

Research Question: How significantly has Lucid Group's innovation shaped consumers' perceptions and how has it affected the company's positioning within the electric vehicle market?

Key concept: Creativity

Word count: 1799

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Introduction

Since its founding in 2007, Lucid Motors has creatively reinvented electric cars (EVs) by putting performance and elegance first. Due to its focus on luxury and innovation, Lucid has established itself as a major participant in the worldwide EV market. Further, Lucid was also awarded the MotorTrend car of the year and is the first ever company to have this title with their first car launch.¹

¹[Lucid Air named MotorTrend Car of the Year | CNN Business](#)

Ever since the introduction of electric vehicles (EV), the widespread limitation comes from the limited miles an EV can travel on a single charge. The concern is made worse by the possibility of getting stuck due to a shortage of accessible charging stations, particularly in less developed or isolated places. Inadequate charging infrastructure, particularly the lack of fast chargers, increases concerns about the practicality and ease of owning an EV. The perceived high upfront costs of EVs remain an important disincentive for many consumers. Concerns regarding battery durability and longevity remain, particularly in extreme weather situations, contributing to customer doubt. Furthermore, uncertainty about the general dependability of EVs in comparison to their traditional competitors. One ongoing issue of longer charging periods is that they are inconvenient compared to the speed at which gasoline-powered vehicles can be refueled. This perceived inconvenience makes consumers even less inclined to fully support EVs, as does a perceived lack of choice in EV models to suit different needs and preferences. To solve this issue, Lucid effectively used technology and creativity to tackle these obstacles and enhance the EV market by entering a new market segment on luxury high performance EVs.

Methodology

Tools	
Perception mapping	I am using the perception planning to analyze the spot of Lucid compared to other manufacturers in the market
SWOT analysis	This tools helps to understand the business properly from all the opportunities and threats it had
Ansoff Matrix	It tool has been used to analyze the strategy used by Lucid to grow in the market, such as differentiation in this case

Financial analysis	The data from the 2 years and a quarter is used and analyzed to see the growth and compare in to the previous quarters to have a better understanding
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Supporting document		
Appendix	Source	Use
1	sae.org	This is a review provided about the Lucid Air about its advantages, features and the overall experience. It provides helpful data and analysis that was helpful for comparing with other brands and creating conclusions.
2	New York Times	New York Times being a trusted news channel, provides a review of the lucid Air.
3	Market screener	It provides the financial data of Lucid group and helps to compare the growth of the company over time providing important information such as EBITDA margins, sales revenues, debt, etc.
4	Visual capitalist	This website provides the analysis of the electric vehicle market in 2023 and states the market share of various companies that helps to determine the position of Lucid in terms of market share
5	Lucid motors	This is the official website by Lucid and provides the specifications and features of the Lucid Sapphire. It helps to confirm all the details about the vehicle and provide accurate information.

Ansoff's Matrix

		MARKET	
		EXISTING	NEW
PRODUCT	EXISTING	MARKET PENETRATION STRATEGY	MARKET DEVELOPMENT STRATEGY
	NEW	PRODUCT DEVELOPMENT STRATEGY	DIVERSIFICATION STRATEGY

Lucid air had started by providing battery and powertrains to other car manufacturers. They then decided to start manufacturing their own vehicles and diversifying into a new market with a new product. This decision allows Lucid to spread their risks as Lucid will have other sources of revenue in case they are not able to sell their battery packs and other parts to manufacturers. Lucid is able to broaden their customer base by targeting the customers looking to purchase an EV.

SWOT Analysis

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> → The company's emphasis on the luxury segment of the EV market allows them to cater to a niche market → The current CEO, Peter Rawlinson, was the former Tesla engineer giving Lucid the advantage of having a deeper understanding of the EV market → Lucid has a positive reputation by manufacturers and consumers for their reliable and good quality of battery packs, allowing them to have an established customer base. 	<ul style="list-style-type: none"> → Lucid has to expand their manufacturing unit to compete with other manufacturers. → Penetrating into other market segments other than the luxury EV market would be a struggle due to the extreme competition. → Lucid relies on partnerships for the production and infrastructure development of the vehicles leading to challenges in production..

OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> → The demand for EVs has been gradually increasing due to the increased awareness between the consumers about the preservation of the environment. → Lucid has been manufacturing battery packs and has specialized in the production. → Government is providing subsidies to buyers and producers of EVs. The USA government is providing up to \$7500 to buyers who purchase EVs therefore encouraging more demand.²³ They are paying up to \$30000 for manufacturers to make electric and hydrogen charging stations.³ 	<ul style="list-style-type: none"> → The market for EV is extremely competitive and has many established manufacturers like Tesla and Mercedes. → There is depletion of lithium in the environment and therefore it is getting expensive to buy lithium for the production of batteries. → There is no proper availability of charging ports for the consumers making it a more viable option to get gasoline vehicles, therefore Lucid would have to spend a lot of capital on making charging stations.

