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Executive Summary

This report evaluates Jaguar Land Rover's (JLR) strategic position in the premium automotive industry, with a focus on sustainability and long-term competitiveness. It analyses the external environment using PESTLE and Porter's Five Forces, and the internal environment through value chain analysis, the resource-based view (RBV), VRIO and SWOT. The findings show that JLR benefits from strong premium brands, improving financial performance and clear strategic direction, but faces major challenges from electrification costs, supply-chain dependence and uneven regional demand (JLR, 2025a). Three strategic options are assessed using the SAF framework: EV-only transformation, dual powertrain, and ultra-luxury focus. The report concludes that a disciplined dual-powertrain strategy is the strongest option because it balances electrification with profitability, resilience and market flexibility. It recommends continued investment in electrification, software capability, supply-chain resilience and Jaguar's repositioning.

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Jaguar Land Rover: Strategic Management and Sustainability Report

Introduction

Strategic management is the process through which organisations analyse their internal and external environment, set long-term objectives, and develop strategies to achieve competitive advantage and sustainable success (Johnson at al., 2017). This is particularly important in dynamic industries where firms must respond effectively to technological change, regulation and shifting consumer demand. Jaguar Land Rover (JLR) is a British luxury vehicle manufacturer owned by Tata Motors. Through its Reimagine strategy, JLR aims to reposition itself around modern luxury, electrification, digital transformation and sustainability, with Jaguar moving towards an all-electric identity (JLR, 2026b). Its vision is to be the "proud creators of modern luxury", supported by objectives including carbon net zero by 2039 and accelerated electrification across its brands (JLR, 2023; JLR, 2026b). The company's central strategic challenge is how to accelerate electrification without weakening profitability, resilience or brand equity, particularly in a context of tightening regulation, rapid technological change and uneven customer demand across regions (UK Government, 2024). This report applies PESTLE, Porter's Five Forces, RBV, VRIO, SWOT, Porter's Generic Strategies, the Ansoff Matrix and the SAF framework to identify the most suitable strategic option for future growth and sustainability

Strategy Analysis

External Environment Audit

PESTLE Analysis

Political and legal factors are highly significant for JLR because decarbonisation policy is reshaping competition in the automotive sector. The UK Zero Emission Vehicle mandate increases pressure on manufacturers to accelerate electrification, while EU emissions regulation reinforces similar pressure across Europe (UK Government, 2024; European Commission, 2026). SMMT (2026) also shows that UK manufacturers face transition pressure as they balance compliance with uneven market readiness. This matters strategically because

regulation affects all firms, so advantage comes not from compliance alone, but from executing transition more effectively than competitors.

Economic factors create further uncertainty. Although JLR's premium positioning provides more protection than mass-market firms, luxury vehicles remain discretionary purchases and are still vulnerable to weak growth, inflation and tighter financing conditions. The IMF forecasts subdued global growth, which may reduce demand for high-value consumer goods, especially in weaker regions such as China (IMF, 2025). SMMT (2026) indicates that UK demand remains mixed, while OICA (2025) highlights the scale and international exposure of the automotive industry, reinforcing JLR's sensitivity to global market volatility.

Social and technological factors are closely linked. Premium consumers increasingly expect sustainability, connectivity and seamless digital experiences alongside design, performance and craftsmanship. Customers are also more willing to compare brands on technology and user experience rather than heritage alone (Bertoncello et al., 2025). This means JLR must strengthen software capability, battery performance and connected services to maintain premium differentiation.

Environmental factors intensify these pressures. Electrification may reduce tailpipe emissions, but it also increases dependence on batteries, critical minerals and energy-intensive supply chains. Sustainability is therefore not only a compliance issue, but also a sourcing and resilience challenge (IEA, 2025). Overall, the PESTLE analysis shows that JLR needs a flexible, execution-focused transition strategy rather than a simple EV-only response.

Porter's Five Forces

Rivalry in the premium automotive industry is high. JLR competes with established manufacturers such as BMW and Mercedes-Benz, while also facing pressure from electric-vehicle-focused competitors that compete aggressively on software, battery performance and digital experience (BMW Group, 2025). Mercedes-Benz also continues to strengthen its electrified premium positioning (Mercedes-Benz Group, 2025). Tesla represents an additional source of rivalry because of its strong electric-vehicle (EV) identity and technology-led market presence (Tesla, Inc., 2025). As a result, JLR cannot rely on prestige alone and must compete on innovation, execution and strategic clarity.

