CHAPTER - VII

MARKETING RESEARCH AND ITS IMPACT ON

EXPORT PROMOTION

INTRODUCTION:

In the previous Chapter 'Export Promotion Strategies' were discussed. It was also discussed that since independence, though India has been a regular exporter of textiles, its share in the world market has been somewhat modest and also fluctuating. Increasing exports from a long-term point of view has depended very much on India's success in negotiating larger quota with the United States and the E.E.C. countries. A major portion of exports at present is to these countries and the pattern of trade is likely to remain so for sometime to come.

In the earlier days, production of goods and services was undertaken according to orders received. The distribution of products was, therefore, not a problem. Later on, the problem of distribution became more complex. The producers in this context of complexities required a lot of information about other competing products, customers and their behaviour and other forces in the market for deciding what and how to produce, at what rate, when and where the products should be sold etc. This required collection, analysis and interpretation
of marketing information which could help producers to make an intelligent appraisal and formulation of policies. Modern business executives depended to a great extent upon 'marketing information' for decision making. Many companies are now designing 'Marketing Information Systems' to meet these needs. This Chapter is dedicated to an indepth examination of the marketing research and its impact on the promotion of exports in cotton textile industry of India. An analysis of various measures highlighting the need of such research will also be attempted.

A marketing information system is a continuing and interacting structure of people, equipment, and procedures designed to gather, to sort out, to analyse, to evaluate, and to distribute pertinent, timely, and accurate informations for use by marketing decision makers to improve their marketing planning, execution, and control. The marketing information system consists of:

:: Internal Reports System
:: Marketing Intelligence System
:: Marketing Research System and
:: Analytical Marketing System.

A Marketing Information System represents a formal effort to systematise many information flows needed by Marketing Managers, so that enough marketing information will be available and useful to them.

Marketing research is a growing branch of study. Since 1960, the branch of study has recorded fast growth and development. Marketing Departments are using this branch of information for gaining the twin aims of customer satisfaction and profitability. Absence of marketing information will separate producers from his customers. It is all the more important since it reduces the area of uncertainty and risks attached to marketing products. The gathering of marketing information is sometimes compared to intelligence work undertaken by the military about the enemy, its weapons and even its strategy. The intention of a manufacturer also is to gather information about the strength and strategy of his competitors. Hence 'Marketing Research' may be referred to as 'Market Intelligence'.

The important objectives of marketing research relating to the textile industry are listed here as under:

1. To know the purchasing capacity of buyers (domestic and foreign),

2. To know the effectiveness of different channels of distribution and price policies,
3. To measure the effect of sales promotion efforts.

4. To know the potential buyers in the international markets of different products of the textile industry, the frequency and capacity of buying and the like;

5. To know the consumer's opinion and their response towards a particular product(s) in the textile industry.

6. To know the cost of marketing activities, surveys, foreign trips, buyer-sellers meet, exhibition, fairs, foreign sales campaigns etc. and profits thereof. The contribution of different products to total profits also can be known and suitable promotional and product policies can be developed.

7. To assess the strength and strategy of competitors in the international markets.

8. To know the various external forces, which have an impact on sales, e.g. Government's policies, availability of indigenous raw materials, imports, excise duties, concessions, developments in the foreign markets, consumers income and spending habits, tastes, fashions, liking and substitutes entering into the market.

9. To forecast sales and design sales control.

10. To help development and introduction of new products and improving current products, designs, readymade garments of the industry and taking steps to fulfill the international standards.

11. To design and test appropriate packagings.
12. To choose the best dealers, markets, places, outlets, and exploration of unknown markets and to arrange the reach of textile products to hidden markets intelligently and efficiently.

**MOTIVATION RESEARCH:**

Methods of research often do not analyse consumer behaviour deeply, relying always on rationalisations. So one resorts to Motivation Research.

Till the early forties (end of World War-II), research workers in the fields of psychology, psychiatry, sociology, and Social Anthropology were working on the 'behaviour of man'. In the postwar years, gradually the expressions 'Motivation Research' and 'Depth Interviewing' began to be heard among avant-garde marketers as some of these research techniques filtered into the field of business.

Motivation Research is a convenient term which includes a number of different techniques. It does not give an explicit definition of its depth. Nevertheless, the term has come ideally to mean careful probing below the surface to gauge the reasons behind consumer behaviour.

Marketing Research can be viewed as determining the 'what, when, how, where and why' of consumer buying. Motivation Research concerned with the psychological 'why' of buying, can
be seen, therefore, as part of marketing research, concerned with only one part of 'why'. As PANCO BLACK points out, there are other 'whys' of buying, such as the purchasing power, product availability, and so on, which do not have roots within the psyche of the individual.

Thus the question of 'why' can be dealt with by motional and non-motivational research. To argue that only the former can make a real contribution to understanding 'why' is to limit one's understanding of the problem. Motivation researchers have pointed out the naivety of the older market research questionnaires which sought to get at the 'why' by asking simple direct questions. The assumption that reasons could be reported easily and without rationalisation was wrong.

Motivation Research is highly useful for the following reasons: (1) a good deal of market research is directed towards finding out how many people use a product and why; (2) the reasons tend to be strongly rationalised and associated with the product's obvious utility; (3) manufacturers tend, therefore, to concentrate on advertising the 'mores' of their products; (4) consumers, often find many competing brands and cannot distinguish between the adjectives of competing sellers:

The variety of techniques used in motivation research produces results not procurable under more superficial questioning.

**RESEARCH DESIGN:**

A good research design minimises the dangers of haphazard collection of data and ensures the serving of the decision makers needs. It gives direction to the producer.

**Definition:**

Two definitions of research design are:

a). A series of advanced decisions that, taken together, comprise a master plan or model for the conduct of an investigation.

b). The framework or plan for a study that guides the collection and analysis of the data.

These definitions emphasise a 'plan'. Research design may be summed up in two words: anticipation and specification. Research anticipates the needs and circumstances of the proposed study, and specifies the data and what to do with it.

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4. Ibid.
In selecting a research design the researcher will have to keep firmly in mind his objectives. When the research design is completed, it should be tested with this question: If specified data are collected, can they be interpreted to meet the objectives of the search objectives and of the decision maker?

**COMPUTERIZATION**

The researcher/Marketing manager who is going to deal intelligently with computers, even when at arm's length with computing personnel actually writing the programmes and executing them, needs to understand the elements involved. That is the purpose of this discussion.

**Hardware:** Computer hardware refers to the machines involved, the train of computing, and peripheral equipment. Marketing researchers should understand this. Computers used for marketing data are usually digital, which process information represented by means of coded characters. Basic to their operation is the concept of 'binary digits' — which may be in only two states, represented by either a "0" or a "1".

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5. Marketing Research: David J. Luck & others; Prentice Hall of India Private Ltd., 6th Ed. 1982, p.44.
Software: It refers to the methods whereby information is prepared and processed for a computer and fed into the computer. Software involves essentially these three aspects.

1. Instructions to computers, or "programmes", which are written in various languages.

2. Compilers or interpreters, which translate the various programming languages into commands that the computer can understand.

3. Operating system, which are master control programmes that oversee all programmes and other operations taking place in a computer.

