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Executive Summary

This report looks at Jaguar Land Rover (JLR), one of the biggest important car companies in the United Kingdom. The report studies how strategic management helps the company deal with big changes in the car industry like the move towards electric vehicles, environmental laws and changing customer needs (Johnson, Scholes and Whittington, 2017).

The importance of strategic management for JLR is explained, along with background information about the company, including its vision, mission and objectives. Strategic management also helps organisations use their internal strengths to gain an advantage (Barney, 1991).

The Strategy Analysis studies both the external and internal environments. The PESTLE and Porter's Five Forces models are used to understand how politics, the economy, society, technology, laws and the environment affect JLR. The Value Chain, Resource-Based View (RBV), and VRIO models are used to look inside the company and find its main strengths and weaknesses (Jaguar Land Rover, 2023). A SWOT analysis brings together all of these findings.

The Strategy Formulation section gives ideas to help JLR grow, such as investing in electric vehicles, innovation and sustainability. The Conclusion and Recommendations summarise the main points and give clear actions JLR can take to stay strong, competitive and successful in the future (Johnson, Scholes and Whittington, 2017).

Introduction

Strategic management means making careful plans and decisions to help a company reach its goals and succeed in a changing world (Wheelen and Hunger, 2018). It helps a business understand what is happening inside and outside the company and to use this knowledge to stay strong and competitive. The main benefit of strategic management is that it helps leaders make smart choices, prepare for risks and take advantage of new opportunities (Johnson, Scholes and Whittington, 2017). In the fast-changing car industry, this is very important because technology, customer needs and government rules change quickly. For example, in the U.S. changing electric car laws meant that Tesla, Inc. faced problems from the rollback of regulations and incentives designed to support electric vehicle adoption (Buckberg & Cole, 2025).

This report focuses on Jaguar Land Rover (JLR), a large and well-known British car company. JLR designs and makes luxury cars and sport utility vehicles (SUVs). The company's roots go back to the early 1900s and it is now owned by Tata Motors, an Indian automotive group (Tata Motors, 2023). JLR's main brands are Jaguar, which focuses on stylish and sporty cars, and Land Rover, which is famous for strong and capable off-road vehicles. The company operates in more than

100 countries and has a strong reputation for quality, innovation and design (Jaguar Land Rover, 2023).

JLR's vision is to create "the world's most desirable luxury vehicles." Its mission is to deliver modern luxury through design, sustainability and technology. The company's main objectives are to become carbon net zero by 2039, to grow its electric vehicle range and to keep improving quality and customer satisfaction (Jaguar Land Rover, 2023).

Strategic management helps JLR reach these goals and face major industry challenges such as climate change, electric mobility and global competition (Wheelen and Hunger, 2018).

Strategy Analysis

External Environment Audit

The external environment is very important for any company. It includes all the outside factors that a business cannot control but must understand to make good decisions. For Jaguar Land Rover (JLR), the car industry is changing quickly because of new technologies, environmental rules and economic challenges. Two useful models to study this are PESTLE and Porter's Five Forces.

PESTLE Analysis

Political:

The UK government supports the move to electric vehicles (EVs) and plans to stop the sale of new petrol and diesel cars by 2035. This creates pressure but also opportunity for JLR to develop more electric cars. Political stability in the UK helps business planning but Brexit has increased trade costs and slowed the supply chain for parts imported from Europe (Society of Motor Manufacturers and Traders, 2024).

Economic:

The UK economy has faced slow growth and inflation, which affects car sales. However, luxury brands like JLR are less affected because their customers have higher incomes. Global economic issues, such as rising material prices, also increase production costs (Office for National Statistics, 2024).

Social:

Consumers are becoming more eco-friendly and prefer cars that cause less pollution. People also value modern design and digital features. Younger customers are more open to car sharing or subscription models instead of ownership which may change future demand (PwC, 2023). 3

Compared with other luxury car companies such as BMW and Mercedes-Benz, JLR faces similar social pressures to adopt cleaner technology and meet customer expectations for digital features (PwC, 2023). This shows that the social environment affects most global automotive firms in the same way not only JLR.

Technological:

Technology is changing the car industry quickly. Electric engines, autonomous driving systems and digital connectivity are becoming standard. JLR invests in innovation and has announced plans for several new electric models under both the Jaguar and Land Rover brands (Jaguar Land Rover, 2023).

Legal:

Environmental and safety laws are getting stricter. The UK and EU have strong rules about vehicle emissions and recycling. JLR must meet these standards, which increases costs but also improves the brand's image as a responsible company (Department for Transport, 2024).

