

STRATEGIC MANAGEMENT AND SUSTAINABLE TRANSFORMATION AT JAGUAR LAND ROVER:

A Strategy Formulation Plan for Range Rover

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Programme:

BA (Hons) Business Management

Module:

Strategic Management and Sustainability

Module code:

LCBB6015

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Assignment Title:

Component 2: Coursework: Written
Report



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Executive Summary

This report evaluates the strategic position of Jaguar Land Rover Automotive plc (JLR), treating Range Rover as its focal strategic business and principal source of premium differentiation. The analysis examines electrification, software-defined vehicles, artificial intelligence, regulation, sustainability and global competition alongside JLR's resources, capabilities and financial performance.

JLR entered FY25/26 after achieving an 8.5% adjusted EBIT margin and positive net cash. However, revenue subsequently fell to £22.9 billion, retail sales declined to 352,389 vehicles, free cash flow reached negative £2.2 billion and net debt increased to £2.6 billion. These results constrain JLR's ability to fund simultaneous investment in electric powertrains, software and supply-chain resilience. Nevertheless, delaying transformation would increase its exposure to regulatory pressure, Chinese competitors and changing customer expectations. Range Rover's heritage, luxury positioning, off-road capability and flexible manufacturing remain valuable, but their effective deployment requires stronger financial and technological discipline.

The report recommends a Range Rover Adaptive Luxury Platform Strategy. Unlike the broad Reimagine programme, the proposed strategy introduces staged capital allocation, regional powertrain decisions, selective technology partnerships and retained JLR control over customer data and platform governance. AI would initially support quality management and predictive maintenance. This approach provides the strongest balance between strategic suitability, stakeholder acceptability, financial feasibility and sustainable competitive advantage.

Introduction to the Strategy

Strategic management provides a structured process for interpreting environmental change, aligning resources with organisational priorities and selecting actions that support long-term competitiveness. Henry (2021, p. 8) argues that "analysis, formulation, and implementation all need to be considered if the organization's strategy is to meet the needs

of its environment effectively.” This integration is particularly important in the automotive industry, where electrification, software-defined vehicles, artificial intelligence and regulation are simultaneously reshaping technologies, customer expectations and business models. Strategic management therefore benefits organisations by connecting external opportunities and threats with internal capabilities, financial capacity and stakeholder expectations. It also provides criteria for evaluating strategic alternatives through their suitability, acceptability and feasibility (Whittington et al., 2020).

This report formulates a strategy for Jaguar Land Rover Automotive plc (JLR), treating Range Rover as the focal strategic business and principal source of premium differentiation. It first introduces JLR and assesses whether its purpose, brand promise and objectives provide coherent strategic direction. Financial and operational performance is then evaluated, followed by external analysis using PESTLE and Porter’s Five Forces. Value Chain, VRIO and SWOT analyses assess JLR’s internal position. These findings support the comparison of three alternatives and the recommendation of an Adaptive Luxury Platform Strategy that advances electrification and digital capability while rebuilding financial resilience.

Overview and Background of the Firm

Jaguar Land Rover Automotive plc (JLR) is a British luxury vehicle manufacturer headquartered in Coventry, England, and owned by Tata Motors. As summarised in Table 1, its portfolio combines vehicle manufacturing with personalisation, connected technologies and after-sales services.

Table 1. Corporate profile of Jaguar Land Rover

Category	Details
Ownership and location	Tata Motors subsidiary; Coventry, England
Sector	Global premium and luxury automotive industry
Principal brands	Range Rover, Defender, Discovery and Jaguar
Products	Luxury SUVs and performance vehicles across ICE, PHEV and BEV powertrains
Services	Personalisation, connected features, maintenance and after-sales support
Strategic programme	Reimagine

Source: Author's summary based on Jaguar Land Rover Automotive plc (2025; 2026).

Through Reimagine, JLR manages its brands as distinct components of a modern-luxury portfolio. This report focuses on Range Rover because its heritage, design, personalisation and combination of luxury with off-road capability provide major sources of differentiation. Range Rover is also central to JLR's electrification programme. Its Solihull facility has been prepared to manufacture electric models alongside PHEV and internal-combustion alternatives, enabling production to respond to differences in regional demand (Jaguar Land Rover Automotive plc, 2025).

