



A Study on Payment Procedure and Subsidy Provided For Goods in International Marketing

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ABSTRACT

International marketing involves highly understanding the basic and advanced concepts of Export-Importers. Traders must gather information and communication across the boundaries which involve high cost, time and knowledge. This study gives the procedure for payment methods in foreign markets and also the goods which have subsidy to trade in foreign market by government policies. How to survive in long term international market is a unique strategy for each and every trader must be planned for them to promote their business and also the overall GDP of the country.

Keywords--Letter of credit, Marketing strategy, Local customs, Export subsidy, Documentary collection

INTRODUCTION

International Marketing refers to the performance of business activities designed to plan, pricing, promoting the goods or services and also distributing the goods or services to end users with a profit margin. Domestic and international Marketing objectives are more or less similar only. International marketing techniques depends upon the consumers' perception.

INTERNAL SCOPE OF MARKETING IN INDIA

In International Marketing, a Company or an Entrepreneur should consider the following elements to reach the product or services to the end consumer or user. Marketing plays a vital role in the International Trade and it also helps to improve the quality of products or services in the Domestic market.

1. **Products and Services:** Goods or Services is most important thing in the marketing because if there is no product or services there is a need of marketing. The Marketing will differ based upon the product or services

nature, Quality, Design, Product planning and Development, Branding, Labeling, Packaging, Trademarks.

2. **Marketing Research:** Marketing Research is second stage, with the help of Marketing Research seller can found their consumers not only consumers and also based on the deep analysis it includes nature and types of customers, size of the market, Customer attitude and most important thing is buyer behaviour.
3. **Channel of Distribution:** Channel of Distribution refers to what kind of pathway suits for the predetermined product or services. Pathway which means the goods move from producer to end user and also it is a kind of transferring the goods from one person to another person. In this stage number of intermediaries is involving to transfer the goods like Wholesaler, Retailer, etc.
4. **Physical Distribution:** The physical movement of the goods from producer to consumer is known as physical distribution which includes transportation, warehousing, inventory control and management, order processing etc.
5. **Promotional Decisions:** Promotional Decisions is fifth level of Marketing, the basic objective of promotion is introducing the product in the market with the needed information about the product and also it is in limited form. There are different tools of promotions are adopted by the seller they are advertising, Sales Promotion, Personal Selling, Publicity, Public Relations.
6. **Pricing Decisions:** Pricing is apprehensive with pricing policies and strategies, price determination, discounts, commissions. There are different types of pricing Strategies followed by the producers like penetration, skimming, odd pricing, etc.

7. **Environmental Analysis:** Environmental Analysis plays a vital role in the International Marketing. It helps the business is to be carried out is the first step for any kind of organization. This analysis helps to know the and also develop the Strength, Weaknesses, Opportunities and Threats of an organization.

POSSIBILITY IN GOVERNMENT SCHEMES TO PROMOTE INTERNATIONAL MARKETING

The government of India initiates with the different plans and incentives to help the business firms enrich the competitiveness of their exports. The Government has established a number of institutions to provide infrastructural assistance and also marketing help to organizations doing International business.

Government of India facilitates certain Schemes to the exporters for the purpose of develop the international trade. They are Duty Drawback Scheme, Export Manufacturing under the Bond Scheme and Exemption from Payment of Sales Taxes, Advance License Scheme, and Export Processing Zones.

SUBSIDY PROVIDE FOR ANY FOREIGN IMPORT AND EXPORT GOODS

Export subsidy which means a government policy to encourage the exporting of goods and discourage sale of goods on the domestic market with the help of direct payments, low-cost loans, tax relief for exporters or government-financed international advertising.

In most recently, Government of India approves Rs 600 crore subsidy offerings to merchant exporters and also the proposal will bring about benefits of around Rs 600 crore to exporters on interest equalization for the remaining period of the scheme. The Department of Commerce getting Approval for that proposal which includes merchant exporters under the interest equalisation scheme for pre- and post-shipment rupee export credit by allowing them interest equalisation rate of 3 per cent on such credit for export of products covered under 416 tariff lines (products) identified under the scheme. This scheme especially for agriculture, textiles, leather, handicraft and machinery sector and also it make exporters more competitive, encourage them to export more products manufactured by MSMEs.

