

# The Significance of Export Promotion Schemes in Export Performance: Special Reference to Indian Textile, Gems & Jewellery, Leather, Chemical And Engineering Sector

Dr. Gitanjali Jindal

Assistant Professor Kedarnath Aggarwal Institute of Management, R.K. Gupta Marg, Charkha Dadri (Hr.)  
Corresponding Author: Dr. Gitanjali Jindal

## Abstract

Exports of a country play an important role in the economic growth of the country. A high rate of export growth results in improvement in BOP and increase in foreign exchange reserves of the country. Export promotion programs are framed by governments to help exporting firms, overcome actual or perceived obstacles to exporting. This study empirically examines the significance of export promotion programmes in export performance of firms. The area of the study was Delhi, National Capital Region (NCR) and Haryana in relation to five export sectors comprising of Textile, Gems and Jewellery, Leather, Chemical and Engineering. Data was collected from the respondent firms through a structured questionnaire. The questionnaire of the study was got filled by 294 respondent firms. Data were analyzed using F test and scheffe test techniques. Results clearly show that export promotion programmes have a significant direct effect on export performance of the firms. These results confirm the pivotal role of export promotion programs in increasing the export performance.

**Keywords:** export performance; export promotion programmes, balance of payment, gross domestic product and export.

Date of Submission: 05-01-2018

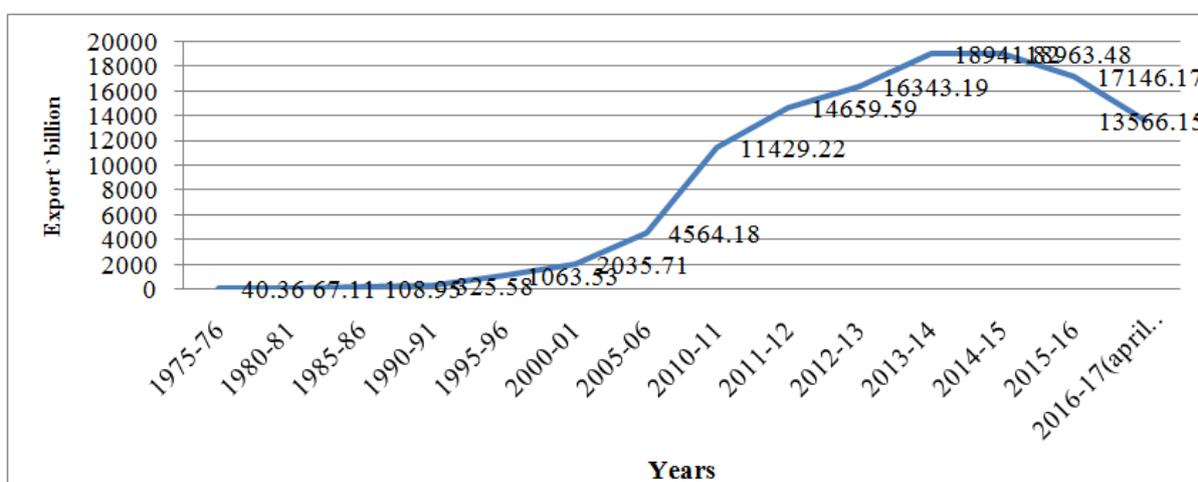
Date of acceptance: 19-01-2018

## I. INTRODUCTION

In the era of globalization every country wants to provide better services to its customers. No country can fully meet its requirement of investment from its own resources. Therefore, for meeting the required investments they need foreign resources. It is generally believed that foreign capital plays an important role in promoting economic development of a Less Developed Countries (LDCs). Exports are an important source of foreign resources. Exporting is traditional mode of access in global market, specifically as it requires minimum sources, involves lower risks etc (Czinkota and Ronkainen, 2007). The term trade is not a new concept as trade has been defined as an engine of growth. Due to external trade the industrially superior countries of the world enhanced their economic progress. It increases the flow of capital from foreign countries that increases GDP of the country (Tesfom and Lutz 2006). Sustained export growth is important for maintaining and enhancing the gross domestic production growth, growing employment opportunities and decreasing poverty. Exports improve balance of payments position and provide foreign exchange which can be used to improve economic condition of the country. It encourages the investors to increase the investment in the country. It also increases the scale of production and national income of the country. Exports also reduce the monopolies of the firms. Enhancing exports will help to increase aggregate demand boosting economic growth of the country.

Exports of a country play an important role in the economic growth of the country. A high rate of export growth results in improvement in BOP and increase in foreign exchange reserves of the country. Exports as an entire affect the economic environment. To compete across the world, the industry needs standard for quality products, competitive price, good packaging, etc. Since 1991, mainly with the onset of liberalization, India's financial system has boosted the importance of international trade. India's international trade to GDP ratio went up from 14 percent in 1980 to about 20%, in the late 1990s. To boost up the export government introduced various incentives from time to time (Cavusgil and Zou, 1994; Jaramillo, 1992). Much more positive action is needed on the export front. In this context, Bimal Jalan has advocated the following measures i) reduction in export tariff rates to international levels so that to remove the remaining bias against production for export, ii) given to abroad at international rates as domestic interest rates are higher, iii) creating special domestic financing facilities in term-lending institutions for export-related investments in a bid to insulate the exporters from high

