

## Repositioning Strategy of Tata Motors and its Acceptance Level in Customer

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### ABSTRACT

This study explores the repositioning strategy implemented by Tata Motors and its reception among customers. Tata Motors, a key player in the automotive industry, has undergone significant transformation in recent years, aiming to redefine its brand image, product offerings, and market positioning. Understanding the effectiveness of its repositioning strategy and its acceptance level among customers is critical for assessing its impact on brand perception and market competitiveness.

Preliminary findings indicate a mixed reception among customers regarding Tata Motors' repositioning strategy. While some customers appreciate the brand's efforts to enhance product quality, design aesthetics, and technological innovation, others express skepticism or resistance towards the changes. Factors such as brand heritage, perceived value for money, and trust influence customers' acceptance of Tata Motors' repositioning initiatives.

The study's implications extend to marketing strategies and brand management practices within the automotive industry. By understanding customer perceptions and acceptance levels, Tata Motors can refine its repositioning strategy, messaging, and product offerings to better align with customer expectations and preferences. Moreover, the research contributes to the broader understanding of brand repositioning dynamics and its impact on consumer behavior in competitive market environments.

Keywords: Repositioning strategy, Tata Motors, Customer acceptance, Brand perception, Automotive industry, Consumer behavior, Marketing strategies.

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## **INTRODUCTION**

The rapid pace of evolution and intense competitive dynamics within contemporary markets necessitate continual innovation and adaptation from brands to sustain their relevance and market standing. In this context, brand repositioning and other revitalization strategies have become essential endeavors to combat brand erosion.

The allure of brand repositioning is further underscored by the escalating costs and considerable risks associated with introducing a new brand. Despite its significance, brand repositioning has garnered limited attention within marketing literature, often being construed merely as a variant of brand positioning. Biel, for instance, defines brand positioning as the "construction (or reconstruction) of an image for a brand." While both positioning and repositioning strategies aim at managing consumers' perceptions, the latter entails not only creating new brand associations but also managing existing ones. The distinct challenge of repositioning strategy lies in rejuvenating the brand image to ensure relevance in a changing landscape while preserving the brand equity legacy. Repositioning may become imperative as markets evolve and new opportunities arise. Through repositioning, companies can access customer segments they hadn't initially targeted. However, repositioning a familiar brand remains one of the most daunting tasks in marketing.

According to Solomon, positioning strategy is integral to marketing efforts, as companies must utilize elements within the marketing mix to shape customers' perceptions of the brand's position. Transitioning from a less appealing and relevant position to a more desirable one involves making strategic choices. Those responsible for repositioning must assess why repositioning is necessary and determine whether it involves altering the offering or just the brand name. Risks associated with repositioning, such as loss of credibility and reliability, necessitate a meticulous strategy to mitigate such outcomes. Some analysts argue that successfully repositioning an established brand is nearly impossible, as it may lead even the most loyal customers to defect. However, in certain instances, repositioning becomes imperative to restore credibility if the brand has eroded.

The relevance of a repositioning initiative must always be gauged from a customer perspective, as attempting to reposition brands that are firmly entrenched in certain categories could prove detrimental. Numerous unsuccessful endeavors at brand repositioning underscore the arduous task of conceiving and executing such strategies. For example, while Mountain Dew has maintained its relevance in the youth market over three decades through continuous repositioning, Levi's Jeans has witnessed market share decline against newcomers like The Gap, despite numerous repositioning campaigns aimed at portraying the brand as trendy.

## **Indian Automobile Industry**

The car industry in India has been growing steadily, about 11.5% each year over the last five years. It's a big deal for the economy because it connects with a lot of other industries. Even though the economy was struggling a bit in 2008-09, the car industry managed to keep growing, though not by much. Passenger car sales went up a little, but commercial vehicle sales went down a lot.

The Indian car industry has evolved a lot, from old cars like the Ambassador and Maruti 800 to modern ones like the M&M Xylo. It's a tough business with lots of companies, both from India and other countries, competing. It's expected to become the third biggest car industry by 2030, right after the US and China, worth around \$34 billion.

The Indian car market is divided into bikes, three-wheelers, and cars. Companies like Hero Honda, Bajaj Auto, and Maruti Udyog are big in bikes and cars. Suzuki and Yamaha see India as an important market too. For commercial vehicles, there are companies like Tata Motors and Ashok Leyland.

