ISSN: 2278-4632
Vol-14, Issue-3, March : 2024

STRATEGIES FOR INDIAN PRODUCTS TO EXCEL IN INTERNATIONAL MARKETING: PATHWAYS TO SUCCESS

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ABSTRACT

In order to adapt to the globalised character of the current economic climate, corporations have had to expand their operations outside their native markets. Foreign market entrance strategies are essential for organisations to effectively establish themselves in foreign markets. Market entrance strategies provide organisations a strategic plan to penetrate overseas marketplaces. Companies have a variety of strategies at their disposal to sell their products worldwide. They will choose the most effective strategy depending on their objectives and the specific market they are targeting. Gaining a comprehensive understanding of market entrance tactics and their distinctions will assist you in determining which option provides the most advantages for your firm. The selection of entry mechanism is a very important part of doing international company. The process of selecting an international market entrance strategy is a decision made by an institution. It involves choosing the target market, entry technique, marketing plan, and control system. Choosing the appropriate entry method allows enterprises to effectively enter the desired overseas markets with all of their resources. This research study provides a thorough comparative review of several foreign market entrance tactics used by internationally functioning corporations.

Keywords: Foreign market entry, comparative analysis, global expansion, entry strategies, international business**,** etc.

I. INTRODUCTION

In the current fiercely competitive and globalised business landscape, organisations are progressively pursuing prospects beyond their native markets to broaden their activities and attain long-lasting success. Entering foreign markets has become a vital strategic choice for companies seeking to exploit new markets, get extra resources, mitigate risks, and enhance profitability. Nevertheless, venturing into international markets entails a multitude of obstacles, such as disparities in culture, intricate regulations, fierce rivalry, and uncertainties in the market. Hence, it is crucial for companies to comprehend and choose suitable market entrance tactics in order to thrive in their endeavours to expand globally.

Strategy refers to a comprehensive plan of action aimed at gaining a competitive edge (Keegan, 2002). In order to develop a successful strategy, it is essential to have a comprehensive comprehension of the distinct value that the company has. This value is what gives the company an edge over its competitors. Every method of entering foreign markets, as explained in the preceding section, requires a unique market strategy. The selection of the market entrance mechanism and strategy is an intricate decision. Typically, the management of a company has varying goals, products/services, and varied markets. Moreover, cultural issues play a significant role in international commerce, and the level of competitiveness is particularly intense, accompanied by a considerable degree of risk. During such situations, the firm's management must effectively devise strategies.

II. MARKET ENTRY STRATEGIES

Market entrance strategies refer to the strategic tactics used by corporations to effectively plan, distribute, and deliver their products to worldwide markets. The cost and degree of a company's authority over distribution might fluctuate based on the method it selects. Companies often choose a plan depending on the nature of their product, its worth, and if it need specialised delivery methods. "Companies should also take into account their existing competitors and the demands of consumers." In order to choose a successful approach, organisations ensure that their budgets are in line with their product considerations, which often enhances their likelihood of boosting income. The three key determinants that influence a company's selection of an international market entrance strategy are:

Control: Companies decide whether to enter the market independently or partner with other businesses when presenting their products to international markets.

Marketing: Companies consider which countries contain their target market and how they would market their product to this segment.

Sourcing: Companies choose whether to produce the products, buy them or work with a manufacturer overseas.

These are some of the most popular forms or modes of international market entry. Further, table below gives a brief idea about the merits and demerits of the different modes of entry.

Entry Modes	Advantages	Disadvantages
Non-Equity Modes: Contractual Agreements		
Licensing/ Franchising	❖ Low development costs ❖ Low risks in overseas expansion	❖ Little control over technology and marketing ❖ May create competitors Inability to engage in global coordination
Turnkey projects	❖ Ability to earn returns from process technology in countries where FDI is ❖ restricted	❖ May create efficient competitors ❖ Lack of long-term presence
Co-marketing	Ability to reach more customers	Limited coordination
R&D contracts	❖ Ability to tap into the best locations for certain innovations at low costs	❖ Difficult to negotiate and enforce contracts ❖ May nurture innovative competitors ❖ May lose core innovation capabilities
Non-Equity Modes: Exports		
Indirect Exports	❖ Concentration of resources on production	❖ Less control over distribution (relative to direct exports)

	❖ No need to directly ❖ handle export process	❖ Inability to learn how to operate overseas
Direct Exports	❖ Economies of scale in production concentrated in home country ❖ Better control over distribution (relative to indirect exports)	❖ High transportation costs for bulky products ❖ Marketing distance from customers ❖ Trade barriers
Equity Modes: Wholly owned Subsidiaries		
Acquisitions	❖ Same as green-field (above) ❖ Fast entry speed	❖ Same as green-field (above) except slow speed ❖ Post-acquisition integration problems
Green Field Projects	❖ Complete equity and operational control ❖ Protection of technology and know-how ❖ Ability to coordinate globally	❖ Potential political problems and risks ❖ High development costs ❖ Slow entry speed (relative to acquisitions)
Equity Modes: Joint Ventures		
	❖ Sharing costs and risks ❖ Access to partner's knowledge andassets ❖ Politically acceptable	❖ Divergent goals and interests of partners ❖ Limited equity and operational control ❖ Difficult to coordinate globally

III. MARKET ENTRY STRATEGIES FOR INTERNATIONAL MARKETS

Here are 10 market entry strategies you can use to sell your product internationally:

Piggybacking:

If your firm has connections with individuals employed by organisations that are now engaged in international product sales, it may be advantageous to explore the option of piggybacking. This market entrance technique entails soliciting other firms for permission to include your product into their international inventory. If your firm and an overseas corporation mutually consent to this agreement, both entities will jointly partake in the profits generated from each sale. To mitigate the risk of selling abroad, your firm might delegate foreign marketing responsibilities to its partner, enabling your company to concentrate on local retail operations.

