
**INVESTIGATION OF FACTORS AFFECTING COFFEE
EXPORT PERFORMANCE: THE CASE OF LIMMU COFFEE
FARMERS' COOPERATIVE UNION**

BY

BULTUMA MORKA

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DEPARTMENT OF MANAGEMENT

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ABSTRACT

This study focused on assessing the factors affecting coffee export performance in the case of Limmu coffee farmers' cooperative union (LCFCU), Jimma Zone. The research employed descriptive research design and followed mixed (quantitative and qualitative) approaches. The research used simple random probability sampling to fix the cooperative unions and select informants' who participated in the questionnaire format and purposive sampling, to determine top managements who involved in the interview climate. Data were gathered from 102 questionnaire respondents and 10 management interviewees selected from five cooperative unions and employed relevant document investigation to triangulate data. Questionnaire was employed to gather quantitative data and interview was used to maintain management interview. The data obtained through different tools was organized in logical manner so as to help answer the basic research questions. The obtained data over all indicators were complementing /supporting/ each other to reveal the existing coffee export performance trends of the cooperative enterprises in the study area. The results showed that export marketing performance of Limmu coffee farmers cooperative union was critically hampered by technology innovation (firm characteristics); challenges related to export barriers and low management's international experience (management characteristics); lack of production that attracts customers, lack of positive comment about the product from buyers, and critical problems related to good agronomic practice that supports certification (good agronomic practices); lack of specialty grade export coffee maintained through processing firm and get premium price (processing quality); the legal and political environment that has negatively affected the union's coffee export performance, the socio-cultural environment that has negatively affected the union's coffee export performance and the export market barriers that has adversely impacted the enterprise's export performance (foreign market characteristics); and export market barriers existing in the exporting country (domestic market characteristics). Finally, the research pointed out some recommendation points: the top executive of Limmu coffee farmers' cooperative union requires to effectively and efficiently employ working strategies pertinent to produce quality product through strategic decision making that help to effectively boost export marketing performance of the cooperative union .

Key words:

Export performance, Agronomic practice, processing quality, export marketing strategy, firm characteristics, management characteristics, foreign market, and domestic market.

Declaration, Confirmation, Approval and Evaluation

Research Title: Investigation of Factors Affecting Coffee Export Performance: The Case of
Limmu Coffee Farmers' Cooperative Union

Declaration

I, the undersigned, declare that this thesis is my original work, not presented for any degree in any universities, and that all the sources used for it are duly acknowledged.

Name

ID NumberSignature

Date

BultumaMorka S40241/08_____

Confirmation and Approval

This thesis has been submitted for examination with my approval as a thesis advisor.

Principal Advisor:

ChalchissaAmentie (Ph.D)

Signature

Date

Co-Advisor:

TsigredaAmboye (MBA

Signature

Date

Thesis Evaluators:

External Examiner

Signature

Date

Internal Examiner

Signature

Date

Chair-Person

Signature

Date

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Acronyms and Abbreviations

AGDP	Agricultural gross domestic product
AMA	American Marketing Association
BCG	Boston Consulting Group matrix
CFCU	Coffee Farmers Cooperative Union
ECGPEA	Ethiopian Coffee Growers, Producers and Exporters Association
ECMC	Ethiopian Coffee Marketing Corporation
ECX	Ethiopian Commodity Exchange
FAO	Food and Agricultural Organization
FDRE	Federal Democratic Republic Of Ethiopia
GNP	Gross National Product
HACCP	Hazard Analysis and Critical Control Points
IO	Industrial Organization
JZARDO	Jimma Zone Agricultural and Rural Development Office
LCFCU	Limmu Coffee Farmers Cooperative Union
MOARD	Ministry Of Agriculture and Rural Development
MOT	Ministry Of Trade
RBV	Resource Based View

RFA	Rain Forest Alliance
SCP	Structure Conduct Performance
UNDP	United Nations Development Program
USDA	United States Development Agency

CHAPTER ONE

INTRODUCTION

Background of the Study

Agriculture is the dominant sector in the national economy of Ethiopia. It account for around 90% of foreign exchange and 40% of GDP. Thus, the sector is the back bone of Ethiopian economy. The coffee industry dominates agriculture sector in its contribution to the national economy in general and export sector in particular (Birhe, 2010). Coffee in Ethiopia accounts for 25% of GNP, 40% of total export and 10% of total government revenue (MoARD, 2007). Coffee is most important and backbone of Ethiopian economy, which accounts for an average 5% of GDP, 10% of the total agriculture production and 60% of export earnings (Girma, 2011).

Coffee, the most important export earner of the country, in the last decades though its shareshows declining smoothly and continuously from 70% of its share in 1997/98 to 26.4% in2009/10. Moreover, export tax from coffee was a significant proportion of government revenues (ERCA, 2010).

A well-functioning agricultural market is an important element of agricultural development program. It could enable farmers to get a fair proportion of consumers' price, enhance farm income and, consequently, allow the process of agricultural intensification to deepen further with a positive impact on poverty reduction. The weak performance of the agricultural markets (both input and output markets) in Ethiopia has been recognized in various studies as a major impediment to growth in the agricultural sector and the overall economy. With an inefficient marketing system, the surplus resulting from increased production benefits neither the farmers nor the country (EleniZewde, 2004) .

World consumption of coffee is increasing so the volume exported by different countries is expanding by large. For instance in2015/16, Brazil stands first for world coffee exports, which account for about 28 percent of the total exports, followed by Vietnam, Colombia, Indonesia and Honduras taking 24, 10, 7, and 4 percent of world exports respectively. In 2015/16, Ethiopia took

ninth place, according to this data, which accounted for about 3.12 percent of world total with export of 3520 thousand bags (USDA, 2004).

Ethiopia which is considered as coffee's birthplace produces high-quality Arabica coffee for both the domestic and international markets. Coffee plays a major role in Ethiopia's economy and is deeply intertwined with cultural traditions and day-to-day living. According to Tefera (2016), there are an estimated 15 million people, or approximately 15 percent of the country's total population, who derive their livelihoods from coffee. Annually, an average of about 150,000 tons of coffee is produced in Ethiopia and the livelihood of about 15 million people depends directly or indirectly on the production, processing and export of coffee from Ethiopia. In contrast to other coffee producing countries, the Ethiopian coffee production is dominated by small holder agriculture, contributing with more than 90% of total harvest (Dercon, 2002). A special feature of Ethiopian coffee production is that domestic consumption is considerably high, as coffee is traditional beverage throughout the country. FAO estimates that about 50% of total harvest is used domestically, and that some farmers grow coffee only for home consumption (Dercon, 2002).

Currently, Ethiopia is the leading Arabica coffee producer in Africa, the fifth largest worldwide and the tenth in coffee exports worldwide. The average annual production amounts to about 350,000 tons. The average yield is about 0.71ton/ha. Ethiopian coffee is intrinsically organic and renowned for its superior quality. Small holder farmer's account for more than 95% of the total coffee produced in Ethiopia, but still contained in traditional farming systems. In Ethiopia, Coffee is produced under four broad production systems, i.e. forest coffee (8-10%), semi forest coffee (30-35), cottage or garden coffee (50-57%) and modern coffee plantation (5%) (UNDP, 2012). From this one could understand modern coffee plantation system in Ethiopia still existed under the lowest margin of expansion and this calls for a considerable attention.

Coffee marketing in Ethiopia comprises the following main transaction chain: Primary cooperatives: Immediate members are farmers, and are typically geographically organized. Primary cooperatives are somewhat limited in capacity and do not generally access exportmarkets directly. Secondary cooperatives are larger cooperatives consisting of a collection of primary cooperatives. They are engaged directly with export markets for most of Ethiopia's major brands. Primary level coffee transaction center is a place where coffee farmers and suppliers transact coffee. They are

located near to the coffee farms. The third level is where Ethiopian coffee transaction is the international market. At this level, exporters sell coffee to foreign importers (Abiy et al., 2016)

The current government of Ethiopia encourages private investment in the coffee industry to promote a market economy including liberalization of the coffee sector, lifting price ceiling of any kind, streamlining of export licensing procedures, removal of price control, currency devaluation, foreign exchange auctioning, creation of relatively better investment environment through new investment code and regulations , launching of new export promotion strategy, suspending all the export taxes, the recent establishment of the Ethiopian Commodities Marketing Authority and the Ethiopian Commodity Exchange (ECX). This was undertaken as a means of increasing producer's prices, thereby encouraging production, reducing smuggling and maximizing export earnings (Abiy Temtime,2016).

Despite secular decline in the international coffee price, coffee still remains the country's dominant export commodity. In rural areas, smallholders are often geographically dispersed; roads and communications are poor, and the volume of business is insufficient to encourage private service provision. In other words, there are high probabilities of market failure. Inefficient and underdeveloped markets, results in low and variable prices thereby reducing the profitability of farmers (Mulat and Tadele, 2001) .In this regard, Kaddar (1975) cited in Barker (1989) claims that only a few farmers understand the necessity of producing to meet the market and of finding a market for their produce. His solution to this dilemma is to encourage the growth of cooperatives to undertake the marketingresponsibilities.

Jimma zone is one of the coffees growing zones in the Oromia Regional state of Ethiopia, which has a total area of 1.1 million hectares of land.Currently, the total area of land covered by coffee in the zone is about 0.1 million hectares, which includes small scale farmers' holdings as well as state and private owned plantations.Jimma zone covers a total of 21 % of the export share of the country and 43% of the export share of the Oromia Region (JZARDO,2008).There are favorable climatic condition, variety of local coffee types for quality improvement and long history of its production in the district, but with sensible marketing constraints and that is why Limmukossaworeda was selected from Jimma zone as the study area where a large share of coffee production exist.

Limmukossaworeda was selected as the study area because even though the area is known by the production of its indigenous, a winey flavored organic coffee that can be assumed to have a high degree of acceptance by its customers. The coffee farmers' cooperative union of the area that are engaged in the production, processing and marketing of coffee do have different challenges. Factors that affect the coffee export performance of the cooperative union in the study area were not thoroughly identified in prior studies. So, the study focused to investigate the factors affecting export performance of Limmu coffee farmers' cooperative union.

1.2. Statement of the Problem

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). Using traditional system of coffee agronomic practice due to lack of extension services directly deteriorates coffee quality that affects coffee export performance. So this research finding deals with how agronomic practice of the coffee farmers cooperative union affects the coffee export performance.

Ethiopian government took the initiative to establish Coffee Farmers' Cooperative Unions since 1999 to manage coffee export business on behalf of primary coffee cooperatives that lacked human resources and logistical capacity (Dessalegn, 2002). As a result, today coffee farmers are in a situation where lack of information and infrastructure make them victims of market failure such as creation of cartels (Milford, 2004). Considering their weak financial condition, it is too early to judge the sustainability of the cooperatives because international prices have been high recently, and it is not yet clear how they would survive (Kodama, 2007). For this reason, to achieve success in export markets due largely to the multiple indicators such as the production system in order to get quality product, environmental factors especially in foreign environments, managerial characteristics and marketing strategies of firms. Improving the understanding of these factors impacting export performance is an important strategic concern in view of the rapidly changing global scope of coffee business. Therefore, this study investigated factors affecting coffee export performance of Limmu coffee farmers' cooperative union.

As far as the market operation on Ethiopia coffee trade is concerned, even though coffee has economic and social importance for the Ethiopian economy, the market operation on the coffee sector has remained unsatisfactory, especially, for smallholder's coffee growers. This is because there is no significant change in the form of production and processing for several decades. Regarding from the coffee market, international competitiveness in market of coffee commodity exports has major challenges for Ethiopia. Competitiveness is important because export of coffee is the major source of foreign exchange and thus accounts more than half of the value of total export (Mintwnet *al.*, 2014).

For farmers' cooperative union strong and effective marketing management has required to correct and getting benefit from coffee export. In the competitive international coffee market, the quality of coffee is the main factor to get the market for exporters. If they cannot able to deliver quality coffee to their customers or buyers, they will lose their customers (Tadese,2015). Likewise, nowadays coffee certification is also the main factor for the cooperative unions to have wide market opportunity and to sell their products with premium price. Lack of the most common world coffee certificates such as UTZ,RFA,4C,CAFÉ PRACTICE etc. is the main challenge for coffee export marketing. Certification and traceability have become major new requirements in the global food trade (Swinnen, 2007). With such certification schemes often implemented to add value to a product (Jena et al., 2012). In the case of Ethiopia, the share of certified coffee is increasing, but is significantly lower than in other countries. How lack of more certified coffee affects export performance of the union was assessed and evaluated in this research.

Ethiopia is gifted with environment suitable for producing high quality coffee beans. Despite this fact, Ethiopian coffee industry has been suffering from a number of multifaceted limitations, including problems related to production, processing and marketing. In terms of production, Ethiopian coffee remains to be low yield due to, among others, lack of advanced technology, lack or shortage of cultivars suitable for different localities and medium to long dry season due to the environmental change. In relation to processing, the main interest at stake is the quality of the coffee. Coffee quality plays irreplaceable role in the increasingly competitive international coffee market. In Ethiopia, however, the quality of large quantity of coffee is believed to decline as result of poor and traditional techniques of post-harvest processing such as during fermentation and drying(FAO,2014).

Studies on the export performance of the agricultural sector are limited and many of the studies are related to macro-level, rather than firm-level behavior. This is because many previous studies have been based on the discipline of agricultural economics and focused on national comparative advantage and factor efficiency. In addition, most of the previous studies on agricultural exports have employed qualitative analysis using in-depth interviews, case-based analysis, secondary data, descriptive analysis and simple statistical methodology. As a result, there is a lack of research that would help agricultural exporting firms to develop their own competencies and export strategically. A comprehensive model is needed to fill this gap in the literature.

In most village parts, smallholders are repeatedly geographically dispersed; roads and communications are poor, and the volume of business is inadequate to encourage private service provision (Mulat and Tadele, 2001). In other words, there are high probabilities of market catastrophe. Inefficient and underdeveloped markets result in low and variable prices thereby reducing the profitability of farmers under cooperatives.

To answer such marketing complications, understanding of export marketing in a cooperative is quite indispensable. Ethiopian coffee farmers' dependency on international prices along with stagnation of the rural economy puts farmers in a vulnerable and exposed position. Thus, now a day the Ethiopian government took the initiative to form Coffee Farmers' Cooperative Unions since 1999 to manage coffee export business on behalf of primary coffee cooperatives that lacked trained manpower and logistical capacity (Dessalegn, 2002). As a result, today coffee farmers are in a situation where lack of information and infrastructure make them victims of market failure such as creation of associations (Milford, 2004).

Even if other research papers revealed their findings on coffee marketing, this research is unique and would identify the specific issue regarding Limmu kossa woreda as it is known for the production of high land coffee which is the main income generating crop of farmers of the region, its cultivation, harvesting, processing, transportation and marketing provides employment for a lot of people. And the ecology has a great potential to supply this product to the local and foreign market, so that investigating the factors that affect coffee export performance was found very important. Therefore, it is essential to look coffee marketing as a specific area of concern affecting farmer's

livelihood and welfare of the region because it is the major cash crop produced in the area. However, few attempts have recently been made to assess the marketing problems of coffee in the region and to analyze its marketing efficiency. The issues of marketing information, marketing channels and their characteristics and market integration of Limmu coffee farmer's cooperative union have not been thoroughly studied and analyzed. This study, therefore, was proposed to assess the marketing practices and to investigate the factors affecting coffee export performance of Limmu coffee farmers' cooperative union in Jimma zone of Limmu kossa woreda and help bridge the current information gap on the subject.

1.3. Research Questions

Considering the objectives of the study, the following research questions were deemed value for the study. The central questions addressed in this section are:

1. What is the significant attributes of good agronomic practice of Limmu coffee farmers cooperative union on coffee export performance?
2. What is the significant attributes of maintaining coffee processing quality of Limmu coffee farmer's cooperative union on coffee export performance?
3. What are the significant attributes of export marketing strategy on coffee export performance?
4. What are the significant attributes of firm characteristics on coffee export performance?
5. What are the significant attributes of management characteristics on coffee export performance?
6. How foreign market characteristics influence coffee export performance of the union?
7. How domestic market characteristics influence coffee export performance of the union?

1.4 Objectives of the study

1.4.1 General objective

The general objective of the study was assessing the factors affecting coffee export performance in the case of Limmu coffee farmers' cooperative union (LCFCU).

1.4.2. Specific objectives

- To assess the attributes of good coffee agronomic practice on coffee export performance.
- To identify the attributes of maintaining coffee processing quality on coffee export performance.
- To find out the attributes of export marketing strategy on coffee export performance.
- To determine the attributes of firm characteristics on coffee export performance.
- To discover the attributes of management characteristics on coffee export performance.
- To assess the attributes of foreign market characteristics on coffee export performance.
- To find out the attributes of domestic market characteristics on coffee export performance.

1.5 Significance of the Study

The study had the following significances.

1. The study provides valuable and reliable data for the management how the existing agronomic practice, processing quality, marketing strategy, firm characteristics, management characteristics, domestic and foreign market characteristics of LCFCU affect coffee export performance and to make appropriate decisions to take correcting action.
2. A strategic road map for the proper export performance of the cooperative union will be developed through examining the factors that affect the export performance of the union.
3. This study helps to provide its contribution in the direction of overall coffee export performance strategy measured by customers' satisfaction in the coffee export business.
4. The study also identifies factors affecting coffee supply to the market through solving the challenges of the farmers regarding their production and processing system in order to supply market attractive quality product that can attract its customers by developing better agronomic and processing practices that can sustain the union in export marketing.
5. This study generates useful information to formulate coffee marketing development projects and guidelines for interventions that will improve the efficiency of coffee marketing system for the cooperative unions.
6. The potential users of the findings will be farmers (producers), traders, exporters, government and nongovernment organizations, which have an interest to intervene in the

coffee export marketing system and also this research will pave a way for other researchers to do further studies regarding coffee export performance .

1.6 Scope of the Study

The study was conducted to investigate how internal and external factors affect coffee export performance in case of Limmu coffee farmers' cooperative union. The union is running its operation by holding 25 primary cooperatives basing its main office at Limmu Gennet town and supporting office at Addis Ababa. And the study was conducted on individual members of five purposively selected member primary coffee marketing cooperatives which are members to coffee marketing cooperatives union in Limmu Kossa woreda. The number of respondents who fill questionnaire was limited to 102. In addition 10 management members of the union was interviewed to gather additional data. The findings and observation were based on the respondents' answer which may be affected by the personal bias. The researcher used survey method for the research and also the research limited on the last four years coffee export performance of the union. The study was used in measuring certain internal and external environmental factors that can affect coffee export performance of the union. Internal environmental factors include good agronomic practices, maintaining quality, export marketing strategy, firm characteristics and management characteristics and external environmental factors include foreign market characteristics and domestic market characteristics.

1.7 Limitation of the study

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

This research was developed based on the LCFCU. As a result, generalization of the research beyond the scope of LCFCU must be undertaken with caution since there would be a different context of environment in different firms as well as different countries. In the study area, There was the shortage of reference books related to Cooperatives marketing that could clearly identify the marketing behavior of cooperatives to that of other business firms.

1.8. Organization of the Study

The thesis was divided in to five chapters. Chapter one states the introduction, background, the statement of the problem, research questions and objectives of the study that includes the general and specific objectives, significance and scope of the study. Chapter two explains related literature review that includes both the theoretical and empirical reviews and also identifies the conceptual frame work. Chapter three deals with the design and methodology of the study. It includes the research design, description of the study area, target population, sample and sampling method, data collection instruments and methods of data analysis of the study. Chapter four presents report writing about the results and discussion of the study while Chapter five deals with conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Theoretical Literature Review

2.1.1 Marketing performance

Marketing performance is defined as the way in which markets and marketing contribute to various aspects of economic performance. Performance criteria could be divided into two categories, namely those related to economic efficiency and other performance objectives. The former group includes technical efficiency, operational efficiency and exchange efficiency, while the latter group includes innovation, inter-sectoral resource transfer, equity, employment, and coordination efficiency (Scarborough and Kydd, 1992).

