

**WE GOT YOU TESLA, YOU P.O.S.  
MOBSTER LYING CAR  
COMPANY! Tesla will close  
most of its stores as the world  
realizes Tesla is just an  
oligarch scam**

# Described as a way to keep Tesla financially stable

By [Andrew J. Hawkins@andyjayhawk](mailto:Andrew.J.Hawkins@andyjayhawk) F

[Share](#)

*Illustration by Alex Castro / The Verge*

In a major shift, Tesla announced that it will only sell its vehicles online. The electric carmaker will close most of its stores over the “next few months” and lay off some retail employees. Tesla announced the move at the same time it said [it will finally begin to sell its long-promised \\$35,000 Model 3](#).

Customers who purchase their Teslas online will have up to a week to return the car if they aren’t satisfied. In a call with reporters Thursday, Tesla CEO Elon Musk said he was confident that few customers would exercise this option. The move to e-commerce will help Tesla cut some operating expenses, as well as avoid dealing with local politics that have prevented it from operating its own stores in certain states including Connecticut, New Mexico and others.

Tesla will keep some of its retail locations open, which the company described as “a small number of stores in high-traffic locations remaining as galleries, showcases and Tesla

information centers." And there will be "some headcount reduction" as a result of the shift, Musk said Thursday.

"It is a hard decision but I think it's the right decision for the future"

Musk wouldn't say how many employees can expect to lose their jobs, nor whether these layoffs were factored into the "company-wide restructuring" that was [announced in June 2018](#). "It is a hard decision but I think it's the right decision for the future," he said.

Tesla will "significantly" increase the number of service centers to meet the demand of its growing customer base, Musk added. The company offers mobile service, in which Tesla-branded repair vans can be summoned through the Tesla mobile app. Musk said the company's service team would now report directly to him, with the goal of providing same-day service to all Tesla owners.

The decision to shift away from brick-and-mortar retail is necessary for the company to remain financially sustainable, Tesla said. The company's finances have stabilized somewhat in recent months, but Tesla still operates on very tight margins. After two back-to-back profitable quarters, Musk said on the call he doesn't anticipate earning a profit in the first quarter of 2019.

In a blog post, the company described the process for purchasing its vehicles online.

You can now buy a Tesla in North America via your phone in about 1 minute, and that capability will soon be extended worldwide. We are also making it much easier to try out and return a Tesla, so that a test drive prior to purchase isn't needed. You can now return a car within 7 days or 1,000 miles for a full refund. Quite literally, you could buy a Tesla, drive several hundred miles for a weekend road trip with friends and then return it for free.

## Next Up In [Transportation](#)

- [US announces ban on transporting lithium ion batteries as cargo on passenger flights](#)