



THE EFFECT OF EXPORTATION PROMOTION PROGRAM ON EXPORTATION PERFORMANCE OF PETROCHEMICAL PRODUCTS

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ABSTRACT

This study investigated the effect of export promotion programs on the export performance of petrochemical products. Expansion promotion programs include financial and informational. The research method is descriptive-survey and the statistical population consists of managers and experts of Petrochemical Company. The sample size is done by census method and is distributed among 130 people. The data gathering tool is a standard questionnaire whose validity and reliability have been confirmed in previous studies. The data analysis was done using the Structural Equation Modeling Method (SMART PLS@3.5 software). The research findings showed that export promotion information programs have a positive and significant effect on marketing performance capabilities. Marketing activities have a positive and significant effect on export performance. The marketing capability has a mediating role in the relationship between marketing intelligence and marketing promotion programs and export performance. Finally, financial enhancements have a moderating role in the relationship between promotion information and marketing capability.

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1. INTRODUCTION

Global procedure of economy and deduction pressure of foreign commerce on many countries caused to convert behavior of company and exportation performance in exportation markets. Majority of researches emphasize on reasons which result to company exportation. Marketing activities are important for companies too so that successful marketing enables company to attract and maintain customers. Therefore, they devote significant resources to it. As well, costs tolerated to exportation procedure shall be reduced by marketing techniques (Ahmed et al., 2006). Generally, company analysis increase international environment and competitive power. Many studies considered relation between exportation performance, marketing effectiveness, marketing capability and marketing inclination. Past studies showed that the companies have better performance in international markets by marketing strategies. Market based behavior has significant predictor for growth of exportation

performance (Theodosiou et al., 2012). Successful companies showed there is strong relation between marketing, R&D units.

2. RESEARCH STATEMENT

2.1 RESEARCH PROBLEM

What was appeared in past decade, is to internalize commerce and entering into global markets. Increasing number of companies have suitable environment for extending international activity in order to obtain objectives like growth for interest and sales, variety for commercial risks and compensate foreigners in their markets (Boso et al., 2012). In this regard, they try to sale their commodity through world and maximize their interest and at same time, exportation is one of the strategies which have many applications for internalization. The companies can offer their products in foreign markets by less involvement in local activity and in this regard, in order to obtain international markets and free commerce, they try to loose complications. In order to obtain global markets, the companies used different strategies which promotion of exportation is one of them. Since exportation needs less resources, it has less risk and has less organizational commitments. Thus, this strategy is the most well-known and easiest strategy to enter into foreign markets .Exportation is one of the most important business activities for health of national economy. Exportation helps to employment, commercial balance, economic growth and maximize living standard. Also, exportation play key role to restore financial status, increase capacities and technologic standards and obtain suitable performance to reach in competitive advantage (Ural, 2009). Entering into foreign markets is important strategy that helps growth of company. Theoretical bases of point emphasize that internalization of companies needs expert plans in the field of exportation (Bartlett & Ghoshal, 2002). In this study, we try to discuss repayment and enabling factors to participation of companies in different plans for exportation promotion. According to Pouya views (Teece et al., 1997), we reasoned that capabilities for marketing plans play important role in mediation of plans for exportation promotion. In research model, modifier variable is defined and marketing implementation capability as intermediary variables in relation between plans for exportation promotion and financial EEPs are as modifiers. This research helps literature.

1. Firstly, by discussion effect of performance for exportation plans, the shared effects for information and financial plans to development of marketing plans is discussed.
2. Secondly, they obtain new comprehension on manner of plans for exportation companies to develop exportation capability and results to performance.
3. Role of intermediary for marketing implementation in relation among variables is discussed

2.2 RESEARCH OBJECTIVES

Main objective

Investigating the effect of exportation promotion plans on exportation performance of petrochemical companies

Minor-Objectives

Investigating the effect of exportation plans promotion on marketing implementation

Discuss effect of marketing capabilities on exportation performance

Discuss effect of information plans for exportation promotion on exportation performance

Discuss intermediary role of marketing implementation in relation between information and exportation performance

Discuss modifier role of financial plans for exportation in relation between information plans and capabilities of marketing implementation

2.3 RESEARCH HYPOTHESES

Main Hypothesis

Exportation promotion plans have effect on exportation performance of petrochemical companies

Minor-Objectives

- 1- Information plans of Exportation promotion have positive effect on capabilities of marketing implementation
- 2- Capabilities of marketing implementation have positive effect on exportation performance
- 3- information plans of exportation promotion have positive effect on exportation performance
- 4- Capabilities of marketing implementation have intermediary role in relation between Information plans of Exportation promotion and exportation performance
- 5- Financial plans for exportation promotion have role of modifier in relation between information plans of Exportation promotion and capabilities of marketing implementation.

