Article

Assessing the Impact of Government Export Promotion Programmes on Firm-level Export Performance: Evidence from India's Apparel Sector

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Abstract

This study examines the impact of government Export Promotion Programmes (EPPs) on the export performance (EP) of Indian apparel firms. Using primary data from Maharashtra-based exporters, the research employs partial least squares-structural equation modelling to test relationships between managerial perception, awareness, export knowledge, perceived benefits and EP. Findings indicate that managerial perception, firm-level awareness and export knowledge significantly enhance EP, whereas perceived benefits of EPPs show no significant effect. These results emphasise the necessity of improving awareness, simplifying administrative procedures and increasing scheme effectiveness. The study provides valuable firm-level evidence from a developing economy on EPPs' role in driving export growth.

Keywords

Export Promotion Programmes, export knowledge, export performance, firm-level awareness, managerial perception, PLS-SEM

Introduction

In India, significant 1990s reforms introduced export incentives and removed discretionary controls (Kathuria, 1996). These measures focused on increasing promotional activities, reducing quantitative restrictions and developing infrastructure. During this period, tariffs were eased and several export promotion

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schemes were introduced, including Duty Exemption, Advance Licence, DEPB, Duty Drawback (DBK), Focus Market Scheme (FMS), Focus Product Scheme (FPS), MLFPS, MDA and MAI. Digital trade facilitation via SWIFT and EDI further modernised the export environment.

Macro-level research generally links export orientation with growth (Balassa, 1978; Coughlin & Cartwright, 1981). However, firm-level evidence remains mixed (Wang et al., 2017). Gencturk and Kotabe (2001) found that Export Promotion Programmes (EPPs) influence performance directly and indirectly, while Lages and Montgomery (2005) reported an insignificant total effect. Francis and Collins (2004) noted that active exporters benefit more from EPPs than experienced firms.

Indian scholars confirmed that export profitability and growth increased following trade liberalisation (Kathuria, 1996; Veeramani, 2007, 2012). Despite extensive macroeconomic research (Bajpai & Biberman, 2020; Banik, 2001; Bhat, 2011; Ghemawat & Patibandla, 1998; Joshi & Little, 1994; Kanagasabapathy & Tilak, 2013; Kumar, 2010; Mukherjee, 2012; Mukherjee & Mukherjee, 2012; Nagraj, 2019; Panagariya, 2004; Singh & Singla, 2012; Suvrathan, 1991; Veeramani, 2007, 2012; Virmani, 2001), few studies (Dholakia & Kapur, 2001; Naidu & Rao, 1993; Vanderleest, 1996) empirically assess EPPs at the firm level.

Given that EPPs are utilised by both large and small firms, examining their effectiveness at the firm level remains an important area of research, particularly in light of the sustained and extensive export promotion efforts undertaken by the Government of India over the past few decades. Such an analysis enables scholars to validate the impact of EPPs on firm-level exports using Indian firms as a case. Moreover, the impact of EPPs on firms' export performance (EP) is influenced by firm-specific characteristics, particularly levels of awareness, export knowledge, perceptions of EPP benefits and managerial perceptions of government export promotion schemes (Ahmed et al., 2002; Freixanet, 2012; Gencturk & Kotabe, 2001; Seringhaus, 1987).

Reid (1981) classified the determinants of EP into three broad categories: (a) managerial determinants, including managerial skills, training, export experience and managerial perceptions of government export promotion schemes; (b) organisational determinants, such as firm age, firm size, export knowledge and awareness; and (c) environmental determinants, including export market attractiveness, market barriers and market competitiveness. EPPs provide external support to help firms acquire the information, knowledge, experience and resources required to formulate effective export strategies and improve EP (Singer & Czinkota, 1994). Accordingly, key drivers of EP are considered in this study to assess the impact of EPPs on firms' EP.

The objectives of the study are: (a) to assess the impact of EPPs on firms' EP through key EP determinants; and (b) to examine the differential impact of specific export promotion schemes on firms' EP.

To achieve these objectives, the study employs an empirical approach using firm-level data to examine the relationship between EPPs, key performance determinants and EP. By providing evidence on the effectiveness of export promotion initiatives, the study contributes to the literature on export promotion policy and offers insights for policymakers in designing more targeted mechanisms

to enhance the effectiveness of export support for exporters. Moreover, existing studies examine export promotion measures in developing economies; firm-level evidence on the effectiveness of EPPs in labour-intensive manufacturing sectors remains limited. This study addresses this gap by providing firm-level empirical evidence from the apparel sector in a major developing economy, thereby contributing to the literature on trade policy effectiveness and EP.

Literature Review and Formulating Hypotheses

Theoretically, this study is anchored in the resource-based view (RBV) (Barney, 1991) and the internationalisation process model (Johanson & Vahlne, 1977, 1990). The RBV posits that firm-level EP depends on the deployment of tangible and intangible resources like managerial resource-enhancing mechanisms for firms in emerging economies. Complementing this, internationalisation theory explains export growth as a learning-driven, incremental process (Johanson & Vahlne, 1977, 1990). Government EPPs reduce uncertainty and accelerate experiential learning.