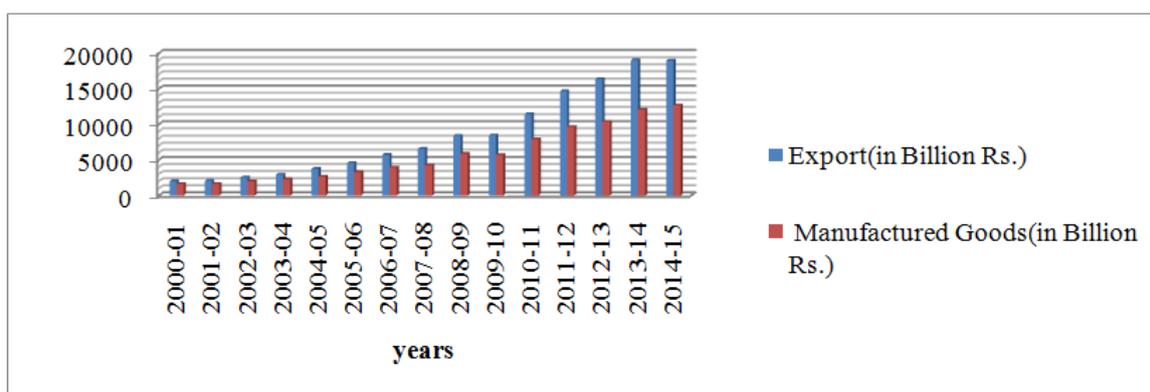
domestic interest rates, iv) providing adequate and improved infrastructure for exporters. Export promotions programs are very important for exporting firms. These programs have been increasing the export intensity so that performance of the firm gets enhanced. Also these programs are top priority of many government planners because national exports increase employment opportunities for home country people, create backward and forward linkages in economy, enrich the public funds with tax revenue, generate more foreign exchange and standard of living (Maser and Archer, 1989). Number of barriers like government regulation, technological requirement etc affect the exporting firm's business (Leonidou, 2004). Such barriers affect the performance of export firms in many ways like preventing the exporters from engaging in export operations and limiting the diversification of the trade (Leonidou and Katsikeas, 1996).



**Figure 1:** India's Merchandise Exports from 1975-2016

*Source:* Directorate General of Commercial Intelligence and Statistics.

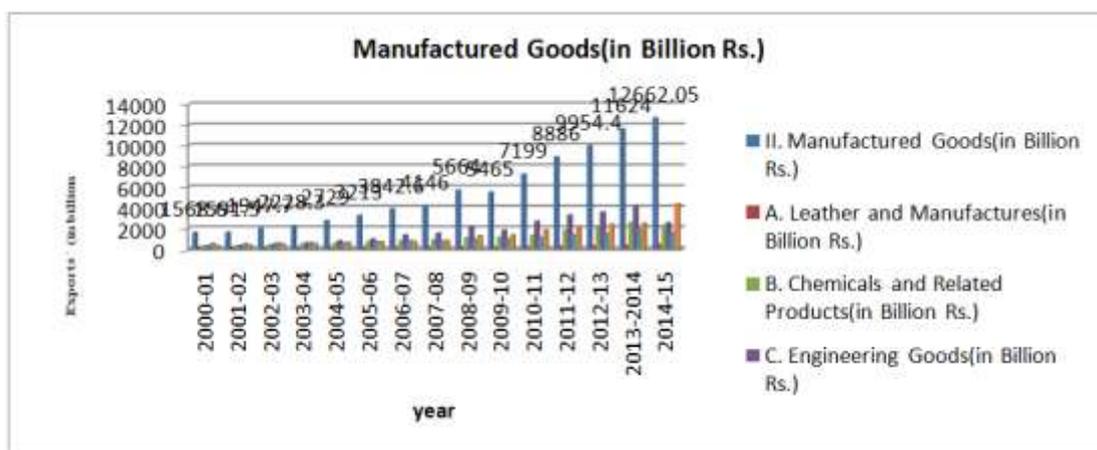
The above Figure 1 shows the Indian export during the period from 1975 to April 2016. In the financial year 1975-76 total export accounted for ` 40.36 billion which increased to ` 67.11 billion in 1980-81. Slowly and gradually the exports increased to ` 108.95 billion in 1985-86. The total exports further increased by 35.27 % i.e. ` 440.42 billion in 1991-92. After 1991-92 the total exports increased at a slow rate to ` 1063.53 billion in the year 1995-96 and which further increased to ` 1595.61 billion in 1999-2000. In the year 2002-03 the total exports increased to ` 2551.39 billion registering an increase of 14.98%. The total exports gradually increased ` 5717.79 billion in the year 2006-07. In the year 2008-09 the total exports registered an increase of 28.19% amounting to ` 8407.55 billion. The total exports further increased to ` 11429.22 billion i.e. 35.17% in the year 2010-11. In the year 2013-14 the total exports stood at ` 18941.82 billion registering an increase of 15.9%. The total export further increased to ` 18963.48 billion in the year 2014-15 and up to April 2016 the total export was ` 13566.65 billion.



**Figure 2:** Share of Manufacturing goods in total Export of India from 2000-15

*Source:* Directorate General of Commercial Intelligence and Statistics.

