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THE DETERMINANT FACTORS AFFECTING COFFEE EXPORT BUSINESS PERFORMANCE IN ETHIOPIA: THE CASE OF SELECTED COFFEE FARMERS' COOPERATIVE UNION

A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF ADDIS ABABA UNIVERSITY DEPARTMENT OF MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF SCIENCE IN INTERNATIONAL BUSINESS (MSC)

BY

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ADDIS ABABA, ETHIOPIA

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JANUARY 2025

ADDIS ABABA, ETHIOPIA

DECLARATION

I, the undersigned, declare that this thesis, entitled **"THE DETERMINANT FACTORS AFFECTING COFFEE EXPORT BUSINESS PERFORMANCE IN ETHIOPIA: THE CASE OF SELECTED COFFEE FARMERS' COOPERATIVE UNION"** is my original work and has not been submitted for a degree or any other qualification at any other institution. Any references made to the work of other scholars have been duly acknowledged, and all sources are properly cited in the bibliography.

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Date: 30 January 2024

THESIS SUBMISSION APPROVAL FORM

This is to certify that the thesis entitled **"THE DETERMINANT FACTORS AFFECTING COFFEE EXPORT BUSINESS PERFORMANCE IN ETHIOPIA: THE CASE OF SELECTED COFFEE FARMERS' COOPERATIVE UNION"** has been carried out by **DAWIT ALEMAYEHU AWAS** under my supervision. This thesis is submitted for partial fulfillment of the requirements for the **Master of International Business** program at Addis Ababa University. I confirm that the candidate has met the necessary academic requirements and recommend the thesis for submission and defense.

Name of Advisor: TEWODROS WUHIB (Assistant Professor)

Signature: _____

Date: 28/1/25

CERTIFICATION

This is to certify that the thesis prepared by **DAWIT ALEMAYEHU AWAS**, entitled **"THE DETERMINANT FACTORS AFFECTING COFFEE EXPORT BUSINESS PERFORMANCE IN ETHIOPIA: THE CASE OF SELECTED COFFEE FARMERS' COOPERATIVE UNION"** meets the accepted academic standards of Addis Ababa University. The research complies with university regulations and is approved by the Board of Examiners.

Approved by Board of Examiners

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ABSTRACT

Coffee is Ethiopia's most vital export commodity, contributing approximately 30-35% of the country's total export earnings and supporting the livelihoods of 25% of the population. Despite Ethiopia's position as Africa's largest coffee producer and the world's fifth largest exporter of Arabica coffee, the sector faces persistent challenges that limit its potential contribution to national economic development. This study aimed to assess the determinant factors affecting coffee export business performance in Ethiopia, focusing on selected coffee farmers' cooperative unions.

The research employed a mixed-methods approach, combining quantitative and qualitative data collection and analysis. Primary data were gathered through structured questionnaires and semi-structured interviews from 101 stakeholders, including coffee exporters, cooperative members, and officials from relevant agencies such as the Ethiopian Coffee Exporters Association (ECEA) and the Ethiopian Coffee and Tea Authority. Secondary data were sourced from government reports, academic publications, and international trade organizations. Descriptive statistics, correlation analysis, regression analysis, and thematic analysis were utilized to examine the relationships between key determinants and export performance.

The findings revealed that Ethiopian coffee is generally perceived as competitive in global markets, particularly regarding quality and unique flavor profiles. However, significant challenges persist across multiple dimensions. Government trade policies received mixed perceptions, with many respondents expressing uncertainty about policy effectiveness, adaptability, and ease of implementation. Logistics and infrastructure were recognized as critical components supporting export operations, yet concerns regarding service speed and consistency were identified. The study found that relationship management skills and product traceability practices were relatively strong, though technology adoption and digital marketing strategies remained underutilized. Regression analysis indicated that management experience and educational level did not significantly impact export performance, suggesting that other variables play more critical roles in determining success.

The study concludes that improving Ethiopia's coffee export performance requires a holistic approach integrating policy reforms, infrastructure development, capacity building, and market

expansion efforts. Key recommendations include streamlining export regulations, investing in modern storage facilities and transportation networks, strengthening marketing strategies through digital platforms and international trade fairs, implementing standardized quality control mechanisms, and supporting sustainability initiatives such as organic farming and fair trade certification. Addressing these challenges will enable Ethiopian coffee exporters to maximize revenues, increase market penetration, and sustain long-term competitiveness in the global coffee market.

Keywords: Coffee Export Performance, Ethiopia, Determinants, Government Policy, Logistics, Global Competition, Traceability, Sustainability

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CHAPTER ONE

1. Introduction

1.1. Background of the study

''The way for a nation to become richer was to restrict imports and stimulate exports. Thus, one nation could gain only at the expense of other nations.'' (Donimick Satlvatore)

Trade is an engine of economic growth and development for a country. The benefit a country can get from international trade is largely dependent on exports.

Export trade is one of the most important activities in economic growth and development of a country. It plays a crucial role in creating employment opportunities, increasing production capacity and reducing production cost through its direct and indirect impact on the domestic activities. Its contribution is also highly significant as a major source of foreign exchange to finance import of commodities that are not domestically produced but which are of vital importance for domestic production. In addition, it strengthens the capacity of the government to provide public goods by increasing government revenue.

Underdeveloped countries are largely dependent on the export sector. Their exports are mainly primary products that have high fluctuations in both price and volumes in the international market. Among the few primary commodity exports of LDCs, coffee, the second most internationally traded product next to oil, accounts for a high percentage of their export. It is the main source of foreign exchange and export revenue of these countries but like any primary commodity exports price is characterized by high fluctuations.

Ethiopia is one of the LDCs where exports are mainly primary commodities. Among the few exports coffee plays a major role in our country as a source of foreign exchange earnings, government revenue and employment opportunities. Thus, coffee constitutes the single most export item in Ethiopian exports. Improvements or deterioration in coffee export earnings moves the total export earnings in the same direction.

Ethiopia is Africa's largest coffee producer and the world's fifth largest exporter of Arabica coffee. Coffee is Ethiopia's number one source of export revenue generating about 30-35 percent of the country's total export earnings. All the coffee produced in Ethiopia is of the coffee arabica variety.

