



“EXPORT MARKET CHALLENGES OF MARINE PRODUCTS EXPORTERS FROM KERALA”

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ABSTRACT This study titled “EXPORT MARKET CHALLENGES OF MARINE PRODUCTS EXPORTERS FROM KERALA”, aims at investigating the Export Market challenges affecting the Export performance of marine products exporters with special reference to Kerala. A descriptive research was conducted for this purpose. It involved a detailed questionnaire survey consisting of 26 questions on the export market challenges and information on the export unit profile obtained from a sample of 68 export companies selected by cluster sampling method. The hypotheses tested for this purpose examine whether the challenges have significant impact on the export performance of marine products exporting companies in Kerala. The analysis of data also focused on the underlying dimensions in export market challenges using factor analysis, influencing the export performance. The analysis was also collated with secondary data on the marine products export scenario in India and Kerala to examine the factors affecting deceleration of growth and performance of Marine products export companies in Kerala. The Export Market challenges were found to have a proven impact on the export unit’s performance with 64.7% impact. It can be seen that difficulty in forecasting international market trends and remaining globally competent with international standards and strategies pose the major challenges are the leading factors among the many facets of export market challenges faced by the marine products exporters from Kerala.

KEYWORDS : Kerala Marine Products Export, Export Performance, Export Market Challenges, International Business

INTRODUCTION

The international trade in fish and fishery products has been growing steadily, the primary motivation being the rising trend of consumption in major market such as European Union Countries and United States of America and Asia and other developing countries. The last two decades have witnessed acceleration in the international trade in fish and fishery products. It will continue to expand because of the growing demand in the major consuming markets which will not be fully met by domestic sources of supply. In several major markets, the demand domestic supply gap is projected to expand indicating their increasing dependence on marine products imports in future. In addition to that, the establishment of a number of marine products processing companies in countries like China, Thailand, India and Vietnam also resulted in the boosting up of fishery trade in processed form (Hajjah et al., 2014).

The fish and fisheries industry is a booming business worldwide where the value of fish trade continues to increase. The developing countries accounted for all of the increase in fish production in past years. Many developing countries stepped up their efforts to exploit the marine fishery resources. Further, there has been a considerable increase in the aqua-culture production. The future increases in production will have to come, by and large.

Kerala the southernmost state of India is blessed with coastal area in Arabian Sea consisting of 7.7% of the total coastal area of India. Kerala is one of the most important maritime states in the country with 590 km coastline, contributing significantly to the Indian seafood industry. The major marine products exported from the State include frozen shrimp, prawn fish, cuttlefish, squid, dried items like shrimp, shark fish, cuttlefish bones, fish maws, canned shrimps, lobster, crab, clam, mussel, squid tubes, aquarium fishes, fresh fish etc. Frozen items like shrimp, fish, squid and cuttlefish constitute 90% of marine export from the state. Kerala contributes to 8% of India’s total fish production. Kerala fisheries sector contributes to 1.46% to the state’s GDP. India’s contribution to marine exports on the total exports of all commodities is 12% and Kerala’s contribution to India’s marine exports is 18%. Kerala contributes 18 percent by volume and 18 percent by value to India’s marine product export. Kerala ranks 4th position in terms of growth rate in marine exports (Directorate of fisheries, Kerala, 2016). Even though, there has been considerable increase in the export performance of marine products, there are some export market challenges inhibiting the export growth. Hence, this study tries to understand those challenges to overcome the challenges and increase the export performance.

LITERATURE REVIEW

Over the past few years, safety has become topical subject eliciting a great deal of public concern particularly in the developed countries, where food safety offences are now regarded at Government level. Now, exporting marine products to developed countries become difficult task due to implementing a lot of rules and regulations by importing countries. To ride over this problem, few basic things are needed to implement by Indian seafood exporters. These are standard quality products, creation of a universal branding which can represent Indian product under a single name, strong advertisement and promotion strategies and value addition to the products.

