



Review of International Business and Strategy

Export promotion programmes and export performance: a study of selected SMEs in the manufacturing sector of Ghana

Daniel M Quaye, Kwame Ntim Sekyere, George Acheampong,

Article information:

To cite this document:

Daniel M Quaye, Kwame Ntim Sekyere, George Acheampong, "Export promotion programmes and export performance: a study of selected SMEs in the manufacturing sector of Ghana", Review of International Business and Strategy, <https://doi.org/10.1108/RIBS-03-2017-0021>

Permanent link to this document:

<https://doi.org/10.1108/RIBS-03-2017-0021>

Downloaded on: 09 October 2017, At: 23:13 (PT)

References: this document contains references to 0 other documents.

To copy this document: permissions@emeraldinsight.com



Access to this document was granted through an Emerald subscription provided by emerald-srm:398589 []

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

Export promotion programmes and export performance: a study of selected SMEs in the manufacturing sector of Ghana

Abstract

Purpose: Many nations now engage in economic promotion of their countries in foreign countries. One major aspect of this activity is export promotions. This study seeks to understand the relationship between export promotional activity participation and export performance by Ghanaian manufacturing firms.

Methodology: The list of manufacturing exporters was obtained from the Ghana Export Promotion Authority and the convenience and snowballing approach used to reach and administer research instrument. The relationship between export promotion and performance was estimated using a multiple regression.

Findings: The results of this study indicate that exporters should implement specific export promotion programmes if they want to enhance export performance and become successful. The findings of this study show that the programmes that have a strong positive relationship with export performance are trade fairs, foreign offices and tax & financial incentives.

Originality: The results of this study contribute to the international entrepreneurship literature in several ways. First, findings from this study contribute to the limited literature on exports in developing countries such as Ghana. Again, the study framework provides assistance to assess and monitor emerging trends in export promotion strategies. Also, export promotion, as a whole, provides a framework in which firms formulate strategies, allocate resources and seek opportunities in a coordinated way. Finally, in the international marketplace, firms need to maintain their competitive edge and it is important to operate efficiently and effectively using an appropriate export promotional strategy.

Keywords: Export Promotion, Export Performance, Manufacturing, SMEs, Ghana

1.0 Introduction

The 1980s and 1990s saw remarkable increase in trade, associated with an unprecedented wave of trade liberalisation with most countries, developed and developing increasing their trade relative to GDP while exports are seen as an engine of growth for most of these economies (Fan et al., 2015; Subasat, 2002). Exporting is deemed as the most common entry mode into foreign markets and is also a crucial business activity for nations' economic health, as it significantly contributes to employment, trade balance, economic growth, and higher standard of living (Wei et al., 2014; Lee and Habte-Giorgis, 2004). Due to the complexity and uncertainties of the international business environment and the scarcity of resources, small and medium firms are at a disadvantage if they decide to export (Cavusgil et al, 2014). The uncertainties of exporting and complexity of the exporting process particularly seeking information prevent small businesses from exporting (Martincus & Carballo, 2010). The challenges that small and medium firms face when they become involved in the exporting business are termed by Wilkinson & Brouters (2006) as "barriers". In dealing with the challenges that exporting firms face as previously stated, scholars (Pickernell et al., 2016; Martincus & Carballo, 2010) suggest that government are now supporting by way of offering

wide range of export promotion programmes to assist smaller firms overcome export barriers as they enter and expand into foreign markets. Martincus & Carballo (2010) identified, export promotion programmes such as trade shows, trade fairs and trade mission as Export promotion programmes by the government to help companies establish business contacts internationally. Export promotion programmes are common components of most countries' international trade policies. In both developed and developing countries, firms often require help and guidance to identify potential export markets and opportunities.

Developed and developing countries across the globe have recorded successes with different export promotion programmes. For example, Spence and Crick (2004) noted that UK firms are used as "Flagships" to increase visibility during Trade missions to serve as role models for smaller firms and provide learning experience for other firms. Armah & Epperson (1997) concluded that investment in Export promotion programmes in USA on the concentrated orange juice from the European Union and Japan resulted in increased export performance. Other developing nations such as Malaysia (Ayob, Freixanet 2014); India (Mishra (2011); and Canada (Yannopoulos, 2010) have recorded degrees of success stories where export promotion programmes have improved export performance of SMEs particularly in the manufacturing sector. In relation to Ghana, despite the existence of Export promotion programmes such as national trade fairs, trade shows, trade mission and exhibitions, Export performance of SMEs are constrained by lack of knowledge, limited international business relationships and limited information sharing and usage (Abor & Quartey, 2010). Even though the wider bulk of export activities in developing nations are controlled by SMEs (Adu-Gyamfi., 2013) developing countries-based firms face more problems in their determination to export and accordingly require assistance the most. A few studies have examined the role of export promotion programmes and their varied approaches in determining export performance in developing countries (Jalali, 2012; Adu-Gyamfi et al., 2013). Further research has therefore been called to investigate the effect of export promotion programmes and firm's performance (Leonidou et al., 2011).

A growing body of work indicates the numerous problems faced by exporters from developing countries in their attempt to gain a competitive edge (Etemad, 2004). It is generally accepted that an increase in a country's exports has a positive effect on the growth of a country's economy, as well as the prosperity of the individual firms involved (Olayiwola and Okodua, 2013). Enhancing export performance is crucial for companies based in developing countries that view the global marketplace as a means to ensure growth, survival or competitiveness (Matanda & Freeman, 2009). As such, it is important for a developing country such as Ghana to understand the effects of export promotion in order to substantially improve its poor export performance. This study therefore aims to investigate the direct effects of export promotion programmes on export performance of selected manufacturing SMEs in Ghana. A review of the literature shows that little attempt has been made to empirically assess the direct effect of export promotion programmes on export performance of Ghanaian SMEs. Rather, most research focusing on export performance has been undertaken in the USA, Central America, Europe and Asia, to the exclusion of developing countries in general. Enhancing export performance is crucial for developing countries-based firms that view the global marketplace as a means to ensure growth, survival or competitiveness (Abban et al., 2013). However, while this global perspective on export

promotion programmes and export performance is common among developed countries, little is known in the case of Ghana. In Ghana, governments has implemented export promotion programmes for SMEs but Government and policy makers have to develop a more robust export promotion programmes to enhance SME performance (Sraha 2015). A cursory review of international business studies in Ghana reveals a paucity of research examining the link between export development programmes and performance of SMEs in Ghana. The studies have rather focused on international retail acceptance (Buame and Acheampong, 2015), certification effects (Kleeman et al., 2014), liability of foreignness (Acheampong and Dana, 2017), international e-business readiness (Hinson and Sorenson, 2006), international market innovativeness (Boso et al, 2013a), alliances and knowledge transfer (Narteh, 2008) and entrepreneurial and market orientation (Boso et al, 2013b). This is despite over fifteen years of economic diplomacy policy by the government of Ghana underpinned by the development of export promotion programmes by Ghanaian embassies/high commissions/consulates across the globe.