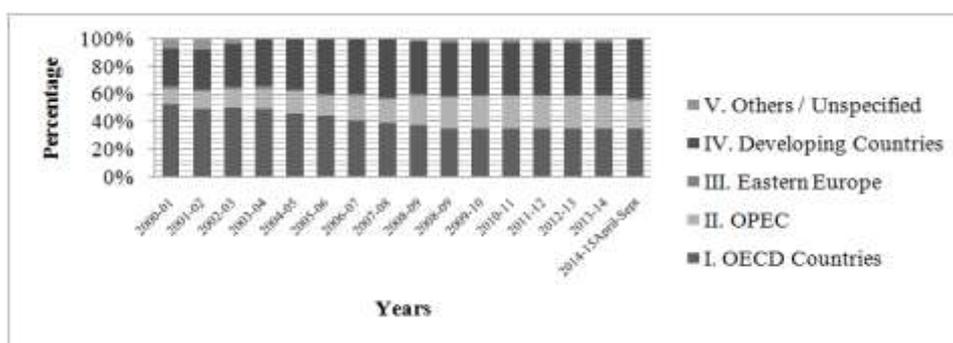
According to above Figure 2 in the financial year 2000-01 total manufacturing export was ` 1568.6 billion i.e. 77.05% of total export. Further it increased to ` 3213 billion in 2005-06. In 2011-12 the total manufacturing export was ` 8886 billion and it further in the year 2014-15 it was increased to ` 12662.1 billion.



**Figure 3:** India's manufactured product exports ` (billion)

*Source: Directorate General of Commercial Intelligence and Statistics.*

The manufactured goods exported from India in 2000-01 accounted for ` 1568.6 billion and it increased to ` 2228.3 billion in the year 2003-04 (as shown in Figure 3). The share further increased to ` 3842.6 billion in the year 2009-10 ` 11624 billion in 2013-14 and ` 12662.1 billion in 2014-15. Within the export of manufactured goods in 2000-01 the share of Leather and manufacturers was ` 88.83 billion, Chemicals and related products was ` 268.89 billion, Engineering goods was ` 311.5 billion, Textile and products was ` 515.55 billion, Gems and Jewellery was ` 337.33 billion, Handicrafts (excluding handmade carpets) was ` 30.22 billion and the share of other manufactured goods was ` 16.26 billion. In the 2003-04 the share of Leather and manufacturers was ` 99.39 billion, Chemicals and related products was ` 434.06 billion rupees, Engineering goods was ` 570.05 billion, Textile and products was ` 587.79 billion, Gems and Jewellery was ` 485.86 billion, Handicrafts (excluding handmade carpets) was ` 22.96 billion and the share of other manufactured goods was ` 28.18 billion. In the year 2006-07 the share of Leather and manufacturers was ` 136.5 billion, Chemicals and related products was ` 784.42 billion, Engineering goods was ` 1337.9 billion, Textile and products was ` 786.13 billion, Gems and Jewellery was ` 722.95 billion, Handicrafts (excluding handmade carpets) was ` 19.82 billion and the share of other manufactured goods was ` 54.89 billion. In the year 2009-10 the share of Leather and manufacturers was ` 159 billion, Chemicals and related products was ` 1087 billion, Engineering goods was ` 1816 billion, Textile and products was ` 942 billion, Gems and Jewellery was ` 1376 billion, Handicrafts (excluding handmade carpets) was ` 10.7 billion and the share of other manufactured goods was ` 74.3 billion. In the year 2013-14 the share of Leather and manufacturers was ` 345.17 billion, Chemicals and related products was ` 2503.3 billion, Engineering goods was ` 4207.3 billion, Textile and products was ` 1904.4 billion, Gems and Jewellery was ` 2484.7 billion, Handicrafts (excluding handmade carpets) was ` 17.13 billion and the share of other manufactured goods was ` 161.99 billion. In the year 2014-15 the share of Leather and manufacturers was ` 378.53 billion, Chemicals and related products was ` 2282.82 billion, Engineering goods was ` 2522.08 billion, Textile and products was ` 1607.75 billion, Gems and Jewellery was ` 4338.68 billion, handicrafts (excluding handmade carpets) was ` 16.7 billion and the share of other manufactured goods was ` 140.61 billion.



**Figure 4:** Directions of India's Exports ` (in billion) from 2000-14

*Source: Directorate General of Commercial Intelligence and Statistics.*

Total export to OECD countries amounted to ` 3043 billion in 2009-10, ` 3798 billion in 2010-11, ` 4960 billion in 2011-12, ` 5590 billion in 2012-13 and ` 6583.13 billion in 2013-14. Among the OECD countries the total export to European Union amounted to ` 1704 billion in 2009-10, ` 2097 billion in 2010-11, ` 2520 billion in 2011-12, ` 2744 billion in 2012-13 and ` 3128.91 billion in 2013-14. The total export to North America amounted to ` 977.4 billion in 2009-10, ` 1214 billion in 2010-11, ` 1764 billion in 2011-12, ` 2079 billion in 2012-13 and ` 2491.1 billion in 2013-14. The total export to Asia and Oceania amounted to ` 249.2 billion in 2009-10, ` 318.5 billion in 2010-11, ` 437.2 billion in 2011-12, ` 476.6 billion in 2012-13 and ` 569.08 billion in 2013-14. The total export to other OECD countries amounted to ` 112.3 billion in 2009-10, ` 168.5 billion in 2010-11, ` 239 billion in 2011-12, ` 290.3 billion in 2012-13 and ` 394.03 billion in 2013-14(as shown in Figure 4).

