

A Study on Difficulties Faced by Entrepreneurs While Exporting Products with Reference to Erode District

S. Uma Maheswari,

Assistant Professor, Department of Master of Business Administration,
Sengunthar Engineering College (Autonomous),
Ph.D. (Part-Time) Research Scholar, Department of Management Studies,
Periyar University, Salem, INDIA

Dr.V.R.Palanivelu

Professor and Head, Department of Management Studies,
Periyar University, Salem, INDIA



Publication History

Manuscript Reference No: IJIRAE/RS/Vol.11/Issue05/MYAE10114

Research Article | Open Access | Double-Blind Peer-Reviewed | Article ID: IJIRAE/RS/Vol.11/Issue05/MYAE10114

Received: 15, April 2024 | Revised: 21, April 2024 | Accepted: 28, April 2024 | Published Online: 30, May 2024

<https://www.ijirae.com/volumes/Vol11/iss-05/35.MYAE10114.pdf>

Article Citation: Uma,Palanivelu(2024). A Study on Difficulties Faced by Entrepreneurs While Exporting Products with Reference to Erode District. IJIRAE:: International Journal of Innovative Research in Advanced Engineering, Volume 11, Issue 05 of 2024 pages 664-667 **Doi:**><https://doi.org/10.26562/ijirae.2024.v1105.35>

BibTeX Key Nandhini@2024Study

Academic Editor-Chief: Dr.A.Arul Lawrence Selvakumar, AM Publications, India



Copyright: ©2024 This is an open access journal, and articles are distributed under the terms of the Creative Commons Attribution License; Which Permits unrestricted use, distribution, and reproduction in any medium, provided the original author and source are credited

Abstract: Difficulties faced while exporting are challenging and can delay the exporting process a lot, because of which the importer can easily switch to another exporter, even though having experience of exporting of more than 5 year with frequency of regular export, major difficulties faced by exporters are complex Export procedure as the export procedure includes some of the complex paper-work sometime the quality also played major role in export as the standard set by the importing country does not match exported goods quality. Language was also one of the barriers for communication which leads to misleading of information's. Letter of credit and documents against payment was most trusted method of payment of majority of the respondents, for the respondents who exports raw material are not more affected with cultural difference whereas exporters with finished goods are affected with cultural difference.

Keywords: Difficulties, Entrepreneur, Export, Frequency, Import.

INTRODUCTION

The problems faced by exporters are challenging and can delay the exporting process a lot. When Exporter start exporting goods or products, the main difficulties that exporters face when trading internationally are Geography and transportation, Payment methods, Different legal norms, Language barriers, Finding the right importer, Different customs and cultures, Currency risk, Transport Risks. It was noted that common problems faced by entrepreneur while exporting product was Export procedure, product quality, legal policies of both exporting as well as importing country. According to researchers Language barrier too plays major role in exporting activity, lack of information and other competitors too are considered as problems for export.

Export: Businesses that sell their goods and services to customers in other countries are exporting them – they are producing them in one country and shipping them to another. Exporting is one way that businesses can rapidly expand their potential market.

Entrepreneur: An entrepreneur is an individual who creates a new business, bearing most of the risks and enjoying most of the rewards. The entrepreneur is commonly seen as an innovator, a source of new ideas, goods, services, and business/or procedures.

LITERATURE REVIEW

Helena Miloloža concluded in their study- An Analysis of the Internal Barriers Hindering Croatian Export Companies (2016). The objective was to represents the ultimate strategic necessity that ensures a positive impact on long-term sustainable development and the acquisition of international experience. The data was collected by handbook of Indian Economy. Thus, concluding researcher concluded that Export strategies were created by the top management and largely depends on business policy. Reliability and the absence of exchange of information, as well as insufficient quality and availability of managerial personnel, especially those recruited for export activities were most significant problems noted by the researcher.

Gebreyohannes & Gebreslassie Gebrewahid has studied on Export Barriers and Competitiveness of Small and Medium-sized Enterprise in Developing Countries (2016) the objective was to investigate the export barriers and export competitiveness of the Ethiopian Leather Footwear manufacturing firms in particular and the industry in general.

The survey data is analyzed using factor analysis and MDS techniques tools used for the study was Both factor loadings and factor score coefficient results were both factor analysis and MDS techniques were used to identify the underlying factors and to cluster the selected firms of the industry based on the intensity of the perceived export barriers respectively. The finding of this research affirmed that human resource barrier is important in impeding the export activities of the firms. It is due to but not limited to lack of adequate skilled and experienced human capital. Previous studies such as inadequate export knowledge shortage of export-oriented managers, lack of adequate managerial capital exists, and difficulty in hiring specialized workforce.

