

Module : Introduction to Innovation Management  
[ACPA7005]

Research Proposal on

*Nanovista - An Innovative mobility solution by TATA*

Course : MSc Industry 4.0 Advanced Manufacturing

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## **Abstract**

This report states the world most cheapest car innovation is manufactured in India by the biggest automotive company TATA Motors. The date on which it was launched was 30 March 2009. The research shows the innovation created by TATA by developing and designing a car which brought into the market at a very low price so that a normal middle-class family can afford for their mobility to live a better and safe life. The team working on this project took 5 years to research and develop & the company with its supplier work hard to reduce the manufacturing cost without affecting the safety factor with the quality standard of each and every component like the steering system, wheels and gears etc. Tata motors have created a fantastic new segment with this innovation in the market. The high demand for the product was challenging and was a bit concern to fulfilling the requirement. Due to this low margin, the company would take a long time to complete the project. This report shows the discussion on the challenges faced by the Tata Nano. (Tata Aspirations)

## **Introduction**

Tata Motors Limited (TML), is a \$42 billion organization. it is India's largest company in the manufacturing of cars, defense buses, trucks, heavy vehicles, and defense vehicles. This has been introduced in India in the year 1945, This company is part of around \$101 billion Tata Group which was founded by Jamsetji Tata in 1868. TATA is recognized for its policy, engineering, design, and development and also for the future of society and mobility in India. This company mainly work for sustainability and give back to the world with their product ideas and product which really helps people to achieve their dream. It's the largest company in the world and has many sub-companies to handle its activities. It has almost 78 subsidiaries in India and internationally. Its one of the brands in the world also tie up with JLR in the united kingdom and Tata Daewoo in South Korea as an operation part of the automotive industry. (Company profile)

Jaguar Land Rover (JLR) is a car manufacturer and well known for its design and range of luxury vehicles in Britain. The two iconic models in JLR include SUV and the land rover. Tata Motors had now taken JLR in 2008. JLR has many automotive manufacturing facilities in various parts of the world. Tata motors have a plant in Pune (India) that has the facility to build an assembly line for the JLR cars. the truck division is also one of the largest assy lines in Pune. The joint ventures of tata manufacturing plant in china and building relationship with the magnastyre in Austria. Jaguar Land Rover is also well known for its quality and excellence, with the strong network for global distribution, breakdown for the product development, and engineering requirements and its design capabilities. (Introducing Tata Motors)

## **Objective**

This report shows the objective which need to be consider. To consider the positioning strategy implemented by Tata Nano in India , To get an idea that hoe the company is overcoming the problem. To understand the story about the re location of Tata Nano. To knowhow TATA Nano became a profitable company and India one of the best company. To determine the reasons for the strategy of re positioning adopted by the company. The development of Tata nano was an innovation in low price tag without compromising safety and standard. Also the benchmark of this innovation was Maruti 800 which an product of automobile company MARUTI.

## **Literature Review**

As per the company report the product NANO came on the Indian roads in the year 2009 and declared as the cheapest car in the worlds by replacing its competitor form the company maruti udyog. Its was declared as the and mentioned that in India buying a car is dream of every person. every body wants to be safe on the roads and like to fulfill their family needs. This segment has bought a smile on the middle class family. even thought in India 2 wheeler are the most preferable vehicle , this innovative product had made them to fulfill there dream in the same price as that of 2 wheeler. This report will shows the journey of Tata to NANO which is called " People cars" & there reviews with challenges faced to bring this product to the market. (Litrature review).

There are many article published in the news paper about its manufacturing process , design, costing analysis and the customer reviews. The major competitor in Indian market is Bajaj and other electric vehicle manufacturing companies.

In recent years this NANO has gain high potential in the Indian market and one available in number of variants like , CNG , Petrol and one they are into electrics. (NANO EV)

## **Overview of the product**

TATA motors usefully launched their truck in 2005 & began to develop the affordable car. The purchase prices of this car were bought down to lower as they can sustain. Actually, this car is manufactured for the people's cause, helping famililys to fulfill their dreams and have safety on the roads. it's better to use a car especially when you are with kids instead of using 2 wheeler in such traffic. They reduce the price of non-essential features. This car was announced as the cheapest car in the world. TATA looked for the price of 1 Lakh rupees. which comes around 1000 GBP.

