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The impact of innovation strategies on export performance, a case study: textile industry

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Abstract:
To compete in foreign markets, an exporting company must achieve certain advantages that must necessarily be valuable and rare. Exporting textile products is very important as an important strategy to expand the product supply market from limited domestic markets to large foreign markets. On the other hand, the importance of investing in innovation strategy when pursuing competitive advantage and growth in foreign markets is highly emphasized. This research was conducted with the aim of investigating the impact of innovation strategies on export performance in the textile industry. The current research is a descriptive-correlational and applied research. Also, from the theoretical point of view, it is considered as one of the proof researches and from the point of view of reasoning, it is considered as one of the inductive researches. In this research, two library and field methods were used to collect information. The questionnaire was designed by the researcher based on the model taken from the research of Jude Ndubuisi Edeha et al. (2020), which includes 5 components (marketing innovation, technological innovation, product innovation, process innovation and external innovation collaboration). Also, the export performance questionnaire (Zou et al., 1998) has been used. The statistical population of this research consists of 30 experts of Savis company who are directly and indirectly engaged in export, sales and marketing, as well as 135 members of the commercial department of Arak Chamber of Commerce. The sample size was 115 people who were selected using the simple random sampling method using the sample table of Krejci and Morgan. The research hypotheses were tested using correlation and regression tests. The results of the data analysis showed that all the sub-hypotheses of the research were accepted, so it can be concluded that innovation strategies have an effect on export performance in the textile industry, and thus the main hypothesis of the research was also confirmed.

Keywords: innovation strategies, export performance, textile industry.

1. Introduction

Innovation is vital for survival in the future. Such a thing depends on today's business investment in this matter. Despite the current conditions of the dynamic business environment, it is necessary to allocate a special credit in each period in order to expand research activities and develop the basis of innovation. The key factor for the success of developing countries and compensating for their backwardness is benefiting from appropriate absorption capacity and efforts to improve it. Absorptive capacity is the ability to acquire, learn and implement technologies that have been developed in developed countries. Before benefiting and using the experiences of successful countries to achieve successful innovation, the necessary platform should be provided for this work. Innovation does not happen in a vacuum. It is clear that customers, competitors, suppliers of raw materials and also economic policies affect the performance of the business, in addition, the business is constantly affected by the policies of the legislative and executive powers, global developments and, in general, its business environment. All these factors can be considered as a good opportunity to start

business activities, including innovation. Based on this, it is appropriate to teach people to examine and scrutinize the environment in order to identify new and emerging trends, new technologies, changes in micro and macro laws, and changes in the intellectual frameworks of customers and their needs (Morteza Khazai Pol, 2013: 9).

One of the important consequences of the global economy is the increasing attention of companies to operate in international markets, meanwhile, the behavior and export performance of companies is one of the most important variables of interest to researchers in the field of international marketing.(Mokhtari Hashimabadi, 2016) Export performance is the extent to which the company's goals are achieved when a product is exported to a foreign market. In addition, this variable has a multi-dimensional concept that requires quantitative and qualitative variables for measurement. The degree of success of a company in exporting can be evaluated by its export performance.(Bakhtiari and Fagsandeh, 2018) Today, strengthening non-oil exports is one of the main and strategic concerns of the country, as well as the main concern of international companies, improving export performance. The complexity of the growing export process in today's world is such that organizations cannot solve some of the problems that arise. (Kerimi Alawijeh and Zohrevand, 2014). In this regard, many researches have investigated the reason for the success of companies in international business environments, which focused on marketing processes as the first step in the success and improvement of export performance.(Keh et al ,2006).

Marketing capabilities are used to formulate effective marketing strategies to identify and pursue international opportunities. Accordingly, it is necessary for companies to have marketing capabilities to create value for international customers, marketing capabilities require less resources than more complex capabilities, so they are core capabilities. In response to resource constraints, organizations develop distinctive marketing capabilities to modify or expand their resource base as a means to address customer preferences and develop unique value propositions.(Buccieri et al,2020)

On the other hand, to compete in foreign markets, an exporting company must achieve certain advantages that must be valuable and rare, which is referred to as competitive advantage. From: Durability, Transparency, Transferability and Reproducibility. According to the resource-based perspective, competitive advantage in a company is complex, these advantages are obtained and formed by the unique situations and interrelationships of the company's internal and external resources, which are difficult to imitate. Also, the ability to produce and produce innovative and unique products determines the company's competitiveness, especially when we consider companies active in international markets. Researchers increasingly emphasize the importance of investing in a broad innovation strategy when pursuing competitive advantage and growth in foreign markets. However, most existing studies mainly focus on developed economies with a high share of innovative firms. What is largely unexplored is the heterogeneous effects of innovation types on the performance of SMEs, especially in developing countries. (Jude Ndubuisi Edeha &etal 2020) . It is hoped that in this research, the existing research gap will be filled by using the data of textile companies from countries with low middle income such as Iran.