How lucid shaped and changed market standards

Lucid has completely changed the EV market by overcoming the challenges faced by other EV manufacturers and making creative use of technology. Lucid manufactures various different models with each having different purposes and price points making them more attractive to a wider audience ranging from cheaper alternatives to the most luxurious car, or one of the quickest EV with a 0 to 60 miles per hour in 1.89 seconds.⁴ Lucid Air is the first ever EV to break the barrier of a range of 500 miles with a range of 516 miles or 830 km per charge.⁵ It is leading the range category followed by the Tesla model S, beating it by 111 miles.⁶ Lucid used thermal cooling to help cool down the motors and the internal components from the core which has not been done at this scale before by any other manufacturer. In achieving this goal, Lucid

² [Credits for new clean vehicles purchased in 2023 or after | Internal Revenue Service \(irs.gov\)](#)

³ ['s Changes to the 30C Tax Credit — EV Connect](#)

⁴ [Lucid Air | Specs \(lucidmotors.com\)](#)

⁵ [Lucid Announces Final Production Specifications for the Lucid Air Sapphire: The World's First Luxury Electric Super-Sports Sedan \(lucidmotors.com\)](#)

⁶ [Electric Cars With the Longest Range | Cars.com](#)

developed a car with the second least drag coefficient of 0.197 in the EV market.⁷ Lucid has made Lucid Air the fastest charging EV, charging at a rate of 300 miles every 20 minutes, combating one of the leading challenges with EVs. To make great changes in the EV market, Lucid has set a new benchmark that is unmatched by any other manufacturer and hard to beat. The vehicle has been developed from inside out, giving it the most luxurious interior and providing the best experience to the consumer. Lucid air being 11 inches shorter than the Mercedes S-class, yet provides the passengers more space than the S-class and carries the biggest trunk in an EV. Lucid has used alternative materials to other EV to help and make the vehicle more sustainable. It has found alternatives to rare earth material used for resources that are easier to find but also more sustainable and affordable with help of their in-house development.

Market Analysis

The market for EV has been rapidly growing, going from a market size of \$330.6 billion in 2022 to \$388.1 billion in 2023, showing a growth of approximately 17.39% and further predicted to increase at a rate of 13.7% annually.⁸ It is further predicted that the market will reach \$951.9 billion by 2030. In this market, Lucid was able to achieve a market share of approximately 1.63%.⁹

Lucid has strong rivals in the very competitive EV market, including Tesla, Nio, and Rivian. Considering this, Lucid Group's market valuation of approximately \$6.32 billion as of December 2023 places them among the leading EV automakers, only behind large companies.¹⁰ Their

