A summary of the research undertaken ‘A Study of Overseas Marketing Strategies of Indian Auto Component Industry’ is presented here. Conclusions are discussed. We make recommendations to the Indian Auto Component Industry. Significant contributions have been highlighted. Directions for further research have been laid out.

While ACMA, the representative body of Indian Auto Component Industry, says that it remains very positive about the long term prospects of the automobile and component industries, the short term poses hard challenges.

Indian economy has been, more or less, able to withstand tremors of global financial meltdown.

Analysis of global supplier profitability shows that the best performing suppliers come from Western Europe, Japan and India.

It has become imperative for the Indian Auto Component Industry to go for carefully laid-out overseas marketing strategies in order to improve their share of the world market substantially and also to remain competitive, these two being among the prime factors of automotive business.

However, the journey is not smooth. The industry accounts for only 0.4% of the USD1.2 trillion global components industry as against competitors like China (1.2%) and Mexico (5.9%).

6.1 SUMMARY OF THE STUDY

The research has been carried out as per the Objectives set in Section 4.3

1. To understand the nature of global auto component and automobile industry:
Apart from collecting secondary data from books and journals, lot of information was gathered by discussion with executives from the industry. Also more information was collected from websites of various companies and commercial research institutions. This way the study was completed the detail of which have been given in Chapters 1 and 2.

2. To find out the various requirements of the Overseas Automotive Industry:

Automotive Industry customers' Quality, Cost and Delivery requirements are very specific and the Auto Component Industry needs to understand and work to implement many processes in their companies in order to satisfy the customers. These processes form the back-bone of Overseas Marketing Strategies.

The requirements of the Overseas Automotive industry were understood through the secondary data as well as by discussion with Industry executives.

3. To study the overseas marketing strategies of Indian Auto Component Industry:

There is no published work available on Overseas Marketing Strategies of Indian Auto Component Industry.

Very extensive discussions were carried out with Industry leaders, Industry executives and academicians from marketing discipline of management institutions. There was resistance initially as industry executives felt that these are confidential matters and can't be shared. Lot of persuasion was required to convince them to share the information.

By literature review and discussions with industry and academics, survey questionnaire was formulated and validated after corrections.

The survey questionnaire was used to get response from Indian Auto Component Industry consisting of 377 exporting companies. Valid responses were received from 151 companies.
4. To find out and examine the competitive environment factors, facilitators of export and manufacturing practices of Indian Auto Component Industry which help formulate overseas marketing strategies:

These factors were found and included in the survey questionnaire. The responses have been examined.

5. To examine the variation in usage of overseas marketing strategies of Indian Auto Component Industry in terms of size of the companies. Also to examine significant-level usage of overseas marketing strategies:

This has been examined in terms of various constructs namely (i) Product Differentiation, Focus Product Differentiation, Focus Cost Leadership and Cost Leadership (ii) 4Ps – Product, Price, Promotion and Place (iii) Technical Advantage, International Customer Orientation, Low Price, High-end Marketing and Quality.

Significant level usage of Overseas Marketing Strategies have also been examined.

6. To make recommendations to the Indian Auto Component Industry on improving their Overseas Marketing Strategies:

Recommendations have been made in this chapter.

6.2 CONCLUSIONS

1. Small, Medium and Large companies follow the Product Differentiation, Focus Product Differentiation, Focus Cost Leadership and Cost Leadership Strategies differently.

2. Small, Medium and Large companies follow the Product, Price, Promotion and Place Strategies differently.

4. Small, Medium and Large companies follow the Environment Parameters, Facilitators of Export and Manufacturing and Shop-Floor Practices differently.

5. Significant Level usages of Small, Medium and Large companies are not same.

6. Small firms do not use Product Differentiation and Focus Product Differentiation at all. They use Focus Cost Leadership significantly. Medium size companies follow Product Differentiation and Focus Cost Leadership significantly. Large size firms use Product Differentiation, Focus Cost Leadership and Cost Leadership in a significant manner.

7. Promotional and Distribution strategies are not followed significantly by all the three class of firms. Small companies do not use 4P strategies at all.

   Medium size companies follow Product and Price strategies in significant manner. Large size companies follow Product and Price strategies in very significant manner.


   Both Medium and Large companies follow Technical Advantage strategies in a very significant manner.

   Both Medium and Large companies follow International Customer Orientation strategy in a significant manner.
Both Medium and Large companies follow Low Price strategy in a very significant manner.

All the three class of companies do not follow High-end Marketing strategy significantly.

All the three class of companies follow Quality strategy in a significant manner.

