

# Tata motor essay



1. Describe the economic characteristics of the global motor vehicle industry. The 2008 financial crisis began in the American subprime mortgage crisis, eventually evolved into a global financial crisis. Most countries because of the impact of the financial crisis, leading to a sharp slowdown in consumer's vehicle demand. Also, because of the financial crisis, the global motor vehicle industry experienced a full-scale market competition. Some small car companies to be phased out, which do not has the competitive.

Therefore, the automotive industry experienced a process of merger or reorganization, from scattered to centralize. Various international companies actively adjust marketing strategy and direction; more comply with the modernization of the economy and the demand for various kinds of small and super precise motor products. Automotive industry globalization has become a reality, because the car gradually spread in the world, and everyone have different requirements on the car's performance and price, so the import and export trade of automotive products also had a high proportion in the vehicle market.

2. What are the key success factors for a successful firm in the global motor vehicle industry? The key success factors for a successful firm in the global motor vehicle industry include low cost, broad differentiation strategy, market analysis and innovation. First of all, a successful firm in global motor vehicle industry should securing a cost advantage, use lower-cost inputs and hold minimal assets, use low-cost distribution channels and improving supply chain efficiency. Such as Tata Motor Company, their independent research, development and production of new car " Nano", which had low-price. Therefore, the company's managers need to consider how to reduce

materials handling and shipping costs to improve the revenues of low-priced Nano. Second, a successful firm should have a broad differentiation strategy. Tata Motor Company focused on India market before, but until 2012, the corporation had operations in over 80 countries.

So that, in order to meet the different needs of customers in different countries, Tata Motor Company pursuit of excellent product quality, create an exclusive all, and excellent pre-sales and after-sales service, extremely stressed at work “ customer first” philosophy, reduce product defects and customer complaints of their own. Third, a successful firm should accurate grasp of market trends, and winning through innovation. In the market downturn of the global financial crisis, Tata Motor not affected by the financial crisis, the company according to the prevailing market demand has introduced few new cars. In 2008, Tata Motor Company spend 2. 3billion in cash to acquire Ford Motor’s two brands Jaguar and Land Rover business, include two brands, assembly plants and intellectual property rights on all models.

Also began selling passenger cars and pickup trucks in the D. R. Congo and announced its “ People’s Car,” named the Nano.

3. What are Tata Motors’ internal strengths and weaknesses? Identify competencies and capabilities that the company’s major competitors are lacking. What market opportunities does the company have and what threats can you identify that may negatively impact the company’s future?

Strengths:

Largest corporation in India Tata motor was a division of the Tata Group, which was India's largest corporation, Fourth-largest truck manufacturer and second-largest bus manufacturer by volume. Low-priced cars The Tata Nano is the world's most cheap car, the potential market for the low-income people nearly 30 million consumers in India. Because of the Nano base price was about \$2000, so it will be more potential in the global automobile marketplace. Excellent customer service

Tata Motor established a special customer information database, which includes basic information on customers and the purchase of vehicles using the information, in order to reduce customer complaints and improve relations with customers. Product diversification

The main products include Tata small car (Nano), buses, medium and heavy trucks, commercial vehicle, coach, Land Rover and so on... Strong innovation Tata Motor not only have new product—Nano, but also try to improve the quality of cars, such as reduce fuel consumption, enhance the stability and improved safety. Weaknesses: Weak external market Tata Motor's main market focused on India, and now the company need try to expands to more countries, and attract more customers from developed and development countries. Such as China, U. S. A., European. Wide variety of cars

Various types of vehicles, means that many of the production chain, also means that need to invest a lot of cost and a lot of human resources, it would be a huge expenditure. Few fixed customer Even though India's population was second largest on earth, there were only 12 cars per thousand people. Opportunities: Cooperation with Ford's company Tata

Motors had successfully purchased the Jaguar and Land Rover from Ford, it means that Tata Motor has more chance into luxury market and will attract part of the high consumer group.

Expand new product Nano

Nano is a perfect chance that Tata Motor can into global market; this car not only very small, but also is environment-friendly product and more fuel-efficient. Cheaper prices means that will be more buyers, also can enhance the corporate image and reputation.

Threats:

Many competitors India is second largest population country, so the India's market already become most motor vehicle company's goal. Such as Toyota, Honda, General Motors. Limiting environmental requirements Vehicle manufacturing plant larger impact on the environment, government policy limits the automotive industry, such as noise, emission levels, but efficient and environmentally friendly production processes means that the high cost of inputs.

4. Would you describe Tata Motors international strategy as a global, transnational, or multi-domestic strategy? Explain your answer. I will describe Tata Motors international strategy as a multi-domestic. Because of Tata Motors come from India, and they knows more needs and information about their own country's vehicle market. In India, the two-wheeled vehicle sales were the result of India's large population, and low-income level.

Therefore, they introduced new products—Nano, which can meet their demand of low-price and convenience. Jaguar and Land Rover meet India's high-spending customers' demand. And commercial vehicles occupy a market share of 62. 2% in India market. We can see that more profits and quantity of customers from India local, and Tata Motor through development of new products and acquisitions to improve multi-domestic strategy.

5. What are the driving forces in the global motor vehicle industry? Most important driving forces are the customer's demand of global motor vehicle. Customer needs will continue to change, motor vehicle industry must continue to innovate and follow-up customer demand and meet their needs. The secondly driving forces is market trend, for long-term development, vehicle market competition will become more fierce, motor vehicle industry should grasp future market trends, and focus on potential consumer market. A next driving force is international imports and exports. Motor vehicle industry would need import raw materials, and export their product into global market. The policy between import and export is very important for vehicle industry.