Any and Raju (2016) pointed out that shrimp constitute a most important share in marine products export earnings of our country. The bargaining leverage and the buyer volume of marine products are very high. The market is further characterized by changing preferences due to increasing health awareness. Prices are very sensitive. There are differences in day to day prices due to price mechanism in the open market. The success of fish and fishery export processing industry can be attained by minimizing the cost of production with high quality standards achieving economies of scale. For this marketing distribution and supply chain channels should be efficient and should keep up good industrial relations with product and process innovation. Common problems like lack of good packaging material, bad quality cartons, incorrect information on the labels on the carton boxes, spots on the skin of the products due to insects and fungus are the common quality issues from Kerala exporters. Fish boxes often are damaged due to rough handling during the transport. Lack of information regarding the packaging demands of the buyer also may be a reason for various packaging and labeling issues in the marine products export processing industry which may lead to rejection. It has also been noticed that the fish products are sometimes transported by not maintaining the proper temperature due to various reasons resulting in deteriorating of the quality of the products before reaching the destination. In some instances the process used for packing materials which had not been tested for tensile strength, puncture resistance and transport worthiness.

Other Marketing issues are competition from branded firms, lack of export orders, lack of market infrastructure, changes in the market trends, delay in the approval of importing countries, and lack of quality control measures. The important issue in Marketing is the changes in the international market trends and the competition from the branded firms. Hence, the exporter should be aware of the risk elements, marketing returns, current trends and opportunities in the marine

products export. A structured market infrastructure is must and proper documentation and relevant clearance certificates should be prepared according to the requirement of the importing countries to avoid delay in the approval of importing countries. Lack of export orders is another issue faced by the industry and this is interlinked with lack of quality control measures. Once the company's reputation gets strained due to quality issues of rejection and detention and they automatically face the related issues in marketing.

Raju (2016) stated in his research paper entitled "Seafood Export Processing Sector in Kerala - Issues and Challenges" that the demand side issues are mainly quality issues related to international standards and regulations. To ensure the quality of exported seafood, the processing units have been gradually instructed to follow the international quality management system, such as Hazard Analysis and Critical Control Points (HACCP) created by Food and Drug Administration (FDA) and the National Oceanic and Atmospheric Administration (NOAA), the Seafood Quality Management Criteria by Canadian Fishery and Marine Ministry and the related regulations by the European Union. HACCP system is important for maintaining food safety in fish export processing business. The development of national standards for food safety and quality assurance ensure acceleration of export performance as well as upgrading the quality of domestic market. Value addition being the thrust area for increasing marine products export from India, it is necessary to equip the marine products processors to create state-of-art technology in handling, preprocessing, processing, packaging, warehousing and transportation. New facilities of value addition need to be created and the existing facilities needs to be expanded and additional facilities for value addition should be created. Marine products are very versatile ingredient and is suitable for all kinds of cooking, including grilling, baking, poaching, frying, in curries and kebabs. Price movement depends on demand and supply and both factors are hard to predict in the shrimp export business. At present the price is fixed in the international market with the help of information technology and the negotiations for price is done through email, phone, or fax. The purchase of raw material price offered by the firms to the fishermen depends to a great extent on the price that the importers are ready to offer them. Value added fishery products marketed in consumer packs requires more demand in abroad.

Sam, (2015) stated that market challenges international business are bureaucratic requirements, quality requirements of the foreign countries and non-tariff barriers in marine products export market. These variables export market challenges and subsequently market barriers. The firm's market barriers tend to have a widely varying nature and include distinctive foreign consumer preferences, unfamiliar business protocols and practices, the obligation of regulatory import controls by foreign governments and severe competition.

The problems relate to the technical adaptability and the lack of knowledge of market requirements or a lack of resources to meet the requirements a result of poor quality control techniques, poor quality of raw material, packaging and labelling requirements, product design and specification. Inexperienced exporters may find it difficult to export standardized products and rely on the importers branding, design and promotional skills. Therefore bureaucratic requirements, quality requirement of foreign firms and non-tariff barriers can be adequately grouped under export market challenges. Building up strong customer partnerships, good market research, and excellent quality of products, reliability of supply, price competitiveness and attractive packaging are the key to the success of the marine products export business. The strategic export business unit has been able to bring the product to the international market faster than its competitors. Marine products export industry in Kerala is characterized by lack of domestic competition. The competition among existing competitors in the international market is very high. The firms are trying to diversify production processes for export, but a large number of export firms in Kerala seem to be competing for the same customers and resources in export market.

