

4.0 STRENGTH OF MAJOR COMPETITORS

The strength of the major competitors, namely Japan and West Germany, is attributed to the following factors :

- i) Competitor companies, particularly the Japanese, have strong local representation and therefore make their presence felt.
- ii) Products are priced very competitively.
- iii) Product lines are well known and well established.

5.0 COMPETITORS' MARKETING STRATEGY

- i) Maintaining close contact with end users and key decision makers.
- ii) Organizing conferences, seminars and exhibitions to promote their products.

6.0 FACTORS INFLUENCING COMPETITION

While price is an important factor to be considered, there are other factors which come into play in the awarding of tenders. These include :

- i) Product quality - it is important that the product is well established world wide
- ii) Standardization of product
- iii) Familiarity with a particular product brand
- iv) Minimization of spare equipment purchases.
(For every unit purchased, RTM has to purchase a spare unit. However if RTM purchases ten of the same units, only three spare units are required).

7.0 TECHNOLOGY TRANSFER, TRAINING & AFTER SALES SERVICE

According to Mr. Lee T.C., "Technology transfer, training and after sales services are part and parcel of the tender package". These three factors are taken into account in the evaluation of a tender.

8.0 COUNTERTRADE REQUIREMENT

Counter trade is an important but not a critical factor. The counter trade requirement is stipulated by the Ministry of Trade and Industry. However, to the best of Mr. Lee's knowledge, no tender for RTM has been rejected on the grounds that there was a lack of counter trade.