Total export to OPEC countries amounted to 1786 billion rupees in 2009-10, ` 2438 billion in 2010-11, ` 2783 billion in 2011-12, ` 3422 billion in 2012-13 and ` 3665.94 billion in 2013-14. Total export to Eastern Europe amounted to ` 85.08 billion in 2009-10, ` 128.2 billion in 2010-11, ` 155.5 billion in 2011-12, ` 212.5 billion in 2012-13 and ` 224.12 billion in 2013-14. Total export to Developing Countries amounted to ` 3326 billion in 2009-10, ` 4376 billion in 2010-11, ` 5976 billion in 2011-12, ` 6808 billion in 2012-13 and ` 7843.61 billion in 2013-14. Among the Developing Countries the total export to Asia amounted to ` 2526 billion in 2009-10, ` 3193 billion in 2010-11, ` 4351 billion in 2011-12, ` 4684 billion in 2012-13 and ` 5481.14 billion in 2013-14. The total export to Africa amounted to ` 494.2 billion in 2009-10, ` 723.6 billion in 2010-11, ` 982.5 billion in 2011-12, ` 1327 billion in 2012-13 and ` 1593.57 billion in 2013-14. The total export to Latin American Countries amounted to ` 305.5 billion in 2009-10, ` 459.7 billion in 2010-11, ` 642.8 billion in 2011-12, ` 796.5 billion in 2012-13 and ` 768.9 billion in 2013-14. Total export to Others/ Unspecified Countries amounted to ` 215.2 billion in 2009-10, ` 689.8 billion in 2010-11, ` 785.3 billion in 2011-12, ` 311.4 billion in 2012-13 and ` 625.02 billion in 2013-14.

## II. LITERATURE REVIEW

Export promotion programs are government measures that help the exporting firms to improve the performance of export market. The main motive behind these programs is to overcome various problems related to export, Seringghaus (1986) and Seringghaus and Rosson (1990). Performance of the firms means firm's ability to satisfy and develop the customer base in foreign market by satisfying the needs of the customer by offering good product and services, Moorman and Rust (1999).

Shoham (1998) stated that a firm's export performance included growth as well as export profitability. A better understanding of the activity of export is most important for a firm for improving financial position and utilization of production capacity etc, Lu & Beamish (2001).

Leonidou et al. (2011) examined the significant relationship between export promotion program and firm export performance. They stated that by adoption of various export promotion programs, firms increase their export based capabilities by developing the export marketing strategy. Export assistance programs enhance the internationalization of SMEs directly and indirectly Shamsuddoha et al. (2009).

Further Francis and Colleen (2004) analyzed that there is significant relationship between a firm's export performance and export promotion programs. They concluded that the export promotion programs provided by the government help SMEs to overcome barriers to exporting. This study examined how export promotion programs affect the firm's performance, strategies and competencies in Canadian economy. They added that if the government provides more and more programs to boost the exports, it will influence the achievement of export objectives and export promotion strategies as well as increase the export competitiveness. Export promotion programs are an important source of enhancing the knowledge and expertise necessary for international market involvement and the use of these programs could influence export performance of the firm directly and indirectly.

Thirkill and Dau (1998) found out that relationship between export promotion programs and firm's export performance was positive and the use of these programs has significant effect on firm's export performance.

Vannopoutous (2010) found the usefulness of export promotion programs for Canadian firms. He added that with the help of export promotion programs the effectiveness of export supports effects was maximized.

Dholakia (2012) showed that export promotion programs improved export performance with reforms in various firm level variables as well as other factors. The main objectives of export promotion schemes are transit by the level of internationalization of the firms. The focus of these schemes is only to boost the performance of export firms Kotabe and Czinkota (1992). Diamontopaullos (1993) also explained the hierarchy model. They observed that firms gain from EPS at different stages. In the starting, firms use these programs to become aware of exporting opportunities with other factors and later on they use these programs for export information and

needed assistance in conducting various export activities. So the export promotion programs affect the export performance of the firms either directly or indirectly (Gillespie and Riddle 2004; lages and Monotogomery 2005; Shamsuddoha 2006). Jalali (2012) examined the significance of relationship between export promotion programs and export performance in Iranian food manufacturers. He revealed the positive effects of export promotion programs on export performance directly and indirectly. He further stated that export strategy played a key role in relationship between export promotion programs and export performance so that firm also achieves competitive advantages in global world.

Batavia and Kolachi (2012) examined the importance of export marketing strategy in export performance textile sector of Pakistan. They developed a conceptual structure to identify the relationship between export performance of the firm and number of market served, number of products offered as well as 4p's of marketing. They found that firms who used marketing mix elements have more competitive advantages as well as better return. They revealed that top exporters were exporting to a more number of markets due to the usage of promotional tools. They further revealed that in comparison to medium and low level exporters are adopting more marketing mix elements to increase export performance and get competitive advantages in foreign market. They concluded that to improve export performance the firms should improve production facility and acquire skill labour, so that product quality and production gets increased.

Silva and Carneiro (2013) examined the positive relationship between export promotion schemes and export performance of the firms. They mentioned that main indicators of export performance are value of export, number of products exported, number of destination countries, and average value of exports by country and average value of export of products.

Razavi et al. (2012) examined the exporter's preference towards export promotion programs and did ranking of export promotion programs based on their opinions in Iranian food industry. They took 15 exporters and 18 export promotion program for the study. They used fuzzy linear assignment method.