2.4 RESEARCH CONCEPTUAL MODEL

This study follows research conceptual model given by Wang et al (2017). Detail is as given in Figure 1.

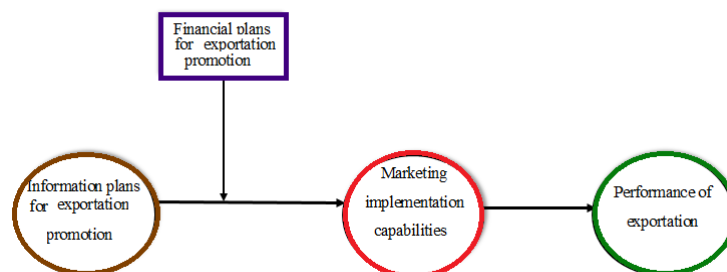


Figure 1: Research conceptual model (after Wang et al., 2017).

3. LITURATURE REVIEW

Tutar et al. (2015) discussed effect of discrimination strategies for marketing on performance of sales in food industries and found that discrimination strategies increase performance of exportation is significant on 0.01 level and shall increase by increasing discrimination strategies., on discussion entrepreneurship role of exportation to promote exportation performance of firms found that behavior based on entrepreneurship has positive significant effect on exportation performance, whereas, competitive advantage has intermediary role in above relation. Hoang (2015) discussed strategic effect and marketing capabilities on exportation performance found that marketing capabilities has positive and significant effect on exportation performance. Inclination to customer, rivals and cost has positive and significant effect on marketing capabilities whereas, inclination to innovation has not positive significant effect on marketing capabilities. Morgan et al. (2003) discussed role of exportation development plans on promotion of exportation for firms (industrial sample exporters)

found that although development exportation plans have not direct effect on exportation plans of companies but because of internal environment factors, it has indirect effect on exportation performance. Hortinha et al. (2011) discussed effect of incentive plans for exportation, case study: electricity industry found that use of exportation incentive plans had no effect on exportation plans in Iran but it had indirect effect and effectiveness on exportation strategies of companies. According to results, suggestions and advisements are offered to increase effectiveness which are as follows.

Wang et al. (2003) discussed effect of exportation promotion plans on exportation performance: witnesses of small and medium manufacturing companies of China concluded that marketing implementation capabilities have intermediary role in relation between plans pertain to information and exportation performance. Plans for exportation promotion has modifier role in procedure. Katsikeas (2000) discussed marketing capabilities on exportation performance of Turkey found that exportation marketing has significant effect on marketing capabilities and marketing effectiveness and marketing effectiveness has significant effect on exportation performance. Zhou et al. (2015) discussed the effect of exportation promotion plans, strategies and capabilities concluded that the plans help exporters in different exportation steps and increase performance of exportation in international markets. Freixanet (2012) in his research titled plans for promotion of exportation: the effect of exportation on international markets and variety is positive relation. The companies use plans for promotion exportation in first step. Eun et al. (2011) discussed on exportation plans for small and medium companies and exportation performance by introductory analysis found that marketing barriers and operational specifications of exportation plans and validity of different plans are recognized. Shamsuddoha (2009) discussed direct and indirect effect of plans for promotion exportation on exportation performance of small and medium companies. There is conceptual framework to understand direct and indirect effect of plans for exportation promotion on exportation performance of small and medium companies. By using internationalize theory and theory based on resources, direct role of plans for exportation promotion is effective in some of organizations.

