

Screwy Tesla Shifts Gears, Again, and Fans Are Losing Patience

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Brian O’Roak considers himself a [Tesla](#) fan. Three years ago, the Oregon-based genetics researcher stood in line with a six-week-old baby in his arms to place a deposit for the [Model 3](#). So when CEO [Elon Musk](#) announced in late February that the carmaker [would finally start delivering its more affordable Standard](#) and Standard Plus Model 3 options, O’Roak at first ordered a Standard Plus, paying \$3,000 extra for the electric carmaker’s semi-automated Autopilot feature. Right before delivery, Tesla salespeople convinced him to upgrade and spend another \$1,000 for a reduced-price Mid-Range; Tesla delivered the car last month.

So when Tesla [announced late Thursday](#) that it would once again change its pricing and packaging scheme, and remove the \$35,000 “affordable” Tesla from its online ordering forms, O’Roak was annoyed. “Hearing the announcement, I guess I was pretty frustrated and upset,” he says. “I feel like we were lied to [at the end of February](#). It doesn’t seem like there was a standard model.” He estimates he might have saved between \$2,000 and \$4,000 by ordering now and receiving the feature package he wanted. His family likes the Model 3 so far—delivery was smooth, the local service center impressively responsive, and the

kids, especially, love [fart mode](#). But the shifting prices and feature packages have eroded O’Roak’s trust in Tesla. “We haven't even made a car payment yet,” he says.

A Tesla spokesperson did not respond to a request for comment about the pricing changes. But in response to a customer’s Twitter complaint, [Musk wrote](#), “Other automakers change prices constantly & substantially by varying rebates & discounts according to negotiating strength of buyer. Tesla is transparent & consistent.”

For years, the electric carmaker’s flexibility has been a boon and a point of pride—a demonstration of how an innovative, data-based, and direct-sales approach can change the carmaking game. “Tesla is very nimble, and they can change their pricing plans to meet what best serves their customers based on feedback,” says Karl Brauer, the executive publisher of automotive research publication Kelley Blue Book. “If they see increased demand for one vehicle or one configuration, they can change the package pricing. That’s good.”

But for even dedicated customers like O’Roak—those who believe in the car company's mission of slowing climate change, saving the world, and having a hell of a good time doing it—the constant changes, which have accelerated since the introduction of the Model S, can be a bit much. Kelley Blue Book’s Brauer suspects some buyers “are hesitant because they see that inconsistency with the pricing and model approach. It seems like every week there's a new plan.”

To wit: Tesla discontinued the Mid-Range Model 3 just two days before O’Roak’s was delivered. The price of the Model 3 Standard Range Plus, introduced at the end of February, went up by \$500

less than a month later, then up again by \$2,000 less than a month after that. (The price bump, however, comes with some extra feature goodness: Autopilot, which once cost \$3,000 to add on, is now standard.) Meanwhile, the much-hyped \$35,000 Standard Range Model 3, introduced in 2016 as Tesla's entrée into the mass market, is now available only if customers call or go into a showroom.

And those showrooms? In late February, Musk said Tesla would close nearly all of its brick-and-mortar stores and lay off sales staff to move to online ordering only. Less than two weeks later, the automaker [reversed course](#), raising vehicle prices by 3 percent to avert closing half of the stores it intended to.

It's enough to make you want to break out a spreadsheet. In fact, [a few online](#) Tesla observers have.

These pricing changes and shifts in strategy are not standard for the automotive industry, says Michael Ramsey, an automotive analyst with the research firm Gartner. "Every other car company in the world does not sell cars to you and me," he says. "They sell cars to dealers, who change prices on a moment by moment basis. But the manufacturer is not setting the price—it's the dealer who sets the price." That's why Tesla's price changes are "really unusual, and irritating to customers who had already purchased their cars for more money," he says.

Dedicated Tesla fans, a legion of enthusiastic, tech-forward, and very online buyers who fill Reddit threads and blog comment sections as they track the soap-opera-like progress of Musk and Co., don't always mind the shifts. But analysts say the constant changes might stymie Tesla's growth beyond its tech-friendly and California-centric customer base.

“There’s no doubt in my mind that there’s a segment of the car-buying population that’s skeptical of Tesla,” says Brauer. That skepticism might stem from a wariness about electric vehicles, or from a lack of local charging infrastructure, or because there's no Tesla service center nearby. Cars are a serious and long-term investment—the average American one [is almost 12 years old](#). It makes sense that buyers would seek out stability.

On one hand, limiting the market with price confusion isn’t great for Tesla, whose most recent production and delivery numbers suggest demand for its Model 3 may be slackening. On the other hand, Tesla is still a niche company. It delivered 245,000 vehicles last year, compared with the 2.9 million sold by automotive giant General Motors. Maybe the Musk enterprise doesn’t need to win everyone over, not yet.

And it’s worth noting that the electric automaker continues to break ground with its approach to sales and service. More than a decade since the company rolled out the Roadster, Tesla is still the only automotive player to embrace over-the-air updates, and give customers access to new features (and the opportunity to buy ones they originally decided to forgo) with a few taps. Other manufacturers only began limited [experimentation](#) with that model a year ago. “Even though Tesla is a bag of cats and essentially crisis-managed all of the time, it’s still really cool,” says Ramsey.