

Exporting food products to India: An exploratory study

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Abstract in Norwegian:

Denne artikkelen utforsker hvilke erfaringer tre forskjellige eksportbedrifter som selger lakseprodukter har gjort seg i det indiske markedet. Intervjudataene viste at i henhold til bedriftenes oppfatning så kan mangel på vekst i etterspørselen forklares ved hjelp av følgende tre faktorer: 1. Handelsregime, 2. Distribusjonsnett, og 3. Å utvikle markedet. Dataene viste også at utfordringer relatert til det å utvikle markedet kan beskrives i henhold til tre temaer: 1. Markedspotensialet, 2. Relasjon med forretningspartner, 3. Markedskunnskap, og 4. Markedsføringsaktiviteter. En hovedutfordring er at husholdningssektoren ikke kjenner til produktet. For å kunne øke volumet betydelig må denne sektoren utvikles. Med utgangspunkt i en litteraturstudie presenterer denne artikkelen noen tiltak som kan vurderes av eksportører som planlegger å etablere seg eller ønsker å videreutvikle det indiske markedet. Fremtidig forskning kan fokusere på følgende to områder med det formål å styrke vår kunnskap om hvordan utvikle det indiske markedet: 1. Hvordan kan eksportbedrifter gå frem for å etablere sine forretningsvirksomheter på en vellykket måte i det indiske markedet? 2. Hvilke markedsføringsaktiviteter vil fungere for at indere skal få lyst til å prøve nye matprodukter som selges hos detaljister?

Abstract in English:

This paper explores challenges experienced by three different export companies selling salmon products to Indian consumers. A review of interview data showed that major challenges which according to the companies view explain why the demand for salmon has not developed as expected were as follows: 1. Trade regime, 2. Distribution network, and 3. Developing the market. Data also showed that challenges related to developing the market could be described according to the following subjects: 1. Market potential, 2. Relationship with the business partner, 3. Market knowledge, and 4. Promotion activities. A major concern of the companies is that the household sector does not know about their products. To increase sales volumes significantly this sector has to be developed. On the basis of a literature review this paper presents some measures that could be considered by exporters planning to enter or further develop the Indian market for food products. To advance our knowledge on how to develop the Indian market in a successful way, the following two areas could be the focus of future investigation: 1. How could exporting companies proceed to establish their business venture successfully in the Indian market? 2. What kinds of promotion activities would work to make Indians get a taste for a new food product sold in the retail sector?

Introduction

India is one of the emerging economies considered as attractive markets for Western consumer goods (e.g., Choo *et al.*, 2004; Ling *et al.*, 2004; Rahman & Bhattacharyya, 2003; Shukla, 2006). However, companies entering an emerging market must confront a range of unfamiliar conditions and problems (e.g. Arnold & Quelch, 1998; Johansson & Leigh, 2011), and India is no exception. India with its 3

million km² and a population of 1.2 billion is a heterogeneous country which involves a number of challenges for foreign companies and their marketing people (Banerjee, 2008). The purchasing power is unevenly distributed and the contrast between the affluent and the low income people is large. In addition to the affluent consumer group influenced by Western lifestyle, India also has a large middle class that can be divid-

ed into several groups exhibiting various buying behaviours (Rahman & Bhattacharyya, 2003).

Evidence shows that tapping into the Indian consumer market is not easy, especially when it comes to food products. While some imported products such as electronics are easily accepted by Indian consumers, they are reluctant to buy food products that they are less familiar with (Ling *et al.*, 2004; Yun & Pysarchik, 2010). Besides, about 40 per cent of Indians are vegetarians (Choo *et al.*, 2004; Ling *et al.*, 2004). Studies also show that reaching the Indian consumers is a challenge because the distribution system is inefficient (e.g., Joshi *et al.*, 2009; Rahman & Bhattacharyya, 2003; Schmekel, 2005), and the retail sector is underdeveloped (e.g., Goswami & Mishra, 2009; Reardon & Minten, 2011; Srivastava, 2008). Consequently, exporting food products to India is likely to involve some challenges. Hindrances and challenges in export markets may cause unexpected delays and costs, and thus affect export performance. Therefore, it is important for export managers and sales personnel to have a good understanding of the different challenges they may meet in a specific market (Köksal & Kettaneh, 2011). Apparently no research has so far focused on the various challenges an exporting company selling food products may face in the Indian market, including what kinds of strategies that are useful in this market.