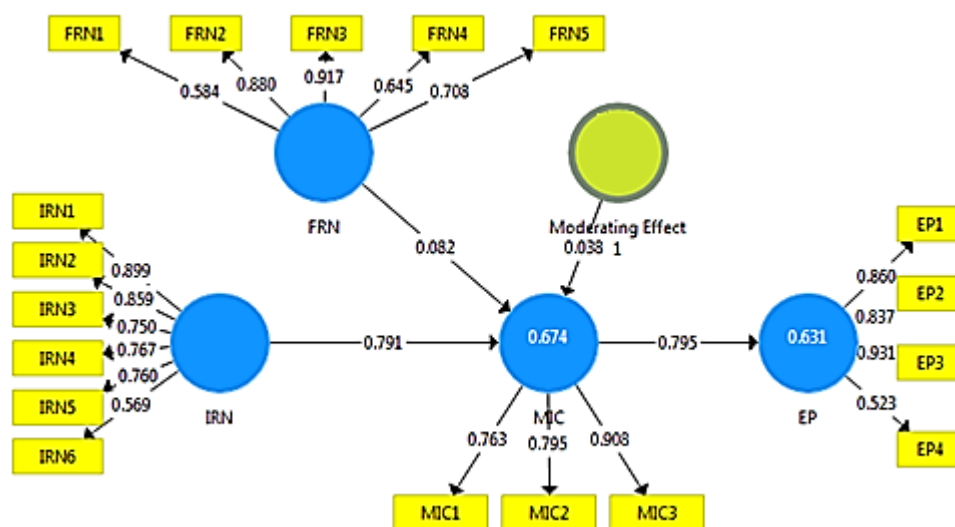


Figure 2: Structural equations model in standard mode.

4. RESEARCH METHODOLOGY

The present research is applied from objective and it is descriptive- non-experimental from

collecting data.

Statistical population and sample size:

The statistical population consists of managers and experts of petrochemical company who have 5 years’ background. Thus, their number is limited and 130 people. Sample size is performed by consensus.

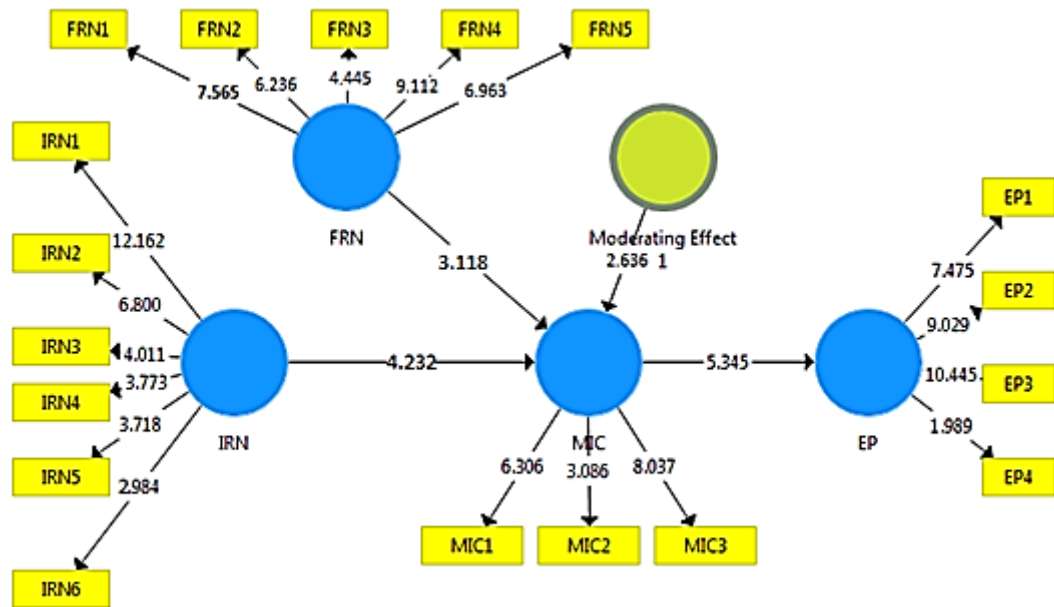


Figure 3: Structural equation model in significant mode

Note: EP= Exportation Performance, FRN= Financial related national EPP, IRN= Information-related national EPP, MIC=Marketing Implementation Capabilities, EPP= Exportation Performance promotion.