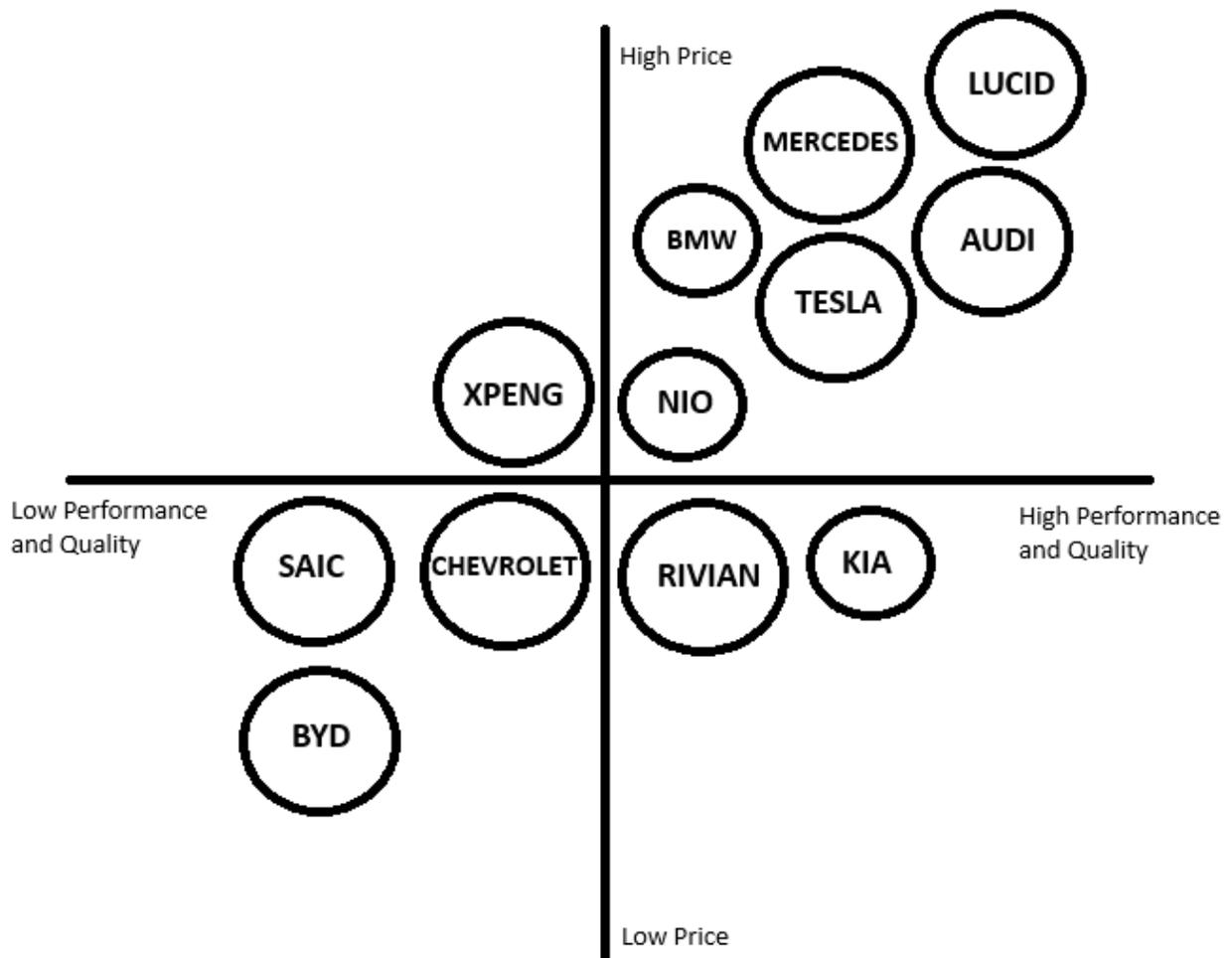
⁷ [These are the 10 most aerodynamically efficient EVs on sale today | Top Gear](#)

⁸ [Electric Vehicle Market Share, Size, Analysis, Trends, 2030 \(marketsandmarkets.com\)](#)

⁹ [Visualizing the Global Electric Vehicle Market in 2023 \(visualcapitalist.com\)](#)

¹⁰ [Lucid Motors \(LCID\) - Market capitalization \(companiesmarketcap.com\)](#)

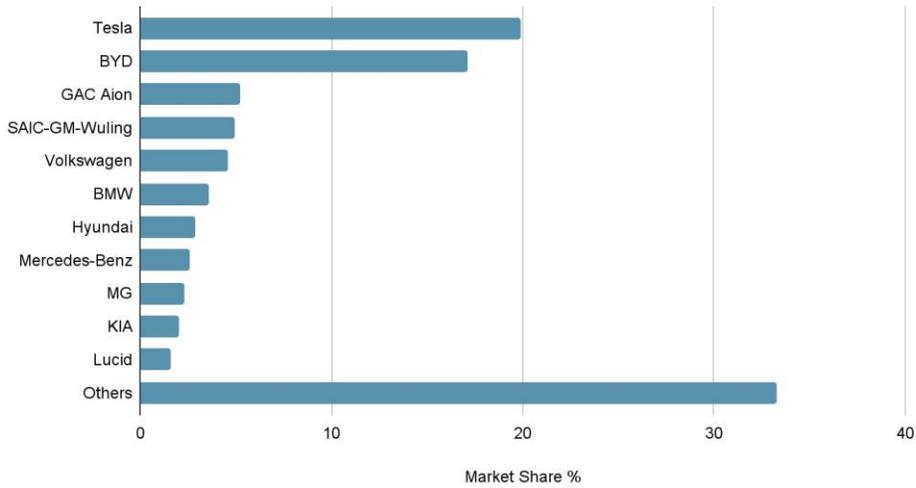
accomplishments show that customer perceptions of environmentally friendly transportation are changing. Lucid consistently concentrates on innovation and product enhancement in order to hold its position.



