



ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEPARTMENT OF MARKETING MANAGEMENT

THE DETERMINANTS OF COFFEE EXPORT BUSINESS
PERFORMANCE IN ETHIOPIA, SURVEY OF SELECTED EXPORTER
IN ADDIS ABABA

BY

BEREKET ALEMAYEHU

ID NO: SGS/0440/2013A

ADVISOR: A. PROFESSOR MOHAMMED MOHAMMEDNUR

JUNE, 2022

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
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DECLARATION

I, Bereket Alemayehu, hereby declare that this thesis entitled “The Determinant of Coffee Export Business Performance in Ethiopia, In the Survey of Selected Exporter in Addis Ababa” is my original work, presented under the guidance of A.Professor Mohammed Mohammednur. I would also confirm that any part of this thesis has not previously been submitted for a degree or any other qualification at this University or any other institution. All sources and materials used for this thesis have been duly acknowledged.

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Addis Ababa, Ethiopia

Date of Submission: June, 2022

ENDORSEMENT

This thesis entitled “**The Determinants of Coffee Export Business Performance in Ethiopia, Survey of Selected Exporter in Addis Ababa**” has been submitted to St. Mary’s University, School of graduate studies for examination with my approval as university advisor.

(A.Professor) Mohammed Mohammednur

Date and Signature_____

St. Mary’s University, Addis Ababa

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ACRONYMS

ANOVA	Analysis of Variance
ARDL	Autoregressive Distributive Lag
ECEA	Ethiopian Coffee Export Association
ECTDA	Ethiopian Coffee and Tea Development Author
ECX	Ethiopia Commodity Exchange
ESLS	Ethiopian Shipping and Logistics Services
FAO	Food and Agriculture Organized
GDP	Gross Domestic Product
ICO	International Coffee Organization
NBE	National Bank of Ethiopia
SNNPR	Southern Nation, Nationalities, and People's Region
SPSS	Statistical Package for Social Sciences
UNCTAD	United Nation Conference on Trade and Development
USAID	United States Agency for international Development
USD	United States Dollar
VAT	Value Added Tax
WTO	World Trade Organization

ABSTRACT

A number of Coffee Exporter in global market are competing and offering the customers a plethora of Coffee products. Global Coffee markets are demanding more competitive coffee product and in right time, right Place, right price from the Coffee Exporter. Hence, the main objective of this study is to Determinant of Coffee Export Business Performance in Ethiopia, In the Survey of Selected Exporter in Addis Ababa. The research design used was descriptive and causal in nature. Primary data were collected through a structured questionnaire distributed to 197 customers (in which 180 was received back). Data were processed via SPSS software and analyzed through descriptive (frequency, percentage, mean and standard deviation) and inferential statistics (regression analysis). Regression analysis was used to find the effect of International Marketing (Export Policy, Global Competition, Consistency, Communication, Logistic, & Regulatory Procedure) on Ethiopian Export Performance. The result of the study showed that international Marketing has a positive and significant effect on Export Performance. To improve the competitiveness of the country in its coffee export according to the target markets preferences, supporting participants in the domestic coffee production, improving the exporter's capacity in exporting Policy, global competition, Consistency, Communication, Logistic and Regulatory Procedure are crucial.

Keywords: *Coffee Export, Export Performance, Exporter*

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

According to AMA (American Marketing Association), international marketing is a process of planning and executing the conception, pricing, promotion and distribution of ideas, goods/services to create exchanges that satisfy individual and organizational objectives. International marketing is the performance of business activities designed to plan, price, promote and direct the flow of a company's goods and services to consumer or users in more than one nation for profit. Philip R. Cateora and Graham (2005), Export trade, on the other hand, is crucial to fill the foreign exchange gap of a country and hence to increase import capacity and reduce dependence on foreign aid. For that reason, increased participation in world trade is considered as the single most important tool of rapid economic growth and development (Rahman, 2009).

Ethiopia which is considered as coffee's birthplace, produce high quality of Arabica coffee for both domestic and international markets. Coffee plays major role in Ethiopia economy and cultural traditional and day-to-day living. Ethiopia is single largest African producer of coffee with about half of its production going for export. In the budget year of 2013-2014 E.C Ethiopian coffee and tea corporation forecasted to collect 312,061.74 ton which is 1,173.49 million USD and the company actually collect 248,311.66 ton which is 907.04 million USD that implies 79.57 % in value and the corporation can earn 77.29% from expected. The corporation expected or forecasted in 2014 E.C from Hamle-Tahsas to collect 123,638.5 ton which is 404.79 million USD but the company actually collected 148,882.53 ton which 578.73 million USD it implies 120% of its total value and the Author can earn 143% from expected and Ethiopian know a time earning 1billion USD annually. Ethiopian Coffee and Tea Development Author (ECTDA, 2022)

According to recent research performed on behalf of the Ethiopian government, there is tremendous potential to increase exports in niche markets like organic, fair trade and ecological coffee. But in order to take advantage of these markets, there are two things that must take place. First, Ethiopia must institute a system that allows producers to certify the origin of their coffee.

Second, these certifications must be publicized for example through a website visually displaying the growing areas, giving agro-ecological information about these areas to potential buyers, and listing growers and cooperatives. (Ezera, 2007), In other hand Ponte (2002) at the global market, the emergence of competitiveness could favor exporters such as Brazil, Vietnam, and Colombia in deciding the world market price due to lower production cost in the respective countries. This adversely affects the export performance of coffee exporting countries in East Africa including Ethiopia (Nsabimana & Wondmagegn , 2019). On the other it is necessary to enhance the quality and reliability of the green coffee bean exports to meet certain environmental and social standards (International Trade Center, 2012).In today's specialty market all three types of coffee need to be represented to exemplary; high quality coffees either as stand-alone or as a named blend component & mainstream quality in many of the ready-to drink and flavored drinks that are sold alongside filter coffee and espresso (Sette, 2012).

Ethiopia is not only the birth place of coffee; it is also the leading exporter of coffee Arabica which is indigenous to Ethiopia that grows in more than 58 zones. The country know a time first in Africa and the third largest worldwide Arabica coffee producer in the world. Exporters almost all over the world to more than 50 countries in Europe, Asia, America, and the Middle east and else were in the world. The countries have greatest diversity of coffee and produces superior quality and unique coffee with glamorous flavor. ECEA is one of the prominent business associations in the country with the prime objective of promoting Ethiopian Coffee in the world market. Ethiopian Coffee Export Association provides different services to its members and serves as a focal institution for the working and its members, its members and Ethiopian Coffee importers. ECEA has currently around 197 active members that cover over 85% of the country coffee export share in terms of value and volume. Ethiopian Coffee Export Association (ECEA,2022)

According to FAO (2016) world Bank (2015) in countries such as Ethiopia, Uganda, and Burundi, the share of coffee exports relative to total export earnings exceeded 10% in 2013 (Nsabimana & Wondmagegn , 2019). Ethiopian coffee has got a significant place in the global value chain due to its exceptional quality. From the very beginning, Ethiopian coffee is characterized by fine acidity and rich body with spicy, winy, sweet taste. Ethiopian coffee is the

first choice for roasting and blending (Ethiopian Coffee and Tea Authority, 2014). Even with a share of less than 3 per cent of the global market for coffee, Ethiopia relies on a high proportion of its coffee export earnings. Indeed, coffee is the backbone of the Ethiopian economy, contributing about 28 per cent of the total foreign exchange earnings in 2011. In 2010/11, the total volume and value of coffee export was 196,117 ton and 841.65 million American dollars, respectively; and more than 120 Ethiopian coffee exporters were participated in processing and exporting coffee to 53 2 destination countries of the world (Mechal , 2013). Especially, for the last two decades coffee is the single foreign exchange earner of the country accounts about 46 percent of its total export revenue (Abiy , 2016). Despite the rigorous price of coffee shocks has been disturbing its value chain, Ethiopian coffee remains an elemental component of the Ethiopian economy and export (Zekarias & Degye , 2019). Generally, Ethiopia foreign earnings from coffee export challenged by high dependency on traditional primary product (green bean coffee even without roasting) and recurrent world market price fluctuations and instability (Zekarias & Degye , 2019). However, the country couldn't 't continues in this way.

It is obvious research-based intervention is necessary in making difference in the coffee sector. So, this study was aim to assess the determinant of coffee exporting business in Ethiopia. Many researchers try to identify those determinant but they are not fully address the main determinant they may highly affect the coffee business negatively, so that this research was reach those determinates such as logistic, global competition, sustainability, communication, and regulator procedure and export promotion. Regarding to this determinant factor this research was prepared.

1.2.Statement of the Problem

The country was full of variety of coffee. Ethiopia was the first county in the world that have so many reigns in county to grow coffee. The countries know a time having modern and effective domestic marketing system like, ECX, ECEA and inexpensive human resource. There are 15,000,000 Employees workers in coffee and related work and 10,000,000 are house hold and there are 5,000,000 farmers are work in this sector, it tells as almost 15,000,000 people are in this county work in coffee industry. These indicate the sector of coffee was very useful to minimize the unemployed rate of the country. Ethiopian Coffee and Tea Development Author (ECTDA 2016)

In addition foreign trade of coffee (export) is determined by high dependency on traditional primary agricultural commodities and recurrent world market price fluctuations and instability (Zekarias & Degye, 2019). In this regard literatures are not silent. According to FAO (2014) the major challenge is market inefficiency that resulted from overvalued exchange rate, high level of impurities and weight losses & high transport and marketing costs (Zekarias & Degye, 2019). In addition the concentration on few trading partners makes the country vulnerable to the economic conditions (demand) of its trading partners (Debel, 2002).

In the activities of coffee export marketing practices there are many challenges. This challenge in the practices coffee export marketing include: volatile international market coffee price, extended coffee marketing supply chain (ECX), low coffee productivity, inconsistency coffee quality, low value addition and climate change. (Hana Mulugeta, 2018) Besides, there are certain set of determinant where on the practices of coffee export marketing face deforestation and land degradation, loss of genetic diversity; gen erosion, crop replacement by more profitable cash crops, little market promotion and incentive mechanism, inadequate service (credit, inputs, seeds, equipment's....) (Ethiopia coffee & tea authority, 2017)

Ethiopian coffee sector was highly useful for the country to have more financial strength. There are so many factors that affect Ethiopian coffee exporting market in international and local market. Having the above information, even though there is a remarkable increase in the export activity in the business unit it is not as intended for coffee and data shows that the export growth rate of the unit low as compared to the country resource such as cheap human resource, suitable climate, suitable soil, but the sector is still low increasing rate. In another point of view the coffee sector relatively very low contribution to the country GDP. So in considering those gaps, this paper tries to answer this specific question by analyzing the descriptive value of marketing concept elements at once.

1.3.Objectives of the Study

1.3.1. General Objective

In the content of the problems explained above, the intent of this study was to assess the determinant of coffee exporting business in Ethiopia in the case of selected exporter in Addis Ababa.

1.3.2. Specific Objectives

In line with the general objective highlighted above, the following four specific objectives were articulated.

- To determine the extent to which exporting policy affect Ethiopian coffee exporting business
- To investigate the effect of high global competition on the coffee exporting business
- To examine the effect of consistency, affect Ethiopian coffee exporting business
- To examines the effect of communication, affect Ethiopian coffee sector
- To test the extent to which logistic influence Ethiopian coffee exporting business
- To determine the extent to which regulatory procedure affect Ethiopian coffee exporting business.

1.3.3. Basic Research Questions

In light of the above-mentioned problem, the student researcher had tried to give answer to the following questions.

1. How does exporting policies affect Ethiopian coffee exporting business?
2. How does high global competition affect Ethiopian coffee exporting business?
3. How does consistency affect Ethiopian coffee exporting business?
4. To what extent communication affect Ethiopian coffee exporting business?
5. How does logistic influence Ethiopian coffee export sector?
6. To what extent regulatory procedure affect Ethiopian coffee export business?

1.4. Significance of the Study

The study was having various contributions for different individual and group for coffee exporting company, the study helps to identify problem related with factor affecting coffee exporting business, policy holder, for government the study suggests the mechanism to determine the factor that affect export sector to develop better performance. Moreover, the study was significant role for coffee exporting.

1.5.Scopes of the Study

The study was delimited geographically, conceptually and methodologically. Theme wise the study is delimited to determine the export policy, governmental procedure, and competition, logistic, communication, consistency related on performance of coffee exporting business. Interims of methodologically the study where be use questioner & interview to gather pertinent data from respondents. Geographically the study was being delimited to the coffee exporter located only in Addis Ababa city.

1.6.Limitation of the Study

The researcher had faced different problems while conducting this research. In fact, some exporting companies were not cooperative enough which forced the student researcher to extend the collection date of the distributed questionnaire for extended period beyond the allotted time; and some exporting company managers were not also willing to respond a lot part of the questionnaire which made the response rate to decrease in somehow.

1.7.Definition of Basic Terms

- **International marketing;** - International marketing refers to any marketing activity that is carried out across national boundaries. Thus, it could include anything from exporting one product to one other country in response to an order, to a major effort to market a number of products to many countries. (Gerald Albaum, Edwin Duerr ; 2011)
- **Export:** - it is the ways of distributing good or service beyond the home country.
- **Export Policy:** - a set of guidelines & instructions related to the import and export of goods.
- **Factor:** - is one of things that affect an event, decision or situation.

