CHAPTER 9

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Trade is increasingly global in scope today. Trade integration efforts and unified economic reforms in GCC countries have resulted in growth in GCC imports and exports, and its share in world trade. In lieu of the increasing trade opportunities in GCC countries, India has become a major trade and investment partner of GCC.

Today, the international marketer is subject to new set of macro environmental factors, to different constraints, and to quite frequent conflicts resulting from different laws, cultures and societies. Selecting an *institutional arrangement* a *mode* for entering or expanding in a foreign market is one of the most crucial strategic decisions that an international firm has to make (Root,1994). This study was conducted to devise market entry strategies for Indian products in GCC market. In order to do so, an attempt was made to identify the underlying significant factors which result in the adoption of a particular Market Entry Strategy. The present study provided insight on the different factors that affected the market entry strategies of Indian firms when entering the GCC market.

This chapter is consists of sections namely, Summary and Conclusions; and Recommendations, Limitations of the Study and Future Research Directions.

9.1 Summary and Conclusions

The summary part includes the brief summing up of chapters. A critical evaluation of the findings and the derived conclusions are very essential for carefully devising market entry strategies when entering international markets. Hence, emphasis is put to highlight the insights gained in the preceding chapters of this study.

Throughout history, countries have tended to trade with each other, but usually to a much lesser extent than they do today. World trade has seen an increase both in scope and volume. Recently, Gulf Cooperation Council (GCC) which comprises of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates has been an active player in world trade. Percentage share of GCC imports in world imports has increased from 1.39 percent in 2001 to 1.74 percent in the year 2006. Percentage share of GCC exports in world exports has increased from 2.59 percent in 2001 to 3.90 percent in the year 2006. This clearly depicts the increasing importance of GCC countries in the overall world trade scenario since 2001.

Trade integration efforts and unified economic reforms in GCC countries have resulted in growth in GCC imports and exports, and its share in world trade. This has resulted in firms from across the globe looking forward to strengthening trade and economic relations with GCC. Indian firms have also taken advantage of the immense opportunities and are today a major trade and investment partner of GCC. Based on India's export capability and import demand in the GCC countries, main items of export include food products, pharmaceutical products, machinery & transport equipment, ceramic products, articles of apparel & clothing, cotton & woven fabrics, plastic & rubber products, essential oils, perfumery & cosmetics and iron and steel articles. The GCC countries are major destinations for India's overseas investment. Several sectors for investment by Indian entrepreneurs, include IT, software development, telecommunication, engineering services, education, training & healthcare services, tourism & hotel industry, banking & financial services, oil, gas & petrochemicals industry, electricity, housing, development of road networks.

There have been several reasons behind a firm's decision to tap foreign markets like availing an immediate opportunity, the need to diversify beyond a single country's economy, size of the potential business and profit potential, or simply entering a competitor's home market. Whatever be the reason, a major crucial decision faced by all firms is selecting an appropriate market entry strategy to establish their presence on foreign soil, for an inappropriate entry strategy could block opportunities, lead to losses or even lead to exit from foreign market. Thus, a firm that wishes to market its products internationally has to carefully assess the environment and then decide on an appropriate strategy for achieving its objectives in foreign soil. Several strategies, which differ in aggressiveness, risk, and the amount of control that the firm is able to maintain, are available. These include exporting products and services from the country of origin; entering into joint venture arrangements; management service contracts; and establishing subsidiaries in foreign countries.

Exporting is one of the most popular market entry strategy adopted by firms when entering foreign markets. In direct exporting , the manufacturer takes upon himself the task of managing the export sales which leads to advantages like greater control, better market information and development of in house expertise in international marketing. Companies can also undertake indirect exporting, which involves selling to domestic intermediaries who locate the specific markets for the firm's products or services.

