1. Define the following terms:

Jaguar Land Rover

Jaguar Land Rover sold half a million cars for the first time ever in the past year, helped by strong demand in Europe and North America.

However, the UK’s largest car manufacturer, owned by Indian conglomerate Tata, saw pre-tax profit fall as customers opted for cheaper models and it suffered a slowdown in the lucrative Chinese market.

JLR sold 521,571 cars in the year to the end of March, a 13% rise on the previous 12-month period. The increase, boosted by the popularity of new models such as the Jaguar XE, delivered a £342m rise in revenues to £22.2bn.

Despite the soaring sales, pre-tax profits dropped from £2.6bn to £1.56bn. This included the £157m cost of an explosion in the Chinese port of Tianjin last August, which forced the company to write off almost 6,000 vehicles.

Profits were also affected by lower first-half sales in China – a market where JLR makes bigger profit margins than in western economies – and spending on new projects, such as a £1bn engine factory in Wolverhampton.

*Source: The Guardian, 30 May 2016, Rob Davies*

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| Free Trade |  |
| Globalisation |  |
| Imports |  |
| Tariffs |  |
| Trade Blocs |  |

2. How might JLR alter its marketing mix in order that it might compete successfully in China? (6 marks)

3. What factors might cause risks to JLR’s strategic aim of developing its overseas sales? (6 marks)