This concludes our review on the three major technical innovations in marketing research.

MARKETING is a dynamic field changing constantly. Since 1920 many important and dramatic changes have been made in this field. Thousands of new products, including those of entire new industries such as plastics and electronics, have been placed on the market. Two completely new national communication media have been introduced and supported entirely by market expenditure. The development of the corporate chain form of organisation, the widespread application of self-service, and the rapid growth of automatic vending are but
a few of the developments that have brought about sweeping changes in the methods of marketing products. During the same period the proportion of the labour force engaged in marketing has increased substantially, rising from slightly less than 10 percent in 1920 to in excess of 20 percent in 1966.

How marketing research has become more sophisticated would make a more interesting but complex story. From a simple process it has shifted its focus to sampling and significance tests in the early 1950s until motivational research stole the spotlight. Decision science then became the main concern, and various applications of findings in psychology and sociology have also become centres of attention, including the testing of consumer behaviour theories. Meanwhile steady progress has been made in practical and efficient methods in various phases. Most profound and continuing perhaps has been computers expanding of research capabilities.

MARKETING RESEARCH IN INDIA

The importance of Marketing Research, a growing branch of study, is not adequately realised by the business

community in India. This is due to the following facts:

1. Many products in India still enjoy a "seller's market".
2. Most business houses do not have enough resources to bear the cost of marketing research.
3. The management is concentrating its attention on production and purchase of raw materials.
4. A few have understood the importance of marketing research.

However, Indian businessmen should realise that 'Seller's market' is not a permanent feature. Marketing research will increase the efficiency of the marketing department, increase the firm's profits, eliminate wasteful expenditure. Marketing policies, therefore, should be formulated in the light of information collected from a scientific market research.

Marketing decisions of a business concern are often influenced by two forces:

1. Internal forces, and
2. External forces.

Internal forces are those which are of technical, financial and personal character. External forces include changes in production, cultural factors, income distribution,
competitor's policy, Government regulations etc. A large-scale organization in India has to give consideration to Governmental regulations while thinking about marketing its products. These regulations relate to product policies, quality of goods, pricing, packing and trade marks, channel of distribution policies and ultimately marketing research.

An industrialisation progresses, the marketing approach in the decision-making of all kinds of business undertakings, trade and industries in product marketing and service marketing, assumes greater importance. And in the coming years, most of the business organisations and industries will be accepting the fact that the survival of the business organisations and industries will depend only on the right marketing approach and gain from marketing research.

ADVANTAGES OF MARKETING RESEARCH AND ITS IMPORTANCE:

It has now been fully discussed and proved that Marketing Research is the systematic gather, recording and analysing of facts about marketing problems in any trade or industry. It involves a study of all those factors which have a direct impact upon the marketing of products or services. It studies product planning, product development, sales promotion, distribution structure, marketing strategies,
competition in the markets (national or international), buyer's behaviour etc. The Marketing Manager in any growing, developing or dynamic economy can use this tool for planning and management of marketing activities. As such it is observed that the following are the important advantages of marketing research:

1. It helps the manufacturer to know the conditions of demand and to adjust production accordingly.
2. It will help the manufacturer to choose the best channel of distribution.
3. A marketing research information will provide information to the manufacturer about his competitors and their sales policies.
4. The manufacturer can know the effect of advertisement.
5. He can choose the best advertisement medium and the best copy of advertisement.
6. It will help to minimise risk and uncertainties and decisions can be taken with confidence.
7. The manufacturer can find out the reasons for consumer resistance.
8. Research can provide valuable information to the manufacturer about the attitude of his customers, their behaviour, purchasing power etc.
9. The research will help the manufacturer to develop new products and new uses for the existing products.
10. Marketing research helps discover new markets for the products.
11. It helps to know the reaction of the middle men in regard to the marketing policy of the company.

12. Marketing research will act as a guide in sales promotion activities.

13. It might be described, in a sense, as the VOICE OF THE PEOPLE — the communications link between distant, scattered markets and marketer.

**SIGNIFICANCE OF MARKETING RESEARCH IN EXPORT PROMOTION**

It is argued that developing economies like India are characterised by shortages and demand management, rather than surpluses and demand promotion. In this light, marketing effort is seen as being wasteful, sometimes even frivolous. Some examples may be given that transistors and bicycles have appeared in the remotest hamlets of the country. In clothing there has also been a shift in preference to blended fabrics, knitted apparel, readymade garments etc. Plastic goods and stainless steel ware have also become popular consumer items. So from agricultural inputs to consumer products, the change is visible, palpable and real.

All these have been achieved with the help of marketing and marketing research. In each of these cases, a new demand was created and then successfully catered to,
whether through sectoral demand adjustments or fully replaced demand sectors. Science can offer the seeds from which such INNOVATION can stem. TECHNOLOGY can sow the seed and bring forth the fruit but marketing research alone can pluck the fruit and deliver it to the point where the change is relevant. It is important to see the marketing research as an essential member of this trinity with Science and Technology. Each of the examples above bears to this view even when set in the context of an administered or developing economy. Quietly and unobtrusively, marketing research is at work.

Marketing research has contributed much to the development of two-wheeler, automobile industries and textile industry too, in India. There is practically a revolution of production in these industries. We may see that many companies have started manufacture of mopeds and other two-wheelers. The introduction of Maruti Cars, Contessa by Hindustan Motors, manufacture of various types of tempo vans and trucks have given much importance to marketing in the automobile industry. There is also flood of fashion and designs in textile industry and the entire production of textile industry is being absorbed on a regular feature in national as well as international markets, a discussion on this aspect may be seen in the first chapter of this study. Marketing research is not confined to products, but it is
also used in spreading ideas, fashions, designs, styles, explorations of new markets, places, persons and even messages. It is successfully applied in spreading the message of family planning.

Marketing Research is dynamic, exciting and challenging activity. It affords ample employment opportunities in the modern business world. The success of business in any industry depends upon the efficiency of the application of marketing research technique. The marketing manager must be aware of the changing needs and of consumers. He must concentrate on demand stimulating and demand fulfilling efforts of the enterprise. These activities include designing of a new product fabric its production, distribution, promotion, pricing and export to international markets.

PHILIP KOTLER defines marketing research as 'human activity directed at satisfying needs and wants through exchange process'. The process of exchange involves sellers searching for buyers (internally and externally) identifying their wants and needs, making relevant products, promoting, storing, transporting and distributing them and negotiating and so on. According to him, activities such as product design/development, search, communication, distribution,
pricing and service constitute the core of marketing research activities. Usually, this technique is associated with tangible goods, but it is very well application to the distribution of services also. A Life Insurance agent or National Savings Certificate agents provides information, on behalf of the Government of India, regarding the various types of policies, or the benefits of purchasing National Savings Certificates to the potential buyers.

In the dynamic, challenging, and fascinating field of marketing, there is unusual variety and depth for those who take up its research aspect. Since marketing necessarily deals mainly with the techniques and concepts of research, these attractive characteristics of the marketing research profession usually are fully utilized by the growing and progressive organizations.

