

A Case Analysis of Jaguar Cars' Performance in the Past and Suggestions for Jaguar's Future Operations

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Abstract. Jaguar Cars has been involved in great controversies regarding their recent transformation plans. The main topic of this paper would thus be a case study and feasibility analysis of Jaguar's ambition, looking into whether this strategy is really a road to success or an overly confident conception. The analysis will contain two parts. One that investigates the past of Jaguar, notably how Jaguar survived vital failures, such as escaping from British Leyland and the pros and cons of the strategies behind it. Explanation on Jaguar's survival thanks to the help of Ford and Tata, and further explanation on how the Americans and the Indians killed Jaguar's hope of revival. The other would focus on all aspects of Jaguar's current strategies; each would be analyzed respectively. Finally, this paper will end with suggestions on Jaguar's future development directions and ideas on how to fix the mess this respectable marque is in.

Keywords: Jaguar Car, operations, management mode.

1. Introduction

The operation of today's Jaguar Cars is in a state of chaos, especially if one takes the legendary manufacturer's past into consideration. In recent years, judging from press opinions and commercial performance, the application of Jaguar's radical transformation plans did not meet the expectations of existing Jaguar enthusiasts, and also failed to attract much attention from anyone else [1]. It is staggering what unsuccessful strategies can do to a brand with such a rich heritage and strong fan base.

Looking back in history, Jaguar's past has more successes written on it than failures. Jaguar once made the world's fastest production car, the XK120 in the 1950s, won countless world-class races since then, and introduced the once noble V12 engine to a broader public (the only other 2 manufacturers that offer a V12 engine at that time was Ferrari and Lamborghini, both of which were produced in small numbers and assembled by hand while Jaguar made over 160,000 V12s with a usual assembly line), and most of all, performed much better than now both commercially and in terms of reputation.

For over half a century, Jaguar's model lineup comprised only two types of vehicles, either a mid-size or full-size luxury saloon or a sports car. In the meantime, Jaguar always attended the most popular motor races. From BTCC to Le Mans to even Formula 1, the brand gradually built up a reputation of being fast and being in style.

Jaguar used to be a sporty and fashionable brand that only made executive cars and sports cars, an image that is similar to today's top-tier car manufacturers such as Porsche.

It is almost inevitable to have obstacles while running a business. Previously there were also multiple hard times for the management of Jaguar. In its almost a century of history, Jaguar had been under the hands of British Leyland for over a decade, a name that is often linked to poor build quality and inefficiency. The seemingly promising acquisition by Ford from Detroit gave Jaguar considerable financial support and streamlined Jaguar's operations, but also strategically killed Jaguar's ability to go further upmarket. The most recent shift of ownership from Detroit to Tata of India further solidified this result.

All of Jaguar's past brings people to what now looks like a very questionable major transformation. According to Jaguar themselves, the plan is to kill off all existing models and shift toward becoming a top-tier luxury brand manufacturing only electric car by 2025.

Under this "Reimagine" strategy, significant investments are being made, but no visible progress can be seen as of now. It is reasonable for a brand like Jaguar that is technically already in the "luxury car" segment to want to focus on a higher niche of the luxury car market, as usually ultra-luxury cars do have a higher profit margin than entry-level luxury cars, but for today's Jaguar, it is most likely not viable anymore [2]. History aside, even just looking at Jaguar's latest commercial performance would lead any ordinary customer to believe that the brand is going downhill. Their proposed new vehicle that was supposed to be released this year, the production version of the Type-00 concept car, is still far from being unveiled. Their existing dealerships are either shrinking or closing due to having no car to sell at all.

2. Analysis of Jaguar's past decisions and strategies

Jaguar's reputation was probably best in its first 30 years of independence, namely from the founding year of 1935 to 1965, before merging with other fellow British manufacturers and entering a malaise era, during which both reputation and sales dropped significantly. After the Second World War, Jaguar won countless international motor races, building good-looking, fast and well-built automobiles. The legendary E-type, a car that was universally considered by critics and the public as being beautiful, and so stunning that it became one of the very few cars on permanent exhibition at the distinguished Museum of Modern Art in New York City, was also unveiled in this period. The success of the E-type, along with previous achievements, set a baseline for most of Jaguar's future strategies. Without the brand image basis built in these 3 decades, Jaguar might have already been defuncted, because the next 2 decades for Jaguar was commercially devastating.

The dark ages of Jaguar after merging with BMC and subsequently forming British Leyland was a long story concerning not only multiple poor decisions and severe financial distress, but also endless labor movements and bureaucratic incompetence of the company and the British government. Trouble for Jaguar was much worse back in the 70s, as Jaguar lost almost all independent decision rights, and in practice became the "large car division" of Leyland, unable to even decide its own model lineup. Meanwhile, labor relations problems happen every once in a while, with workers of Leyland's factories, including Jaguar's, going on strikes and carrying out sloppy and inefficient work. To add as a topping, Jaguar's supply chain was also problematic. The result is that the quality of Jaguar cars was at an all-time low. Sales figures were also dropping violently. Jaguar was hardly making any money, lost most of its identity and morale within the organization, and had no capital to invest in meaningful moves, such as designing new models.

