

Jaguar Land Rover (JLR)

Coursework Report

Module Code : LCBB6015

Strategic Management and Sustainability

Student name : Sergiu Constantin Grigorescu

Student id 2233162

Table of contents

Executive Summary

Introduction

External Environment Audit(PESTLE + Porter's Five Forces

Internal environment audit (Value Chain+ VRIO)

SWOT Analysis

Strategy Formulation

Conclusion

Reference

Executive Summary

One of the top luxury automakers in the UK, Jaguar Land Rover (JLR) is well-known throughout the world for its high-end automobiles, technical know-how, and dedication to innovation. However, the business works in a setting that is becoming more competitive and fast evolving, marked by tighter environmental laws, technological disruption, unpredictability in the supply chain, and shifting consumer preferences for electric cars. Using established strategic management frameworks, such as PESTLE, Porter's Five Forces, Value Chain Analysis, VRIO, and SWOT analysis, this research assesses JLR's strategic position by examining both the internal and external business environments. The results show that while JLR has substantial research and development capabilities, a strong worldwide brand, and important resources, it also faces difficulties due to rising manufacturing costs, growing competition in the electric car industry, and unpredictability in the world economy. In order to

increase long-term competitiveness and achieve sustainable growth, the research suggests investing in digital technologies, expanding into high-growth overseas markets, establishing strategic partnerships, and speeding electric vehicle innovation.

1. INTRODUCTION

The process of assessing an organization's internal and external environments in order to generate strategies that accomplish long-term goals and produce a sustainable competitive advantage is known as strategic management (Johnson et al., 2023). Organisations can respond to shifts in the business environment, enhance decision-making, and foster long-term growth with the help of effective strategic management.

One of the top producers of high-end cars in the UK, Jaguar Land Rover (JLR) creates luxury cars under the Range Rover, Defender, Discovery, and Jaguar brands. The company's goal is to produce the most sought-after luxury cars for discriminating clients worldwide. By investing in electric vehicles, innovation, and lowering carbon emissions, it hopes to become a pioneer in sustainable modern luxury through the Reimagine Strategy. JLR's main goals are to achieve net-zero carbon emissions by 2039, increase the number of electric vehicles it offers, and sustain long-term profitability through technological innovation (Jaguar Land Rover, 2025).

The PESTLE, Porter's Five Forces, Value Chain, VRIO, and SWOT frameworks are used in this research to assess JLR's strategic position. The paper offers strategic recommendations to promote JLR's future competitiveness and sustainable growth based on these evaluations.

2. Strategy Analysis

2.1 External Environment Audit

2.1.1 PESTLE Analysis

A strategic framework called PESTLE analysis is used to assess the external macroenvironmental elements that affect an organization's strategic choices. In order to assist organisations in identifying opportunities and dangers within the external environment, the model looks at political, economic, social, technological, legal, and environmental issues (Johnson et al., 2023). These elements have a big impact on Jaguar Land Rover's (JLR) ability to compete in the global car market.

Factor	Cause	Effect on JLR
Political	The UK Government plans to phase out new petrol and diesel vehicles by 2035.	This requires JLR to invest more in electric vehicle development and battery technology to remain competitive.
Economic	Inflation and rising energy costs have	Higher manufacturing costs may reduce profit margins

Factor	Cause	Effect on JLR
	increased production expenses.	and increase vehicle prices, affecting sales.
Social	Consumers are becoming more environmentally conscious.	JLR must expand its range of electric and hybrid vehicles to meet changing customer preferences.
Technological	Rapid advances in AI, battery technology and autonomous driving.	JLR needs continuous investment in research and development to remain competitive with rivals such as Tesla and BMW.
Legal	Stricter emissions and safety regulations are being introduced.	JLR must comply with regulations, increasing development and compliance costs but improving sustainability.
Environmental	Pressure to reduce carbon emissions and achieve sustainability.	JLR has implemented its Reimagine Strategy and aims to achieve net-zero carbon emissions by 2039.

Critical Evaluation

According to the PESTLE analysis, technical innovation and environmental laws offer substantial prospects for JLR's long-term expansion. Economic instability and growing production costs, however, continue to be major obstacles. Therefore, to stay competitive in the luxury car market, ongoing investments in electrification, innovation, and sustainable production are crucial.

2.1.2 Analysis of Porter's Five Forces

By analysing the threat of new competitors, supplier power, buyer power, alternative products, and competitive rivalry, Porter's Five Forces framework assesses the competitive challenges within an industry (Porter, 1980). The approach aids businesses in creating plans to increase profitability and fortify their competitive edge.