Marketing research is widely applied in the marketing activities of any industry, trade field or production and distribution of goods. Marketing research is thus a systematic probing of all activities in the marketing process to draw conclusions useful to reduce various costs involved in it.
Marketing research is a growing branch of study, and this branch of study has recorded fast growth and development in all spheres of activities. Thousands of new products, including those of entirely new industries have been placed on the market.

We can, therefore, conclude that marketing research helps to discover new markets for the products. This technique is being fully applied in the textile industry as a guide in sales promotion, boosting of exports, exploration of unknown and competitive foreign markets, to know the ideas, habits and tastes of different customers and to design the products of Indian Textile Industry keeping in view the tastes and likings of foreign buyers. It has played and till playing an important role in boosting the exports of all sectors of the textile industry towards the world markets. It is like a 'Market Torch' to remove an industry's dark and helps in illuminating the future of an industry wherever it is applied and it lead to profitability. The success of business in any industry depends upon the efficiency of the application of marketing research.

In one sense it might be described as the 'Voice of the People', the communications link between distant, scattered markets and marketer.
In near future, it is expected that many business organizations and industries will be accepting the fact that the survival of the business organizations and industries will depend only on the right marketing approach and gain from marketing research in one way or another.

PRESENTATION OF RESULTS:

The presentation of the results of marketing research is a very important thing. The ultimate success of research depends upon the clarity of presentation and highlighting of the findings. Therefore, the findings and reports should be presented in such a manner that the recipient of the report can understand them clearly.

We can, therefore, say that Marketing Research helps to discover new markets for the products. It will act as a guide in sales promotion activities and would strengthen the hands of the management to control and choose the best channel of distribution.

In view of the discussion on the importance and role of marketing research, now an attempt is made to apply the techniques of marketing research in the Cotton Textile Industry in India and it is to be examined how the Government of India, its various Ministries and other institutions — Export Promotion Councils etc. — are jointly using this technique.
INSTITUTIONAL FRAME-WORK

In order to promote exports, the then Ministry of Commerce, Government of India has initiated several institutional, infra-structural and fiscal measures for promotion of exports in the textile industry, which are very vital for the economic development of the country, as the Textile Sector makes a significant contribution to India's total export effort. Its share in the total export from India is over 20 percent. According to an information available (data) from various Export Promotion Councils, Commodity Boards and Office of the Development Commissioner (Handicrafts), the total gross exports of textile items during 1982-83 were of the order of Rs.1968.01 crores. The achievement during April-December, 1983 has been Rs.1203.79 crores. A statement showing targets for exports of textile items in 1982-83, the achievement during 1982-83, targets and achievement in the period April-December, 1983-84 is given on the next page.

Statement showing targets for exports of Textile Items in 1982-83, the Achievements during 1982-83, Targets for 1983-84 and Achievements in the period April-December, 1983-84

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Item</th>
<th>1982-83 Target</th>
<th>1982-83 Achievements</th>
<th>1983-84 Target</th>
<th>April-Dec.83 (P)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cotton Fabrics</td>
<td>490.00*</td>
<td>457.46*</td>
<td>490.00*</td>
<td>335.19</td>
</tr>
<tr>
<td>2.</td>
<td>Made-ups &amp; others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Cotton Yarn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Ready-made Garments</td>
<td>750.00</td>
<td>629.25</td>
<td>700.00</td>
<td>439.27</td>
</tr>
<tr>
<td>5.</td>
<td>Handicrafts</td>
<td>415.00</td>
<td>346.00</td>
<td>385.00</td>
<td>260.63</td>
</tr>
</tbody>
</table>

P = Provisional
* = includes performance in Handloom Segment.

The above figures speak very well and appear to be fully self-explanatory showing the achievements of the exports.

A number of Export Promotion Councils are looking after the export interest of various textile items. In addition to this various explorations are being made to capture international markets through marketing research techniques. These are Apparels Export Promotion Council, Cotton Textiles...
Export Promotion Council, and Handloom Export Promotion Council.

The Apparels Export Promotion Council coordinates the export promotion activities relating to garments. Last decade witnessed phenomenal increase in the export of garments from India. During the calendar year 1981, garments exports reached the figure of Rs.650.02 crores. During 1981-82 (financial year), exports of garments were of the order of Rs.669.80 crores. However, during 1982-83, the exports were Rs.629.25, the decline being mainly attributed to slackness in demand on account of recession in importing countries and consequent changes in the demand pattern and preference of consumers. With economic situation in some of the importing countries improving, the situation for the year 1983-84 was changed and the exports of Indian garments during April-December, 1983 touched a level of Rs.439.27 crores. The significant increase in exports of garments over the years though primarily attributable to the enterprise of individual exporters in the Small Scale Sector, was no less due to the policy measure taken from time to time by the Government and promotional activities undertaken both by the Government and by the Export Promotion
Councils. Government has been providing assistance to the industry by way of Cash Compensatory Support wherever non-refundable taxes render Indian garments relatively uncompetitive in the international market.

Furthermore, with a view to enabling exporters to modernise their production capacities and thus increase exports of garments, a large number of machines necessary for garment manufacture were placed on OGL, so that the machines could be imported at concessional rate of duty.

The Cotton Textiles Export Promotion Council is looking after the export promotion of these items, while the Development Commissioner for Handlooms is coordinating the Export Promotion activities in respect of Handloom fabrics and made-ups.

Exports of mill made and powerloom cotton textiles (excluding readymade garments) as a whole, for the year 1982-83 increased to Rs.312.80 crores from Rs.286.10 crores during 1981-82. The increase in exports over the year 1981-82 was contributed mostly by made-ups items, sewing thread and to a certain extent by cotton yarn. However, in the case of cotton piece-goods, exports were slightly lower at Rs.175.23

crores during 1982-83 as against Rs. 181.49 crores during the year 1981-82.

Government also announced the export policy for cotton yarn for 1984, which was an extension of the policy governing export of cotton yarn during the calendar year 1983. According to figures made available by the Cotton Textiles Export Promotion Council, a total quantity of 6.32 million Kgs. of yarn was exported during the 1983 calendar year.

A number of other export promotion measures were also undertaken during 1983, such as sending sales-cum-study teams to various countries, participating in exhibition/trade fairs abroad and sponsoring of market orientation tours to explore the possibilities of increasing our exports to different markets. All these measures, together with those mentioned earlier, are expected to create a favourable climate for giving a boost to our exports on different fronts.

In the past few years, Handloom items have made a notable entry into the fashion markets of Europe, USA, Canada, Australia and Nordic countries. With the accent on the improvement of quality of Handloom fabrics, coupled with
various development schemes launched by the Government, the export of handloom goods have shown considerable improvement. The level of exports of Handloom goods increased from a mere Rs.25.61 crores in 1970-71 to Rs.326.33 crores in 1980-81. During April-November, 1983, the export of Handloom was anticipated at Rs.202.53 crores. The main items exported were cotton fabrics, consisting of items like RMHKs, other fabrics including dress material, lungies/sarons Handloom made-ups and readymade garments besides other items.

