



3T IMPEX
TRADE ACADEMY

...Promoting International Trade Education

RUDIMENT OF EXPORT & MARKET ENTRY STRATEGIES



TRAINING OBJECTIVES

The objectives of this session is to:

1. Identify various export documentation
2. Create a foundation for further research
3. Share practical experience on document handling by banks
4. Understand export guidelines & regulations in Nigeria
5. Know who, where and how to get the necessary documents
6. Learn export market entry strategies
7. Understanding export market entry option





Introduction



INTRODUCTION

TOP 10

NIGERIA'S EXPORT DESTINATIONS

These are the top 10 export destinations of Nigeria in 2017



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Source: United Nations COMTRADE Database

INTRODUCTION

TOP 10 NIGERIA'S EXPORT

Nigeria shipped US\$40.7 billion worth of goods around the globe in 2017...Nigeria's top 10 exports are highly concentrated accounting for 99% of the overall value of the country's global shipments



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Source: worldstopexports.com

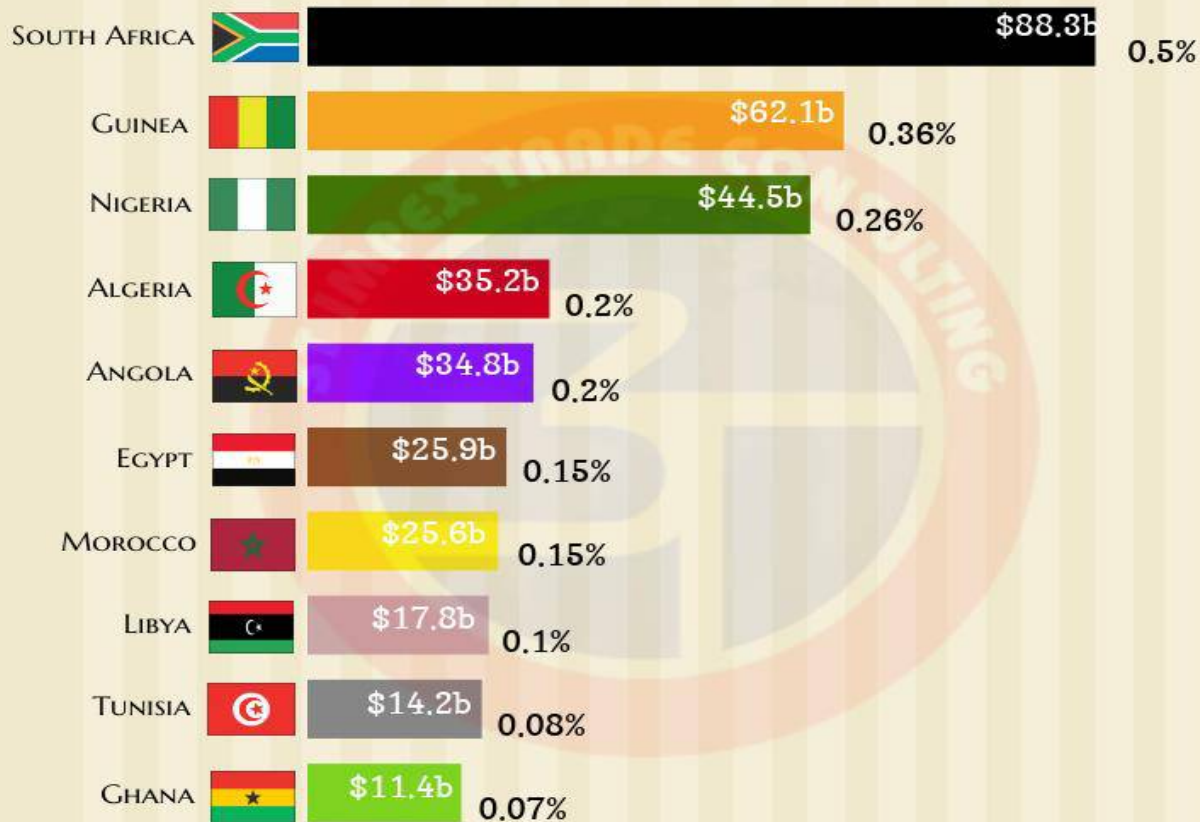


INTRODUCTION

TOP 10

AFRICAN EXPORT COUNTRIES

Africa's exports represent an estimated 2.6% of total world exports valued at an estimated \$17.421 trillion for 2017...Below are the top African export countries that achieved the highest dollar value in global shipments during 2017



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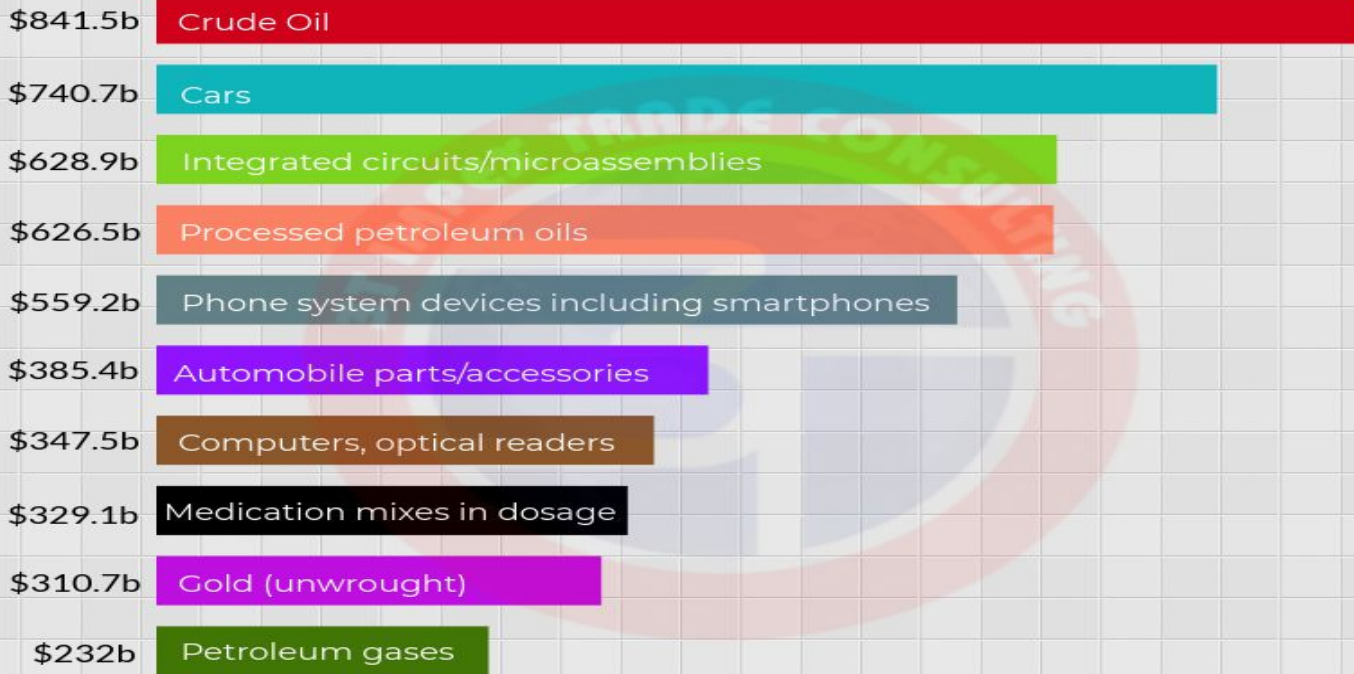
[3timpextrade](https://www.instagram.com/3timpextrade)

EXPORT SECTOR ANALYSIS



TOP 10 WORLD'S EXPORT

Worldwide export sales were US\$17.421 trillion in 2017 based on International Trade Centre statistics....Below are the top 10 export products that attracted the highest dollar value in sales during 2017



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Source: worldstopexports.com



EXPORT SECTOR ANALYSIS



TOP 10 EXPORT COUNTRIES

Below are the 20 countries that earned the highest total dollar amounts in export sales for 2017