The top 10 competitors in the EV market makeup 65% of the overall market, consisting of huge MNCs such as Tesla, BMW, Mercedes-Benz, etc but also some new competitors like MG and BYD. Tesla being one of the first companies to introduce EVs is able to gain the most market share at 19.9% with KIA coming in 10th position with 2.0%.¹¹

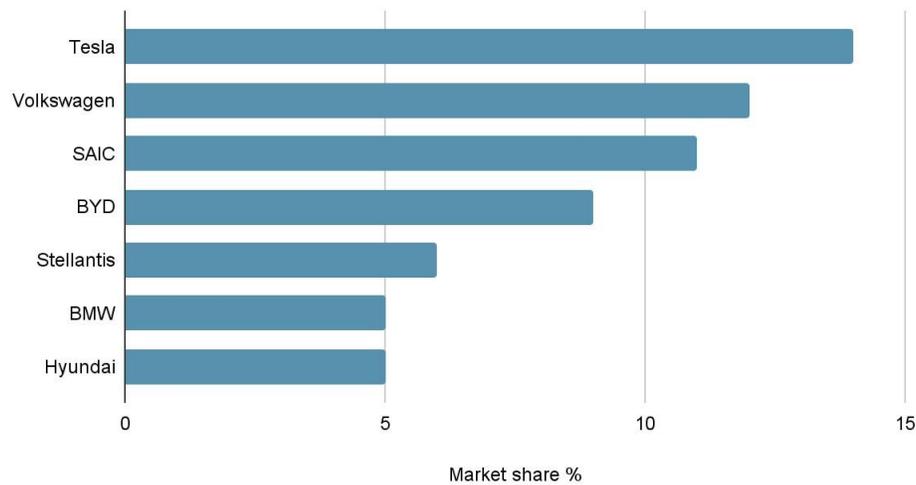
¹¹ [Visualizing the Global Electric Vehicle Market in 2023 \(visualcapitalist.com\)](https://visualcapitalist.com/visualizing-the-global-electric-vehicle-market-in-2023/)

Global electric vehicle market share in 2023



While Tesla and BYD were the main competitors who were able to increase their market share when compared to 2021, many other competitors' market share decreased or were even forced to leave the industry.¹² During this period the growth experienced by Lucid, in such a competitive market is extremely impressive while being a new company.

Global electric vehicle market share in 2021



¹² [Canalys Newsroom - Global electric vehicle sales up 109% in 2021, with half in Mainland China](#)

Financial Analysis

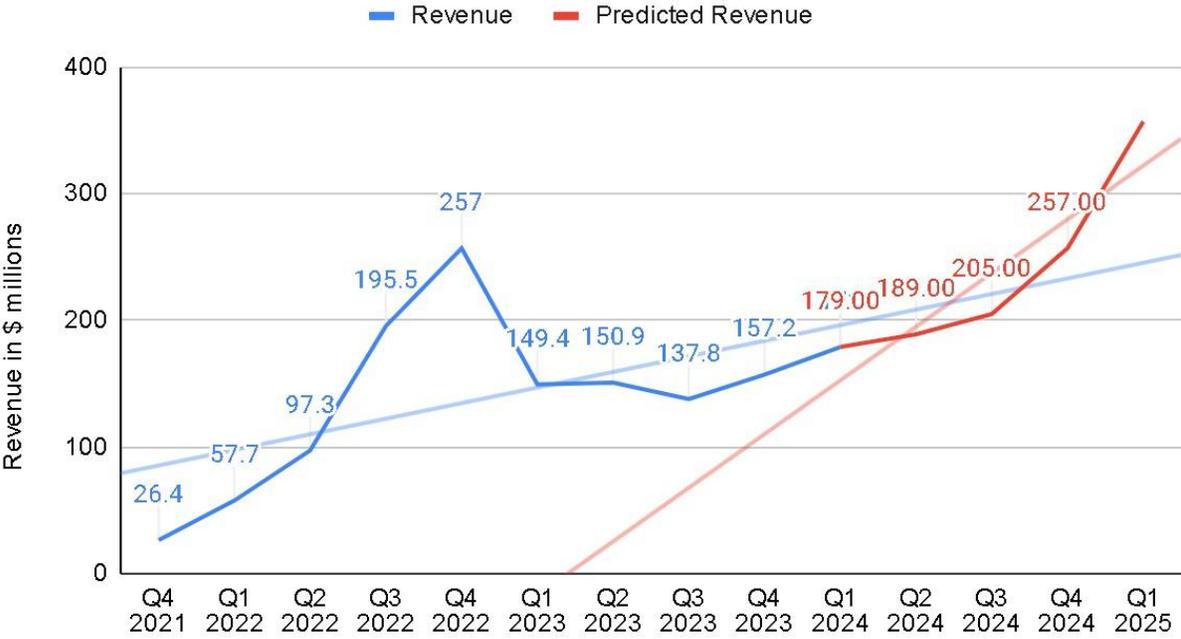
Lucid being new to the market of production EVs, has been able to earn millions of dollars in revenue every quarter. Lucid has made their financial results available to the public since their first ever delivery in quarter 4 of 2021 and since then have provided quarterly financial data for two years. The trendline represents the steady increase in revenue from Q1 2021 to Q4 2023.¹³

