

Exporters Preference for Promotional Measures – An Empirical Study

Abstract

Promotion or persuasive communication is a very significant part of marketing mix. Promotion mix is all the more important as it brings to the notice of customer or prospects the appropriate information regarding products and services. In exports, where you have to deal with foreign customers it becomes all the more important. In the present analysis an effort has been made to find out the preferential promotion measure adopted by exporters. For this purpose, sample units were classified into three categories of special status firms, non-status firms and all exporters. Through this study it was established that 'special status' exporters favour mostly 'internet' as promotional measure while 'non-status' exporters favour traditional 'print media'. Industry wise analysis shows 'internet' as a favoured medium of promotion with Engineering industry while Food processing industry prefers traditional 'print media' and 'participation in trade fairs' is popular with Textile industry.

Keywords: Promotional Methods in Export, Market Promotion, Indian Export.

Introduction

Market promotion is essentially a way to communicate with the target market. As the world market is characterized by rapid changes, cut-throat competition and excess product supply therefor market promotion becomes more crucial. This is the reason that promotion is said to be a key ingredient of any marketing campaign. The customers for the products are innumerable and spread over various geographies and continents. In these circumstances market promotion efforts assume more importance for providing relevant information about the product to the customer and end consumer. In result, this inspires them to purchase or re-purchase.

Objective & Research Methodology

The study tries to establish exporters priorities pertaining to various traditional promotional measures including but not limited to print-media, directories, participation in trade fairs and via internet. As Haryana contributes significantly to the export basket of India, it was decided to concentrate the research only to this state. Sample constitutes 76 exporting units from textile industry, 32 exporting units from food-processing industry, 20 exporting units from engineering & 24 exporting units from other industry.

Primary research was conducted to collect information by drafting a questionnaire and subsequently conducted Interviews. The reference year for collection of data is 2014-15. The analysis of the data has been carried out by using arithmetic mean, percentage and ranking. Comparative analysis was conducted on the types of industry and export status. The unit enjoying any special status by D.G.F.T. (Director, General of Foreign Trade) e.g. Export House, Trading House etc. have been termed as special status units and other units that do not possess any of such status are termed as non-status units.

Review of Literature

Keller (2016) refers to marketing communication as the voice through which companies can start a dialogue with their target markets and other stakeholders. Cavusgil & Knight (2014) established that companies select foreign markets according to their attractiveness and perceived risk. Douglas (2005) concluded that key decision companies have to make in terms of their export marketing strategy is the level of standardization or adaptation to the local conditions. (UNCTAD, 2015) emphasis on internet accessibility expansion and trade transactions are moving from physical interactions between sellers and buyers, to cyberspace – with the marketplace being based on online activities without requiring direct



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interactions. Pantano (2011) points out, the emergence of information technology and audience fragmentation have radically changed even the marketing communication environment. According to Gabrielli and Balboni (2010) the integrated marketing communication became important for companies due to the fact that the usage of different sources can confuse the consumer's perception. Therefore, formulating a systematic and integrated message across all communication channels has become a fundamental issue for marketers today. According to Outland et al (2015), trade show value is measured in tangible and intangible benefits.

Brouthers (2001) established that company size influences how psychological distance conditions channel choice. Kirchgeorg and Kastner (2010) defines trade shows as a communication technique is aiming at creating a direct and personal interaction between the company and its target group, in order to create unique and lasting memories. Shoham (1998) simply defined export marketing as the composite

outcome of a firm's international sales, consisting of export sales, export profitability, and export growth. Julian (2003) stated that it is imperative that firm's objectives, both economic and strategic, with respect to exporting a product/service into a foreign market, are achieved with respect to the promotional objectives and communication strategy. The Internet has been identified as one of the most significant marketing tools in the global marketplace (Rodgers and Sheldon, 2002) for its enormous potential uses for businesses.

Usage of Promotion Media

Table-I presents the extent of use of different promotion advertising media. 'Internet' is on the top of the list in 'All exporters' category. 'Trade magazines/newspapers/directories' is next most used medium of advertising. However, 'participation in trade fairs' is placed at third position. However, there is very small difference in average score of 'trade magazines/newspapers/directories' and 'participation in trade fairs'.

Table - I
Usage of Promotion Media: An Aggregate and Status-Wise Analysis

	Special Status		Non-Status Firms		All Exporters	
	\bar{X}	Rank	\bar{X}	Rank	\bar{X}	Rank
Trade magazines/ newspapers/ directories	1.90	III	2.33	I	2.12	II
Participation in trade fairs	2.35	II	1.78	II	2.11	III
Internet	3.40	I	1.18	III	2.43	I
No. of firms	43		33		76	

Note: \bar{X} represents average score.

Aggregate and Status-Wise Analysis

Status-wise analysis reveals that 'internet' is most popular among 'special status' exporters category. It is accorded first rank by them but, non-status exporters category has rated internet medium at third position for advertising. 'Participation in trade fairs' is placed at second position in both categories. It may be noted that the average score in case of non-status firms (1.78) is significantly less than that of special status category (2.35).

Industry-wise Analysis

Industry-wise analysis regarding the use of promotion method is shown in Table-II. Each of the industries shows a different ranking pattern regarding use of different promotion media. Whereas 'participation in trade fairs' is on top of the list in case of textiles industry, as a promotion method, it is least favoured in case of the other two industries.

Table - II
Usage of Promotion Media: An Industry-Wise Analysis

	Textiles		Food Processing		Engineering	
	\bar{X}	Rank	\bar{X}	Rank	\bar{X}	Rank
Trade magazines/ newspapers/ directories	1.44	III	2.50	I	2.62	II
Participation in trade fairs	2.88	I	1.25	III	1.79	III
Internet	2.13	II	2.15	II	3.08	I
No. of firms	32		20		24	

Note: \bar{X} represents average score.

It appears that 'participation in trade fairs' is considered to be an effective means of stimulating sales and long-term advertising by textile industry. Compared with this, the food processing industry seems to rely heavily on 'trade magazines/newspapers/ directories' for promotion of sales. The engineering industry is found to favour 'internet' medium of advertisement indicating that technology products can be demonstrated effectively on the Internet.

Supplementary questions while interviewing revealed that lesser use of internet in textiles and food

processing industry, it is due to non-availability of the internet facility at the site of the unit in most of the cases. Many exporters expressed favourable opinion regarding the utility of internet services in export business and they stated that they were not making use of the facility due to non-availability.

Finding & Conclusion

It is found through analysis that 'Internet' is the most popular measure of promotion among 'special status' exporters category while 'non-status' category firms give priority to 'trade magazines/newspapers/ directories'. 'Participation in trade fairs'

gets favour with both category of exporters at second place.

Industry-wise analysis shows 'participation in trade fairs' is on the top of the list in case of Textile industry. It appears that Textile industry considers it as effective means of stimulating sales. Food processing industry seems to favour 'trade magazines/ newspapers/ directories' for market promotion. 'Internet' as a means of promotion finds favour with engineering industry. It indicates that technology products can be demonstrated appropriately on the internet.

An interesting observation interviews came forward that they had favourable opinion regarding the utility of Internet services in the export business and were planning to make more use of this service in the near future.

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