In 2023/24 total production is forecasted to be 8.35 million (501,000 MT). The coffee industry in Ethiopia is the driving force of the country's economy, socio-cultural, and spiritual life of the people. The livelihood of 25 percent of the country's population is directly or indirectly dependent on the coffee value chain will remain in the years to come. Post Addis estimates Ethiopia's coffee production for MY 2022/23 (Oct-Sep) to reach 8.27 million (496,200 MT).

This study aims to assess the determinants of the coffee exporting business in Ethiopia. Hence, Ethiopia is one of the LDCs where exports are mainly primary commodities. Among the few exports coffee plays a major role in the country as a source of foreign exchange earnings, government revenue and employment opportunities. Thus, coffee constitutes the single most export item in Ethiopian exports. Improvements or deterioration in coffee export earnings moves the total export earnings in the same direction. Therefore, this research specifically focuses on crucial factors such as logistics, global competition, sustainability, communication, regulatory procedures, and export promotion. The study will be prepared with these determinants in mind.

1.2. Statement of the problem

Ethiopia is renowned for its diverse coffee varieties and is the first country in the world with numerous regions suitable for coffee cultivation. The country has developed a modern and efficient domestic marketing system, including institutions like ECX and ECEA, and benefits from inexpensive labor. The coffee industry employs approximately 15 million people, including 10 million households and 5 million farmers, demonstrating its significant role in reducing unemployment. Ethiopian Coffee and Tea Development Authority (ECTDA 2016)

The coffee export marketing practices also face obstacles, including volatile international coffee prices, extended supply chains (ECX), low productivity, inconsistent quality, limited value addition, and climate change (Hana Mulugeta, 2018). Furthermore, deforestation, land degradation, loss of genetic diversity, crop replacement by more profitable cash crops, insufficient market promotion and incentives, and inadequate services (credit, inputs, seeds, equipment) are of a great obstacles for coffee (Ethiopia Coffee & Tea Authority, 2017).

Despite the sector's potential to strengthen Ethiopia's financial position, various factors hinder the coffee export market both locally and internationally. Although there has been a notable

increase in export activities, the growth rate does not match the country's abundant resources, such as cheap labor, suitable climate, and fertile soil. Consequently, the coffee sector's contribution to the national GDP remains relatively low. This paper aims to address these gaps by analyzing the descriptive value of marketing concepts to understand better and improve the coffee export sector's performance.

Ethiopia's external trade is characterized by export of primary commodities and import of manufactured goods. The export sector in particular is characterized by huge fluctuations and extreme dependence on few primary export commodities such as coffee, hides and skins.
In view of this fact, the study will attempt to address the following research questions.

1.3. Research Questions

What is the primary determinant factor affecting the export performance of coffee for a selected exporter in Ethiopia? Based on this main research question and the variables to be examined, the following specific research questions are outlined:

1. What are the key determinants affecting the performance of coffee exports in Ethiopia?
2. How do government policies impact the Ethiopian coffee export sector?
3. How does global competition affect the coffee export business in Ethiopia?
4. What role does consistency and quality management play in the Ethiopian coffee export market?
5. What influence do logistics and infrastructure have on the performance of Ethiopia's coffee exports?
6. How do price fluctuations in the international market affect Ethiopia's coffee export performance?
7. What measures should the Ethiopian government take to improve coffee export performance?
8. How does communication and market promotion affect Ethiopia's coffee export business?

1.4. Objective of the study

1.4.1. General Objective

The general objective of this study is to assess the determinants affecting the coffee export business performance in Ethiopia, focusing on the key factors influencing the export industry in Addis Ababa, and to identify the challenges and opportunities for improvement.

1.4.2. Specific Objectives

In alignment with the general objective, the following specific objectives were formulated:

1. To evaluate the influence of exporting policies on the Ethiopian coffee export industry.
2. To explore the impact of intense global competition on the coffee export business.
3. To assess the role of consistency and quality in the Ethiopian coffee export sector.
4. To analyze the role of communication and market promotion in enhancing Ethiopia's coffee exports.
5. To examine the influence of logistics and infrastructure on Ethiopia's coffee export business.
6. To assess the impact of price fluctuations on the performance of coffee exports.
7. To propose policy recommendations to improve coffee export performance in Ethiopia.

1.5. Significance of the Study

The significance of this study lies in its ability to provide valuable insights into the coffee export business in Ethiopia. The study is important for:

- **The Organization**: It will guide coffee exporters, government agencies, and industry stakeholders in understanding the critical factors that affect export performance, which will help in developing targeted interventions to improve the sector.
- **The Researcher**: The study offers an opportunity to gain a deeper understanding of the coffee export sector, expand the researcher's knowledge, and contribute to the academic field of international trade and export performance.
- **Other Researchers**: This study will provide a foundation for future research on Ethiopia's coffee export performance, serving as a reference for researchers interested in agricultural exports, global trade, and commodity markets.

1.6. Scope of the Study

The scope of this study focuses on assessing the export performance of coffee for a selected exporter in Ethiopia, analyzing the key determinant factors affecting their performance in the international coffee market. The study will specifically examine variables such as market dynamics, government policies, logistics, quality consistency, and other external factors influencing coffee exports. The research will be conducted in Addis Ababa, where the exporter is based, and will involve primary data collection through interviews and questionnaires, along with secondary data from relevant trade organizations and government bodies.

1.7. Definition of Terms

- **Coffee Export Business**: The process of producing and selling coffee beans to international markets, including all activities from farming to the final sale.
- **Export Performance**: A measure of how effectively a country or business exports goods or services, often evaluated by factors like export volume, revenue, and market share.
- **Determinants**: Factors or conditions that influence the outcome or performance of a particular activity or process.
- **Logistics**: The management of the flow of goods and services, including transportation, warehousing, and distribution, which is critical for the efficiency of export operations.
- **International marketing:** International marketing refers to any marketing activity that is carried out across national boundaries. Thus, it could include anything from exporting one product to one other country in response to an order, to a major effort to market a number of products to many countries. (Gerald Albaum, Edwin Duerr ; 2011)
- **Export:** It is the ways of distributing good or service beyond the home country.
- **Export Policy:** A set of guidelines & instructions related to the import and export of goods.
- **Factor:** Is one of things that affect an event, decision or situation.

1.8. Limitation of the Study

While this study seeks to provide a comprehensive analysis of the coffee export sector in Ethiopia, there are several limitations:

- **Time Constraints**: The research will be conducted within a limited time frame, which may restrict the depth of data collection and analysis.