This paper is organised around two questions: 1. What kinds of challenges have exporters selling a food product that is new to the Indian consumer experienced in the Indian market? 2. What kinds of measures could exporters consider adopting to develop the Indian market? This study is exploratory and presents the experience of three sales people, each representing one exporting company in Norway selling salmon products to India. The companies included in this study have exported to India 4, 5 and 10 years. The sales reps point out that it is sometimes hard to justify the shipments because the volumes ex-

ported are minor and deliveries are taking place on an irregular basis. After several years of export to India, the expected market potential has not yet been realized, in spite of the fact that "...sustained economic growth and increasing urbanization are fuelling a rapid growth in the demand for high values food products like fruits, vegetables, milk, meat, eggs and fish" (Ali *et al.*, 2010, p. 110). This paper provides insights that could be considered by exporters seeking to introduce a food product that is new to the Indian consumers. In addition, this study points out areas that could be studied in future research with the objective to advance our knowledge on how to approach the Indian market in a successful way.

The paper is organized as follows: The next section gives a presentation of the research method, followed by a presentation of the data. A review of literature is then carried out with the objective to offer some views on what exporting companies could do to develop the Indian market. The paper ends with conclusions, managerial implications and limitations, and ideas for future research.

Research method

Norway has exported salmon products to India for more than 20 years, but volumes have been minor throughout the period. India differs from the other three BRIC countries, Brazil, Russia and China, where exported volumes of salmon products have experienced a substantial growth (Lauritzen, 2012). India can therefore be viewed as a *unique case* considered worth of investigation (Yin, 1989). Focusing on one particular market is useful because challenges faced by international companies are different in various markets. Every country has its own individual identity and specific cultural characteristics (Gupta *et al.*, 2011). The selection of the companies was done in cooperation with the Norwegian Seafood Council. A main criterion in

selecting the companies was that they have exported to India for some years, and thus gained some experience in this country. The companies have exported to India 4 (company A), 5 (company B) and 10 (company C) years, using Indian importers. The companies export fresh and frozen salmon products. Two of the companies used to export processed salmon, but stopped due to technical standards introduced by the Indian Ministry of Agriculture. The selected companies export seafood products to a large number of countries worldwide. A more detailed description of each company is not presented to ensure anonymity.

The persons responsible for the Indian market were interviewed, and they are referred to as sales rep A, B and C in the text, representing their respective company. The interviews with the key persons responsible for the Indian market are the main sources of evidence in this study (Yin, 1989). Preliminary discussions were carried out on the phone with each of the interviewees. The results of the preliminary interviews were used as inputs in preparing a semi-structured interview guide. The following topics were explored: the relationship with the Indian business partner; the interviewees' knowledge of the market; ambitions in the market; and the business environment, including the trade regime and infrastructure. It was stated introductory that the interviewees should feel free to communicate information considered relevant even if it was not addressed by the interview guide, which they also did. In the end of the interview the interviewee was asked to give a summary of the major challenges experienced by them in the Indian market. The interview data was collected at the companies' headquarters in Norway. The duration of the interviews was 1.5 to 2

hours. The interviews were recorded and then typed out. The interviewee was asked to read through the manuscript and to give corrections where it would be appropriate. Minor corrections were given.

Interview data was reviewed and issues were plotted into a table. Three main themes emerged as a result of this process, and these themes corresponded with the main points expressed by the sales reps in the in the end of the interview, when giving a summary of major challenges. The main themes were as follows: 1. Trade regime, 2. Distribution network, and 3. Developing the market. The review of the data showed that issues related to developing the market was more extensive compared to the other two areas. Issues related to developing the market were classified according to four subjects as follows: 1. Market potential, 2. Relationship with business partner, 3. Market knowledge, and 4. Promotion activities. A review of literature was carried out with the objective to offer some views and measures on what companies could do to develop the market for a new food product in India.

