Tata Power

External Analysis

1.0.(PESTEL analysis)

* **Political**:
* Indian power sector is highly dominated by the government.
* Highly regulated.
* Most of land is issued by the government where TATA power operates.
* The emissions of TATA power are better than NAAQ’s
  + **Economic**:
* The demand for power is currently growing in the Indian market.
* The demand for power in India is not likely to change in forthcoming years.
* There are many globalization opportunities.
  + **Social**:
* Many opportunities for TATA Power to contribute the Indian communities.
* Employees are highly willing to volunteer.
* More emphasis on the corporate social responsibility from the customer base puts pressure on the TATA power.
  + **Technological:**
* Plans to expand its expertise and capabilities with 7,500 MW of additional generation capacity.
* Researching technologies in order to lower the carbon emission from power generation activities.

2.0.Dominant Economic Features analysis

* **Market size**: the power market in India underwent a significant change that most likely redefined the power industry outlook. The competitive rivalry seems to be increasing at both supply and demand side from 2006-2007 as the number of power generation companies increased more than 2 times.(Logistics, fuel, manpower and finances).(Exhibit 10 A- Page 17 (Dr. Rama Deshmukh, 2013))
* **Investment scenario:**between 2000 and 2012, it is analyzed that the power industry has attracted approximately $12.897 billion in FDI accounted for 3.52% of overall inflows generated from FDI in India. Energy Efficient [Services](https://www.thecasesolutions.com/the-return-of-the-loan-3-149887) Ltd (EFSL) for its energy efficient projects have raised $454 million from Global Environment Facility (GEF) for the purpose of attempting to boost the move of India towards developing a carbon economy.
* **Research and development**: a power industry is inherently a high technology industry. The companies are now working to define the Research and development priorities, also set up internal zone that would probably manage the technology program in the forthcoming years.

3.0.Porter’s 5 Forces Analysis

* **Threat of New Entrants:it is being analyzed that there is a great demand for the quality and reliable power in order to gauge the**[**growth**](https://www.thecasesolutions.com/jim-lander-at-thamesford-logistics-3-147432)**of the country. The threat of new entrants is fairly high in the power industry as there are numerous opportunities for the private players seeking for the highestgrowth prospects in the market.**
* **Threat of substitutes:**there are various competitors of TataPower Companywho are primarily engaged in supplying the thermal and hydro energy to its customers but Tata itself is responsible to provide veracious means of energy or power to its customers including wind, solar, hydro and thermal.
* **Bargaining power of buyers:**it can be seen that the Tata power company became first largest player responsibly playing its role in the power industry, the customers are less likely to switch to another competitors because of the success of Tata in industry, and the customers alsoappreciate and end up paying a more for the power being supplied by Tata.
* **Bargaining power of supplier:**the bargaining power of supplier is limited