ABSTRACT
The forces of globalization and technological advancement have rendered the market place highly competitive and complex. The customer’s needs, wants and expectations are changing at an exponential rate posing great challenges to the companies. For surviving and thriving in this scenario companies need to develop effective brand positioning strategies. Positioning helps customers know the real differences among competing products so that they can choose the one that is most valuable and useful to them. This is a case study of Tata Nano, one of the most ambitious projects of Tata Motor’s, which was started in 2008. It was envisioned by the Tata Group former chairman Ratan Tata himself. The case focuses on how the initial strategies for launching and positioning Tata Nano as a “People’s Car” backfired and how management recognized its shortcomings and mistakes that led to the wrong positioning of Tata Nano as “Worlds Cheapest Car” among the segment it was created for. And how finally after four years of it commercial launch, understanding the inevitability of positioning management repositioned Tata Nano as a “Smart City Car” by focussing on the youth to rejuvenate its image.

Keywords: Positioning, Repositioning, Tata Nano.

INTRODUCTION
The global auto industry is in the midst of dramatic growth and change, the likes of which it hasn’t experienced since the industry’s inception. In 2010, a shift in the balance of power within the global auto industry occurred when the world’s emerging growth market led by China, India, Brazil, and Eastern Europe accounted for slightly more than one-half of the 73.2 million light vehicles sold worldwide. This marked the first time in the 120-year history of the auto industry that the world’s mature market led by the U.S. and Canada, Western Europe, and Japan didn’t account for the lion’s share of sales. Since then, emerging growth markets have extended their lead in the global sales race for light-vehicles (cars, SUVs, vans, and light trucks under six tons gross vehicle weight), with 52% of the worldwide market in 2011 and 54% in 2012. More specifically, the automotive industry in India is emerging as one of the fastest growing automotive markets in the world and is the seventh largest in the world. The Indian automotive industry is going through a phase of rapid transformation and growth, driven chiefly by growth in the economy and infrastructure development. Automobile sales volumes have grown at a CAGR of 13.1% during FY06-FY12. The automotive industry’s contribution to the national GDP has risen to 6% presently from 2.77% in 1992-93. However the automobile industry in India has seen distinct shift in demand patterns across vehicle categories in the last few years. Traditionally, the Indian automobile market has been dominated by the two wheeler segment which accounted for almost 75% of the automobile sales in the country but since, 2005 passenger car segment has boomed. The passenger car sales stood at 1.89 million units in 2012-13 where as the production of passenger vehicles in the country was recorded at 3.23 million in 2012-13 and is expected to grow at a compounded annual growth rate (CAGR) of 13 per cent during 2012-2021, as
per data published by the Automotive Component Manufacturers Association of India (ACMA) and also According to SIAM (Society of Indian Automobile Manufacturers), the Indian passenger car market is expected to grow from the current 2.5 million to 4 million units by 2015. Within the passenger vehicle segment although the demand for high-end cars continues to be strong; the small car market continues to dominate the Indian market. Thus India’s burgeoning small car market holds huge potential because of the accelerated growth of lower middle class in India (As per Mc Kinsey estimates, by 2025, the Indian middle class is expected to grow from 50 million to 550 million), Indian middle class propensity for low cost fuel efficient cars and the youthful population (over half the population is less than 25 years of age and India has the highest proportion of population below 35).