1.8.Organization of the Study

This study was conduct five chapter in the first chapter I was concern background of the study, statement of the study, research question, objectives of the study, scope of the study, significant of the study, the next one is which is chapter two I was conduct some of literature review. 3rd one is the place where the researcher was conduct Research methodology, research design, research

Approach, Target Population, Sample Size and Sampling Technique, Sample Size Determine. The calculation, Sampling Technique, Data sources and data collection method and Methods of Data analysis 4th was collect row questioner data was analyze and the last chapter is chapter five that was conduct; summery, conclusion, and recommendation.

CHAPTER TWO

2. REVIEW OF RELATED LITRATURE

2.1.INTRODUCTION

The purpose of this chapter is to present the concept of international marketing, export and determinant of exporting. Different type of export marketing and determinant are well discussed in this chapter. Moreover, the chapter reviews related theoretical studies, empirical study, presents conceptual framework of the study as well as the research hypotheses at the end of the chapter.

2.2.Theoretical Literature

Meaning and Definition of Export

According to AMA (American Marketing Association), international marketing is a process of planning and executing the conception, pricing, promotion and distribution of ideas, goods/services to create exchanges that satisfy individual and organizational objectives. According to Philip R. Cateora and Graham (2005), international marketing is the performance of business activities designed to plan, price, promote and direct the flow of a company's goods and services to consumer or users in more than one nation for profit.

The definition of exporting, as one of the most important sectors of international trade, has been a subject for different scholars. In this regard, many writers have given their own definition of the process.

Philip R. Cateora (1998) defined the term as “exporting is an integral part of international business whether the company is large or small or whether its market is one country or a global market”. Similarly, the term is defined as a process of entering a foreign market by selling goods produced in the company's home country, often with little modification. In general, the term could be simply understood as a process of sending goods either in fully processed, semi processed or raw form production areas to places where the goods could be either consumed or further processed. (Cateora and Armstrong 2004).

COFFEE IN ETHIOPIA

Ethiopia is endowed with a good production environment for growing coffee with a combination of appropriate altitude, temperature, rainfall, soil type, and pH. Ethiopia is the center of origin for Coffee arabica. The country possesses a diverse genetic base for this Arabica coffee with considerable heterogeneity. Ethiopia produces a range of distinctive Arabica coffees and has considerable potential to sell a large number of specialty coffees (Nure, 2008).² Little of the lower-value Robusta coffee is produced in Ethiopia, being better suited for production in lower altitude equatorial climates. Coffee production in Ethiopia is almost exclusively situated in the two regions of Oromia and the Southern Nations, Nationalities, and People Regions (SNNPR) in the south and west of the country.

Smallholder farmers produce 95 percent of Ethiopia's coffee (Tefera and Tefera, 2013). It is produced under several types of production systems, including forest, semi-forest, garden, and plantation coffee (Tulu, 2008). Forest coffee is grown in the wild under natural forest cover and is gathered by farmers from trees with minor tree maintenance. Semi-forest coffee is also grown in forest conditions, but there is some limited maintenance by farmers, mostly annual weeding. This type of coffee has clearly delineated boundaries of ownership, although the trees usually are located away from agricultural plots. Garden coffee is defined as coffee from trees planted by farmers in the vicinity of their residences. It is often intercropped with other crops or trees. Plantation coffee is grown on large commercial farms, private as well as state farms. Modern production practices such as irrigation, modern input use, mulching, stumping, and pruning - are often applied in this case. While reliable recent statistics are lacking, it is estimated that these different production systems make up about 10, 35, 50, and 5 percent, respectively, of total coffee production in the country (Kufa, 2012).

There have been significant domestic policy reforms in the last decade that affected the structure and performance of the coffee export sector. First, from December 2008 onwards it became mandatory for private traders to sell their coffee through the Ethiopian Commodity Exchange (ECX), a new modern commodity exchange.³ ECX trades standard coffee contracts, based on a warehouse receipt system, with standard parameters for coffee grades, transaction size, payment, and delivery. The first level quality control is decentralized and undertaken

in nine liquoring and inspection units in major production areas.⁴ The establishment of the ECX has led to important changes in the structure of the coffee value chain (Gabre-Madhin, 2012).

Second, the government intervened in the coffee market on several occasions in an effort to reduce hoarding by exporters. In April 2009, six large traders were banned from exporting coffee because of their pre-summed excessive hoarding. The government revoked their licenses, closed down their warehouses, seized their coffee stocks, and sold them on their behalf (Alemu, 2009). A policy was further implemented in May 2011 that limited the amount of coffee an exporter can store. An exporter, for example, selling and buying coffee on the ECX was have his or her right to trade on the commodity exchange revoked if found to be storing more than 500 metric tons of coffee without a shipment contract with an importer (Tefera and Tefera, 2013).⁵ Failing to adhere to these regulations has led to the banning of coffee exporters, as seen in 2011 and 2013 (Araya, 2011; Ye-wondwossen, 2014).

Third, there have been a number of changes regarding export taxes on coffee over time. Core changes include the removal of entry barriers (Proclamation No. 70/1993); the consolidation of all taxes and duties levied on coffee export into a single tax family (Proclamation No. 99/1998), which consolidated all taxes on coffee export to 6.5 percent; and, following the 2002 international coffee crisis, the waiving of all export taxes on coffee exports. Finally, an Ethiopian Fine Coffee Trademark Licensing Institute was set up in February 2005 with the purpose of setting up a system to secure legal ownership in international markets of specialty coffee names (especially Sidamo, Harar, and Yirgacheffe) (Agrer, 2004). There was initial resistance against this initiative, but they were ultimately settled. The goal of this effort was to add brand value to Ethiopian coffee. Signatories entered into a brand management strategy with the government with the purpose of achieving better farm-gate and export prices for coffee (Arslan and Reicher, 2010).

COFFEE PRODUCTION SYSTEMS IN ETHIOPIA

With approximately 95% of coffee production in Ethiopia been considered organic, coffee production in the country is categorized into four (4) systems namely forest coffee, semi-forest coffee, garden coffee and plantation coffee (Ministry of Trade, 2012).

- ❖ **Forest Coffee:** This system of production is found mostly in the South and South-Western Ethiopia, specifically in Bale, West Wolega, Metu, Keficho-Shekicho, Bench-Maji and Jimma). These areas are regarded as the origin of Coffee arabica (Arabica coffee). Forest coffee is not intentionally grown by growers, but is rather self-sown and grows under the shade of natural forest trees. This type of coffee offers a wide diversity for selection and breeding so as to have plant stock selected for disease resistance, high yields and of good quality in terms of aroma and flavor. Production under this system represents 10% of national output.
- ❖ **Semi-Forest Coffee:** Accounting for 35% of national coffee production, this system of production is also found in the Southern and South-Western parts of Ethiopia. Trees under this system enjoy relatively more sunlight than those under the forest coffee system of production. It involves thinning and selection of forest trees by farmers so as to create room for adequate sunlight and at the same time ensure adequate shade.
- ❖ **Garden coffee:** This system of production is found mainly in the Southern and Eastern parts of the country specifically in South and North Omo, Hararghe, Gedeo, Sidamo, Wolega and Gurage zones. It accounts for approximately 50% of national production and is located near residences of growers. It is planted at low densities and is mostly fertilized with organic materials.
- ❖ **Plantation coffee:** Accounting for 5% of national production, plantation coffee is grown on state-owned plantations (with some currently been privatized) and on well managed smallholder coffee farms. Vital agronomic practices like weeding, spacing; fertilizer and herbicide application (for state-owned plantations), manuring, and shade regulation among others are practiced under this system.

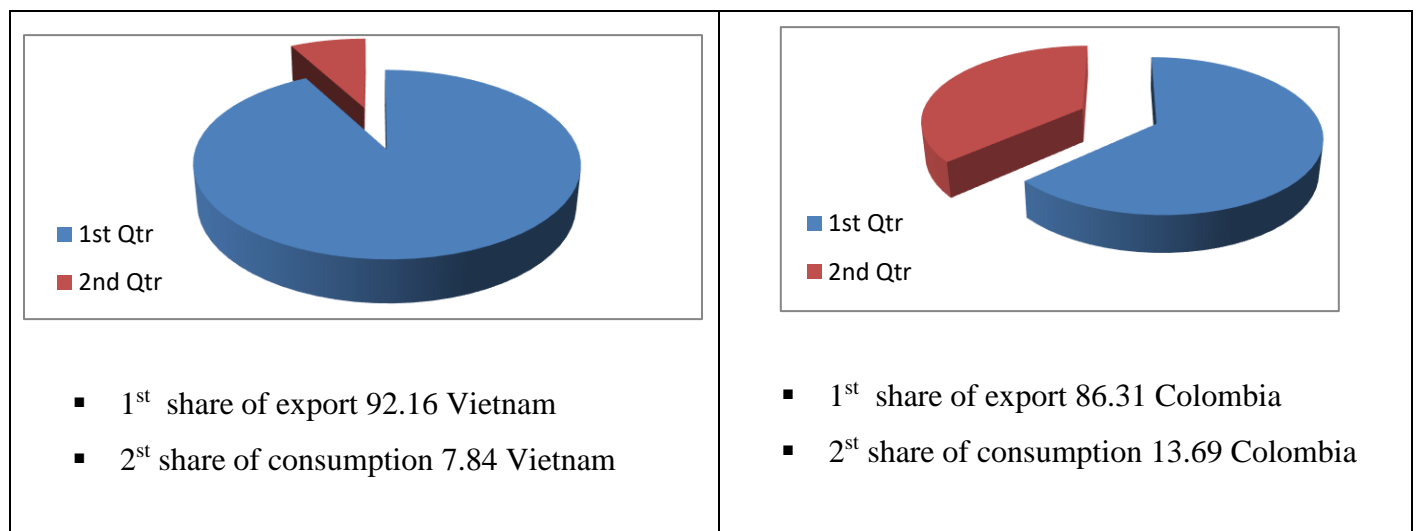
Coffee production, consumption and export performance of top producers in the world

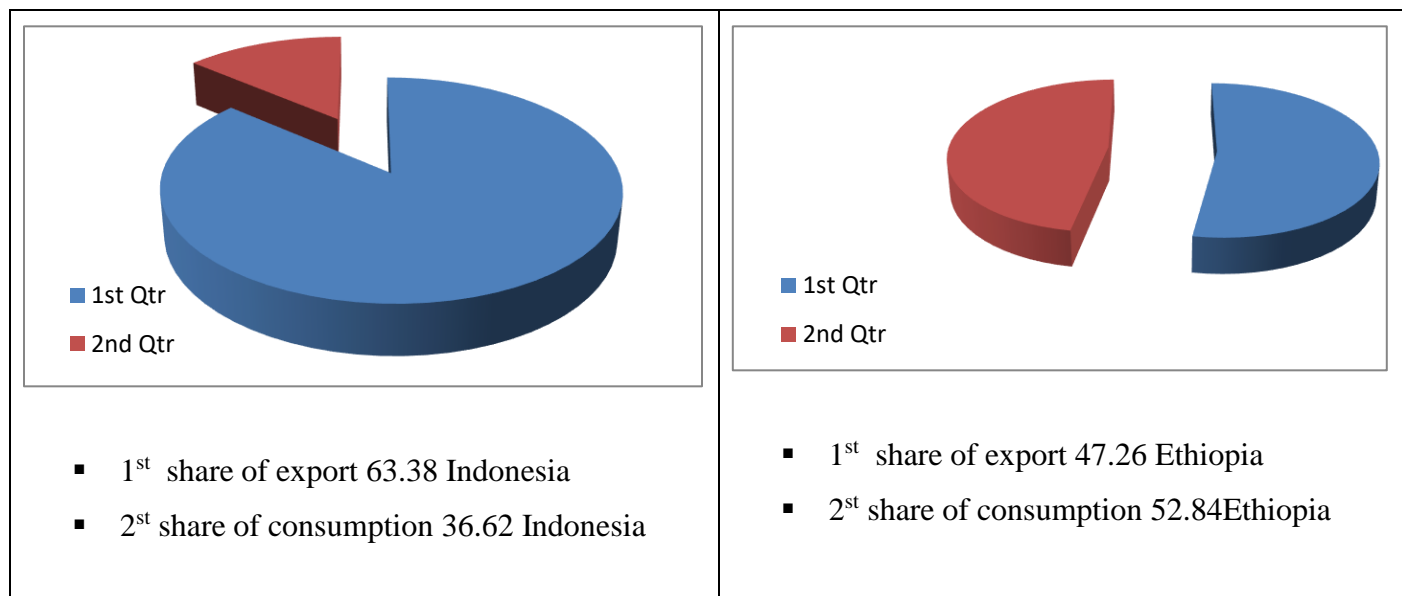
Ethiopia is one among the largest producing and exporting countries of coffee products in the world. Coffee production has contributed substantially to both domestic and foreign earnings in the country. Moreover, coffee also serves as a primary source of labor, especially for rural smallholder farmers. Ethiopia is fifth in the world in total production, according to statistics from the International Coffee Organization, and many of its Arabica beans are recognized internationally for their high quality. However, in this birthplace of coffee, a conflict is brewing

over who gets Ethiopia’s best beans. The government wants dollars to build infrastructure, and so it has ambitious targets to increase coffee exports, capitalizing on world-wide demand for its high-end Arabica beans. But Ethiopians, Africa’s top coffee consumers, want to keep the beans at home; and with urban incomes rising, Ethiopian coffee drinkers increasingly want better quality. In most cases, the domestic price is higher than international prices and as a result, exporters are reluctant to export their product into international markets. They prefer to sell their product at home rather than export to the rest of the world. The government wants exports to be promoted to raise hard currency.

