



---

## MARKETING STRATEGY OF TATA MOTORS: A CASE STUDY

*Anurag Singh, Research Scholar, Dept. of Management, Kalinga University,  
Raipur, chhattisgarh*

*Dr. Premvir Kapoor, Associate Professor, Dept. of Management, Kalinga  
University, Raipur, chhattisgarh*

### ABSTRACT

*The Indian automotive industry is one of the world's biggest. India is also a leading exporter of cars and has high hopes of export growth for the near future. Tata Motors Ltd. is the largest automotive company in India. In each category, and among the top three in passenger vehicles in every sector, the company is the champion in commercial vehicles and between the top three in passenger vehicles with winning brands in the small, mid-size car and utility vehicle categories. The arrival of Tata Motors, Mahindra & Mahindra & Bajaj Auto in the 1950s led to the steady growing production of vehicles in India. In 1953, India's government and the private sector initiated. In the marketing strategy of TATA Motors three main strategies is elaborated that TATA Motors had applied in marketize themselves better in the competitive world. In this study marketing strategy of TATA Motors is elaborated with the help of SWOT analysis of the company. SWOT analysis is very useful in estimating the outside and inside of business.*

**Keywords:** *Marketing, TATA Motors, SWOT Analysis, marketing strategy.*

### INTRODUCTION

In India, the automotive making industry dates back to 1948. There were only three businesses making passenger vehicles at the time, i.e. Mumbai Premier Vehicles, Hindustan Motors (HM) in Kolkata & Chennai Regular Motors Products India. The Indian automotive industry faced many hurdles and road blocks to development in the early years because the development of automobiles was subject to a stringent tariff system, strict licensing and narrow expansion paths in those days. The costs of cars were originally incredibly high because of the lack of competition. And the consumers had to wait for the vehicle for a long time. India was known as a market for imported automobiles before Independence.

The arrival of Tata Motors, Mahindra & Mahindra & Bajaj Auto in the 1950s led to the steady growing production of vehicles in India. In 1953, India's government and the private sector initiated efforts to establish a production industry for automobile components to supply the car industry. Significant shifts in the car industry were seen towards the end of the 1970s.

The car industry began to develop after 1970, but that development was largely driven by scooters, tractors and commercial vehicles. India opened its doors to all countries in the 1990s by liberalization policies, and in 1993, the government followed its liberalization steps with notable reductions in the import duty on automotive parts.

The Indian automotive industry today has a mixture of big domestic automotive players such as Tata Motors, Mahindra & Mahindra, Bajaj, Hero Motocorp, Ashok Leyland and big foreign giants such as Suzuki, Honda, BMW, Audi, DaimlerChrysler, Volvo, Hyundai, Toyota, Nissan, General Motors and Ford, etc.

Tata is a rapidly growing corporate community with extensive foreign activities focused in India. Revenue is projected at \$102 billion in the year 2013-14 (around Rs60,000 Crore), of which 61 percent is from industry outside India. The Company employees nearly 5,81,000 persons worldwide. In India, for 140 years, the Tata brand has been respected for its commitment to strong standards and corporate ethics.

The Tata Group's corporate activities currently span seven business areas, including IT, manufacturing, materials, facilities, resources, consumer goods and chemicals.

The TATA Community has always believed that the community it represents would recover prosperity. Philanthropic trusts which have founded national institutions in the fields of science and technology, medical research, social studies and the performing arts hold two thirds of the equity of TATA's sons, the promoter company of the TATA Group.

Tata Motors Limited, formerly named TELCO (TATA ENGINEERING and LOCOMOTIVE COMPANY), India's largest passenger car and commercial vehicle manufacturing company, has its headquarters in Bombay, now Mumbai, India. Founded in 1945, Rs. 320 billion in wealth was generated on the New York Stock Exchange in 2004 and was one of India's top 10 wealth producers.