- **Financial Constraints**: Limited funding may affect the ability to conduct extensive fieldwork or survey larger populations.
- **Respondents' Unwillingness**: Some participants may be unwilling to provide information or may lack time to engage in the study.
- **Timely Response of Respondents**: Delays in responses from government officials or exporters could impact the data collection process.
- **Lack of Available date**: Serious problem faced due to lack of available data registered as needed, the data available are different on the same issue from organization to organization.

1.9. Work Schedule/Time Table

The time table will cover a period of 9 months. Each task will be allocated sufficient time to ensure thoroughness and accuracy.

Activity	April	May	June	July	August	Sept	Oct	Nov	Dec	Jan
Title selection	X									
First draft proposal		X								
Proposal presentation			X	X	X	X	X			
Data collection and cleaning								X		
Data analysis								X	X	
Submit first draft thesis									X	
Make a correction to first thesis draft									X	
Submit second draft thesis										X
Submit final thesis										X

1.10. Organization of the Paper

The paper is organized into the following five chapters:

- **Chapter One**: Introduction, including the background, statement of the problem, research questions, objectives, significance, scope, limitations, and the organization of the study.
- **Chapter Two**: Literature Review, including theoretical and empirical literature on coffee export, trade theory, and performance measures.

- **Chapter Three**: Methodology, including research design, population, sample size, data sources, and methods of analysis.
- **Chapter Four**: Data Presentation and Analysis, focusing on the results obtained from both qualitative and quantitative data.
- **Chapter Five**: Summary, Conclusions, and Recommendations, summarizing the findings and suggesting actionable recommendations for improving the coffee export business in Ethiopia

CHAPTER TWO

2. Literature Review

2.1. Introduction

This section explores the key determinants affecting Ethiopia's coffee export sector. The literature review covers various aspects such as export performance, trade theory, government policies, global competition, logistics, sustainability, and communication, all of which are essential for understanding the challenges and opportunities in Ethiopia’s coffee export business. Scholars have identified different variables when investigating the determinants of export performance, with variations depending on the model applied and country-specific contexts.

Ethiopia, renowned as the birthplace of coffee, occupies a strategic position in the global coffee market. Coffee exports are a significant contributor to the country's economy, providing employment to millions and generating substantial foreign exchange. This literature review examines the factors influencing Ethiopia's coffee export sector, focusing on policies, global competition, logistics, sustainability, communication, and regulatory procedures. A deep understanding of these determinants is crucial for improving export performance and overcoming industry challenges.

The role of coffee exports in Ethiopia's economy extends beyond economic contributions to include its cultural and social significance. Coffee reflects the nation's rich heritage and traditional practices, and improving the sector’s efficiency and productivity could positively impact rural livelihoods and national economic stability. Key factors such as access to international markets, infrastructure development, and compliance with global quality standards are vital for Ethiopia to remain competitive in the global coffee trade. Moreover, the evolving global demand for sustainability and traceability presents both challenges and opportunities for Ethiopian exporters. Embracing institutional support and technological advancements, such as digital marketing and blockchain for product traceability, could further strengthen Ethiopia's position as a leader in ethical and premium coffee production. This comprehensive literature review provides a foundation for developing actionable strategies to enhance Ethiopia’s coffee export sector.

In addition to the factors mentioned, government policies and international trade agreements play a pivotal role in shaping Ethiopia's coffee export performance. Supportive policies, such as export subsidies, trade facilitation, and investments in infrastructure, are essential for overcoming barriers and improving the competitiveness of Ethiopian coffee in global markets. Additionally, Ethiopia's participation in global trade organizations and agreements can open new markets, reduce tariffs, and promote the country's coffee as a high-quality product. However, navigating these policies requires continuous adaptation to evolving international standards and market trends, highlighting the importance of strategic planning and long-term investments in the coffee sector. This dynamic relationship between domestic policy, international trade, and market demands underscores the complexity of Ethiopia's position in the global coffee market.

2.2. International Trade theory

Trade theory provides a comprehensive framework for understanding the patterns and benefits of international trade, explaining how countries specialize in producing goods where they hold a comparative advantage. Classical trade theories, such as absolute advantage (Adam Smith) and comparative advantage (David Ricardo), argue that countries enhance economic welfare by specializing in the goods they can produce most efficiently, even if one country is more efficient in producing all goods. The Heckscher-Ohlin theory extends this view, suggesting that trade patterns are influenced by differences in countries' resource endowments, such as labor, capital, and land. Product Life Cycle Theory and New Trade Theory further expand the trade discourse by introducing concepts like economies of scale, technological innovation, and market structures, which affect trade dynamics in a globalized economy. These theories collectively explain why countries, including Ethiopia, engage in international trade, and how factors such as resource endowments, production efficiency, and economies of scale shape export success.

Ethiopia's specialization in coffee production demonstrates the applicability of both classical and modern trade theories. According to the comparative advantage theory (Ricardo, 1817), Ethiopia benefits from focusing on coffee cultivation, a sector where it excels due to its unique agro-climatic conditions and historical expertise. This specialization allows Ethiopia to produce coffee more efficiently than other nations and trade for goods and services it cannot produce as

effectively. By allocating resources to areas of strength, Ethiopia maximizes its resource utility, enhancing its economic welfare in the global trade system.

Modern theories, such as the Product Life Cycle Theory (Vernon, 1966) and New Trade Theory (Krugman, 1980), provide additional insights into Ethiopia's role in the global coffee market. As consumer demand evolves, Ethiopian coffee, known for its premium quality and unique flavor profiles, has reached the "maturity" stage in certain markets. However, innovations in value addition, such as branding, packaging, and processing, can help Ethiopian exporters maintain and enhance competitiveness. Furthermore, economies of scale in coffee production, combined with strategic use of global trade networks, align with New Trade Theory, enabling Ethiopia to capitalize on its position as a leading coffee producer and sustain growth in international markets.

2.2.1. Absolute Advantage (Adam Smith)

Absolute advantage, a concept introduced by Adam Smith in *The Wealth of Nations* (1776), refers to a country's ability to produce a good or service more efficiently than another country using the same amount of resources. A country is said to have an absolute advantage in the production of a good if it can produce more output per unit of input compared to another country. Smith's theory asserts that when countries specialize in producing goods in which they hold an absolute advantage and then engage in trade, both nations benefit by acquiring goods at a lower cost than if they tried to produce everything domestically. This results in efficiency gains through specialization, ultimately boosting overall economic welfare.

