

# International marketing management

[Business](#), [Marketing](#)



## Part One

Tata Nano, which is regarded as peoples' car, is world's cheapest car. Ratan Tata, who is the chairperson of the Tata Group, came up with the idea of designing this model of the car. Over the last few years, many people have perceived it as an extremely good car for moving from one destination to the other. This is because the car is available and affordable. Ever since the domestic establishment of the Nano in India there has not been a noticeable progress in terms of the output and the market (Thaku 2009). The business had problems whereby the chairperson and the people concerned have joined their effort to deal with the problem. Various market strategies have been formulated in order to enhance the increase of sales. The company uses various marketing strategies, such as conventional media, in an unconventional manner. Their only innovative marketing strategy is the use of radio, print, and other media, primarily the web (Y 2011).

One of the strengths of marketing strategy that Nano team is working on is spreading news in news-papers, during breaks on radio, in online games, chats rooms on the net, pop-ups on websites, and conversation on Facebook. Again, Nano is promoting itself in the form of messages, and it is used as marketing strength. The chairperson of the Tata Group is convinced that the use of radical approach in designing economical, small, and cheap car will provide numerous international opportunities. However, this idea did not bear any fruit. Therefore, it is a matter of changing marketing strategy to obtain the market advantage. Other strengths of Nano are ability to innovate, produce cheap and stylish cars, which have enough space and are

eco-friendly business models. The company also has vast experience in automobiles and can produce models with high fuel efficiency (Charan 2012).

Besides the large market gap the group is experiencing, many challenges are influencing firm's activities. For example, entrance of new firms in the market all over the globe has made it extremely hard for the firm to maintain its advantage in the market. Nevertheless, constant expansion of the already established firms in the international market has created stiff competition leading to the decline of its sales. Again, it has to increase its production while constantly adding other factors of advantage (Ramesh 2011).

Marketing strategy has not been able to convince people's minds, which led to a decline in company's sales. Other challenges for Nano are traffic problems security, the probability of cost increase in the future, reduced parking space, rising costs of raw materials, and a negative impression due to a late date in the market.

Nano has various weaknesses such as small weight, no passage side mirror, small tires, poor engine cooling, which leads to overheating, fibre body, low suspension power, poor fraction control, inability to drive in hilly areas, no headlight levellers, little boot space, and low engine capacity among others. Regardless of the competition that the company is experiencing from other established companies, it has the capability of getting benefits from an opportunity to produce cheap cars. Therefore, it creates a good and maintains its reputation in the market by online marketing, social media, Nano Games, offline marketing, and print media. Other opportunities for the company include bikers who can be motivated to purchase company's

products, creation of employment, development of low price engine oil, motivation of second hand market, and production of cars that can be used instead of auto-rickshaw (May 2013).

Marketing strategy of the firm also has several strengths. For example, people concerned with managing the company have the courage, skills, ideas, and knowledge of running the business. Normally, they formulate marketing strategies as stated above to ensure that the company remains superior. Moreover, increased awareness about the company among the people has also improved its reputation leading to the rise of its sales. Finally, radical way of performing activities cannot lead to the acquisition of market advantage. Marketing strategies for the Nano are easy and can be read on the Internet and other communication lines (Anuradha, 2010). The company is using its various marketing strategies so that all information about its cars reaches the people. This is the reason why the company is gaining a lot of the market advantage. Part Two

First, value chain is a systematic or procedural approach to study the development or growth of the competitive advantage. Normally, the chain includes a series of activities that build and create value. Again, it concludes the total value gained by the company. Value chain analyses of Tata Motors are based on both primary and supportive components. These include employees, organisation culture and altitude, leadership, organisation process, collaboration, and coordination. Other minor elements involved include operational details, marketing and sales details, service details, firm infrastructure, human resource management, technology development and

procurement details (Charan 2008). When we base the argument of the value chain of the organisation using collaboration and coordination, it has to achieve the goal to exceed and meet customer desires and needs. It must also meet a seamless and comprehensive integration among all members involved in the chain. Collaboration and coordination allow all partners of Tata Motors to identify things that they may not value but that customers prefer.