In 2017 the first person to purchase the Tata NAN Oat was a price of 1 lakh in India. Now the cost has been revised due to the increased material cost. the first day or to TATA had 5500 bookings and keep on increasing. (First Customer)

## **Company Vision & Mission**

If we see the vision of the company which states that highest performance organization and it is of the top 3 commercial vehicle manufacturers in the global market.

### ***Mission :***

Tata motors provide innovative transport solutions with the passion for cherishing our life. Delivering Future Innovation Envisaged its growth plan for the next three financial years.

## **SWOT Analysis**

SWOT analysis is the type of analysis that includes the checking of companies' strengths, methodology, and customer requirements with available opportunities, It mainly trusts and does the investigation internally and externally and treaty investigation as positive or negative.

### **Strengths**

- Tata Nano is available at a very low affordable price.
- Due to its compact design it's easy to drive in the traffic comparison tool. Nano is with zero maintenance or let's say min as compared to other competitors.
- The income is increasing per capita and capability. Going to launch the CNG version to attract people and increase this segment in Europe and other parts of the world.

## **Placing Strategy**

In order to provide importance to the middle-class family range, It was announced that a manufacturing plant would be placed at singed, west Bengal due to the local opposition to the distribution process being structured. The process consists of manufacturing plants to dealers and then to consumers. The company is using and maintaining the best showrooms ad dealership to have full customer satisfaction. TATA nano can be available directly with the dealers.

The customer has to visit either the sales office or any organized event and make a booking. Tata nano developed a separate website for their customers to get information about the product and booking details. Bookings via the telephone are also possible nowadays.

## **Pricing Strategy**

This Tata product is very positively and transparently using the penetration policy the project nano was created and signed as an alternative for the bike (2-wheeler) which is at the price range of 100,000 INR. After odorant the vehicle it took a couple of months to get it manufactured. By this time many its in the market for the raw material prize.

The price of the vehicle is going to increase to 200,000 Rs. which will be 2 lacs. As it is capturing the mid-segment of the people and their community. The policy of pricing is reasonable and well maintained for this product. This car is achieving its value with a minimum profit due to the cost-cutting technology. Nano was created and signed as an alternative for the bike (2-wheeler) which is at the price range of 100,000 INR. after the great success the car price has been increased to 2 lakhs. By this time many its in the market the raw material prize and other iFE uni price increases.

It's going to increase the price to 200,000 Rs is priced at INR 2.1 lakhs. which will be 2 lacs. As it is catering to the middle-class section of the community, it has maintained a reasonable pricing policy for its product. The car has been achieved great demand & decided to make a product as required and allot to every family without any profit as a noble cause. As data wants to get this facility in every part of rural and the urban market.

After odorant the vehicle it took a couple of months to get it manufactured. By this time many it's in the market for the raw material prize and other iFE uni price increases The company has decided on a minimum margin of profit, as it wants to penetrate the rural and urban markets. Since this is concentrating the middle section of the community reasonable policy is maintained. By this time many its in the market the raw material prize and other IFE uni price increases. Many people received this vehicle with great benefits like a zero finance scheme. (Tata Finance)

### **Competitive force and its model**

This is the strategy in which it is observed that this five forces plays an very important role in defining the profitability of the company. The another terminology for this competitive force is also known as Porter Five Forces Analysis which are as mentioned below for reference.

1. New Entrants and its threats.
2. Supplier negotiation.
3. Negotiation of buyers.
4. Other substitute product threat.
5. Competition amongst other industry.

Five Forces is an analysis looking at the strategic framework of the company working system, majorly used to measure this parameter. This technology focuses on how the manufacturing company has to build their sustainability in this competitive world and advantages to the community. It has five factors which are stated above and explained in short below about each term individually.

#### **New Entrants and its threats.**

This term brings innovation is a different process of doing new way of doing the work and place the company in stress by lowering their price, reducing cost, and new value suggestions.. Tata Motors Limited has overcome this barrier and faced the challenges with effective solutions to build their product and maintain sustainability.