Presentation of data

Table 1 offers a presentation of the main issues expressed by the sales representatives for each of the three main themes – trade regime, distribution network and developing the market – representing the main challenges experienced by the sales reps in the Indian market. Table 2 presents data expressing issues related to developing the market. The following section presents the data related to the *trade regime* and the *distribution system*, then followed by a section which presents the data related to *developing the market*.

Major challenges in the Indian market

Table 1 Major challenges in the Indian market

Companies	Major challenges		
	Trade regime	Distribution network	Developing the market
A	<ul style="list-style-type: none"> – Bureaucratic customs clearing 	<ul style="list-style-type: none"> – Infrastructure and logistics are underdeveloped – Lack reliable cooling system – Lack international supermarket chains 	<ul style="list-style-type: none"> – Market is limited: hotels and restaurants – Distant relationship with the business partner – Market potential is uncertain – Heterogeneous population – Limited knowledge about the market
B	<ul style="list-style-type: none"> – High customs tariffs – IMA¹ has asked the company to meet unreasonable demands 	<ul style="list-style-type: none"> – Unreliable cold storage and thermo transport systems – Supermarkets lack modern refrigerator counters 	<ul style="list-style-type: none"> – Market is limited: hotels and restaurants – Several efforts carried out without any success – How to select the right business partner? – Uncertain market potential – Limited knowledge about the market
C	<ul style="list-style-type: none"> – Bureaucratic customs clearing – IMA¹ has asked the company to meet unreasonable demands – High customs tariffs 	<ul style="list-style-type: none"> – Underdeveloped logistics and distribution system – Lack modern supermarket chains 	<ul style="list-style-type: none"> – Market is limited: hotels and restaurants – Good communication with the business partners – Household sector does not know about the product – Good knowledge about the market

¹ IMA refers to Indian Ministry of Agriculture

Trade regime

The tariffs on fresh and frozen whole salmon are 10 per cent, and on processed fish 37.18 per cent. The sales reps B and C consider the import tariffs to be too high causing the end price to be unreasonable high. The purchasing power of the middle class in India is low compared with the middle class people in developed countries. Sales reps B and C expect that exported volumes will increase if tariffs are reduced or removed. They maintain that the results of the ongoing negotiations between the EFTA (European Free Trade Association) countries (Switzerland, Liechtenstein, Iceland and Norway) and India are important, and hopefully the final agreement will imply a reduction or elimination of tariffs. Sales rep B states that if Chile achieves better trade terms than

Norway the company's business in India will end.

The exporters are also exposed to non-tariff barriers. The sales reps A and C point out that the customs clearing is too bureaucratic and slow. A licence has to be granted by the Indian customs for each shipment. This involves bureaucratic procedures that may lead to delays, and thus concerns, when it comes to the storage of the shipment while documents are being completed. Chilled and frozen salmon products are temporarily being stored in a cooling warehouse at the port, which the sales reps do not find reliable. Sales rep C maintains that a bilateral agreement would be of great value if it also implies simplified documentation procedures when it comes to customs clearing. A second non-tariff barrier refers to standards set by the Indian

Ministry of Agriculture (IMA). IMA requires that the processed fish meets certain standards when it comes to quality and processing procedure, and this has to be documented by a certificate issued by the Norwegian Food Safety Authority. If Norwegian companies apply the standards required by IMA in the processing the product would be spoiled. For this reason, the companies B and C have stopped exporting processed salmon to India.

Distribution network

All three sales reps express a concern when it comes to the distribution system, which they find to be unreliable. Perishable food products like salmon need to be protected from degradation and loss of quality, and thus require a distribution network which ensures consistent cooling of the food products. Sales rep B points out that selling to the retailers is risky because most of them do not have facilities such as a proper cold storage system and a refrigerator counter. Similarly, sales rep C states that the retail sector is dominated by small family owned retail stores which lack advanced cooling systems. Sales reps A and C's view is that the presence of international supermarket chains would promote the development of advanced distribution systems in India. The Indian Government has so far not allowed international supermarket chains like Walmart and Tesco to invest in the retail sector.