The pie charts below are drawn-up using the average data from 2010 -2016 extracted from International Coffee Organization for the purpose of comparison. They show the shares of coffee consumed domestically on average, Vietnam exported over 92 percent of its total production and domestic coffee consumption is only about 8 percent. Coffee has been the major source of foreign exchange and domestic consumption has remained small. Similarly, Columbia has exported over 86 percent of its production annually with only 14 percent is consumed at home. Indonesia and Brazil have been larger domestic consumers but both have kept exports significantly higher than domestic consumption. By contrast, in Ethiopia for the last seven years, while domestic consumption and export volume have almost balanced, domestic consumption has continued to be slightly higher than export volume.

Figure 2.1 share of domestic consumption and export volume for the top five coffee growers





Source; Ethiopian Journal of Economics 2018

While demand for specialty coffee is creating a new and expanding market for Ethiopian beans, the push to export also comes as coffee countries face steep competition. Currency devaluations in the world’s largest Arabica producers have pushed farmers to export beans, but Ethiopia is also competing against other African producers like Uganda, Kenya and Tanzania to export premium beans, and these are countries in which people mostly drink tea and produce coffee largely for export. Without gains in production and with steady competition at home, Ethiopia’s answer may not lie in exporting more coffee but in simply charging more.

Compared to top coffee producers like Brazil and Vietnam, domestic consumption of coffee in Ethiopia is far larger. The level of export for other top producers is usually significantly greater than the quantity of coffee being consumed domestically. In Ethiopia, according to the data extracted from the International Coffee Organization, the average share of coffee being exported and consumed domestically for the last ten years is estimated to be 47.26 percent and 52.84 percent respectively.

Though there have been fluctuations in the quantity of coffee produced and the export levels of coffee, the amount of coffee consumed domestically shows no decrease, rather the reverse. Indeed, any decrease in domestic production is reflected solely in a decrease of export volume. Whenever, domestic production levels decrease, export volume decreases but not domestic consumption.

Consumption

Ethiopians are heavy coffee drinkers, ranked as one of the largest coffee consumers in Sub Saharan Africa. Nearly half of Ethiopia's coffee produce have locally consumed. Coffee in Ethiopia has both social and cultural value. It mainly consumed during social events such as family gatherings, spiritual celebrations, and at times of mourning. Coffee supplied and traded in the local market usually has a lower quality. Coffee on the local market is mainly coffee destined for export through the Ethiopian Commodities Exchange (ECX) market but rejected for failing to meet ECX's quality standards. In spite of the fact that coffee supplied to the local market has low quality, the price of coffee in the local market is usually higher than export prices. Because of this price disparity, some coffee shops in most large cities have started mixing coffee with barley grain to get more profit (Birhanu, Shiferaw, Trondheim, 2009)

An interesting new development in Ethiopian major cities regarding coffee consumption is the emergence of small roadside stalls selling coffee to passer by customers. The small roadside stalls serve coffee in a traditional manner. They have emerged and flourished in Ethiopia's major towns, growing very popular among coffee consumers who are frustrated by the escalating price of coffee and the deteriorating quality of coffee served in cafes and coffee shops. Unlike regular coffee shops, the small roadside stalls pay neither VAT nor house rents making their cost of serving coffee much lower and more competitive than the regular coffee shops. The exorbitant local coffee prices have also pushed some consumers, particularly those residing in non-coffee growing areas, to boil and drink the skin of a coffee grain as a substitute for normal coffee (Abu Tefera and Teddy Tefera, 2013).

Factors Causing Low Coffee Production in Ethiopia

- Khat (*Catha edulis*) is increasingly competing with coffee for farmlands particularly in the eastern part of the country in the Hararge region. A fresh leaf chewed as a stimulant in many towns in Ethiopia and in neighboring countries. Khat is developing a growing demand in major Ethiopian towns and countries such as Somalia, Kenya and Yemen; those countries import Khat from Ethiopia. Khat is a crop with relatively high resistance to drought, disease, and pests. It be harvested three or four times a year and generates better income for farmers than other cash crops including coffee. Several small-scale

farmers in the Hararge region have switched from coffee production to Khat production. The fact that coffee farms being changed into Khat farms has offset newly planted coffee farms in other regions resulting in a very marginal increase in overall size of area planted to coffee.

- Ethiopian farm management systems, the agronomic practices are traditional. Moreover, extension services provided to smallholder farmers are inadequate.
- Government organization does not have a specialized institution that provides extension support for coffee production. (Alemseged, 2013)

Coffee Production and Marketing Value Chain in Ethiopia

The producers under this stage in the coffee value chain of Ethiopia include small scale farmers, private owned farmers and state firms. The major portion inters of volume of products mobilized, value adding functions, market share and capital owned in coffee value chain of the country is under the hands of producers especially the large-scale private coffee plantations and state farms of coffee plantations. After the coffee is grown and matured, the following value adding activities in the value chain performed by those producers are collecting coffee chary and transporting to processing areas (USAID, 2010)

Coffee cherry collecting and transporting activities in Ethiopia in which except loading and unloading, mostly performed by women groups of farmers. Most of the farm products including coffee are raw in nature and need to process before consumption. This increases the cost of marketing service, which adds value and price on farm products. Under this main activity the sub tasks performed in processing the coffee are pulping, washing coffee, drying, sorting, sacking/ packing, loading, and transporting then finally unloading to the warehouse. The small-scale coffee producers are always selling the red cherry coffee on their farm as it is without harvesting, drying, and hulling to the coffee collectors. However, some small-scale farmers in country grow, harvest, dry, hull and sell their dry cherry coffee to collectors (legal and illegal collectors). While, household farmers were mostly selling red cherry coffee. The large scale-private farmers and state farms harvest coffee chary and use pulping machine (dry or wet pulping machines) add more value on the coffee products. The pulped and washed coffee then exposed to sun rise in appropriate place until the coffee bean become properly dried and those foreign materials in

coffee are sorted so that it was ready grading and sacking. Therefore, most agro- Processing employees are women (USAID, 2010)

The significance of coffee to Ethiopia

As mentioned repeatedly before in this paper as well as various other literatures, Ethiopia's export has always been mainly comprised of agricultural products, of which, until very recently, was dominated by coffee. Coffee's relative significance has declined consistently since 1997 G.C, got by non-coffee commodities in 2000 G.C and currently has a relatively lesser share following the increased diversification towards other export products. Still, coffee remains an important export commodity as it is one of the top foreign exchange earners for Ethiopia. According to Abay and zewdu (1999), between 1966 and 1996, an average 60% of the country's export earnings came solely from coffee. However, coffee only contributes to only 12% of the total export earnings. Furthermore, it is also an important source of income to millions of people both in the rural and urban parts of Ethiopia. The coffee sector is estimated to impact approximately 15% of Ethiopian's population (McMillan et al, 2003).

According to Samuel and Eva (2008), the coffee sector supports up to 8 million households by contributing to a considerable share of their income, while many are employed in coffee-related activities such as processing, transporting or marketing. Around 700,000 households nationally are estimated to be engaged in coffee production (ICO/CFC,2000). In addition to the huge developmental implication's coffee has for Ethiopia, it also plays a significant role in social and cultural heritage of the country. Ethiopians have been drinking coffee longer and more consistently than any other people on the planet. Coffee drinking is a deep part of Ethiopian culture and a big part of the identity of the people.

As a result, a very large portion of national production ends up on the local market. Another important contribution coffee makes to Ethiopia is the part it plays in building a positive image of the country, its people and their culture.

Despite all these, Ethiopia has not fully exploited its position as the origin of Arabica coffee and producer of some of the highest quality coffee in the world. According to recent research

performed on behalf of the Ethiopian government, there is tremendous potential to increase exports in niche markets like organic, fair trade and ecological coffee. But in order to take advantage of these markets, there are two things that must take place. First, Ethiopia must institute a system that allows producers to certify the origin of their coffee. Second, these certifications must be publicized for example through a website visually displaying the growing areas, giving agro-ecological information about these areas to potential buyers, and listing growers and cooperatives. Technical assistance could play a role in further designing the certification system and developing the website and as well as other means of advertising such as coffee “cupping” and tourism (Ezera, 2007)

Export Performance and Economic Growth Linkage

In today’s world, the link between export performance and economic growth becoming a main interest for development economists. Because trade can be an important stimulus to rapid economic growth by promoting greater utilization of idle human capital resources, increasing foreign exchange earnings, and expanding access to technological knowledge.

The importance of export performance, as pointed out by UNCTAD (2005), includes: export development allows the country to concentrate on investment in those sectors where it enjoys a comparative advantage; the resulting specialization is likely to augment overall productivity; the larger international market permits economies of scale to be realized in the export sector; worldwide competitive pressures are likely to reduce inefficiencies in export area and results in adoption of more efficient techniques in the overall traded good sector, and a larger export sector would make available more resources necessary to import in a timely fashion both physical and human capital including advanced technology in production and management, and the training higher quality labor. Other point for theoretical justification discussed by UNCTAD (2005a) is that, shifting resources in to export production creates positive influence on growth.

If the export sector is characterized by higher productivity than the rest of the economy, then countries with a larger export sector or which are reallocating resources to the export sector should experience rapid economic growth.

Coffee production and export performance in Ethiopia

It is estimated that approximately 600,000 hectares of the land area in Ethiopia is covered by coffee (McMillan et al, 2003) of this, over half is semi-forest, or semi-wild/wild land.

Approximately 95% of total coffee production in Ethiopia is cultivated by smallholder farmers, who grow them on their own farms or pick semi-wild/wild coffee. Around 235,600 hectares are under smallholder cultivated ('garden' or 'cottage' coffee), which is generally inter-cropped with food staple (McMillan et al, 2003). There are also about 20,000 hectares of plantation coffee, consisting mainly of state farms, but increasingly also of plantations under private ownership (McMillan et al, 2003).

Trade Policy and Business Environment

The federal democratic republic of Ethiopia is classified as a low-income country with a long-term vision to become a middle-income economy. Ethiopia is in the process of accession to the WTO, which is believed to accelerate the country's integration into the global trading system. The country was ranked 106th out of 132 countries in the World Economic Forum Enabling Trade Index (2012), which measures institutions, policies and services to facilitate trade in countries. Its business and regulatory environment is deficient in competition and the availability and quality of transport infrastructure, and information and communication technology are low. In particular, identifying potential markets and buyers as well as access to trade finance are the most problematic factors for trade. (ITC Report, 2014)

Trade Policy and Market Access

In January 2003 Ethiopia officially applied for membership into the WTO. Although several challenges remain and, therefore, the process of negotiations is slow, Ethiopia is expected to meet all of the requirements set out for accession and become a member in the near future. Ethiopia is a member of the following organizations and regional markets: Common Market for Eastern and Southern Africa (COMESA); the Africa Free Trade Zone (AFTZ); African Union (AU); the African, Caribbean and Pacific Group of States (ACP); the Intergovernmental

Authority on Development (IGAD); and the Economic Commission for Africa (ECA). However, Ethiopia its commitment to regional integration remains at the lower end. Although Ethiopia is a founding member of the COMESA since 1993, it remains as a COMESA non-FTA member country; nevertheless, goods imported from COMESA countries are afforded a 10 per cent tariff preference. Ethiopia's average MFN applied tariff in 2012 was 17.3 per cent. Agricultural products face higher tariffs (22.4 per cent) compared to non-agricultural products (16.5 percent). High import tariffs policy is adopted to protect certain industries such as the clothing and textile industries. (ITC Report, 2014)

Logistics Services in Ethiopian Context Ethiopia has three types of freight-forwarding service providers namely a) Forwarding and shipping agency service providers, b) Forwarding service providers and c) Customs clearing agents. Foreign participation in the sector is not permitted under the investment law. Forwarding and shipping agency service providers. The state-owned Ethiopian Shipping and Logistics Services Enterprise (ESLSE) provides freight forwarding and clearing, shipping, as well as trucking and stevedoring services. ESLSE provides Multi-modal and Uni-modal transport operations. About 8% of these services are provided by the private sector. Forwarding service providers represent 17% of the service providers and the majority lacks strong financial bases and faces some problems in management and organization. Customs clearing agents consists of informal operators and represent about 75% of the services providers and focus on individual consignments in which they provide cheaper services based on personal contacts. The majority lacks strong financial backing, management and organization. (UNDP, 2017)

Regulatory Enforcement

The Ethiopian Revenue and Customs Authority (ERCA) is implementing a variety of tools recommended by the World Customs Organization (WCO) to make it more efficient. These include risk management, an AEO program, a new valuation system, electronic seals and tracking devices, scanners and so forth. It is critical that they are instituted well and that unnecessary redundancy of controls is eliminated. For example, ERCA is developing a risk management program that seeks to do risk profiles based not only on customs experience with the company, but drawn on experiences throughout ERCA, which is a very positive step. 18