In their research paper, Sumit Jain & Dr.R.K.Garg identified current automotive market scenarios and industry challenges. They found out that in order to satisfy the needs of individualizing and dynamically evolving market desires for new products, corporations must shorten product lifecycles and the incorporation of strategic partners with more responsibilities into the supply chain should be accelerated. The occasional paper by Exim Bank highlighted that the 2008 global financial crisis has created a volatile environment across diverse markets, prompting countries and businesses to take a fresh look at their future strategies. The paper also pointed out that there is considerable potential for expansion in the Indian automotive industry, both in the domestic sector, where the level of vehicle penetration is lower relative to the world average, and in the foreign market, where India could position itself as a development centre. In their research paper, Rajkumar Gautam &

Sahil Raj portrayed the situation of the world's automotive industry and India. They discussed in their paper that the phenomenon of globalization has influenced the business in all fields of production, distribution, personal research & development and financing. They also concluded that Indian car manufacturers need to maintain technical innovation, appropriate marketing campaigns and sufficient customer service input mechanism in their companies in order to face the challenges raised by globalization.

## **OBJECTIVES OF THE STUDY**

The objectives of the study are clarified as follows:

- To articulate and understand about the marketing strategies of Tata Motors.
- To review the progress of Indian Automobile Industry.
- To understand the marketing strategy of TATA Motors through SWOT analysis.

## **MARKETING STRATEGY OF TATA MOTORS**

The largest and only original equipment manufacturer (OEM) in India, Tata Motors provides a wide variety of integrated, smart and e-mobility solutions. It was founded by Jamsetji Tata in the year 1868. Tata believes in "brand marketing" by providing creative options for mobility that are in step with the aspirations of customers. An wide selection of cars, sports utility vehicles, trucks, buses and security vehicles are part of its diverse portfolio. They have a total of 81,090 staff. Tata has already had a TAMO sub-brand that is an innovation incubating hub that will ignite innovative technology ideas through new innovations, business models and collaborations.

Strategy 1: New Product Emphasis

Targets

Motors of Tata

To build a variety of exciting and contemporary goods and services to meet and exceed consumer standards across the divisions of Public Vehicle (PV) and Commercial Vehicle (CV).

Rover of Jaguar Property

/Producing lovable and lasting interactions for consumers, adopting ACES technologies while providing the best quality product, heading towards Modular Longitudinal Architecture (MLA).

Thinking Ahead

Restricted to Tata Motors

The introduction of a variety of new models to expand the selection of consumer choices. More priority is provided to the protection of the customer and the convenience of travelers

by supplying the product with value-added features. More priority is provided to the protection of the customer and the convenience of travelers by supplying the product with value-added features.

#### Jaguar Rover Land

Jaguar Rover Land Migration has begun to be a pioneer in electrification, and it also has a line-up of special vehicles produced in Special Vehicle Operations (SPO). JLR plans to offer an electric option for its entire fleet by 2020, which will be mid-hybrid and plug-in hybrid electric vehicles (PHEV).

#### Strategy 2: Foreign Market Growth

##### Intention

Identifying the foreign market on the basis of the regulatory environment, the geopolitical landscape and the business landscape is the main goal of this approach.

As the international market of the organization is growing faster, TML has agreed to look at the four main features for the production of relevant goods. To drive optimum procurement.

Fabrication.

Improving the overall client experience.

Setting up the TML brand around the continents.

Its work and its solution to its manufacturing unit in China is to serve the main demand while accessing a lower cost base.

#### Strategy 3: Cyclicity Reduction

##### Intention

The firm plans to strengthen its activities by gaining market share and selling a wide variety of products and also plans to strengthen its commercial activities, such as car finance and distribution and repair arrangements for spare parts, among others.

In the area of fully developed vehicles such as trailers and tippers, it works against increasing industry, constantly concentrating on cost and quality control and exploring opportunities in electronic vehicles

It focuses on driving cost savings and company-wide operational leverage. In consideration of present business conditions, it also insists on the practical preparation of quantities.