Hence, the purpose of this study is to provide a more comprehensive picture of export promotion programmes and its effects on export performance presenting the empirical case of Ghana to guide policy decisions. This study contributes to the international business literature by analysing the relationship established between export promotion and export performance. Important part of export promotion studies have focused on only specific export support programmes (Spence, 2003; Brouthers & Wilkinson, 2006). Although there are whole range of different entry modes for firms including franchising, licensing, overseas offices, wholly owned subsidiary (Lehere and Celo, 2017), exporting strategy remain a common foreign entry modes (Pukall and Calabro, 2014) The most considered export promotion programmes is trade shows, while others such as trade missions, foreign trade offices and information programs (Freixanet, 2012). *Trade show* basically represents an event organized by an industry trade associations on annual basis aimed to facilitate direct contact between manufacturers and distribution channel members. A *trade fair* also represent a usually regular trade event comprising large number of manufacturers from particular industry to showcase their products and their capabilities to distribution channel. Some trade fairs (like Hanover Book Fair) attract participants and visitors from all over the world and provide widespread interactions and exposure. *Trade mission* is a coordinated overseas visit by a group of business executives to meet potential buyers or agents, usually after an initial market research by the visitors' embassy, and often accompanied by a “small” exposition. Foreign offices is different from Trade missions, Trade shows and Trade fairs as it implies a further step internationalization by investing in branch offices and sales subsidiaries, investing in personnel, legal formalities renting or buying business premises (Freixanet, 2012).

This study is particularly important in an emerging country context owing the policy initiative by present and successive government to boost the foreign trade particularly export. There is also the pressing call for exporters in developing nations to explore and exploit the potential of foreign market to improve their business performance in the local and international frontiers.

We consider export promotion programmes such as trade shows, trade fairs, trade missions, foreign offices and financial incentives. Moreover, the research was carried out using empirical data from Ghanaian manufacturing SMEs and its results can be considered useful

for all developing countries, especially in Sub-Saharan Africa, where export promotion and export performance related topics have not been widely investigated. It was clear from the analysis that there is a strong positive relationship between export promotion and export performance. Export promotion, as a whole, provides a framework in which firms formulate strategies, allocate resources and seek opportunities in a coordinated way. In the international marketplace, firms need to maintain their competitive edge and it is important to operate efficiently and effectively. The results of this study indicate that exporters should implement specific export promotion programmes if they want to enhance export performance and become successful. The findings of this study provide support for H2, H4, and H5 but not for H1 and H3; so, among the different export promotion programmes implemented in Ghana, the programmes that have a strong positive relationship with export performance are trade fairs, foreign offices and tax & financial incentives. However, trade shows and trade missions were found to be least likely to influence export performance in Ghana. Also, trade fairs, foreign offices and financial incentives are ranked first, second and third export promotion programmes respectively that have high influence on export performance respectively.

2.0 Literature and Hypotheses

Research on export promotion programmes in developing countries is growing, however, it is limited in scope (Ahmed et al., 2002). Export Promotion Programmes refer to all government measures designed to assist firms' perform their export activities more effectively, acting as an external resources for the firm to gain knowledge and experience in their exporting activities (Leonidou et al., 2011; Shamsuddoha & Ali, 2006). Export promotion programs involve government measures that help exporting firms to improve the performance of export market (Jindal & Gakhar, 2015). Alternatively, Belloc & Di Maio (2011) also define export promotion as the measures and programs aimed at assisting current and potential exporters in foreign markets penetration, provision of export subsidies, reduced tax rates to exporting firms' earnings, favourable insurance rates, advantageous financial conditions, or variations in the exchange rates. These measures may be addressed to either national exporters or multinational enterprises producing locally (or both). Export promotion support to businesses has been available in industrialized countries since the beginning of this century (Seringhaus and Botschen, 1991). Therefore the past two decades has seen a higher growth in export promotion programmes across the globe (Freixanet, 2012). It is generally accepted that the complexity of international business and the lack of know-how can place a firm at a competitive disadvantage. This is particularly so among small and medium firms, which constitute an important and often major part in the economic structure of many nations and therefore government through public and private initiatives have developed Export promotion programmes to assist exporting firms (Freixanet, 2012). Hence, developing proper export promotion programmes is a very important task for policy makers particularly in the developing countries, and they should consider the different effects of designed export promotion programmes on enhancing and fostering export performance (Jalali, 2012). Thus the primary objective of this study is to provide an integrated model of relationship between export promotion programmes and export performance and also the level of influences of individual export promotion programmes on export performance.

In a study conducted by Seringhaus & Rosson (1989), they concluded that, trade shows provide ready-to-export firms potential customers and contracts and in the opinion of Durmuşoğlu, et al. (2012) trade shows help business managers achieve financial goals. Bonoma (1983) confirming the importance of trade fairs found that, they allow potential exporters to (1) sell products; (2) gain access to decision makers; (3) disseminate facts about services, products, and personnel; (4) identify prospects; (5) maintain image in the industry and with the media; (6) gather intelligence; and (7) enhance and maintain firm morale. Freixanet (2012); Reid (1984); Denis and Depelteau (1985) comparing trade shows and trade fairs concluded that trade shows tend to be viewed positively, especially by those firms that already are prepared to export. Seringhaus and Rosson (1989) confirms the earlier point by concluding that, trade shows were more effective in terms of sales than trade missions. In buttressing the earlier advantages that trade fairs have over trade missions, Brouthers & Wilkinson (2006) found that, trade shows and trade missions have positive effect on, exports. There is no doubt that trade shows and trade fairs have an effect on exports but these studies were conducted in developed economies. To verify the arguments advanced by the earlier studies, this study tests the impact of trade shows and trade fairs in Ghana, a developing nation. Testing the effectiveness of these activities will hopefully provide insightful outcomes to both policy makers and SMEs in the export sector. Hence,

H1: Trade shows are significantly and positively related to SME export performance

H2: Trade fairs are significantly and positively related to SME export performance

