aims to explore the psychological basis of Chinese consumers' attitudes towards Tesla. By analyzing their motivations, opinions, and preferences, we hope to gain a deeper understanding of how the brand resonates with this key market segment. In addition, we will also discuss the

marketing strategies adopted by Tesla to win the hearts of Chinese consumers and potential areas for improvement.

2. Literature Review

The psychological effects of a brand include three important aspects, which have a profound impact on consumers' purchase decisions and consumption experiences. Brand recognition plays a key role in consumers' distinguishing the advantages and disadvantages of products. As a globally renowned electric vehicle brand, Tesla's unique brand image and technological innovation concept enable consumers to quickly identify it and distinguish it from other brands. Most researchers have investigated the psychological effects of brands in three aspects, namely brand recognition and cognition, brand satisfaction and trust, and brand additions [1]. For example, symbolic value and consumers' brand cognition mean that consumers' rights and interests can obtain overall information and symbolic value about the brand.

Consumers' brand cognition refers to consumers being able to obtain overall information about a brand. It provides consumers with a comprehensive evaluation index and helps consumers distinguish the quality of products from the dazzling market. The need for brand satisfaction must occur on the basis that the need for brand acceptance is satisfied. In popular terms, the prerequisite for consumers to feel physically and mentally satisfied is to purchase this product. Tesla meets consumer needs in multiple ways and builds brand satisfaction and trust. On the one hand, Tesla focuses on product quality and performance. Its electric vehicles, with excellent mileage, fast acceleration performance, and stable handling, meet consumers' needs for high-quality cars.

The mainstream consumer groups of Tesla in the Chinese market are as follows. The first type is wealthy consumers. According to the "2011 Hurun Wealth Report", one in every 1,400 people in China is a multimillionaire. There are 960,000 multimillionaires and 60,000 billionaires in the country. They are undoubtedly the symbolic group of luxury consumption. Compared with the vast number of consumers, this group is very small in number [2].

The second type is the middle class. They are the majority of people in the Chinese market who have strong purchasing power for luxury goods. They come from the growing middle class. They are in a superior social position. With strong economic strength and under the guidance of avant-garde and open consumption concepts, they support the entire luxury goods industry in China [2].

In consumption activities, Freud's personality psychological analysis theory provides a unique perspective for understanding consumer behavior. For the consumption psychology of the Tesla brand, it can also be interpreted from the three levels of "id", "ego" and "superego". In consumers' consumption motives for Tesla, the "id" desire plays an important driving role. In modern society, people's shopping ability is constantly improving, and the reasons for consumption pay more attention to sensory satisfaction, emotional expression, and the manifestation of individuality. For Tesla, its fashionable appearance design, powerful performance, and advanced technological configuration meet consumers' pursuit of a high-quality life and affirmation of self-worth. In addition, as a representative brand of electric vehicles, Tesla's environmental protection concept also conforms to modern consumers' pursuit of sustainable development and meets consumers' inner needs at the emotional level.

On the one hand, consumers' desire to purchase cars is affected by their income level. According to Maslow's five-level theory of needs, only when people obtain the satisfaction of lower-level needs will they have the desire to satisfy higher-level needs [3]. The psychological characteristics of automobile consumers refer to the purchasing behavior caused by people's psychological activities such as cognition, and emotion. Due to the different needs, interests, hobbies, personalities, and values of consumers, their psychological activities when purchasing goods are also different, and thus there are a wide variety of psychological characteristics. For example, the practical psychology

(mainly characterized by paying attention to the actual use value of goods); second, the psychology of seeking cheapness (mainly aiming at pursuing cheap and special offer goods); third, the psychology of seeking famous brands (the purchasing psychology mainly aiming at pursuing famous brands); and also the psychology of seeking novelty (mainly characterized by pursuing fashionable and novel goods) [4].