### **ANALYSIS OF THE STUDY**

This study is analyzed on the basis of SWOT analysis of the company's marketing tactics. SWOT stands for Strengths, Weakness, Opportunities and Threats of a company and this analysis is always done on the basis of marketing strategies that every company applies. SWOT Analysis is a methodology to analyze these four facets of the business.

You should use SWOT Analysis to make the most of what you have for the better good of your company. And by recognizing what you're missing, and removing risks that would otherwise catch you unaware, you will reduce the likelihood of failure.

Better still you will start to formulate a proposal that separates you from your competition, and thereby succeed efficiently in your business.

### **STRENGTHS OF TATA MOTORS**

- **Powerful position in the marketplace:-** Tata Motors is the only company in India with a strong industry-wide presence in all segments of the market for commercial vehicles-heavy and medium-sized commercial vehicles, small commercial vehicles, pick-ups, sub-one-tonne mini-trucks-and main segments-compact, medium-sized vehicles and utility vehicles-of the market for passenger vehicles.
- **Special Consumer Need Understanding:** With 50 years of existence in the automobile industry, TATA Motros knows the needs of consumers and designs products that suit their needs. To take a few examples, the firm introduced Light Commercial Vehicles as early as the 1980s, in the middle of Japanese competition, in which it leads strongly today. It launched the now iconic TATA Indica, which occupies a leading role among compact cars, in the 1990s, anticipating the need for an inexpensive family vehicle.
- **TATA Motors R&D in Europe:-** Deepening its presence in the European R&D space, Tata Motors formed the Tata Motors European Technical Centre, a wholly-owned subsidiary, in the UK in September 2005. It is active in technical design and product development for the automotive industry. Acting synergistically, TMETC provides the industry with support and construction facilities for design engineers, complementing and enhancing the expertise sets of the company and privileging European standards for the supply of motor vehicles to the company.
- Great brand awareness and advantages in the Indian industry.
- Legacy and integrity of the brand legacy of TATA, which is almost as old as the business of Ford Motor.
- Worldwide recognition of sound of light trucks and buses.
- In a joint venture with Cummins, they built sound fundamentals in turbo diesel engines.
- Tone Asian Markets presence.
- Ownership in the legacy of the British car brands Land Rover and Jaguar.
- Strategic link with Mercedes Benz, one of the hottest cars in India in the luxury car industry category.

- World Class accreditation for consistency.
- Outstanding system for cost control.
- Excellent control of the supply chain using the SAP system.
- Experienced workers, high quality, efficient and low cost.
- Ownership of some of the world's biggest automotive assembly facilities.
- Diversification is growing due to other big TATA Group firms.
- Excellent financial strength-nearly \$10 billion in annual sales.
- Sound Parent Company help- Tata Group annual turnover is in excess of \$30 Billion.

## **WEAKNESSES OF TATA MOTORS**

- The current financial state of its newly acquired companies such as "Corus" and "Land Rover-Jaguar" is a massive problem for the group, and in the near future it should be back on track.
- The high debt asset ratio is also a company's vulnerability.
- Due to "maruti-suzuki", the small car market is still not successful for the business, so this part must also be taped.
- Never done well in car markets in the United States, United Kingdom and Europe (although done fairly well in lighted trucks and buses)-as presented earlier, they disappointed miserably in their launch of City Rover in Europe.
- Not even able to tackle the global Land Rover and Jaguar markets in a fundamental way.
- As opposed to firms such as Ford Motor Corporation, poor technological expertise.
- Present production capacities that are not sufficient to satisfy Nano's specifications have already taken a chance of over-commitment and under-delivery for the Tata Nano economy-car.
- It will take them a while to create a global brand, viewed as too Indianized.
- One of the key reasons for their loss in the City Rover venture is that they do not have localization expertise outside of Indian markets.
- The emphasis is more on cost, so their vehicle models lack advanced technologies that are prevalent in western markets.

## **OPPORTUNITIES OF TATA MOTORS**

- By re-enforcing the legacy of Jaguar and Land Rover, gain power over UK and European markets.

