

Japanese Farming Equipment Manufacturer

SERVICES OFFERED: **Industry Benchmarking and Competition Analysis**

SECTOR/INDUSTRY: **Automotive Manufacturing (Tractors)**



Competition Analysis in the Indian Tractor Manufacturing Market

Our client, a Japanese tractor manufacturing company, was exploring the Indian farm equipment market. The client needed assistance in developing an entry strategy for the Indian market. In order to achieve this, the client was interested in conducting an in-depth analysis of two major players in Indian tractor market (hereinafter referred to as target companies) and approached us to support them in their plans.

Case Highlights

- Our client approached us to assist them with a roadmap of the Indian tractor market
- We conducted an industry and market assessment along with peer review and analysis
- We interviewed industry associates in select industries to validate the gathered data
- We provided the current and future structure of duties, indirect taxes and levies and their impact on the company

Our Solution

Pursuant to these objectives, we conducted a brief industry and market assessment study along with peer review and analysis.

Peer analysis involved extensive primary and secondary research on the information given below regarding the target companies:

- Business growth and strategy history
- Financial analysis and comparison with industry average
- Import and export details
- Government incentives
- Sales and distribution model
- Estimated cost analysis
- Challenges faced and future outlook

The project was structured in the following way:

Preparatory work

- a. We identified various associates (industry experts) from our associations, to get them on board and get relevant information on the target companies.
- b. After on boarding the associate, we designed the structure of the report after considering the clients requirement.

Information gathering and analysis

Primary Survey

Primary interviews were conducted with the selected associates/stakeholders in the industry value chain to capture the relevant information.

Secondary Survey

- We collected relevant data available from the website of target companies like information on the production facility, product information, distribution network, etc.
- With the help of our internal database, we were able to gather information on the financials, statistics on import and export, pricing strategy, etc. of the target companies.

We interviewed 20+ associates in select industries to validate the our data gathered from the primary and secondary survey. The objective of the survey was to capture and validate:

- a. The product portfolio of the target company; specifications of various farm equipment's in different category.
- b. The price points of target company's products in India and a comparison with the industry average.
- c. The sales and distribution model, distributor network, facility related information like manufacturing units, office locations across India, production capacity, after-sales support services, etc.
- d. Recent promotion and brand building practices.
- e. Brand positioning and information related to export and import statistics.

Competitors Analysis: Peers Comparison

1. SKP analysed and compared the performance of various department of target companies like financial performance, operational strategy, sales and distribution network which included information about their mode of operation, dealers, presence in India, statistics of import and export, etc.

2. We also evaluated the target companies recent promotion and brand building practices that they have implemented and were contemplating to put in place.
3. On the product, pricing and operational strategy front, we analysed how the target companies priced and designed the product mix suitable for various market places.

Incentives, Tax and Regulatory Advisory

We analysed and provided details of government incentives (central and state) that might be available to the client in a few target Indian states, e.g. Maharashtra, Haryana and Tamil Nadu, based on the client's requirement.

On the regulatory and policy front, we analysed and provided current and expected (future) structure of duties, indirect taxes and levies (both at national and state level) and their impact covering the initial tax feasibility study from current tax regime's stand point. Our report included:

- a. Existing applicable indirect taxes
- b. An overview of the proposed indirect tax structure (new Goods and Services Tax system) and its implications based on the information available in the public domain.

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