A Study on factors influncing Satisfaction of Indian SME Exporters with Export Credit Guarantee Corporation (ECGC) Services

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KEYWORDS
Service Accessibility and Awareness, Premium Rates and Cost Effectiveness, Customer Support and Communication.

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Small and Medium Enterprises (SMEs) are an important part of the Indian export economy as they contribute significantly towards job creation and foreign exchange. Nonetheless, SMEs are exposed to significant risks in international trade, such as payment defaults, political uncertainties, and market volatility. In order to protect exporters, the Export Credit Guarantee Corporation (ECGC) offers risk mitigation services. The article explores the satisfaction degree of Indian SME exporters using ECGC services in terms of quality of service, settlement of claims, awareness and effectiveness. The results indicate that although ECGC services are useful in mitigating the risk of exports, the awareness, time taken to settle claims, and customer service should be improved to increase the level of satisfaction among SMEs.

Introduction

The export business of India has shown a steady growth with the SMEs becoming a major contributor. SMEs are however vital, but they are not usually strong enough financially and risk takers to engage in international trade. The solutions to these challenges are the export credit insurance and other related services provided by the Export Credit Guarantee Corporation (ECGC). ECGC is also very instrumental in facilitating exports through assuring exporters of commercial and political risks. The success of such services however lies heavily on the levels of satisfaction of exporters. It is important to understand the perceptions of exporters in order to enhance service delivery and the export ecosystem in India. The proposed study will fill these gaps by offering a dedicated analysis of the satisfaction of the SME exporters with ECGC services taking into consideration various dimensions including the quality of service, cost effectiveness, and flexibility of policy. It adds to the literature by providing information about how to enhance service delivery and effectiveness of export credit insurance in India.

Theoretical Background

Satisfaction of Indian SME exporters with Export Credit Guarantee Corporation (ECGC) services study is based on several theoretical perspectives of service quality, risk management, and customer satisfaction. Service Quality (SERVQUAL) Model is a model created by Parasuraman, Zeithaml and Berry and offers a framework that can be used to gauge service performance on dimensions like reliability, responsiveness, assurance, empathy and tangibles. Reliability in the context of ECGC services refers to constant risk coverage and settlement of claims, responsiveness to timely support, and assurance to trust financial protection mechanisms. Also, an Expectation-Confirmation Theory (ECT) of customer satisfaction, theorized by Richard L. Oliver, supports the notion of customer satisfaction being a process of comparing expectations with actual service performance. SME exporters develop perceptions of ECGC services in terms of perceived risk reduction and support and when these perceptions are met or surpassed, they become satisfied.

Financially, the Risk Management Theory underlines the significance of insurance mechanisms to minimize uncertainty and safeguard firms against the risks of losses. Export credit insurance services offered by ECGC are a tactical measure which allows SMEs to enter the global markets with less exposure to commercial and political risks. Moreover, the Institutional Theory emphasizes the importance of institutions supported by the government, such as ECGC, in promoting trust and stability in trading conditions. SMEs, which are limited by their resources, rely on the institutions to overcome barriers to market entry and operational risks.

The Technology Acceptance Model (TAM) by Fred Davis is also useful in learning how exporters embrace the use of digital platforms provided by ECGC in management of policies and claim settlement. Perceived ease of use and usefulness

affect the willingness of the exporters to use these systems thus affecting the satisfaction. Furthermore, Customer Relationship Management (CRM) Theory focuses on the significance of the close relationship with the clients providing them with good communication, personalized services, and support according to time. CRM practices in the case of ECGC have an impact on the perceptions of service quality and trust among exporters. Collectively, the theoretical frameworks offer an in-depth platform through which the satisfaction of the SME exporters with the ECGC services can be analyzed. They emphasize that financial protection is not the only way to find satisfaction but also the efficiency of service delivery, the level of communication, the integration of all technological systems, and the reliability of institutions. Knowledge of such theoretical backgrounds will allow a comprehensive assessment of ECGC services and their role in performance and trust of SME exporters in international trade.