2.2.2 Industrialization Theory

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

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

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

2.2.3 Resource-Based View (RBV)

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

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

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

2.2.4 Internationalization Process Theory

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

International activities require both market specific knowledge and general knowledge. Knowledge of the operations could be transferred from one country to another, whereas market-specific knowledge is assumed to be gained mainly through experience in the market. A direct relation between market knowledge and market commitment was postulated (Anderson, 1993).

2.2.5 Customer Perspective on Agricultural Marketing

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

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

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

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

2.3 Conceptual Review of Export Performance

Various researchers investigated about how firms perform in exporting have identified a lot of factors as determinants and measures of export performance. These determinants and measures have been classified differently; however, a major classification has been as controllable and uncontrollable. The controllable determinants and measures are internal firm-level and uncontrollable are external environmental determinants and measures (Abayet *al.*, 1989). Hence, this study focused on the factors that were classified as firm-level controllable and uncontrollable determinants and measures which influence the coffee export performance of LCFCU.

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

Shoham (1996) offered a simple conceptual definition that “export performance refers to the outcome of exporting products and services into foreign markets”. Although, growing body of literature has addressed the issue but still there is no evenly accepted conceptual and operational framework (Cavusgil et al., 1994; Shoham, 1998). Sousa (2004) has identified about 50 dimensions of export performance measure which are classified as subjective and objective measures of export performance. However, Leonidou, Katsikeas and Samiee (2002), have identified that export proportion of sales or export intensity, export sales growth, export profit level, export sales volume, export market share, and export profit contribution are mostly used measures of export performance. Cavusgil and Nevin (1981) provided a comprehensive definition of exporting as “the marketing-related decisions and activities of firms which are engaged in international business”.

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

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

The measure of export performance has been discussed widely in previous research (Shoham, 1998), but there is still no agreement on how to capture the construct adequately. Most researchers have agreed that export performance is a complex construct and it is best

conceptualized as a multifaceted concept, thus the use of single item measure is insufficient to capture it (Katsikeas, Leonidou and Morgan, 2000; Shoham, 1998; Rose and Shoham, 2002). As a result, several studies developed multi-item measures of export performance (e.g., Shoham, 1998; Styles, 1998; Zou, Taylor and Osland, 1998).

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

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

Leonidou et al. (2002) conducted a meta-analysis and found the most frequently used measures in the reviewed studies were export intensity, export sales growth, export profit level, export sales volume, export market share, and export profit contribution. They pointed out that since firms did not report the financial details of their export activities, it was difficult or even impossible to access reliable financial data.

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

appropriate level (company, SBU, export venture or line of product) and for an appropriate time horizon (short- term or long-term).

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

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

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

Sousa et al. (2008) reviewed 52 articles published between 1998 and 2005 to assess the determinants of export performance. They identified that two broad theoretical approaches, the resource-based paradigm and the contingency paradigm, which is rooted in industrial organization theory, provided the basis for classifying the determinants of export performance

into internal and external factors. They concluded that internal factors are firm and management characteristics and export marketing strategy, while external factors are foreign market and domestic market characteristics.

2.4 Agricultural Exporting in Ethiopia

According to Boansi&Crentsil (2013), the coffee subsector of Ethiopia has been and continues to be the foundation for the country's agricultural and economic development. The importance of the subsector in the country and the world market cannot be overemphasized. For instance, the subsector accounts not only for over 35% of agricultural foreign exchange earnings and about 4% of agricultural Gross Domestic Product (Agric.GDP), it also provides income to over 15 million people in the country (Ministry of Trade, 2012) through provision of jobs for farmers, local traders, processors, transporters, exporters and bankers. In addition to these, coffee green exports from Ethiopia accounted for approximately 3.31% in value of world coffee green exports between the years 2001 and 2010.

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

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

According to (Tadese, 2015), the varieties of distinctively flavored coffee beans produced in Ethiopia, based on their contribution to the country's export, are Jimma, Gimbi, Lekempti, Sidamo, Yirgacheffe and Harar. These coffee types are internationally recognized and they command better prices (MoARD, 2009). Ethiopia produces around 4% of world production and

more than 30% of the total production in Sub-Sahara Africa and the government favors the export of high-grade coffee and restricts its sale on the domestic market (MoARD, 2009).

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

Currently coffee generates less than 35 percent of the total export earnings. For the last several years its relative predominance in the export sector is decreasing because of increased contribution of other agricultural products like horticulture and floriculture. Consequently, only a little over 26% percent of the total export earnings is contributed by coffee during the year of 2011 (FDRE, 2011). This is the lowest share earned from export of coffee in the history of economy of the country and the trend for the last several years showed that the share of coffee in foreign exchange earnings will further decline. Coffee also contributes for sizeable amount of government tax revenue. It seems that Ethiopia will, to some certain extent, continue to rely on this item for its export earnings in the coming future (Tadese, 2015).

From the mapping of the actors, it follows that coffee in Ethiopia can be exported through three main channels: a) private traders, b) farmers' cooperatives, c) large-scale farmers. The cooperative sector has also grown considerably since 2001, especially as a result of the intervention of numerous NGOs and international cooperation agencies and the increasing international attention to fair trade initiatives. Their market share is believed to be approximately between 4-5% and in any case less than 10%. This means that most coffee is still channeled by private traders. Small-scale coffee producers have rudimentary, low input-output agricultural and coffee harvesting practices, low incomes, weak organizations and little bargaining power (Cabi, 2009); they sell their coffee to private traders or to their primary cooperatives.

Commercial growers, better be able to implement intensive agro-ecological practices, aim to increase productivity and quality in order to enter the specialty markets; like cooperative unions. They are allowed by law to bypass the ECX. Several ECGPEA members have recently started implementing out-grower schemes through which they provide technical assistance to small scale farmers in the vicinity of their plantations and serve as an outlet for their product.

However, it was not possible to verify the conditions under which such schemes take place, or the degree to which the emergence of contract farming in the coffee sector –alongside a continued policy to promote the growth of commercial plantations– could transform the structure of the coffee chain in the coming years (Hashim, 2013).

Coffee market chain in Ethiopia is composed of a large number of actors. It includes coffee farmers, collectors, different buyers, processors, primary cooperatives, cooperative unions, exporters and various government institutions (Gemech and Struthers, 2007), and there also exist local development agents advise, inspect and support farmers at times before harvest, during harvest, and after harvest so as to maintain its quality. Ethiopian coffee is sold both at local level and at the international market, the latter mainly through the newly established commodity exchange market and directly to international buyers through specialty market channels by coffee cooperative unions. Normally, all Ethiopian coffee should pass through commodity exchange market. Since 2001, however, cooperatives have been granted permission to by-pass coffee auction opening the way for direct export sales (Dempsey, 2011).

2.5 Empirical Literature Review

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

Aksoy et al. (1994) investigated successful export behavior for firms exporting fresh produce using interviews and case studies based on seven exporters of fresh fruit and vegetables to the

UK market. External factors, including geographic location, natural resource endowments, physical and non-physical distance to recipient markets, and government involvement, and internal factors such as organizational structure and ownership of firms, objective and motivations to export, and marketing management components, were identified as major influential factors for the operation and performance of exporters of fresh produce.`

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

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

Boansi et al. (2013) conducted study on competitiveness and determinants of coffee exports, producer price and production for Ethiopia. The objective of the study was to analyze the performance of Ethiopia in its exports of coffee and to estimate the magnitude and effects of key economic determinants of coffee exports, producer price and production. The Revealed Comparative Advantage (RCA) and Revealed Symmetric Comparative Advantage (RSCA) measures of competitiveness were used for the analysis. Even though the results show that Ethiopia has comparative advantage in export of coffee, the same cannot be said of its overall performance on the international market owing to factors such as challenges with management of price risk, high transaction cost resulting from the extensive nature of the supply chain and the

numerous actors and processes therein, challenges with quality control, low productivity of growers' fields, and incidence of smuggling.

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

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

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

Coffee producers in Ethiopia have historically received a very small share of the export price of green coffee. Reasons that are often mentioned are heavy government intervention and high marketing and processing costs. Prior to 1992, coffee production and marketing in Ethiopia was centrally controlled under the Ministry of Coffee and Tea Development. Producers had to sell at fixed prices and fixed times during the year. The Ethiopian Coffee Marketing Corporation (ECMC) handled the vast majority of the crop. The corporation put a substantial wedge between the producer price and the world price of coffee by imposing an implicit tax on producers (Tadesse and Feyera, 2008).

Fair Trade certified farmers receive a higher price and a higher dividend than farmers not in a certified cooperative according to the study by Dahlberg (2011). Although, he confirmed that, when coffee prices are relatively high and the minimum price offered by Fair Trade is far below the world market price, certified farmers are still better off economically than non-certified ones. Not only do certified farmers receive a higher price for their coffee, with up to 30%, but they also enjoy a premium, which is invested in social projects benefitting both themselves and the local community. Mutandwaet *et al.*, (2009) analyzed coffee export marketing in Rwanda by employing the Bosten consulting group matrix (BCG). They took and evaluated two parameters namely rate of market growth and relative market share. The result indicated that in terms of market growth rate the country records the negative rate due to decreasing of production during the particular year of the study. The result of the country's relative market share also indicated that a very small proportion in the global coffee trade. In addition to this, they tried to give ideas that concerning the growth of both parameters which are promotion of Rwanda coffee through participation in trade fairs and exhibitions in various countries. And also need to foster relationships with the international buyers.

Following the overthrow of the Derg in 1992, the Government of Ethiopia introduced measures to promote a market economy including liberalization of the coffee sector. This was undertaken as a means of increasing producer prices, thereby encouraging production, reducing smuggling and maximizing export earnings (Celia *et al.*, 2004). In her article, Sarah (2004) indicated that certified organic Ethiopian coffee has been available since 1999 when some producers were granted a waiver to bypass the government auction system. Certified farmers can sell direct to western importers through the cooperatives to which they belong, and cut out the services of two sets of buyers and an independent exporter to deal with the final processing. According to her, it also enables some of them to gain fair trade status, and receive a significant proportion of profits.

In 2011, Dema, on the study of coffee market performance, he analyzed marketing costs and price margins among the different coffee marketing activities in order to measure the degree of coffee marketing efficiency. He depicted that falls of the coffee bean tree before growing, weight loss by affecting the bean size and huge loss of productivity by coffee diseases and low price, erratic rain-fall and shortage of land are the major constraints for the coffee production. Moreover, he identified constraints regarding coffee marketing were delay in unloading coffee at ECX (which creates

additional cost), poor management and handling of coffee by farmers (which reduces its quality) and short supply of coffee (low economies of scale for traders).

The study in Oromia coffee farmers' cooperative union by kumsa, (2015), concluded that the factors that influence in coffee export performances are competition, long duration of export document process, coffee quality, export barrier from country destinations, delay in transportation, communication barrier, lack of more of international market knowledge, export administrative procedures, incapable to supply coffee in time, limitation of destination country, and delay of shipping. The study revealed that has the significant impact on export marketing activity of union which is volume of coffee supplied by members to the union. This condition also makes the export marketing of the union to fluctuate. The volume of Coffee supplied by members to the union has the significant impact on export marketing activity of the union. As the volume of coffee supply increases, the volume of export sale also increases. This coffee supply depends on several factors in the study area in which weather condition is the determinant one. This condition also makes the export marketing of the union to fluctuate.

2.6 Limitations on Studies of Export Performance

First, firms from developing countries traditionally have comparative cost advantages in factors of production, especially for commodity and other agricultural products. Therefore, many studies of agricultural exporting are related to macro-level rather than firm-level behavior (eg .Crick et al., 2000).

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

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

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

2.7 Conceptual Framework

The conceptual framework for the factors affecting coffee export performance of LCFCU was developed based on an integration of Industrial Organization (IO) theory, the resource-based view (RBV), internationalization process theory, and the consumer perspective on agricultural marketing. Export performance is commonly determined by internal and external factors (Cavusgil et al., 1994; Sousa et al., 2008), where the former are firms' resources and export product strategies, and the latter are external environmental factors. The framework consists of four groups of these constructs including: under internal environment characteristics: Export marketing strategy, Firm characteristics, good agronomic practice, processing quality and Management characteristics. Under external environment characteristics: Foreign market characteristics and Domestic market characteristics. Finally, export performance included. It is argued that firms respond to changes in their internal and external environment by formulating deliberate export marketing strategies in order to minimize the adverse impact of environmental changes or to maximize the benefits from such changes on their overall performance (Calantone et al., 2006; Chadee, 2002). Conceptualization and a literature review for all constructs are presented below on figure 1.

2.7.1 Internal Environment Factors

This category includes five types of variables namely, Export marketing strategy, Firm characteristics, Management characteristics, good agronomic practice and processing quality. Export marketing strategy type is linked with aspects of a firm's business strategy for export marketing. Commonly used strategies of marketing capabilities include product adaptation, pricing, advertising/promotion adaptation, distribution strategy/channel relationships, and strategic decision making by top executives. Firm characteristics type is related to the characteristics of the firm like its size, technology innovation, international competence,

location/access to infrastructure/services, and other firm resources/capabilities. Management characteristics type looks at variables related to the attitudes and perceptions of management. These include among others management's international experience, their level of export commitment and attitude towards exporting, incorporating corporate social responsibility, and perceived export advantages/barriers. Good agronomic practice is the operational intensive agricultural activities to coffee farms to boost sustainable production and to produce standardized quality product that supports coffee certification programs, to effectively handle especially international buyers to sustain the product in the international markets.

2.7.1.1 Good Agronomic Practices

As to Juergen, P. (2011), there is growing interest of international markets in differentiated agricultural products from the tropics. Coffee is a tropical crop of relatively high quality, whose value is increasing as consumer demand in developed countries for specialty coffee. Smallholders in emerging markets can benefit by capitalizing on the natural resource variability in their production system and from the knowledge that they have about this variability.

The objective of this paper is to illustrate the benefits of systematically targeting management practices by coffee growers to improve attributes of their product. Data from case studies in Colombia and Mexico show statistically significant differences in beverage quality of coffees grown under different production conditions such as slope aspect, varieties, times of harvest, and shade levels. Possible intervention options can be selected by growers in terms of their ease of implementation, the likely improvement of quality that they achieve and the resource intensiveness they require. The conclusion is that optimum management is site specific so that it is not possible to make any blanket recommendations. Using continuous management cycles of implementation, observation, interpretation and evaluation the site specificity provides growers an opportunity to improve management over time to produce a higher quality product.

According to IFC (2006), Coffee is a heavily traded global commodity, and highquality Arabica beans are the fastest-growing segment of the market. The demand from consumers for certified coffee is also growing, and the price they are willing to pay has caught the attention of traders and producers. In order to meet market demand, coffee farmers have had to adapt farming practices to qualify for certification. The various standards available include a range of criteria

that evaluates farmer performance in relation to environmental protection, social issues and economic sustainability. These certifications have the potential to create value for smallholders, as certain certified coffee carries a market premium. However, complying with rigorous and sometimes varying certification criteria tends to place additional burdens on small farmers, who need guidance to understand and properly implement required practices. Ecom is an international commodity trading company, ranked third among the world's largest coffee dealers with 13% of the world's market share. Ecom's major customers include Nestlé, Starbucks, Kraft, Procter & Gamble, and Sara Lee. The company sources from over 250,000 smallholders in 30 countries. Despite its success, Ecom faces a number of challenges in its coffee supply chains, including:

- Absent or ineffective agricultural extension services at origins.
- Low productivity from aging trees and poor farming practices.
- Lack of understanding of consumer demands and market requirements (ie: sustainability programs).
- Limited access to finance for farmers, which hinders the ability to invest at the farm level.

2.7.1.2. Processing Quality

According to CBI (2018), buyer requirements can be divided into two groups: (1) legal and additional requirements which are applicable to all coffee exporters and (2) niche requirements, for coffee exporters aiming at accessing specific segments. Food safety is an important focus in legislative and additional requirements for coffee, including prevention of contamination. In terms of niche requirements, the growing importance of certification schemes follows the European trend towards ethical consumption. Nonetheless, high quality in itself is an important determinant in specialty markets.

Quality is the result of many factors in coffee production and processing. Most important are the place of origin of the product, the specific coffee variety (Robusta or Arabica, and Arabica sub-varieties: Bourbon, Castillo, Geisha and other), the adequate sowing and agronomic management, the harvest and post-harvesting processes and the industrialization of the bean (CBI, 2018).

The attributes of a green coffee are related to its physical and intrinsic quality: factors like moisture content, color, greenish shriveled, bean size and defect count could lower the value and quality of coffee; their absence could result in a premium coffee (specialty coffee). Sensorial attributes of the roasted coffee are also related to the extraction process. These quality attributes can vary depending upon the principal organoleptic qualities that are used to evaluate the beverage which are: aroma, flavor, acidity, body, bitterness and global impression and aftertaste (CBI, 2018).

Each of these five attributes are reflected in both intensity (how much) and quality (how good), which are based on cupping protocols. Overall ratings provide a summary assessment based on a scale of 50 to 100; the higher the score, the better the quality. As the bulk of green coffee beans sourced in producing countries will still be roasted in the export destination, quality or food safety management systems related to processing are often not required. However, some coffee buyers might require exporters to comply with a quality or food safety management system, for example ISO 9001 or ISO 22000, which are based on hazard analysis and critical control points (HACCP) principles. This is especially the case when exporting roasted coffee beans (CBI, 2018).

2.7.1.3 Export Marketing Strategy

Marketing is the process of planning production, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals. When we start marketing strategy, the same term apply to the words “objective” and “strategy”. The marketing objectives are the aims, the goal to which the entire marketing effort of the organization is directed. Marketing strategy therefore refers to the means by which the marketing objectives will be achieved. While all marketers do not agree on a common definition of marketing strategy, the term generally refers to a company plan that allocates resources in ways to generate profits by positioning products or services and targeting specific consumer groups (Kotler, 2003).

Marketing strategy focuses on long term company objectives and involves planning marketing programs so that they help a company realize its goals. Companies rely on marketing strategies for established product lines or services as well as for new products and services. Marketing

strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. Marketing strategy encompasses selecting and analyzing the target market(s) and creating and maintaining an appropriate marketing mix that satisfies the target market and company. (Paul,1994). Marketing strategies are the means by which marketing objectives will be achieved and are generally concerned with the four major elements of the marketing mixes; product, price, promotion and place (McDonald, 2003).

Marketing strategy is the marketing of logic by which the business unit expects achieve its marketing objectives. Marketing strategy consists of marketing decisions on the business's marketing expenditure, marketing mix and allocations in relation to expected environmental and competitive conditions (Kotler, 2007).

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

According to Abu, (2016), assessment of commodity and trade, the level of development of the economy, resource endowments, policies and development strategies pursued are some of the determining factors of the export structure of a country. Being underdeveloped economy that heavily depends on agriculture, the structure of Ethiopian export is dominated by agricultural products which used to account for more than 90% over a long period except the last two years when the export share of the industrial sector showed relative increases. The shares of export earnings generated by the industrial sector were 15.2% in 1999/2000 and 26.5% in 2000/01. This is attributed from improved industrial activities, besides the decline of world prices for primary

commodities, specifically coffee. Coffee has been the dominant export commodity for the last five decades making-up on average 55-60% of total exports.

2.7.1.4 Firm Characteristics

Export performance of a firm reflects a firm-specific behavior in leveraging its resources and capabilities in an international context at a given point of time. Firm export performance is regarded as one of the key indicators of the success of a firm's export operations, and as such, it has been an extensively studied phenomenon. Numerous studies have been conducted pertaining to provide better understanding of the factors (firm- or environment-specific) and behaviors (e.g., export strategy) that make exporting a successful venture (Freeman, Styles and Lawley (2012). According to Chugan et al. (2014), firm size has resulted in mixed effects being related positively (Chugan, 1998); showing negative (Brouthers, Nakos, Hadjimarcou and Brouthers, 2009) and also no association with export performance (Katsikeas, Piercy and Ioannidis, 1996).

