ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

ANALYSIS OF DETERMINANTS AND MEASURES OF COFFEE EXPORT PERFORMANCE

FOR THE LAST FIVE YEARS (2010/11-2014/15):

IN THE CASE OF ETHIOPIAN GRAIN TRADE ENTERPRISE

BY

BEHAILU MIHIRET MOLLA

MAY 2016

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ID NO.: SGS/0393/2007A

A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION. (GENERAL)

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TABLE OF CONTENTS

DECLARATION

I declare that this is my original work and has not been presented for a degree in any other university.

Sign: …… Date: ……

BEHAILU MIHIRET MOLLA, ID NO.: SGS/0393/2007A

This project has been submitted for examination with my approval as the university advisor.

ADVISOR

Dr. Tesfaye Wolde (P.H.D)

Sign: …… Date: ……

ACKNOWLEDGMENT

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DEDICATION

First of all, this thesis is dedicated to my beloved mother, Worknesh Gizaw, who continues to learn, grow and develop and who has been a source of encouragement and inspiration to me throughout my life, a very special appreciation for providing a 'writing space' and for nurturing me throughout my life. And also for the myriad of ways in which, throughout my life, Mom have actively supported me in my determination to find and realize my potential.

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LIST OF ABBREVIATIONS AND ACRONYMS

CEP:	Coffee Export Performance
CEP-FP:	Coffee Export Performance-Financial Performance
CEP-MP:	Coffee Export Performance-Market Performance
CEP-PS:	Coffee Export Performance-Perception and satisfaction
CSA:	Central Statistical Agency
DMC:	Domestic Market Characteristics
E.C.:	Ethiopian Calendar
ECEA:	Ethiopian Coffee Exporters Association
ECX:	Ethiopian Commodity Exchange
E.F.Y.	Ethiopian Fiscal Year
EGTE:	Ethiopian Grain Trade Enterprise
EMS:	Export Marketing Strategy
FC:	Firm Characteristics
FDRE:	Federal Democratic Republic of Ethiopia
FMC:	Foreign Market Characteristics
GDP:	Gross Domestic Product
GNP:	Gross National Product
ICE:	Intercontinental Exchange
ICO:	International Coffee Organization
IOC:	Item-Objective-Congruence Index
MC:	Management Characteristics
MoA:	Ministry of Agriculture
MOFED:	Ministry of Finance and Economic Development
MoT:	Ministry of Trade

OIC:	Overall Internal Environment
OEC:	Overall External Environment
SMEs:	Small and Medium Enterprises

LIST OF TABLES

ABSTRACT

Exporting plays a crucial role in accelerating the growth and profitability of firms. The main objective of the study was assessing the determinants and measures of coffee export performance in the case of Ethiopian Grain Trade Enterprise at firm level for the last five years/2003-2007 E.C./. The research was conducted by collected relevant and pertinent primary data and secondary data from key staff members of EGTE through questionnaires and also with four top management in depth interview conducted to address the critical and most important issues related with the area. 383 EGTE's top management as well as other staff members of was taken as the population. The researcher was taken 130 sample respondents by using the purposive non probability sampling method due to the availability and accessibility of the respondents for the researcher. The study used descriptive statistics. The study also testing seven hypotheses with related to the determinants and measures of coffee export performance. The findings of the study found that the three internal environment factors: export marketing strategy, firm characteristics, management characteristics as well as the two external environment factors: foreign market characteristics and domestic market characteristics have great impact on the enterprise export performance. In addition, the overall internal and external environment factors positively affected the enterprise's export performance. Therefore, management of the enterprise should see the possibility to use cost leadership strategy, strengthen to use the advantage of government agency support, emphasis to conduct further research on the area, work on export manager in order to have most up to date market information, see the possibilities to use trade events, give emphasis for export marketing strategy.

***Keywords**: Coffee Export Performance, Determinants, External Environment, Internal Environment, Measures*

CHAPTER ONE
INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Ethiopian coffee is that Ethiopia is the Motherland of all Arabica coffee. In a certain sense, all Arabica coffee is Ethiopian, whether it is grown in Latin America or Indonesia or on a hillside in Sidama. As the "origin of all origins," Ethiopia has another unique feature: hundreds of heirloom varietals. In many cases, farmers grow their own unique heirloom varietals, the majority of which grow nowhere else in the world. A great many of them have not even been classified (Willem J. Boot, 2011).

Though the rate of growth has been different from one source to another, many international institutions confirm that Ethiopia economy kept growing in the last decade. Considering the contribution of exports in the country's economic growth, one can easily understand hoe big role the agricultural sector of the nation has been playing in the positive trend of the economy (Abiy, 2014).

As per Abiy (2014), Ethiopian economy is known for being hugely dependent on Agricultural. This sector is the source of the closer to half of the total GDP as well as 85% of total employment in the second most populous nation in Africa (CSA, 2008/09).

Exporting is an important activity from both a national and a company perspective. It is critical for national economies because of the significant contributions it makes to employment, investment, trade balance, and economic growth (Samiee and Walters, 1990). Exporting also helps firms achieve competitive advantage through improved financial position, increased capacity utilization, higher technological standards, and enhanced business performance (Lages and Montgomery, 2004).

Agricultural sector is regarded as the economic driving force in developing countries. It accounts for over one-third of export earnings for almost 50 developing countries (World Bank, 2009).

According to Reis and Forte (2010), the concept of export performance is not consensual in the literature (Zou and Stan, 1998). The authors identify three types of export performance measures: financial, nonfinancial and composite scales. Financial measures are more objective and include sales, profit and growth. On the other hand, nonfinancial measures are considered more subjective and include measures of success, satisfaction and goals. Composite scales are based on the results of a set of performance measures. Also Sousa (2004), in his literature review, classifies export performance measures in objective and subjective, indicating that researchers resort to subjective measures when managers are unable or unwilling to provide financial data of their firms. The former are based on numerical values, while the latter refers to measures of perception and attitude. This measure evidences the importance of exports in total sales of the firm (Estrin et al., 2008) and is on the determinants of export intensity that the present study focuses.

In addition, Reis et al. (2010), export performance determinants are generally grouped into internal factors and external factors. According to Zou and Stan (1998), the internal determinants are justified by the resource based theory while the external determinants are justified by the theory of industrial organization. On the one hand, according to Sousa et al. (2008), the foreign market characteristics and the domestic market characteristics are considered external factors. Zou et al. (1998) also mention two characteristics of the industry (such as, technological intensity and instability). On the other hand, the export marketing strategy, the firm's characteristics, as well as the characteristics of the firm's management are considered internal factors (Sousa et al., 2008).

However, research on the export performance of the agricultural sector is lacking despite the importance of this sector to the world economy (Crick and Chaudhry, 2000). Although there are some studies on the performance of agricultural

exporting firms, most of the studies are related to macro-level rather than firm-level behavior.

As a result, there is a lack of firm-level research that would help Ethiopia agricultural exporting firms to develop their own competencies and to export strategically. The consumer perspective of agricultural marketing posits that, since competition in the contemporary global environment is increasingly based on differentiated products and services, agricultural firms have to change from a traditional focus on comparative cost advantage and develop specific competencies and marketing strategies to compete in an increasingly demanding international market (Aksoy and Kaynak, 1994; Bianchi and Garcia, 2007).

The export performance literature has long been characterized by under use of theoretically well-grounded conceptual models in hypothesis development and testing (Cavusgil and Zou, 1994; Sousa, Martinez-Lopez and Coelho, 2008; Zou et al., 1998). Much of the literature on agricultural export performance does not specify any theoretical basis used in the study (e.g., Aksoy et al., 1994; Bianchi et al., 2007).

The earlier studies examined the antecedents of export performance using Industrial Organization Theory (IO) (Aaby et al., 1989; Cavusgil et al., 1994). IO theory contends that internal (i.e. firm and product characteristics) and external (i.e. market and industry characteristics) factors determine the firm's competitive strategy, which in turn determines export performance (Morgan, Zou, Vorhies, and Katsikeas, 2004). In contrast, some studies have relied on a Resource-Based View (RBV), arguing that the principal determinants of a firm's export performance are its internal organizational resources (Barney, 1991), particularly experience (O'Cass and Julian, 2003), financial and physical resources (Okpara, 2009), information (Ural, 2009), relationship building (Legas, Silva and Styles, 2009), and marketing capabilities (Blesa and Ripolles, 2008; Sefnedi, Mohamad and Ibrahim, 2007; Zou, Fang and Zhao, 2003).

In fact, these two theories can be integrated to establish the interplay between firms' resources and capabilities, competitive strategy, and the export market

characteristics in determining performance outcomes (Calatone, Kim, Schmidt and Cavusgil, 2006; Morgan, Zou, Vorhies, and Katsikeas, 2003).

This research attempts to fill the gap identified above by developing a comprehensive model which emphasizes on firm-level behavior and explains the determinants and measures of export performance for Ethiopian Grain Trade Enterprise. In the model, export performance is determined by factors concerning the firm's internal environment factors and external environmental factors.

The enterprise is a government owned public enterprise and one of the leading exporters of Arabica coffee, Pulses and Oil seeds from Ethiopia. In addition the enterprise recently joined the coffee export business due to the government intervention to bridge the gap in the coffee export sector. Despite the fact that the coffee export market price volatility and other demand and supply factors the enterprise's export performance declining from time to time. In other way, there was no such research conducted on the area in order to identify and fill the gap.

In conclusion, this research attempts to develop a comprehensive model to best fit and explain coffee export performance in the case of EGTE based on firm-level behavior. Additionally, the international agricultural marketing perspective can be expanded by examining firm's resource and competitive strategic factor, instead of the traditional comparative advantage that has explanatory power at the national level.

1.2 STATEMENT OF THE PROBLEM

The coffee has been growing in Ethiopia for thousands of years, in the forests of southeastern Ethiopia. It is perfectly adapted to the climate. This is the immense advantage that Ethiopia has over all other coffee-producing countries. Ethiopia grows and exports only Arabica coffee, not Robusta (Willem J. Boot, 2011).

Coffee is an important commodity in the world economy, accounting for trade worth approximately US$ 16.5 billion in calendar year 2010, when some 97 million bags of 60 kg (5.8 million tons) were shipped. World production in coffee year 2010/11 is estimated at 131 million bags (7.8 million tons) while

consumption in calendar year 2010 is estimated at 135 million bags (8.1 million tons).

For many countries, coffee exports not only are a vital contributor to foreign exchange earnings, but also account for a significant proportion of tax income and gross domestic product (International Coffee Organization, 2011).

According to ICO data of share of coffee in total exports by value, 2005–2010, Ethiopia is the third next to Burundi. This also show that Ethiopia have a significant contribution in supplying coffee to the world market and also have significant contribution to the foreign currency earning to the country.

Ethiopian Grain Trade Enterprise was established under the name of "Grain Board" in 1949. The Enterprise was re-organized in 1999 for the purpose of purchasing grain, oilseed and pulses both for local wholesale and export. The enterprise has diversified its business to include coffee export trade since 2009. EGTE also have contribution the country foreign currency earning as well as creating market opportunity to farmers.

When see the enterprise's coffee export performance from year after year was declined. In other way the enterprises share of gaining foreign currency as well as volume of export quantity also declining. Based on the enterprise export data from the year 2003-2007 E.C total export volume in quantity 350,547 quintals of washed and unwashed coffee with 2.55 Billion Birr. The volume of export continuously was declining in terms of quantity on average 20.75 % and value on average 4.5 % per annum.

When observed that the percentage share of the enterprise in terms of volume from the total export volume at country level for the last five years on average 3.9%. This shows that the enterprise shares of export volume in terms of quantity declined. In other way the percentage share in the year 2003 E.C. 6.0% and gradually the share eroded.

Studies on the export performance of the agricultural sector are limited and many of the studies are related to macro-level, rather than firm-level behavior. This is

because many previous studies have been based on the discipline of agricultural economics and focused on national comparative advantage and factor efficiency.

In addition, most of the previous studies on agricultural exports have employed qualitative analysis using in-depth interviews, case based analysis, secondary data, descriptive analysis and simple statistical methodology. As a result, there is a lack of research that would help agricultural exporting firms to develop their own competencies and export strategically. A comprehensive model is needed to fill this gap in the literature.

The coffee export industry also highly competitive and characterized by many experienced exporters is involved as well as the entrants also increasing from time to time and entering the market.

Therefore, the enterprise should assess the determinants and measures of coffee export performance to improve the overall performance of the enterprise. Based on the finding the enterprise should take action and fulfill the gap and enhance the export performance of coffee in terms of foreign currency and volume of export.

This means that the research has a significant contribution to the enterprise performance.

1.3 BASIC RESEARCH QUESTIONS

There is a growing body of research that has examined the factors that influence export marketing performance (Cavusgil et al., 1994). The research study addresses determinants and measures of coffee export performance. Therefore, the study research questions include the following:

i. What are the importance and significant impact of export marketing strategy on coffee export performance?

ii. What are the significant impacts of firm characteristics on coffee export performance?

iii. What are the significant impact of management characteristics on coffee export performance?

iv. What are the significant impacts of foreign market characteristics on coffee export performance?
v. What are the importances and significant impacts domestic market characteristics on coffee export performance?
vi. What are the significant impacts of overall internal environment on coffee export performance?
vii. What are the significant impacts of overall external environment on coffee export performance?

1.4 OBJECTIVES OF RESEARCH

1.4.1 GENERAL OBJECTIVE

The main objective of the study is assessing the determinants and measures of coffee export performance in the case of Ethiopian Grain Trade Enterprise.

1.4.2 SPECIFIC OBJECTIVES

The specific objectives of the research study include:

a. To find out the impact of export marketing strategy on coffee export performance.
b. To determine the impact of firm characteristics on coffee export performance.
c. To discover the impact of management characteristics on coffee export performance.
d. To understand the impact of foreign market characteristics on coffee export performance.
e. To find out the impact of domestic market characteristics on coffee export performance.
f. To determine the impact of overall internal environment on coffee export performance.
g. To realize the impact of overall external environment on coffee export performance.

1.5 DEFINITION OF TERMS

1. **Export:** means shipping the goods and services out of the port country.
2. **Exporter:** The seller of such goods and services based in the country of export.
3. **Importer:** the overseas based buyer.
4. **Agricultural exporting firm**: is defined as an agricultural exporting firm located in Ethiopia which exports agricultural products grain and coffee.
5. **Export performance** is defined as the outcome of exporting products and services into foreign markets. It can be measured in terms of objective and subjective measures
6. **Service:** defined as the intangible activities and performance designed by interactive process in order to satisfy customer needs and expectations, and convince them, this process could be done by using tangible products
7. **Price**: defined as the amount of money or value of other items with utility needed to acquire a product or services
8. **Place/distribution**: the enterprise exports coffee along with valuable services to the customers through different distribution mechanisms.
9. **Promotion**: this includes all of the tools available to the marketer to transform their message about the products to the target market; moreover, this consists of communication/promotional mix (e.g. advertising, sales promotion, personal selling, e marketing, and public relationship)
10. **Customer Satisfaction**: is an attitude-a person's general orientation towards a total experience of importing coffee. Satisfaction comprises both cognitive and emotional facets and relates to previous experiences, expectations and social networks
11. **Unwashed Arabicas or Naturals**. This group (mainly Brazils, Ecuadors and sun-dried Ethiopians) tends to have less well-balanced body and acidity. Ecuadors are often fruity and occasionally sourish. Brazils frequently have a harsh or 'Rio' taste especially coffees grown in certain zones of the states of Espirito Santo, São Paulo and Rio de Janeiro. Unwashed Brazils that are free from 'Rio' or 'Rio taint' are known as soft or strictly soft and command a premium over hard or Rioish and Rio-type coffees.

12. **Washed Arabicas.** The most appreciated are those with a well-balanced (rounded) cup where good acidity and body, together with some flavour or aroma, complement each other. Marks for acidity range from pronounced through good, fair and slight to lacking; for body from heavy through good, medium and light to lacking; and for flavour from excellent through good, some and slight to lacking.

1.6 SIGNIFICANCE OF THE STUDY

The significance of the study can be seen in the following considerations:

- It provides valuable and reliable data for the management to make appropriate decisions on time by indicating different alternative course of action to tackle the problems.
- The significance of the study can be seen in the need to keep up with the variables of the current market and future market scenarios.
- The importance of the study can be seen through its addressing of the level of customer satisfaction with the quality of services provided.
- The research importance focus on that determination and measures of coffee export performance and also studying of assessing the factors affecting enterprises performance.
- This research makes a positive contribution in the direction of overall coffee export performance strategy measured by customers' satisfaction in the coffee export business.
- This research and similar studies will encourage other researchers to engage in more studies regarding assessing the determinants and measures of coffee export performance in the hope that such efforts will improve the relationship between the enterprise, its managers and its customers with regard to greater mutual and common advantages and benefits.

1.7 SCOPE/DELIMITATION OF THE STUDY

This study carried out on only coffee export business and not included the grain export business as well as not included local business.

The study focused on assessing the determinants and measures of coffee export performance in the case of Ethiopian Grain Trade Enterprise.

In addition, the number of respondents is limited to 130. The findings and observation are based on the respondents' answer which may be affected by the personal bias.

The researcher used only survey method for the research and also the research limited on the last five years' coffee export performance of the enterprise.

Although this study reveals a number of interesting findings, there are some limitations which are discussed below:

- The data was collected from head office staff members as well as branch office staff members. But only four branches out of 10 participated on the research. Therefore, the distribution should not evenly have distributed.
- This research is developed based on the EGTE. As a result, generalization of the research beyond the scope of EGTE must be undertaken with caution since there will be a different context of environment in different firms as well as different countries.

1.8 ORGANIZATION OF THE STUDY

The research study included five chapters. The detail of the chapters presented as follows:

Chapter One: **Introduction**

This chapter contains background of the study, statement of the problem, basic research questions, objectives of the research, definition of terms, significance of the study, the scope/delimitation of the study and organization of the study.

Chapter Two: Review of Related Literature

This chapter deals with review of related and relevant literature with the research study area. The literature review includes the theoretical background related to this study, conceptual review, agricultural exporting in Ethiopia, export performance with related to measures, determinants, empirical review and

limitation on studies on the area. In addition, the review of literature contains the export performance, the conceptual framework for the study and hypothesis of the study.

Chapter Three: Research Methodology

Under this chapter, the research approach/ research design, unit of analysis and source of data, population of the study, sample size and sampling technique, data collection method, research instrument, data analysis method, descriptive analysis, the quality assessment of the research instruments, Sample size and sampling technique contains sampling technique, sample size determination and sample procedure. Finally, ethical issues addressed.

Chapter Four: Results and Discussion

This chapter deals with the summarized results/findings of the study, and interpret and/or discuss the findings in relation with literature review.

This means that, a researcher presented the data collection process and the data analysis process, which includes data preparation, respondents profile, analysis of environment characteristics, additional personal opinions summary and findings in-depth interview with top managements, the testing of the hypotheses in the study, and also secondary data analysis.

Chapter Five: Summary, Conclusions and Recommendations

This chapter comprises five sections, which include summary, conclusions, recommendations, contributions, and suggestions for future research.

CHAPTER TWO
REVIEW OF RELATED LITERATURE

This chapter is organized into five sections. The first covers literature related to the theoretical background for this study. The second section conceptual reviews and the third section reviews the literature on agricultural exports in Ethiopia. The fourth section addresses the literature on export performance, its measurement and determinants, as well as providing a summary of the previous studies on agricultural exporting firms. The final section presents an overview of the conceptual framework and hypothesis for the study.

2.1 THEORETICAL BACKGROUND

2.1.1 INDUSTRIALIZATION THEORY

The initial export performance literature adopted an economic perspective using Industrial Organization (IO) theory or Structure-Conduct-Performance framework (SCP). Such a framework suggests that competitive advantage and superior export performance are derived from a firm's ability to respond successfully to the interplay of internal and external forces to meet the firm's objectives, by developing and implementing an appropriate marketing strategy (Aaby et al., 1989).

According to Cavusgil et al. (1994) the major application of IO theory to exporting is framework clarifying that export performance is determined by the arrangement between export marketing strategy and the internal and external environments of the firm. In their model, export performance was determined mainly by export marketing strategy and some internal organizational factors such as the firm's international competence and managerial commitment.

