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RESEARCH ARTICLE

STUDY ON EXPORT MARKETING STRATEGIES AND EXPORT PERFORMANCE : AN EMPIRICAL ANALYSIS OF TEXTILE HUB OF INDIA (SURAT)

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Abstract

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The present paper is a review of Export Marketing Strategies and Export Performanceof textile exporters of Direct, Merchandise, and Manufacturer and to know about the difference between the strategies opted byand problems faced by textile exporters of Surat. Thus the study is the analysis of the variables from the business environment of the textile exporters from the Surat.

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Introduction:-

India’s textiles sector is one of the oldest industries in Indian economy dating back several centuries. India's overall textile exports during FY 2017-18 stood at US$ 39.2 billion in FY18 and is expected to increase to US$ 82.00 billion by 2021 from US$ 31.65 billion in FY19 (up to Jan 19).

Surat alone accounts for 40% exports of fabrics generating revenue of more than □ 500 crores. It produces cheap fabrics affordable to poor people. Surat Textile city deals in exporting Yarn, Fabrics and made ups mainly. The textile companies in Surat boast of a systematic chain of wholesalers, retailers, suppliers and manufacturers and the exporters of the textile products who along with ancillary units yield astounding and robust economic outlook, solely contributed by the leading textile companies. At present, 90% of the polyester used in India is manufactured in Surat. The premier companies in Surat are working on their capacity to deliver the quality products in parlance with the global standards. It covers almost 40% of the textile sector in the country and the principal companies have looked to the development of the city as well as stimulating the economic quotient. Surati fabric is renowned and has a high demand within the nation. Surat, an emerging city in the state of Gujarat, is known as textile city of Gujarat. The textile industry is the oldest industry in Surat.

Hence, this study involves a study on export marketing strategies and factors affecting the export performance of selected textile exporters of surat(Thomas, M.R. Feb 15, 2014).

Literature review:

Narayanaswamy.K. & Joseph. J.(2013) has done a research on the topic “A Comparative Study On Export Performance Of Indian Textile And Clothing Industry With Special Reference To United State” The paper attempts to study the global textile & clothing trade pattern and export performance of Indian textile & clothing industry vis-à-vis its competitors.

Gurusamy, N. (Nov 2016) has done research on the topic “A Study on Factors Affecting the Export Performance of Home Textile Industry in Karur District” It is found from the study that the firm competency factor of the firm is the

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only dimension having a positive sign on the Mediating dimension of economic factor leads to positive impact (0.578) on overall export performance.

A research is conducted on the topic "Factors Affecting the Export Performance of Textile Industry in Developing Countries – A Review of Literature" (August 2013) which is published in International Journal of Commerce, Business and Management (IJCBM). The study is aimed at reviewing factors affecting the export performance of textile industry. Most of the studies have been carried out on establishing the relationship between GDP, exchange rate, labour, capital (FDI) and technology with export performance of textile industry. It is concluded that there is a positive relationship between the above said variables and textile exports.

Tuan, L. T. (2012) has researched on the topic "Development Strategy For A Textile Firm" The objective of research is to have an overview of company, its business environment, its strengths, weaknesses, opportunities and threats. Business environment and SWOT analysis are used for alternatives of strategies. By considering four strategies (human resource, marketing, and sales, financial) that the firm want to implement to meet future development, the firm found that there're two strategies that are not really urgent at the moment as sales and financial strategies.

Belchaand, A., Bairathi, J. (2017) published one paper on "Marketing Strategies in Apparel Exports-An Insight" which has stated that Indian apparel exports are facing stiff competition from China, Bangladesh, Sri Lanka, and Vietnam. The Indian apparel exports are characterised by having focus on limited markets, weak brand positioning of India and overdependence on cotton. Therefore, the need of the hour is to have strong marketing strategies to stay competitive and leave their competitors behind.

Objectives of the Study:-

The aim of this study is to evaluate the Export Marketing Strategies of textile exporting units operating in Surat, the Problems faced and the factors influencing the export performance of textile exporting units.

1. To study about difference between various types of strategies and problems faced by the exporters of Direct, Merchandise,Manufacture exporter of fabric from Surat textile industry.
2. To Study about the Relationship between various factors related to strategies opted and problem faced with respect to export performance of textile exporters of Surat.
3. To study about the influence of various factors related to strategies opted and problem faced with respect to export performance of textile exporters of Surat.