Trade mission represent an international trade promotion tools which involve businesses to be in direct contact with foreign market, exchanging, transferring and sharing deep knowledge about that market and also networking with local businesses (Spence & Crick, 2004; Wilkinson & Brouthers, 2006). Studies have found a positive relationship between Trade mission and state visit and export performance (Cassey, 2010; Nitsch, 2007). Seringhaus and Rosson (1989) in an examination of the actual impact of trade missions on firm objectives, found that trade missions were more effective on average than trade fairs in fulfilling firm objectives. The researchers further concluded that trade missions were more effective in introducing new products to the market; maintaining a market presence; meeting customers, agents, representatives, and distributors; and in making business contacts. Brouthers & Wilkinson (2006) and Durmuşoğlu, et al. (2012) relating trade missions to export growth found a positive relationship between the two variables. According to Reid (1980) as cited by Spence (2003), among the government export promotion programmes, trade missions is one of the programmes that is most favoured by exporters because it provides experiential knowledge. Concluding a research on trade missions and export performance, Spence (2003) found that, trade missions were very impactful for exporters but were not attractive to non-exporters. Brouthers & Wilkinson (2006) confirms the value of trade missions to exporters by revealing that trade missions reduce export bureaucracy, increase flexibility, and strengthen coordination among exporting firms. This assertion begs the question, if trade missions are impactful, then why not test its effectiveness in Ghana to confirm the assertions made by the various researchers. The above discussion suggests that:

H3: Trade missions' participation is significantly and positively related to SME export performance

According to Wilkinson and Brouthers (2000), foreign offices are one of the export promotion activities that are used by various governments extensively to provide information to their home countries as well as establishing contacts. The researchers further confirm that few studies on foreign offices has been conducted and it will be appropriate to include foreign offices in this study as one of the export promotion programmes to explore its effectiveness on export performance in a developing nation such as Ghana. Interestingly, Martin (1996) in a study found no relationship between foreign offices and exports in Japan. To confirm this assertion by Martin (1996), another researcher Kotabe (1993) also found no relationship between foreign offices and foreign direct investment. One can argue that, these studies yielded the stated results because they were conducted in a developed nation. As such different results may be reached should a similar study be conducted in a developing economy such as Ghana. Consequently, examining the foreign office as an export promotion activity in Ghana can be very insightful to policy makers and exporters. This leads to the following hypotheses to be tested:

H4: The use of foreign offices/missions by SMEs is significantly and positively related to export performance.

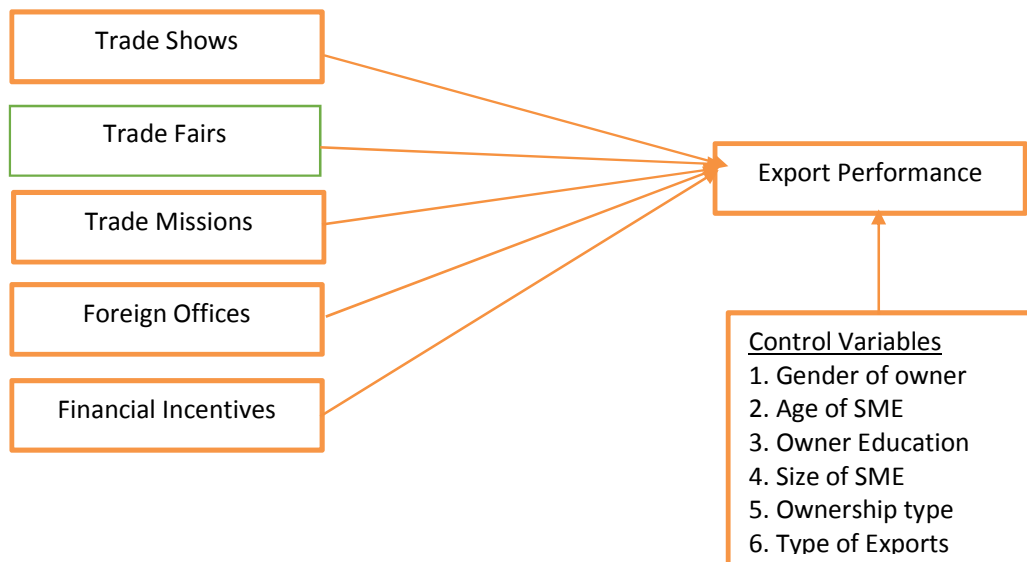
In a research conducted by Mah (2010) on export promotion policies, export composition and export performance in Korea during the period of rapid economic growth, the Korean government provided tax and financial incentives and established export-promoting organizations. In Mah's (2010) conclusions, the researcher confirmed the success of the above-mentioned policies because export values rose significantly. It is therefore appropriate to consider the kind of tax and financial incentives South Korea adopted to test its applicability in a developing country like Ghana. To test the effect of tax and financial incentives in Ghana, another hypothesis is developed:

H5: The use of tax & financial incentives is positively and significantly related to the SME export performance.

The relationship between export promotion programmes and export performance have been examined in different studies. Most of these studies stated a significant and positive effect between export promotion programmes and export performance (Spence, 2003; Wilkinson et al., 2005; Shamsuddoha and Yunus Ali, 2006; Wilkinson and Brouthers, 2006; Volpe Martincus and Carballo, 2010); while some researchers provide evidence of negative or non-significant relationship between these two constructs (Stottinger and Holzmueller, 2001; Francis and Collins-Dodd, 2004; Alvarez, 2004). The use of export promotion programmes enables a firm to reduce operating costs and become more profitable and therefore more efficient in its export activities. Export performance has been studied from different perspectives. Most researchers accept the multi-dimensionality of export performance, but there are divergent opinions about which indicators should be used to measure export performance. Therefore, it is important to investigate the role of export promotion programmes on export performance from different dimensions. The most researched

dimensions of export performance are economic dimension and strategic dimension (Papadopoulos and Martin, 2010). From the economic dimension, the use of export promotion programmes should help firms improve their financial results, defined as satisfaction with overall performance, export sales, export market share, and export growth achieved in financial terms (Cadogan et al., 2003; Dhanaraj and Beamish, 2003; Lages and Lages, 2004). In the strategic dimension, export promotion programmes help firms to adapt their pricing strategy to international markets, which improves the strategic position of the company (Masiero et al., 2017; Lages and Montgomery, 2005). On the other hand, export promotion programmes could enhance the competitive position for firms, since export firms can take advantage of the cost saving benefits that are accessed through export promotion programmes and services (Gencturk and Kotabe, 2001).