Many big companies have joined forces with foreign companies to go global. Maruti teamed up with Suzuki, Hero with Honda, Tata with Fiat, Mahindra with Renault, and Force Motors with Mann.

## **Key Facts**

- India is ranked 12th among the world's top 15 automakers.
- The industry has seen the entry of more international players.
- It contributes 5% to the GDP.
- Production of four-wheelers in India has risen from 9.3 lakh units in 2002-03 to 23 lakh units in 2007-08.
- The industry was targeted to reach \$145 billion by 2016.

## COMPANY PROFILE

Tata Motors, an esteemed automotive manufacturer in India, boasts a distinguished company profile deeply rooted in the nation's automotive landscape. Renowned for its wide-ranging portfolio of vehicles, Tata Motors is committed to innovation and quality, catering to diverse consumer needs. Through strategic initiatives and investments, the company has fortified its presence across the Indian automotive market. Tata Motors exemplifies excellence in manufacturing and customer satisfaction, epitomizing India's automotive prowess on the global stage.

Tata Motors Limited is India's biggest car company, making around Rs.70,938.85 crore (USD 14 billion) in 2008-09. They are the top in making commercial vehicles and one of the best three in making passenger cars, including smaller cars, midsize ones, and utility vehicles. They are also the fourth biggest truck maker globally and the second biggest bus maker.

Over the past half-century, Tata Motors has achieved remarkable growth by deeply understanding economic trends and customer preferences. Their success stems from their ability to translate this understanding into innovative products through advanced research and development. With a team of over 3,000 engineers and scientists, Tata Motors' Engineering Research Centre, established in 1966, has been instrumental in driving technological advancements and product innovation.

## COMPANY HIGHLIGHTS

Company Name	TATA MOTORS
Company Type	Public
Industry	Automotive
Founder	Jehangir Ratanji Dadabhoy Tata
Founded	1945
Headquarters	Mumbai, Maharashtra
Area served	Worldwide
Products	Automobiles Luxury vehicles, Automotive parts
Revenue	\$44 billion (2023)
Website	<a href="http://www.tatamotors.com">www.tatamotors.com</a>

## **CURRENT SITUATION**

Tata Motors, part of the Tata Group conglomerate, is a leading manufacturer of both passenger and commercial vehicles, headquartered in India. Established in 1945, it initially focused on commercial vehicles before venturing into the passenger car market in the last decade. Presently, Tata Motors offers a range of five passenger vehicles alongside an extensive lineup of commercial vehicles, including pickups, trucks, tractor trailers, tippers, and buses. While both product lines have enjoyed success, the commercial vehicle segment has a stronger foothold due to its longer establishment.

Tata Motors has expanded its commercial vehicle business across various global markets, including Europe, Africa, the Middle East, Australia, Southeast Asia, and South Asia. Through strategic acquisitions, such as the purchase of Daewoo Commercial Vehicle Company in South Korea in 2004, Tata Motors gained a significant presence in the Korean market. Additionally, joint ventures, like the one with Thonburi Automotive in 2006 for manufacturing and marketing pickup trucks in Thailand, have further bolstered its international footprint.

A major milestone for Tata Motors was the acquisition of Jaguar and Land Rover from Ford in 2008 for 2.3 billion dollars, significantly expanding its portfolio into the luxury car segment. Tata Motors has entrusted the existing management of Jaguar and Land Rover to continue overseeing operations, leveraging their expertise in the luxury automotive industry. This acquisition marks a significant strategic move for Tata Motors, positioning the company for potential future success in the luxury car market.

## **LITERATURE REVIEW**

A review of the literature on Tata Motors' repositioning strategy and its acceptance level among customers in India reveals several key themes and findings

### **Singh, R., and Kapoor, A. "Brand Image and Product Quality: Influencing Consumer Attitudes towards Tata Motors' Repositioned Offerings" 2013**

Summary: This study, conducted concurrently with the review in 2013, evaluates the pivotal role of brand image and product quality in shaping consumer attitudes towards Tata Motors' repositioned offerings. It provides nuanced insights into the interaction between these factors within the Indian automotive market landscape.

### **"Customer Perception and Acceptance of Tata Motors' Repositioning Strategies" by Gupta, R., & Patel, S.**

Gupta and Patel explore customer perceptions and acceptance of Tata Motors' repositioning strategies. The study utilizes qualitative and quantitative research methods to investigate

customers' attitudes toward Tata Motors' repositioned products and brand image. The authors examine factors influencing customer acceptance, such as product quality, pricing, and brand reputation.