Parish & Freeman, (2011) found that increasing complexities in the international business environment, greater emphasis has been placed on the importance of building relationships and foreign networks. International relationships or networks, both personal and organisational, are important for export start-ups. International relationships also have the added advantage of decreasing firms' costs

for collecting new data on new markets. In fact, long term, quality relationships offer advantages to all parties involved as firm resources are leveraged through joint efforts. Moreover, found that commitment to long term relationships with international partners greatly improves and sustains a firm's export propensity. Even though it can take a considerable commitment and investment of time, managerial effort and capital to create and sustain international working relationships, the investment of time and money to foreign networks and business relationships will decrease a firm's internationalisation costs.

Stoian et al., (2011) had analyzed a paper on Export performance. The paper explicates that the management foreign language skills and international business knowledge, firm's export commitment as well as the technological intensity of the industry are the most influencing antecedents on export performance. Focusing on one the particular market is practical because challenges faced by international companies are different in various markets. Every country has its own individual uniqueness and specific cultural distinctiveness (**Gupta et al., 2011**). Developing and maintaining export business relationships through regular interactions, sharing information and building trust are considered important practices to reduce the lack of knowledge between companies. Experience with each other through business activities and business visits, that is, experience gained on the basis of commercial and social activities help develop trust each other. Experience with each other is a fundament to develop trust; it is through experience that you get to know if your business partner is reliable. The presence of trust also enables the business partners to focus on the long term advantages of the relationship. It is a challenge for home based sales people to develop in depth knowledge and establish customer contacts, especially when the international business environment is unfamiliar. Establishing a sales office in one of the promising cities in abroad could be a policy worth considering because it could make the company better prepared to become part of social networks, which is essential in the Indian business community.

RBI (2009) in their annual report "Economic Review" stated that consumer preferences and demand patterns eating habits vary greatly from one market to another. Certain species which are in great demand in some markets may be non-exist in certain markets. Even when the same species is widely used in different markets, product forms and product attributes demanded may vary significantly. Further, within a market, there may be different segments on the basis of demand patterns, for the same species, consumer preferences may change over time.

Jennifer et al., (2007) reported that there are several factors to consider when labeling seafood, such as: species' identity, country of origin, production method and potential eco-labels. Primarily because consumers are generally unfamiliar with marine products, each of these factors can be an opportunity for mislabeling. In contrast, wholesalers are very familiar with their products. Mislabeling is most often done by distributors and the final retailers (e.g., fishmongers and restaurants) for the sake of increased profits. A further complicating factor is that many labeling regulations only apply to wholesalers, not restaurants. The widespread mislabeling of seafood negatively affects consumers in terms of price, their ability to make eco-friendly purchases, and potentially their health.

Goyal (2004) reported that food consumption patterns of urban consumers are changing nowadays. Middle income and urban consumers spend their income on upgrading and diversifying their diet toward high value marine products. Besides, the educated younger customers in the big cities are more open to foreign brands, and consumers in the big cities are also becoming more conscious in terms of nutritional diet, health, and food safety problems. Customers are highly price sensitive and are willing to replace a brand if the price is lower regardless of the newness of the product. Consequently, the exporter must thoroughly consider taste preferences of the customer and promotion activities as well as packaging and pricing.

According to Ottesen et al., (2002) differentiation Strategy could be in the form of product development or brand development. To match with the consumers or customer requirement, there is need of investment to improve the efficacy of the R&D divisions of Indian marine products sector to make the product physically and perceptually better than other country brands. Market research is, however, costly and specific skills are required both in conducting, analyzing and using research. Upstream export units pursuing a

quality-based differentiation strategy must take into account the fact that not all consumers are willing to pay a price premium for high quality products, implying that segmentation is important to find the "right" customers. In the price oriented shrimp market, this seems particularly important. Consumer uncertainty regarding product quality is very high in shrimp product. So there is a problem that consumers will seek the best bargains to minimize the risk of being cheated. This implies that cheap products of low quality will be preferred and that in the long run high quality producers will be driven out of business. Consumers' uncertainty regarding quality is mainly an "information problem" in that customers lack information when making their evaluation. Customers can be informed in several ways, for example, brands and labels provide information to customers, for instance, found that a favourable brand perception had a positive effect on perceptions of quality, value, and willingness to buy products. Another strategy to reduce consumer uncertainty is the use of a quality certification mark issued by a third party.

