

The Public Policy Environment of the Electric Vehicle Industry and Tesla

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Abstract

Regulatory and political aspects of the environment have played a critical role in the evolution of the electric vehicle (EV) industry. But recently, the industry has seen tremendous change and reversals in public policy support, resulting in significant challenges to automakers. Tesla reported a major decline in sales in the previous year as a result of the ending of consumer incentives for EV purchases, and other automakers have also suffered from the change in the political environment.

Learning Outcomes

In studying this case, students should be able to:

1. Develop an understanding of the ways public policy has shaped an industry.
2. Assess the impact of the political environment on an industry.
3. Develop recommendations for how to respond to changes in the political environment.

Application

This case is designed to familiarize students with elements of the macro-environment in which industries and companies operate. Because of this, it is appropriate for introducing students to macro-environmental analysis in courses such as strategic management, marketing management, and organizational theory.

Key Words

Macro-environment, general environment, political environment, electric vehicles

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