Firms' age again exhibited mixed results being positively (Gertner, Gertner and Guthery, 2006), negatively (Majumdar, 1997) and not significantly related (Contractor, Hsu and Kundu, 2005) to firm export performance. Technology innovation is another important determinant studied. The review asserts that most empirical studies establish a positive relationship between R&D utilization and export performance (Chugan, 1998; Lages, Silva and Styles, 2009; Alvarez, 2004). However, few findings reveal only a weak relationship of R&D use and export performance (Lall, and Kumar, 1981; Brouthers et al, 2009). Firm's international competence influences its export performance is positively supported (Cavusgil and Zou, 1994; Ibeh, 2003; O'Cass and Julian, 2003). Firm resources and capabilities have also come out as significant determinants of export performance. (Ling-yee and Ogunmokun, 2001) in their study looked at firm's financial resources and Supply Chain Management capabilities as positive contributors towards firm export performance. Similarly, Morgan, Kaleka and Katsikeas (2004) assert that firm resources and capabilities affect competitive strategy and positional advantage which in turn influences the performance of export venture. A comparatively lesser researched aspect is firm's location and access to infrastructure/services. In this regard the study by Freeman, Styles and

Lawley (2012) suggests that location is an important antecedent for firm resources and capabilities which in turn explain a firm's export performance.

2.7.1.5 Management Characteristics

According to Chugan et al. (2014), management characteristics have also been correlated with export performance. Several researchers in their investigations suggest that export performance is influenced positively by the degree of export expertise the management possesses (Ayan and Percin, 2005; Cadogan, Sundqvist, Puumalainen and Salminen, 2012; Alvarez, 2004; O'Cass and Julian, 2003; Gencturk and Kotabe, 2001). Another important variable which shows positive association with export performance is the level of commitment and attitude of the management towards exporting highlighted in the works of Axinn and Thach (1990); Cavusgil and Zou (1994); Singer and Czinkota (1994); Gencturk and Kotabe (2001); Lages and Montgomery (2004); Ayan and Percin (2005) and Shamsuddoha and Ali (2006) amongst others.

Perceived export advantages reflects significant degree of positive association with export performance suggested by the works of Ling-yee and Ogunmokun (2001); Zou, Fang and Zhao (2003) and Karelakis et al (1998), whereas, perceived export barriers bears negative relationship with export performance shown by Diamantopoulos and Schlegelmilch (1994). One of the less researched factors in this regard is the level of corporate social responsibility undertaken by the firm's management. Boehe and Cruz (2010) study contributes to the literature on corporate social responsibility and export performance by developing and empirically validating a model that explains under which conditions CSR-based product differentiation may lead to improved export performance. The conclusion that can be drawn from the previous literature is that international market knowledge, including both experience-based and information-based knowledge, is regarded as a firm's valuable resource and is critical to the competitiveness and export performance of agricultural exporters.

2.7.2 External Environmental Factor

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

2.7.2.1 Foreign Market Characteristics

As to Nestlé (2017), demand for coffee is expected to grow, but low farm profitability may hurt supply. Coffee is one of the most traded agricultural commodities in the world: in 2017 alone, 70 per cent of total coffee production was exported, worth USD 19 billion.^{1,2} That same year, the sector had a retail market value of USD 83 billion, providing jobs for 125 million people.^{1,3} Coffee is grown on 12.5 million farms worldwide, of which 67–80 per cent are smallholder farms primarily located in developing countries, including 22 Low Human Development Countries (LHDCs).^{4,5} The largest producing and exporting countries in 2017, irrespective of human development level, were Brazil (USD 4.6 billion), Vietnam (USD 3.5 billion) and Colombia (USD 2.58 billion), while the largest importing countries in 2017 were the United States (USD 6.3 billion), Germany (USD 3.5 billion) and France (USD 2.8 billion).⁶ Overall, coffee supply growth outpaced demand growth from 2016 to 2017, at rates of 5 per cent versus 2 per cent respectively, resulting in a global coffee surplus of around 250,000 metric tones.

Nestlé (2017) extends his explanation saying, the global supply–demand balance of coffee varies from year to year: 2016 closed with a supply deficit, while a surplus is estimated for 2018.² The sector is projected to grow, fuelled by increasing demand from producing countries and emerging economies that have not traditionally been among the major coffee importers, such as Brazil, Indonesia and China, as well as the expansion of retail options and coffee-based products such as ready-to-drink products.^{7,8} Another notable development is the increased adoption of voluntary sustainability standards (VSSs) by coffee producers: in 2016, 34.5 per cent of the market was made up of VSS-compliant coffee, while coffee that was potentially VSS-compliant represented 21.4 per cent, and conventional coffee production accounted for 44 per cent of the market (Nestlé, 2017).

The market advisory firm Mordor Intelligence predicts that the global market (retail) value of the coffee sector will experience a 5.5 per cent compound annual growth rate (CAGR) from 2018 to 2023, yet this positive outlook must be viewed against the coffee sector’s history of price volatility across multiple decades and long-term price decline.⁷ Traditionally, farm gate prices have struggled to keep pace with production costs, which hurts farm profitability and makes it difficult for coffee farmers to make long-term decisions on investments and planting, ultimately dis-incentivizing many of them from staying in the sector.^{4,7} Increasing the volume of coffee

production, regardless of whether this coffee is VSS-compliant, to meet the projected growth in demand from non-traditional coffee importers is further challenged by the effects of a changing climate, as land suitable for coffee cultivation will be subject to more unpredictable weather patterns, with negative implications for coffee yields. These climate change risks are not limited just to extreme weather events: there are already cases where coffee-producing countries have faced severe pest and disease outbreaks, such as coffee rust, that have decimated their crops and further exacerbated the volatility of the global coffee market (Nestlé, 2017).

The most important variable in this context is the export market barriers faced by local firms in the foreign markets. These barriers are found to impact export performance of the firms adversely (Al-Hyari et al, 2011). Likewise, the legal-political and the socio-cultural environment prevailing in the foreign countries also have association with export performance. The sign of this relationship however differs on the basis of the type of environmental conditions. For instance Ayan And Percin (2005) have found negative relationship for this variable in their study of Turkish exporters while Cadogan et al (2012) and Sousa and Bradley (2008) found the relationship to be positive.

2.7.2.2 Domestic Market Characteristics

The target market for coffee, includes drip coffee drinkers, coffee shop lovers, specialty coffee drinkers, and whole bean buyers. Nothing beats the fragrant smell of roasted coffee, whether at home, in the office or in a coffee shop. People who love the taste spend more than \$30 billion annually on regular and specialty cups of the hot beverage. Getting in on the coffee gravy train starts with knowing the target market of those who buy and drink coffee, which is key to determining which products are best to sell in our establishment.

Drip Coffee Drinkers: The latest research has found that 77 percent of adults in the United States drink coffee on a daily basis. Depending on the price you charge for a cup of coffee, your target market may be students and business workers on their way to work or class, who want a cheap cup for the caffeine kick. On the other hand, you may choose to go after the upscale market, to appeal to middle- and upper-class coffee drinkers, who have the income to pay several dollars for a cup of coffee. The age of the coffee drinkers matters, too, with 40 percent of people aged 18- to

24-years old drinking coffee daily, while 54 percent of people aged 25- to 39- years, indulge in a daily cup (Sampson, 2016).

Coffee Shop Lovers: People who spend time at shops and cafes where specialty drinks and regular cups of coffee are available along with an inviting atmosphere – rather than coming in to grab a cup of Joe on the go – are another target market. According to the latest research, there are more than 22,000 coffee shops in the U.S., generating an estimated \$12 billion. Starbucks is the clear-cut leader of the pack and has expanded overseas with great success, having 9,000 franchises on the international market. As more coffee shops offer a diverse menu, which includes bagels, specialty sandwiches, and desserts, the industry is expected to grow to an estimated \$47 billion by 2021 (Sampson,2016).

Specialty Coffee Drinkers: Espressos, cappuccinos, lattes, and mochas are just the start, if you want to sell specialty coffee drinks. The target market for this coffee product consists of those who love specific ingredients in their coffee-based beverage, and are willing to pay a premium to get what they want. This market continues to grow, according to Small Business Development Center, thanks to buyers becoming more educated about what goes into specialty coffee drinks and how they're made (Sampson,2016).

Whole Bean Buyers: Another target market consists of people who buy whole bean coffee to make at home or in the office. These buyers ask to have the beans ground in the store, or they grind the coffee themselves, for the freshest cup possible. This audience buys whole beans by the pound in different flavors from various regions, so offering a mix of Arabica and Robusta whole bean varieties is key to meeting your customer's varying tastes (Sampson,2016).

Within this category the use of export assistance has been the most prominent variable having significant positive association with export performance (Chugan, 1998; Singer and Czinkota, 1994; Alvarez, 2004; Gencturk and Kotabe, 2001; Shamsuddoha et al, 2006; Marandu, 1995; Francis and Collins-Dodd, 2004; Bonner and Mc-Guinness, 2007; Durmusoglu, Apfelthaler, Nayir, Alvarez, and Mughan, 2012). Export market barriers existing in the host country also impacts export performance negatively (Carneiro, Rocha, and Silva, 2011). Legal and political environment shows mixed results with positive association with export performance in case where such an environment is conducive for exporting activities (O'Cass and Julian, 2003).

Exporters operating in more competitive environments can benefit most from engaging in exports (Cadogan, Sundqvist, Puumalainen, and Salminen, 2012).

2.7.3 Export Performance

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

Subjective data had been shown to be highly correlated with objective data by Doss and Robinson (1984). They explained that the respondents may in fact provide perceptual (subjective) and relative information even if asked about an absolute figure. This is because the managerial action tended to be driven by perceptions or satisfactions, not by numbers or financial data. In summary, this study measures export performance by using both objective and subjective measures (self-evaluation by respondents). Objective performance is measured by sales growth rate percentage of market share, sales performance according to the plan during the past five years as an approximate percentage.

The export marketing performance of coffee farmers cooperative union (CFCU) can be evaluated in terms of internal environmental factors (good agronomic practice, processing quality, export marketing strategy, firm characteristics, management characteristics) and external environmental factors (foreign market characteristics, domestic market characteristics). This conceptual perception following in the study is of multi-dimensional content in nature. Poor quality and lower scale of production has been the factors hindering the poor farmers to reach the international markets easily while intensification and improved production level, upgrading activities in the processing may help

the farmers to have direct contact with the export marketing. The conceptual framework is illustrated bellow.

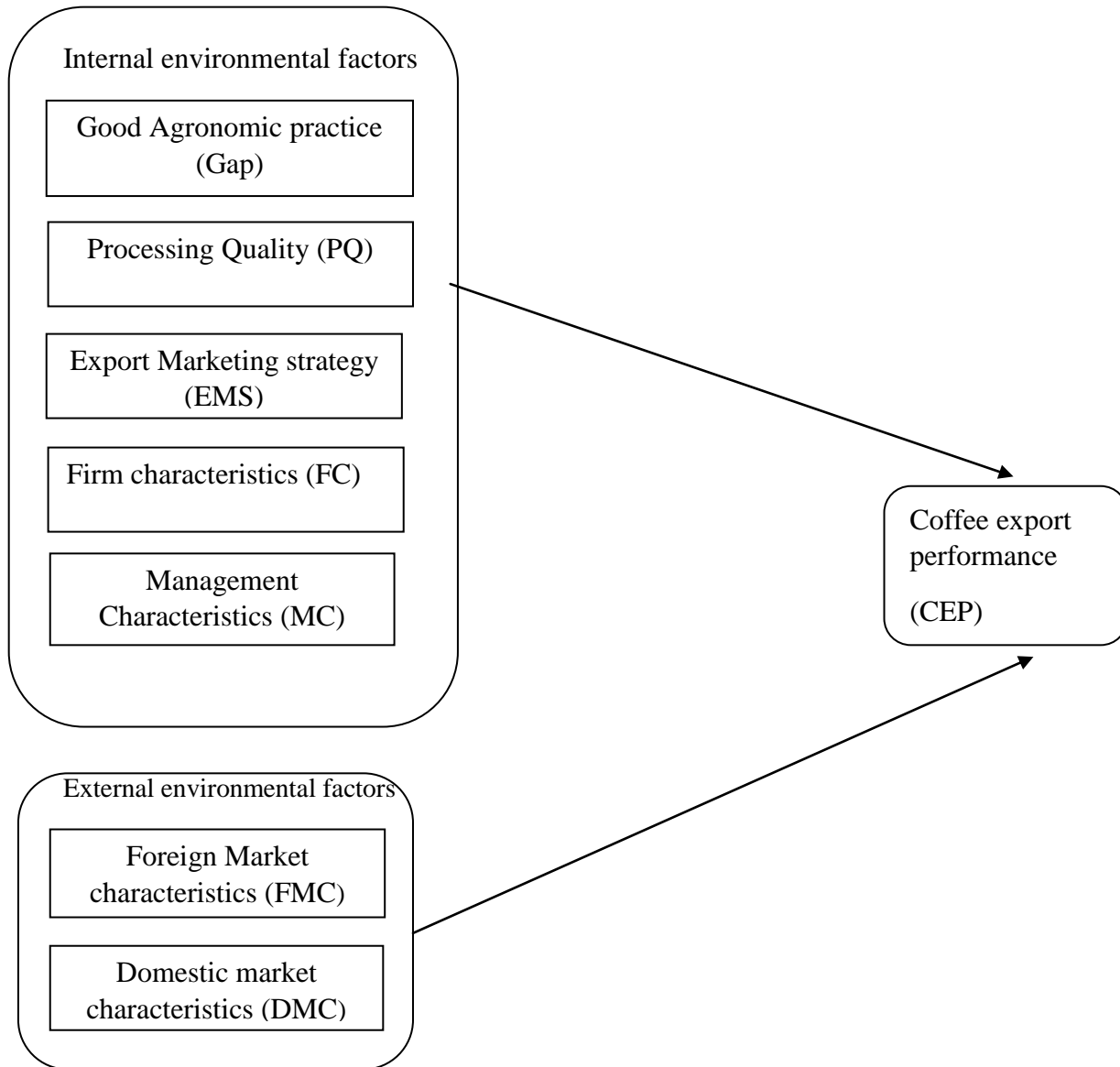


Figure1.conceptualframework

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

This chapter describes the design of the study including the research design, the study population, sampling techniques and sample size, instruments and procedures of data collection, method of data analysis and ethical considerations. It begins with description of the study area.

3.1 Description of the Study Area

LimmuKossa district is geographically located between 70° 50' to 80° 36' North and 36° 44' to 37° 29' East (ORG, 2003). The total surface area of the district is 1355 km². Agro-climatic condition of the district comprises of highland (25%), mid land (65%) and lowland (10%) with annual rain fall varying between 1200 to 2000 mm and altitude ranging between 1450 to 1950 mamsl while annual temperature is 10°C to 25 °C. The total population of the district is 187,815 out of which 50.5% are male. There are about 29,138 households (92.3% male-headed) living in 40 kebeles and 3 towns (Limmu Genet, Ambuye and Babu). The average land holding size per house hold is 2.39 hectare out of which 24.6% is covered with annual crops.

The area is known by the production of coffee especially a winy flavor Arabica coffee. Similar to other zones of Oromiya Regional State, the livelihood of the population of LimmuKossa Woreda are mainly based on the agricultural sector, which is characterized by low productivity due to backward agricultural production system and poor infrastructure development. Coffee producers in the area are large scale investors, medium scale investors and small scale farmers that are characterized by a group of farmers' cooperative union.

3.2 The Research Design

This research followed explanatory research design in which the research was designed to investigate factors affecting coffee export performance. Also descriptive study was needed to describe or identify the possible factors which constitute the factors affecting coffee export performance in the case of Limmu coffee farmers' cooperative union.

To meet the objective of the study, the research employed both quantitative and qualitative approaches from mixed paradigm for the purpose of gaining a comprehensive picture of the issues in

question. Descriptive survey research design was employed for conducting this study as the study is believed to be helpful in obtaining pertinent and precise information and that also help to draw valid conclusion about the events or describing the existing situation under study. The descriptive design was used in surveying and identifying the coffee export marketing performance of the study area.

3.3 The Research Methodology

Methodology is the systematic, theoretical analysis of the methods applied to a field of study. It comprises the theoretical analysis of the body of methods and principles associated with a branch of knowledge (Creswell 2005). This research followed mixed (quantitative and qualitative) approaches. Quantitative research is generally associated with the positivist/post-positivist paradigm. It usually involves collecting and converting data into numerical form so that statistical calculations can be made and conclusions drawn. On the other hand, qualitative research is the approach usually associated with the social constructivist paradigm which emphasizes the socially constructed nature of reality. It is about recording, analyzing and attempting to uncover the deeper meaning and significance of human behavior and experience, including contradictory beliefs, behaviors and emotions (Creswell 2005). Therefore, this researcher was interested in gaining a rich and complex understanding of people's experience using qualitative method and obtains information which could be generalized to other larger groups using quantitative method.

3.4 Sources of Data

In order to realize the objective of the study and adequately answer the research questions, data were gathered from both primary and secondary sources of information. The primary data was collected from sample respondents through questionnaire and interview. Primary data was collected from employees, representatives of the primary cooperatives, middle and top management of LCFCU.

In order to support the main data set of this study, primary data was obtained through survey questionnaire and in-depth interview. Particularly, the interview was held with the general manager, vice general manager and sales manager and the representatives of the primary cooperative union. In addition, survey questionnaire was designed for the members of the union and translated to the local language to assess their reaction towards the coffee export activity.

Secondary data was gathered to supplement the information collected from documents and archives. The main data set contains secondary data from annual and periodic reports of the cooperative union on production, processing, storage, transportation, and marketing of coffee. It also includes the literature reviews on previous studies and research reports on coffee marketing chain and export performance.

3.5 Sampling Techniques and Sample Size Determination

The researcher conducted the research based on simple random probability and purposive sampling technique to generate data for the study. The random probability sampling method applied due to the availability and accessibility of the respondents for the researcher. Specifically, the researcher considers the respondents' contribution for the last five years for the effective realization of the enterprises objectives with regard to coffee export. The ordinary members of the primary cooperative societies and the employment from which a sample is to be drawn constitute a homogeneous group so that respondents would be made to respond using questionnaire. Purposive sampling was used for the top and middle management of the cooperative union and they were interviewed in structured way.

The target population of the study area is known as Limmu coffee farmers cooperative union societies of Limmu Kossa Woreda that incorporates 25 primary cooperatives that have a total member of 12409. Out of these, with the help of purposive sampling, five primary cooperatives that are five years and above were selected as a sample frame for the study including the main office of the union. The name of the primary cooperatives used for selecting the representative sample for the study area include Chafe-Ilfeta, Debello, Kossa Geshe, Waddesa and Jimaate Primary Cooperatives. From these five primary cooperatives which have total individual members of 3560, again, 3% or 107 of them were selected using simple random sampling and based on Kotheri (2004) sample size determination method; and other 10 using purposive sampling for interview. To determine the required sample size at 95% confidence level, degree of variability = 0.5 and with the level of precision of = 5%.

$$n = N / (1 + N(e^2))$$

n = number of samples

e=error tolerance

N =total population

No	Name of primary cooperative	Population	Sample size using(PS)	Sample size using (nps)
1	Chafe Ilfeta	588	18	2
2	Debelo	947	28	2
3	KossaGeshe	680	20	2
4	Wadessa	804	24	2
5	Jimate	541	17	2
	Total	3560	107	10

Table 1. (PS-probability sampling, nps-non probability sampling)

As a result using simple random sampling 107 sample respondents were selected to fill the questionnaire. Using purposive sampling the top and middle management a total of 10 sample respondents were selected for interview.

3.6 Instruments of Data Collection

To obtain information from the samples and sources, various techniques were employed. These were: questionnaire, interview and document investigation.

