WAYS OF EXPORTING GOODS IN THE WORLD

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Nowadays, it’s easier than ever for a company to sell goods and services across the globe. Most economies in the world contributed to the surge in international merchandise trade. In 2017, world merchandise trade returned to substantial growth, after two years of decline. Exports amounted to $17.7 trillion, increasing by 10 per cent from 2016. In 2018, exports are reach a record high of $19.6 trillion [3]. Merchandise trade between developing economies has increased from 41% to 52% of their global trade in the last ten years.

The goal of short paper is to justify approaches for goods export globally.

With the volume of trade growing exponentially and barriers to trade falling, competition in a company’s domestic market is intensifying, particularly from foreign competitors. Organizations need to compete in company own backyard while simultaneously open markets for company products and services in other markets [1]: there are a lot of potential customers outside; foreign competition is increasing domestically; exporting is profitable; exporting helps businesses learn how to compete more successfully.

The most common methods of exporting are indirect selling and direct selling.

On the export side, liner trade is mostly dominated by countries in East Asia. Liner exports are also highly concentrated, with the top ten exporting nations accounting for nearly two-thirds of the total liner export value, and Greater China (including mainland China, Hong Kong S.A.R. and Taiwan, China) account for 28% of the value of liner exports and 30% of the global volume of containerized exports. European Union Summary of Liner Trade shows that on both the export and import side, European Union's liner trade is dominated by Germany, which accounts for over 20% of EU liner exports and 17% of EU liner imports. The top four exporters and importers of the

European Union (which include Germany, Italy, Netherlands, and Spain) also rank within the top 20 globally [3].

In indirect selling, an export intermediary, such as an export management company or an export trading company, assumes responsibility for finding overseas buyers, shipping products, and getting paid [1].

Sales and distribution can be done in three major ways (Fig. 1).

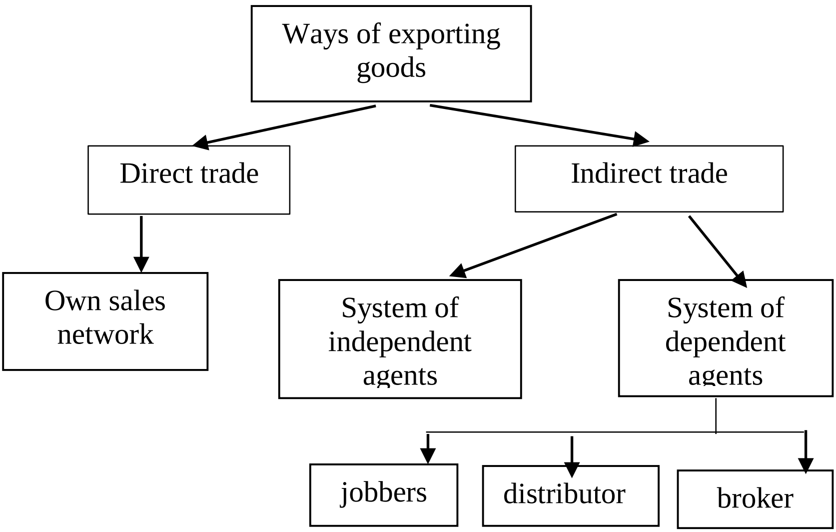

Fig. 1. Ways of company's exporting goods

Own sales network is focused exclusively on the sale of products of the enterprise in accordance with the ongoing strategy. And thus the company directly controls the implementation of its strategy in the market. In addition, the system allows the company to maintain sales direct contact with consumers.

At the current stage of marketing is advisable to use its own distribution network, not service agents or distributors. Over its employees can be made better control, and if necessary, they can reinforce or get redirected to other areas with better production prospects. Costs for own staff sales are generally lower, and its effectiveness – above.

However, the organization's own sales network seems appropriate with sufficient sales in the market. When servicing narrow market segments and individual customers the use of non-permanent staff own sales inappropriate. Enterprise sales this method usually combines with sales through resellers, distributors, jobbers, agents and brokers [2].

System sales through independent intermediaries in certain situations has advantages, such as the introduction of products on new markets where our own sales system is not yet established. In some cases, the use of an independent distribution network necessary in key markets, if this network is represented by strong competitive enterprises through good development of their market presence close contact with consumers because of their financial capacity [2].

The key factor for choosing indirect or direct selling approach is the level of resources company is willing to devote to international marketing effort. Other factors to consider when deciding whether to market indirectly or directly include [1]: the size of the company; company's tolerance for risk; resources available to develop the market; opportunity costs; the nature of the products; previous export experience and expertise; business conditions in the selected overseas markets.

So, there is no one “best” way for exporting. Indeed, company may use more than one way – selling directly to end-users via website, selling on a major B2B or B2C e-commerce platform, or engaging an agent to find buyers in a particular geographic area of the world, and selling to an export management company.

References

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