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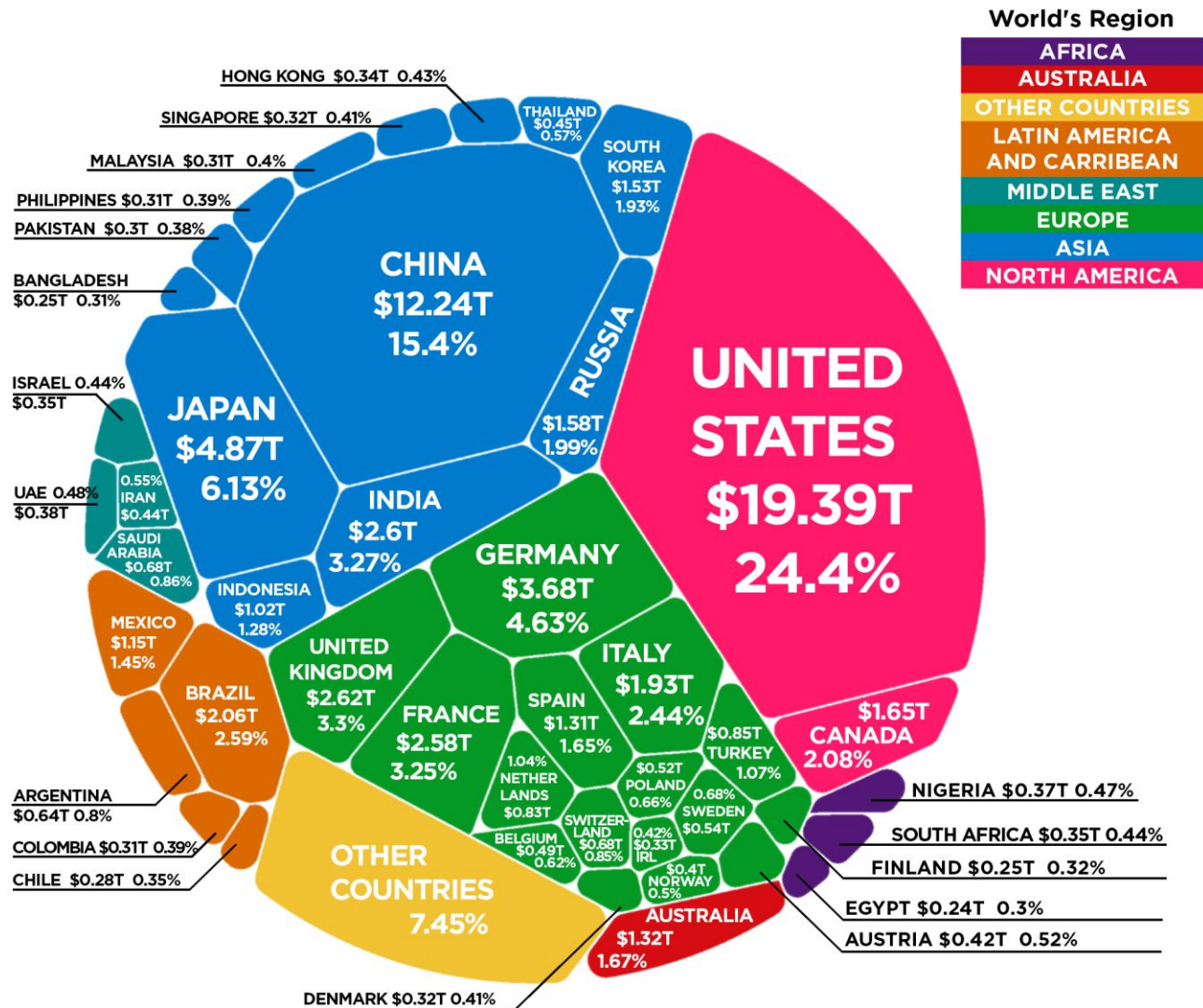
Source: World's Top Export