In conclusion, based on Zou et al. (1998), IO theory emphasize market and industry environmental factors, with external factors largely determining the firm's marketing strategy, which in turn determined export performance.

2.1.2 RESOURCE-BASED VIEW

With regards to the RBV, resources are key determinants of competitive advantage and performance (Wenerfelt, 1984). The RBV focuses on the idiosyncratic characteristics of firms that contribute to competitive advantage and value creation. There has also been export performance research relying on a resource based view (RBV), arguing that firms gain competitive advantage by leveraging internal resources and capabilities (Vorhies and Schlegelmilch, 2006).

According to Zou et al. (2003), the RBV was developed in a domestic market context, it had been posited that the framework also applies in export markets. The RBV paradigm posits that a firm's export performance is based on a unique bundle of resources including all firm assets, capabilities, organizational processes, attributes, information, experience, knowledge, and technology (Zou et al., 2003; Morgan et al., 2004).

To sum up, the Resource base view argues that the bundle of a firm's resources is the principal source of the firm's competitive advantage. Previous studies examined the contribution of various resources and capabilities to the achievement of competitive advantage in export markets.

2.1.3 INTERNATIONALIZATION PROCESS THEORY

They developed a theory about the continuous process that takes place in firms that enter foreign markets. The two key terms in their theory are "knowledge" and "commitment". Knowledge obtained in and about foreign markets, driving the decision to commit more resources to those markets. These decisions are implemented, and the increased commitment enables the company to continue gathering improved knowledge that drives the commitment. After these two logical steps that feed back into each other, companies increase their international operations consistently (Johanson and Weidersheim-Paul, 1975; Johanson and Vahlne (1977).

International activities require both market specific knowledge and general knowledge. Knowledge of the operations could be transferred from one country to another, whereas market-specific knowledge is assumed to be gained mainly

through experience in the market. A direct relation between market knowledge and market commitment was postulated (Anderson, 1993).

2.1.4 CUSTOMER PERSPECTIVE ON AGRICULTURAL MARKETING

According to Bianchi et al. (2007), international agricultural marketing, the comparative advantage from being resource abundant may not be sufficient in a globalized context since competition is increasingly based on differentiated products and services.

In terms of international competition, innovation to develop products with added-value, targeting specific and differentiated market segments, understanding customer demand, and improving productivity as well as quality, has become increasingly important for agricultural businesses seeking to maintain their competitive advantage (Hawkins, 2010).

Singh (1996) suggested that the "factors that are likely to play a very crucial role in international marketing for agribusiness firms are Market Knowledge Commitment Decisions International Success Strategic Actions biotechnology and informational technology".

Mizzi (1993) suggested that, despite their cost-effectiveness, commodity-oriented agricultural firms were undergoing change inspired by a more demanding and differentiated food consumer. As a result, agricultural firms should emphasize the discovery of consumer preferences and the adaptation of product attributes in response to consumer demand rather than relying solely on price considerations.

2.2 CONCEPTUAL REVIEW

With the increasing trend of globalization, the arena of market and competition for an enterprise has expanded from domestic markets to the international markets. However, the position of SMEs as an important player in international markets is now well recognized.

Various researchers investigating about how firms perform in exporting have identified a lot of factors as determinants and measures of export performance. These determinants and measures have been classified differently; however, a major classification has been as controllable and uncontrollable. The controllable

determinants and measures are internal firm-level and uncontrollable are external environmental determinants and measures (Aaby et al., 1989).

In this study we focus on the factors that are classified as firm-level controllable and uncontrollable determinants and measures which influence the coffee export performance of EGTE.

WHAT IS EXPORT AND EXPORTER?

According to the Investopedia online dictionary, (2015), export is a function of international trade whereby goods produced in one country are shipped to another country for future sale or trade. The sale of such goods adds to the producing nation's gross output. If used for trade, exporters are exchanged for other products or services. Exports are one of the oldest forms of economic transfer, and occur on a large scale between nations that have fewer restrictions on trade, such as tariffs or subsidies.

Based on Wikipedia, 2015, the term export means shipping the goods and services out of the port country. The seller of such goods and services is referred to as an "exporter" and is based in the country of export whereas the overseas based buyer is referred to as an "importer".

Shoham (1996) offered a simple conceptual definition that "export performance refers to the outcome of exporting products and services into foreign markets". Although, growing body of literature has addressed the issue but still there is no evenly accepted conceptual and operational framework (Cavusgil et al., 1994; Shoham, 1998). Sousa (2004) has identified about 50 dimensions of export performance measure which are classified as subjective and objective measures of export performance. However, Leonidou, Katsikeas and Samiee (2002), have identified that export proportion of sales or export intensity, export sales growth, export profit level, export sales volume, export, market share, and export profit contribution are mostly used measures of export performance.

Cavusgil and Nevin (1981) provided a comprehensive definition of exporting as "the marketing-related decisions and activities of firms which are engaged in international business".

The measure of export performance is explained as follows:

Export performance of a firm reflects a firm-specific behavior in leveraging its resources and capabilities in an international context at a given point of time. Firm export performance is regarded as one of the key indicators of the success of a firm's export operations, and as such, it has been an extensively studied phenomenon. Numerous studies have been conducted pertaining to provide better understanding of the factors (firm- or environment-specific) and behaviours (e.g., export strategy) that make exporting a successful venture.

2.3 AGRICULTURAL EXPORTING IN ETHIOPIA

According to Boansi & Crentsil (2013), the coffee subsector of Ethiopia has been and continues to be the foundation for the country's agricultural and economic development. The importance of the subsector in the country and the world market cannot be overemphasized. For instance, the subsector accounts not only for over 35% of agricultural foreign exchange earnings and about 4% of agricultural Gross Domestic Product (Agric.GDP), it also provides income to over 15 million people in the country (Ministry of Trade, 2012) through provision of jobs for farmers, local traders, processors, transporters, exporters and bankers. In addition to these, coffee green exports from Ethiopia accounted for approximately 3.31% in value of world coffee green exports between the years 2001 and 2010. Ethiopia stands in respect not only as the origin of Coffea arabica (Arabica coffee), an important producer and exporter, but it is also the highest consumer of the crop (variety) in Africa. By virtue of the importance of the crop in diets, culture of the populace, contribution to poverty reduction and importance in earning of foreign exchange. In spite of the above, Ethiopia still holds much respect in the global coffee market.

Exporting is a crucial business activity for a national economy since it significantly contributes to employment, investment, trade balance, and economic growth (Czinkota, 1994). In the globalization era, exporting also plays a key role in enabling firms to achieve sustainable competitive advantage because it facilitates improved financial position, increased capacity utilization, higher technological standards, and enhanced business performance (Lages et al., 2004).

According to Access Capital (2010), Ethiopia's annual exports recently reached a never-before-seen level of $2 billion, a growth of 38 percent from the year before. Based on recent data on the composition of exports, this note reviews where this growth came from in terms of both supply-side factors (i.e., which commodities showed the largest increases) as well as demand-side contributors (what foreign markets mattered most).

In terms of the commodity composition of exports, although coffee continues to dominate the top spot, its relative share of total exports is now at a historic low and the ranking of other key commodities is changing rapidly. Ethiopia now has five major non-coffee exports (oilseeds, gold, chat, flower, and pulses) which each bring in more than $100 million per year compared to none in 2000. Fifteen products (other than coffee) show annual exports of at least $10 million compared to just five in 2000. Despite these positive developments, we see many of Ethiopia's non-coffee exports being overly dependent on demand from just a single country.

Coffee continues to dominate the top spot among Ethiopia's exports but its relative significance is now at a historic low and the ranking of other key commodities is changing rapidly. In a seemingly contradictory development, coffee exports reached the highest ever level last year ($528 million) while at the same time falling to the lowest ever share in Ethiopia's total exports (just 26 percent). Notable among Ethiopia's non-coffee exports is the growing importance of five major products that each bring in more than $100 million per year: these include oil seeds ($358 million), gold ($281 million), chat ($210 million), flowers ($170 million), and pulses ($130 million). Export products with annual sales of at least $10 million have also increased substantially and now include products as varied as processed meat, vegetables, textiles and clothing, spices, leather products, minerals and cotton. To give a sense of some of the physical volumes behind these dollar figures, Ethiopia now annually exports 172,210 tons of coffee (equivalent to about 9,000 twenty-feet containers), 9 tons of gold, 36 million kilos of chat, and 1.6 billion stems of flowers (equivalent to roughly 37 fully loaded cargo planes of roses every week).

According to (Tadese, 2015), the varieties of distinctively flavored coffee beans produced in Ethiopia, based on their contribution to the country' s export, are Jimma, Gimbi, Lekempti, Sidamo, Yirgacheffe and Harar. These coffee types are internationally recognized and they command better prices (MoARD, 2009). Ethiopia produces around 4% of world production and more than 30% of the total production in Sub-Sahara Africa and the government favors the export of high grade coffee and restricts its sale on the domestic market (MoARD, 2009).

In addition, Tadese (2015) stated that the production of coffee has an enormous relevance for Ethiopia, playing a dominant role in economy, ecology, socio-cultural and spiritual terms. The agriculture based Ethiopian economy is highly dependent on coffee since it accounts for more than 25% of the GNP and 65% foreign currency of all export earnings (MoARD, 2009). Coffee production in Ethiopia is the driving force since over a million coffee farming households and about 25% of the total population of the country is dependent on production, processing, distribution & export of coffee (World Bank, 2009).

The current government of Ethiopia encourages private investment in the coffee industry to promote a market economy including liberalization of the coffee sector, lifting price ceiling of any kind, streamlining of export licensing procedures, removal of price control, currency devaluation, foreign exchange auctioning, creation of relatively better investment environment through new investment code and regulations , launching of new export promotion strategy, suspending all the export taxes, the recent establishment of the Ethiopian Commodities Marketing Authority and the Ethiopian Commodity Exchange (ECX). This was undertaken as a means of increasing producer prices. Thereby encouraging production, reducing smuggling and maximizing export earnings (Tadese, 2015).

Currently coffee generates less than 35 percent of the total export earnings. For the last several years its relative predominance in the export sector is decreasing because of increased contribution of other agricultural products like horticulture and floriculture. Consequently, only a little over 26% percent of the total export earnings is contributed by coffee during the year of 2011 (FDRE, 2011). This is the lowest share earned from export of coffee in the history of economy of the country

and the trend for the last several years shows that the share of coffee in foreign exchange earnings will further decline. Coffee also contributes for sizeable amount of government tax revenue. It seems that Ethiopia will, to some certain extent, continue to rely on this item for its export earnings in the coming future (Tadese, 2015).

On the basis of comparative advantage, Ethiopia's leading sectors should be agricultural and related process industries. The agricultural sector declined in relative financial importance in terms of income with the rising industrialization of Ethiopian from the 1960s, but its importance in terms of employment, self-sufficiency, rural social support, and cultural preservation continues. Ethiopia has global leadership in the production and export of a number of agricultural commodities, for example: coffee, pulses and oilseeds (Tadese, 2015).

2.4 EXPORT PERFORMANCE

The current state of the export performance literature could be summarized as (i) methodologically fragmented in that there is a variety of analytical and methodological approaches, (ii) conceptually diverse, a large number of determinants have been identified as having direct or indirect influence on the firm's export performance, and a large number of indicators have been used to conceptualize and operationalise the export performance measures, and (iii) inconclusive, the studies have produced inconsistent results of the impact of different determinants on export performance. Two main constructs have been of particular interest for academic researchers: export performance determinants and export performance measures (Beleska-Spasova, 2014).

2.4.1 MEASURES OF EXPORT PERFORMANCE

The measure of export performance has been discussed widely in previous research (Shoham, 1998), but there is still no agreement on how to capture the construct adequately. Most researchers have agreed that export performance is a complex construct and it is best conceptualized as a multifaceted concept, thus the use of single item measure is insufficient to capture it (Katsikeas, Leonidou and Morgan, 2000; Shoham, 1998; Rose and Shoham, 2002). As a result, several

studies developed multi-item measures of export performance (e.g., Shoham, 1998; Styles, 1998; Zou, Taylor and Osland, 1998).

Shoham (1998) developed a conceptualization of export performance empirically using data from 93 Israeli exporters. He defined export performance as a composite outcome of firms' international sales, and its operational definition included three sub-dimensions: export sales volume, export profitability, and changes in export sales or profitability.

Beleska-Spasova (2014) attainment of successful export performance is at the heart of the strategic decision- making process for both corporate and public policy decision-makers. For companies, the successes of the export performance indicates the extent to which firm's objectives, both economic and non-economic, are achieved in an international context at a given point of time and reflects the suitability of the chosen export strategy in responding successfully to the firm and environmental circumstances. Given that exporting is a strategic choice for a firm, the objectives can vary widely between firms, industries, national contexts and time horizons. Consequently, there is a plethora of export performance indicators used in the exporting literature.

An overview of the relevant literature implies that a conceptually sound and reliable export performance measure should fulfill the following criteria: i) it has to be composite and multidimensional, i.e. to include both objective and subjective measures; ii) it has to have a frame of reference, i.e. to be benchmarked against domestic market performance, competitors performance or prior performance; iii) it has to be assessable over time, i.e. expressed in absolute, as well as relative terms; and iv) it has to reflect the firm's strategic goals at the appropriate level (company, SBU, export venture or line of product) and for an appropriate time horizon (short- term or long-term)

Leonidou et al. (2002) conducted a meta-analysis and found the most frequently used measures in the reviewed studies were export intensity, export sales growth, export profit level, export sales volume, export market share, and export profit contribution. They pointed out that since firms did not report the financial details

of their export activities, it was difficult or even impossible to access reliable financial data.

Recently, Sousa (2004) reviewed 43 empirical studies relating to the measurement of export performance published between 1998 and 2004, and identified 50 different operational aspects of export performance. He classified them into objective (quantitative or economic) and subjective (attitudes, perceptions, or noneconomic) indicators.

To summarize from previous literature, export performance measurement can be broadly categorized by objective and subjective measures. Objective measures consist of financial data on sales, profit, and market share, while subjective measures focus on attitude or perception toward figures, general, and other miscellaneous items. A summary of export performance measures used in previous studies is shown in Table 2.1.

Table 2.1

Summary of Export Performance Measures Used in Previous Studies

Performance Measures	Studies
ECONOMIC MEASURES Sales-related ✓ Export intensity ✓ Export intensity growth ✓ Export sales efficiency ✓ Export intensity growth compared to competitors ✓ Export sales growth ✓ Export sales growth compared to competitors ✓ Export sales return on investment ✓ Export sales return on investment compared to competitors ✓ Export sales volume ✓ Export sales volume compared to competitors	Akyol and Akehurst (2003).Axinn, 1988; Axinn, Noordewier, Sinkula (1996); Axinn, Savitt, Sinkula, Thach (1995); Axinn, Thach (1990);Balabanis and Katsikea (2003); Baldauf, Cravens, and Wagner (2000); Beamish, Craig, McLellan (1993);Beamish, Karavis, Goerzen, and Lane (1999); Bodur (1994); and others
Market-related • Export market share • Export market share compared to competitors • Export market share growth • Export market share growth compared to competitors • Gaining foothold in the market • Market diversification • Rate of new market entry • Rate of new market entry compared to competitors	Akyol and Akehurst (2003); Albaum and Tse (2001); Baldauf, Cravens, and Wagner (2000); Brouthers and Xu (2002); Cadogan, Diamantopoulos, and Siguaw (2002); Cadogan, Sundqvist, Salminen, and Puumalainen (2002); Cavusgil and Kirpalani, 1993; and others
NONECONOMIC MEASURES	Akyol and Akehurst (2003); Balabanis and

Performance Measures	Studies
General • Export success • How competitors rate firm's export performance • Meeting expectations • Overall export performance • Overall export performance compared to competitors • Strategic export performance	Katsikea (2003); Brouthers and Xu (2002); Cadogan, Diamantopoulos, and Siguaw (2002); Cicic, Patterson, and Shoham (2002); Crick and Jones (2000); Crick et al. (2000); and others
Miscellaneous • Achievement of objectives regarding response to competitive pressures • Building awareness and image overseas • Contribution of exporting to the growth of the firm and to the quality of firm's management • Customer satisfaction • Gaining new technology/expertise • Product/service quality compared to competitors • Quality of customer relationships compared to competitors • Quality of distributor relationships • Quality of distributor relationships compared to competitors • Reputation of the firm compared to competitors	Gençtürk and Kotabe (2001); Morgan, Kaleka, and Katsikeas (2004). Myers (1999); Prasad, Ramamurthy, and Naidu (2001); Thirkell and Dau (1998);

Source: Adapted from Beleska-Spasova (2014).

Considering the problems of export performance measurement, Shoham (1998) suggested that "studies of performance may differ in definitions to the extent that they address different problems." This implies that export performance measurement may depend on contextual factors that are research-method-specific, related to the ability of research design to overcome measurement problems, or export-business specific (Katsikeas et al., 2000). Therefore, this study will measure export performance in terms of both objective and subjective measures to overcome measurement problems.

2.4.2 THE DETERMINANTS OF EXPORT PERFORMANCE

As exporting has been the most popular mode of international market entry, investigation of the determinants of export performance has been an important topic of international marketing research. Therefore, several review and meta-analysis studies synthesizing the determinants of export performance are available (Aaby et al., 1989).

One of the earlier attempts to review the research on export performance was conducted by Aaby et al. (1989). They reviewed 55 empirical studies from 1978 to

1988, and proposed that the determinants of export performance were based on management influences, which were grouped into firm characteristics, firm competence, and export strategy. They also argued that organizational competencies were probably more important than firm characteristics.

Beleska-Spasova (2014) numerous internal (firm-specific) and external (environment-specific) factors have been studied in the exporting literature, as potential determinants of the export outcomes with inconsistent and sometimes contradictory findings of their positive, negative or neutral relationship with export performance. A summary of determinants of export performance measures used in previous studies is shown in Table 2.2.