Consequently automobile companies are increasing focus on the small segment to cash in on the burgeoning demand from this segment, which accounts for bulk of the car sales in India. Unlike some of the other emerging markets where market shares are more fragmented, the Indian small vehicle segment has been dominated by three major players – Maruti Suzuki, Hyundai Motors and Tata Motor’s. These players with their strong product portfolio, particularly in the small car segment, extensive distribution and servicing reach and strong brand franchise (created over several years) have maintained their market position for years together. Tata Motor’s targeted this segment for itself in the Indian automobile industry with its Tata Nano. Tata Nano a small car from a big idea attained immortality the moment it was unveiled at the Auto Expo in New Delhi, causing a seismic shift in the automotive world. The creation of Tata Nano is a result of innovation leading to new market creation to tap latent opportunities lying at the bottom of the pyramid in the automobile, four wheeler segment. The car has been widely publicized as the world’s cheapest car at Rs.1 lakh that would bring greater mobility to the masses of India and, eventually, the world. The financial times reported- "If ever there were a symbol of India’s ambitions to become a modern nation, it would surely be the Nano, the tiny car with the even tinier price-tag. But those ambitions stalled. Despite a booming economy and strong consumer outlook, Tata Nano failed to leverage this opportunity to gain a foothold in this segment and after four years it was repositioned.

OBJECTIVES OF THE CASE STUDY

This case study focused on the following objectives:

I. To understand the concept of positioning and repositioning.
II. To comprehend the positioning strategy adopted by Tata Nano in India.
III. To determine the reasons for failure of positioning strategy adopted by Tata Nano in India and
IV. To understand the rationale behind the repositioning of Tata Nano.

RESEARCH METHODOLOGY

The study aims to determine the strategies adopted by Tata Nano to grow its market share. For this purpose secondary data has been collected from various sites, magazines and newspapers.

Tata Motor’s - company background

Established in 1945, Tata Motor’s formerly known as Tata Engineering and Locomotive Company, is India’s largest automobile company, with consolidated revenues of 1.89,629 crores and consolidated profit of 9,893 crores for the year 2012-13. Tata Motor’s India’s 2nd Most Reputed Company in the Nielsen Corporate Image Monitor (CIM) Study 2012-13 is the country's market leader in commercial vehicles and among the top three in passenger vehicles with winning products in the compact, midsize car and utility vehicle segments. It is also the world’s fourth largest bus and fifth largest truck manufacturer. It is the first company from India’s engineering sector to be listed in the NYSE in September 2004.

Tata Motor’s leverages a comprehensive global distribution network operating in 182 countries and over 6,600 sales and service touch points. Tata Motor’s commercial and passenger vehicles are being
marketed in several countries in Europe, Africa, the Middle East, South Asia, South East Asia, South America, CIS and Russia. It has franchisee / joint venture assembly operations in Bangladesh, Ukraine and Senegal. Tata Motor’s’ presence cuts across the length and breadth of India. The Company’s manufacturing base in India is spread across Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttar Pradesh), Sanand (Gujarat) and Dharwad (Karnataka). Over 8 million Tata vehicles ply on Indian roads. It has developed Tata Ace, India’s first indigenous light commercial vehicle; the Prima range of trucks; the Ultra range of international standard light commercial vehicles; Tata Safari, India’s first sports utility vehicle; Tata Indica, India’s first indigenously manufactured passenger car; and Tata Nano, the world’s most affordable car.

**Tata Nano - history and origin**

The proposition that prompted Tata to think about a people’s car was a social concern. On a wet August night in 2003 Mumbai, when Tata was driving back home from his office Bombay House in Flora Fountain, he saw a young couple travelling with their two children on a two-wheeler and was struck by the enormous risks of riding on a wet road. The thought of a small car germinated in his mind and a week later, on a visit to the Tata Motor’s plant in Pune, he shared his thoughts with MD Ravi Kant. Instinctively, his first query was whether the two-wheeled scooter could be made safe.

