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## **INTERNATIONAL MARKET ENTRY: RECOMMENDATIONS ON BUYER-SELLER LINKAGE CREATION**

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### **Abstract**

This paper addresses issues and makes recommendations with regard to certain institutional support mechanisms for creation of buyer-seller linkages in export management. In particular, the article looks at trade fairs, trade missions, and overseas commercial representation, as well as the role of catalysts, chambers, and exporters' associations in promoting exports. Based on analysis of theoretical materials and in-depth interviews, a strategic framework is proposed for improving the delivery capability of buyer-seller linkage creation functions in the Bangladesh context.

The present paper examines some aspects of the support infrastructure for export promotion in Bangladesh. The paper is divided into three major parts. The first part consists of two sections: background and justification, and methodology. The second part presents a summary of findings and conclusions, and consists of two sections: broad issues, and core issues. The third part of the paper presents recommendations of the overall study.

### **PART ONE: BACKGROUND**

#### **Justification**

Due to lack of information, lack of access to foreign firms, financial limitations for extensive travel, small size of the

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exporting firms, and many other reasons, Bangladeshi manufacturing and exporting firms, many of whom are relatively new, face hurdles in international market entry. (ITC, 1996: 5-17) Buyers in markets of developed countries have a wide array of supply sources to choose from. On the other hand, suppliers from many developing countries have larger and more experienced firms and support institutions to ensure access into the markets. Since Bangladeshi firms do not often have the requisite experience or financial capability to pursue competitive foreign markets, institutional support can be very useful in establishing links with the buyers. (BDXDP, 2001: 18-42)

As there are many areas such as banking and export credit services, insurance, transportation services, policy and regulatory aspects, etc. that can fall within a broad definition of support infrastructure, the focus here has been narrowed to three specific institutional support mechanisms that directly aid in buyer-seller linkage creation: trade fairs, trade missions, and overseas commercial representation. The reason this paper has decided to look at these institutional support mechanisms are as follows:

*First*, it needs to be understood that other tools of export support such as various fiscal and financial incentives, exchange rates, etc., require policy interventions and adjustments periodically.

*Second*, they are variable in nature in terms of the overall expenses incurred in implementing them.

*Third*, external factors both national and international in scope affect the success of implementation of such support mechanisms.

*Fourth*, not all target beneficiaries can utilize such incentives due to the peculiarities of their respective businesses.

*Fifth*, there are others in the economy who are often affected negatively because these support interventions are frequently applied across the board.

On the other hand, trade fairs, trade missions, marketing missions, buyer-seller meets, and overseas commercial representation are front-line institutional export support mechanisms which require a more or less fixed set-up on the part of the national export promotion organization (EPO), country missions abroad, as well as major national chambers of commerce and exporters' associations. In Bangladesh, as in most developing countries, a substantial amount of money is spent every year on these institutional set-ups. The results of this study suggest that the effectiveness of the money spent through these very closely related and highly interdependent export support tools can be optimized if they are viewed as a unit.

Thus it needs to be clearly understood that the purpose of this paper is not to review export promotion in general, neither is it about Export Promotion Bureau (EPB) and its roles and functions. The purpose is not to suggest to EPB to continue or discontinue its various mandates nor is it to make an overall review of the activities of chambers and associations. Also it is not the purpose of this paper to investigate the activities of the export wing of the Ministry of Commerce (MOC), as much as it is not about commenting on the activities of the Ministry of Foreign Affairs (MOFA). What the paper, however, does is to delve into aspects of all the above-mentioned organizations which have a direct bearing on the buyer-seller linkage creation functions.

Contextually, it is because of this that the paper occasionally, of necessity, has to make forays into the broader structural aspects of some of the relevant organizations. Keeping this background in mind, literature has been reviewed extensively with regard to each of these three areas of international market entry support, to see what role and impact they are supposed to have generally, and have had in various countries where research has been conducted on them. (Bilkey, 1978: 33-46) In light of these findings, the situation in Bangladesh is reviewed. Since a very high percentage of the export promotion budget of the country is spent on these

three areas, whether sufficient benefits are being derived from these support mechanisms is examined. As well, the catalyst model and its applicability to Bangladesh is reviewed. (Rhee, 1989: 3-18) Based on the theoretical material and in-depth interviews, a proposed strategic synthesis is suggested, which may help to improve the delivery capability of the buyer-seller linkage creation activities in the Bangladesh context.