However, premium positioning creates demanding expectations regarding reliability, digital experience and customer service. Range Rover must therefore preserve its established identity while developing the software, data and lifecycle-service capabilities increasingly required in the luxury automotive market.

Strategic Intent

Strategic intent converts organisational purpose into priorities guiding investment and decision-making. Morden (2016, p. 19) states that "mission, objectives, and strategy will derive from the vision and values of the enterprise, of its leaders, of its decision-makers, and

of its stakeholders.” Table 2 summarises JLR’s purpose, brand promise and strategic objectives.

Table 2. JLR’s strategic intent

Element	Stated direction
Corporate purpose	“Proud Creators of Modern Luxury”
Brand promise	“Live the Exceptional with Soul”
Portfolio	Strengthen the identities of Range Rover, Defender, Discovery and Jaguar
Technology and operations	Electrify the portfolio, develop AI capabilities and retain production flexibility
Customer	Improve quality, personalisation and loyalty
Sustainability	Achieve carbon net zero across products, operations and the supply chain by 2039

Source: Author’s summary based on Jaguar Land Rover Automotive plc (2025; 2026).

This intent is broadly aligned with regulatory change and evolving luxury expectations. Electrification responds to emissions requirements, while AI, personalisation and connected services may extend customer value beyond the initial sale. Nevertheless, strategic coherence does not guarantee feasibility. JLR intends to transform its products, manufacturing, software and supply chain while FY25/26 cash generation has weakened substantially. This gap between ambition and financial capacity requires prioritisation. JLR should retain its long-term electrification and net-zero direction but phase investment according to regional demand, strategic importance and measurable customer value.

The Company’s Current Performance

JLR entered FY25/26 following renewed financial strength. In FY24/25, revenue reached £29.0 billion, profit before tax was £2.5 billion and the adjusted EBIT margin was 8.5%. Free cash flow of £1.5 billion supported a £0.3 billion net cash position, completing the earlier objective of eliminating net debt (Jaguar Land Rover Automotive plc, 2025). However, Table 3 demonstrates that this improvement reversed sharply in FY25/26.

Table 3. JLR's financial and operational performance

Indicator	FY24/25	FY25/26	Change
Retail sales	428,854	352,389	–17.8%
Wholesale volumes	400,898	307,915	–23.2%
Revenue	£29.0bn	£22.9bn	–21.0%
Profit/(loss) after tax	£1.8bn	–£0.2bn	–£2.0bn
Cash generated from operations	£4.6bn	£0.7bn	–84.8%
Free cash flow	£1.5bn	–£2.2bn	–£3.7bn
Net cash/(debt)	£0.3bn	–£2.6bn	–£2.9bn
PBT before exceptional items	£2.5bn	£14m	–99.4%

Source: Author's calculations based on Jaguar Land Rover Automotive plc (2025; 2026).

The simultaneous deterioration in volume, profitability, liquidity and leverage indicates more than an isolated sales decline. Negative free cash flow and renewed debt constrain JLR's ability to independently fund electric powertrains, software and supply-chain resilience. However, performance should be assessed through multiple indicators because short-term financial weakness may coexist with capability-building investment (Whittington et al., 2020). Continued expenditure on Range Rover Electric, flexible manufacturing and AI-supported quality control may therefore support future value, although expected returns remain uncertain.

BMW also faced pressure in the first half of 2026: deliveries declined by 4.2%, revenue by 8.0%, automotive free cash flow by 45.0%, and its automotive EBIT margin fell from 6.2% to 3.6% (BMW AG, 2026). This suggests sector-wide pressure, but JLR's deterioration was materially deeper. As reporting periods differ, this comparison provides directional benchmarking rather than direct equivalence. JLR consequently requires staged investment and tighter financial discipline.

Strategy Analysis

External Environmental Audit

Table 4 identifies the external factors with the greatest influence on Range Rover. These factors are interdependent: regulation accelerates investment requirements, while uneven demand and weaker cash generation reduce JLR's ability to absorb their cost.