#### **Supplier negotiation**

in automobile manufacturing industry most of the parts are ordered form the suppliers like material from the approved supplier and ask for the discount and get there margins. the supplier in this sector such as consumer products do the negotiation and set specific value by comparing it with other auto manufacturer. The total impact of such negotiation plays an very important role to have lowering the profitability. The supplier negotiation plays an important role.

#### **Negotiation of buyers**

In industry, a buyer is a person who is very demanding. He always wants things at a lower cost without compromising the quality of the product. This puts pressure on Tata Motors' profitability in the long run. The demand and negotiation depend on the small and regular customers. If the buyer is genuine and regular then there is a high chance of negotiations and might demand for more discounts and offers on the existing products. So buyers also play an important role in this case

### **Driving force of the company**

TATA is the largest company in India & now they have launched their product NANO with passing all the quality standard as per Indian std and requirements. If tata wants to launch its product in Europe then they need to pass the environmental condition as per the European std and go through the policy and documentation process with respect to that country. The factor which they might need to be considered is listed below.

Legal factors  
Economic environment,  
Social-cultural environment,  
Technological environment

Every organization, whether it is holding profit or non-profit its always have this kind of force mentioned above. These are mainly due to legal factors or withstand the economic environment. sometimes it is related to social and many times cultural environment. It may also be related to the technological environment. These forces are taken into account while considering the growth of the company.

### **Rival Companies**

As automobile industry in one of the largest industry in the world. there are many companies which are into car manufacturing and those are well established in every part of the world. There are many competitor with the same product with almost same specification compared to other company product. TATA is manufacturing mid segment cars. The same segment is also manufactured by other companies as stated below.

#### **Maruti**

This is the top competitor as this company has vehicles with less power and the cheapest among the other cars. The company has its headquarter in New Delhi (India). This has many segments and one of the competitors for TATA motors. The company is founded in 1981 and the model they started with was Maruti 800 having a great production unit based in India. This organization is very much into the automobile business and fast growing and doing innovation in their products. (Maruti Ltd)

### **Hyundai**

This industry is well known for its car manufacturing all over the world. They have their head office in South Korea. It shows high-quality cars and provides great service for its millions of customers. Hyundai is very much focused and knows the importance of automobiles and their products. They focus on three main features in their design, simple, creative, and 6 million units. Their vehicles are sold in many parts of the world almost 193 countries through their 5,000 showrooms caring, mostly recommended by the world. It has a brand value and has many dealers in Asia. (Hyundai Company)

### **Volkswagen**

This industry is well known for cars and other businesses. They are an automotive manufacturer globally and is headquartered in Germany. Their business operations are mainly focused on the design and development of automobiles like cars, engines, and machinery. It also provides services to the other parts and their products. The main products are Seat, Skoda, Audi, and other high-end cars. This company has a brand value and the value of its product is sustainable. The product lasts for a long time without any issue as per the specified survey. (VW )

### **Toyota**

Toyota organization is famous and well known for there processes and innovation in its products. It is a car manufacturer and has its head office in Japan. Toyota is also well known for the implementation of assay lines in their factory and, many examples were set based on this innovation, all other companies take reference for their smart factory. They have many vehicle categories including SUVs, hybrid cars, and 4WDs. The main strength of the company is its manpower and dedication towards the work and implementation of the thinking into reality. (Toyota)

## **Suggestion & Conclusion**

The product NANO from the TATA company is a world-recognized innovation in manufacturing a product for a noble cause without any profit margin and low cost. Many families are now safe on the roads which have been seen in the surveys conducted by the company. This car can provide high mileage and low emission, as they are into electric manufacturing variants. Customers are seeking lots of information before buying the product. This company had many challenges which they have overcome to bring this product successfully.

There was much criticism that it's impossible to make such a cheap car with all quality std. TATA has also taken care of driving school for those who don't know much about driving. The marketing strategy was through word of mouth. Later noticed a few issues with the electric system within the car but its was resolved very quickly in all the models accordingly. The noise issue was also captured and resolved. We can conclude that there were many challenges to developing this product but TATA has done it well and satisfied their customer with this great innovative product. In addition, the company should include an automated safety system and communication in their higher variant which will change the outlook of people toward NANO.

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