Force	Level	Strategic Impact on JLR
Threat of New Entrants	Low–Moderate	High investment requirements reduce entry barriers; however, EV manufacturers such as Tesla and BYD continue to increase competition (Deloitte, 2025).
Supplier Power	High	Dependence on battery materials and semiconductors increases production costs and supply chain risks (SMMT, 2025).
Buyer Power	High	Customers can compare premium brands easily, requiring JLR to maintain innovation, quality and excellent customer service (ACEA, 2025).
Threat of Substitutes	Moderate	Public transport, ride-sharing and alternative mobility services reduce dependence on vehicle ownership.
Competitive Rivalry	Very High	Strong competition from BMW, Mercedes-Benz, Audi, Porsche, Tesla and Chinese EV manufacturers requires continuous innovation and product differentiation (ACEA, 2025).

2.2 INTERNAL ENVIRONMENT AUDIT

2.2.1 Analysis of Value Chains

Porter (1985) created Value Chain Analysis, a strategic management technique that shows how an organization generates value through its primary and support operations. By increasing productivity, cutting expenses, and distinguishing products, the approach helps companies find sources of competitive advantage (Johnson et al., 2023). The Value Chain for Jaguar Land Rover (JLR) demonstrates how manufacturing, customer service, and innovation all contribute to economic success.

Activity	Application to JLR	Strategic Contribution
Inbound Logistics	Global sourcing of aluminium, batteries and electronic components.	Supports high-quality production but increases exposure to supply chain disruptions.
Operations	Advanced manufacturing facilities in the UK with investment in automation and electric vehicle production (Jaguar Land Rover, 2025).	Improves efficiency, quality and productivity.
Outbound Logistics	Worldwide dealership and distribution network operating in over 120 countries.	Supports international sales and market expansion.

Activity	Application to JLR	Strategic Contribution
Marketing & Sales	Premium branding supported by the Reimagine Strategy and digital marketing.	Strengthens brand loyalty and supports premium pricing.
Service	Global after-sales services, warranties and software updates.	Enhances customer satisfaction and long-term relationships.
Support Activities	Continuous investment in R&D, employee development and sustainable procurement.	Encourages innovation and strengthens long-term competitive advantage.

2.2.2 Analysis of VRIO

Barney (1991) created the VRIO framework, which assesses whether an organization's assets and competencies offer a long-term competitive advantage. Value, Rarity, Imitability, and Organization (VRIO) are the four factors that the model evaluates. Long-term competitive advantage is more likely to result from resources that meet all four requirements (Johnson et al., 2023). Jaguar Land Rover (JLR) can determine its strategic strengths and areas that need more investment by using the VRIO framework.

Resource/Capability	Valuable	Rare	Difficult to Imitate	Organised	Competitive Implication
Strong Luxury Brand (Range Rover, Defender, Jaguar)	✓	✓	✓	✓	Sustainable Competitive Advantage
Research & Development Capability	✓	✓	✓	✓	Sustainable Competitive Advantage
Global Manufacturing Facilities	✓	✗	✗	✓	Competitive Parity
Skilled Workforce	✓	✓	✗	✓	Temporary Competitive Advantage

Resource/Capability	Valuable	Rare	Difficult to Imitate	Organised	Competitive Implication
Reimagine Strategy & EV Investment	✓	✓	✓	✓	Sustainable Competitive Advantage

Critical Evaluation

According to the VRIO analysis, JLR's most valuable strategic assets are its internationally renowned luxury brands, R&D skills, and Reimagine Strategy, all of which offer a long-term competitive advantage. With the help of these resources, the business is able to set itself apart through high-end car quality, cutting-edge technology, and environmentally friendly mobility options (Jaguar Land Rover, 2025). However, competitors can replicate manufacturing facilities and qualified workers through recruiting and investment, which limits their capacity to establish a sustained competitive edge. To sustain its leadership in the high-end automobile sector, JLR needs thus keep making investments in innovation, brand building, and electric car technology.

2.3 SWOT evaluation

An organization's strengths, weaknesses, opportunities, and threats are assessed using a SWOT analysis, a strategic planning technique. It supports strategic decision-making by integrating information from the internal and external environments (Johnson et al., 2023). The SWOT analysis for Jaguar Land Rover (JLR) identifies the critical elements affecting its sustainable growth and long-term competitiveness.

Strengths

Strong global luxury brands (Range Rover, Defender and Jaguar).

Significant investment in research and development.

Strong reputation for engineering excellence and innovation.

Global market presence in over 120 countries.

Opportunities

Growing global demand for electric vehicles.

Weaknesses

High production and operating costs.