Table 2.2

Summary of determinants of Export Performance Used in Previous Studies

determinants of Export Performance	**Studies**
Internal (INT) INT - Management characteristics and perceptions: • Export commitment and support • International experience • International orientation • Export motivation, proactive • Perception of export advantages • Age • Education	1999; Brouthers and Nakos, 2005; Cadogan et al., 2005; Cavusgil and Zou, 1994; Cavusgil, 1984; Cicic et al., 2002; Contractor et al., 2005; Czinkota and Ursic 1991; Da Rocha, Christensen, and Da Cunha 1990; Dean et al., 2000; Dichtl, Köglmayr, and Müller 1990; Gençtürk and Kotabe, 2001; Holzmüller and Kasper 1990; and others
INT – Organisational capabilities: ✓ Advanced technology and Quality of product/service	Alvarez, 2004; Balabanis and Katsikea, 2003; Cavusgil, Zou, and Naidu, 1993; Chetty and Hamilton, 1993; Contractor et al., 2005; Haahti et al., 2005; Madsen 1989; and others
INT – Organisational capabilities: Export strategy • General export strategy • Export planning • Export organisation • Proactiveness/reactiveness • Market expansion • Service strategy • Risk taking • Control • Process	Aaby and Slater, 1989; Balabanis and Katsikea, 2003; Baldauf et al., 2000; Brouthers and Nakos, 2005; Chung, 2003; Contractor et al., 2005; Dean et al., 2000; Deng et al., 2003; Dhanaraj and Beamish, 2003; Francis and Collins-Dodd, 2000; Haahti et al., 2005; Hoang, 1998; Ibeh and Wheeler, 2005; Julien and Ramangalahy, 2003; Lado et al., 2004; Ling-yee, 2004; Ling-yee and Ogunmokun, 2001a; Morgan et al., 2004; Piercy et al., 1998; Robertson and Chetty, 2000; Shoham, 1999; Shoham et al., 2002; Solberg, 2002; White et al., 1998; Zou and Stan, 1998.

determinants of Export Performance	Studies
INT – Organisational capabilities: Marketing mix • Product strategy • Price strategy • Promotion strategy • Distribution strategy	Albaum and Tse, 2001; Amine and Cavusgil 1986; Beamish et al. 1993; Brouthers and Nakos, 2005; Brouthers and Xu, 2002; Cavusgil and Zou 1994; Chung, 2003; Dominguez and Sequeira, 1993; Fraser and Hite 1990; and others
INT – Knowledge-based factors: Export expertise • International experience	Baldauf et al., 2000; Brouthers and Nakos, 2005; Brouthers and Xu, 2002; Contractor et al., 2005; Dean et al., 2000; Deng et al., 2003; Francis and Collins-Dodd, 2000; and others
INT – Knowledge-based factors: Export knowledge • Market research • Customer information • Market information • Competitor information • Supply chain channels information	Grant, 1996; Hart and Tzokas, 1999; Kogut and Zander, 1992; Ling-yee, 2004; Morgan et al., 2003; Richey and Myers, 2001; Solberg, 2002; Teece et al., 1997; Yeoh, 2000.
INT – Relational factors: Business and Institutional relationships • Distribution channel relationship • Customer relationship • Supplier relationship • Partners relationship • Membership in formal and informal business networks • Government and other institutional relationships	Cadogan et al., 2005; Coviello and Munro, 1997; Crick and Jones, 2000; Ibeh and Wheeler, 2005; Ling-yee and Ogunmokun, 2001b; Ray et al.,, 2004; Styles and Ambler, 2000; Styles et al., 2008; Zou and Stan, 1998.
INT – Firm characteristic • Firm size • Degree of internationalisation • Firm age • Industrial sector/product type • Organisational culture • Financial resources • Ownership structure	Akyol and Akehurst, 2003; Albaum and Tse, 2001; Alvarez, 2004; Balabanis and Katsikea, 2003; Baldauf et al., 2000; Beamish et al., 1999; Beamish et al. 1993; Brouthers and Nakos, 2005; Brouthers and Xu, 2002; Cadogan et al., 2002a; Cadogan et al., 2002b; Cadogan et al., 2003;
External (EXT) EXT – Export market characteristics • Legal and political • Cultural similarity • Market competitiveness • Environmental hostility/turbulence • Economic similarity • Channel accessibility • Customer exposure	Balabanis and Katsikea, 2003; Baldauf et al., 2000; Brouthers and Xu, 2002; Cadogan et al., 2002a; Cadogan et al., 2002b; Cadogan et al., 2003; Cadogan et al., 2005; Cicic et al., 2002; Dean et al., 2000; Lado et al., 2004; Lages and Montgomery, 2005; Lee, 1998; Lee and Griffith, 2004; Morgan et al., 2004; O'Cass and Julian, 2003; Robertson and Chetty, 2000; Rose and Shoham, 2002; White et al., 1998.
EXT – Domestic market characteristics • Domestic market conditions • Export assistance • Environmental hostility	Alvarez, 2004; Francis and Collins-Dodd, 2004; Gençtürk and Kotabe, 2001; Lages and Montgomery, 2005; Robertson and Chetty, 2000; Stöttinger and Holzmüller, 2001.

Source: Adapted from Beleska-Spasova (2014).

Chetty and Hamilton (1993) conducted a meta-analysis of 100 studies published from 1978 to 1991. They supported the significance of management variables (commitment, perception, and competencies) in Aaby et al. (1989) framework, and agreed that firm competencies were more important than firm characteristics.

Moghaddam, Hamid, Rasid and Darestani (2011) review of empirical literature between 1993-2010 to study The Influence of Export Marketing Strategy Determinants on Firm Export Performance due to a lot published about determinants of firm export performance, the literatures are characterized by the lack of consensus among researchers as to what constitutes export marketing strategy of firm export performance. Based upon a comprehensives and systematic literature study, a synthesized model which can be apply for understanding export marketing strategy influence on export to enhance the firm export performance will be eventually designed. On this study the export marketing strategy are classified to price strategy, product strategy, promotion strategy, place strategy.

Geoffrey (2004) conducted study that attempts to measure corporate managers' international orientation and assess its influence on firm export performance in Uganda. The study mainly uses determinants analysis and multiple linear regressions, which are suitable for predicting group membership and for determining influence between interval level variables, respectively. The international orientation of corporate managers shows to be high and significantly discriminates between exporting and non-exporting firms. However, firm-level export performance is very low. Also, the corporate managers' international orientation shows positive and significant influence on firm export performance but mediated by supply reliability in export markets and reduced delay to export.

Cavusgil et al. (1994) developed one of the earlier export performance frameworks based on industrial organization theory using a survey of 202 export ventures. They contended that export performance was determined mainly by export marketing strategy and some internal organizational factors such as managerial commitment and international competence.

Zou et al. (1998) examined 50 export performance studies published between 1987 and 1997. They suggested that the determinants of export performance were

internal and external factors. Internal factors included export marketing strategy (the 4Ps) and factors related to management attitudes and perceptions. The internal factors also included uncontrollable factors such as management characteristics and firm characteristics and competencies. They also proposed three categories of external uncontrollable determinants: industry characteristics, foreign market characteristics, and domestic market characteristics.

Sousa et al. (2008) reviewed 52 articles published between 1998 and 2005 to assess the determinants of export performance. They identified that two broad theoretical approaches, the resource-based paradigm and the contingency paradigm, which is rooted in industrial organization theory, provided the basis for classifying the determinants of export performance into internal and external factors. They concluded that internal factors are firm and management characteristics and export marketing strategy, while external factors are foreign market and domestic market characteristics.

2.4.3 EMPIRICAL REVIEW

Hind El (2015) reviews the conceptual, methodological, and empirical insights gained from a systematic analysis of 65 studies conducted on The Role Of Management Commitment In Export Performance using A Meta-Analysis. This study enhanced understanding of the importance of management commitment in affecting exporting activities. The meta-analysis, more relevant than simple literature surveys, generally leads to the conclusion that there is a significant positive relationship between export commitment and export performance.

Crick et al. (2000) pointed out those empirical studies undertaken in developed and highly industrialized countries tended to report data from the sectors that produced manufactured goods rather than from other trade sectors.

Aksoy et al. (1994) investigated successful export behavior for firms exporting fresh produce using interviews and case studies based on seven exporters of fresh fruit and vegetables to the UK market. External factors, including geographic location, natural resource endowments, physical and non-physical distance to recipient markets, and government involvement, and internal factors such as

organizational structure and ownership of firms, objective and motivations to export, and marketing management components, were identified as major influential factors for the operation and performance of exporters of fresh produce.

Ibeh (2005) studied the international market success of five UK agribusiness SMEs through interviews, the case-based approach, and content analysis. They recognized the importance of management international orientation, experiential knowledge, physical resources and know-how, product and service competencies, and relationship with business partners.

More research during the past decade has employed quantitative techniques to examine the relationships between influencing factors and export performance. Boughanmi, Al-Mandheri, Al-Oufi and Omezzine (2007) identified the key variables affecting export performance at the firm level of 30 Oman fish processing exporters. They suggested that four sets of firm-level specific factors affected the export performance measured by export intensity: 1) firm size and competencies, 2) management characteristics, 3) management perceptions and attitude, and 4) marketing strategy. They found manager's education, work experience, export commitment, diversification, and information on foreign markets were all significant variables, positively affecting export performance.

In Ethiopia, there have been few studies conducted on the export performance.

Abiy (2014) assessed the coffee export performance and major factors which were affecting the business in the last three and half years of the GTP period. The study was conducted focusing on the primary data, which was gathered from exporting firms through questioners and from key informants through in depth interviews and also analyzed secondary data regarding the specific GTP and actual export performance in the specified period.

Boansi et al. (2013) conducted study on competitiveness and determinants of coffee exports, producer price and production for Ethiopia. The objective of the study was to analyze the performance of Ethiopia in its exports of coffee and to estimate the magnitude and effects of key economic determinants of coffee exports, producer price and production. The Revealed Comparative Advantage (RCA) and Revealed Symmetric Comparative Advantage (RSCA) easures of

competitiveness were used for the analysis. Even though the results show that Ethiopia has comparative advantage in export of coffee, the same cannot be said of its overall performance on the international market owing to factors such as challenges with management of price risk, high transaction cost resulting from the extensive nature of the supply chain and the numerous actors and processes therein, challenges with quality control, low productivity of growers' fields, and incidence of smuggling.

Samuel (2012) conducted the study on Determinants of Agricultural Export in Ethiopia and identified some of the main determinants of agricultural export in Ethiopia for the period 1980-2010. To test empirically the relationship between agricultural export performance and its major selected determinants such as terms of trade, gross domestic product, domestic price, world price, kilometers paved roads and fertilizer input import over a period; cointegration and error correction approaches in the regression analysis were used.

Similarly, Tadese (2015) conducted study on Determinants of Coffee Export Performance in Ethiopia and investigating the major determinants of coffee export supply in Ethiopia for the period of 1981-2011. It employs Vector Auto Regressive and Error Correction approach to identify the major determinants. It further used the granger causality test so as to find the direction of causality between coffee export supply and some of the independent variables. The findings of the study indicated that real export price of coffee, domestic production of coffee, physical infrastructure, and world supply of coffee affects coffee export supply significantly.

On similar manner, Belayneh and wondaferahu (2013) conducted a study on determinants of export performance in Ethiopia: Var Model Analysis. The study was focused on to investigate factors that determine the export performance of the country by using an econometric model for the period 1970/71-2010/11. The study tried to review the export performance; trends and share of different export items and examine the long run and short run determinants of export performance of Ethiopia.

2.4.4 LIMITATIONS ON STUDIES OF EXPORT PERFORMANCE

First, firms from developing countries traditionally have comparative cost advantages in factors of production, especially for commodity and other agricultural products. Therefore, many studies of agricultural exporting are related to macro-level rather than firm-level behavior. This is probably because the previous studies were based on the discipline of agricultural economics and focused on national comparative advantage and factor efficiency more than firm-level behavior (Crick et al., 2000).

Second, the previous literature concerning the export performance of the agricultural sector is exploratory in nature. Most studies were conducted through qualitative analysis using in-depth interviews, case-based analysis, secondary data, descriptive analysis, and simple statistical methodology (e.g. Beleska-Spasova, 2014; Hind El, 2015; Crick et al., 2000; Aksoy et al., 1994; Ibeh, 2005). As a result, empirical research providing evidence on variable relationships is very limited.

Third, limitation is that research on the export performance of the agricultural sector is very lacking despite the importance of this sector to the world economy (Crick et al., 2000).

Fourth, in Ethiopia most of the studies conducted on assessing coffee export performance and related factors as well as determinants based on economic models and also some study focused on performance against GTP plan of the country. These studies generally focused on country basis not at firm level of the coffee export performance measures and determinants (e.g, Abiy, 2014; Boansi et al., 2013; Samuel, 2012; Tadese, 2015; Belayneh et al., 2013).

Finally, there exist critical limitations stemming from the theoretical background of many previous studies. Many of the studies of agricultural exporting have not demonstrated any theoretical basis (e.g., Crick et al., 2000). However, more recently, international marketing and export performance researchers have been encouraged to be theoretically driven (Styles, Patterson and Ahmed, 2008). Among the few theory-based exporting studies, two broad theoretical approaches have been identified, one based on Industrial Organization Theory (IO), and one on the

Resource-Based View (RBV). Some studies of agricultural export performance have also adopted the RBV (Ibeh, 2005). In fact, these two theories can be integrated to establish the interplay between firm's resource and external factors and export marketing strategy in determining performance outcome (Morgan, Kaleka and Katsikeas, 2004). However, there is no prior study on agricultural export performance that enables these two viewpoints to be synthesized into a more robust theoretical model.

2.5 CONCEPTUAL FRAMEWORK

The conceptual framework for the determinants of export performance of EGTE is developed based on an integration of Industrial Organization (IO) theory, the resource-based view (RBV), internationalization process theory, and the consumer perspective on agricultural marketing. Export performance is commonly determined by internal and external factors (Cavusgil et al., 1994; Sousa et al., 2008), where the former are firms' resources and export product strategies, and the latter are external environmental factors.

The framework consists of four groups of these constructs including: under internal environment characteristics: Export marketing strategy, Firm characteristics and Management characteristics. Under external environment characteristics: Foreign market characteristics and Domestic market characteristics. Finally, export performance included. It is argued that firms respond to changes in their internal and external environment by formulating deliberate export marketing strategies in order to minimize the adverse impact of environmental changes or to maximize the benefits from such changes on their overall performance (Calantone et al., 2006; Chadee, 2002). Conceptualization and a literature review for all constructs are presented below.

2.5.1 INTERNAL ENVIRONMENT FACTORS

This category includes three types of variables namely, 'Export marketing strategy', 'Firm characteristics' and 'Management characteristics'.

The first type is linked with aspects of a firm's business strategy for export marketing. Commonly used strategies of marketing capabilities include product

adaptation, pricing, advertising/promotion adaptation, distribution strategy/channel relationships, and strategic decision making by top executives.

The second type is related to the characteristics of the firm like its size, technology innovation, international competence, location/access to infrastructure/services, and other firm resources/capabilities.

The third type looks at variables related to the attitudes and perceptions of management. These include among others management's international experience, their level of export commitment and attitude towards exporting, incorporating corporate social responsibility, and perceived export advantages/barriers.

2.5.1.1 EXPORT MARKETING STRATEGY

According to Chugan and Singh (2014), factors related to the export marketing strategy (e.g., product, pricing, promotion, and distribution) have been profusely tested in several studies with positive implications for firm export performance in the most C.T.Cavusgil and Zou, 1994; A.C. Koh, 1991; C.S. Katsikeas, Piercy, C. and Ioannidis, 1996; A. Shoham, 1996; T.Y. Ayan and Percin, S., 2005). Channel relationship has also exhibited positive implications for export performance (C. Karelakis et al, 1998; K.I.N, 2003; C. Lages et al, 2004, L.F.Lages, 2009). Likewise, the level of strategic decision making by the top management also contribute positively to export performance (K.I.N. Ibeh, 2003; J.W. Cadogan, Sundqvist, S., Puumalainen, K. and Salminen, R.T., 2012; J.O. Okpara, 2009) although the magnitude of the impact is contingent on market dynamism implying that enhancing export experience and achieving export decision-making flexibility can contribute to export performance by providing access to a greater number of strategic possibilities (J.W. Cadogan et al, 2012).

2.5.1.2 FIRM CHARACTERISTICS

According to Chugan et al. (2014), firm size has resulted in mixed effects being related positively (P.K. Chugan, 1998); showing negative (L.E. Brouthers, Nakos, G., Hadjimarcou, J. and Brouthers, K.D, 2009) and also no association with export performance (C.S. Katsikeas, Piercy, C. and Ioannidis, C, 1996). Firms' age

again exhibited mixed results being positively (R.K. Gertner, Gertner, D. and Guthery, D, 2006), negatively (S.K. Majumdar, 1997) and not significantly related (F.J. Contractor, Hsu, C. and Kundu, S.K, 2005) to firm export performance. Technology innovation is another important determinant studied. The review asserts that most empirical studies establish a positive relationship between R&D utilization and export performance (P.K. Chugan, 1998; L.F. Lages, Silva, G., and Styles, C, 2009; R. E. Alvarez, 2004). However, few findings reveal only a weak relationship of R&D use and export performance (S. Lall, and R. Kumar, 1981; L.E. Brouthers et al, 2009).

Firm's international competence influences its export performance is positively supported (S.T. Cavusgil and Zou, S., 1994; K.I.N. Ibeh, 2003; A. O'Cass and Julian, C, 2003). Firm resources and capabilities have also come out as significant determinants of export performance. Ling-yee and Ogunmokun (L. Ling-yee and Ogunmokun, G.O, 2001) in their study looked at firm's financial resources and Supply Chain Management capabilities as positive contributors towards firm export performance. Similarly, Morgan et al (N.A. Morgan, Kaleka, A. and Katsikeas, C.S, 2004) asserts that firm resources and capabilities affect competitive strategy and positional advantage which in turn influences the performance of export venture. A comparatively lesser researched aspect is firm's location and access to infrastructure/services. In this regard the study by Freeman et al (J. Freeman, Styles, C. and Lawley, M, 2012) suggests that location is an important antecedent for firm resources and capabilities which in turn explains a firm's export performance.

2.5.1.3 MANAGEMENT CHARACTERISTICS

According to Chugan et al. (2014), management characteristics have also been correlated with export performance. Several researchers in their investigations suggest that export performance is influenced positively by the degree of export expertise the management possesses (T.Y. Ayan and Percin, S, 2005; J.W. Cadogan, Sundqvist, S., Puumalainen, K. and Salminen, R.T., 2012; R. E. Alvarez, 2004; A. O'Cass and Julian, C, 2003; E.F. Gencturk and Kotabe, M, 2001). Another important variable which shows positive association with export

performance is the level of commitment and attitude of the management towards exporting highlighted in the works of Axinn and Thach (1990); Cavsugil and Zou (1994); Singer and Czinkota (1994); Gencturk and Kotabe (2001); Lages and Montgomery (2004); Ayan and Percin (2005) and Shamsuddoha and Ali (2006) amongst others.

Perceived export advantages reflects significant degree of positive association with export performance suggested by the works of Ling-yee and Ogunmokun [2001]; Zou, Fang and Zhao [2003] and Karelakis et al [1998], whereas, perceived export barriers bears negative relationship with export performance shown by Diamantopoulos and Schlegelmilch [1994]. One of the less researched factors in this regard is the level of corporate social responsibility undertaken by the firm's management. Boehe and Cruz [2010] study contributes to the literature on corporate social responsibility and export performance by developing and empirically validating a model that explains under which conditions CSR-based product differentiation may lead to improved export performance.

The conclusion that can be drawn from the previous literature is that international market knowledge, including both experience-based and information-based knowledge, is regarded as a firm's valuable resource and is critical to the competitiveness and export performance of agricultural exporters.

2.5.2 EXTERNAL ENVIRONMENTAL FACTOR

According to Chugan et al. (2014), review empirical studies that have dealt with the impact of external factors on export performance. It is divided into two sub-categories of variables: 'Foreign market characteristics' and 'Domestic market characteristics'.

2.5.2.1 FOREIGN MARKET CHARACTERISTICS

The most important variable in this context is the export market barriers faced by local firms in the foreign markets. These barriers are found to impact export performance of the firms adversely (Al-Hyari et al, 2011). Likewise, the legal-political and the socio-cultural environment prevailing in the foreign countries also have association with export performance. The sign of this relationship

however differs on the basis of the type of environmental conditions. For instance Ayan and Percin [2005] have found negative relationship for this variable in their study of Turkish exporters while Cadogan et al [2012] and Sousa and Bradley [2008] found the relationship to be positive.

2.5.2.2 DOMESTIC MARKET CHARACTERISTICS

Within this category the use of export assistance has been the most prominent variable having significant positive association with export performance (Chugan, 1998; Singer and Czinkota, 1994; Alvarez, 2004; Gencturk and Kotabe, 2001; Shamsuddoha et al, 2006; Marandu, 1995; Francis and Collins-Dodd, 2004; Bonner and McGuinness, 2007; Durmusoglu, Apfelthaler, Nayir, Alvarez, and Mughan, 2012).

Export market barriers existing in the host country also impacts export performance negatively (Carneiro, Rocha, and Silva, 2011). Legal and political environment shows mixed results with positive association with export performance in case where such an environment is conducive for exporting activities (O'Cass and Julian, 2003). Exporters operating in more competitive environments can benefit most from engaging in exports (Cadogan, Sundqvist, Puumalainen, and Salminen, 2012).

2.5.3 EXPORT PERFORMANCE

Export performance is a multi-dimensional construct as described in the previous section. Export performance measures can be classified into objective and subjective measures. Objective measures are mainly based on the absolute values, while subjective measures are based on perceptual or attitudinal performance. Since it is difficult to clearly segregate export results from corporate results, it has been deemed advisable to use subjective measures (Leonidou et al., 2002). In addition, managers may be unwilling to provide confidential profitability or other information, or be unable to provide objective data (Sousa, 2004). Thus, there are several reasons subjective measures may be suitable: 1) the difficulty of obtaining financial export performance data, 2) managers' unwillingness to provide such information, and 3) the lack of specific export information in financial reports.

Subjective data had been shown to be highly correlated with objective data by Dess and Robinson (1984). They explained that the respondents may in fact provide perceptual (subjective) and relative information even if asked about an absolute figure. This is because the managerial action tended to be driven by perceptions or satisfactions, not by numbers or financial data.