“The first doodles,” in Tata’s words, “were sketches of a two-wheeler with a bar around it and some weather-proofing.” Thereafter, a core team of 500 (including those in charge of setting up the plant) worked on the concept for four years. Indeed the first thoughts centered on a door-less four-seater that was more a quadricycle than a car. The design envisaged the use of plastic weather-proofing of the kind seen in rickshaws and contemplated using new materials. But somewhere down the line, the ideas ran into a conflict with Tata’s brief. It was simple: it would seat four, have a low operating cost and meet all safety and emission standards. The team dumped the nascent design and focused on the process of building what would be a car differently. Accordingly Ratan Tata, former Chairman, Tata Motor’s, shared his vision of making ₹1 lakh car at the Geneva Motor Show, in 2003. There was cynicism and doubt from all quarters. Tata’s ambition was deemed unrealistic and critics wondered how it would be possible to make a car at almost half the price of the cheapest car (Maruti 800) available in the market. Nevertheless, Nano was finally unveiled in the 9th Annual Auto Expo on 10th January 2008 at Pragati Maidan in New Delhi, India; its successful development was welcomed with rapturous applause. And, when it could not be manufactured in the originally envisaged green-field plant at Singur there was disappointment all round that one of the best indigenous industrial marvels of India was being hindered. Well-wishers followed Nano’s manufacturing journey from Singur in West Bengal to Sanand in Gujarat and appreciated Ratan Tata’s commitment and gumption to commercialize Nano despite the multitude of challenges and finally Nano was commercially launched on 23rd March 2009.

The word “Nano” connotes high technology and small size. The Tata Nano’s design is such that it offers an incredibly spacious passenger compartment which can comfortably seat four adults. With a length of just 3.1 metres, width of 1.5 metres and height of 1.6 metres, the Tata Nano has the smallest exterior footprint for a car in India but is 21% more spacious than the smallest car available today. A high seating position makes ingress and egress easy. Its small size coupled with a turning radius of just 4 metres, makes it extremely maneuverable in the smallest of parking slots. The engine enables the car to have a top speed of 105 kmph and negotiate inclines with a gradeability of 30%. Its fuel efficiency of 23.6 km/litre, certified by the Automotive Research Association of India (ARAI) under mandated test conditions, is the highest for any petrol car in India. The high fuel efficiency, coupled with a low kerb weight of 600 kg, ensures that the Tata Nano - at 101 gm / km - has the lowest CO2 emission amongst cars in India. Tata Motor’s has reportedly filed 34 patents related to the innovations in the design of Nano. The three trim levels available at launch were Tata Nano Standard, Tata Nano CX and Tata Nano LX. Based on the Society of Indian Automobile Manufacturers (SIAM) Automobiles classification, Tata Nano is classified in A1 segment, i.e. a mini car.
Exhibit -1 Passenger car segments in India

<table>
<thead>
<tr>
<th>Segment</th>
<th>Type</th>
<th>Length</th>
<th>Segment</th>
<th>Type</th>
<th>Length</th>
</tr>
</thead>
<tbody>
<tr>
<td>A1</td>
<td>Mini</td>
<td>Up to 3400mm</td>
<td>A4</td>
<td>Executive</td>
<td>4501-4700mm</td>
</tr>
<tr>
<td>A2</td>
<td>Compact</td>
<td>3401-4000mm</td>
<td>A5</td>
<td>Premium</td>
<td>4701-5000mm</td>
</tr>
<tr>
<td>A3</td>
<td>Midsize</td>
<td>4001-4500mm</td>
<td>A6</td>
<td>Luxury</td>
<td>Above 5000mm</td>
</tr>
</tbody>
</table>

Source: SIAM

Exhibit 2 - Awards Tata Nano Received

<table>
<thead>
<tr>
<th>Awards</th>
<th>Awarding Organization</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indian Car of the Year (ICOTY) award.</td>
<td>Instituted by leading automotive magazines in India, in association with JK Tyre</td>
<td>2009</td>
</tr>
<tr>
<td>Business Standard Motoring Indian car of the year</td>
<td>Business Standard</td>
<td>2010</td>
</tr>
<tr>
<td>Good Design Award</td>
<td>Museum of Architecture and Design &amp; The European Centre for Architecture</td>
<td>2010</td>
</tr>
<tr>
<td>Gold prize in the Best New Product segment</td>
<td>Edison Awards.</td>
<td>2010</td>
</tr>
<tr>
<td>Best Car Advertisement of the Year Award</td>
<td>Bloomberg UTV, Autocar India Awards</td>
<td>2011</td>
</tr>
</tbody>
</table>

Source: Authors own distillation

Further in 2013 Tata Nano was rated as the Most Trusted 4-wheeler brand by Brand Trust Report India Study.