Ethiopia's coffee industry exemplifies the principle of absolute advantage by leveraging its favorable environmental conditions and traditional expertise. The high-altitude regions, fertile soil, and favorable climate provide optimal conditions for producing high-quality Arabica coffee, allowing Ethiopia to achieve higher yields and superior quality per unit of input compared to many other coffee-producing nations. By specializing in coffee production and exporting it globally, Ethiopia maximizes its natural advantage, increasing its foreign exchange earnings and strengthening its economic position in international trade (Smith, 1776).

The efficiency gains from Ethiopia's specialization in coffee production extend beyond the sector itself, benefiting the broader economy. The coffee industry supports millions of smallholder

farmers and contributes significantly to government revenues. Additionally, by focusing on value addition, such as roasting, packaging, and branding, Ethiopia could further enhance its absolute advantage, boosting the value of its coffee exports. These advancements not only reinforce Ethiopia's competitive edge in the global market but also promote economic diversification, aligning with Smith's assertion that specialization and trade improve overall economic welfare.

2.2.2. Comparative Advantage (David Ricardo)

Comparative Advantage, a theory introduced by David Ricardo in the early 19th century, asserts that a country has a comparative advantage in producing a good if it can produce that good at a lower opportunity cost than other countries, even if it does not have an absolute advantage in its production. This concept challenges the traditional notion that a country needs to be the most efficient in producing a good to benefit from trade. Instead, it suggests that countries should specialize in producing goods where they have the lowest relative opportunity cost, enabling them to trade efficiently with other nations. In the context of Ethiopia's coffee industry, while the country may not possess an absolute advantage in all aspects of coffee production—due to factors like resource limitations or inefficiencies—it still benefits from a comparative advantage. Ethiopia's unique coffee varieties, favorable growing conditions, and the lower opportunity cost of cultivating coffee (compared to other crops such as food or cash crops) allow it to specialize in coffee production. This specialization helps Ethiopia remain a competitive player in the global coffee market, driving trade and generating economic benefits despite challenges in other sectors (Ricardo, 1817).

Ethiopia's comparative advantage in coffee production is evident in the global demand for its unique varieties, such as those from Sidamo, Yirgacheffe, and Harrar. These coffees are renowned for their distinct flavor profiles, which stem from Ethiopia's diverse agro-ecological zones. Unlike other crops that may require higher levels of industrial inputs or compete for limited arable land, coffee cultivation in Ethiopia aligns with the country's traditional agricultural practices and resource availability. This lower opportunity cost reinforces Ethiopia's specialization in coffee production, enabling it to compete effectively on the global stage (Ricardo, 1817).

In addition, Ethiopia's comparative advantage is bolstered by the global shift toward ethically sourced and organic products. The nation’s predominantly organic farming methods, coupled with its reputation for producing high-quality Arabica coffee, position Ethiopian coffee as a premium product in international markets. By capitalizing on these advantages through targeted marketing and trade agreements, Ethiopia can enhance its export revenue and mitigate challenges such as price volatility. Ricardo’s theory underscores the potential for Ethiopia to sustain its economic growth by focusing on sectors where it holds a distinct comparative advantage, even as it works to address inefficiencies in other areas of its economy.

2.2.3. Heckscher-Ohlin Theory

The **Heckscher-Ohlin Theory**, developed by economists Eli Heckscher and Bertil Ohlin, asserts that countries tend to export goods that utilize their abundant factors of production, while importing goods that require factors in which they are scarce. This theory emphasizes that a country's relative abundance of labor, land, and capital determines its production specialization and subsequent trade patterns. In the case of Ethiopia’s coffee export industry, this theory is highly applicable. Ethiopia is endowed with abundant fertile land and labor, both essential factors for large-scale coffee cultivation. As a result, the country has focused its agricultural sector on coffee production, leveraging these abundant resources to establish itself as a dominant player in the global coffee market. Ethiopia's specialization in coffee, driven by its comparative advantage in land and labor, aligns closely with the Heckscher-Ohlin theory, which underscores the importance of resource endowments in shaping trade dynamics (Heckscher & Ohlin, 1933).

Ethiopia's reliance on its abundant land and labor resources for coffee cultivation aligns perfectly with the Heckscher-Ohlin framework. Smallholder farmers, who comprise the majority of Ethiopia's coffee producers, utilize the country’s naturally fertile soils and diverse microclimates to grow premium Arabica coffee. This labor-intensive production system is supported by Ethiopia’s significant rural labor force, ensuring that the cost of production remains competitive in global markets. The extensive availability of these factors allows Ethiopia to maintain a strong export presence, reinforcing the role of resource endowments in determining trade patterns (Heckscher & Ohlin, 1933).

However, Ethiopia’s coffee sector also highlights some limitations of the Heckscher-Ohlin theory. While the country excels in utilizing its abundant factors of production, challenges such as inadequate infrastructure and limited access to modern agricultural technologies restrict its full potential. Addressing these gaps through investment in transportation networks, storage facilities, and technical training could further enhance Ethiopia's ability to capitalize on its resource endowments. By bridging these inefficiencies, Ethiopia can strengthen its position in the global coffee market and realize the full benefits predicted by the Heckscher-Ohlin theory.

2.2.4. Product Life Cycle Theory (Raymond Vernon)

The Product Life Cycle Theory, proposed by Raymond Vernon, suggests that products go through four distinct stages: introduction, growth, maturity, and decline. Initially, innovative countries produce and export new products, but as these products mature, production shifts to other countries with lower labor costs. In the context of Ethiopia’s coffee industry, this theory is applicable as Ethiopia’s coffee can be considered to be in the "maturity" stage of its product life cycle. Coffee cultivation in Ethiopia dates back centuries, and while the country continues to export coffee, it faces increasing competition from other coffee-producing nations. As global demand for coffee grows, Ethiopia must adapt to maintain its competitive edge, despite the challenges posed by other emerging coffee producers (Vernon, 1966).

As Ethiopian coffee reaches the maturity stage in its product life cycle, the country faces the critical challenge of maintaining its competitive edge. To address this, Ethiopia must focus on diversifying its coffee offerings and investing in value addition. For instance, introducing processed coffee products such as roasted or instant coffee could help Ethiopia tap into emerging markets and retain its relevance in the global coffee trade. Furthermore, branding Ethiopian coffee based on its rich heritage, unique flavor profiles, and sustainability practices can attract premium buyers and enhance market differentiation, aligning with Vernon's theory of adapting strategies as products evolve through the life cycle (Vernon, 1966).

