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RESEARCH ARTICLE

Strategy, Ownership, and Performance of Firms in India: A Study of Manufacturing and Service Industries in India

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ABSTRACT

Purpose: There is considerable interest among academicians as well as practitioners in strategic differences between foreign-owned firms and domestic businesses. Linked with this is the question of whether there is a relationship between strategy and performance. This paper primarily concentrates on the differences in strategy pursued by foreign-owned firms and domestic firms. **Methodology:** A questionnaire was constructed. It was administered to senior level managers of reputable firms. The comprehensive list of managers was obtained from various databases including that of the Confederation of Indian Industry (CII). Responses to the questionnaire were received in two phases. The questionnaire was sent again after a fortnight of sending it the first time. None of the respondents asked for any clarification during their responses to the questionnaire. **Findings:** Results of analysis of the responses obtained clearly showed the differences in strategy between the two sets of firms. In the overall perspective, foreign-owned firms are much more holistic in their approach, whereas the domestic firms are quite narrow in their outlook—the domestic firms primarily concentrate on resources and how to add customers in order to survive and grow. The concept of investing in R & D, which is a prime parameter of strategy for foreign-owned firms, is completely absent in the case of domestic firms. As a result, factors affecting performance are far more widespread for foreign-owned firms than it is for domestic firms. **Originality:** While the comparison has been made between FOB and DOB, the differences in strategy have never been investigated before.

Keywords: Strategy; Marketing; Performance; foreign-owned business; Domestic business

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1. Introduction

The business environment has changed considerably and has become much more turbulent in the last few decades. It has also become much more competitive in almost all industry segments [1]. Competition has been growing in domestic and international markets and customers have become more demanding and assertive. These decades have seen tremendous growth and development in technology. As a result of all these changes in the environmental factors, government responded by changing government laws and policies continuously. According to Cravens [2], marketing plays a major role in various areas of business management like customer management, new product development, or effective use of supply-chain management. Marketing strategy delivers superior value only when competitive advantage is gained. One major way of gaining competitive advantage is by effectively implementing the concepts and processes provided by marketing strategy. So, according to Cravens et al. [3], organizations must be very efficient and effective in the implementation of marketing strategy. It is only then that the organization becomes capable of facing the challenges of the marketplace as it exists today. In this scenario the right allocation of resources is imperative to succeed in the marketplace of today. This right allocation is possible only when the right strategic choices are made by the managers. One must keep in mind that the challenges posed by the external environment are ever increasing which in turn throws up many complexities and uncertainties for the managers. The managers can tackle this only by building the right kind of strategies for their organizations. Bettis and Hitt [4] are in complete agreement with this view. However, they also add that effective management of these challenges from uncertain environments additionally require a new way of thinking as well as completely new implementation tools. On the other hand, lack of proper strategies will lead to a downward spiral in performance as competition increases [5].

The consensus is that the right strategy chosen plays a key role in delivering superior performance for organizations. So, strategy is a significant tool in the hands of the managers to fulfill the short as well as the long-term objectives of the company. The primary goal of any company is to perform much better than their competitors. Well thought-out strategies and their proper implementation helps the companies achieve competitive advantage which then results in superior performance. Given this rationale, it is quite clear that achievement of superior performance by organizations is an outcome of the strategic management process. Hooley, Greenley, Cadogan, & Fahy; Matsuno, Mentzer, & Özsomer; Srivastava, Shervani, & Fahey [6–8] concludes that it is still very difficult to prove that strategy produces or has a very high impact on the performance of firms. The reason for this is simple. Like Bonoma [9] opines that the reason for establishing causality is difficult as outcomes of strategy or strategic management is always influenced by many internal as well as external factors. This study aims at studying the connection between strategy and the performance of the firms—keeping the rationale of the earlier research in mind.

In today's globalized world, it is imperative to understand whether ownership structure of firms influence their performance. It is well understood that different types of firms have different ethos and pursue different strategies. However, there is an increasing interest among academicians as well as practitioners to understand whether there is a relationship between ownership and strategy and how this relationship may influence their performance. Many studies have concluded that there is indeed a difference in strategy between firms with different ownership structures. There is also an almost conclusive understanding that there is a difference in performance among firms with different ownership patterns. However, what is not conclusively proven is that different strategies produce distinct performances. What is also not clear is whether there are moderating variables which influence the relationship between strategy and performance. The confound factors in all these relationships are quite high.

