

Marketing plan for the tata nano assignment

[Art & Culture](#)



Tata Group MARKETING PLAN BY Manu Joseph Section C PRN: 147 Executive Summary The Tata Nano is an inexpensive, rear-engined, four-passenger city car built by the Indian company Tata Motors and is aimed primarily at the Indian domestic market. Tata Motors began selling its “ one-lakh car” in March, 2009. This nickname is due to the Nano’s price point, near 100, 000 (one lakh rupees). Tata Motor Chairman, Mr Ratan Tata envisions that Tata Nano to become a “ People’s car” which is affordable by almost everybody. What makes Tata Nano so cheap?

Basically, by making things smaller, lighter, do away with superficial parts and change the materials wherever possible without compromising the safety and environmental compliance. It is said that Tata Nano has better millage than Toyota Prius and same gas emission as a scooter. In 2008 the Financial Times reported: “ If ever there were a symbol of India’s ambitions to become a modern nation, it would surely be the Nano, the tiny car with the even tinier price-tag. A triumph of homegrown engineering, the Nano encapsulates the dream of millions of Indians groping for a shot at urban prosperity. The Nano’s design implements many cost-reducing innovations. *

The Nano’s trunk is only accessible from inside the car, as the rear hatch does not open. * One windscreen wiper instead of the usual pair * No power steering, unnecessary due to its light weight * Three lug nuts on the wheels instead of the usual four * Only one wing mirror * No radio or CD player * No airbags in base model * 623cc engine has only 2 cylinders * No air conditioning in base model Tata Motors has set the stage for the all new diesel version for its wonder car again aiming to sky rocket its car sales.

It is expected to be an excellent option for those who are looking forward for a low priced fuel efficient car. Tata Nano diesel variant is assumed to be powered with 600 to 700 cc mill. Well Tata Nano is expected to come with an increased price tag compared with the petrol version. Currently the wonder car comes with a price tag starting from Rs 1, 15, 361 - Rs 1, 88, 513 (ex-showroom, New Delhi). Situational Analysis The situation analysis can be conducted by way of the 4C framework. 4C stands for customer, competitor, company and context. Customers

Tata Nano was launched with the aim to help the families who cannot afford four wheelers and has to manage on their two wheelers. The dream of its makers was in making which rightly captured the domestic auto market. When launched in 2009, the car faced great uproar and due to that it had to shift its manufacturing unit to Gujarat. In the first year while it was enjoying high sales in the Indian auto market, suddenly, there were news which related to the mini cars safety issues, as various incidents of the mini car catching fire was reported.

But now it is again catching up demand in the Indian auto market.

Competitors Although Tata is an established market and Tata Nano is the only player currently in its segment the scenario is about to change very soon. Renault, Nissan and even GM have plans to enter into the small car market. Tata Nano vs Bajaj Small Car Bajaj Auto, the country's second biggest two-wheeler maker, said it plans to bring out its small car in collaboration with Renault and Nissan within four years but it will not be for Rs 1 lakh (Rs 100, 000). Tata Nano vs Piaggio

Piaggio is one of the major players in the commercial vehicle segment and has been quite keen on entering the small car segment with a new concept called as Piaggio NT3. The Italian two wheeler maker is all set to introduce the NT3 in two models with different engine capacities by the end of 2012. The car has been designed specifically for price sensitive markets like ours. Company Tata Nano has the strong muscle of Tata Motors behind them. Tata Motors is India's largest automobile company, with consolidated revenues of 9, 274 crore (US\$2. 07 billion) in 2010???

11. It is the leader in commercial vehicles and among the top three in passenger vehicles. It is the leader in commercial vehicles in each segment, and among the top three in passenger vehicles in India with products in the compact, midsize car and utility vehicle segments. Tata vehicles are sold primarily in India, and over 4 million Tata vehicles have been produced domestically since the first Tata vehicle was assembled in 1954. They already have the infrastructure and supply chain in place with a healthy network of service centres. So Tata Nano Diesel can be brought to market very quickly and efficiently.

