

QUALITY PACKAGING AND SAFFRON EXPORT

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Abstract

With the increasing development in different industries in country, the role of packaging is very important. Appropriate product packaging encourages consumers to buy products and if this packaging design and select by complete wisdom of manufacturers and exporters will distinguish company from other companies. Saffron is one of the traditional products of Iran and due to its high price in non-oil exports of the country, comparative advantage and its importance in terms of production; acreage and employment in different parts of the country allocated a particular position. Now basic problems in the export of Iranian saffron is down packaging that often is exported in form of bulk to neighboring countries such as emirates and it's packed in there and with more reasonable price is exported to final market.

Keywords: Quality, Packaging, Saffron, Export

1. INTRODUCTION

Improving export performance of small and medium enterprise in regional position has more important for governments and researchers. Export is ways known and has long history in international trade. Many manufacturing companies expand their international activities began with the export of goods and then gradually turned to other methods of entering foreign markets. At a time that produce for conditions of industrial and commercial companies in developed countries were still favorable and restrictive regulations by the government was not imposed, production of goods and exporting it to abroad in these countries was considered the way of reasonable and profitable. In this period, the level of wages and other production costs was not increased that produce in those countries than in less developed countries be non-economic. Given these conditions, majority industrial goods produced in developing countries, particularly the U.S. and Europe and it had sent to international markets (Haghighi, 2010, p230). Literature evidence that variety of manufactured goods and the export of a country are affected by the spillover of knowledge and expertise- oriented (Amable, 2000; Rodrick, 2006; Hausmann & et al, 2007). The new wave of globalization began in about 1980. The main characteristics of this wave included: Increasing exports and increasing foreign investment. During waves developing countries could use relative advantage from cheap labor and increased industrial exports and reduced the import tariff rate. In addition to controls on capital outflow from high-income countries will gradually resolve until 1998, the stock of foreign capital reached 22 percent of GDP in developing countries. Due to changes that globalization continued, this phenomenon by some developing countries was considered as potential for growth. Exports in the last three decades have been the main engine of growth in East Asian economies. About importance of exports in economic growth, opponents of globalization believe that with liberalization and the removal of barriers to agricultural transactions and of course in all sectors of the economy will have more emphasis on exports that this will be leads to a decrease in the production and supply country other the nutrients needed. Why and how action of countries in the international trade, has considered the minds of many economists. Among the theories proposed, the law of comparative advantage, despite its shortcomings, has still a special place

as best theory. Based on rules above, countries tend to export goods that they can produce lower prices and costs. Since the emergence of this theory, several scholars have taken steps to quantify it that finally lead to provide different methods. Expanding trade relations and increasing non-oil exports to Iran, which is dependent on exhaustible oil resources, it is an inevitable necessity. The importance of export promotion will increase in situations that is emerging phenomenon of economic globalization and the loss of commercial borders in countries strongly and in the not too distant future, countries will hardly be able to far from this the flow and have only watching global developments. Therefore expected that Iran as a way to keep pace with the development of world trade and for competition and entry into the international trade and to participate actively and effectively with the global economy is ready (Permeah & et al, 2009). It is clear that most important factor influencing economic growth is exports. Today, diversification of export is interest to many the economic policymakers. Diversification of exports is increasing the number of export products and reduces dependence on one source of income. Lack of recognize the potential country in export and lack of understanding of best target markets for product has prevented always many opportunities from exporters. As a result constantly evaluation of products market can increase the profitability and a product exchange technology and identify the advantages of products will effect increasing competition in global markets.

2. LITERATURE REVIEW

2.1. Export

The most traditional and simple way to enter global markets is export (Khodadad Hosseini & Khodami, 2010) and low-risk way to enter foreign markets. A sale through export has the lowest allocation of resources and less change on the company's internal programs. More than \$ 2 billion annually is exported goods from different countries. Countries called the "four tigers" (Singapore, Hong Kong, South Korea and Taiwan) and also Japan could make economic development in their country through exports. Export are defined as communicate and work with professionals of market and professional markets across borders. Government is usually aficionado development strategy of exports (Farhangi & Lotfi, 2009). Export is occasionally passive approach to foreign market entry. In this way, company occasionally or according to its initiative or in response to unsolicited orders from abroad, its products are exported abroad actively exporting occurs when company is committed to export their goods to specific market. In both cases the company will produce the goods in its country and may or may not be applicable to produced goods with foreign market. Export requires minimal changes in the production line, organization investment and company mission.

2.2. Export Marketing Strategy

Marketing strategies are used in foreign markets until companies can achieve higher export performance. Export marketing strategy is a process that through it company shows respond to competitive position of the market and market forces and environmental forces and internal resources of company makes a strong to achieve its objectives by using target markets, including product, price, promotion, place. Marketing strategy is plans to adopt aims of the company or how moving company to achieve their marketing goals from particular market share and purpose of marketing strategies is determining target markets for a particular product or product line (Movaghar Moghaddam et.al, 2011). Adaptation strategy of export product is associated with the degree that company makes similar product or they adjusted with target market (Haghighi & et al, 2008). This strategy is defined by the characteristics of the company and external business environment (Calantone et.al, 2006). The product modification is one matching method in the foreign market and a product should be changed to suit local conditions or requirements (Hosseini & Mirjahan Mard, 2011). For

exporters who provide products to different customers around the world, the same products are disregarded for foreign customers to goods. But companies that their products conform to the needs and demands of the target market customer fulfill customer satisfaction and increase ultimately the overall performance (Haghighi & et al, 2008). Growing services in recent years has become as one of the major trends in the world. Investment on services is somewhat important that today will attract more than 50 percent of the financial resources of consumers. Global economy system in service organizations have more growth and comprise more than a quarter of the value of international trade (Taleghani & Taghizadeh, 2010).