The branding strategy stands for the brand identity. The conception of brand identity was mentioned for the first time in Europe by Kapferer in the year 1986. The conception of brand identity includes the uniqueness, meaning, aim, values, and personality and provides a possibility to position the brand better, and, thus, achieve the competitive advantage. Brand is defined as a voice that consumers should hear because brands survive in the market because of communication. Kapferer's prism emphasizes the brand identity through six elements (i)Physical factors - the first step building up a brand is the identifying product look wise. Physical appearance is closely connected with a brand prototype, revealing the quality of a brand. (ii)Brand personality - with a help of communication brand character is being developed and it can express effectively about the uniqueness of its goods and services and indicates a particular human person. (iii)Culture - brand is a representative of its culture, including communication. From this perspective culture entails a lot of values that provide brand with inspiration. (iv)Relationship - it builds a relationship as brands frequently used. (v)Customer reflection - consumers can easily define what goods of a particular brand are produced for a particular type of consumers. (vi)Consumer self-image - it helps to create understanding of consumer self-image that is the features with which consumers identify themselves.

Leonidou (2002) have attempted a study on marketing strategy determinants of export performance: a meta-analysis. This empirical study tried to throw light on analysing the relationship between marketing strategy variables and export performance, to examine business concerns engaged on manufacturing consumer and/or industrial products and also focused on direct and indirect methods of export. Their research results explain that, there was a strong association between export marketing strategy and export performance. They had suggested that a formulated sound export marketing strategies was required to assist business managers to achieve success in international markets. There must be a connection between market segmentation, pricing strategy, dealer support, product quality and advertising to show positive performance in export markets.

Swamy (1994) examined the opportunities for Indian marine products in USA and found that the market share of Indian marine products in the US had marginally dropped due to shortage of peeled and undeveined shrimp and a significant change in the off take of farm raised shrimp products. This situation could be improved by focusing the export strategies towards three major directions such as image building for our products, increasing the production through aqua farming and enhancing the supply of value added products.

Anon, (1992) stated that the rapid increase in farm production, mostly by developing countries, has recently led to oversupply and resultant market slump in respect of certain species like shrimp and salmon. This problem is likely to recur in future because of further advances in aquaculture. More than 40 countries 30 are already engaged in shrimp farming and several others are planning. Thus, the growing competition between suppliers is an important feature of the international seafood market. It appears that, as a strategic move to diversify the sources of supply, to reduce the dependence on a few sources, like India for shrimp, Japan encouraged and assisted development of fisheries in other countries, particularly in the South-East Asia. 'The spurt in the farmed shrimp production has very significantly altered the market forces in favour of the buyers. The

progress of shrimp farming has made it possible for suppliers to get the required type of shrimp at the required quantity.

Williams et al., (1991), had revealed a study on "Packaging for Export - A case study of underutilized species of finfish". They had examined packaging problems associated with development of a new export market for underutilized species. Their study concentrated on estimating square footage needed for shipping when the product was packed by weight, deterioration in product quality, primarily associated with the destruction of the carton during shipment, failure of packaging to portray a quality product and failure to communicate consistent information. The packaging constrain includes other constraints like processing technology, methods of transportation, the product, markets, and economies. They have recommended that there was a need for closer cooperation and coordination among the processors.

According Keller (1998), in order to overcome challenges in export market, it is important to consider branding as a strategic imperative. Building a strong brand can be thought of as a series of steps. The first step is to ensure identification of the brand with customers and an association of the brand in customers' minds with a specific product class or customer need. The second step is to firmly establish the brand meaning in the minds of customers (i.e., by strategically linking a host of tangible and intangible brand associations). The third step is to bring out the proper customer responses to this brand identity and brand meaning. The final step is to convert brand response to create an intense, active loyalty relationship between customers and the brand. Looking at the issues and challenges faced by the Indian exporters two pronged approach for branding Indian marine shrimps is recommended. These two approaches would encompass both value addition to the physical product and its functional benefits as well as creating a distinct identify awareness and preference for the proposed brand. This would lead to value addition in terms of the intangible benefits. Endorsement provides credibility and helps smaller brand leverage, which provides the benefits of a consolidated branding and market development approach so Indian exporters can be better equipped to fight threat from other competitors.

Douglas & Craig (1989) stated that a market orientated company is one that organizes its activities, products and services around the needs and requirements of its customers. In contrast, a product orientated company produces exciting and interesting products and seeks to demand-supply for goods. Widely accepted that improving the sustainability of seafood product requires a continuous customer oriented revise. To make a product life cycle more sustainable, value addition as per the customers preference is needed. Though several exporters also export in consumer packs, in addition to the bulk packs, exports in consumer packs are negligible.

