

# [Marketing segmentation of tata nano in india and its targeting and positioning st...](https://assignbuster.com/marketing-segmentation-of-tata-nano-in-india-and-its-targeting-and-positioning-strategy-assignment/)

[Art & Culture](https://assignbuster.com/essay-subjects/art-n-culture/)

Contents Market Segmentation, Positioning, Targeting: A case of Tata Nano in India EXECUTIVE SUMMARY: Targeting and positioning strategy of Tata Nano and recommendations for the company are given. INTRODUCTION: BACKGROUND: According to Howard and Sheth (1969, p. 70), “ market segmentation depends on the idea that the company should segment or divide the market in such a way as to achieve sets of buyers” Historically sellers were engaged in mass marketing. They were into the mass production, mass promotion and mass distribution of one product to all consumers in order to obtain economies of scale.

This approach of marketing segmentation made the producers to compete against their competitors in terms of products and services. Kotler says “ the product differentiation is to provide variety to the buyers rather than to appeal to different segments”. DISCUSSION: CRITICISM OF MARKETING SEGMENTATION: When the size of the market is so small to do marketing When a brand is a dominant brand in the market. When more number of people falls in the same category. Most of the brands do not operate within the same segment.

Certain brands cannot fit into a particular segment which is a drawback to this strategy. In very small businesses and brands this strategy will not work and it is not possible. CASE OF TATA NANO IN INDIA AND ITS MARKET SEGMENTATION: Tata Motors is the leading automobile manufacturer in India with a huge portfolio which includes trucks, passenger cars, buses, and utility vehicles. Even though there are many products from Tata Motors an interesting case of Tata Nano is discussed further.

Generally Tata Motors follow the marketing segmentation concept and they have succeeded which already prevails in the history. Tata Nano which comes under the passenger car segment was launched in January 2008. India’s passenger car segment has been grown extraordinarily for the past four years and it was the clever strategy of Ratan Tata to launch a product in that segment. Heading to the marketing segmentation of Tata Nano is quite interesting. Tata Nano is specially designed and manufactured for the middle class and lower middle class people in India (Interview of Ratan Tata).

Marketing Segmentation for Tata Nano: Geographic: rural areas, semi urban areas, small towns, large cities and metropolitans. Demographic: Age group: people of age group above 18 (as the legal age for driving in India is 18) Size of family: family size not more than 5. Psychographic and Behavioural: ANALYSIS OF TATA NANO’S MARKETING SEGMENTATION: From the above segmentation variables and how Tata Nano is segmented, it is clear that the manufacturer wants his product to be used by almost everyone in all geographic conditions.

In demographic segment the income group of $220 can easily purchase this car is mentioned. But again they say this can also suit the people who own cars already for the sake of increasing the count which adds privilege to them as well as their status. Even in the occupation category, it is mentioned that right from students to any profession person can use Nano which again puts a lot of people in the category. TARGETING AND POSITIONING OF TATA NANO: Tata Nano’s targeting strategy starts from its tag line “ The people’s Car” and “ the world’s inexpensive car”.

Tata Nano is segmented to the middle class and lower middle class people who had only dreamt about cars which also include the people who earn $220 per month. Their target customers are those who are extremely price conscious and have low latitude of acceptability. Industry wise they target the two wheeler industry, three wheeler industry (which are more costly than nano), public transports as well to an extent. Hence pricing is their most effective targeting strategy. (Admap magazine, www. warc. com/admap) Positioning of Tata Nano is solely based on its price which may also become a drawback to them in future.

Tata Nano is well positioned which will be doing a marketing for the entire Tata Motors. As Nano will be the first car of many customers there will be a possibility of customers to follow Tata Motors if they have a good value for money product and good customer relationship management. As mentioned Nano will be the first car people will surely change their car and that might be possibly for another car in Tata Motors itself. Moreover Tata is also got a wide range of cars which are durable and better quality which suits Indian roads. (NDTV news) {draw: frame} {draw: rect} {draw: frame} {draw: frame} draw: frame} {draw: frame} CONCLUSION AND RECOMMENDATION: The marketing segmentation concept is a good strategy in marketing but not applicable for all industries, services or products. Nano is got a good segmentation and its well targeted and positioned. As Nano is targeting people with its price strategy, in future due to some inflation if value of money increases they might not be able to convince their customers. Tata is a good reliable brand in India and now the positioning of Nano as the first car of many people will surely help them in growing their Tata Motors organisation.

REFERENCES: Caroline Tynan and Jennifer Drayton, Journal of marketing management, 1987, 2, No 3, 301-335. Smith, W. R. (1956), “ Product differentiation and market segmentation as alternative marketing strategies”, \_Journal of Marketing, \_2J (3), pp. 3-8. Baker, M. J. (Ed) (1984), Macmillan Dictionary of Marketing and Advertising, London, Macmillan. Haley, R. L (1968), “ Benefit segmentation: A decision-oriented research tool”, Journal\_ of\_ Marketing, 32(3), pp. 30-35. Chisnall, P. M. (1985), Marketing: A Behavioural Analysis (2nd edition). Maidenhead, Berkshire, McGraw-Hill UK Ltd. Lunn.

T. (1978), “ Segmenting and constructing markets”. In: Consumer Market Research Handbook (2nd edition) (Eds. ) Worcester, R. M. and Downham, J. , London, Van Nostrand Reinhold Co. (UK) Ltd. , pp. 343-376. Haley, R. L (1968), “ Benefit segmentation: A decision-oriented research tool”, \_Journal of\_ Marketing, 32(3), pp. 30-35. Siddharth Vinayak Patankar, (2009), “ \_NDTV’s review of the Tata Nano\_”, NDTV Profit Online, [http://profit. ndtv. com/2009/03/23220600/How-does-the-Tata- Nano-drive. html]. www. tatanano. inservices. tatamotors. com Joseph Sassoon, Admap magazine, www. warc. com/admap.