

Research methodology



**ASSIGN
BUSTER**

The company is rapidly increasing its global footprint and is aiming to match the standards of international automobile manufacturers in next 3 to 5 years. This rise to the level of a world-class automotive manufacturer would involve a large quantifiable increase in revenues from outside India with a focus on certain foreign markets. Currently international business contributes 18.4% to company's revenues. Company is aiming to increase it by 200% in near future to reduce its dependence on one single economy and one single business cycle.

This ambition of the company has led to numerous joint ventures and increased activity in countries like the U. K. , South Africa, South Korea, Thailand, Brazil and Spain, as well as the company is listing on the NYSE. With the recent acquisition of Jaguar Land Rover (JLR) from the Ford Motor company in early 2008, the company has entered into the world of high-end luxury brands. Customers of high-end luxury brands value image and exclusivity factors, while image and exclusivity conflict with the proposition of TML's other recent venture, the inexpensive Nano.

In this manner, the decision to compete in both the high-end luxury and low-end economy markets certainly creates a big and audacious task ahead for TML. If proven successful, this strategy would provide the company with high margin (JLR) as well as high volume (Nano) revenues. These two revenue streams, if proven compatible, could mitigate each other's risks.

INTRODUCTION: BRIEF OF TATA MOTORS. Purpose of Tata group: "" Attain leadership through business excellence in the sectors we operate in, while upholding our values and integrity, to improve the quality of life of the communities we serve".

Vision of Tata Motors (PCBIJ - Passenger Cars Business Unit): " To develop Tata into a world class Indian car brand for innovative and superior value vehicles. Mission of Tata Motors (PCBU): " To be the most admired multi-national Indian car company producing vehicles that people love to buy. To create an organization that people enjoy working for, doing business with and investing in. Tata companies operate in seven business sectors: communications and information technology, engineering, materials, services, energy, consumer products and chemicals.

They are, by and large, based in India and have significant international operations. The total revenue of Tata companies, taken together, was \$70. 8 billion (around Rs. 325, 334 crore) in 2008-09, with 64. 7% of this coming from business outside India, and they employ around 357, 000 people worldwide. The Tata name has been respected in India for 140 years for its adherence to strong values and business ethics. Every Tata company or enterprise operates independently. Each of these companies has its own board of directors and shareholders, to whom it is answerable.

There are 27 publicly listed Tata enterprises and they have a combined market capitalisation of some \$60 billion, and a shareholder base of 3. million. The major Tata companies are Tata Steel, Tata Motors, Tata Consultancy Services (TCS), Tata Power, Tata Chemicals, Tata Tea, Indian Hotels and Tata Communications. In tandem with the increasing international footprint of Tata companies, the Tata brand is also gaining international recognition. Brand Finance, a UK-based consultancy firm, recently valued the Tata brand at \$9. 92 billion and ranked it 51st among the world's Top 100 brands.

Business week magazine ranked Tata 13th among the '25 Most Innovative Companies' list and the Reputation Institute, USA, recently rated it 11th on its list of world's most reputable companies. Founded by Jamshedji Tata in 1868, Tata's early years were inspired by the spirit of nationalism. Going forward, Tata is focusing on new technologies and innovation to drive its business in India and internationally. The Nano car is one example, as is the Eka supercomputer (developed by another Tata company), which in 2008 was ranked the world's fourth fastest. One hundred years from now, I expect the Tatas to be much bigger than it is now. More importantly, I hope the group comes to be regarded as being the best in India " best in the manner in which we operate, best in the products we deliver and best in our value systems and ethics. Having said that, I hope that a hundred years from now we will spread our wings far beyond India... " " Ratan Tata. RESEARCH

METHODOLOGY: Purpose of the Research The general purpose of this study is to determine whether the unique concept by TATA MOTORS of launching the Rs. lakh car in the year 2008 was a success and also to study the consumer behavior in the Indian automobile industry towards the world's cheapest car and the niche segment cars in India. The second aspect of the research would be to study the acquisition and takeover of Jaguar and Land Rover by TATA. A careful review of those question areas led to the development of the following research objectives: * To determine whether the acquisition of JLR during its crisis was a profitable decision by TATA. * The affect of acquisition on JLR and its current market position. To study the consumer behavior and the market potential towards world's cheapest car - TATA Nano. * To assess the perception of potential buyers of the two extreme segments of Indian automobile industry. * To obtain consumer

feedback and satisfaction after buying TATA cars. Research Design The survey research method used was an applied research design. The research method was of exploratory type. The respondents were interviewed at their homes over a telephonic conversation or personally or during the time of purchase of the vehicle (at showrooms). The duration of interviews was between 15 to 20 minutes.

The age group of the respondents was between 18 to 60 years. The potential buyers were provided with questionnaires through the means of emails and handouts designed by the group to assess the perception. Sample Design A survey of approximately 50 potential buyers of TATA Nano & JLR along with 50 current owners of Nano and JLR was conducted throughout the country that contributed to the database for this exploratory research. Eligible respondents were adults over the age of 18. The respondents were properly assessed and only the potential buyers and the existing owners were taken into consideration.

Data Gathering Maximum efforts were made to perform the personal interviews and descriptive research but due to the limits of the study we also communicated through telephonic conversations and e-mails. Standard editing and coding procedures were utilized. Simple tabulations and cross tabulations were utilized to analyze the data. RESULT: The survey was divided into two groups: 1. TATA Nano owners and its prospective owners 2. TATA JLR owners and its prospective owners People falling under SEC A1 to A2 were targeted for JLR while people falling in SEC B1 to D were targeted for TATA Nano.