Martincus et al. (1991) studied the relationship between export promotion programs and size of the firm. They revealed that effect of export promotion programs did not depend on size of the firms. Julian (2003) examined the significant predictors of export marketing programance for exports firms of Thai. In his study, performance scale developed by Cavusgil and Zou (1994) was used and 1,000 Thai export firms were the part of the survey in Thailand. He concluded that commitment, competition and export market and product are the main characteristics of export marketing performance.

Gomez et al. (2013) examined the relationship between company marketing strategies and export performance. They revealed that there is significant positive correlation between the marketing strategies and level of penetration in foreign markets. They further revealed that the main determinants of export performance are degree of product adaption, price policy and distribution channel. In this study they used correspondence, discriminant analysis and linear, logistic regression.

Leonidou et al. (2011) explained the relationship between export promotion programs and export performance of the firm by increasing firm's resources and capabilities. They revealed that the export promotion programs improve the export capability of the firm that further improve the marketing strategy of the firm so as a result performance of firm in export is going to increase. They tested the conceptual model by employing the EQS structural equation modeling software. They further divided the analysis into three major parts i.e. measurement model validation, structural model estimation, and moderating effects assessment. This study was conducted in United Kingdom. They concluded that export promotion schemes positively affect the export performance. They explained that export performance of the firm also improved the financial performance of the firms. They showed the effects of export promotion programs on firm resources and capabilities in larger, smaller, and less experienced firms. They confirmed that firms can obtain stronger financial results in export market by positive foreign customer behavior.

Jalali (2012) examined the direct and indirect relationship between export promotion programs and export performance of the firms. He took 200 respondents during the period from July-Aug 2011. Structural equation modeling techniques was used to test the hypothesis. The study revealed that export promotion programs directly and indirectly affect the export performance of the firm.

### **III. RESEARCH GAP**

It is evident that no specific study has been conducted on significance of export promotion programs in Indian context. There is a dearth of studies pertaining to impact of export promotion programs on firm performance. The present study intends to investigate the significance of export promotion programs on firm performance. It would help the potential exporters to increase the export output by using these programs. It would facilitate

decision-making through the identification of improvement areas and motivate the entire exporters towards export performance improvement.

#### IV. RESEARCH METHODOLOGY

##### Objectives

1. To find out the significance of export promotion programmes in firm export performance in various sectors.
2. To find out the variation in significance of export promotion programmes in firm export performance on the basis of tenure of export experience.

##### Hypothesis

On the basis of the review of literature and objectives of the study, following hypotheses were proposed.

1. Ho Perceptions of exporters with regard to significance of export promotion schemes in export performance don't differ significantly on the basis of sectors.
2. Ho Perceptions of exporters with regard to significance of export promotion schemes in export performance don't differ significantly on the basis of tenure of export experience.

##### Sample Frame

The population in this study consisted of exporters working in manufacturing sector. Sample of exportfirms was taken from Delhi, National Capital Region (NCR) and Haryana and these firms belonged to five export sectors comprising of Textile, Gems and Jewellery, Leather, Chemical and Engineering. The study is mainly based on primary data. It was considered necessary to pre-test validity of all the questions with a pilot study. For this, the first draft of the questions was administered to seventy exporters of these selected export sectors. Results showed good consistency and correlations.

##### Data collection

In total 294 valid responses were obtained. The response rate was 58.8%. There were 75 valid responses obtained from the exporters of textile sector, 45 valid responses from gems and Jewellery sector, 65 valid responses from leather, 44 responses were achieved from chemical sector and 65 responses from Engineering sector. Among the respondents, 54 firms are having experience between 1-5 years, 111 firms are having experience between 6 to 10 years, 45 firms are having experience between 11-16 years and 84 firms are having experience of more than 16 years.

##### Analysis pattern

The collected data were analyzed using the Statistical Package for Social Science (SPSS) Version 17.0. To examine the significance of these schemes, respondent firms were asked to rate each statement on five point likert scale. The mean scores were computed by assigning weights as 5, 4, 3, 2 and 1 ("not at all" to "very high").The data was analyzed by using mean scores, ANOVA and Scheffe test.

#### V. ANALYSIS

**Table 1:** Significance of EPS in improving the export performance of export firms  
N=294

Significance of EPS in improving the Export Performance	Mean	Std. Deviation
	3.12	.971

Source: surveyed data

Table 1 provides the significance of EPS in improving the export performance of the export firms of selective sectors. Statistical results show that export promotion schemes are positively inclined towards export performance of the firm with the mean score of 3.12.

**Table 2:** Significance of EPS in improving the export performance of the firms by their importance in various export performance variables

Sr. No.	Export Performance	Mean	Std. Deviation
1	Increasing export sales volume	3.53	0.5832
2	Acquiring new markets	3.19	1.0522
3	Increasing the product quality	3.40	0.9684
4	Increasing in market share of exports	3.06	1.1894
5	Providing information concerning trend in export market	3.24	1.092
6	Contributing to overall profit	3.02	1.1806
7	Launching new ventures	2.69	0.9712
8	Penetration of foreign market	3.19	0.6392
9	Receiving sufficient financial assistance for promotion of export	3.41	0.4772
10	Increasing return on investment	3.14	0.7118
11	Increasing return on asset	3.01	1.0072

