



DEVELOPMENT OF INDIAN EXPORT MARKETING

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Abstract

In export marketing, goods are supplied abroad as per the formalities and procedures framed by the home countries as well as by the importing countries. It is certainly more complicated as compared to domestic marketing particularly due to severe international competition, lengthy procedures and formalities and the quality and cost factors involved. Along with this, export marketing offers ample opportunities for earning high profits. In addition, export marketing has wider economic significance as it offers various advantages to the national economy. Every country takes various policy initiative for promoting exports due to special benefits available in export marketing. Export marketing is necessary for the survival and growth of a country. It leads to progress and prosperity in the case of all countries. The slogan, "Export or Perish" was formulated by the Prime Minister of India (late) Pandit Jawaharlal Nehru is applicable to all countries i.e. developed and developing countries. This is because export marketing brings economic growth, create employment opportunities, facilities effective use of available natural resources and makes the country strong, stable and self-sufficient. Exports are the engine of growth. Export Marketing is for the development of the nation. Export marketing helps the primary and tertiary sectors. Export marketing helps the stabilization of the prices of agricultural and industrial products. Human resources are made more productive. Precision and perfection are the qualitative improvements. Thus there arises the need to understand the scope of export marketing, significance, problems and prospects, strategy to be followed promotional measures and suggestions.

Key Words: *Export Marketing, Liberalization, Privatization and Globalization.*

Introduction

Along with the business enterprises, government also takes keen interest in export marketing due to its special importance. In fact, government provides various facilities, concessions and incentives for large scale exports. Various institutional agencies are created to help the enterprises in their export marketing efforts. The very existence of a country may come in danger if systematic efforts are not made for promoting exports. Export marketing, managing export marketing activities in an orderly and efficient manner. It involves the management of all activities and operations from the receipt of an export order till its execution and receipt of payment for the goods exported. Since 1980, the global scenario has changed. Change is inevitable Capitalism, Protectionism, Socialism, Regularity mechanism etc., have given way for a new order, for a new system, for a new policy as well as a change in the life style.¹ Survival, standardization, sustainable development and improving the quality of life are the much needed requirements. Closed economy has given way to the market economy. No more one can think of a contended life. Everyone needs everything. Controls will result only in frustration and revolution. The overcome of the above is the New Economic Policy Liberalization, Privatization and Globalization. Production and Market Changes and Challenges. Development has brought about qualitative as well as quantitative changes. People are not ready to accept what every that is offered. The attitude of the people gets changed very often. Mechanized production and large-scale production alone are not sufficient. The cost of research and development requires production to meet the global demand. The market has to enlarge to reduce the cost of production in terms of fixed cost per unit, through lower inventory cost, and by bringing down raw material cost and other variable cost.²The growth of computerization has brought about on line trade. The market for any product is wide open and globalization has become the order of the day with new challenges.

Objective of Study

- To know the export marketing.
- To understand the prospects of export marketing in India.
- To study the challenges of export marketing in India.
- To suggest ways to overcome and face the challenges of export marketing.

India Remittances

Remittances in India increased to 10827.88 USD Million in the third quarter of 2015 from 9887.12 USD Million in the second quarter of 2015. Remittances in India averaged 8836.29 USD Million from 2010 until 2015, reaching an all-time high of 12293.40 USD Million in the fourth quarter of 2014 and a record low of 5999.10 USD Million in the third quarter of 2010. Remittances in India are reported by the Reserve Bank of India. The entry of foreign firms, the large-scale investments large-scale production, the global opportunities – all these factors have made export marketing to be more extensive and invasive.