Another important aspect is technological innovation in the production and marketing of Ethiopian coffee. Leveraging advanced techniques in processing, packaging, and quality control can improve the global appeal of Ethiopian coffee. Digital platforms for marketing and

traceability tools, such as blockchain technology, can also build consumer trust and loyalty. These innovations help Ethiopia navigate the competitive pressures from emerging coffee-producing countries while extending the maturity phase of its coffee products in international markets. Adopting these strategies ensures that Ethiopia remains a significant player in the global coffee industry as predicted by the Product Life Cycle Theory.

2.2.5. New Trade Theory

The **New Trade Theory** emphasizes the importance of increasing returns to scale and network effects in international trade. It suggests that countries can gain a competitive advantage by specializing in certain industries, even in the absence of absolute or comparative advantage. This theory highlights that through specialization, countries can reduce costs and increase efficiency, leading to a competitive edge in global markets. In the case of Ethiopia's coffee export industry, this theory is relevant as Ethiopia could benefit from economies of scale and increasing returns by specializing in the production of high-quality coffee. Specialization would allow Ethiopia to reduce production costs, improve quality, and sustain its competitive advantage in the global coffee market, thereby enhancing its export performance (Krugman, 1991).

Ethiopia's coffee industry is a prime example of how specialization can enhance global competitiveness, even without the need for absolute or comparative advantage. The New Trade Theory, as proposed by Krugman (1991), underscores the importance of economies of scale, where focusing on coffee production allows Ethiopia to achieve cost reductions and improve efficiency across the supply chain. As Ethiopia continues to scale up its coffee production and exports, it can lower unit costs, streamline operations, and increase profitability, all while maintaining its focus on high-quality coffee. These economies of scale position Ethiopia to effectively compete in an increasingly crowded global market.

Additionally, network effects play a crucial role in Ethiopia's coffee export performance. By specializing in coffee production, Ethiopia can build strong industry linkages, foster collaboration among farmers, exporters, and processors, and benefit from the collective knowledge and expertise within the sector. These network effects can lead to innovations in farming practices, improved product consistency, and better access to international markets. As Ethiopia's coffee

industry becomes more interconnected, the country can strengthen its position in global markets, leveraging specialization to secure long-term success in the coffee trade (Krugman, 1991).

2.2.6. Gravity Model of Trade

The **Gravity Model of Trade** posits that trade between two countries is directly proportional to their economic sizes (GDP) and inversely proportional to the distance between them. This model suggests that larger economies tend to engage in more trade with one another, while trade decreases as the distance between the countries increases, due to transportation costs and other logistical barriers. For Ethiopia's coffee exports, this model is relevant as the country's trade relationships are likely influenced by the economic size of its key trading partners, such as the European Union and the United States. Additionally, the proximity of Ethiopia to major international coffee markets, including those in Europe and the Middle East, would also play a crucial role in determining the volume of its coffee exports (Anderson, 2011).

The Gravity Model of Trade highlights the importance of economic size and geographical proximity in shaping international trade flows. Ethiopia's coffee exports are significantly influenced by its trade relationships with large economies like the European Union and the United States. According to the model, these nations' higher economic sizes, coupled with their robust demand for high-quality coffee, create favorable conditions for Ethiopia's coffee exports. As these economies grow, their demand for premium coffee continues to rise, providing Ethiopia with opportunities to expand its market share.

Geographical proximity also plays a pivotal role in Ethiopia's coffee trade dynamics. Ethiopia's location, which places it closer to European and Middle Eastern markets compared to some of its competitors, reduces transportation costs and time, making its coffee more competitive in these regions. This proximity to key markets not only facilitates smoother trade flows but also enhances the country's ability to respond quickly to market demands. By optimizing logistics and supply chain efficiency, Ethiopia can further capitalize on the Gravity Model, ensuring a steady increase in coffee exports to these high-demand regions (Anderson, 2011).

2.2.7. Terms of Trade (TOT)

The Terms of Trade (TOT) is a key concept in international trade, referring to the ratio at which a country's exports are exchanged for imports. It is a measure of the purchasing power of a country's exports in the global market. Favorable terms of trade means a country can afford more imports for the same amount of exports, enhancing its economic well-being. For Ethiopia, which heavily relies on coffee exports, the international price of coffee plays a crucial role in determining its TOT. Higher coffee prices improve Ethiopia's TOT, increasing its export revenue and enabling the country to import more goods with the same volume of exports. Conversely, fluctuations in coffee prices, particularly decreases, could negatively affect the country's terms of trade and overall export performance. This concept is central to understanding how external factors such as global market prices can directly influence the effectiveness and profitability of Ethiopia's coffee export sector, which is vital for the country's economy (Sachs & Warner, 1995).

The relationship between coffee prices and Ethiopia's Terms of Trade (TOT) underscores the vulnerability of the country's economy to fluctuations in global coffee prices. When global coffee prices rise, Ethiopia's export revenue increases, which enhances the country's ability to import essential goods, such as machinery, technology, and other commodities that support economic development. This creates a positive feedback loop, where improved TOT contributes to economic stability and growth. By maintaining favorable TOT, Ethiopia can strengthen its economic position, allowing it to invest in infrastructure, education, and other critical sectors.

However, the volatility of coffee prices poses a significant risk to Ethiopia's export performance. Sudden declines in global coffee prices can reduce the country's purchasing power, forcing it to scale back imports or adjust domestic economic policies to mitigate the negative impact. To counteract this, Ethiopia must diversify its economy by developing other export sectors and enhancing the value-added processing of coffee, such as roasting and packaging. These strategies could help buffer the country against price fluctuations and ensure more stable and favorable terms of trade in the long term (Sachs & Warner, 1995).

2.2.8. Modern (Firm-based Trade Theories)

Modern firm-based trade theories emphasize the role of individual firms in driving international trade, shifting the focus from countries or sectors to firm-specific capabilities. These theories

highlight the importance of factors such as technological innovation, product differentiation, and economies of scale. Firms, according to these theories, are central to shaping trade patterns and determining a country's success in global markets. A key aspect of these theories is the role of firms in international trade decisions, such as market entry strategies, competitive advantage, and investment in research and development (Helpman & Krugman, 1985).