Seringhaus (1987) suggested that export aid programmes benefit firms possessing the capability to utilise support. Arthur (1988) observed that US initiatives like seminars and credit insurance effectively reduced risks. Vanderleest (1996) found government publications effective but underutilised. Wilkinson and Brouthers (2006) reported that trade fairs have a positive association with exports, whereas trade missions show no correlation.

Kotabe and Czinkota (1992) presented a framework categorising firms into five stages: partial interest, exploring, experimental, experienced with limited scope and experienced exporters. They concluded that managerial ability is generally more important than financing (Kotabe & Czinkota, 1992). Gencturk and Kotabe (2001) identified EPP use as a critical determinant affecting performance directly and indirectly through export involvement. Conversely, Lages and Montgomery (2005) found the total effect to be non-significant, as positive direct effects are offset by negative indirect effects via pricing adaptation. Francis and Collins (2004) suggested that sporadic and active exporters benefit most, with limited short-term impact on experienced firms (Francis & Collins, 2004).

Martincus and Carballo (2010) found that smaller, inexperienced firms derive greater benefits than larger firms. Yunis and Shamsuddoha (2009) showed that EPP impact is largely indirect, operating through internal determinants like export knowledge and commitment. Girma et al. (2009) documented that production subsidies stimulate existing exporters but are less effective for market entry. Freixanet (2012) observed a positive relationship between firm size, involvement and awareness. Leonidou and Katsikeas (1996) demonstrated that national EPPs strengthen essential resources for marketing strategies.

Haddoud et al. (2018) found that informational EPPs (seminars) improve local buyer relationships, while experiential EPPs (exhibitions) strengthen foreign buyer links. Wang et al. (2017) highlighted that marketing capabilities enhance information-related EPP effectiveness, while financial aid moderates the process. Sharma et al. (2018) reported that EPPs exert a positive indirect impact by improving perceptions of market attractiveness.

Munch (2015) found EPPs enhance value addition and productivity among small firms. Han and Park (2019) concluded that information-, operational- and experience-focused EPPs predict small and medium-sized enterprise (SME) value chain performance. Malca et al. (2019) found that prior performance positively influences current resources and operations. Mota et al. (2021) reported that participation positively influences performance, especially for firms with prior experience, noting that firm size has a positive effect while age exerts a negative influence (Mota et al., 2021).

In the Indian context, Naidu and Rao (1993) developed a seven-step framework to enhance competitiveness, including need-based programmes and addressing bureaucratic red tape. Obadia and Vida (2024) demonstrated that EPPs and exporter–importer cooperation significantly shape outcomes. Singh et al. (2024) showed that institutional support indirectly enhances performance through readiness. Mansor and Cheah (2024) highlighted governance perspectives in EPP effectiveness, while Chopra et al. (2024) reaffirmed the relevance of promotion strategies for SMEs.

Based on the review of the literature, it is evident that firms' EP is closely associated with a range of internal and external determinants. Accordingly, hypotheses are formulated in this study to examine the impact of various export promotion schemes implemented by the Government of India on the EP of Indian firms. Furthermore, from a trade policy perspective, EPPs are expected to enhance firm capabilities by reducing information, compliance and market-entry costs, which in turn improves EP. This provides the theoretical basis for the hypotheses tested in this study.

Managerial Perception About Government Schemes and EP

EPPs are vital components of the export environment provided by governments and institutions to support firms, particularly SMEs (Wheeler, 1990). Positive managerial perceptions of this environment are key determinants of EP (Abay & Slater, 1989; Zou & Stan, 1998). Pointon (1978) used managerial perception to assess the usefulness of EPPs, while Shamsuddoha (2004, 2009) emphasised that managers' attitudes significantly influence performance. Sood and Adams (1984) showed that the export environment shapes managerial decision-making. Managers viewing the environment favourably are more likely to acquire knowledge and develop effective strategies. Cavusgil and Zou (1994) and Donthu and Kim (1993) suggested that positive perceptions regarding government support and markets instil confidence, helping managers reduce uncertainty and overcome barriers to increase international penetration.

Consequently, in this study managerial perception is treated as a key antecedent influencing firms' engagement with EPPs and their subsequent EP in this study.

H_1: There exists a positive impact of managers' perceptions of EPPs on firms' EP.

Firms' Level of Awareness and EP.

Awareness regarding external assistance has grown alongside the importance of knowledge about government export promotion schemes (Seringhaus, 1987). Studies by Czinkota and Ricks (1981), Kedia and Chhokar (1986) and Seringhaus (1986) found that ITA programmes were underutilised due to low awareness,

limiting export sales. Conversely, Vanderleest (1996) argued that these programmes were known and not underutilised. Mansfield et al. (1987), Wheeler (1990) and Pahuud de Mortange and Van Gentt (1991) reported that exporters of various sizes derived tangible benefits from promotional support. However, SMEs often possess limited knowledge of services (Reid, 1981; Seringhaus, 1986, 1987). Weil (1978) and Kedia and Chhokar (1986) concluded that low awareness remains a major challenge, preventing firms from expanding export operations effectively.

Accordingly, this study treats firms' level of awareness of government export promotion schemes as a key explanatory variable influencing EP outcomes.

H_2: There exists a positive impact of firms' awareness levels of EPPs on firms' EP.