Many companies are able to establish a healthy presence in foreign markets without ever expanding beyond exporting practices. Exporting may help a firm achieve experience curve and location economy. By manufacturing the product in a centralized location and exporting it to other national markets, the firm may be able to realize substantial scale global sales volume. High transport costs or tariff barriers can make exporting uneconomical, particularly for bulk products. Exporting from the firm's home base may not be appropriate if there are lower-cost locations for manufacturing the product abroad. If marketing is delegated to the foreign agent, the foreign agent may not do as good a job as the firm would if it managed its marketing itself.

Management service contracts are used as a sound strategy for entering a market with a minimum investment and minimum political risks. In some cases Government pressure and restrictions force a foreign company either to sell its domestic operations or to relinquish control. In such a case, the company may sign a management service contract with the government or the new owner in order to manage the business with the new owner. The new owner may lack the managerial and technical expertise and may need the former owner to manage the investment until local employees are trained to manage the facility. However, do not have to be used only after a company is formed to sell its ownership interest.

A joint venture is an arrangement, whereby a company trying to enter a foreign market forms a partnership with one or more companies already established in the host country. Often, the local firm provides expertise on the intended market, while the exporting firm tends to general management and marketing tasks. The biggest incentive to entering this type of arrangement is that it reduces the company's risk by the amount of investment made by the host-country partner. A joint venture arrangement allows firms with limited capital to expand into international arenas, and provides the marketer with access to its partner's distribution channels. It has also the advantages of higher returns than royalties and greater control on production and marketing.

In a wholly owned subsidiary, the firm owns 100 percent of the stock. Establishing a wholly owned subsidiary in a foreign market can be done two ways. The firm can either set up a completely new operation in that country or it can acquire an established firm and use that firm to promote its products in the country's market. Firms establishing wholly owned subsidiary must bear the full costs and risks of setting up overseas operations. Indian firms are not only exporting to GCC countries, but have set up several joint ventures, management service contracts, and wholly owned subsidies in this region.

The present study was conducted to devise market entry strategies for Indian products in GCC market. In order to do so, an attempt was made to identify the underlying factors which result in the adoption of a particular Market Entry Strategy. The present study provided insight on the different factors that affect the market entry strategies of Indian firms when entering the GCC market. It also examines the micro and the macro environment of the GCC markets.

Marketing offers are not limited to physical products, they also include services, which can be separable or non separable. This study has considered manufactured goods and separable services as products when devising entry mode strategies, because the techniques for marketing manufactured goods in foreign markets may apply without much modification to separable service.

There are several frameworks explaining market entry strategic choice. According to the Resource based theory, firms adopt strategies that their resources can support. The resource-based approach to entry mode choice incorporates the notion that a firm competes well in a setting in which there is a fit between the firm's resources and external opportunities. The framework based on the resource based perspective portrays appropriate entry mode as a function of the interplay of firm specific resources (which are the sources of competitive advantage that drive a firm's marketing strategy), home country factors, host country factors, nature of product and degree of control sought by the firm. The study focused on firm specific resources and strategic issues, and host country factors to determine the degree of control sought i.e. the Market Entry Strategy choice. Influence of the home country factors was held constant as the study involved firms only from India. Only manufactured goods and separable services were considered so that determinants of entry mode choice could be generalized.

A literature review of external factors affecting market entry was conducted with the objectives of identifying candidate variables to include in our study and developing a set of scale items which could be used to measure those variables. A review of the literature showed that though several studies have been conducted to analyze different market entry strategies of firms in different international markets, yet no study had been conducted to devise market entry strategies for Indian firms in GCC countries. No study had been conducted to analyze both non-equity and equity modes of market entry in GCC markets for Indian firms in manufactured goods and services sector.