In summary, this study measures export performance by using both objective and subjective measures (self-evaluation by respondents). Objective performance is measured by sales growth rate percentage of market share, sales performance according to the plan during the past five years as an approximate percentage.

2.5.4 CONCEPTUALIZATION OF THEORETICAL FRAME WORK

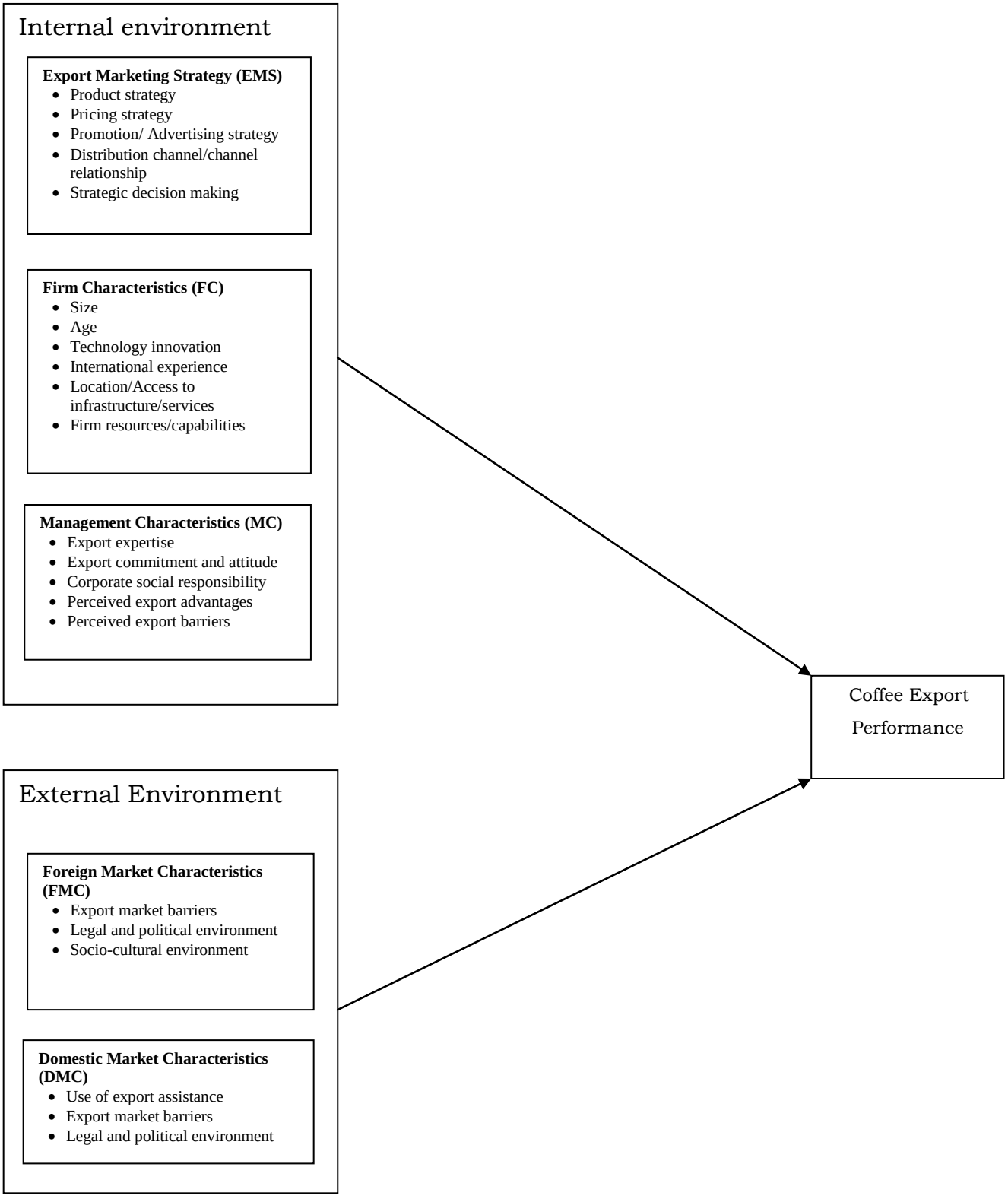

Figure 2.1: Conceptualization of Theoretical Framework

2.6 HYPOTHESIS OF THE STUDY

The research hypotheses for the subject study include:

H1: Export marketing strategy has positive impact on coffee export performance.

H2: Firm characteristics have positive impact on coffee export performance.

H3: Management characteristics have positive impact on coffee export performance.

H4: Foreign market characteristics have positive impact on coffee export performance.

H5: Domestic Market characteristics have positive impact on coffee export performance.

H6: Overall internal environment has positive impact on coffee export performance.

H7: Overall external environment has positive impact on coffee export performance.

CHAPTER THREE
RESEARCH METHODS

This research is a descriptive analytical research of the actual impact of that may exist independent variables on dependent variable as stated in the research hypotheses. The research design constructed here is based on the hypotheses formulated. These hypotheses are formulated inductively from the researcher's observation and from the literature. The descriptive part is needed to describe and identify the research factors, which constitute the determinant and measure of export performance in the case of Ethiopian Grain Trade Enterprise coffee export business.

In the analytical part, the research model is being tested through examining the relationship between the determinant and measure of export performance components and the enterprise performance will measure in order to explore how far the enterprise managers perceive these performances when making their decisions regarding the coffee export business.

This chapter presents the research methodology used to test the hypotheses in the proposed model. It begins with research approach/research design, unit of analysis, sampling techniques/design, and sources of information. The sampling techniques/design section explains target population, the sampling technique, the sample size determination and sampling procedure. Next, data collection method and research instruments are described. Finally, and data analysis technique are identified and ethical issues addressed.

3.1 RESEARCH APPROACH/RESEARCH DESIGN

The main methodology chosen for this study was the survey method. The survey conducted from February 15 to March 13, 2016. In this research, quantitative and qualitative approaches used for the purpose of gaining a comprehensive picture of the issues in question.

3.2 UNIT OF ANALYSIS AND SOURCE OF DATA

The unit of analysis in this study is the firm level, represented by employees, manager or higher position who is responsible for, or involved in, coffee exporting operations as well as support the coffee export operation.

Both primary and secondary data collected for the study. Primary data collected from employees and top management of EGTE. Secondary data gathered to support the information to be collected from primary sources as well as to see other perspectives of the study area.

Secondary data sources included EGTE five years' strategic plan, annual EGTE reports, enterprise's website, published profile, database of market price, shared documents on the enterprise's intranet, Ethiopian coffee exporters' Association/ECEA/, International Coffee Organization source/ICO/, Ministry of Agriculture/MOA/, Ministry of Trade/MOT/, Central Statistical Agency/CSA/, different magazines, publications, Intercontinental exchange/ICE/ and others.

3.3 POPULATION OF THE STUDY

The population of the research 383 members of Ethiopian Grain Trade Enterprise employees and top management of the enterprise.

3.4 SAMPLE SIZE AND SAMPLING TECHNIQUE

The purposive non probability sampling method applied due to the availability and accessibility of the respondents for the researcher. All of the selected employees, manager or higher position who is responsible for, or involved in, coffee exporting operations as well as support the coffee export operation.

Therefore, the researcher conducted the research based on non-probability sampling technique.

Specifically, the researcher considers the respondents' contribution for the last five years for the effective realization of the enterprises objectives with regard to coffee export. Therefore, they have a lot of experience when the enterprises

exported Arabica coffee, pulses and oil seeds from Ethiopia throughout the world to different importers. In addition, the researcher has better opportunity to gather valuable and sufficient information in order to make better decision for management questions.

The total number of population is 383. Therefore, the researcher was taken 130 of them from the population of the study. All of the selected employees, manager or higher position who is responsible for, or involved in, coffee exporting operations as well as support the coffee export operation.

The sampling procedures include the samples are divided into one core process, One GM office, nine support processes and ten branch offices in to totally twenty-one groups. Support processes are who have no direct relation with the value adding process but have facilitating the operation in order to be accomplish the mission of the enterprise. Six branches excluded from the sample due to no contribution towards the coffee export operation of EGTE. The total number of samples taken for the survey is 130 members of the enterprise.

3.5 DATA COLLECTION METHOD

The survey was conducted within the enterprise for the primary data collection. It includes before conducting the face to face survey, in-depth interviews was conducted with top management. These in-depth interviews with top management allow discussion on the groundwork questionnaire, the preliminary arrangement of the constructs, and any suggestions. For the next step the data was collected through a face to face, mail and email survey. Primarily, in order to make sure unambiguous language, interpretability, and measurement ability of things in the questionnaire, pretesting was conduct by face-to-face interview. Face-to-face interviews were an appropriate method for pretesting since the researcher was able to spot ambiguous language and ambiguous measurement items. The stuff members of EGTE were interviewed and rated the scores to all questions to check the content validity of the questionnaire. After revisions was completed the questionnaires were distributed physically and through mail as well as email for the respondents who are targeted for the research.

Secondary data also were collected from EGTE annual reports, strategic plan, ECEA, MOA, MOT, CSA, MOFED, ICO and other relevant sources for the subject study area.

3.6 RESEARCH INSTRUMENT

The research questionnaire developed based on the assessed literature and in depth interviews with top management of Ethiopian Grain Trade Enterprise. The measurements of each construct presented and use a 5-point Likert scale. These were adapted from previous literature as well as being newly developed by the researcher.

The measurement items were including all the areas of the study which indicates the internal environment as well as the external environment variables those indicated as following: the firm's internal environment factors: export marketing strategy, firm characteristics and management characteristics. The firm's external environment factors: foreign market characteristics and domestic market characteristics. In addition, also include the firm's export performance as well as respondents' profile of the enterprise.

Subjective data had been shown to be highly correlated with objective data by Dess et al. (1984). They explained that the respondents may in fact provide perceptual (subjective) and relative information even if asked about an absolute figure. This was because the managerial action tended to be driven by perceptions or satisfactions, not by numbers or financial data.

Generally, this study measures export performance by using both objective and subjective measures (self-evaluation by respondents). Objective performance is measured by sales performance, sales growth, market share from other competitors as well as the enterprise export sales and other related factors during the last five years.

A checklist was used to guide the informal discussion conducted to generate data that could not be collected from individual interviews.

3.7 DATA ANALYSIS METHOD

The researcher applied different techniques to analyze the data. It included descriptive analysis, frequency analysis, and simple & multiple regression analysis.

The reliability of the measures was assessed by using Cronbach's alpha (α) (Cronbach, 1951). The researcher was used SPSS Window version 20.0 for the reliability test and descriptive analysis. The content validity was verified by Item-Objective-Congruence Index (IOC).

3.7.1 DESCRIPTIVE ANALYSIS

There are five exogenous variables and one endogenous variable in this study. Exogenous variables are grouped into five constructs: export marketing strategy, firm characteristics, management characteristics, foreign market characteristics and domestic market characteristics. Endogenous variable is grouped into one construct: coffee export performance. Five observed variables measure the five exogenous constructs, while three observed variables measure the one endogenous construct. The abbreviations of all constructs and observed variables are shown in Table 3.1.

Table 3.1
Abbreviations of all Constructs and Variables

Constructs	Abbreviation	
	Definitions	**Constructs Observed**
export marketing strategy	EMS	EMS1
firm characteristics	FC	FC1
management characteristics	MC	MC1
foreign market characteristics	FMC	FMC1
domestic market characteristics	DMC	DMC1
Coffee export performance	CEP	CEP-FP CEP-MP CEP-PS

Source: own survey, 2016

The model posits that the internal characteristics and the external characteristics influence coffee export performance. The internal environment of a firm which are expected to directly affect export performance are export market strategy, firm characteristics as well as management characterizes. For the external environment, foreign market characteristics as well as have direct effects on a firm's coffee export performance. Finally, domestic market characteristics viewed as a strategic factor that directly influence on a firm's coffee export performance.

The total numbers of observed variables in the model are eight; five variables are exogenous and three variables are endogenous. EMS1 is an indicator of EMS which is the mean average of seven questions in the questionnaire. FC1 is an indicator of FC which is the mean average of eight questions in the questionnaire. MC1 is an indicator of MC which is the mean average of six questions in the questionnaire. FMC1 is an indicator of FMC which is the mean average of three questions in the questionnaire. DMC1 is an indicator of DMC which is the mean average of five questions in the questionnaire. Lastly, CEP-FP, CEP-MP and CEP-PS are indictors of CEP.

3.7.1.1 NORMALITY TEST OF DATA

The total of 114 samples is tested for normal distribution by examining the skewness and kurtosis of all observed variables in the model. Skewness is a measure of the asymmetry of the probability distribution around the mean of that variable (Hair et al., 2006). Hair et al. (2006) suggested that if standardized skewness value (Zskewness) are fallen outside the critical value, the variables have non-normal distribution with a significant level. The critical value is ± 1.96 at 0.05 level of significance, or ± 2.58 at 0.01 level of significance. The findings are shown in Table 4.8. Among the 8 observed variables in the model, Zskewness of 2 out of 8 variables have Zskewness falling within ± 1.96 critical value.

Therefore, 6 observed variables are asymmetrically distributed which are EMP1, MC1, FC1, CEP-FP, CEP-MP and CEP-PS. The distribution of these variables is skewed around their means with negative or left skewness at 0.05 significant level. FMC1 and DMC1 are the two variables that have symmetrically distributed.

In addition, kurtosis is a measure of relative peakness or flatness of distribution compared with normal distribution (Hair et al., 2006). Hair et al. (2006) suggested that if standardized kurtosis value (Zkurtosis) are fallen outside the critical value, the variables have non-normal distribution with a significant level. The critical values are ± 1.96 at 0.05 level of significance, or ± 2.58 at 0.01 level of significance. The findings show that 6 out of 8 observed variables have Zkurtosis values falling within ± 1.96 critical value which are EMS1, FC1, MC1, FMC1, DMC1 and CEP-PS, therefore, they have normal distribution. On the other hand, 2 out of observed variables are peaked, with value higher than normal distribution.

From the results of Skewness and Kurtosis statistics, it can be concluded that the sample is not normally distributed. However, Hair et al. (2006) explained that when the sample size is large, it tends to reduce the effects of normal distribution because Zskewness and Zkurtosis are sensitive to sample size. This research employs over 100 respondents; therefore, the results should be robust and should not be affected by non-normal distribution.

Table 3.2
Skewness and Kurtosis Statistics of Observed Variables (n=114)

No.	Indicators	Skewness		Kurtosis	
		Skewness	$Z_{skewness}$	Kurtosis	$Z_{kurtosis}$
1	EMS1	-.456	-2.01309	.249	0.553925
2	FC1	-.559	-2.47021	.593	1.320929
3	MC1	-.606	-2.6757	.136	0.301982
4	FMC1	-.090	-0.39886	-.540	-1.2009
5	DMC1	.242	1.066951	-.382	-0.84957
6	CEP-FP	-.895	-3.95144	.973	2.165744
7	CEP-MP	-.932	-4.11582	.911	2.027096
8	CEP-PS	-.784	-3.45989	.290	0.645921

Note: $Z_{skewness}$ = Skewness/$\sqrt{6/n}$, where n = sample size
$Z_{kurtosis}$ = Kurtosis/$\sqrt{24/n}$, where n = sample size
* Significant at the 0.05 level
Source: own survey, 2016

3.7.1.2 MEAN STATISTICS OF CONSTRUCTS

Table 3.3 shows mean statistics of all constructs across the enterprise coffee export performance. In the analysis, there are five exogenous variables: export

marketing strategy (EMS), firm characteristics (FC), management characteristics (MC), foreign market characteristics (FMC) and domestic market characteristics (DMC), and one endogenous variable: coffee export performance (CEP).

According to exogenous variables, the mean for the whole sample of EMS, FC, MC and DMC are not much different. The mean of EMS is 3.92 (SD = 0.63), the mean of FC is 3.89 (SD = 0.70), while the mean of MC is 3.92 (SD = 0.69). Among this group the mean of FMC is 3.58 (SD = 0.91) is the lowest one.

For endogenous variable, the mean of CEP-FP for the whole sample is 4.27 (SD = 0.72) is the highest one. Among this group, the mean ranges from 4.00 to 4.27. The mean of CEP-PS is the lowest at 4.00 (SD = 0.91) from this group.

Finally, from the exogenous variables and endogenous variables, the mean of the endogenous is the higher than exogenous variables.

Which means that the mean of FMC from the whole samples is lowest among all variables, mean = 3.58, SD = 0.91. Whereas the means of the CEP-FP mean = 4.27, SD = 0.72 is the highest one.

Table 3.3
Mean Statistics of Five Exogenous and Three Endogenous Constructs

	N	Minimum	Maximum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
EMS Export marketing strategy	114	2.00	5.00	3.9225	.05937	.63385
FC Firm characteristics	114	1.38	5.00	3.8893	.06539	.69820
MC Management characteristics	114	2.00	5.00	3.9211	.06428	.68636
FMC Foreign market characteristics	114	1.33	5.00	3.5789	.08492	.90671
DMC Domestic market characteristics	114	2.40	5.00	3.9140	.05397	.57621
CEPFP Coffee export performance-financial performance	114	2.00	5.00	4.2719	.06743	.71994
CEPMP Coffee export performance-market performance	114	2.00	5.00	4.1930	.07252	.77434
CEPPS Coffee export performance-perception and satisfaction	114	1.00	5.00	4.0000	.08542	.91206
Valid N (listwise)	114					

Source: own survey, 2016

3.7.1.3 CORRELATION STATISTICS

The correlations of all six constructs are shown in Table 3.4. The bivariate correlations show the relative magnitude and direction of a linear relationship among the constructs (Hair at el., 2006). For internal characteristics, the correlation coefficients of EMS and FC are 0.729, with p-value equals to 0.000. The statistical result shows positive correlation and highly significant at 0.01 significant level. Therefore, firms with high export market strategy tend to have high firm characteristics.

The correlation coefficients of EMS and MC are 0.784, with p-value equals to 0.000. The statistical result shows positive correlation and highly significant at 0.01 significant level. Therefore, firms with high export market strategy tend to have high management characteristics.

In addition, EMS and DMC as well as EMS and CEP have higher correlation of 0.607 and 0.605, respectively with p-value 0.000 for both. Therefore, firms with high export market strategy tend to have high domestic market characteristics as well as high coffee export performance. But EMS and FMC have weak or low correlation at 0.336 with p-value 0.000.

FC with MC and also FC with DMC have high correlation but FC with FMC has low or weak correlation. Therefore, firms with high firm characteristics tend to have high management characteristics as well as high domestic market characteristics. MC and DMC as well as MC and CEP have higher correlation with p-value 0.000. In similar manner, firms with high management characteristics tend to have high domestic market characteristics as well as high coffee export performance.

For the external environmental factors, FMC and DMC have moderate correlation of 0.543 with p-value 0.000. In addition, FMC and CEP have low or weak correlation with p-value 0.001. Finally, the correlation coefficient of DMC and CEP are 0.602, with p-value equals to 0.000. The statistical result shows positive correlation and highly significant at 0.01 significant level. Therefore, firms with high domestic market characteristics tend to have high coffee export performance.

Table 3.4
Correlation Matrix of the Constructs

		EMS	FC	MC	FMC	DMC	CEP
EMS	Pearson Correlation	1					
	Sig. (2-tailed)						
FC	Pearson Correlation	.729**	1				
	Sig. (2-tailed)	.000					
MC	Pearson Correlation	.784**	.721**	1			
	Sig. (2-tailed)	.000	.000				
FMC	Pearson Correlation	.336**	.321**	.374**	1		
	Sig. (2-tailed)	.000	.001	.000			
DMC	Pearson Correlation	.607**	.651**	.630**	.543**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
CEP	Pearson Correlation	.605**	.551**	.640**	.299**	.602**	1
	Sig. (2-tailed)	.000	.000	.000	.001	.000	
Mean		3.9225	3.8893	3.9211	3.5789	3.9140	4.1550
SD		.63385	.69820	.68636	.90671	.57621	.66987

**. Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N=114

Source: own survey, 2016

3.7.2 THE QUALITY OF THE RESEARCH INSTRUMENT

The objective of this part is to assess the relationships between observed variables and their corresponding constructs. The quality of the research instrument is assessed to assure that the instruments consistently measure the constructs that they are intended to measure (Joreskog and Sorbom, 2000). The quality of the research instruments is examined by assessing the content validity and the reliability of all observed variables and constructs in the model. The content validity is assessed by using Index of Item-Objective-Congruence (IOC) (Rovinelli and Hambleton, 1977), and the reliability is assessed by using Cronbach's alpha (α) to verify the internal consistency of the constructs (Hair et al., 2006).