One such theory is the New Trade Theory (Krugman, 1980), which introduces the concept of increasing returns to scale. This theory argues that firms capable of achieving economies of scale are better positioned to succeed in international trade, even when they do not have traditional comparative advantages in certain sectors. For Ethiopia, this theory is relevant in explaining how local coffee producers could specialize in larger-scale production, reduce unit costs, and expand their international market share. Shifting from a purely resource-based approach to a firm-centered perspective allows for a better understanding of trade dynamics, particularly in industries like coffee, where innovation, branding, and quality differentiation are key to success.

In Ethiopia’s coffee industry, firms that invest in technological innovation, quality control, and branding can significantly improve their competitiveness in global markets. These firms not only benefit from Ethiopia’s favorable environmental conditions but also leverage their ability to innovate and differentiate their coffee products. As the global market for specialty coffee grows, Ethiopian producers focusing on product differentiation through organic certifications or fair trade labeling can capture higher-value market segments. These strategies help mitigate the risks of price volatility, a common challenge for primary commodity exporters (Helpman & Krugman, 1985). Furthermore, large-scale producers who invest in processing, branding, and export distribution channels can reduce unit costs, thereby expanding their market share and improving their international competitiveness. This shift towards firm-based strategies underscores the growing importance of firms in navigating the complexities of global trade, particularly in competitive sectors like coffee.

Additionally, by fostering collaborations with international buyers and partners, Ethiopian coffee producers can further enhance their global presence. Strategic partnerships can provide access to advanced technologies, new markets, and innovative marketing platforms. Firms that engage

in such collaborations are better equipped to manage supply chain complexities and gain insights into consumer preferences in different regions. By embracing firm-based strategies such as these, Ethiopian coffee exporters can better adapt to changing market demands and solidify their position in the increasingly competitive global coffee market.

2.2.9. Country Similarity Theory

The Country Similarity Theory, introduced by Steffens and Grubel (1975), posits that trade between countries is more likely when they share similar economic characteristics, such as income levels, consumer preferences, and industrial structures. This theory emphasizes the importance of demand-side factors in determining trade flows, suggesting that countries with similar levels of development and consumption habits are more likely to engage in trade with one another. In the context of Ethiopia's coffee exports, this theory implies that Ethiopia's coffee may be more competitive in countries where consumer preferences align with the qualities of Ethiopian coffee, such as nations with established coffee consumption habits or a preference for high-quality specialty coffee.

Ethiopia's coffee sector stands to benefit from trading with countries that have a similar demand for high-quality, organic, or fair-trade certified products. For instance, European countries that prioritize sustainability and ethical sourcing present prime markets for Ethiopian coffee. These countries value the unique, high-quality varieties of coffee Ethiopia produces, making the Country Similarity Theory a useful framework for understanding why certain markets are more receptive to Ethiopian coffee than others. By focusing on countries with similar consumer cultures, Ethiopian coffee producers can better tailor their products and marketing strategies to meet the specific demands of these markets, thereby increasing export volumes (Steffens & Grubel, 1975).

Ethiopia's strong cultural and historical connection to coffee production provides a unique advantage in markets that prioritize sustainability, organic certification, and fair-trade practices. The Country Similarity Theory suggests that Ethiopian coffee is more likely to succeed in markets where consumers are increasingly focused on ethical sourcing. For example, European countries, which have growing demand for ethically sourced products, are prime markets for Ethiopian

coffee. By aligning Ethiopia's coffee production with these consumer preferences, Ethiopia can enhance its competitiveness and secure long-term export success. This approach underscores the importance of understanding consumer culture and preferences in shaping global trade dynamics.

Additionally, Ethiopia's growing focus on sustainable coffee farming practices and its efforts to improve coffee processing quality position it well to meet the increasing consumer demand for premium, ethically sourced coffee. As global consumers become more conscious of the environmental and social impacts of their purchases, Ethiopia can capitalize on its unique offerings, including certifications like Fair Trade and organic coffee. By emphasizing these attributes, Ethiopian coffee exporters can further differentiate themselves from competitors and strengthen their market share in countries with similar demand characteristics, ultimately driving long-term growth and stability in Ethiopia's coffee export sector.

2.2.10. Porter's National Competitive Advantage

Porter's National Competitive Advantage theory, presented in his book *The Competitive Advantage of Nations* (1990), provides a framework for understanding how countries can achieve success in specific industries on the global stage. According to Porter, a nation's competitive advantage is determined by the interplay of four key factors: firm strategy, structure, and rivalry; demand conditions; related and supporting industries; and factor conditions. These factors collectively shape the environment in which firms operate and influence their capacity to compete internationally.

In the context of Ethiopia's coffee industry, Porter's theory is highly relevant. Ethiopia benefits from favorable factor conditions such as fertile land and abundant labor, both of which are essential for high-quality coffee cultivation. Additionally, the country's long history of coffee production establishes strong demand conditions, with both local and international consumers seeking premium, high-quality coffee. The related and supporting industries—such as cooperatives, exporters, and processors—further strengthen the coffee supply chain, making the country a key player in global coffee production. Finally, Ethiopia's firm strategy and structure,

driven by local competition among farmers and the government's facilitation of coffee trade, play a significant role in enhancing the country's competitiveness in the global market.

Porter's framework helps explain why Ethiopia is a dominant force in the global coffee market. The synergy between factor conditions, such as Ethiopia's fertile soil and labor force, and related industries, like cooperatives and processing plants, creates a solid foundation for the country's coffee industry. These supporting industries contribute to efficient coffee production and export, reinforcing Ethiopia's competitive edge. Moreover, Ethiopia's rich coffee heritage, valued by both domestic and international consumers, strengthens its demand conditions and ensures a consistent global market interest in its coffee. This interplay of factors positions Ethiopia for continued success in the global coffee market (Porter, 1990).

Ethiopia's firm strategy, structure, and rivalry also play a crucial role in its competitive advantage. The competition among local farmers and cooperatives drives continual improvements in coffee quality and encourages the adoption of best practices in cultivation. Additionally, the Ethiopian government supports coffee trade through infrastructure development, fair trade practices, and international market access, further enhancing Ethiopia's competitive position. As global demand for Ethiopian coffee continues to rise, these factors will allow the country to leverage its national competitive advantage, securing its place as a global leader in coffee production. By strengthening these factors, Ethiopia can expand its market share and maintain its leadership in the coffee industry.