The exports of Handlooms are handled by exporters, State agencies like Handicrafts and Handlooms, Export Corporation and also by the Indian Handloom Fabrics Marketing Cooperative Society Ltd. Bombay. Converted efforts were made during the last few years to give a boost to the exports through participations abroad, sponsoring study teams to foreign countries and advertisements. The enhanced rates of Cash Compensatory Support announced for the year 1984 etc. were expected to accelerate the pace of our exports as far as the Handloom items are concerned. The various other measures taken in this connection are discussed as follows:

1. MARKETING DEVELOPMENT ASSISTANCE (NDA):

In order to stimulate and diversify the country's export trade the Market Development Fund (now called Market Development Assistance) was established in 1963. The provision is utilized for meeting the expenditure on cash compensatory support for certain exportable goods, grants-in-aid for schemes and projects for the development of commodities and markets abroad. It includes:

a). Market Research, commodity research, area survey etc,

b). Export publicity and dissemination of information,

c). Trade delegations and study teams,

d). Participation in trade fairs and exhibitions,

e). Establishment of offices and branches in countries abroad,

f). Grants-in-aid to export promotion councils and other organizations for the development of exports and the promotion of foreign trade; and

g). Any other scheme that could promote the development of market for Indian goods abroad, including textiles.
The MDA is provided for the following purposes:

(i). **Product Promotion and Commodity Development:**

It includes the expenditure on Cash Compensatory Support for Products like Engineering Goods, Chemicals and Allied products, Sports goods, Processed Food items, Finished Leather and Leather Manufactures etc. as well as development support to commodities like 'Decorticated Cotton Seed Cakes', Groundnut Cake extraction etc. etc.

(ii). **Grant-in-Aid to Export Promotion and Market Development Organizations:**

Grants-in-Aid to Export Promotion Councils are being provided for their code and non-code activities. Provision is also being made under this head for assistance to Grantee Organizations like FIED, TDA, (Trade Development Authority), IIIFT (Indian Institute of Foreign Trade), IIP, Indian Council of Arbitration and other 'approved Organisations for specific export promotion activities and also to recognized Export Houses.

(iii). **Export Credit Facilities:**

A subsidy is paid towards interest charges on export finance provided by the banks and administered by the Reserve Bank of India. The concessional rates of interest charged by the Commercial Banks in respect of pre-shipment and post-shipment credit to exporters is available to eligible institutions.
The ECQC administers a scheme to protect the exporters against exchange rate fluctuations on deferred payment up to 15 years. The losses, if any, on a cumulative basis are made good from this provision under this head.

Proposals from Export Promotion Councils/Recognized Institutions/Export Houses, for market development assistance under the respective sub-heads mentioned above are examined and considered in the Ministry by the M.D.A. Committee known as MADA MAIN Committee and MDA Sub-Committee, depending upon the nature of proposals. The total expenditure during 1982-83 was Rs. 476.33 crores.

Based on the recommendations of the Task Force set up by the Government of India to review the working of the various Export Promotion Councils, the existing scheme of MDA has been liberalized as under:

In order to encourage export promotion activities in new and difficult markets of 'LATIN AMERICA' and 'AFRICA', it was decided to give a higher rate of MDA for participation in 'EXHIBITIONS' and 'FAIRS' in these areas to Recognized Export Houses and Export Promotion Councils. It will be at the rate of 60 percent instead of 50 percent to the Export
Houses and at 70 percent instead of 60 percent to Export Promotion Councils. To encourage more delegations and Sales teams, the existing assistance to Export Promotion Councils, sponsoring the exporters from the large-scale category, has been increased from 25 percent to 30 percent. Certain relaxations have also been made to provide increased grant-in-aid to some of their promotional activities. For consultancy organization, the quantum of assistance or opening foreign offices has been increased.

2. EXPORT HOUSES AND TRADING HOUSES:

Recognised Export Houses and Trading Houses are given financial assistance from the Marketing Development Assistance fund for certain approved export promotion activities viz: 'Participation in Fairs/Exhibitions Abroad', sending 'Sales Teams', opening of foreign offices/warehouses etc. Export House in the small-scale sector are given assistance at higher level for sending 'Sales Teams' abroad.

3. INTERNATIONAL TRADE CENTRE/UNCTAD/CATT, GENEVA (ITC):

The International Trade Centre/Unctad/Gatt, Geneva (ITC), with the financial assistance made available by the Swedish International Development Authority (SIDA) has been implementing an Integrated Programme of Technical Cooperation in Trade Promotion in India for the last 10 years. The
programme was divided into phases of three years each. Phase III (1980-83) was concluded on June 30, 1983. The year 1983-84 treated as a "bridging operation", before a five year programme is formulated for implementation from July 1984 onwards. Under this programme, the ITC provided technical and financial assistance for various trade promotion activities in India. Services of foreign consultants and experts are also made available as part of technical assistance. For the year 1983-84, ITC has provided a sum of a little more than US $1 million.

India has been contributing a sum of US $50,000 to the Trust Fund of ITC. India is the only developing country to do so. The decision to contribute to the ITC Trust Fund by India has been taken in the context of India's close association and her keen interest in promoting close economic cooperation amongst developing countries. The contribution made by India is utilized by the ITC in organizing SEMINARS/WORKSHOPS for the benefit of the officers of the least developed countries of Asia and Africa. These Seminars/Workshops are held in India with the assistance of specialized institutes such as the INDIAN INSTITUTE OF FOREIGN TRADE. The following programmes were held during the year 1983-84, out of the contribution made by Indian to the ITC Trust Fund for 1983:
i). Seminar for Diplomats in India from Developing countries who have Commercial Responsibilities from November 30-December 2, 1983.

ii). Development of Foreign Trade in Technical Consultancy Services from Developing countries.

4. COMMONWEALTH SECRETARIAT:

The Commonwealth Secretariat under Commonwealth Fund for Technical Cooperation (CFTC) through its Export Market Development Division has been providing financial and technical assistance to India for various export promotion activities, such as BUYER-SELLER MEETS, MARKET SURVEYS, CONTACT PROMOTION PROGRAMS etc.

5. CASH COMPENSATORY SUPPORT (CCS):

The Scheme of Cash Compensatory Support which was introduced in 1966, continues to be an important instrument for export promotion. CCS is allowed on a selective basis primarily with the object of compensating the exporters for the elements of unrefunded taxes and duties paid on the inputs required for the manufacture of the goods exported. The principles governing the scheme and the rates of CCS have been reviewed by the Government from time to time. The
The last major review of the scheme and the rates of assistance for individual items was undertaken by the Government during 1982. As a result of this review, revised rates of CCS effective from 1st October, 1982 were announced. These rates, in most cases were valid upto 31st March, 1985.

The scheme of CCS is applicable in respect of different items in various product groups such as engineering goods, chemicals and allied products, plastic goods, processed foods, leather goods, silk and rayon textiles, handicrafts including woollen carpets, coir products, agricultural products, woollen textiles, COTTON TEXTILES, jute goods and sports goods, etc.