Nevertheless at this point, while elaborate monitoring systems are being constructed, most cargo is still going through physical examination. While customs is starting an AEO program, identified AEO companies are still queuing with other trucks, rather than being fast tracked through a lane bypassing the inspection area. The AEO right to use a secure transit lane and minimal inspections is controlled by periodic verifications and submission to a post-clearance audit. Good practice in customs agencies is establishing compliance programs in which compliant companies are given certain benefits for their compliance and the customs agency is able to focus on those companies that have a record of non-compliance. The need for more reliable connectivity is clearly demonstrated in customs. There is an agreement between Ethiopian and Djiboutian customs for a special regime that will facilitate the movement of cargo at the Port, in transit on the Ethio-Djibouti Corridor and at the border posts. Yet much of it is not being implemented because the connectivity necessary for implementation is not in place. In addition to the improvements being sought in customs, it is essential that all border control agencies improve their clearances. It will not help for Customs to improve its time, if agriculture or veterinary services delay cargo. Addressing the inefficiency in coordination among agencies, is called Cooperative Border Management (CBM) or IBM. It will be a critical component of future improvements. The study also highlights the requirements for business and transport licenses as modified recently. A one stop shop for inputs should be designed. (UNDP, 2017)

2.3. Empirical Literature

Coffee is the major source of foreign currency in Ethiopia and it contributes more than 35% of the total export earnings of the country (MOARD, 2009). However coffee export of the country is instable for instance between the year of 1997 and 2001 export of coffee from the country declines by 9.11% but in contrast from the year of 2007 to 2011 the export supply grows by 4.3% (ICO, 2011). In addition to its fluctuation the growth of coffee export supply in the last two decades (1991-2010) is too low; it grows on average only by 0.041 percent per annum (ICO, 2010). As the result the researcher seeks to examine and analyze the effect of those possible major determinant factors that hinder the growth and the overall performance of coffee export sector and tries to addresses issues that enhance the export growth and to make that growth sustainable, competitive in the international markets and eventually maximize the benefit that could be earned from the coffee sector. The overall success of any strategy to increase coffee

export supply was depend on the knowledge of what factors constrain coffee export growth and the responsiveness of exporters to changes in both price and non-price conditions. Accordingly, a better understanding of the determinants of past performance, and the direction and magnitude of the relevant elasticity is desirable. So far some studies have been undertaken in Ethiopia related to the export performance of coffee. Teshome (2009) study determinants of coffee export supply equation by taking coffee arrival as dependent variable sing a time series data. The major finding of his study indicates that world price and producer price of coffee affects coffee export negatively. The impact of rainfall is significant in both short run and long run. However credit access and extension service are insignificant in the long run but significant in the short run. The study also indicates gross domestic product and real exchange rate does not have any impact on the export supply of coffee. Yoseph (2009) investigated export supply response of coffee in Ethiopia for the years of 1975-2008 by employing Autoregressive Distributive Lag (ARDL) model. world price of coffee affects coffee export positively its export price elasticity was 2.48, while the impact of producer and export price is insignificant in the long run as well as in the short run. The estimated elasticity for domestic supply of coffee, exchange rate and GDP were 1.07, .891 and 1.35 respectively.

Mekbib (2008) classified factors affecting export performance into two broad categories. These are domestic and external factors. According to Mekbib, external factors are factors that are related with international/regional and individual country's trade and related policies. For instance, the rules established by different international organizations such as world trade organization may probably promote external trade in the long run. Even though the rules established by international organizations such as the World Trade Organization (WTO) may in the long run promote external trade, in the short run, the degree to which globalization pressurizes developing economies to open-up without allowing enough time to prepare for the challenges, could have a serious impact on their export performance. In addition to the above constraints the tendency of some regional organizations to protect their markets from external competition may minimize the developing countries access to the external market. Protective policies of countries (through tariff and non-tariff barriers), such as, for instance, the agriculture policies of some European countries, under pressure from internal industries, constrain exports of developing countries. The second one is domestic factors which Mekbib classified again in to two categories. Such as, factors internal and external to the firm. When we look at specifically

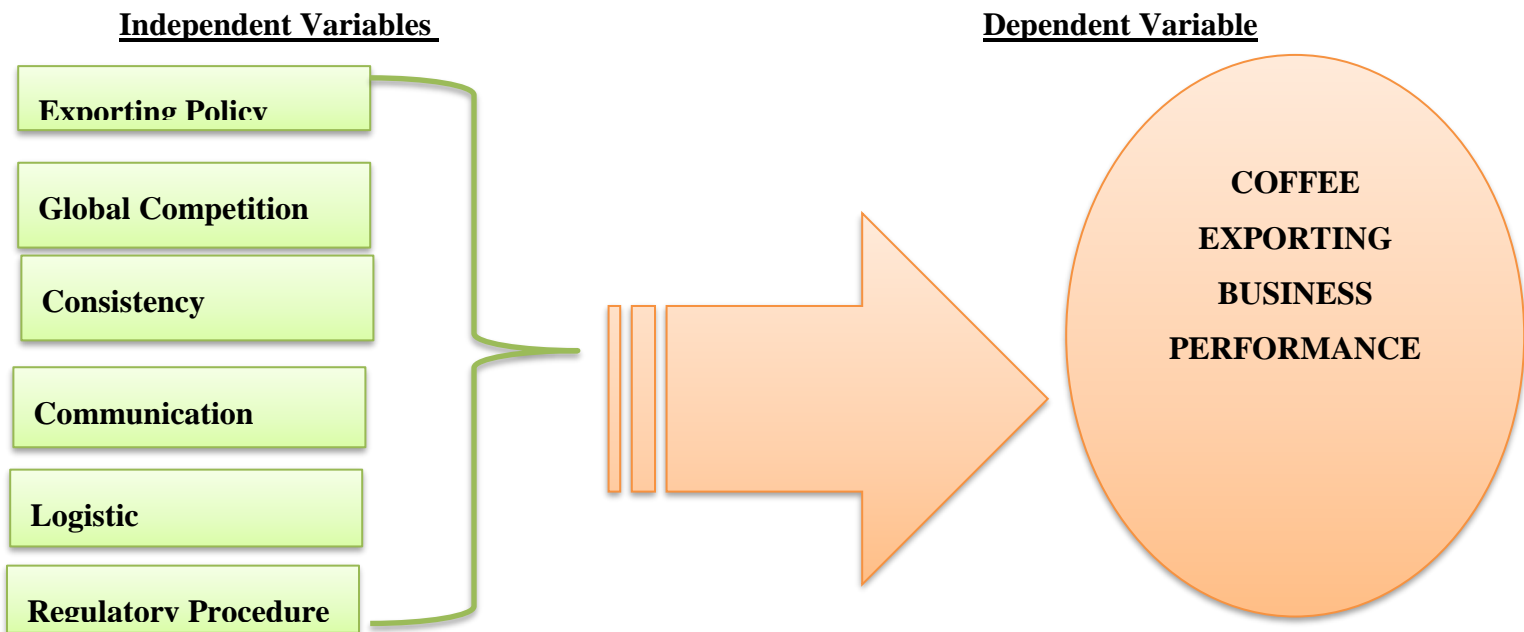
the factors affecting export performance of Ethiopia, different researchers have put their effort towards identifying and addressing these constraints.

According to Abay and Zewdu (1999), the major constraints of the Ethiopian export sector could be seen from demand and supply sides. The demand side constraints include: low level of demand for agricultural products due to very slow population growth rate in industrial countries, low income elasticity of demand for primary exports, production of synthetic products, and restrictive trade policies followed by importing countries. On the other hand, the type and composition of products, concentration of export markets in few countries, natural factors, like: drought and diseases, and poor domestic policies are among the supply side challenges of the Ethiopian export trade.

2.4. Conceptual Framework of the Study

The objective of the study is to determine the effect of export policy, global competition, consistency, communication, logistic, regulatory procedure on coffee exporting business performance. The conceptual framework of the study demonstrates the relationship between the independent variable (export policy, global competition, consistency, communication, logistic, regulatory procedure) and dependent variable (coffee exporting business performance). The figure below shows the proposed conceptual framework adopted and modified from literatures.

Figure 2.2 Conceptual Framework of the Study



CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1.INTRODUCTION

This section was covering the research methodology part of the study. More specifically, the chapter was being discusses the research design; research approach; target population, sample size sources of data and data collection method; population, reliability and validity of data collection instruments; methods of data analyses and ethical considerations are discussed here.

3.2.Research Design

According to (Naresh K.Malhatra & David F.Birks; 2007) A research design is a framework or blueprint for conducting a marketing research project. It details the procedures necessary for obtaining the information needed to structure or solve marketing research problems. Although a broad approach to the problem has already been developed, the research design specifies the details the practical aspects of implementing that approach. Based on the purpose of this research the paper was design by causal research and descriptive research. As explained by (Robson.C, 2002) States that, the aim of descriptive research is to portray an accurate and exact profile of people, events or situations. According to (John W. Creswell; 2018) the scientific concept of causality is complex. ‘Causality’ means something very different to the average person on the street than to a scientist.

For this study, the researcher uses causal research design which has used apply because it helps to test the cause and effect relationship between the proposed factor and the performance of coffee exporting business, and also to the researcher was use descriptive method to highlight the most important factors that can negatively affect Ethiopian coffee exporting performance.

3.2.1. Research Approach

The student researcher uses a mixed research approach i.e. mixed methods case study design is a type of complex mixed methods study in which both quantitative and qualitative data collection and their results are used to develop a case or multiple case for further analysis and comparisons.

(John W. Creswell; 2018) The student researcher has used quantitative and qualitative approach to complement the research problem. Quantitative approach was used followed in that variable was analyzed use statically process and to justify the results of questioner in a short and summarize way.

3.2.2. Target Population, Sample Size

3.2.2.1. Target Population

The target population for this study was consisted by mangers of coffee exporting company. Total population was 197. Since the target population was used small in number, the data collection cost for these respondents was used relatively very low and make more reliable on the data and hence the researcher was used census method.

Sample Size Determination

The student researcher was use census method because “a census is attractive for small populations and eliminates sampling error and provides data on the individuals in the population. In addition, some costs such as questionnaire design” (1992; Glenn D.Israel) depending on total population the researcher was use census method to collect reliable data.

3.3.Data Sources and Data Collection Method

Data collection means to collect data for analysis and examining. There are two types of data: primary and secondary data. Primary data is first hand personal information collected by the researcher through questionnaires in terms of quantitative research or interviews and observations for qualitative research. On the other hand, secondary data is used to analyze the already collected data from previous research and authors. These data are already available on different sources such as internet, past papers or books (Bryman.A & bELL.e, 2011). This research was being using both primary and secondary data sources.

In this study, primary sources the researcher was use the following data gathering techniques, questionnaire was use to gather pertinent data from 197 active coffee export companies of managerial employees and Using interview the researcher was gather important data from manager of the Ethiopian Coffee Exporters Association. Thus an in depth interview was intends by the student researcher to obtain the required data from necessary bodies. Beyond that the researcher was use secondary sources from previous articles, literature and research.

3.4. Methods of Data Analysis

Quantitative data analysis is used to analyze the data which are collected from primary and secondary data collection instruments. In such quantitative data analysis technique, both percentage and frequency were used to analyze the data that is obtained through close ended question and present by using table. The Linear regression and correlation are important methods to investigate the relationship between two variables (Viv.Bewick, Liz.Cheek, & J.Ball, 2003) Qualitative data was gather though interview and from secondary source was analyze. To identify the importance of corporation characteristics, exporting promotion, export policy, governmental procedure, and competition, logistic, communication, sustainability related determinant as per coffee exporting performance. Moreover, quantitative data gather though structured questionnaire was though descriptive statistics frequency, percentage, standard deviation, mean and median analyses.

3.5. Validity and Reliability

Validity is an integrative, evaluative judgment of the degree to which empirical evidence and theoretical rationales support the adequacy and appropriateness of inferences and actions based on test scores and modes of assessment. (Carherine S.Taylor;2013) Cronbach's alpha is a measurement used to evaluate the reliability, or internal consistency, of a set of scale or test items. In other words, Cronbach's alpha is one way of measuring the strength of that reliability. It is an index of reliability associated with the variation accounted for by the true score of the underlying construct (Nunnaly, 1978) cited by (Abera.B, 2014).

Table 3.1 Reliability Statistics

Independent Variable: Exporting Business
Dimensions for Independent Variable: exporting policy, Global Competition, Consistency, Communication, logistic, regulatory procedure
Dependent Variable: Export Performance

Dimensions	Cronbach's Alpha	No. of Items
Exporting Policy	0.962	6
Global Competition	0.944	6
Consistency	0.962	6
Communication	0.981	6
Logistic	0.990	6
Regulatory Procedure	0.992	6
Exporting Performance	0.989	5
Rensis Likert, (1932)		

Source: SPSS Result (2022)

3.6.Ethical Procedure

The researcher was the objective during the data collection, data analysis, and data interpretation to avoid or minimize bias or self-deception. Respect for intellectual property was guarantee by giving proper acknowledgement or credit for all contributions to this study and was not engage in plagiarism. The respondents were being asking respectfully to complete the questionnaire based on their willingness. The responses of respondents were remaining anonymous and only use for the study purpose. The researcher did not disclose the privacy of respondents and the information was collect from respondents was kept secretly.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1.INTRODUCTION

The main objective of this study is to investigate the determinant of coffee exporting business performance in Ethiopia, in the survey of selected exporter in Addis Ababa. In this chapter, the data obtained in the study are analyzed, presented, interpreted and discussed. The chapter starts by providing the demographic characteristic of the respondents. The descriptive and inferential statistics are presented thereafter.