So, the main research questions pertaining to this study are:

1) Are strategies adopted by firms with different ownership patterns distinctly different?

2) Are performances of firms with different ownership structures distinctly different?

3) Do different strategies of firms with different ownership structures produce different results?

2. Literature review

There was a study conducted by Li et al. [10] in China with the objective of understanding the relationship between business performance and ownership structure of firms. It was found that Chinese State-Owned Enterprises (SOEs) underperformed in the marketplace compared to private enterprises. Moreover, the SOEs owned and controlled by the Central Government performed better than all other forms of firms. This is because of the special treatment that the firms receive from the government. This they are terming as State Capitalism. So, the form of ownership is a big determinant of differences in firm performance with work efficiency moderating the relationship. A study in India by Singla et al. [11] found that firms start thinking of internationalizing only when the owners of the firms have some motivation to do so. However, not all firms are capable of internationalizing. The capability of the firms again depends on the capability of the owners of the firms to have access to the required resources as well as their motivation to provide those resources to be utilized by the firms. So, it is seen that it is not sufficient for the owners to have either the capability or the motivation alone – they must have both, capability as well as motivation for the firm to start internationalizing. Having one and not the other will mean a no-go situation or decision of the firm from the perspective of going international. The authors, much to their surprise, also found that when the magnitude of ownership is on the higher side, the owners do not want their firms to go international; while, at the same time, when the magnitude of ownership is on the lower side, the owners want their firms to go international. The results also show that the foreign partners in the firms almost always go according to the wishes and decisions taken by the domestic owners of the firms. Strange [12] published an article on corporate ownership and strategy. The author is of the opinion that firms make decisions that are neutral to risk and simultaneously, the time horizon for fulfilling their efficiency objectives is essentially short-term in nature. In addition to that, there are situations where there is a concentration of shareholdings—and, simultaneously, the controls exerted by the firm on the markets are also very weak. In such situations, the pressures from the shareholders become quite high—and these pressures come in at all aspects of the strategy of the firm. Now, shareholders of a firm at any given point in time are a heterogeneous group. They may be composed of financial institutions, or a family, or even the government itself. Each of these varied types of shareholders behaves differently as they have different objectives and different risk-taking abilities. The time horizons for making decisions for each of these entities are also quite different. At the same time, the firms develop different alternatives in terms of strategy. The author finds that each alternative strategy has different cost structures and has completely different rates of return. This also means that each alternative strategy has to deal with different magnitudes of risk. And then, this different magnitude of risk leads to different levels of uncertainty.

In a study of the 114 largest companies in Russia by Abramov et al.[13], the authors examined the influence of state participation in the ownership structure of companies on their financial efficiencies, the indirect indicators of which were revenue per employee (gross margin), return on equity, profit margin and debt burden. They used econometric analysis and found that in cases where the government owned a large chunk of the shares of the firm, the performance of the firms was negatively affected. Whenever the shareholding of the state went up, the debt burden of the firms also went up. The authors also found that private firms almost always performed much better than SOEs (state-owned

enterprises). Moreover, the authors discovered that in the case of private companies, labor productivity changed considerably whenever there was a change in profitability. However, the same correlation did not hold well for SOEs. No relationship between performance and profitability was observed in the case of SOEs. On the contrary, it was observed that labor productivity and profitability went down whenever there is an increase in direct state ownership of the shares of the firm. Complications arose when the authors tried to carry out the same correlation test on indirect ownership and so, the result of indirect ownership of shareholding of the firms by the state is inconclusive. In another paper by Jing Song et al. [14], the authors studied 242 publicly traded companies in China. They wanted to know whether and how ownership structures may affect the relationship between market orientation and innovation performance. The results confirmed the moderating role of ownership structures in the relationship between market orientation and firm innovation performance in China. Based on this finding, the authors brought two more dimensions—namely, managerial ownership and ownership concentration. The authors found that the state-owned firms are not able to perform as well as firms that are not state-owned in terms of innovation even when they are practicing market orientation. So, when managerial ownership takes place in a firm, the risk-taking ability of the top managers begins to resemble that of the shareholders, and this then augments the effect of market orientation on the performance of the firm with respect to innovation. On the other hand, the relationship between market orientation and performance with respect to innovation of a firm becomes stronger when ownership concentration takes place—because the shareholders then take more interest in the firm and begin to monitor the activities and other related behavior of the managers.