From the perspective of consumer psychology, "consumers" are a potential group composed of desires and self-expression that are driven by the hope of satisfying their needs. The marketing concept oriented by consumer psychology believes that marketing is how enterprises or merchants ensure that what they do is consistent with what consumers think. As Peter Drucker said, "If enterprises want to obtain the greatest profit, they need to anticipate or meet the needs of consumers" [5]. The marketing strategy in the automobile consumption market is that product development should focus on personalization. Now, the vertical replacement time of each model of automobile is only four to five years. The shortening of the automobile product cycle is undoubtedly a severe challenge for automobile manufacturers. Enterprises must accelerate research and development, continuously launch new products, apply new technologies, provide new selling points, and develop products suitable for young car enthusiasts [6]. For example, the differences between male consumers and female consumers. Female consumption psychology refers to the psychological state that female consumers have when purchasing and consuming goods. Female consumers are increasingly inclined to personalized consumption. Moreover, the more expensive the product is, the more prominent this characteristic is. Therefore, customized services and products have emerged [7]. Compared with female consumers, male consumers have a narrower range of purchased goods. Generally, they mostly buy "hard goods" [8].

3. Methodology

The researcher distributed the questionnaire on social media (website) for about two weeks and collected more than 300 copies in total. There are a total of 20 questions in the questionnaire, which comprehensively investigates the views of people of all ages and work incomes in China on Tesla. Among the 300 questionnaires, two-thirds are valid questionnaires, which can be of great help to this research. The way to judge a valid questionnaire is that one-third of the questions in the questionnaire are short-answer questions, clearly stating their views on Tesla in the Chinese market and their future expectations for Tesla in the Chinese market. There are also clear questions asking whether customers have the intention to buy a Tesla and the reasons for thinking they will or will not buy a Tesla.

4. Result

This study used an online questionnaire to examine the image of Tesla in the minds of Chinese consumers. The gender distribution of respondents was relatively balanced, with males making up 59.37% and females 40.63%. Most participants were between 26 and 45 years old, a demographic that represented 82.54% of the sample. Employment status was predominantly corporate, accounting for 57.46% of respondents, followed by freelancers at 7.94% and other occupations at 23.49%. The monthly income for the majority of respondents was less than 5,000 yuan, representing 69.84% of the group.

Awareness of Tesla was high, with 95.87% of participants having heard of the brand. The primary information sources were online advertisements (44.44%) and social media (54.6%), contributing to a brand perception centered on Tesla's technological advancement (51.11%) and high-end positioning (35.56%). In terms of purchase intent, 21.59% of respondents expressed interest in purchasing a Tesla vehicle, citing high-tech features (36.51%) and environmental sustainability

(32.7%) as their main motivations. However, those uninterested in purchasing a Tesla often pointed to high costs (60.95%) and distrust of electric vehicle technology (44.76%) as deterrents.

When considering vehicle purchases in general, respondents prioritized performance (70.16%) and safety (69.84%) as top factors. Many respondents expressed caution regarding Tesla's autonomous driving technology, viewing it with skepticism or seeing it only as an auxiliary feature. Public opinion influenced the purchasing decisions of 68.89% of respondents, reflecting how perceptions shaped by media or social discourse affect buyer attitudes. While opinions on Tesla's future in the Chinese market varied, the outlook was relatively positive, with 27.94% feeling optimistic and 47.94% holding a neutral view.

To sum up, respondents have a high degree of brand awareness and a positive brand impression of Tesla, but in purchase intentions and decisions, they are still affected by factors such as price and technological trust. The development prospects of Tesla in the Chinese market are attracting attention. Public opinion and brand image have a certain impact on purchase decisions. It is recommended that Tesla continue to improve in aspects such as product pricing, technology promotion, and after-sales service to enhance consumer purchase intention and brand recognition.

