2. You work in the sales department of a company that manufactures and sells medical implants. A Brazilian company contacted your department and expressed interest in purchasing a large quantity of your products. The Brazilian company requested an FOB price quote. One of your colleagues mentioned to you that FOB is part of a collection of international shipping terms called "Incoterms," but that was all he knew. Find the *Export Tutorials* on the globalEDGE^{TM} site, and find a more detailed explanation of Incoterms. For an FOB quote, what line items will you need to include in your price quote, in addition to the price your company will charge for the products?

Tata Motors and Exporting closing case

Tata Motors Limited (tatamotors.com) was formerly called TELCO, an abbreviation for Tata Engineering and Locomotive Company. Today, Tata Motors is an Indian multinational automotive company headquartered in Mumbai and a core member of the very successful Tata Group. The Tata Group was founded in 1868 and has annual sales of more than 105 billion U.S. dollars, of which Tata Motors makes up about INR 262,796 crores or about 42 billion U.S. dollars. Tata Motors has more than 60,000 employees; was founded in 1945; and serves a worldwide clientele with Tata Motors Cars, Jaguar Land Rover, Tata Daewoo, and Tata Hispano. The company entered the passenger vehicle market in 1991 with the launch of the model Tata Sierra (a three-door sport utility vehicle).

Tata Motors thrives in exporting, strategically using exporting as a global vehicle to sell cars worldwide, as well as to help offset cyclical tendencies in sales in the home market of India. Tata Motors exported about 55,000 commercial vehicles last year and plans to export 100,000 commercial units within two years. The target for the increase in exporting is everywhere worldwide except Europe and North America. The global strategy for Tata Motors specifically includes making deeper inroads into the Middle East, Africa, and Latin America.

As the fourth-largest bus manufacturer globally, Tata Motors provides innovatively designed and technologically sophisticated buses for the smart cities of tomorrow. The buses personify safety and comfort, reliability and profitability. Designed using the most advanced technology, Tata Motors' bus

chassis are a benchmark in terms of performance and reliability in the bus industry. Fully finished, built buses from Tata Motors are often viewed as a hallmark of excellence, and these buses have been designed with the utmost chassis are a benchmark in terms of performance and reliability in the bus industry. Fully finished, built buses from Tata Motors are often viewed as a hallmark of excellence, and these buses have been designed with the utmost quality standards in mind.

TATA ARIA on display at The 30th Thailand International Motor Expo 2013 in Bangkok, Thailand.

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Tata Motors exports buses and trucks to nearly 47 countries, Page 405 including 18 countries in Africa; four markets in Latin America; Russia; and various countries in Europe, the Middle East, and Asia Pacific. Some of the popular vehicles exported include the company's globally benchmarked range of Prima and Ultra. These brands have been developed with modern design and global markets in mind. Tata Motors also exports a variety of premium buses and coaches, from luxurious intercity travel vehicles to safe transportation choices for elementary school children. The buses come in 12 seaters to 67 seaters. Additionally, in the pickup and small commercial vehicle (SCV) segments, Xenon XT and Super Ace have been popular choices in many of the countries.

Future exporting activities for Tata Motors are mainly planned to target an increased presence in emerging countries (e.g., Africa, Asia Pacific, Middle Eastern, and Latin America). The company will place its worldwide bets on world-class products like the Xenon, Super Ace, Prima, and Ultra range of trucks. The overall exporting goal is to continue to enter into new markets and keep expanding the global footprint of Tata Motors.

Sources: Shally Seth Mohile, "Tata Motors Plans to Double Export of Commercial Vehicles in Two Years," *Live Mint*, September 16, 2016; "Tata Motors Exports Up 12% in December at 5,119 Units," *Indian Information Online* (IIFL), January 2, 2017; and "Tata Motors Expect 30% Growth in Exports," *Business Standard*, October 23, 2015.

CASE DISCUSSION QUESTIONS

1. Tata Motors is an Indian multinational automotive company headquartered in Mumbai and a core member of the very successful Tata Group. India is a potentially enormous market, and Tata Motors is doing well in that market. How can Tata Motors use their core competencies in doing well in India as a way to also do well in exporting?
2. Jaguar Land Rover Automotive PLC is the holding company of Jaguar Land Rover Limited, a British automotive company which has its headquarters in the United Kingdom. It is also subsidiary of Indian automotive company Tata Motors. How can Tata Motors leverage Jaguar Land Rover in its exporting? How can Jaguar Land Rover leverage Tata Motors in its exporting?
3. The Volvo Group is a manufacturer of trucks, buses, and construction equipment, which is owned by Swedish interests. Volvo Car Corporation or Volvo Cars, on the other hand, is owned by the Zhejiang Geely Holding Group (and formerly owned by Ford Motor Company). Should Tata Motors use this Volvo Group example and focus more or exclusively on buses and trucks in its exporting (since they are already successful in the market in much of the world)?
4. Tata Motors is primarily targeting emerging countries (e.g., Africa, Asia Pacific, Middle Eastern, and Latin America) for its future exporting growth. Is this a viable and logical exporting strategy?

Endnotes

1. T. Hult, D. Closs, and D. Frayer, *Global Supply Chain Management: Leveraging Processes, Measurements, and Tools for Strategic Corporate Advantage* (New York: McGraw-Hill, 2014).