

Case study – Automotive Parts Logistics

Market entry study for ASEAN distribution centre

The challenge

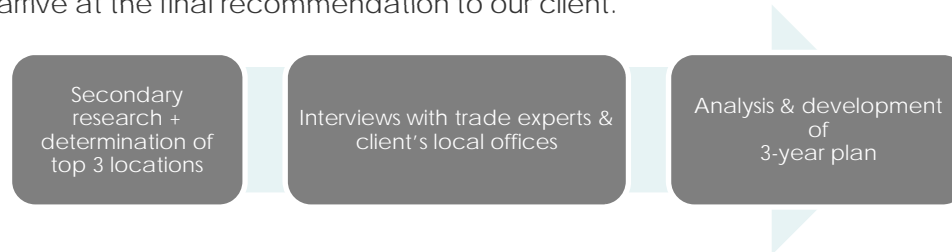
A leading global motorcycle manufacturer in Japan sought to grow its aftermarket parts business in ASEAN by establishing a distribution centre within the region.

The objectives of the study were to assess the feasibility of developing the ASEAN market for specific aftermarket parts, accessories and lubricant oil and to recommend the most suitable location for their ASEAN region distribution centre.

The process

Spire conducted an analysis on legal, regulatory and macro-environmental conditions as well as market situation and suppliers of non-original parts and lubricant oil, using secondary data to taper the location choices down to 3.

Interviews with trade associations, relevant government bodies, logistics industry experts and establishments in the non-original parts value chain were carried out in Thailand, Singapore and Indonesia. Simultaneously, our consultants also held internal discussions with our client's local offices. We also engaged with three logistics service providers to secure proposals for the distribution centers, to arrive at the final recommendation to our client.



The results

Spire presented the findings in a face-to-face meeting during which a lively internal debate on the two final choice locations ensued. Our client finally decided to locate its distribution centre in Singapore. The centre is currently operational and has been successful in generating cost reductions.

Project deliverables included a report supporting market entry for parts, lube oil and accessories in ASEAN as well as Spire's recommendation of the most effective logistics service provider.