Research Methodology:-

Present study is the study of factors affecting the export performance of selected textile exporters from Surat. Variables for the study were derived from the in depth literature review and one to one discussion with the five unit holders. The study is descriptive in nature.

Type of exporter	Population	Sample selection
Direct exporter	59	100*59/199 = 30
Merchandise exporter	102	100*102/199 = 51
Manufacturer exporter	38	100*38/199 = 19
Total	199	100

Nature and Sources of Data:

Primary data is used for the study. Primary data is collected through semi structured questionnaire which included items on demographic information of respondents and the export management strategies adopted and the problems faced by the textile exporting units of Surat.

Population:

Population for the present study is total number of textile exporters from Surat, which are 199 in number.

Sample Design:
For this study, number of units are selected from each category of exporters; 30 areDirect Exporters, 51 are Merchandise textile exporters and remaining 19 are Manufacturer textile exporters of Surat which are selected with the help of Stratified Random Sampling. In total sample consists of 100 textile exporters.

Tools for Analysis:
Statistical tests used in the present paper for the data analysis which include One Way Anova, Correlation and Multiple Regression.

Data Analysis and Interpretation:
HO1: There is no significant difference various types of strategies and problems faced by the exporter of Direct, Merchandise, and Manufacturer Exporter.

Anova:
Following table shows difference between various types of strategies and problems faced by
The exporters of Direct, Merchandise, Manufacturer exporter from Surat textile industry.

		Sum of Squares	df	Mean Square	F	Sig.	Remark
Outdoor advertisement at international airports	Between Group	20.112	2	10.056	6.118	.006	We failed to reject Null hypothesis
	Within Groups	159.448	97	1.644			
	Total	179.560	99				
Promotion with the help of Agents	Between Groups	5.578	2	2.789	1.619	.203	We failed to reject Null hypothesis
	Within Groups	167.062	97	1.722			
	Total	172.640	99				
Promotion through trade fairs participation	Between Groups	8.831	2	4.416	2.815	.065	We failed to reject Null hypothesis
	Within Groups	152.129	97	1.568			
	Total	160.960	99				
Distribution through indirect channel of distribution	Between Groups	8.831	2	4.416	2.815	.004	Null hypothesis rejected
	Within Groups	152.129	97	1.568			
	Total	160.960	99				
Embargo	Between Groups	17.145	2	8.572	4.671	.010	Null hypothesis rejected
	Within Groups	178.015	97	1.835			
	Total	195.160	99				
Augmentation of transportation	Between Groups	2.562	2	1.281	2.416	.095	We failed to reject Null hypothesis
	Within Groups	51.438	97	.530			
	Total	54.000	99				
Cheap skilled labour	Between Groups	6.011	2	3.005	1.460	.214	We failed to reject Null hypothesis
	Within Groups	199.699	97	2.059			
	Total	205.710	99				
Close association with customers	Between Groups	2.402	2	1.201	2.732	.090	We failed to reject Null hypothesis
	Within Groups	42.638	97	.440			
	Total	45.040	99				
Competitive price	Between Groups	17.145	2	8.572	4.671	.010	We failed to reject Null hypothesis
	Within Groups	178.015	97	1.835			
	Total	195.160	99				
Cost of electricity	Between	31.908	2	15.954	10.58	.000	Null