Certain types of supplies made within India are treated as 'Deemed Exports' and CCS on such supplies is allowed at 75 percent of what is admissible on physical exports. These include supplies to projects financed by IDA/IBRD supplies made to project financed by multilateral/bilateral external agencies, supplies of certain equipment, raw materials etc. to 100 percent Export Oriented Units, supplies made to ISICoP for their aid programmes and supplies made to ONGC/OIL INDIA for their off-shore drilling operations.
6. EXHIBITION AND COMMERCIAL PUBLICITY:

TPAI's Activities: The Trade Fair Authority of India (TPAI), through various exhibitions and trade fairs, continued to project its image as a potent organization to bridge the information gap about the Indian achievements in the fields of agriculture, small, medium, and heavy industries, mineral development and other sectors of economy including its export capabilities. The TPAI, which is the nodal agency for organizing trade fairs and exhibitions abroad has made commendable progress during the year 1982-83 and 1983-84 in promoting trade through the medium of fairs and exhibitions.

Until 1982, TPAI used to organize, on an average 14 fairs and exhibitions abroad. In 1982-83 the TPAI organized participation in 34 international fairs including 14 specialized commodity fairs besides organizing 4 exclusive Indian exhibitions in different parts of the world. During 1983-84, the TPAI's programmes include participation in 33 international fairs including 19 specialized commodity fairs besides organizing 4 exclusive Indian exhibitions in different parts of the world. During the year 1983-84, it has already participated in 16 general/specialized commodity
fairs in West Europe, 2 in East Europe, 4 in West Asia and Africa region, 5 in South East Asia and 2 in America besides organizing one wholly Indian Exhibition in USA (SYDNEY). During 1983-84 (upto November 1983) exhibits worth Rs.61.66 lakhs were sold, business worth Rs.3594.09 lakhs was booked and business worth Rs.3973.55 lakhs was under negotiations.

The India International Trade Fair, fifth in the series of such fairs, was organized by the TFAI from November 14 to 27, 1983 at the Pragati Maidan, New Delhi, 37 countries (in whose pavillions, 279 foreign companies were represented) participated at a national level in the Indian International Trade Fair 1983; besides 10 foreign companies participated directly. India was represented by 27 State Governments and Union Territories, 19 General Ministries/Departments, 37 public sector undertakings/Export Promotion Councils/Commodity Boards and 49 medium and small scale companies, including a few big industrial houses. In the State Pavillions a large number of small-scale units were represented. With a view to focussing high level attention on particular aspects of International trade, five SEMINARS were organized by the TFAI in cooperation with other organizations.

The special highlights of the fair were visits by Head of Commonwealth Governments, foreign ministers and foreign correspondents. 30 foreign delegations also visited the fair. It is estimated that business of the order of Rs.1100.00 crores was transacted/negotiated during this fair.

**TDA's Activities:** During the calendar year 1983, the Trade Development Authority (TDA) organized India's official participation in 3 International Fairs/Exhibitions held at Milan (Italy), Frankfurt (FRG) and Paris (France), besides organizing an exclusive Indian Garment Fair at Tokyo (Japan) for the fifth year in succession. In these fairs a total number of 78 firms participated. Spot orders worth Rs.8.16 crores were booked and enquiries worth Rs.23.20 crores were generated.

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7. COMMERCIAL RELATIONS AND TRADE AGREEMENTS:

In a world of economic interdependence, it has become necessary for all the countries to maintain closer commercial and economic relations with each other. India is no exception to this and continues to have trade agreements with many countries. In the country's drive to accelerate the pace of exports, the commercial offices attached to Indian mission abroad have rendered useful services in various ways.

Indian Missions Abroad:

There are at present 68 Commercial Offices attached to Indian Missions abroad including the Ambassador of India to GATT who is also Deputy Permanent Representative of UNCTAD in the Permanent Mission of India, Geneva. These Commercial Offices/Representatives function under the Budgetary Control of the Ministry of Commerce and have a vital role to play in

the promotion of India's trade and economic relations abroad. Apart from advising and assisting the Head of the Mission on all Commercial and Economic matters, it is also the function of Commercial Representatives to assist the Government in the formulation of its trade and economic policies through regular feed-back on market trends, trade promotion prospects and the general economic situation of the country in which they are accredited. A number of proposals have been initiated for augmentation of staff strength and these are being processed.

HOW TO TAKE PART IN FAIRS ABROAD TO BOOST TEXTILE EXPORT:

In the highly competitive world of today, with continuously changing technologies as well as consumer's habits and tastes, marketing communication assumes a vital role in the publicity and sales-promotion media mix on the international scene, trade fairs and exhibitions have become the most viable means of export exposure. This medium is not only for more inexpensive than the other available such as T.V., Press etc., but provides certain unique advantages; the foremost being — a two-way communication.

To achieve optimum results from the efforts an expenditure incurred on exhibition, a proper selection of events backed with systematic planning is essential. Like
any other activity connected with business promotion, planning and participation in exhibitions and international trade fairs should necessarily have a scientific and systematic basis, particularly when at times substantial expenditure is involved in participating in exhibitions held in distant countries.

Exhibition participation has to be planned with a thorough weighing-up of all variables, including short-term gains and long-range benefits and by applying management methodology as may be prevalent in a particular company/industry. Various steps in such an exercise have been categorised as follows:

1. The publicity division of a company/industry wishing to participate in expositions abroad should obtain a complete exhibition calendar from the centralised exhibition and trade show bodies like the Trade Fair Authority of India (TFAI), Trade Development Authority and various export promotion councils, as the case may be, fairly in advance.

2. Participation in practically all overseas exhibitions are now canalised through TFAI. However, it may not be organising participation in all such exhibitions as may interest a particular industry. To overcome this gap,
it would be worthwhile obtaining further information on hundreds of specialised trade shows and product fairs being held all through the year in various parts of the world.

3. As many as 2,000 specialised exhibitions are being organised annually in various countries. Information regarding these can be collected through various sources. A yearly 'ALMANAC' published by LUFTHANSA AIRLINES could serve as a useful reference book. This information could be supplemented through branch offices or associates in other countries too. One could also expect guidance from commercial counsellors attached with Indian Missions abroad on any type of export promotion effort.

After the initial region-wise list based on possible potentials of a product is drawn up, an interested party could carry out further examination covering the following factors:

a). Previous participation in similar trade fairs, if any, and the results achieved thereof.

b). Existing market potential of the products to be promoted.

c). Optimum marketing possibilities linked with supply-base infrastructure.

d). Relationship of expenditure on various participations to the overall publicity and promotion budget.

e). Foreign exchange component required for such a programme and whether it blends in a happy ratio with the overall foreign exchange inflow.

After careful tabulation covering above factors, the year's programme should be discussed in detail in a sub-committee comprising the Export Manager, Procurement in-charge as well as Finance Controller of the organisation, along with the Publicity Chief, who has to put this programme into action. The foreign exchange component, other expenditure to be incurred locally, expenses on travel and stay abroad for one or two executives should be clearly estimated.

For final presentation any exhibition in a foreign country, the following objectives have to be kept in mind:

From the long-term point of view, it may not adequate to lay the entire emphasis on promotion of a particular product alone. It would be desirable to bring out the corporate image by presenting its history, the role it has played in that particular branch/division of industry, etc. This could be achieved by various methods of graphic interpretations and even distribution of publicity literature especially produced in 'language of of the country concerned.' It is of utmost importance to create credibility about the
industry/organisation, particularly in the face of stiff competition like textiles, it shall face from multinational and global organisations who are likely to be main rivals.