A study of manufacturing and service industries was undertaken by Foster-McGregor et al. [15] in 19 countries in Africa. The purpose of the study was to compare the performances of foreign-owned businesses with domestic businesses. The authors found that the foreign-owned businesses performed significantly better than the domestic firms across several performance measures. The difference in performance was found to be even greater in the service industry. The authors also found that among foreign-owned firms, those owned by individuals did not perform as well as those run by transnational corporations. Moreover, in terms of performance, joint ventures with foreign firms and wholly owned foreign firms did not throw up any significant differences.

Sukhtankar [16] researched firm behavior and its relationship with ownership structure. The author studied the various types of sugar mills operating in India. There are a wide variety of mills in India and the most prominent among them, in terms of ownership, are privately owned mills, cooperatives, and public mills. The author also studied the supply chain, especially the backward supply chain of these mills, including the economic effects of the supply chains on the performance of the mills. Cooperatives and public mills are supported by the state, whereas for privately owned sugar mills there is a “command area” zoning system. So, the privately owned mills have the complete right to function within the zone and are virtually the only mills that can buy the sugarcane from the farmers in that area. So, in this study, only the ownership structure changes whereas the underlying soil, weather, and other institutional characteristics remain the same. The author measured the production of sugarcane by using a combination of images from satellites and digital maps. He also carried out a survey with the farmers. It was found that the production of sugarcane was encouraged more by private mills. More the cultivation, the better the credit facility for the farmer (from the private mills). The farmers are thus more motivated as greater and/or better credit facility translates into higher income and consumption for them.

3. Research objective

The primary objective of this study is to understand the differences in strategy pursued by firms with different ownership patterns. There seems

to be a perception among many academicians as well as practitioners that foreign-owned firms are better performers than domestic firms. One of the reasons often cited is that access to resources is much more for foreign-owned firms. In fact, multinationals are often referred to as firms with “deep pockets”. This is from the perspective of emerging markets like India. So, there is a need to understand whether foreign-owned firms, especially multinationals operating in different countries across the world, do something differently or at least, do the same things differently. There is also the distinct possibility of sheer spending power and sustaining power which gives them an edge over the domestic firms. Additionally, there is the possibility of foreign-owned firms having better products compared to those of domestic firms. Whatever the reason, it is being surmised that all facets of the firm can be captured from its detailed strategy. It is therefore the objective of this paper to understand and appreciate the strategies being followed by the different types of firms in the country. For the purpose of specificity, the author is placing a boundary condition of considering and comparing between foreign-owned and domestic firms only. Further classification of firms was not considered in this study. The question of performance also immediately crops up as soon as a comparison of strategy is discussed. So, as a corollary, this paper also analyses whether different strategies lead to differences in performance. Since performance is a major indicator of successful strategies, the comparison between the two sets of firms is made on the performance parameter as well.

4. Research method

As enumerated earlier, a questionnaire was formulated and sent to senior level personnel working in well-reputed firms. The questionnaire was structured and fairly detailed—covering all aspects of management of an organization with particular reference to strategy. There were several questionnaires available in the literature. However, the most elaborate and the most often used questionnaire for these kinds of purposes was chosen and used in this research study. The first part of the questionnaire was devoted to the understanding of the firm. This included understanding of the basic facts of the firm which is their primary industry sector, the revenues, and the profits over a period of time, their plans for the future, as well as their processes for formulating the marketing plan and strategy they had undertaken so far. Questions were formulated to get an understanding of the firm’s competitive scenario, the process of acquisition of their customers, the process of differentiating themselves from their closest competitors, as well as the motivations of their customers to become repeat purchasers for their products and services. The questionnaire then goes into the core strategic areas of the functioning of the firm. This section is divided into five major questions. The first question was to understand the operational areas that were impacted the most by strategy. The second question was to get an idea about the areas in which strategy has an indirect impact. The third question was to elicit a response from the managers about the strategic factors they think have the maximum impact on the success of the firm. The fourth question was divided into two parts. The first part was to ascertain the factors that the managers thought were critical for the success of the firm and its businesses. The second part was to ask them whether these factors are being practiced in their own organizations. The fifth question was more direct in nature. It sought to have an understanding of the strategic objectives of the firms which are competitive in nature. This means the indirect as well as direct strategies that firms adopt to differentiate themselves from other firms—so that their customers have a distinct image of the firm and its products/services in their minds.