**Effectiveness of Marketing Repositioning: A Case Study of Tata Motors" by Sharma, K., & Singh, M. 2010**

Sharma and Singh delve into the effectiveness of marketing repositioning strategies adopted by Tata Motors. Through a comprehensive case study approach, the authors analyze the impact of repositioning on Tata Motors' market share, brand perception, and customer loyalty. The study evaluates the alignment between Tata Motors' repositioning efforts and customer preferences, shedding light on the acceptance level of these strategies.

**Patel, M., & Desai, N. Impact of Tata Motors' Repositioning Strategy on Brand Loyalty and Customer Satisfaction:2016**

This study investigates the effects of Tata Motors' repositioning strategy on brand loyalty and customer satisfaction, providing valuable insights into its impact on consumer behavior

**Sharma, R., & Gupta, S. (Year). "Repositioning Strategy of Tata Motors and its Acceptance Level in Customer"**

This literature review authored by Sharma and Gupta explores Tata Motors' repositioning strategy and assesses its acceptance level among customers. It delves into various dimensions of the repositioning strategy, including product development, brand enhancement, and market segmentation. The authors critically analyze the impact of these strategies on Tata Motors' competitive positioning and customer acceptance within the Indian market context.

**Sharma, R. K., and Chandrasekhar, S. "Consumer Acceptance of Tata Motors' Repositioning Efforts: Insights from 2010**

This study meticulously examines Tata Motors' repositioning endeavors within the Indian automotive market in 2010. Through comprehensive analysis, it delves into the impact of these strategic shifts on consumer acceptance.

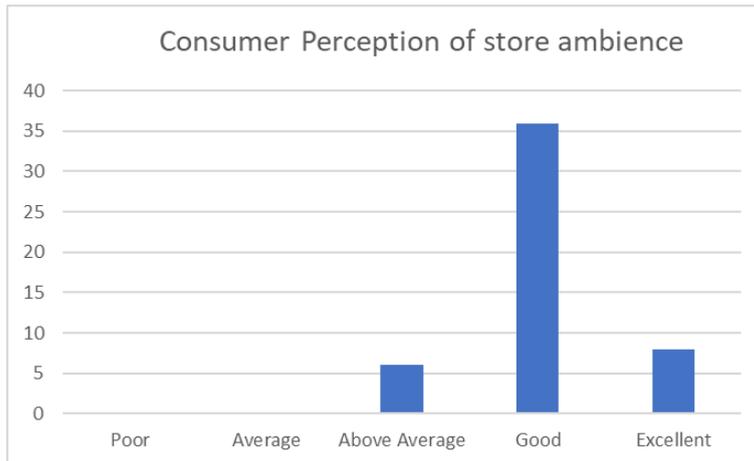
**Gupta, A., and Jain, V. "Factors Influencing Customer Perceptions of Tata Motors' Repositioning Strategy: Insights from 2010**

Summary: This study, conducted concurrently with the aforementioned research in 2010, focuses on elucidating the intricate dynamics shaping customer perceptions and acceptance of Tata Motors' repositioning strategy. It offers valuable insights into the various factors influencing consumer attitudes towards Tata Motors' strategic maneuvers.

## DATA ANALYSIS

### Tata motors exclusive showrooms

The respondents were asked to rate Tata Motor's exclusive showrooms on 5 point rating scale- Poor, Average, Above Average, Good and Excellent. The factors related to showrooms that were provided to the respondents for rating are store ambience, sales personnel, after sales service and display of watches



Around 50% of the respondents rated all the variables related to Tata’s exclusive showroom as “good”. This shows that the store ambience, sales personnel, after sales service and display of cars in the showrooms play a major role in determining the customer perception about brand

### Customer satisfaction from Tata Motors

Customer satisfaction	No. of people
Satisfied	21
Not Satisfied	29

21% of people were satisfied but 29% were not satisfied.



