

AUTOMOTIVE

Tesla's delayed Model 3 could cause customers to cancel orders

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Tesla's Model 3 has already had its production deadline pushed back twice. Image credit: Tesla

By DANNY PARISI

A series of delays and record losses for electric vehicle company Tesla has left its customers unhappy and in danger of abandoning the company, according to a new report from Autolist.

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After Tesla announced record losses last quarter and further delays to its Model 3 line, Autolist found that many of its customers said they would cancel their orders if the cars were not delivered in a timely manner. For luxury auto brands, meeting production deadlines can be a challenging task, but for customers it is one of the most important criteria for owning a luxury car.

Model 3 delays

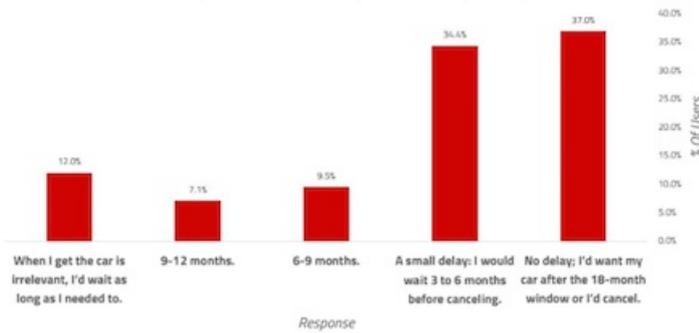
Tesla has been one of the most talked-about auto brands in the world over the past few years.

The company's innovative electric cars as well as the charismatic persona of CEO Elon Musk and his various attention-getting projects such as SpaceX have made for a brand that is frequently in the news.

But one fact that has been floating around that is less favorable is that the brand is having a hard time meeting manufacturing goals for its Model 3 cars.

Right now, the company's goal is to begin manufacturing 5,000 Model 3 vehicles a week by the end of June. This deadline has already been pushed back twice, and Autolist suggests that it likely will again as the company struggles to meet its goals.

If you put a \$1,000 fully-refundable deposit on a Model 3 today and Tesla told you to expect the car in 12 to 18 months, how long a delay would you tolerate before you canceled your deposit?



Customers' patience for Tesla's delays is thin. Image credit: Autolist

While Tesla estimates that once customers order a Model 3 it will take about 12 to 18 months for them to receive it, Autolist's survey of Tesla customers found that the majority would cancel their order with even the slightest of delays.

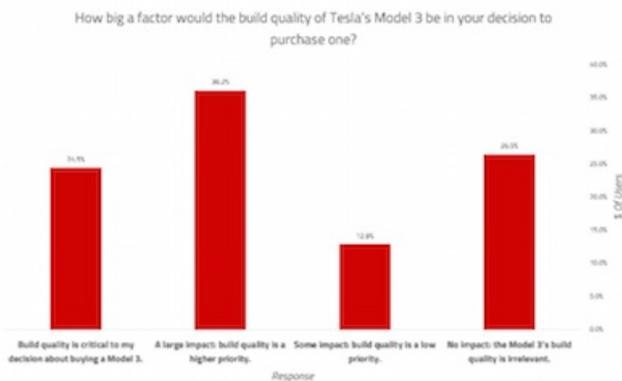
Thirty-seven percent of respondents said they would cancel immediately if they had to wait past the 18-month deadline, while another 25 percent they would give another three to six months before cancelling as well.

Build quality is another major factor that consumers value but Tesla is struggling with. Reuters reported that more than 90 percent of Tesla Model S and Model X cars had defects when leaving the factory.

Troubled production

Tesla has been reaffirming its commitment to providing sustainable methods of power by turning private homes into a connected power plant.

After recently dropping the Motors from its name, Tesla is on a mission to prove it is more than just a car manufacturer but is also passionately focused on helping the earth. The brand is offering more support for Australia's unpredictable electricity issues by providing solar panels and its innovative battery packs to private homes ([see story](#)).



Build quality is also important for consumers. Image credit: Autolist

The brand is also looking to shift the pickup truck narrative with what its founder calls a "game-changing" feature.

Mr. Musk is promising that following the production of its all-electric crossover, Model Y, the automaker will get to work on an electric pickup truck. The luxury pickup truck industry is sparse, but including an electric motor and a mystery "game-changing" feature will put the Tesla pickup on a platform of its own ([see story](#)).

These efforts are piling more projects onto Tesla's plate, and while that eclecticism is part of the company's charm and appeal, it also invariably diverts resources from the Tesla production line, which is under scrutiny from customers.

If Tesla continues to delay the Model 3, the company could lose out on a number of customers.