5. Discussion

The vast majority of respondents, surprisingly, as high as 95.92% have heard of the Tesla brand. This remarkable percentage indicates that Tesla has had a significant impact on the consciousness of many people. When considering this high level of brand awareness, it is obvious that Tesla has successfully occupied a prominent position in the hearts of consumers through effective marketing strategies, innovative products, and a reputation for technological leadership. In sharp contrast, only a relatively tiny proportion of 4.39% of people are unaware of the Tesla brand. This small group reminds us that there is still room for growth and expansion in terms of brand awareness. Although the vast majority of people have been exposed to this brand, there are still some people who have not yet discovered the unique qualities and products that Tesla has brought to the market.

The clear sign of this very high brand awareness among respondents highlights Tesla's success in building a recognizable and respected brand. However, in order to further enhance its brand influence and consolidate its position in the market, Tesla should consider taking proactive measures. One of these measures could be to focus on those who have not heard of the brand yet and carry out more targeted promotional activities.

This targeted approach is particularly crucial when it comes to reaching young people and emerging markets. Young people are often at the forefront of technology adoption and are highly influenced by trends and innovations. By targeting this demographic, Tesla can not only increase brand awareness but also build a loyal customer base for the future. On the other hand, emerging markets present huge untapped potential. These markets are usually characterized by rapid economic growth and an increasing demand for advanced technologies. By focusing on emerging markets, Tesla can expand its influence and establish a strong presence in regions that may offer significant growth opportunities.

To increase brand exposure among these groups, Tesla can utilize various strategies. For example, it can carry out targeted advertising activities specifically for young people and emerging markets. This may involve collaborating with popular influencers, using social media platforms that are popular among these demographics, and creating content that resonates with their interests and aspirations.

In addition to targeted advertising, Tesla can also increase brand exposure by participating in relevant activities and exhibitions. These activities provide Tesla with opportunities to showcase its products and technologies to a wider audience and generate buzz and excitement. By participating in these activities, Tesla can also establish itself as a leader in the field and build credibility among

potential customers. At the same time, Tesla can enhance interaction with potential customers by leveraging social media platforms and organizing online activities. Social media has become an indispensable part of people's lives. By actively participating in these platforms, Tesla can establish a closer connection with its target audience. This may include sharing information about its products and technologies, responding to customer inquiries and feedback, and holding contests and giveaway activities.

By implementing these strategies, Tesla can not only increase brand exposure but also further consolidate its brand image and establish a positive reputation. This will ultimately lead to an increase in brand loyalty and sales, as potential customers are more likely to choose a brand that they are familiar with and have a positive perception of.

From the data, it can be seen that the respondents who choose "probably will" to buy a new model or function account for the highest proportion, which is 30.09%. Immediately following is the option of "uncertain", with a proportion of 29.15%. This fully shows that although a certain proportion of people have a positive attitude towards new models or functions, there are still nearly one-third of people who are uncertain, showing potential hesitation and attention to new products. The sum of the two options "probably will not" and "will not" is 35.74%, reflecting relatively high negative sentiment. In particular, the proportion of the "will not" option is as high as 24.14%, which may mean that some consumers lack confidence or have insufficient interest in Tesla's future products. Based on the above analysis, it is recommended that Tesla conduct more in-depth and comprehensive market research when launching new models or functions to understand consumers' specific needs and concerns. At the same time, Tesla can enhance consumers' confidence and purchase intention by strengthening brand promotion, providing more test drive experiences, and improving the user feedback mechanism. In addition, for the "uncertain" user group, some preferential policies or time-limited activities can be considered to encourage them to make purchase decisions.

Overall, Tesla has established a relatively high popularity in the minds of consumers through its powerful advertising and marketing in terms of brand recognition. According to statistics, in relevant surveys, a considerable number of consumers have a certain degree of recognition of the Tesla brand. In terms of technological image, Tesla does have certain advantages by virtue of its advanced autonomous driving technology and efficient battery management system. However, its relatively high price, for example, the prices of some models exceed the budget range of many consumers. The widespread distrust of electric vehicle technology among consumers, such as concerns about battery range and concerns about imperfect charging facilities, are still the main obstacles affecting purchase intention. When conducting in-depth investigations on the development prospects of Tesla in the Chinese market, the researchers were surprised to find that as high as 47.65% of respondents had a general view of it. This fully shows the market's cautious attitude towards Tesla's future development. After all, this proportion cannot be underestimated, which means that nearly half of the respondents are taking a wait-and-see attitude toward Tesla's prospects. In contrast, only 11.91% of people clearly expressed very optimistic views on Tesla's development prospects in the Chinese market. Although this proportion is not high, it also reflects the confidence and expectations of some consumers in Tesla.