INTRODUCTION

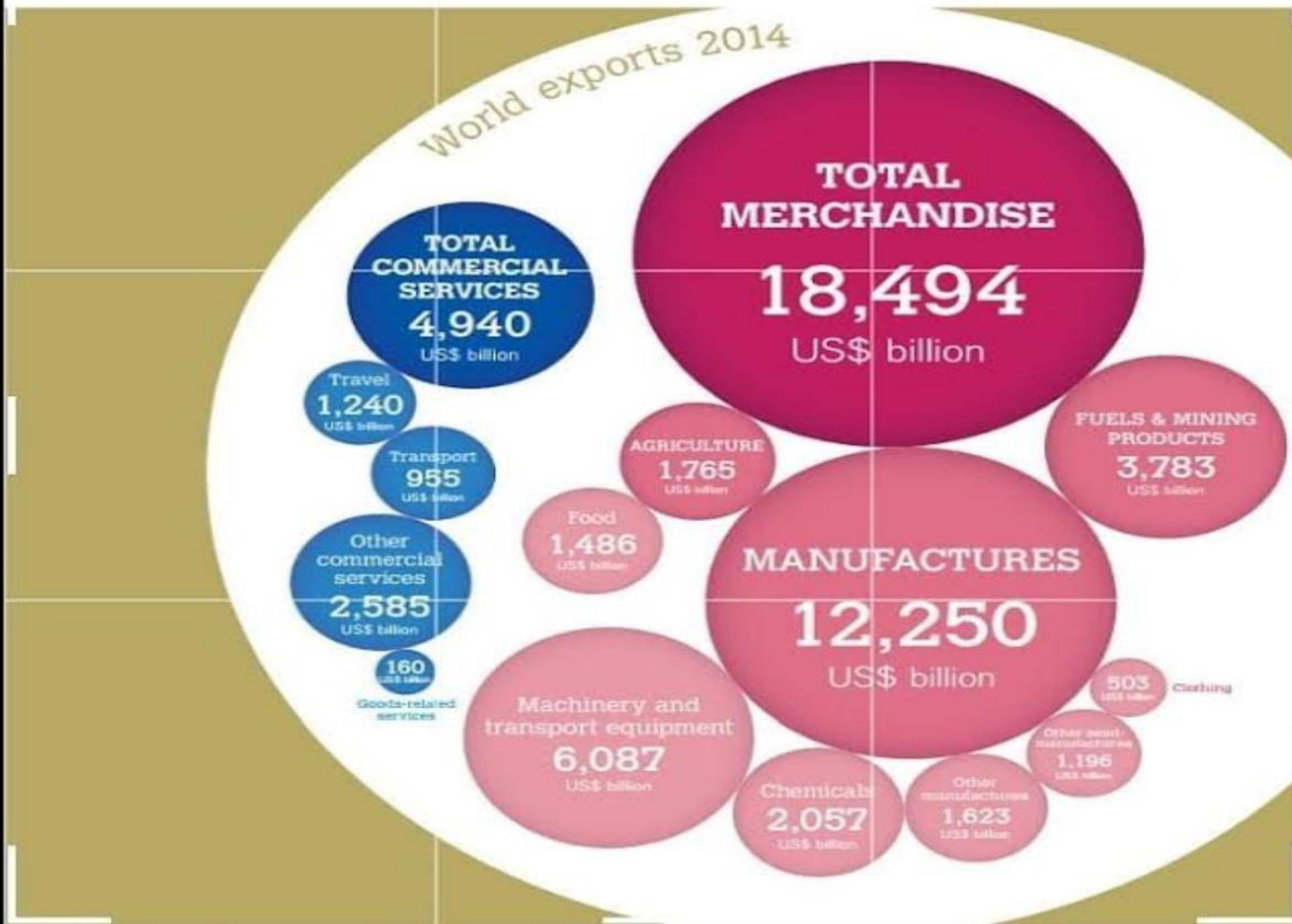
The World Economy

Gross Domestic Product (GDP) by Country 2017



INTRODUCTION

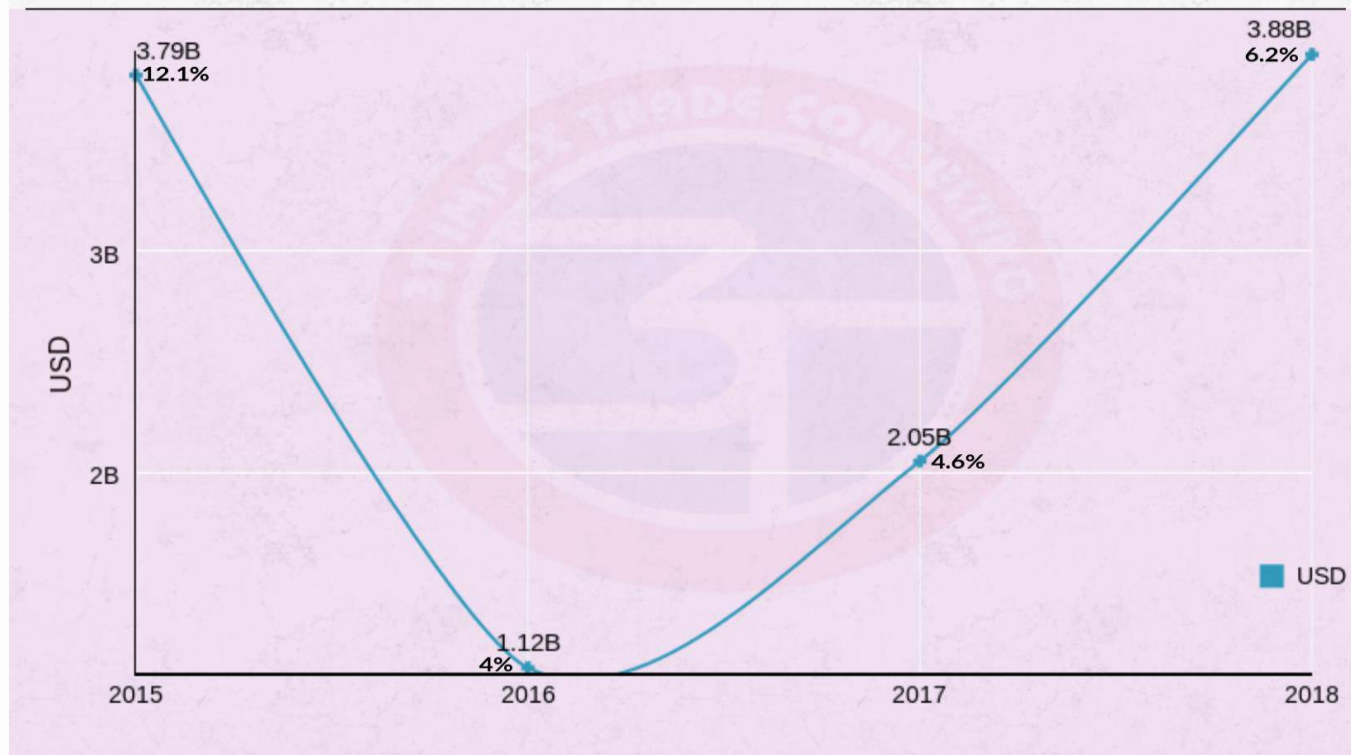
International Trade Statistics 2015



INTRODUCTION

NIGERIAN EXPORT ANALYTICS

TREND OF NON-OIL EXPORTS FROM 2015 TO 2018



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SOURCE: NBS

INTRODUCTION

Why You Need To Export or Support Exporters

- A- Avoid aids and the manipulations that comes with it
- B- Boost Nigerian's foreign reserves
- C- Creates opportunities for SMEs to grow
- D- Decrease dependence on domestic markets
- E- Enhance production volume & extension of product life cycle
- F- Farming & rural life becomes more lucrative
- G- Gain Global market share and recognition
- H- Home of creativity and innovation
- I- Industrialisation catalysts
- J- Job creation for youths



INTRODUCTION

Why You Need To Export or Support Exporters

- K- Know the value of what we have as competitive advantage
- L- Lead the way for other African Nations
- M- Many opportunities to create youth export merchants
- N- Numerous incentives for export business
- O- Opportunities to maximise the value of Nigerian abroad
- P- Poverty eradication
- Q- Quit the league of developing nations
- R- Redemption of Nigeria's Image
- S- Slows down rural urban migration
- T- Tax Free opportunities for exporters



INTRODUCTION

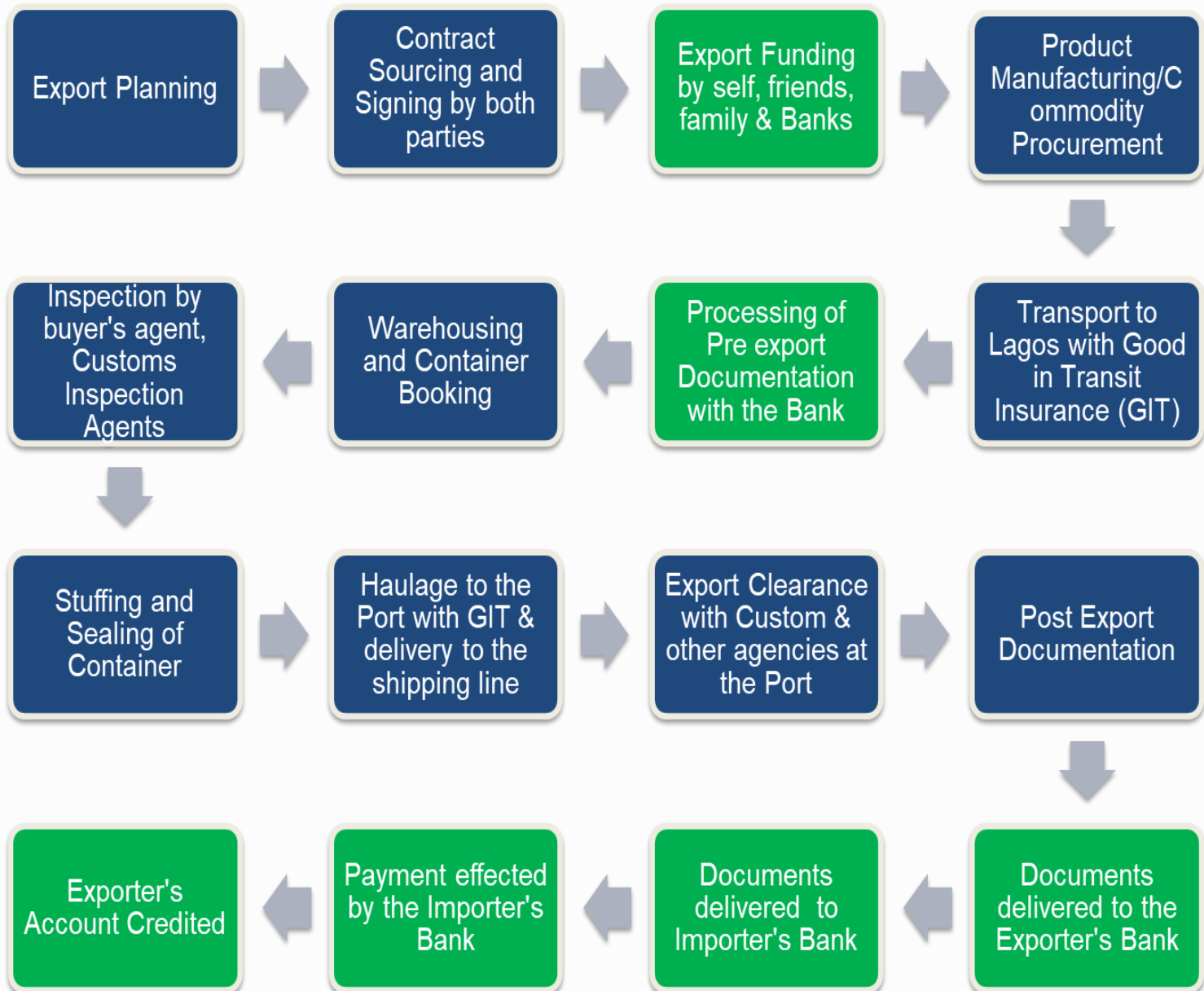
Why You Need To Export or Support Exporters

- U- Utilisation of Idle capacity of companies
- V- Viability of Nigerian states are boosted
- W- Wealth creation via synergy with export merchant
- X- X-Ray Nigerian products and make adjustments for global competitiveness
- Y- Yearn for more improvement because of competition
- Z- Zygotic multinationals with global potential