Participation in such fairs and exhibitions has to be treated as a marketing exercise and should, therefore, be fully supported by production information, technical features, specifications, prices, delivery possibilities, quality control arrangements, packing details, bulk discount etc.

Initial details for making the stall attractive with the help of display modules, stands, photographic blow-ups, etc. should be properly worked out so as to estimate the expenditure involved. Display planning has to be done on the basis of dimensions of booked area and available blueprints in advance of the occasion.

The general plan of the actual space to be booked along with the broad outline for display including partition walls, colour scheme, type of floor covering, etc. must be obtained from the organising agency. This would help formulate a proper display plan. Subsequently, panels, props, podiums, photographs, write-ups as required can be fabricated. Primarily, these will have to be done as suited to a particular
event since their selection and designing would differ from product to product. However, every effort should be made to standardise panels, props, podiums, photographs so that they can be used repetitively as far as possible.

Product samples should be carefully planned. Damage-proof packing and shipment/air freighting costs should be worked out with clear expenditure estimates. Prior information regarding shipping facilities is essential. Services of clearing agents, documentation required, customs duty and preferences and procedures in regard to counter-sale and bulk disposal must be planned in advance.

It is to be kept in mind that after range of product sample has been displayed in a foreign exhibition, it becomes more uneconomical to bring them back all the way than to dispose of them locally after the exhibition is over. On-the-spot sale of such product samples in most countries is not permitted as this may infringe on the import and export laws of the land. Even so, in the case of many products, even 'lifting' them as free samples to potential buyers proves more viable than repacking and incurring heavy expenditure on shipment back home. Advance decisions on such
matters are essential and helpful.

All exhibits including product samples, display panels, publicity literature etc. have to be booked, invoiced and despatched to the agents of the organising agency well in time after the clearance from RBI and other concerned authorities. This will help avoid last minute rush, additional cost of air-freighting as well as eliminate the risk of samples not reaching in time.

The real exercise in participation of any exhibition begins after the exhibition has been set up and opened to visitors and prospective buyers, when the marketing skill of a particular industry/organisation is put to test. Here export Marketing Experts have to take-over the floor in impressing and tackling buyers visiting the stall. It is not only how to handle a particular buyer during his visit to the pavilion that is essential but a follow-up based on areas of interest reflected during his visit; enquires and comments made by him and what type of innovations he expected are also a matter of enquiry. Such an exercise will go a long way in product development and making a dent in that particular market.
A product fair or an exhibition provides an excellent forum for buyers and sellers to meet, see the product physically, negotiate prices, delivery schedules and finalise their purchases. There could not be a better opportunity in any trading activity, particularly between buyers and sellers from two different countries. It also provides a chance to examine the products of competitors not only from one's own country but also from various other participating countries.

A factual and analytical evaluation should be worked out after each participation, covering the following aspects:

Trade enquiries received; contracts finalised; business contacts established; future business possibilities generated; product assessment in relation to the market; pricing structure in relation to the particular market; character of the fair; future assessment of the market; organisation of the participation as a whole; shortcomings, failures, if any; other product development/production cooperation/collaboration proposals or interest, by visiting buyers/manufacturers; and evaluation of the exercise in relation to the expenditure incurred.
Participation in international product fairs or exhibitions is one of the most interesting areas in terms of Marketing Research and Sales Promotion activities in textiles. If it is done in a haphazard and ad hoc style, it shall be a mere exercise in squandering scarce resources of the industry and the effort put in by the staff will merely end up in a sightseeing and pleasure trip into another country. If on the other hand, it is taken up on a business-like and scientific manner, probably this could bring rewarding results with an upward sales graph, a good image for the industry and its products with a pleasurable feeling of having done a good and rewarding job.

This concludes our review on this Chapter — 'Marketing Research And Its Impact on Export Promotion' and as a conclusion we can say that Marketing Information has become the critical element in effective marketing as a result of the trend toward national and international marketing, the transition from buyer needs to buyer wants, and the transition from price to nonprice competition. All companies/industries have a marketing information system connecting the external environment with its executives, but the systems vary greatly in sophistication and the
number and quality of services they provide.

Marketing Information Systems consist of four subsystems or components. The internal accounting system reports orders, sales, inventory levels, receivable, payables and so on. It helps the companies/industries in speed, accuracy, and report potentials of their order-shipping-billing cycle.

The Marketing Intelligence system provides executives with current information about developments and changing conditions in the macro and task environments. Executives gather intelligence on their own, but their effectiveness can be augmented by improved training of their sales force in their intelligence responsibilities; the development of a marketing intelligence centre, and the purchase of information when appropriate from specialized intelligence services.

Marketing Research System, involves collecting special information that is relevant to a specific marketing problem facing the company. Approximately to a great extent, all large organizations/industries operate marketing research
departments to help their executives obtain the information they need.

Analytical Marketing System, it consists of advanced statistical procedures and models to help to develop more rigorous findings from information.

Marketing Managers who need marketing research can work with professional marketing researchers to design the necessary study. Marketing research involves a five-step procedure consisting of research objectives and problem definition, exploratory research, formal survey and/or experimental research, field work, and data analysis and report presentation.

One of the major tasks of marketing research is to estimate current market demand. A company/industry should use a clear set of concepts for demand measurement and should especially note the distinction between market demand and company demand, and between forecasts and potentials. Current demand may be estimated for the market as a whole or for various territories.

For estimating future demand, the company/industry may use one or any combination of at least six different forecasting methods: surveys of buyer intentions, sales
As such the Marketing Research consists of the following important aspects:

1. Marketing research comes up with innovative solutions or courses of action.
2. A smooth system exists for planning and satisfying marketing information needs.
3. Marketing research prepares clear and well-organized reports.
4. The marketing research department is adequately staffed to do the jobs that are needed.
5. Management provides frequent feedback to marketing research, and
6. Marketing research provides time and punctual reports.

Keeping in view the role, utility and effectiveness of the Marketing Research Techniques, let us review its impact on the textile goods industry. In order to promote exports, the then Department of Textiles in the Ministry of Commerce, and the Government of India have already initiated several institutional, infrastructural and fiscal measures for promotion of exports in the textile industry. The statistics
shows that the textile sector has an independent share in the total export of the country which is over 20%. According to the data available from various Export Promotion Councils, Commodity Boards and office of the Development Commissioner (Handicrafts), the gross exports of textile items during 1982-83 were of the tune of Rs.1986.01 crores. A number of Export Promotion Councils viz: Apparels Export Promotion Council, Cotton Textiles Export Promotion Council, and Handloom Export Promotion Council are looking after the export interest of various textile items and steps are being taken to boost the exports by adopting any one or a combination of various marketing research techniques.

The Apparels Export Promotion Council coordinates the export promotion activities relating to G A R M E N T S. During 1981-82 export of garments was of the order of Rs.629.25 crores. With a view to enabling exporters to modernise their production capacities and thus increase exports of garments, the Government allowed the import of a large number of machines necessary for garment manufacture under the provision of OGL, so that the machines could be imported at concessional rates of duty.
The Cotton Textile Export Promotion Council is looking after the export promotion of these items, while the Development Commissioner for Handlooms is coordinating the Export Promotion activities in respect of Handloom fabrics and made-ups.