In Table 1, hypotheses are given together with other parameters.

Table 1: Hypotheses of this study

Hypotheses	Sig.	statistics t	Standard error	Beta coefficient
Information plans for exportation promotion and marketing implementation	0.000	4.232	0.186	0.791
Marketing implementation on exportation performance	0.015	5.343	0.148	0.797

FIRST HYPOTHESIS

Information plans of Exportation promotion have positive effect on capabilities of marketing implementation

H0: Information plans of Exportation promotion have positive effect on capabilities of marketing implementation

H1: Information plans of Exportation promotion have not positive effect on capabilities of marketing implementation

By discussion first hypothesis, significant level is 0.000 and t statistics is 4.232, thus, H1 confirmed and 0.791 shows high effectiveness for independent variable.

SECOND HYPOTHESIS

Capabilities of marketing implementation have positive effect on exportation performance

H0: Capabilities of marketing implementation have positive effect on exportation performance

H1: Capabilities of marketing implementation have not positive effect on exportation performance

From first hypothesis, significant level is 0.000 and t statistics is 4.232, thus, H1 confirmed and 0.791 shows high effectiveness for independent variable.

4.1 INTERMEDIARY ROLE OF MARKETING IMPLEMENTATION

Significant of indirect effect: There are many methods to discuss indirect significant relation (discuss relation by intermediary variable) which are as three methods and most important are:

- Test of joint significant
- Sobel test
- Bootstrapped confidence intervals

In this research, first method which is shared joint is used. As for structural equations model and sub-hypotheses, *a* route, capability for promotion plan and *b*, effect of marketing implementation on exportation performance are significant and their relation is confirmed. The *c* route, information plans for marketing promotion is significant too (B=0.752, t=6.263)

4.2 EFFECT SIZES FOR MEDIATION

There are many methods to calculate effect of intermediary variables. Two customary methods are: percent mediation (P_M) and Completely Standardized Indirect Effect (abcs). In this research, first method is used to estimate effect of mediatory variable and its formula as follows

$$P_M = \frac{ab}{ab+c'} = \frac{ab}{c} \quad (1)$$

$$P_M = \frac{de}{de+c'} = \frac{de}{c} \quad (2)$$

As for formula (1), firstly, slope of route is calculated (0.752)

Therefore, slope of all routes are displayed in Figure 3.

In this section, percent of mediation formula (marketing implementation) shall be calculated.

$$ab = 0.791 * 0.797 = 0.630$$

$$c = 0.752$$

$$P_M = 0.630 / 0.752 = 0.83$$

As for above calculations, we can say that marketing implementation capability has mediation on independent variable and percent of mediation is 0.837. Thus, it can be said that indirect effect of information plans on exportation performance is more than direct effect (*c* route), thus, the hypothesis is confirmed and relation between independent and dependent is enhanced.

4.3 ROLE OF MEDIATION FOR FINANCIAL PLANS

In order to discuss modifier role in SMART PLS®, it is sufficient to define moderate effect that is after presented moderate variable to software outputs are considered and in order to estimate moderate effect, following steps are used:

- Effect of independent variable on dependent (information plans for marketing implementation (B=0.791, t=4.232)

- Effect of moderate variable on dependent variable (financial plans for marketing implementation capability) (B=0.081, t=3.118)
- Discuss significant independent and moderate effect on dependent effect (financial and informational plans of marketing) (B=0.038, t=2.636)

As for calculation and Figures 1 and 2, we can say that moderate effect is confirmed but it has reduction role.

5. RESULTS AND DISCUSSION

5.1 RESULTS OF FIRST HYPOTHESIS

Information plans of Exportation promotion have positive effect on capabilities of marketing implementation. As for results of first hypothesis, significant level is 0.000 and t statistic is 4.232. Thus, H1 is confirmed and in other side, 0.791 shows high effectiveness and results conform to findings of Wang et al. (2003).