INTRODUCTION

THE PROCESSES



INTRODUCTION

THE PROCESSES





EXPORT MARKETING AND ENTRY STRATEGIES

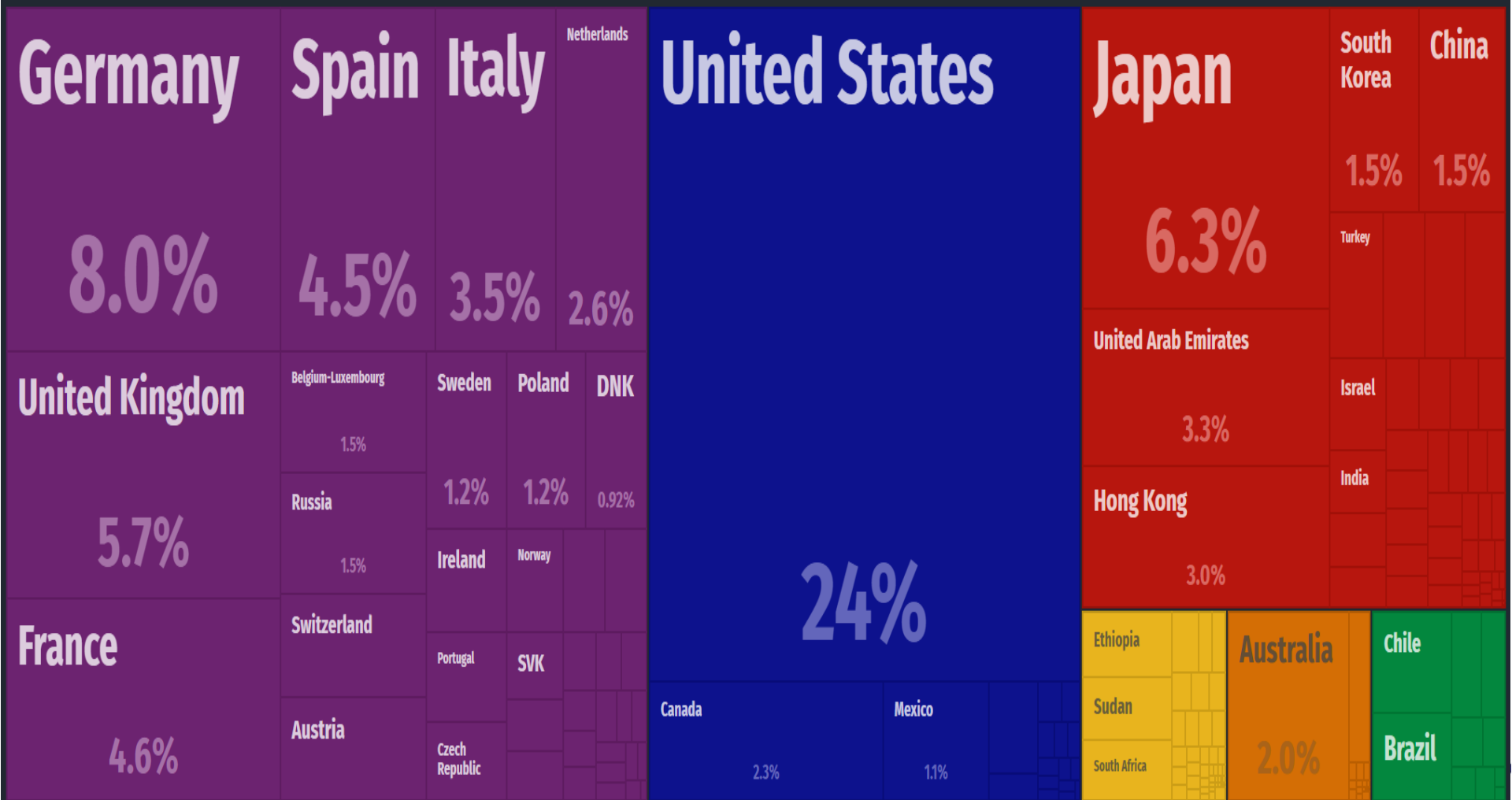


EXPORT MARKETS POTENTIALS



NON-KNIT MEN'S SHIRTS IMPORTERS

TOTAL: \$14B

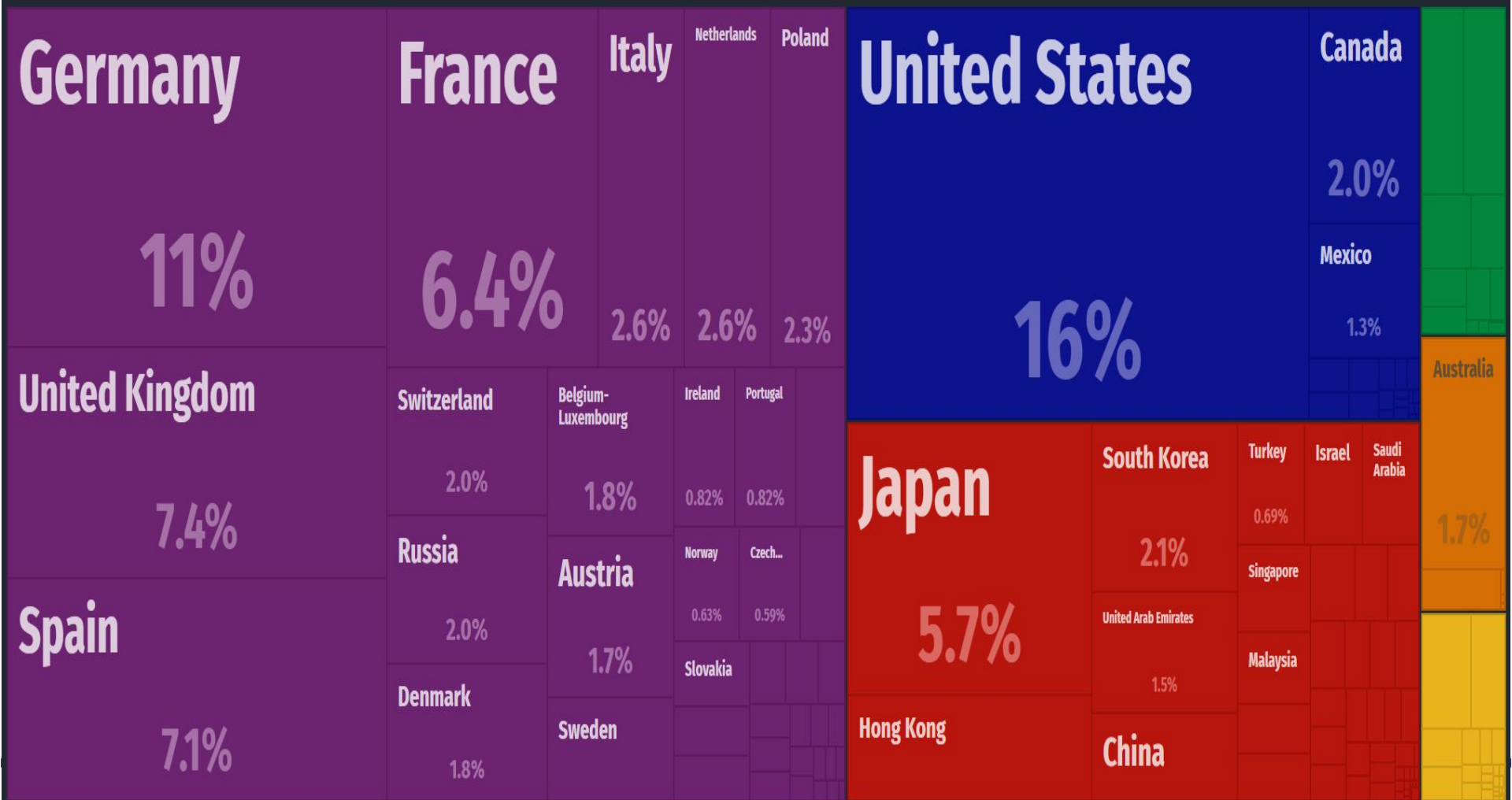


EXPORT MARKETS POTENTIALS



NON-KNIT WOMEN'S SHIRTS TRADE

TOTAL: \$14.7B

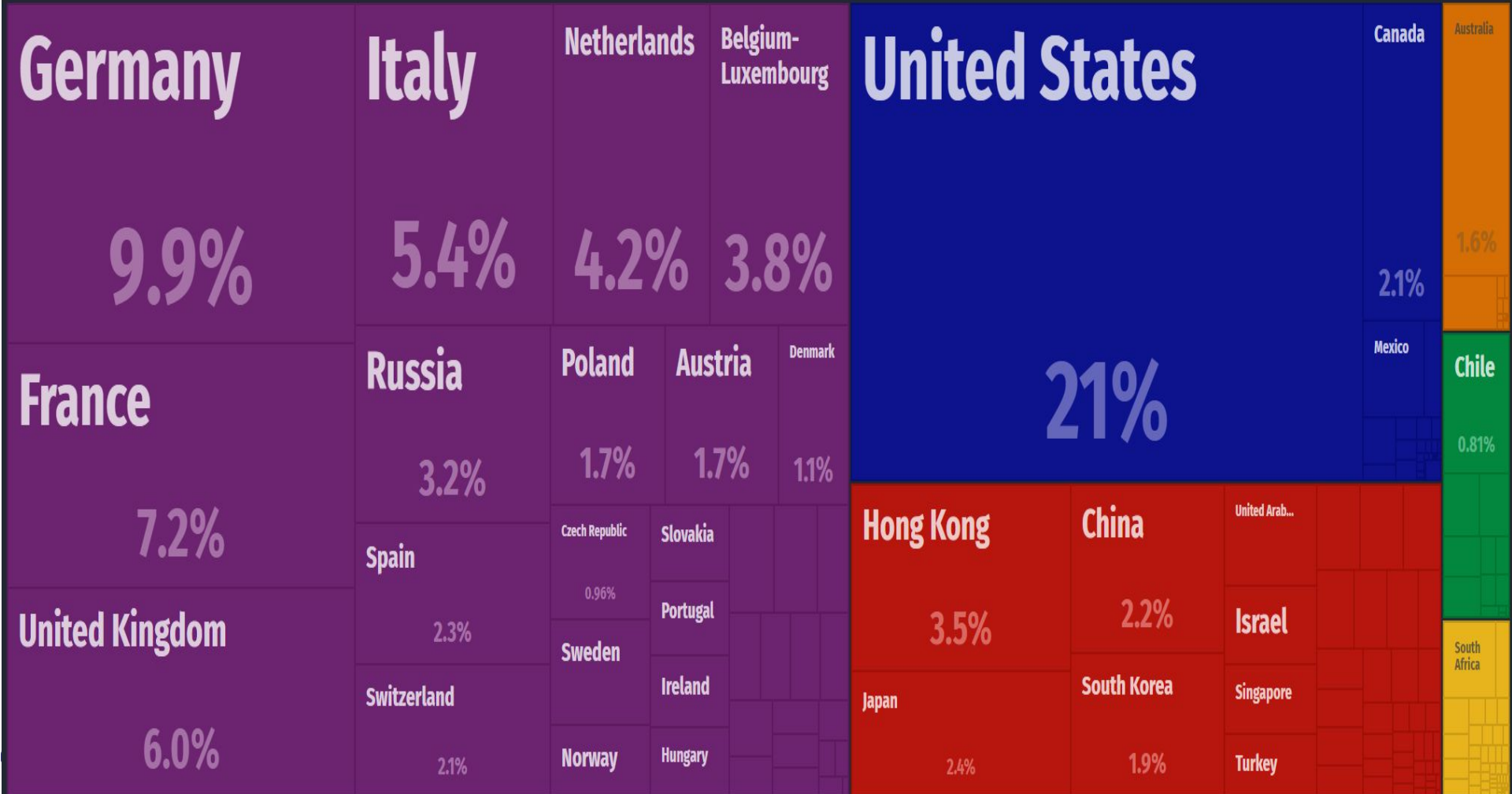


EXPORT MARKETS POTENTIALS



LEATHER FOOTWEAR IMPORTERS

TOTAL: \$51.3B

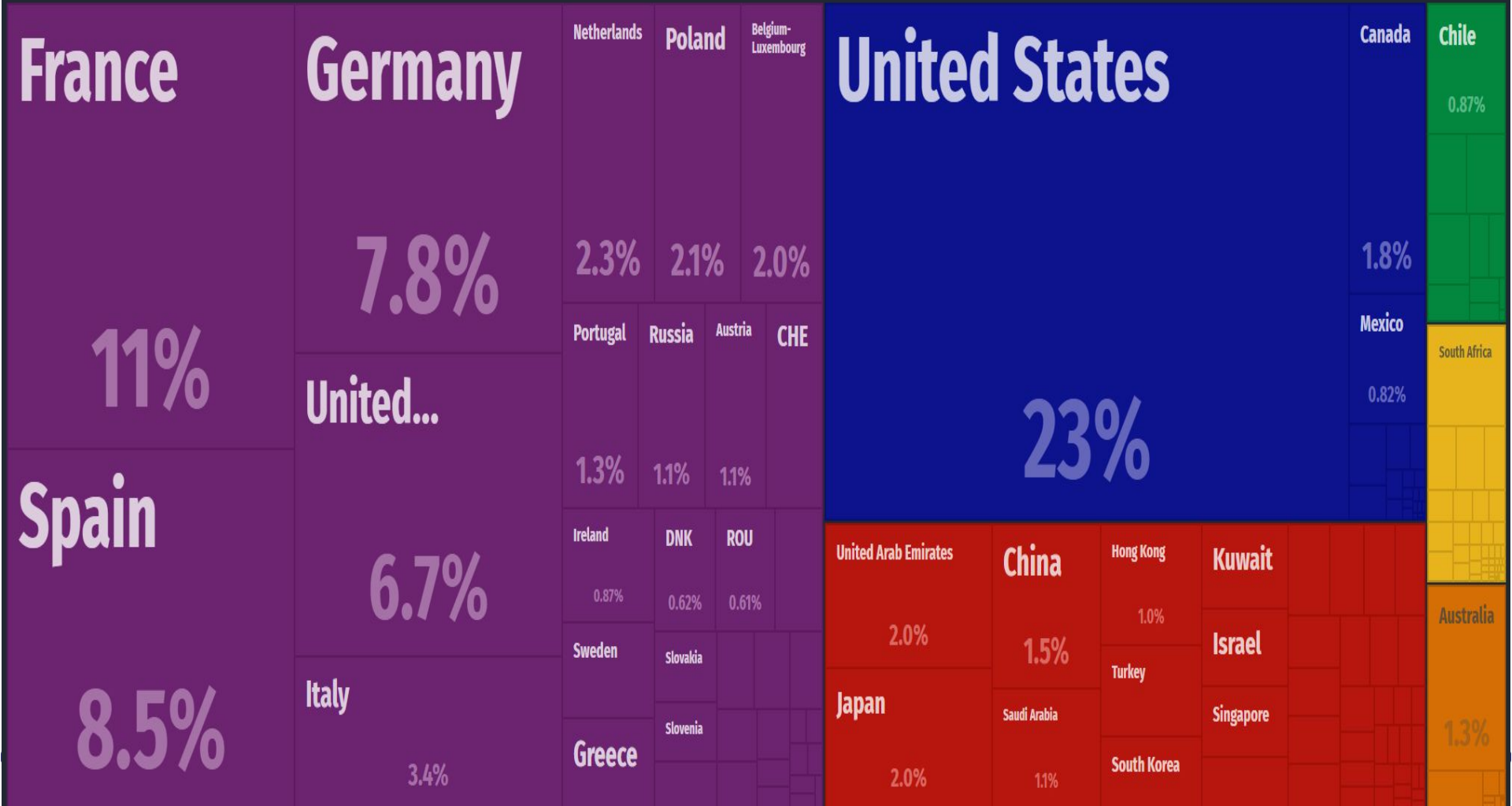


EXPORT MARKETS POTENTIALS



BABIES GARMENTS, ACCESSORIES OF COTTON, NOT KNIT TRADE

TOTAL: \$1.55B



BASICS OF MARKETING



- *International marketing is the marketing of goods, services, and information across political boundaries.*
- Thus it includes the same elements as domestic marketing: *planning, promoting, distributing, pricing, and support of the goods, services, and information to be provided to intermediate and ultimate consumers.*
- International marketing, however, is typically more complex than domestic marketing because of the need to accommodate key differences between the home country's domestic environment and the environment in the foreign market. These may include differences in culture, consumer needs and wants, economic levels and structures, market structures and channels available, ways of doing business, laws and regulations, and many other factors discussed in this book. Any one of these differences can render a company's approach to marketing ineffective, counter-productive, or a violation of local law.
- These differences therefore require a careful and well-planned approach to entering and expanding in the international marketplace.



BASICS OF MARKETING



Adjustment In The Export Market

