

Internationalization & Export Management (IEM 6CFU)

Export – Import Entry mode

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EXPORT-IMPORT

Export is the most common or basic entry mode, often used as a “vent” for surplus production.

Export can be considered a potential source of extra sales, in the cases the foreign markets are considered as an extension of the home country operations.

Firms can opt for direct or indirect exports

Direct/ indirect Export

DIRECT EXPORT: firms choose local agent or distributor to enter a particular market

- PROS: - Direct control of the distribution, branding and pricing
 - high involvement, allowing the understanding of consumers' needs and identification of new opportunities
- CONS: higher costs, higher knowledge of foreign markets, liability of foreignness

INDIRECT EXPORT: firms are not directly involved in the process, using appropriate intermediary

- PROS: - Lower cost, lower commitment
- CONS: - firms will not learn from the experience
 - Little control of distribution & brand use

INDIRECT EXPORTING

TYPES OF INTERNATIONAL COMMERCIAL INTERMEDIARIES

- EXPORT MANAGEMENT COMPANIES (EMC): an independent firm that acts as the exclusive export sales department for non-competing manufacturers
- TRADING COMPANIES: buy a specialized range of products, maintain a stock or a shop, and deliver products to international customers.
- BUYER: independent actor who lives in a foreign country and represents a number of foreign companies in a certain geographical region
- BROCKER: is a person who link manufacturer with potential foreign buyers

Product Readiness

Is your product (or service) ready to be exported?

What international customer needs does your product satisfy?

Company Readiness

Is your company ready to export the product?

Do you have top-level commitment, resources, skills, and knowledge?

Product Readiness

Is the product (or service) ready to be imported?

What needs does the product or part satisfy for your value chain?

Company Readiness

Is your company ready to import the product?

Do you have top-level commitment, resources, skills, and knowledge?

It is important to assess product and company readiness to export