Firms' Export Knowledge and EP

Internationalisation theories proposed by Johanson and Vahlne (1977, 1990) highlight the importance of information and knowledge in enabling firms to integrate into foreign markets and increase export commitment. These theories argue that a lack of knowledge and resources constitutes a major barrier, which can be mitigated through experiential learning. Similarly, resource-based theory posits that tangible and intangible resources, including knowledge and expertise, are critical for achieving competitiveness and operational efficiency (Barney, 1991; Coff, 1997). As firms accumulate export-related knowledge concerning procedures, policies and promotional schemes, managers gain a better understanding of foreign markets, establish stronger relationships with overseas clients, design effective marketing programmes and ultimately enhance EP (Abay & Slater, 1989).

Accordingly, this study incorporates firms' export knowledge as a key determinant in explaining variations in EP among Indian exporting firms.

H_3: There exists a positive impact of firms' export knowledge of EPPs on firms' EP.

Managers' Perception About Benefits of EPPs and EP

Several studies have evaluated EPPs by examining managerial perceptions of their usefulness. Seringhaus (1986) and others utilised qualitative approaches to assess these perceptions. Generally, promotional measures exhibit a positive relationship with performance, with Durmuşoğlu et al. (2012), Geldres-Weiss and Carrasco-Roa (2011), Martincus and Carballo (2010), Shamsuddoha and Ali (2004, 2009) and Lages and Montgomery (2005) reporting significant associations between EPPs and firm-level outcomes. Experiential EPPs like exhibitions and trade missions show strong positive correlations with performance (Durmuşoğlu et al., 2012; Freixanet, 2012), though some studies found these relationships statistically insignificant (Faroque & Takahashi, 2012; Wilkinson & Brouthers, 2006). Geldres-Weiss and Carrasco-Roa (2011) noted that EPP effectiveness varies, while Wilkinson and Brouthers (2006) found marketing support particularly impactful. Clarke (1991) argued that awareness must be paired with the capability to utilise programmes effectively. Similarly, Yannopoulos (2010) emphasised aligning assistance with specific exporter needs. Conversely, Seringhaus (1987)

found no significant relationship between trade mission participation and outcomes like export intensity or volume. Accordingly, this study treats managerial perception about the benefits of government export promotion schemes as a critical determinant influencing firms' EP.

H_4: There exists a positive impact of the managers' perception about the benefits of EPPs on firms' EP.

Categories of EPPs and EP

Shamsuddoha (2009) found that EP is influenced by managerial perceptions, knowledge and commitment stemming from market development activities. Market-oriented EPPs, such as trade fairs and seminars, provide critical information for effective marketing strategies and increased sales. Financial EPPs indirectly boost performance by generating resources for overseas operations and shaping trade strategies that affect costs. While EPPs generally enhance performance, excessive or poorly targeted assistance can have negative indirect effects. Consequently, this study examines the differential impact of market development, financial and technology development EPPs on the Indian apparel sector. It considers key firm-level determinants that influence how effectively this support is utilised.

Accordingly, this study examines the differential impact of market development, financial and technology development EPPs on firms' EP in the Indian apparel sector, taking into account key firm-level determinants that influence the effective utilisation of export promotion support.

H_5: There exists a difference in the impact of different EPPs on EP.

Research Methodology

A structured questionnaire was used for a self-administered field survey to collect primary data from senior export managers and owners of apparel firms in Mumbai. Conducted between June and December 2023, the survey yielded 151 valid responses from micro, small and medium enterprise (MSME) units, satisfying the requirement of at least 10% of the identified sampling frame.

Variables and Measurement

The study incorporates multiple independent and dependent variables as detailed in Table 1.

Results

Hypotheses were tested using variance-based partial least squares-structural equation modelling (PLS-SEM) (version 3). PLS-SEM is ideal for reflective/formative constructs and smaller sample sizes (Hair et al., 2019). Confirmatory tetrad analysis (CTA-PLS) confirmed that all constructs are reflective (Table 2).

Table 1. Conceptual and Operational Definition of Variables.

S. No.	Variables	Category Observed/ Latent	Conceptual Definition
1	Managerial perception about government schemes	Latent	A construct measure with six-item statements (measured on a five-point scale). Perception is considered positive (if ≥3 mean) and negative (if mean <3)
2	Firms' level of awareness	Latent	A construct measure with 9/10 Export Promotion Programmes (EPPs) measured on a five-point scale ranging from 1 (= have never heard about the scheme) to 5 (= have the ability to evaluate it and recommending the firm to use it).
3	Firms' export knowledge	Latent	A construct measure with eight-item statements measured on a five-point scale 1 (= not at all) to 5 (= extremely) Further, in three categories: 1. Poor export knowledge (mean score of export knowledge 1–2.99) 2. Fair export knowledge (mean score 3–3.99) 3. Good export knowledge (mean score equal and more than 3.5)
4	Managers' perception about EPPs benefits	Latent	A construct measure with 9/10 EPPs measured on a five-point scale. A construct measure with eight-item statements measured on a five-point scale 1 (= not at all beneficial) to 5 (= extremely beneficial)
5	Exports promotional programmes	Latent	Three categories: Marketing, finance and technology development; EPPs were taken into account and benefit was captured on a five-point scale
6	Firm's export performance	Latent	Dependent variable comprises nine statements and is measured on a scale of 5 from 1 (= not at all increased) to 5 (= greatly increased)

Measurement Fit for Reflective Models

The measurement model's adequacy was evaluated through indicator reliability, internal consistency (Cronbach's alpha/composite reliability), convergent validity (average variance extracted [AVE]) and discriminant validity (Fornell–Larcker/ heterotrait–monotrait ratio [HTMT]).