The export marketing manager must be ready to make necessary adjustment in the export market in order to be successful. The business activities that must be carried out in marketing, and adjusted to accommodate differences in the international market, include the following:

- ● the analysis of markets and potential markets;
- ● the planning and development of products and services that consumers want, clearly identified in a suitable package;
- ● the distribution of products through channels that provide the services or conveniences demanded by purchasers;
- ● the promotion of products and services – including advertising and personnel
- ● selling – to inform and educate consumers about those products and services, or persuade consumers to try new, improved, or different ways of satisfying their wants and needs;



BASICS OF MARKETING

Adjustment In The Export Market

The business activities that must be carried out in marketing, and adjusted to accommodate differences in the international market, include the following:

- the setting of prices that reflect both a reasonable value (or utility) of products or services to the consumers, as well as a satisfactory profit or return on investment;
- the technical and non-technical support given to customers – both before and after a sale is made – to ensure their satisfaction, and thus pave the way for possible future sales that are necessary for company survival, growth, and perpetuation;
- the organization structure, management, and remuneration of foreign employees.





Export Marketing Channels



EXPORT MARKETING CHANNELS

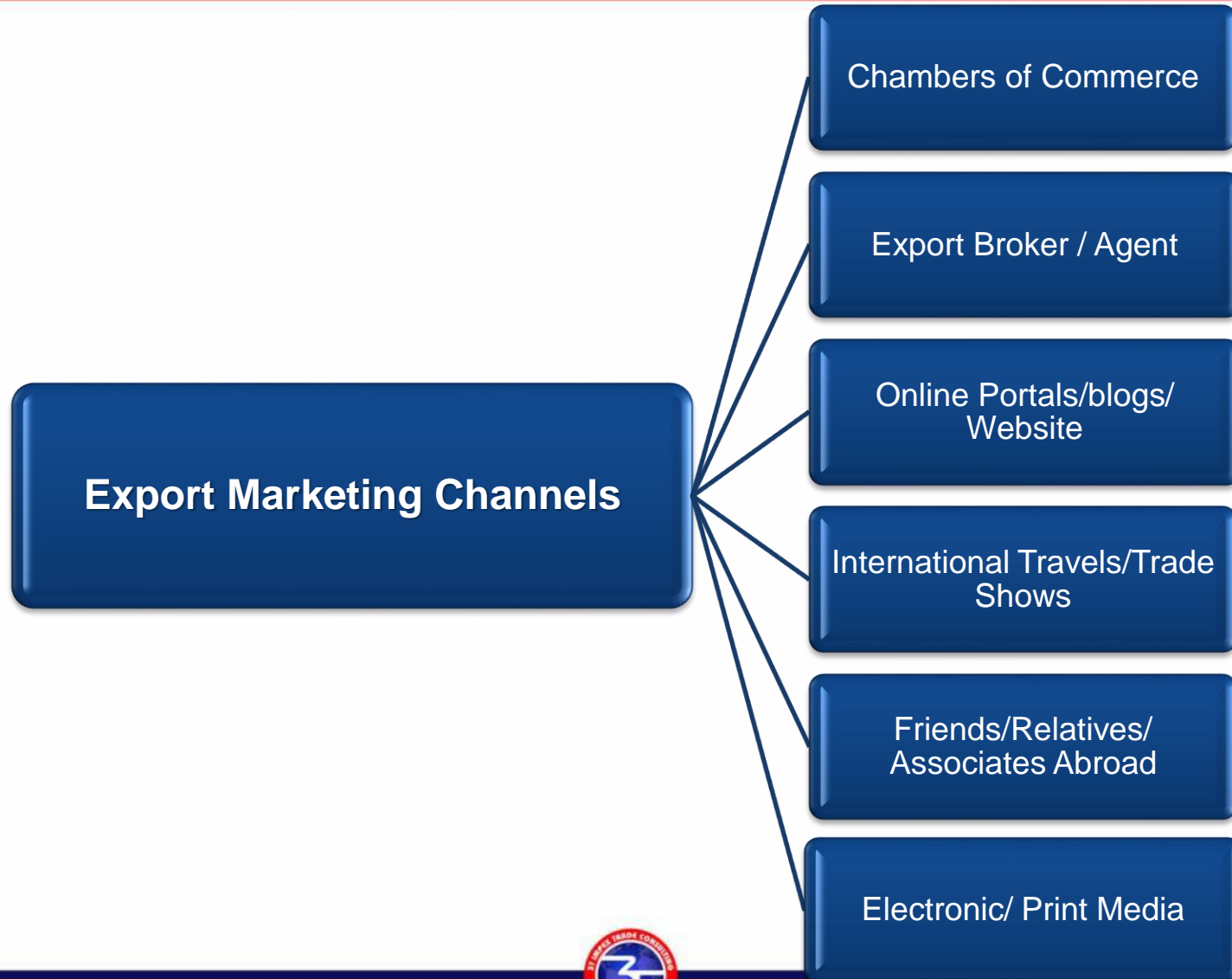


There are numerous channels available to an exporter to market its products and services. The Export market research should be done in such a way that it reveals the best mix of the channels needed to penetrate the export market.