The topic has, therefore, been approached from three sides. First, the three specific institutional support mechanisms for creation of international buyer-seller linkages as mentioned above are examined --- their usefulness and effectiveness from a best practice and country specific standpoint. Second, the issue of catalysts is reviewed. For the purposes of this construct, a catalyst has been defined as "an individual or company -- domestic or foreign -- or a public agency, or a combination of these, that pioneered the process of development in an outward oriented direction before anybody else in a sector; packaged the needed know-how with domestic endowments and external financing; and diffused the experience and know-how it learned in that initial development process". The question is asked whether in fact catalysts exist, and if they do, whether they have sought the support of the institutional mechanisms talked about, whether these mechanisms have been useful to them, and whether these mechanisms can help nurture as well as assist in the creation of new catalysts. And finally, the role of major chambers and exporters associations is examined to the extent that they are relevant to the three institutional support mechanisms in an attempt to arrive at an optimal working arrangement for international buyer-seller linkage creation on a joint public sector-private sector basis.

The research question that has emerged, therefore, is based around a) initial contentions and findings on the three support mechanisms, b) initial contentions and findings on the catalyst issue, and c) initial contentions and findings on the role, if any, of chambers and associations in the scheme of things. This paper

contends, based on findings of the in-depth interviews, that none of the three support mechanisms, and the chambers and associations are playing their expected role in promoting exports. It is also contended that although catalysts have to rely too much on government interventions, still potential catalysts need to be nurtured and supported if it looks as if they may be able to break into new export sectors. Thus this paper attempts to answer the question, 'What type of structure will ensure better delivery of the three core support mechanisms taking into account the catalyst issue, as well as the need to involve chambers and / or exporters' associations in the delivery structure?'

### **Methodology of the Study**

The research design selected for the study has been a combination of two *ex post facto* designs: field study and survey, as the nature of the study was both exploratory as well as descriptive/prescriptive. The in-depth interview was chosen as the main instrument of investigation. The population here has been defined as all business leaders involved in exports in non-traditional sectors, buyers of such products and their representatives, officials of chambers and exporters' associations, and public officials dealing with export related matters in relevant government departments, bureaus and ministries, as well as commercial counselors working in Bangladesh missions abroad. A business leader for the purposes of this study is an individual who has been categorized as such by the peer community, by experts, by public export related officials and other knowledgeable persons the study has spoken to, and about whom there is a consensus regarding such categorization among the groups mentioned above.

In-depth interviews of business leaders and public export officials were conducted on the basis of non-probability judgment sampling. The main reason probability sampling was not conducted was that the objective was to elicit responses from a set of dynamic exporters who would at the same time be able to articulate issues relating to policies and give guidance and

directions on topics relevant to their sphere of activities. On the public sector side also, it was felt there was no point in spending time gathering typical bureaucratic responses. Here also, the intent was to tap into the expertise of officials who were considered as people with ideas.

## **PART TWO: SUMMARY OF FINDINGS AND CONCLUSIONS**

In Bangladesh, both national development policies as well as public exhortations by the highest authorities consistently give top priority to exports. While there remain lapses in implementation of the policies, as well as on basic questions regarding how some of the issues should be approached and who should be given importance in the decision making process, there is, however, no confusion that exports are a top item in the country's national agenda. There are no remaining vestiges of an import substitution /export-led debate holding back on the export agenda and the change over in favor of export-led approach is undisputed.

It may be argued that Bangladesh's national export strategy has reasonably attainable quantifiable goals. Acceptable quality up to date export data are maintained by the Export Promotion Bureau(EPB) and actual figures generally turn out very close to the set targets. However, more detailed data based on assessment of sector specific needs, and analysis and dissemination of such data appear necessary. Rather than EPB taking on all the data management and analysis function, some in-house capacity in this regard by the trade associations for their respective sectors also appear necessary.

While opinions are generally sought from major chambers and associations during the setting of export targets, it is usually not done in a disciplined and constructive manner. Associations should have a proper mechanism for seeking their members' opinions regarding export targets, which then should be

transmitted to the Ministry of Commerce (MOC) and EPB in a systematic fashion.

Macro-economic policies in Bangladesh are considered relatively export friendly by most business leaders. Apart from the continuing complaints by some ready made garments (RMG) and knit manufacturers regarding the exchange rate being over-valued compared to other regional countries, which should, of course, be monitored regularly, macro policies are generally considered appropriate for this largely import dependent country.