The threat of new entrants is moderate. The automotive sector still requires substantial capital investment, regulatory compliance and brand credibility. However, electrification reduces some traditional entry barriers because battery systems, software integration and digital user experience are becoming more important than internal combustion expertise, with OICA (2025) highlighting the size and international connectedness of the automotive industry.

Figure 1: Porter's Five Forces Model

Source: One Step Ahead Advisory (2024).

Supplier power is high, particularly in batteries, semiconductors and critical minerals. Concentration in mining, refining and advanced component supply exposes manufacturers to disruption and cost volatility (IEA, 2025). This is especially important for JLR because it lacks the purchasing scale of some larger global rivals.

Buyer power is moderate but increasing. Premium customers are highly informed and increasingly demanding on sustainability, technology and service quality. Their expectations now extend beyond design and heritage to digital integration and user experience (Bertoncello, et al., 2025). The threat of substitutes remains moderate, but switching between premium brands is becoming easier as innovation becomes a stronger basis for comparison. Overall, JLR must sustain differentiation in an electrified and software-led market.

Internal Environment Audit

Value Chain Analysis

JLR's value chain still contains important sources of competitive advantage, but the basis of value creation is changing. Inbound logistics and procurement are becoming more strategic because batteries, semiconductors and critical materials increasingly shape cost structures, production flexibility and transition speed (IEA, 2025).

Operations remain one of JLR's strengths. Its UK manufacturing base contributes to perceptions of quality, authenticity and premium heritage, while the company has committed major investment to production modernisation for an electrified future (JLR, 2023). Recent corporate reporting also shows continued focus on manufacturing transformation and operational improvement (JLR, 2025a). However, these investments also increase exposure to fixed costs and execution risk if EV demand develops more slowly than expected.

Marketing and brand management remain among JLR's strongest activities. Range Rover and Defender continue to support premium pricing and have underpinned much of the company's recent recovery (JLR, 2025a). However, although branding, design and manufacturing remain significant strengths, future value creation will depend increasingly on software, electrified architecture and connected services. If JLR does not build these capabilities quickly enough, its traditional strengths may become less decisive.

Overall, JLR retains meaningful competitive assets, but their long-term value depends on whether they are linked to the capabilities required in the next stage of industry competition.

Resource-Based View (RBV) and VRIO Analysis

From a resource-based perspective, JLR's most important resources include brand heritage, design capability, engineering expertise and financial backing from Tata Motors. These resources help explain why the company has retained premium relevance and pricing power despite industry disruption (JLR, 2025a).

VRIO analysis suggests that brand heritage is JLR's strongest long-term strategic asset because it is valuable, relatively rare, difficult to imitate and supported by the organisation (Barney,

1991). The symbolic strength of Range Rover and Defender cannot easily be replicated by newer competitors. By contrast, design capability is valuable and relatively rare, but easier to imitate over time than deep brand equity. Tata Motors' backing improves resilience and investment capacity, but it is better understood as an enabling condition than as a unique source of sustained competitive advantage.

This is strategically important because JLR's most distinctive resources lie in heritage and brand equity, while the future basis of competition lies increasingly in electrification, software and connected ecosystems. Heritage can support premium pricing, but it does not automatically guarantee technological leadership.

Table 1: VRIO Analysis

Resource	Valuable	Rare	Inimitable	Organised	Competitive Outcome
Brand Heritage	✓	✓	✓	✓	Sustained Advantage
Design Capability	✓	✓	Partial	✓	Temporary Advantage
Tata Backing	✓	No	No	✓	Competitive Parity

Source: Author's own analysis based on Barney (1991) and JLR (2025a).

SWOT Summary

JLR's principal strengths include its premium brands, pricing power, improving financial performance and support from Tata Motors (JLR, 2025a). Its main weaknesses include high capital intensity, supply-chain exposure and uneven regional performance. Opportunities exist in premium EV growth, digital services and the repositioning of Jaguar as an all-electric modern luxury brand (Jaguar, 2026). The main threats are intense rivalry, tightening regulation and dependence on concentrated EV supply chains (IEA, 2025).

The key insight from the SWOT analysis is that JLR possesses strong strategic assets, but not assets that automatically solve the transition challenge. The central issue is whether those strengths can support capability renewal in a rapidly changing market.