MOST FAMOUS AND DEMANDED EXPORT AND IMPORT GOODS IN INDIA

Exports are a valuable part of any countries because by exporting made in country product they

earn a lot. India too is one of those countries that have been exporting many products and raw materials to other countries. Certain list of products are exported by the India they are

1. Regional Handicrafts
2. Organic Supplements and Medicines
3. Meat Exportation
4. Dairy Products
5. Homeopathy Medicines
6. Jewelry and Precious Stones
7. Leather and Leather Products
8. Ceramics
9. Petroleum Products
10. Textiles

ANALYSIS THE INTERNATIONAL MARKETING PROCEDURE

Under the marketing concept, the concern must find a way to discover fulfilled the customer needs and bring to market products that satisfy those needs. The process of international marketing is involved in the various steps. They are the situation is analyzed to identify opportunities, strategy is formulated for a value proposition, tactical decisions are made, the plan is implemented and the results are monitored.

HOW TO TACKLE PAYMENT IN INTERNATIONAL TRADE

International trade grants a spectrum of risk, which causes uncertainty over the timing of payments between the exporter (seller) and importer (foreign buyer). There are five primary methods of payments are adopted in international transactions. They are Cash-in-Advance, Letters of Credit, Documentary Collections, Open Account and Consignment.

HOW TO SURVIVE IN LONG TERM INTERNATIONAL MARKETING AND UNIQUE OR COMMON STRATEGY

In long run business, producer have to concentrate on the certain areas of marketing they are Research new territories, Assess the size of the market, Adapt your marketing strategy, Work with local partners, Check your prices, Adjust your media mix, Learn local customs, Get the timing right and Exhibit overseas.

OBJECTIVES OF THE STUDY

1. To know about the awareness of export, import products which highly recommended by government of India.

2. To analyze the subsidy provided for any goods which has been marketed internationally
3. To understand the payment procedure in export and import and to find the easiest way to generate high profit in international marketing.

METHODOLOGY

Primary Data was collected from the Entrepreneurs who involved in the international Marketing through a well-designed Questionnaire. Research Papers, Articles, Journals, Websites, Magazines are also referred by the Researcher. Convenient Random Sampling Method was adopted to select the Respondents.130

Questionnaires were issued, 100 were returned properly by the respondents and the same utilized for the study.

LIMITATION OF THE STUDY

- Data was collected only within Chennai City.
- Data collected from the respondents are based on their opinion and knowledge which be subject to change over period of time.

ANALYSIS AND DISCUSSION

In order to interpret the Research Questions Simple Percentage analysis and Mean based ranking test are used.

Table 1: Demographic Profile of the Respondents

S.No.	Demographic Profile	Particulars	No. of Respondents	Percentage (%)
1.	Gender	Male	66	66%
		Female	34	34%
		Total	100	100%
2.	Age	20 - 30	20	20%
		30 - 40 Years	44	44%
		40 - 50 Years	21	21%
		Above 50 Years	11	11%
		Total	100	100%
3.	Qualification	UG	58	58%
		PG	33	33%
		Professional	9	9%
		Total	100	100%
4.	Position Held	Proprietor	40	40%
		Managing Director	20	20%
		Partner	28	28%
		Manager	8	8%
		Others	4	4%
		Total	100	100%
5.	Experience in this field:	Below 2 years	55	55%
		3 to 4 years	23	23%
		4 to 5 years	13	13%
		Above 5 years	9	9%
		Total	100	100%

Source: Primary Data

The Demographic Profile table shows that 66% of respondents are male and 34% are Female. 20% of respondents are belongs to 20 to 30 years category, 44% of respondents are falling in between the age group of 30 to 40 years, 21% of respondents are belongs to 40 to 50 years age group and 11% of respondents age are above 50 years. Majority of the respondents' Qualification is Under Graduation, 33% of respondents' qualification is Post Graduation and 9% of respondents are

Professionals. Majority of respondents are Proprietor which is 40%, 20% of respondents are Managing Director, 28% or respondents are partners and 8% of respondents are Manager. 55% of respondents having below 2 years of experience, 23% of respondents are having 3 to 4 years of experience, 13% of respondents have 4 to 5 of experience and 9% of respondents are above 5 years experienced in the field of marketing in the study area.