9. It is found that the 'Four-factor Overseas Marketing Strategies', a result of our research, are similar to 'Generic strategies' of Porter. This clearly indicates that Indian Auto Component Industry follows well-proven global strategies for marketing their products.

10. It has been found that the research results cannot be directly related to previous research studies as no studies have been carried out earlier on the Overseas Marketing Strategies of Indian Auto Component Industry.

However the following studies done on Marketing Strategies and Overseas Marketing Strategies (for any industry) can be related.

i) Many authors have found 4Ps encompassing marketing strategies fully. (e.g., Cavusgil and Zou, 1994):

Our study has found this to be different for Indian Auto Component Industry. Small companies do not follow 4P strategies at all. Promotional and Distribution strategies are not followed in a significant manner by all the three class of firms.

ii) Aaby and Slater (1989) propose differences in the size of firms as a significant variable affecting directly or indirectly export behavior and performance – This has been proved in our research also but with reference to export behavior only as we have not tested export performance factor in our study.
iii) Moen (1999) finds that small exporting firms have a stronger competitive advantage in terms of products and technology than larger exporting firms – This has not come out strongly in our research with reference to Indian Auto Component Industry.

6.3 RECOMMENDATIONS

Small, Medium and Large companies do not follow all the Overseas Marketing Strategies in the same manner

In order to follow some of the strategies, Medium and Small firms may have resource constraints. The following are the recommendations for different classes of companies to use certain Overseas Marketing Strategies which will help enhance their business prospects. We also have a recommendation for Industry Associations.

1. Pricing Strategy is very important to get export business. Small size companies do not follow this strategy at all. Resource may be a constraint. Small firms must try to solve this problem and have good Pricing Strategy in place.

2. Product Differentiation Strategy, if properly implemented, will give extremely good results. It is found that small firms do not use Product Differentiation Strategy at all. It only requires attention in detail, top management’s involvement and select investments which small firms should try to implement.

3. Focus Product Differentiation Strategy is a niche strategy which is not followed by small, medium as well as large firms. Our study found that customers do support suppliers with resources for products coming under this as their close cooperation is warranted for this type of products. All the three class of firms should apply this strategy which will benefit them in the long run with better products and superior customers.
4. The firms can get good prices for technically superior products. For this, 'Technical Advantage Strategy' should be followed. Small companies do not follow this strategy at all. Here again the small firms should work with the customers.

5. The firms should approach customers to get knowledge about their expectations of Product, Quality, Cost and Delivery before offering them the price.

6. Following 'High-end Marketing' Strategies, will provide an edge over other companies. Medium and Large companies also do not follow these strategies in addition to small companies. If they follow, they can get better prices from the customers.

7. Less Productivity, Low investment in R & D, poor knowledge of Product Liability and unwillingness on System Integration have been found by the study as major impediments for Small and Medium companies. They should work on improving these Overseas Strategic Elements for their growth.

8. Institutions like ACMA, SIAM and CII should educate the firms on Overseas Marketing Strategies and Facilitators of Export. They should also conduct periodic refresher programmes on this subject.

6.4 SIGNIFICANT CONTRIBUTIONS

The Research presents the following findings:

1. Indian Auto Component Industry follows Overseas Marketing Strategies in terms of (i) 4 Factors namely Product Differentiation, Focus Product Differentiation, Focus Cost Leadership and Cost Leadership (ii) 4Ps namely Product, Price, Promotion and Place, and also (iii) Constructs – Technical Advantage, International Customer Orientation, Low Price, High-end
Marketing and Quality. Due to application of these strategies, the industry has been able to achieve good growth over the past many years.

2. The Automobile customers require Quality, Cost and Delivery, popularly known as QCD parameters to be met by the Auto Component Industry all the time. It is found that Indian Auto Component Industry takes care of QCD requirements through Overseas Marketing strategies.

3. Usage of Overseas Marketing Strategies vary in intensity and depth depending on size and customers.

4. Results can be used in the changed economic scenario with amendments.

6.5 DIRECTIONS FOR FURTHER RESEARCH

1. Overseas Marketing Strategies of Auto Component Industry in few more countries can be studied. Particularly, that of one of the BRIC countries and one of an European country can be studied and compared with the current study results.

2. The current study has been carried out with all companies located throughout India. The same study can be repeated region-wise for knowing the variations.

3. The effect of economy slowing down on Overseas Marketing Strategies can be studied.

4. Our research is on Indian Auto Component Industry which is an OEM (Original Equipment Manufacturer) business. The results of the current research can be applied to other OEM businesses but with modifications. A separate study can be carried out on these businesses.