Figure 1 Conceptual model of the study



Drawing on the discussions of the literature review, a conceptual framework was developed to guide the study. From Figure 1 above, export performance (sales, number of markets and profit) are operationalized as the dependent variables, and the export promotion programmes are the independent variables. Therefore, the effectiveness of the export promotion programmes will either have a positive or negative relationship with export performance.

3.0 Methodology

3.1 Data Collection

This study aimed to examine the effect of export promotion programmes on export performance. The majority of studies investigating the export promotion programmes and their effectiveness, are based in the US, Europe, Central and Southern America and Asia, with a very small number focusing on developing nations such as Ghana. This validates this study being undertaken in Ghana. For selecting the firms to which the study was aimed,

various exporter associations which the firms belong were contacted. Firstly, selected firms must be actively exporting for at least three years. Then, Convenience and Snowball sampling was used and a sample of 200 owners/managers in charge of exports in their respective companies were identified and selected to participate in the survey. The survey took place during (April - May, 2014) and of the 200 questionnaires dispatched, 169 usable responses were received representing an effective response rate of 84.5%. A structured questionnaire was the main instrument used to collect data. To ensure that the questionnaire content and design would be easily and unambiguously understood by the respondents, it was pre-tested by 40 owners/managers of export manufacturing firms, and the questionnaire was revised based on their comments.

3.2 Variable Measurements

All variables of the study, were export promotion programmes which can be measured directly. Multi item scales were used to operationalize all variables. For measuring the use of export promotion programmes, the respondents of the study were presented with the list of all different export promotion programmes and services types offered by the government agencies during the period of the survey. Respondents were asked to indicate their usage of each programme in the past three years and the level of benefit the services provided to their exporting activities. A seven point Likert scale was used to rate the level of benefit of the export promotion programmes and services from not at all 1 to a very large extent for 7 with a midpoint of 4 signifying a “moderate” standpoint. The level of perceived benefit was used to weigh each programme employed by the respondents, and the sum of weighted usage of export promotion programmes was used as an index for analysis (Shamsuddoha and Yunus Ali, 2006). Seven point likert scale was used because, similar study have adopted seven point likert and ten point likert scale (Francis & Collins-Dodd, 2004; Robertson & Chetty, 2000; Wilkinson & Brother, 2006). In assessing the export performance, two broad groups; objective measures (economic) and subjective measures (strategic) are typically used. Objective measures are concerned with absolute performance indicators whereas subjective measures are concerned with the performance of a company in relation to its major competitors, or relative to its expectations (Koksal and Kettaneh, 2011). In this study we utilized the subjective measure of export performance. The seven-point Likert scale was used to measure all variables. In order to check the validity and reliability of our constructs an exploratory factor analysis is conducted while the Cronbach alpha is also used for reliability purposes. See Tables 2 and 3 for this reliability testing. Once we achieved validity and reliability the variables under all the constructs were standardized and for estimation. The ordinarily least squares (OLS) regression in hierarchical form is used to test the relationships between our independent variables and export performance while controlling for some firm specific characteristics. STATA 13 is used in the estimation procedure.

4.0 Result and Findings

The principal goal of this study was to explore how export promotion programmes contribute to the activities of SMEs and ultimately enhance their export performance. The findings

provide an insight into the analysis of data including descriptive statistics, and multiple regression was performed to examine the various hypotheses proposed in the study. The table below captures the results for the descriptive statistics relating to all the variables in the model to determine the relative mean and standard deviations.

TABLE 1

Table shows that 125 SME owners representing 74 percent involved in the study are males while 44 SMEs owners representing 26 percent are Females. Again, out of 169 SMEs, 118 SMEs representing 69.8 percent have existed for more than seven years while 11 SMEs have been in existence between 1 and 3 years. Majority of 65 representing 38.5 percent of the SME owners have attained at least professional education. On the ownership type, 57.4 percent of 169 respondents operate as Private Limited Liability while 3.6 percent operate as partnership. More importantly, 36.7 percent of the respondents are engaged in food processing and packaging while 30.8 percent operate pharmaceuticals exportation. On average there is a fair representation of respondents from all the export commodities considered under the study.

TABLE 2

TABLE 3

The table above displays the test of means and standard deviations of the various variables used to assess export promotion programmes and these indicate the extent to which the respondents agreed or disagreed with the statements in the questionnaire. From the table, the highest means were 6.7515 (Duties paid on imported raw materials by export manufacturing firms are refunded by government) and 6.6746 (The Ghana Trade Fair Authority organizes trade fairs for Ghanaian firms to exhibit their products annually) whilst the lowest were 1.8994 (as shown in Table 1.0 in relation to the question, “My firm attends exhibitions organized by various Ghana embassies in export markets”) as well as 2.1006 (as shown in Table 1.0 in relation to the question, “My firm receives enquiries from overseas customers through Ghana's Embassies abroad”). In order to assess the propositions made earlier in this study, a series of multiple regression analyses were performed. These were done to test and validate the stated hypotheses of the study. Results from the hierarchical multiple regressions were used to analyse the relationship between export promotion programmes and SME export performance. This was done to extract the independent variables that can better explain the dependent variables. In the regression (H1-H5), the export promotion programmes were used as the independent variables whilst export performance was the dependent variable. Table 2.0 provides the descriptive presentation of the analysis.

TABLE 4

The study models 6 different relationships between the independent and dependent variables. The results show that Model 6 has the highest R-square and hence is interpreted. Results in the model indicate that from the individual factors, trade fairs were found to be a contributor of export promotion programmes towards export performance ($\beta=0.370$, $P=0.000 < 0.05$); another is financial incentives ($\beta=0.334$, $P=0.001 < 0.05$); while foreign offices also matter ($\beta=0.273$, $P=0.004 < 0.05$). Although Trade shows and Trade missions were positively related to export performance, they were statistically insignificant. This reveals that in the present study, trade shows and trade missions were not significant promotional programmes that promote export performance.

5.0 Discussion and Implications

In hypothesis 1, the study sought to test whether or not, in the light of the theoretical assumptions of the conceptual framework, there is the likelihood that trade shows have a positive relationship with export performance. An evaluation of the model indicates that there are some consistencies between the study and previous research works. For instance, (Seringhaus and Rosson, 1991; Reid, 1984; Denis and Depelteau, 1985) found that trade shows, have an overall positive impact on aggregate levels of exports and viewed positively by managers. There is no doubt that trade shows have an effect on exports but these studies were again conducted in developed economy contexts. To confirm the arguments advanced by the earlier studies, this study sought to test the impact of trade shows on export performance in Ghana, a developing economy. Although Trade shows was positively related to export performance, they were statistically insignificant, and as such trade shows have a weak influence on export performance. This reveals that in this study, trade shows are not a significant export promotion programme that promotes export performance in Ghana which is contrary to the findings in Seringhaus and Rosson's (1991) study. This may be due to the fact that the earlier study was conducted in a developed economy.

