

Communications breakdown? Tesla turns away from media

October 19 2020, by Juliette Michel



Tesla CEO Elon Musk gestures as he arrives to visit the construction site of the future US electric car giant in Gruenheide near Berlin in September

What's new at Tesla?

Difficult to say, since the fast-growing electric carmaker appears to have taken the unusual step of disbanding its media relations department which responds to journalists.

Calls and emails to Tesla's California headquarters from AFP and other media outlets were unanswered days ahead of the company's quarterly financial update.

The specialized news website Electrek reported earlier this month that Tesla had dissolved its media relations department, becoming the first automaker to cut off the press.

It is still communicating with investors and the public directly from its website, regulatory filings and the Twitter account of chief executive Elon Musk.

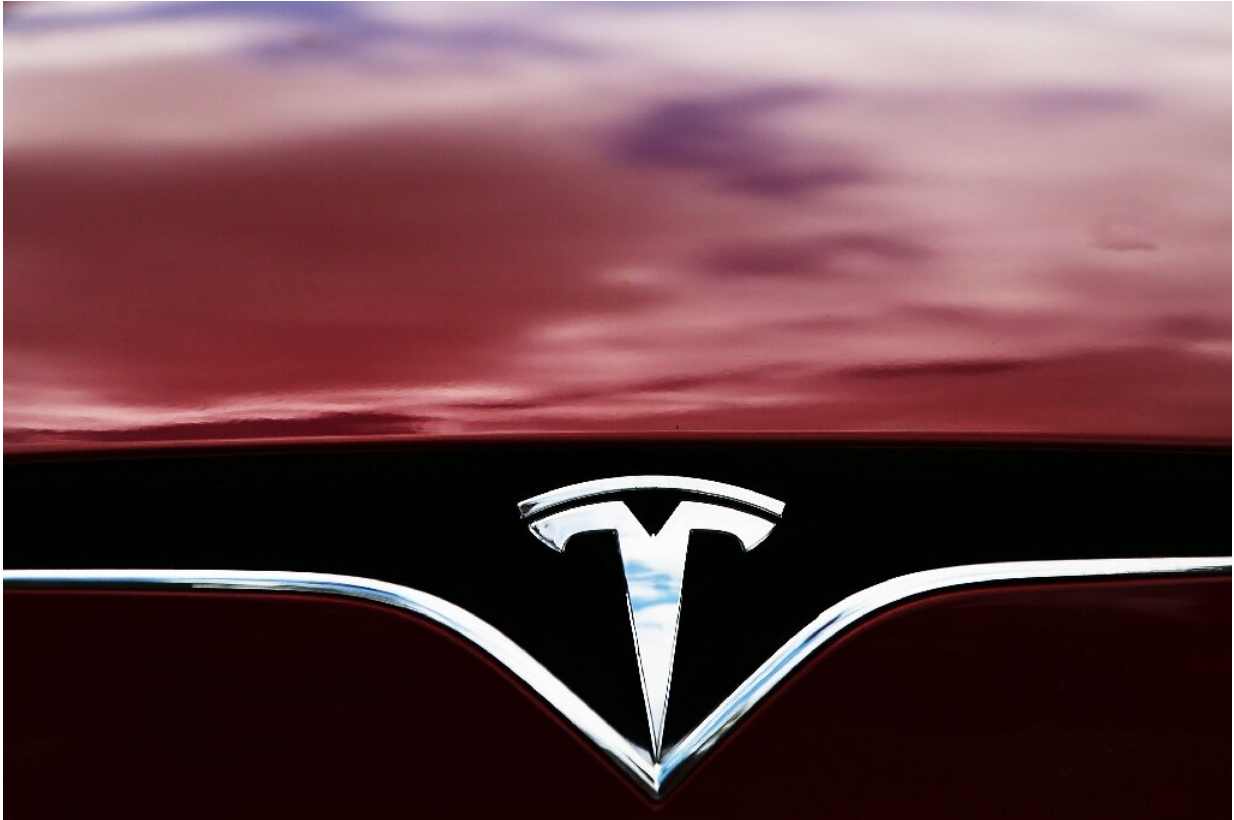
But media outlets covering the company express frustration on dealing with Tesla.

"I have not gotten a response out of Tesla in months," said Steve LeVine, a journalist at Medium who follows the electric car sector.

"I can't say how many months. But I do not recall a response recently."

Inquiries to Tesla's China and European offices were also unanswered.

While many large firms are tight-lipped with media, Tesla's move of cutting off the press entirely would be unprecedented for a company of its stature.



One analyst says Tesla does not need a media relations department because its customers are "advocates" for the fast-growing electric carmaker

In recent podcast interview with the New York Times, Musk expressed frustration over media coverage of Tesla's Battery Day in September, where the firm unveiled its latest technology.

"The press coverage of this event was sad," he said.

"Most of the press coverage was a sad reflection of their understanding, really."

Breaking with tradition is not new for Tesla, which is the only major automaker selling cars directly to customers, and avoiding independent

dealers in the United States despite restrictions in some states.

Musk also landed in hot water in 2018, settling a fine with regulators after tweeting an unfounded claim that he had secured funding to take the company private.

The flamboyant CEO has also negotiated a rare contract which could net him more than \$50 billion in compensation if Tesla's share price hits certain levels, but leave him dry if the company falters.

At least one analyst said Tesla's approach in communications is reasonable and reflects its ability to get its message across without news media.

"Tesla does not need a PR department at all," said Global Equities Research analyst Trip Chowdhry.

Chowdhry said Tesla's customers are "advocates" for the company and Musk communicates directly with 39 million Twitter followers.

"If a company has a great product and a rabid customer following, a PR department is a completely obsolete concept," he said.

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