2.3. Export Performance

Export performance refers to the success of a country's or firm's export activities, measured through indicators such as growth in export volume, market share, profitability, and the ability to diversify into new markets. Understanding export performance is crucial for assessing a country's economic health and its ability to integrate into the global market. For Ethiopia, coffee export performance is measured by factors such as export volume, market diversity, and the overall revenue generated by coffee sales.

Ethiopia's coffee export performance is influenced by both internal and external factors. Internally, the efficiency of production, consistency in quality, and the implementation of

sustainable agricultural practices are critical to enhancing Ethiopia's competitiveness in global markets. Studies show that product differentiation—such as Ethiopia's organic or fair-trade certified coffee—enhances its appeal in international markets (Getachew & Assefa, 2020). Additionally, the quality of Ethiopia's coffee and its sustainable production practices significantly contribute to the country's export success. By emphasizing value-added products, such as roasted and packaged coffee, Ethiopia could further enhance its export revenue and expand into new markets. Improving supply chain efficiency and investing in infrastructure could also help reduce costs, thus increasing Ethiopia's ability to meet the growing global demand for specialty coffee.

Externally, Ethiopia's coffee export performance is highly sensitive to the fluctuating prices of coffee on the international market. As one of the largest coffee exporters, Ethiopia faces challenges from global price volatility, which can affect revenue from coffee exports. To mitigate these risks, Ethiopia could explore diversifying its export destinations and strengthening trade partnerships. Targeting emerging markets in Asia and the Middle East could help reduce dependency on traditional markets in Europe and the United States. Additionally, enhancing Ethiopia's branding and marketing strategies could foster consumer loyalty, especially for its high-quality, organic, and fair-trade coffee offerings (Getachew & Assefa, 2020). By adopting these strategies, Ethiopia can improve its export performance and solidify its position in the global coffee market.

2.3.1. Determinants of Export Performance

The determinants of export performance include a wide range of internal and external factors that influence how successfully a country or firm performs in international markets. Internal factors often involve firm-specific resources such as management expertise, product quality, innovation, and the ability to implement effective marketing and export strategies (Agyapong, 2013). Firms with superior management practices, efficient operations, and innovative capabilities are better equipped to compete in global markets. On the other hand, external factors encompass market conditions, including foreign demand, international competition, and the regulatory environment (Madsen, 2012).

For Ethiopia, the determinants of coffee export performance are multifaceted. The country's natural advantages, such as favorable climate conditions for coffee farming and abundant labor, provide a significant competitive edge in coffee production. These environmental factors, along with a long history of coffee cultivation, enable Ethiopia to produce unique coffee varieties highly valued in global markets (Zeleke, 2020). However, other external factors, such as infrastructure quality, access to international markets, and government policies, also play crucial roles in shaping export performance. Institutional support, such as trade facilitation services, export subsidies, and investment in logistics infrastructure, further enhances Ethiopia's coffee export performance by overcoming trade barriers and improving the competitiveness of Ethiopian coffee globally (Hussein & Rees, 2021).

The internal factors influencing Ethiopia's coffee export performance are crucial in shaping the competitiveness of the sector. Firm-level resources such as skilled management, operational efficiency, and innovation capacity directly impact the quality and consistency of Ethiopian coffee exports. Coffee exporters who invest in modern processing techniques and market intelligence are better able to meet international quality standards and consumer preferences. Moreover, adopting sustainable practices and improving branding strategies are essential for creating a competitive advantage in global markets. By focusing on these internal factors, Ethiopian coffee exporters can enhance their ability to diversify products and enter niche markets, driving further export growth (Agyapong, 2013).

Externally, Ethiopia's coffee export performance is influenced by global market dynamics and international competition. The increasing demand for ethically sourced, organic coffee presents an opportunity for Ethiopia to capitalize on its natural advantages. However, external challenges such as trade barriers, fluctuating global prices, and competition from other coffee producers must be navigated effectively. Ethiopia's government plays a crucial role in shaping the external environment by providing institutional support, including export subsidies, trade facilitation services, and infrastructure improvements. By addressing these challenges and leveraging institutional support, Ethiopia can maintain its position as a leading coffee exporter and sustain long-term export performance (Madsen, 2012; Hussein & Rees, 2021).

2.4. Empirical Review of Related Literature

The empirical review of related literature synthesizes studies that examine the relationship between various factors and export performance, particularly in Ethiopia's coffee sector. Several studies have identified key variables influencing Ethiopia's coffee export performance, including product quality, market orientation, government support, and infrastructure development. Research suggests that Ethiopia's coffee sector benefits from its unique coffee varieties, which are highly valued in international markets (Mengistu & Haji, 2021). These distinctive varieties, such as Sidamo and Yirgacheffe, are known for their superior flavor profiles, providing Ethiopia with a competitive edge in the global coffee market. Additionally, the sector benefits from growing demand for premium, ethically sourced coffee, further enhancing Ethiopia's position in international trade.

Empirical studies have also highlighted the importance of institutional support and access to trade networks as critical factors in the success of Ethiopia's coffee exports. Government policies that improve infrastructure, provide export subsidies, and promote international trade agreements have played a significant role in strengthening Ethiopia's coffee sector. The Ethiopian Coffee Exporters Association (ECEA) has been instrumental in facilitating market access and trade, providing essential support for coffee exporters. Despite these advantages, Ethiopia faces ongoing challenges, such as intense competition from other coffee-producing nations, fluctuating global coffee prices, and the need for continuous improvements in processing and marketing strategies. Researchers emphasize that to remain competitive, Ethiopian coffee exporters must focus on innovation and the ability to meet the evolving preferences of international consumers (Mengistu & Haji, 2021).

Moreover, studies emphasize the need for continuous improvements in product quality and processing methods. Ethiopia's coffee sector thrives on the unique attributes of its coffee, but to sustain and grow its market share, exporters must consistently enhance processing quality, branding, and market orientation. The diversification of product offerings, including value-added products like roasted and packaged coffee, could also play a crucial role in increasing export revenue and expanding market access. Addressing challenges such as price volatility and

competition from other coffee producers through strategic decision-making, investments in infrastructure, and targeted marketing will be key to maintaining Ethiopia's competitive advantage and securing long-term success in the global coffee market.