To achieve the overall objective, i.e. to study the variables which affect the choice of Market Entry Strategy(*M*), so that appropriate market entry strategies can be devised for marketing Indian products in GCC markets, Hypothesis 1 and Hypothesis 2 were developed. The dependent variable 'M' (the market entry strategy) depicted rising levels of equity ownership and overall control. The four market entry strategies considered are Exporting, Management service contract, Joint Venture and Wholly Owned Subsidiary. Hypothesis 1 considered the negative association of M with a competitive target market with similar and easily substitutable products, and presence of high legal restrictions in the host country. Hypothesis 2 considered the positive association of M with a politically stable environment in the host country; greater cultural and social similarity between the home and the host country; lower investment risk in the host country; high market potential in the host country; higher level of development and economic welfare of the host country; better infrastructure available in the host country; greater firm size; greater international business experience of the firm; firm with a proprietary technology that is a sustainable competitive advantage in the host country; an organizational culture of the firm which is a sustainable competitive advantage in the host country; and a firm with a reputation for superior product, process or management technology. These variables were represented in the study by var1 to var13. Each of these variables, var1 to var13, consisted of several variables represented in the study by V2 to V52. Thus the hypotheses developed examined the association of market entry choice with both host country factors and firm specific resources and strategic issues.

Firms for the study were selected by using convenience and judgement sampling. Firms selected for the study were the firms pursuing one of the four market entry strategies being studied by the researcher. The primary data was collected using a questionnaire. The questionnaire was administered to the key decision maker relating to international markets in each of the firms in Oman. To arrive at pertinent analysis, the collected data was put to planned statistical analysis using SPSS Statistics 17 package and Microsoft Excel 2007. The tools, which were employed to test the drafted hypothesis and arrive at conclusions included T test and Compare means. Following conclusions are drawn after the analysis of the gathered data.

From the statistical analysis of our findings using the t Test we concluded that the both Hypothesis 1 and Hypothesis 2 are supported. Thus, we arrive at the following conclusions:

1. M(rising levels of equity and control) is negatively associated with a competitive target market with similar and easily substitutable products; and presence of high legal restrictions in the host country.

2. M(rising levels of equity and control) is positively associated with a politically stable environment in the host country; greater cultural and social similarity between the home and the host country; lower investment risk in the host country; high market potential in

the host country; higher level of development and economic welfare of the host country; better infrastructure available in the host country; greater firm size; greater international business experience of the firm; firm with a proprietary technology that is a sustainable competitive advantage in the host country; an organizational culture of the firm which is a sustainable competitive advantage in the host country; and a firm with a reputation for superior product, process or management technology.

3. The findings of this study demonstrate that managers make entry mode choices based on considerations of host country factors and firm-specific resources that afford their firm competitive advantage in the target foreign market. Because our hypotheses were correctly able to predict entry mode choices made by firms in the survey, we conclude that firm specific resources and host country factors are good predictors of market entry strategy and thus Resource Based Framework is a suitable framework for explaining the determinants of market entry choice.

To specify a range of dependent variables and sub variables for each market entry strategy, a statistical tool, *Compare Means* was used. From the findings we arrived at the following conclusions about the factors which are significant for the choice of each market entry strategy:

4. Exporting market entry strategy is dependent on the following sub factors: availability of greater types and number of competitive products in the market; competitor's market share, his coverage, and growth rate in Host country; the advantages and weaknesses of

the competitors in the Host country market(for e.g. uniqueness of competitor's product and facilities for distribution); the presence of similar and easily substitutable products available from competitors; the price levels of competitive products compared to your CIF(costs, insurance and freight) price in the Host country market; the foreign import regulations in Host country; tariffs, import duties and taxes assessed by Host country on your products; the tariff concessions allowed by Host country(i.e. drawbacks, preferential tariffs); the non tariff barriers like product standards imposed by the Host country govt.(e.g. local assembly laws, local safety and environmental regulations); and regulations on limitations on the share of the foreign investor in Host country. Thus, the factors that are significant for the choice of Exporting market entry strategy are competitive target market and legal restrictions in the host country. Hence, to devise market entry strategy, competitive target market and legal restrictions in the host country are significant factors to be considered when choosing exporting entry method.