Dependence on global suppliers for batteries and semiconductors.

Slower transition to electric vehicles compared with some competitors.

Exposure to economic uncertainty and supply chain disruptions.

Threats

Intense competition from Tesla, BMW, Mercedes-Benz and Chinese EV manufacturers.

Strengths

Government incentives supporting sustainable transport.

Expansion into emerging international markets.

Advances in artificial intelligence and connected vehicle technology.

Weaknesses

Rising raw material and energy costs.

Stricter environmental regulations and changing consumer expectations.

Global economic instability and geopolitical uncertainty.

Critical Evaluation

According to the SWOT analysis, JLR's main competitive advantages are its portfolio of premium brands, engineering know-how, and ongoing investment in innovation. Nonetheless, the business is confronted with a number of formidable obstacles, such as growing rivalry in the electric vehicle industry and persistent supply chain hazards. JLR should improve supply chain resilience, expand into high-growth overseas markets, and use its strong brand recognition and research capacity to speed the development of electric vehicles in order to retain long-term competitiveness.

3. Developing a Strategy

Formulating a strategy is creating plans of action that help an organization accomplish its long-term goals while addressing opportunities and problems found through strategic analysis (Johnson et al., 2023). Three strategic priorities are suggested for Jaguar Land Rover (JLR) based on the PESTLE, Porter's Five Forces, Value Chain, VRIO, and SWOT assessments.

First and foremost, JLR ought to keep speeding up the switch to electric cars (EVs). Investing in electric vehicle technology is crucial due to growing customer demand for environmentally friendly transportation and tighter environmental restrictions. JLR's competitive position will be strengthened and its Reimagine Strategy will be supported by growing its EV product line (Jaguar Land Rover, 2025).

Second, by lowering reliance on a small number of suppliers for batteries and semiconductor components, JLR should improve the resilience of its supply chain. During times of global turmoil, establishing long-term supplier relationships and broadening sourcing strategies will lower operational risks, increase production stability, and boost business performance.

Lastly, JLR should keep funding research and development, especially in the areas of autonomous driving, linked car technologies, and artificial intelligence. In the luxury car industry, innovation is a crucial competitive advantage that will enable the business set itself apart from rivals like Tesla, Mercedes-Benz, and BMW.

All things considered, these tactics will help JLR expand over the long run by enhancing

sustainability, bolstering operational resilience, and preserving its competitive edge in the global car sector.

4. Conclusion and Suggestions

The PESTLE, Porter's Five Forces, Value Chain, VRIO, and SWOT frameworks have all been used in this research to assess Jaguar Land Rover's strategic position. The results show that JLR gains from a powerful worldwide brand, cutting-edge engineering skills, and a large investment in innovation. These advantages give the business a competitive edge in the market for high-end cars.

The report did, however, also point out a number of difficulties, such as escalating production costs, supply chain interruptions, and growing competition in the electric vehicle market. In order to overcome these obstacles, JLR should keep speeding up the switch to electric cars, fortify its supply chain through strategic alliances and diverse sourcing, and boost R&D spending to support emerging technologies.

All things considered, Jaguar Land Rover will be in a better position to accomplish sustainable growth, enhance operational resilience, and preserve its competitive edge in the quickly evolving global automotive sector by putting these initiatives into practice.

5. References

ACEA (2025) *The European Automobile Industry Pocket Guide 2025*. Brussels: European Automobile Manufacturers' Association.

Bank of England (2025) *Monetary Policy Report – May 2025*. London: Bank of England.

Barney, J. (1991) 'Firm resources and sustained competitive advantage', *Journal of Management*, 17(1), pp. 99–120.

Deloitte (2025) *2025 Global Automotive Consumer Study*. London: Deloitte.

Jaguar Land Rover (2025) *Annual Report 2024/25*. Coventry: Jaguar Land Rover Automotive PLC.

Johnson, G., Scholes, K., Whittington, R. and Angwin, D. (2023) *Exploring Strategy: Text and Cases*. 13th edn. Harlow: Pearson Education.

Porter, M.E. (1980) *Competitive Strategy: Techniques for Analysing Industries and Competitors*. New York: Free Press.

Porter, M.E. (1985) *Competitive Advantage: Creating and Sustaining Superior Performance*. New York: Free Press.

Society of Motor Manufacturers and Traders (SMMT) (2025) *UK Automotive Sustainability Report 2025*. London: SMMT.

Society of Motor Manufacturers and Traders (SMMT) (2025) *UK Automotive Industry Outlook 2025*. London: SMMT.

UK Government (2025) *Government confirms pathway to zero-emission vehicles*. London: Department for Transport.