Research Gap

Although international trade today has increasingly depended on export credit insurance to facilitate international trade, there has been little research done specifically on how Indian SME exporters have been satisfied with ECGC services. Current literature is mostly on export performance, risk management approach, or the overall contribution of financial institutions to trade promotion. Nevertheless, empirical analysis that investigates the perception of quality, accessibility, and effectiveness of ECGC services by SMEs is lacking. Furthermore, past studies tend to ignore key aspects of efficiency of claims settlement, customer support, and technological integration, which have a great impact on customer satisfaction. Another aspect that lacks attention is the special problems of SMEs, including a lack of financial resources, ignorance, and reliance on the support of the institution. Some of the studies focus on quality of service in financial sectors, but none of them specifically examine the role of ECGC as a part of SME export ecosystem.

Significance of the Study

The study is significant as it is looking at SMEs which are critical in India in terms of their contribution to export growth, and economic development. Some of the major risks that these businesses may encounter in their international trade are defaults in payments, political risks and therefore export credit insurance services are very necessary. The study can offer important information on the effectiveness of ECGC services to exporters by examining the levels of satisfaction of SME exporters with these services. The satisfaction of exporters is essential in order to enhance the service delivery, build trust, and boost the use of ECGC schemes. The research also assists policymakers and financial institutions to determine gaps in service quality, awareness and accessibility. This will result in the creation of more focused and effective assistance programs to SMEs. Moreover, the study adds to the scholarly literature by combining the service quality and risk management lens to the subject of export credit insurance. It also provides some practical implication on how to enhance customer service, streamline processes and use technology. Finally, the research is conducive to the overall aim of making India more competitive in export by improving the competition and resilience of SME exporters.

Statement of the Problem

The global environment faced by SME exporters in India is quite competitive and uncertain with risks like buyer default, political instability and currency fluctuations being very likely to cause a major impact on the business performance. The Export Credit Guarantee Corporation (ECGC) aims at eliminating these risks by offering insurance cover and support services. Nonetheless, even with its significant importance, ECGC services are underused or are not satisfied with the quality of services rendered by many SMEs.Lack of awareness, complicated claim processes, settlement delays, and poor customer service are some of the issues that inhibit the effectiveness of ECGC services. Also, inflexible policy frameworks and perceived excessively high premiums further deter SMEs to use these services fully. These issues lead to the question of whether ECGC services are sufficient to meet the needs and expectations of SME exporters.As such, the research question in this paper is to determine the degree of satisfaction of Indian SME exporters with the ECGC services and what factors affect their satisfaction. The study aims to make recommendations on how to increase service quality and make ECGC more effective in serving SME exporters by having a better grasp of these concerns.

Objectives of the Study

The study aims to:

- To understand the level of satisfaction among Indian SME exporters towards ECGC services.
- To identify key factors influencing satisfaction, such as service quality, claim settlement efficiency, and cost. .

Key Factors Influencing Satisfaction

1. Service Accessibility and Awareness: Service accessibility and awareness are very important determinants of satisfaction amongst SME exporters who have access to ECGC services. There is a large number of small and medium exporters who are not aware of the entire scope of ECGC schemes or that they are not clear on the eligibility, procedures, and benefits. The lack of outreach, sufficient promotional efforts, and training programs limit the successful use of these services. The exporters also depend on intermediaries or informal sources in most instances, and this could result in poor or wrongful

comprehension. The availability of information online, on the local offices, and support centers makes usability much easier. Information gap can be bridged through awareness campaigns, workshops and cooperation with export promotion councils. The accessibility can be enhanced by providing user-friendly portals and multilingual resources to empower SMEs even more.

