

Indian Economy and Exports

Unit-1

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INTRODUCTION :

Export marketing means exporting goods to other countries of the world. It involves lengthy procedure and formalities. In export marketing, goods are sent abroad as per the procedures framed by the exporting country as well as by the importing country. Export marketing is more complicated to domestic marketing due to international restrictions, global competition, lengthy procedures and formalities and so on. Moreover, when a business crossed the borders of a nation, it becomes infinitely more complex. Along with this, export marketing offers ample opportunities for earning huge profits and valuable foreign exchange.

Export marketing has wider economic significance as it offers various advantages to the national economy. It promotes economic / business / industrial development, to earn foreign exchange and ensures optimum utilization of available resources. Every country takes various policy initiatives for promoting exports and for meaningful participation in global marketing. Global business is a reality and every country has to participate in it for mutual benefits. Every country has to open up its markets to other countries and also try to enter in the markets of other countries in the best possible manner. This is a normal rule which every country has to follow under the present global marketing environment. In the absence of such participation in global marketing, the process of economic development of the country comes in danger.

DEFINITIONS OF EXPORT MARKETING :

- 1) According to B. S. Rathor “Export marketing includes the management of marketing activities for products which cross the national boundaries of a country”.
- 2) “Export marketing means marketing of goods and services beyond the national boundaries”.

FEATURES OF EXPORT MARKETING The main important features of export marketing are as follows:

- 1) **Systematic Process** – Export marketing is a systematic process of developing and distributing goods and services in overseas markets. The export marketing manager needs to undertake various marketing activities, such as marketing research, product design, branding, packaging, pricing, promotion etc. To undertake the various marketing activities, the export marketing manager should collect the right information from the right source; analyze it properly and then take systematic export marketing decisions.

- 2) Large Scale Operations – Normally, export marketing is undertaken on a large scale. Emphasis is placed on large orders in order to obtain economies in large scale production and distribution of goods. The economies of large scale help the exporter to quote competitive prices in the overseas markets. Exporting goods in small quantities is costly due to heavy transport cost and other formalities.
- 3) Dominance of Multinational Corporations – Export marketing is dominated by MNCs, from USA, Europe and Japan. They are in a position to develop world wide contacts through their network and conduct business operations efficiently and economically. They produce quality goods at low cost and also on massive scale.

4) Customer Focus – The focus of export marketing is on the customer. The exporter needs to identify customers’ needs and wants and accordingly design and develop products to generate and enhance customer satisfaction. The focus on customer will not only bring in higher sales in the overseas markets, but it will also improve and enhance goodwill of the firm.

5) Trade barriers – Export marketing is not free like internal marketing. There are various trade barriers because of the protective policies of different countries. Tariff and non-tariff barriers are used by countries for restricting import. The export marketing manager must have a good knowledge of trade barriers imposed by importing countries.

6) Trading Blocs – Export trade is also affected by trading blocs, certain nations form trading bloc for their mutual benefit and economic development. The non-members face problems in trading with the members of a trading bloc due to common external barriers. Indian exporters should have a good knowledge of important trading blocs such as NAFTA, European Union and ASEAN.

7) Three – faced competition – In export markets, exporters have to face three-faced competition, i.e., competition from the three angles – from the other suppliers of the exporter’s country, from the local producers of importing country and from the exporters of competing nations.

8) Documentation – Export marketing is subject to various documentation formalities. Exporters require various documents to submit them to various authorities such as customs, port trust etc. The documents include – Shipping Bill, Consular Invoice, Certificate of Origin etc.

9) Foreign exchange regulations – Export trade is subject to foreign exchange regulations imposed by different countries. These regulations relate to payments and collection of export proceeds. Such restrictions affect free movement of goods among the countries of the world.