RESEARCH ARTICLE

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

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**Abstract**

The present paper is a review of Export Marketing Strategies and Export Performance of textile exporters of Direct, Merchandise, and Manufacturer and to know about the difference between the strategies opted by and 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.

**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
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 (IJBMM). 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 are Direct 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.

| Sample Design: | 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 Groups | 31.908 | 2 | 15.954 | 10.58 | .000 | Null                           |

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Table 1: One Way Anova Analysis  
Source: survey data df= 2  
Annotated: P ≤ .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 |
|--------------------------------|----|----------|-------------------|---------------------------|
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 ANOVAa

| Model         | Sum of Squares | df | Mean Square | F  | Sig. |
|---------------|----------------|----|-------------|----|------|
| 1 Regression  | 40.133         | 16 | 2.508       | 8.540 | .000b |
| 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: Coefficientsa

| Model                                                                 | Unstandardized Coefficients | Standardized Coefficients | t    | Sig.  |
|-----------------------------------------------------------------------|-----------------------------|---------------------------|------|-------|
| (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 | .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  |

Y = α+β1x1+β2x2+β3x3+β4x4+β5x5+e
Where,
a. Dependent Variable: Export Performance
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, Promotion through 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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