Context India's car market has a huge draw because car penetration is just seven per 1000 people, compared to 550 per 1000 in such countries like Germany or 476 in France, according to the Society of Indian Automobiles. One of the main reason for that is the comparatively lower income of the majority of the people and popularity of two wheelers. The market share of two wheelers is 76. 5%. This figure directly transforms into a prospect for Nano. In addition to that the price of Petrol is increasing day by day and people have started to associate petrol with cost rather than its utility.

<https://assignbuster.com/marketing-plan-for-the-tata-nano-assignment/>

So sticking with Petrol for Nano may not be a good move as Nano relies on the low cost factor to gain its market. Therefore, Nano is in perfect position to utilise the low cost perception of Diesel for its purposes. Market

Opportunities and Issues As per a rough estimate every home in India has a minimum 1 motorbike which costs around 50, 000 INR and most of families have 2-3 motorbikes. This mean an average middle class family has around 2 motorbikes motorbikes whose combined cost = 1, 00, 000 INR. This presented them an opportunity to tap that market.

We can also take a look at the petrol prices and diesel prices over the years. As you can see from the charts the Petrol price is erratic and increases steeply. This has led to a perception in the minds of the customers that Petrol prices are volatile and something they cannot always rely on. On the other hand look at the diesel prices they maintain a steady rate of increase and that rate of increase is much lesser than the petrol prices. But that being said, in this new Green Age diesel is being looked down upon as a pollutant.

The diesel fuel will create more pollution than its petrol counterpart and Tata, which is a brand that stands for good things in India, cannot afford to blatantly bring out a car that is harmful for the environment. Objectives 1. Achieve sales of 250, 330, and 500 units in the first, second and third year respectively. 2. Achieve an average growth rate of 40% 3. Achieve major market share in the ULC car segment. Marketing Strategy Low cost consideration with fuel efficiency and customer satisfaction. Target Markets Tata Motors is targeting the lower middle class people in India and attract customers opting for two-wheelers.

For instance, Bajaj Pulsar 180, which costs Rs 78, 000, ex-showroom, Mumbai, runs 40 km on a litre of petrol. The new Tata Nano Diesel is expected to be around Rs. 1, 40, 000 Positioning Tata Nano has always been positioned as a “ People’s car” highlighting the value for money as it USP. Tata Nano Diesel will continue to position itself as a People’s Car and also will add another dimension to it. Tata Nano Diesel will position itself as part of Indian family highlighting the cultural values and linking it to Nano.

Marketing Mix Product

The Tata Nano Diesel will be launched in two variants ??? a low end model- and a high end model with adding a couple of new vibrant colors to the existing ones giving the car a sporty look. Price Tata Nano Diesel will be available in the market at prices ranging from 1, 40, 000 to 1, 80, 000 depending upon the added features it has. Place Tata Nano Diesel will be first rolled out in the rural-urban areas where there are a lot of lower middle class people who wants to buy a car. Using the existing supply chain network and delivery centers of Tata Motors Tata Nano Diesel will be available all through the country concentrating on the “ rurban” areas.

Promotion With Nano Diesel’s 40 kmpl mileage, the promotion will be centred on this fact. An average bike has the similar mileage. We should try to highlight this fact at the sometime not make the bikes look bad. Through promotion we try to segregate the current market for motorbikes into young bachelors and family of more than 2. We try to segregate them according to their utility of buying a car. Review and Control Tata Nano Diesel’s performance will be monitored closely all through its PLC.

Until it reaches Growth phase the top management will have monthly meetings to evaluate and reformulate the strategy. Contingency Plan Tata Nano expects pressures on price and quality due to competitive actions. Bajaj and Piaggio are looking to enter the ULC car segment this year and they may pose a serious threat to Nano's market share. Its impact may lead to an increased expense on promotion and more tight control on operations by improving efficiency and productivity. The strong supply chain network should be made to act in our benefit by making the product readily available to the customers.