

Integrating exploring sustainability and supply chain management in the development of Smart Tiles by Tesla

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Abstract

Smart Tile by Tesla is the newest innovation in solar power. This product will be marketed to both homeowners and businesses/governments, but for the purpose of this plan, we are focusing our efforts on marketing these smart tiles to homeowners. Our unique selling proposition is a low-cost, efficient, and aesthetically pleasing source of energy that helps to protect the planet, create jobs, and strengthen the community, while building a better tomorrow.

We have identified Smart Tile by Tesla's main competitors, Dow's Powerhouse and SunTegra, and have outlined their points of difference and points of parity. Through perceived value-pricing, we have reached an estimated cost of US\$22,000 for a 2,000-square-foot residence. Our primary selling efforts will be made through direct selling, retail, and online distribution. Our strategy to increase sales and gain market share is to offer special discounts and referral incentives. Smart Tile by Tesla will rely heavily on social media and word-of-mouth marketing to spread the word about this new, innovative technology. A partnership with Home Depot will also be utilized to make in-store consultants available to attract and assist potential clients. A two-phased approach to conversion will be taken in order to utilize a process and environment that is already familiar to the end-user in order to expedite conversion. Multiple joint ventures and partnerships will be formed in order to facilitate growth and bring the product to market.

Referral programs will play a key role in Smart Tile by Tesla's success, as they will help the product gain visibility and earn credibility in the market. Our plan for increasing transaction prices includes strategically-sized tiles, bundling, product life, customer service and maintenance. Our customer retention strategy includes mailings, rewards and referral programs, bundling, customer feedback, customer service and maintenance, and mobile apps.

Based on our financial projections, fixed costs will amount to approximately US\$150,000. Our unit selling price will be US\$11 per tile. The variable cost per tile is US\$8.80 for production. Assuming these price projections are accurate, the breakeven point in units would be 68,181.82 Smart Tiles by Tesla. Our contribution margin per unit would be US\$2.20. Therefore, the contribution margin would be .2 or 20%. Our total contribution would be US\$150,000.

KEY WORDS: *Bundling, case study, consumer satisfaction, Solar Tiles, Telsa.*

Relevance to Marketing Practitioners: This case study is relevant to marketers and researchers in dealing with case studies of supply chain sustainability and collaboration.

TRACK: Business-to-Business Marketing/Supply Chain Marketing