

A Study on Challenges faced by Entrepreneur while Exporting Products

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Abstract—Problems faced while exporting are stimulating and it can delay the exporting development, because of which the trader can simply 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.

Index Terms—Entrepreneurship, Export challenges, Export competitiveness, Export compliance, Export documentation, Export financing, Payment and currency risks.

I. INTRODUCTION

An entrepreneur is someone who starts an enterprise or invests in a new business. Becoming an entrepreneur can be challenging, but it offers many rewards to those who have perseverance and can face the challenges of entrepreneurship. Entrepreneurship is not an easy path and there are various challenges faced by entrepreneurs. One of the most critical factors that can make or break a business is cash flow management. Successful businesses must learn to manage their cash flow efficiently to avoid financial difficulties. Entrepreneurs struggle with self-doubt, especially when they face setbacks or failures.

However, it is essential to learn from these experiences and stay focused on their goals. Hiring employees is also a significant challenge for entrepreneurs as they need to find the right people to help them achieve their vision. People often think that entrepreneurs are born with all of the skills that are required to create a new venture but that's not always the case. The skills are acquired through the problems faced by entrepreneurs when starting a business. Becoming an entrepreneur doesn't always require a huge amount of money or knowledge about how to manage finances or marketing strategies. In fact, entrepreneurs often turn out to be quite resilient because they have had so much practice overcoming challenges of an entrepreneur and other obstacles faced by entrepreneurs as they work on their new ventures. Entrepreneurship can be a tough career choice, particularly for women and social entrepreneurs, who face unique challenges. The challenges entrepreneurs face may include a lack of access to funding and support. On the other hand, social entrepreneurs face the challenge of balancing financial sustainability with social impact. Despite these challenges, female and social entrepreneurs often exhibit remarkable resilience. They are used to overcoming obstacles and self-doubt as they work towards their goals. This resilience can be a critical factor in their success as they navigate the ups and downs of entrepreneurship.

CHALLENGES FACED BY ENTREPRENEUR WHILE EXPORTING

Infrastructural constraints

Exporters in India often need more infrastructure facilities in ports, airports, and logistics. These constraints make it difficult for exporters to meet the

demands of their foreign buyers on time, resulting in delays and added costs.

Regulations and compliance:

Exporters in India often face a complex web of regulations and compliance requirements that they must adhere to. This includes compliance with various laws and regulations such as customs, foreign trade policy, and export-import management.

Competition from other countries

India faces intense competition in the export market. Exporters in India often need help to compete with other countries' low labour and production costs, making it difficult for them to remain competitive.

Currency fluctuations

The Indian rupee has been fluctuating against other major currencies, making it difficult for exporters to predict their profits and plan their business strategies.

Lack of skilled workforce:

The export industry in India often needs a more skilled workforce. This includes a need for more professionals trained in export-import management, logistics, and other related fields. Despite these challenges, there are several ways in which exporters in India can overcome these problems and succeed in the export market. Some of these ways include,

Investing in infrastructure

Exporters can invest in upgrading their infrastructure facilities, such as ports, airports, and logistics, in improving their ability to meet the demands of their foreign buyers on time.

Compliance and regulations

Exporters can invest in compliance and regulations management services to ensure that they adhere to all the laws and regulations related to export-import.

Developing new markets

Exporters can diversify their market base by developing new markets and exploring new export opportunities. This will help them to reduce their dependence on a single market and reduce the impact of competition.

Hedging against currency fluctuations

Exporters can hedge against currency fluctuations by using financial instruments such as forward contracts and options.

Skilled workforce

Exporters can invest in the training and development of their workforce to ensure that they have the necessary skills and knowledge to Succeed in the Export Market. This can include enrolling in an export-import management course.

II. REVIEW OF LITERATURE

A. Review Stage

Lavanya and Nabirasool (2016) studied the emergence of entrepreneurs in India depends upon closely interlinked economic, education, social, cultural, religious, psychological and institutional variables. These variables ultimately account for influencing and molding the attitude towards business and industry. With the introduction of innovative methods and scientific management under the patronage of the state entrepreneurs can be expected to be successful in future. They may be mobilized and may lead to the nation towards the path of progress and prosperity. Thus, can be very effective agents of change for better homes, better society and ultimately for robust economy in the present global scenario. It is evident from the study that are ready to face the challenges associated with setting up of business. Society is very much receptive to the concept of entrepreneur. are not into business for survival but to satisfy their inner urge of creativity and to prove their capabilities. education is contributing to the social transformation.

Xuequn Wang et.al (2015) analysed the various studies using structure equation model. Misspecification is common and it comes to 53.9 percentage. This would rather distort the results.