Shaikh Nazmul Huda has studied on “Export Barriers for SMES” (2013) The purpose of the research was to find the major export barriers faced by the small and medium sized shrimp exporting companies of Bangladesh to the European market. Representatives of three small and medium sized shrimp exporting companies were interviewed to get primary data. The secondary data were collected from related literature and relevant internet sources. The thesis process was implemented by qualitative research process. The result of the research illustrates that the major barriers faced by Bangladeshi small and medium sized shrimp exporting companies are lack of finance for h+ exporting and excessive transportation cost. Besides that, there are some other barriers faced by the small and medium sized shrimp exporting companies in Bangladesh. The industry also lacks proper market research & advertising.

METHODOLOGY

In this study researcher has used Non-Probability Convenience Sampling. This research is based on primary data, and data was collected by Questionnaire method and interview method. The main aim of the Questionnaire method was to analyse exact number of people facing the problems like linguistic problem, finance problem, Marketing Problem, Infrastructural Problem, Exchange Rate, Problem in Communication, Lack of Information Cultural Difference, Different Legal Policies, Tariff Barriers, Intense Competition, Complex Procedure. The sample size was 50 for the research and was confined up-to Surat city. The Sampling technique used for the researcher was probability under which random sampling was used and Non-Probability Sampling, Purposive Sampling method was used for the study.

Data Analysis and Interpretation:

Table No 1.1 Frequency of Export

S.No	Particulars	Frequency	Percent	Cumulative Percent
1	Always	19	38.0	38.0
2	Very Frequently	10	20.0	58.0
3	Sometimes	18	36.0	94.0
4	Frequently	3	6.0	100.0
	Total	50	100.0	

Interpretation:

From the above table it is found that the sample unit comprises 19 respondents out of 50 Exports their product always that is on regular bases. 18 respondent their exporting activity sometimes, 10 Respondents perform very frequently and 4 respondents said that they export very frequently.

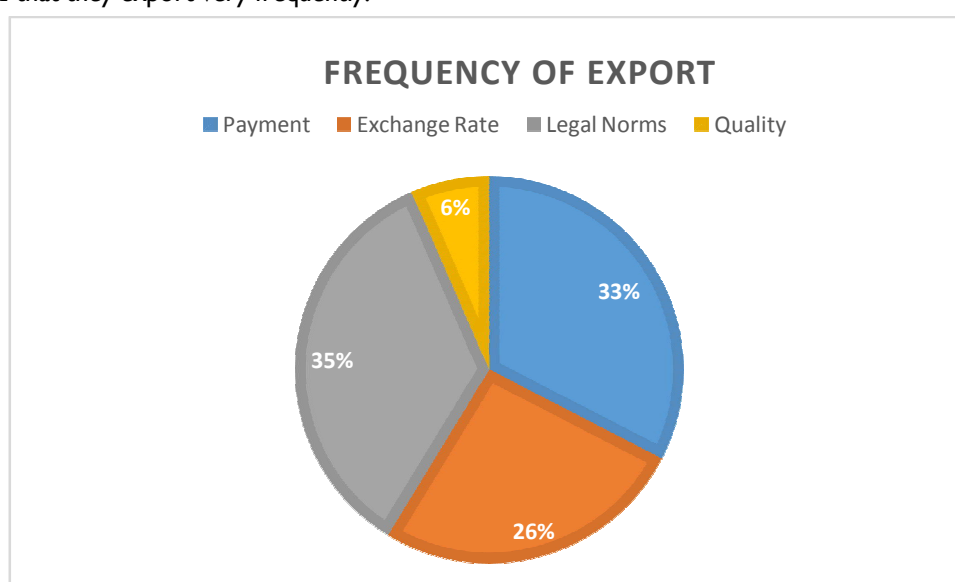


Table No 1.2 Difficulties of Export

S.No	Particulars	Frequency	Percent	Cumulative Percent
1	Highly difficult	19	38.0	38.0
2	Difficult	6	12.0	50.0
3	Neutral	18	36.0	86.0

4	Normal	3	6.0	92.0
5	Easy	4	8.0	100.0
Total		50	100.0	

Interpretation:

From the above table it is found that the sample unit comprises degree of difficulties in which out of 50 respondents, it was noted that 19 exporters faced Exporting activity highly difficult whereas, 6 Exporter out of total faced Exporting activity on difficult level, 18 Exporters found exporting activity as natural, 3 of total respondent termed Exporting activity Normal and 4 exporters found exporting easy.