While export priorities and thrusts are generally thought to be focused in the right areas, there is almost no product development and product improvement to speak of. The extent of the country's dependence on RMG and knitwear is alarming. Just identifying thrust areas is not deemed good enough. There is a need to be proactive, and to improve productivity and go for high value-added exports on the basis of better technology and quality. In order to do this, the productivity and quality of existing export products will have to be improved. A more explicit technology policy needs to be devised to improve Bangladesh's technological capability.

Technological capability enhancement should be part of a broader industrial strategy for strengthening international competitiveness. Good information on possible technology options is hard to come by in countries such as Bangladesh. A good example worthy of emulation is the Korean Institute of Economics and Technology (KIET), which is an information-cum-market intelligence organization. In addition to having an extensive database, this organization is equipped to conduct specialized searches and provide specific technical consulting assistance. Much of the work of its overseas offices have to do with identifying market opportunities world wide for Korean products and helping Korean businessmen to take advantage of these opportunities. The findings of this research point toward the need for setting up such an outfit in Bangladesh.

In order for public research institutes to respond more effectively to the needs of the productive sector, modification of their rules and incentive structures appear necessary. The Bangladesh Council of Scientific and Industrial Research (BCSIR) does not have any visible rapport with the commercial sector. Clearly, a greater commercial orientation needs to be given to the research work of public sector research institutes. Also it is important to note that the choice of technology is absolutely vital to ensure competitiveness. Given the extremely wide and diversified stock of technology available in the international market place, and Bangladesh's total failure to develop any type of internationally competitive local technology, it is extremely important to concentrate on becoming good at acquiring foreign technology that is relevant to local conditions.

In addition to the above, there is a need to ensure that the technology, once acquired, is used efficiently and that there is a positive demonstration and diffusion effect. For this latter impact to take place, and because technology is regularly changing, it is imperative that countries such as Bangladesh develop a strong local capability to assess, select, adapt, and improve technology. In order to ensure this, a well thought out long-term strategy must be chalked out for the development of people with technical skills. As mentioned earlier, with the alarmingly high dependence on RMG and knitwear, and the lack of successful breakthroughs in any new sector, the weaknesses in the technology field have become very critical. Without improved and new products to hit world markets with, trade fairs, trade missions, and overseas commercial representation are likely to become almost totally ineffective.

This paper is in agreement with the BDXDP (Bangladesh Export Diversification Project) that Export Promotion Bureau has played an important role in export promotion in Bangladesh in conducting trade fairs all over the world, and in showing buyers that Bangladesh has products and production capabilities which



can compete internationally. This paper also concludes in agreement with the BDXDP that EPB programmes are out of date in terms of the country's current requirements and the messages that need to be sent to world markets. As mentioned earlier, business leaders question the effectiveness and efficiency of almost all of EPBs existing programmes.

It is indeed surprising to note that neither EPB nor MOC have any assessment criteria other than overall export performance to measure the effectiveness of the promotional programmes. From a management point of view, it is imperative to have specific assessment criteria for specific promotional programmes, in order to ensure effectiveness, accountability and performance. Different quantitative and qualitative indicators may be used to measure the success of EPO (Export Promotion Organization) programmes. Particularly with reference to the institutional support mechanisms under review, it is felt that improvement of trade fair and trade mission participation are directly tied to proper assessment of their effectiveness using realistic criteria. Similarly, CA (Commercial Attaché) effectiveness can be enhanced by holding them accountable against narrowly defined objectives.

Any discussion on institutional support for buyer-seller linkage creation needs to touch upon the subject of Export Processing Zones to see if indeed EPZs in any way contribute to such linkage creation for Bangladesh in world markets. In view of the huge investments that are injected in these zones by the government, this seemed to be a valid concern. Unfortunately, it is evident that such contribution is marginal and comes in the form of some residual contacts and link-ups with buyers generated in favor of Bangladeshi joint venture partners in EPZs, which they may or may not be able to utilize subsequently.