2. Claim Settlement Process: Claim settlement process is a key determinant of exporter satisfaction with ECGC services. SMEs rely on prompt compensation to cover the financial risks that may occur due to defaulting of payment or political interference. Nonetheless, exporters tend to find the claim settlement process complicated, time-consuming and paper-based. The efficiency can be enhanced by simplifying processes, cutting down on paperwork and implementing digital claim filing systems. Also, the establishment of specific timeframes within which claim can be processed and the availability of real-time tracking can be used to improve user experience. A quicker and more transparent claims settlement system not only lowers the financial burden on exporters, but also enhances their trust in ECGC services, which leads to improved satisfaction in general.

3. Premium Rates and Cost Effectiveness: Cost effectiveness and Premium rates are vital aspects in identifying satisfaction of SME exporters with ECGC services.. Although exporters are aware of the essence of having insurance cover as a way of countering the risks, the premiums charged may be a factor of concern especially to small-scale businesses with low profitability. The premium rates are considered relatively high by some exporters in relation to their level of export volume as well as exposure to risk. The services obtained in terms of risk cover and financial stability should be worth the price paid. Adjustments to the perceived fairness may be achieved through flexible pricing schemes, regular user discounts, and risk-based adjustments of premiums. Also, transparent communication on the calculation of premiums assists the exporters to comprehend the pricing framework better. As soon as SMEs find the ECGC services rather affordable and helpful in comparison to the risks covered, their satisfaction level will increase significantly, which persuades them to continue using and rely on these types of services.

4. Customer Support and Communication: Customer care and communication will significantly contribute to the overall experience of the SME exporters who use the ECGC services. Effective communication can help the exporters be more aware of the policies, procedures, and requirements of claims. However, many exporters report gaps in responsiveness, lack of responsiveness in personalised service, and delays in response to queries or complaints. With SMEs where the company might lack dedicated export management teams, friendly and available customer service is required. Increased engagement and trust can be achieved through provision of special helplines, relationship managers and online support mechanisms. Frequent updates, notifications and guidance throughout the service process enhance transparency, and reduce uncertainty. The customer care staffs should also be trained to handle SME related matters and offer multilingual services to enhance the quality of services. Efficient communication channels also not only help to eliminate problems, but they also facilitate relations in the long-term, which leads to the higher satisfaction level and the higher the level of trust towards ECGC services..

5. Risk coverage and Policy Flexibility: Risk coverage and policy flexibility are the major features to establish effectiveness and satisfaction of ECGC services among SME exporters. ECGC covers both commercial and political risks, and this is very useful to exporters who need to have a solid assurance in the international market that is subject to uncertainties. SMEs however, have varied and dynamic export requirements that cannot necessarily be the same as those established by standardized insurance policies. The usefulness of these services can be limited by limited flexibility in terms of policy, coverage limits and conditions. Exporters might need to have tailor-made solutions depending on the nature of the product, their destination markets and the level of transaction. Flexibility can be improved by providing customized policies, modifiable coverage terms, and industry-specific plans, which can better meet the needs of the SMEs. Moreover, making the policy terms easier and making sure that the coverage details are clear may help minimize the misinterpretations. Exporters will be more satisfied and dependent on its services when they believe that ECGC policies reflect their risk profiles and business requirements.

Implications of the study

1. The research has significant implications on the policymakers and financial institutions and the SME exporters. The findings can provide insights to policymakers on the effectiveness of ECGC services in promoting export growth and policy interventions required. The general export ecosystem could be strengthened through heightened awareness campaigns, simplifying operations, and simplifying service delivery.
2. In ECGC and other financial institutions, the study emphasizes the importance of customer-oriented approaches in service design and service delivery. By solving the issues of settlement of claims, communication and flexibility of policies these institutions will be able to increase customer satisfaction and build long term relationships with exporters. Modern technologies can also be used to enhance efficiency and transparency.
3. Through the research, SME exporters can have a better understanding of the benefits and limitations of ECGC services and make better decisions in terms of risk management. It also encourages increased participation in the export credit insurance schemes and also reducing the exposure to the risks associated with international trade.