3.7.2.1 CONTENT VALIDITY

Content validity means the degree to which a measure covers the range of meanings included within a concept (Babbie, 2007). Content validity is examined by using Index of Item-Objective-Congruence (IOC) developed by Rovinelli and Hambleton (1977). It is a method for gauging agreement among raters or judges

regarding how well items do (or do not) tap the established objectives. Content validity are validated by the top management as well as senior experts of the enterprise whom meet the researcher's criteria as the experts who are specialized and having at least three years' experiences in the exporting business before distribute the questionnaire to the sample.

The IOC is used to validate the measurement of all eight constructs in the model by five mangers/experts, specifically the content experts, who come have experience on the sector. The ratings are 1 (item clearly taps objective), 0 (unsure/unclear), and -1 (item clearly does not tap objective). The opinions of each expert are recorded, and being calculated for Index of Item-Objective-Congruence (IOC) by this formula:

$IOC = \Sigma R/N$

where R = total sum scores of opinions

N = number of experts

The result is an index ranging from -1 to +1. An index of -1 means all experts completely agree that the items do not tap the researcher's objectives. An index of +1 means all experts completely agree that the items are measuring the researcher's objectives. The results of IOC for all measures are shown in Table 3.5.

Table 3.5 shows that there are 33 questions in six parts of questionnaire. IOC index is 1.00 for 29 questions and 0.80-0.99 for 4 questions. All of the items are above the cutting criteria at 0.50. Therefore, it can be concluded that all items tab the established objectives and none of the items need to be revised.

Table 3.5
Item-Objective-Congruence (IOC) from Experts

IOC Index	Questions Part 1	Questions Part 2	Questions Part 3	Questions Part 4	Questions Part 5	Questions Part 6	Total Items
1.00	6	7	5	3	5	2	29
0.80-0.99	1	1	1	0	0	1	4
0.70-0.79	0	0	0	0	0	0	0
Total Items	7	8	6	3	5	3	33

Source: own survey, 2016

3.7.2.2 RELIABILITY TEST

Reliability measures the internal consistency of a set of variables composed of a latent construct (Babbie, 2007). High reliability of a construct demonstrates high chance of all variables in a construct to measure the same thing (Hair et al., 2006).

Reliability is tested by using Cronbach's alpha (α) (Cronbach, 1951). Cronbach's alpha has value between 0 and 1, and should be greater than 0.70 for sufficient internal consistency (Nunnally and Bernstein, 1994).

The results of reliability test are shown in Table 3.6. All eight constructs have reliability of 0.877.

Table 3.6
The results of Reliability Constructs

Cronbach's Alpha	N of Items
.877	8

Source: own survey, 2016

According to table 3.7, the results show that all constructs have good reliability. Thus, it can be concluded that all eight constructs have shown moderate to high reliability results.

Table 3.7
The results of Reliability of each Constructs

Construct	Cronbach's Alpha
Exogenous	
EMS	.853
FC	.855
MC	.848
FMC	.892
DMC	.854
Endogenous	
CEPFP	.866
CEPMP	.863
CEPPS	.863

Source: own survey, 2016

3.8 ETHICAL ISSUES

The researcher has the right to choose to incorporate all the concerned top managers, coffee cleaning and processing head, senior traders, and other staff members in purchase and sales core process as well as in different support processes of the enterprise including branches to participate in the research.

The research gives the right to participate respondents voluntarily. In addition, the researcher was used the closed-end measures was developed to avoid misunderstanding that could occur with open-end questions. These helped respondents might free from stress. But for top management presents in depth interview to get better information with regard to the research area.

The research participants give the right to be informed of all aspects of the research task starting from pre-test and during the study period.

Right to Privacy: all respondents had the right to privacy. Respondents' privacy could be defined in terms of two dimensions of control. The first dimension included control of unwanted telephone, mail, e-mail, or personal intrusion in their environment and the second concerned control of information about the respondents.

CHAPTER FOUR
RESULTS AND DISCUSSION

This chapter aims to examine the effects of internal environmental factors and external environmental factors on the coffee export performance of EGTE. It began with the data preparation procedure, the demographic data of respondents and the analysis of descriptive statistics. The following part describes the assessment of quality of the research instrument including reliability and content validity. Next, the seven hypotheses testing are examined. Finally, the supplementary findings on in-depth interviews are described, followed by respondents' personal opinion summary.

4.1 DATA PREPARATION

After 130 questionnaire packages had been distributed and mailed during February 15, 2016 to March 13, 2016, a total of 114 respondents returned questionnaires with an effective response rate of 87.69%.

Prior to the data analysis section, the data was edited for completeness and legibility.

4.2 RESPONDENTS PROFILE

Table 4.1
Respondents Profile

		by sex		by age			by Education				Yrs of service in firm				Yrs of service in current position				Current position			
		1 Male	2 Female	1.00 18-30 years	2.00 31-45 years	1.00 <3	2.00 3-5	3.0 6-10	4.0 >11	4 Above degree	1.00 <3	2.00 3-5	3.0 6-10	4.0 >11	1.0 0 <3	2.0 0 3-5	3.0 6-10	4.0 >1 1	1 mgt	2 Senior expert	3 Junior expert	4 Performers
Valid	Frequency	76	38	29	46	39	2	36	63	13	34	20	15	45	48	23	21	22	17	71	17	9
	Percent	66.7	33.3	25.4	40.4	34.2	1.8	31.6	55.3	11.4	29.8	17.5	13.2	39.5	42.1	20.2	18.4	19.3	14.9	62.3	14.9	7.9

Source: own survey, 2016

The respondents profile demonstrated in table 4.1, respondents are categorized into two: number of male respondents is 76 (66.7%) and number of female respondents are 38 (33.3%). There are no missing values in this question.

The figures show that the firm's age of respondents range from 18 years to 60 years. There are 29 respondents within the range of 18-30 years or 25.4% of the total number of respondents, 46 respondents are within the range of 31-45 years old or 40.4% of the total number of respondents, 39 respondents are within the range of 46-60 years old or 34.2% of the total number of respondents, respectively. There are no respondents above 60 years old.

Regarding a firm's respondents' highest education attended indicated in four categories, the level range from high school to above degree. About half of the total number of respondents (76 respondents or 66.7%) have at least first degree or above. There are only 38 respondents (or 33.4%) which are high school and college diploma.

Respondents are asked to indicate years of service in the firm which is the number of years that the respondents have been operating in firm's exporting business. The results show that around 60 respondents or 52.7% have more than 5 years' experience in the firm. Whereas, 54 respondents' or 47.3% of them have less than five years of experience in the firm.

Respondents years of service in the current position is the number of years that the respondents who are managers, senior experts, junior experts or performers have been working in the firm's exporting business. From table 4.1, respondents' experiences range from less than 3 years to more than 11 years. 71 respondents or 62.3% are within the range of up to five years' work experience in the current position within the organization. 43 respondents or 37.7% have work experience within the current position more than five years. This shows that the research included all the stuff members who have work experience within the organization for the last five years' coffee export performance. However, respondents who have more than 11 years' work experience within the current position in the organization are only 22 or 19.3% of the total respondents.

The respondents are asked about their position in the organization. Table 4.1 presents the four types of positions of the respondents: Management, senior experts, junior experts and performers. Most of the respondents are senior experts than others, these accounts of 62.3% or 71 respondents. Management respondents are 17 in number or 14.9%. Respondents who junior experts or performers accounts 17 respondents (14.9%) and 9 respondents (7.9%), respectively. It can be concluded that respondents who are management or experts accounts 92.1% of the total. This shows that the researcher has a chance to gather relevant and reliable information for the research.

4.3 ANALYSIS OF ENVIRONMENT CHARACTERISTICS

This section analyzes the environment characteristics of coffee export performance. The detail presents as follows:

4.3.1 INTERNAL ENVIRONMENT

From the internal environment characteristics: export marketing strategy, firm characteristics and management characteristics are the determinants of coffee export performance. The detailed frequency analysis presented as follows:

4.3.1.1 EXPORT MARKETING STRATEGY

Table 4.2
Export marketing strategy characteristics

		Capacity of product adaptation		Capacity of pricing adaptation		Capacity of advertising/promotion adaptation		Capacity of distribution adaptation		Capacity of channel relationship		Strategic decision making by top executives		Put in place strategies to expand export markets over the years	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Valid	1.00 Strongly Disagree	1	.9	3	2.6	4	3.5			1	.9	3	2.6		
	2.00 Disagree	5	4.4	7	6.1	18	15.8	9	7.9	8	7.0	7	6.1	7	6.1
	3.00 Neutral	11	9.6	13	11.4	24	21.1	22	19.3	17	14.9	16	14.0	15	13.2
	4.00 Agree	60	52.6	59	51.8	46	40.4	56	49.1	56	49.1	56	49.1	55	48.2
	5.00 Strongly Agree	37	32.5	32	28.1	22	19.3	27	23.7	32	28.1	32	28.1	37	32.5
	Total	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0

Source: own survey, 2016

As depicted on table 4.2, nearly 85% or 97 respondents agree/strongly agreed on the enterprise capacity of product adaptation for coffee export. This is the good indication for the customers who demands different varieties of coffee to import from the enterprise. On the other hand, only 15% or 17 respondents' neutral or disagree/strongly disagree on this matter.

As showed on table 4.2, regarding the capacity of price adaptation of the enterprise, a large number of the respondents which means that about 80% choose agree/strongly agree. From the remaining 13 respondents or 11.4% are neutral, the rest of them which means that 10 respondents or 8.7% oppose them.

As it is described on table 4.2, almost 60% of the respondents were agreed on the advertising/promotion adaptation capacity of EGTE. This means that the enterprise should maintain this capability to sustain in the business. 40% of the respondents either neutral or disagree on this matter. This shows that the enterprise should see the gap on this area.

As depicted on table 4.2, in view of the capacity of distribution strategy, almost three fourth of the respondents responded positively. One fourth of the respondents either neutral or feel uncertain about it. This result shows that the enterprise should maintain the distribution capacity to cope up in the fierce competitive business environment.

As it can see on table 4.2, regarding the capacity of channel relationship of the enterprise, almost 90% of the respondents agreed the enterprise have the capacity of channel relationship. The number of respondents who are indifferent or disagree on the issue around 10% of them. This indicated that the enterprise maintains channel relationship capacity for the future business.

As indicated on table 4.2, more that 77% the respondents positively responded on the existence of strategic decision making by top executives in the export business. 23% of the Respondents were react neutral or negatively on this matter. This result shows that the top management maintains their capacity or acquires new knowledge and skills to cope up within the turbulent market environment in the long run.

As depicted on table 4.2, from the 114 respondents approached by the researcher, over 80% or 92 respondents agree/strongly agreed on the enterprise has put in place strategies to expand export markets over the last five years throughout the world. Only 20% or 22 respondents responded either neutral or disagree on the enterprise place strategies to expand export market.

4.3.1.2 FIRM CHARACTERISTICS

Table 4.3
Firm characteristics

		Size of the firm benefits the enterprise export performance		Age of the firm benefits the enterprise export performance		Level of technology innovation used		Level of international competence was advantageous for the enterprise		Access to infrastructure/services advantageous		Location suitability advantageous for the enterprise		Firm's financial resources and supply chain management capacity		Utilization of R & D to enhance coffee export performance	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Valid	1.00 Very Low					5	4.4	2	1.8	3	2.6	1	.9			3	2.6
	2.00 Low	9	7.9	9	7.9	28	24.6	15	13.2	13	11.4	7	6.1	2	1.8	15	13.2
	3.00 Neutral	9	7.9	9	7.9	21	18.4	19	16.7	13	11.4	8	7.0	13	11.4	26	22.8
	4.00 High	66	57.9	66	57.9	36	31.6	46	40.4	50	43.9	60	52.6	59	51.8	44	38.6
	5.00 Very High	30	26.3	30	26.3	24	21.1	32	28.1	35	30.7	38	33.3	40	35.1	26	22.8
	Total	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0

Source: own survey, 2016

As illustrated on table 4.3, based on the results of the questionnaires, the respondents' perception on the size of the firm benefits for the enterprise export performance is positive which accounts 96 respondents or 84%. While 18 respondents or 15.8% is gloomy. This result showed that the enterprise size benefits for the coffee export performance for the last five years.

As showed on table 4.3, the respondents' feedback on the age of the firm benefits for the enterprise export performance is positive which accounts 96 respondents or 84%. While 18 respondents or 15.8% is gloomy. This result showed that the enterprise years of service in the business benefits for the coffee export performance for the last five years.

As indicated on table 4.3, the level of technology innovation used confirmed almost by 52% of the respondents. In other way 48% of the respondents' believed the level of technology innovation used neutral or not satisfied on it. This result

shows that the enterprise should go ahead to bridge the gap in order to use the existing market as well as the untapped market throughout the world.

As shown on table 4.3, considering the level of international competence was advantageous for the enterprise, about 70% responded positively. While the remaining respondents which account about 30% reacted neutrally or negatively. This shows also the enterprise should strive to expand the international competence in order to get advantage from the coffee export business.

As indicated on table 4.3, almost 75% of the respondents in this study look positively with regard to access to infrastructure/service advantageous for the enterprise. This result indicated that the enterprise should maximize the benefit from access the infrastructure/service advantage. This helps the firm to compete in better position in the international market environment.

As indicated on table 4.3, almost 86% or 98 respondents from the enterprise certain about suitability of location for the enterprise operation. This implied that the enterprise have location advantage to get better market opportunity as well as better access to do business within the existing environment. In other way, only 14% or 16 respondents are uncertain on this matter.

As depicted on table 4.3, from the 114 respondents approached by the researcher, over 87% or 99 respondents positively responded on the firm's financial resources and supply chain management capabilities over the last five years. Only about 13% or 15 respondents responded either neutral or low on the matter.

As indicated on table 4.3, the enterprise utilization of R&D to enhance coffee export performance reacted positively more than 60% of the respondents. In other way 40% of respondents reacted neutrally or low/very low with respect to the R&D utilization. The result showed that devote efforts to use the resources effectively and efficiently to cope up the competition and maintain the existing market or expand new market throughout the world by utilizing the research and development efforts.

4.3.1.3 MANAGEMENT CHARACTERISTICS

Table 4.4
Managements characteristics

		Managements' international experience in export business		Managements' level of commitment and attitude towards exporting		Managements' incorporating corporate social responsibility		Managements' perceived export advantages		Managements' perceived export barriers		The enterprise has advantage on international market knowledge	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Valid	1.00 Strongly Dissatisfied	3	2.6			3	2.6						
	2.00 Dissatisfied	10	8.8	3	2.6	8	7.0	5	4.4	7	6.1	9	7.9
	3.00 Neutral	19	16.7	16	14.0	20	17.5	16	14.0	35	30.7	23	20.2
	4.00 Satisfied	61	53.5	58	50.9	56	49.1	60	52.6	54	47.4	44	38.6
	5.00 Strongly Satisfied	21	18.4	37	32.5	27	23.7	33	28.9	18	15.8	38	33.3
	Total	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0

Source: own survey, 2016

As showed on table 4.4, the respondents' feedback on management's international experience in the export business for the enterprise export performance is positive which accounts 82 respondents or about 72%. While 32 respondents or 28% is overcast. This result showed that the enterprise management's international experience benefits for the coffee export performance for the last five years.

As indicated on table 4.4, management's level of commitment and attitude towards exporting confirmed almost by 83% of the respondents. In other way only 17% of the respondents' believed management's commitment and attitude towards exporting neutral or not satisfied on it. This result shows that the enterprise should go ahead to bridge the gap in order to use the existing market as well as the untapped market throughout the world.

As shown on table 4.4, considering management's incorporating corporate social responsibility of the enterprise, about 73% responded positively. While the remaining respondents which account about 27% reacted neutrally or negatively. This shows also the enterprise should strive to strengthen corporate social responsibility in order to get advantage from the coffee export business.

As indicated on table 4.4, almost 82% of the respondents in this study look positively with regard to managements' perceived export advantages for the enterprise. This result indicated that the enterprise should maximize the

perception of managements towards the export advantages. This helps the firm to compete in better position in the international market environment.

As indicated on table 4.4, almost 63% or 72 respondents from the enterprise certain about managements' perceived export barriers. This implied that the enterprise has a chance to act in advance to get better market opportunity as well as better access to do business within the existing environment. In other way, only 37% or 42 respondents are uncertain on this matter.

As depicted on table 4.4, from the 114 respondents approached by the researcher, 72% or 82 respondents positively responded on the firm's has advantage on international market knowledge over the last five years. Only about 28% or 32 respondents responded either neutral or low on the matter.

In relation to the recommendation forwarded to enhance the coffee export performance in terms of volume and foreign currency earnings for the enterprise, 60 staff members of the top management, senior experts, junior experts as well as performers responded to address the question. The respondents accounted about 53% of the total sample size who act on this suggestion.

With regard to the internal environment the respondents forwarded the following suggestions: implement long term investment, build new warehouses, hiring new staff members, provide better short term and long term training, experience sharing with other exporters to improve their knowledge and skills as well as build the capacity of the staff members, implement robust technology, modern systems and processing of coffee, give better service to customers, develop research and development capacity, develop value adding products and services to customers, diversify international market throughout the world, develop competitive advantage in terms of price, quality, volume as well as meet delivery period, develop effective and efficient promotion and advertising capacity, modernize maintenance capacity, implement effective and efficient marketing strategy to enhance the volume as well as to increase market share of the enterprise.

During March 2016, one general manager, one purchase and sales core process manager as well as two support process managers were interviewed to justify the

results of this research. Those managers are working in the enterprise. The results of an in-depth interview about the determinants and measures on coffee export performance of EGTE for the last five years are explained as follows:

In terms of factors influencing coffee export performance of EGTE, most managers have agreed that firm's resource is crucial for performance achievement. The commitment of resources from the company including human resource, budget and facility, play a key role to encourage the export performance. When asking about the international market knowledge, most executives said that not only experiences, but also acquiring information from inside and outside the company were very crucial for doing business nowadays. They argued that manager's experiences among the coffee exporting firms were not considerably different since they have learned from daily operations. They suggested that work experience, export commitment and information on foreign markets were the main factors for successful exporters.

Regarding the export marketing strategy, the executives had different opinions about the strategy used for competing in the international market. Although all of them agreed that marketing strategy was a major tool to compete. The managers argued that although they believed in their product's quality, the nature of massed product make it is hardly to differentiate their products.

The firm's managers believed that the firm had to adapt the products, price, promotion and distribution according to the demand of each major export market.

As a whole, it can be concluded that although export marketing strategy was important for the coffee export business, but, it is likely that export performance was influenced by other factors including meet shipment period, maintain product quality, avoid default the contracts, meet contract requirements, price competition, economic situation, and etc. Further, firm characteristics including firm's age and firm's size tended to have influences on export marketing strategy.

For internal factors, supply and domestic price were major factors. Supply of coffee depended on the weather and the current international market scenario. The domestic price was influenced by the suppliers of coffee to ECX market.

4.3.2 EXTERNAL ENVIRONMENT

4.3.2.1 FOREIGN MARKET CHARACTERISTICS

Table 4.5
Foreign market characteristics

		Export market barriers impact export performance adversely		Legal and political environment negatively affect enterprise's coffee export performance		Socio-cultural environment negatively affects enterprise's coffee export performance	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
Valid	1.00 Strongly Disagree			7	6.1	7	6.1
	2.00 Disagree	6	5.3	25	21.9	28	24.6
	3.00 Neutral	18	15.8	26	22.8	22	19.3
	4.00 Agree	57	50.0	29	25.4	35	30.7
	5.00 Strongly Agree	33	28.9	27	23.7	22	19.3
	Total	114	100.0	114	100.0	114	100.0

Source: own survey, 2016

As it is described on table 4.5, almost 79% of the respondents were agreed on the export market barriers impact export performance adversely. This means that the enterprise should regularly analyze the internal and external market environment in order to design and implement robust strategy. 21% of the respondents replied either neutral or disagreed on this matter. This shows that the enterprise should react on such area on time.