5. To choose market entry strategy as WOS, these sub factors have to be considered: good diplomatic and political relations between India and Host country; the politically stable environment as depicted by the extent of representation and confidence of people in their Government; the foreign government's internal policies, attitudes and actions towards private enterprise; the availability of tax advantages in Host country; low risk of converting and repatriating profits to India; the availability of investment incentives in Host country; the Foreign Investment Policy of Host country Government; the average annual sales of your type of product in Host country; the future trends and growth rate of the Host country market in which your product would be sold; the differences in product

usage in Host country; the need to change your product specifications due to differences in foreign buyer's tastes and preferences or technical requirements; education and employment levels in the local population; the costs and efficiency of communications to Host country from India(email, phone etc.); the average turnover of the firm; the number of years since the firm has been involved in international business; the number of years of experience in the particular industry in which the firm is operating; the Brand name recognition in Host country; firm encourages experimentation and tolerates mistakes; firm favors promotion from within; protecting reputation for superior management and protecting reputation for superior quality. Thus, political environment in the host country and investment risk in the host country are significant factors while devising WOS market entry strategy. In addition, the above mentioned factors are relevant related to market potential in the host country, size of the firm, international business experience of the firm, infrastructure available in the host country, level of development and economic welfare of the host country, a firm's reputation for superior quality or management technology and organizational culture of the firm.

6. For the choice of Joint Venture market entry strategy, the following sub factors were significant: good diplomatic and political relations between India and host country; the politically stable environment as depicted by the extent of representation and confidence of people in their Government; the foreign government's internal policies, attitudes and actions towards private enterprise; the problems due to different language in Host country; the availability of tax advantages in Host country; the low risk of converting and repatriating profits to India; the availability of investment incentives in Host country; the

Foreign Investment Policy of Host country Government; the average annual sales of your type of product in Host country; the future trends and growth rate of the Host country market in which your product would be sold; the need to change your product specifications due to differences in foreign buyer's tastes and preferences or technical requirements; education and employment levels in the local population; the average turnover of the firm; the number of years since the firm has been involved in international business; the number of years of experience in the particular industry in which the firm is operating; the Trademark of the firm; the Brand name recognition in Host country; firm encourages experimentation and tolerates mistakes; firm favors promotion from within; protecting reputation for superior management and protecting reputation for superior quality. Thus, political environment of host country is a significant factor while devising Joint Venture market entry strategy. In addition, the above mentioned sub factors related to cultural and social similarity between the home country and host country, investment risk in the host county, level of development and economic welfare of host country, market potential of host country, size of the firm, international business experience of the firm, organization culture of the firm, proprietary technology in the host country and reputation for superior quality and management are dependent factors for choosing a Joint Venture market entry strategy.

7. From our findings, we conclude that the following sub factors are significant for the choice of Management Service Contract market entry strategy: greater types and number of competitive products are available in the market; competitor's market share, his coverage, and growth rate in host country; the advantages and weaknesses of the

competitors in the host country market(for e.g. uniqueness of competitor's product and facilities for distribution); the presence of similar and easily substitutable products available from competitors; and regulations on limitations on the share of the foreign investor in host country. Thus, the above mentioned sub factors related to competitive target market and legal environment in the host country have to be taken into consideration when devising Management Service Contract market entry strategy.

Thus, the findings of our study identified specific significant factors that should be taken into consideration while devising a particular market entry strategy. Thus, the range of dependent factors for each market entry strategy has been outlined. Significant host country factors for all the four market entry strategies were outlined. There were no significant firm specific resources and strategic issues for the adoption of non equity modes of Exporting and Management Service Contract.

An analysis of the micro and the macro environment of the GCC countries revealed that though they have their own share of weaknesses and threats, yet immense opportunities and strengths make it a lucrative market for foreign firms. Firms need to carefully assess these before selecting their business area and deciding on a market entry strategy.

Thus, we conclude from the above discussion that firm specific resources and host country factors are good predictors of market entry strategy and Resource Based Framework is suitable for explaining market entry strategic choice. In addition, specific significant factors should be taken into consideration while devising a particular market entry strategy.