SPSS version 20 and Microsoft excel were used to process the collected data. To this end, descriptive statistics such as mean, standard deviation, median, frequency, and percentage values have been calculated. In addition, with the help of SPSS, ANOVA, correlation and multiple linear regression analysis were also used to present the findings of the study. The data collected using five-point Liker scale (1=Strongly Agree, 2=Agree, 3=Neutral, 4=Disagree and 5=Strongly Disagree) which is non-parametric in nature was converted in to parametric one by computing the sum and taking the average of each variable. Hence it is possible to conduct Pearson correlation and linear multiple regression (Creech.S, 2011)

From a total of 197 questionnaires which dealt with the determinant of coffee exporting business the survey of Selected coffee exporter in Addis Ababa, 180 (91.4. %) were returned, 10 (5.1%) unreturned and the rest 7 (3.5%) had response errors. This occurred due to the fact that some of the questionnaires were not adequately completed and some were not able to get no information at all.

Table 4.1Questionnaires Collected

Questionnaires	Frequency	Percentage (%)
Returned questionnaires	180	91.4%
Unreturned questionnaires	10	5.1%
Response Errors	7	3.5%
TOTAL	197	100%

Source: Own survey data (2022)

4.2. Demographic Characteristics of Survey Respondents

The first section of the questionnaire demanded personal information from respondents. These questions include: gender, educational background, Managers Experience in exporting business and Company experience in the export business.

Table 4.2 Demographic characteristics of Respondent

Gender	Frequency	Percent	Valid percent	Cumulative percent
Female	30	16.7	16.7	16.7
Male	150	83.3	83.3	100.00
Total	180	100.0	100.00	
Educational qualification	Frequency	Percent	Valid percent	Cumulative percent
12 Completed	5	2.8	2.8	2.8
Diploma	16	8.9	8.9	11.7
First Degree	116	64.4	64.4	76.1
Master and Above	43	23.9	23.9	100.0
Total	180	100.0	100.0	
Managers Experience in exporting business	Frequency	Percent	Valid percent	Cumulative percent
Less than 3 year	35	19.44	19.4	19.4
3-5 year	40	22.22	22.2	41.7
6-10 year	76	42.22	42.2	83.9
Above 10 year	29	16.11	16.1	100.00
Total	180	100.0	100.0	
Company experience in the export business	Frequency	Percent	Valid percent	Cumulative percent
Less than 5 year	50	27.77	27.8	27.8

5-10 year	60	33.33	33.3	61.1
11-15 year	45	25	25.0	86.1
Above 15 year	25	13.9	13.9	100.0
Total	180	100.00	100.0	

Source: Own survey data (2022)

From the data presented in table 4.2 above, the majorities (83.3%) of the respondents were male and the remaining (16.7%) of the respondents were female. This specified that out of 180 respondents around 150 were male and the remaining 30 were female. Therefore, the study comprises both male and female of coffee exporter.

Likewise, as explained in the table above that the educational level of respondents in the above category indicates 5 (2.8%) have completed 12 grades, 16 (8.9%) have diploma, 116 (64.4%) Bachelor's degree and the rest 43 (23.9%) have masters. So, we can conclude that the majority of the sample size have Bachelor's Degree. Furthermore, the study covered the less than 3-year experienced group, experienced group 3-5 years, experience group 6-10 years, experience group above 10 years respondent were representing 19.44 %, 22.22 %, 42.22 %, and 16.11% respectively. This indicated that the analysis comprises different experienced section of exporter. The table 4.2 above shows that, the study covered the less than 5-year experienced group, experienced group 6-10 years, experience group 11-15 years, experience group above 15 years respondent were representing 27.77 %, 33.33 %, 25 %, and 13.9% respectively. This indicated that the analysis comprises different experienced section of exporter.

4.3.Descriptive Analysis of the Variables

The study investigated the determinant of coffee export business performance in Ethiopia, in the survey of selected exporter in Addis Ababa. To compare the respondents' perception towards the variables, descriptive statistics of mean and standard deviation are used. The mean value indicates to what extent the sample group averagely agrees or disagrees with the different statements. The scale is set in such a way that respondents strongly agreed if the mean score value is in the range of 1.00 – 1.80; agreed within 1.81 – 2.80; neither agreed nor disagreed within 2.81 - 3.40; disagreed if it is in the range of 3.41 – 4.20; while strongly disagreed when it falls within 4.21 – 5.00. In addition, standard deviation shows the variability of an observed response. It measures the amount of variation or dispersion of a set of values. A low standard

deviation indicates that the values tend to be close to the mean of the set, while a high standard deviation indicates that the values are spread out over a wide range. Below, the results are discussed one by one.

4.3.1. Descriptive Statistics for Exporting Policy Dimension

Table 4.3 Export Policy

	N	Mean	Std. Deviation
There has been relevant exporting policy to coffee exporting company	180	1.31	.845
I think coffee exporting policy is motivate coffee exporter	180	1.83	.864
I feel that exporting policy is consider other country policy	180	1.93	.821
I think that exporting policy is enhance coffee exporting sector	180	1.50	1.118
I Think Coffee Exporting Policy is Easily Understandable	180	1.53	.811
I feel that exporting policy is update time to time	180	1.69	.687
Valid N (listwise)	180		
Aggregate		1.631	

Source: Own survey data(v20) (2022)

As one of the Coffee Exporter, respondents were asked questions in relation with Export policy dimension issues. As can be inferred from the table 4.3 above, the response given ranged from 1.31 to 1.93 and having a standard deviation greater than one. The aggregated mean score is 1.631, which means Export policy dimension is considered to be a great factor by the majority of respondents to perform better export performance.

4.3.2. Descriptive Statistics for Global Competition Dimension

Table 4.4 Global Competition

	N	Mean	Std. Deviation
I feel that there is fair Global competition on the coffee sector	180	1.05	.905
I think that quality of Ethiopian Coffee product is better than other country	180	1.64	.759
I think Ethiopian coffee exporter have suitable environment to involve in global market	180	1.35	.728

I think Ethiopian coffee exporter has competitive price	180	1.53	.573
The promotion activity of global competitor is ethical	180	1.84	1.491
I feel that international competitor has finance? row material? labors in global competition	180	1.21	.806
Valid N (listwise)	180		
Aggregate		1.436	

Source: Own survey data (v20) (2022)

Regarding Global Competition dimensions, respondents were requested to rate based on the five-point Likert scale ranging from 1 for strongly agreed to 5 for strongly disagreed. As revealed in table 4.4, the mean score is found between 1.05 and 1.84 and the aggregate mean score is 1.436 which indicates that the majority of respondents agree that Global Competition dimension has an influence in exporting performance. More specifically on the suitable environment, competitive price, ethical global competitor, row material, offered by exporting company.

4.3.3. Descriptive Statistics for Consistency Dimension

Table 4.5 Consistency

	N	Mean	Std. Deviation
I Feel that there is adequate coffee production to be export	180	1.22	1.005
I think Ethiopia has better topography to continuously produce coffee exporting Business	180	2.76	1.435
I think that there is consistence in quality of Ethiopian coffee product	180	1.47	1.043
I feel that there is cooperativeness in relationship Ethiopian coffee product	180	1.40	1.006
I think there is the uses of technology to produce continuously coffee product	180	1.24	1.086
Farmers has adequate resource row material to produce enough coffee products	180	1.56	1.178
Valid N (listwise)	180		
Aggregate		1.60	

Source: Own survey data (v20) (2022)

The mean values from the research finding in the table 4.5 above also explained that the respondents' perceptions on Consistency dimensions and they rate of those questions as; adequate coffee production (Mean=1.22, SD=1.005), uses of technology (M=1.24, SD=1.086). The aggregate mean score value here is 1.60 which indicates that consistency dimensions is agreed upon by the majority of respondents it indicate that consistency is use for better export performance.

4.3.4. Descriptive Statistics for Communication Dimension

Table 4.6 Communication

	N	Mean	Std. Deviation
I think Ethiopia Coffee exporter have suitable communication practice in global market	180	3.42	1.376
Ethiopian exporter has enough language skill to convince foreign coffee customer	180	2.22	1.196
Promotion by advertisement (media & social media) is more effective informing about the Ethiopia coffee	180	1.13	.839
Exporters are effectively use the communication tools to conduct international transaction	180	1.58	1.259
Promotional activities are frequently updated	180	2.58	1.281
Ethiopian coffee exporter has appropriate technology to take order from importer	180	1.14	1.401
Valid N (listwise)	180		
Aggregate		2.01	

Source: Own survey data (2022)

As depicted in the table 4.6, the coffee exporting company are easily communicating. It had registered a mean score ranging from 1.13 to 3.42 and a standard deviation from 1.401 to 0.839. The respondents somehow agreed on the Promotion by advertisement is more effective informing about the Ethiopia coffee, Exporters are effectively use the communication tools and Ethiopian coffee exporter has appropriate technology. On the other hand, the respondents somehow disagreed on the idea of suitable communication practice in global market. This is

indicated in the aggregated mean score value which is 2.01, meaning the respondents are mostly agreed on the place dimension as a factor to choose the communication of coffee exporter.

4.3.5. Descriptive Statistics for Logistic Dimension

Table 4.7 Logistic

	N	Mean	Std. Deviation
Transportation for travelling the goods is easily available	180	1.47	1.279
Ethiopian coffee Exporter is delivering on-time	180	1.44	1.367
I feel that road infrastructure is maintained on time	180	1.25	1.426
The logistical service provided by ESLL is fast	180	2.98	1.424
ESLL has an encouraging procedure for exporters	180	2.58	1.386
I think that the transportation cost is fair	180	1.94	1.400
Valid N (listwise)	180	1.943	
Aggregate			

Source: Own survey data (2022)

As one of the Coffee Exporter, respondents were asked questions in relation with logistic dimension issues. As can be inferred from the table 4.7 above, the response given ranged from 1.25 to 2.98 and having a standard deviation greater than one. The aggregated mean score is 1.943, which means logistic dimension is considered to be a great factor by the majority of respondents to have effect on the performance of a coffee export company. In fact, there is a fairly high agreement for the idea that road infrastructure is maintained on time and that the Ethiopian coffee Exporter is delivering on-time. On the other hand, there is a lower mean score of the logistical service provided by ESLL is fast and ESLL has an encouraging procedure for exporters.

4.3.6. Descriptive Statistics for Regulatory Procedure Dimension

Table 4.8 Regulatory Procedure

	N	Mean	Std. Deviation
I think that regulatory procedure is motivate to do exporting business	180	2.67	1.418

I feel that government assist to overcome coffee export barrier	180	1.69	1.387
I feel that there is convenience service on regulatory institution	180	2.76	1.300
There is short procedural requirement of export process	180	1.64	1.381
I think all regulatory procedure is reasonable	180	1.20	1.428
I think that export tariff procedure is reasonable	180	1.19	1.395
Valid N (listwise)	180		
Aggregate		1.858	

Source: Own survey data (2022)

Regarding regulatory procedure dimensions, respondents were requested to rate based on the five- point Likert scale ranging from 1 for strongly agreed to 5 for strongly disagreed. As revealed in table 4.8, the mean score is found between 1.19 and 2.76 and the aggregate mean score is 1.858 which indicates that the majority of respondents agree that regulatory procedure dimension has an influence in the performance of coffee exporting company. More specifically on the regulatory procedure motivate exporter, regulatory procedure is reasonable, convenience service in regulatory institution, export tariff procedure is reasonable and there is short procedural requirement of export process.

4.3.7. Descriptive Statistics for Export Performance Dimension

Table 4.9 Export Performance

	N	Mean	Std. Deviation
Most of the time, the performance of coffee exporting business is close to my expectations	180	3.69	1.366
The performance of the coffee exporting company are excellent	180	3.78	1.284
I am satisfied with the performance of the coffee exporting company	180	2.04	1.261
So far, I have gotten the important performance I want in all my visit to the coffee export company	180	2.05	1.216
My export performance is increasing from time to time	180	3.75	1.259
Valid N (listwise)	180		
Aggregate		3.062	

Source: Own survey data (2022)

As indicated on table 4.9, the mean score was between 2.04 and 3.78 with a standard deviation between 1.216 and 1.366. Respondents somehow agreed on the idea of the satisfied with the performance of the coffee exporting company and important performance. On the other hand, most of the respondents are not satisfied with the performance of coffee exporting business is close to my expectations, performance of the coffee exporting company are excellent and export performance is increasing from time to time. The aggregate mean score is 3.062, meaning that most of the respondents are neutral on the performance coffee export company.

4.3.8. Correlation Analysis

Correlation Analysis helps us in determining the degree of relationship between two or more variables. It shows the strength of the relation and whether the relation is positive or negative. The values of correlation ranges from - 1 to 1, Correlation coefficient able to measure the strength and the association of the linear relationship between two variables (Cohen and Holliday, 1983). As cited by Bryman and Cramer (1999) proposed the range of correlation coefficient as 0.19 and below = very low; 0.20 to 0.39 = low; 0.40 to 0.69 = modest; 0.70 to 0.89 = high, and 0.90 to 1 = very high. In this study, in order to easily classify the strength and association between variables the researcher has been used correlation coefficient range of Cohen and Hollidays (1982).