In hypothesis 2, the study sought to identify the relationship between trade fairs and export performance. This study identified a strong positive relationship between trade fairs and SME export performance. Again, among the export promotion programmes under study, trade fairs are the highest contributor to SME export performance in Ghana. Concerning trade fairs, Bonoma (1983) confirming its importance found that they allow potential exporters to (1) sell products; (2) gain access to decision makers; (3) disseminate facts about services, products, and personnel; (4) identify prospects; (5) maintain image in the industry and with the media; (6) gather intelligence; and (7) enhance and maintain firm morale. In buttressing the earlier advantages that trade fairs have over trade missions, Seringhaus and Rosson (1991) found that trade fairs, have an overall positive impact on aggregate levels of exports. It can then be deduced from the earlier studies that trade fairs have a positive effect on export performance. To confirm the findings from Bonoma, 1983; Seringhaus and Rosson, 1991 studies, trade fairs was found to be the highest contributor of export promotion programmes towards export

performance in this study. Though the earlier studies were conducted in developed economies, they share similar findings with this study, which was conducted in a developing country. Thus the findings from these two contexts confirm that trade fairs are an effective export promotion programme.

In hypothesis 3, the study sought to examine the extent to which trade missions' impact on export performance. Here the intention was to identify the relationship between trade missions and export performance. Again, (Durmuşoğlu, et al., 2012; Reid, 1980; Spence, 2003; Young, 1995) in separate studies revealed that, trade missions have a positive impact on export performance. Also, in this present study, trade missions were positively related to export performance, but was statistically insignificant and therefore ineffective as an export promotion tool in Ghana. This is contrary to the findings by the earlier researchers which may be due to the fact that, those studies were conducted in developed economies. The results of this hypothesis indicate that there is a weak positive relationship between trade missions and export performance of SMEs and that, trade missions were found to be least likely to influence export performance in Ghana.

In hypothesis 4, the study also sought to examine the extent to which foreign offices influences export performance of SMEs in the export manufacturing sector. Research conducted to find out the relationship between foreign offices and exports established that, there is no relationship between the two variables (Martin, 1996; Kotabe, 1993; Wilkinson and Brouthers, 2000). This study sought to find out if there is a positive relationship between foreign offices and export performance in Ghana which is a developing country. The findings in this study proved otherwise. Foreign offices have a positive relationship with export performance, and among the five export promotion programmes in this study, foreign offices were ranked the third impactful export promotion programme in Ghana. The study revealed that, foreign offices is one of the export promotion programmes in Ghana that has a strong positive relationship on export performance.

In Mah's (2010) conclusions of a study on export promotion programmes in South Korea, he confirmed the success of tax and financial incentives in that they caused export values to rise significantly. It was therefore appropriate to consider its applicability in a developing country like Ghana. In this study, tax and financial incentives was found to be the second highest contributor of export promotion programmes towards export performance. This study confirms the earlier findings by Mah (2010). This hypothesis sought to identify the relationship between tax and financial incentives as an export promotion programme on export performance. The study found a strong relationship between tax and financial incentives and export performance. Therefore, tax and financial incentives according to the study has a positive relationship with export performance and that it influences export performance in Ghana.

6.0 Conclusion

The overall objective of this study was to examine the relationship between export promotion programmes and export performance and more specifically, this study aimed to explain the

most influential export promotion programme(s) on export performance of manufacturing firms based in developing countries. The results of this study contribute to the international entrepreneurship literature in several ways. First, findings from this study contribute to the limited literature on exports in developing countries such as Ghana. Also, a positive relationship between using export promotion programmes and export performance was found, thereby adding support to studies with similar results. In addition to the above, this study confirms the important role of export promotion in the process of export performance and stresses the effects of export promotion on export performance. The results demonstrate the positive effect of using export promotion programmes to determine export performance. Again, within the Ghanaian context, the export promotion programmes that have a positive relationship with export performance are trade fairs, foreign offices and tax & financial incentives. However, two of the factors identified from the literature - trade shows and trade missions were found to be least likely to influence export performance in Ghana. Also, findings from the study reveal that trade fairs, foreign offices and financial incentives, rank first, second and third export promotion programmes that influence export performance respectively in Ghana. This may be statistically the case for this study but may differ in other contexts given different environmental conditions.

7.0 Recommendation and Policy implication

The study recommends that SME should prioritize and improve their participation in export promotion programmes such as trade shows, trade missions and trade fairs to improve their export performance. Particularly for policy makers, this paper provides that government introduce export promotion programmes based on specific need of the various SME exporters to help address their export challenges. State institutions should also promote export promotion internationally by assisting SMEs to collaborate with export promotion organizations to benefit from programmes such as trade fairs and trade shows. Again, government institutions responsible for international trade relations should improve international diplomacy negotiation that will result in improved tax & financial incentives for exporters. Government must improve the human resource capacity of foreign offices to improve their lobbying and negotiation skills, thus improving the exporter's export performance.

7.1 Limitations and Future Research Directions

The study makes a significant contribution to the international business literature by contextualizing the link between export promotion programmes and export performance of manufacturing firms in Ghana. However, there are a few limitations and caveats that create avenues for other researchers to address in future studies. First, the study is focused on the manufacturing export sector. However, service exports represent a large chunk of Ghana's gross domestic product (GDP). Hence, future studies can target this sector of the economy. This can help the academy appreciate differences across sectors as well as what manufacturing can glean from the growth of service exports. Secondly, export performance has both subjective and objective indicators. In this study, we utilized the subjective

measures. Future studies can adopt objective measures to help in appreciating the impact the different measurement approaches has on the results of estimations.

