

# Positioning the tata nano essay examples

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## **Brand Positioning: Tata Nano**

The Tata Nano was termed by Ratan Tata as a ‘ people’s car’, with the main target audience being the massive middle class in India . What was meant to be a rough estimate of a price became touted as being the ‘ world’s cheapest car’ by the global media. While Tata more or less lived up to the challenge of producing a car that was available to the mass public at roundabout the stated price of INR 1Lakh, the price became the major brand positioning element when the makers had not intended so. This was the first flaw in the brand positioning as the word ‘ cheap’ became a vital part of the car’s persona.

According to Kotler, brand positioning allows the image or essence of a product to be embedded in the minds of consumers, showcasing the key objectives that they will be able to achieve through the purchase of the product . The target audience of the Tata Nano was intended to be aspiring automobile owners. While price was inadvertently the biggest influencing factor, the company also tried to promote traits such as durability, the reliability of the Tata name, comfort as well as fuel efficiency. However, as the initial sales statistics revealed, only 20% of the sales bookings were from people who owned two wheel vehicles while 80% were booked by people who wanted to own a second automobile . This reveals that, the brand positioning of the Tata Nano eventually appealed more to the upper middle class car owners than the intended target base of lower middle class.

I believe there were various factors that led to this misfire in the Tata Nano’s brand positioning. While the first, the claim to being the ‘ world’s cheapest

car' was unintended, it did have an overwhelming effect on the brand's potential. The second error that the company made was in its understanding of the mindsets of the lower middle class in India and the reason why this segment purchases a car. The lower middle class of the country always seek ways and means of enhancing their social standing. Buying a car is a matter of prestige, a way of announcing that one belongs to the richer upper middle class. The Nano being marketed as a 'cheap' car took away from the prestige value that it could have delivered to this segment of consumers who would rather wait to save a little more and buy a competing product, such as the Maruti Suzuki Alto, which is not considered to be as easy to acquire.

Although the company did attempt to communicate category membership by including aspects such as reliability, durability and fuel efficiency through its promotional advertisements, the company's branding seemed to be unfocused. While it tried to fit into the category of economical cars by claiming to offer high performance at a much lower price than competitors, it also attempted to identify itself as a standalone product that could not be compared to any of its rivals. As a result, it attained the image of being a pioneer or prototype product of sorts. Considering that the lower middle class has limited income at disposal, they are unlikely to 'test' a product and would prefer to buy a car that has been in the market for longer.

I believe Tata Nano could have seen better sales if the company had invested more time and resources in understanding its target base. Further, it should understand that there is vast difference in the objectives of the upper and lower middle classes and focus its brand positioning on any one

segment first. Needless to say, its distribution and sales network would need to adapt likewise. Once the product is established in one segment of the middle class, the company can then focus on the other. Considering that the upper middle class has already shown its interest in buying the Nano as a second car, TML should concentrate on this segment and win the trust of the lower middle class over time. This would also allow them the time to build their sales and distribution network.

## **Bibliography**

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