Tesla Sales Expectations Lowered as the EV Company Looks to a Build More Affordable Vehicle

Analysts are lowering their estimates on Tesla’s car deliveries this quarter, as some even prepare for the electric vehicle company’s first sales decline in 4 years, reports Bloomberg.

Tesla is expected to disclose its first-quarter delivery and production numbers this week, according to Investor’s Business Daily. Analysts who spoke with Bloomberg expect Tesla to deliver an average of 449,080 electric cars in the first quarter of 2024, down from the record 484,507 deliveries Tesla reported in Q4 but higher than the 422,875 deliveries Tesla announced at the same time last year.

Financial data firm FactSet sets a higher estimate, at 457,000 deliveries, according to Axios.

Tesla CEO Elon Musk at the opening of a Tesla electric car manufacturing plant in Germany on March 22, 2022. Photo by Christian Marquardt – Pool/Getty Images

On Monday, Tesla also raised prices in the U.S. for its Model Y electric car, which was the world's bestselling car last year according to data collected by automotive business intelligence company JATO Dynamics. It was the first electric car to hold that distinction. The base Model Y now costs $44,990 without a federal tax credit.

Tesla is on the road to a more affordable electric car, with founder Elon Musk telling investors in January that the company was ramping up to create a next-generation EV to appeal to a broader audience. The car could be built as soon as the second half of 2025, according to Musk.

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"Once it's going, it will be head and shoulders above any other manufacturing technology that exists anywhere in the

world," Musk claimed on the January earnings call.

Slowing Tesla expectations could be the result of more competitors in the electric vehicle space, declining demand for the cars from the public, rising interest rates – or even founder Elon Musk's reputation, per exclusive industry reports obtained by Reuters on Monday.

One exclusive report from market intelligence company Caliber showed that Tesla's consideration score among U.S. buyers dropped from 70% in November 2021 to less than half of that (31%) in February. About 83% of Americans connect Musk with Tesla, according to Caliber surveys.

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Another survey that analytics firm CivicScience shared exclusively with Reuters indicated an increase in the percentage of buyers who could be steering away from Tesla as founder Elon Musk's public moves and statements, such as buying Twitter, potentially affect Tesla's brand.

The survey found that 42% of respondents viewed Musk unfavorably, up from 34% two years ago.

Ed Kim, president of consultancy firm AutoPacific, told Reuters that a small, but growing group of EV buyers "are increasingly put off by Elon Musk's behavior and politics and are now finding viable alternatives to Tesla in the marketplace."

Despite the reports, Musk is currently the most-followed person on X with 179 million followers. He became the sixth person to cross the 100 million follower mark in June 2022.

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