References

- Abban, R., Omta, S. W. F., Aheto, J. B., & Scholten, V. E. (2013). Connecting the dots: A multiple case study of the network relationships of small and medium-sized enterprises (SMEs) in the non-traditional agricultural export (NTAE) sector of Ghana. *African Journal of Economic and Management Studies*, 4(1), 74-94.
- Acheampong, G., & Dana, L. P. (2017). Liability of Foreignness in Fast-Expanding Markets: Evidence from Ghana. *Thunderbird International Business Review*, 59(1), 51-61.
- Ahmed, Z., Mohamed, O., Johnson, J. and Meng, L. (2002). Export promotion programs of Malaysian firms: international marketing perspective, *Journal of Business Research*, 92(10), 831–843.
- Alvarez, R. (2004). Sources of export success in small and medium-sized enterprises: the impact of public programs, *International Business Review*, 13(3), 383–400.
- Belloc, M., & Di Maio, M. (2011). Survey of the literature on successful strategies and practices for export promotion by developing countries. *International Growth Centre, Working Paper* 11/0248.
- Bonoma, T. V. (1983). Get More Out of Your Trade Show. *Harvard Business Review*, 75-83.
- Boso, N., Cadogan, J. W., & Story, V. M. (2013). Entrepreneurial orientation and market orientation as drivers of product innovation success: A study of exporters from a developing economy. *International Small Business Journal*, 31(1), 57-81.
- Boso, N., Story, V.M., Cadogan, J.W., Micevski, M. and Kadi, S. (2013), “Firm Innovativeness and Export Performance: Environmental, Networking, and Structural”, *Journal of International Marketing*, Vol. 21 No. 4, pp. 62–87.
- Buame, S. C., & Acheampong, G. (2015). International retail firm acceptance: beware of the flattery. *International Journal of Business and Globalisation*, 14(3), 292-309.
- Cadogan, J.W., Cui, C.C. & Li, E.K.Y. (2003). Export market oriented behaviour and export performance: The moderating roles of competitive intensity and technological turbulence, *International Marketing Review*, 20(5), 493–513.
- Cavusgil, S. T., Knight, G., Riesenberger, J. R., Rammal, H. G., & Rose, E. L. (2014). *International business*. Pearson Australia.
- Czinkota, M. R., & Johnston, W. J. (1983). Exporting: Does Sales Volume Make a Difference? *Journal of International Business Studies*, 14(1), 147–153.
- Denis, J. E., & Depelteau, D. (1985). Market Knowledge, Diversification, and Export Expansion. *Journal of International Business Studies*, 16(3), 77–90
- Dhanaraj, C. & Beamish, P.W. (2003). A resource based approach to the study of export performance, *Journal of Small Business Management*, 41(3), 242–261.
- Etemad, H. (2004). Internationalization of small and medium sized enterprises: A grounded theoretical framework. *Can. J. Adm. Sci.* 21(1), 1-21.
- Fan, H., Li, Y. A., and Yeaple, S. R. (2015), Trade liberalization, quality, and export prices. *Review of Economics and Statistics*, 97(5), 1033-1051.

- Francis, J. & Collins-Dodd, C. (2004). Impact of export promotion programs on firm competencies, strategies and performance: the case of Canadian high-technology SMEs, *International Marketing Review*, 21(4/5), 474–495.
- Francis, J., & Collins-Dodd, C. (2003). Impact of export promotion programs on firm competencies, strategies and performance; The case of Canadian high-technology SMEs. *International Marketing Review* 21 (4/5), 474-495.
- Gençtürk, E. F., & Kotabe, M. (2001). The effect of export assistance program usage on export performance: a contingency explanation. *Journal of international marketing*, 9(2), 51-72.
- Hinson, R. and Sorensen, O. (2006), “E-business and small Ghanaian exporters: Preliminary micro firm explorations in the light of a digital divide”, *Online Information Review*, Vol. 30 No. 2, pp. 116–138.
- Jalali, S. H. (2012). The effect of export promotion programmes on export performance: evidence from Iranian food manufacturers. *International Journal of Business and Globalisation*, 9(2), 45-52
- Jalali, S.H. (2012). Appraising the Role of Strategy Implementation in Export Performance: A Case From Middle East, *Business Intelligence Journal*, 5(2) 23-31.
- Kleemann, L., Abdulai, A., & Buss, M. (2014). Certification and access to export markets: Adoption and return on investment of organic-certified pineapple farming in Ghana. *World Development*, 64(1), 79-92.
- Haluk Köksal, M., & Kettaneh, T. (2011). Export problems experienced by high-and low-performing manufacturing companies: A comparative study. *Asia Pacific Journal of Marketing and Logistics*, 23(1), 108-126.
- Kotabe, M. (1993). The Promotional Roles of the State Government and Japanese Manufacturing Direct Investment in the United States. *Journal of Business Research*, 27(1), 131–146.
- Lages L.F. & Montgomery, D.B. (2004). Export performance as an antecedent of export commitment and marketing strategy adaptation, Evidence from small and medium-sized exporters, *European Journal of Marketing*, 38(9/10), 1186–1214.
- Lages, L.F. & Lages, C.R. (2004). The STEP scale: a measure of short-term export performance improvement, *Journal of International Marketing*, 12(1), 36–56.
- Lee, J. & Habte-Giorgis, B. (2004). Empirical approach to the sequential relationships between firm strategy, export activity, and performance in U.S. manufacturing firms. *International Business Review*, 13, 101-129.
- Lehrer, M., & Celo, S. (2017). Boundary-spanning and boundary-buffering in global markets: a German perspective on the internationalization of family firms. *Review of International Business and Strategy*, 27(2) 58-67.
- Mah, J. S. (2010). Export Promotion Policies, Export Composition and Economic Development of Korea. *Law and Development Institute Inaugural Conference* Sydney, Australia.
- Martin, D. (1996). Japan-Based U.S. State Promotional Offices as a Form of International Contact. Paper presented at the *Academy of International Business; Annual Meeting*, Banff, Canada.
- Masiero, G., Ogasavara, M. H., & Risso, M. L. (2017). Going Global in Groups: A Relevant Market Entry Strategy?. *Review of International Business and Strategy*, 27(1) 78-89.