Table 4.10 Correlation Analysis

		Correlations						
		Exportin g Policy	Global Competiti on	Consis tency	Commu nication	Lo gistic	Regulator y Procedure	Export Performa nce
Exporting Policy	Pearson Correlat ion	1	.969**	.950**	.991**	.987**	.987**	.962**
	Sig. (2- tailed)		.000	.000	.000	.000	.000	.000
	N	180	180	180	180	180	180	180

Global Competition	Pearson Correlation	.969**	1	.930**	.968**	.970**	.958**	.926**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	180	180	180	180	180	180	180
Consistency	Pearson Correlation	.950**	.930**	1	.965**	.951**	.958**	.974**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	180	180	180	180	180	180	180
Communication	Pearson Correlation	.991**	.968**	.965**	1	.988**	.985**	.976**
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	180	180	180	180	180	180	180
Logistic	Pearson Correlation	.987**	.970**	.951**	.988**	1	.990**	.961**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	180	180	180	180	180	180	180
Regulatory Procedure	Pearson Correlation	.987**	.958**	.958**	.985**	.990**	1	.979**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	180	180	180	180	180	180	180

Export Performance	Pearson Correlation	.962**	.926**	.974**	.976**	.961**	.979**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	180	180	180	180	180	180	180
**. Correlation is significant at the 0.01 level (2-tailed).								

Source: Own survey data (2022)

Based on correlation result in the table 4.10 revealed that export regulatory Procedure of had a strong relationship with export performance with the value of 0.979 or (97.9%) followed by communication with the value 0.976 or (97.6%) and consistency follow with the value of 0.974 or (97.4%). As shown in the table Export Policy, Global Competition, logistic had adequate relationship with Export Performance by the value of 0.962 or (96.2%), 0.926 or (92.6%) and 0.961 or (96.10%) respectively.

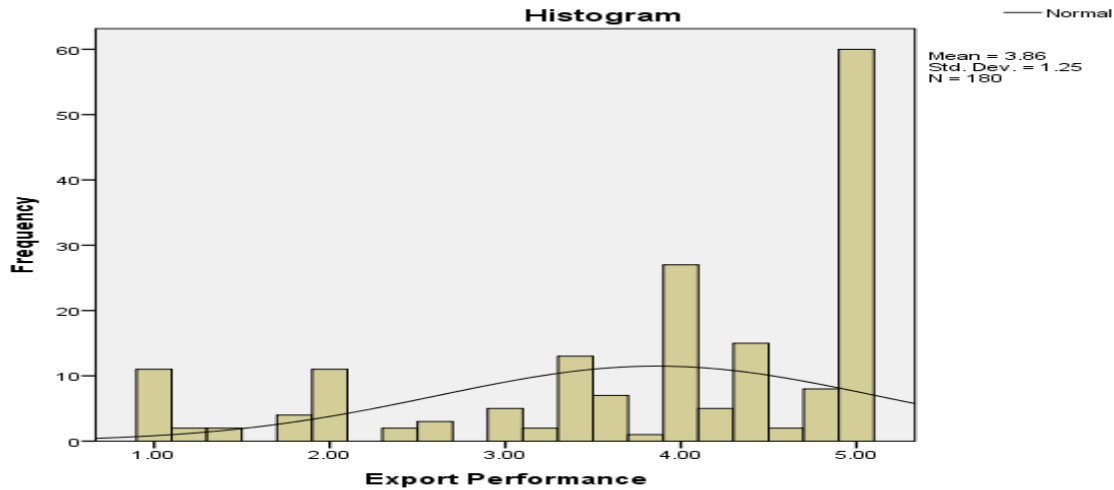
4.4. Multiple Regression Assumption Test

When we run regression, we hope to be able to generalize the sample model to the entire population. To do so we have to meet several assumptions of the regression model. If we are violating these assumptions, it stops our generalizing conclusion to our target population because the results might be biased or misleading. The study conducted Normality, linearity, Multicollinearity, and homoscedasticity and no autocorrelation assumption test presented below.

4.4.1. Normality Test

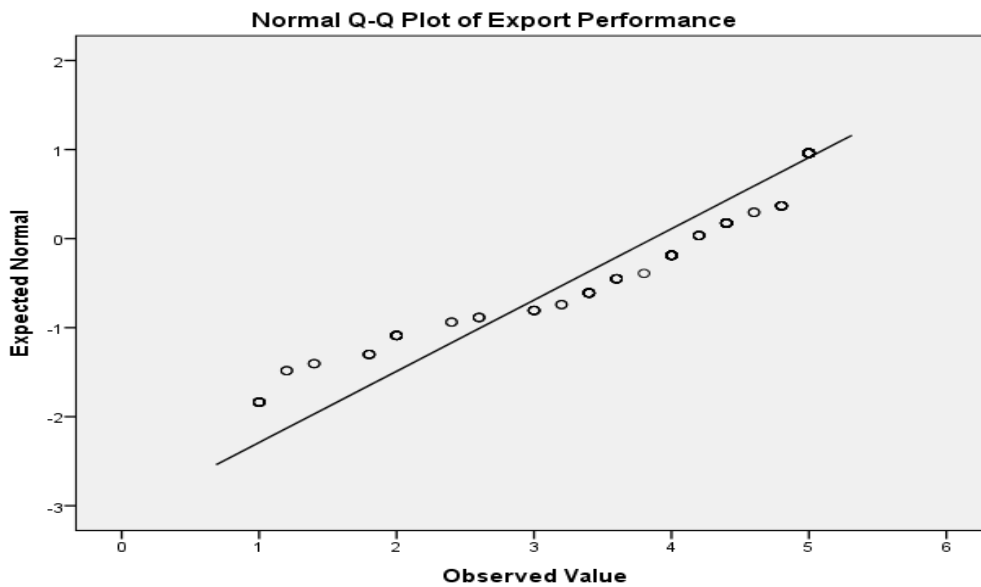
The most commonly used methods of checking normality of an individual variable are the Quantile-Quantile plot (Q-Q plot), P-P plot and Normal Curve Histogram. The P-P plotted as expected cumulated probability against observed cumulated probability of standardized residuals line should be at 45 degrees. The variable is normality distributed if this plot illustrates a linear relationship. In case of the assumption that says the combinations of variables follow a multivariate normal distribution, one can generally test each variable individually and assume that they are multivariate normal if they are individually normal (Endris.H.S, 2016). The normality test result of this research is presented by histogram as shown below

Figure 4.1 Histogram of Standardized Residuals



Source: SPSS Analysis result (2022)

Figure 4.2 Histogram of Standardized Residuals



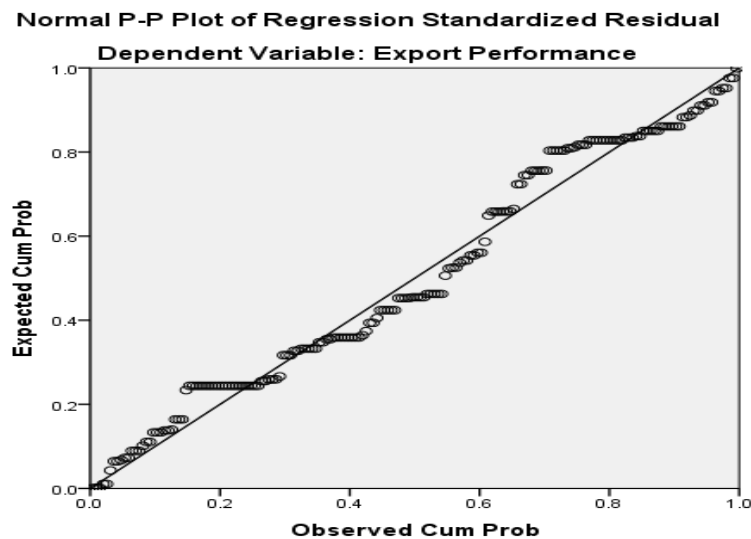
Source: SPSS Analysis result (2022)

The residuals in histogram above shows a fairly normal distribution and all the variables are positively skewed which is more of approached to normal distribution. Thus, based on these results, the normality of residuals assumption is satisfied. So, the study concluded that the study result analysis of the Causality variable is normally distributed

4.4.2. Linearity

Linearity is the degree to which the change in the dependent variable is related and affected by the change in the independent variables; the association and relation between the dependent variables and independent variables need to be linear function to perform linear regression analysis (Darlington, 1968). One method of avoiding non-linearity is to use theory of previous research study to inform the current analysis to support in choosing the suitable variables (Osborn & Waters, 2002). I.e., the relationship between the independent variables and the dependent variable can be characterized by a straight line.

Figure 4.3 Linearity Test



Source: SPSS Analysis result (2022)

The above Figure shows the plot of standards regression output of the study indicating linearity of the relationship between variables. We can see that the relationship between the independent and the dependent could be modeled by a straight line suggesting that the relationship between these variables is linear.

4.4.3. Multicollinearity

Multicollinearity is a situation when a high correlation is detected between two or more predictor variables. It can be detected with tolerance values and Variance Inflation Factor (VIF). According to Ho (2006), tolerance is an indicator of how much of the variability of the specified

independent is not explained by the other independent variables in the model. If the value is very small (less than 0.10) it indicates that the multiple correlations with the other variables are high and it suggests the possibility of multicollinearity. The other is variance inflation factor (VIF) which is the inverse of the tolerance value. VIF values above 10 would be a concern, indicating multicollinearity.

Table 4.11 Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
Exporting Policy	.957	3.631
Global Competition	.676	2.711
Consistency	.462	1.765
Communication	.578	1.910
Logistic	.673	2.181
Regulatory Procedure	.536	1.936

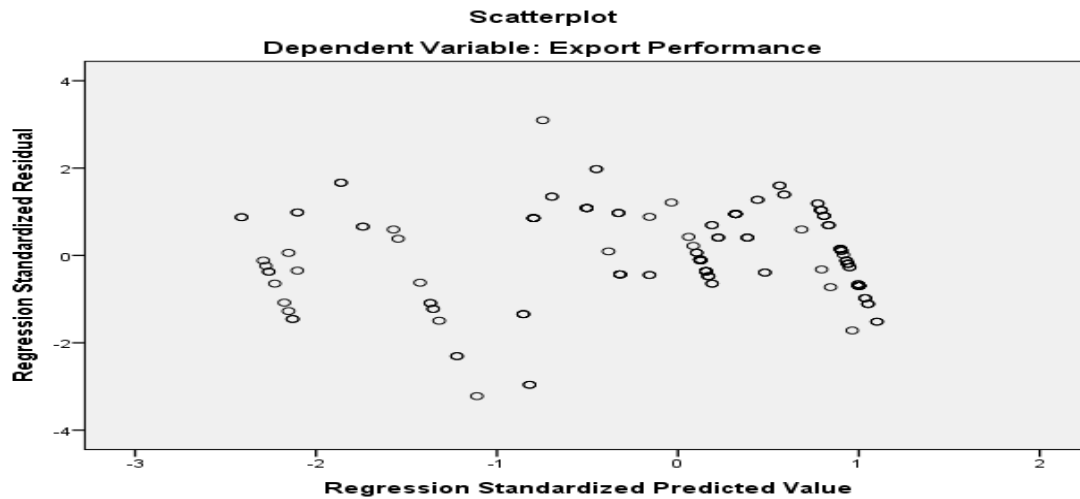
Source: SPSS Analysis result (2022)

The table 4.11 above shows that there is no multicollinearity among the independent variables. In fact, the tolerance value for all independent variables is greater than 0.10 and also the VIF value of each variable are less than 10.

4.4.4. Homoscedasticity Test

Homoscedasticity is the assumption that the variation in the residuals (or amount of error in the model) is similar at each point across the model. Homoscedasticity can be checked by visual examination of a plot of the standardized residuals by the regression standardized predicted value (Osborn & Waters, 2002). The below plot figures show, even though there are some out layers that are visible, the standardized residuals in this research are distributed evenly in the same direction but in a wider range indicating heteroscedasticity wouldn't be a serious problem for this

Figure 4.4 Homoscedasticity Test



Source: SPSS Analysis result (2022)

4.4.5. Autocorrelation Test

Autocorrelation is a characteristic of data that shows the correlation between the values of the same variables is based on correlated objects. Autocorrelation occurs when the residual is not independent of each other. It helps to know the independence of errors from one another, which implies that subjects are responding independently from each other. There is a very popular test called the Durbin Watson test that helps to detect the presence of autocorrelation. To check this assumption, we need to look at the regression output of model summary box. Durbin-Watson statistic uses to test the assumption that our residuals are independent (or uncorrelated). For no Autocorrelation assumption, Durbin-Watson statistic value needs to be close to 2. A value of two shows no autocorrelation. A value of towards zero shows positive autocorrelation. A value towards four indicates negative autocorrelation (Saunders, 2009).

Table 4.12 Durbin Watson Statistics

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.652 ^a	.425	.425	.45011	1.739

- a. Predictors: (Constant), Regulatory Procedure, Consistency, Global Competition, Exporting Policy, Logistic, Communication
- b. Dependent Variable: Export Performance

Source: SPSS Analysis result (2022)

From the table above, we can see that Durbin-Watson value for model is 1.739 which is a score near 2. A rule of thumb is that test statistic values between $1.5 < d < 2.5$ are relatively normal and show that there is no autocorrelation in the data. Field (2009) suggests that values under 1 or more than 3 are a definite cause for concern. Table 4.12 of the model summary shows the Durbin-Watson value of the study output as 1.739 indicating there is no autocorrelation in the data. Thus, this value shows that values are between the range of 1 and 3 and we can conclude that there is no Autocorrelation problem as the Durbin-Watson statistic showed the value close to 2 so it can be said that the assumption of autocorrelation for the survey is met.

4.5. Regression Analysis

Regression analysis is a conceptually simple method for investigating functional relationship among variables. The relationship is expressed in the form of an equation or a model connecting the response or dependent variable and one or more Causality or predictor variables (Samprit.Chatterjee & Ali.S.Hadi, 2013).Regression analysis was conducted to know by how much the independent variable explains the dependent variable. It is also used to understand by how much each independent variable (Export Policy, Global Competition, Consistency, communication, Logistic and regulatory Procedure) explains the dependent variable that is Export Performance.