Table 2: SWOT Analysis of Jaguar Land Rover

Strengths	**Weaknesses**
• Strong premium brands (Range Rover, Defender) • Strong global brand heritage and reputation • Financial backing from Tata Motors • Premium pricing power in luxury SUV segment	• High fixed manufacturing and R&D costs • Exposure to cyclical luxury demand • Regional sales imbalance (e.g., China fluctuations) • High capital expenditure for EV transition
Opportunities	**Threats**
• Growth of premium electric vehicle market • Expansion in North American luxury SUV demand • Development of digital and connected vehicle services • Brand repositioning of Jaguar as EV luxury brand	• Intense competition from premium manufacturers • Rapid technological change in EV and software vehicles • Regulatory pressure and emissions requirements • Supply chain volatility for batteries and semiconductors

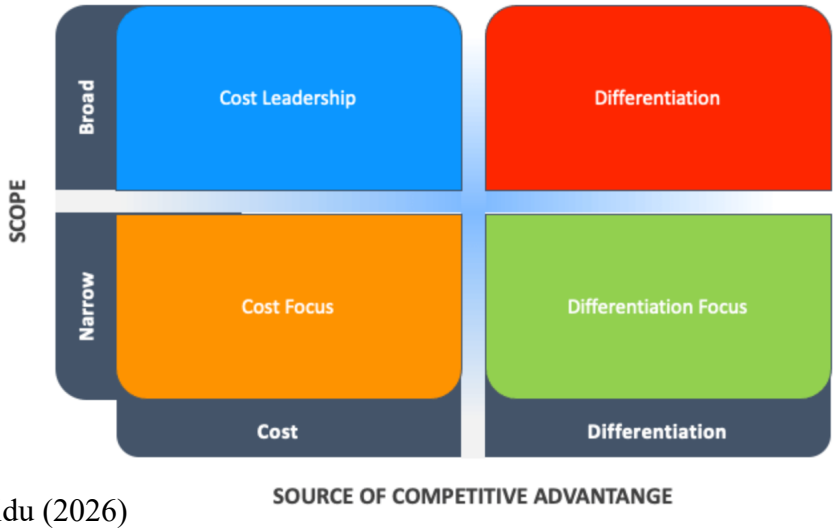
Source: Author's own summary based on JLR (2025a), JLR (2025b), IEA (2025) and Jaguar (2026).

Strategy Formulation

Strategic Issues and Options and Evaluation Using SAF Framework

JLR faces three main strategic issues: the pace of electrification, the repositioning of Jaguar, and the challenge of managing transformation under uneven regional demand and high investment pressure (JLR, 2026b). Porter's Generic Strategies explains that firms achieve competitive advantage through cost leadership, differentiation or focus (Porter, 1980). JLR mainly follows a differentiation strategy based on premium design, innovation and luxury, meaning that it must adapt to electrification without weakening brand value.

Figure 2: Porter's Generic Strategies



Source: Collidu (2026)

The Ansoff Matrix identifies growth options through market penetration, market development, product development and diversification (Ansoff, 1957). In JLR's case, the strongest strategic option is a dual-powertrain strategy, in which EVs expand gradually while hybrids and selected internal combustion models remain during the transition. This mainly reflects product development, because JLR is introducing new electrified products into existing markets while protecting cash flow from current models (JLR, 2024).

Figure 3: Ansoff Matrix

Source: Minute Tools Content Team (2022)

An EV-only strategy would strengthen long-term sustainability signalling, but it would also expose JLR more rapidly to battery supply risk, infrastructure limitations and uneven customer

demand (ACEA, 2024). A stronger ultra-luxury focus would support margins and exclusivity, but it would not fully address the underlying technological transition.

Using the SAF framework, the dual-powertrain strategy is the most balanced option. It is suitable because it responds to electrification pressure without assuming that all markets are equally ready for a full-EV shift (ACEA, 2024). It is acceptable because it protects profitability during the transition and allows the firm to continue funding transformation; recent growth in hybrid sales supports this logic (JLR, 2024). It is feasible because JLR has already committed major investment to electrification and manufacturing transformation (JLR, 2023).

Overall, JLR should adopt a disciplined dual-powertrain strategy because it supports differentiation while providing a practical and financially sustainable path to growth.

Table 3: SAF Framework Evaluation

Option	Suitability	Acceptability	Feasibility	Overall
EV-only transformation	High	Medium	Medium	High risk
Dual powertrain strategy	High	High	High	Most balanced
Ultra-luxury focus	Medium	Medium	Medium	Niche strategy

Source: Author's own evaluation based on Johnson et al. (2017), JLR (2024), JLR (2025a) and ACEA (2024).