Mandler et al. (2021) also recommend the introduction of new theories that will help the export marketing strategy field transcend its current state of inertia. The focus on delegated export arrangements and recognition of the pivotal role of foreign intermediaries in attaining performance suggests agency theory as an explanation for the effectiveness

of exporters’ promotion programs. Agency theory, a theory of delegation (Gibbons, 2005), examines how a principal in a relationship delegates work to an agent. Agency theory is particularly well suited to studies in which exporters are represented by local intermediaries that perform various marketing functions on their behalf (Obadia et al., 2015).

Helena Millalos (2016) concluded in their study- An Analysis of the Internal Barriers Hindering Croatian Export Companies. 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.

III. RESEARCH 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.

IV. DATA ANALYSIS AND INTERPRETATION

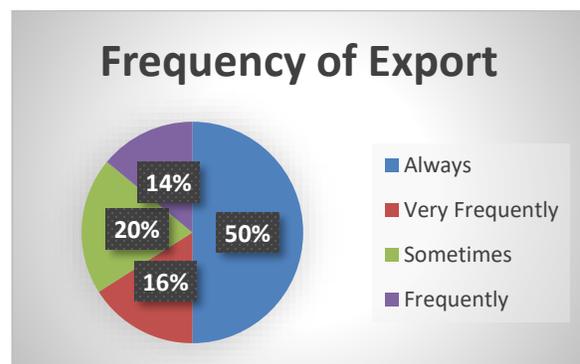
Interpretation:

From the below table 1.1, it is found that the sample

Table No 1.1 Frequency of Export

S.No	Particulars	Frequency	Percent	Cumulative Percent
1	Always	25	50.0	50.0
2	Very Frequently	08	16.0	66.0
3	Sometimes	10	20.0	86.0
4	Frequently	07	14.0	100.0
Total		50	100.0	

unit comprises 25 respondents out of 50 Exports their product always that Is on regular bases.10 respondent their exporting activity sometimes, 8 Respondents perform very frequently and7respondents said that they export very frequently.



Interpretation:

From the below table 1.2, it is found that the sample unit comprises degree of difficulties in which out of 50 respondents, it was noted that 15 exporters faced Exporting activity highly difficult whereas, 8

Exporter out of total faced Exporting activity on difficult level,16 Exporters found exporting activity as natural,5 of total respondent termed Exporting activity Normal and 6 exporters found exporting easy.

Table No 1.2 Difficulties of Export

S.NO	Particulars	Frequency	Percent	Cumulative Percent
1	Highly difficult	15	30.0	30.0
2	Difficult	8	16.0	46.0
3	Neutral	16	32.0	78.0
4	Normal	5	10.0	88.0
5	Easy	6	12.0	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 14 exporters faced Legal Norms, whereas, 13 Exporter faced payment method, 10 Exporters faced Exchange Rate, 6 Exporter faced Culture issue and finally 7 exporters only faced quality factor.

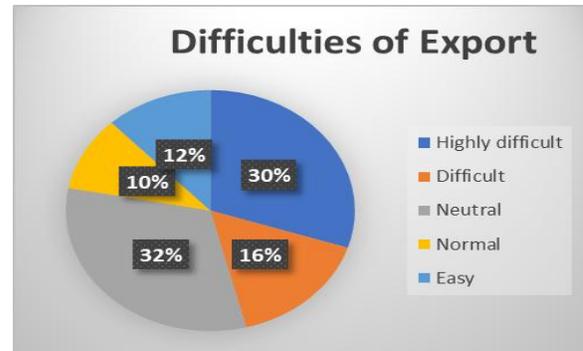
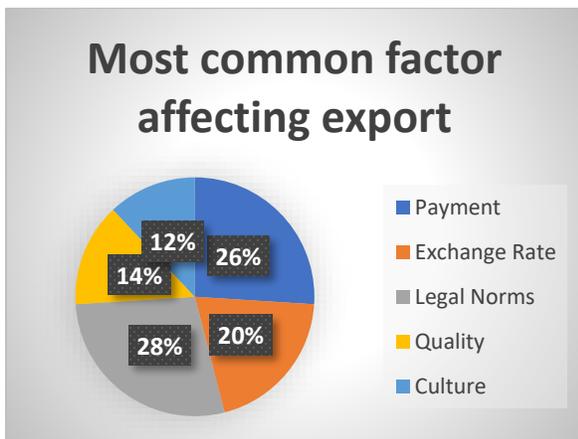


Table No 1.3 Most common factor affecting export

S.NO	Particulars	Frequency	Percent	Cumulative Percent
1	Payment	13	26.0	26.0
2	Exchange Rate	10	20.0	46.0
3	Legal Norms	14	28.0	74.0
4	Quality	7	14.0	88.0
5	Culture	6	12.0	100.0
Total		50	100.0	



V. 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 analyzing 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.

VI. 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.

VII. 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.

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