

# Strategic Entry of JSW GROUP into the electric vehicle market

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# Market Viability

## Strategic Impact



### Market size and growth

The global EV market is expected to reach \$822.1 billion by 2030, with a Compound Annual Growth Rate (CAGR) of 22.6% [source needed]. India is a promising market with government incentives for EV adoption.



### Competition

The EV market is becoming increasingly crowded, with established automakers like Tesla and new entrants like BYD (China) vying for market share.



### Customer needs:

Consumers are demanding EVs with longer range, faster charging times, and affordable price points.



### Pricing strategy

JSW would need to offer competitive pricing to succeed in this cost-sensitive market. This might involve leveraging economies of scale from its steel production for EV chassis and components.



### Strategic alignment

EV manufacturing aligns with JSW's goal of diversification and could position them well in a growing market. However, it's a significant departure from core steel production.



### Sustainability

EVs promote sustainability, aligning with JSW's potential long-term goals.



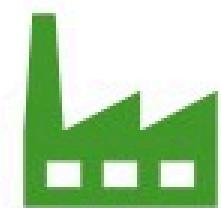
### Risk assessment

Entering a new industry with established players carries high risk. JSW would need to invest heavily in R&D, technology acquisition, and talent to compete effectively.



### Synergy potential

JSW's expertise in high-strength steel could be a competitive advantage for lightweight and durable EV chassis. Existing steel production infrastructure could be partially repurposed for EV component manufacturing.



## Complementary products or services

JSW could leverage its existing steel business to supply high-quality steel for EV production, creating a more vertically integrated model.



## Cross-selling and upselling

JSW could potentially offer bundled packages of steel and EV components to other automakers.

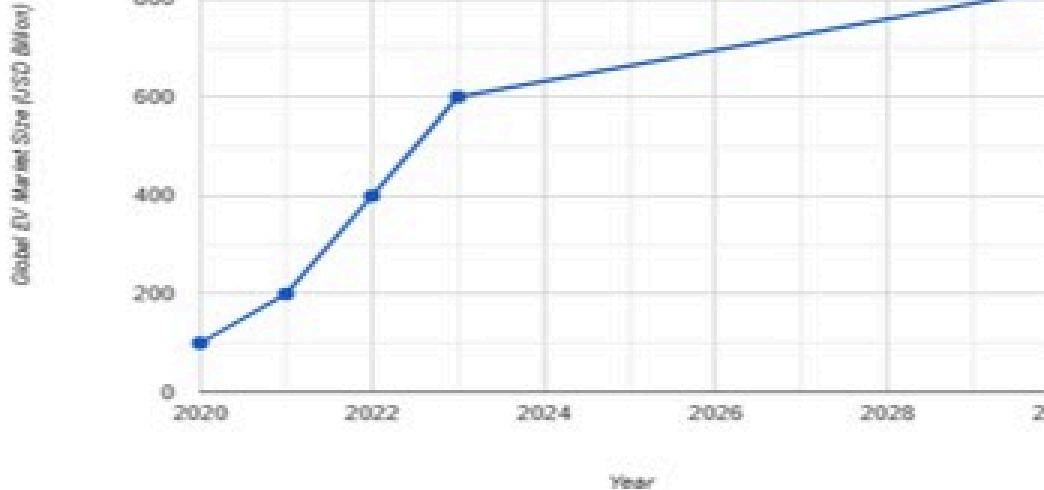


## Shared resources

JSW's logistics and distribution network could be utilized for EV delivery.

# Benefits and Impact on Other Businesses

Growth of the Global Electric Vehicle Market



- **Data and Numbers (for reference):**

- JSW Steel's crude steel production capacity in FY 2023 was 21.2 million tonnes [source needed].
- The Indian government aims to achieve 30% EV penetration by 2030 [source needed].

# Overall Growth and Sustainability:



## Building a strong brand

JSW would need to establish itself as a credible EV manufacturer in a competitive market.



## Developing a competitive product

JSW's EVs would need to offer features and performance that attract customers.



## Managing costs effectively:

Leveraging existing steel production and achieving economies of scale will be crucial.

## Political

- > By imposing regulations on emissions and fuel efficiency, generating incentives and subsidies, government can support EV adoption which makes them look environment friendly.
- > The policy on 'Faster Adoption and Manufacturing of Electric vehicles' in 2015 and FAME-II in 2019 have been instrumental in successfully creating an initial market.