Developing the market

Market potential

At present the salmon products are consumed by guests in the fashionable hotels and restaurants visited by foreign tourists and affluent Indians. Smoked salmon, sushi and shashimi are dishes that are con-

sumed across cultures. Sales rep C expects that also Indians will get a taste for salmon dishes, and hotels and restaurants are places suitable for trying new dishes such as sushi and shashimi. However, the potential in the hotel and restaurant sector is limited. A major concern addressed by the three sales reps is that the Indian middle class and the household sector do not know about the salmon products. Moreover, the household sector must be developed in order to increase sales significantly, and an important premise to develop the household sector is the presence of a modern retail sector. The sales reps B and C state that salmon is an expensive product which requires that the target group has a certain level of purchasing power. In addition, Indians do not have a tradition to consume salmon. Sales rep A points out that the consumers in the household sector have to learn to get a taste for salmon, and they have to learn how to integrate it with their cooking. Moreover, the Indian population is very heterogeneous which means that cultural understanding is required to identify and connect with the target group. Because of the limited market and uncertainties, the Indian market is given low priority by company A. Sales rep A states that the company does not have very high expectations with regard to growth of demands for salmon products in the short term. However, the company intends to have a presence in the Indian market and therefore accepts shipping small volumes on an irregular basis. Similarly, sales rep C maintains that it is important to have an export activity in India when the market develops. Company B has a long term perspective in India in spite of the fact that it finds the current situation to be problematic due to unreasonable demands required by the IMA, uncertainties related to the market potential and a disappointing business relationship.

Table 2 Issues related to developing the market

Companies	Market issues			
	Market potential	Relationship with business partner	Market knowledge	Promotion activities
A	<ul style="list-style-type: none"> – Market is viewed to be uncertain – Household sector needs to be developed – Presence of international retailers are required to develop the market 	<ul style="list-style-type: none"> – One importer – Indian partner is considered as a peripheral customer – No efforts carried out to follow up the customer – Salmon is not an important product to the importer 	<ul style="list-style-type: none"> – Importer is key contact in India – Communication is limited to price and quality – Limited knowledge about the market 	<ul style="list-style-type: none"> – Market is not given priority because it is small – No business visits – Importer has not made any efforts to develop the market – When is the right point in time to promote marketing campaigns?
B	<ul style="list-style-type: none"> – Great potentials, but current market is limited – Retail sector needs to be developed – High tariffs is a disadvantage due to low purchasing power 	<ul style="list-style-type: none"> – One importer – Carried out various efforts to strengthen the relationship and develop the market – The relationship has not developed as expected – Importer has not shown interest in the product 	<ul style="list-style-type: none"> – Importer is key contact in India – Importer has provided limited information – Lack access to important information – Limited knowledge about the market 	<ul style="list-style-type: none"> – Tried out products with different spices and offered samples – Organised a campaign in co-operation with chefs in a hotel – Business visits to meet the Indian partner
C	<ul style="list-style-type: none"> – Great potentials, but the household sector does not know about the product – Lack of modern retailers and distribution systems – Norwegian salmon is expensive 	<ul style="list-style-type: none"> – Four importers – Spent resources to search for Indian partners – Treat each other as the preferred partner – Indian importers have been to Norway, and SR has been on business visits to India 	<ul style="list-style-type: none"> – Importers and their customers are important sources of information – Information is accessed via internet and relevant organisations – Carried out a survey in cooperation with an Indian consultant – Good knowledge about the market 	<ul style="list-style-type: none"> – Taken part in arrangements organised in Dehli to promote salmon – Annual business trips to meet importers and their customers – Importers do their best to sell the product

Relationship with the business partner, market knowledge and promotion activities

There are differences between the three companies when it comes to efforts made and what kind of relationship that has been developed with the Indian importer. Company A, which has one importer in India, does not give the Indian market high priority, and the company has a limited knowledge about the market. The sales rep A and the importer lack knowledge about each other: they have never met face-to-face. Besides, sales rep A has not established contacts with partners beyond the

