

A study on Difficulties Faced by Entrepreneur while Exporting Product with special reference to Glass Industry.

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Abstract

This paper indicates the problems faced by entrepreneurs while exporting product. 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. Since the problem is subjective in perception, questionnaire is used as the research instrument. Questionnaire was distributed to companies and was filled by their staff who is responsible to handle exporting activities. The result of the survey showed that the factors which affect exporting were Payment, Exchange Rate, Middle-man, Geography, Legal Norms, Different customs and cultures, Changing preference of customers.

Keywords- Entrepreneurs, Exports, Problems, Glass Industry.

INTRODUCTION

Entrepreneurs play a key role in any economy, using the skills and initiative necessary to anticipate needs and bring good new ideas to market. Entrepreneurs who prove to be successful in taking on the risks of a start-up are rewarded with profits, fame, and continued growth opportunities. Those who fail, suffer losses and become less prevalent in the markets.

Among the major problems faced by Indian exporters the crucial ones are poor quality image, high costs, unreliability, infrastructure bottlenecks, inadequacy of trade information system, supply problems, faceless

presence, uncertainties, procedural complexities and institutional rigidities, etc. When the country is trying its utmost to boost the exports, it is absolutely necessary that the documentation and procedural formalities related to exports are streamlined, simplified and kept to bare minimum. This way they will not become obstacles in the path of growth of country's export business.

Foreign trade is more complicated as compared to home trade of a country. There are many difficulties which are faced by a trader engaged in foreign trade. The following are the special problems or difficulties of export:

- Geography and transportation
- Payment methods
- Different legal norms
- Language barriers
- Finding the right importer
- Different customs and cultures
- Currency risk
- Transport Risk



LITERATURE REVIEWS

Khiva, Sumith (2019) has studied on Challenges in exporting valves from India to European Union? The main objective of the research was to identify the challenges faced by Indian SMEs in exporting valves from India to European Union along with possible solutions to overcome those challenges. Therefore, qualitative research method was selected and implemented for carrying out empirical study. For collection of data, three semi structured interviews were conducted in the research study, qualitative approach has also been adopted to do the empirical study. It has been noted that supplying valve parts to EU countries was easier instead of supplying finished products like fully assembled complete value.

Tanu M. Goyal, Arpita Mukherjee and Avantika Kapoor (2017) has studied on India's Exports of Food Products: Food Safety Related Issues and Way Forward. The objective of the research was to identify India's export problem This study, was based on secondary information analysis and a primary survey, tries to identify the food safety barriers that Indian exports face in key export markets, the issues identified in this paper can be resolved through three strategies: Implementing domestic reforms, through bilateral discussions, mutual

collaboration and knowledge sharing, etc., Raising the issue in multilateral forums such as the WTO.

Kanti Patel (2016) has studied on Understanding the weakness in global trade. This objective of the research was to assess up-to what extent the change in the relationship between global trade and global economic activity is a temporary phenomenon or constitutes a lasting change. Formal panel structural break tests were used as a tool of research. Concluding evidence suggests that the recent weakness was trade may constitute a “new normal” for medium-term global trade growth. Although some of the structural factors that supported rapid trade expansion was the past, such as expanding global value chains, reduced transport costs, declines in tariffs and support from financial deepening, seem to have largely run their course.

Sebastian Otten(2013) has studied on Language and Cultural Barriers in International Factor Movements This paper analyzes the effect of language and cultural barriers on different types of international factor movements, i.e., international trade flows, crossholdings of assets, and consolidated international banking claims the researcher follow common empirical practice and build on the gravity model of international trade, which has become the standard model for estimating the determinants of bilateral factor flows. The results show that an increase in the linguistic distance by one standard deviation decreases bilateral exports by 7.4% and both cross-border asset stocks and international banking claims by about 12%. Although the findings on the isolated effect of a country’s linguistic distance toward English (LDE) suggested highest significant and economically important effects across all specifications and datasets.

A.K.SEN GUPTA And P.K. KESHARI (2013) has studied on Study of Export Trade Financing in India with Particular Reference to Commercial Banks: Problems and Prospects. The specific objectives of the study were to: (i) analyses the trends of export financing in India with particular reference to credit by commercial banks, and (ii) assess the various problem areas relating to the present state of export financing and suggest suitable remedial measures. He studies involves analysis of both primary and secondary of information. The conclusion of the study was to retrospect the various liberalized policy measures adopted by the government and Reserve Bank of India to promote exports.

OBJECTIVE OF THE STUDY

- To determine the challenges faced by entrepreneur while exporting products.
- To investigate the factors that entrepreneurs take into consideration while exporting products.