Overall, the study assists in increasing the effectiveness of ECGC service and leads to the further sustainable growth of the SMEs in the global market..

Suggestions

In order to improve satisfaction of SME exporters, the following measures are suggested:

1. Enhance Awareness Programs: Awareness among SME exporters needs to be enhanced in order to enhance the usage of ECGC services. The number of exporters who are not well informed about available schemes, benefits and procedures is high and this restricts their involvement. This gap can be addressed by organizing regular workshops, seminars and training programs in conjunction with the export promotion councils, industry associations and financial institutions. Outreach can also be broadened by digital awareness efforts via social media, webinars, and official websites, in particular to remote regions. The comprehension among different users can be enhanced by providing easy to understand guides, case studies and multilingual materials. Moreover, inclusion of awareness programs in the existing export training programs can make sure that it is more widespread. With a higher awareness, the SMEs will make better decisions, which will result in higher adoption and satisfaction with ECGC services.

2. Streamline Claim Process: The streamlining of the claim settlement process is essential towards increasing the level of exporter satisfaction. As it stands, SMEs are often deterred to use ECGC services to the fullest through complicated documentation procedures and time-consuming processes. Efficiency can be enhanced by streamlining procedures through cutting of paper work, standardization of documentation and use of clear guidelines. The use of online solutions to submit and track the claims can limit the use of manual processing and error minimization. Building trust among exporters can also be achieved by setting clear timelines in every phase of claim processing and also by making sure that decisions made are transparent. A step-by-step guidance and specific attention in the claim process can also alleviate the SMEs. A simplified and transparent claim system will guarantee faster settlements, fewer financial strains, and general trust in the services of ECGC.
3. Enhance Customer Service: Customer service is essential in enhancing the overall customer experience of SME exporters. Some exporters lack access to prompt support, how to clear questions and how to comprehend the policy-related information. The service quality can be improved by creating special customer care units that serve the SMEs such as relationship managers and helplines. The use of chatbots, email, and call centers as 24/7 support will be available at any time. Frequent follow-ups, customized advice and active communication can enhance relationships with the exporters. Engagement can be further enhanced by training customer service representatives on issues that are specific to the SME and offering multilingual support. Mechanisms and speed of redressal of grievances are also necessary. Enhanced customer care does not only solve problems efficiently, but also earns trust and customer satisfaction in the long term amongst those exporters who use ECGC services.

4. Flexible Policy Design: Flexible and tailored insurance policies have to be offered to address the needs of SME exporters which are diverse. It may be more convenient to offer sector-specific policies and short-term or transaction-based coverage. Exporters can be confused by the conditions of the policies and the lack of their clarity in terms and coverage, which is easy to simplify. Moreover, the services can be more relevant and user-centric when feedback provided by SMEs is included into the design of the policies..

5. Use Technology: The use of the technology can greatly enhance the efficiency, accessibility and transparency of ECGC services. The adoption of the new digital systems in managing the policy, paying the premiums, and processing the claims can also simplify the operations and minimize the errors in the manual processes.

Conclusion

ECGC services are crucial in helping Indian SME exporters by offering protection against risks and creating confidence in the international trade. These areas can be greatly improved to make the ECGC services more efficient and to promote the involvement of more SMEs. Enhancing service delivery will not only enhance exporter satisfaction but also help in increasing and making the export industry in India competitive in the international market. Exporters have easy access to services, document submission, and real-time updates via online portals and mobile applications. Also, the use of digital communication tools like chatbots and automated notifications can be used to increase user experience. Through the adoption of technology, ECGC would offer more reliable, quick and easy services to SMEs in the country, which would result to increased satisfaction. Standard policies might fail to accommodate the differences in volume shipped, product and target market differences. It can be improved by introducing customized plans that have variable coverage limits, premium plans, and policy conditions that suit the needs of the SMEs.

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