12	Increasing the export marketing practices	2.99	1.0952
13	Increasing sales intensity	3.31	0.9806
14	Increasing degree of exposure	3.07	0.9706
15	Giving promotion support to the distributors in the export market	2.78	1.2006
16	Reducing cost of production	3.14	1.0926
17	Providing a regular export growth	2.90	1.2796
18	Improving competitive advantage/ strength in export market	3.06	0.9804
	Total	3.12	0.971

Source: surveyed data

Table 2, encapsulates the mean scores of significance of export promotion scheme in improving export performance of the respondent firms. The mean score regarding the significance of export promotion schemes in increasing export sales volume was found to be 3.53. The second greatest significance in export performance came from the use of export promotion schemes for receiving sufficient financial assistance for promotion of export (3.41). Mean score of the significance through launching new ventures was found to be the lowest (2.69) as shown in Figure 2. In most of the performance variable's mean score of significance has been around 3 or more than that. This implies the moderate significance of export promotion schemes in export performance.

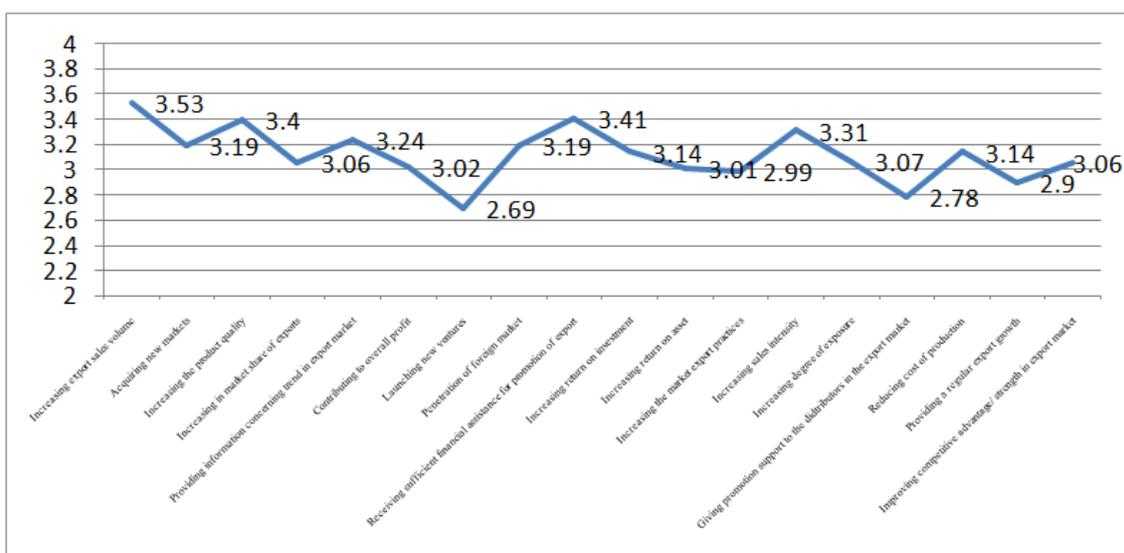


Figure 2: Significance of EPS in improving the export performance of the firms by their importance in various export performance variables

Source: surveyed data

Table 3: Significance of EPS in improving the export performance - Sector wise

Export Performance	Textile	Gem and Jewellery	Leather	Chemical	Engineering	Sector wise		G1 vs G2	G1 vs G3	G1 vs G4	G1 vs G5	G2 vs G3	G2 vs G4	G2 vs G5	G3 vs G4	G3 vs G5	G4 vs G5
						F value	Sig										
Increasing export sales volume	3.53	3.89	3.35	3.61	3.48	5.153	0.010	0.031				0.000			0.040		
Acquiring new markets	4.04	3.56	2.03	2.75	3.42	31.637	0.000	0.000	0.000	0.030		0.000			0.000	0.000	
Increasing the product quality	3.73	3.6	3.95	2.7	2.82	18.06	0.000		0.000	0.000		0.100	0.100		0.000	0.000	
Increasing in market	3.6	3.44	3.34	2.82	3.23	17.116	0.000	0.000	0.035		0.000				0.000	0.000	

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share of exports																	
Providing information concerning trend in export market	3.56	2.93	3.66	2.82	2.94	7.745	0.000	0.0330	0.0250	0.0300	0.0100			0.0000	0.0070		
Contributing to overall profit	3.47	3.13	1.97	3.02	3.49	18.56	0.000	0.0000			0.0000			0.0000	0.0000		
Launching new ventures	2.23	3.49	1.68	3.05	3.45	38.012	0.000	0.0000	0.0350	0.0010	0.0000	0.0000		0.0000	0.0000		
Penetration of foreign market	3.13	3.58	2.95	3.05	3.34	6.279	0.000	0.0390				0.0000	0.0400			0.0290	
Receiving sufficient financial assistance for promotion of export	3.11	3.76	3.65	3.57	3.2	22.868	0.000	0.0000	0.0000	0.0000			0.0000			0.0000	0.0000
Increasing return on investment	3.11	3.76	3.05	3.61	3.37	18.625	0.000	0.0000	0.0000	0.0020			0.0000	0.0000	0.0000	0.0100	
Increasing return on asset	3.16	3.69	3.32	3.66	3.29	7.428	0.000	0.0010					0.0000			0.0000	0.0010
Increasing the export marketing practices	3.23	3.24	2.03	3.2	3.37	15.819	0.000	0.0000	0.0000			0.0000				0.0000	0.0000
Increasing sales intensity	3.61	3.18	3.26	3.07	3.28	2.648	0.0340										
Increasing degree of exposure	2.75	3.27	3.31	3.07	3.09	3.444	0.0090	0.0200		0.0000	0.0000						
Giving promotion support to the distrib	2.85	3.4	1.71	2.73	3.38	20.341	0.000	0.0000	0.0000		0.0000					0.0000	0.0000