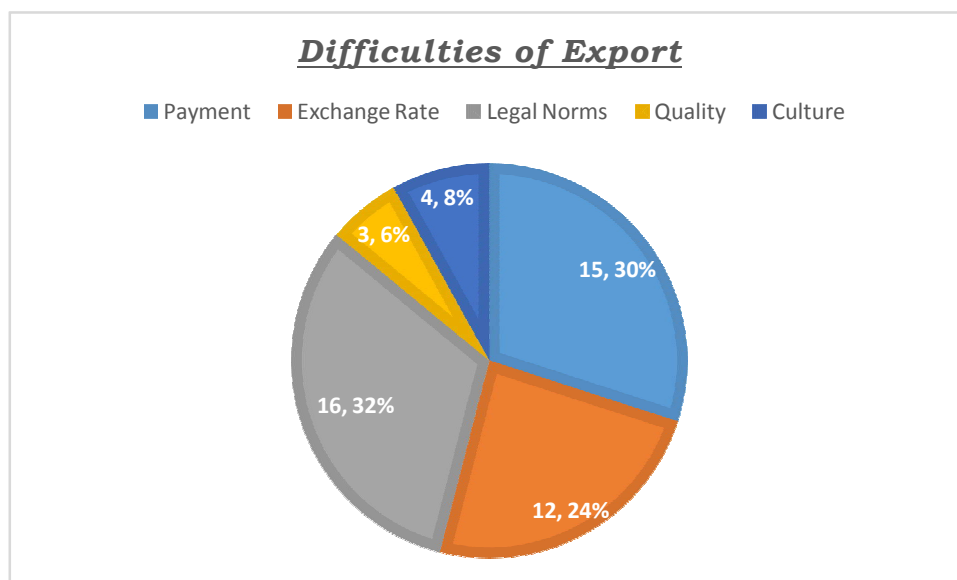
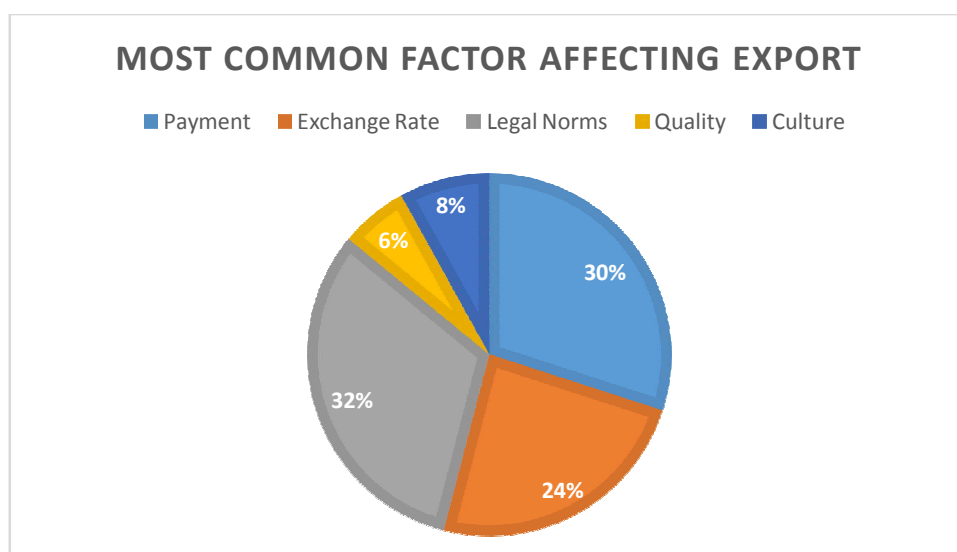


Table No 1.3 Most common factor affecting export

S.No	Particulars	Frequency	Percent	Cumulative Percent
1	Payment	15	30.0	30.0
2	Exchange Rate	12	24.0	54.0
3	Legal Norms	16	32.0	86.0
4	Quality	3	6.0	92.0
5	Culture	4	8.0	100.0
Total		50	100.0	

Interpretation:

From the above table it is found that the sample unit Most common factor affecting export in which out of 50 respondents, it was noted that 16 exporters faced Legal Norms, whereas, 15 Exporter faced payment method, 12 Exporters faced Exchange Rate, 4 Exporter faced Culture issue and finally 3 exporters only faced quality factor.



