

Humiliation as Tesla offers huge discounts to stop flagging sales

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Tesla is facing a new problem it hasn't encountered before: customers aren't flocking to buy their new products.

A once hotly anticipated \$48,990 long-range, all-wheel-drive Model Y hit showrooms in early April.

To many in the company, the car looked like the perfect solution right as the EV brand was facing a sales crisis.

The Model Y, the best-selling car in the world last year, had a fresh redesign with richer interior materials. Typically, customers quickly snatch up popular cars right after their redesigns are launched.

But Tesla is already offering financing deals for shoppers, even though the car has only been on the market for a month.

Now, Tesla owners can grab six-year payment plan for the new Model Y with 1.99 percent financing after putting down \$3,999.

Other cars in Tesla's lineup typically command around six percent APR on their finance deals. The deal suggests Tesla might still be facing demand problems despite the updates.

Compared to other product launches, this is a completely new problem facing Tesla.



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Elon Musk, the company's outspoken CEO, has aligned himself with President Donald Trump - Tesla's shoppers are historically liberal

The attention-getting electric brand has a history of being supply-constrained when it first launches cars. The Cybertruck is a great example.

The company launched the angular, Blade Runner-inspired pickup in late 2023 with massive fanfare.

Tesla reported receiving over 1 million reservations to buy the truck.

Cybertruck buyers faced a 'no resale' clause in their financing agreements, as the company received reports of shoppers buying the then-sought-after truck and **reselling them for massive profits**.

The company threatened fines of up to \$50,000 for Cybertruck buyers caught reselling the trucks for a profit.

It was the only option for a company that couldn't keep up with the demand for its head-turning trucks.

But now, Tesla **reported a record drop**.

The automaker's first-quarter profits cratered 71 percent, with the EV giant pulling in \$409 million compared to \$1.4 billion during the same stretch last year.



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Tesla has redesigned its best-selling cars this year, right as the company's base buyers are weary of purchasing from the brand



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Tesla dealerships have seen massive protests



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Musk has donated millions to conservative politicians and causes and spent time advising the President during the administration's first 100 days

Tesla's flagging sales are likely attributed to Elon Musk's political moves.

The outspoken CEO, once held in high-regard in liberal circles, has cut against much of his consumer base.

For example, the Model Y was the best selling car in liberal California.

But Musk has **donated millions to conservative causes** in the US, backed **far-right politicians** in Europe, and **spent time as a policy advisor** to President Donald Trump.



The moves have caused massive social backlash, including giant (**sometimes fiery**) protests at Tesla dealerships.

Musk assured investors that he was going to spend less time at the White House and more time catering to his responsibilities as Tesla's CEO, which shocked the stock price up after the measly earnings report.

But time will tell if he can solve the sales problems. The Cybertruck's demand has tailed and Musk's promise for autonomous Robotaxis comes due next month.

The brand says It will launch driverless tech in Texas on June 1.