	Groups				5		hypothesis rejected
	Within Groups	146.202	97	1.507			
	Total	178.110	99				
Discriminatory pricing	Between Groups	5.135	2	2.567	4.900	.009	Null hypothesis rejected
	Within Groups	50.825	97	.524			
	Total	55.960	99				
Export subsidy	Between Groups	30.510	2	15.255	8.910	.000	Null hypothesis rejected
	Within Groups	166.080	97	1.712			
	Total	196.590	99				
Full cost pricing	Between Groups	41.445	2	20.722	31.752	.000	Null hypothesis rejected
	Within Groups	63.305	97	.653			
	Total	104.750	99				
Promotion through cross border E commerce Websites	Between Groups	9.986	2	4.993	4.694	.011	We failed to reject Null hypothesis
	Within Groups	103.174	97	1.064			
	Total	113.160	99				
Low cost of production	Between Groups	7.801	2	3.900	1.928	.151	We failed to reject Null hypothesis
	Within Groups	196.199	97	2.023			
	Total	204.000	99				
Timely Delivery of product	Between Groups	10.175	2	5.088	2.628	.096	We failed to reject Null hypothesis
	Within Groups	187.785	97	1.936			
	Total	197.960	99				
Well established brand name	Between Groups	.047	2	.023	.050	.951	We failed to reject Null hypothesis
	Within Groups	45.313	97	.467			
	Total	45.360	99				
Telecommunication	Between Groups	54.330	2	27.165	31.421	.000	Null hypothesis rejected
	Within Groups	83.860	97	.865			
	Total	138.190	99				
Distribution through export trading companies	Between Groups	12.638	2	6.319	5.873	.000	Null hypothesis rejected
	Within Groups	104.362	97	1.076			
	Total	117.000	99				
Liasioning	Between Groups	17.513	2	8.756	8.259	.001	Null hypothesis rejected
	Within Groups	102.847	97	1.060			
	Total	120.360	99				
Promotion through export promotion council	Between Groups	40.847	2	20.424	18.488	.000	Null hypothesis rejected
	Within Groups	107.153	97	1.105			
	Total	148.000	99				

Table 1:- One Way Anova Analysis Source: survey data df= 2 Annotated: $P \leq .05$.

The above results indicate that differences among the exporters of Direct, Merchandise, and Manufacturer were detected for most of factors taken above. Thus the null hypothesis H0 (b) is rejected for Distribution Through Indirect Channel Of Distribution, Embargo, Cost Of Electricity, Discriminatory Pricing, Export Subsidy, Full Cost Pricing, Manufacturing Setup In International Market, Outdated Technology, Penetration Price, Telecommunication, Distribution Through Export Trading Companies , Liaisoning, Promotion Through Export Promotion Council.

HO2: There is no significant Relationship between various factors related to strategies opted and problem faced with respect to export performance of textile exporters of Surat.

Table 2:- Shows the Relationship between various factors related to strategies opted and problem faced with respect to export performance of textile exporters of Surat.

	Correlation	Export performance	
		Pearson correlation	Significance (2 tailed)
1	Outdoor advertisement at international airports	.312**	0.002
2	Promotion with the help of Agents	.429**	0.000
3	Promotion through trade fairs participation	.243**	0.040
4	Distribution through indirect channel of distribution	.262**	0.008
5	Distribution through face to face meeting with customers	.316**	0.001
6	Embargo	.362**	0.000
7	Augmentation of transportation	-.038	0.707
8	Cheap skilled labour	.073	0.475
9	Close association with customers	.047	0.646
10	Competitive price	-.024	0.812
11	Cost of electricity	.239*	0.017
12	Discriminatory price	.254*	0.011
13	Export subsidy	204*	0.042
14	Full cost pricing	.268**	0.007
15	Promotion through cross border E commerce Websites	.313**	0.002
16	Low cost of production	.455**	0.000
17	Manufacturing setup in international market	.414**	0.000
18	Outdated technology	.389**	0.000
19	Penetration price	.193	0.055
20	Good quality product	.190	0.059
21	Quotas	-.023	0.825
22	Timely Delivery of product	.128	0.208
23	Well established brand name	.071	0.482
24	Telecommunication	.251*	0.012
25	Distribution through export trading companies	.189	0.061
26	Liaisoning	238*	0.018
27	Promotion through export promotion council	.047	0.645

* Correlation is significant at the 0.05 level (2-tailed).
**Correlation is significant at the 0.01 level (2-tailed).

Interpretation:
As per correlation matrix (Table 2) of various factors affecting export performance. It is interpreted that there is positive and significant correlation of export performance with various factors mentioned above as Outdoor advertisement at international airports, Promotion with the help of Agents , Promotion through trade fairs participation , Distribution through indirect channel of distribution , Distribution through face to face meeting with customers , Embargo ,cost of electricity, discriminatory pricing, export subsidy, low cost of production, Full cost pricing, Promotion through cross border E commerce Websites , Manufacturing setup in international market, Outdated technology, telecommunication, liaisoning.