3.6.1 Questionnaire

First, questionnaire was used to gather relevant data from the management, export personnel's, individual members of Chafe-Ilfeta, Debelo, KossaGeshe, Waddesa and Jimaate Primary Cooperatives. Since the study focused on assessing the factors affecting coffee export performance, in the case of Limmu coffee farmers' cooperative union (LCFCU), therefore, the members experience was vital and reliable source of data.

Therefore, the questionnaire contained different parts: the first part (internal environment characteristics) consisted of the export marketing strategy, firm characteristics, management characteristics, good agronomic practices and processing quality, while the second part (external environment characteristics) constituted foreign market characteristics, domestic market characteristics and export performance.

The questionnaire format was prepared using a five-point Liker summative scales ranging from 5 (strongly agree) to 1 (strongly disagree). The Liker scale is a balanced rating scale with an odd number of categories and a neutral point. The Liker scale has several advantages. It is easy for the researcher to construct and administer this scale and simple for the respondents to understand the nature of the question and respond to one of the alternatives per their perception and judgment about the existing reality (Creswell, 2005). In order to maintain its accuracy, the research adopted a questionnaire effectively employed in past researches for measuring factors affecting coffee export performance

3.6.2 Interview

Semi-structured interview was made with the general manager, vice general manager and sales manager, finance manager, senior agronomist and the representatives of the primary cooperative union that were included in the study. Since the qualitative data obtained from different participants to encompass heterogeneous mixture of respondents, the nature of interview questions was semi-structured and the number of questions was not more than five.

Semi-structured interview was used as data gathering instrument to secure important and in-depth information. The top and middle management of the union including the accountable persons of the five samples of primary cooperatives that includes a total of 10 respondents that were selected using of purposive sampling method were interviewed by the researcher in the form of structured face to face interview using similar questions for all. Informal observation of the coffee processing units of the primary cooperative union is also undertaken to get additional primary data for the study.

3.7 Validity and Reliability Checks

A data collection instrument's reliability was interpreted as the consistency with which it measures the target attribute and concerns as a measure of accuracy. In order to ensure reliability of the instrument in this study, the majority of the variables were adopted from the past researches conducted by authors to investigate factors affecting coffee export performance.

Pilot test was used for reliability check of the questionnaires. Before the final questionnaire was administered in authentic climate, a pilot test was conducted at Jimaate Primary Cooperative in LimmuWoreda, to ensure that the respondents clearly understand what the questionnaire wanted

to mean. The draft questionnaire was distributed to 15 members to fill them in their own understanding. The Cronbach's Alpha Reliability test was measured through Statistical Package for Social Science (SPSS) Version 20. (N.B: Cronbach's Alpha >0.5 up-to-0.999 with confidence interval 95% is scientifically acceptable reliability range /Creswell, 2005/). Based on this assumption, reliability checks were calculated for the existing independent and dependent variables. The following consecutive tables show the level of reliability on the available variables.

Table 2. Reliability Statistics on Agronomic practice

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.766	.766	4

The first four items were focused on indicators of agronomic practices for which the reliability statistics with an obtained result 0.766, which indicates the existence of promisingly high reliability within the questionnaire items, thus, it was further served the presumed actual purpose.

Table 3. Reliability Statistics on Good Processing Quality

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.699	.699	4

The next four items were focused on indicators of good processing quality; hence, the reliability check with an obtained result 0.699, depicted significant reliability within the existing indicators, so it was further served the presumed actual purpose.

Table 4. Reliability Statistics on Export Marketing Strategy

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.745	.745	7

The other seven items were focused on indicators of export marketing, for which reliability statistics confirmed 0.745, which was highly promising reliability within the existing indicators; hence, the items were employed to serve the authentic data.

Table 5. Reliability Statistics on Firm Characteristics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.739	.739	8

Another eight items were related to firm characteristics, for which Cronbach's Alpha statistics was revealed 0.739, which showed a highly promising reliability within the indicator category, so that the indicators were further used to collect the actual data.

Table 6. Reliability Statistics on Management Characteristics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.668	.668	6

Another six items were related to management characteristics and the Cronbach's Alpha statistics was depicted with 0.668, also signifies reliability within the existing indicators to serve the authentic data.

Table 7. Reliability Statistics on Foreign Market

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.658	.658	5

Next, five items were connected to indicators of foreign market, on which the Cronbach's Alpha statistical measures show the existing significant reliability among the indicator category, thus, further employed to collect the actual data.

Table 8. Reliability Statistics on Domestic Market

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.598	.598	5

Further, another five items were connected to indicators of domestic market for which the result was depicted with 0.598, with a relatively low significance over the reliability; hence, made some modifications on the items before they were used in the data climate.

Table 9. Reliability Statistics on Export Performance

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.720	.720	3

Eventually, the last three items were connected to indicators of export performance and the result for these was showed a 0.720 reliability check and this result depicted a highly promising reliability within the category indicators; therefore, employed to serve the authentic purpose. Generally, the Cronbach's Alpha statistical measures over all dependent and independent variables lied between 0.590 and 0.766, which depicted Cronbach's Alpha >0.5 . After a few revisions were completed the questionnaires were distributed physically to the selected members of the primary cooperatives and other officials of the union.

3.8 Methods of Data Analysis

Analysis of data involves a number of closely related operations. These are performed with the purpose of analyzing, summarizing the data and organizing them in such a way that they answer the research basic questions and estimate the values of the unknown parameters of the indicators.

The data obtained through different tools was organized in logical manner so as to help answer the basic research questions. The quantitative data was analyzed using Statistical Package for Social Science (SPSS) version 20.00 software to calculate means, standard deviations, percentage and frequencies in order to describe personal information and questionnaire participants' responses about to investigate factors affecting coffee export performance. The percentages and mean values served to calculate and summarize the sum total of respondents' views for each questionnaire items in terms of Liker scale, while Standard Deviation served individual characteristic deviation from the average mean in each questionnaire response items. On the other hand, percentage was used to calculate and summarize the quantitative responses on the demographic types of data.

For simplicity of analysis and interpretation, the researcher used 3.0 as expected mean value; thus, the factors affecting coffee export performance effectiveness with obtainable mean value of: 0.05-1.49 is considered as *very low*; 1.50-2.49 as *low*, 2.50-3.49 as *moderate*; 3.50-4.49, *high*;

and 4.50-5.00, *very high*. The frame of reference for this analysis is borrowed from Creswell and Clark (2007).

Analysis and interpretation of the table based quantitative data were followed by the analysis and interpretation of qualitative data, obtained through interview and document investigation from different participants and sources. Unlike the quantitative data, in which data collection was generally compiled in statistical figures, the qualitative data analysis was presented in a descriptive fashion. The qualitative data was analyzed using certain preliminary procedures such as: data reduction, data display, and verification with summary. Data reduction was made to scrutinize about the relevant information from irrelevant amongst the crude nature of the data; data display, to make precision of research related information for the audience; and verification, to materialize the relationship of the qualitative data properly answering the research questions(Creswell and Clark, 2007).Hence, data from interview source was reviewed line by line in detail as the concept of investigation becomes clearly understood.

3.9 Ethical Considerations

The research provided the right to participate respondents voluntarily. In addition, the researcher used the closed-end measures were developed to avoid misunderstanding that could occur with open-end questions. These helped respondents might free from stress. But for top and middle management presents in depth interview to get better information with regard to the research area. The research participants were given the right to be informed of all aspects of the research task starting from pre-test and during the study period. Information obtained would be held in strict confidentiality by the researcher. All assistance, collaboration of others and sources from which information was drawn acknowledged. The following ethical considerations were at the base of this research: Fairness, openness of intent, disclosure of methods, respect or the integrity of the individuals, informed willingness on the part of the subjects to participate voluntarily in the research activity.

CHAPTER FOUR

RESULTS AND DISCUSSION

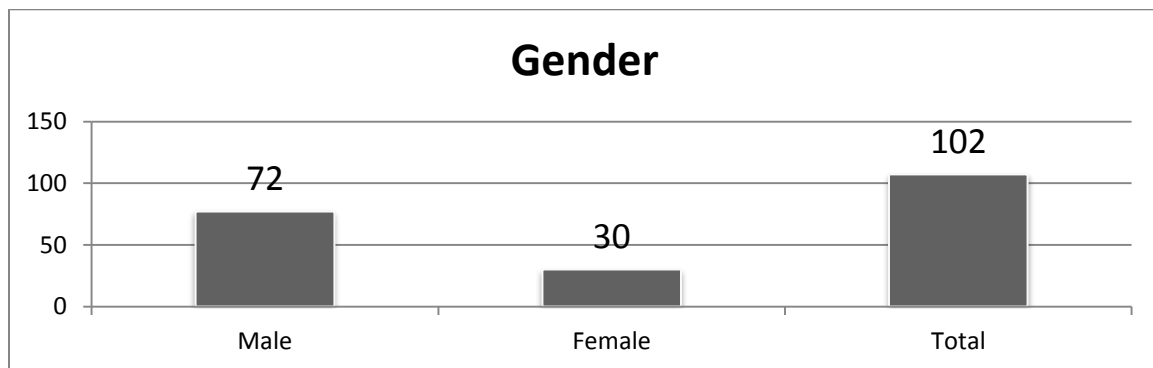
This chapter aimed to investigate and examine the attributes of internal environmental factors and external environmental factors on the coffee export performance of LCFCU. Here the research presented, first, the demographic information of the sample respondents, followed by the respondents' views in terms of answering the basic research questions. The later analysis considered quantitative and qualitative aspects of the data arranged according to the relationship they had to answer the basic research questions. This was done through the analysis of internal environmental characteristics that includes Export marketing strategy, Firm characteristics, Management characteristics, Good agronomic practice and processing quality characteristics. And also analysis of external environmental characteristics that includes foreign market and domestic market characteristics was undertaken. The investigation was begun with the data preparation procedure, the demographic data of respondents and the analysis of descriptive statistics. Accordingly, the basic research questions were investigated in line with the obtained quantitative and qualitative data.

4.1 Demographic Information

This sub-chapter presents the demographic information such as: sex, age, formal education attended and years of service in the organization as summarized in the following consecutive figures.

4.1.1 Sex

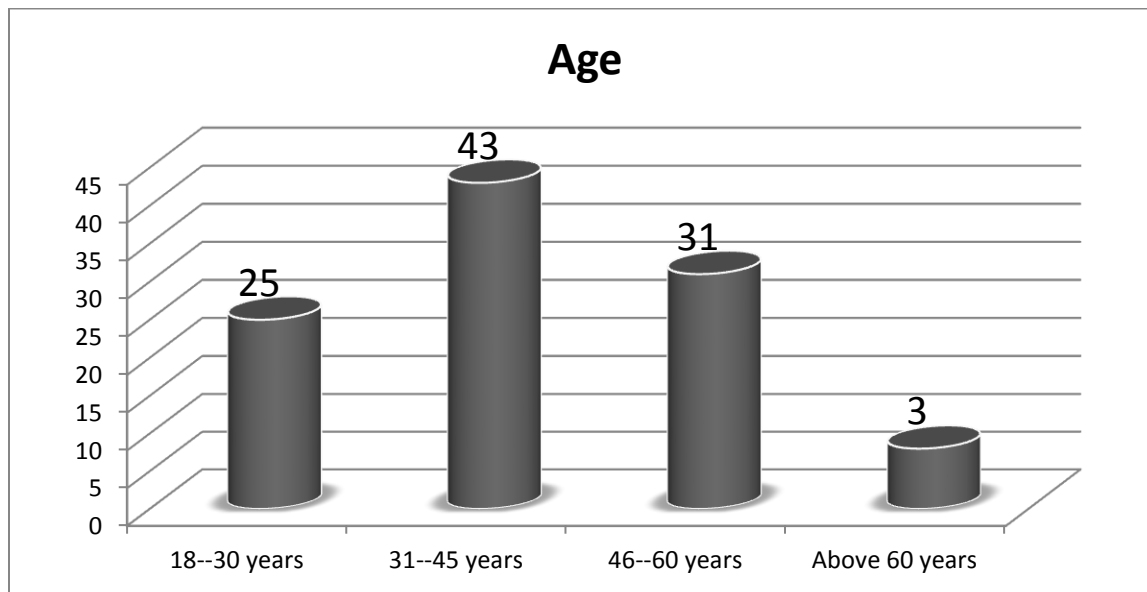
Figure2: Sex Distribution of the Participants



According to the respondents' profile categorized by sex group above, the number of male respondents is 72 in number (70.5 %) and that of female are 30 (29.5 %). This shows that more of the respondents are of male group. This depicts the level of participation of female members in the cooperative union was lacked some proportionality compared to male.

4.1.2 Age Distribution

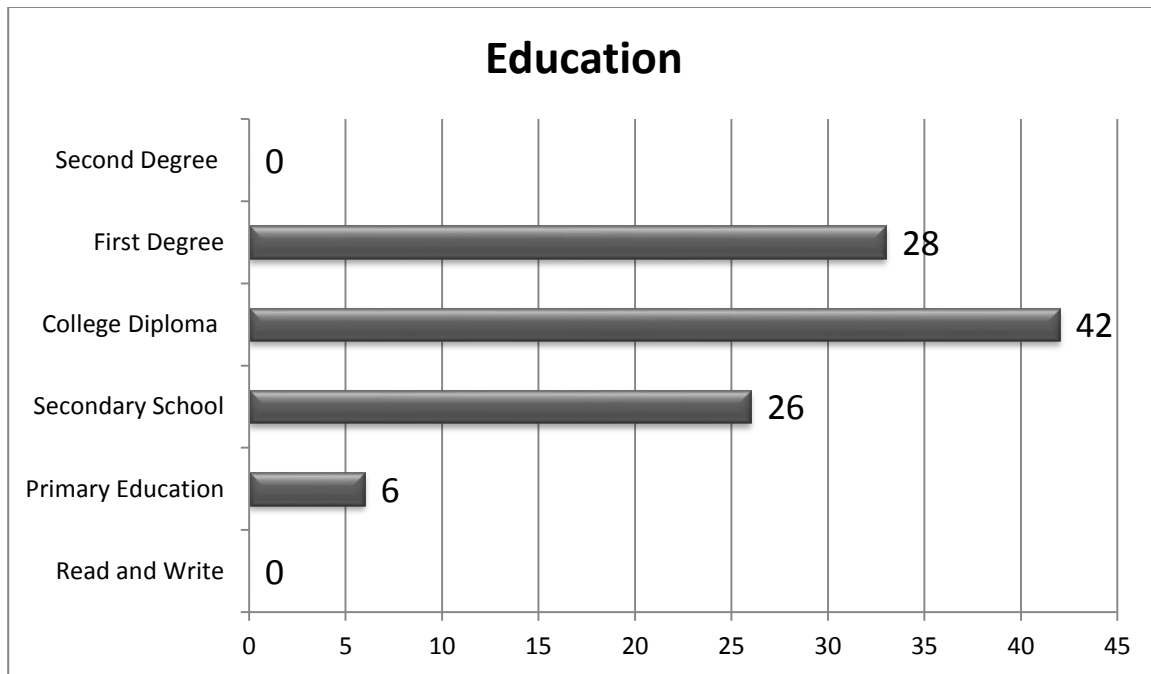
Figure3. Age Distribution of the Participants



According to the above figure relatively increasing number of respondents 43 (42.2%) were aged between 31—45 years, while 31 (30.4%) of the respondents were aged between 46—60 years. Those aged between 18—30 years, who might be assumed as respondents of young members of the cooperative union, were 25 (24.5%) and those respondents of members of cooperative union who were above 60 years old constituted 3 (2.9%) only. From this one can conclude that large members of the cooperative union are found about in their middle ages and the room for young members of the cooperative union as means of job creation was not as such significant.

4.1.3 Education attainment of the Participants

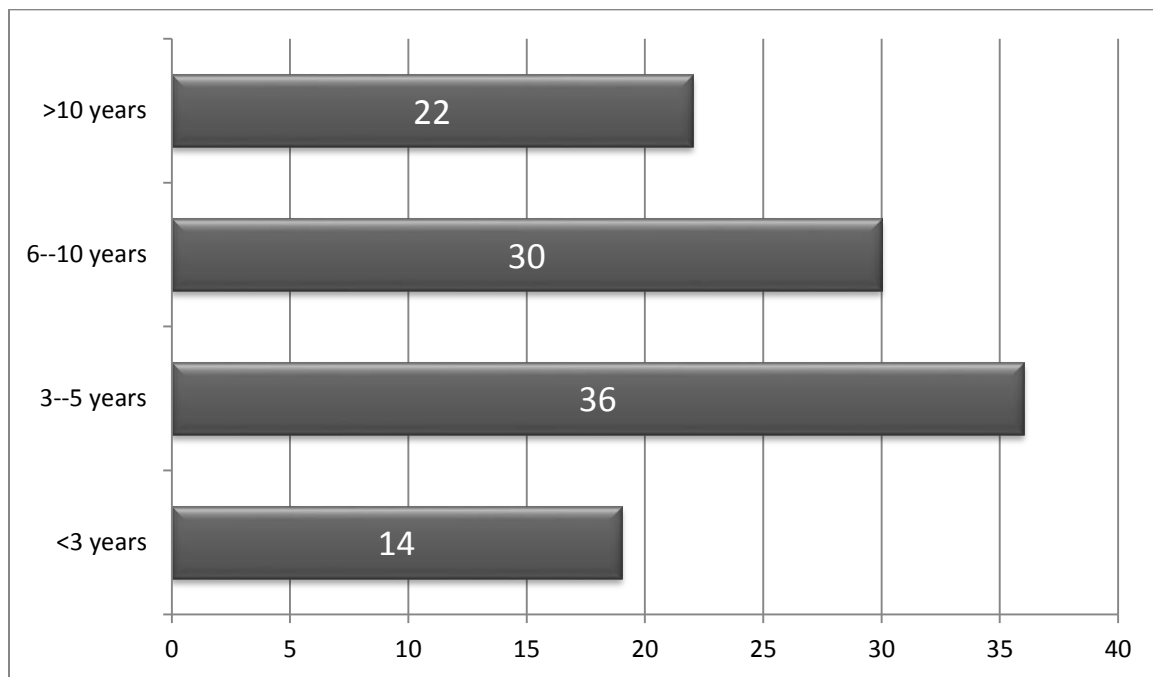
Figure4. Education attainment of the Participants



As observed in the above figure, increasing number of the study participants, 42 (41.2%) was educated to a diploma level, followed by another relatively considerable group, 28 (27.5%) was qualified to first degree level. While some participant members of the cooperative union, 26 (25.5%) were educated to high school level other few, 6 (5.8%) were attained primary education. Participants of members of the cooperative union who were qualified to second degree were null, no participant found qualified to a second degree. As far as educational attainment of the members of the cooperative union is concerned, one could consider the heterogeneous mixture of the participants that extends from a primary education up to a considerable number of participants who attained college diploma and first degrees. By default, the increasing members of the cooperative union were medium professionals and professionals, to effectively participate in the business of cooperative union and run the required responsibilities.

4.1.4 Participants' Years of Services in the Cooperative Union

Figure5. Participants' Experience in the Cooperative Union



According to the above illustration, two relatively considerable groups, 36 (35.4%) and 30 (29.4%) of the respondents have stayed in the practices of cooperative activities for 3—5 and 6—10 years of experience respectively. While some 22 (21.5%) have relatively longer experience (>10 years) in the cooperative union, while a relatively smaller group of participants, 14 (13.7%) have had relatively low experience (<3 years) in the activities and practices of cooperative union. As far as the actual stay of the participants in the cooperative union is concerned, most of the respondents were believed to have sufficient experience to understand why the firm has existed, how the activities and routines are carried out and could confidently respond to the questions regarding the export marketing trends of the cooperative union.

