

## *Pickup or Lunar Lander? Tesla's Cybertruck Enters a Crowded Market.*

Two years behind schedule, the electric model has an unusual design that sets it apart from rival pickups, which could limit its sales.



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Tesla began delivering its much delayed, highly anticipated Cybertruck pickup to customers on Thursday, entering one of the most lucrative but competitive segments of the auto industry.

With its stainless steel body and sharp angles, the Cybertruck is unlike pickups from Ford Motor, General Motors and Ram, which dominate the market. With a starting

price of \$100,000 for the top-of-the-line version, it is Tesla's first completely new passenger vehicle in more than three years but arrives long after other automakers began selling battery-powered pickups.

That has analysts asking just who will buy the Cybertruck. Will it steal customers from traditional automakers, appeal to a different crowd or become a costly flop? Tesla has said hundreds of thousands of people have placed \$100 refundable deposits on Cybertrucks. But there is no guarantee those reservations will translate into sales.

"It does beg the question, what kind of customer is Tesla looking for?" said Ben Rose, president of Battle Road Research, a firm that tracks electric vehicle and technology companies, who expects Tesla shares to outperform the market. "It looks like something lowered from the lunar module to collect rocks on the moon."

During an event Thursday in Austin, Texas, where the truck will be built, Elon Musk, the chief executive of Tesla, answered criticism that it was not a serious working vehicle. Videos showed the Cybertruck beating trucks from Ford and Rivian in a hauling contest, and being used to carry steel and pull machinery at a construction site.

"It's an incredibly useful truck. It's not just some grandstanding showpiece," Mr. Musk said, adding, "like me."

The quip was perhaps a reference to the firestorm he ignited Wednesday when he said that advertisers that have pulled advertising from X, the social media site formerly known as Twitter and which he owns, were attempting to "blackmail" him because he endorsed an antisemitic post. "Don't advertise," Mr. Musk said at the [DealBook Summit](#) in New York, addressing the brands. He used an expletive multiple times for emphasis.

First displayed publicly in 2019, the Cybertruck has suffered from [production problems](#) stemming from its odd design and the choice of stainless steel rather than the lighter steel or aluminum typically used in cars and trucks. Sales have been delayed by more than two years, and Mr. Musk has warned investors that the company may not be able to manufacture the truck in large numbers until 2025.

"There will be enormous challenges in reaching volume production with Cybertruck and making the Cybertruck cash-flow positive," Mr. Musk said in October.

There is a lot at stake for the traditional carmakers, too. Americans buy 2.5 million pickups a year, and those sales are an important source of profits for Ford, G.M. and Stellantis, which owns Ram, Jeep and Chrysler. In the United States, pickups are often sold as luxury vehicles. Well-heeled Europeans or Asians tend to buy sedans and sport utility vehicles from Mercedes-Benz, BMW or Audi. Many affluent Americans buy Ford F-150s with 18-speaker sound systems and heated steering wheels.

Tesla said on its website that a two-wheel-drive version of the Cybertruck will sell for \$61,000, but not be available until 2025. Versions that start at \$80,000 and \$100,000 will be available next year.

The first buyers are likely to be well-to-do technology savants and collectors, Mr. Rose said. The Cybertruck is unlikely to have as much appeal to corporate fleet operators like utilities or construction companies. Nor is the model likely to be affordable or practical for landscapers, drywall installers and other small-business owners.

That is a relief to the traditional carmakers. About one-fifth of the F-150s that Ford sells go to business or government customers. Ford's Pro division, which focuses on commercial customers, makes a lot more money as a percentage of its sales than the division that sells gasoline vehicles to individuals. (The division that sells electric vehicles to consumers lost money.)

Some businesses buy pickup trucks without cargo beds, instead installing specialized boxes or platforms suited to their needs. That will be impossible with the Cybertruck's one-piece body.

Even when businesses buy trucks with standard beds, they often add accessories like tool boxes or ladder racks that would not fit in the Cybertruck. (Most pickups from other manufacturers look and operate much the same so they can accommodate these additions.)

So far, sales of electric pickups and other vehicles to commercial customers have been modest. But Ford sees potential to dominate a fast-growing market where there won't be much competition from Tesla. Ford's E-Transit electric vans have 50 percent of their market in the United States and Europe, Ted Cannis, chief executive of Ford Pro, said in an interview. The electric version of the F-150, known as the Lightning, has almost no competition among commercial customers, he added.

Ford can earn additional revenue from business and government customers by selling them services like software that tracks the locations of their employees and creates efficient routes. Ford will also help customers set up charging stations for fleets of pickups and vans. "We have to make the transition as easy as possible," Mr. Cannis said.

There has been no indication that Tesla plans to provide similar services.

Marketing for the Cybertruck emphasizes its speed, comfort and toughness. Like Ford's F-150 Lightning, the Tesla pickup will come with power outlets for tools or appliances and can power a home temporarily during a blackout.

During the event Thursday, a video showed a man shooting bullets at a Cybertruck. "The apocalypse could come along at any moment," Mr. Musk quipped. "Here at Tesla we have the finest in apocalyptic technology."

Electric pickups have been available since late 2021, when Rivian, a young electric vehicle company, began selling the R1T. Ford began selling the F-150 Lightning in 2022. G.M. began selling an electric version of its Silverado pickup in limited numbers this year.

So far, the response from buyers has been mixed. Electric pickups accounted for only 3 percent of the electric vehicle market in the first nine months of 2023. And just 2

percent of all pickups sold in the United States were electric, according to estimates by Kelley Blue Book and Battle Road.

But sales are growing faster than the overall auto market even if the pace has [slowed recently](#). F-150 Lightning sales in the first nine months of the year grew 40 percent to more than 12,000 vehicles, according to Kelley Blue Book. Sales of Rivian pickups grew 28 percent to more than 14,000 vehicles.