INNOVATION has been the key approach in Tata Motors for Demand Creation and building internal capabilities

Path breaking ideas, conceived and implemented in one or more of the 7Ps, has been the principle followed by Tata Motors for Innovation.

**7Ps**

- People
- Process
- Promotion
- Product
- Place
- Price
- Purpose

**P1. PURPOSE**

Underlying reason for creating a product/service which emanates from identification of unfulfilled need of market/customers or an opportunity the organization recognizes due to changing business environment.

**EXAMPLE – TATA ACE**

Creating product first of its kind...
- Last mile goods distribution through narrow city by-lanes
- Quicker and reliable than existing vehicles
- Offering better comfort & safety to the driver
- & Aspirational purchase

4W functionality at 3W's price

**Development of Road network – Hub & Spoke transportation model**

<table>
<thead>
<tr>
<th>Town Class</th>
<th>Population</th>
<th>No of Towns 1991</th>
<th>No of Towns 2001</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>1Lakh &amp; above</td>
<td>322</td>
<td>423</td>
<td>24</td>
</tr>
<tr>
<td>II</td>
<td>50,000 – 99,999</td>
<td>421</td>
<td>498</td>
<td>15</td>
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<tr>
<td>III</td>
<td>20,000 – 49,999</td>
<td>1,163</td>
<td>1,386</td>
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<tr>
<td>IV</td>
<td>10,000 – 19,999</td>
<td>1,450</td>
<td>1,560</td>
<td>7</td>
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<tr>
<td>V</td>
<td>5,000 – 9,999</td>
<td>989</td>
<td>1,057</td>
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<tr>
<td>VI</td>
<td>Less than 5,000</td>
<td>290</td>
<td>237</td>
<td>-22</td>
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<tr>
<td>All India</td>
<td>4,615</td>
<td>5,161</td>
<td>11</td>
<td></td>
</tr>
</tbody>
</table>

TATA Motors – not present in last mile goods distribution!
P1. PURPOSE

Underlying reason for creating a product/service which emanates from identification of unfulfilled need of market/customers or an opportunity an organization recognizes due to changing business environment.

EXAMPLE – TATA NANO

The idea took birth on a rainy day in 2002

Unfulfilled need...

- Safe
- Affordable
- All weather alternative

P2. PRODUCT

- Creating products first of its kind
- New design features or use of special material, components or systems in manufacture of products which translates into a good value proposition for the customers

EXAMPLE – TATA ACE

Product development & design

- Innovative 2 cylinder Indica engine
- Semi monocoque body to withstand abuse
- Rigid front axle & rear wheel drive for low cost
- Conforming to M1/N1 class safety norms

- Flat face v/s semi forward face