Indian importer. The importer has not taken initiatives to develop the market, and the sales representative has not followed up the Indian importer. The Indian importer is viewed as a peripheral customer. Sales rep A explains that you do not spend resources, like paying business visits, when the customer buys small quantities on an irregular basis. The view of the salesperson is that the importer's lack of engagement could be an indication that the market is not ready for consuming salmon products. Therefore, it is not considered worthwhile making commitments to this relationship. Sales reps A and B's experience is that their importers do not provide them with

important information about what is going on in the market. The information exchanged with the importer is transaction-oriented and is primarily related to the delivery. Sales rep B's experience has been that communication to a large extent has been one-way: from the exporter to the importer. Sales rep A explains that the information exchanged is limited because exchanging other kinds of information requires capacity. Company A is not prepared to invest resources in a business relationship that is not considered very profitable.

Company B, which has one importer, has made some attempts to establish a close and committed partnership with the Indian importer with the intention to develop the market, but has not succeeded. The company has provided the importer with free samples to be used for marketing purpose. The company has experimented with spices and offered products that could match with the Indian taste. The sales rep B has made several business trips to meet the Indian importer, and met once the importer's customers who are chefs in the hotels and restaurants. The Indian customer has been invited to Norway but has not accepted the offer. The Indian importer has also been offered flexible terms of payments. In spite of various efforts, the sales rep has not succeeded to establish a productive business connection with the Indian importer or other actors in the Indian market. A major concern of sales rep B is to find a new business partner that shows an interest in the product and who is prepared to maintain a two-way communication.

Company C, which has four importers, has spent some time and resources to search for potential importers in cooperation with an Indian consultant. Sales rep C gets important information from the importers each time an order is made. In addition, the sales rep gets useful information about what is going on in the market from the importers and the importers' customers when making the annual business trip to India. The Indian importers have also visit-

ed Norway. Company C and its Indian business partners treat each other as the preferred business partner. The sales rep has also taken part in official arrangements in India that have facilitated promotion of salmon. The sales rep maintains that an important part of the business visits is socialisation. Overall, sales rep C maintains that the company has a good understanding of the today's market in India, and the foundation in India is good considering the size of the market.

What could exporters do to develop the market?

Business contacts

Researchers state that a high level of expertise is required to succeed in tapping into the potential food market in India (e.g., Banerjee, 2008; Ling *et al.*, 2004). This implies that the company must be actively seeking local insights into consumers' characteristics and preferences (London & Hart, 2004; Prahalad & Lieberthal, 1998). To succeed in developing locally acceptable products, your company has to develop relationships with local partners that could provide an awareness of the actual needs of your target market (Chang & Horng, 2010; London & Hart, 2004). Local business partners are considered essential sources of market knowledge since the collectivist nature of India indicates that local businesses are much closer to their consumers than what would be the case in most Western cultures (Ling *et al.*, 2004). Without market-specific knowledge and appropriate customer contacts, it is difficult to promote sales (Li, 2002), and your business is likely to fail (Chang & Horng, 2010; London & Hart, 2004). Consequently, developing a good relationship with the importer is essential to acquire knowledge about the market.

Developing and maintaining business relationships through regular interactions, sharing information and building trust are con-

sidered important practices to reduce the lack of knowledge between partners (Agndal *et al.*, 2008). 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. Experience with each other is a fundament to develop trust: it is through experience that you get to know if your partner is reliable (Anderson & Narus, 1990; Aulakh *et al.*, 1996). The presence of trust also enables the business partners to focus on the long term advantages of the relationship (Zhang *et al.*, 2003; Morgan & Hunt, 1994). It is a challenge for home-based salespeople to develop in-depth knowledge and establish customer contacts, especially when the business environment is unfamiliar (Arnold & Quelch, 1998; Li, 2002). Establishing a sales office in one of the promising cities in South India could be a strategy worth considering because it could make the company better prepared to become part of social networks, which is essential in the Indian business community (Dabas *et al.*, 2012).