## Economic

- > A shift to EVs can prove to be an economic boon for developing countries like India as it creates job opportunities for EV companies.
- > But some oil exporting countries may face budgetary losses as they rely heavily on their fossil fuels

## Social

People's concerns about price range, complexities of battery recharging need to be resolved by public education about EVs. Online reviews, social media marketing and word of mouth are instrumental in creating a social impact.

# THE PESTEL ANALYSIS

## Technological

With increasing technological advancements, JSW can lead the EV market by adopting clean energy resources like thermal management systems, using renewable energy sources, smart charging systems for meeting the growing demand of EVs in the market.

## Environmental

JSW can help reduce carbon dioxide and other greenhouse gas pollutants that contribute to air pollution, global warming etc. EVs can help in reducing the dependence on non renewable resources and fossil fuels like diesel, coal etc.

## Legal

Establishing efficient mechanisms to resolve legal disputes arising from EV usage or manufacturing can boost investor confidence.

As connected vehicles and data become increasingly important, establishing robust data privacy and security regulations can build consumer trust in EVs.

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## Electric Mobility Promotion scheme in effect from April post FAME 2 expiry

FAME II was rolled out in 2019 with an outlay of Rs 10,000 crore for three years ending in 2022 but was extended to March ...



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## India's EV market to grow 66% in 2024, likely to represent nearly one-third of PV sales by 2030

The projections for 2024 show that the rising EV sales in India will constitute four of total passenger vehicle sales, driven ...