utors in the export market																				
Reduci ng cost of produc tion	3.1 7	3.38	3.94	2.77	2.4	16. 792	0.0 000							0.0 030			0.0 000	0.0 000	0.0 000	
Providi ng a regular export growth	3.7 2	3.33	2	2.93	2.54	18. 104	0.0 000							0.0 000	0.0 000			0.0 000		
Improv ing compet itive advant age/ strengt h in export market	2.6 1	3.38	3.89	2.95	2.62	19. 743	0.0 000							0.0 050	0.0 000			0.0 100	0.0 000	0.0 000

Source: Survey data, computed by using SPSS

G1-Textile, G2-Gems& Jewellery, G3-Leather, G4-chemical, G5-engineering

Table 3 is showing the mean score of significance of EPS in improving the export performance was found to be the highest in Gems and Jewellery (3.44) and the lowest in Leather sector (2.94).

The Textile sector firms considered export promotion schemes to be significant in improving export performance by acquiring new markets with the mean score of 4.04 followed by increasing the product quality (3.73) and the mean score of the significance of these schemes in different ways lie in the range from 2.23 to 4.04. With the help of these schemes Gems and Jewellery exporters were improving their performance in international market. In most of the performance variables mean score of significance has been around 3 or more than that. This implies the moderate level of significance of export promotion schemes on export performance strategies in the case of Gems and Jewellery exporters. Respondent firms from Leather sector perceived export promotion schemes to be highly significant in improving their export performance by increasing the product quality (3.95) followed by reducing cost of production with the mean score of 3.94. In the case of Chemical exporters, the greatest significance in export performance is through the use of export promotion schemes in increasing return on asset with the mean score of 3.66 followed by increasing return on investment (3.61). The range of mean score moves from 2.70 to 3.66. According to respondents firms from Engineering sector perceived export promotion schemes to be highly significant in improving the export performance by contributing to overall profit with the mean score of 3.49. The range of mean score lies between 2.40 to 3.49. Significance of export promotion schemes on export performance by reducing cost of production was found to be the lowest (2.40).

Sector wise results of F-test revealed that there is a significant difference among the selected sector respondent firms regarding improving export performance in export market. A comparison of the significance of EPS in improving the export performance among selected sectors has been made by using ANOVA and Scheffe’s test.

1. There is a significant difference between Textile, Gems and Jewellery, Leather and Engineering sector respondent firms regarding the significance of export promotion schemes in improving the export performance by increasing export sales volume and by increasing degree of exposure.
2. There is a significant difference between Textile, Gems and Jewellery, Leather, Chemical and Engineering sector respondent firms regarding the significance of export promotion schemes in improving the export performance by acquiring new markets, increasing the product quality, increasing in market share of exports, providing information concerning trend in export market, contributing to overall profit, launching new ventures, penetration of foreign market, receiving sufficient financial assistance for promotion of export, increasing return on investment, increasing return on asset, increasing the export marketing practices, giving promotion support to the distributors in the export market, reducing cost of production and improving competitive advantage/ strength in export market.
3. There is a significant difference between Textile and Leather respondent firms regarding the significance of export promotion schemes in improving the export performance by increasing sales intensity.

4. There is a significant difference between Textile, Leather, Chemical and Engineering sector respondent firms regarding the significance of export promotion schemes in improving the export performance by providing a regular export growth.

**Table 4:** Significance of EPS in improving the export performance - Export experience wise

Export Performance	1-5 YEARS	6-10 YEARS	11-16 YEARS	OVER 16 YEARS	Export Experience wise	
					F value	Sig
Increasing export sales volume	3.54	3.5	3.73	3.45	2.306	0.077
Acquiring new markets	3.13	3.06	3.24	3.37	0.915	0.434
Increasing the product quality	3.31	3.46	3.36	3.42	0.246	0.864
Increasing in market share of exports	3	3.01	3.24	3.06	0.381	0.766
Providing information concerning trend in export market	3.13	3.18	3.56	3.21	1.438	0.232
Contributing to overall profit	2.93	2.87	3.36	3.11	1.692	0.169
Launching new ventures	2.85	2.64	2.84	2.57	0.87	0.457
Penetration of foreign market	3.3	3.22	3.2	3.1	1.02	0.384
Receiving sufficient financial assistance for promotion of export	3.48	3.47	3.36	3.31	1.852	0.138
Increasing return on investment	3.3	3.17	3.2	2.95	2.263	0.081
Increasing return on asset	3	2.92	3.29	3	1.284	0.28
Increasing the export marketing practices	2.91	2.92	3.24	3.01	0.868	0.458
Increasing sales intensity	3.07	3.3	3.6	3.33	2.346	0.073
Increasing degree of exposure	2.94	3.17	3.27	2.93	1.913	0.128
Giving promotion support to the distributors in the export market	2.93	2.64	2.78	2.88	0.788	0.501
Reducing cost of production	3.06	3.23	3.29	3.01	0.786	0.503
Providing a regular export growth	3.04	2.78	3.11	2.86	0.769	0.512
Improving competitive advantage/ strength in export market	3.13	3.14	3.09	2.92	0.724	0.538