The questionnaire, formulated and administered in this structured fashion, gives us a clear and specific understanding of all aspects of the strategy being pursued by the firms across all of their functions. From this collated data, it was possible for us to clearly differentiate the distinct strategies being pursued by domestic businesses and foreign-owned businesses. This was the primary objective with

which this research study was set up in the first place.

The questionnaire was sent to managers whose rank/designation was that of General Managers and above. Efforts were made to ensure that the managers to whom the questionnaires were sent were at least aware of the strategies formulated in their organizations. In most cases, the manager was at least partly responsible for implementing at least a part of the strategy being pursued by their organizations. In most cases, the targeted managers were a part of the process of building up the strategy for the organization. The questionnaire was designed in such a way that the managers were mostly required to elaborate on their responses so that we had a clear idea of the processes and the reasons or causes for making a particular decision pertaining to the formulation of the strategy. Some of the questions where much elaboration was not required, were close ended and direct to the point. No confidential information was sought from the respondents. The focus of the questionnaire throughout was the broad overall strategies of the company along with their performance like sales and profits, over the years.

As discussed earlier, the list of organizations was obtained from standard databases of industry associations. One such database was that of the Confederation of Indian Industry (CII). Another database was that of ASSOCHAM. Approximately 700 firms from CII and ASSOCHAM databases were targeted. The companies targeted are the top companies in the country as these associations represent the most reputed large companies in the country. Before sending the questionnaire, a pilot study was carried out among some top managers as well as some top academics of the country. Their suggestions were also duly incorporated into the questionnaire. The questionnaire was sent to all the firms through e-mail and the firms represented a cross-section of all major industry sectors in India. The ownership pattern of the target sample was also a mixture of domestically owned as well as foreign-owned firms. Reminders were sent to the target firms after a gap of 15 days. A total of 105 complete responses were received from the target sample of 7000 firms. However, the responses from firms were a fair representation of the Indian industry.

70 responses out of the 105 total responses were from domestic businesses and the rest of the 35 responses were from foreign-owned businesses. Industry-wise, the largest chunk of the responses was obtained from Services Industry (34%) and Industrial Products (33%), followed by Consumer Durables (9%), Software (8%), FMCG (5%), Banks (4%), Pharmaceuticals (3%), Automobiles (3%) and Telecom (2%).

The data obtained were put through statistical tests to arrive at certain results. First, T-test was performed between the FOB and DOB factors. T-test or comparison of means is a very reliable test by which one can ascertain whether the mean values of the two variables being compared are significantly different from each other (at a particular confidence level). So, it is seen that in case of certain factors (for example, focusing on strong markets or superior customer service) there is a significant difference between FOB and DOB. The next step is to ascertain the relationship between the factors and the performance of the firms—FOB and DOB. Multiple regression was used where the dependent variable was growth in sales revenue and percentage growth of profits. All the factors were the independent variables. Regression analysis was chosen as it not only predicts a fairly accurate estimation of the influence of the independent variables on the dependent variable, but also gives us the nature and strength of the relationship between the independent variables and the dependent variable. In this study, regression analysis was done, and the regression equations were formed with the help of SPSS. Both, the enter method as well as the backward method was used. In most cases, both the methods yielded the same results and hence our findings were corroborated.

5. Analysis

Analyzing (T-test) the responses received, some distinct differences were observed between foreign-owned businesses and domestic businesses. The foreign-owned businesses completely relied on

formal planning which can be top-down or bottom-up. They believed that they had to be aligned with the market drivers and this is what, they believed, gave them a competitive advantage. They also believed in having their customers spread all over a geographic region and, simultaneously, they focused on strong markets. The foreign-owned businesses also laid great emphasis on having superior customer service which is in the form of after-sales and/or technical support.

The results showed that domestic businesses had a very different perspective. They primarily used the strategizing process for making decisions on marketing expenditures and also to finalize the promotion strategy as well as budget for the promotions to be undertaken. It seems that domestic businesses are more concerned about resources and proper allocation of resources. So, they wanted to make sure that the company had the resources to stay competitive in the marketplace. However, domestic businesses also understand the importance of customers and, hence, place a lot of importance on their product/service having sufficient customer development support.

Table 1 gives the quantitative values of the relevant factors as an outcome of the T-test analysis.

Table 1. Quantitative values of the relevant factors.