Finding and Suggestions:

There was a total of 50 answers received. About the A Study on Difficulties Faced by Entrepreneurs While Exporting Products. The researcher categorized three important group for analysing the Difficulties faced by entrepreneurs while exporting products.

- From the Frequency Analysis in the Frequency of Export is found 19 respondents out of 50 Exports their product always that is on regular bases. 18 respondent their exporting activity sometimes, 10 Respondents perform very frequently and 4 respondents said that they export very frequently.
- From the Difficulties of Export is found 19 exporters faced Exporting activity highly difficult whereas, 6 Exporter out of total faced Exporting activity on difficult level, 18 Exporters found exporting activity as natural, 3 of total respondent termed Exporting activity Normal and 4 exporters found exporting easy.
- From the Most common factor affecting export is found 16 exporters faced Legal Norms, whereas, 15 Exporter faced payment method, 12 Exporters faced Exchange Rate, 4 Exporter faced Culture issue and finally 3 exporters only faced quality factor.

Suggestions

Despite both the external as well as the internal challenges that new entrepreneurs have to face in the fast-changing world, there are several ways that entrepreneurs can practice in order to overcome the challenges faced by them. The suggestions to meet those challenges faced by new entrepreneurs will be onward to utilize the conveniences presented by banks, government and advance programmers.

CONCLUSION:

It was noted that major exporter was exporting from more the 5 years and manufacturing exporting method was most preferred method by the majority of the exporters who were exporting their product on constant basis. Major of the exporters found exporting activity highly difficult with the common factors like, Exchange rate, Middlemen and geography. Importing countries currency were having influence on exporting country. Letter of credit and documents against payment was found most trusted method of payment. Time management and lack of product design specification was the major problem noted in marketing area Exchange rate volatility, language barrier, difference in legal policy and tariff barrier are the major problem found in the field of exporting. From the results on perceived implementations Marketing, infrastructure, communication, tariff barriers do create effect while exporting products. complex procedure was found to be most affected problem while exporting products whereas Exchange Rate Volatility, Language Barriers, lack of information, cultural difference, different legal policies intense competition does not create effect while exporting products.

REFERENCES

- [1]. Huda, N. (2013). Export Barriers for SMEs: A Case Study of Bangladeshi Small and Medium Sized Shrimp Exporting Companies to the European Market.
- [2]. Ramakrishna, B., & Degaonkar, C. K. (2016). Rice Export from India: Trends, problems and prospects. National Journal of Research Granthaalayah, 4, 122-136.
- [3]. Rouzet, D., & Miroudot, S. (2013). The cumulative impact of trade barriers along the value chain: An empirical assessment using the oecd inter-country input-output model.
- [4]. Mpinganjira, M. (2011). Perceived benefits and barriers to export involvement: Insights from non-export.
- [5]. Siringoringo, H., Prihandoko, D., & Kowanda, A. (2009). Problems faced by small and medium business in exporting products. Delhi Business Review, 10(2), 49-56.
- [6]. Wąsowska, A. (2016). Perception of export barriers at different stages of the internationalization process- evidence from European SMEs. Journal of Entrepreneurship, Management and Innovation, 12(4), 29-50.
- [7]. Miloloža, H. (2016, September). An Analysis of the Internal Barriers Hindering Croatian Export Companies. In 2016 ENTRENOVA Conference Proceedings.
- [8]. Milanzi, M. (2012). The impact of barriers on export behavior of a developing country firms: evidence from Tanzania.
- [9]. Tesfom, G., & Lutz, C. (2006). A classification of export marketing problems of small and medium sized manufacturing firms in developing countries. International Journal of Emerging Markets.
- [10]. Arteaga-Ortiz, J., & Fernández-Ortiz, R. (2010). Why don't we use the same export barrier measurement scale? An empirical analysis in small and medium-sized enterprises. Journal of Small Business Management, 48(3), 395-420.
- [11]. Khiva, S. (2019). Challenges in exporting valves from India to European Union.
- [12]. Prasad, H. A. C., Sathish, R., Kumar, S. V., Singh, S. S. S., & Sharma, S. R. K. (2017). Reviving and accelerating India's exports: policy issues and suggestions. Government of India, Ministry of Finance, Department of Economic Affairs, Economic Division (Accessed by Sathish R, Kumar S, Singh S and Sharma R).