- Provided their own tradition of British rule in India, the deep origins of British-style production processes will help them do better with Jaguar and Land Rover.
- It will work very well with Asian leaders, capitalists and bureaucrats to launch Asian versions of Jaguar and Land Rover by encouraging their "Power Icon" branding.
- Establish further partnerships like Tata-Mercedes Benz and introduce their cars in the Asian Markets.
- Tata Nano has caught the world by surprise, which means that all of the world's economic vehicle manufacturers have yet to conceive about such a cheap car.
- Excellent test drives and TATA Nano experience reports will draw global interest from the urban middle class-if they successfully develop their production and supply chain, they have the ability to practically seize the part of the industry that doesn't even exist in the world-a \$2500 car market (many bikes are more expensive than this car which is spacious enough to accommodate four six feet tall people).
- Higher GDP rise- During the recession, our economy has shown the industry that demands will gain traction very quickly in the immediate future.

#### **THREATS OF TATA MOTORS**

- India lacks sufficient infrastructure, which demonstrates the speed of the auto industry's growth.
- Initially, Jaguar and Land Rover need a lot of funds that may strip the business down to cashless amounts.
- The Singur crisis has already struck their TATA Nano car manufacturing backbone-the firm has not yet come out of the cash drain of more than \$300 million.
- The necessity of moving the Singur factory to an alternative location has very badly affected their supply chain -a significant number of vendors have set up plants in Singur to support the TATA Motors Nano project.
- Many businesses around the world are busy designing their own Economy car models-they may launch in competition with TATA Motors, giving them difficult time in the market that seems to be monopolistic for TATA Motors at the moment.

#### **CONCLUSION**

After working on all the factors and strategies and its analysis, it is now time to conclude this research paper. Marketing strategies play a vast part in every company's growth. Company which work absolutely in a better way in its marketing strategies that company always survives in the long race. The better a company marketize itself the better are the chances for

the company to grab a bigger share in this competitive environment. The theoretical analytics have been carried out to arrive at arguments on the capital structure of the company. TATA a leading name in the market always initiate in making themselves better than tomorrow and for this the company adopts some of the major changes versatile in its policies. Companies' SWOT analysis elaborated the major strengths and weaknesses of the company. To conclude its weakness the researcher states that TATA Motors needs to emphasize more on the productive side of the ground rather than spending time on spending more on the cost and also they need to have localization expertise outside of Indian markets so that their brand goodwill will increase more rapidly.

A Tata Motor is one of India's best car manufacturing firms, consumers are happy with inexpensive costs, but the issue of servicing and resale value is too poor. People feel that Tata Cars are the car of individuals as it is satisfactory on all criteria that they have knowledgeable sales people, employees spend adequate time before and during sales, attractive show of products, product availability, variety of merchandise, good quality automobile, inexpensive rates, attractive discounts are given, nice decor of the waiting room. The general consensus is very strong with respect to TATA Motors.



## REFERENCES

- [https://www.tatamotors.com/about\\_us/](https://www.tatamotors.com/about_us/)
- <https://www.tatamotors.com/>
- <https://www.wikipedia.com/marketing-strategy>
- <https://www.marketing91.com/tata-motors/>
- <http://www.duttondirect.com/history-tata-motors/>
- <https://www.carwale.com/research/cars/tata>
- [https://www.tatamotors.com/our\\_world/press\\_releases.php?ID=458&action=Pull](https://www.tatamotors.com/our_world/press_releases.php?ID=458&action=Pull) .
- [www.thehindubusinessline.com](http://www.thehindubusinessline.com)
- [www.scribd.com](http://www.scribd.com)
- Fogarty, Justin. Tata Motor's Nano – Its Real. Supply Chain Excellence. 2009. Retrieved on 4 April 2009. Available at <http://www.supplyexcellence.com/blog/2009/03/24/tata-motors-nano-its-realso-how-did-they-do-it/>
- Grooming your business for sale. Vantis Corporate Finance Limited. 2007. pp1-3.
- Marketing Management by Philip Kotler & Kevin Lane.
- A book on Business Statistics by Gupta & Gupta.