Table 4. PESTLE analysis of JLR and Range Rover

Factor	Key evidence	Strategic implication
Political	EV incentives, tariffs and trade tensions vary across markets	Regionalise investment and product decisions
Economic	Weak European growth, high energy costs and reduced JLR cash flow	Protect margins and prioritise capital
Social	Luxury customers expect sustainability, convenience and personalisation	Extend luxury into the digital experience
Technological	EVs, AI, OTA updates and SDVs reshape value creation	Develop software, data and platform governance
Legal	UK ZEV Mandate and European emissions regulation	Delayed electrification creates compliance risk
Environmental	Net-zero commitments, battery sourcing and Scope 3 emissions	Increase circularity and material traceability

Source: Author's analysis based on Department for Transport and Office for Zero Emission Vehicles (2024), IEA (2025), KPMG (2026), ACEA (2026) and Jaguar Land Rover Automotive plc (2026).

Electrification is expanding unevenly. BEVs represented 17.4% of EU registrations in 2025, compared with 34.5% for hybrids and 9.4% for PHEVs (ACEA, 2026). The IEA (2025) forecasts continued EV growth but identifies uncertainty arising from trade policy, economic conditions and price differences. This supports electrification while challenging an immediate BEV-only strategy. Meanwhile, control of data, AI models, updates and customer interaction increasingly determines differentiation (KPMG, 2026).

Table 5. Porter's Five Forces analysis

Force	Level	Strategic effect
Rivalry	High	Luxury incumbents and Chinese EV producers compete through design, price and software
Supplier power	Moderate–high	Dependence on specialist battery, semiconductor and software suppliers
Buyer power	Moderate	Loyalty supports pricing, but quality failures encourage switching
New entrants	Moderate	Capital and reputation remain barriers, but EV technologies support entry
Substitutes	Moderate	Competing luxury vehicles, mobility services and longer replacement cycles

Source: Author's analysis based on Grant (2022), Cheung (2025), IEA (2025), ACEA (2026) and KPMG (2026).

Supplier power is strategically significant because providers of sophisticated components can exercise considerable bargaining power (Grant, 2022). However, Five Forces offers a static industry view and cannot fully capture convergence between automotive, software and mobility markets.

Internal Environmental Audit

Table 6. Value Chain analysis

Activity	Source of value	Principal limitation
Inbound logistics	Premium materials and specialist components	Supplier dependence
Operations	Flexible ICE, PHEV and BEV production	Cost and operational complexity
Technology	Engineering, AI inspection and Range Rover Electric	Cybersecurity and partner dependence
Marketing and sales	Heritage, design and personalisation	High customer expectations

Service	Connected services and predictive diagnostics	Data-governance requirements
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Source: Author's analysis based on Jaguar Land Rover Automotive plc (2025; 2026), KPMG (2026) and Barney and Hesterly (2019).

The Resource-Based View distinguishes owning resources from effectively deploying them (Lynch, 2018). Table 7 consequently tests Range Rover's key resources using VRIO.

Table 7. VRIO assessment

Resource or capability	V	R	I	O	Competitive implication
Brand and heritage	Yes	Yes	Yes	Partly	Potential sustained advantage
Luxury–off-road combination	Yes	Yes	Partly	Yes	Temporary advantage
Personalisation	Yes	Partly	Partly	Yes	Differentiation
Flexible manufacturing	Yes	No	No	Yes	Competitive parity
AI and digital capability	Yes	No	No	Developing	Unexploited potential

Source: Author's analysis based on Barney and Hesterly (2019), Whittington et al. (2020) and Jaguar Land Rover Automotive plc (2026).

The brand is only partly organised for sustained advantage because financial pressure and developing digital execution restrict value capture. Range Rover's advantage therefore arises from its combined heritage, design, luxury and off-road capabilities rather than one isolated resource.

Table 8. SWOT synthesis

Strengths	Weaknesses	Opportunities	Threats
Heritage, pricing power, engineering and flexible production	Negative cash flow, renewed debt, limited scale and developing digital resilience	Premium EVs, SDV services, predictive maintenance and circular luxury	Chinese competition, tariffs, uneven EV demand, supplier power and cyber risk

Source: Author's synthesis of the preceding analyses.