Exporting:

Exporting entails promoting and selling the things you manufacture in the specific locations where you want to distribute them. Certain firms use direct exporting, a method in which they directly sell the products they create in overseas markets without the participation of any third parties. This strategy is commonly used by companies who offer luxury items or have previously marketed their goods in worldwide markets. Alternatively, a corporation might engage in indirect exporting by using the expertise of intermediaries, such as overseas distributors. Businesses often choose for indirect

ISSN: 2278-4632
Vol-14, Issue-3, March : 2024

exporting while they are in the early stages of expanding their worldwide distribution. Companies pay agents for their services, and indirect exporting often yields a return on investment (ROI) because to the agents' expertise in the areas they operate in.

Licensing:

Licensing is the process by which a firm grants another company the authority to use or market a product. A corporation may choose for this approach if it has a highly sought-after product and the potential licensee has a substantial market presence. For instance, a film production firm may provide a school supply business the license to use depictions of movie characters on backpacks, lunchboxes and notebooks.

Countertrade:

Countertrade is a prevalent method of doing international marketing indirectly. Countertrading operates as a system of exchange where corporations engage in the direct sale of each other's goods, rather than selling their own products. Although the system is lawful, it lacks certain legal rules that are often associated with other methods of entering the market. firms may address challenges such as effectively communicating the value of their products to other firms and striving to get items of comparable quality. Countertrading is a financially advantageous option for several firms as it might potentially free them from import limits.

Company ownership:

If your firm intends to engage in worldwide product sales without assuming responsibility for the transportation and distribution of your products, it might be prudent to contemplate the acquisition of an established company in the desired country of operation. Having a firm that is established in your foreign market enhances the legitimacy of your organisation as a local business, hence potentially increasing sales. Acquiring ownership of a company incurs higher expenses compared to typical methods of entering the market, but it has the potential to provide a significant return on investment (ROI).

Joint ventures:

Certain firms endeavour to mitigate the risk associated with entering a foreign market by establishing joint ventures with other companies that have intentions to sell in the global marketplace. Joint ventures, due to their resemblance to huge, autonomous entities rather than a merger of two smaller organisations, has the capacity to generate more income compared to individual corporations. This market entrance method has the potential danger of an asymmetry in corporate engagement.

ISSN: 2278-4632
Vol-14, Issue-3, March : 2024

However, by collaborating, both parties may build equitable procedures and mitigate the occurrence of this problem.

Outsourcing:

Outsourcing entails the delegation of certain areas of corporate operations to a third-party entity. As a market entrance strategy, it involves entering into a partnership with another firm to manage the overseas sales of your company's products. Companies that choose for outsourcing may cede a certain level of control over the sale of their goods, but they may rationalise this risk by the income they save on staffing expenses.

Franchising:

A franchise is a retail organisation that operates as a chain, where a person or group buyer purchases the right to oversee company branches on behalf of the company. Franchises are mostly found in North America, however they are present worldwide, and they provide firms with the chance to extend their operations internationally. Franchising necessitates a robust brand awareness, as it is crucial for customers in your specific industry to be aware of your offerings and have a genuine inclination to buy them. Franchising provides well-known brands with a means to generate profits by adopting an indirect management strategy.

Turnkey projects:

Turnkey projects are especially applicable to organisations who undertake the planning, development, and construction of new buildings for their customers. The phrase "turnkey" denotes the concept that the customer may effortlessly unlock and access a fully functional facility. If your customer base consists of foreign government entities, you might consider using this market entrance approach. International financial agencies often oversee agreements between firms and their foreign customers to guarantee that the companies provide top-notch service and that the clients make full payment.

Greenfield investments:

Greenfield investments are intricate market entrance methods that some corporations choose to use. These investments include the acquisition of land and resources for the construction of an international facility, as well as the recruitment of a personnel to manage its operations. While greenfield investments might expose a firm to substantial risks and expenses, they can also assist corporations in adhering to government laws in a new market. These investments primarily favour well-established corporations rather than newly founded businesses.

IV. CONCLUSION

Ultimately, the selection of a foreign market entrance strategy is a pivotal determination that may greatly influence a company's achievements in global marketplaces. The determinants of market entrance strategy selection have been examined. Gaining a comprehensive understanding of these elements is essential for making well-informed choices and ensuring that the selected strategy is in line with the dynamics of the target market and the capabilities of the organisation. An examination of effective and ineffective approaches to entering the market has provided insight into the factors that contribute to success and the factors that lead to failure. Key factors that have been identified as crucial for achieving success include comprehensive market research, the ability to adapt to local conditions, efficient implementation, strategic collaborations, and ongoing learning and adjustment. Conversely, failure may be attributed to insufficient market research, inadequate adaptability, inefficient partner management, limited resources, regulatory obstacles, and external market influences.

The study highlights the significance of strategic decision-making, risk reduction, and long-term development and sustainability, and provides management implications and suggestions accordingly. Managers must give priority to doing comprehensive market research, ensuring alignment with strategic goals, maintaining flexibility, selecting and managing partners, assessing risks and developing contingency plans, establishing local competencies, fostering continuous learning and innovation, and upholding corporate social responsibility. By adhering to these suggestions and adopting a proactive stance towards market entrance tactics, Indian companies may increase their likelihood of success, mitigate risks, and attain long-term development in international markets.

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