In 1980, John Egan, was appointed as the leading person in the brand. At that time the major issue all Jaguar products are facing is quality, a problem strengthened by incapability of the

management level and the overall organization. Instead of focusing on fancy marketing techniques or catchy new slogans, Mr. Egan put extremely heavy emphasis on quality control, streamlined the production procedures, and focused on new products. The well-recognized AJ6 engine and the “High Efficiency” version of Jaguar’s V12 was both developed under Egan’s leadership. With higher organizational efficiency and overall better products, Jaguar quickly regained recognition, with sales recovering rapidly.

Another important incentive was favorable political climates. During this period, Thatcher was running Jaguar’s homeland, the UK, and one of her most influential commitments was the promotion of privatization. Such a trend, combined with the executive force of Egan, led to Jaguar’s second period of independence from 1984 to 1989. It turns out that this move made it definite that Jaguar is saved, as by 1985 Jaguar was already profitable again. It also marks that Jaguar can finally retain its earnings and spend them on Jaguar’s own developments. As a result, just a year later the long-delayed all-new XJ40 was released.

Leaving British Leyland marked a turning point for Jaguar, from being part of an overloaded system to being an independent business again. But it was Ford that really made Jaguar popular all around the world.

Ford’s ownership meant an even higher level of quality control. As the pioneer of assembly lines in automotive industry, Egan’s improvements were still not satisfying in the eyes of the Americans. More budget was also offered for Jaguar, resulting in another new line of engines and a critical expansion of model lineup, adding the mid-sized S-type and the compact X-type while giving out new iterations of all previous models [3].

However, Ford was a large group with many brands at hand. Jaguar was only one of the 3 European luxury brands it acquired in order to form its so-called “Premier Automotive Group”. The other 2 being Aston Martin and Volvo. Again, Jaguar was forced to consider the model lineup of other brands within the group. Jaguar’s position was deliberately lowered under the ownership of Ford, most notably with the introduction of the 2 new models that were cheaper than any Jaguar before. Jaguar’s flagship sports car, the XJS, was also discontinued, again followed by a cheaper and less prestige successor. The originally planned successor project of XJS was given to Aston Martin due to AM having a more prestigious brand image.

With Ford’s control, Jaguar already began to reach a lower market segment, and its brand value is already slowly depreciating, yet it was after the takeover of Tata that this trend became eventually irreversible.

The first few years under Tata was radical but promising. Previously under Ford ownership, Jaguar was deliberately asked to look “classic” by being designed to look retro. Tata did not want that, and as a result Jaguar’s entire lineup came with a completely new design language. This proved to be successful, but Tata did not stop at just the looks. Tata wanted Jaguar to be renewed but did not have the courage like Jaguar’s previous leaders. In the early 2010s, Jaguar had a perfect chance to go upmarket again, with the introduction of a production-ready supercar, the C-X75. It is common for a luxury car manufacturer to have such a “Halo car” just to show off the brand’s innovations and improve brand recognition [4]. If C-X75 went into production like its predecessor by Ford in the 90s, the XJ220, Jaguar might now be a much more prestigious brand.

Cancellation of the production of the halo model C-X75 can be seen as the murder of a miracle that could have saved Jaguar from turning mediocre. Then the Introduction of some even more inexpensive models in the lineup and the discontinuation of the flagship XJ sedan are moves that might be financially reasonable, but in the meantime gave up at least 50 years of effort in marketing and image-building, a final contribution to the current drastic changes in strategies.

3. Analysis of Jaguar's current strategies

As of now, Jaguar has ceased production of all regular models. It is common for a manufacturer to reposition itself, but not very often to halt production during the process of repositioning. According to Jaguar, the reason for this full stop is that their current models are not profitable anyway, and they want to show their ambition that the new Jaguars will be completely different and much more desirable, nothing like the mass-market models now. Sacrificing short-term sales and volume for a planned fiercer return is extremely bold. Having this gap year between old and new models is a highly risky gamble. If the new EV lineup is delayed, or if customers are lukewarm about the new positioning, Jaguar's market presence will almost certainly be lost further. Seeing solely from a business perspective, stopping production of a company's core products, even when they are unprofitable, still means giving up any chance of incremental revenue and all cash flow in the transforming period. Jaguar is now incredibly vulnerable if anything goes wrong, and it seems that things have already gone wrong a bit. The proposed new car that was to begin its life as a 2025 model year, is now delayed for 1 year. All while Jaguar's production is still stationary.

The decision to turn into an ultra-luxury brand that only makes electric cars is not realistic too. Jaguar used to be capable of being an ultra-luxury brand, but that's when Jaguar did not have an array of reasonably priced cars. For luxury goods, people want the sense of difference and superiority, which is why all ultra-luxury car manufacturers that Jaguar is aiming at, such as Bentley and Aston Martin, do not produce any car that an average person can afford [5]. Wanting to force every potential buyer to forget that Jaguar used to produce affordable luxury cars just a few years ago is impossible, not even by stopping all production.