As depicted on table 4.5, in view of the legal and political environment negatively affect enterprise's coffee export performance, almost half of the respondents responded positively. The rest half of the respondents either neutral or feel uncertain about it. This result shows that the enterprise should closely research and act on the legal and political environment of importers countries throughout the world to gain advantage from it.

As it can see on table 4.5, regarding the socio-cultural environment negatively affect enterprise's coffee export performance, 50% of the respondents agreed the impact of socio-cultural environment on the enterprise coffee export performance. The number of respondents who are indifferent or disagree/strongly disagree on the issue are 50% of them. This indicated that the enterprise should analyze the

socio-cultural environment in the foreign countries to get the benefit by increasing the volume of coffee export.

4.3.2.2 DOMESTIC MARKET CHARACTERISTICS

Table 4.6
Domestic market characteristics

		The enterprise's coffee export performance positively associated with the use of export assistance		The enterprise's coffee export performance negatively related with export market barriers existing in the exporting country		The enterprise's coffee export performance positively related with legal and political environment in the exporting country		The enterprise experiencing a competitive price		The enterprise operating in more competitive business environments	
		Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent	Frequency	Percent
Valid	1.00 Strongly Disagree			10	8.8	1	.9			1	.9
	2.00 Disagree	1	.9	23	20.2	5	4.4	9	7.9	4	3.5
	3.00 Neutral	10	8.8	24	21.1	22	19.3	16	14.0	11	9.6
	4.00 Agree	68	59.6	40	35.1	58	50.9	56	49.1	57	50.0
	5.00 Strongly Agree	35	30.7	17	14.9	28	24.6	33	28.9	41	36.0
	Total	114	100.0	114	100.0	114	100.0	114	100.0	114	100.0

Source: own survey, 2016

As indicated on table 4.6, more that 90% the respondents positively responded on the enterprise's coffee export performance positively associated with the use of export assistance. Only about 10% of the Respondents were react neutral or negatively on this matter. This result shows that the enterprise should maximize the benefit from export assistance service provided by the concerned government offices, Chamber of commerce as well as trade associations.

As depicted on table 4.6, from the 114 respondents approached by the researcher, about 50% or 57 respondents agree/strongly agree on the enterprise's coffee export performance negatively related with export market barriers existing in the exporting country. On other way, 50% or 57 respondents responded either neutral or disagree on the enterprise with relation to export market barriers existing in the exporting country.

As showed on table 4.6, regarding the enterprise's coffee export performance positively related with legal and political environment in the exporting country, three-fourth of the respondents which means that about 75% choose

agreed/strongly agreed. From the remaining 22 respondents or 19.3% are neutral, the rest of them which means that 6 respondents or 5.3% oppose them.

As it is described on table 4.6, 78% of the respondents were agreed/strongly agreed on the enterprise experiencing a competitive price. This means that the enterprise should maintain and enhance the capability to sustain in the business. 22% of the respondents either neutral or disagree on this matter.

As depicted on table 4.6, in view of the enterprise operating in more competitive business environment, almost 86% of the respondents responded positively. The remaining 14% of the respondents either neutral or feel uncertain about it. This result shows that the enterprise should maintain operating in more competitive business environment in the long run.

In relation to the recommendation forwarded to enhance the coffee export performance in terms of volume and foreign currency earnings for the enterprise, with regard to the external environment the respondents forwarded the following suggestions: joint effort to increase coffee quality, work for to create competitive business environment, assessing the international environment and act accordingly, work towards all actors in the value chain should respect the rules and regulation of the business industries to the interest of the nation.

The results of an in-depth interview about the determinants and measures on coffee export performance of EGTE for the last five years are explained as follows:

When discussing about the external environmental factors affecting coffee export performance, all managers believed that the price competition was the most important factors for commodity products. Besides, the foreign market characteristics and domestic market characteristics had some impacts on particular export market. Talking about the role of export assistance of government for supporting export businesses, most managers did not satisfy with their non-active role of export assistance.

For internal factors, supply and domestic price were major factors. Supply of coffee depended on the weather and the current international market scenario. The domestic price was influenced by the suppliers of coffee to ECX market.

Regarding external environmental factors, the price competition was very severe in the world market. The enterprise faced strong competition with the local as well as other countries exporters in the world market.

4.3.3 COFFEE EXPORT PERFORMANCE

As illustrated on table 4.7, 102 respondents or almost 90% agreed/strongly agreed positive feedback on the financial performance on coffee export performance for the last five years' coffee export of EGTE. This result indicated that there is a positive relationship between financial performance and coffee export performance.

Table 4.7
Coffee export performance

		COFFEE EXPORT PERFORMANCE-FINANCIAL PERFORMANCE		COFFEE EXPORT PERFORMANCE-MARKET PERFORMANCE		COFFEE EXPORT PERFORMANCE-PERCEPTION AND SATISFACTION	
		Frequency	Percent	Frequency	Percent	Frequency	Percent
Valid	1.00 Strongly Disagree	0	0.0	0	0.0	1	0.9
	2.00 Disagree	3	2.6	5	4.4	7	6.1
	3.00 Neutral	9	7.9	10	8.8	20	17.5
	4.00 Agree	56	49.1	57	50.0	49	43.0
	5.00 Strongly Agree	46	40.4	42	36.8	37	32.5
	Total	**114**	**100**	**114**	**100**	**114**	**100**

Source: own survey, 2016

As depicted on table 4.7, 99 respondents or 87% of the respondents positively responded on coffee export performance-market characteristics. Only 15 respondents or 13% reacted neutral/disagreed on this matter. This result shows that the majority of the respondents agreed on the positive impact of market performance on coffee export performance of EGTE for the last five years.

As shown on table 4.7, 75.5% or 86 respondents forwarded positive feedback on coffee export performance-perception and satisfaction. Whereas, 17.5% or 20 respondents forwarded neutral and the rest 7% or 8 respondents negatively forwarded their feedback on this matter. This result shows that the majority of the respondents have positive feedback on this matter.

4.4 HYPOTHESES TESTING

4.4.1 SIMPLE REGRESSION ANALYSIS

The simple regression "is a procedure for deriving a mathematical relationship in the form of an equation, between a single metric dependent or criterion variable and a single metric independent or predictor variable" (Hair et. al., 2006). The objective of the simple regression is to find an independent variable that will improve on the baseline prediction (Hair et. al., 2006). Simple regression analysis was carried out to test the first, second, third, fourth and fifth hypothesis. The result of simple regression analysis is presented as follows.

4.4.1.1 HYPOTHESIS 1

Hypothesis 1 proposes that Export marketing strategy (EMS) has positive impact on coffee export performance (CEP). Based on the above hypothesis:

Null Hypothesis (H_0): Export marketing strategy has not positive impact on coffee export performance.

Alternative Hypothesis (H_A): Export marketing strategy has positive impact on coffee export performance.

Table 4.8
Model Summary: EMS Export marketing strategy

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.605[a]	.366	.361	.53566

a. Predictors: (Constant), EMS Export marketing strategy

Source: own survey, 2016

Table 4.9
Coefficients[a]: EMS Export marketing strategy

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		5.212	.000
	EMS Export marketing strategy	.605	8.045	.000

Source: own survey, 2016

Table 4.10
Export Marketing Strategy Vs Coffee Export Performance

Indicator	Values
Regression	CEP = 1.646 + 0.605EMS
Correlation	0.605
Sig-value	.000
R-square	0.366

Source: own survey, 2016

Based on the SPSS output, the following simple regression equation was formed as indicated on table 4.11:

Table 4.11
Regression equation: EMS Export marketing strategy

CEP = 1.646 + 0.605EMS + e	**. . . . . R-Square = 0.366**

Source: own survey, 2016

Regression equation given above shows the positive effect of export marketing strategy on coffee export performance. That, when export marketing strategy is increased by one unit, then coffee export performance increased by 0.605, so the researcher can say that coffee export performance is directly proportional to export marketing strategy and that coffee export performance is depends on export marketing strategy. P-value is .000 which is less than .05, so the researcher rejected H_0. The correlation between export marketing strategy and coffee export performance is 0.605. The value of R-square is 0.366 which shows the explanatory power of regression model and shows that the change of export marketing strategy is explained 36.6% by coffee export performance.

In conclusion, the above simple regression equation indicates that the coffee export performance is the antecedent of the export marketing strategy. Therefore, Hypothesis 1 cannot be rejected.

4.4.1.2 HYPOTHESIS 2

Hypothesis 2 proposes that firm characteristics (FC) have positive impact on coffee export performance (CEP). Based on the above hypothesis:

Null Hypothesis (H_0): Firm characteristics have no positive impact on coffee export performance.

Alternative Hypothesis (H_A): Firm characteristics have positive impact on coffee export performance.

Table 4.12
Model Summary: FC Firm characteristics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.551[a]	.304	.297	.56148

a. Predictors: (Constant), FC Firm characteristics

Source: own survey, 2016

Table 4.13
Coefficients[a]: FC Firm characteristics

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		7.022	.000
	FC Firm characteristics	.551	6.988	.000

Source: own survey, 2016

Table 4.14
Firm Characteristics Vs Coffee Export Performance

Indicator	Values
Regression	CEP = 2.099 + 0.551FC
Correlation	0.551
Sig-value	.000
R-square	0.304

Source: own survey, 2016

Based on the SPSS output, the following simple regression equation was formed as indicated on table 4.15:

Table 4.15
Regression equation: FC Firm characteristics

CEP = 2.099 + 0.551FC + e . . . . . R-Square = 0.304

Source: own survey, 2016

Regression equation given above shows the positive effect of firm characteristics on coffee export performance. That, when firm characteristics is increased by one unit, then coffee export performance increased by 0.551, so the researcher can say that coffee export performance is directly proportional to export marketing

strategy and that coffee export performance is depends on firm characteristics. P-value is .000 which is less than .05, so the researcher rejected H_0. The correlation between firm characteristics and coffee export performance is 0.551. The value of R-square is 0.304 which shows the explanatory power of regression model and shows that the change of firm characteristics is explained 30.4% by coffee export performance.

In conclusion, the above simple regression equation indicates that the coffee export performance is the antecedent of the firm characteristics. Therefore, Hypothesis 2 cannot be rejected.

4.4.1.3 HYPOTHESIS 3

Hypothesis 3 proposes that Management characteristics (MC) have positive impact on coffee export performance (CEP).

Based on the above hypothesis:

Null Hypothesis (H_0): Management characteristics have no positive impact on coffee export performance.

Alternative Hypothesis (H_A): Management characteristics have positive impact on coffee export performance.

Table 4.16
Model Summary: MC Management characteristics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.640[a]	.409	.404	.51726

a. Predictors: (Constant), MC Management characteristics

Source: own survey, 2016

Table 4.17
Coefficients[a]: MC Management characteristics

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		6.051	.000
	MC Management characteristics	.640	8.805	.000

Source: own survey, 2016

Table 4.18
Management characteristics Vs Coffee Export Performance

Indicator	Values
Regression	CEP = 1.707 + 0.640MC
Correlation	0.640
Sig-value	.000
R-square	0.409

Source: own survey, 2016

Based on the SPSS output, the following simple regression equation was formed as indicated on table 4.19:

Table 4.19
Regression equation : MC Management characteristics

CEP = 1.707 + 0.640MC + e . . . . . R-Square = 0.409

Source: own survey, 2016

Regression equation given above shows the positive effect of management characteristics on coffee export performance. That, when management characteristics is increased by one unit, then coffee export performance increased by 0.640, so the researcher can say that coffee export performance is directly proportional to management characteristics and that coffee export performance is depends on management characteristics. P-value is .000 which is less than .05, so the researcher rejected H_0. The correlation between management characteristics and coffee export performance is 0.640. The value of R-square is 0.409 which shows the explanatory power of regression model and shows that the change of management characteristics is explained 40.9% by coffee export performance.

In conclusion, the above simple regression equation indicates that the coffee export performance is the antecedent of the management characteristics'. Therefore, Hypothesis 3 cannot be rejected.

4.4.1.4 HYPOTHESIS 4

Hypothesis 4 proposes that Foreign market characteristics (FMC) have positive impact on coffee export performance (CEP).

Based on the above hypothesis:

Null Hypothesis (H_0): Foreign market characteristics have no positive impact on coffee export performance.

Alternative Hypothesis (H_A): Foreign market characteristics have positive impact on coffee export performance.

Table 4.20
Model Summary: FMC Foreign market characteristics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.299[a]	.090	.082	.64199

a. Predictors: (Constant), FMC Foreign market characteristics

Source: own survey, 2016

Table 4.21
Coefficients[a]: FMC Foreign market characteristics

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		13.680	.000
	FMC Foreign market characteristics	.299	3.321	.001

Source: own survey, 2016

Table 4.22
Foreign Market Characteristics Vs Coffee Export Performance

Indicator	Values
Regression	CEP = 3.363 + 0.299FMC
Correlation	0.299
Sig-value	.001
R-square	0.090

Source: own survey, 2016

Based on the SPSS output, the following simple regression equation was formed as indicated on table 4.23:

Table 4.23
Regression equation: FMC Foreign market characteristics

CEP = 3.363 + 0.299FMC + e . . . . . R-Square = 0.090

Source: own survey, 2016

Regression equation given above shows the positive effect of foreign market characteristics on coffee export performance. That, when foreign market characteristics is increased by one unit, then coffee export performance increased by 0.299, so the researcher can say that coffee export performance is directly proportional to foreign market characteristics and that coffee export performance is depends on foreign market characteristics. P-value is .001 which is less than .05, so the researcher rejected H_0. The correlation between foreign market characteristics and coffee export performance is 0.299. The value of R-square is 0.090 which shows the explanatory power of regression model and shows that the change of foreign market characteristics is explained 9.0% by coffee export performance which is weak relationship.

In conclusion, the above simple regression equation indicates that the coffee export performance is the antecedent of the foreign market characteristics. Therefore, Hypothesis 4 cannot be rejected.

4.4.1.5 HYPOTHESIS 5

Hypothesis 5 proposes that Domestic market characteristics (DMC) have positive impact on coffee export performance (CEP).

Based on the above hypothesis:

Null Hypothesis (H_0): Domestic market characteristics have no impact on coffee export performance.

Alternative Hypothesis (H_A): Domestic market characteristics have positive impact on coffee export performance.

Table 4.24
Model Summary: DMC Domestic market characteristics

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.602[a]	.362	.357	.53733

a. Predictors: (Constant), DMC Domestic market characteristics

Source: own survey, 2016

Table 4.25
Coefficients[a]: DMC Domestic market characteristics

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		4.081	.000
	DMC Domestic market characteristics	.602	7.976	.000

Source: own survey, 2016

Table 4.26
Domestic Market Characteristics Vs Coffee Export Performance

Indicator	Values
Regression	CEP = 1.416 + 0.602DMC
Correlation	0.602
Sig-value	.000
R-square	0.362

Source: own survey, 2016

Based on the SPSS output, the following simple regression equation was formed as indicated on table 4.27:

Table 4.27
Regression equation: DMC Domestic market characteristics

CEP = 1.416 + 0.602DMC + e . . . . . R-Square = 0.362

Source: own survey, 2016

Regression equation given above shows the positive effect of domestic market characteristics on coffee export performance. That, when domestic market characteristics is increased by one unit, then coffee export performance increased by 0.602, so the researcher can say that coffee export performance is directly proportional to domestic market characteristics and that coffee export performance is depends on domestic market characteristics. P-value is .000 which is less than .05, so the researcher rejected H_0. The correlation between domestic market characteristics and coffee export performance is 0.602. The value of R-square is 0.362 which shows the explanatory power of regression model and shows that the change of domestic market characteristics is explained 36.2% by coffee export performance.

In conclusion, the above simple regression equation indicates that the coffee export performance is the antecedent of the domestic market characteristics. Therefore, Hypothesis 5 cannot be rejected.

4.4.2 MULTIPLE REGRESSION ANALYSIS

Multiple regression analysis is defined as "a statistical technique which analyzes the linear relationships between a dependent variable and multiple independent variables by estimating coefficients for the equation for a straight line" (Hair et. al., 2004). Multiple regression analysis was carried out to test two pre-determined hypotheses in the study the sixth and the seventh one.

4.4.2.1 HYPOTHESIS 6

Hypothesis 6 proposes that overall internal environment (OIE) has positive impact on coffee export performance (CEP).

Based on the above hypothesis:

Null Hypothesis (H_0): Overall internal environment has no positive impact on coffee export performance.

Alternative Hypothesis (H_A): Overall internal environment has positive impact on coffee export performance.

Impact of overall internal environment:

To know about the impact of overall internal environment of EGTE on coffee export performance, multiple regressions using the following model was run:

Coffee Export Performance = α + β(EMS) + β(FC) + β(MC) + e

The following tables show the results revealed from the regression analysis.

Table 4.28
Model Summary: Overall internal environment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.665[a]	.442	.427	.50712

a. Predictors: (Constant), MC Management characteristics, FC Firm characteristics, EMS Export marketing strategy

Source: own survey, 2016

From table 4.28, it has been seen that R value is 0.665. Therefore, R value (.665) for the overall internal environment characteristics dimensions namely export marketing strategy, firm characteristics and management characteristics shows that there is a strong effect of these three independent variables on coffee export performance.

From the table 4.28 it can also have observed that the coefficient of determination i.e. the R-square (R^2) value is 0.442, which representing that 44.2% variation of the dependent variable (coffee export performance) is due to the independent variables (export marketing strategy, firm characteristics and management characteristics), which in fact, is a strong explanatory power of regression.

Table 4.29
ANOVA[a]: Overall internal environment

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	22.418	3	7.473	29.057	.000[b]
	Residual	28.289	110	.257		
	Total	50.707	113			

a. Dependent Variable: CEP Coffee export performance

b. Predictors: (Constant), MC Management characteristics, FC Firm characteristics, EMS Export marketing strategy

Source: own survey, 2016

From the above table 4.29, it is identified that the value of F-stat is 29.057 and is significant as the level of significance is less than 5% ($p< 0.05$). This indicates that the overall model was reasonable fit and there was a statistically significant association between overall internal environment characteristics dimension and coffee export performance. Additionally, this also indicated that the null hypothesis is rejected and alternative hypothesis is accepted. Hence it can be concluded that overall internal environment dimensions have significant impact on coffee export performance of EGTE.

Table 4.30
Coefficients[a]: Overall internal environment

Model		Standardized Coefficients	T	Sig.
		Beta		
1	(Constant)		4.324	.000
	EMS Export marketing strategy	.222	1.793	.076
	FC Firm characteristics	.111	.999	.320

Model	Standardized Coefficients	T	Sig.
	Beta		
MC Management characteristics	.385	3.144	.002

Source: own survey, 2016

In the above table 4.30, standardized coefficients indicated how much the dependent variable varies with an independent variable, when all other independent variables are held constant. The beta coefficients indicated that how and to what extent overall internal environment dimensions such as export marketing strategy, firm characteristics and management characteristics influence coffee export performance of EGTE. It has been found that, Management characteristics (beta =.376, t=3.144, p<0.05) have the highest influence or significant impact on coffee export performance.

Regression Model is:

Coffee Export Performance = 1.345 + 0.222(EMS) + 0.111(FC) + 0.385(MC) + e

In conclusion, the above multiple regression equation indicates that the coffee export performance is the antecedent of the overall internal environment. Therefore, Hypothesis 6 cannot be rejected.

4.4.2.2 HYPOTHESIS 7

Hypothesis 7 proposes that overall external environment (OEE) has positive impact on coffee export performance (CEP).

Based on the above hypothesis:

Null Hypothesis (H_0): Overall external environment has no positive impact on coffee export performance.

Alternative Hypothesis (H_A): Overall external environment has positive impact on coffee export performance.

Impact of overall external environment:

To know about the impact of overall external environment of EGTE on coffee export performance, multiple regressions using the following model was run:

Coffee Export Performance = α + β(FMC) + β(DMC) + e

The following tables show the results revealed from the regression analysis.

