

Tesla changes course, will keep more showrooms open

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Tesla will have fewer stores with limited offerings, and most customers will simply be shown how to order a vehicle online

Electric carmaker Tesla is reversing course on its decision to move most of its sales online, saying it will keep many of its showrooms open—but

will need to hike prices to do so.

Tesla said in a statement late Sunday the new plan will mean a three percent rise in the cost of the vehicles, but won't apply that to the lowest-priced Model 3, which is being sold for \$35,000.

"As a result of keeping significantly more stores open, Tesla will need to raise vehicle prices by about three percent on average worldwide," the statement said.

"In other words, we will only close about half as many stores, but the [cost savings](#) are therefore only about half."

Tesla made the announcement on February 28 that it would begin selling its mass-market Model 3 at the promised \$35,000 price, and close most of its retail locations to cut costs.

But the company led by Elon Musk said that after review, it had decided to keep some of its showrooms, although the specifics were not disclosed.

It said 10 percent of stores where there was low foot traffic were recently closed.

"A few stores in high visibility locations that were closed due to low throughput will be reopened, but with a smaller Tesla crew," the statement said.

"In addition, there are another 20 percent of locations that are under review, and depending on their effectiveness over the next few months, some will be closed and some will remain open."

Tesla said the price hikes would start on March 18 for "the more

expensive variants of Model 3, as well as Model S and X."

"To be clear, all sales worldwide will still be done online, in that potential Tesla owners coming in to stores will simply be shown how to order a Tesla on their phone in a few minutes," the statement added.

Tesla maintained that its "generous" policy allowing a return withing 1,000 miles or seven days "should alleviate the need for most test drives."

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