Positioning

Nowadays, positioning concept is applied extensively by the companies in emerging markets like India. After taking the decision to segment the market, i.e. To select one or various segments as target customer groups, the next step is to decide how the product should be perceived in the customers’ minds and this process is called as positioning. The origin of the term “Positioning” goes back to Trout and Ries (1969), who define it as a strategy for ‘staking out turf’ or ‘filling a slot’ in the mind of target customers.”. The Positioning has, therefore, nothing to do with what you make of the product. Positioning is what you do with the target customer”. Kotler (1997) defines positioning as: “the process of designing the company’s product/services and image based on consumers’ perceptions relative to that of competitors”. Aaker and Shanby (1982) defines Positioning as a art and science of fitting the product or service to one or more segments of the broad market in such a way as to set it meaningfully apart from competition. To Kapferer (1992), positioning is a two-step process, in which the first step is to clarify which product category the brand should be compared to and associated with. In the second step, the brand’s differentiating characteristics are identified and communicate. Further Arnott (1992) states that Positioning is the deliberate, proactive, iterative process of defining, modifying and monitoring consumer perceptions of a marketable object. In other words, the process of positioning can be described as iterative, it necessitates deliberate and proactive actions; it involves decisions at conceptual, strategic and operational levels and should reflect the triumvirate deliberations of the company, its competitors and its target market/customers Kalafatis et.al (2000).

Most of the companies in Indian emerging market position their brands more or less by developing a particular set of product attributes, by price/quality, by competitor, by application, By product user ,by product class or by the cultural symbol approach aimed at a customer segment. Generally, there are 3 major aspects of brand positioning - Functional, Symbolic and Experiential; an effective positioning process should place enough importance on all of them, though mostly one of the aspects becomes more important compared to others depending on the product type and competitive dynamics. It can be argued that in the Indian car market most of the passenger cars competing in a segment have more or
less similar features with marginal differences depending on the target segment. Hence, symbolic and experiential aspects become very important in terms of positioning.

**Tata Nano – positioning strategy**

Every consumer is highly unique and a complex human, yet there are many things consumers have in common when it comes to buying. Many factors are involved in their buying decisions. According to H. S. Adithya (2013) while selecting a car, the consumers considers many factors like price, fuel economy, driving comfort, maintenance cost, attractive model, status symbol, resale value, latest technology and brand image and in India companies try to use these factors as differentiating planks to develop their positioning strategies.

Tata Motor’s wanted to develop the effective positioning strategy for Tata Nano in India. Because one of the most important aspects of successfully marketing a product is “Positioning. In fact, brands can succeed – or fail – depending on how they are positioned. As the target customers for Tata Nano were lower and middle income families, who aspire to upgrade to 4-wheelers from being 2-wheeler users and since many of such families stay away from purchasing 4-wheelers primarily due to the affordability factor. Management at Tata Motor’s tried to focus on the price factor and developed “Price Positioning Strategy” for Tata Nano. Tata Nano tried to position itself as the most Affordable Car in the world. The former Chairman of Tata, Mr. Ratan Tata, has envisioned Tata Nano to become a “People’s car.” The car was positioned as a people’s car since it offers comfort and affordability to every person but inadvertently Tata Nano got positioned as the “Poor Man’s Car” and “Cheap Car”.