Indian exports in consumer packs are often repacked abroad and sold under foreign brand name. Thus, Indian seafood has a 'faceless' presence abroad because of the repacking and marketing under foreign brand names, the ultimate consumers, and in several cases even the retailers, do not know that the product is Indian. Foreign importers do not encourage exports in consumer packs and sale under Indian brand names as these would eventually lead to the loss of the importers' control over the business. Indeed, any attempt by the Indian exporters to establish direct contacts with foreign consumers or retailers is strongly resisted by the importers for this reason. One of the large Indian exporters established a depot abroad to ensure smooth supply and to establish close link with the distribution channel. However, it had to be wound up soon because of non-cooperation and, perhaps, retaliation by the importers. It was reported by one exporter that while a branch was being set up in New York, he was threatened by the seafood trade mafia there.

Douglas & Craig, also reported that unfair competition between the exporters makes the situation worse in India. Several exporters feel that the importer's agents in India pass on to the importers information which adversely affects the interests of the exporters. There is often undue delay in leasing out government owned brackish water and other areas for aquaculture. Bureaucratic hurdles are many at time too disappointing unbearable and discouraging. Even today exports of many products are hampered by our technological backwardness. Even several of those sectors identified as thrust sectors for export development suffer from this problem. Although government has identified 14 product groups as thrust items for export, the production

capacity for most of these items in the country is small. The range is limited, the design, finish and packaging is not up to the world standards and efforts have been lacking in modernization, technological upgradation, product development and research. In most of these product groups, there is an urgent need to increase the production volumes, inject new technology, improve quality standards, upgrade product designs and finish and intensify market penetration efforts.

Panchamukhi (1989) pointed out that the packaging and labeling, is an important stage after manufacturing of goods or at the time of cargo preparation for shipment. Labeling requirements differ from country to country and the same should be ascertained well in advance from the buyer. The label should indicate quality, quantity, method of use etc. Packaging fulfils a vital role in helping to get export products to the market in top condition, as well as in presenting export goods to the overseas buyer in an attractive way. While packaging, quality should not be compromised merely to cut down costs, packaging should also be in conformity with the instructions issued by the importer. Packing refers to the external containers used for transportation. Before packing and sealing the goods, it should be ensured that all the contents are properly placed in the case and the list of contents of packing notes should be prepared so that the buyer, the customs authorities and the insurance authorities can easily check the contents of each and every case. Marking means to mark the address, number of packages on the packets. It is essential for identification purpose and should provide information on exporters' mark, port of destination, place of destination, order number and date, gross, net and tare weight and handling instructions. Care should also be taken to ensure that the marking conforms to those written in the invoice, insurance certificate, bill of lading and other documents. The international cargo handling co-ordination association has set out for the use of exporters a number of recommendations for the marking of goods carried by ocean-going vessels.

RESEARCH METHODOLOGY

The Research methodology details the research framework, research design, scaling techniques, sampling plan, data collection instrument, and data analysis. Through pilot study, appropriate hypotheses of the Research problem at hand were identified. The validity and reliability of the survey instruments were also clarified to ensure their suitability.

Objectives of the study

- To examine the Export Market challenges of marine products export business in Kerala.
- To understand whether Export Market challenges have a significant impact on the performance of the marine products export units.

The conceptual framework of the study presented as below



Primary Data Collection

Primary data have been collected to examine the Export Market challenges of Marine Products Export units in Kerala. A personally administered questionnaire was used to gather the information required.

Reliability and Validity

Test of significance was computed to the reliability and validity of the tests and scale by employing the formula $t = r \sqrt{(n-2) / (1-r^2)}$ as suggested by Edward (1979). The reliability and validity are statistically significant. They are presented in the following tables:

Reliability Coefficient, test of Significance and Level of Significance (N=50).

SL.No	Variable	Reliability correlation co-efficient ®	t-value	LS
1	Export Market Challenges	0.12	1.97	0.01

Significant at 0.01 level

Validity, Test of Significance and Level of Significance (N=50).

SL.No	Variables	Validity	t-Value	LS
1	Export Market Challenges	0.34	3.65	0.01

Significance at 0.01 level.