Factors	Mean	T-value	Significance
Focusing on strong markets	DOB 3.8986 FOB 4.2647	2.402	0.018
Decision on marketing expenditures	DOB 3.3768 FOB 2.9706	2.207	0.031
Have superior customer service	DOB 4.1449 FOB 4.6176	3.017	0.003
Formal planning by top down/ bottom up	DOB 3.7391 FOB 4.0294	1.711	0.092
Customer management complaints	DOB 4.0725 FOB 4.3529	1.916	0.060
Competitive advantage	DOB 4.2174 FOB 4.4412	1.817	0.073
Aligned with market drivers	DOB 3.9420 FOB 4.2353	1.923	0.058

The next step was to analyze the relationship between the factors related to strategy and the performance of the firms, through regression analysis. The performance parameters considered were percentage growth in sales revenues and percentage growth in profits. Out of the almost 100 factors considered as factors of strategy—after 60 iterations, only about 12 factors had a significant relationship with firm performance (i.e., when we consider all firms put together). The final R-square value is 0.355.

The significant factors are given in **Table 2**.

Table 2. Significant factors.

Factors	Mean	T-value	Significance
Improvement in quality	4.0291	2.338	0.022
Focus on CSF	3.5728	4.211	0.000
Competitive advantage	4.2913	1.993	0.049
Customer satisfaction	4.4854	1.803	0.075
Product/brand awareness	4.1845	3.247	0.002
Marketing communication	4.0874	1.687	0.095
TQM	3.5922	2.492	0.015
Knowledge center approach	3.7184	2.001	0.048
Labor turnover	3.3398	2.268	0.026
Labor productivity	3.5728	1.941	0.055
Debt management	3.6214	3.197	0.002
Deliver excellent p/s conformance to specifications	4.4078	1.807	0.074
Have better sales force	4.1068	2.933	0.004

When only domestic businesses were considered, an even lesser number of factors had a significant relationship with performance. Customer satisfaction (0.014) and marketing communication (0.091) were among the more prominent factors. However, in the case of foreign-owned businesses, a much larger number of factors showed a significant relationship with performance. In fact, only about 15% of the entire set of factors were left out. Capacity utilization and labor turnover were among the prominent ones that were left out. The factors showed a perfect fit with the performance of foreign-owned businesses with an R-square value of 1.

When the influence of marketing strategy on various business benchmarks was considered, both foreign-owned businesses and domestic businesses agreed on the factor of 'entering new business

areas'. So, it seems that the decision to enter new business areas is considered important and probably of high risk. A well-thought-out strategy is pursued when a business enters a new area—irrespective of the ownership pattern of the firm. However, the two types of businesses differ in one significant area of business benchmark. The foreign-owned businesses place a lot of importance on the 'provision of R & D budget' as part of their strategy, while the domestic businesses do not. This is reflected in the quality and design of various products and services in the market. The perception, which is based on practical observations, clearly points towards the fact that foreign businesses are much more innovative and have superior products/services compared to domestic businesses. The case in point is the pharmaceutical industry where multinational firms have always been pointing towards their high investments in R & D as a reason for the high price of their products compared to the products of domestic businesses, which do not have much investment in R & D—and that gets reflected in the poor innovation record of domestic firms. So, domestic firms are able to sell their products in the market at lower selling prices, which foreign-owned firms believe is unfair—as the products are copied. Another strategic area where the businesses with different ownership patterns differ is sales. foreign-owned businesses have a competitive goal of having a better sales force, while domestic businesses have the competitive goal of having lower selling prices. This also goes according to our expectations as these are corroborated by field observations. In today's competitive marketplace, domestic businesses position themselves as low-cost high-volume businesses. They essentially target the mass market whereas the foreign-owned businesses target the higher income segment as margins are higher although volumes may not be very high. For this, foreign-owned businesses need better products/services and a better sales force. One more strategic competitive goal that the domestic businesses have is to 'provide the customers with a greater variety of products/services'. This strategy of domestic businesses makes sense as it is risky to compete in the market with only lower prices as a strategy. This obviously spreads the risk and is also able to attract more customers.