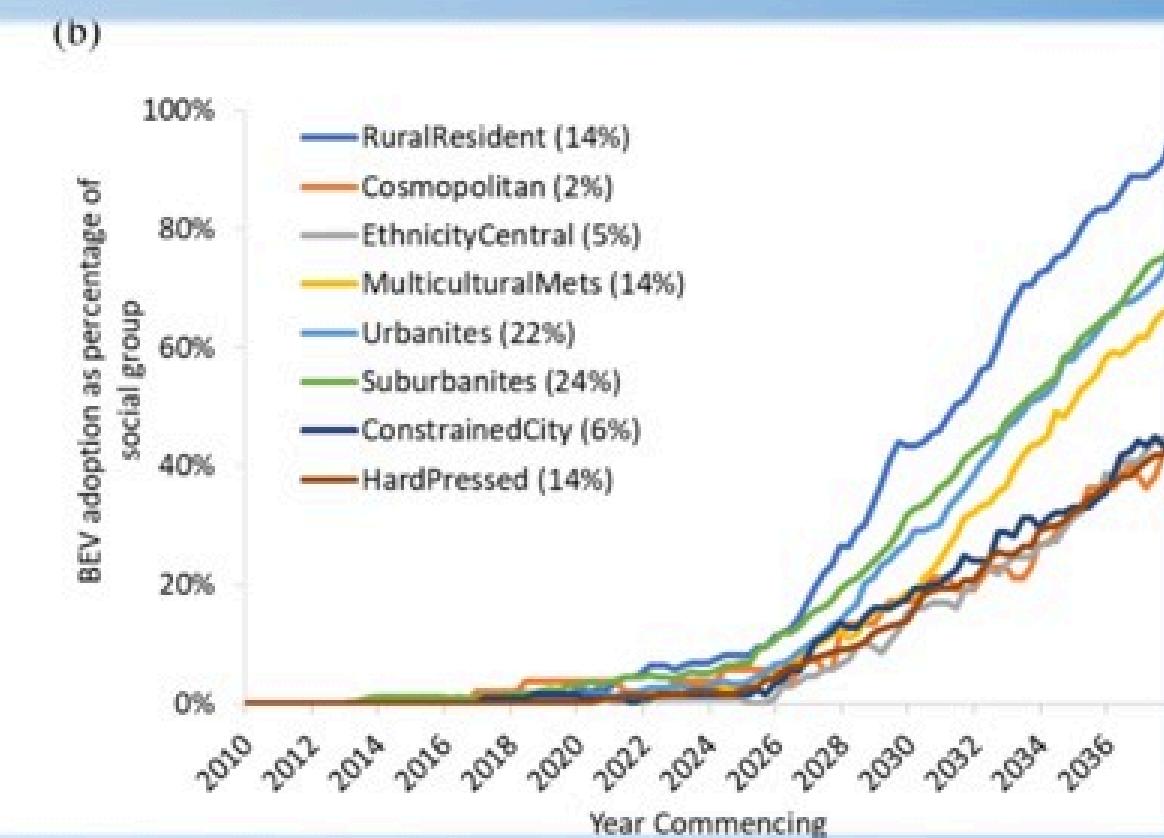
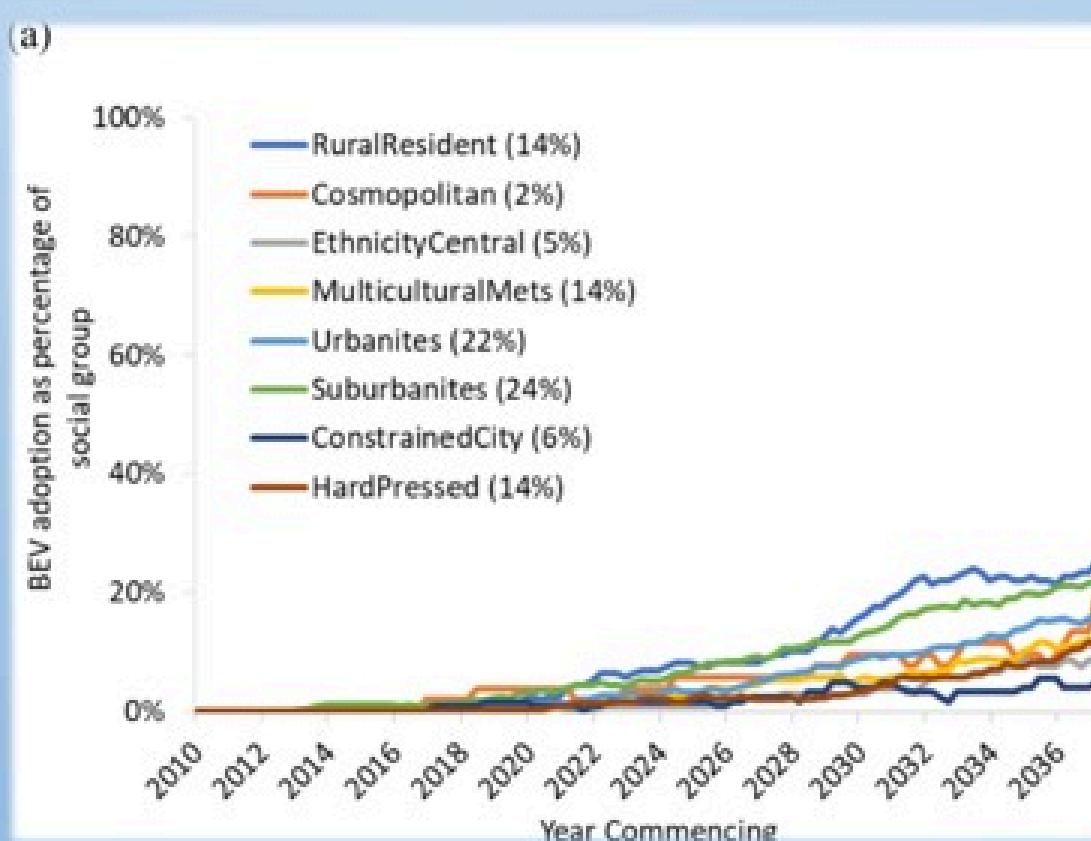
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## India's passenger EV market will hot up in next 3-4 years

Currently Tata Motors held over two-thirds of the country's EV market, but Mahindra & Mahindra and BYD are emerging players in the Indian market.