Source: Survey data, computed by using SPSS

**G1-1-5 years, G2-6-10 years, G3-11-16 years, G4-over 16years**

Table 4 is showing the mean score of significance of EPS in improving the export performance was found to be the highest for exporting firms having experience of 11-16 years (3.26) followed by 1-5 years with the mean score of (3.11). The respondent firms having 1-5 years export experience indicated the significance of export promotion schemes in improving their export performance through increasing export sales volume with a mean score of 3.54 followed by receiving sufficient financial assistance for promotion of export (3.48). Respondent firms having experience of 6-10 years considered export promotion schemes to be significant in improving their export performance by the use of increasing export sales volume with a mean score of 3.50 followed by receiving sufficient financial assistance for promotion of export (3.47). The lowest significance was shown by launching new ventures (2.85). Exporting firms having experience of 11-16 years indicated the significance of export promotion schemes in improving their export performance through increasing export sales volume with a mean score of 3.73 followed by increasing sales intensity (3.60). The range of mean score lies between 2.78 to 3.73. Respondent firms having experience of over 16 years stated the export promotion schemes to be highly

significant in improving the export performance by increasing export sales volume with a mean score of 3.45 followed by increasing the product quality (3.42). In most of the performance variables mean score of significance has been around 3 or more than that.

The result suggests that, there was no significant difference among the selected sector respondent firms on the basis of export experience regarding significance of export promotion scheme in improving export performance in foreign market. So that null hypothesis is accepted here in the case of export experience.

## VI. DISCUSSION AND CONCLUSIONS

The results analyzed that there is significant relationship between a firm's export performance and export promotion programs. According to sector wise analysis the **Textile sector** firms considered export promotion schemes to be highly significant in improving the export performance through "acquiring new markets, increasing the product quality, providing a regular export growth, increasing sales intensity and increasing in market share of exports". The **Gems and Jewellery sector** firms considered export promotion schemes to be highly significant in improving the export performance through "increasing export sales volume, increasing the product quality, receiving sufficient financial assistance for promotion of export, increasing return on asset and return on investment". The **Leather export** firms considered export promotion schemes to be highly significant in improving the export performance through "increasing the product quality, providing information concerning trend in export market, receiving sufficient financial assistance for promotion of export, reducing cost of production and improving competitive advantage/ strength in export market". The **Chemical sector** firms considered export promotion schemes to be highly significant in improving the export performance through "increasing return on investment, increasing return on asset, increasing export sales volume, receiving sufficient financial assistance for promotion of export and increasing the export marketing practices". The **Engineering exports** firms considered export promotion schemes to be highly significant in improving the export performance through "contributing to overall profit, increasing export sales volume, launching new ventures, acquiring new markets and giving promotion support to the distributors in the export market". According to experience wise analysis the respondents firms having export experience of **1-5 years** perceived export promotion schemes to be highly significant in improving the export performance through "increasing export sales volume, acquiring new markets, increasing the product quality, providing information concerning trend in export market, penetration of foreign market, receiving sufficient financial assistance for promotion of export, increasing return on investment and improving competitive advantage/ strength in export market". Respondents firms having export experience of **6-10 years** perceived export promotion schemes to be highly significant in improving the export performance through "increasing export sales volume, increasing the product quality, receiving sufficient financial assistance for promotion of export, increasing sales intensity and reducing cost of production". Respondents firms having export experience of **11-16 years** perceived export promotion schemes to be highly significant in improving the export performance through "increasing export sales volume, increasing the product quality, providing information concerning trend in export market, contributing to overall profit, receiving sufficient financial assistance for promotion of export, reducing cost of production, increasing return on asset and increasing sales intensity". Respondents firms having export experience of **over 16 years** perceived export promotion schemes to be highly significant in improving the export performance through "increasing export sales volume, acquiring new markets, increasing the product quality, receiving sufficient financial assistance for promotion of export, and increasing sales intensity". The result suggests that, the EPS are highly significant in improving the export performance of the export firms through **increasing export sales volume, acquiring new markets, increasing the product quality, increasing return on asset and contributing to overall profit**. When tested for statistical significance, the results of F-test revealed that there is a significant difference among the selected sector respondent firms regarding improving export performance in export market.

### Limitations and directions for further research

- The study is based on the primary data collected as perceptions of exporters. Further research can be done by taking into account secondary data.
- This study is based on one respondent from each exporting firm. This has been possibility of biasness. This limitation can be minimized in further research by including more than one respondent from each exporting firms.

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I, Gitanjali Jindal, hereby declare that the research paper entitled “The Significance of Export Promotion Schemes in Export Performance: Special reference to Indian Textile, Gems&Jewellery, Leather, Chemical and Engineering sector” is a record of original research work done by me and in partial fulfilment for the award of Doctor of Philosophy in Management and has not previously formed the basis for the award of any degree, diploma, fellowship or any other title of recognition.

Gitanjali Jindal

Dr. Gitanjali Jindal. “The Significance of Export Promotion Schemes in Export Performance: Special Reference to Indian Textile, Gems & Jewellery, Leather, Chemical And Engineering Sector.” *International Journal of Computational Engineering Research (IJCER)*, vol. 08, no. 01, 2018, pp. 20-32.