2. Literature Review

Creativity means presenting new ideas and plans to improve and improve the quantity or quality of the organization's activities, such as increasing productivity, increasing productivity, increasing production or services, reducing costs, production or services using a better method, new products or services, etc. Innovation is a process that transforms an invention, idea or thought into a marketable product or service that represents a new concept and includes creativity. Innovation strategy is strategies that show companies how much and in what way to use innovation to expand their operations (Gjellerup , 2000). Landel & Varmus (2011) also defined the innovation strategy as follows: A pre-defined, applied and incremental design to manage the allocation of resources to different types of innovation In order to achieve the overall strategic goals and the decision-making framework of the guide for industries and companies, About when is the best time to delete the past or change the company's strategy and goals to focus on the future business. According to these definitions, innovation strategy is one of the most important supporting factors for innovative

capabilities, companies can improve and develop their operations with the help of innovation strategy (Ackman Wilmaz, 2008). Guan, Yam, Tang and Lu (2009), also claimed that improving performance requires the appropriate and robust selection of innovation strategies. Therefore, one of the ways of growth, continuity (survival) and development of companies in the considered industry in dynamic and changing environments is to create innovations. In simpler terms, innovation is an important strategic tool for creating a competitive advantage in complex environments (Akmen Wilmaz, 2008). Lu (2011) believes that these types of strategies are vital for the continued prosperity of industrial security in today's world with its growing scarcity.

- *Jude Ndoboisi Edeha& et al. (2020), The Effects of Innovation Strategies on Export Performance: New Empirical Evidence from Developing Market Firms*

  In this research, the individual and joint effects of technological and non-technological innovations on SME export performance were experimentally examined. First, they find that product innovation has a negative effect, while process innovation leads to increased export performance. In this research, they also found that marketing innovation has a positive effect on export performance. Furthermore, the joint effects of product, process and marketing innovations are significant, albeit with heterogeneous effects on export performance. In addition, they found that the innovation-export performance relationship is influenced by foreign innovation collaborations. The findings have implications for the effective design of public policy instruments aimed at promoting firm innovation in developing countries.

- *Lee, Lee and Garrett (2019), have conducted a research titled the relationship between new products and company performance.*
  They found that the relationship between new products and firm performance increases with the introduction of marketing innovation. Technological and marketing innovations can reinforce each other, leading to cumulative positive effects on firm performance.
- *Prajogo (2016), during the research, measured the impact of innovation strategies on the performance of organizations.*

  The results stated that innovation strategies have a positive and significant effect on performance. They determined that by implementing the process innovation strategy in businesses, as business costs are reduced, the company's profit will increase. Reducing the price will make more customers buy this product because similar products have a higher price. In this case, the company will be more profitable and the business will get a larger share of the market and improve the export performance.

- *Rodil et al. (2015), have conducted a research entitled the relationship between innovation and export behavior: the case of Galician companies, technology forecasting and social change.*
  have also shown a positive relationship between innovation and export at the level of companies. The general result of these people's studies indicated that innovation stimulates exports in industrialized countries.
- *Cirera &et al (2015) have conducted a research entitled Explaining export diversity through firm innovation decisions: the case of Brazil.*

  The results of this research showed that by using the data of Brazilian companies, they concluded the positive effect of innovation on the export diversity of these companies.

- *Roubini (2014) has conducted a research under the title of innovation and commercial traction.*

  The results of this research showed the positive impact of innovation on the business of Canada and the United States. He showed that change in the amount of business without innovation is very slow.

- *Tsai and Yang (2013), conducted a research on the relationship between innovation and performance.*

  In this research, it was found that competition has a positive moderating role in the relationship between innovation and performance, and innovation is meaningless without competition.

- *Maine& et al. (2012), has conducted a research in the field of process innovation strategy.*

  The results showed that they have public policy tools that aim to promote the innovation of companies in developing countries. Process innovation strategy is also considered as a very good advantage in today's markets. The main feature of process innovation is that this type of innovation is inside the organization and happens in the production line and is not visible to people outside the organization, and this is a unique feature that cannot be imitated.

- *Chen (2012) has conducted a study under the title of innovation and export duration.*

  The results of the research showed that using the data of 105 countries, innovation increases the length of the export period in these countries and has a positive effect on it.