Regarding the current position in the organization three types of positions were identified from the respondents: these were senior experts, accounted 13 (12.7%) of the research participants; junior experts, accounted for 34 (33.3%); and performers, accounted for 55 (54%) who were participated in the questionnaire format. Exclusive of these, the informed consents of managements of the cooperative union were obtained in the semi-structured interview. Accordingly, the participants having experienced at least for five years in the cooperative union and obtained from various

responsibility areas could sufficiently involve and would well inform relevant and reliable data regarding the export marketing trends of the cooperative union.

4.2 Presentation, Analysis and Interpretation of the Main Content

4.2.1 Analysis of Internal Environment Characteristics

This section analyzed the internal environmental characteristics of coffee export performance that includes export marketing strategy, firm characteristics, management characteristics, good agronomic practices, and processing quality as indicators that affect coffee export performance of coffee farmers' cooperative union. The detailed analyses of the respondents' views were presented in the following tables as follows:

4.2.1.1 Export Marketing Strategy

Export marketing strategy has wider economic significance as it offers various advantages to the national economy. It promotes economic (business) industrial development, to earn foreign exchange and ensures optimum utilization of available resources. Based on this notion, the research attempted to investigate whether export marketing strategy had significant effect on Limmucoffee farmers' cooperative union on coffee export performance. Table 4.1, below, presented the obtained statistical results on descriptive basis.

Table 10: Respondents' Level of Confirmation on Items of Export Marketing Strategy

	Coffee suppliers production system comply with the standards of all certification schemes		The enterprise has put in place strategies to expand export markets over the years		There is a capacity of pricing adaptation		There is a strategic decision making by top executives		The enterprise has put in place strategies to		There is capacity of channel relationship		There is advertising/promotion adaptation capacity	
	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%	Frequency	%
1.00 Very Low	1	1.0	2	2.0	3	2.9	1	1.0	1	1.0	2	2.0	1	1.0
2.00 Low	4	3.9	6	5.9	16	15.7	8	7.8	9	8.8	5	4.9	5	4.9
3.00 Medium	9	8.8	11	10.8	21	20.6	19	18.6	15	14.7	16	15.7	13	12.7
4.00 High	53	52.0	52	51.0	41	40.2	50	49.0	49	48.0	49	48.0	49	48.0

	Coffee suppliers production system comply with the standards of all certification schemes		The enterprise has put in place strategies to expand export markets over the years		There is a capacity of pricing adaptation		There is a strategic decision making by top executives		The enterprise has put in place strategies to		There is capacity of channel relationship		There is advertising/promotion adaptation capacity	
	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%	Frequency	%
1.00 Very Low	1	1.0	2	2.0	3	2.9	1	1.0	1	1.0	2	2.0	1	1.0
2.00 Low	4	3.9	6	5.9	16	15.7	8	7.8	9	8.8	5	4.9	5	4.9
3.00 Medium	9	8.8	11	10.8	21	20.6	19	18.6	15	14.7	16	15.7	13	12.7
4.00 High	53	52.0	52	51.0	41	40.2	50	49.0	49	48.0	49	48.0	49	48.0
5.00 Very High	35	34.3	31	30.4	21	20.6	24	23.5	28	27.5	30	29.4	34	33.3
Total	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0

(Source: field data, 2020, LimmuWoreda)

As indicated from the above table 10, item-1, coffee suppliers' production system complies with the standards of all certification schemes had significant effect on Limmu cooperative union on coffee export performance. This was evident from the respondents' views responded particularly to "high" 53 (52%) and "very high" 35 (34.3%), which sum up to 88 (86.3%), while the remaining response categories were amended insignificantly.

On the other hand table 10, item-7, shows the existing advertising/promotion adaptation capacity also has had significant effect on Limmu cooperative union on coffee export performance. Evidences, for this indicator, showed that majority of the informants, 49 (48%) and 34 (33.3%) "high" and "very high" response options. These summed up to 83 (81.3%), confirmed positively, while the remaining 17 (18.7%) respondents' opinions were unclear or negative against the existing advertising/promotion/ adaptation capacity of the cooperative union.

Similarly table 10, item-2, the indicator of export marketing strategy that showed the enterprise put in place strategies to expand export markets over the years had significant effect on Limmu cooperative union on coffee export performance. This is evident from strong consent of the informants viewed as 52 (51%) for "high" and 31 (30.4%) for "very high" response options, which sum up 83 (81.4%) support.

Furthermore table 10, item-4, indicates the existing strategic decision making by top executives contributed its part that had significant effect on Limmu cooperative union on coffee export performance. This is positively supported with 50 (49%) to “high” and 24 (23.5%), which constituted a total of 74 (73.5%) positive confirmation, while the remaining 26 (25.5%) respondents’ views were neutral and negative.

As indicated on table 10, item -5 the enterprise put in place strategies to export markets over the years and this trend has had significant effect on Limmu cooperative union on coffee export performance. This is clearly depicted from strong supports of the respondents, 49 (48%) to “high” and 28 (27.5%) “very high” options, which combined up to a sum of 77 (75.5%) positive confirmation, while the attitudes of the remaining 23 (24.5%) were unclear or negative.

As depicted on table 10, item- 6, the existing capacity of channel relationship also has had significant effect on Limmu cooperative union on coffee export performance. This is clear from the increasing support of the informants to the indicator, 49 (48%) to “high” and 30 (29.4%) to “very high” options, which constituted to a sum of 79 (77.4%) positive conformity, while the remaining few 21 (22.6) of the informants showed dissatisfaction and abstain.

As showed on table 10, item-3, the indicator of export marketing strategy is that the existence of capacity of pricing adaptation contributed its part that had significant effect on Limmu cooperative union on coffee export performance. This is clearly seen from the obtained data that valued 41 (40.2%) for “high” and 21 (20.6%) for “very high” responses, which summed up to a total of 62 (60.8%), while the remaining 38 or 39.2% of the respondents’ attitudes were unclear or negative to this indicator.

Generally, all the indicators of the category of export marketing strategy showed about the existing trend have positive contributions and have significant effect on Limmu coffee farmers’ cooperative union on coffee export performance.

Table 11. Export marketing strategy

Indicators of Export Marketing Strategy (n=102-1)		Minimum	Maximum	Mean		Std. Deviation
		Statistic	Statistic	Statistic	Std. Error	Statistic
1	Coffee suppliers' production system comply with the standards of all certification schemes.	1	5	4.15	.081	.813
2	The enterprise has put in place strategies to expand export markets over the years	1	5	4.08	.086	.864
3	There is a capacity of pricing adaptation.	1	5	4.02	.090	.912
4	There is a strategic decision making by top executives	1	5	3.98	.090	.912
5	The enterprise has put in place strategies to expand export markets over the years.	1	5	3.92	.092	.930
6	There is capacity of channel relationship	1	5	3.86	.089	.901
7	There is advertising/promotion adaptation capacity	1	5	3.60	.106	1.074
Aggregate (Overall) Mean (\bar{X})				3.94	0.091	0.772

(Source: field data, 2020, LimmuWoreda)

Here, the items were deliberately arranged according to descending order of the obtained mean values to make values clearly seen. Table 11, above, explicitly showed the details of export marketing strategy in which Limmu cooperative union depicted on coffee export performance. According to the descending order of the obtained mean values, very high performance trends were evident in coffee suppliers production system comply with the standards of all certification schemes (mean = 4.15 with a corresponding Standard Deviation /S.D./ = 0.813), followed by the enterprise has put in place strategies to expand export markets over the years (mean = 4.08 with a corresponding S.D.= 0.864), and the existence of capacity of pricing adaptation (mean = 4.02 with a corresponding S.D.= 0.912). While these were the highly progressing and promising trends of Limmu cooperative union towards export marketing strategy, others such as: the existence of strategic decision making by top executives (mean = 3.98 with a corresponding

S.D.= 0.912); the enterprise has put in place strategies to expand export markets over the years (mean = 3.92 with a corresponding S.D.= 0.930); the enterprise capacity of channel relationship (mean = 3.86 with a corresponding S.D.= 0.901); and the existence of advertising/promotion adaptation capacity (mean = 3.60 with a corresponding S.D.= 1.074) were fairly considered trends and attributes of Limmu cooperative union towards export marketing strategy.

Generally, trends of Limmu cooperative union towards export marketing strategy is found to be efficient and effective to promote the firms strength on coffee export performance. This could be further considered from the aggregate (overall) mean (\bar{x}) = 3.94 with a corresponding average S.D(0.772), which depicts the firm's experience towards export marketing strategy lies between "high" and "very high effort about to proceed the union's coffee export performance. The corresponding average S.D. (0.772) signifies the individual respondents' deviation characteristics from the aggregate mean were moderately significant, which means, the response gap among individual respondents was wider so far (response level starching from "strongly disagree" to "strongly agree").

4.2.1.2 Firm Characteristics

Firm characteristics benefits much for the enterprise export performance. Export performance of a firm reflects a firm-specific behavior in leveraging its resources and capabilities in an international context at a given point of time. In cognizant with this fact, the research attempted to investigate the extent Limmu cooperative union was effective in terms of creating, maintaining and sustaining good firm characteristics as per the business of coffee export performance. Table 4.3, below, shows the respondents' views on the firm characteristics of the cooperative union.

Table 12. Respondents' Level of Confirmation on Items of Firm Characteristics

	The firm's financial resources and supply chain management capabilities benefits the export performance		Location suitability is advantageous for the enterprise		The size of the firm benefits for the union export performance		The age of the firm benefits for the union export performance		Access to infrastructure/services is advantageous for the union		The level of international competence is advantageous for the enterprise		The enterprise utilization of R&D is used to enhance coffee export performance	
	Frequency	%	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%	Frequency	%
1.00 Very Low	0	0	0	0	4	3.9	1	1.0	1	1.0	1	1.0	0	0
2.00 Low	7	6.9	7	6.9	18	17.6	13	12.7	11	10.8	6	5.9	1	1.0
3.00 Medium	7	6.9	7	6.9	25	24.5	17	16.7	11	10.8	7	6.9	11	10.8
4.00 High	59	57.8	59	57.8	29	28.4	45	44.1	44	43.1	53	52.0	54	52.9
5.00 Very High	29	28.4	29	28.4	26	25.5	26	25.5	35	34.3	35	34.3	36	35.3
Total	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0

(Source: field data, 2020, LimmuWoreda)

As the statistics of the obtained data revealed on table 12, item-1, the firm's financial resources and supply chain management capabilities benefits the export performance in a better way. This was clearly evident from the support of the majority, 59 (57.8%) who showed their confirmation to "high" and 29 (28.4%), showed their confirmation to "very high" response options. while the sum total of those who positively supporting the above indicator was 88 (86.2%), the remaining few, 14 (13.8%) responses were either neutral or negative.

As the statistics of the depicted data on table 12, item-7 showed, the enterprise utilization of R&D is used to enhance coffee export performance in a better way, to facilitate Limmu cooperative union's firm characteristics so as to promote the firms strength on coffee export performance. This was positively asserted by 54 (52.9%) confirmed to "high" and 36 (35.3%) confirmed to "very high", which summed up to a total of 90 (86.2%).

Similarly, as indicated on table 12, item-2, location suitability has been advantageous for the enterprise effectiveness. This was clearly seen from the statistic, majority, 59 (57.8%) who showed their confirmation to ‘‘high’’ and 29 (28.4%), showed their confirmation to ‘‘very high’’ response options, which constituted the sum total of 88 (86.2%) for positive confirmation on the advantageousness of location suitability of the enterprise for the export performance.

Next, according to the data described on table 12, item-6, the level of international competence is advantageous for the enterprise, supported by a strong positive confirmation of the majority, 53 (52%) showed their confirmation to ‘‘high’’ and 35 (34.3%), showed their confirmation to ‘‘very high’’ response options. The sum total of respondents’ positive confirmation was 88 (86.3%), while the negative confirmation is insignificant.

Furthermore, as showed on table 12, item-4, the age of the firm benefits for the union export performance, which was depicted from large number of positive conformant, 45 (44.1%) to ‘‘high’’ and 26 (25.5%) to ‘‘very high’’ response levels. While the positive assertion is summed up to a total of 71 (69.6%), those who showed their unclear and negative stand were summed up to 29 (31.4%).

Next, as described on table 4.1, item-5, access to infrastructure services is found advantageous for the union export performance, which was supported positively by increasing number of informants, 44 (43.1%) who confirmed to ‘‘high’’ and 35 (34.3%), confirmed to ‘‘very high’’ responses, constituted to a sum total of 79 (77.4%). This depicts that the existing access to infrastructure services is not a challenge for the union export performance.

Finally, as depicted on table 12, item-3, the size of the firm benefits for the union export performance in a fair manner, which was positively asserted by 29 (28.4%) as ‘‘high’’ and 26 (25.5%), constituted a sum total of 55 (53.9%), while 25 (24.5%) neutral, 18 (17.6%) disagree and 4 (3.9%) strongly disagree.

Table 13. Firm Characteristics

	Indicators of Firm Characteristics (n=102-1)	Minimum	Maximum	Mean		Std. Deviation
		Statistic	Statistic	Statistic	Std. Error	Statistic
1	The firm's financial resources and supply chain management capabilities benefits the export performance	2	5	4.23	.067	.673
2	Location suitability is advantageous for the Enterprise	1	5	4.13	.084	.852
3	The size of the firm benefits for the union export performance.	2	5	4.08	.078	.792
4	The age of the firm benefits for the union export Performance	2	5	4.08	.078	.792
5	Access to infrastructure/services is advantageous for the union	1	5	3.99	.098	.990
6	The level of international competence is advantageous for the enterprise	1	5	3.80	.099	.995
7	The enterprise utilization of R&D is used to enhance coffee export performance	1	5	3.75	.101	1.019
8	The level of technology innovation used benefits export performance	1	5	3.47	.121	1.224
	Aggregate (Overall) Mean (\bar{X})			3.94	0.091	0.917

(Source: field data, 2020, LimmuWoreda)

Table 13, above, explicitly showed the details of export firm characteristics in which Limmu cooperative union depicted on coffee export performance. According to the descending order of the obtained mean values in the above list, very high performance trends were the firm's financial resources and supply chain management capabilities benefits the export performance (mean = 4.23 with a corresponding S.D. = 0.673), location suitability is advantageous for the enterprise (mean = 4.13 with a corresponding S.D. = 0.852), the size of the firm benefits for the union export performance (mean = 4.08 with a corresponding S.D. = 0.792), and the age of the firm benefits for the union export performance (mean = 4.08 with a corresponding S.D. = 0.792). These indicators show the existing firm characteristics of Limmu cooperative union is found in a more or less highly competitive climate to promote coffee export performance.

On the other hand, access to infrastructure services is featured as advantageous for the union to facilitate coffee export performance (mean = 3.99 with a corresponding S.D. = 0.990); followed by the respondents' perceived attitude towards the level of international competence which is advantageous for the enterprise coffee export performance (mean = 3.80 with a corresponding S.D. = 0.995); and the enterprise utilization of R&D is used to enhance coffee export performance (mean = 3.75 with a corresponding S.D. = 1.019). Finally, the level of technology innovation used benefited export performance in a relatively lower performance achievement level (mean = 3.47 with a corresponding S.D. = 1.224). Among others, technology innovation was a critical success factor that might critically hamper the firm characteristics of Limmu cooperative union and required a critical attention to improve the union export performance.

4.2.1.3 Management Characteristics

Table 14: Respondents' Level of Confirmation on Items of Management Characteristics

	Managements level of commitment and attitude towards exporting		Management's perceived export advantages		The union has advantage on international market Knowledge		Management's incorporating corporate social responsibility		Managements have international experience in the export business		Management's perceived export barriers	
	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%
1.00 Very Low	2	2.0	0	0	2	2.0	0	0	0	0	0	0
2.00 Low	7	6.9	2	2.0	7	6.9	4	3.9	6	5.9	8	7.8
3.00 Medium	18	17.6	14	13.7	17	16.7	15	14.7	31	30.4	20	19.6
4.00 High	54	52.9	50	49.0	50	49.0	52	51.0	48	47.1	39	38.2
5.00 Very High	21	20.6	36	35.3	26	25.5	31	30.4	17	16.7	35	34.3
Total	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0

(Source: field data, 2020, LimmuWoreda)

As far as the indicators of management characteristics of Limmu cooperative union are concerned, obtained results revealed the realities in many ways that the management characteristics are promising. First, as showed on table 14, item-2, the existing trend of management's perceived export

advantages is found at promising level. This was evident from the majority of the respondents' views, 50 (49%) agreed to "high" and 36 (35.3%) commented to "very high" response options, which sum up a total of 86 (84.3%) positive comments on the management commitment. For this indicator 14 (13.7%) showed "medium" while the remaining few, 2 (2%) confirmed to "low" response option.

Next, promising management characteristic is evident as indicated on table 14,item-4 that Limmu cooperative union management is incorporating corporate social responsibility, which received the attention of 52 (51%) respondents as "high" and 31 (30.4%) commented to "very high" responses, summed up to a total of 83 (81.4%). Those who confirmed this management practice as "medium were 15 (14.7%).

Furthermore, the informants high confirmation was evident on table 14,item-3, the indicator that depicts the union has advantage on international market knowledge, 50 (49%) agreed to "high" and 26 (25.5%), while another group of informants, 17 (16.7%) confirmed to "medium" response option and the remaining 9 (8.9%) viewed negatively.

As depicted on table 14, item-1, management's level of commitment and attitude, inLimmu cooperative union, towards exporting is meaningful to enhance export marketing performance, too. This was evident from the respondents' agreements, 54 (52.9%) who said "high" and 21 (20.6%), "very high" that summed up a total of 75 (73.5%) positively confirmed the management's commitment and attitude is sound to facilitate export market performance.

Next, according to table 14, item-6,management's perception on export barriers were supported positively by increasing number of respondents, 39 (38.2%) who confirmed to "high" and 35 (34.3%), to "very high" response levels, which summed up to a total of 74 (72.5%). While 20 (19.6%) of the respondents confirmed to neutral, the remaining few, 8 (7.8%) asserted their negative comments.

Finally, relatively lower perception of the participants was evident according to table 14, item-5, the indicator that requests if the managements have international experience in the export business. 48 (47.1%) and 17 (16.7%) showed their responses to "high" and "very high" options, while 31 (30.4%) and 6 (5.9%) revealed their comments to "medium" and "low". This

could show the level or the existing gap of the management of Limmu cooperative union requesting international experience in the export business.

Table 15. Management Characteristics

	Indicators of Export Management Characteristics (n=102-1)	Minimum	Maximum	Mean		Std. Deviation
		Statistic	Statistic	Statistic	Std. Error	Statistic
1	Management's perceived export advantages	2	5	4.18	.073	.737
2	Management's incorporating corporate social responsibility	2	5	4.08	.077	.780
3	The union has advantage on international market Knowledge	2	5	3.99	.092	.928
4	Managements level of commitment and attitude towards exporting is meaningful	1	5	3.89	.092	.932
5	Management's perceived export barriers	1	5	3.83	.089	.902
6	Managements have international experience in the export business	2	5	3.75	.080	.805
	Aggregate (Overall) Mean (\bar{X})			3.95	0.084	0.847

(Source: field data, 2020, LimmuWoreda)

Table 15, above, explicitly showed the details of management characteristics for which Limmu cooperative union practiced on coffee export performance. According to the significance of the mean values, very high management performance experiences were evident in areas such as: management's perceived export advantages (obtained mean = 4.18 with a corresponding S.D. = 0.737); followed by management's incorporating corporate social responsibility (obtained mean = 4.08 with a corresponding S.D. = 0.780). The above two management practices are of high significance in Limmu cooperative union to effectively enhance export market performance.

There are other significant management trends seen in Limmu cooperative union on areas such as: the union has advantage on international market knowledge (obtained mean = 3.99 with a corresponding S.D. = 0.928) followed by management's level of commitment and attitude towards exporting (obtained mean = 3.89 with a corresponding S.D. = 0.932).

Compared to the above management characteristics, relatively lower results were obtained in management experiences, particularly on, management's perceived export barriers (obtained mean = 3.83 with a corresponding S.D. = 0.902) and management's international experience in the export business (obtained mean = 3.75 with a corresponding S.D. = 0.847).