Sample Size

The sample for survey in this present study consists of marine products export units in Kerala located in different clusters such as Kochi and Quilon region. The total number of units in Kerala is 167. Representative samples of 68 units were drawn from the above population using cluster sampling. The sample size of 68 was determined by using the formula and method of proportion sample size estimation for probability sampling by Bill Godden, (2004).

Sample Size Formulas

$$SS = \frac{Z^2 \times (p) \times (1 - p)}{E^2}$$

Where Z is standard normal variate
 P is the proportion of surviving units in marine products export
 1- P is the proportion of units that exited from business
 Total number of exporters: 167 which is 0.917
 Exporters who exited the business: 15 which is 0.043
 E = a confidence interval within 0.05
 Z value = 1.96
 Here P is 0.92 and 1-P = .08
 When applying the formula we get

$$\frac{1.96^2 \times 0.92 \times 0.08}{.05^2} = \frac{0.283}{0.0025} = 113$$

$$\text{New SS} = (\text{For known population}) = \frac{SS}{(1 + \frac{SS-1}{Pop})}$$

Using the above formula and adjusting this value for finite population, that is, known population New SS (according to the formula) = 1 + (SS-1)/Population. So we get

$$\frac{113}{\frac{1+113-1}{167}} = \frac{113}{1 + (0.670)} = \frac{113}{1.67} = 68$$

Thus the sample size required for the survey to get 95% confident result is 68

The questionnaire was developed through the following process:

- Based on the literature review and research articles;
- Based on the opinion of the Exporters, Government officials and Industry people through interview.
- Pilot testing the questionnaire to make sure that the questionnaire is understandable to the respondents.

Statistical tools used for the analysis

In order to accurate results of the research, following statistical tools were used

- Mean value analysis to the responses under Finance challenges.
- Factor Analysis - The Factor Analysis is an explorative analysis. It is a technique for grouping similar cases, groups and similar variables into dimensions. Since factor analysis is an explorative analysis it does not distinguish between independent and dependent variables.

Limitations of the Study

Though the research has been accurately planned and well executed, there are certain limitations, which are inherent in nature and are out of the researcher's control. Such important limitations of the study are stated below;

1. The study has been conducted only for the Marine products exporters in Kerala. So, the findings of the study cannot be generalized to all other states in India, because the standard of living, culture and other factors differ from place to place.
2. Collecting data from the exporters is not easy task, because they are very busy with their organizational commitments and also with their family commitments. They could not find time to help. The opposition of the respondents due to apprehensions of confidentiality, lack of enthusiasm and time are also some constraints. Though some constraints are there, the researcher has taken almost every effort to encourage and convince the respondents and promise them about the confidentiality that it is used for academic purpose alone.

ANALYSIS AND INTERPRETATION

Demographic profile of the sample units of marine products export companies in Kerala Position occupied by the respondents in the company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Owner	18	25.7	26.5	26.5
	MD	16	22.9	23.5	50.0
	DM	34	48.6	50.0	100.0
	Total	68	97.1	100.0	
Missing	System	2	2.9		
Total		70	100.0		

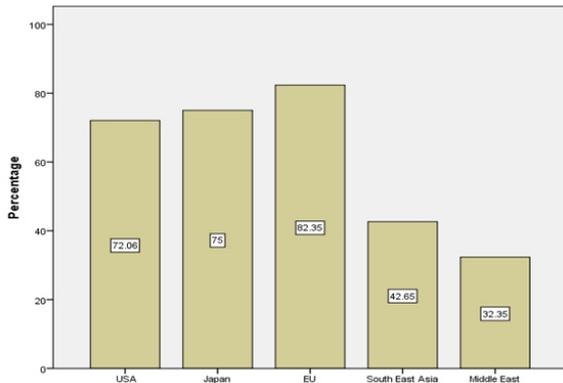
How long has the company been in marine products exporting business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-10	23	33.8	33.8	33.8
	11-20	18	26.5	26.5	60.3
	21-30	11	16.2	16.2	76.5
	31 & above	16	23.5	23.5	100.0
	Total	68	100.0	100.0	