Export of mill made and powerloom cotton textiles (excluding readymade garments) as a whole for the year 1982-83 increased to Rs. 312.80 crores from Rs. 286.10 crores during 1981-82. The increase in exports over the year 1981-82 was mostly in made-up items, sewing thread and to a certain extent cotton yarn.

Government also announced the export policy for cotton yarn for the year 1984. According to figures made available by the Cotton Textile Export Promotion Council, a million total quantity of 6.32/kgs. of yarn was exported during the calendar year 1983.

A number of other export promotion measures were also undertaken during 1983 which were a combination of various marketing research techniques, such as sales-cum-study teams were sent to various countries (i.e. survey and exploration) participation in exhibitions/trade fairs abroad (i.e.
studying of a specific market situation, planning and collection of data) and sponsoring of market orientation tours to explore the possibilities of increasing exports to new markets. All these measures of marketing research techniques have created a favourable climate for giving a boost to our textile exports on different fronts.

The level of exports of our Handlooms goods increased from a mere Rs.25.61 crores in 1970-71 to Rs.326.33 crores in 1980-81, to Rs.374.02 crores in 1981-82 to Rs.346.86 crores in 1984-85, to Rs.246.06 crores (upto November, 1985) for the year 1985-86, as given by the Handloom Export Promotion Council, Madras. The main items exported were cotton fabrics, consisting of items like RMHKS, other fabrics including dress material, lungies, Handloom made-ups and readymade garments besides other items.

In the past few years, Handloom items have made a notable entry into the fashion markets of Europe, U.S.A., Canada and Australia etc. With the accent on the improvement of quality of Handloom fabrics, coupled with various development schemes launched by the Government, the export of Handloom goods have shown considerable improvement after the use of Marketing Research Techniques.
The exports of Handlooms are handled by exporters, State Agencies like Handicrafts and Handlooms, Export Corporation and also the Indian Handloom Fabrics Marketing Cooperative Society Ltd. Bombay. Serious efforts were made during the last few years to boost the exports through participation abroad, sponsoring study teams to foreign countries and advertisements and publicity on a large scale, and combination of these activities is what the marketing research requires.

In order to stimulate and diversity the country's export trade, the Market Development Fund (now called Market Development Assistance - MDA) was established in 1963 i.e. an incentive and it is utilized for various incentive purposes, but specifically for Market Research, Commodity Research and Area Survey, Export publicity and Dissemination of Trade Information, Trade Delegations and Study Teams and participation in Trade Fairs and Exhibitions to promote textile goods exports in the international markets.

In addition to this, there is provision for "Product Promotion and Commodity Development", "Grants-in-Aid to Export Promotion and Market Development Organizations", "Export Credit Facilities". Proposals from Export Promotion Councils/
Recognized Institutions/Export Houses are examined and considered in the Ministry by the M.D.A. Committee for financial assistance. The total expenditure on this account during 1982-83 was Rs. 476.33 crores. Undoubtedly this is a great incentive to boost textile exports and is considered a highly effective instrument to solve the problems relating to marketing of textile goods.

In order to encourage export promotion activities in new and 'difficult' markets of Latin America and Africa, it was decided to give a higher rate of MDA for participation in "Exhibitions and Fairs" in these areas to Recognised Export Houses and Export Promotion Councils at the rate of 60% instead of 50% to the Export Houses and at the rate of 70% instead of earlier 60% to the Export Promotion Councils. Provision was also made to encourage more delegations and Sales Teams for abroad.

The International Trade Centre/Unctad/Gatt, Geneva (ITC) with the financial assistance made available by the Swedish International Development Authority (SIDA) has been implementing an integrated programme of Technical Cooperation in Trade Promotion in India for the last 10 years. The Commonwealth Secretariat under Commonwealth Fund for Technical
Cooperation (CFTC) through its Export Market Development Division has been providing financial and technical assistance to India for various EXPORT PROMOTION ACTIVITIES e.g. Buyer-seller Meets, Market Surveys, Contact Promotion programmes etc. These are a combination of various marketing research activities and give an impetus to the export of textile goods.

The Trade Fair Authority of India (TFAI) New Delhi, which is the nodal agency for organising trade fairs and exhibitions abroad has made commendable progress during the year 1982-83 and 1983-84 in promoting trade through the medium of fairs and exhibitions, including textile goods. During 1983-84 (upto November, 1983) exhibits worth Rs.61.66 lakhs were sold, business worth Rs.3594.09 lakhs was booked and business worth Rs.3973.55 lakhs was under negotiations.

During the Indian International Trade Fair, which was organized by the TFAI from November 14 to 27, 1983 at New Delhi, it is estimated that business of the order of Rs.1100.00 crores was transacted/negotiated during this fair.

During the calendar year 1983, the Trade Development Authority (TDA) exclusively organized INDIA FARMAMENT FAIR at Tokyo (Japan) for the fifth year in succession.
During 1983-84, efforts were intensified to increase the exports and the trade with neighbours in consonance with the potential. Various delegations both from the private and at the official levels were exchanged with a view to identifying areas of mutual interest and to removing constraints in the promotion of Indian exports including TEXTILES to these countries which are as follows:

Iran, Afghanistan, Pakistan, Nepal, Bhutan, Bangladesh, Sri Lanka, Maldives, East Europe, West Europe, North America, U.S.A, Canada

Japan, Australia, Republic of Korea, Democratic Peoples Republic of Korea, Hong Kong, Indonesia, Malaysia, Philippines, Singapore, Thailand and East Asian Countries

The Table-7.1 given on the next page shows the brief details of our exports to different countries including Textiles.
<table>
<thead>
<tr>
<th>Name of the Country</th>
<th>Year</th>
<th>Amount in (Rupees)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pakistan</td>
<td>1982-83</td>
<td>6.60 crores</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>1981-82</td>
<td>64.98</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>1982-83</td>
<td>37.20</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>1981-82</td>
<td>51.23</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>1982-83</td>
<td>97.33</td>
</tr>
<tr>
<td>Japan</td>
<td>1982-83</td>
<td>794.63</td>
</tr>
<tr>
<td>Australia</td>
<td>1982-83</td>
<td>102.35</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1981-82</td>
<td>128.33</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>1982-83</td>
<td>191.68</td>
</tr>
<tr>
<td>USSR</td>
<td>1981-82</td>
<td>2,787.93</td>
</tr>
<tr>
<td>USSR</td>
<td>1982-83</td>
<td>3,071.74</td>
</tr>
<tr>
<td>USA</td>
<td>1982</td>
<td>1,403.08 $ million</td>
</tr>
<tr>
<td>USA</td>
<td>1983</td>
<td>2,190.00 $ million</td>
</tr>
<tr>
<td>East Asian Countries</td>
<td>1981-82</td>
<td>1,423.90 Rs. crores</td>
</tr>
<tr>
<td>East Asian Countries</td>
<td>1982-83</td>
<td>1,555.74</td>
</tr>
</tbody>
</table>


(Table - 7.1)

Over and above of these promotional measures, the Government had also announced higher rates of cash assistance on exports of COTTON TEXTILES for the calendar year 1984. This assistance to the export of textiles was a highly effective...
Incentive for export promotional activities. In case of cotton fabrics (processed), the rate of cash assistance was increased from 10% to 12% for different destinations, with a further stipulation that cash assistance @ 15% will be given on exports to OCA countries if the exports during 1984 registered a 20% increase over the exports during the preceding year. Similarly, the rate of cash assistance on cotton fabrics grey (unprocessed) was increased from 7% to 8% on the exports during 1984.