**Failure of positioning strategy**

The reasons for Nano getting wrongly positioned was the failure of its primary positioning strategy i.e Price Positioning Strategy. Tata Nano was positioned on the price attribute dimension and was widely publicized as the world’s cheapest car at ₹1 lakh. While the endeavour was presumed to be an exciting, and brilliant societally, for any consumer buying the Nano, there is the inherent danger of being viewed by his social group as poor as they owned a car that is thought off as cheap. Because of the intense perception of class position in India, it turns out that many poor people would rather buy a used, higher-end car than buy a Nano, which would mark them as poor. Also because in India price serves to signal quality i.e higher price serves to signal higher quality and lower price serves to signal lower quality to the customer. (Aaker and Shanby, 1982). Further Within a few months of initial sales, technical problems were found in the product and there were a few reports of Nano catching fire, which further weakened the trust for the brand ‘Nano’ and people further believed that low price is because of low quality. Thus Nano though a good car did not carry enough prestige to be a passenger car.

Positioning is an ingredient of total strategy, Product, brand, price, promotion and distribution must all be consistent with the positioning strategy But Tata Nano’s positioning strategy and communication tactics didn’t gel with each other. While Nano was intended by the company for the lower-end belt who are price conscious, instead of reaching out to the intended segment. Tata Motor’s relied heavily on non-conventional methods like social-media: They created a special Nano website where one could design their own Nano and play games; used social networking sites such as Facebook and Orkut; leveraged blogs; and purchased online advertising. The online medium was hardly the right way to sell to their target segment and the strategy failed to create buzz around the car. The sales reflected this. Half of the Nano’s purchased were second cars, clearly violating the positioning which sought to transition people from two wheelers to four wheelers. The lack of communication to the appropriate customer segment led to the downfall.

Tata Nano’s distribution system was not also consistent with its positioning strategy. The Nano did not have a large enough dealer network in the rural areas and smaller towns where the positioning by price was more relevant. The paucity of dealer networks meant they could not capitalize on the initial enthusiasm and interest. It was targeted at the small family of four which owns a two wheeler and...
would want to upgrade to a car. The target market knew how to buy scooters but they didn’t know how to buy cars. In India the two processes are completely different and it appears that many people were simply intimidated to go into a car dealership. Tata doesn’t sell scooters and appears to have underestimated this issue. The distribution strategy failed to bridge the last mile to the consumer segment that Tata Motor’s built this car for. Lower income customers were apprehensive and hesitant to walk into large Tata Motor’s showrooms.

**Tata’s strategies for revival**

Tata Motor’s tried to correct its 4P’s, Firstly  Tata Nano  was re-engineered to fix the issues related to the fire and customers were offered free safety upgrades for, their Nano.

Secondly In September 2010, Tata Nano tried to reach its target segment through electronic media channels but the advertisements have unfortunately been featureless and catering again to the theme of affordability. Especially with cars people want to own something they can aspire for and be proud of. They want to feel excited about it. On retrospection, the first ads were perhaps not the most appropriate. They showcased couples in traffic ensconced in Nano, while those on two wheelers stared at them balefully. The focus in advertisements has only been on safety and relative comfort over the two-wheeler but nothing exciting or incredibly desirable. The next campaign focused on the tier 2 cities with bad roads and little or no inclination to move things along, with an ad that featured a young girl in a decidedly rustic setting, awaiting the family Nano. This further hit the car sales.

Tata Motor’s also placed a new and unconventional distribution system, Tata Motor’s set up 210 ‘F Class showrooms’, each only about 500 sq ft in size and stocking just one car in smaller towns, and hired 1,200 people to man them. The F-class showrooms are less intimidating than the 3,000-4,000 sq ft conventional showrooms, and are attracting walk-ins.”Tata Motor’s' focus on tier-II cities is a correct strategy since these are natural markets for the Nano Second, it tied up with value retailer Big Bazaar to gain traction among the 150 million footfalls the retailer gets every year. “There is a Nano parked in every Big Bazaar outlet and the touch and feel experience has accelerated decision-making, especially in smaller towns,” The chain has 70 outlets in smaller cities and towns. This however contributed to increase in Nano sales for a short period of time.