4.2.1.4 Good Agronomic Practices

Table 16: Respondents' Level of Confirmation on Items of Good Agronomic Practices

	There is Good agronomic practice that supports coffee certification		There is positive comment from buyers		All agronomic activities are intensively done to boost production that attract customers		The current Coffee production is sufficient to sustain in the market	
	frequency	%	frequency	%	frequency	%	frequency	%
1.00 Very Low			6	5.9	6	5.9	3	2.9
2.00 Low	46	45.1	45	44.1	19	18.6	12	11.8
3.00 Medium	24	23.5	22	21.6	25	24.5	15	14.7
4.00 High	16	15.7	16	15.7	33	32.4	37	36.3
5.00 Very High	16	15.7	13	12.7	19	18.6	35	34.3
Total	102	100.0	102	100.0	102	100.0	102	100.0

(Source: field data, 2020, LimmuWoreda)

Table 4.7, above, shows the status of Limmu cooperative union in terms of maintaining good agronomic practices to boost export marketing performance. As to the respondents' views, on table 4.7,item-4, the current coffee production is sufficient to sustain in themarket, the indicator that assesses the volume of current coffee production for the existing market , which was positively supported by 37 (36.3%) participants who confirmed to "high" and 35 (34.3%)

participants, confirmed to “veryhigh” response options. The sum total of positive confirmation is 72 (70.6%), while the respondents who confirmed to “neutral” was 15 (14.7%) and negative 15 (14.7%). From the assertion of the increasing number of the respondents, as an indicator of good agronomic practice, the current coffee production is sufficient to sustain in the market and promote export marketing performance.

As illustrated on table 16, item-3, all agronomic activities are intensively done to boost production that attracts customers. This is evident from the conformation of almost half of the number of respondents’ positive views. For this agronomic indicator, 33 (32.4%) of the informants confirmed to “high” and 19 (18.6%) referred the practice as “very high”. The sum total of positive confirmation is 52 (51%), while the respondents who confirmed to “neutral” was 25 (24.5%) and the negative confirmations summed up to a total of (24.5%). Here the positive confirmations exceeds the sum of “neutral” and negative conformant by 1% only. This clears us the level of all agronomic activities are shown gaps to intensively boost production that attracts customers and required some improvement to enhance Limu cooperative enterprise export marketing performance.

From the indicators of good agronomic practice as indicated on table 16, item-2, low existence of positive comment from buyers was reflected due to poor agronomic practice that deteriorates coffee quality that resulted in the low export performance of the cooperative union . From the existence of positive comment from buyers, 45 (44.1%) and 6 (5.9%) conformant groups stand for “low” and “very low” responses, while 22 (21.6%) stayed to “neutral” position. The sum of the negative response informants was added to a total of 51 (50%). Meanwhile, two equally important groups 16 (15.7%) and 13 (12.7%) asserted for the existence of positive comment from buyers as “high” and “very high” respectively, but the positive comment of them was relatively lower compared to the former, negative, respondents. So, as regard to good agronomic practice, the research observed that the existence of positive comment from buyers was considered low, and required some attention to escalate Limmu cooperative enterprise export marketing performance.

As indicated on table 16,item-1, the existing agronomic practice couldn’t supports certification for Limmu cooperative enterprise export marketing performance. This is evident from the obtained data showed the negative attribute of the existing agronomic practice to support

certification. 46 (45.1%) relied on “low” response option, while 24 (23.5%) stayed neutral for the existence of good agronomic practice to support certification for Limmu cooperative enterprise export marketing performance.

Generally, among other indicator categories Limmucoffee farmers’ cooperativeunion export marketing performance showed retarded experiences related to enhancing good agronomic Practices that supports certification, so the enterprise requires considerable efforts to : intensively doall agronomic activities to boost sustainable production that attracts customers; havethe existence of positive comments from buyers due to product quality ; and to have the farming system (agronomic activities) that support certification.

Table 17: Good Agronomic Practices

	Indicators of Good Agronomic Practices (n=102-1)	Minimum	Maximum	Mean		Std. Deviation
		Statistic	Statistic	Statistic	Std. Error	Statistic
1	The current Coffee production is sufficient to sustain in the market	1	5	3.87	.109	1.105
2	All agronomic activities are intensively done to boost production that attracts customers	1	5	3.33	.119	1.205
3	There is positive comment from buyers	2	5	3.18	.123	1.238
4	Good agronomic practice supports s certification	1	5	2.85	.114	1.155
	Aggregate (Overall) Mean (\bar{X})			3.30	0.114	1.176

(Source: field data, 2020, LimmuWoreda)

Table 17, above, also help triangulate the data on indicators of good agronomic practices through mean statistic. In the above statistic table relatively better agronomic indicator was revealed in the current coffee production of Limmu cooperative enterprise is sufficient to sustain in the market (obtained mean = 3.87 with a corresponding S.D. = 1.105) followed by all agronomic activities of Limmu cooperative enterprise are intensively done to boost production that attracts customers (obtained mean = 3.33 with a corresponding S.D. = 1.205).

The least mean values were depicted on two poor agronomic practice of Limmu cooperative union in the existence of positive comment about the product from buyers (obtained mean = 3.18 with a corresponding S.D. = 1.238) and a mere absence of good agronomic practice supports certification (obtained mean = 2.85 with a corresponding S.D. = 1.155).

4.2.1.5 Processing Quality

Table 18. Respondents' Level of Confirmation on Items of Processing Quality

	The Quality of coffee have an impact on export price		The export coffee processing units fulfills all of the standard quality criteria		There is a specialty grade export coffee due to processing quality		The union got premium price for its exported coffee due to its excellent processing quality	
	Frequency	%	frequency	%	frequency	%	Frequency	%
1.00 Very Low								
2.00 Low	7	6.9	20	19.6	32	31.4	4	3.9
3.00 Medium	15	14.7	10	9.8	30	29.4	50	49.0
4.00 High	55	53.9	47	46.1	25	24.5	29	28.4
5.00 Very High	25	24.5	25	24.5	15	14.7	19	18.6
Total	102	100.0	102	100.0	102	100.0	102	100.0

(Source: field data, 2020, LimmuWoreda)

As far as the respondents' views are concerned on table 18, item-3, Limmucooperative union follows relatively better processing quality in the coffee production enterprise than focusing on good agronomic practices. First in the list, the quality of coffee has had an impact on the export price. This was positively amended by 55 (53.9%) of the respondents confirmed to 'high' as well as 25 (24.5%), 'very high.' The sum total of positive conformant was 80(78.4%). While 15 (14.7%) remained 'neutral,' few, 7 (6.9%) held negative position.

Next, as depicted on table 18,item-2, the export coffee processing unitsfulfills all of thestandard quality criteria was another indicator of processing quality, which was positively supported by 47 (46.1%) who confirmed to 'high' and 25 (24.5%), confirmed to 'very high' responses. The sum total of positive informants was 62 (60.6%). Meanwhile 20 (19.6%) and 10 (9.8%) contended to refer 'low' and 'neutral' respectively towards the export coffee processing unitsfulfills all of

the standard quality criteria. This shows the effect of processing units of LCFCU in maintaining coffee quality is not found at satisfactory stage so that some improvement strategies should be developed to upgrade the processing units to get premium quality coffee.

On the other hand, as indicated on table 18, item-1, the indicator for the existence of a specialty grade export coffee due to processing quality was unexpectedly negatively amended by relatively increasing number of informants, 32 (31.4%) who referred as ‘‘low’’, while another considerable group of respondents, 30 (29.4%) who referred the existence of a specialty grade export coffee due to processing quality as ‘‘medium’’. Others 25 (24.5) and 15 (14.7%) who referred to ‘‘high’’ and ‘‘very high’’ respectively, and they constituted a total of 40 (39.2%). From the stand point of the increasing number of informants, the existence of a specialty grade export coffee due to processing quality was found at the margin and required some adjustment to escalate the processing quality, to get specialty grade and thereby to boost export marketing performance.

Finally, as illustrated on table 18, item-4, the indicator of processing quality in that the union got premium price for its exported coffee due to its excellent processing quality to its excellence was supported by significant number of respondents, 50 (49%) confirmed as ‘‘medium’’ and 4 (3.9%) confirmed as ‘‘low’’. Other comparatively less considerable group of respondents, 29 (28.4%) referred the existing effort as ‘‘high’’ and 19 (18.6%), referred as ‘‘very high’’. As far as premium price for the exported coffee due to its excellent processing quality is concerned, Limmu cooperative enterprise requires some improvement to get premium price for its exported coffee.

Table 19: Processing Quality

	Indicators of Processing Quality (n=102-1)	Minimum	Maximum	Mean		Std. Deviation
		Statistic	Statistic	Statistic	Std. Error	Statistic
1	The Quality of coffee have an impact on export price.	2	5	3.96	.081	.820
2	The export coffee processing units fulfills all of the standard quality criteria	2	5	3.75	.103	1.038
3	There is a specialty grade export coffee due to Processing quality.	1	5	3.58	.092	.927
4	The union got premium price for its exported coffee due to its excellent processing quality	2	5	3.23	.104	1.052

	Indicators of Processing Quality (n=102-1)	Minimum	Maximum	Mean		Std. Deviation
		Statistic	Statistic	Statistic	Std. Error	Statistic
1	The Quality of coffee have an impact on export price.	2	5	3.96	.081	.820
2	The export coffee processing units fulfills all of the standard quality criteria	2	5	3.75	.103	1.038
3	There is a specialty grade export coffee due to Processing quality.	1	5	3.58	.092	.927
4	The union got premium price for its exported coffee due to its excellent processing quality	2	5	3.23	.104	1.052
	Aggregate (Overall) Mean (\bar{X})			3.63	0.095	0.959

(Source: field data, 2020, LimmuWoreda)

Table 19, above, also help triangulate the data on indicators of the existing processing quality practices of Limmu cooperative enterprise through mean statistic. The quality of coffee of Limmu cooperative union has had an impact on export price (obtained mean = 3.96 with a corresponding S.D. = 0.820), followed by the indicator of processing quality asserts that the export coffee processing units fulfills all of the standard quality criteria (obtained mean = 3.75 with a corresponding S.D. = 1.038).

On the other hand, the existence of a specialty grade export coffee due to processing quality (obtained mean = 3.58 with a corresponding S.D. = 0.927), while the indicator for the union got premium price for its exported coffee due to its excellent processing quality (obtained mean = 3.23 with a corresponding S.D. = 1.052).

4.2.2 Analysis of External Environment Characteristics

4.2.2.1 Foreign Market Characteristics

Table 20: Respondents' Level of Confirmation on Items of Foreign Market Characteristics

	Legal and political environment negatively affect union's coffee export performance		The development of the cooperative union is subjected to the adoption of voluntary sustainability standards		Export market barriers impact export performance adversely		The cooperative union is projected to grow, fueled by the increasing demand of coffee		Socio-cultural environment negatively affect union's coffee export	
	frequency	%	frequency	%	frequency	%	frequency	%	frequency	%
1.00 Very Low			6	5.9	6	5.9	6	5.9	2	2.0
2.00 Low	5	4.9	22	21.6	25	24.5	15	14.7	15	14.7
3.00 Medium	17	16.7	23	22.5	19	18.6	27	26.5	26	25.5
4.00 High	44	43.1	26	25.5	32	31.4	40	39.2	43	42.2
5.00 Very High	36	35.3	25	24.5	20	19.6	14	13.7	16	15.7
Total	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0

(Source: field data, 2020, LimmuWoreda)

Foreign market characteristics are critical components that positively attribute or adversely affect the existing coffee export performance. Table 20, above, shows the indicators of foreign market characteristic and the obtained results explicitly. First, unexpectedly, as illustrated on table 20, item-1, legal and political environment at the foreign market negatively affect the union's coffee export performance. This was evident from the respondents level of agreements; 44 (43.1%) asserted the challenge related to legal and political environment as 'high' while 36 (35.3%) of the respondents confirmed as 'very high'. The sum total of these two remarkable groups was 80 (78.8%), while 17 (16.7%) and 5 (4.9%) of the respondents denied as legal and political environment at the foreign market negatively affect the union's coffee export performance. Therefore, from the assertive point of view of the majority, 80 (78.8%), challenges related to legal and political environment of the foreign market are adversely affected the export market performance of Limmu cooperative union.

Next, as evidence reveals the truth on table 20, item-2, the development of the cooperative union is subjected to the adoption of voluntary sustainability standards, which was positively asserted by 26 (25.5%) confirmed to 'high' and 25 (24.5%), 'very high.' While the sum total of informants who

showed their positive confirmation was 51 (50%). Others, 23 (22.5%) said the existing voluntary sustainability standards as ‘‘medium’’, 22 (21.6%) referred as it was ‘‘low’’ and 6 (5.9%), as ‘‘very low.’’

As depicted on table 20, item-3, export market barriers in the foreign market impact the export performance of Limmu cooperative enterprise adversely. This was evident from the responses, 52 (51%) supported either ‘‘high’’ or ‘‘very high’’ response options, while 25 (24.5%) showed that export market barriers impact the export performance as ‘‘low’’ and 19 (18.6%) of the respondents asserted the export market barriers as ‘‘medium.’’ From the increasing number of the respondents, 52 (51%) the existing export market barriers at foreign market of Limmu cooperative union are considerable to adversely affect export market performance, and this calls for feasible strategies that should be implemented to alleviate the challenges of export market barriers.

On the other hand, as indicated on table 20, item-4, the cooperative union is projected to grow, fueled by the increasing demand of coffee was regarded as positive trend of Limmu cooperative union by increasing number of respondents, 54 (52.9%), who viewed their stands either to ‘‘high’’ or ‘‘very high,’’ while 27 (26.5%) confirmed to ‘‘medium’’ and 21 (20.6%) commented to ‘‘low’’ or ‘‘very low.’’ From the increasing support of the above indicator, Limmu cooperative union is provided a considerable effort to effectively project to grow, fueled by the increasing demand of coffee.

Consequently, another poor performance trend on foreign market characteristics was revealed on table 20, item-5, and the existing socio-cultural environment of the foreign country that has negatively affected Limmu cooperative union’s coffee export performance. The impact of socio-cultural environment was asserted by 59 (57.9%) who confirmed the impact of socio-cultural environment as ‘‘high’’ or ‘‘very high,’’ while 26 (25.5%) confirmed the impact of socio-cultural environment as ‘‘medium’’ and 17 (16.7%) confirmed the impact of socio-cultural environment as ‘‘low’’ or ‘‘very low.’’ Hence, from the increasing number of the informants, 59 (57.9%), the existing socio-cultural environment of the foreign country has a considerable adverse effect on Limmu cooperative union’s coffee export performance.

Table 21: Foreign Market Characteristics

	Indicators of Foreign Market Characteristics (n=102 -1)	Minimum	Maximum	Mean		Std. Deviation
		Statistic	Statistic	Statistic	Std. Error	Statistic
1	Legal and political environment negatively affect union's coffee export performance	2	5	4.09	.084	.846
2	The development of the cooperative union is subjected to the adoption of voluntary sustainability standards	3	4	3.59	.049	.494
3	Export market barriers impact export performance Adversely	1	5	3.58	.092	.927
4	The cooperative union is projected to grow, fueled by the increasing demand of coffee external market	3	4	3.52	.050	.502
5	Socio-cultural environment negatively affect union's coffee export performance	1	5	3.41	.123	1.238
	Aggregate (Overall) Mean (\bar{X})			3.64	0.079	0.801

(Source: field data, 2020, LimmuWoreda)

Similarly, Table 21, above, helps to triangulate the existing foreign market characteristics at Limmu cooperative enterprise by descriptive statistics. Legal and political environment negatively affect the union's coffee export performance (obtained mean = 4.09 with a corresponding S.D. = 0.846), while export market barriers impact Limmu cooperative enterprise export performance adversely (obtained mean = 3.58 with a corresponding S.D. = 0.927). So also, the socio-cultural environment negatively affects the union's coffee export performance (obtained mean = 3.41 with a corresponding S.D. = 1.238). These three indicators of foreign market characteristics have hampered the existing coffee marketing performance of Limmu cooperative enterprise from varied level of intensity. Whereas legal and political environment critically suppresses the firm's coffee export performance, the socio-cultural environment's impact and export market barriers impact Limmu cooperative enterprise export performance adversely were comparatively shallow. Therefore, working strategies need to be maintained by Limmu cooperative enterprise with collaboration of other stakeholders according to the intensity of the existing foreign market performance challenges.

Indicators on the existing foreign market characteristics of Limmu cooperative enterprise were evident towards the development of the cooperative union is subjected to the adoption of voluntary sustainability standards (obtained mean = 3.59 with a corresponding S.D. = 0.494), and the cooperative union is projected to grow, fueled by the increasing demand of coffee external market (obtained mean = 3.52 with a corresponding S.D. = 0.502).

4.2.2.2 Domestic Market Characteristics

Table 22: Respondents' Level of Confirmation on Items of Domestic Market Characteristics

	The union is operating in more competitive business environments		The union's coffee export performance positively associated with the use of export assistance		The enterprise experiencing a competitive price		The union's coffee export performance positively related with legal and political environment in the exporting country		The union's coffee export performance negatively related with export market barriers existing in the exporting country	
	frequency	%	frequency	%	Frequency	%	frequency	%	frequency	%
1.00 Very Low	1	1.0					1	1.0	9	8.8
2.00 Low	2	2.0	1	1.0	7	6.9	3	2.9	22	21.6
3.00 Medium	8	7.8	12	11.8	14	13.7	20	19.6	22	21.6
4.00 High	54	52.9	62	60.8	51	50.0	53	52.0	34	33.3
5.00 Very High	37	36.3	27	26.5	30	29.4	25	24.5	15	14.7
Total	102	100.0	102	100.0	102	100.0	102	100.0	102	100.0

(Source: field data, 2020, LimmuWoreda)

Table 22, above, clearly revealed the respondents' views towards various domestic market characteristics of Limmu cooperative enterprise. Accordingly, on table 22,item-1, a sum total of positive confirmation was maintained towards the indicator in that the union is operating in more competitive business environments .This was asserted by a total of 91 (89.2%) respondents, who confirmed to ‘‘high’’ and ‘‘very high’’ response options, while 8 (7.8%) and 3 (3%) pointed their agreements as ‘‘medium’’ and ‘‘low’’ responses respectively.

On the other hand as indicated on table 20, item-2, and the union's coffee export performance positively associated with the use of export assistance. This was evident from the sum total of respondents level of agreement; 89 (87.3%) asserted in the domestic market, the union's coffee export performance positively associated with export assistance as "high" and "very high" response options. While the remaining 12 (11.8%) of the respondents showed their confirmation to "medium."

Next, as described on table 22, item-3 domestic market characteristics of Limmu cooperative enterprise are that the coffee marketing enterprise is experiencing a competitive price. This was positively amended by a total of 81 (79.4%) of the respondents who referred their level of agreements to "high" or "very high" options, while 14 (13.7%) choose "medium" and the remaining 7 (6.9%) confirmed to "low."

As depicted on table 22, item-4, the union's coffee export performance positively related with legal and political environment in the exporting country was the indicator provided a relatively considerable level of respondents' confirmation. 78 (76.5%) respondents supported the effectiveness of the trend as "high" and "very high," while some 20 (19.6%) of the respondents confirmed to "medium" response option.

Finally, according to table 22, item-5, the indicator asked if the union's coffee export performance negatively related with export market barriers existing in the exporting country, 49 (48%) of the respondents commented as "high" or "very high," whereas 22 (21.6%), "medium" and the remaining sum total of 31 (30.4%) agreed to "low" or "very low" responses. From the increasing number of the respondents' confirmation, the union's coffee export performance negatively related with export market barriers existing in the exporting country.