Table 2. Confidence Intervals of Five Latent Variables—Apparel Sector.

Managerial Perception About the Government Schemes		Level of Awareness		Export Knowledge		Perceived Benefit of Export Promotion Programmes (EPPs)		Export Performance	
CI Low Adj.	CI Up Adj.	CI Low Adj.	CI Up Adj.	CI Low Adj.	CI Up Adj.	CI Low Adj.	CI Up Adj.	CI Low Adj.	CI Up Adj.
0.092	0.529	–0.070	0.144	–0.029	0.592	–0.044	0.081	–0.082	0.236
–0.125	0.413	–0.339	0.121	–0.024	0.670	–0.023	0.088	–0.037	0.254
–0.096	0.306	–0.043	0.086	–0.268	0.370	–0.063	0.053	–0.029	0.311
–0.324	0.087	–0.622	–0.040	–0.084	0.371	–0.036	0.057	–0.104	0.168
–0.113	0.338	–0.049	0.106	–0.198	0.449	–0.017	0.135	–0.043	0.199
0.231	0.974	–0.033	0.063	–0.130	0.474	–0.023	0.096	0.029	0.406
0.087	0.641	–0.028	0.056	–0.140	0.454	–0.036	0.082	–0.042	0.194
–0.157	0.364	–0.751	–0.121	0.052	0.690	–0.025	0.070	–0.053	0.215
0.051	0.566	–0.807	–0.093	–0.045	0.457	–0.020	0.118	–0.199	0.050
		–0.350	0.047	–0.010	0.528	–0.036	0.096	–0.138	0.209
		–0.100	0.102	–0.217	0.168	0.003	0.130	–0.159	0.071
		–0.413	0.028	–0.263	0.121	–0.035	0.090	–0.114	0.191
		–0.127	0.187	–0.222	0.104	–0.018	0.146	–0.198	0.142
		–0.171	0.111	–0.136	0.467	–0.008	0.103	–0.072	0.128
		–0.194	0.107	–0.188	0.369	–0.027	0.092		
		–0.209	0.089	–0.283	0.227	–0.027	0.108		
		–0.259	0.119	–0.279	0.299	–0.035	0.047		
		–0.205	0.106	–0.465	0.018	–0.002	0.170		

(Table 2 continued)

(Table 2 continued)

Managerial Perception About the Government Schemes		Level of Awareness		Export Knowledge		Perceived Benefit of Export Promotion Programmes (EPPs)		Export Performance	
CI Low Adj.	CI Up Adj.	CI Low Adj.	CI Up Adj.	CI Low Adj.	CI Up Adj.	CI Low Adj.	CI Up Adj.	CI Low Adj.	CI Up Adj.
		–0.243	0.143	–0.329	0.220	–0.040	0.020		
		–0.238	0.143	–0.283	0.287	–0.004	0.120		
		–0.248	0.139			–0.024	0.099		
		–0.115	0.064			–0.043	0.061		
		–0.241	0.049			—0.066	0.025		
		–0.153	0.089			–0.036	0.067		
		–0.243	0.121			–0.049	0.055		
		–0.083	0.342			–0.058	0.043		
		–0.274	0.116			–0.056	0.021		
		–0.323	0.135			–0.035	0.032		
		–0.334	0.068			–0.060	0.028		
		–0.031	0.487			–0.018	0.089		
		–0.199	0.120			–0.021	0.077		
		–0.096	0.332			–0.028	0.054		
		–0.164	0.244			–0.047	0.038		
		–0.133	0.300			–0.081	0.042		
		–0.101	0.187			–0.029	0.076		

Table 3. Measurement Fit for Reflective Models: Indicator Reliability (Loadings) and Construct Reliability and Validity—Apparel Sector.

Constructs	Items		Scale	Outer Loadings	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)	*p* Value
Managerial perception about the different export promotion schemes	Availing the export promotional schemes/benefits is easy for us	B1c	Reflective	0.788	.874	0.879	0.905	0.612	.000
	Export promotional schemes help in increasing exports	B1d		0.772					.000
	Export promotional schemes help in entering new markets	B1e		0.795					.000
	Due to tedious procedures, it is difficult to avail the benefits of export promotional schemes	B1f		0.768					.000
	Due to domestic challenges (logistics issues, lack of finance and others), it is difficult to increase exports despite the availability of government export promotional benefits	B1g		0.786					.000
	Online procedures have made it easy to avail the benefits of export promotional schemes	B1h		0.786					.000

(Table 3 continued)

(Table 3 continued)

