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Elon Musk's Tweets Aren't Hurting Tesla Sales. Here's the Proof.



By [Al Root](#)
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Can Musk's tweeting destroy demand for Teslas? That's the question investors need answered.

THOMAS NIEDERMUELLER/GETTY IMAGES

Anecdotal [evidence](#) of demand problems at [Tesla](#) resulting from Elon Musk's management of Twitter abound. But they're only anecdotes. No one is really sure that any [brand damage](#) done to [Tesla](#) by Twitter's [Chief Twit](#) is real—or lasting.

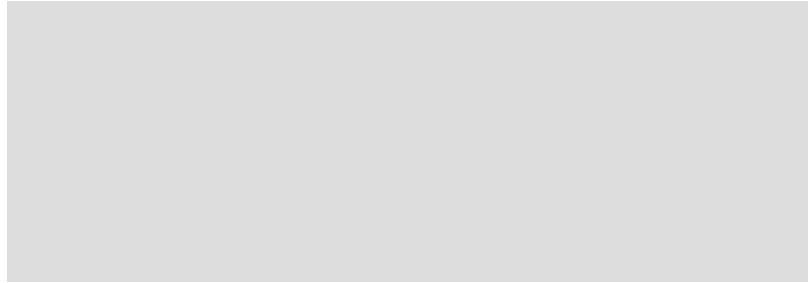
Early answers to both questions point to no—or at least not yet.

Naomi Elle represents one of the [cancellation](#) anecdotes. "I've had a Model Y Performance ordered since June," tweeted Elle on December 13. Musk's "latest Twitter antics have made me cancel my order. Sort of [embarrassed] to drive my Model 3 at the moment."

Elle was responding to a Twitter thread questioning Musk's recent tweets, including his Dec. 11 attack on Dr. Anthony Fauci, the physician who advised the U.S. government on the response to Covid-19. Elle on Tuesday said she still feels the same way she did when posting the tweet.

Companies can't satisfy everybody. People can even find a negative review about Viking Cruises, which has very high customer satisfaction scores.

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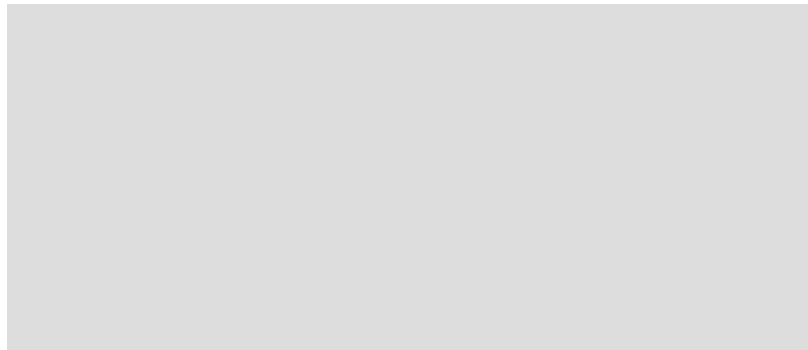


What investors want, and need, to know is if the Twitter fiasco will create lasting demand problems for [Tesla](#). Musk has owned Twitter since the end of October. There aren't a lot of data points to look at. The few that are seem to show that, as surprising as it might seem to those steeped in the Twitter-verse, Musk's tweeting isn't resulting in fewer Tesla cars sold.

"Our data shows no correlation between interest in Tesla's and Musk's takeover of Twitter," [David Greene](#), Principal, Industry Analyst for [Cars.com](#) (CARS), tells *Barron's*, adding that gas prices remain the biggest issue that alters consumer behavior around searches for electric vehicles on his site.

Tesla has the highest brand loyalty among car buyers, according to [Cars.com](#) studies. More than 60% of Tesla owners say they will buy another Tesla when they purchase their next vehicle. [Toyota Motor](#) (TM) has the second highest brand loyalty with 28% of owners saying they will buy another Toyota next.

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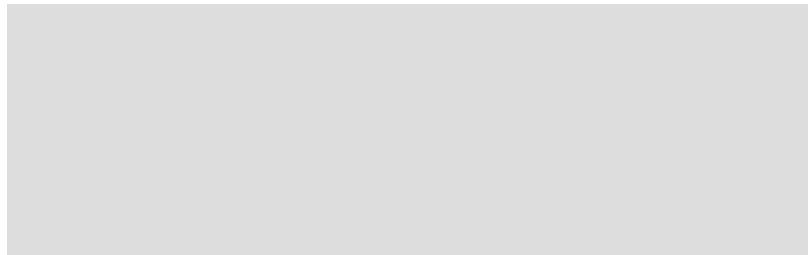
Those numbers are from 2022, but don't cover the period Musk has owned Twitter. Investors will have to watch the loyalty number to get a sense if something is changing.

What has changed already is the wait time for a new Tesla. It's lower. That could show that demand is weakening for Tesla vehicles, but it's difficult to pin the decline in lead times on Musk alone.

Twitter user and Tesla researcher [Troy Teslike](#), whose delivery estimates are used and referenced by several Wall Street analysts, tracks Tesla backlog and lead times. Both have been falling for months, ostensibly for two reasons. For starters, Tesla production in the U.S. and China is rising with a new plant in [Austin, Texas](#) and an expanded plant in [Shanghai](#). What's more, some Tesla buyers in the U.S. are deferring purchases until 2023, waiting for a tax credit that goes into effect on Jan. 1.

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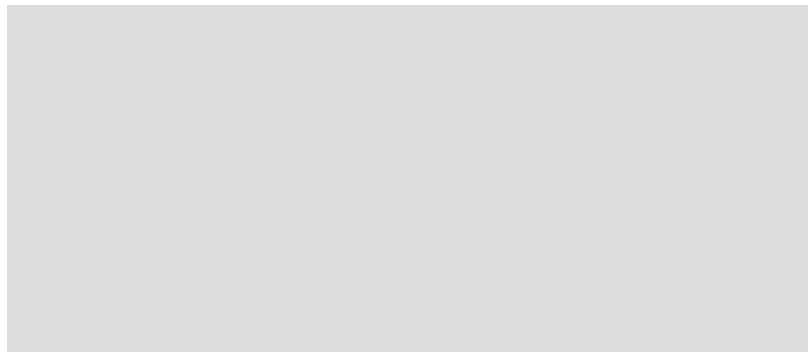
Teslike wrote in a Dec. 15 report that it is likely some buyers are canceling orders because of political controversy, but he is still trying to quantify the effect on Tesla as a whole.

Looking ahead, investors will get another data point to judge the Twitter impact. Fourth quarter deliveries are due out in the first couple of days of January. Teslike expects roughly 420,000 units delivered. The Wall Street consensus is currently around 430,000 units. A delivery number in that range should calm investor nerves—for a few weeks anyway.

Musk committing to step down as chief executive of Twitter will also calm investor nerves. Musk tweeted as much Tuesday evening.

That tweet might be helping Tesla stock. Shares are up 1.3% in premarket trading Wednesday, while the [S&P 500](#) and [Dow Jones Industrial Average](#)

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are up 0.5% and 0.7%, respectively.

Coming into Wednesday trading, Tesla stock is down about 39% since Musk took over Twitter. The Nasdaq Composite is down about 2% over the same span. Since the start of the year, Tesla shares are off roughly 60%.

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