The big cities in South India

Although the distribution system is underdeveloped, it is more developed in the largest cities where the middle class is concentrated (Pysarchik *et al.*, 1999). The big cities in the South of India, such as Mumbai, Hyderabad, and Chennai, have a faster growth in organized retailing as compared to the North (Dabas *et al.*, 2012). Moreover, food consumption patterns are changing among urban Indians (Goyal & Singh, 2007; Ling *et al.*, 2004). Middle income and urban consumers spend a greater part of their income on upgrading and diversifying their diet toward high value products (Ali *et al.*, 2010). Besides, the educated younger consumers in the big cities are more open to foreign brands (Gupta, 2011; Pysarchik *et al.*, 1999), and consumers in the big cities are also becoming more conscious in terms of nutritional diet, health, and food safety issues (Ali *et*

al., 2010; Goyal & Singh, 2007). Evidence shows "...that Indians are amongst the top ten buyers of foods with health supplements globally..." (Chakrabarti, 2010, p. 903). Companies selling a food product that has health advantages could emphasize this in the promotion campaigns. Companies selling salmon products could emphasize the health advantages of eating this kind of fish because of its rich content of omega 3.

The innovators/early adopters

In India, social class and reference groups influence the consumers' wants and the goods and services that consumers buy. India is a collectivist society, which implies that the individual is concerned about group conformity (Banerjee, 2008; Rahman & Bhattacharyya, 2003; Yun *et al.*, 2012). If innovators and early adopters get a taste for new food products, others are likely to "...quickly follow suit to avoid the discomfort of being left out" (Rahman & Bhattacharyya, 2003, p. 364). This suggests that pursuing a marketing strategy that attracts typical early adopters and innovators both among the wealthy elite and the middle class is a way to go to connect the product with the consumers in the household sector. Innovators/early adopters are more responsive to product promotions and advertisements than non-innovators (Ling *et al.*, 2004). Evidence also shows that "...compared to non-innovators, innovators and early adopters in India are more willing to try a new product when it is promoted by providing consumers with free samples or coupons" (Ling *et al.*, 2004, p. 386). Consequently, foreign food companies have to identify the innovators and early adopters, get an understanding of who they are, their purchasing behaviour and taste preferences, and their attitudes toward the new food product (Choo *et al.*, 2004; Ling *et al.*, 2004; Yun & Pysarchik, 2010).

Cooperate with retailers

Exporters could enter into cooperation with retailers to create a program that gives consumers experience with the salmon products. Also retailers need to advance their understanding of how to introduce new food products to the Indian consumers (Yun & Pysarchik, 2010). A part of the program could be providing free samples in combination with demonstrations. Showing how to prepare salmon dishes may encourage consumers – innovators and early adopters – to try the product. In this way, the consumers get knowledge about a new product and how it could be used, and thus the risk involved in buying it is reduced (Chakrabarti, 2010; Ling *et al.*, 2004). Moreover, in-shop activities facilitate quick feedback from those consumers that are willing to try the product. Feedbacks may suggest that changes of the product are required in order to match better with the Indian consumers' tastes and income level. McDonald has, for example, developed a menu that suits the Indians' taste buds and wallets (Prahalad & Lieberthal, 1998). Besides, the middle class consumers in India prefer single serve packets that allow consumers to buy only what they need, experiment with new products, and conserve cash at the same time. Indians are highly price sensitive (Chakrabarti, 2010; Dabas *et al.*, 2012; Ling *et al.*, 2004), and are willing to replace a brand if the price is lower (Ali *et al.*, 2010; Pysarchik *et al.*, 1999), regardless of the newness of the product (Chakrabarti, 2010; Ling *et al.*, 2004). Consequently, the exporter must thoroughly consider taste preferences and promotion activities as well as packaging and pricing (Goswami & Mishra, 2009; Rahman & Bhattacharyya, 2003).