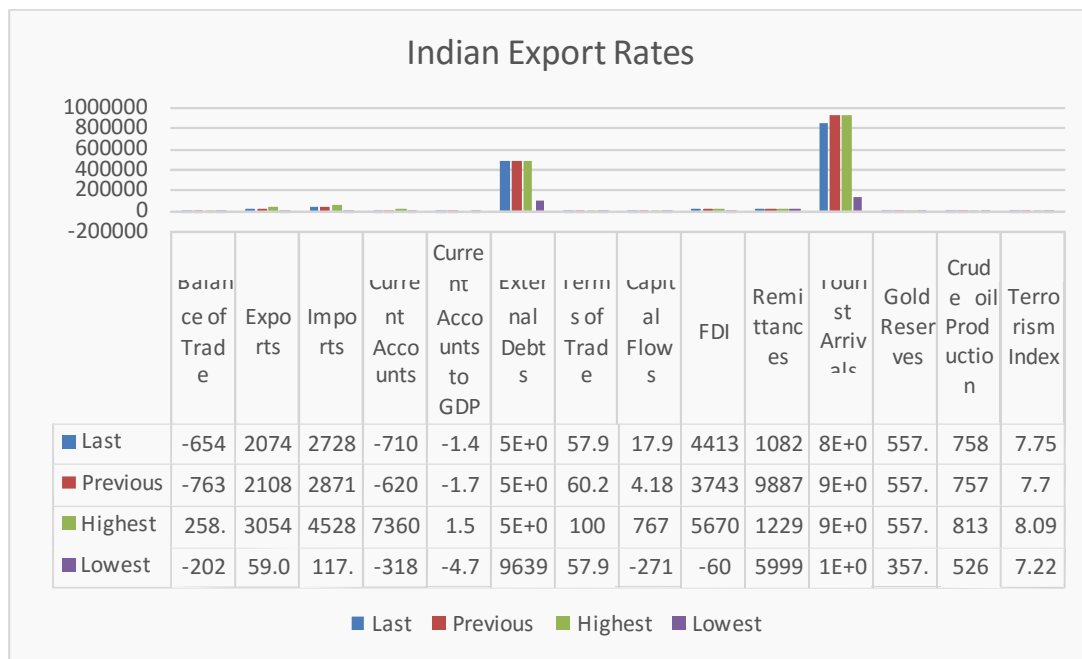


It is one of management issue, concerning what to export etc. It is different from domestic marketing by national barrier, transport nature, language, currency, political environment, heterogeneous market regulations, nature and policies of government, tastes of the consumers etc. In recent years, India has become one of the biggest refined product exporters in Asia with petroleum accounting for around 20 percent of total exports. The country also exports: engineering goods (19 percent of the total shipments), chemical and pharmaceutical products (14 percent), gems and jewellery (14 percent), agricultural and allied products (10 percent) and textiles and clothing (10 percent). India's main export partners are: United Arab Emirates (12.1 percent of the total exports), the United States (12 percent), Singapore (4.5 percent), China (4.5 percent), Hong Kong (4 percent) and Netherlands (3.5 percent). This page provides the latest reported value for - India Exports - plus previous releases, historical high and low, short-term forecast and long-term prediction, economic calendar, survey consensus and news.

India Exports - Actual Data, Historical Chart and Calendar of Releases - Was Last Updated on March of 2016

India Trade	Last	Previous	Highest	Lowest	Unit
Balance of Trade	-6540.00	-7638.93	258.90	-20210.90	USD Million
Exports	20740.00	21080.00	30541.44	59.01	USD Million
Imports	27280.00	28710.00	45281.90	117.40	USD Million
Current Accounts	-7100.00	-6200.00	7360.00	-31857.20	USD Million
Current Accounts to GDP	-1.40	-1.70	1.50	-4.70	Percent
External Debts	483151.00	482900.00	483151.00	96392.00	USD Million
Terms of Trade	57.90	60.20	100.00	57.90	Index Points
Capital Flows	17.92	4.18	766.96	-271.46	USD Million
FDI	4413.00	3743.00	5670.00	-60.00	USD Million
Remittances	10827.88	9887.12	12293.40	5999.10	USD Million
Tourist Arrivals	844000.00	913000.00	913000.00	129286.00	
Gold Reserves	557.74	557.74	557.74	357.75	Tonnes
Crude oil Production	758.00	757.00	813.00	526.00	BBL/D/1K
Terrorism Index	7.75	7.70	8.09	7.22	

Source: Press Information Bureau Government of India



Exports Growth

Traders are feeling the pinch, the government is worried and policymakers are brainstorming to come up with measures to boost shipments. The only consolation: A falling rupee, which has depreciated by 4.5% in 2015, has helped exporters in some