2.3. Saffron Share in Exports

Saffron is a plant indigenous to the Iranian plateau. Growing this plant has been common in the past in many parts of Central Iran. Saffron is one of the traditional products of Iran and due to its high price in non-oil exports of the country, comparative advantage and its importance in terms of production; acreage and employment in different parts of the country allocated a particular position. Share of production in the country is about 65 percent of total global production that about 80% is exported. Iran's economic dependence on oil and its products is a major problem that constantly in development programs of the country for the emancipation of it have been considered different policies and strategies that one of these is the development of non-oil exports. Considering the importance of saffron in non-oil exports and share of 70 percent in global export value among exporting countries saffron only Iran, Spain and Greece have a comparative advantage in exporting but this advantage has been declining during the years 2002-2006. Results of investigation of market structure during the study period show that Iran saffron export structure from the dominant firm has changed to oligopoly closed and the countries of Spain, Italy, France, Saudi Arabia, Sweden, and India's are largest trade partners of Iran. World exports structure of saffron during the studied period always follow the dominant firm. So that only about 70 percent from global exports of saffron is in possession of Iran. According to the current statistics the Iranian of saffron produced from 5/87 tons in 1995 has reached to 240 tons in 2005 (Kashfi Banab,2010). Saffron is agricultural products compatible with climates in the Middle East, Central Asia and parts of Europe. That has many applications and even medical in addition to high value of the food. This product is fully compatible with climatic conditions of north-eastern provinces and east. The saffron is one of agriculture products exchange in Iran that large fluctuations seen in the past few decades but over the past two decades from 1991 to 2001 increased dramatically produce and its exports and now, Iran is the first producer and exporter of saffron in international market. Undoubtedly, by significant increase production without investing in marketing and its late industries, its price has become drastically shrinking and producers of the product will result in a loss. For example, now basic problems in the export of Iranian saffron is down packaging that often is exported in form of bulk to neighboring countries such as emirates and it's packed in there and with more reasonable price is exported to final market. Therefore, an important part of the value added given to the UAE (Parmeh & et al, 2009).

2.4. Packaging in Business

Today in countries only to meet and providing needs of domestic consumption isn't considered and international trade of each goods is among the main objectives of production. In among packaging industry is as a loop between producer and consumer and for international competition and to survive in scene international trade need to goods good quality and also good packaging. This is particularly more evident and important in food packaging. It is necessary packaging have maintain ability quality of the goods until final consumer use addition to design a fun and interesting. Package ability to maintain the

properties, advantages and features of the final product is largely dependent on material of packaging. The raw materials used for food packaging are numerous and depending on the desired goods for packaging, storage time, the type of transport, etc. Packaging is different. Already materials such as glass, metal, paper and plastics in food packaging play the most important role (Abbasi & Asgari, 2008). Packaging is including important factors affecting the quality of agricultural products and food. In recent years, rising standards of living is inevitably necessary changes in the markets of the production and packaging of food. Meanwhile flexible packaging has found a special place in recent years. The benefits packaging including low cost, low weight, low-cost transportation and storage; ability to create variety of print and graphic effects on packages and create a more attractive appearance, possibility create a variety in shapes and sizes ... (Hosseini & et al,2008). Product packaging as a marketing tool is a very important to promote sales operations. With the packaging can be offered more services to consumers and create a greater willingness to buy the product. Purpose of packaging is packaging product, internal packaging and external packaging. External packaging also increases the quality and durability of goods in addition to marketing goods. This packaging is mainly to protect goods should be done so that attracts customers. Some scholars packaging has called "silent seller". An attractive package can attract customers and encourage him to buy. In the label of packaging should write explicitly the product content, product composition, its application and guide for consumers. Some companies provide usually packaging with catalog or brochure that defines how to use goods. In catalogs, how to use, technical specifications of goods also supplied for more information of consumer. In International trade based and criteria choose suitable kind of products packing includes:

1- Materials of product: According to product kind in terms of fragility and sensitivity is selected the right type of packaging.

1 - Type of vehicle: according to transportation vehicle of goods, it shall be determined appropriate Packing type (Hosseini, 2008).

2.5. The Importance of Packaging

With the increasing development in different industries health and beauty in country and the world and significant competition for each of the company in target market and potential customer satisfaction and offering different brands with different features of health and beauty products, the role of packaging as representative goods is determined because the world takes a step toward self-service similar products in various stores and frequent with different brands and features have attracted and the relationship between sellers and final consumers may reached a minimum. Sometimes packaging the task of the seller does better than she/he. Proper packaging always has delivered complete information about the product to the consumer. Furthermore the buyer without spending much time on the basis of experience, talent, taste, and sometimes tests can be selected among hundreds of the same product. However, the importance of storage and packaging of goods is not less than their production and finally, the production of each goods, packaging is decisive factor keeping it to reaching consumers and also the best and biggest promoters advertise the products of a company (Afrasiabi, 2010).

3. CONCLUSION

Today, packaging is one of the most important marketing tools for identifying product to end users that is called silent marketing. If export companies in product design to packaging neglect it is possible have difficulty in selling same product to the target market. Appropriate product packaging encourages consumers to buy products and if this packaging design and

select by complete wisdom of manufacturers and exporters will distinguish company from other companies. Perhaps in history we have seen many companies that has produced special and high quality product but neglect to packaging product mustiness from other companies in to sales product and companies that have put packaging in their priority and are committed to growing improve have been success from competitors in competitive markets. According studies conducted and with investigate the viewpoints of export managers found that all managers recognize the importance of packaging in their product sales and are considered the packaging as an integral part of sale. Therefore, all managers should be caution in packaging products and product package as unique gift so that customers to see packaging associated with high quality of product in mind and purchases product.

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