Another essential thing that coordination brings to Tata Motors is sharing of the information and flexibility. Sharing of information requires all partners to have an open communication. Tata Motors is the primary original automobile producer who worked closely with its merchants and suppliers in order to enable well-timed delivery to customers. This has transformed into extra business opportunities for all its value chain cohorts. Tata Motors contains essential investment information and technology. The company pays itself from these investments to restructure its value to serve the customer. For example, the company is using website technology to educate its potential customers and maintain them. The company is even using this technology to sell its cars, which is a tremendously easy way of doing business (Rajan 2012). The technology has also helped the company to archive all the information about the company in a safe place so that anybody willing to access information about any vehicle can access it without any problem. Nowadays, Tata Motors is involving itself in many online transactions. This activity helped it raise its sales within a short period.

Various components in the value chain have a significant role to the survival of the company. For example, employees and suppliers make a substantial contribution to the success of the firm as compared to other components of the value chain. Tata Motors business model shows a strategic design that the company intends to benefit from. Normally, it is a broad array of its activities and processes. Tata Motors business model also known as Tata Business Excellent model determines the excellence of interaction between and within the groups. It operates under the support of Tata Quality Management Services, which is an internal organisation that assists different companies under the Tata umbrella to realize their business goals to implement the most complicated and beneficial comprehensive business processes. Tata Motors Business model comprises of several elements such as leadership, strategic planning, customer and market and workforce focus, knowledge and analysis management, process management, and business results among others.

In terms of the element of leadership, Tata Motors pays attention to make sure that senior leaders remain focused on achieving organisation goals and vision. The element of strategic planning focuses on planning operations and implementing them in order to achieve organisational goals. Customer and market focus place greater importance on maintaining and developing the relationship at business and corporate level. Knowledge management and analysis relate to the analysis of resources within the company. The element of workforce analyzes the importance of human resource management practices. Tata Motors uses the element of process management to identify its distinctive and core competencies, which enable the company to create

effective and efficient design for company learning. Tata Motors incorporates the goals of the company and the customer evaluation of the offering of the organisation (Blitterswijk 2009).

Indian government is encouraging production of Tata Motors, such as the Nano, by reducing the tax for exporting the motors. This promotes distribution of vehicles to the international markets at a subsidized price. Therefore, the company gains the market advantage since the vehicles are cheap and readily available. The production of vehicles that consume less fuel, such as the Nano, can increase the market advantage of the motor. An improved relationship between the customer, employee, and distributors, i. e. all stakeholders involved, might increase company's chances to acquire competitive advantage. Making cheap motors has contributed to the rise of sales thus increasing company's income.

### Part Three

Market assessment is an essential aspect of any business that aims to maximize its profits. The first step in market assessment that Tata Nano needs to take first is to identify the valuables to benchmark across markets. This process can be achieved on an interactive basis by first developing a clear overview of a large set of markets. Then filtering is done in order to be left with the best ones and be able to progress into the subset of only profitable markets. The company should come up with the most attractive consumer segments as well as with a list of needs to target the stated geographies. Market assessment can be conducted through a variety of

procedures such as secondary research discussions, and conducting interviews with experts or end customer segments.

Prioritization process is another critical area that needs a lot of analysis by Tata Nano Company. Monitoring potential markets and prioritization are essential as it will help the company identify and evaluate a set of market variables. It will detect the prioritized factor basis (Jasuja 1991). These factors include microeconomic indicators, potential expansion of the sector, and client preferences. In other words, the company detects potential areas of growth in the market. Therefore, detailed market assessment will enable the company to prioritize only profitable markets that have an increased potential for growth.

Tata Nano is capable to evaluate market opportunities through a set of factors such as customers as well as market landscape, value chain analysis, and identification of market opportunities that need to be analyzed. Through prioritization process, the company will stand a chance of identifying specific unique market opportunities. This process will enable the company to have a many attractive opportunities that are based on investment decisions.

Tata Nano will be able to develop market entry plans after selecting the best potential markets. Market assessment will give the company a way towards preparing to enter the most profitable market. The company will be able to choose the best distribution channel for its products in the markets. The company will be able to select only the best potential business partners to enter into a new market with and develop the most effective market entry plan.