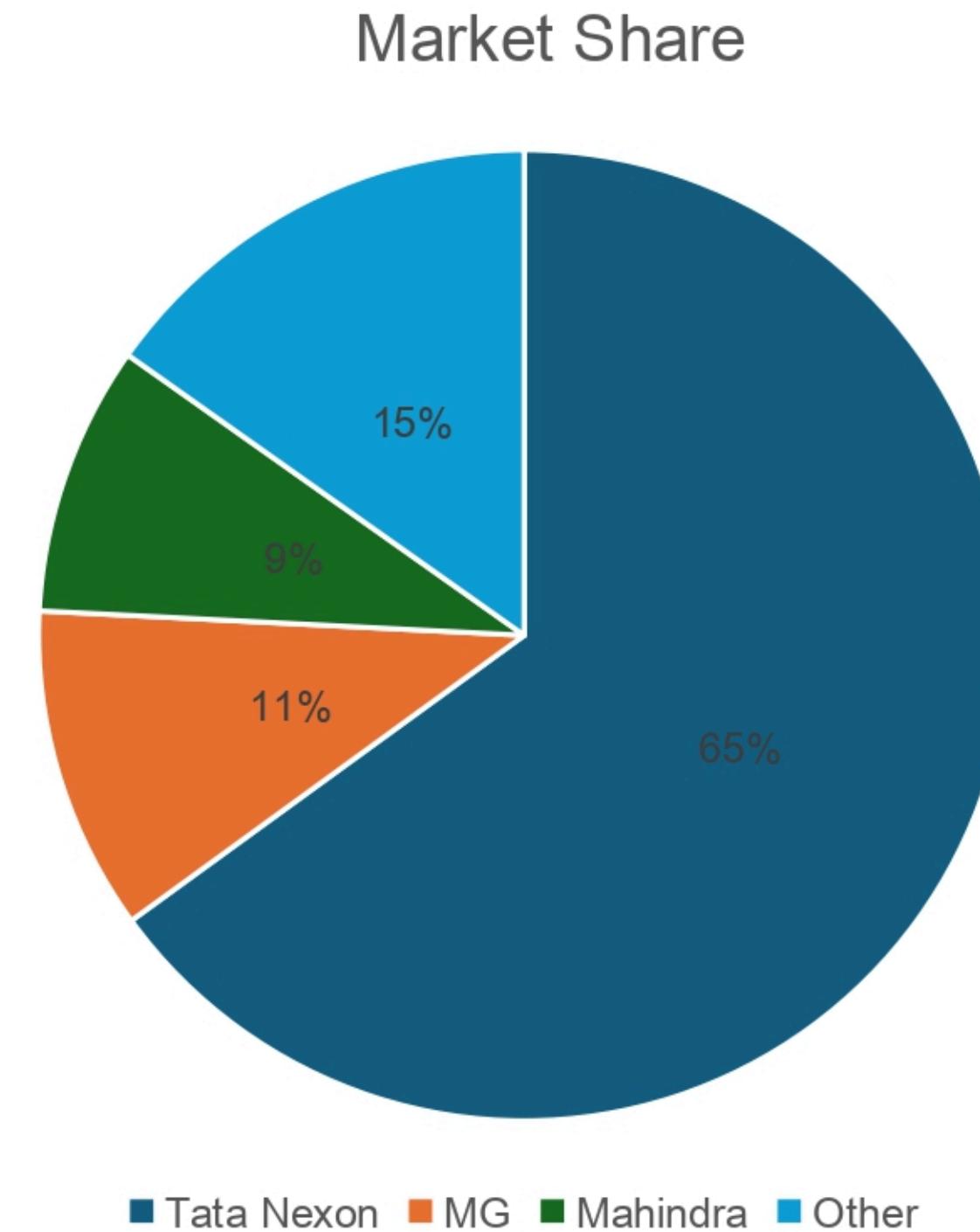


**> Future Predictions show that there is a high possibility of rise of EV market especially in the urban and suburban areas of the Indian society.**



# Competition in the Market

- **Tata Motors:** One of the largest manufacturers, recently received positive reviews with the release of Tata Nexon.
- **Mahindra Electric:** Manufacturer of eVerito sedan and e20 Plus hatchback. Also venturing into electric three-wheelers.
- **MG:** Morris Garages has made significant stride in the EV space in Indian market, particularly with the launch of MG ZS EV.
- **Hero Electric:** Leading two-wheeler electric manufacturer having a strong presence across India.
- **Ather:** A Bangalore based EV startup popular for its flagship models, Ather 450X and Ather 450 Plus.



# JSW can gain an edge upon



## Range and Performance

Range anxiety is one of the most prominent market pain. Thus, enhancing the range and performance of EVs is crucial and can serve as a game-changer. Investments in battery technology, aero, and lightweight materials can help extend range.

## Charging Infrastructure

Building a robust charging infrastructure is essential to encourage EV adoption. JSW can invest in charging stations, both fast and regular, and collaborate with stakeholders to establish a widespread network across key locations.

## Product Portfolio

Offering a diverse range of EVs tailored to different customer segments and preferences can attract a broader audience. JSW can introduce electric cars, SUVs, trucks, and two-wheelers with varying price points, features, and performance attributes.

## Affordability

JSW can focus on reduction of manufacturing costs, improving efficiency, and passing on savings to customers. Lowering the upfront cost of Electric Vehicles, economies of scale, technological advancements, can make them more accessible to consumers.