RESEARCH METHODOLOGY

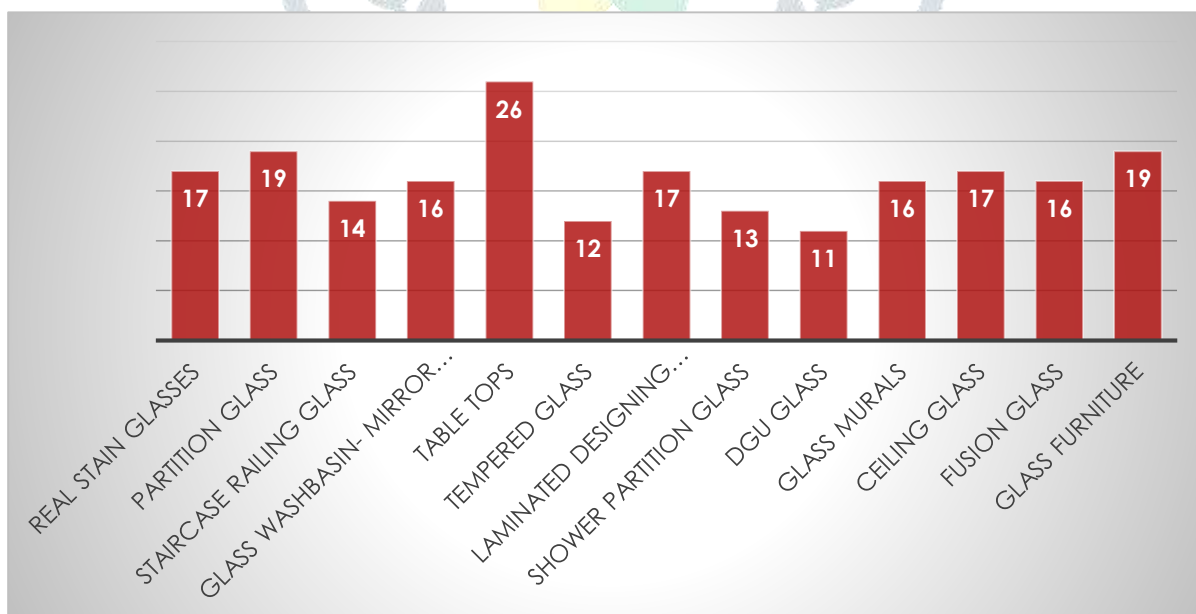
For obtaining complete and accurate information, descriptive research is chosen. Descriptive research includes surveys and fact-finding enquiries of different kind. The data used for the study is Primary data. The research instrument used in the study is Questionnaire method. - The area of study is Surat Region glass manufacturing and design company. Snowball technique is used as sampling technique. This technique is used in the situation

where the population is completely unknown and rare. There for we had taken help from the first element which we select for the population and asked him to recommended other elements who will fit the description of the sample needed. So, this referral technique goes on, increasing the size of population like a snowball. The sample size of the study is limited to 36 Respondents.

DATA ANALYSIS

Types of Glass Product exporter exports.

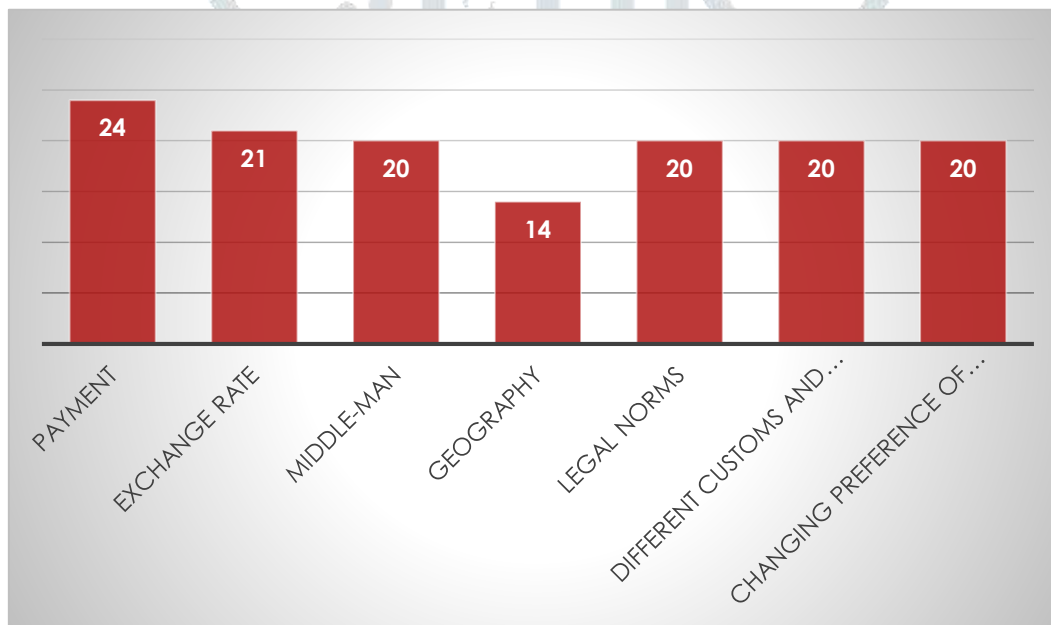
	Responses	
	N	Percent
Real stain Glasses	17	6.9%
Partition Glass	19	7.7%
Staircase Railing Glass	14	5.6%
Glass Washbasin- Mirror Set	16	6.5%
Table Tops	26	10.5%
Tempered Glass	12	4.8%
Laminated Designing Mirror	17	6.9%
Shower Partition Glass	13	5.2%
DGU Glass	11	4.4%
Glass murals	16	6.5%
Ceiling Glass	17	6.9%
Fusion Glass	16	6.5%
Glass Furniture	19	7.7%
Total	248	100%