Concerning the theoretical aspects of formation of buyer-seller relationships, while all business leaders and export officials agree that quality, timely delivery and price are the three most important

factors in developing long-term relationships with buyers, and there is usually an attempt to ensure that these requirements are met, there are other areas where Bangladeshi suppliers have serious limitations. In this regard, suppliers need to gain detailed knowledge of the extent and nature of product differentiation as well as a very good idea of the marketing channels. EPB/CA support or some other facility may be extended to firms to identify international network partners, and to identify the segment of the specialty market most suited to their capabilities. Workshops and firm-level clinics conducted by current or retired staff of large international buyers and other experts appear necessary to give Bangladeshi firms an awareness of the possibilities as well as design and manufacturing information, etc.

On the subject of trade fairs, the consensus is that fair participation, the way it has been practiced by EPB until now needs to be updated. While some business leaders have gone so far as to say that the existing set-up is a generation behind as far as trade fair displays go, there are others who defend EPB type participation saying that potential and new exporters benefit from them. At the same time, there are some in buyer circles who think that EPB supported fair participants have generally not matured sufficiently as exporters to be taken seriously. Regarding displayed products, many business leaders think barring a few exceptions, that most products are not price-wise and quality-wise competitive with similar products from other countries and that fair managers of participating firms are often not polished and knowledgeable enough to deal with an international clientele. These issues need to be thought out properly and remedies found.

A basic issue which needs to be resolved is whether EPB should continue to exert control over export promotion in the same manner as it did when the public sector used to control the commanding heights of the economy. Most are now in agreement that the private sector should take over more and more of the export promotion activity, and in particular, the management of

trade fairs. EPB should strategically recoil and provide technical support services such as coordination of product adaptation for specific markets, etc. With specialized international fairs in particular, activities such as stand design, quality press relations and projection meetings, if contracted out to local consultants abroad, can be quite expensive. Independent participation with stands designed by local fair consultants in the host country and publicity organized by them costs between \$10,000-30,000 in a renowned specialized fair in Europe which is considered quite high by Bangladeshi participants. In comparison, participation in a professionally managed joint BGMEA stand can cost a participant about 20% of this cost. EPB, with its wealth of experience in fair management and participation over many years, can take initiatives to develop international standard in-house expertise in fair management and publicity, and provide such services on a cost recovery basis to individual business people as well as chambers and associations.

Cost recovery in fair participation is already being practiced by BGMEA in their recent joint fair participations. This could become a usual practice in all fair participations. One relevant point to be noted is that the traditional EPB approach of getting CAs to manage free or inexpensive sites in fairs from the organizers often lead to poor sites. As well, the cost minimization in fair design, and lack of proper publicity all lead to a below optimal showing, and also does not augur well in enhancing the country's image abroad. All of this has led business leaders to shy away from joint national stands and to go for participation on their own.

Research on trade missions, limited as they have been, suggests that these missions can play a useful role in foreign market entry. In Bangladesh, EPB led survey and survey-cum-marketing missions have gone overseas over the years. Their numbers have varied depending upon fund allocation and felt need. Decisions on these issues have appeared to be ad hoc. Clear cut policy on trade

missions regarding product, destination, size class of firms, frequency, fund allocation, etc., need to be formulated.

Leading chambers have also sent missions a few times during past years. However the decisions to conduct them have been *ad hoc*, and the objectives have not been focused as diverse groups of people tend to participate in them. Some go to sell, some go to explore, some go to import, while others go for prestige or just to accompany friends. In this sense, EPB missions by and large have been more focused. Their sole purpose has been to promote Bangladeshi exportables. Faced with the top heavy and diverse composition of chamber membership, EPB has tended to mainly consult exporters' associations during planning of missions. In recent years, missions have been planned at least four to six months in advance by EPB, and have mostly involved emerging and thrust sectors. CAs also are contacted ahead of time to arrange meetings, etc.

Barring one or two exceptions, an area that has been weak regarding trade missions has been with regard to mission reports, follow up, and record-keeping. The mission reports this researcher came across in the Trade Information Center (TIC) of EPB were more in the nature of typical bureaucratic trip memos. This needs to be improved and should include specific suggestions, leads, and follow-up strategy. One or two follow-up meetings with mission participants should also be held in order to assess the effectiveness of missions and to get suggestions from them regarding subsequent missions.

Records of missions of previous years should be properly maintained so that future missions can readily refer to past missions and try to build upon them rather than repeat mistakes. Videos, presentations, handouts, agendas, names and addresses of local guides and organizations, etc., should be retained for ready reference. In other words, continuity needs to be ensured.

