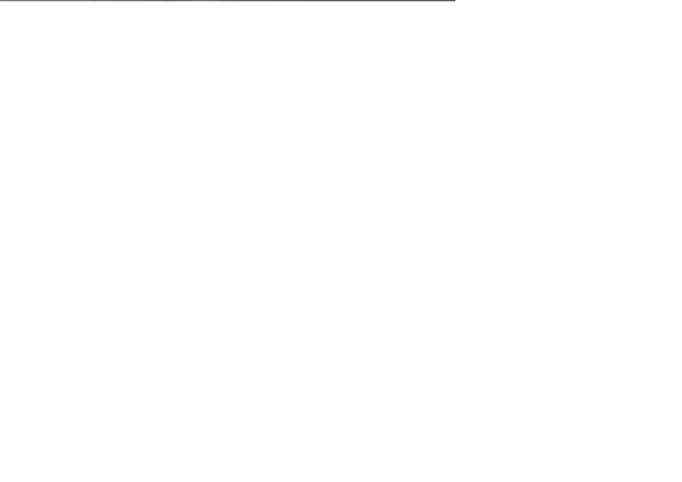
## NAME OF ORGANIZATION: NISSAN

Name: Sagar D. Asutkar

Div: 1

Subject: EADR





ENRICHING PEOPLE'S LIVES

## **Nissan Motor Company**

Group members:

- Waleed AL-Furaih
   Mohamed AL-Subai
- 3) Ahmed AL-Arouj4) Abdulaziz AL-Awadhi

## **Automobile industry**

Automobile Industry, industry that produces automobiles and other gasoline-powered vehicles, such as buses, trucks and motorcycles. The automobile industry is one of the most important industries in the world, affecting not only the economy but also the cultures of the world. It provides jobs for millions of people and also generates billions of dollars in

### .....Tracing Back

- The company was formerly established under the name Jiidosha Seizo Co Ltd. in December 1933.
- Late in 1934 June the company name was changed to Nissan Motor.
   Co. Ltd. (Nissan Jidosha Kabushki geisha shortened to Nissan).
- This accompany earlier marketed vehicles under the "Datsun" brand name.



Nissan Model 70 Phaeton, 1938

### Today.....

- It is a multinational automaker headquartered in Japan.
- · Nissan (Japan) is amongst the top three car manufacturers in Japan and the top five in the world.
- In 1999, Company joined with Renault SA, a French automobile manufacturer aiming to achieve profitable and balanced growth for the two partners through the creation of a bi-national group.







#### The Current CEO of Nissan

Charlos Ghosn the current President of Nissan of Japan is a Brazil-born Lebanese businessman. He is mostly accredited for turning around Nissan. As an outsider in charge of one of Japan's largest companies. He was also voted Man of the Year 2003 by Fortune Magazine.



Carlos Ghosn is the current CEO and President of Renault of France and Nissan of Japan.

#### Vision

Nissan: Enriching people's lives, building trust with our employees, customers, dealers, partners, shareholders and the world at large.

#### Mission

Nissan provides unique and innovative automotive products

and services that deliver superior measurable values to all

stakeholders\* in alliance with Renault.



- Increase market share among multicultural millennial market from 13.10% to 20% by end of campaign
- Increase brand awareness among multicultural millennials 18-29 by 30%
- Increase loyalty to Nissan brand among multicultural millennials 18- 29 by 10%



- Gain attention of multicultural millenials by using ads
- Persuade multicultural millenials that Nissan offers the performance, quality, and style
- Reach 50% of multicultural millennials 18-29 through traditional media and lifestyle/event promotions & online experience

### Marketing mix:

#### Product:

Nissan is a full time car manufacturer and a international corporation.

Nissan's produces electric cars, sports cars, SUV's, minivans, and trucks in locations around the world

#### Place:

Nissan's distribution channel consists of dealerships, online, and car shows. Customers are able to build their own Nissan on Nissan's web-page.

#### Price:

Pricing varies because they have both used and new automobiles.

Customers are able to lease or buy their automobiles.

Nissan offers low interest financing during holiday months.

Their prices also varies based on the location of their dealership.

#### Promotion:

Nissan primarily uses television as its main medium for advertising. Seasonally they offer different promotions.

