



CLIENT STORY | ENTRY STRATEGY FOR AIR SUSPENSION PRODUCTS IN INDONESIA

Region :
SOUTHEAST ASIA

Consulting Services :
MARKET ASSESSMENT & ENTRY STRATEGY, PARTNER SEARCH

CLIENT SITUATION

- The client is one of the largest auto component manufacturers in India
- The client wanted to expand its sales presence through exports to some key South East Asian, Middle Eastern and African countries, in a phased manner
- As part of the expansion plan, the objectives of this assignment were multi -fold:-
 - To identify the market potential for air suspension systems in Indonesia
 - To formulate the entry strategy for a successful foray in Indonesia
 - If the market is found lucrative, to evaluate and finalize the partners for Indonesia operations

OUR APPROACH

- Avalon started with secondary research covering internet searches, social media sites, internal databases, published news articles, reports to identify potential respondents in the target geography
- This was followed by market visits and face to face interviews across 5 cities in Indonesia. Respondents included bus body builders, OEMs, Bus Dealers, Bus Fleet Owners, Public policy officials, BRT operators, and prospective partners (Auto Component distributors/ manufacturers)
- A local market research agency was used for local language support for conducting effective interviews
- Market Assessment and entry strategy was formulated post synthesis of the market findings
- Based on market assessment, a long list of prospective partners was prepared for a detailed evaluation and assessment of interest in partnering with the client
- Joint visits to Indonesia with the client team were undertaken to evaluate the prospective partners

OUR RECOMMENDATION/ IMPACT

- Avalon started by estimating the overall bus market in Indonesia - By size, ownership, usage, regions
- This was followed by an estimation of air suspension market – By ownership, size, usage and customer
- Then, a detailed mapping of the value chain, buyer behaviour assessment and competition was done in order to understand the business environment
- Based on the information that was collected, future projections for the various market segments were estimated
- High level entry strategy in terms of choice of local partner, market regulations, import norms etc. were developed and presented by Avalon Consulting
- 4-5 prospective partners were identified for local tie-up. Active discussions are on-going with one of the partners
- Air Suspension design to suit local buses have been completed and concept testing is in progress