

# [Temsas global product strategy marketing essay](https://assignbuster.com/temsas-global-product-strategy-marketing-essay/)

## Q1: Discuss the product strategies of Temsa Global in 1984 and in 2009.

Ans: Temsa Global, when it began manufacturing operations for buses and coaches on 1984, was selling the products only under the name of Mitsubishi motors. Licensing and distribution agreements were signed by both the companies. The company could only manufacture the products which were designed by Mitsubishi and then could distribute them. And still today, Temsa Global performs operations such as the sales, services and spare parts for Mitsubishi passenger cars, the panel van as well as the pick-up light commercial vehicles, to support its licensing and distributorship agreement with Mitsubishi. But at that point of time, Temsa was not a brand in itself because it was not selling any original products under its name. Since 2003 however, when the Temsa R&D and Technology Inc. was incorporated, the company has gradually shifted its product strategy. This shift in the strategy was mainly owing to the experience that the management had in the manufacturing of products. As the result of the amalgamation of that experience with the research and development results from the sister company Temsa R&D and Technology Inc., Temsa was successfully able to create products under its brand name and create a brand name for them in the Europe in the automobile industry. This helped them to gain a substantial market share as the new products were so designed that there was a reduction in the production costs. Hence, they were able to provide products to their target market at significant low prices. Also, with these new developments in the design, they were also effectively able to reduce the fuel consumption by the buses, which also helped them to gain a competitive advantage in the market. Temsa successfully used both the porter generic strategies to their best, by providing the same quality products at lower prices, hence the cost differentiation strategy, as well as providing the product with better benefits to the customers at reasonable prices-the product differentiation strategy. (Temsa Global Official Website)

## Q2: What organizational changes are required to support the shift in strategy at Temsa Global?

Ans: Since the company was earlier only manufacturing products whose designs were predefined, there was hardly any requirement for any sort of research and development facility. But in order to achieve the vision and the mission of the company, “ To Be A World Class Global Brand As A Commercial Vehicle Producer, Together, We Create Innovative Solutions For The Customers”, and keeping objectives in line with the same, the company had to start developing its own branded product soon. Hence there is a requirement of infrastructure which will enable them to innovate, design new products for their customers.

Also, there is a requirement of change in the organizational structure with the inception of the R&D facility. This is because there has to be a top management to make right decisions at the right time, to have the greatest impact for the benefit of the organization. This top management is the one who should be accountable for every operation that is performed in the R&D facility. Also, there would be a requirement of effective and efficient employees who need to be trained so that they can play their role in the organization’s quest to achieve its vision and mission.

Also, there is a requirement of the organization to focus on its budgeting strategies as there would be a need to spend more on the innovation and creativity. In order to meet the demands, needs and wants of a more-than-ever informed and changing consumer, and to fend off the competition (which keeps the organization on its toes else lose the market share to the competitors), it is necessary for a company to design and develop new products on a regular basis.

Also, with the pace that the old technology becomes obsolete now-a-days and new technology always being at the doorstep, product development at a faster rate doesn’t seem like a tough job. And more and more automation coming into the picture, even the manufacturing industry is availing the benefits provided by the mingling of Information Technology into everyday processes. Hence, sometimes there might be a requirement of retraining their employees to keep up with the technological advancements or at times, even replacing manually skilled workers.

In every organization, whenever there is a change, there is always a resistance to change, so the top management has to take some steps which should ensure that this resistance should be at its minimum and the organization can take steps further and become closer to achieve its vision and mission. (Research and Development in the Automotive Industry, 2008)

## Q3: What are the possible advantages of investing in the R&D center for advanced technologies? Discuss the implications considering the changing perceptions and demands of consumers.

Ans: Investing, for any organization, is a tough decision, and a considerable amount of thought has to be put into the matter before an informed decision can be made. Sometimes companies opt for marketing research techniques to see if they can successfully make a decision. However, in a manufacturing industry, innovation and creativity plays a huge role in the development of the organization as a whole. Especially in an automobile industry, where fuel consumption is a big issue now-a-days, and the pollution measures, the eco-friendly initiatives by various organizations – including the government, across the world, it is all the more necessary for an organization to constantly look for methods and way which can give them a competitive edge over the competition. The customers today are more careful about pollution and are more informed about measures to be taken to avoid pollution, and hence prefer eco-friendly vehicles. When travelling in buses and coaches, passengers want all the comfort they can and that too at a reasonable price, which can only be given if the coaches are constantly revamped, adding one thing or the other making them more customer satisfying. Also, the constantly reducing oil reserves across the world and subsequent rise in the prices make it more necessary for the customers to focus on fuel consumption as much as possible. There is a grave need to develop engines which can efficiently utilize the fuel and save as much as possible.

R&D centers today, are a common existence in almost all the industries across the world. If an organization invests in a R&D center, it opens up a plethora of possibilities for itself. The R&D efforts of the automobile industry are mainly centered on developing new and advanced technologies so as to manufacture an automobile which is not only environmentally compatible, but also economical for customers. R&D centers can help them develop advanced batteries which would require less re-charging; finding ways to produce bio-fuels for any type of engines, either diesel or gasoline.

## Q4: What should be the focus of Temsa Global in supporting its market – driven product strategy and customized designs?

Ans: Since Temsa’s strategy is on creating market – driven products, it is necessary for them to focus on the customers’ needs and wants. They should conduct a market research amongst the target customers and based on the inferences made by the research, they should take a further decision. They should focus on customer satisfaction more than anything, because customer satisfaction is the buzzword today, in the industry. Management gurus have many-a-times said that in today’s competitive world, the customer rules, and he is the king. The products should be made according to what the customer desires, only then can the product will be successful enough to provide opportunities for future growth of the company. The products should be constantly upgraded with new features and designs, which should entice the customers to buy the products. The company should follow an agile business strategy. To support the market-driven product strategy, Temsa Global should be aware of the market conditions, i. e. does the market have growth potential or not? They should also take into consideration the competitors, what they are trying to do, how they are trying to capture the market share and constantly strive to acquire new customers.

To sum up, the product should me manufactured according to the market conditions, what is prevalent in the industry, will the customers like what is being sold to them and what is more likely to be purchased by the customers. Therefore, the main focus of the company has to be on the customers and their satisfaction. They should always provide distinct value proposition to the customers with their products. Then only the market-driven product strategy can work effectively. (Research and Development in the Automotive Industry, 2008)