## **Environmental effects**

## Social effect:



Nissan is building and manufacturing cars to meet all types of people's demand. Different people would prefer different types of cars depending on the consumer itself

| SPORT CA | RS | FANS |
|----------|----|------|
|----------|----|------|

GTR



OFF ROAD CAR FANS

**TUNDRA** 



**FAMILY CARS FANS** 

ARMADA



AFORDABLE CARS FANS

TIDA



## **Legal and Political Environment**

- Nissan vehicle have to meet certain standards to be able to enter certain countries to be sold. This is due to the fact that certain countries do not allow high performance vehicle such as Nissan Skyline models to enter the state because driver might misuse the vehicle for illegal street racing.
- Meeting the Emission Standards whereby it is a requirement that set a specific limit of the pollution produce .
- The vehicle should be safe enough for the driver in meeting the safety standards.

## **Economic effect:**

- Government economic policies
- · rate of interest set by the central bank of any country
- · Per capita Income by changing their consumption behavior
- Privatization policy by the government
- instability in the economy due to bad political conditions in the county affects the business environment
- Shipping charges
- · Foreign investment in the country

## Major changes in automobile industry in the past 5 years

The automobile industry directly influences the economies of the United States and other countries around the world. In a typical year, the U.S. automobile industry generates between 12 and 14 percent of manufacturers' shipments of durable. Automobile production consumes large amounts of iron, steel, aluminium, and natural rubber. The automobile industry also consumes more copper, glass, zinc, and leather, plastic, lead, and platinum than any other U.S. industry.

## Foreign Expansion



- Major overseas market for Nissan included Europe, North America, Africa, New Zealand and China.
- The Company's major production sites are located in Japan, with additional facilities located in the United States, Mexico, the United Kingdom and Spain.

### Strengths

- Global Brand: The popularity of the brand name results in brand loyalty. This in turn helps to drive away other rivals of the same industry. It reduces the pressure created by other competitors.
- Global Financial position: One of the biggest strengths of Nissan. This can indicate that Nissan will be able to survive tough economic conditions since its businesses are spread around the world.

#### Weaknesses

- Dependence in overseas market:
   Nissan produces more vehicle
  abroad than at home. However
  in case of a global economic
  crisis or a change of government
  policy in other countries it could
  mean the home industry could
  also be affected since it is not
  stable by its own but dependent
  on overseas markets.
- Product Innovation time lag; - There have been time lags for their new innovation, especially in the US market. rising fuel prices in the United States.

#### **Potential Opportunities**

- Asia market: Lower penetration coupled with strong rise in income levels, led to continuous jumps in car sales in markets like china and India.
- Relocate its manufacturing unit to reduce cost: China, India and Thailand have been regarded as the Low Cost Production bases with their unique offering to the outsourcers.

#### **Potential Threats**

- Cross-Cultural Disharmony: -When the two companies integrate more cross cultural disharmony occurs. If so, overall company performance may be reduced and the current strengths that the Alliance provides may become instabilities.
- Rising Commodity Prices: The price of steel used in car production has risen by nearly 30%. As this increase in cost has been passed on to the consumer, demand for new vehicles has reduced
- Market saturation





## **Ford**

Ford Motor Company was founded in 1903 by Henry Ford.









### **Honda**

Honda Motor Co. (HMC) was established by Soichiro Honda in 1946. It originally began producing Motorcycles in the mid 20th century and began manufacturing automobiles (the Honda Civic) in 1972.





### Toyota

Toyota was established as a public company in Japan in 1937. It entered the U.S. market in 1957, but only became successful with the introductions of the Corona in 1965 and the Corolla in 1968.

Toyota's success is based largely on its forward-thinking, innovative management style and its rigorous standards of quality.

## The plans Nissan uses to compete with others

In 2012, they are going to be in the main markets in the world with electric cars from Nissan which is green leaf that considered the least harmful car to the environment.



## **Financial Highlights**

Operating income (loss)

Ordinary income (loss)

Comprehensive income

Net income (loss)

Net assets

Total assets

Net assets per share

Basic net income (loss) per share \*\*\*

Diluted net income per share?

Net sales!