It was found that most of the exporter exports table tops, Glass furniture, Partition Glass, Ceiling Glass, Mirror, Real stain Glass etc., whereas DGU Glass and Tempered Glass is least exported.

Most common factor affecting export.

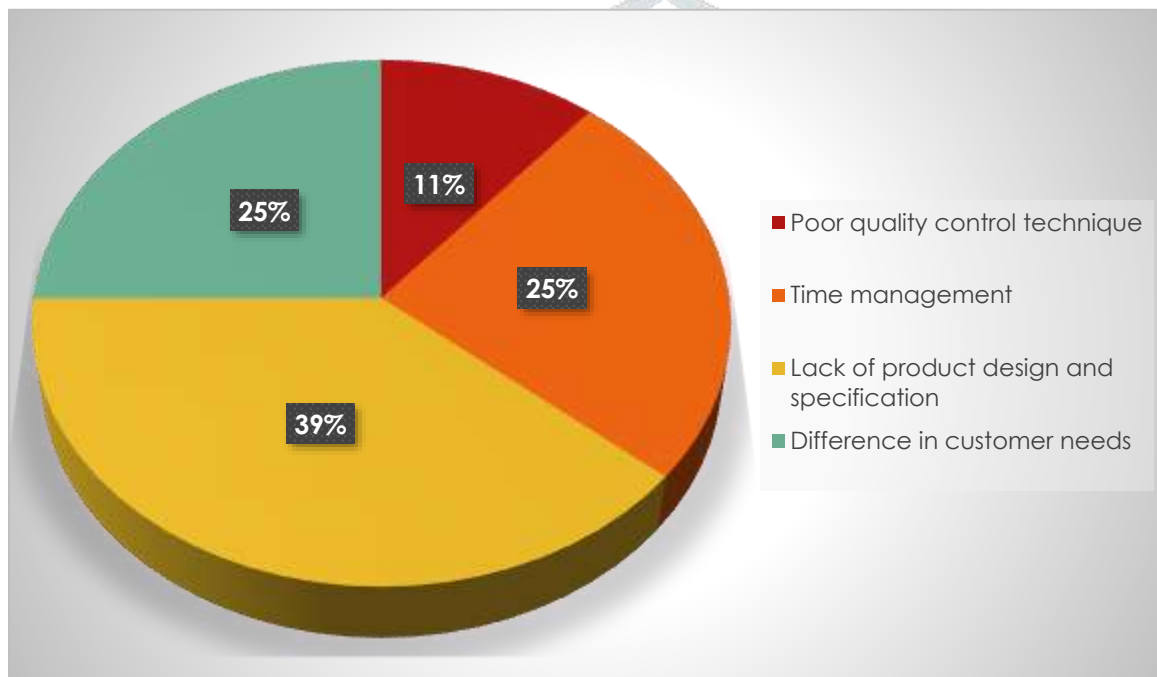
	Responses	
	N	Percent
Payment	24	17.3%
Exchange Rate	21	15.1%
Middle-man	20	14.4%
Geography	14	10.1%
Legal Norms	20	14.4%
Different customs and cultures	20	14.4%
Changing preference of customers	20	14.4%
Total	139	100%



The above table depicts the common factor affecting the export of the Entrepreneur. In which 24 respondents articulated that payment was the factor affecting their export. 21 respondents faced exchange rate as a difficult factor, 20 respondents said that middle man was the problem factor, whereas 14 respondents faced Geography as an exporting problem, 20 of the respondent said that Legal Norms as the issue factor for exporting 20 said that culture was problem factor of export and 20 respondents, responded for changing preference of customers as other problem.

Marketing problems that affect the export.

	Frequency	Percent
Poor quality control technique	4	11.1
Time management	9	25.0
Lack of product design and specification	14	38.9
Difference in customer needs	9	25.0
Total	36	100.0



It was found that,9 respondents faced the problem of time management while 14 respondents faced Lack of Product Design and Specification 3 respondents faced problem in Difference In Customer Need while 4 faced poor quality and control technique.

CONCLUSION

It was noted that major exporter was exporting from 5 years and Demand and Direct 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.

Financial problems, Exchange rate volatility, difference in legal policy and tariff barrier are the major problem found in the field of exporting.

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