Finally, an issue that needs to be addressed from all sides is whether the missions that go from Bangladesh are mature enough to deal professionally on an equal footing with relevant organizations in developed countries. It needs to be ensured that there is a combination of people who are articulate, technically competent, have prior experience in participating in missions, and produce acceptable quality products, etc. It is not necessary that each individual possess all of these qualities, but the group should have these qualities between them. It must not be forgotten that while leads and closing sales are valid objectives, country image also needs to be enhanced by the national EPO (EPB) sponsored missions in particular.

With regard to missions, it must also be remembered that Commercial Attache (CAs) in the post territory are supposed to be qualified people with the ability to open doors to local organizations. The whole embassy machinery is also there to support the commercial diplomacy operation. Thus they should be alerted well ahead of time, given specific assignments for coordinating with and briefing local organizations, so that it is ensured that the mission is well received and fruitful discussions take place.

Various aspects of CAs have been investigated. It can be concluded from the in-depth interviews that other than the most routine type of enquiries, CAs in general are not very prompt in responding to queries by business people. With regard to trade enquiries which require actual market investigation and other detailed information about potential buyers, CAs also do not generally go the required lengths to collect and send information, and normally cite resource constraints as the reason for their inability.

CAs seem to do a satisfactory job regarding arranging meetings, providing travel assistance, etc., which some contend as mostly secretarial work. Business leaders are skeptical whether

CAs are at all competent to provide direct and meaningful access to buyers. With regard to incoming missions, the feedback is insufficient to make any assessment about the quality and extent of assistance provided to such missions. Often incoming missions do not even liaise with CAs before coming to Bangladesh. Thus CAs role *vis-a-vis* incoming missions appear very minimal.

CAs have a role to play with regard to trade fairs in the post territory. However, it is mainly in activities before the fair that they make some contributions such as negotiating for the site and booking space, etc. With fair websites having detailed site layouts and online order forms, one may wonder whether booking space can be considered as an activity worth mentioning. With regard to activities during the fair, usually the EPB Fair Director takes over and the CAs just provide usual support. Although best practice suggests some activities to be done by the CA after the fair such as obtaining reports from exhibitors and preparing the fair report, EPB relies on its own reporting mechanism, which is submitted by its Fair Director, and the CA usually does not prepare any separate fair report.

Regarding follow up of contacts made during the fair, there is confusion among different parties as to whether it is at all the job of the CA. Other than a few exceptions, most CAs do not appear to take this activity seriously. Similarly, there has been almost no initiative by CAs in most post territories in organizing in-store promotions or setting up CAs showrooms.

Whether due to lack of resources, lack of accountability of CAs, lack of appreciation of best practice activities by the MOC, or lack of individual capabilities of CAs, an insignificant amount of trade creation, de-briefing, export servicing, commercial reporting and commercial publicity work have generally taken place in post territories. It may be concluded, therefore, that CAs by and large have been ineffective with regard to these activities.

**Role of Catalysts:**

However, the study has indeed noted that all of these businessmen were well positioned either due to their successful family business backgrounds or successful civil or military bureaucratic backgrounds. They all happened to be well educated and articulate and were able to fill a lacuna in their respective fields in the newly emerged country. Some of them were able to find a reliable buyer early and built up a long-term relationship. In many cases it was a matter of luck that they were able to make the right connection. However, to their credit these individuals, all of whom are important business leaders now in their own right, have stood out from the rest in their respective sectors in terms of providing leadership and have been actively consulted by policy makers.

The issue of catalysts have formed a vital part of the original contentions of this research regarding what institutional support for exports should be based around. As various authorities were interviewed, some individuals were identified as catalysts or potential catalysts. Pursuing these leads, some of these individuals were included as respondents for the in-depth interviews. Unfortunately the author has been hard pressed to identify any uniquely common factors among these individuals that could be replicated or taught, or policy interventions that could result in inculcation of more catalysts.

For the purposes of putting together the proposed institutional support strategy framework, the author needed to get feedback from these business people regarding their impressions about the institutional support mechanisms under review. The responses revealed that they along with all other business leaders interviewed held very similar positions in terms of both the existing export support mechanisms as well as the suggestions which they have made. Thus, the initial position and contention where catalysts and potential catalysts have been theoretically set apart from the larger group of business leaders as a special subset does not appear to hold true. These individuals happened to be pioneers in their

field and did not follow any specific approach that can be generalized. But again to their credit, it should be noted that they were instrumental in getting supportive policies implemented.