Milione of yest

Military of yell

Millions of year

Miles of part

Military of year

Miliona of yes

154

For the years exclud Mer. 21, 30/2 Milion of per

2011

¥9,409,026

545,839

535,090

341,433

290,600

3,449,997

11,072,053

750.77

81.67

2010

Max. 31, 3011

¥8,773,093

537,467

537,814

319,221

189,198

3,273,783

10,736,693

703.16

76.44

311,609 207.747

3.015.105

10,214,820

683.90

10.40

2009

Mrs. 21, 2212

¥7,517,277

42390

(172,740) (233,709)

2008

Mer. 31, 2008

¥8,436,974

(137,921)

2,926,053

10,239,540

644.60

(67.38)

766,400

482,261

3.849,443

11,939,482

860.17

117.76

117.56

NISSAN Annual Report 2012

2007

Mar. 21, 2008

¥10,894,238

790.830

| Current liabilities                     |           |           |
|---|-----------|-----------|
| Trade notes and accounts payable        | 1,181,469 | 1,377,264 |
| Short-term borrowings                   | 593,095   | 244,582   |
| Current portion of long-term borrowings | 933,976   | 822,268   |
| Commercial papers                       | 256,601   | 38,437    |
| Current portion of bonds                | 87,280    | 187,198   |
| Lease obligations                       | 77,598    | 38,190    |
| Accrued expenses                        | 580,350   | 660,369   |
| Deferred tax liabilities                | 116       | 136       |
| Accrued warranty costs                  | 85,688    | 85,535    |
| Accrual for loss on disaster            | 12,128    | -         |
| Other                                   | 572,244   | 691,259   |
|   |           |           |

4,380,545

4,145,228

Liabilities

Total current liabilities

| Total liabilities                      | 7,462,910 | 7,622,056 |
|--|-----------|-----------|
| Total long-term liabilities            | 3,082,365 | 3,476,828 |
| Other                                  | 206,818   | 232,242   |
| Accrued directors' retirement benefits | 914       | 544       |
| Accrued retirement benefits            | 182,155   | 159,369   |
| Accrued warranty costs                 | 98,668    | 100,431   |
| Deferred tax liabilities               | 463,347   | 486,699   |
| Lease obligations                      | 67,135    | 34,584    |
| Long-term borrowings                   | 1,422,478 | 1,877,997 |
| Bonds                                  | 640,850   | 584,962   |
| Long-term liabilities                  |           |           |

# Nissan's New CARWINGS Service Promotes Eco-Driving

This service will assist drivers to become more conscious of their vehicle's fuel-efficiency performance by providing them with the average fuel-consumption data according to their day-to-day driving habits, and allows the driver to track and monitor improvements to their eco-driving skills over a period of time.

## Non-automotive products

Nissan has also had a number of ventures outside the automotive industry, most notably the Tu-Ka mobile phone service (est. 1994), which was sold to DDI and Japan Telecom (both now merged into KDDI Corporation) in 1999. Nissan also owns Nissan Marine, a joint venture with Tohatsu Corp that produces motors for boats and other maritime equipment.



## "Nissan we believe our people are the most valuable asset" - Carlos Ohosn

President and Chief Executive Officer

Nissan Motor Co., Ltd.

The nature of the organization

Nissan works under the theme "We call it the Nissan way". They believe in expanding in their horizons. They claim that Nissan is more than just a great car company. It's a way of doing things that's designed to bring the best out of every employee

## The Themes they follow under Human Resources

#### Cross-cultural/Cross-functional

Nissan is about being open and showing empathy towards different views.

**Transparent** Nissan is about clarity and simplicity, not vagueness and hiding

Leaner Nissan is about being passionate and seeking to learn from every opportunity

#### Competitive

Nissan is about continuous benchmarking and striving to be "the best in the class".

#### Frugal

Nissan is about striving to achieve maximum results with minimum resources

#### Recommendations

- The company should continue to venture into other emerging markets in the world
  while focusing less on the Japanese market by doing this strategy the company expand
  its market share by expanding into other countries. This will increase sales in the
  company and profits.
- 3. The company should increase its expenditure on development of technology so as to prevent defective product. The company should invest in diesel technology and other kinds of technologies in order to produce products that meet the quality standards.

For example:

The company has produced defective products for the last few years due to lack of technologies. Failure to invest in various technologies will affect. Nissan market share and customer satisfaction as it will not be able to meet customer needs (Weele, 2009).

# THE END Thank you for listening