9.2 Recommendations:

Besides geographical proximity to India, the countries in the GCC region are of economic, political and strategic importance to India and are vital for India's energy security. With potential existing to enhance India's trade and investment relations with the GCC region, the following section delineates some strategies and recommendations to further enhance India's commercial presence in the GCC region.

1. **Availing investment opportunities through local partnership and setting up of wholly owned subsidiaries in promising sectors.**

With a view to further enhance India's commercial presence in the GCC region, an important avenue would be to explore setting up of joint ventures with local companies in the region or set up wholly owned subsidiaries. Potential sectors for investment as identified and promoted by the UAE Government include Information and communication technology, media and entertainment, financial services, landmark real estate and travel and tourism. Huge potential exists in the sector for investment. Many industrial projects, road and bridge construction, expansion of power and water provision offer much scope to Indian companies. Also high profile residential and leisure developments in Dubai, like The Palm, The World etc. offer scope for Indian firms to make investments. Tourism is one of the key areas identified for investment. Immense scope lies for Indian firms as the UAE Government is making huge investments in the field like building of international airports and hotels.

Oman actively seeks private foreign investors, especially in the industrial, IT, tourism, health and higher education fields. The Government of Bahrain is focusing and promoting foreign investment in IT and telecommunications; education and training; tourism; healthcare; financial services and downstream industries. With the favorable conditions of 100% foreign ownership and no corporate taxes, there exists immense opportunities for Indian firms in Bahrain.

Kuwait has opened up a number of sectors for investment in Kuwait. The legislation has allowed foreign majority ownership and 100% foreign ownership in several industries, thereby presenting the opportunities for investment. Although foreign firms are not allowed to invest in the upstream petroleum sector, they are permitted to invest in petrochemical joint ventures. Build, Operate and Transfer(BOT) projects are gaining acceptance in Kuwait. Further, with the reconstruction of Iraq Indian companies could explore the possibilities of tie ups with Kuwaiti companies to undertake investment and development projects in Iraq.

Saudi Government encourages FDI and improvement in the investment climate is an important part of the government's programme. Saudi government actively seeks foreign investment in sectors like Information Technology; Hydrocarbons- Oil & Gas, Process Plant Equipment for Oil Refineries; Petrochemicals; Fertilizers and Chemicals; Water Treatment Plants; Sewage Treatment and Waste Water Plants; EPC Contracts- Oil & Gas, Power, Infrastructure, Telecom, Chemical and Industrial Plants, water & Effluent

Treatment; Infrastructure/Construction; Machine & Handtools; Pumps, Valves; Diesel Engines; Auto Components; Electrical Equipments; Spares and Cables; General Engineering Products; Pharmaceuticals and Chemicals; Engineering Consultancy and Specialized Engineering Services; Industrial & Professional Training including Health Care Sector etc. Immense untapped opportunities exist in Saudi Arabia in the field of apparel, IT, education, medical systems, pharmaceuticals, insurance services, auto parts, rice, processed fruits and vegetables, air conditioning and refrigeration equipment, electrical power systems, and mining and quarrying projects. In Qatar, the hydrocarbon sector, the manufacturing sector, construction, tourism, banking and education are on their path of growth, and have several opportunities to be tapped.

In Oman and Qatar, foreigners can have upto 100% share only in selected projects, while in KSA, Bahain and Kuwait foreign investors can have upto 100% share in many sectors. In UAE too, In free zones foreigners can have 100% shares as well as in some projects. Such favorable legislations and Government's encouragement towards FDI in several sectors, needs to be tapped to the fullest by Indian firms. Though Indian firms have established their presence, immense potential lays untapped for Indian firms to enter these markets using equity modes.

2. **Focus on Trading activities in the GCC region.**

The importance of the GCC region as the trading hub and also re-export centre can be assessed from the fact that Dubai has emerged as the world's third most important re-export centre. GCC imports and exports have registered a remarkable growth in world trade since the year 2001. Authorities extend several facilities for setting up operational bases in the region and many Indian companies have set up operations for undertaking trading activities in the region.