With a view to boosting export of textiles, the Government of India formulated and operated the "Textile Export Entitlement Distribution Policy" in a flexible way to achieve the following objectives:

a). full utilization of restraint levels,

b). increased unit value realization and,

c). orderly development of the textile trade.

In consonance with these objectives, the export entitlements are made available to various exporters of garments, under four systems:
a). Past Performance System,
b). First Come First Served (FCFS),
c). Small Order System (or Manufacturers/ Exporters System),
d). Centre/State Corporation System.

There was adequate flexibility within the provisions of the export policy which could be suitably modified according to the demand of the trade and patterns of consumer preferences in the international markets.

As a result of the provisions of the export policy, 1984, indigenous textile machinery manufacturers were allowed to modernize with the help of 'Foreign Collaboration'. This led to the availability of modern textile machinery from indigenous sources. High Technology machines not manufactured indigenously were allowed to be imported. Soft loan facility was given to textile mills for modernization. Encouragement was given for setting up units under the 100% Export Oriented Units Scheme and this scheme covered 7 categories of "Textile and Clothing".

On the other hand the Import Policy 1984 contained many features which provided greater impetus to exporters of textiles and clothing. A range of 'Garment Manufacturing
Machinery was allowed under Open General Licence (OGL). Specifically with a view to augmenting exports, the Government reduced import duty on the import of certain sophisticated textile machineries.

With a view to make 'Spot Studies', 'Market Studies' and to bring 'Buyers-Seller' together, the Government with a liberalized mood sponsored and funded participation of Indian Exporters in various International Fairs and Exhibitions abroad enabling them to explore possibilities of Indian Textile Products, and diversification of products and territories.

Apart from these promotional and incentive schemes, the Government of India also entered into 'New Bilateral Agreements and concluded TEXTILE AGREEMENTS under the aegis of MULTIFIBRE ARRANGEMENT with U.S.A., EEC., Canada, Austria, and Finland for a period of four years, w.e.f. 1.1.1983. In November 1983, a New Bilateral Textile Agreement was concluded with SWEDEN w.e.f. 1.1.1983. This New Bilateral Textile Agreement had specific limit on SIX GARMENT AND THREE MADE-UPS CATEGORIES and there was substantial base level increase in Garment categories over 1982 agreement.
And now finally to conclude this chapter "Marketing Research And Its Impact on Export Promotion", it is amply proved that the scope of Marketing Research has wide boundaries and it is comprised of systematic gathering, recording, analysing of facts about marketing problems in any trade or industry. It studies such factors which have a direct impact upon the marketing of products. It also studies product planning, product development, sales promotion, distribution and marketing strategies, competition in national or international markets, buyer's behaviour, taste, liking, habits and psychology etc. etc.

In the light of the scope of Marketing Research, let us examine the overall activities of the Textile Industry, where the Government of India, Export Promotion Councils/Development Commissioners, Textile Department, Trade Fair Authority of India, Trade Development Authority of India and thousands of registered exporters of Cotton Textiles are associated. Further, keeping in view the list of countries and the amount of our exports coupled with other statistical data given in this Chapter earlier, it is evident that the above councils and bodies along with the Government of India are making vigorous efforts to boost the exports of Indian Textiles in the whole world on a mass scale, from North to South and East to West.
Marketing Research comes up with innovative solutions along with appropriate courses of action, it teaches smooth planning and satisfying marketing information needs and prepares well organized reports. In the light of the assessment of the activities of all those who are involved in export promotion and the statistics collected in respect of textile exports, we may easily ascertain that there is an increasing trend of export figures, of course leaving exceptions in any particular year.

The Government of India on its part has initiated several institutional, infrastructural and fiscal measures, as detailed above for the promotion of exports, viz. favourable provisions in the export policy, establishing of the Market Development Assistance in 1983, making provision for Product Promotion and Commodity Development Fund, Grants-in-Aid, Export Credit Facilities, approving proposals from Export Promotion Councils and Recognised Export Houses and providing finances and giving numerous other incentives, so that the textile goods could be exported on increasing levels.

Moreover, to encourage export promotion activities in new and difficult markets like Latin America and Africa, The Government decided to give a higher rate of MDA for
participation in "Exhibitions and Fairs" in these areas to Export Promotion Councils and Recognized Export Houses, so that a solution with innovative methods could be find out and on the spot studies could be carried out to remove the barriers in the way of Indian textile goods in view of tough competition in the international fronts.

The Trade Fair Authority of India, which is the authorized body to organize trade fairs and exhibitions abroad has also made commendable progress during the last few years in promoting export trade through the medium of fairs and exhibitions. Exhibits worth lakhs of rupees were sold, business of many lakhs of rupees was transacted and business of several lakhs of rupees was negotiated. The Trade Development Authority of India is organizing India Garment Fair at Tokyo (Japan) for the last five years.

In view of export promotional measures, the Government also announced higher rates of cash assistance on exports of Cotton Textiles for the year 1984 which led to a great achievement of textile exports and earning of huge foreign exchange.
As a result of the provisions of the earlier export policy (1984) indigenous textile machinery manufacturers were allowed to modernise with the help of Foreign Collaboration, which led to the availability of modern textile machinery from indigenous sources, coupled with High Technology machines not manufactured locally, were allowed to be imported.

Soft loan facility was given to textile mills for modernisation and encouragement given for setting up units under the 100% Export Oriented Units Scheme (EOUS). Import Policy 1984 also contained many features which provided greater impetus to exporters of textiles and clothing.

Different Export Promotion Councils chalked out regular programmes for making 'Spot Studies and Market Studies' and took serious steps to bring 'International Buyers- and Indian Sellers' together and the Government with a liberalized mood sponsored and financed such participation to explore possibilities of increasing Indian Textile products.

CONCLUSION:

If we sum up of all the activities conducted within the framework of the Cotton Textile Industry of India, it is very easy to establish the fact that a combination of various
techniques of Marketing Research Approach were fully, effec-
tively and efficiently utilized in the export promotion activ-
ities of the Textile Industry. Application of these techniques
have been highly effective as obvious from the statistics on
Export used in this Chapter.

Whatever statistics has been used in this Chapter,
its analysis shows an upward trend of the graph of exports
(remaining some exceptions) of the Cotton Textile Goods. An
attempt has been made to collect the most up-to-date data
relating to the cotton textiles and its interpretation in the
light of application of Marketing Research. It is beyond any
doubt that with the use of intensive Marketing Research, the
textile industry can progress tremendously, able to dispel
its sickness and problems, earn huge foreign exchange, be in
a position to develop its products, their colour, design and
can easily maintain quality control according to the standards
of international markets. It can capture new and hidden markets,
be in a position to compete with rivals in the field of textile
markets and ultimately be a great boon and asset to the
country, if the tempo of the activities of all those bodies which
are co-related in its progress is accelerated.

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