

*If opportunity doesn't knock,
then build a door.*

- Milton Berle



Introduction to Export Marketing

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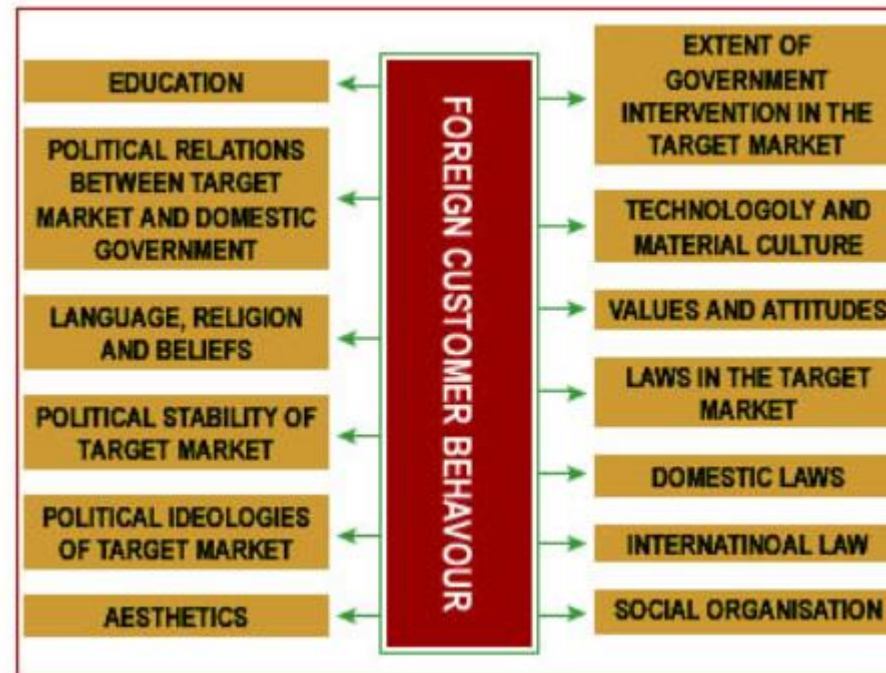
Marketing across national borders.

Application of both domestic and export marketing principles

Highly challenging because due to invading a new country/market.

Involves dealing with different kinds of customer in a foreign environment.

Laws and regulations differ radically from those existing in the domestic market.



Features of Export Marketing

1. **Systematic Process** – International Marketing Research – Product Designing – Branding – Packaging – Pricing – Promotion – Distribution
2. **Customer Centric** – Targeted audience – satisfy needs and retain them.
3. **Customs Formalities** – Document submission – goods examination – LEO/LSO
4. **Customs and Traditions** – culture/value based countries – sentiments.
5. **Documentation** – Shipping Bill, Consular Invoice, Certificate of Origin, BoL, LoU, LoC, GR, etc.

6. **MNC Dominance** – high tech countries – develop world wide contacts and make agreements.
7. **Trade Barriers** – Restrictions – Tariff (basic duty, anti dump duty, additional duty) – Non-Tariff (quotas, international standards, etc)
8. **Trading Blocs** – Removal of trade barriers – ASEAN, EU, MERCOSUR (Spain and Portugal Region), NAFTA (Canada, Mexico and USA)
9. **Three faced competition** – suppliers of own country – manufacturers of importing country – manufacturers and exporters from other countries.
10. **Large Scale Operation** – Large economies of scale and goods distribution.
11. **Regulations** – Health & Safety, Environment, FOREX.

12. Other Points

- **Marketing Mix**
- **International Marketing Research**
- **Spreading of Risk**
- **Reputation**
- **Global Exposure**

Importance of Export Marketing

For Nation

- i. FOREX
- ii. International Relations
- iii. Growth in Economies of Scale
- iv. Recognition in Global Market
- v. Access to non-producible products
- vi. Current Account Deficit (CAD)
- vii. Employment generation
- viii. Lift Research and Development
- ix. Improves Standard of Living

For Firms

- i. Facilitates innovation through R&D
- ii. Goodwill and Reputation
- iii. High efficiency
- iv. Honour Export Obligations
- v. Increased Profits
- vi. Liberal Imports (EPCG, IRMAC, etc.)
- vii. Large Economies of Scale
- viii. Proper resource utilization
- ix. Retain old and existing brands
- x. Spread of market risks
- xi. Tax Benefits and incentives (DBK, GST, Tax Holiday)

Factors Influencing Export Marketing

Internal Factors

- i. Strategic Vision
- ii. High Profits
- iii. High market knowledge and info
- iv. Availability of Resources
- v. Product Life Cycle
- vi. Favourable FTP
- vii. Allocation in R&D
- viii. Stability in Production and Distribution
- ix. Advantage of Monopolistic Position
- x. Product and Techno adaptability

External Factors

- i. Competition
- ii. Economic growth
- iii. Trade agreements
- iv. WTO Impact
- v. Removal of barriers on trade
- vi. IT and Media
- vii. Govt. Assistance and incentives



Risks Involved in Export Marketing

1. Commercial Risk

(payment default, non acceptance of goods, insolvency)

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2. Political Risk

(Civil wars and rebellions, Govt. Restrictions, change in policy)



3. Transportation Risk

(Collision, theft, tsunami, leakage, explosion, spoilage)



4. Legal Risk

Clash of laws, unfruitful contracts and agreements, intermediary issues)

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5. Exchange Rate Risk



6. Natural Calamities



Problems of India's Export Sector

- Recession in Global Markets (USA, Europe and China)
- Protectionist Measures (imposing heavy duties on imports to protect domestic industries – protection of tech, patents, sci-fi knowledge, less control to foreigners, quotas, anti-dumping, etc. eg. USA, Europe, Canada, Latin America)
- Reduction in Export Incentives
- Competition from China
- Problem of Product Standards
- Problem of Anti-dumping Duties
- Marine Attacks
- Negative Attitude of Overseas Buyer (Acceptability Issues)
- Excess Documentation
- Forex Regulations
- Poor Infrastructure (Port Handling, Transport, Warehousing)
- Trade Blocs