Table 23: Domestic Market Characteristics

	Indicators of Foreign Market Characteristics (n=102-1)	Minimum	Maximum	Mean		Std. Deviation
		Statistic	Statistic	Statistic	Std. Error	Statistic
1	The union is operating in more competitive business environments	1	5	4.22	.075	.753
2	The union's coffee export performance positively associated with the use of export assistance	2	5	4.13	.063	.640
3	The enterprise experiencing a competitive price	2	5	4.02	.084	.844
4	The union's coffee export performance positively related with legal and political environment in the exporting country	1	5	3.96	.080	.807
5	The union's coffee export performance negatively related with export market barriers existing in the exporting country	1	5	3.24	.119	1.204
	Aggregate (Overall) Mean (\bar{X})			3.91	0.084	0.649

(Source: field data, 2020, LimmuWoreda)

A more clear view on the domestic market characteristics was obtained through mean statistics and this helped to triangulate the feature of the obtained data. First, the union is operating in more competitive business environments, which was expectantly supported with highest mean value (obtained mean = 4.22 with a corresponding S.D. = 0.753).

Next, the union's coffee export performance is positively associated with the use of export assistance, the domestic market characteristics which was supported with higher mean value (obtained mean = 4.13 with a corresponding S.D. = 0.640), followed by another domestic market characteristics, the enterprise experiencing a competitive price (obtained mean = 4.02 with a corresponding S.D. = 0.844).

The union's coffee export performance positively related with legal and political environment in the exporting country (obtained mean = 3.96 with a corresponding S.D. = 0.807) and the union's coffee export performance negatively related with export market barriers existing in the exporting country supported with the least mean value in the list (obtained mean = 3.24 with a corresponding S.D. = 1.204).

4.2.2.3 Export Performance

Table 24: Respondents' Level of Confirmation on Items of Export Performance

	Financial performance is positively related with coffee export performance		Market performance is positively related with coffee export performance		Better Perception and satisfaction on coffee export performance	
	frequency	%	frequency	%	frequency	%
1.00 Very Low					1	1.0
2.00 Low	2	2.0	3	2.9	5	4.9
3.00 Medium	7	6.9	6	5.9	15	14.7
4.00 High	50	49.0	56	54.9	45	44.1
5.00 Very High	43	42.2	37	36.3	36	35.3
Total	102	100.0	102	100.0	102	100.0

(Source: field data, 2020, LimmuWoreda)

Regarding export performance of Limmu cooperative union, the existing performance trends are found to higher level of performance competitiveness. This was evident from the indicators; first, as indicated on table 24,item-1, financial performance is positively related with coffee export performance, supported with a sum total of 93 (91.2%) respondents who confirmed as “high” and “very high” response options .

Next, as showed on table 24,item-2 above, export performance of Limmu cooperative union was indicated as effective in terms of market performance that is positively related with coffee export performance, which was positively asserted by majority, 93 (91.2%) of the respondents who confirmed as “high” and “very high.”

Finally, as illustrated on table 24,item-3,better perception and satisfaction on coffee export performance of Limmu cooperative union was indicated as effective by majority, 81 (79.4%) of the research participants, who confirmed as “high” and “very high,” while 15 (14.7%) and 6 (5.9%) of the respondents confirmed to “medium” and “low” response options. Generally, from majority of the respondents' positive assertion on the overall export performance, the

existing export business of Limmufarmers' cooperative union is significant and exists in a better competitive status.

Table 25: Export Performance

	Indicators of Export Performance (n=102-1)	Minimum	Maximum	Mean		Std. Deviation
					Std. Error	
		Statistic	Statistic	Statistic	Error	Statistic
1	Financial performance is positively related with coffee export performance	2	5	4.31	.068	.689
2	Market performance is positively related with coffee export performance	2	5	4.25	.069	.696
3	Better Perception and satisfaction on coffee export performance	1	5	4.08	.088	.886
	Aggregate (Overall) Mean (\bar{X})			4.21	0.054	0.757

(Source: field data, 2020, LimmuWoreda)

A clearer view on the export performance was obtained through mean statistics, too. Financial performance is positively related with coffee export performance (obtained mean = 4.31 with a corresponding S.D. = 0.689), followed by market performance is positively related with coffee export performance (obtained mean = 4.25 with a corresponding S.D. = 0.696), and better perception and satisfaction exist on coffee export performance (obtained mean = 4.08 with a corresponding S.D. = 0.886).

4.3 Analysis of Interview Data

To gather more information about the factors that affect coffee export performance of LCFCU Semi-structured interview was used as data gathering instrument to secure important and in-depth information. The interview was held with the general manager, vice general manager, senior agronomist, finance and sales manager and 5 key informants who have long experience and knowledge about the topic under consideration.

As per the interview held with the general manager of LCFCU, In 1999 EC, the first coffee cooperative union, the Oromiya Coffee Farmers Cooperative Union (OCFCU) that includes Limmu coffee farmers cooperative union, was established, uniting primary cooperatives in the Omiya Region. LCFCU play an effective role in supporting coffee farmers by coffee exporting, supplying agricultural inputs, the price information, capital, and transportation to its members that small-scale farmers often lacked. In addition, a cooperative as a representative of coffee farmers can be a stronger negotiator than an individual farmer in the international coffee market. The specialization in coffee certification like fair trade, and organic labels has been vital in the expansion of market opportunities.

Generally, in investigating factors affecting coffee export performance of LCFCU ,the following concepts were concluded and summarized from the interview held with the Limmu coffee farmers cooperative union management officials as well as other key informants of the primary cooperative members concerning the internal environmental characteristics as well as the external environmental characteristics of the cooperative union.

4.3.1 Internal Environment Characteristics

A. Export marketing strategy

According to the discussion with the general manager, his vise and the senior agronomist of the union on the issue,Limmu coffee farmers cooperative union has been engaged in the production, processing and marketing of coffee so that since our final goal is selling our productexporting) with attractive price and to be profitable and share a good dividends to the cooperative members. As he asserted, to achieve this, the union has developed export marketing strategy to the success of the enterprise. Among these production standard strategy, pricing adaptation strategy, product promotion strategy, product distribution strategy, and product expansion strategy can be mentioned.

According to the common consent of other key-informants, the enterprise has different types of coffee certification schemes that make the cooperative union to be more competitive in the international coffee market. These were fair trade certification, organic certification, Rain forest

alliance, 4C certification and the production system comply with the standards of these certification. To expand export markets the union has put in place strategies of two fundamental success factors .First,LCFCU realized early the importance of the export markets and started building a direct communication between small holder growing coffee and international coffee markets. The second factor has been to focus on establishing and improving the quality of coffee varieties while sourcing the beans from numerous small growers in a way that maintains export market to be sustainable.

B. Firm Characteristics

According to the interview held with the management officials to know the firm characteristics of the union, the back response was, Limmu coffee farmers cooperative union is a well-organized umbrella organization responsible for processing, marketing, and commercializing coffee for its members. The firm has holistic characteristics through which it achieves its organizational objective .These were the long age of the firm, location of the firm, the size of the firm, the financial capability of the firm, level of international a access to infrastructure are some. The enterprise have location advantage because the production area of the farmers has been found in the environment of favorable ecology for coffee known by winy flavor that have more acceptance on international market . So the enterprise has location advantage to get better market due to its product type or quality.

According to the amendment of the management and key-informants, the union devotes itsefforts to use the resource effectively and efficiently to cope up the competition and maintain the existing market or expand new markets throughout the world by utilizing the research and development efforts. In addition the level of technology innovation and access to infrastructure/service is a vital issue for the cooperative union in order to produce quality product and avail the product to market on time .But, since the level of technology used by the union is not satisfactory, for the export performance , it needs an effort to improve the use of new technology to increase production and productivity by the member of the cooperative and coffee processing units should use water saving eco pulpier pulping machines to keep coffee quality to the higher grade.

C. Management Characteristics

Management characteristics refer to the point of achievement of the overall management officials towards coffee export marketing activities regarding export marketing performance. According to the consensus of the key-informants about the management characteristics of export marketing performance of the union, the managements level of commitment and attitude towards exporting is at a promising level, and also in line with their planned operational activities the management is devoted in implementing the corporate social responsibility for the community in building of certain infrastructures like schools, rural road and some donations to the rural society. The level S 2management's perception of export advantage as well as export barrier was also higher, because the management know that the enterprise is profitable enough if and only if the union is engaged in export marketing and the management was active enough to take necessary amendments on export procedures that can tackle export performance of the union. Regarding international experience of the management in the export business, low dissatisfaction was reflected from the interviewees, as coffee business is a dynamic activity it needs professional international experience, butthe union lacks more experienced professional personnel, so it needs to recruit and train the right personnel staff to develop their international knowledge, thereby, to keep up the export market performance of the union in a more competitive and reliable way.

D. Good Agronomic Practices

According to the interview forwarded for the Senior Agronomist, the status of agronomic practices of the members of the cooperative union is low in doing intensive agronomic activities like intensive pruning, timely weeding, fertilizing, mulching, soil conservation activities etc.to boost production and productivity. Due to the low agronomic practice by the members of the union, the production system hardlycomplies withthe international standards of coffee certification system. In addition, the agronomist said, it deteriorates quality so that it is uncommon to get more positive comment from the buyers. Even though almost the current coffee production is sufficient to sustain the cooperative union in the market, it needs strong effort for strategic decision for further improvement of good agronomic practice to have sustainable production that can stick the customers confidently for a long period of time. Another critical concern was the aging of coffee trees. Throughout the community, coffee

plantations are getting old; hence, there should be strong support for better agronomic practices. Farmers need to get the financial and educational support they need in order to invest in new coffee plants. Back in the 1980s, with a support from the European Union, Ethiopia had a coffee-improvement scheme for several years. The initiative supported the coffee industry by expanding nurseries and stamping of old coffee trees. The project also offered training for farmers; and it improved all aspect of the coffee industry. However, since that initiative was completed over 20 years ago, these agronomic issues have been neglected.

E. Processing Quality

Quality is the major performance requirement for coffee export sector. According to the interview with the quality manager of the enterprise production, processing and availing quality coffee to its customer is the goal of the enterprise to its best achievement. This was because the quality of coffee has an impact on export price. A good quality coffee can get a specialty grade according to international market grading system so that high amount of premium price would be achieved for the union. Coffee quality is a cumulative effect of coffee production system that includes seed selection, nursery management, good agronomic practice, coffee processing (wet and dry) processing and off farm transportation management system. A fell in(wrong doing) of one of the above production system resulted in a loss of coffee quality. It is assumed that coffee processing units should fulfill all of the standard quality criteria, but in case of some processing units of the Limmu coffee farmers primary cooperative union, it needs some improvements especially on agar pre-grader pulping machines to replace it with eco-pulpier machines to use solar or mechanical driers for coffee drying than using on open sun light. If the union tries to maintain coffee processing quality through correcting the above mentioned improvements, they will get premium price for the exported coffee. For the time being, the premium price has been attained by the union for the volume of coffee sold yet not satisfactory, so it needs to work to amend certain prerequisites towards increasing the amount of coffee that can fit the premium grade.

4.3.2 External Environment Characteristics

F. Foreign Market Characteristics

External environmental characteristics refers to the impact of external factors on export performance .The most important variable the foreign market characteristics in this context was the export market barriers faced by local firms in the foreign markets .According to the interview held with the marketing officials of the union,the export market barriers were found to impact export performance of the cooperative union adversely. In our case the legal, political and socio-cultural environment prevailing in the foreign countries have association with export performance.

Interviewee from the marketing department added, export market barriers impact export performance adversely, so that the enterprise should regularly analyze the internal and external market environment in order to design and implement robust strategy. This shows that the enterprise should react on the issue on time. Eventhough it depends on the region of environment, the legal and political environment affect enterprises coffee export performance negatively, because every import country adjusts the legal issues like tariff for the benefit of its own country, that may or may not support the export country and also political instability of import country negatively affects export performance. So, the enterprise should closely research and act on the legal and political environment of importer countries throughout the world to gain advantage from it. Regarding the socio-cultural environment, the enterprise should analyze the importers' country socio-cultural environment before trade deal to get the benefit by increasing the volume of coffee export, he concluded.

G. Domestic Market Characteristics

According to the interview held with the marketing officials, the unions coffee export performance was positively associated with the use of export assistance. This shows that the enterprise should maximize the benefit from export assistance service provided by the concerned government offices, Ministry of Trade, Ministry of Agriculture, Chamber of Commerce as well as trade associations. Export market barriers existing in the exporting country negatively affect the coffee export marketing performance of the union that makes a complex procedure rather

than smoothing the export market. Regarding the enterprise's coffee export performance positively related with legal and political environment in the exporting country, the unions coffee export performance was positively related because the legal condition set by the Ministry of Trade regarding export of agricultural products, especially coffee export, is a promising and initiative approach. The cooperative union is also experiencing a competitive price. This means that the enterprise is working in a condition that should maintain and enhance the capability of the enterprise to sustain in the business and maintain operating in more competitive business environment for a long period of time through product quality improvement as well as any competitive marketing mechanisms.

4.3.3 Summary of the In-Depth Interview

Table 26: Summary of interview data

	<i>Indicator</i>	<i>Strength of the coffee cooperative union</i>	<i>Weakness points</i>
1	Export marketing strategy	Competitiveness in location suitability, Firms' financial resource, Supply chain management capabilities, the size and the age of the firm.	
2	Processing quality	The union has been working to attain its best achievement.	Incompetence in technology innovation, Lack of eco pulper processing machines, Poor adjustment to boost productivity and production, The processing gaps that affect coffee quality should need strategic improvements; Lack of maintaining and sustaining premium grade speciality coffee that can gain premium price.
3	Management characteristics	promising stage to meet export advantage, existence of high management commitment, Incorporated corporate social responsibility.	Too low managements' experience in export business,
4	Agronomic practices		Farming system not supported by intensive agronomic operation to boost production, Poor agronomic practice hardly comply the certification schemes, Negatively affecting the interest

			of buyers and reduces export performance.
5	Foreign market characteristics		Existence of export market barriers in the foreign country, Legal, political and socio-cultural environment of the foreign market negatively affects export performance.
6	Domestic market characteristics	Promising legal condition set by the Ministry of Trade regarding export of agricultural products, Coffee export is a promising and initiative approach, The unions coffee export performance positively associated with the use of export assistance.	
7	Export performance	A promising competitive climate, The export performance shows the significance of the coffee export business.	

While discussing about the internal environmental factors affecting coffee export performance, all managers believed that trends of Limmufarmers' cooperative union towards export marketing strategy is found to be efficient and effective to promote the firms strength on coffee export performance. The general firm characteristics has enormous contribution for the effectiveness of Limmu cooperative union export performance. Specifically, among the firm characteristic's location suitability, firms' financial resource and supply chain management capabilities, the size and the age of the firm supports Limmufarmers' cooperative union coffee export performance to be found in a more or less highly competitive climate.

On the other hand, the use of technology innovation to increase production and productivity, use of recent technology on processing units especially eco pulper processing machines need improvement in order to add product quality to increase export performance.

As far as the management characteristics is concerned LCFCU management characteristics is found on a promising stage especially they perceived export advantage, existence of high management commitment, incorporating corporate social responsibility, but managements' experience in export business is too low, so it needs certain improvements to compensate the gap.

Regarding agronomic practice, the farming system of the members is not supported by intensive agronomic operation to boost production so that expected yield is recorded below average. The poor agronomic practice do not comply the certification schemes and also affects coffee quality and as a result it affects the interest of buyers whereas reduces export performance.

Coffee quality is the top urgent criteria that coffee exporters should maintain in their production and processing system because coffee quality has an impact on export price. In line to this scenario LCFCU is working to its best achievement, but the processing gaps that affect coffee quality should need strategic improvements to solve the problem from its root among these, improvement of processing units i.e. the old processing machine by new technology, maintaining and sustaining premium grade speciality coffee that can gain premium price for the enterprise. So that the overall improvement of coffee processing quality will bring a remarkable increment in coffee export performance.

Regarding the interview about external factors of foreign market characteristics affecting coffee export performance, all the management officials agreed that the existence of export market barriers in the foreign country impact export performance adversely and also the legal, political and socio-cultural environment of the foreign market negatively affects export performance of LFCU. This is because every importing country needs to adjust the legal issues like tariff for the benefit of its own country that may or may not support the export country and also political instability of import country negatively affects export performance of the union.

According to the discussion about domestic market characteristics with marketing officials, export market barriers existing in the exporting country negatively affects export performance, whereas the legal and political environment affects positively because the legal condition set by the Ministry of Trade regarding export of agricultural products especially coffee export is a promising and initiative approach. That is why the unions coffee export performance positively associated with the use of export assistance.

Generally, the existing general export performance of Limmu coffee farmer's cooperative union is found in a promising competitive climate and this export performance show the significance of the coffee export business.

4.4 Analysis of Secondary Data

4.4.1 Amount of coffee exported by union for the last four years.

Table 27: Amount of coffee exported by union for the last four years (2008-2011)

YEAR (E.C)	UNIT OF MEASUREMENT	SALES VOLUME	SALES VALUE IN ETB
2008	KG	286,743.34	39,588,156.05
2009	KG	400,218.32	47,136,851.03
2010	KG	536,467.82	63,190,004.98
2011	KG	192,010.22	22,739,660.04
TOTAL		1415439.70	

Source: Compiled Annual report of LFCU

As the above table indicates, the union's export volume increases from year to year except in 2011 in which coffee sale amount decreased from the previous trend. This shows the amount of coffee supplied to the union by the primary cooperative lacks sustainability due to low production and productivity of coffee. As it is confirmed by interview with union's agronomist, lack of good agronomic practice, old aged coffee tree, and lack of highly productive coffee variety are the main factors for the low production of coffee. Due to the above mentioned factors, the decrease in coffee supply negatively affected the coffee export performance of LCFCU. However, the sales value per KG decreases from 138.06 Birr in 2008 to 117.78 Birr in 2010 and 118.42 Birr in 2011. This indicates there was coffee price fluctuation due to unexpected price fall on global market as explained in the interview made with the marketing officials of the union.

4.4.2 Amount of coffee supplied by sampled primary cooperative (2008-2011)

Table 28: Amount of coffee supplied by primary cooperatives

Name of the primary coop.	Amount of coffee supplied by the sampled primary coop.(kg)			
	2008	2009	2010	2011
Harawagatra	42999	76803	62180	48465
Chafe ilfeta	32848	73203	40835	51777
Jimate	29822	60083	73028	51534
Shogale	31064	55247	62353	61088
Walensu	17582	39438	57237	14045

Source; compiled annual report of LCFCU

As indicated in the above table, supply of coffee is unstable and shows variation from the previous year to the next year for all society. The highest and the lowest coffee supply was recorded in Harawagatra and Walensu, respectively, in the year 2008 and 2009. From these primary cooperatives, the least coffee supplier was Chafe Ilfeta and the paramount supplier was Jimate in the year 2010. By the year 2011, the outstanding coffee supplier was Shogale and the slightest amount was contributed by Walensu primary cooperative society. To sum up, for the last four years the supply of coffee was triple on and trickle down due to several factors that can aggravate the banality nature of coffee like the changing of weather condition, unable to do effective agronomic practice, coffee disease, private coffee traders' intervention and absence of loyalty among individual members. According to the interview held with some member's lack of good agronomic practice take the lion share for coffee production supply fluctuation.

4.4.3 Amount of coffee Exported to the foreign and the domestic market for the year 2008- 2011

Table 29: Amount of coffee marketed to foreign and domestic market

YEAR	Total amount of Washed clean coffee supplied in (kg)	Amount to the foreign market(kg)	Percent %	Amount to the domestic market in (kg)	Percent %
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2008	393,235	286,743	72.9	106,492	27
2009	921,954	400,218	43.4	295,811	32
2010	1,202,934	536,467	44.5	387,230	32.2
2011	1,149,654	192,010	16.7	846,377	73.6

Source ;compiled annual report of LCFCU

As indicated in the above table, the total amount of washed clean coffee was supplied to both the domestic and foreign market. The amount supplied to the foreign market in the year 2008, 2009, 2010 and 2011 is 73%, 43%, 44% and 16.7% respectively. By the same year indicated above, the amount supplied to the domestic market was 27%, 32 %, 32.2% and 73.6 % respectively. Generally speaking, the amount of washed clean coffee supplied to the foreign market by LCFCU show a decreasing trend from the year 2008-2011 . This was due to the lack of export market for various reasons the cooperative union was forced to sell the product to local market especially to the import exporters , that is why the volume sold to the domestic market showed an increasing trend from the year 2008-2011 even though the volume of production was increased , the capacity of export market could not support this all volume .