It is very important to note that this mix varies from one export market to the other. If the right sets of export marketing channels are used, it increases the effectiveness of the exporter in its marketing activities. Inadequate knowledge of the right Marketing mix makes many exporters gets frustrated at this point.

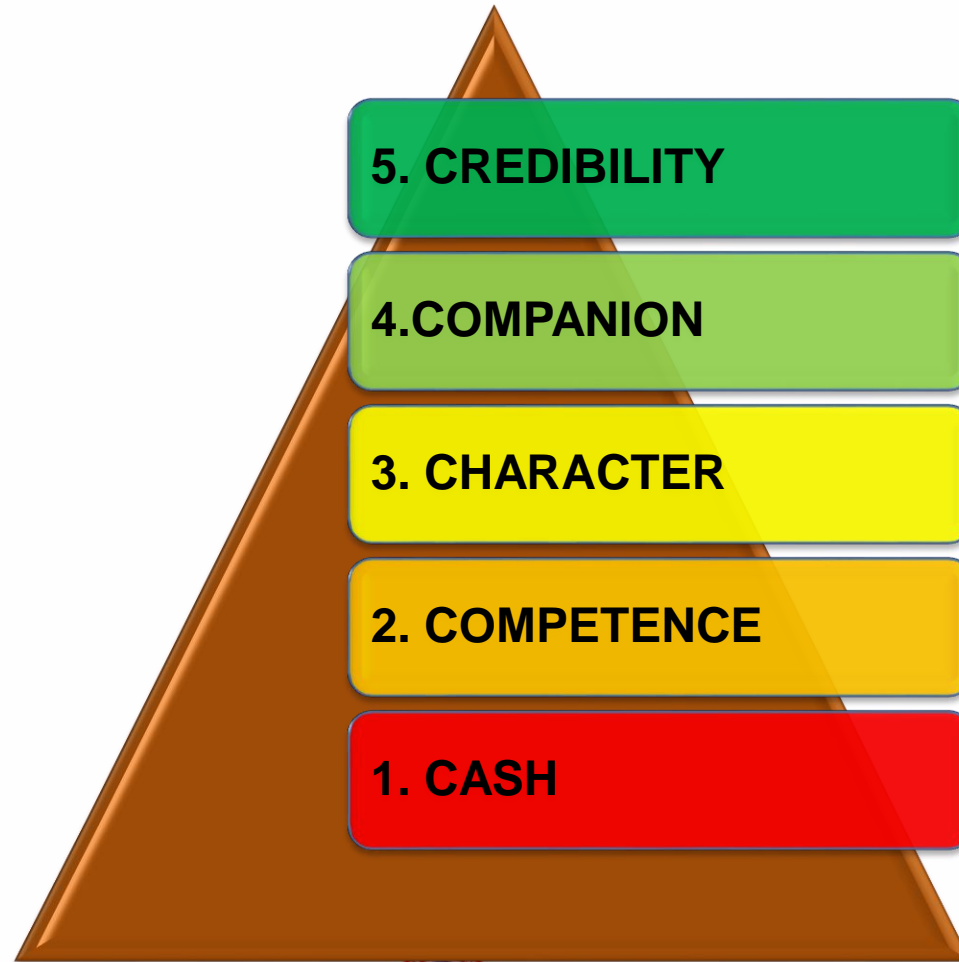


EXPORT MARKETING CHANNELS



EXPORT MARKETING CHANNELS

THE HURDLES TO BE CROSSED (NEGOTIATION TOOLS)



EXPORT MARKETING CHANNELS



THE HURDLES TO BE CROSSED (NEGOTIATION TOOLS)

- 1. Credibility** -Show that you have done it well before
- 2. Companion** -Show the people you have supplied or your partners that have done it before
- 3. Character** -Show that you will stand by your words to ship as at when due
- 4. Competence** -Show that you can supply the right quality
- 5. Cash** -Show that you have the financial muscles to deliver the desired quantity



EXPORT MARKETING CHANNELS

EMAIL PROPOSALS

All exporters sending an email proposal to a potential buyers abroad should ensure that Full Corporate Offer (FCO) is attached and such message should capture the following information:

1. Company profile
2. Product Name
3. Product specifications
4. Email signature showing: designation, phone, website, email address with your domain name, Chat platform(BBM, Skype ID)



EXPORT MARKETING CHANNELS



Full Corporate Offer (Include but not limited to the following)

1. Seller's Name
2. Seller's Address
3. Product Description
4. Specifications
5. Minimum Order
6. Maximum Order
7. Payment Method
8. Payment Terms
9. Duration For Shipment
10. Unit price (FOB price only)
11. Incoterms
12. Contract period
13. Inspection Agent
14. Country of Origin





Export Market Entry Strategies



EXPORT MARKET ENTRY STRATEGIES

Introduction

- There are a number of strategies for market entry and development available to a company that seeks to internationalize. These include exporting, establishing a sales subsidiary abroad, licensing, and establishing a production subsidiary abroad. Joint ventures may be used in establishing sales subsidiaries and production facilities.
- Though an approach beginning with exporting, progressing to opening a sales subsidiary, and finally establishing a production facility is common, any given company may start with any of the entry strategies and go on to other stages. Some firms use different strategies for different markets, only exporting or licensing to some smaller markets while establishing sales subsidiaries and/or production facilities in larger markets.
- An essential first step in planning and strategy development, for entry into the export market, is the company's need to assess its readiness to enter foreign markets. Any firm, regardless of its size and experience, must determine just how ready it is to make the move.



EXPORT MARKET ENTRY STRATEGIES

Introduction

- There are different types of software which are decision making tools that can be used to assist in determining or judge a company readiness for the export markets.
- Although these pieces of software are not exactly the same, the major areas covered are quite similar and these include:
 - Competitive capabilities in the domestic market;
 - Motivation for going international;
 - Commitment of owners and top management;
 - Product readiness for foreign markets;
 - Skill, knowledge and resources;
 - Experience and training.



EXPORT MARKET ENTRY STRATEGIES

BARRIERS TO ENTERING THE EXPORT MARKET

Barrier	Dimension of export barriers			
	Internal controllable I dimension	Foreign non-controllable dimension	Internal controllable II dimension	Local non-controllable dimension
Communication with foreign unit	✓			
Lack of export training (experiences and language skills)	✓			
Lack of market information	✓			
Controlling international activities	✓			
Documentation requirements	✓			
Foreign government attitudes		✓		
Foreign public attitudes		✓		
Trade barriers (tariffs, quotas)		✓		
Arranging transportation, packaging, etc.			✓	
Providing services			✓	
Higher than domestic risk			✓	
Financing sales				✓
No assistance from home government				✓



EXPORT MARKET ENTRY STRATEGIES

OVERCOMING EXPORT MARKET BARRIERS

There are many things that a small company can do to overcome any barriers, in addition to applying sound business practices. *Businessweek* presents the following global guidelines for small business (Barrett, 1995, p. 97):

- **Look to existing customers.** Many companies can penetrate foreign markets by selling products or services to their domestic customers' units overseas.
- **Make a commitment.** Exporting is not a part-time effort. It requires extensive research. Foreign business should be run by seasoned managers.
- **Seek advice.** Universities often have MBA students who work as consultants on exporting. Some consulting firms, such as Accenture (formerly Arthur Andersen), provide a free first-time consultation.
- **Use trade shows.** Trade promotions sponsored by government agencies abroad draw big crowds. Cost-conscious companies can send a product without attending.



EXPORT MARKET ENTRY STRATEGIES

OVERCOMING EXPORT MARKET BARRIERS

- ● **Pick markets carefully.** While potentially lucrative, fast-growing markets can tank unexpectedly, consider customer quality, not just nationality.
- ● **Manage growth.** It takes time to line up financing and expand an organization to handle exports. Many small exporters are overwhelmed by big orders.
- ● **Use letters of credit.** Some first-time exporters ship a product and hope they get paid. A letter of credit protects against default by a weak or shady buyer.
- ● **Be patient.** Many foreign customers do business based on relationships. Small companies must spend time cultivating contacts before racking up export orders.
- ● **Choose partners carefully.** An experienced freight forwarder at home is crucial for handling Customs paperwork. An inept distributor abroad can ruin a company's reputation.