In this regard, one conclusion that this researcher has reached concerns potential catalysts. Thrust sectors need to be monitored closely to notice who are the players that are making a difference. In emerging sectors, such people should be taken cognizance of, and supported if they show promise in being able to make early breaks into global markets.

### **Service Delivery by Chambers and Associations:**

Chambers and trade associations play a major role in assisting export industries in different countries. However, in Bangladesh, although there is quite an extensive network of chambers and trade associations both at national and local levels, the quality of service delivery have been rather basic. Market information is mainly circulated through organizational newsletters that are usually limited, often late to be of use, and generally considered unsatisfactory. Regarding introductory letters, it is hard to say how effective they are as feedback is hardly received. This is a very traditional method and there is a need to be more innovative if introductions are expected to have any decisive impact. Potential buyers know that visiting businessmen can easily acquire such letters from chambers in their home country. One possible improvement could be an international standard quality certification to accompany these letters.

On chamber/association involvement in organizing stands in international fairs, apart from some encouraging initiatives recently by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in organizing stands in a professional and planned manner for its members, and some one off participation by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Computer Association, there have not been any significant participations on record. Whatever



institutional participation is done, it is mainly done by EPB. In this regard, this work shares the views of BDXDP in suggesting that EPB should provide support to chambers and associations in organizing stands in international fairs on cost recovery basis. EPB can provide the type of specialized support foreign consulting firms used to provide to Bangladesh single country fairs and marketing missions during the eighties and early nineties under the UNDP project, using its resources of skilled staff, wide network, and overseas CAs. In attempting to do this, EPB should try to gain the confidence of business leaders for their ability to deliver specialized and non-bureaucratic support. For this, it should re-train and re-equip itself in the context of the new globalized realities. Toward this end, a situational and contingency approach, rather than pre-determined agendas is suggested.

There is also no organized approach that is used by chambers and associations in helping firms make business contacts. A needs assessment should be conducted by each chamber/association to identify which type of support is required by its members to make such contacts. This will vary by product group, market, etc. With regard to incoming missions, small sellers are marginalized because they do not normally get an equal opportunity to meet the mission members as larger firms. These organizations need to play a more proactive role in highlighting the activities of the small producers, in standardizing their products and in certifying their quality.

On the issue of networking by chambers and associations with other chambers and associations and with EPB, the clear indication is that it is not done in a structured way. On the side of chambers and associations, it must be realized that their leaders are generally busy, lack experience in running support organizations, have their own agendas, and quite often partisan. Therefore, the operational side needs to be conducted by hired professionals. The possible areas of cooperation and networking with other similar organizations should be decided by the leaders but implemented by

the professionals. In the private sector led environment, these new-look and dynamic chambers and associations should take initiative to identify the areas where thrust needs to be given, and seek specialized support from EPB and other organizations.

With regard to overseas activities by chambers and associations, the only things that have taken place are some infrequent, *ad hoc* and unstructured trade missions by the apex chambers, and a handful of bi-national and multi-lateral chamber agreements, none of which have borne fruit. Here the professional staff recommended for operational activities of chambers and associations can come into play. The staff, after assessing the overseas support needs of its members, can conduct some research and work out how these needs can be best met.

### **PART THREE: RECOMMENDATIONS**

Based on research on the above mentioned issues, a graphic synthesis or framework of institutional support for buyer-seller linkage creation is proposed below. Once a favorable stakeholder consensus has been established on the broader issues and policies relating to export promotion, including the need for product development, thrust identification, etc., then the next level of analysis dealing specifically with the institutional support mechanisms under review, i.e., trade fairs, trade missions, and overseas commercial representation can be initiated. The attempt here has been to propose an improvement in the delivery capability of these support mechanisms based on a synthesis of the theoretical material, results of the in-depth interviews and inputs from catalysts and potential catalysts. The intent has also been to see if this could be done without causing any major structural changes to the existing service delivery mechanism.

What has emerged are some serious weaknesses in the service delivery mechanism under review. The validation of the extent of weakness of these mechanisms has been done qualitatively based on the interviews and judgment of the researcher. As well, it has

also emerged, contrary to initial contentions, that reliance of catalysts and potential catalysts on government policy support and incentives are so overbearing that except for a few cases of dynamic forays into regional and international markets, it is a big question whether these individuals whom this study has chosen to categorize as catalysts are worthy of the credit.