sectors earn more dollars. Low commodity prices and a global slowdown, driven by faltering Chinese economy, is all set to take exports to their lowest in five years in 2015-16. This in turn could derail the recovery process. With exports getting affected, and domestic demand subdued, capacity utilisation levels for key sectors will take time to improve, which will delay the recovery process of companies. “Regardless of the causes (of drop in exports), the effect has been a drag on growth,” the Mid-Year Economic Analysis tabled in Parliament last week said. In November, exports fell for the 12th straight month, declining 24.43% year-on-year to \$20.01 billion. But a 30.26% decline in imports to \$29.80 billion ensured that the trade deficit remained on track at \$9.78 billion in November against \$16.23 billion a year ago. For the first 11 months of the calendar year, exports reached \$243.68 billion against \$323.2 billion for the whole of 2014. “Going by the current trend, we may end up with exports of \$265 billion in 2015, a 21.9% decline from 2014,” said SC Ralhan, president, Federation of Indian Export Organisations (FIEO).³ “Given the global situation, the situation will take time to improve. Much will depend on commodity prices.” On a cumulative basis, exports in the first eight months of 2015-16 stood at \$174.3 billion, compared to \$213.7 billion a year ago, a decline of 18.5%. In 2014-15, India’s exports totalled \$310.5 billion. “The policy challenge is to uplift growth by boosting domestic demand,” said DK Srivastava, chief policy adviser, EY India. Policymakers are also worried that a recent agreement among the US, Japan and 10 other countries, the Trans Pacific Partnership (TPP), will further hurt prospects for India’s exports. The TPP removes tariff and non-tariff barriers among participants. And as products from participant countries turn cheaper, Indian goods will lose favour. Rating agency Crisil blames India’s focus on Asia, which accounts for almost 50% of total goods exported, as the primary reason for the decline. It is more than the combined share of Europe and the US at 31.8%. During April-October period of the current fiscal year, India’s exports to Asia declined nearly 19% and that to Europe by 11.2%. And, as cheaper Chinese goods flood the world market, India’s export competitiveness will also take a hit. “The threat of competition from cheaper Chinese imports” actually hit trade in 2015, said Dhananjay Sinha, head, institutional research of Emkay Global Financial Services. According to rating agency Crisil, India should look at other regions, especially Africa, to boost shipments. Focus on projects like Make in India, which can help revive domestic demand, can also counter falling exports, said Gokul Chaudhri, leader, direct tax, BMR & Associates LLP. The government, though, is optimistic. “There is no crisis in India on the export front and while there is a need for caution, there is no need for alarm,” the commerce ministry said recently.⁴

Advantages of Export Marketing

Export marketing assumes significance on account of comparative cost differences in production particularly labour cost. One of the reasons for software exports is the relatively cheap labour. Many industries flock to China, because of not only cheap labour but also liberal labour laws. However languages is a constraint but it is not so in India. A developing country requires huge investments. Foreign investments are made not only to avail cheap labour to produce and export but also to motors are some of the international giants in this connection. Similarly, the traditional exports due to various reason. The increased requirement of oil and increase in price has adversely affected the balance of payment position.⁵ India is considered as a sleeping tiger with good potential to become a leader. Export marketing strategies will go a long way for India to emerge as a strategic partner of development in Asia.

Problems

One of the major problems of exports is that of declining in value of Rupee against Dollar and Euro. In addition the uncertainty in exchange rate prevents the exporters from entering into forward contracts. The recent crises in USA the bankruptcy, failure of financial institutions leading to the fall in demand for software exports are worsening the crises. India depends too much on traditional items of exports and the direction of trade is also remains unchanged. In case of textile exports, India is unable to face the challenges from China, Thailand and Indonesia. The truant nature of monsoon has prevented India from exporting food grains, Spices and sugar as well. Still India exporting unfinished, non –value added goods rather than value added products. All these has resulted in the volume of exports out of GDP at 10% and the value of exports in GDP to 5% as per the latest information available, the Union Minister has started the traditional areas of exports namely the US., the E.U and Japan account for 34% of exports. Naturally the depressions in these countries affect our exports. Inflation in India has resulted in increase in input cost. Revision of wages by the government and organized sector has also caused increased labour cost.⁶

Prospects of Export Marketing in India

The prospects are no upward sloping curve in contracting economy efforts are being made to reduce the transaction cost for exports by doing away with multiple agencies. The goods and services tax to be implemented from April 2010 would help exporters through benefit of 5% of FOB on local levies. The recently signed free trade agreement with ASEAN will help to explore foreign exchange balance in RBI will be a cushion, to pull the falling value of our currency. The new foreign investments in the last 10 years are intended to market abroad Indian made goods certainly there is a good progress in the