3. Research method

The current research is a descriptive-correlation research and since the results of this research can be used practically, it is an applied research. Also, this research is theoretically one of the proof studies and in terms of reasoning one of the inductive studies. In this research, two library and field methods are used to collect information. The library method is used to review literature and research records. In this method, books, domestic and international publications related to the research topic are studied. Regarding the collection of information related to the confirmation or rejection of the research hypotheses, the field method is mainly used. Also, the variables of this research are calculated and edited with Excel software, and then the research hypotheses are analyzed and tested, along with its results, according to the outputs obtained from spss software. Since the most common means of collecting information in survey research is a questionnaire, a questionnaire is also used in this research.

The questionnaire used in this research was developed by the researcher, and the questionnaire of innovation strategies was used based on the model taken from the research of Jude Ndubuisi Edeha &et al. In this research, the components of innovation strategy including 5 components (marketing innovation, technological innovation, product innovation, process innovation and external innovation cooperation) have been introduced. In the export performance variable, the export performance questionnaire (Zou et al., 1998) was used. The export performance measurement questionnaire consists of 9 items and 3 subscales of export financial performance (3 questions), strategic export performance (3 questions) and satisfaction with exporting (3 questions), which is used to measure export performance.

Table 1 . Composition of the research questionnaire in the research questions section

Number of questions	questions	Dimensions
Questions 1 to 4	4	Marketing innovation
Questions 5 to 10	6	Technological innovation
Questions 11 to 18	8	Process innovation
Questions 19 to 23	5	Foreign innovation cooperation
Questions 24 to 28	5	Product innovation
Questions 1 to 9	**9**	Export performance

Savis Dilijan textile company was founded as one of the sub-groups of Sharq Gostar Industrial Group in 2010 in Dilijan Industrial Town located in the central province with the aim of producing all kinds of synthetic

fibers. Currently, the company has 190 employees. Of these, 30 people are directly and indirectly engaged in export, sales and marketing.

Arak Chamber of Commerce was established in 1375 according to Note 1 of Article 4 of the Law on the Establishment of Chambers in Cities. Now Arak Chamber operates with a total of 1500 members, both real and legal. The statistical population of this research consists of 30 experts of Savis company who are directly and indirectly engaged in export, sales and marketing, as well as 135 members of the commercial department of Arak Chamber of Commerce.

The sample is the collection of our observations of the population or world under study, or a limited number of members of the statistical population that expresses the main characteristics of the society (Azer and Momeni, 2015, 6). Sampling is done because the sample can be collected faster , easier and cheaper than the census of the entire population. Studying a sample group may sometimes lead to more valid results because there will be less fatigue and therefore less errors in data collection, especially when the members of the statistical population are very large. In order to determine the sample size, after collecting the statistics and figures obtained from the population size of 165 people, using the sample table of Krejcie and Morgan, the sample size of 115 people is determined by using the simple random sampling method.

4. Research findings

"Technological innovation affects export performance in the textile industry."

In order to check the correlation between the independent variable (technological innovation) and the dependent variable (export performance in the textile industry), given that the technological innovation variable is not normal and the export performance variable in the textile industry has a normal distribution, Spearman's correlation coefficient test was used. , at the detection level of 1% error and 99% confidence, the obtained number (0.517) was between -1 and +1 for the positive technological innovation variable, so there is a direct relationship between the two variables. Regression test is used to test this hypothesis.

The data of the linear regression test at the detection level of 1% error and 99% confidence showed that the correlation coefficient between the two variables of technological innovation and export performance in the textile industry is 0.517, which indicates a direct relationship between these two variables. The coefficient of determination of this model is 0.267, which indicates that the technological innovation variable has been able to explain about 26.7% of the changes in the export performance variable in the textile industry, and the rest of the changes are influenced by variables outside the model. The results of the ANOVA test in the regression at the detection level of 1% error and 99% confidence showed that the sig value was 0.000 and the null hypothesis is rejected, which indicates a linear relationship between these two variables. The results of the linear regression test show a 1% error detection level and 99% confidence of the results related to the regression coefficients. The standard beta coefficient indicates the relative contribution of the independent variable in the explanation of the dependent variable, which indicates the positive effect of the technological innovation variable on export performance in the textile industry.

In general, it can be said that the equation of the regression line estimated based on the standard coefficients is as follows:

2.408+ [0.322×(technological innovation)] = export performance in the textile industry

Therefore, the first sub-hypothesis is accepted and it can be said: Technological innovation affects export performance in the textile industry.

The result of the second sub-hypothesis Marketing innovation has an effect on export performance in the textile industry.