Table 4.31
Model Summary: Overall External environment

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603[a]	.363	.352	.53929

a. Predictors: (Constant), DMC Domestic market characteristics, FMC Foreign market characteristics

Source: own survey, 2016

From table 4.31, it has been seen that R value is 0.603. Therefore, R value (.603) for the overall external environment characteristics dimensions namely foreign market characteristics and domestic market characteristics shows that there is a strong effect of these two independent variables on coffee export performance.

From the table 4.31 it can also have observed that the coefficient of determination i.e. the R-square (R^2) value is 0.363, which representing that 36.3% variation of the dependent variable (coffee export performance) is due to the independent variables (foreign market characteristics and domestic market characteristics), which in fact, is a strong explanatory power of regression.

Table 4.32
ANOVA[a]: Overall External environment

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18.424	2	9.212	31.674	.000[b]
	Residual	32.283	111	.291		
	Total	50.707	113			

a. Dependent Variable: CEP Coffee export performance

b. Predictors: (Constant), DMC Domestic market characteristics, FMC Foreign market characteristics

Source: own survey, 2016

From the above table 4.32, it is identified that the value of F-stat is 31.674 and is significant as the level of significance is less than 5% ($p < 0.05$). This indicates that the overall model was reasonable fit and there was a statistically significant association between overall external environment characteristics dimension and coffee export performance. Additionally, this also indicated that the null hypothesis is rejected and alternative hypothesis is accepted. Hence it can be concluded that overall external environment dimensions have significant impact on coffee export performance of EGTE.

Table 4.33
Coefficients[a]: Overall External environment

Model		Standardized Coefficients	t	Sig.
		Beta		
	(Constant)		4.081	.000
1	FMC Foreign market characteristics	-.039	-.434	.665
	DMC Domestic market characteristics	.623	6.908	.000

Source: own survey, 2016

In the above table 4.33, Standardized coefficients indicated how much the dependent variable varies with an independent variable, when all other independent variables are held constant. The beta coefficients indicated that how and to what extent overall external environment dimensions such as foreign market characteristics and domestic market characteristics influence coffee export performance of EGTE. It has been found that, domestic market characteristics (beta =.724, t=6.908, $p<0.05$) have the highest influence or significant impact on coffee export performance.

Furthermore, foreign market characteristics have the least impact on coffee export performance with standardized coefficient -0.039. The minus sign implies negative impact upon the coffee export performance which means export market barriers, legal & political environment and socio-cultural environment of host country can pose threats to foreign exporters. As a result, the enterprise who cannot adapt to meet the legislation requirements as well as the socio-cultural environment of the host country will have lower coffee export performance. This finding supports the proposed hypothesis that foreign market characteristics (FMC) negatively affected export performance and domestic market characteristics (DMC) positively affect export performance.

Regression Model is:

Coffee Export Performance = 1.423 - 0.039(FMC) + 0.623(DMC) + e

In conclusion, the above multiple regression equation indicates that the coffee export performance is the antecedent of the overall external environment. Therefore, Hypothesis 7 cannot be rejected.

The summary of seven hypotheses testing is shown in Table 4.34. The internal environment characteristics: export marketing strategy (EMS), firm characteristics (FC) and management characteristics (MC) have positive effects on coffee export performance.

In addition, the effects of external environment characteristics: foreign market characteristics (FMC) and domestic market characteristics (DMC) have also positive effects on coffee export performance of EGTE.

Moreover, the impact of overall internal environment characteristics as well as the overall external environment characteristics on coffee export performance statistically supported.

Table 4.34
Summary of the Results of Hypotheses Testing

Hypotheses	Results
H1: Export marketing strategy has positive impact on coffee export performance.	supported
H2: Firm characteristics have positive impact on coffee export performance.	supported
H3: Management characteristics have positive impact on coffee export performance.	supported
H4: Foreign market characteristics have positive impact on coffee export performance.	supported
H5: Domestic Market characteristics have positive impact on coffee export performance.	Supported
H6: Overall internal environment has positive impact on coffee export performance.	Supported
H7: Overall external environment has positive impact on coffee export performance.	Supported

Source: own survey, 2016

4.5 SECONDARY DATA ANALYSIS

According to Beleska-Spasova (2014), measures of export performance are usually categorized in two broad groups: financial/economic and non-financial/non-economic measures.

The aggregate evidence suggests that the most used financial indicators as measures of export performance used to analyze the coffee export performance of EGTE as follows:

Table 4.35
EGTE coffee Export volume in Ton for the last five years
/2003-2007 E.C./

Volume in Ton

E.F.Y	Volume		%	% age share Volume
	Plan	Actual		
2003	15,000	10,844	72	32.47
2004	16,000	4,708	29	14.10
2005	12,000	6,644	55	19.90
2006	15,000	5,720	38	17.13
2007	9,100	5,479	60	16.41
Total	**67,100.00**	**33,394.65**	**49.77**	

Source: ECEA data, 2003-2007 E.C and EGTE data, 2003-2007 E.C.

As indicated on the above table 4.35, the enterprise coffee export performance for the last five years shows that totally performed around 50% of its plan. In addition, the table shows that the year 2003 E.C have better share than the rest fiscal years which means that it contributed 32.47% of the total export volume during the last five years. The year 2005 E.C also the second contributor of the export performance that takes the share of 19.9% of the total export volume. In addition, the year 2006 E.C also the third contributor about 17.13% of the total export of coffee during the last five years.

Table 4.36
EGTE coffee Export volume percentage to total export for the last five years /2003-2007 E.C./

E.F.Y	Volume	
	Plan (%)	Actual (%)
2003	24	25
2004	40	29
2005	29	25
2006	32	31
2007	25	33
Total	**29.57**	**27.41**

Source: ECEA data, 2003-2007 E.C and EGTE data, 2003-2007 E.C.

As illustrated on table 4.36, the coffee export performance of the last five years' percentage to the total export volume indicated that coffee export performance contributed 27.41% of the total export volume. This show that the coffee exports business of EGTE has a great contribution to the country's foreign currency earnings for the last five years.

Table 4.37
EGTE coffee Export volume percentage to total sales for the last five years /2003-2007 E.C./

E.F.Y	Volume	
	Plan (%)	Actual (%)
2003	8	8
2004	11	9
2005	10	6
2006	10	12
2007	6	4
Total	**8.94**	**6.80**

Source: EGTE data, 2003-2007 E.C

As shown table 4.37, it shows that the last five years' percentage share of coffee export with related to the overall total sales of the enterprise. From the table that indicated 6.80% of the total sales shared by coffee export. On top the year 2006 E.C have contributed the highest percentage share than the rest fiscal years during the last five years. The second one the year 2004 E.C have coffee contributed 9% of the total sales. This figures also showed that the coffee export

performance has a great contribution to the overall performance of the enterprise business.

Table 4.38
Export Volume & Value of Coffee by EGTE for the last five years /2003-2007 E.C./

Volume in Ton & Value in '000 USD

E.F.Y	Volume	Value	% age share	
			Volume	Value
2003	10,844	46,078	3.92	5.47
2004	4,708	25,795	2.78	3.10
2005	6,644.20	23,429.74	3.34	3.15
2006	5,719.74	19,982.21	3.02	2.80
2007	5478.6	22915.48	3.66	3.58
Total	**33,394.54**	**138,200.43**	**16.72**	**18.1**

Source: ECEA data, 2003-2007 E.C

As depicted in the above table 4.38, the enterprise coffee export performance in terms of quantity, value and market share. The overall performance of coffee export percentage illustrated on the above table for the last five years by volume 16.72% and by value 18.1% share of the enterprise. This figures showed that the enterprise's coffee export performance contribution is valuable for the country as well for the enterprise's income generation. The year 2003 E.C has the top contribution from the last five years which indicated on the table that contributed 3.92% by volume and 5.47% by value.

Table 4.39
Export Volume & Value rank of Coffee by EGTE for the last five years /2003-2007 E.C./

E.F.Y	Rank	% age share	
		Volume	Value
2003	1st	3.92	5.47
2004	10th	2.78	3.10
2005	8th	3.34	3.15
2006	9th	3.02	2.80
2007	9th	3.66	3.58
Sub total		**16.72**	**18.1**

Source: ECEA data, 2003-2007 E.C

As indicated on the above table 4.39, EGTE coffee export performance for the last five years, the year 2003 E.C. was the most important and successful budget year

for the enterprise. The enterprise ranked number 1 exporter of coffee from Ethiopia and have a contribution of 3.92% by volume and 5.47% by value. For the enterprise coffee export, the second most important budget year performance was the year 2005 E.C which ranked the enterprise's coffee export performance on 8th place ranked when compared to all other exporters of coffee from Ethiopia.

In addition, the table illustrated that the enterprise's coffee export performance for the last five years in the top ten best exporters list. This shows that the enterprise management commitment to maintain the export performance as well as to enhance the volume of export traded throughout the world.

CHAPTER FIVE
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter includes the summary, conclusions, recommendations and contribution of the current research. The conclusions of the research findings are provided and these give some insights into the completed explanation of the determinants and measures of coffee export performance of EGTE. The theoretical and managerial contributions are subsequently described. Lastly, the limitations and suggestions for the future research are provided.

5.1 SUMMARY

Summary of the research findings presented as follows:

5.1.1 Internal Environment

Export marketing strategy

- The enterprise has a capacity of product adaptation for coffee export. This is the good indication for the customers who demands different varieties of coffee to import from the enterprise.
- Regarding the capacity of price adaptation of the enterprise, a large number of the respondents agreed. In similar manner, respondents were agreed on the advertising/promotion adaptation capacity of EGTE. In addition, respondents agreed on the enterprise have put in place strategies to expand export markets.
- In view of the capacity of distribution strategy, the enterprise has a capacity to manage it. The enterprise also has a better capacity of channel relationship of the enterprise.
- The responses on the existence of strategic decision making by top executives in the export business was not strong.

FIRM CHARACTERISTICS

- The respondents' perception on the size and age of the firm benefits for the enterprise export performance is positive.

- The level of technology innovation used and utilization of R&D to enhance coffee export performance confirmed more than half of the respondents.
- Considering the level of international competence and access to infrastructure/service was advantageous for the enterprise, three fourth responded positively.
- Almost the majority of respondents from the enterprise certain about suitability of location for the enterprise operation and the firm's financial resources and supply chain management capabilities.

MANAGEMENT CHARACTERISTICS

- The respondents' feedback on management's international experience in the export business for the enterprise export performance is positive.
- Management's level of commitment and attitude towards exporting and managements' perceived export advantages confirmed almost by more than eighty percent of the respondents.
- Considering management's incorporating corporate social responsibility and international market knowledge advantage of the enterprise, about three fourth responded positively.
- Almost more than sixty percent respondents from the enterprise certain about managements' perceived export barriers.

5.1.2 EXTERNAL ENVIRONMENT

FOREIGN MARKET CHARACTERISTICS

- Almost eighty percent of the respondents were agreed on the export market barriers impact export performance adversely.
- In view of the legal and political environment and socio-cultural environment negatively affect enterprise's coffee export performance, almost half of the respondents responded positively.

DOMESTIC MARKET CHARACTERISTICS

- More that ninety percent of the respondents positively responded on the enterprise's coffee export performance positively associated with the use of export assistance.

- About half of respondents agreed on the enterprise's coffee export performance negatively related with export market barriers existing in the exporting country and operating in more competitive business environment
- Regarding the enterprise's coffee export performance positively related with legal and political environment in the exporting country and the enterprise experiencing a competitive price, more than three-fourth of the respondents agreed.

5.1.3 COFFEE EXPORT PERFORMANCE

- Almost ninety percent respondents agreed positive feedback on the financial performance and market characteristics on coffee export performance for the last five years' coffee export of EGTE.
- Three fourth of respondents forwarded positive feedback on coffee export performance-perception and satisfaction.

5.2 CONCLUSIONS

This research is effort that aims to develop a comprehensive model and simultaneously examine the firm-level factors as the determinants and measures of coffee export performance of EGTE. Empirical data was collected to examine the impacts of factors concerning the internal environment and external environment as well as coffee export performance.

The proposed model is based on the resource-based view (Barney, 1991), industrial organization theory (Cavusgil and Zou, 1994), internationalization process theory (Johanson and Vahnl, 1977), and consumer perspective on agricultural exports.

There are eight constructs in the model: five exogenous variables (export marketing strategy (EMS), firm characteristics (FC), management characteristics (MC), foreign market characteristics (FMC) and domestic market characteristics (DMC), and three endogenous variables (coffee export performance-financial performance (CEP-FP), coffee export performance-market performance (CEP-MP), and coffee export performance-perception and satisfaction (CEP-PS).

A survey method was used to collect the data by distributing 130 questionnaires to the staff members of EGTE. The questionnaire was reviewed by experts and managers who are working in EGTE for the last five years.

Finally, a total of 114 respondents responded, meaning the effective response rate was 87.69%. Descriptive statistics is used to analyze the data and also conduct the reliability test. Item-Objective-Congruence Index (IOC) was used to conduct content validity, and simple and multiple regression analysis to test the seven hypotheses proposed in the model.

The results show that export marketing strategy is the most influential variable upon coffee export performance, for an increase by one unit, coffee export performance increased by 0.640. The correlation between export marketing strategy and coffee export performance is 0.605. The value of R-square is 0.366 which shows the explanatory power of regression model and shows that the change of export marketing strategy is explained 36.6% by coffee export performance. The positive impact means the enterprise capable of survive in the turbulent international market by developing efficient and effective export marketing strategy. Thus, it confirms the proposed hypothesis that export marketing strategy has a positive effect on the coffee export performance of EGTE. In addition, management characteristics also have high positive effect on coffee export performance. That, when management characteristics is increased by one unit, then coffee export performance increased by 0.624. The correlation between management characteristics and coffee export performance is 0.640. The value of R-square is 0.409 which shows the explanatory power of regression model and shows that the change of management characteristics is explained 40.9% by coffee export performance.

In addition, when domestic market characteristics is increased by one unit, then coffee export performance increased by 0.700, so we can say that coffee export performance is directly proportional to domestic market characteristics and that coffee export performance is depends also on domestic market characteristics. The correlation between domestic market characteristics and coffee export performance is 0.602. The value of R-square is 0.362 which shows the explanatory

power of the model and shows that the change of domestic market characteristics is explained 36.2% by coffee export performance.

However, the positive effect shown by foreign market characteristics on coffee export performance is the least. That, when foreign market characteristics is increased by one unit, then coffee export performance increased by 0.221, The correlation between foreign market characteristics and coffee export performance also is 0.299. in addition, the value of R-square is 0.090 which shows the explanatory power of the model and shows that the change of foreign market characteristics is explained only 9.0% by coffee export performance.

Firm characteristics also have a better contribution to the enterprise's coffee export performance. It is explained the coffee export performance by 0.529. It's correlation with coffee export performance was 0.551. The model also explained by 30.4%.

Moreover, the overall internal environments as well as the overall external environment also have impact on coffee export performance of EGTE for the last five years' export operation of the enterprise.

Agricultural products are homogenous in nature, thus, the enterprise serve markets by using merely export marketing strategies. Respondents believed the enterprise have moderate export marketing strategy. Therefore, export marketing strategy should be to lead the coffee export performance of EGTE.

5.3 RECOMMENDATION

This study is the first initiative for the most comprehensive and systematic study of the determinants and measures on coffee export performance of EGTE. The major recommendation presented as follows:

- The top management should see the possibility to use cost leadership as a source of competitive advantage due to the fact that the enterprise existence more that 60 years in the business, firm's resources and international experience in order to cope up the fierce competition existence in home country's exporters as well as the foreign country's exporters.

- The top management also should focus to strengthen to use the advantage of government agency support to get up to date market information as well as potential importers to enhance the coffee export performance in terms of volume as well as foreign currency earnings to the country's sustainable development and also this help to create market opportunity to farmers.
- The top management also gives emphasis for further research on the area to see all the gaps and see the possibilities to bridge those gaps identified by the research. This also helps the enterprise to create robust strategy to meet the overall enterprise mandate given by the government.
- The empirical results pinpoint the key factors: from internal environment export marketing strategy, firm characteristics and management characteristics. In addition, from external environment foreign market characteristics and domestic market characteristics. Therefore, the top management should address all the issues related with them.
- The top management should work on export managers to have most current information about the export procedures, customers, competitors and prospective markets.
- The top management also sees the possibilities on trade events or exhibitions held by the government agencies or institutions, these are very useful sources of information for exporters and importers throughout the world. This channel will encourage EGTE to gain useful information from international markets.
- The top management also works on to get closer to government agencies because they can gain some assistance from them.
- The top management also gives emphasis for Export marketing strategy of the enterprise in the long term basis to cope up the challenges and take the advantage of opportunities those associated with the coffee export performance.

5.4 CONTRIBUTIONS

5.4.1 THEORETICAL CONTRIBUTIONS

The empirical results of this research extend the understanding of the determinants and measures of coffee export performance of EGTE. Previous

research on the coffee export performance of the agricultural sector is very limited, especially at the firm level.

This research, to the best of the researcher's knowledge, is attempt that comprehensively and systematically examines the firm-level factors, including internal environment and external environment, as the antecedents of coffee export performance of EGTE. The contributions for marketing at the theoretical level are explained below:

- The current research can extend the body of knowledge in coffee export performance by developing a comprehensive and causal model to investigate the determinants and measures that might enhance the coffee export performance of agricultural exporting firms in Ethiopia based on a firm-level analysis.
- In addition, there has been limited study of the coffee export performance of agricultural sector at the firm level because the majority of previous research was based on the discipline of agricultural economics, not marketing.
- Future research should focus on a single industry study and, appropriate variables related to the specific characteristics of that particular exporting industry might be found. Thus, this research is the try to develop a model of the determinants and measures on coffee export performance of EGTE and fills a gap in the research by examining the impacts of firm-level factors rather than macro-economic factors.
- Further, this study employs single regression model and multiple regression models to analyze the impact of each factor as well as to see the strength of the relationship between different factors.
- The empirical results show that from the internal environment: export marketing strategy, firm characteristics and also management characteristics are associated with the coffee export performance. In addition, from the external environment: foreign market characteristics and domestic market characteristics also associated with the coffee export performance. In other way the overall internal as well as overall external

environment characteristics have impact on coffee export performance of the enterprise.

- Another theoretical contribution of this research is the Industrial Organization Theory. The findings reveal that external environmental factors have directly affected the coffee export performance.

5.4.2 MANAGERIAL CONTRIBUTIONS

The findings from this research can provide solid guidelines to export managers who are responsible for export activities in their companies. The managerial contributions can be presented according to the findings as follows.

- The determinants and measures on coffee export performance of EGTE. The empirical results find out the key factors: internal environment factors and external environment factors.
- Export managers can acquire marketing knowledge from their own experiences and information in the international market. Experiences can be obtained from past or the existing export activities. Export managers must have most current information.
- The trade events or exhibitions held by the government agencies or institutions are considered very useful sources of information for managers.
- The managers should get closer to government agencies to access market information.
- The degree of competitive intensity depends on manager's perception of the environmental impacts in the foreign markets. Export managers need to be actively aware of the situation in the market.
- Foreign and domestic market barriers are closely study the factors and take measure.
- Export marketing strategy is crucial for the successful accomplishment of coffee export performance.

5.5 SUGGESTIONS FOR FUTURE RESEARCH

This study aims to develop a comprehensive and causal model to examine the determinants and measures of coffee export performance of EGTE. The findings

are very useful in explaining the antecedents of coffee export performance of EGTE. As the agricultural sector has played an important role in developing the Ethiopian economy, further research on the export performance of Ethiopian exporting firms should be conducted.

The suggestions for future research are given below:

- In this study, the focus area at firm level and also focused on only coffee export performance. Therefore, it is better to include other commodities which are exportable by EGTE throughout the world to see the overall impact of different factors on export performance of the enterprise.
- In this study, export marketing strategy is viewed as the strategic factor that directly affects coffee export performance. The effects of firm characteristics, management characteristics and domestic market characteristics should be further assessed.
- In addition, the foreign market characteristics also closely study and address the issues related with it to enhance the coffee export performance at national level.
- It is also interesting to explore other marketing variables such as product, price, place/distribution/, and promotion strategy in the future research to gain deeper understanding of all the inputs of marketing mix strategy upon coffee export performance.
- This study is based on EGTE, thus replications of this study using this estimated model with different samples from other firms which exist in Ethiopia as well as from other countries would help substantiate the findings and expand the body of knowledge in the coffee export performance literature.