Oman imports a wide range of goods, reflecting demand for finished consumer products, manufacturing equipment and food products that are not available locally. Oman's harsh terrain makes self-sufficiency in many types of foodstuff difficult, and with its growing population, imports of agricultural products is set to rise. Due to its small industrial base, there is a great need of high quality finished goods. The largest single category of imports in recent years has been machinery and equipment. Today, UAE alone represents 75% of India's export to GCC countries and Indian exports to the UAE account for 6% of India's global exports. The UAE market is important for the opportunities as it provides a major sourcing centre for markets such as Iran, Iraq, Africa and CIS countries. All the GCC countries import several commodities like rice, wheat, metals, machinery etc. where a huge untapped potential rests for Indian firms. With tremendous scope of trading activities, Indian firms should focus on increasing exports of existing commodities and adding more to their export basket and exploiting the exporting strategy to the fullest.

3. **Cooperation in the Financial/Banking sector**

A few Indian banks have set up operations in select countries in the GCC region. In view of the opportunity for enhancing bilateral trade and investment relations with the GCC region, setting up representative offices and establishing correspondent relations with select banks in the region would serve to facilitate India based business in the region. The Indian Banking sector could also consider setting up of joint venture banks in the region as opening a branch may not only be difficult but also time consuming. Towards this end, Indian banks and financial institutions could consider setting up representative offices/joint venture banks in the Dubai International Finance Centre. This centre is emerging as a major hub for financial activities in the region, with attractive incentives and extensive facilities and infrastructure provided in the centre.

Further, in recent years, Governments in the GCC region are focusing on fostering economic development in the region through reverse migration of financial assets, which hitherto have been invested overseas. In light of this, physical presence in the region through branches or representative office would present opportunities to cater to increased business arising from such developmental activities. Added to this would be the opportunity to cater to the financial requirements of the large presence of Non-resident Indians in the GCC region. Thus Indian firms could use different market entry methods to exploit the advantages in the banking and financial sector.

4. **Linkages with Investment Promotion Agencies**

Besides streamlining their investment regimes, countries in the GCC region have set up specialised investment promotion agencies to facilitate inflows of foreign investment and acting as one-stop shop for investment related activities. Such agencies could include Saudi Arabian General Investment authority(SAGIA); Dubai Development and

Investment Authority(DDIA), UAE; Economic Development Board(EDB) Bahrain; Omani Centre for Investment Promotion and Export Development(OCIPED), Oman; Kuwait Foreign Investment Bureau and Investment Promotion Department, Qatar. Efforts could also be directed towards building relations with the Chambers of Commerce and Industry in the GCC region. Building closer linkages with these agencies would serve to enhance access to information about investment opportunities and as also prospective joint venture partners in the GCC region. These linkages and valuable information would help Indian firms devise appropriate market entry strategies to avail the opportunities in the GCC region.

5. **Effective Dissemination of Information**

An important element of strategy could be effective dissemination of information relating to trade/investment opportunities to potential exporters and investors in India and also about prospective partners in the GCC region. This would help firms to be aware of the different market entry strategies that could be exploited in the market to ensure long term success. This can be facilitated through increased visits by trade and industry delegations from India to the GCC region, and vice versa. Such economic/trade missions would serve to enhance awareness in the region about India's strengths and capabilities.

Trade missions in the region, India Trade Promotion Organization, Chambers of Commerce and Industry associations in India as well those in the GCC region could play a major role. The trade promotion measures could include participation in specialised industry fairs and exhibitions in the member countries of the GCC, organizing buyer seller meets and specialised 'Made in India' exhibitions showcasing Indian expertise; and preparing product catalogues in electronic form. For instance, increased participation by Indian companies in annual trade fairs such as GITEX and COMDEX IT trade fairs in Saudi Arabia could enhance Indian presence.