To check the correlation between the independent variable (marketing innovation) and the dependent variable (export performance in the textile industry), given that the marketing innovation variable is not normal and the export performance variable in the textile industry has a normal distribution, Spearman's correlation

coefficient test has been used. , at the detection level of 1% error and 99% confidence, the obtained number (0.484) was between -1 and +1 for the positive marketing innovation variable, so there is a direct relationship between the two variables. Regression test is used to test this hypothesis. The data of the linear regression test at the detection level of 1% error and 99% confidence showed that the correlation coefficient between the two variables of marketing innovation and export performance in the textile industry is 0.495, which indicates a direct relationship between these two variables. The coefficient of determination of this model is 0.245, which indicates that the marketing innovation variable has been able to explain about 24.5% of the changes in the export performance variable in the textile industry, and the rest of the changes are influenced by variables outside the model. The results of the ANOVA test in the regression at the detection level of 1% error and 99% confidence showed that the sig value was 0.000 and the null hypothesis is rejected, which indicates a linear relationship between these two variables.

The results of the linear regression test show a 1% error detection level and 99% confidence of the results related to the regression coefficients. The standard beta coefficient indicates the relative contribution of the independent variable in the explanation of the dependent variable, which indicates the positive effect of the marketing innovation variable on export performance in the textile industry. In general, it can be said that the equation of the regression line estimated based on the standard coefficients is as follows:

2.354+ [0.346×(marketing innovation)] = export performance in textile industry

Therefore, the second sub-hypothesis is accepted and it can be said: "*Marketing innovation has an effect on export performance in the textile industry."*

The result of the third sub-hypothesis Process innovation has an impact on export performance in the textile industry.

In order to check the correlation between the independent variable (process innovation) and the dependent variable (export performance in the textile industry), given that the process innovation variable is not normal and the export performance variable in the textile industry has a normal distribution, Spearman's correlation coefficient test has been used. , at the detection level of 1% error and 99% confidence, the obtained number (0.466) was between -1 and +1 for the positive process innovation variable, so there is a direct relationship between the two variables. Regression test is used to test this hypothesis. The data of the linear regression test at the detection level of 1% error and 99% confidence showed that the correlation coefficient between the two variables of process innovation and export performance in the textile industry is 0.446, which indicates a direct relationship between these two variables. The coefficient of determination of this model is 0.199, which indicates that the process innovation variable has been able to explain about 19.9% of the changes in the export performance variable in the textile industry, and the rest of the changes are influenced by variables outside the model. The results of the ANOVA test in the regression at the detection level of 1% error and 99% confidence showed that the sig value was 0.000 and the null hypothesis is rejected, which indicates a linear relationship between these two variables. The results of the linear regression test show a 1% error detection level and 99% confidence of the results related to the regression coefficients. The standard beta coefficient indicates the relative contribution of the independent variable in the explanation of the dependent variable, which indicates the positive effect of the process innovation variable on export performance in the textile industry.

In general, it can be said that the equation of the regression line estimated based on the standard coefficients is as follows:

2.471 + [0.315×(process innovation)] = export performance in textile industry

Therefore, the third sub-hypothesis is accepted and it can be said: "Process innovation affects export performance in the textile industry."

5. Summary and conclusion

The ability of any company to improve its export performance definitely depends on its innovativeness. On the other hand, the most important factor in the internal environment of companies is adopting strategies that

are appropriate to the environment, which plays a fundamental role in the effectiveness of performance. Paying attention to the external environment of the organization and understanding the intensity of the competition in the environment will help managers in making a decision to obtain a better strategy. In short, attention to the outside and inside the organization to get the innovation strategy should be aligned and in the direction of the success of the organization. As much as a strategy can cause business success, it can also create obstacles in this path and cause it to be removed from the market. Therefore, obtaining an innovation strategy according to the market situation and international competitors not only helps to improve performance, but also plays an important role in business development. By adopting a strategy in accordance with the market in order to innovate and take advantage of existing creativity, export companies provide success for businesses and managers while increasing sales with increasing market share and more profit. This research aims to investigate the impact of innovation strategies on export performance in the textile industry, to collect and review the opinions of a sample of 115 Savis company experts who were directly and indirectly engaged in the export, sales and marketing sector, as well as members of the commercial department of the Arak Chamber of Commerce. Paid. In order to achieve the mentioned goal, assumptions were formulated which are: a. Technological innovation has an effect on export performance in the textile industry. b. Marketing innovation has an effect on export performance in the textile industry. c. Process innovation has an impact on export performance in the textile industry.

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7. Reference

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