'Product/service has sufficient market demand' is one of the strategic parameters that both foreign-owned businesses and domestic businesses agree on. It is observed from the results and subsequent analysis that this parameter has a significant (foreign-owned business is 0.083 and domestic business is 0.066) influence on performance. The domestic business has only one more strategic parameter that significantly (0.049) influences performance. The parameter is 'product/service meets the customer needs or wants. However, foreign-owned businesses seem to be more holistic in their approach to strategy and have the following parameters which significantly influence their performance: 1) Product/service does the job that it is intended to do (0.008); 2) Company staff is competent and technologically current (0.083); 3) Company has the resources to stay competitive in the market (0.045); 4) Product/service is ready for the market (.009); 5) Product/service has sufficient customer development support (0.039). This clearly illustrates that while the focus of the domestic businesses is mainly product and market demand, the foreign-owned businesses have a much broader perspective and consider a varied range of strategic parameters—from product and market to staff, to resources, and to marketing/sales/service.

6. Conclusions

Across the world, there have been a lot of studies and conjectures about differences in strategy and performances between foreign-owned businesses and domestic businesses. This assumed particular significance in emerging markets as their markets were being opened up after economic liberalization. It was generally assumed that multinationals, particularly from the developed world, were much better than domestic businesses in terms of a lot of parameters like resources, products, people, technology, and marketing. While that was widely acknowledged, what was not understood and appreciated was what was it exactly that they were

better at and how. Since then, a number of decades have passed by, and clarity has emerged on this question. Simply put, the foreign-owned businesses are overall better in the management area itself and this gets reflected in the strategy parameters. The foreign-owned businesses work to a well-organized plan compared to the domestic business. They have a well-rounded and complete approach to their strategy, while domestic businesses still seem to be concentrating on a few parameters only—probably constrained by their resources (they think). The domestic business does not seem to have a global perspective and hence lags behind foreign businesses in some key strategic parameters—for example, in R & D and people resources. That is also one of the reasons why they are unable to produce products that are of global standards.

The emphasis on planning is much more pronounced in case of foreign-owned businesses. So, strategy plays a key role in the decision-making process of the FOBs. From research and from experience, it is seen that domestic companies in India lag behind in this area—very few even have a formal process for formulating strategy and then acting on it. Another area that FOBs are distinctly better in is their customer service. They lay great emphasis on after-sales service and technical support. Domestic businesses, however, are more cost-conscious and resource-oriented and are very particular about expenditures, particularly marketing expenditures. Practicing managers of domestic businesses need to understand the importance of strategy in guiding their organizations in achieving their objectives. They also need to understand that retaining customers has a long-term positive impact on their businesses and that the best way of retaining customers is to ensure proper customer service. Another area where FOBs are much better than DOBs is R & D. FOBs invest a lot of money in R & D—which results in better and more innovative products. DOBs has to understand this and try to inculcate the process of investing in R&D in order to at least upgrade the quality of their products if not to come out with new-to-the-market products. FOBs also focus on building excellent sales force which DOB managers can emulate very well. The area of commonality between both these groups of companies is the decision to enter new areas of business. Since the risk is very high, both FOBs and DOBs prepare well defined plans before taking the final decision. The one strategy that the DOBs do very well is that they place a large variety of products in the market. This helps all segments of customers to purchase their products and thus helps in ensuring revenues for the organization. FOBs in India are more known to target the upper end of the market as the perception is that the products and services offered by the FOBs are of better quality.

Foreign-owned businesses have contributed heavily to the country, society, as well as the industry they operate in. While product quality in the market has gone up tremendously, the domestic businesses have also learnt a lot from the multinationals. The large domestic businesses who faced competition from the foreign-owned businesses have not gone out of business. Instead, they have learnt proper strategy and its important parameters from the multinationals. They have upskilled themselves and, in the process, have learnt to cope with competition, especially from foreign-owned businesses. However, they have some ways to go to learn more and catch up with the more advanced foreign-owned businesses. Customers have rewarded the foreign-owned businesses but have not deserted the domestic businesses. However, the message is clear. The domestic businesses will have to upgrade and bring themselves up to the global standards in all facets of the functioning of the firm.

7. Future research direction

The article has articulated primarily about two groups of firms in India—the foreign-owned businesses and the domestic businesses. There are various categories of firms in India like joint ventures, private companies, public private partnerships etc. So, future research should focus more on these sub-segments and explore the strategic differences between them. It would also be useful to know if a particular type of industry with a particular type of strategy performs better compared to others

in the same category. More research could go into the individual factors that constitute strategy. For example, it was found in this article that investments in R & D by FOBs is correlated with their offering better products and services. More research is required to establish causality in this area. The same thing can be done by many other factors as well. More in-depth study of all types of firms may throw up some more interesting factors of strategy formulation and decision-making.

Conflict of Interest

There is no conflict of interest.

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