Further Tata Motor’s Finance (TMF) launched a special Tata Nano finance scheme, under which a customer was able to get a loan with select documents in just 48 hours. TMF provided finance up to 90% for the Tata Nano, at easy rates. Bank loans for Nano were made cheaper compared to the regular fare of car finance. To make the most of the Nano euphoria and grow business in the process, Nano financiers gave discounted interest rates -- which are tipped to figure at 50 to 150 basis points (bps) lower than regular car loan rates. The Tata Nano gave its 4-year / 60,000-km (whichever is earlier) manufacturer’s warranty, at no extra cost on new deliveries, and to all existing owners of the car.

Though management at Tata Motor’s tried to correct mistakes like promotion, distribution and financing .It couldn’t help Nano to grow and if we see in volumes Tata Nano’s journey is appalling. Since its commercial launch in March 2009, the number of Nano cars sold till October 2013 within a span of four-and-a-half-years is over 2.41 lakh (Indian Express, 2013) .So lately Tata Recognized the fact that there is a need for repositioning Tata Nano

**Repositioning strategy**

Positioning often has very little to do with the product, it can be changed without necessarily changing the product. So when a positioning fails, a product may be repositioned— given a new identify. Often, products are repositioned to target a different audience. According to Jack Trout (2010). Repositioning is how we adjust perceptions whether the perceptions are about you or about your competition.

The road ahead for Tata Motor’s continues to be challenging, yet full of opportunities but Tata Motor’s is committed to improve its customer-centricity, to better understand customer needs and translate them into exciting and appropriate products for their markets in order to increase the "perceived value" of its aspirational venture Nano .After four years of it commercial launch Tata Nano, decided to create
a new niche for itself in August 2013, by managing to move away from tag like the "world’s cheapest car to "smart city car". Thus they are repositioning Tata Nano as a "smart city car" by focusing on the youth to rejuvenate its image.

The failure of Tata Nano was because of its positioning strategy but this time Tata Motor’s has come up with the positioning strategies which are relevant in the automobile industry. Saloni Pawan Diwan & B. S. Bodla (2011) has identified eight positioning strategies/factors in the automobile industry which are considered important by the customers in India.

Exhibit-3 Positioning Typology for Automobiles

<table>
<thead>
<tr>
<th>Factor/strategy name</th>
<th>Statements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visual artistic</td>
<td>Exterior styling, fashionable, express personality, styling, superior, makes statement, elegant design, status, modern, interior styling, posh, size, color selection, aesthetics and sporty</td>
</tr>
<tr>
<td>Contemporary features</td>
<td>High tech, airbags, extra features, eco-friendly, baby seat and silence at high speed</td>
</tr>
<tr>
<td>Basic features</td>
<td>Safety, pickup, maintenance cost, value for money, durability, convenience, passenger comfort, features, driving comfort, handling, good fit and fuel efficiency</td>
</tr>
<tr>
<td>Security measures</td>
<td>Security system, power brakes, child lock and remote lock</td>
</tr>
<tr>
<td>Brand image</td>
<td>Brand name, reputation, name of company, popularity, leader in market, reliability and image consistency.</td>
</tr>
<tr>
<td>Dealer network and services</td>
<td>After sale services, dealer network and spare parts availability</td>
</tr>
<tr>
<td>Promotional campaign</td>
<td>Trustworthy ads, promotional activities and celebrity in advertisements</td>
</tr>
<tr>
<td>Cost and finance</td>
<td>Financing period, interest for finance and price</td>
</tr>
</tbody>
</table>

Source: Saloni Pawan Diwan & B. S. Bodla (2011)

**Visual artistic and basic features positioning strategy**

Tata Motor’s have repositioned Tata Nano by boasting of some “intelligent features” like power steering option, improved interior and exterior of the car and improved fuel efficiency and additional features like remote keyless entry, twin glove boxes, and a four-speaker Amphi Stream music system with Bluetooth, USB and auxiliary connectivity. The new Nano is available with new personalization kits- Jet, Alpha, Remix, and Peach. Focusing on the youth to rejuvenate its image because, its buyer profile has been getting younger since the launch of the 2012 edition. About 45% of the buyers are younger than 35 years. Thus moving away from the concept of being an affordable four-wheeler. With the upgrades, Tata Motor’s is trying to increase the value for money proposition it offers to customers.