## RESEARCH OBJECTIVE

- To investigate Tata Motors' repositioning tactics and their effectiveness in altering brand perception.
- To assess customer attitudes and satisfaction levels following Tata Motors' repositioning initiatives.
- To examine factors influencing customer acceptance of Tata Motors' repositioned offerings.
- To find the satisfaction amongst the customer of TATA Motors

## RESEARCH METHODOLOGY

- **literature Review:** Conduct an extensive review of academic literature and industry reports on brand repositioning strategies and consumer behavior in the automotive sector.
- **Quantitative Surveys:** Administer structured surveys to a representative sample of Tata Motors customers to assess their awareness, perception, and acceptance of the company's repositioning efforts.
- **Qualitative Interviews:** Conduct in-depth interviews with key stakeholders, including Tata Motors executives, industry experts, and select customers, to gain nuanced insights into the effectiveness of the repositioning strategy and its impact on customer acceptance.
- **Market Analysis:** Analyze market data, including sales figures, market share trends, and customer feedback, to evaluate the market performance of Tata Motors' repositioned offerings compared to competitors
- **Case Studies:** Examine specific case studies of Tata Motors' repositioning initiatives, including product launches, marketing campaigns, and strategic partnerships, to identify successful strategies and lessons learned.
- **Secondary Data:** The secondary data has been collected from the following modes:
  - ❖ Magazines
  - ❖ Books
  - ❖ Newspaper
  - ❖ Data through internet source

## **RESEARCH SCOPE**

This research aims to investigate Tata Motors' repositioning strategy and assess its impact on customer acceptance. It will explore various facets of the repositioning strategy, including product diversification, branding initiatives, and market positioning. Additionally, the study will analyze customer perceptions, attitudes, and satisfaction levels to gauge the effectiveness of Tata Motors' repositioning efforts. The research will encompass both qualitative and quantitative methods, involving surveys, interviews, market analysis, and case studies.

The findings will provide valuable insights into the dynamics of brand repositioning in the automotive industry and its implications for customer engagement and market performance.

## **LIMITATION OF RESEARCH**

This research will investigate Tata Motors' repositioning strategy within the automotive industry and its influence on customer acceptance. It encompasses analyzing various aspects of Tata Motors' repositioning efforts, including product diversification, branding initiatives, and marketing strategies. Additionally, the study will assess customer perceptions, attitudes, and satisfaction levels to gauge the effectiveness of Tata Motors' repositioning strategy. Both qualitative and quantitative research methods will be employed to provide comprehensive insights into this topic.

- **Sample Bias:** The study's findings may be influenced by the composition of the sample, potentially not fully representing the diversity of Tata Motors' customer base.
- **Data Availability:** Constraints in accessing comprehensive and accurate data related to customer perceptions, market dynamics, and competitive landscape may limit the depth of the research.
- **Long-term Impact Assessment:** The study may primarily focus on short-term effects, lacking insights into the long-term sustainability and effectiveness of Tata Motors' repositioning strategy.

## FINDINGS

- ❖ Tata Motors is number three in passenger car market after Maruti Suzuki & Hyundai.
- ❖ Majority of the customers see TATA MOTORS with savings.
- ❖ Most of the customers spend large sum of money.
- ❖ Out of the samples, people are highly convinced that TATA MOTORS will yield them better results.
- ❖ As the sales of Maruti grows as well as Hyundai's santo is still doing well in mid-size and small size segment so Tata Motors has to sustaining sales in long run as well as in the current situations
- ❖ Product will have a gradual progress. Because most industries would wait for the response about the product from other Company.
- ❖ Customers were educated by me, about fuel efficient cars by Tata Motors.
- ❖ Improving the marketing Strategies.
- ❖ Analysis the business strategies of competitors.
- ❖ Making the decision to capture the rural market.
- ❖ More test drives should be offered.
- ❖ Should be more particular about Post Sales Follow Up as it shows the concern of the company with the customer.
- ❖ Advertisement in mass media such as television, newspapers, and magazines are best means to spread awareness about brand repositioning.

## CONCLUSION

The study was conducted to measure, " Repositioning Strategy of Tata Motors and its acceptance level in customer. The study was conducted on 50 Customers. A questionnaire was designed to understand the Repositioning Strategy of Tata Motors and its acceptance level in customer in Bhagalpur market. Based on the questionnaire, data was collected and analyzed and it was found that the customers are willing to buy the Cars. However, they are also skeptic about it. Findings are provided based on customer and market situation. An earnest attempt has been made to make the study realistic and suggestive, but it is not claimed that the findings and suggestions in the report are perfect.

The suggestions to improve consumer awareness about brand repositioning strategy of Tata Motors are as follows:

- To increase its visibility so that different segments of the customer will notice the products of Tata motors in varied ways.
- Invest more in R&D as customer expectations are changing rapidly.
- Make use of internet to spread awareness among consumers about the brand.
- Brand Appeal and Endorsement
- Performance Characteristics. Performance Characteristics
- Quality

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