- Matanda, M. J. & Freeman, S. (2009). Effect of perceived environmental uncertainty on exporter–importer inter-organization relationships and export performance improvement. *International Business Review*, 18, 89-107.
- Narteh, B. (2008). Knowledge transfer in developed-developing country interfirm collaborations: a conceptual framework. *Journal of knowledge management*, 12(1), 78-91.
- Olayiwola, K., & Okodua, H. (2013). Foreign direct investment, non-oil exports, and economic growth in Nigeria: a causality analysis. *Asian Economic and financial review*, 3(11), 1479-1487.
- Papadopoulos, N. & Martin Martin, O. (2010). Toward a model of the relationship between Performance: a contingency explanation, *Journal of International Marketing*, 9(2), 51–72.
- Pickernell, D., Jones, P., Thompson, P. & Packham, G. (2016), “Determinants of SME exporting: insights and implications”, *International Journal of Entrepreneurship and Innovation*, 17(1), 31-42.
- Ramaswami, S. N., & Yang, Y. (1990). Perceived barriers to exporting and export assistance requirements. *International perspectives on trade promotion and assistance*, 187-206. Cavusgil and Michael R. Czinkota, eds., Greenwood Press, Inc., Westport, CT., pp. 187–206.
- Reid, S. (1984). Formation Acquisition and Export Entry Decisions in Small Firms. *Journal of Business Research*, 12(2), 141–158.
- Reid, S. D. (1984). Market expansion and firm internationalization in Kaynak, E.E. (Ed.), *International Marketing Management*, Praeger, New York, NY. Relationships. *The Journal of American Academy of Business Cambridge*, 4(1&2), 103-108.
- Seringhaus, F. H. R., & Botschen, G. (1991). Cross-National Comparison of Export Promotion Services: The Views of Canadian and Austrian Companies. *Journal of International Business Studies*, 22(1), 115–133.
- Seringhaus, F. H. R., & Rosson, P. J. (1989). *Government Export Promotion: A Global Perspective*. Routledge, London and New York.
- Shamsuddoha, A.K. & Yunus Ali, Y. (2006). Mediated effects of export promotion programs on firm export performance, *Asia Pacific Journal of Marketing and Logistics*, 18(2), 93–110.
- Spence, M. M. (2003). Evaluating Export Promotion Programmes: U.K. Overseas Trade Missions and Export Performance: *Small Business Economics*, 20(1), 83-103.
- Stottinger, B. & Holz Müller, H.H. (2001). Cross-national stability of an export performance model: a comparative study of Austria and the US, *Management International Review*, 41(1), 7–28.
- Subasat, T. (2002). Does Export Promotion Increase Economic Growth? Some Cross-Section Evidence. *Development Policy Review*, 20(3), 333-349.
- Volpe Martincus, C. and Carballo, J. (2010). Beyond the average effects: The distributional impacts of export promotion programs in developing countries, *Journal of Development Economics*, 92(2), 201–214.
- Wei, Y., Zheng, N., Liu, X., & Lu, J. (2014). Expanding to outward foreign direct investment or not? A multi-dimensional analysis of entry mode transformation of Chinese private exporting firms. *International Business Review*, 23(2), 356-370.
- Wilkinson, T. J., & Brouters, L. E. (2000). An Evaluation of State Sponsored Promotion Programs. *Journal of Business Research*, 47, 229–236.

Wilkinson, T.J., Keillor, B.D. and d'Amico, M. (2005). The relationship between export promotion spending and state exports in the US, *Journal of Global Marketing*, 18(3/4), 95–114.

Young, S. (1995). Export Marketing: Conceptual and Empirical Developments. *European Journal of Marketing*, 29(8), 7-16.

TABLE 5

TABLES

Table 1: Table SME (Sample) Characteristic

	Frequency	Percent
<i>Gender of Owner</i>		
Male	125	74
Female	44	26
<i>Age of SME</i>		
1-3	11	6.5
4-7	40	23.7
Above 7 years	118	69.8
<i>Owner Education</i>		
SHS and Below	4	2.4
Professional	65	38.5
Degree	37	21.9
Post-graduate	63	37.3
<i>Ownership Type</i>		
Sole proprietor	56	33.1
Family/Household	10	5.9
Private Limited Liability	97	57.4
Partnership	6	3.6
<i>Type of Export</i>		
Food processing and packing	62	36.7

Wood processing	16	9.5
Textiles and garments	29	17.2
Pharmaceuticals	52	30.8
Other	10	5.9
Size of SME		
5 or less	4	2.4
5-20	60	35.5
21-40	66	39.1
41-60	31	18.3
61-80	8	4.7

Table 2.0: – Mean and Standard Deviation

Variables	Mean	Std. Deviation
Trade Shows		
The Ghana Trade Fair Authority organizes exhibitions specifically related to the industry my firm belong to	4.1716	1 .33190
The Association of Ghana Industries organizes industry related exhibitions for exporters in Ghana and abroad	4.6213	1 .38393
My firm attends industry related exhibitions, workshops, conferences, and meetings in Ghana and abroad organized by The Ghana Export Promotion Authority	4.1716	1 .61102
Trade Fairs		
The Ghana Trade Fair Authority organizes trade fairs for Ghanaian firms to exhibit their products annually	6.6746	.61286
The Ghana Export Promotion authority organizes exhibitions in foreign markets for Ghanaian exporters annually and bi-annually	6.3964	.70895
The Ghana Export Promotion authority collaborates with foreign trade authorities to assist Ghanaian exporters attend international trade fairs	6.2959	.66907
The Association of Ghana Industries facilitates the participation of International Trade Fairs for exporters in foreign countries	6.1657	.87069
Trade Missions		
The Minister of Trade & Industry and/or other senior government officials regularly lead Ghanaian exporters to foreign markets to facilitate and develop long-term trade opportunities	3.5799	.89033
The Association of Ghana Industries (AGI) organizes foreign trips to facilitate trade between Ghanaian Exporters and businesses in foreign markets	4.4615	1 .00593

Officials of the Ghana Export Promotion Authority regularly leads Ghanaian exporters to open doors and develop long-term trade relations in foreign markets for exporters	4.3669	1 .16306
The Ghana chamber of commerce leads exporters to meet with the business community in foreign countries to encourage trade	4.0178	1 .23671
Foreign Offices		
The government uses its foreign Embassies to provide information about foreign markets to Ghanaian exporters	4.8580	1 .05388
The government uses its Embassies to establish contacts for export firms in Ghana	4.5799	.96724
My firm receives enquiries from overseas customers through Ghana's Embassies abroad	2.1006	1 .18846
My firm attends exhibitions organized by various Ghana embassies in export markets	1.8994	1 .20833
My firm is listed as an exporter in the Trade directory of various Ghana Missions abroad	3.3018	2 .54905
Financial Incentives		
The Ghana Government offers Tax Exemptions on profits to export manufacturing firms	5.3018	.89179
The Ghana Government offers Tax Reduction to export manufacturing firms	5.0059	1 .02060
The Ghana Government has set up an export development fund to assist exporters with loans	6.6154	.65465
Duties paid on imported raw materials by export manufacturing firms are refunded by government	6.7515	.54315
The Ghana Government finances exporting firms when purchasing capital goods, such as industrial plant, machinery & equipment etc.	2.3669	1 .48656
Banks in Ghana offer loans to exporting companies at reduced interest rates	6.0592	1.10035
Export Performance		
Participating in export promotion programmes has improved my firms export sales	6.5089	0.6736
My firm receives orders from customers after each export promotion programme	6.6331	0.5630
Participating in export promotion programmes has improved my firms gross profit	6.3905	0.6278
My firm has experienced an increase in net profits over the last five years	6.3491	0.6381
Export promotion has increased the number of markets my firm exports to	6.2781	0.6543
When my firm participates in export promotion programmes, we receive export orders	6.0000	0.7400
Export promotion has given my firm access to enter difficult markets	5.8639	0.7787