**Promotional campaign positioning strategy**

Considering the young buyers Tata Nano have this time ensured that the Promotional campaign is relevant to the target market.” Tata Nano’s new campaign called ‘celebrate awesomeness’ is becoming popular among youngsters. The latest TVC has crossed 5 million views on YouTube till September 2013. The latest television commercial for the Nano features young celebrities such as model Sarah Jane Dias, fashion designer Masaba Gupta and magician Ugesh Sarkar and a racy soundtrack. The new edition Tata Nano’s colourful TV commercial on ‘Celebrate Awesomeness’ has crossed 5 million views on YouTube in less than 30 days - the highest for any Automotive brand TVC in India, till date. The video has been an instant hit, bringing in more than 17,000 post likes and over 700 comments from the Nano fan base. In the new TVC, the brand has showcased the colourful world of Nano and young achievers from different genres who share the brand’s unique attitude - to do things bigger, better, and differently - whether it’s the gutsy Masaba Gupta whose quirky pop prints stand out from the crowd, the beauty-pageant-winner-turned-entrepreneur-turned-actor Sarah Jane, or the riveting street magician Ugesh Sarkar, everyone embodies the spirit of 'Awesomeness'. All throughout, it carried the jingle
celebrating the awesomeness factor, almost making the film like a complete music album. There are plans to feature automobile designer Jagpreet Singh and Formula One racer Narain Karthikeyan in future ads, as well as a series of brand marketing events around them. For potential buyers in smaller cities, towns and villages, Tata Motor’s has adopted a multi-pronged approach. In the villages and smaller towns, the company plans to use devices such as floats to communicate the basic values of the Nano brand such as fuel efficiency and total cost of ownership while in metros it would continue to engage youngsters aspiring for a car that can be customized for colour and features.

Although Tata Motor’s have developed proper repositioning strategies this time that will make the product cater to a larger number of customer segments. Changing perceptions of consumers is not so easy and it will take time. And Jack Trout, one of the world’s leading international marketing strategists has given the Tata Motor’s unsolicited advice to just ‘kill the brand’. So will the repositioning transform the Tata Nano’s fortunes? - Is there a future for the product? will be interesting to see in the future.

CONCLUSION

The automobile industry has gathered immense pace in India in the last few years and the Indian passenger car market more specifically small car market is far from being saturated leaving ample opportunity for volume growth. Tata Motor’s tried to grab this opportunity with Tata Nano and tried to position Tata Nano as an affordable car but regrettably got wrongly positioned as word cheapest car. Positioning is the key to selling a product. Positioning helps create an image for a product or brand or even company. How the potential customers perceive a product is very important. This is where Tata Motor’s failed miserably. Nano's positioning as a "cheap" car killed the aspirational element in the car and the performance of the model has been terribly underwhelming over the years. Although Tata Motor’s tried to correct its 4Ps it could not help Tata Nano to get the success. So finally after four years of it commercial launch, understanding the inevitability of positioning management repositioned Tata Nano as a "Smart City Car" by focusing on the youth to rejuvenate its image.

Learning’s and Implication for the Automobile Companies in India

Learning-1: A sound understanding of consumer behaviour is essential to the long run success of the brand. Although Tata Motor’s understood the functional need of their customers of low price car and tried to satisfy that need with low-cost automotive revolution fizzled Tata Nano .it failed to understand the emotional need of their customers since India’s middle class want cheap cars, but they don’t want cars that seem cheap.

Learning-2: Developing an effective positioning strategy is inevitable nowadays for any organization. Tata Nano despite of being an innovative product, an engineering marvel without a doubt couldn’t get its share of success because Tata Motor’s failed to develop a proper positioning for Nano as a result of which it got wrongly positioned as world’s cheapest car.

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