Table 4.13 Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.652 ^a	.425	.425	.45011

Source: SPSS Analysis result (2022)

The model summary table reports the strength of the relationship between the model and the dependent variable. In above table 4.13 the R is multiple correlation coefficients and its value is 0.652. Adjusted R Square shows the ratio of interdependence which is the proportion of

variance in the dependent variable that can be explained by the independent variables which in this case is 0.425. So, this shows that the independent variables altogether explain 42.5% of the variability of the dependent variables and the rest 57.5% (100%-42.5%) of the variation is caused by other factors. So, we can conclude that there is a statistically significant of the influence of export business variable on export Performance.

Table 4.14 Regression ANOVA Model

ANOVA Model

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	275.805	6	45.968	2040.060	.000 ^b
Residual	3.898	173	.023		
Total	279.703	179			

a. Dependent Variable: Export Performance

b. Predictors: (Constant), Regulatory Procedure, Consistency, Global Competition, Exporting Policy, Logistic, Communication

Source: SPSS Analysis result (2022)

The table 4.14 above shows the output of the ANOVA analysis. It indicates. We can see that the significance value is 0.000 (i.e., $p = .000$), which is below 0.05. Therefore, there is a statistically significant relationship between the variables.

Table 4.15 Regression Coefficient Model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.936	.172		5.442	.000
Exporting Policy	.720	.129	.458	5.578	.000
1 Global Competition	.256	.061	.167	4.202	.000
Consistency	.365	.044	.304	8.288	.000
Communication	.894	.096	.848	9.354	.000

Logistic	.486	.075	.524	6.443	.000
Regulatory Procedure	.906	.069	.983	13.099	.000

a. Dependent Variable: Exporting Performance Business

Source: SPSS Analysis result (2022)

The regression coefficient tells us whether there is a positive or negative correlation between each independent variable and the dependent variable. The coefficient value signifies how much the mean of the dependent variable changes given a one-unit shift in the independent variable while holding other variables constant. Table 4.15 shows that the coefficient for Export Policy is 0.720. This concludes that for every unit increase properly state Export Policy, a 0.720 unit increase in Export Performance can be expected by keeping all the other variables constant. The coefficient for Export Policy is significantly different from 0 because its p-value is 0.000 that is not greater than 0.05. Therefore, H1 “There is significant positive relationship between Export Policy Variable and Export Performance” is accepted. Table 4.20 indicates that every unit increase in Global Competition was increase 0.256 units in Export Performance by holding all other variables constant. The coefficient for Global Competition is significantly different from 0 because its p-value is 0.000, which is lesser than 0.05. Therefore, H2: “Global Competition has a significant impact on customer satisfaction” is accepted. The above table also shows that coefficient for Consistency is 0.365 which it implies that for every unit increase in Consistency Variable were increase 0.365 units in Export Performance by keeping all the other variables constant. The coefficient for Consistency Variable is statistically significant because its p-value of 0.000 is lesser than 0.05. Therefore, H3 “There is a significant relationship between Consistency variable and Export Performance” is accepted. The above table also shows that coefficient for Communication is 0.894 which it implies that for every unit increase in Communication Variable were increase 0.894 units in Export Performance by keeping all the other variables constant. The coefficient for Consistency Variable is statistically significant because its p-value of 0.000 is lesser than 0.05. Therefore, H4 “There is a significant relationship between communication variable and Export Performance” is accepted. The above table also shows that coefficient for logistic is 0.486 which it implies that for every unit increase in logistic Variable was increase 0.486 units in Export Performance by keeping all the other variables

constant. The coefficient for logistic Variable is statistically significant because its p-value of 0.000 is lesser than 0.05. Therefore, H5 “There is a significant relationship between logistic variable and Export Performance” is accepted. Lastly Table 4.20 shows that the coefficient for Regulatory Procedure is 0.906. Therefore, it can be concluded that for every unit increase in Regulatory Procedure, there has being a 0.906 unit increase in Export Performance by keeping all the other variables constant. The coefficient for regulatory Procedure is statistically significant because its p-value of 0.000 is lesser than 0.05. Therefore H6 “There is a significant relationship between regulatory procedure and Export Performance” is accepted.

4.6. Model for Role of Export Determinant on Export Performance

The objective of the regression in this study is to find such an equation that could be used to find the impact of predictors on dependent variable. The specified regression equation takes the following form:

$$S = \alpha + \beta_1 (EP1) + \beta_2 (GC2) + \beta_3 (C3) + \beta_4 (C4) + \beta_5 (L5) + \beta_6 (RP6)$$

Where:

ES1= Export Policy

GC2=Global Competition

C3= Consistency

C4= Communication

L5= Logistic

RP6 = Regulatory Procedure

Therefore, equation comes as:

Export Performance = 0.936 + 0.720(EP1) + 0.256(GC2) + 0.365(C3) + 0.894(C4) + 0.486(L5) + 0.906(RP5) The significant levels of Export Policy, Global Competition, Consistency, Communication, Logistic and Regulatory Procedure are 0.000, 0.000, 0.000, 0.000, 0.000, 0.000 respectively. This test shows that the coefficients of the predictor are statistically significant at less than five percent level of significance.

4.7. Hypothesis Testing

From the above analysis, the following hypothesis is tested as follow in summary Table.

Table 4.16 Hypothesis Testing

Hypothesis	Results
H1: Export Policy has a positive and significant influence on the performance of Ethiopian coffee Export business.	Accepted (the outcome of the multiple regression supports the hypothesis; $\beta = 0.720$, $P < 0.05$)
H2: Global Competition has a positive and significant influence on the performance of Ethiopian coffee Exporting Business.	Accepted (the outcome of the multiple regression supports the hypothesis; $\beta = 0.256$, $P < 0.05$)
H3: Consistency has a positive and significant influence on the performance of Ethiopian coffee export business.	Accepted (the outcome of the multiple regression supports the hypothesis; $\beta = 0.365$, $P < 0.05$)
H4: Communication has a positive and significant influence on the performance of Ethiopian Coffee exporting Business.	Accepted (the outcome of the multiple regression supports the hypothesis; $\beta = 0.894$, $P < 0.05$)
H5: Logistic has a positive and significant influence on the performance of Ethiopian Coffee Exporting Business.	Accepted (the outcome of the multiple regression supports the hypothesis; $\beta = 0.486$, $P < 0.05$)
H6: Regulatory Procedure has a positive and significant influence on the performance of Ethiopia Coffee Export Business.	Accepted (the outcome of the multiple regression supports the hypothesis; $\beta = 0.906$, $P < 0.05$)

Source: SPSS Analysis result (2022)

CHAPTER FIVE

5. MAJOR FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1.SUMMARY OF MAJOR FINDINGS

The general objective of the study was to determine coffee exporting business performance in the survey of selected exporter in Addis Ababa. In such note the major findings of the study include:

- The first specific objective of the study was to determine the extent to which exporting policy affect Ethiopian coffee exporting business. The study found a positive significant relationship between these two variables ($r=0.962, < 0.01$). As per the regression analysis result, the coefficient for Export Policy indicated that a 0.720 unit increase in the variable, a 0.720 unit increase in Export Performance can be expected.
- The second specific objective of the study was to investigate the effect of high global competition on the coffee exporting business. The study found a positive correlation between the two variables ($r=0.926, < 0.01$). On the other hand, the regression coefficient model's result indicated that every unit increase in Competition was increase 0.256 units in Exporting Performance by holding all other variables constant.
- The third objective of the study was to examine the effect of consistency, affect Ethiopian coffee exporting business. The study found a positive correlation between the two variables ($r=0.974, < 0.01$). On the other hand, the regression coefficient model's result indicated that every unit increase in trust was increase 0.365 units in the Export Performance by holding all other variables constant.
- The fourth specific objective of the study was to examine the effect of communication, affect Ethiopian coffee sector. In such the study showed a positive correlation between these two variables of 0.976 which is significant. As per the regression analysis result, the coefficient for Communication indicated that a 0.894 unit increase in the variable, a 0.894 unit increase in Export Performance can be expected by holding all other variables constant.
- The fifth objective of the study was to test the extent to which logistic influence Ethiopian coffee exporting business. In such the study showed a positive correlation

between these two variables of 0.961 which is significant. As per the regression analysis result, the coefficient for situational variable indicated that a 0.486 unit increase in the variable, a 0.486 unit increase in Export performance can be expected by holding all other variables constant.

- The last specific objective of the study was to determine the extent to which regulatory procedure affect Ethiopian coffee exporting business. This variable showed a strong relationship between customer satisfactions with r value of 0.979 which is significant. On the other hand, the regression coefficient model's result indicated that every unit increase in Regulatory Procedure was increase 0.906 units in Exporting Performance by keeping all other variables constant.

5.2. Conclusions

As indicated above the main objective of the study was to Determinant of Coffee Export Business Performance in Ethiopia, In the Survey of Selected Exporter in Addis Ababa. For such purpose six variables were selected to identify their effect on Export Performance of the Coffee Exporter. The study used convenience sampling technique in which 197 respondents were selected. The questionnaires included 41 items prepared according the theoretical framework presented above in a 5-point Liker scale. Finally, descriptive, correlation and regression analysis were also conducted

Through the analysis, the study indicated that social media marketing can easily increase the level of impulsive behavior in purchasing. In fact, when we look at the variables selected, if Export Policy is good then Coffee Exporter was going to better Exporting Performance. Global Competition also attracts Ethiopian Coffee Exporter to be strong in global Competition. Moreover, as per the findings of the study, Consistency can also affect the Coffee Exporter to be Consistent. In addition to that, one of the variables Communication was found to be the most influential variable referring to the process of presenting suitable communication Practice, language skill, usage of advertisement, usage of communication, frequency of promotion and usage of technology. Therefore, we can conclude that Export Policy, Global Competition, Consistency, Communication, Logistic and Regulatory Procedure has a positive effect on Export Performance.

5.3. Recommendation

Based on the findings of the study, the following possible recommendations were forwarded as follows:

- This study states that Export Policy is positively linked with Export Performance.
 - So as Export Policy is one of determinant of Export Performance, They should focus more in Stating Export Policy and prepare more effective Export Policy (e.g. relevant Export Policy, Motivate Export policy, Should be Consider other country Export and Import policy, Enhance Coffee Export Sector, Easily Understandable, Should be Update Time to Time) in order to enhance Ethiopian Coffee Export Performance. A huge responsibility also lies on the shoulders of Policy Holder who could improve and add Understandability, motivation appeal, update time to time, consider other country and cheerful to stimulate Coffee exporter.
- The study has also found a significant relationship between Global Competition and Export Performance. In fact, if Coffee exporter globally competitor then it is likely that they would make better Exporting performance.
 - Therefore, marketers should focus on building positive relationship with their Exporter since it was eventually improving global competition as well as increase their Export Performance. This would in fact allow Coffee Exporter to improve in Export Performance.
- According to the consistency and Export Performance proved to have a significant relationship.
 - Coffee Exporting Company should emphasize on the use of free consultations to their supplier to consistently use modernize technology towards enhancement of production Growth. They also need to stress on activities since they were found to affect consistency most significantly. Should be exploited as a means of improving performance. There is need for Coffee Export Company to carefully evaluate the supply of production activities they engage in since the tool was found to be very effective in contributing towards Consistency.
- According to the study Communication and Export Performance proved to have a significant relationship.

- So, Exporter should provide to global Market any promotional activity or appropriate technology innovation since it attracts them to have loyal customer for Ethiopian coffee exporter. Exporter should have appropriate technology innovation to take order from importer. Use the communication tool to conduct international transaction. The Exporter should also attract global market using sales promotion and convince foreign coffee customer attempt to create better export performance.
- The study has also found a significant relationship between logistic and export Performance.
 - Therefore, Exporter needs to invest in logistic and make Ethiopian Coffee Product accessible to the foreign market channel of their choice. To build on competitive advantage through better Exporting Performance Coffee Exporting companies in Global Market should understand the similarities and differences among customers in specific geographic regions in order to serve their customer better especially on varied geographical location. Though better infrastructure consumers have become much closer to exporter. Governmental Logistic institution should be update their processing practices to have competitive advantage though addressing customer beyond other Coffee exporting Country.
- Lastly the study proved a strong relationship between regulatory procedure and Export Performance.
 - Therefore, Ethiopian Coffee exporter should properly follow and give feedback about Regulator Procedure. The Regulatory institution should have motivated exporter in quality service, convenience procedure, short procedure, the procedure should be reasonable and export tariff procedure should be reasonable to engage in Export Performance. Accordingly, I recommend that Regulatory Procedure should implement easily process by continuously monitoring foreign market.

5.4. Suggestions for Further Research

The main focus of this research was to Determinant of Coffee Export Business Performance in Ethiopia, In the Survey of Selected Exporter in Addis Ababa, there are so many other variables that were not included in this study. Thus, future researchers are recommended to undertake similar study by increasing the sample size and considering additional variables.

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APPENDICES

Appendix I Questionnaire (English Version)

Research Questionnaires

St. Mary's University

School of Graduate Studies



Department of Marketing Management

The Determinants of Coffee Export Business Performance in Ethiopia, Survey of Selected
Exporter in Addis Ababa

Dear Respondents;

I am currently attending a Master's degree in Marketing Management at St. Mary University. I am conducting a thesis on the Determinant of Coffee Export Business Performance in Ethiopia, in the Survey of selected exporter in Addis Ababa. The purpose of the study is to fulfill a thesis requirement for the Master of Arts in Marketing Management. I kindly ask you to give few minutes of your time to answer the questions. Your answers were being handled strictly confidential and was exclusively be used for the purpose of this research. Therefore, I request you to answer the questions as honest as possible, in order to contribute to the success of this research.

