

## REVIEWS

**Export marketing of India's new manufactures by Shri Ram Khanna, University of Delhi Publication, Rs. 240.**

Amidst drawing international competition, India's export image continues to be determined by its traditional exports. The question that is on the minds of every exporter and every economist is whether India will turn out to be a formidable exporter of non-traditional items. This book raises this question and tries to answer it in its own way, basing its arguments on empirical studies and analytical insights. The author, Shri Ram Khanna, currently a lecturer at the Department of Commerce, Delhi School of Economics, believes that success in export of new manufactures, which are essentially processed items like ready-made garments, finished leather, fabricated minerals etc. (the author takes an inordinately long time to define 'new manufactures'), lies in, how well the Indian firms are geared in their export operation to meet challenges and complexities. This implies optimum use of the synergy with the export operations of traditional items.

Insofar as the methodology followed, comprises an empirical study of 140 leading exporting firms and a sample of 93 importing organizations, it is quite sound. But it does seem a bit confusing as the author emphasizes on the importance of non-price factors in export marketing; when the objective of Indian firms, according to him should be to command a fair price in international markets. The major impediments for exporting firms lies in the Government policies and the industrial structure, though at the same time, the production problems can't be overlooked.

The analysis is neatly structured, starting from the evolution of new manufactures, through the studies on India's export infrastructure, image and performance down to an overview of the elements of international marketing mix. Three basic issues are involved in export activities, viz., the exporter's image, the marketing-mix decisions and the measurement of export performance. The exporters surveyed include small-scale exporters, large-

scale exporters, merchants and Government recognized export houses (both recognized and unrecognized). The importing countries of study are restricted to Japan and some ASEAN countries. For some strange reason, the author has chosen Japan again among competitors for comparing export performance and this defies all logic. While one can accept reasonably, the choice of ready-made garments, leather and engineering industries for the study—[they contribute to about 42% of the total value of the exports of non-traditional (NT) items], the same can't be said of the choice of importing organizations. Here, although one does not doubt the credibility, when the author chooses to keep them anonymous, one feels that an industrywise break-up of the importing organizations could have been provided. This would have revealed the nature and direction of the bias that is always associated with such convenient sampling methods. It can be said that the reliability is very high in the image study as it involves factual records of firms and some personal interviews.

A bevy of tables and charts containing various export figures should be a delight for statisticians. The surprise omissions include, among all, the total export market value for traditional and non-traditional items. The figures show that India's share among developing countries' exports is poor (about 4.5%), though it is maximum in garment exports. The analysis of infrastructure of India's export business is thought-provoking. Division of infrastructure into basic, regulatory, supportive and promotional infrastructures provides deep insight into the problem existing in Indian export business.

Probably, the most important determinant of export success, the author argues is the export image, and the author has really done an exhaustive study of this. There are two aspects of the country's image that are crucial. First, the identification of products with the country of source and next, the standards, quality, price etc. of the products.

The export image is different from the

trade image in that the former is essentially from an exporter's point of view, while the latter is from the country's point of view. But this does not seem to have influenced the book much, since it delves deep into the nitty-gritties of the image of the country of origin, more than any other aspect of the image. The direct method of asking the importers to rate the exporters is highly praiseworthy, while it does seem odd that the exporter's comments on competition can be deemed reliable. The semantic differential scale used for ratings, is most appropriate but one fails to understand certain anomalies in the design of questions. For instance, product attributes include quality superiority and technical superiority which are overlapping and it is little surprise that the ratings here are also more or less identical. One could also question the logic of including trade discount under price and not under promotion. All said, the image study finally points out that Indian exporters' image lags hopelessly behind that of competitors.

The export performance has been evaluated in a fairly systematic way. According to the author, the export performance is a function of export orientation index (the share of exports in overall sales), the export growth rate and the firm's client satisfaction rate (the proportion of average number of regular importers). From the performance study, one finds that the export performance has been satisfactory only in the ready-made garments, whereas in engineering, it has been rather poor.

The book also reviews what the export demands are, how much of which items are exported to which countries and so on. The export product and its pricing are dealt at length. In promotions, one significant aspect, viz., trade fairs and exhibitions are found to be very important and this distinguishes export promotion from conventional domestic promotions. Granted that India's export image is unfavourable, the Indian exporters' success has been through personal selling.

Seen in the light of the various studies, and given the strong protectionism, tariff and non-tariff barriers, slow progress of New Economic Order, failure of UNCTAD-VI,

the Generalized System of Preferences (GSP) seems to be the only hope for market access for developing countries. The author's suggestions for policy makers in this regard, are broad and pointed. He has recommended the setting up of an apex monitoring organization for movements on infrastructure and evaluation, regulation of deformed basic structure, wherein casual exporter who disgraces the image will be eliminated; regulatory and supportive infrastructures. This apart, he has also made useful suggestions on product improvement, cash assistance, development allowance and the like.

The book is basically intended for managers of exporting firms and policy makers. While, the suggestions for the policy makers are worthy of implementation, there are not many recommendations having strategic implications for an export marketer. The book would have been of a better value had it been published around 1982-83, after the completion of the author's Ph.D. thesis, which forms the basis of the study. The figures (those of 1978) are also quite out of date. Moreover most parts of the book are more enlightening for a student of economics than for a marketer and the book should be a valuable addition to every economics library.

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**Tools and Techniques for Strategic Management.** Patrick B. Mc Namee, Pergamon Press, Oxford, 1985 pp. 319.

An appreciation of the competitive environment is crucial for the success of any business. The quality of perception of the challenges in the environment is important in strategic management. Lack of understanding of the overall competitive context of the industry in which the business operates results in strategic myopia. The author has made an attempt in this book to show how some of the best known contemporary approaches to strategic management can be linked together and applied. The book is organised into eight chapters with a spreadsheet given in the preface which summarises the type of problem that the subject matter of each chapter in the book attempts to solve along with the