Another reason for monitoring market assessment and prioritization process is that it brings an added strategic advantage. This is because with the provided information as well as the demographic analysis, the company will use it to analyze both regional economy as well as the workforce. That is once the company gets information on all the impacts behind leaving, growing entering or business shrinking in an area or region, it will act as a beneficial aspect not only to the company but also for all clients (Institute 2000).

Finally, other areas that Tata Nano needs to monitor are costs, risks as well as value. All projects that the company is undertaking should be assessed in line with the impacts that they have on other larger objectives. These assessment risks should be based on cost relative and risk value. If the company invests more in extremely costly projects, it may fail to meet its targets. Market assessment will target the most crucial areas that the company has to analyze in the prioritization process. Part Four

Brazil is an emerging market for Nano from the Tata Company. The entry plans should bring clarity about the key roles in the emerging market and their effects on Tata's corporate strategy. The main aim would be to create a long-term value for the product in the new market. In any new market, certain key factors should be considered by a company to succeed in it. Therefore, Tata should ensure that it has a well-built regional scale in Brazil. Also it has to ensure that it is in line with the supply of new scarce resources and it should be able to develop or acquire skills to outplay the competitors. Attractiveness of Brazilian market and future potential profit that Nano will

make in this market should be the key focus factors. Some of the key indicators that the company needs to analyze include factors such as the entire market size, population growth trends in Brazil, income distribution features, quality of infrastructure as well as the connectivity that is there between the market and other regional markets in the area (Jacques 2010).

Another aspect that can be a challenge to the company is failure to consider the power that the government in the new market has on issues such as regulatory and academic property issues and current conditions of competition. In most cases, it is not easy for new products to be introduced to a new market and start making profits. The most essential thing to Tata relating to Nano is company's ability to create advantage and its prospects in terms of earning superior profits within the emerging market sphere. Brazilian market is flocked by middle-income earners. Therefore, as the company introduces its products to the market, the set prices should be in favour of these middle-income earners. In respect to that strategy, the product will be able to fetch company's prospected profits.

There are considerable variations in market entry barriers from market to market as well as from region to region in the large markets. Issues of infrastructure are somehow a challenge to Nano products. Infrastructure is a typical issue that can cause challenges in time of distributing the products and supply chain management. When considering the entry strategy, the main concern is on the feasibility or may be going it alone or having a cohort who has been in the market. If Tata decides to go alone, it will be able to have total control over its brand, presentation, quality, and its intellectual

property. This means that Tata will be able to receive all benefits from this market success. However, the company might also be at a risk of taking too long while trying to establish a position in the local market. This probably can lead to an expensive mistake as long as Tata does not take the initiative of adopting and acquiring the knowledge of the local market first.

The company may also decide to collaborate with a local player, which increases the probability of success. This will enable the market to capitalize on these partners' current presence as well as develop local market knowledge to come up with a plan of operations. This move also creates a market share that enables the company to rapidly overcome obstacles. The partner can also be of immense help to the company to provide a reduced capital way to enter into this market. This is because the partner may have already established both wholesale and retail footprint that are already in existence (Raman 2011). One is that Tata may also collaborate with a partner, whose strategic goals sometimes diverge from those of Tata Nano reflecting into potential priorities that are different. This may lead to loss of control and create the risk of brand damage even if there is profit sharing with the partner. As a result, the company will record reduced returns, which will lower the potential value it could have realized in the event of market exit in Brazilian market.

In conclusion, the company has to conduct a market research to determine the strategies to adopt in order to take a profitable position. Once company's management has agreed on the market, the next step is to conduct a research on relevant strategies in order to make profits. Such a research will

enable a company to come up with a justifiable position with potential of satisfying its long-term goals. Market research in this case should focus more on customers to be able to determine the needs of local customers in respect to products that the company aims to introduce to the market (Karadzhov 2009). For example, the research should aim to determine whether average customers in the targeted market segments are in possession of less non-refundable income compared to people in the already developed markets and whether they will purchase products that have the potential to minimize their cash outlays. The research should provide the company with answers on how to determine the taste of customers in the new market. This will help the company to remember that market shoppers are likely to be attracted to first-time products in the market. Therefore, it is suggested that the company should undertake a thorough research on customer preferences in the new market.