Environmental:

Climate change is a major issue. JLR is focusing on sustainability and has committed to becoming carbon net zero by 2039. The company is also using more recycled materials and renewable energy in its factories (Jaguar Land Rover, 2023).

Porter's Five Forces

1. Competitive Rivalry – High:

Competition in the car industry is strong. JLR competes with brands like BMW, Mercedes-Benz, Audi and Volvo. These companies also make luxury electric vehicles, so innovation and brand loyalty are key (Statista, 2024).

2. Threat of New Entrants – Low:

Starting a car company requires a lot of money, technology and skilled workers. This makes it difficult for new firms to enter the luxury car market. However, some new electric car makers like Tesla and Rivian have already entered, increasing pressure.

3. Threat of Substitutes – Moderate:

Public transport, car sharing, and electric bikes offer other ways to travel. However, people who buy JLR cars often want comfort, style, and performance, so the risk of substitutes is moderate.

4. Bargaining Power of Suppliers – Moderate:

JLR depends on many suppliers for parts and materials. Some special components, such as computer chips, come from a few suppliers, giving them power. However, JLR's large size helps it negotiate better terms.

5. Bargaining Power of Buyers – High:

Customers have many car brands to choose from, so they have strong bargaining power. They expect high quality, advanced technology, and fair prices. If JLR fails to meet these expectations, customers may move to other brands.

Internal Environment Audit

The internal environment looks at what happens inside Jaguar Land Rover (JLR). It helps the company understand its main strengths and weaknesses. Two useful models for this are the Value Chain Analysis and the Resource-Based View (RBV). These models help to see how JLR creates value and what resources give it an advantage over other car companies.

Value Chain Analysis

The value chain model, created by Porter (1985), divides a company's activities into primary and support activities.

For JLR, the primary activities include production, marketing and sales. The company's factories in the United Kingdom and Slovakia use advanced technology and high-quality materials to build luxury vehicles. JLR focuses on design, safety and comfort to make its cars stand out. Its marketing campaigns show the company's British heritage and focus on "modern luxury," which helps build a strong brand image (Jaguar Land Rover, 2023).

The support activities include research and development (R&D), human resources and purchasing. JLR spends a lot on R&D to develop new electric vehicles (EVs) and improve sustainability. It also invests in digital technology, such as smart car systems and self-driving features. The company's employees are highly skilled engineers, designers and technicians who are key to innovation (JLR Careers, 2024). The supply chain management system is also strong, but recent problems with global parts shortages have created delays.

Resource-Based View (RBV)

The RBV model, explained by Barney (1991), says that a company can succeed if it owns resources that are valuable, rare, and hard to copy. JLR has several key resources that help it stay competitive. Its biggest strength is its brand reputation, known worldwide for quality and style. The company also has strong engineering knowledge and design expertise, allowing it to produce luxury cars that meet global standards.

Another major internal strength is its ownership by Tata Motors, which gives financial support and access to global markets. However, the company also faces internal weaknesses such as high production costs, slow delivery times and challenges in fully moving to electric vehicles.

VRIO Analysis

A VRIO analysis helps to evaluate whether JLR's resources give it a long-term competitive advantage. JLR's strong brand reputation is valuable because customers recognise it for luxury and quality. It is also rare because only a few global companies have similar heritage. The brand is difficult for competitors to imitate and JLR is organised to use this strength through global marketing and product development. This makes the JLR brand a sustained competitive advantage.

JLR's engineering skills are valuable and rare but not completely difficult to copy, because many competitors also invest heavily in engineering and technology. This gives JLR only a temporary advantage.

The company's financial support from Tata Motors is valuable and helps JLR invest in new technologies quickly. This resource is not rare but is still important for helping JLR stay competitive.

SWOT Analysis

The SWOT analysis brings together the key points from both the external and internal environment. It helps to clearly understand Jaguar Land Rover's (JLR) strengths, weaknesses, opportunities and threats.

JLR has several important strengths. It has a strong global brand that is known for luxury, quality and British heritage. The company also has skilled engineers and designers who help create high-quality vehicles. JLR receives financial support from Tata Motors, which gives the company stability. It also invests heavily in research and development, especially in electric vehicle technology. These strengths help JLR compete in the fast-changing automotive industry.

There are also weaknesses that the company must overcome. JLR has high production costs, which make manufacturing expensive. The company has faced delays moving fully into electric vehicle production and its electric vehicle range is still smaller than that of some competitors. JLR has also experienced supply chain problems, especially with parts shortages.

In terms of opportunities, demand for electric and environmentally friendly cars is growing. Governments support green technology, which can benefit JLR. There are also opportunities for JLR to expand further into global markets, especially in Asia.