Does the company have loan with financial institution

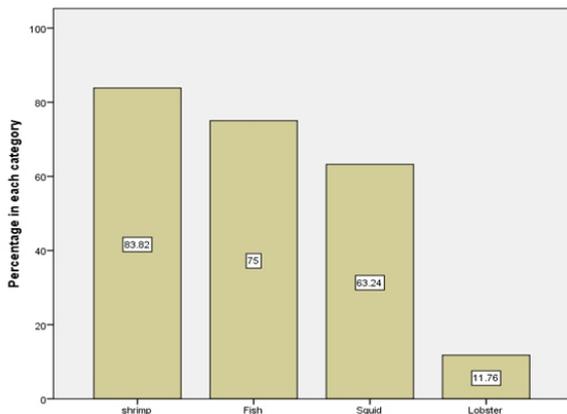
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	9	13.2	13.2	13.2
	Yes	59	86.8	86.8	100.0
	Total	68	100.0	100.0	

Countries to which Kerala Marine products are exported



European countries constitute major clients for marine product exporting units in Kerala (82.35%), followed by Japan and USA.

Types of marine products exporting



The above graph shows that more than 80% of the companies export is shrimp followed by fish and squid. Lobster has a much less representation in export menu.

Company adopts any advertising and sales promotion methods

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	43	63.2	63.2	63.2
	No	25	36.8	36.8	100.0
	Total	68	100.0	100.0	

As the above graph shows that about 65% of the companies under survey adopt promotional measures directed towards the countries of export. The core promotional means is creating contacts and awareness through websites.

Various aspects of Export Market challenges and their mean values (measured on a five point scale)

Descriptive Statistics

	N	Mean	Std. Deviation
Difficulty in predicting international market trend	68	4.00	.792
Difficulty in reviewing export market promotion	68	3.51	.872
Difficulty in customising the product for export	68	3.47	.938
Unexpected interventions and issues caused by buyer agents	68	3.38	.931
Difficult & big risk of retaining international customer	68	3.76	.755
Difficulty in remaining globally competitive	68	3.97	.243
Unpredictability of trade terrorism, wars earthquakes and the likes	68	2.76	.883
Inability of promoting & positioning product internationally	68	3.41	.717
Challenges in maintaining high quality standards with regard to country culture	68	3.63	1.006
Limited information about the international market	68	2.94	.862
Lack of foreign buyers	68	2.81	.966
Inflation in other country affecting business	68	3.78	.514
Lack of international marketing strategies	68	3.56	.741
Challenges in meeting different labelling & packaging standards	68	3.25	1.042
Communication barriers due to language difference	68	2.69	1.069
Weakness in R&D for new market orientation	68	3.40	.933
No regular updates of international markets	68	2.88	.939
Inability to follow new international marking & packing standards	68	2.74	.924
Export sale affected by lack of product segregation	68	2.69	.833
Lack of well brand name in international markets	68	2.75	.835
Threat from Trade mafia	68	2.85	.935
No inter industry cooperation between domestic exporters	68	2.69	.851
Not able to review customer feedback	68	3.15	.950
Difficulty in acceptance of Indian brand names	68	3.04	1.165
No offices in other countries for marketing	68	3.54	.781
Lack of strategy for competitive product price	68	3.49	1.072
Valid N (list wise)	68		

Important issues under Export marketing challenges

- Difficulty in predicting international market trend 4.00
- Difficulty in remaining globally competitive 3.97
- Inflation in other country affecting business 3.78

Challenges in maintaining high quality standards to country culture 3.63
 Lack of international marketing strategies 3.56
 No offices in other countries for marketing 3.54
 Lack of strategy for competitive product price 3.49
 Weakness in R&D for new market orientation 3.40

Difficulty in predicting international market trends and remaining globally competent with international standards and strategies pose the major challenges in Export market challenges variable. Inflation in importing countries also seems to be another important cause of concern.

Test of Hypotheses in the study

H0: The null hypothesis: The Export Market Challenges are not significant.

H3: The alternate hypothesis: The Export Market Challenges are significant.

Aggregate Mean values (on five point scale) of various challenges

Challenges	N	Mean	Std. Deviation	Std. Error Mean
Export Market Challenges	68	3.2370	.41614	.05046

One-Sample Test results

	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Export Market Challenges	4.696	67	.000	.23699	.1363	.3377

Test of one sample mean for significance of the Export Market challenges of Marine products export units. The results obtained from SPSS results have returned the calculated values of “t” and their respective significant values. Two tailed values are obtained since the sample mean values can be either more or less than the test value of 3. It can be found that Export Market challenges have been reported to be statistically significant, as they have significant values less than .05.