Conclusions and managerial implications

This study has explored the challenges experienced by three salespeople representing three different exporting companies

in selling a food product that is new to the Indian consumers, in this case salmon. Three themes emerged, representing major challenges experienced by the salespeople in the Indian market as follows: 1. Trade regime, 2. Distribution network, and 3. Developing the market. One issue related to the trade regime is the level of the tariffs that are considered high compared with other countries (Chaturvedi & Mohanty, 2010). India is involved in negotiations with a number of trading partners with the aim of finalizing a trade agreement, and elimination of tariffs is part of the negotiations (Government of India. Ministry of Commerce & Industry). Besides, the Indian policy makers have put streamlining of trade documents on the agenda (Chaturvedi & Mohanty, 2010). Establishing good relations with trade partners is a major concern of many Governments, and developing structural connections that go beyond trade agreements are considered to produce beneficial effects. Studies show that companies from home countries that have more structural connections with a focal host country will experience greater success with their business ventures in this country (Ingram *et al.*, 2005; Rangan & Sengul, 2009). Thus, countries that view India as an important trading partner could carry out efforts to expand the structural connections with India also within other areas than business.

A second challenge is the underdeveloped distribution system. However, organized retailing is developing in the largest cities (Dabas *et al.*, 2012). In addition, the quality of the distribution network is expected to improve significantly when foreign multi-brand retailers such as Walmart and Tesco enter the retail sector (Bajaj, 2011). The new economic reform that was announced by the Indian Government in September 2012 will allow foreign investors to own up to 51 per cent of multi-brand retail outlets. At least half of the total foreign direct investment brought into the country is expected to be spent on developing infrastructure such as distribution,

quality control and storage facilities (Jaitly, 2012). Consequently, improvements are taking place when it comes to terms of trade, and the quality of the distribution network in the big cities is advancing. However, improvements may take place at a slower pace than many foreign business managers would prefer, and the speed of these processes are controlled by political processes and institutions.

A third challenge experienced by the sales reps was how to develop the market. The three companies included in this study have adopted different approaches to establish their business in India. Company A has invested insignificant resources because of the small size of the market and the market potential is considered uncertain. The Indian importer is viewed as a peripheral business partner. A major concern addressed by sales rep A is: When would be the right point in time to promote marketing campaigns in the Indian market? In contrast to company A, company B has carried out a number of efforts in order to develop the market but has so far not succeeded. The importer has not performed in accordance to expectations like showing an interest in the product and sharing important information. In other words, the relationship with the Indian partner has been disappointing. A major concern of sales rep B is to find a new partner, and how to proceed to ensure that it connects with the right one. Company C made use of an Indian consultant in the process to find the right business partners. Sales rep C has good relations with the Indian business partners, and has a good knowledge about what is going on in the market considering the limited size of the market. The sales rep acquires important information from its importers and importers' customers when doing the annual business visits. The Indian importers have also been visiting Norway. Sales rep C maintains that you have to have reliable importers who provide you with important information. The current market is fashionable hotels and restaurants which has a limited growth potential.

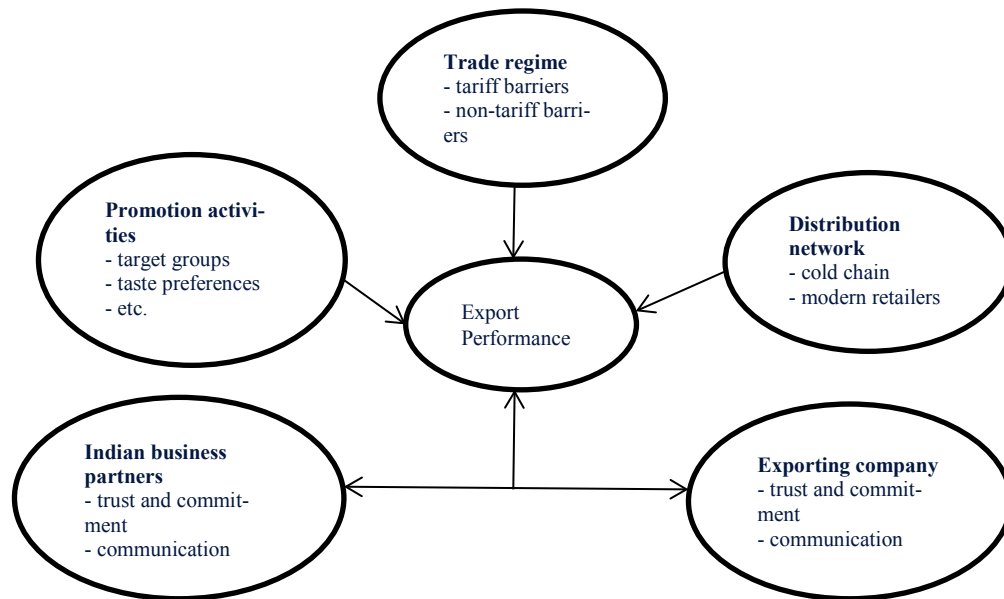
A major concern of the three sales reps is that the household sector does not know about their product. To increase sales volumes significantly this sector has to be developed.

