Chapter 21
Inducascos S.A.:
International Operations for Local Market Leadership

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ABSTRACT
Inducascos S.A. was first established in 1998 in the city of Medellín, Colombia. After a decade of instability and financial bankruptcy due to lack of capital, scarce infrastructure, and insufficient labor not only in number but also in terms of the qualification level, Inducascos became the market leader in the manufacturing and commercialization of helmets in the Colombian market. Its ability to deal with the unstable local market and the fierce competition resulting from the entry of imported products has positioned Inducascos as the leading brand of motorcycle helmets. For the last decade, the company’s strategy has focused on the internationalization of the manufacturing process and the updating of the commercial strategy in order to consolidate an attractive product portfolio, which manages to offer differentiated products for a segmented market at competitive prices. This chapter explores Inducascos S.A.

THE MOTORCYCLE MARKET AND THE USE OF HELMETS
With a population of about 46 million people (Colprensa, 2011), Colombia is the second largest motorcycle producer in South America after Brazil. According to the latest demographic study (Sexto Estudio Sociodemográfico de Usuarios de Motos en Colombia), conducted by the Comité de Ensambladoras de Motos Japonesas - Committee of Japanese Assemblers (Comité de Ensambladoras de Motos Japonesas, 2011), the consumers who earned between one to two legal minimum wages\(^1\) constitute a total of 77% of the country’s motorcycle market. The motorcycle is a popular means of transportation in Colombia; a total of 71% of consumers use it as their main transport, while there is a portion of the market accounting for a total of 7% which uses the motorcycle for leisure in the form of simply riding a motorcycle for enjoyment. According to ANDI (2011)\(^2\), the motorcycle is a solution for consumer mobilization, especially now that the population is concentrated in the urban centers and the traffic

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in the main cities is becoming problematic. The benefits brought by motorcycles to the market and the society include the following: improving living standards by reducing transportation times and costs, serving as working vehicle to gain an income, and contributing to the reduction of pollution and the protection of the environment.

It is rather difficult to determine the exact number of motorcycles registered inside the national territory based on Colombian institutions. Such information has been never tracked based on specific criteria making the existent studies non-comparable, so it is common and also necessary to use the available information which is often presented using average figures. Nevertheless, the Comité Nacional de Ensambladoras Japonesas reported a total of 2,900,000 motorcycles in Colombia by 2009. This report has been recognized and used by companies in the industry and local authorities and is assumed to be trustworthy. More recently, with the creation of the RUNT (Registro Único Nacional de Tránsito), a national registration system for motorcycles and vehicles, it is possible to obtain a more accurate figure for this market. By 2010, there was a total of 3,030,317 motorcycles registered in Colombia, representing about one motorcycle for every 15 inhabitants in the country (Publimotos, 2010).

The use of helmets when riding motorcycles has been addressed in numerous studies and publications. Every recognized traffic-related institution around the world is concerned about the accidental death rates linked to motorcycles; several studies have contributed to the establishment of the use of helmets in reducing the number of deaths and personal damages resulting from accidents. There is international consensus about helmets not being sufficient to prevent accidents, but according to the Motorcycles Safety Foundation (2010), regardless of the speed, motorcyclists who do not use helmets are three times more likely to die as a result of injuries and damages incurred in accidents compared to riders who do use helmets adequately (Publimotos, 2009). For such purposes, different types of helmets have been developed: open helmets, motocross helmets, integral helmets, and modular helmets. The integral helmet appears to be the most recommended type based on its safety features and protective design (Crash Test Magazine, 2009) (Figure 1).

THE HISTORY OF THE USE OF HELMET – RELATED NORMS

It is the duty of each country or state to define the group of norms or laws to determine the efficacy of a helmet in an accident, and therefore to define the minimum acceptable requirements. Table 1 offers a comparison of relevant norms at the international level.

According to the Snell Foundation, in the study developed by the executive director Edward B. Becker (1998) the history of the use of helmets dates to the end of World War II. The Road Research Laboratory of the Department of Scientific and Industrial Research developed extensive studies based on the available academic literature to determine the potential damages to the brain and other tissues. Then it undertook a series of experiments to identify adequate materials for the manufacturing of helmets and procedures to test the reliability and safety of these products.

As a result of those studies, the initial norms on protective helmets were created. The British norm 1869:1952 (Crash Helmets for Racing Motor Cyclists) appears as the first in the field and as a result new norms for cycling and construction can be found. Currently known as the BSI standard (Becker, 1998), these norms are considered to be the standard for certification purposes under the British Standards Institution (BSI). The norm has served as a guideline for British consumers, distributors, and retailers, promoting a growing awareness for head protection. Today, the current version of the norm is BSI-2000 No. 1488 (The National Archives, 2000).
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