EXPORT MARKET ENTRY STRATEGIES

Examples Of Int'l Marketing Questions & Information Requirements

Broad strategic issues

- What objectives should be pursued in the foreign market?
- What are the best product, place-distribution, pricing, and promotional strategies for the foreign market?

Foreign market assessment and selection

- What is the market potential abroad?
- Are there foreign markets that the company can serve?
- Who are the firm's present and potential customers abroad?
- What are their needs and desires?
- Who makes the purchase decisions?
- How are the products used?
- How difficult are certain government regulations for the firm?
- How well developed are foreign mass communication media?
- Does the foreign market offer efficient channels of distribution for the firm's products?



EXPORT MARKET ENTRY STRATEGIES

Examples of int'l marketing questions & information requirements

Marketing mix assessment and selection

- Which product should the firm offer abroad?
- At which stage in the life cycle is the product in the foreign market?
- At what price should the firm sell its product in the foreign market?
- What should the firm do about product line pricing?
- What are the characteristics and capabilities of the available intermediaries?
- What are the costs of physical distribution?
- What are the communication needs of the foreign market?
- Are there foreign laws against competitive advertising?
- Is there a need for personal selling to promote the product abroad?
- What should the nature of foreign sales efforts be?.



EXPORT MARKET ENTRY STRATEGIES

INTERNET SOURCES FOR EXPORT MARKET INFORMATION

- **CIA Factbook-** <https://www.cia.gov/library/publications/the-world-factbook/>
- **Global Trade-** <https://atlas.media.mit.edu/en/>
- **Global Buyer Online-** www.globalbuyersonline.com
- **Alibaba-** www.Alibaba.com
- **TradeKey-** <https://www.tradekey.com/>



EXPORT MARKET ENTRY STRATEGIES

ALTERNATIVE MARKET ENTRY MODES

- An international market entry mode is an institutional arrangement necessary for the entry of a company's products, technology, and human and financial capital into a foreign country/market. To the international marketer, different entry modes represent varying levels of control, commitment, involvement, and risk.
- A study of how the interaction of opportunity for control and firm capability of managing risk moderates the amount of risks that managers perceive to be present with various entry mode strategies was conducted for three modes: export, 50-50 joint venture, and sole ownership (Forlani, Parthasarathy, and Keaveney, 2008). The study was of US firms entering the Japanese market. Managers in the lower capability firms saw the least risk in the export entry mode whereas those in higher capability firms saw the least risk in the joint venture mode..



EXPORT MARKET ENTRY STRATEGIES

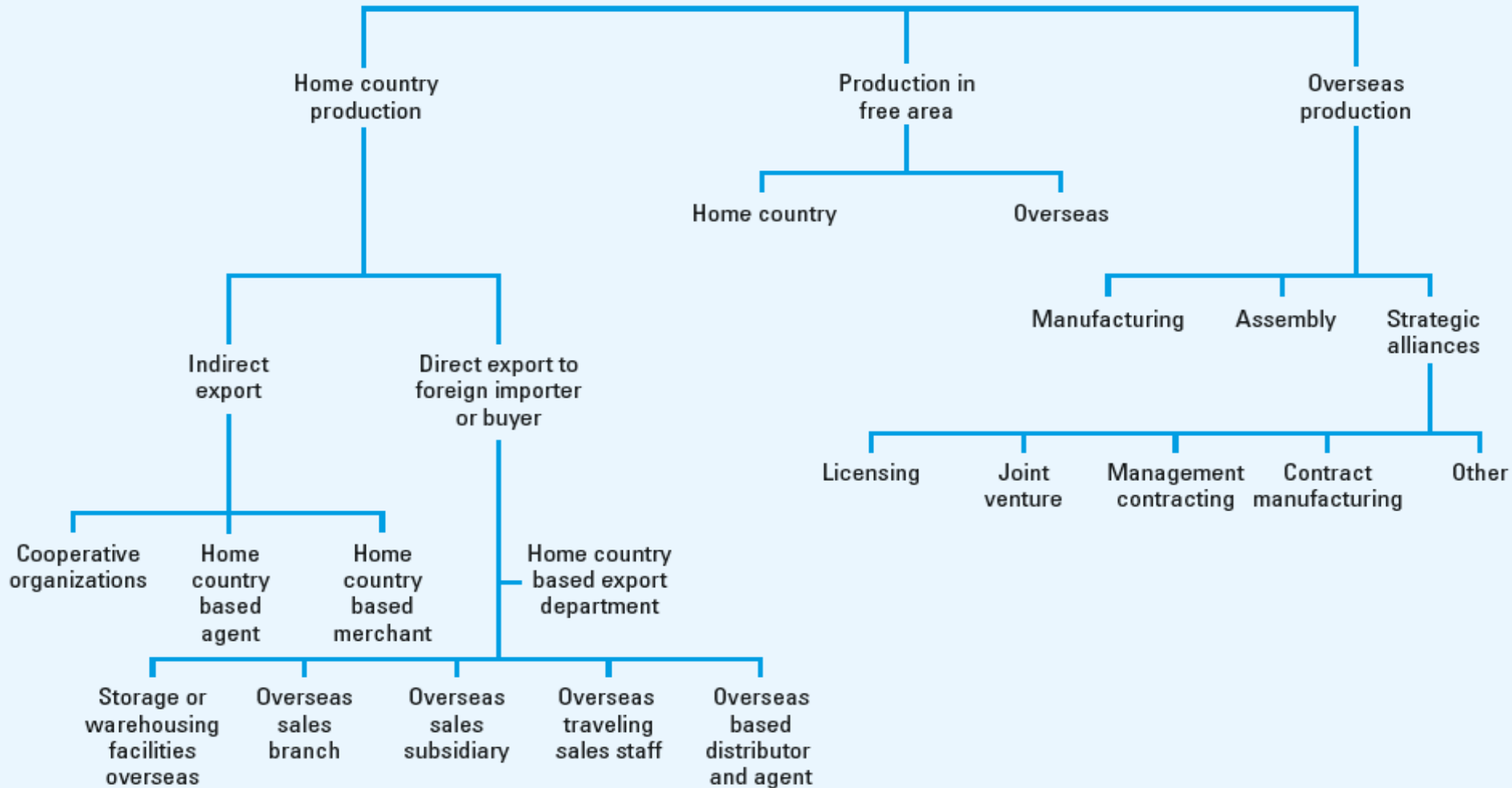
ALTERNATIVE MARKET ENTRY MODES

- Concerning channels between nations, there are major alternative strategies for entering a foreign market. The first decision that must be made concerns where the production base should be located – in the home country, overseas, or in a free area (free port, trade zone, perimeter).
- After this decision has been made, a company must decide whether or not areas are to be served outside of the countries in which production facilities are located, and, if so, what channels between countries are to be used.