Constructs	Items		Scale	Outer Loadings	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)	*p* Value
Firms' level of awareness	Exhibitions/trade fairs	B2Ma	Reflective	0.635	.863	0.869	0.891	0.51	.000
	Buyer–seller meet (BSM)	B2Mb		0.565					.000
	Export promotion seminars/ workshops	B2Mc		0.616					.000
	Trade delegation	B2Md		0.700					.000
	Merchandise Exports from India Scheme (MEIS)	B2Me		0.666					.000
	Interest Equitisation Scheme	B2F1		0.685					.000
	Duty Drawback Scheme	B2F2		0.695					.000
	Export Credit	B2F3		0.673					.000
	Export Promotion Capital Goods (EPCG)	B2T1		0.681					.000
	Technology Upgradation Scheme (TUF)	B2T2		0.771					.000
Firms' export knowledge	Preferences/needs of foreign customers	B4a	Reflective	0.588	.875	0.882	0.91	0.536	.000
	Competitors' products/position strategy	B4b		0.677					.000
	Foreign trade policies and procedures	B4d		0.703					.000

(Table 3 continued)

(Table 3 continued)

Constructs	Items		Scale	Outer Loadings	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)	*p* Value
	Government export benefits/ incentives available for the sector	B4e		0.766					.000
	Shipping and forwarding mechanism	B4f		0.764					.000
	Economic and legal environment in export markets	B4g		0.752					.000
	Economic development in the world markets	B4i		0.766					.000
	Free Trade Agreements/Preferential Trade Agreements	B4j		0.815					.000
Managers' perception about EPP benefits	Exhibitions/trade fairs	B5a	Reflective	0.597	.891	0.894	0.912	0.51	.000
	BSM	B5b		0.642					.000
	Export promotion seminars/ workshops	B5c		0.626					.000
	Trade delegation	B5d		0.709					.000
	MEIS	B5e		0.732					.000
	Interest Equitisation Scheme	B5f		0.804					.000
	Duty Drawback Scheme	B5g		0.739					.000

(Table 3 continued)

(Table 3 continued)

Constructs	Items		Scale	Outer Loadings	Cronbach's Alpha	Rho_A	Composite Reliability	Average Variance Extracted (AVE)	*p* Value
	Export Credit	B5h		0.741					.000
	EPCG	B5i		0.772					.000
	TUF	B5j		0.747					.000
Firm's export performance	Export turnover	Ca	Reflective	0.689	.892	0.894	0.916	0.608	.000
	Presence in the existing market	Cc		0.824					.000
	Information about foreign markets	Ce		0.811					.000
	Branding in foreign markets	Cf		0.807					.000
	Advancement in technology	Ch		0.794					.000
	Overall competitiveness of the firm	Ci		0.754					.000

Indicator reliability: Of 45 initial items, 5 were removed for low factor loadings. Remaining items meet the ≥0.70 threshold and are statistically significant ($p < .05$) (Table 3).

The final model consists of five latent variables:

- *Managerial perception*: 6 indicators (B1c–B1h).
- *Awareness level*: 10 indicators (B2Ma–B2Me, B2F1–F3, B2T1–T2).
- *Export knowledge*: 8 indicators (B4a–B4j).
- *Perceived benefits*: 10 indicators (B5a–B5j).
- *EP*: 6 indicators (Ca–Ci).

All reliability and validity conditions were met, rendering the model fit for further assessment (Table 4).

Assessing the Structural Model

The results presented in Table 5 indicate that all hypothesised relationships between the antecedent variables and firms' EP are supported at the 5% level of significance, with the exception of one hypothesis. These findings suggest that, among the factors examined in this study, firms' levels of awareness, firms' export knowledge and managers' perceptions of government export promotion schemes exert a statistically significant and positive influence on EP.

Table 4. Assessment of Measurement Fit for Reflective Model.

Conditions	Response	Remarks
Reliability		
Reflective indicators loadings, internal consistency reliability ≥0.708 and/or $p < .05$	Yes	Internal consistency reliability is established (refer Table 3)
Composite reliability values of all constructs, maximum 0.90, that is, between 0.70 and 0.90	Yes	Reliability of the model is established (refer Table 3)
Cronbach's alpha values of all constructs, minimum .70	Yes	
Rho_A values should lie between composite reliability and Cronbach's alpha	Yes	
Convergent validity: Average variance extracted of all constructs should be ≥0.50	Yes	Validity of the model is established
Discriminant validity: Fornell–Larcker criterion	Yes	
Discriminant validity: Heterotrait–monotrait ratio (HTMT) <0.90	Yes	
Standardised root mean square residual (SRMR) <0.90	Yes	
Normed fit index (NFI) <0.90	Yes	

Table 5. Hypothesis Testing—Results.

Hypothesis	Latent Variables	Path Coefficients	*t*-Statistics	*p* Values	Status
Apparel					
H_1	Manager's perception about the government schemes → Firms' export performance	0.348	5.181	.000	Supported
H_2	Level of awareness → Firms' export performance	0.150	2.15	.032	Supported
H_3	Firm's export knowledge → Firms' export performance	0.373	4.811	.000	Supported
H_4	Managers' perception about Export Promotion Programme (EPP) benefits → Firms' export performance	0.07	1.096	.274	Not supported

Table 6. Collinearity Statistics Inner (Variance Inflation Factor [VIF]) Values.

Latent Variables	Firm's Export Performance—Apparel
Firm's export knowledge	2.236
Firm's export performance	
Level of awareness	1.815
Manager's perception about Export Promotion Programme (EPP) benefits	1.743
Managers' perception about the government schemes	1.721

After establishing measurement model reliability and validity, the structural model was assessed to test the proposed hypotheses and evaluate EPP effects on EP. Regression paths were estimated, and inner variance inflation factor (VIF) values remained below 3, indicating an absence of multicollinearity (Table 6).