	Quarter	Revenue in \$ million	Growth from previous quarter in %
Revenues	Q4 2021	26.4	0
	Q1 2022	57.7	118.5606
	Q2 2022	97.3	68.63085
	Q3 2022	195.5	100.925
	Q4 2022	257	31.4578
	Q1 2023	149.4	-41.8677
	Q2 2023	150.9	1.004016
	Q3 2023	137.8	-8.68125
	Q4 2023	157.2	14.07837
Expected Revenues	Q1 2024	179	13.86768
	Q2 2024	189	5.586592
	Q3 2024	205	8.465608
	Q4 2024	257	25.36585

¹³ <https://ir.lucidmotors.com/financials/quarterly-results>

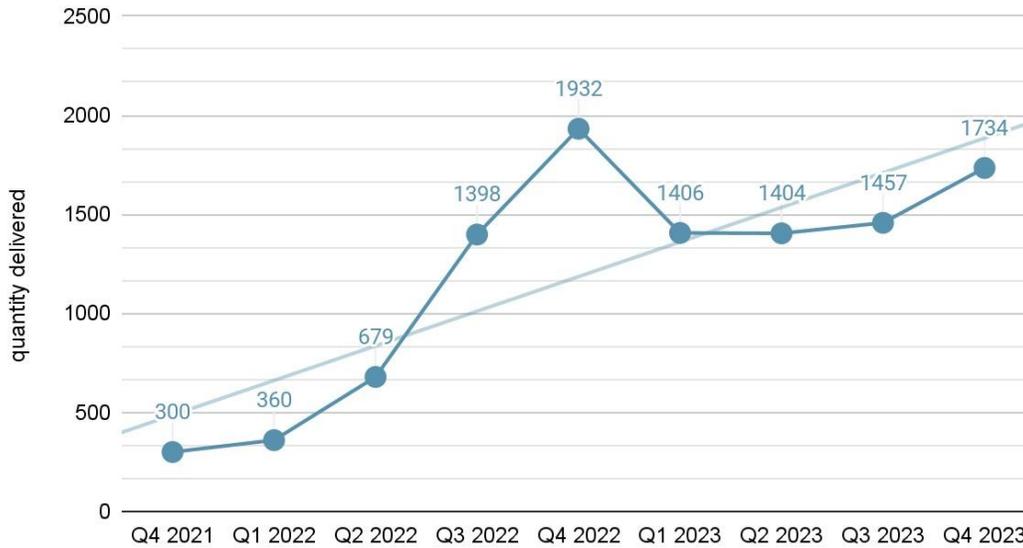
	Q1 2025	357		38.91051
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Lucid Group Revenues



The quantity of vehicles delivered by Lucid Motors has been gradually increasing year on year. Initially starting with delivering 300 in the first quarter of operations, Lucid has increased their

number of units delivered



production capacity and started delivering more units, ending with delivering 1734 units in Q4 of 2024.

Conclusion

Lucid Motors has significantly altered the landscape of the industry with its unwavering focus to innovation, creativity, elegance, and changing consumer perceptions. The introduction of the Lucid Air series, which has unmatched horsepower and range, demonstrated the company's commitment to performance and elegance in electric vehicles. Addressing common concerns about range anxiety, charging infrastructure, and upfront expenditures, enabled them to cater to a specific market while also challenging industry standards. Winning MotorTrend's car of the year award right off the bat with their very first car shows just how much sway Lucid Motors has with consumers.

Lucid is really good at attracting luxury car buyers and having leaders with experience from Tesla. They're also great at making batteries, which boosts their confidence. But they're facing some challenges, such as setting up factories and not just focusing on luxury cars. Also, relying too much on partnerships for making cars could be risky. Despite these challenges, Lucid is doing quite well. They're taking advantage of people caring more about the environment and getting support from the government. Plus, they're keeping their sales up by making top-notch batteries and getting subsidies.

Their emphasis on efficiency, luxury, and sustainability, combined with the use of alternative materials, demonstrates their commitment to innovation and establishing an industry standard. All these strategies used by Lucid have helped it changing the market for EVs and create a significant change in the industry.

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