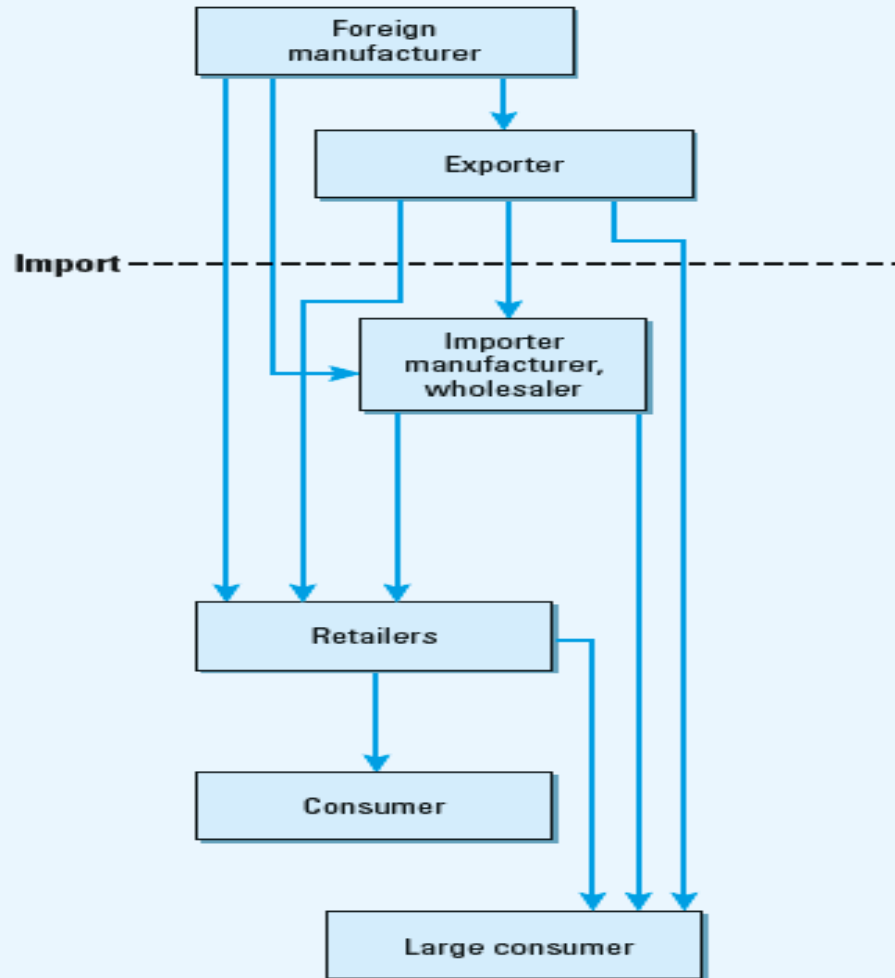
EXPORT MARKET ENTRY STRATEGIES

Outline of alternative basic international marketing channels



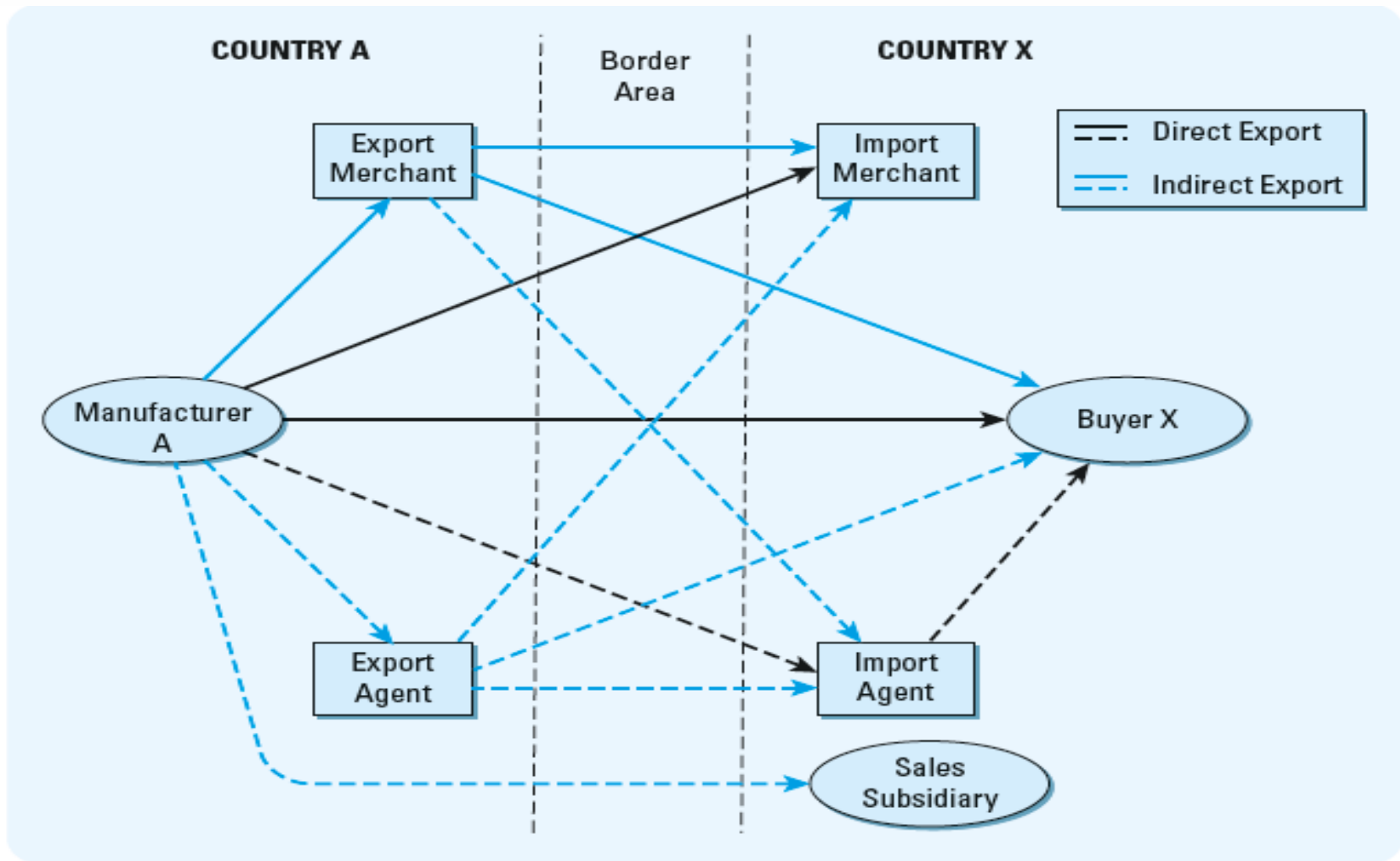
EXPORT MARKET ENTRY STRATEGIES

Direct and Indirect Export



EXPORT MARKET ENTRY STRATEGIES

Direct and Indirect Export



WAY FORWARD



CAPACITY BUILDING

4

YOUTHS

(ALTERNATIVE TO YAHOO YAHOO)

**Sponsoring hundreds of Youths To Use Their Interest in
Internet Productively Via Skill Acquisition In
Export Market Entry Strategies**





in conjunction with



in conjunction with



5

Executive Diploma Programme

PROGRAMME TITLE:

Diploma in Export Trade Finance (ETF)



TARGETS

Experienced Professionals like:

Trade Product Managers, and Relationship Managers, Risk Managers, Logistics Personnel, Trade Desk Officers, and Treasurers in FMCG

COURSE CONTENT

The ETF programme covers: export finance options, export trade finance instruments, export credit insurance, mitigating export trading risks and fraud, export documentation, etc.

Course Fee: \$1050

Period: 6 months

Lecture Days: Every Saturday

Lecture Duration: 2-3 hours

Contact: 08091244449

Email: tradeacademy@3timpex.com

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Executive Diploma Programme

PROGRAMME TITLE:

Diploma in Export Business Management (EBM)



TARGETS

Experienced Professionals like:

Trade Product Managers, and Relationship Managers, Risk Managers, Logistics Personnel, Trade Desk Officers, and Treasurers in FMCG

COURSE CONTENT

The EBM programme covers: export documentation, export pricing, export market entry strategy, export value chain, export supply chain management, etc.

Course Fee: \$1050

Period: 6 months

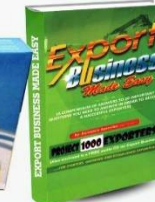
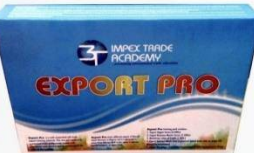
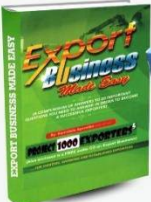
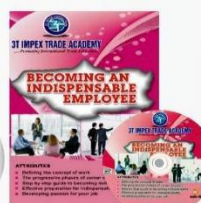
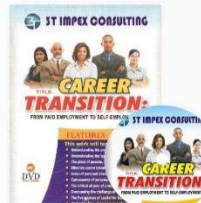
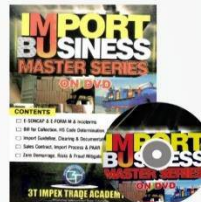
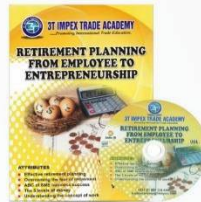
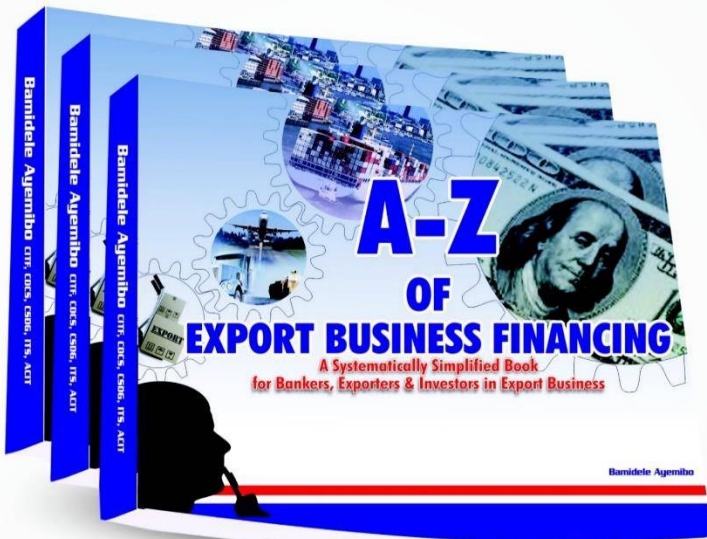
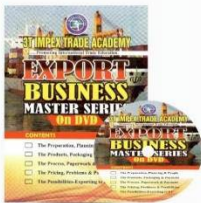
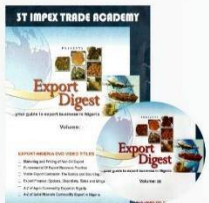
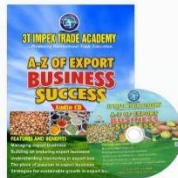
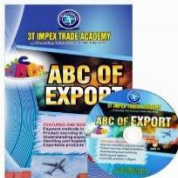
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DUE TO TIME CONSTRAINT



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IN CONCLUSION

As I conclude this presentation, I will like to say that the sustainability of your export business depends largely on your market entry strategy. This is because your entry strategy determines how easily and promptly you can resolve:

- Product quality issues in the export market
- Promotional issues in the export market
- Purchaser issues in the export market
- Policy issues in the export market
- Payment issues in the export market



THANK YOU



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...Promoting International Trade Education



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