For further information I can be reached at:

Tel: +251-9 31-68-55-75

Thank you for your cooperation

Yours Sincerely,

Bereket Alemayehu

General Direction

- ❖ There is no need of writing your name.
- ❖ Please insert “✓” this symbol if you are in.

I. Personal information of the respondent

1. Sex

- A. Female B. Male

2. Educational qualification

- A. 12 Completed B. Diploma C. First Degree D. Master and Above

3. Managers Experience in exporting business

- A. Less than 3 year B. 3-5 year C. 6-10 year D. Above 10 year

4. Company experience in the export business

- A. Less than 5 year B. 5-10 year C. 11-15 year D. above 15 year

II. Questions directly related with the study

This part of the survey Questions directly related with the study. thus, indicate the extent to which you agree or disagree with the following statements. 1= Strongly Agree 2= Agree 3= Neutral 4= Disagree 5= Disagree. Please use a tick (✓) mark to choose the appropriate response options for you.

1= Strongly Agree 2 = Agree 3= Neutral 4= Disagree 5= Strongly Disagree

➤ **Related to Exporting Policy**

S.N		1	2	3	4	5

	Question on Exporting Policies					
1.	There has been relevant exporting policy to coffee exporting company					
2.	I think coffee exporting policy is motivate coffee exporter					
3.	I feel that exporting policy is consider other country policy					
4.	I think that exporting policy is enhance coffee exporting sector					
5.	I think coffee exporting policy is easily understandable					
6.	I feel that exporting policy is update time to time					

➤ **Related to Global Competition**

S.N		1	2	3	4	5
	Question on Global Competition					

7.	I feel that there is fair global competition on the coffee sector					
8.	I think that quality of Ethiopian coffee product is better than other country					
9.	I think Ethiopian coffee exporter have suitable environment to involve in global market					
10.	I think Ethiopian coffee exporter has competitive price					
11.	The promotion activity of global competitor is ethical					
12.	I feel that international competitor has finance? row material? labors in global competition					

➤ Related to consistency (supply of product)

S.N		1	2	3	4	5
	Question on Consistency					
13.	I feel that there is adequate coffee production to be export					

14.	I think Ethiopia has better topography to continuously produce coffee exporting business					
15.	I think that there is a consistence in the quality of Ethiopian coffee product					
16.	I feel that there is cooperativeness in relationship with major supplier					
17.	I think there is the uses of technology to produce continuously coffee product					
18.	Farmers has adequate resource row material to produce enough coffee products					

➤ Question related to communication

S.N		1	2	3	4	5
	Question on communication					
1.	I think Ethiopian coffee exporter have suitable communication practice in global market					
2.	Ethiopian exporter has enough language skill to					

	convince foreign coffee customers					
3.	Promotion by advertisement (media & social media) is more effective informing about the Ethiopian coffee.					
4.	Exporters are effectively use the communication tools to conduct international transaction					
5.	Promotional activities are frequently updated					
6.	Ethiopian coffee exporter has appropriate technology innovation to take order from importer					

➤ Question related to logistic

S.N		1	2	3	4	5
	Question on logistic					
1.	Transportation for travelling the goods is easily available					
2.	Ethiopian coffee exporter is delivering on-time					

3.	I feel that road infrastructure is maintained on time					
4.	The logistical service provided by ESLS is fast					
5.	ESLS has an encouraging procedure for exporters					
6.	I think that the transportation cost is fair					

➤ Related to regulatory procedure

S.N		1	2	3	4	5
	Question on Regulatory Procedure					
1.	I think that regulatory procedure is motivate to do exporting business					
2.	I feel that government assist to overcome coffee export barrier					

3.	I feel that there is convenience service on regulatory institution					
4.	There are short procedural requirements of export process					
5.	I think all regulatory procedure are reasonable					
6.	I think that export tariff procedure is reasonable					

Part III: Export Performance

S.N		1	2	3	4	5
	Question on export performance					
1.	Most of the time, the performance of coffee exporting business is close to my expectations					
2.	The performance of the coffee exporting company are excellent					

3.	I am satisfied with the performance of the coffee exporting company					
4.	So far, I have gotten the important performance I want in all my visit to the coffee export company					
5.	My export performance is increasing from time to time					

Thank you in advance!!!

Appendix II Questionnaire (Amharic Version)

የፅሁፍ መጠይቅ

ቅድስተማርያም ዩኒቨርስቲ

የድህረ ምረቃ ፕሮግራም

ማርኬቲንግ ማኔጅመንት

በኢትዮጵያ ቡና የውጭ ንግድ አፈፃፀም ተግዳሮቶች በተለይም በተመረጡ በአዲስ አበባ ውስጥ

በሚገኙ ቡና ላኪዎች ፡፡

የዚህ የፅሁፍ መጠይቅ አላማ በኢትዮጵያ ቡና የውጭ ንግድ አፈፃፀም ተግዳሮቶች በተለይም በተመረጡ በአዲስ አበባ ውስጥ በሚገኙ ቡና ላኪዎች ለማካሄድ ነው። በተጨማሪም የዚህ ጥናት አላማ በማርኬቲንግ ማኔጅመንት ማስተርስ ዉስጥ የተሰጠውን የቴሲስ መስፈርት ማሟላት ነው። የእርሶ ታማኝ መልስ ለዚህ የፅሁፍ መጠይቅ በጣም አስፈላጊ ሲሆን የትኛውም የምትሰጡት መረጃ ሚስጥራዊነቱ የተጠበቀና ለትምህርት አላማ ብቻ የሚውል መሆኑን ከወዲሁ ለመግለፅ እወዳለሁ። ለሚያደርጉልኝ ትብብር በቅድሚያ አመሰግናለሁ።

ለበለጠ መረጃ

በስልክ ቁ: +251-9 31-68-55-75

ኢሜል: bereketsmu2019@gmail.com ማግኘት ይችላሉ።

ክፍል 1: አጠቃላይ መረጃ

የሚከተሉት የተለያዩ ጠቅላላ ጥያቄዎች ሲሆኑ መልሱን በተገቢው ቁጥር ላይ ምልክት“√” ያድርጉ ወይም ተገቢው ቁጥር ላይ

ፆታ

1. ሴት 2. ወንድ

የትምህርት ደረጃ

1. አስራ ሁለተኛ ክፍል ያጠናቀቀ 2. ዲፕሎማ 3. የመጀመሪያ ዲግሪ 4. ማስተርስ እና ከዛ በላይ

በማናጀርነት ለምን ያህል ጊዜ አገልግለዋል

- 1) 3 አመት በታች 2) 3-5 አመታት 3) 6-10 አመታት 4) 10 አመታት እና ከዛ በላይ

ደርጅታቹ ለምን ያህል ጊዜ አገልግለዋል

- 1) 5 አመት በታች 2) 5-10 አመታት 3) 11-15 አመታት 4) 15 አመታት እና ከዛ በላይ

ክፍል 2: የደንበኛ እርካታ ላይ ተጽኖ የሚፈጥሩ የገበያ ስልት ምክንያቶች

በዚህ ክፍል ስር የተጠቀሱት ጥያቄዎች በቀጥታ ከጥናቱ ጋር የትገናኙ ይሆናሉ በዚህ መሰረት ከታች በተዘረዘሩት አረፍተ ነገሮች ላይ ያሉትን የመስማማት ደረጃ ይግለጹ። አባክዎን መልሱን (√) ምልክት ያድርጉ። 1- በጣም እስማማለሁ 2- እስማማለሁ 3- ገለልተኛ 4- አልስማማም 5- ፈፅሞ አልስማማም

ተቁ	የውጪ ንግድ ፖሊሲን የተመለከተ ጥያቄ	1	2	3	4	5
1	ለቡና የውጭ ገበያ የተሻለ ውጪ ንግድ ፖሊሲ አለ					
2	የውጪ ንግድ ፖሊሲው የቡና የውጭ ገበያን ያንቃቃል					
3	የውጪ ንግድ ፖሊሲው የሌሎች ሃገሮችን ፖሊሲ ታሳቢ ያረገ ነው					
4	የውጪ ንግድ ፖሊሲው የቡና የውጭ ገበያን ያሳድጋል					
5	የቡና የውጭ ንግድ ፖሊሲው በቀላሉ ምረዳት ይቻላል					
6	የውጪ ንግድ ፖሊሲው በየጊዜው ይስትካከላል					
ተቁ	የአለማቀፍ ውድድርን የተመለከተ ጥያቄ	1	2	3	4	5

1	በአለማቅፍ የቡና ገበያው አግባብነት ያለው ውድድር አለ					
2	የኢትዮጵያ ቡና ጥራት ከሌሎች ሃገሮች የተሻለ ነው					
3	የኢትዮጵያ ቡና ላኪዎች የአለማቅፍ ገበያን ለመቀላቀል ምቹ ሁኔታዎች አላቸው					
4	የኢትዮጵያ ቡና ላኪዎች ተውዳዳሪ ዋጋ አላቸው					
5	በአለማቅፍ ገበያ ያለው ማስታወቂያ ስነምግባር ያከበረ ነው					
6	በአለማቅፍ ገበያ ተውዳዳሪዎች የገንዘብ፣የጥሬ እቃ፣ የሰው ሃይል አላቸው					
ተቁ	የምርት ተከታታይነትን የተመለከተ ጥያቄ	1	2	3	4	5
1	ወደ ውጭ ገበያ መግባት የሚችል በቂ ምርት አለ					
2	በተከታታይነት ማምረት የሚያስችል የተሻለ ስነ-ምዳር አለ					
3	የኢትዮጵያ የቡና ተከታታይ የምርት ጥራት አለው					
4	የኢትዮጵያ የቡና ላኪዎች ከቡና አቅራቢዎች ጋር በጋራ ይሰራሉ					
5	በተከታታይነት ቡና ለማምረት ቴክኖሎጂን ይጠቀማሉ					
6	ቡና አቅራቢዎች በቂ ቡና ለማምረት የሚሆን ጥሬ እቃ አላቸው					
ተቁ	የመረጃን (ግንኙነት) የተመለከተ ጥያቄ	1	2	3	4	5
1	የኢትዮጵያ ቡና ላኪዎች የተሻለ የግንኙነት ልምድ አላቸው					
2	የኢትዮጵያ ቡና ላኪዎች ደንበኞችን ለመሳብ በቂ የቅንቅ ክህሎት አላቸው					
3	ማስታወቂያ በማህበራዊ ድህረ-ገፅ ለኢትዮጵያ ቡና ውጤታማ ነው					
4	የኢትዮጵያ ቡና ላኪዎች አለማቅፍ መገበያ መንገዶችን በአግባቡ ይጠቀማሉ					
5	የማስታወቂያ ስራው በየጊዜው ይቀያየራል					
6	የኢትዮጵያ ቡና ላኪዎች ከድንበኞች ትህዛዝ					

	ለመቀበል ቴክኖሎጂን ይጠቀማሉ					
ተቁ	የምንዋንዋዥ አቅርቦትን የተመለከተ ጥያቄ	1	2	3	4	5
1	በቀላሉ እቃ ለማንዋንዋዥ ትራንስፖርት ይገኛል					
2	የኢትዮጵያ ቡና ላኪዎች በሰአቱ ይልካሉ					
3	እንደማስበው መንገዶች በየጊዜው ይጠገናሉ					
4	ኢ/ባ/ት/ሎ/አ/ድ የምንዋንዋዥ አገልግሎት ፈጣን ነው					
5	ኢ/ባ/ት/ሎ/አ/ድ ኢትዮጵያ ላኪዎች ያበረታታል					
6	አግባብነት ያለው መንዋንዋዥ ዋጋ አለ					
ተቁ	የተቆጣጣሪዎች ቅድመትከተልን የተመለከተ ጥያቄ	1	2	3	4	5
1	የውጪ ንግድ ተቆጣጣሪዎች ቅድመትከተል የውጭ ገበያን ያነቃቃል					
2	መንግስት ከአቅም በላይ መሰናክሎችን ሲመጡ ያግዛል					
3	የተቆጣጣሪዎች ተቆማት ሳቢ አገልግሎት አለ					
4	የውጭ ገበያ ለመቀላቀል ቅድመ ተከተሉ አጭር ነው					
5	ሁሉም መቆጣጣሪያ ቅድመ ተከተሎች ምክንያታዊ ናቸው					
6	የውጭ ንግድ ቀረጥ ምክንያታዊ ናቸው					
ተቁ	የውጭ አፈፃፀምን የተመለከተ ጥያቄ	1	2	3	4	5
1	የውጭ ንግድ አፈፃፀም እኔ እንደጠበኩት ነው					
2	የኢትዮጵያ ቡና ላኪዎች አፈፃፀም ከፍተኛ ነው					
3	በኢትዮጵያ ቡና ላኪዎች አፈፃፀም እረክቻለው					
4	የኢትዮጵያ ቡና ላኪዎችን በምጎበኝበት ጊዜ ጠቃሚ ነገር አይቻለው					
5	የኛ ድርጅት አፈፃፀም ከጊዜ ወደ ጊዜ እየጨመረ ነው					

አመሰግናለው!!!

Appendix III SPSS Analysis Outputs