5.2 RESULTS OF SECOND HYPOTHESIS

Capabilities of marketing implementation have positive effect on exportation performance. By discussion results of second hypothesis, significant level is 0.015 and t statistics is calculated as 5.343. Thus, H1 is confirmed. In other side, 0.795 shows high effectiveness of independent variable on dependent variable. Results conform to findings of Wang et al. (2017). Results of Boso et al. (2012) as relation of exportation plans and exportation performance of Iran stone company showed effectiveness of independent variable. Zhou et al. (2015) discussed plans for exportation performance, strategies and capabilities in different exportation steps. These plans increase exportation performance in international markets. Results of Hortinha et al. (2011) showed that use of incentive exportation plans in Iran had not direct effect on exportation performance but it has positive and significant effect on strategy of exportation. According to results and suggestions to increase effectiveness for exportation, the cases are used by policy makers. Results of research of Shamsuddoha (2009) by international process and theory based on resources, discussed exportation plans in some of factors pertain to organization and management which have direct and indirect effect. Francis & Collins (2004) discussed plans for exportation performance on capabilities, strategies and company performance (small and medium companies with high technology in Canada and increase strategies for exportation).

5.3 MODERATE EFFECT FOR MARKETING IMPLEMENTATION

By discussion moderate effect on marketing implementation, it showed that moderate effect on relation between information and exportation conform to findings of Wang et al. (2003). They support the effect of marketing capability on exportation performance. Exportation of expert knowledge on different markets results to marketing effectiveness and shows their superior skills to reach in target markets and control marketing elements and marketing management. Generally, findings show role of marketing performance in order to obtain short-term objectives, which influence on performance (Singh & Mahmood, 2014). Also D'Angelo et al. (2013) found that exportation behavior has positive and significant effect on exportation performance whereas, competitive advantage has mediator effect.

5.4 MEDIATOR EFFECT FOR FINANCIAL PLANS

Following steps are used to estimate mediator effect.

1. Effect of independent variable (information plans to promote exportation) ($B=0.791$, $t=4.232$)
2. Effect of moderator on dependent (financial plans to promote marketing implementation) ($B=0.081$, $t=3.118$)
3. Significant discussion for multiplication for moderator variable (financial plans, information plans for marketing implementation) $B=0.0381$, $t=2.636$. As for calculations and figures 1, 2 we can say that moderator effect is confirmed and the results conform to Wang et al. 2003.

5.5 DISCUSSION AND SUGGESTION

Results of first hypothesis showed that information plans for promotion of exportation have positive effect on marketing. In order to restore marketing capability in petrochemical companies, information plans to promote exportation, thus following suggestions are made.

1. Information are collected on opportunities in foreign companies
2. In order to perform business to foreign countries, necessary information is obtained by its rivals. For example, as for dominance of China and India markets, it is necessary to obtain perfect information.
3. The companies use their capacities (weather foreign consulting and consulting under authority) to perform marketing researches to reduce risk and penetrate into market more.

Results of second hypothesis showed that marketing implementation has positive effect on petrochemical companies, thus, in this relation, in order to restore exportation performance by marketing capabilities, following suggestions are offered:

1. maintain current customers by offering quality services
2. accurate policy making to attract new customers
3. to obtain competitive advantage by offering discrimination services than rivals
4. Analysis market, company wants to obtain competitive advantage and shall analyze market to know what instruments shall be obtained by rivals. Status of customer satisfaction is determined and estimate their satisfaction
5. suitable use of social media like social media, television
6. organization uses necessary budgets for marketing activity
7. effectiveness of supervisory is defined on performance of exportation strategy

6. CONCLUSION

The purpose of this study was to investigate the effect of export promotion programs on the export performance of petrochemical products. To now, plans for exportation promotion were discussed in some of researches. But its effect on exportation performance and marketing implementation did not discuss and formalization of plans for exportation performance on superior performance shows how outcomes of exportation performance are obtained by marketing mechanisms and moderate effect and financial plans. The results showed that there is significant relationship between Exportation promotion plans and exportation performance of petrochemical companies. This research findings showed that export promotion information programs have a positive and significant effect on marketing performance capabilities. Marketing activities have a positive and significant effect on export performance. The marketing capability has a mediating role

in the relationship between marketing intelligence and marketing promotion programs and export performance. Finally, financial enhancements have a moderating role in the relationship between promotion information and marketing capability. Thus, in this search, moderate effect of marketing and financial plans for exportation performance is discussed.

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