HO3:There is no significant influence of various factors related to strategies opted and problem faced with respect to export performance of textile exporters of Surat

Table 3:- Showing the influence of various factors related to strategies opted and problem faced with respect to export performance of textile exporters of Surat

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	.789[a]	.622	.549	.54194

Table **3.1**: Model Summary

Predictors: (Constant),Outdoor advertisement at international airports, Promotion with the help of Agents , Promotion through trade fairs participation , Distribution through indirect channel of distribution , Distribution through face to face meeting with customers , Embargo ,cost of electricity, discriminatory pricing, export subsidy, low cost of production, Full cost pricing, Promotion through cross border E commerce Websites , Manufacturing setup in international market, Outdated technology, telecommunication, liasioning.
Table 3.1 Model Summary shows that the Independent factors explain 62.2 percent variation in the dependent variable.

Table 3.2 ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.133	16	2.508	8.540	.000[b]
	Residual	24.377	83	.294		
	Total	64.510	99			

Dependent Variable: export performance

Predictors:
(Constant), Outdoor advertisement at international airports, Promotion with the help of Agents , Promotion through trade fairs participation , Distribution through indirect channel of distribution , Distribution through face to face meeting with customers , Embargo ,cost of electricity, discriminatory pricing, export subsidy, low cost of production, Full cost pricing, Promotion through cross border E commerce Websites , Manufacturing setup in international market, Outdated technology, telecommunication, liasioning.

Table 3.2:- Shows that the model is Significant with the value 0.000 is less than 0.05 at 95% confidence level.

Table 3.3: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.838	.793		1.057	.294
	Outdoor Advertisement At International Airports	.091	.080	.125	1.142	.257
	Promotion With The Help Of Agents	.228	.087	.279	2.621	.010
	Promotion Through Trade Fairs Participation	-.088	.097	-.097	-.911	.365
	Distribution Through Indirect Channel Of Distribution	-.133	.089	-.148	-1.487	.141
	Distribution Through Face To Face Meeting With Customers	.156	.091	.190	1.712	.091
	Embargo	.016	.090	.017	.178	.859
	Cost Of Electricity	.245.	.075.	.271	3.282	0.002
	Discriminatory Price	.094	.094	.122	.998	.321
	Export Subsidy	.056	.086	.062	.649	.518
	Full Cost Pricing	.140	.080	.166	1.752	.084
	Promotion Through Cross Border E Commerce Websites	.160	.087	.178	1.839	.039
	Low Cost Of Production	.287	.127	.279	2.263	.026
	Manufacturing Setup In International Market	-.112	.085	-.141	-1.325	.189
	Outdated Technology	-.038	.079	-.049	-.483	.630
	Telecommunication	.244	.129	.152	1.884	.043
	Liasioning	007	.091	.008	.078	.938
a. Dependent Variable: Export Performance						

$Y= \alpha+\beta 1x1+\beta 2x2+ \beta 3x3+ \beta 4x4 +\beta 5x5+\epsilon$
Where,

Y – Export Performance (Dependent variable)
α- Constant
X1- Promotion with the Help of Agents Promotion with the Help of Agents
X2- Cost Of Electricity
X3 – Promotion Through Cross Border E Commerce Websites
X4 – Low Cost of Production
X5--Telecommunication
B1 to B 5- Regression Coefficient

Export Performance= 0.838+ 0.228 Promotion With The Help Of Agents Promotion With The Help Of Agents+ 0.245 Cost Of Electricity+ 0.160 Promotion Through Cross Border E Commerce Websites+ 0.287 Low Cost Of Production +0.244 Telecommunication.

Table 3.2 shows that the Independent VariablesPromotion with the help of Agents Promotion with the help of Agents , cost of electricity, Promotion through cross border E commerce Websites, Low cost of production, telecommunication are significantly affecting the dependent variable export performance as their significance value is less than 0.05.

Conclusion:-

Thus from the above study it is cleared that significant main effects were found for the three categories of textile exporters (direct, merchandise, manufacturer) With regards to the all variables Distribution through indirect channel of distribution, embargo, Cost of electricity, Discriminatory pricing, export subsidy, full cost pricing, Manufacturing setup in international market, outdated technology, penetration price, telecommunication, Distribution through export trading companies , liaisoning, Promotion through export promotion council. Then, from the correlation matrix the factors affecting the export performance were selected to continue with the multiple regression and it is interpreted that Promotion with the help of Agents, cost of electricity, Promotionthrough cross border E commerce Websites, Lowcost of production, telecommunication are significantly affecting the dependent variable export performance as their significance value is less than 0.05.

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