Table 2: Table Caption missing

S.No.	Statements	Particulars	No. of Respondents	Percentage (%)
1.	The infrastructure problems faced by your firm.	Transportation	8	8%
		Water	10	10%
		Electricity	7	7%
		Road	15	15%
		Port	34	34%
		Shipping	26	26%
		Total	100	100%
2.	The exchange rate related problems faced by your firm	Highly Affected	34	34%
		Affected	23	23%
		Neutral	25	25%
		Unaffected	10	10%
		Highly Unaffected	8	8%
		Total	100	100%
3.	Specify the finance related problems	Delay in export realization	5	5%
		High rate of interest	35	35%
		Too many formalities	33	33%
		Shortage of working capital	22	22%
		Not applicable	5	5%
		Total	100	100%
4.	Appreciation in domestic currency need not lead to Fall in export and import transaction.	Highly Affected	45	45%
		Affected	23	23%
		Neutral	7	7%
		Unaffected	10	10%
		Highly Unaffected	15	15%
		Total	100	100%
5.	The effect of legal and government policies on your firm	Highly Affected	33	33%
		Affected	25	25%
		Neutral	32	32%
		Unaffected	8	8%
		Highly Unaffected	2	2%
		Total	100	100%

Source: Primary Data

8% of the respondents are faced transportation issues, 10% of the respondents are faced water facility, 7% of the respondents are faced Electricity related issues, 34% of the respondents are faced port and 26% of the respondents are faced shipping related issues. 34% of the respondents are Highly Affected, 23% of the respondents are affected, 10% of the respondents are unaffected and 8% of the respondents are highly affected by the exchange rate related problems faced. 5% of the respondents are facing delay in export realization, 35% of the respondents are faced high rate of interest, 33% of the respondents are suffered with too many

formalities and 22% of the respondents are faced shortage of working capital issue. 45% of the respondents are Highly Affected, 23% of the respondents are affected, 10% of the respondents are unaffected and 15% of the respondents are highly affected by the Appreciation in domestic currency need not lead to fall in export and import transaction. 33% of the respondents are Highly Affected, 25% of the respondents are affected, 8% of the respondents are unaffected and 2% of the respondents are highly affected by the effect of legal and government policies.

Table 3: Please Mark the Marketing Related Problems of Your Business (Please Rank Them From 1-8)

S.No	Marketing Problems	Mean Based Rank
1.	Securing Orders	II
2.	Time Management	VIII
3.	Environmental / Green Marketing / Eco-system	IV
4.	Cost Adjustment	III
5.	Quality Up gradation	V
6.	Weights and Measures	I
7.	Packaging	VII
8.	Cancellation of Orders	VI

Source: Primary Data

The above table shows that the ranking based on the Mean value. The major factor affecting the international marketing is Weights and measures of the product; secondly affected factor is securing orders, Third rank is given to Cost Adjustment, Fourth rank is awarded to Environmental/ Green Marketing/ Eco-system, Fifth rank is allotted to Quality Up gradation, Sixth rank is given to Cancellation of orders, Seventh rank is given to Packaging of Products and last rank or least affecting factor is Time Management by the respondents.

t- TEST

The t- test is the statistical hypothesis test in which the test follows at- distribution under null hypothesis. This test is used to determine the significant difference between the two sets of data such as the scaling variable and the categorical variable that has only two groups.

H1: there is a significance difference between the Exchange rate related problems and gender.

Table 4: Group Statistics For T- Test

Group Statistics							
Variable	Gender	N	Mean	Std. Deviation	Sig.	t- value	Df
Exchange rate related problems	Male	66	3.3740	0.813357	0.657*	-0.136	221
	Female	34	3.3899	0.76697		-0.134	178.176

Denotes: **Indicates 1% level of Significance; * Indicates 5% Level of Significance
Sources: Computed Data

The above table shows that the P vale (0.657) of the exchange rate related problems is greater than the significance value (0.05). Hence, Null Hypothesis is accepted at 5% level of significance. Hence it is concluded that the there is no difference in the opinion of the entrepreneur they may be Male or Female, both are performed based on their knowledge.

MAJOR FINDINGS

- 34% of the respondents are faced port related infrastructure facility.
- 34% of the respondents are Highly Affected by the exchange rate related problems.
- 35% of the respondents are faced high rate of interest related issue in financial problems.
- 45% of the respondents are Highly Affected by the Appreciation in domestic currency

need not lead to fall in export and import transaction.

- 33% of the respondents are Highly Affected by the effect of legal and government policies.
- The major factor affecting the international marketing is Weights and measures of the product and least affecting factor is time management of the respondents in study area.
- It is revealed that the there is no difference in the opinion of the entrepreneur they may be Male or Female. Based on their knowledge only they can able to overcome their market risks.

CONCLUSION

In present situation, in international marketing, entrepreneur try to reach many potential customers but under different perspectives so, the advertisement may fail to use international events since they deal with specific products that are

suited towards a certain market or group of people, which means in International market in more cases they operate with different commodities. Thus, they prefer advertising in events that are held by the particular group of people that are deemed to be potential customers. Their advertisements are tailored towards targeting a certain group of people through from different areas.

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