
The Tata Nano – Creating products for specific markets

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Created by Tata Motors

- for the Indian and other similar markets.
- Original target price \$1500
 - https://en.wikipedia.org/wiki/Tata_Nano
- Designed to induce Indian consumers to change from motorcycles.
- Tata Motors:



- Engine in trunk
- No frills
- Low cost labor
- Minimize steel use.
- Wheelbase: 87.8 in
- Length: 122.0 in
- Width: 58.9 in
- Height: 65.0 in
- Curb weight: 600 kg (1,300 lb)



What happened.

- Debut in 2009.
- Expected to see huge growth but it did not materialize.
- Selling about 70,000 per year, but able to build 250,000.
- Price rose to about \$3000.
- Prelaunch view
 - http://finance.yahoo.com/news/pf_article_102865.html
- The view darkened a few years later:
 - <http://www.nydailynews.com/autos/cheap-proves-costly-tata-nano-status-conscious-india-article-1.1014012>
- What brands are trusted in India?
 - <http://www.trustadvisory.info/mab-14/Automobile.htm>
- Coming to the US?
 - <http://usnews.rankingsandreviews.com/cars-trucks/daily-news/090608-Tata-Nano-World-s-Cheapest-Car-Coming-to-U-S-/>

Questions

- What motivated Tata to develop and sell the nano?
- How did they misjudge the market? Why do you think this happened to a company that had worked in this market for a century?
- What could they consider doing to salvage this effort. (What kind of pivot might they make?)
- How would you evaluate their possibility of selling the Nano in the US? What changes do you think they would need to make?