Constructs were categorised into five dimensions: managerial perceptions of schemes, awareness levels, export knowledge, perceived benefits and EP. A bootstrapping procedure with 5,000 subsamples was conducted via Smart-PLS for the 151 observations. The model explains 63.7% of the variance in EP, indicating adequate explanatory power (Figure 1). Adjusted R^2 showed a marginal decrease, suggesting that additional predictors did not further improve fit (Table 7). Results in Table 5 show that all hypothesised relationships, except one, are supported at the 5% significance level. These findings confirm that firm awareness, export knowledge and managerial perceptions exert a statistically significant positive influence on EP.

Table 7. R^2 and Adjusted R^2—Coefficient of Determination: Goodness of Fit.

Goodness of Fit	Scenario	Endogenous Construct	Path Coefficient	*t*-Statistics	*p* Value
Apparel	R^2	Firms' export performance	0.637	14.417	0
	Adjusted R^2	Firms' export performance	0.627	13.813	0

Discussions

The empirical findings of the study can be interpreted through the lenses of the RBV and internationalisation theory. The significant impact of managerial perception, awareness and export knowledge on EP underlines the central role of intangible capabilities in shaping firms' international competitiveness. EPPs contribute to firm performance primarily by strengthening learning processes, cognition and strategic decision-making rather than solely through financial incentives.

The absence of a significant relationship between perceived benefits of EPPs and EP in the apparel sector suggests that institutional support yields performance gains only when firms are able to effectively absorb and internalise such support. This observation aligns with RBV arguments that external resources must be combined with firm-specific capabilities to generate sustained performance advantages.

Managerial Perception About Government Schemes and EP

The bootstrapping results obtained using Smart PLS-SEM support H_1, positing that managers' perceptions of government export promotion schemes positively impact firms' EP. Path coefficients ($\beta = 0.348$ and $\beta = 0.188$) and *t*-statistics indicate statistically significant relationships ($p \leq .05$). The findings suggest that favourable managerial perceptions contribute to improved performance, consistent with earlier literature (Abay & Slater, 1989; Cavusgil & Zou, 1994; Zou & Stan, 1998). The study reveals that while managers perceive EPPs as useful, domestic constraints, including logistics, finance and procedural complexities, restrict full leverage of benefits. Although digitalisation has simplified access, operational bottlenecks remain. These findings underline that while positive perception is necessary, effectiveness depends on addressing structural challenges and simplifying administration.

Recommendations

Government level: (a) Simplify and automate benefit procedures with a clear value proposition. (b) Conduct periodic EPP impact assessments with research institutions. (c) Publish and disseminate empirical reports on EPP outcomes through trade bodies. (d) Publicise success stories to build positive perceptions and enable knowledge-sharing among small exporters.

Export Promotion Councils (EPCs)/trade bodies: (a) Establish helpdesk services to address procedural issues. (b) Empirically assess the service quality of support mechanisms. (c) Improve outreach regarding EPP benefits and procedures.

Firms: (a) Organise training to familiarise managers with compliance requirements. (b) Strengthen internal communication to enhance managerial confidence and scheme utilisation.

Firms' Level of Awareness and EP

The causal relationship between firms' awareness of export promotion schemes and EP was examined through H_2. Estimated path coefficients (β = 0.15 and β = 0.19) and significant p values ($p \leq .05$) support the hypothesis, confirming that awareness has a positive, significant impact on firm-level EP. These results align with Kedia and Chhokar (1986), Seringhaus (1987) and Vanderleest (1996), emphasising that awareness is critical for utilising export support. Improving awareness is essential for maximising EPP impact.

Recommendations

Government level: (a) Maintain a comprehensive, updated list of all EPPs. (b) Encourage EPCs to conduct structured knowledge-sharing workshops. (c) Use sector-wise databases for direct communication regarding scheme updates. (d) Enhance digital platforms or apps to provide consolidated information on benefits. (e) Strengthen follow-up mechanisms to assess awareness, particularly among MSMEs.

EPCs/trade bodies: (a) Conduct outreach and capacity-building for MSMEs. (b) Establish dedicated facilitation helpdesks. (c) Develop standardised informational modules on EPP utilisation. (d) Provide customised consultancy support using available funding.

Firm level: Firms should proactively seek information and participate in awareness-building initiatives.

Firms' Export Knowledge and EP

Export knowledge was examined as an independent construct influencing firms' EP. The PLS-SEM results show statistically significant path coefficients (β = 0.373 and β = 0.320, $p \leq .05$), supporting the hypothesis that export knowledge positively affects performance. These findings align with Abay and Slater (1989) and Coff (1997). Industry stakeholders validate that an enhanced understanding of domestic and foreign market conditions—including economic, financial, legal and policy frameworks—enables firms to export more effectively across diverse markets.

Recommendations to strengthen export knowledge:

Government level: (a) Develop a centralised digital portal containing country-wise laws, policies, customs procedures and tariffs. (b) Prepare commodity-wise and country-specific export guides. (c) Provide digital directories of foreign importers. (d) Develop user-friendly FTA benefit calculators at the HS-code level.

EPCs/trade bodies: (a) Support digital knowledge platforms using MAI funding. (b) Disseminate market intelligence and sector-specific insights.