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APPENDICES

Appendix I: Questionnaire

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA PROGRAM

This questionnaire is designed for Analysis of Ethiopian Coffee Export Performance for the last five years: In the case of Ethiopian Grain Trade Enterprise. The questions are segregated into five sections. This study's main aim is to fulfill the partial requirement of **Master of Business Administration.** Responding questions in this questionnaire will take a maximum of 20-25 minutes. The information gathered will be used fully and with due attention for academic purpose only. I therefore, would like to assure you that the data collected will not be misused in anyway. Therefore, your genuine, honest, and prompt response is a valuable input for the quality and successful completion of the paper.

General Instructions

- There is no need of writing your name.
- In all cases where answer options are available tick (✓) in the appropriate box.
- For questions that demands your opinion, please try to honestly describe as per the questions on the space provided.
- If the space provided is not enough for your opinions, please use the back side of the paper by writing the question number.

Thank you in advance for your cooperation and timely response!!!

Behailu Mihiret

Email:bmihiret@gmail.com

Section I- Profile

A. Personal Information:-

1. **Your age:** 18-30 Years ☐ 31-45 Years ☐ 46-60 years ☐ 60+ years ☐
2. **Sex:** Male ☐ Female ☐
3. **Highest formal education attended:**
   High School ☐ College Diploma ☐ Degree ☐ above Degree ☐
4. **Years of Service in the organization:** <3 ☐ 3-5 ☐ 6-10 ☐ >11 ☐
5. **Your current position:** _____
6. **Years of Service in the current position organization:**
   <3 ☐ 3-5 ☐ 6-10 ☐ >11 ☐

Section II- Internal Environment Characteristics

This section enquires and assesses the internal environment characteristics include: Export marketing strategy, Firm characteristics and Management characteristics in the determinants and measures of coffee export performance of EGTE during the last five years.

A. Export Marketing Strategy

Considering the enterprise's experience in the last five years, to extent do you agree or disagree with the following statements related to enterprise's marketing strategy by tick (✓) the appropriate box.

NO.	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
7	There was capacity of product adaptation					
8	There was a capacity of pricing adaptation					
9	There was advertising/promotion adaptation capacity					
10	There was capacity of distribution strategy					

NO.	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
11	There was capacity of channel relationship					
12	There was strategic decision making by top executives					
13	The enterprise has put in place strategies to expand export markets over the years					

B. Firm Characteristics

Considering the enterprise's export performance /Status in the last five years, how would you characterize the following aspects of the firm characteristics? Please tick (✓) the appropriate box.

NO.	Statements	very Low	Low	Neutral	High	Very High
14	The size of the firm benefits for the enterprise export performance					
15	The age of the firm benefits for the enterprise export performance					
16	The level of technology innovation used					
17	The level of international competence was advantageous for the enterprise					
18	Access to infrastructure/services advantageous					
19	Location suitability advantageous for the enterprise					
20	The firm's financial resources and supply chain management capabilities					
21	The enterprise utilization of R&D to enhance coffee export performance					

C. Management Characteristics

Considering the enterprise's export over the last five years, how would you characterize the following aspects of the management characteristics? Please, tick (✓) the appropriate box.

NO.	Statements	Strongly Dissatisfied	Dissatisfied	Neutral	Satisfied	Strongly Satisfied
22	Management's have international experience in the export business					
23	Management's level of commitment and attitude towards exporting					
24	Management's incorporating corporate social responsibility					
25	Management's perceived export advantages					
26	Management's perceived export barriers					
27	The enterprise has advantage on international market knowledge					

Section III- External Environment Characteristics

This section enquires and assesses the external environment characteristics include: Foreign market characteristics and domestic market characteristics in the determinants and measures of coffee export performance of EGTE during the last five years.

A. Foreign Market Characteristics

Consider the enterprise's coffee export market barriers faced in the foreign markets. To the extent do you agree or disagree with the following statements? Please, tick (✓) the appropriate box.

NO.	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
28	Export market barriers impact export performance adversely					
29	Legal and political environment negatively affect enterprise's coffee export performance					
30	Socio-cultural environment negatively affect enterprise's coffee export performance					

B. Domestic Market Characteristics

Consider the enterprise's coffee export performance in the last five years. To what extent are you satisfied or dissatisfied with the following domestic market characteristics? Please, tick (✓) the appropriate box.

NO.	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
31	The enterprise's coffee export performance positively associated with the use of export assistance					
32	The enterprise's coffee export performance negatively related with export market barriers existing in the exporting country					
33	The enterprise's coffee export performance positively related with legal and political environment in the exporting country					
34	The enterprise experiencing a competitive price					
35	The enterprise operating in more competitive business environments					

Section IV- Export Performance

This section enquires and assesses the overall determinants and measures of coffee export performance of EGTE during the last five years.

A. Financial and market performance effect of export performance

Consider the enterprise's financial and market performance on coffee export in the last five years. To what extent are you satisfied or dissatisfied with the following statements? Please, tick (✓) the appropriate box.

NO.	Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
36	Financial performance was positively related with coffee export performance					
37	Market performance was positively related with coffee export performance					
38	Better Perception and satisfaction on coffee export performance					

Section V- Additional Personal Opinions

39. What do you recommend to enhance the coffee export performance in terms of volume and foreign currency earnings?

_____

_____

_____

_____

Thank you for your precious time

Appendix II: Interview Questions

ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA PROGRAM

In-depth interview with key informants/enterprise's MGT

Hello, my name is Behailu Mihiret Molla. I am a graduate school student at St. Mary's University, Faculty of Business. Currently I am conducting a research on Determinants and measures Coffee Export Performance: In the Case of Ethiopian Grain Grade Enterprise. I would very much appreciate your participation in the study. Your genuine information is very relevant for the success of this study. Whatever information you provide would be kept strictly confidential so I require you to respond the questions frankly.

1. Identification

1.1. Code given to an interview

1.2. Position

1.3. Year of experience in the enterprise

2. Main Issues

2.1. Professional's view on what are the major factors affecting the enterprise's coffee export performance for the last five years? Why?

2.2. professional's opinion on international market knowledge relevance on coffee export performance

2.3. Professional's view on the external environmental factors what are the factors affecting coffee export performance?

2.4. Professional's opinion on what are the role of export assistance of government on coffee export of the enterprise?

2.5. Professional's view on what are the strategies the enterprise follows in the international marketing?

2.6. Professional opinion on other factors influencing the coffee export performance for the last five years?

Appendix III: Ethiopian Grain Trade Enterprise Coffee Export Performance for the last five Years/2003-2007 E.C./

Type of coffee	2003		2004		2005		2006		2007	
	Qty (Qtls)	Value /Birr/	Qty (Qtls)	Value /Birr/	Qty (Qtls)	Value /Birr/	Qty (Qtls)	Value /Birr/	Qty (Qtls)	Value /Birr/
Washed coffee	55,902	365,540,701	41,718	403,258,036	14,016	113,129,224	33,361	247,012,829	14,690	171,251,065
Unwashed Coffee	62,730	412,205,471	9,030	76,634,129	54,168	314,898,670	26,524	154,060,276	38,408	294,743,986
Total Export	**118,632**	**777,746,172**	**50,748**	**479,892,165**	**68,184**	**428,027,894**	**59,885**	**401,073,105**	**53,098**	**465,995,051**

Appendix IV: Monthly Green Coffee Export Volume and Value /2003-2007 E.C./

No.	Month	2007 E.F.Y		2006 E.F.Y		2005 E.F.Y		2004 E.F.Y		2003 E.F.Y	
		Volume (In tons)	Value (In '000USD)	Volume (In tons)	Value (In '000USD)	Volume (In tons)	Value (In '000USD)	Volume (In tons)	Value (In '000USD)	Volume (In tons)	Value (In '000USD)
1	July	13,057.72	57,916.02	15,710.86	53,411.17	12,423.00	54,844.00	12,697.75	70,936.24	20,091.12	66,929.00
2	August	15,385.89	66,742.79	14,836.94	50,270.62	21,834.57	89,352.30	12,984.95	71,728.28	20,566.55	68,730.44
3	September	13,695.22	57,832.89	10,053.77	33,620.51	13,492.46	55,087.52	10,573.20	59,240.00	14,862.63	49,074.04
4	October	11,902.19	49,448.25	10,515.82	35,248.58	15,905.92	58,952.83	8,472.31	47,967.90	15,632.33	52,749.35
5	November	10,184.87	42,345.56	8,057.50	27,154.98	17,367.37	63,991.12	7,307.11	38,312.29	12,725.22	42,699.39
6	December	8,328.10	34,210.34	6,887.94	22,851.16	10,916.69	38,922.72	5,144.00	25,945.00	11,223.70	40,225.80
7	January	6,809.60	30,908.74	9,943.89	34,472.57	9,936.47	37,302.64	7,037.13	38,039.95	13,684.49	59,408.96
8	February	12,459.93	59,090.01	13,139.76	49,324.60	13,914.70	54,494.07	10,908.14	59,661.04	13,789.99	67,256.95
9	March	18,458.47	80,462.88	21,230.30	81,046.95	15,374.03	60,920.72	18,530.80	93,760.00	18,058.00	94,300.00
10	April	21,563.97	87,878.80	25,619.29	101,872.57	17,539.99	61,423.81	19,976.54	92,467.67	17,561.14	92,240.78
11	May			28,677.16	118,498.91	22,577.18	78,540.52	26,585.00	116,305.00	19,473.88	107,039.25
12	June			26,200.09	111,017.90	27,423.99	91,055.86	29,175.00	118,548.00	18,448.53	100,995.74
Grand Total		**131,845.95**	**566,836.28**	**190,873.32**	**718,790.52**	**198,706.37**	**744,888.11**	**169,391.93**	**832,911.37**	**196,117.58**	**841,649.70**

Appendix VI: Export Volume & Value of Coffee By Exporters for 2001 E.F.Y

Volume in Ton &Value in,000 USD

RANK	Exporter	Volume	Value	% age share	
				Volume	Value
1	MULLEGE PLC	10,931	**32,803**	8.16	8.73
2	KEMAL ABDELA INTERNATIONAL PLC	8,479	**23,328**	6.33	6.21
3	CABEY PLC.	8,756	**21,593**	6.53	5.75
4	S.SARA COFFEE EXPORT ENTERPRISE	6,750	**18,178**	5.04	4.84
5	OROMIA COFFEE FARMERS COOP. P.L.C	3,897	**17,151**	2.91	4.56
6	TRACON TRADING PLC	5,907	**15,932**	4.41	4.24
7	S.A BAGERSH PLC	4,601	**14,103**	3.43	3.75
8	LEGESSE SHEREFA P.L.C	3,042	**12,496**	2.27	3.32
9	COFFEE PLANTATION DEVELOPMENT ENT.	3,952	**11,487**	2.95	3.06
10	BASHANFER TRADING PLC	3,528	**10,726**	2.63	2.85
11	MULUNEH KAKA COFFEE EXPORTER	3,658	**9,360**	2.73	2.49
12	SIDAMA COFEE FARMERS COOP. UNION	1,864	**9,125**	1.39	2.43
13	SAID YASSIN ALI PLC	2,796	**7,949**	2.09	2.11
14	ALFOZ PLC	3,044	**7,674**	2.27	2.04
15	ABADIR COFFEE TRADING PLC	2,268	**7,227**	1.69	1.92
16	AMBASSA ENTERPRISE PLC	2,400	**6,682**	1.79	1.78
17	MAMO KACHA PLC	2,159	**5,948**	1.61	1.58
18	ETHIOPIAN GRAIN TRADE ENTERPRISE	2,194	**5,854**	1.64	1.56
19	ABBAHAWA TRADING PLC	2,334	**5,612**	1.74	1.49
20	MOPLACO TRADING PLC	1,763	**4,857**	1.32	1.29
	Sub total	**84,322**	**248,086**	**62.93**	**66.01**

Appendix VII: Export Volume & Value of Coffee By Exporters for 2002 E.F.Y

Volume in Ton & Value in '000 USD

Rank	Exporters	Volume	Value	% age share	
				Volume	Value
1	MULUNEH KAKA DUMESO	14,159	41,000	8.22	7.76
2	ETHIOPIAN GRAIN TRADE ENTERPRISE	12,467	37,143	7.24	7.03
3	CABEY PRIVATE LIMITED COMPANY	9,816	30,375	5.70	5.75
4	TRACON TRADING PLC	8,384	27,754	4.87	5.25
5	OROMIA COFFEE FARMERS COOP. P.L.C	4,600	21,344	2.67	4.04
6	S.A BAGERSH PLC	6,662	20,982	3.87	3.97
7	ALFOZ PLC	7,492	20,667	4.35	3.91
8	MAMO KACHA PLC	5,563	20,552	3.23	3.89
9	A.T.L. TRADING PLC	6,691	20,497	3.89	3.88
10	COFFEE PLANTATION DEVELOPMENT ENTERPRISE	4,504	14,739	2.62	2.79
	Sub total	**80,337**	**255,053**	**46.65**	**48.28**

Appendix VIII: Export Volume & Value of Coffee By Exporters for 2003 E.F.Y

Volume in Ton & Value in '000 USD

Rank	Exporters	Volume	Value	% age share	
				Volume	Value
1	ETHIOPIAN GRAIN TRADE ENTERPRISE	10,844	46,078	3.92	5.47
2	MULUNEH KAKA DUMESO	10,921	44,376	5.57	5.27
3	OROMIA COFFEE FARMERS COOP. P.L.C	7,904	41,522	4.03	4.93
4	TRACON TRADING PLC	7,982	34,667	4.07	4.12
5	CABEY PRIVATE LIMITED COMPANY	7,943	33,991	4.05	4.04
6	A.T.L. TRADING PLC	8,157	31,998	4.16	3.80
7	ALFOZ PLC	7,617	29,770	3.88	3.54
8	S.A BAGERSH PLC	6,786	29,687	3.46	3.53
9	GMT INDUSTRIAL PRIVATE LIMITED COMP	6,282	25,363	3.20	3.01
10	ADEM KEDIR HAJIHASSEN	5,889	23,921	3.00	2.84
	Sub total	**80,325**	**341,373**	**40.96**	**40.56**

Appendix IX: Export Volume & Value of Coffee By Exporters for 2004 E.F.Y

Volume in Ton & Value in '000 USD

Rank	Exporters	Volume	Value	% age share	
				Volume	Value
1	ALFOZ PLC	10,951	53,821	6.46	6.46
2	MULUNEH KAKA DUMESO	9,250	41,987	5.46	5.04
3	MULLEGE PRIVATE LIMITED COMPANY	7,169	37,371	4.23	4.49
4	OROMIA COFFEE FARMERS COOP. P.L.C	4,981	35,315	2.94	4.24
5	A.T.L. TRADING PLC	6,990	33,129	4.13	3.98
6	ABBAHAWA TRADING PRIVATE LIMITED CO	7,790	32,857	4.60	3.94
7	ADEM KEDIR HAJIHASSEN	7,340	31,269	4.33	3.75
8	S.A BAGERSH PLC	5,669	27,631	3.35	3.32
9	SIDAMA COFEE FARMERS COOPERA UNION	3,940	26,311	2.33	3.16
10	ETHIOPIAN GRAIN TRADE ENTERPRISE	4,708	25,795	2.78	3.10
	Sub total	68,788	345,485	40.61	41.48

Appendix X: Export Volume & Value of Coffee By Exporters for 2005 E.F.Y

Volume in Ton & Value in '000 USD

Rank	Exporters	Volume	Value	% age share	
				Volume	Value
1	ADEM KEDIR HAJIHASSEN	15,386.94	50,167.19	7.74	6.73
2	OROMIA COFFEE FARMERS COOP. P.L.C	6,800.14	38,367.45	3.42	5.15
3	MULLEGE PRIVATE LIMITED COMPANY	8,005.80	35,082.10	4.03	4.71
4	ABBAHAWA TRADING PRIVATE LIMITED CO	10,127.40	31,909.34	5.10	4.28
5	KEMAL ABDELA INTERNATIONAL PRIVATE	9,104.60	29,238.62	4.58	3.93
6	ALFOZ PLC	6,096.90	24,722.44	3.07	3.32
7	GMT INDUSTRIAL PRIVATE LIMITED COMP	7,153.02	24,023.55	3.60	3.23
8	ETHIOPIAN GRAIN TRADE ENTERPRISE	6,644.20	23,429.74	3.34	3.15
9	TRACON TRADING PRIVATE LIMITED COM	6,476.16	22,504.42	3.26	3.02
10	S.A BAGERSH PLC	5,467.55	21,582.13	2.75	2.90
	Sub total	81,262.71	301,026.99	40.90	40.41

Appendix XI: Export Volume & Value of Coffee By Exporters for 2006 E.F.Y

Volume in Ton & Value in '000 USD

Rank	Exporters	Volume	Value	% age share	
				Volume	Value
1	Horra Trading	12,900.00	40,670.12	6.80	5.69
2	OROMIA COFFEE FARMERS COOP. P.L.C	6,722.16	36,484.46	3.54	5.11
3	ABBAHAWA TRADING PRIVATE LIMITED CO	9,907.80	31,596.55	5.22	4.42
4	KEMAL ABDELA INTERNATIONAL PRIVATE	9,576.00	30,732.52	5.05	4.30
5	TRACON TRADING PRIVATE LIMITED COM	7,428.60	27,946.29	3.92	3.91
6	MULLEGE PRIVATE LIMITED COMPANY	6,415.98	26,132.67	3.38	3.66
7	SIDAMA COFEE FARMERS COOPERA UNION	4,170.60	24,838.97	2.20	3.48
8	S.A BAGERSH PLC	5,318.16	21,615.02	2.80	3.03
9	ETHIOPIAN GRAIN TRADE ENTERPRISE	5,719.74	19,982.21	3.02	2.80
10	CABEY PRIVATE LIMITED COMPANY	5,294.70	18,876.28	2.79	2.64
	Sub total	**73,453.74**	**278,875.08**	**38.73**	**39.04**

Appendix XII: Export Volume & Value of Coffee By Exporters for 2007 E.F.Y

Volume in Ton & Value in '000 USD

Rank	Exporters	Volume	Value	% age share	
				Volume	Value
1	Horra Trading PLC	13,216.80	47057.56	8.82	7.34
2	OROMIA COFFEE FARMERS COOP. P.L.C	6180.12	39482.48	4.12	6.16
3	ABBAHAWA TRADING PLC	11149.2	37670.39	7.44	5.88
4	TRACON TRADING PLC	8329.98	35805	5.56	5.59
5	MULLEGE PLC	7186.86	31584.54	4.79	4.93
6	SIDAMA COFEE FARMERS COOPERA UNION	4262.04	31546.66	2.84	4.92
7	KEMAL ABDELA INTERNATIONAL PRIVATE	7620	26562.82	5.08	4.15
8	CABEY PLC	6736.5	23945.99	4.49	3.74
9	ETHIOPIAN GRAIN TRADE ENTERPRISE	5478.6	22915.48	3.66	3.58
10	S.A BAGERSH PLC	3948	17575.24	2.63	2.74
	Sub total	**74,108.10**	**314,146.16**	**49.44**	**49.03**

Appendix XIII: Export Volume & Value of Coffee By EGTE for 2001-2007 E.F.Y.

Volume in Ton & Value in '000 USD

E.F.Y	Exporter	Volume	Value	% age share	
				Volume	Value
2001	ETHIOPIAN GRAIN TRADE ENTERPRISE	2,194	5,854	1.64	1.56
2002	ETHIOPIAN GRAIN TRADE ENTERPRISE	12,467	37,143	7.24	7.03
2003	ETHIOPIAN GRAIN TRADE ENTERPRISE	10,844	46,078	3.92	5.47
2004	ETHIOPIAN GRAIN TRADE ENTERPRISE	4,708	25,795	2.78	3.10
2005	ETHIOPIAN GRAIN TRADE ENTERPRISE	6,644.20	23,429.74	3.34	3.15
2006	ETHIOPIAN GRAIN TRADE ENTERPRISE	5,719.74	19,982.21	3.02	2.80
2007	ETHIOPIAN GRAIN TRADE ENTERPRISE	5478.6	22915.48	3.66	3.58
	Sub total	**48,055.54**	**181,197.43**	**25.6**	**26.69**