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This study aimed on investigation of factors affecting coffee export performance of Limmu Coffee Farmers' Cooperative Union, found at Limmu Woreda, Jimma Zone. To arrive to a sound and meaningful conclusion, the study attempted to adequately answer seven basic research questions, namely, (1) what are the significant attributes of good agronomic practice of Limmu cooperative union on coffee export performance? (2) What are the significant attributes of maintaining coffee processing quality of Limmu cooperative union on coffee export performance? (3) What are the

significant attributes of export marketing strategy on coffee export performance? (4) What are the significant attributes of firm characteristics on coffee export performance? (5) What are the significant attributes of management characteristics on coffee export performance? (6) What are the significant attributes of foreign market characteristics on coffee export performance? And (7) what are the significant attributes of domestic market characteristics on coffee export performance? After adequately analyzing and triangulating the data, the study arrived to the following summary of findings and conclusion.

5.1 Summary of Major Findings

5.1.1 Internal Environment

A. Export Marketing Strategy

The statistical summary shows that the general export performance of Limmu cooperative union is currently found at a promising and competitive status in a number of parameters. Generally, trends of Limmu farmers' cooperative union towards export marketing strategy are found to be efficient and effective to promote the firms strength on coffee export performance. This could be further considered from the aggregate (overall) mean (\bar{x}) = 3.94 with a corresponding average S.D.= 0.772, which depicts the firm's experience towards export marketing strategy lies between 'high' and 'very high effort about to proceed the union's coffee export performance.

Marketing strategy is the marketing of logic by which the business unit expects achieve its marketing objectives. Marketing strategy consists of marketing decisions on the business's marketing expenditure, marketing mix and allocations in relation to expected environmental and competitive conditions (Kotler, 2007). Hence, Limmu cooperative union performance effectiveness in export marketing strategy is found at remarkably competitive ground. The enterprise has a capacity of product adaptation for coffee export.

B. Firm Characteristics

The aggregate mean (\bar{x}) = 3.94 realizes the general firm characteristics has enormous contribution for the effectiveness of Limmu cooperative union export performance. Among others, technology innovation of the enterprise was a critical success factor that might critically

hamper the firm characteristics of Limmu cooperative union and required a critical attention to improve the union export performance.

In relation to this, Morgan, Kaleka and Katsikeas (2004) asserted that firm resources and capabilities affect competitive strategy and positional advantage which in turn influences the performance of export venture. A comparatively lesser researched aspect is firm's location and access to infrastructure/services. Therefore, technology innovation and application is anticipated to be improved as it enhances the capability of the enterprise to hold a more competitive advantage in the coffee marketing business.

C. Management Characteristics

Generally, except, management challenges in terms of export barriers and management's international experience in the export business, the aggregate (overall) mean, $(\bar{x}) = 3.95$, suggests that the existing management characteristics are efficient and effective for the competitiveness of the enterprise in the export marketing performance. As far as management's characteristics in the study area are regarded, more efforts should be made to minimize the challenges related to export barriers and to enhance the management's international experience in the export business. Without selling oneself, a coffee exporting enterprise management couldn't help the firm efficiently and effectively achieve the desired business goals and objectives; hence, the management of Limmu cooperative union is required to maximize efforts on how to reduce challenges related to export barriers and enhance the management's international experience in the export business.

The conclusion that can be drawn from the previous literature is that international market knowledge, including both experience-based and information-based knowledge, is regarded as a firm's valuable resource and is critical to the competitiveness and export performance of agricultural exporters (Boehe & Cruz, 2010). In this regard, the management of Limmu cooperative enterprise requires improving challenges related to export barriers and to enhance the management's international experience in the coffee export business.

D. Good Agronomic Practices

Among others, relatively low effectiveness of Limmu cooperative union was evident in areas of good agronomic practices. The aggregate (overall) mean on the indicators of good agronomic practices, $(\bar{x}) = 3.30$ was evident in that the existing agronomic practices of Limmu cooperative union was found at unsatisfactory stage. And if a reliable export marketing performance is concerned, the enterprise would require to do intensive on agronomic activities for the sustainable production that can switch of the customers by maintaining sufficient production to sustain in the market; to keep up positive comment about the product quality from buyers and also in order to support the standards of coffee certification, very strong effort is needed for good agronomic practice by Limmu coffee farmers cooperative union.

There is a growing interest of international markets in differentiated agricultural products from the tropics. Smallholders in emerging markets can benefit by capitalizing on the natural resource variability in their production system and from the knowledge that they have about this variability (Juergen, 2011). Coffee is a heavily traded global commodity, and high quality Arabica beans are the fastest-growing segment of the market. The demand from consumers for certified coffee is also growing, and the price they are willing to pay has caught the attention of traders and producers. In order to meet market demand, coffee farmers have had to adapt farming practices to qualify for certification. The various standards available include a range of criteria that evaluates farmer performance in relation to environmental protection, social issues and economic sustainability. These certifications have the potential to create value for smallholders, as certain certified coffee carries a market premium According to IFC (2006).

E. Processing Quality

The obtained aggregate mean, $\bar{x} = 3.63$ showed the processing quality of Limmu cooperative union was found at ‘medium’ effectiveness level to contribute its part to the overall export marketing performance. The corresponding average S.D (0.959) reveals the individuals’ deviation characteristics in the response climate were relatively wide, which depicts the lack of common consensus over the responses of the questionnaire items. As far as competitive coffee marketing business is the heart of Limmu cooperative union, the enterprise, particularly, required to search for and applies working strategies for maintaining and sustaining specialty

grade export coffee maintained through processing firm and get premium price for its exported coffee per its excellent processing quality. This is achieved through correcting the different coffee quality maintaining parameters starting from the farm level during harvesting, and developing strategies to use processing technologies that increases processing efficiencies on its processing units by replacing the old, backward and inefficient processing machines and systems.

Quality is the result of many factors in coffee production and processing. Most important are the place of origin of the product, the specific coffee variety (Robusta or Arabica, and Arabica sub-varieties: Bourbon, Castillo, Geisha and other), the adequate sowing and agronomic management, the harvest and post-harvesting processes and the industrialization of the bean (CBI, 2018).

5.1.2 External Environment Characteristics

A. Foreign Market Characteristics

Generally, the aggregate mean, $(\bar{x}) = 3.64$ for the existing market characteristics reveals the reality of the present effectiveness of Limmu cooperative union in terms of foreign market characteristics not as mature enough as expected. Special efforts on the improvement of the enterprise's export marketing performance required to maintain and sustain efficient and effective plans and strategies towards: the legal and political environment that has negatively affected the union's coffee export performance; the socio-cultural environment that has negatively affected the union's coffee export performance; and the export market barriers that has adversely influenced Limmu cooperative enterprise export performance.

The most important variable in this context is the export market barriers faced by local firms in the foreign markets. These barriers are found to impact export performance of the firms adversely (Al-Hyari et al, 2011). Likewise, the legal-political and the socio-cultural environment prevailing in the foreign countries also have association with export performance. The sign of this relationship however differs on the basis of the type of environmental conditions. For instance AyanAndPercin (2005) have found negative relationship for this variable in their study of Turkish exporters while Cadoganet al (2012) and Sousa and Bradley (2008) found the relationship to be positive.

B. Domestic Market Characteristics

The aggregate mean (\bar{x}) = 3.91 reveals that the existing domestic market characteristics of Limmu cooperative union has been found at a significant competitive status. Hence, the total experience of Limmu cooperative union towards domestic market characteristics is at a promising status, but still required cumulative efforts so as to bring the coffee business of the cooperative union to a more competitive climate and maintain and sustain a more proficient coffee export performance by maintaining working strategies related with export market barriers existing in the exporting country, which requires favorable export assistance.

In relation to domestic market characteristics several literatures asserted the use of export assistance has been the most prominent variable having significant positive association with export performance (Shamsuddoha et al, 2006; Bonner and Mc-Guinness, 2007). Export market barriers existing in the host country also influences export performance negatively (Carneiro, Rocha, and Silva, 2011). Legal and political environment shows mixed results with positive association with export performance in case where such an environment is conducive for exporting activities (O'Cass and Julian, 2003). Exporters operating in more competitive environments can benefit most from engaging in exports (Cadogan, Sundqvist, Puumalainen, and Salminen, 2012).

C. Export Performance

In general, the aggregate mean of the existing export performance of Limmu coffee farmers cooperative union is very high, (\bar{x}) = 4.21. This statistic reveals the truth that the existing general export performance of Limmu cooperative enterprise is found in a good competitive climate and this export performance shows the significance of the coffee export business.

5.2 Conclusion

The export marketing performance of Limmu coffee farmers cooperative union was investigated in terms of internal environmental factors (good agronomic practice, processing quality, export marketing strategy, firm characteristics and management characteristics) and external environmental factors (foreign market characteristics, domestic market characteristics). The conceptual preposition that was strictly followed in the study, therefore, was of multi-dimensional content in nature.

Empirical data clearly showed the influences of factors concerning the internal environment and external environment as well as coffee export performance. Findings revealed that the export marketing strategy is the most influential variable upon coffee export performance of Limmu cooperative union. While indicators of the export performance, management characteristics, firm characteristics, the export marketing strategy and domestic market characteristics of the business firm have been found in a more promising and better competitive status, trends of Limmu cooperative union related to good agronomic practices, processing quality and, more or less, the firm's foreign market characteristics has relatively been areas required better intervention to hold a more competitive status towards the export marketing performance.

The results showed that export marketing performance of Limmu coffee cooperative union was critically hampered by technology innovation (firm characteristics); challenges related to export barriers and low management's international experience (management characteristics); lack of production that attracts customers, lack of positive comment about the product from buyers, and critical problems related to good agronomic practice that supports certification (good agronomic practices); lack of specialty grade export coffee maintained through processing firm and get premium price (processing quality); the legal and political environment that has negatively affected the union's coffee export performance, the socio-cultural environment that has negatively affected the union's coffee export performance and the export market barriers that has adversely influenced the enterprise's export performance (foreign market characteristics); and export market barriers existing in the exporting country (foreign market characteristics) respectively.

5.3 Recommendations

Based on findings and conclusion made above, the researcher forwards the following feasible recommendation points.

- The cooperative union should see appropriate ways of coffee production system that can add a value to enhance coffee export performance. To achieve this the top management of Limmu coffee farmers cooperative union requires to effectively and efficiently employ working strategies to produce quality coffee for its customer satisfaction .
- For a business to be successful, should not only good product with attractive price to generate sale and profit but should also be able to effectively communicate the detail of the product to the customer from the result the business unit promotional suffer from lack product diversity like specialty coffee. Therefore, the business firm required to create specialist coffee that “specialty coffee” has become a generic label covering a range of different coffees, which either command a premium price over other coffees or are perceived by consumers as being different from the widely available mainstream brands of coffee.
- The coffee enterpriseneeds to focus on analysis further factor to be considered in formulating the marketing strategy by doing a market research on situational analysis in order to retain customer for a long period of time and also to attract new customer with new coffee variety.
- The top management should see the possibility to use leadership as a source of competitive advantage due to the fact that the enterprise existence for several years in the business, firm’s resources and international experience in order to cope up the fierce competition existence in home country’s exporters as well as the foreign country’s exporters.
- The top management needs to give emphasis for export marketing strategy of the enterprise in the long term basis to cope up the challenges and take the advantage of opportunities those associated with the coffee export performance.
- The top management also sees the possibilities on trade events or exhibitions held by the government agencies or institutions, these are very useful sources of information for

exporters and importers throughout the world. This channel will encourage LCFCU to gain useful information from international markets.

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Appendices

Appendix I: Questionnaire

This questionnaire is designed to investigate factors affecting coffee export performance in the case of Limmu coffee farmers' cooperative union. This study's main aim is to fulfill the partial requirement of Master of Business Administration. Responding questions in this questionnaire will take a maximum of 20-25 minutes. The information gathered will be used fully and with due attention for academic purpose only. I therefore, would like to assure you that the data collected will

not be misused in anyway. Therefore, your genuine, honest, and prompt response is a valuable input for the quality and successful completion of the paper.

General Instructions

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

Section I- Personal Profile

A. Personal Information:-

1. Your age: 18-30 Years 31-45 Years 46-60 years 60+years
2. Sex: Male Female
3. Highest formal education attended:
High School College Diploma Degree above Degree
4. Years of Service in the organization: <3..... 3-5..... 6-10.....>11.....
5. Your current position: _____
6. Years of Service in the current position organization <33-5..... 6-10>11

Section II- Internal Environment Characteristics: This section enquires and assesses the internal environment characteristics include: Export marketing strategy, Firm characteristics , Management characteristics ,good agronomic practice and processing quality to investigate coffee export performance of Limmu coffee farmers cooperative union .By considering the experience of the unions coffee export performance, to the extent you agree or disagree with the following statements, please tick (X) the appropriate box.

NO	Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	A. Export marketing strategy					
1	Coffee suppliers production system comply with the standards of all certification schemes.					
2	There is a capacity of pricing adaptation.					
3	There is advertising/promotion adaptation capacity					
4	There is capacity of channel relationship					
5	The enterprise has put in place strategies to expand export markets over the years.					
	B. Firm characteristics					
6	The size of the firm benefits for the union export performance.					
7	The age of the firm benefits for the union export performance.					
8	The level of technology innovation used benefits export performance.					
9	The level of international competence is advantageous for the enterprise.					
10	Access to infrastructure/services advantageous for the union .					

11	Location suitability is advantageous for the enterprise.					
12	The firm's financial resources and supply chain management capabilities benefits the export performance.					
13	The enterprise utilization of R&D is used to enhance coffee export performance .					
C	Management characteristics					
14	Managements have international experience in the export business .					
15	Managements level of commitment and attitude towards exporting					
16	Management's incorporating corporate social responsibility					
17	Management's perceived export advantages.					
18	Management's perceived export barriers.					
19	The union has advantage on international market knowledge.					
20	All agronomic activities are intensively done to boost production that attracts customers.					
21	The current Coffee production is insufficient to sustain in the market.					
22	There is positive comment from m buyer					
23	Good agronomic practice supports certification					
	E. Processing Quality					
24	The Quality of coffee have an an impact c					

	export price.					
25	The export coffee processing units t fulfil all of the standard quality criteria's					
26	The union got premium price for i exported coffee due to its excellence processing quality.					
27	There is a specialty grade export coffee due to processing quality .					

Section III- External Environment Characteristics: This section enquires and assesses the external environment characteristics include: Foreign market characteristics and domestic market characteristics to measures coffee export performance of Limmu coffee farmers cooperative union . To the extent you agree or disagree with the following statements, Please, tick () the appropriate box.

No	Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	A .Foreign market characteristics					
28	Export market barriers impact export performance adversely.					
29	Legal and political environment negatively affect union's coffee export performance					
30	Socio-cultural environment negatively affect union's coffee export performance					
	B. Domestic market characteristics					
31	The union's coffee export performance positively associated with the use of export assistance					

32	The union's coffee export performance negatively related with export market barriers existing in the exporting country.					
33	The union's coffee export performance positively related with legal and political environment in the exporting country					
34	The enterprise experiencing a competitive price					
35	The union is operating in more competitive business environments					
Sec IV	Export Performance					
36	Financial performance is positively related with coffee export performance					
37	Market performance is positively related with coffee export performance					

Appendix II: Interview Questions

Section II: In-depth interview with key informants

1. Identification

1.1. Code given to an interview _____

1.2. Position _____

1.3. Year of experience in the enterprise _____

2. Main Issues

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

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

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

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

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

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

Appendix III

One-Sample Test (Export Marketing Strategy)

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper

Coffee suppliers production system comply with the standards of all certification schemes.	51.503	102	.000	4.147	3.99	4.31
There is a capacity of pricing adaptation.	44.525	102	.000	4.020	3.84	4.20
There is advertising/promotion adaptation capacity	33.832	102	.000	3.598	3.39	3.81
There is capacity of channel relationship	43.276	102	.000	3.863	3.69	4.04

One-Sample Test (Firm Characteristics)

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The size of the firm benefits for the union export performance.	52.000	102	.000	4.078	3.92	4.23
The age of the firm benefits for the union export performance	52.000	102	.000	4.078	3.92	4.23
The level of technology innovation used benefits export performance	28.628	102	.000	3.471	3.23	3.71
The level of international competence is advantageous for the enterprise	38.594	102	.000	3.804	3.61	4.00
Access to infrastructure/services is advantageous for the union	40.706	102	.000	3.990	3.80	4.18

Location suitability is advantageous for the enterprise	48.917	102	.000	4.127	3.96	4.29
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One-Sample Test (Management Characteristics)

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Managements have international experience in the export business	42.923	102	.000	3.833	3.66	4.01
Managements level of commitment and attitude towards exporting	57.251	102	.000	4.176	4.03	4.32
Management's incorporating corporate social responsibility	42.157	102	.000	3.892	3.71	4.08
Management's perceived export advantages	52.840	102	.000	4.078	3.93	4.23
Management's perceived export barriers	47.014	102	.000	3.745	3.59	3.90
The union has advantage on international market knowledge	43.423	102	.000	3.990	3.81	4.17

One-Sample Test (Good Agronomic Practices)

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
All agronomic activities are intensively done to boost production that attracts customers	25.911	102	.000	3.176	2.93	3.42
The current Coffee production is sufficient to sustain in the market	24.941	102	.000	2.853	2.63	3.08
There is positive comment from m buyers	27.937	102	.000	3.333	3.10	3.57
Good agronomic practice supports s certification	35.392	102	.000	3.873	3.66	4.09

One-Sample Test (Processing Quality)

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The Quality of coffee have an an impact on export price.	48.808	102	.000	3.961	3.80	4.12
The export coffee processing units t fulfills all of the standard quality criteria's	36.526	102	.000	3.755	3.55	3.96
The union got premium price for its exported coffee due to its excellent processing quality	30.961	102	.000	3.225	3.02	3.43
There is a specialty grade export coffee due to processing quality .	38.968	102	.000	3.578	3.40	3.76

One-Sample Test (Foreign Market Characteristics)

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Export market barriers impact export performance adversely	38.968	102	.000	3.578	3.40	3.76
Legal and political environment negatively affect union's coffee export performance	48.833	102	.000	4.088	3.92	4.25
Socio-cultural environment negatively affect union's coffee export performance	27.841	102	.000	3.412	3.17	3.65
The cooperative union is projected to grow, fueled by the increasing demand of coffee external market	70.798	102	.000	3.520	3.42	3.62
The development of the cooperative union is subjected to the adoption of voluntary sustainability standards	73.273	102	.000	3.588	3.49	3.69

One-Sample Test (Domestic Market Characteristics)

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
The union's coffee export performance positively associated with the use of export assistance	65.154	102	.000	4.127	4.00	4.25

The union's coffee export performance negatively related with export market barriers existing in the exporting country	27.144	102	.000	3.235	3.00	3.47
The union's coffee export performance positively related with legal and political environment in the exporting country	49.544	102	.000	3.961	3.80	4.12
The enterprise experiencing a competitive price	48.095	102	.000	4.020	3.85	4.19
The union is operating in more competitive business environments	56.549	102	.000	4.216	4.07	4.36

One-Sample Test (Export Performance)

	Test Value = 0					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Financial performance is positively related with coffee export performance	63.222	102	.000	4.314	4.18	4.45
Market performance is positively related with coffee export performance	61.633	102	.000	4.245	4.11	4.38
Better Perception and satisfaction on coffee export performance	46.464	102	.000	4.078	3.90	4.25