



A Study on The Rise and Plunge of Tata Nano Car.

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ABSTRACT

This research paper tracks Tata Motors Nano, The Tata Nano is a discontinued city car/microcar made and produced by Indian automotar Tata Motors. It was one of the favorite projects of Mr. Ratan Tata, chairman of over \$300 million and 29 publicly listed Tata Groups Companies. This paper suggests the Rise and Plague of Tata Nano car. It also explained what went wrong for Tata Nano over its growth and sales. The paper is based on secondary data on the various aspects which limited sales of Tata Nano.

Keywords – Rise, Plunge, Setbacks, Repositioning, Discontinuation

1. Introduction -

Tata group limited is an Indian Multinational automotive manufacturing company, headquartered in Mumbai, which is a part of Tata group. The company produces passenger cars, trucks, coaches, and buses.

Tata Motors was in fact the sixth-largest commercial vehicle manufacturer in the world and was among India's largest automobile companies. In 2004, Tata Motors became the first Indian manufacturing company to be listed on the New York Stock Exchange.

The Tata Nano was one of the world's most efficient cars, getting 52 gallons per gallon (mpg) in the city and 61 mpg on the highway (22 km per liter and 26 km per liter, respectively).

Tata Nano is one of the longest-awaited and most talked about automobiles debuts in India. On January 10 2008. Tata motors unveiled its car at the ninth auto expo in new Delhi. The Tata Nano brought a media blitz and a crush of onlookers that required top-leveled security.

But the question arises that the Owner of Top Brands like Jaguar and Land Rover Mr. Ratan Tata one of the great investors and industrialist, the best in the business then...

what went wrong with Tata Motor's Nano car?

why such convenient budget full Tata Nano fails?

Why the most fuel-efficient car discontinued its production?

What affects the sales and what are issues with the marketing strategies?

Literature Review –

Rise and Hype

The Tata Nano was unveiled with crazy hype and anticipation. It was marketed as the "world's cheapest car" with a price tag of just 1,00,000 Indian Rupees

The car was featured by multiple features like its compact size, fuel efficiency, and the potential to provide a safer mode of transportation for families

Initial Sales Success:

The Tata Nano Initially saw a strong response from the customers with increasing in demand for Tata Nano car with thousands for pre-orders and sale exceeding expectation.

Challenges and Setbacks:

Several challenges were faced by Tata Nano over its Safety concern, quality issues and incidents like catching fire.

Repositioning and relaunch:

Tata Motors attempted to reposition the Nano as a more upmarket and feature-rich vehicle to overcome its initial setbacks.

They introduced new variants, such as the Nano Twist, with improved features and marketing aimed at a more aspirational audience.

Decline and Discontinuation:

Despite being repositioning of Tata Nano, it continued to face challenges including competition from other low-cost car manufactures and changing consumer preference.

Research Methodology:

This research paper is based on Secondary data. Data for the research is collected from various online journals, articles and magazine.

Research objectives:

To understand the initial Rise of Tata Motors Nano car.

To understand the Plunge and fall of Tata nano and the areas of economy which are affected of India and Tata individually.

To find out the factors affected to the growth and sales of Tata Nano car and being discontinued its production after.

Finding:

Tata Motors is the sixth-largest commercial vehicle manufacturer in the world and among India's largest automobile companies. Tata Motors had provided India great and innovative, strong, budget vehicles. As the company being serving India most efficient and safest vehicles, it's not the best from an organisation like Tata being serving cars like Nano.

Finding 1: Quality and safety concerns, including reports of fires in some Tata Nano vehicles, significantly eroded consumer trust and confidence in the car.

Implication: The importance of rigorous quality control and safety standards in the automobiles industry cannot be understand, neglecting these aspects can lead to a loss of consumer faith.

Finding 2: The tata Nano's initial positioning as the "world's cheapest car" led to perception of it as a low-quality budget option.

Implication: The way a product is positioned in the market and its associated brand image can profoundly impact its success. It's essential to align marketing strategy with intended target audience.

Finding 3: Consumer preference evolved, with many Indian consumers desiring more features, safety, and style in their vehicles.

Implication: Understanding and adapting to changing preference is critical for the long-term success of any product. Low-cost alone may not suffice if it meets evolving consumer needs.

Finding 4: The discontinuation of the Nano may have environmental implications related to car disposal and waste management.

Implication; Sustainable practices, including responsible end-of-life product management, are increasingly for business.

The Tata Nano's journey provides lessons for companies looking to innovate in emerging markets. Innovators must balance cost consideration with quality, safety, and market positioning to succeed in emerging markets.

Acknowledgment: -

I would also like to extend my gratitude to

Prof Radhika Bajaj and Dr. Shrikant Waghulkar for their support for completion of our research paper.

Conclusion:

The Tata Nano project was a bold initiative by Tata Motors to provide an affordable car to the Indian-class population. The project phases several challenges that affected its success but it did attention to the issues of affordable car ownership in India.

The main objective behind Tata Nano by Mr Ratan Tata is provide an affordable car to the Indian families who couldn't afford cars like Maruti 800 and Alto.

The major reason for Tata Nano's failure is the perception it creates in the minds of its target audience. A car, back then, was a luxury to own, and not a commodity to use. Branding Nano as a "cheap car" killed the entitlement that was supposed to come with it, and hence people did not find it worth buying.

These Research paper reflect about the conclusion on "The Rise and Plunge "that the brand value created by the organisation in the consumers' minds cannot fill their acceptance over their perception.

The Tata Nano project faced several challenges that affected its success, but it did bring attention to the issue of affordable car ownership in India.

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