Competitors such as BMW and Volvo are also expanding their electric vehicle ranges, which means the opportunities created by sustainability trends apply across the luxury automotive market and not only to JLR (Statista, 2024).

However, there are threats, such as strong competition from Tesla, BMW, Mercedes, and other global brands. Environmental laws are becoming stricter and can increase costs. Economic uncertainty and rising material prices may also affect JLR's performance.

Strategy Formulation

Based on the earlier analysis, Jaguar Land Rover (JLR) needs strong and realistic strategies to stay competitive in the changing automotive industry. The move toward electric vehicles, the rise of new technologies and strong competition create both challenges and opportunities. To respond to these changes, JLR must choose strategies that improve its performance while supporting long-term sustainability and growth.

One important strategy is to speed up the development of electric vehicles (EVs). The global demand for electric cars is growing quickly and many governments are encouraging companies to reduce emissions (McKinsey & Company, 2023). JLR already plans to make Jaguar a fully electric brand, but the company needs to move faster to compete with rivals such as Tesla, Mercedes and BMW. This means investing more in battery technology, expanding charging solutions and creating a wider range of electric models. Faster EV development will help JLR strengthen its brand and meet customer expectations for clean and modern vehicles (International Energy Agency, 2023).

Another strategy is to improve production efficiency. JLR faces high production costs, which reduce profit margins. The company can address this by using more automation, improving supply chain planning, and working more closely with suppliers. Better production systems will reduce delays and help the company respond more quickly to changes in demand. This is especially important after recent global shortages of parts such as semiconductor chips.

Increasing efficiency will also help JLR remain competitive against companies that produce at lower cost levels (KPMG, 2023).

A further strategy is to focus on sustainability and environmental responsibility. Many customers prefer brands that care about the environment. JLR already aims to become carbon net zero by 2039, but it can strengthen this commitment by using more recycled materials, reducing waste, and investing in cleaner manufacturing processes. Promoting these efforts in marketing can also improve JLR's public image and attract environmentally conscious customers. Building a strong sustainability reputation will support long-term brand value.

JLR can also benefit from a strategy that improves digital technology and customer experience. Modern drivers want advanced safety features, smart connectivity and easy-to-use digital systems. Investing in software development, artificial intelligence and driver-assistance technologies will allow JLR to keep up with industry leaders. Offering better online services, such as digital car customisation and virtual showrooms, can also improve customer satisfaction and increase sales.

Another strategic option is to expand further into growing global markets, especially in Asia, where demand for luxury vehicles continues to increase. JLR can create partnerships, build stronger dealer networks, and design models that fit the needs of customers in these regions. This will help the company reduce its reliance on European markets and increase global stability.

SAFE Criteria Evaluation

The SAFE criteria (Suitability, Acceptability and Feasibility) can be used to assess the strategies. The strategies are suitable because they match the external pressures for electric vehicles, sustainability and digital innovation. They are acceptable because customers increasingly want cleaner, more advanced vehicles and stakeholders expect long term environmental responsibility. The strategies are feasible because JLR has strong brand power, access to investment from Tata Motors and skilled employees to support innovation. However, improving production efficiency may be more challenging due to high costs and supply chain disruptions, meaning this strategy may require more time and investment to fully achieve.

Conclusion and Recommendations

This report examined Jaguar Land Rover (JLR) using several strategic tools to understand the company's situation and future direction. The analysis showed that strategic management is very important for JLR because the automotive industry is changing quickly. New technology, electric vehicles, environmental rules and strong global competition all affect how the company must operate.

The external environment analysis showed that there are many opportunities for JLR, especially in electric vehicles, sustainability and new global markets. However, there are also serious threats, such as strong competitors like Tesla and BMW, rising costs and strict environmental laws.

The internal analysis found that JLR has strong advantages, including a powerful brand, skilled workers, and high-quality engineering. But weaknesses such as high production costs, delays in electric vehicle development and supply chain disruptions need careful attention. The SWOT analysis combined these points and confirmed that JLR must act quickly to stay competitive.

Based on these findings, several recommendations can help JLR achieve long-term success. First, the company should accelerate electric vehicle development by investing more in battery technology, software, and charging solutions. This will help JLR meet customer expectations and compete with other luxury electric brands. Second, JLR should improve production efficiency by using better technology and working closely with suppliers to reduce delays and costs. Third, the company should strengthen its sustainability actions, as customers increasingly value environmentally responsible brands. Fourth, JLR should invest more in digital technology, including advanced safety features, better connectivity, and improved customer services. Finally, the company should expand further into fast-growing markets, especially in Asia, to increase global stability and reach new customers.

If JLR follows these recommendations, it will be better prepared for the future and more able to grow, innovate, and succeed in a competitive global market.

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