A BCG matrix was not applied because reliable product-level data on relative market share and market growth were unavailable; its use would create false precision. The SWOT findings instead support a TOWS response: JLR should use brand differentiation and manufacturing flexibility to exploit premium-EV opportunities, while partnerships and phased investment mitigate its financial, technological and supplier-related weaknesses.

Strategy Formulation

JLR must reconcile two competing requirements: accelerating electrification and digital transformation while rebuilding cash flow and reducing debt. Morden (2016) argues that strategic choice should reflect organisational capability, customer value and competitive advantage. Table 9 evaluates three alternatives.

Table 9. Evaluation of strategic alternatives

Alternative	Principal benefit	Principal risk	Assessment
Accelerated BEV and proprietary SDV	Rapid regulatory alignment and platform control	Highest investment, demand and execution risk	Strategically attractive but financially weak
Conservative multi-powertrain approach	Protects revenue and accommodates regional demand	Slower decarbonisation and technological delay	Financially safer but defensive
Adaptive Luxury Platform Strategy	Integrates phased electrification, flexibility, partnerships and controlled digital services	Requires effective coordination and partner governance	Best balance of opportunity and risk

Source: Author's evaluation based on Whittington et al. (2020), Grant (2022), Lynch et al. (2024), IEA (2025), KPMG (2026) and Jaguar Land Rover Automotive plc (2026).

The recommended **Range Rover Adaptive Luxury Platform Strategy** would phase the expansion of Range Rover Electric while retaining selected PHEV and ICE models. Production and investment would be adjusted according to regional demand, regulation, profitability and cash generation. This exploits Solihull's manufacturing flexibility without treating uncertain EV forecasts as guaranteed demand.

JLR should access battery, semiconductor, cloud and selected software capabilities through strategic partnerships, reducing development costs and time-to-market (Lynch et al., 2024). However, it should retain control of customer data, digital interfaces, brand experience and platform governance because these increasingly determine lifecycle value (KPMG, 2026). AI should initially support measurable applications, including quality inspection, predictive maintenance and personalised service.

Unlike the broad Reimagine programme, this strategy introduces staged capital allocation, regional powertrain triggers and explicit digital-service objectives for Range Rover. It is **suitable** because it addresses financial pressure, regulation and SDV competition; **acceptable** because it balances customer, investor, regulatory and employee expectations; and **feasible** because it uses existing capabilities while sharing selected technology costs. It therefore provides a stronger strategic balance than rapid BEV concentration or defensive continuation (Whittington et al., 2020).

Conclusion and Recommendations

Range Rover retains a differentiated position based on brand heritage, luxury design, personalisation and off-road capability. However, JLR's FY25/26 decline in sales, profitability and cash generation limits its ability to transform powertrains, software and supply chains simultaneously. Continued electrification remains necessary, but uneven regional demand makes an immediate BEV-only strategy financially risky. Conversely, a conservative approach could delay compliance and weaken technological competitiveness.

The Adaptive Luxury Platform Strategy provides the strongest balance by combining phased electrification, flexible production, selective partnerships and JLR-controlled digital value creation. Table 10 translates this strategy into measurable priorities.

Table 10. Recommended actions and performance measures

Recommended action	Key performance indicator
Phase Range Rover Electric by regional demand	Orders, deliveries and contribution margin
Retain flexible BEV, PHEV and selected ICE production	Capacity utilisation and unit cost

Use partnerships while retaining platform governance	Development cost, time-to-market and dependency
Apply AI to quality and predictive maintenance	Defects, warranty cost and vehicle downtime
Develop premium OTA and digital services	Activation, retention and digital revenue
Protect financial and environmental resilience	Free cash flow, net debt and emissions

Source: Author's recommendations based on Henry (2021), Khokhar (2025), Teece (2025), KPMG (2026) and the preceding analysis.

JLR should review these indicators regularly and adjust investment when market, regulatory or financial assumptions change. This disciplined flexibility would protect Range Rover's distinctiveness while developing a more resilient and sustainable competitive position.

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