export automobiles from knocked down to fully finished and furnished as well as ready to use condition. The value chain in the case to textile, leather mechanical products, and electronics shows good sign of growth of exports market. The software required for banking, insurance and other financial institutions are also maintained thanks to the new areas of application and new markets from developing nations as well as developed nations. The prospects for our export marketing largely depends upon the trends in the world economy. The global economic environment appears poised for a change for the better with the recent sharp fall in the international prices of crude petroleum products, which is expected to boost global aggregate demand and the sharp recovery in the United State economy in the face of gradual withdrawal from monetary accommodation. Following the global crisis of 2008, the global economy came under a cloud of uncertainty and prolonged weakness in the euro area, particularly since 2011, led to the International Monetary Fund often revising global growth downwards in its Worlds Economic Outlook. In its update, published on 20 January, 2015, the International Monetary Fund projected. The global economy to grow from 3.3 per cent in 2014 to 3.5 per cent in 2015 and further it will be 3.7 per cent in 2016. This downward revision from its October, 2014 projections owed to the weaker economic prospects in China, Russia, and the euro area. Japan and some major oil exporters because of the sharp drop in oil prices. The United States is the only major economy for which growth projections have been raised by 0.5 per cent point to 3.6 per cent for 2015. In the case of emerging markets and developing economies, which continue to struggle with tepid domestic demand, the International Monetary Fund update projects growth to moderate to 4.3 per cent in 2015 and 4.7 per cent in 2016. Going forward, the lower oil price is likely to be more positive for the Emerging Market and Developing Economies that account for more than half of the global output given their higher contribution to global growth with inflation remaining anchored. This might lead to a better outcome than projected. A sudden correction in financial markets and downside risks to growth with a possible further slowdown in the euro area along with the likely duration of the oil price supply shock effect, are some of the concerns that linger on. As per the World Trade Organisation, India's share in global exports increased from 0.8 per cent in 2004 to 1.7 per cent in 2013. Its ranking in terms of leading exporters improved from 30 in 2004 to 19 in 2013. India's merchandise exports as a proportion of GDP increased from 12.1 per cent in 2004 to 17.0 per cent in 2013.⁷ The favourable factors ensure better prospects for our export marketing i.e. strong and stable central government, positive economic policies, decline in effects of recession, etc. Challenges of Export marketing in India.

Strategic Management

Consumers are largely brand conscious. Brand awareness requires quality control, standardization, and adaptation to global standards, product line decisions, and market research. Positioning the advertising theme for product may vary from one nation to another. Choosing the right agency for a product in a well-developed market is area of concern. A sample for information in export trade is to be used carefully. Pricing for exports is an important area. It is not so easy to decide and it can't be uniform. A cost plus pricing approach has to be considered. Transportation cost is an issue deciding selling price abroad and market location, speed, cost dependability, service are elements to be considered before deciding the mode of transport. Export packing is to be decided by factors like strength, climate, and suitability for the product, efficiency in transfer, customs requirement, etc., insurance will help to cover the risks of various nature should also be borne in mind by the exporters and it is better to quote CIF prices rather than FOB prices.

Export Documentation

The major difference between marketing in domestic market and the international market is that of documentation at every stage for exports. Exports without invoice, non-payment of duties and taxes, sales are possible in domestic market. But, in export marketing everything has to be in order, satisfying the rules, regulations and legal formalities as well as security and environmental issues of the export market. The Goods are not exported directly. Some leave it in the hands of middlemen who are taking away a chunk of the profits exporters. The dearth of MBA graduates in Indian who have the knowledge but not acumen ship in this line is a point of concern.

Export Marketing and the Development of India

India is rich in natural resources, human resources, climate, coastal, facilities, political stability and above all a non- aligned nation with good democracy at the helm of affairs. With all these positive features, the share of India in world exports is awfully poor – around 1%. Export marketing will help Indian industries to go for large- scale production deployment of precision machineries ensuring perfection in finished product quality, will help and development in the respective field of operation and will also ensure the improvement of quality of labour. This will help in using factors of production on the basis of opportunity cost which will lead to increase of India demand export marketing. Export of agricultural products will help the inclusive growth.⁸ Rural industries with focus on exports- like processed vegetables, fruits, horticultural products floricultural product will help the penetration development in the interior area. Exports of handicrafts, handloom products of self-help groups will go a long way in alleviation of poverty and ensure in invasive and sustained growth "India Shine" will be no more a myth.



Conclusion

Knowledge is the power. Skill development paves the way to conquer consolidate and retain economic development. India is rich in both these aspects. To succeed and enjoy the fruits of success is export marketing in the development of India, Explore new markets, new products for exports, Enrich the quality of products through continuous value addition. Ensure that international standards, regulations, laws are followed. But a reality to feel proud, once market research on exports becomes a reality. Promoting is characterized as utilizing the greater part of the assets of the association to fulfil client requirement for a benefit. The distinction between fare showcasing and residential promoting is just that it happens crosswise over national outskirts. This implies the exporter need to confront with obstruction to exchange, for example, varying dialect, arrangements, laws, governments, and societies. They might need to represent getting the item most of the way over the worldwide to far off business sectors and pay the import obligations imported on these items by the importing nation. They will also need to deal with the logistical and documentation problems surrounding exports. These are just some of the problems you will face. Apart from these problem there are several challenges Export marketing has to face.. I have suggested some of ways to overcome and face the challenges of export marketing effectively. Trade showcasing likewise includes setting up an offering that will lure the outside purchaser and client. This offering involves an item that is offered at a specific cost and that is made accessible or disseminated to the outside client. In the meantime, the offering is imparted or elevated to the purchaser utilizing certain correspondence or advancement channel.

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