6. **Development of Interactive Portal**

An interactive portal could be developed, hyperlinked with major industry/trade association and chambers in the GCC region for identification of project profiles, selection of entry strategies, partner search etc. The objective of the portal could include the development of a reliable information base sourced from different firm's experiences and considerations involved in market entry strategy. The portal could also provide information and advisory services on potential sectors, market entry strategies, market surveys and information about Government's initiatives and packages.

6. **Adequate consideration of significant factors before devising market entry strategies.**

Inappropriate selection of market entry strategy could lead to even exit for the firm from the foreign market. Different host country factors and firm specific resources and strategic issues need to be considered when devising market entry strategies. The significant factors for consideration for each market entry strategy which have been found in this study need to be considered before venturing into international business.

7. **Special emphasis on education sector and IT industry**

Indian companies/institutions could explore the possibilities of setting up technical and vocational colleges and coaching institutes for higher education in the GCC region, keeping in mind the special focus and attention on the education sector of the respective Governments. Indian firms could use various market entry strategies and enter into different contractual agreements to impart high quality education in different fields. Due to India's strength in IT sector and its growing relevance in the GCC, IT firms could invest in joint ventures or subsidiaries to share its expertise in the GCC region.

9.3 Limitations of the Study

Although every effort was made to make the study as comprehensive as possible, yet every research work does have some limitations because of paucity of time and resources. The present study has its own share of limitations. The following could be regarded as the limitations of this research work:

The study used a convenience sample (consistent with all research done in this domain), which reduces the likelihood of the sample representing a cross section of foreign market entries by Indian firms. The sample consists of firms entering only the Sultanate of Oman.

The findings are also limited to the specific decision variables used in the study. These variables were cited in the literature as most appropriate for international venture analysis and our survey responses generally confirmed their importance. Nonetheless, there may be other variables of concern to practicing managers.

The findings are based on a very limited sample size. Thus, very certain conclusions cannot be drawn from it as the observations reported in the present study are merely indicative.

The analysis provides a static picture of foreign market entry mode selection. How entry mode choice changes over time is not considered. Also, the responses might not accurately reflect the managerial attitudes due to potential for memory decay.

The findings in this study are inferred from the outcome of the firm's entry mode decision and not how managers make entry mode decisions.

The study focuses on four market entry strategies. However, firms may use other strategies to enter foreign markets, which have not been considered in this study.

The current study focused on market entry strategies adopted by Indian firms in the manufactured goods and separable services sector. Non separable services were not considered.

This study was carried out for Indian products in GCC market. Influence of home country was kept constant for only GCC market was considered.

The study used the Resource Based Theory to understand the market entry strategy adopted by the firm and did not consider any other theoretical framework to arrive at conclusions.

9.4 Future Research Directions:

While conducting the present study certain aspects could not be dealt with due to constraints of time and cost. The following areas can be identified for further research to add significant value to the existing literature:

By incorporating Indian firms entering other GCC countries, the findings could be generalised to a larger extent. Future research could take care of including Indian firms in all the six GCC countries in the sample.

There may be other variables of concern to practicing managers other than the ones used in the study. Further research is called for here.

More process oriented studies that investigate how managers make entry mode decisions are needed to cross validate the findings in this study.

Future research could consider not only the initial market entry strategy adopted by the firm, but also consider changes in mode over time. The factors that lead to change in market entry strategy over a time period could add to the existing literature.

A wider range of non-equity modal choices could enrich the analysis. Franchising and licensing are other important modes of market entry which could be considered.

Further research could consider both separable and non separable services along with manufacturing firms and thus consider the impact of nature of the product on the market entry strategy choice.

Future research could go beyond the single GCC domain and incorporate different markets across the globe. Responses from a variety of countries could provide valuable insights into the arena of market entry strategy selection.

Further research could consider the impact of home country factors in addition to host country factors by incorporating firms from several countries. This would greatly enrich the analysis.

There are several theoretical frameworks available to explain market entry strategic choice. Researchers could use other theoretical frameworks to validate these findings and provide new insights to the subject.