Mean values of the important challenges of Marine products export units

SL No:	Export Challenges	Sig. (2-tailed)	Mean Values
1	Export Market Challenges	.000	3.2370

The impact of the Export Market challenges can be generalised for the marine products export units in Kerala. It affects units in a proven significant way.

Factor analysis of the variables under Finance challenges

As there are a number of responses under Export Market challenges, attempt was made to capture the underlying dimensions of the challenges using *factor analysis* to reduce the large number of variables into important dimensions so as to examine the factors affecting the marine product export units. The analysis below presents the factor analysis results of Export Market challenges.

The various factors under the Export Market challenges as extracted by Factor analysis

26 variables were identified under Export Market challenges which affect Marine products exporters in Kerala. The responses to these variables were attained from the respondents using five point Likert scaled questions. Five factors were generated in the order of importance. The consolidated results of the factor analysis are presented below for easier understanding.

Factor	Factor variables	% of variance explained by the factor	Important variable in each factor
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1. Core Export marketing issues	1. Lack of foreign buyers 2. Limited information about the international market 3. Difficulty in predicting international market trends 4. Export sale affected by lack of product segregation 5. Lack of brand name in international markets 6. Inability to follow new international marketing & packing standards 7. Weakness in R&D for new market orientation	15.13 %	Lack of foreign buyers
2. Customization intermediaries issue	1. Difficulty in customizing the product for export 2. Unexpected interventions and issues caused by buyer agents	14.48 %	Customisation of product
3. Customer retention issues	1. Difficult & big risk of retaining international customer 2. Challenges in meeting different labeling & packaging standards 3. Lack of strategy for competitive product price	14.22 %	Retaining international customers
4. Foreign countries Recession	1. Inflation in other country affecting business 2. No inter industry cooperation between exporters	12.86 %	Recession in other countries
5. International promotion	1. Inability of promoting & positioning product internationally	9.16 %	International promotion

FINDINGS

- The position occupied by respondents in the marine products export company, who have given responses to the questionnaire it shows that all of them are knowledgeable enough to answer the various questions.
- More than 86% of the export units in Kerala are deep in debt.
- More than 80% of the companies export is shrimp followed by fish and squid. Lobster has a much less representation in export menu.
- EU countries constitute major clients for marine products exporting companies in Kerala (82.35%), followed by Japan and USA.
- About 65% of the companies under survey adopt promotional measures directed towards the countries of export. The main promotional means is creating contacts and awareness through websites.
- It is observed that Export market challenges pose the great challenges with (64.7%). A test of hypothesis, namely test of one sample mean (Ref: <https://statistics.laerd.com/spss-tutorials/one-sample-t-test-using-spss-statistics.php>) has been conducted to find out the impact of Export Market challenges on export performance of the company. Hence, Export Market challenges are significant to be generalised for the marine products export units in Kerala. Export Market challenges were found to be statistically significant.
- Difficulty in predicting international market trends and remaining globally competent with international standards and strategies pose the major challenges in Export market Challenges. Inflation in importing countries also seems to be another important cause for concern.

CONCLUSION

Emerging from the findings of the study path to progress for marine products export units in Kerala have become more or less clear and certain. Analysis of Export Market challenges point out that the issues with regard to procuring raw material with quality to meet international standards, achieving best price for the products in export market, tracking the foreign markets, bureaucratic hurdles etc, put more pressure on marine products export units in Kerala. Quality issues become critical in this context due to time delay in procurement of raw material and availability of insufficient quality raw material.

Another common pitfalls for the failures of this export business as

inadequate own resources and high proportion of borrowed funds. The Kerala marine products exporters need infrastructure support to meet international standards in processing centre. Less return on investment and huge investment for upgrading plants to meet EU standards cause exporters to shutdown the company and turn to other profitable business. Hence, the Government should give sufficient financial support to exporters in Kerala may help them to stay in marine products export business further.

The foremost challenges in international marketing is difficulty in predicting international market trends and remaining globally competent with international standards and strategies, price competitiveness, besides lack of knowledge in international marketing. The Indian Marine products exporters should understand what is marketing because at present they are only selling products to foreign retailers, wholesalers and manufacturers and there is no practice of the modern concept marketing. The need is to build the "Made in India" brand, better quality and credibility. Branding of India approved products are necessary for survival in the long run. The market share cannot increase unless the producers have knowledge about buyers, their buying practices, and their preferences in product purchases.

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