This research purported to take more cognizance of exporters' associations particularly in thrust sectors. The research indicates that it is from these associations that one can gain the best understanding of the diversity of needs in the sector. It is felt that these associations, rather than chambers and catalysts, need to be focal points from the private sector side specially with respect to policy making and implementation dealing with trade fairs, trade missions and overseas representational activities. Regarding chambers, the study contends that they have too broad agendas and leaders too influential and partisan to have a good working arrangement. Associations, on the other hand, appear to be more focused and better suited for the purposes mentioned above. These associations need to be injected with ideas, provided with training for members, have internal product development set-ups, provide market development assistance, initiate revenue generation activities, etc., and work in close conjunction with EPB as partners in export promotion.

The needs of each sector are very different. At a given point of time, when a particular need has been identified by a thrust sector association and discussed with EPB, a business plan for its execution has to be developed, which quite naturally would be situational and contingent upon various factors. It may call for damage control or image building in a particular country, product development to suit a particular region, or for that matter to send a survey mission to a new territory. The CA located in a post territory, who will have a role to play in this plan may not be competent to carry out the particular activity assigned to him or her, which should not justify its non-performance or under-

performance. EPB and relevant associations, in consultation with both MOC and MOFA (Ministry of Foreign Affairs), should be in a position to work out the modalities and provide the resources for performance of the activity by the CA, in conjunction with the CA, or in the absence of such a possibility, by themselves.

The whole issue of having competent people head national export promotion programmes is rather complex. MOC will need to have trained subject matter specialists who will have tenure. These people will also need to have orientation in dealing with relevant organizations such as EPB, CAs, chambers and associations as partners in export development. Similarly EPB will need to have trained professionals with a clear career path. There needs to be a change in mind set in order to deal with the private sector as partners in export promotion. The staffing pattern of EPB should be in conformity with the altered role for EPB that is being recommended here.

Similarly, with regard to trade fairs, relevant associations and EPB should jointly decide which international fair would be appropriate for participation. Only one or two of the best specialized fairs in a sector should be selected per year and resources should be generated from participants themselves as well as other funding sources. Advance planning, dynamic publicity, all out commitment by the whole embassy in that country from ambassador downward, should ensure leapfrog in presentation and display.

Again with regard to the trade mission activity, results of the in-depth interviews do not validate the study's original position about the importance of chambers and catalysts. On the other hand, it is proposed here that relevant associations and EPB should jointly decide where missions should go and what issues and concerns should be addressed in which countries. There may be only one mission from a thrust sector in a year but it should ensure leapfrog in terms of quality and should be technically sound

in terms of presentation. Whether it is image building, new product display or market penetration, high impact blitzkrieg should be made. The quality of preparation for a mission, both within the country as well as in the countries that will be visited, should convey to the audience about the seriousness of purpose.

EPB should set up a high quality in-house media department or, as an alternative, enlist a few high quality private sector media firms, capable of producing quality videos and other presentations on behalf of export sectors, associations, or individual exporters. Experienced EPB marketing and product specialists should provide input to these presentations. Similarly, EPB should have the capacity to coordinate and provide expert input to the press and other international publicity campaigns on behalf of associations during missions and fairs.

High quality fair management and stand design services, the type that is offered by local fair organizers overseas for a high fee, should also be offered by EPB to associations and individual exporters. This can be set up as a common facility that carries out job orders on payment. At the same time the capability of fully private owned exhibition management firms in conducting international fair participation on behalf of exporters may also be assessed and some joint programmes may be initiated.

As it has been conducting the activity well and has access to diverse information sources, the data management and analysis function may be retained by EPB and should be tailor-made for associations as per their needs. Associations may be charged for such function also. It must be remembered at the same time that data needs of exporters and associations have changed greatly with the advent of the internet. Therefore, with the transformed scenario, EPB involvement may have to be adjusted or even drastically curtailed with the data and information needs of specific sectors.

Results of this research also point towards the need for a training facility to be housed under the umbrella of EPB for use by chambers, associations, embassy staff, and relevant officials of MOFA and MOC. The training will invariably have to be extremely need-based and targeted toward very specific groups. It should be conducted by suitably qualified experts, and not just by regular EPB staff. If executed properly it could turn into a state of the art export support training facility which could even draw a broader base including customs, tariff, banking, and other officials as well as scholars working on international trade. Such a facility could be multilaterally funded if properly visualized and directed, and could as well turn into a high-powered policymaking support instrument, if some high quality applied research is conducted there as well.