Jaguar is even more unsuitable for being an electric car manufacturer now. Both Egan and Ford knew that Jaguar has enough engineering capabilities and focused on making Jaguar's existing models and technologies better and more usable. Currently Jaguar still has the relatively new in-house Ingenium series of modular combustion engines, and JLR also have the license from BMW to use their new V8 engines. It is quite unwise to give up all these still usable resources [6].

The unreleased 4-door production version of the Type 00 concept 2-door sports car, however, seems to be the only part of Jaguar's "Reimagine" strategy that makes sense commercially. Luxury full-size saloons and sports cars have always been Jaguar's signature products throughout its history. Since 4-door saloons will empirically have a wider market than 2-door sports cars and are as a result theoretically more profitable, it would be reasonable for Jaguar to choose building a 4-door saloon as the first car of Jaguar's planned transformation.

Jaguar's dramatically controversial marketing campaign "Copy Nothing" last year is almost certainly an unsuccessful one, with feedback being mostly negative. This move is a very damaging one for all Jaguar's existing positive brand image, both depends on the fact that the people responsible for this decision were dismissed soon afterwards and judging by the poor acceptance of the audience. It is understandable for a relatively new brand or a firm with ordinary background to delete all its social media postings to make way for a new image, but Jaguar has rich history and countless past highlights that can be immediately used in marketing. The campaign itself is also of questionable intentions. Not a single trace of cars, not even any metaphors of cars, was included in the entire commercial. Looking back in history, no matter performing good or poorly, Jaguar's marketing is always focused on how stylish Jaguar's car itself is. According to what appeared in this commercial, this new campaign is more like a celebration of sexual minorities, which is a popular topic in the modern world, but has nothing to do with Jaguar's products: Cars.

4. Suggestions

No matter what the brand position is, brand's own history and heritage are always useful in marketing and can be useful in building customer loyalty [7]. Jaguar's management should respect Jaguar's rich heritage and never replicate mistakes like deleting all previous social media postings.

For any kind of luxury goods, heritage is always useful to provide extra emotional values to customers, who would be willing to spend much more than the actual worth of the product to buy such sense of identity [8]. In recent years, Jaguar's heritage preservation work has been supported almost entirely by enthusiasts, with not enough support from the brand officially. Attracting new customers should not be done by not valuing existing ones. Compared with Land Rover's performance in the same JLR group, why does Land Rover succeed when Jaguar fails? Respecting heritage, not blindly following fashionable trends, and maintaining a complete and distinctive model lineup might be the answer.

CEOs who have a financial background were often appointed when a company is in financial difficulties. It is no doubt reasonable but also tends to have some hidden risks [9]. JLR's previous CEO Adrian Mardell, who is responsible for many recent decisions on Jaguar's dramatic transformations, worked in financial management for 30 years in the past. Such CEOs are dangerous in a car manufacturer's hard times. Luxury cars are complicated merchandise that can attract customers by characteristics beyond figures on paper. Financial officers are good at making financial reports look good, but they tend to kill the characteristic of their products just because they are not making any immediate money. This proved to be harmful in the long run and might cause more effort to fix in the future. The best example is Stellantis. Under the supervision of former CEO Carlos Tavares, many signature products in the group are discontinued for short-term profits. Now that Mr. Tavares is gone, some discontinued signature products that gave characteristics to the brands within Stellantis group are being revived gradually, for example the HEMI V8 in the Dodge division of Stellantis. Jaguar might have fallen into a similar trap now. If current decisions are proven wrong, fixing them might be extremely difficult, but it would always be better to cease earlier. With valuable existing technologies and production capacities at hand, it would be wiser to resume production and use up the remaining value of previous combustion engine innovations, especially now as European governments are turning back on the decision to ban fossil-fueled vehicles. Sensitive peer companies like BMW and GM have already announced new plans to continue using traditional combustion engines in new models, and almost every traditional high-end car manufacturer is still sticking to combustion engines in the first place.

Companies whose products are sold to the mass-market should be careful with any kind of specific politically correct trends in marketing. For any kind of controversial topic, there will always be people who actively promote it and people who hate it [10]. In this case, relating to such a trend is already a failure, since there will always be some potential or existing customers that would be aggravated by this topic. It is even more unwise if the controversial topic itself has nothing to do with the products or any part of the company.

5. Conclusion

It is reasonable to say that Jaguar's new transformation plan is not really a successful one yet. However, Jaguar has reacted nicely towards hardships in the past. Ups and downs did not fade the value of this brand. Jaguar's management should always have a clear knowledge of the advantages and weaknesses of the brand itself and make decisions on strategies based on such knowledge. In the future, Jaguar's marketing strategy should still focus on the products, which are the cars themselves,

just like their previous strategies for the past 90 years. Currently Jaguar's social media contents are already making a change, with Jaguar's cars and Jaguar's heritage becoming the focus again. The current circumstances are terrible, but not so terrible that they are irreversible. It is possible that Jaguar's transformation might work out in the end with slightly more traditional tactics and more focus on their products and their customers, instead of only wanting to change and be novel.

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