Banerjee (2008) points out that deep-rooted cultural diversity and values in a country like India makes it more difficult for a marketer to carry out a standardized strategy to attract consumers. This means that "...marketers must gain unique dimensions of consumer culture to finalize their strategies relating to segmentation, position and marketing mix" (Banerjee, 2008, p. 369). Having contacts in the market is considered an essential premise to acquire this kind of knowledge (e.g., London & Hart, 2004; Prahalad & Lieberthal, 1998), and it is by actual presence in the market that you can become part of the Indian business community which is crucial to succeed in India (Dabas *et al.*, 2012). Business visits are important to cultivate business relationships because it promotes exchange of information that goes beyond price and product quality and it contributes to trust building. Interactions with the business partner signal strong commitments to the relationship (Johanson & Vahlne, 1990). Establishing a sales office in one of the big cities in South India could be a strategy to make the export company better prepared to establish business contacts, as well as getting a foothold in that part of India where the retailing sector has the fastest growth (Dabas *et al.*, 2012). In addition, exporters could work out a promotion program in cooperation with retailers that attracts the attention of the innovators/early adopters in the household sector, both among the affluent elite and the middle class people. The company has to be prepared to tailor the product to suit the preferences of the Indian consumers in terms of pricing, packaging, and taste (Goswami & Mishra, 2009; Rahman & Bhattacharyya, 2003). However, the competition is considered to be tough. What kinds of new products consumers will add to the "household bundle" is nevertheless uncertain. Salmon products will com-

pete with other luxury food products (Johansson & Leigh, 2011). Developing marketing campaigns that connect with the target market is therefore of critical importance. Finally, Figure 1 offers a sum-

mary of the major challenges identified in this study considered to influence the exporting companies' performance in the Indian market.

Figure 1 Developing the Indian market, factors influencing the performance



Limitations and future research

This study explores the challenges experienced by three Norwegian companies exporting seafood products to India. Thus, the results apply to a narrow range of organizations and should therefore be considered preliminary. Future research could include companies from other industries selling other kinds of food products, not only from Norway but also from other countries. In addition to including exporters with no sales office in India, we may also include exporters that have actual presence in the market, such as a sales office. This could give the researchers the possibility to investigate the significance of the exporter's presence and non-presence in this market. In this way, theory can be developed and extended to a broad range of organizations. Diverse sampling is required in order

to generalize findings (Eisenhardt, 1989; Yin, 1989).

This study brings forward only the exporters' point of view represented by the salesperson responsible for the Indian market. Because the relationship with the Indian business partner is crucial in order to succeed in developing the market, the importers' view on the exporters' business ventures in India could extend our perspective on how to approach this market. China is also one of the larger emerging economies that import Norwegian salmon. This market has developed in a positive way in recent years (Lauritzen, 2012). Investigating why could provide useful insights: In which areas do India and China differ, and in which areas are they similar? Could export managers learn something from the Chinese case and apply the knowledge to

the Indian case? To conclude, further investigations are required in order to advance our knowledge on how to develop the Indian market in a successful way, and research problems related to the following two areas could offer important insights: 1.

How could exporting companies proceed to establish their business venture successfully in the Indian market? 2. What kinds of promotion activities would work in order to make Indians get a taste for a new food product sold in the retail sector?

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