

Part 2: individual report (15%)

[Business](#), [Marketing](#)



Individual Report Introduction Fujairah Cement Industries is a cement manufacturing plant located at Dibba, United Arab Emirates. The company was established in 1979. The profitability of the company has shown huge growth of about 12.36 percent per annum. The company manufactures various kinds of cement and clinker such as normal Portland cement, Moderate Sulphate Resisting Cement, Sulphate Resisting Cement and normal Portland cement. The company has been moving forward to upgrade its technology and go for internationalization of its operations. This report will take a look at the market entry strategy of Fujairah Cement Industries in India and analyses the marketing environment which the company will face in India. Key Findings from Group Portfolio Fujairah Cement Industries creates value for the customers who help the company to deliver high quality value to them which increases the customer satisfaction and attracts more customers. The company produces many varieties of cement like PPC, OPC and Slag cement. It has one of the most modern cement plants in the Middle East. This has enabled the company to become one of the top ranked producers in the country. The company has enjoyed many years of being a premium brand name in UAE market. FCI has its own thermal power plant which is capable of generating 20 MW of electricity each. The company has a highly sophisticated centralized plant which controls all of its operations. FCI believes in the concept of Sustainable Industry. Market Entry Strategy There are two main modes of market entry namely equity and non-equity modes of market entry. The non-equity modes refer to contractual agreements between the parties while equity modes include wholly owned subsidiaries and joint venture. The company is using its subsidiaries to export its product

to the India (Ferrell, 2012). FCI uses its subsidiaries to sell the cement in Indian Market. FCI has used subsidiary mode of entry into Indian market. Wholly owned subsidiaries include two types of strategies like Acquisition and Greenfield investment. FCI looks at acquiring the domestic companies in India. Acquisition is the largest and fastest mode of international expansion. It is a way of achieving greater market power by a company. FCI wants to capture the Indian Market. Through this mode of entry the company can meet the basic needs of the Indian Consumers. For Indian Consumer building house is a necessity. Through Acquisition the company can quickly deliver its product to the customers (Shankar, Carpenter and Farley, 2012). The disadvantage of this strategy is that FCI will be increase the level of debt for the company since it can result in bankruptcy. FCI has chosen this strategy since through acquisition it can meet the needs of the consumer. They need to take care of the beliefs and customs of the customers. This can be identified by a regional company which the company who will identify with the consumer beliefs and values quickly (Das, 2001). Operational Issues Fujairah cement will face tough completion from already existing cement giants like Lafarge, Ultratech Cements, ACC and others. They will also face the strong competition from the other global cement players who are present in Indian Market. The company should use many strategies like Vertical Integration, Cost efficiency and Focus on Management style. In India the cement industries should go for economies of scale, to reduce the cost as India is a price sensitive country. Hence the cost efficiency is the decisive criterion to maintain competitiveness and generate adequate returns for the company. It will provide the basis of growth for FCI (Farkas and Klieger,

2000). Since Indian market has different set of values and culture as compared to the customers of UAE, the management style must be reoriented to achieve its operating activities, goals and efficiency. To produce high quality cement at cheap rates, the company must adopt new technologies across its plants for better control and efficient production of cement. It is better to adopt process automation so that high quality products can be manufactured. The company targets that segment which is looking to build homes, those builders who are engaged in the construction of office buildings or other constructions. FCI has to adopt new Human resource policy so that the new company can inculcate its culture within the new acquired company which pose a challenge for the company since its employees have to be taught the new culture of India so that they can act in that way. Conclusion Fujairah cement industries are a well-established cement company which is undergoing internalization in India. For that the company enters into Acquisition of another Indian Company. This will help the company to deliver its product to the customers in a fast and efficient way. FCI has been able to deliver good quality cement to its customers so that it can achieve sustainable profitability. References Das, K. B. (2001). Cement Industry of India. New Delhi: APH Publishing. Farkas, E. and Klieger, P. (2000). Uniformity of Cement Strength. New Delhi: ASTM International. Ferrell, O. C. (2012). Marketing Strategy Text and Cases, 6th ed. Mason: Cengage Learning. Shankar, V., Carpenter, G. S. and Farley, J. (2012). Handbook of Marketing Strategy. Massachusetts: Edward Elgar Publishing.