Table 3.0: Exploratory Factor Analysis and Cronbach Alpha

Variable	CA	Communalities	Factor Loading	Total	% of Variance	Cum. %	Eigen Value
Trade Shows	0.8546						
The Ghana Trade Fair Authority organizes exhibitions specifically related to the needs of exporters		0.670	0.661	4.449	15.342	15.342	
The Association of Ghana Industries organizes industry related exhibitions for e		0.738	0.801	3.248	11.201	26.543	
My firm attends industry related exhibitions, workshops, conferences, and meetings		0.686	0.737	2.612	9.008	35.550	
Trade Fairs	0.6994						
The Ghana Trade fair Authority organizes trade fairs for Ghanaian firms to exhibitions		0.684	0.721	1.759	6.064	41.614	
The Ghana Export Promotion authority organizes exhibitions in foreign markets		0.672	0.655	1.621	5.588	47.203	
The Ghana Export Promotion authority collaborates with foreign trade authorities		0.594	0.616	1.605	5.535	52.738	
The Association of Ghana Industries facilitates the participation of International		0.710	0.749	1.585	5.465	58.203	
Trade Missions	0.7850						
The Minister of Trade & Industry and/or other senior government officials regulators		0.530	0.602	1.290	4.449	62.652	

The Association of Ghana Industries (AGI) organizes foreign trips to facilitate		0.593	0.802				
Officials of the Ghana Export Promotion Authority regularly leads Ghanaian export		0.596	0.616				
The Ghana chamber of commerce leads exporters to meet with the business community		0.668	0.708				
Foreign Offices	0.7347						
The government uses its foreign Embassies to provide information about foreign m		0.656	0.598				
The government uses its Embassies to establish contacts for export firms in Ghana		0.561	0.542				
My firm receives enquiries from overseas customers through Ghana's Embassies abroad		0.616	0.722				
My firm attends exhibitions organized by various Ghana embassies in export markets		0.660	0.679				
My firm is listed as an exporter in the Trade directory of various Ghana Mission		0.633	0.696				
Financial Incentives	0.6259						
The Ghana Government offers Tax Exemptions on profits to export manufacturing		0.615	0.714				
The Ghana Government offers Tax Reduction to export manufacturing firms		0.594	0.544				

The Ghana Government has set up an export development fund to assist exporters		0.595	0.669				
Duties paid on imported raw materials by export manufacturing firms are refund		0.665	0.805				
The Ghana Government finances exporting firms when purchasing capital goods		0.683	-0.723				
Banks in Ghana offer loans to exporting companies at reduced interest rates		0.580	0.544				
Participating in export promotion programmes has improved my firms export sales	0.8546	0.506	0.608				
My firm receives orders from customers after each export promotion programme		0.591	0.749				
Participating in export promotion programmes has improved my firms gross profits		0.713	0.817				
My firm has experienced an increase in Net Profits over the last five years when		0.692	0.764				
Export promotion has increased the number of markets my firm exports to	0.6994	0.686	0.598				
When my firm participates in export promotion programmes, we receive foreign export orders		0.649	0.749				
Export promotion has given my firm access to enter difficult markets		0.631	0.692				

+KMO= 0.784; Bartlett's Test of Sphericity = [chi-square=1403.23***; df=106]

++Extraction method: Principal Components
 +++Rotation Method: Varimax with Kaiser Normalization
 +++Common Method Bias: 15% Single Factor Variation [Harman's Single Factor Test]

Table 4: Hierarchical OLS Regression Estimates

DV: Export Performance	(1)	(2)	(3)	(4)	(5)	(6)
Gender Dummy (Male=0)	-0.059	-0.079	0.029	0.027	0.022	0.020
Age of SME	0.274***	0.282***	0.160***	0.155***	0.146***	0.142***
Years of Education (Postgraduate = 1)	0.048***	0.050	0.054	0.065	0.066	0.061
Ownership Type Dummy (Limited Liability = 1)	0.055	0.054	0.041	0.051	0.045	0.047
Type of Export Dummy (Food Processing)	-0.045	-0.038	-0.036	-0.034	-0.034	-0.039
Size of SME	-0.145	-0.145	-0.102***	-0.116	-0.123	-0.124***
Trade Shows		0.085	0.098	0.148*	0.139	0.141
Trade Fairs			0.203**	0.197**	0.204**	0.191**
Trade Missions				0.081	0.091	0.086
Foreign Offices					0.038**	0.025**
Financial Incentives						0.082**
Constant	-0.653	-0.676	-0.478	-0.476	-0.406	-0.364
R^2	0.24	0.25	0.48	0.59	0.63	0.69
ΔR^2		0.01	0.23	0.11	0.04	0.06
N	168	168	168	168	168	168

* $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$

Table 5: Correlation Table

	1	2	3	4	5	6	7	8	9	10	11	12
Gender Dummy (Male=0)	1											

Age of SME	-0.32	1										
Years of Education (Postgraduate = 1)	-0.15	0.16	1									
Ownership Type Dummy (Limited Liability = 1)	-0.04	0.09	0.50	1								
Type of Export Dummy (Food Processing)	-0.12	0.03	-0.22	-0.25	1							
Size of SME	-0.28	0.31	0.51	0.41	0.00	1						
Trade Shows	0.14	-0.09	-0.01	0.02	-0.13	-0.050	1					
Trade Fairs	-0.31	0.41	0.01	0.02	0.02	0.011	-0.12	1				
Trade Missions	0.13	-0.14	0.07	0.11	-0.10	-0.096	0.64	-0.15	1			
Foreign Offices	0.09	0.06	0.15	0.24	-0.07	0.201	0.41	-0.20	0.42	1		
Financial Incentives	-0.07	0.13	0.06	0.02	0.07	0.073	-0.02	0.16	-0.04	0.09	1	
Export Performance	-0.05	0.16	0.05	0.05	-0.08	-0.025	0.08	0.23	0.00	0.02	0.12	1