A structural change in outlook recommended here for which overall stakeholder consensus is imperative, is that of Bangladesh's diplomatic establishment. The highest authorities should ensure that commercial diplomacy is a prime objective of the country's foreign policy and the diplomatic establishment should understand it and be technically trained to execute it. As mentioned earlier, MOFA personnel should undertake the type of training that has been visualized above and should have no inhibitions about going lengths for the benefit of the country's export sector while in the post territory. Some reward mechanisms should be instituted for foreign service personnel tied to commercial objectives. Senior embassy staff should negotiate with local chambers and associations, make intelligent presentations on behalf of Bangladeshi associations, seek out buyers, and be prepared to work non-bureaucratically and in a systems concept with EPB and association personnel.

On the basis of overall conclusions reached here, and within the context of the parameters delineated earlier, assessment by the researcher points toward a need to set up 'overseas display center cum marketing offices' (ODCMO) jointly by the EPB, exporters'

associations and local embassies in three or four of the most important commercial centres from Bangladesh's commercial perspective. Although there will be public sector input, these should essentially be private sector run outfits. These should be located at prime locations and should be staffed by high quality commercially oriented people.

A recommendation which ties together different strands of the construct presented herein, has to do with the need to encourage and support direct selling by Bangladeshi companies. With increased competition in international markets, especially with year 2005 looming overhead when quotas will be dismantled, there is all the more urgency for Bangladeshi companies to bypass foreign buying houses and deal directly with overseas retailers.

In this regard, the ODCMOs need to have arrangements whereby Bangladeshi companies can use the facilities as their local offices either for the short-term or long-term on rental basis. Special incentives need to be devised and provided for direct selling. Especially in difficult sectors and markets where only a few exporters have been able to break in and sell directly to retailers, such exporters should be given encouragement and provided with incentives and be treated as catalysts. They should also be encouraged to take leadership in setting up export consortiums.

### **The Proposed Synthesis / Framework**

If the ODCMOs are set up and function as envisaged, they can be at the centre of an elaborate marketing system. They can service and facilitate catalysts and other export leaders in establishing a beachhead in major markets to deal directly with retailers. They can facilitate associations to display members' products through professional quality exhibitions. They can act as the local base for visiting Bangladeshi trade missions where presentations and displays can be made, and meetings can be held. They can also act as overseas offices for Bangladeshi chambers

and associations. As well, they can also be a place where the local Bangladeshi embassy and CAs can provide their input and be part of the operation. If all of the above interests can be accommodated within the umbrella of the ODCMOs, a major part of the original contentions and construct of this research will be validated from a practical standpoint.

Announcements for the whole year for these overseas commercial centres should be posted early and exhibitions should be held throughout the year in turn by different associations. A library with up to date catalogues and videos should be located in the premises. The whole management and get up of these outfits should be of international standard. Local embassies should ensure that exhibition listings reach relevant counterpart associations, buyer groups and chambers well ahead of time. There should also be a small business center located on premises and an office where business can be transacted during exhibitions by the business people.

The incorporation of the ODCMOs into the construct of the proposed strategy framework will reinforce the support delivery capability for buyer-seller linkage creation. A major concern that has to be resolved at the outset is the financing of these outfits. It is proposed that these display centres should be multilaterally financed at least through the medium term by the private sector, public sector, and bi-lateral and multi-lateral donors. It is recommended that these centres should have four corners working in a mutually supportive, systems environment. These are Exporters' Associations, EPB, embassies and the ODCMOs themselves. A high powered policy making committee comprising of representatives of all these organizations should coordinate activities, while day to day management should be conducted by hired professionals.

Finally, it may be pointed out that while some of the original contentions of the conceptual framework of this research have



been validated and have withstood the tests, others have not been so convincing. The overall assessment of the researcher, based on all the findings as well as all parameters delineated earlier, point towards the need to bring under a systems concept umbrella all issues relating to front-line buyer-seller linkage activities. These include trade fairs, trade missions, overseas commercial representation and overseas display center cum marketing offices. Under the same systems umbrella need to be brought in the training facility mentioned earlier in this article to be housed in EPB, exporters' association involvement as relevant to this issue, and the nurturing and inculcation of potential catalysts. This proposed system should be able to provide, without major disruptions to the existing set-up, means to more effective connections with international buyers.

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