Recommendations

1. JLR should adopt a disciplined dual-powertrain strategy while accelerating investment in batteries, software and premium EV design. This is the most credible way to align with regulation while preserving the profitability required to fund transformation (JLR, 2025a).

2. The company should expand EV offerings in markets where infrastructure, customer readiness and premium demand are strongest. Hybrids and selected internal combustion models should remain in less mature markets in order to support revenue during the transition (ACEA, 2026).

3. JLR should strengthen supplier partnerships and sourcing resilience in batteries and critical minerals. Concentrated refining capacity remains a structural risk to EV strategy and should be treated as a core strategic issue rather than a short-term procurement concern (IEA, 2025).

4. Investment should also focus more explicitly on software capability, digital user experience and connected vehicle services. These are increasingly central to premium differentiation and customer loyalty in the luxury automotive market (Bertoncello et al., 2025).

5. Jaguar's repositioning should be managed as genuine strategic renewal rather than a simple relaunch. Its success will depend on whether JLR can make Jaguar technologically credible as well as visually distinctive (Jaguar, 2026).

Conclusion

JLR operates in a premium automotive market shaped by high rivalry, rising supplier power, tighter regulation and rapid technological change. Its strongest assets remain its brands, pricing power and improving financial position, but these alone are no longer sufficient in an industry increasingly defined by electrification, software capability and supply-chain resilience (JLR, 2025a). This report has argued that a disciplined dual-powertrain strategy is the most effective response because it reflects uneven market readiness while protecting the profitability needed to fund transformation. JLR's long-term advantage will depend on its ability to combine brand strength with technological capability, operational resilience and disciplined investment.

Detailed year-on-year retail and wholesale sales comparisons, including regional and brand performance, are presented in Appendix A.

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Appendix A: Jaguar Land Rover Sales Performance and Year-on-Year Comparison

Table 1: JLR Overall Sales Performance

Measure	FY22/23	FY23/24	FY24/25	% Change FY23/24 vs FY22/23	% Change FY24/25 vs FY23/24
Retail sales (units)	354,662	431,733	428,854	+21.7%	-0.7%
Wholesale volumes (units)	321,362	401,303	400,898	+24.9%	-0.1%

JLR's sales recovered strongly in FY23/24, with retail sales rising 21.7% and wholesale volumes rising 24.9%. In FY24/25, both measures were broadly flat, suggesting consolidation after the previous year's sharp recovery.

Table 2: JLR Retail Sales by Region

Region	FY23/24	FY24/25	% Change
UK	79,720	81,346	+2.0%
North America	94,994	120,279	+26.6%
China	104,123	83,660	-19.7%
Europe	78,253	71,575	-8.5%
Overseas	74,643	71,994	-3.5%
Total	**431,733**	**428,854**	**-0.7%**

Table 3: JLR Retail Sales by Brand

Brand	FY23/24	FY24/25	% Change	Share of FY24/25 Retail Sales
Range Rover	203,788	225,047	+10.4%	52.5%
Defender	114,646	112,635	-1.8%	26.3%
Discovery	46,433	42,727	-8.0%	10.0%
Jaguar	66,866	48,445	-27.5%	11.3%

By brand, Range Rover was JLR's strongest-performing marque in FY24/25, accounting for more than half of total retail sales and recording growth of 10.4%. In contrast, Jaguar experienced the steepest decline, with sales falling by 27.5%, largely because JLR was phasing out legacy Jaguar models ahead of its brand transformation.

Overall, JLR's retail sales declined only marginally in FY24/25, by 0.7%, from 431,733 to 428,854 vehicles, while wholesale volumes remained almost unchanged, falling by just 0.1%. This indicates broadly stable sales performance rather than significant overall growth.

North America made the strongest regional contribution, with retail sales rising from 94,994 to 120,279 units, an increase of 26.6%. By contrast, China was the weakest-performing region, where sales fell from 104,123 to 83,660 units, representing a decline of 19.7%. At brand level, Range Rover remained the main growth driver, increasing by 10.4% year on year to 225,047 units and accounting for 52.5% of total retail sales. Conversely, Jaguar sales declined by 27.5% to 48,445 units, reflecting the company's transition away from older models.

Source: Adapted from JLR (2025a).