Firm level: Firms should proactively enhance knowledge through trade fairs, market research, workshops and direct engagement with overseas buyers.

Managers' Perceived Benefits of EPPs and EP

The hypothesis examining the impact of perceived benefits of EPPs on EP was not supported for the apparel sector. The PLS-SEM results show an insignificant path coefficient ($\beta = 0.07$, $p \geq .05$), indicating that *perceived benefits of EPPs do not have a statistically significant positive impact on EP in this sector*. This finding contrasts with earlier studies by Durmuşoğlu et al. (2012), Geldres-Weiss and Carrasco-Roa (2011), Martincus and Carballo (2010), Shamsuddoha and Ali (2009) and Lages and Montgomery (2005). A possible explanation is that although apparel exporters may utilise government export promotion benefits, they may not perceive these programmes as sufficiently impactful in enhancing export turnover, market share, competitiveness or overall performance. This suggests a disconnect between programme usage and perceived effectiveness. Accordingly, future research may empirically examine the intensity of EPP usage and investigate the factors underlying this divergence between perceived benefits and actual EP outcomes.

Different EPPs and EP

In this study, EPPs implemented by the government are classified into three broad categories: (a) market development EPPs, (b) financial EPPs and (c) technology development EPPs (Table 8).

The bootstrapping results obtained using Smart-PLS-SEM support H_5, which posits a positive impact of different EPPs on firms' EP. Accordingly, the hypothesis stating that market development, financial and technology development EPPs exert a positive impact on firms' EP in the apparel sector is accepted (Table 9 and Figure 2). A scheme-wise assessment based on subjective responses further indicates that participation in exhibitions and trade fairs, as well as buyer–seller meets (BSMs), is perceived as the most beneficial by apparel exporters. In contrast, exporters' perceptions regarding the benefits of the Interest Equalisation scheme, the Technology Upgradation Fund (TUF) scheme and trade delegations are relatively lower. The findings suggest scope for future research to empirically examine the utilisation intensity of specific EPPs and their firm-level benefits, as

Table 8. Export Promotional Programmes—Apparel Sector.

Code	Export Promotional Schemes
Marketing Schemes	
B2Ma	Exhibition/trade fairs
B2Mb	Buyer–seller meet (BSM)
B2Mc	Export promotional seminars/workshops
B2Md	Trade delegation
B2Me	Merchandise Exports from India Scheme (MEIS)
Finance Schemes	
B2F1	Interest Equalisation Scheme
B2F2	Duty Drawback Scheme
B2F3	Export Credit
Technology Development Schemes	
B2T1	Export Promotion Capital Goods (EPCG)
B2T2	Technology Upgradation Scheme (TUF)

Table 9. Impact of Different Export Promotion Programmes (EPPs) on Firms' Export Performance—Apparel Sector.

Schemes	Original Sample	Standard Deviation	*t*-Statistics	*p* Values
Finance scheme → Export performance	0.191	0.069	2.749	.006
Marketing scheme → Export performance	0.469	0.067	7.0210	.000
Technology development scheme → Export performance	0.191	0.060	3.162	.002

well as to investigate the underlying causes of the observed disconnect between perceived programme benefits and firms' EP.

Conclusions

From a theoretical perspective, this study contributes to the trade and development literature by offering firm-level empirical evidence on the effectiveness of EPPs in a developing economy. By integrating the RBV and internationalisation theory, the study provides firm-level evidence on how institutional support mechanisms translate into EP in an emerging economy context.

The study concludes that government EPPs have a significantly positive impact on the EP of apparel firms that utilise these programmes. The findings highlight the critical role of the government in facilitating EP by simplifying procedures

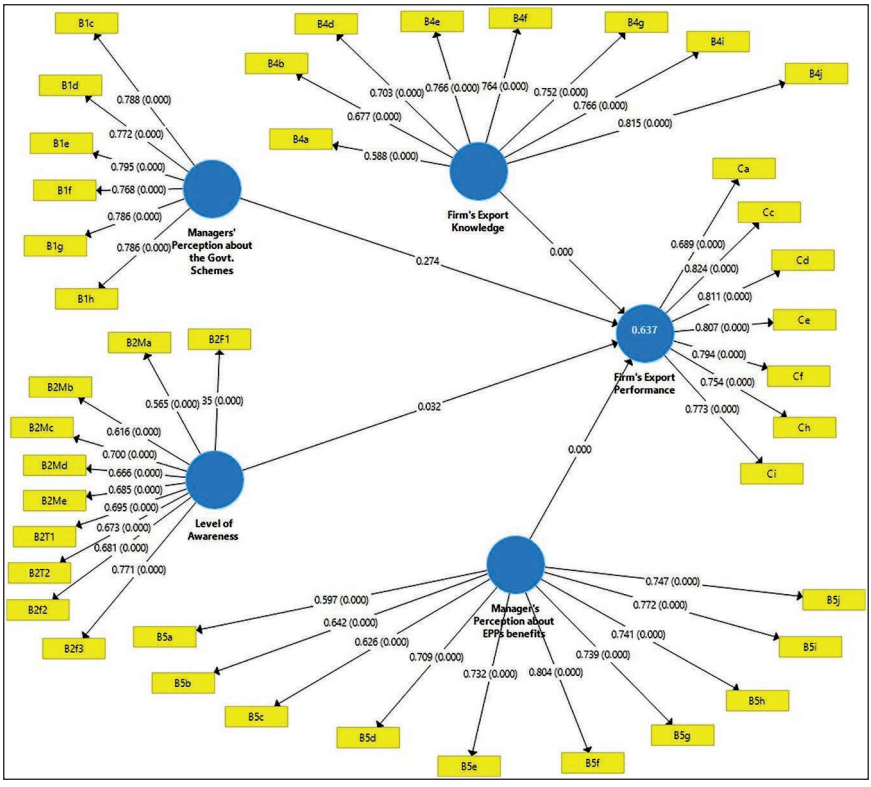

Figure 1. Structural Model.

