Tata motors case study tata nano

What could be the main reasons for Data Motors to enter the global ultra-low-cost car market? Data Motors Is one of the Indian's largest automobile makers where manufactures cheap vehicles. A firm can reach a superior percentage of profit by supply an Identical goods or service at a lower cost (Grant, 2010). It Is to believed that Data Motors choose to enter global market in low cost market is because in lower medium and low incomes population is more where this can win in volume as well as sales.

This enable Data Motors to generate more incomes without effected by the GAP as ell as inflation of a country.

Low priced necessity products demand is always there where high end products will be affected by inflation and many more. For example, Data Anna was introduced that car, which can be seats up to five people introduced by Data Motors to be replaced motorcycles in fairly cheap and competitive price with motorcycles Is based on the ceiling price. The highest price of market will pay for your goods or service based on survey for pricing limits (Impertinently. Inc, 2014). Data Anna Is Introduced to take over the motorcycle markets with low cost and as the hippest car that can be afford by many drivers In India.

Data Motor Is Indian's company where most of the populations In India can only afford motorcycle that Is why motorcycles is common in India. Besides, in a pyramid of social class, the bottom of the pyramid have the most population among all, which is lower middle and low social status. Obviously Data Motors which is selling cheap vehicles will be targeting these group of people in volume not high end market where is just profit. Data Anna enable

middle and lower income population to have more choices as well as another feet option other than motorcycles.

Social mobility refers to the movement of individuals or groups in social position over time. Generally, social mobility refers to the change in wealth and social of individuals or families (Boundless, 2014).

Depends on an Individuals or females income status, which might seek for a better transport as well as In affordable range. The social mobility will also affect them whichever Is malting or decrease, people tend to move upwards for a better choices In the low price range. 2. What are the competitive advantages that Data Motors would be enjoy tit the Anna in emerging markets?

Data Motors is developed to be competitive and also replaced motors that are commonly be seen in India by Data Motors, Indian's largest automobile. Data Anna get the huge competitive advantages, as they are the first movers that capture the low cost car market that also will gain consumer loyalty.

As the low cost car market is still not be implemented, Data Motors is considered as market leader for low cost car market. Emerging markets Is defined as nations In the progress of industrialization and rapid growth (Keeper, 2014).

Data Motors developed ultra low cost car where Is merging markets that produced In high volumes for the market needs. In the bottom of the pyramid, the amount of population Is the most, which the population Data

Anna will be targeting is huge, and this is a huge market to go to. Data Motors better. With that, Data Motors has smaller engine compared with others car, which means horsepower would not be wasted in the Jam and so on.

For the petrol consumption, obviously it is low and suitable for middle and lower income population in order to cost saving.

Not to mention the requirements of the Data Anna is the cost, ejaculatory requirements and acceptable performance standards, which is basically what a motorcycles can do and turns in a car. Data Anna obviously is safer than motorcycles that it can protect from unpredictable climate as well as secure lock. This is better option for the people to choose from instead of motorcycles. Besides, Data Anna is the first world's cheapest car, which this also will gain awareness and the brand will get noticed around the world. This was the first car in ultra low range.

Over 4 billion people are poor and represent a huge market, of a bottom of the yardarm approach (Pharaoh, 2005). Lower income people is a huge market to target at, it is better to get volume than high end product's risk. Most of the people could afford the car that made huge advantage in sales the car. 3. Which world regions (and specific countries) would you recommend for Data Nana's international market expansion? Data Anna should expand it's market to other world region, the priority region that Data Anna should consider is in Asia pacific.

The Asian bottom of pyramid population consists of 2. 86 billion people, which is 83 percent of the total population, this market s the largest o all

different bottom of pyramid markets and makes up a significant share of the rapid growth in Asian consumer markets (Andersen, 2007). Asia is the biggest market among all, the country Data Anna should be targeting priority is Vietnam. According to Appendix 1, Vietnam GAP per capita had increased each year, the current population of the Socialist Republic of Vietnam is estimated to be 90. 88 million people, which is an increase of about 2.

9% (World Population Statistics, 2013). Small household size with 4 members or fewer is common in Vietnam, especially in urban areas (Bind, 2011). Data Anna is designed for 4 to 5 people which shows Vietnam is the country Data Anna should expand with high population in medium and low income status as well as small family size members that Data Anna is designed for. Due to the Data Anna consumption of petrol is low, it is suitable for the most of the people in Vietnam that are bottom of the pyramid.

Data Anna can achieve in volume other than sales. On the other hand, Data Anna should go to Indonesia market.

Data Motors should consider Asia pacific first before expand further to Europe as Asia is the biggest market for this low cost car. Based on appendix 2, Indonesian GAP increased from year to year that means the purchasing power is increasing as well. The current population of the Republic of Indonesia is 242. 3 million people, which is about a 2% increase from the total population measured in the 2011 National Census of Indonesia (World Population Statistics, 2013).

Followed by car ownership in Indonesia will expected to increase. The improving conditions of Indonesian household finances and household disposable income also rose 12.

9 per cent Jakarta, 2012). As lower middle-income country, this will increase the arching power of Indonesian; this is the great opportunity for Data Anna to developing world. Families often had six or more children in the asses. The average Indonesian family consists of around three children today (DECK, 2012). The Data Anna totally suits the family size of the country that maximum seats is 5.

Not to mention the petrol consumptions low that will also fit the lower middle income population in Indonesia in cost saving. Therefore, Data Motors should considering to expand their market in Asia region first especially in Vietnam and Indonesia where mostly middle and lower middle income population. 4. Which ' entry mode' would you suggest for the chosen markets (knowing that Data Motors has taken over Land Rover and Jaguar) ? According to the case study, Data Motors is considering to expand their market. There are ways for Data Motors in order to expand their market to Vietnam and Indonesia.

Data Motors should use export as mode of entry to Vietnam. In 1992, India and Vietnam established extensive economic ties, including oil exploration, agriculture and manufacturing (Frost, 1993). Since India and Vietnam have economic ties where usually export each country products, export should be choice to Vietnam. In a way of cost of saving including wages, production, raw material and so on, Data Motors can easily control the quality of the

product during manufacturing in their own home country without any barriers.

Jaguar and Land Rover that owned by Data Motors building factory in China (Mild, 2012).

Data Motors should consider Joint venture between Jaguar and Land Rover in China to produce there and export to Vietnam as China is nearer to Vietnam and this enable Data Motors to save shipping cost and labor cost while labor cost in China is low. Besides, India and Vietnam is close to each other, that is why export is the best idea. On the other hand, Indonesia is further where export could not take place as the shipping fees would cost more and time consuming.

Due to Indonesia is far from India, direct investment is recommended as well as setting up the factory in Indonesia to product and sell locally. Direct investment is the purchase or acquisition of a controlling interest in a foreign business by means other than the outright purchase of shares (Investigated, 2014).

President of the Confederation of Indonesian Trade Union Said Cabal said labor costs in Indonesia are still the lowest in Asia (Indonesia In Focus, 2012). It is to believe that setting up factory in Indonesia is definitely worth it as low wages and it is the lowest in Asia.

Data Motors should set up a factory in Indonesia and export to the country nearby for example Singapore, Malaysia, Thailand and many more. This will save cost in setting up another factory other than expanding the target

group. Joint venture can be used in setting up factory in Indonesia to produce

Jaguar, Land Rover and many more vehicles under.