On the road to meeting consumers' diverse needs, enterprises need to adopt multiple measures. First of all, in response to consumers' pursuit of high-tech content, enterprises should resolutely increase investment in research and development. Actively introduce advanced technologies and innovative concepts, strive to create more innovative products, and continuously improve their own technical levels. Only in this way can enterprises stand out in the fierce market competition and attract consumers who have a strong interest in technology. Secondly, strengthening environmental protection publicity is of crucial importance. In marketing activities, the environmental protection performance of products should be highlighted. Display the unique advantages of products in environmental protection through various channels to attract consumer groups who pay attention to

environmental protection. Furthermore, it is urgent to enhance the brand image. This research can start with optimizing customer service to provide consumers with considerate and efficient service experiences. Actively participate in social responsibility activities to show the enterprise's social responsibility and enhance consumers' trust in the brand. Finally, although the attention to driving experience is relatively low, it cannot be ignored. By collecting user feedback, deeply understand user needs and pain points. Continuously optimize product design and performance, and continuously improve users' overall driving experience, bringing consumers a more comfortable and pleasant driving experience. In short, only by comprehensively considering these factors can enterprises gain a foothold in the market and thrive.

6. Conclusion

In the journey of meeting consumers' diverse needs, Tesla needs to exert efforts in all aspects. First, in view of consumers' pursuit of products with high technological content, Tesla should increase investment in research and development, actively introduce advanced technologies and innovative concepts, create more innovative products, and improve technical levels, so as to attract technology enthusiasts in the fierce market competition. Secondly, strengthening environmental protection publicity is extremely important. Highlight the environmental protection performance of products in marketing. Display the environmental protection advantages through various channels to attract consumer groups who pay attention to environmental protection. Let them realize that choosing environmentally friendly products is not only responsible for their own health but also contributes to the sustainable development of the earth. Thirdly, it is urgent to enhance the brand image. This research can start with optimizing customer service to provide considerate and efficient service experiences. At the same time, it increases brand exposure and improves brand awareness and reputation. It should actively participate in social responsibility activities to show the enterprise's responsibility and enhance consumers' sense of trust. Finally, although the attention to driving experience is relatively low, it cannot be ignored. By collecting user feedback, understanding the pain points of needs, continuously optimizing product design and performance, improving users' driving experience, and bringing a comfortable and pleasant experience. In short, only by comprehensively considering factors such as technological content, environmental protection performance, brand image, and driving experience can enterprises gain a foothold in the market and thrive, meet the diverse needs of consumers, and achieve a win-win situation for enterprises and consumers.

References

- [1] Wang, X. (2014) *Research on Chinese Consumers' Psychological Motivation for Tesla*. Suzhou University.
- [2] Wang, J., Meng, J., and Chang, K. (2022) *Analysis of Tesla Model 3 User Profiles*. Times Auto Magazine.
- [3] McKinsey & Company. (2022) *Consumer Purchase Psychology Analysis Report for the Automotive Market*. McKinsey.
- [4] Miao, P. (2016) *Analysis of Customer Psychology by Marketing Personnel*. Chuzhou University.
- [5] Griggs, R. and Zimbardo, P. (2023) *Psychology and Life*. People's Posts and Telecommunications Press.
- [6] Zhao, X. and Hu, W. (2010) *Automotive Consumer Psychology*. Beijing Institute of Technology Press.
- [7] Zhou, B. (2017) *Consumer Psychology*. Tsinghua University Press.
- [8] Feng, L. (2004) *Marketing Psychology*. Economic Management Press.