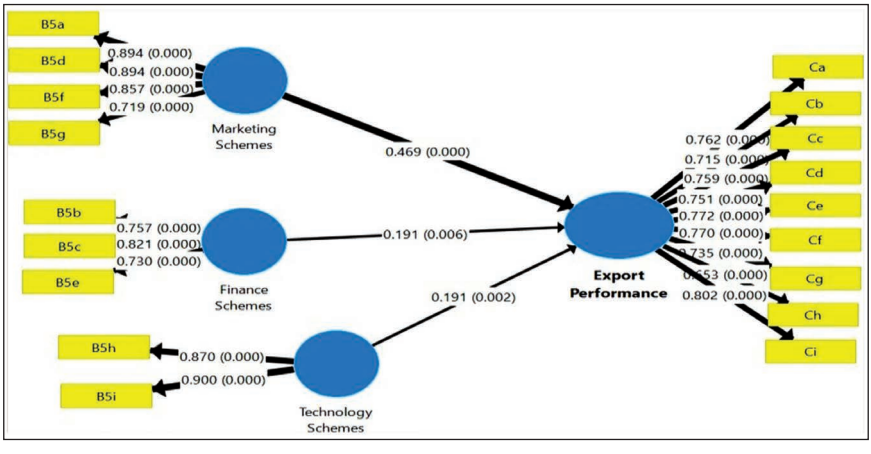

Figure 2. Impact of Different Export Promotion Programmes (EPPs) on Firms' Export Performance—Apparel Sector.

and improving access to export incentives. The study highlights the need for systematic and quantitative impact assessment of EPPs in terms of export growth, market diversification and competitiveness. Regular dissemination of updated information on EPPs, enhanced direct communication with exporters, and the development of dedicated digital platforms and applications are essential for improving programme effectiveness.

By empirically establishing the causal relationship between EPPs and firms' EP, this study contributes to the existing literature. However, continued research across sectors, regions and time periods is required to enable a comprehensive assessment of export promotion policies in India.

Limitations of the Study

The present study is confined to a single sector, namely the apparel sector, for examining managerial perception, firms' awareness, usage and knowledge of government EPPs, as well as their impact on firms' EP. Further, the sample is geographically restricted to selected locations within the state of Maharashtra. Given the vast regional diversity of India, the findings cannot be generalised across all states.

The study adopts a firm-level, cross-sectional research design based on primary survey data. Although various EPPs introduced after the economic reforms of 1991 have been discussed at the macro level, their causal relationship with EP over different time periods has not been empirically examined. Moreover, the study does not assess the direct and indirect effects of EPPs, which would require the incorporation of mediating and moderating variables into the model. Importantly, the impact of short-term export promotional support measures introduced during crisis periods such as the Global Financial Crisis of 2008 and the economic disruption caused by the COVID-19 pandemic in 2020 has not been specifically analysed in terms of export recovery and resilience.

Directions for Future Research

1. *Extension to other sectors*: Future studies could survey sectors like agriculture, pharmaceuticals and software. This would validate present findings and facilitate sector-wise comparisons of EPP effectiveness.
2. *Wider geographical coverage*: Expanding the study to multiple regions would improve generalisability and reveal inter-state variations in awareness, perception and EPP usage.
3. *Scheme-specific impact analysis*: Future research should examine individual sub-schemes, such as trade fairs or export credit, to measure their specific impact on EP beyond broad categories.
4. *Direct and indirect effects*: EPPs often influence performance indirectly via improved resources and knowledge. Incorporating mediating variables could help assess these pathways in the Indian context.

5. *Longitudinal analysis*: A longitudinal design would capture dynamic changes in firms' export behaviour, commitment and performance over time.
6. *Moderating variables*: Studies should include factors like firm size and export experience. Gap analyses can also assess alignment between exporters' needs and government support.
7. *Impact of COVID-19 trade measures*: Future research should empirically evaluate pandemic-era relief measures, such as RoDTEP and 'Districts as Export Hubs', to determine their effectiveness in supporting export recovery and resilience.

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Data Availability

Data may not be shared, as while gathering the data, we have asked respondents that the submitted information will remain confidential.

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1. Merchandise Exports from India Scheme (MEIS) was included in the survey as it was a major scheme active for a long period. It started in *April 2015* and ended in *December 2020*, later replaced by *RoDTEP*.
2. The study considers MEIS to understand the benefits of a scheme that has been operational for several years. Similarly, FMS, FPS and MLFPS have been discontinued, but due to their significance, they have been added in the survey conducted around their discontinuation time.

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