Additionally, empirical evidence underscores the importance of environmental sustainability in enhancing Ethiopia's coffee export performance. Studies show that sustainable farming practices, such as organic and fair-trade certification, can increase the market appeal of Ethiopian coffee, particularly in premium markets where consumers are increasingly concerned about ethical sourcing (Hana Mulugeta, 2018). Ethiopia's commitment to sustainable farming practices and its growing reputation for environmentally friendly coffee production provides a significant opportunity to differentiate its coffee in international markets. As consumer demand for sustainable products increases, Ethiopia's coffee sector is well-positioned to capitalize on this trend, leveraging its natural advantages and environmental certifications to attract ethically conscious consumers worldwide.

2.4.1. Export Marketing Performance

Export marketing performance evaluates the effectiveness of a firm's marketing activities in promoting and selling its products in foreign markets. It is a key measure of success for firms engaged in international trade, and its indicators typically include export growth, sales volume, market share, and profitability in global markets (Katsikeas et al., 2000). Effective export marketing strategies allow firms to target the right international markets, communicate the product's value effectively, and achieve customer satisfaction abroad (Czinkota & Ronkainen, 2007). For firms to excel in export markets, it is essential to implement strategies that cater to local tastes and preferences, adapt to foreign regulations, and leverage competitive advantages.

In the case of Ethiopia's coffee industry, export marketing performance is largely influenced by the quality and differentiation of its coffee products. Ethiopia is known for its unique and diverse coffee varieties, which are often prized for their distinct flavors and high-quality standards. As a result, the marketing of Ethiopian coffee is heavily reliant on its brand identity, which emphasizes the country's heritage, the sustainability of its farming practices, and its commitment to fair-trade principles (Zeleke, 2020). These branding elements allow Ethiopian coffee exporters to

differentiate their products in competitive global markets. In addition to branding, the success of Ethiopia's coffee exports is supported by effective pricing strategies, strategic market segmentation, and promotional activities that target international consumers' growing interest in premium, ethically sourced products. By focusing on these key areas, Ethiopian coffee exporters can strengthen their performance and increase their share in international markets.

In the context of Ethiopia's coffee industry, export marketing performance is deeply tied to the country's ability to leverage its rich coffee heritage and high-quality production methods. As Ethiopian coffee exporters tap into premium international markets, they must continue to build strong brands that emphasize the authenticity, sustainability, and ethical sourcing of their products. Marketing strategies that emphasize these elements such as highlighting the region of origin, the traditional cultivation methods, and fair-trade certifications are crucial for distinguishing Ethiopian coffee from competitors in global markets. Additionally, fostering relationships with international buyers and ensuring consistent quality and supply are key factors in driving long-term export growth (Zeleke, 2020).

Moreover, Ethiopia's success in export marketing is contingent upon understanding global market trends and consumer preferences. As demand for organic and sustainably sourced products increases, Ethiopian coffee producers have an opportunity to capitalize on these growing trends. By implementing dynamic pricing strategies that reflect the value of Ethiopian coffee and responding quickly to market demands, coffee exporters can further differentiate their products. Strategic market segmentation, focusing on consumer bases that prioritize ethical sourcing and sustainability, enhances Ethiopia's competitive position in global coffee markets. By continuing to innovate and refine their marketing efforts, Ethiopian coffee exporters can further strengthen their export performance, increasing both their market share and profitability (Czinkota & Ronkainen, 2007).

2.4.2. Firm/Management Specific Factors

Firm-specific factors play a vital role in determining a country's export performance, as these elements directly affect a firm's ability to compete in international markets. Key firm-specific factors include management skills, strategic planning, technological capabilities, and

organizational structure. In the context of Ethiopia's coffee sector, management plays a particularly important role in ensuring that coffee producers and exporters maintain high quality and adhere to international standards (Getachew & Assefa, 2020). Effective management practices, such as the adoption of innovative coffee farming techniques, the cultivation of strong relationships with international buyers, and the implementation of sustainable production practices, are crucial for enhancing the reputation and competitiveness of Ethiopian coffee in global markets.

Furthermore, management is essential in helping Ethiopian coffee firms navigate the challenges of global trade, such as fluctuating coffee prices and increasing competition from other coffee-producing nations. Strategic decisions on how to adapt to changing market conditions, including diversifying export destinations and investing in branding efforts to promote Ethiopian coffee, are key to sustaining growth. By continuously improving management practices, Ethiopian coffee firms can enhance their competitive advantage and maintain their position in the international coffee market (Mengistu & Haji, 2021). Effective leadership and sound organizational structures are crucial for responding to market dynamics and ensuring that firms stay competitive over the long term.

Effective management practices are essential for ensuring that Ethiopia's coffee sector remains competitive in the global market. Coffee producers and exporters who invest in leadership, training, and capacity-building initiatives are better equipped to manage the complexities of international trade. Strong management teams that emphasize continuous improvement and innovation can foster a culture of quality within the coffee sector, ensuring that Ethiopia's coffee consistently meets international standards. This is particularly important as global demand for premium coffee continues to grow, with buyers increasingly seeking high-quality, ethically sourced products. By enhancing management skills and promoting collaboration across the supply chain, Ethiopian coffee exporters can build long-term relationships with international buyers and increase the visibility of Ethiopian coffee in global markets (Getachew & Assefa, 2020).

Moreover, Ethiopian coffee exporters must adapt to changing market conditions and external challenges, such as price volatility and competition from other coffee-producing countries. Effective strategic planning plays a pivotal role in addressing these challenges, as it enables firms to diversify their export markets and identify new growth opportunities. For example, firms that invest in branding and marketing strategies that highlight Ethiopia's unique coffee varieties and sustainable farming practices can differentiate themselves from competitors. By continuously improving management practices and responding to shifts in consumer demand, Ethiopian coffee firms can strengthen their competitive advantage and secure a stable position in the international coffee market (Mengistu & Haji, 2021).

2.4.3. Product-Specific Factors

Product-specific factors are critical elements that influence the export performance of a particular good, focusing on the attributes and qualities of the product that can give it a competitive advantage in international markets. For Ethiopia's coffee industry, these factors include the unique characteristics of Ethiopian coffee, such as its quality, flavor profile, and distinctive varieties that are sought after globally. The quality of Ethiopian coffee is a significant product-specific factor, as it is known for its rich taste and diverse flavors, which vary by region and cultivation practices. The product's uniqueness plays a crucial role in differentiating it from other coffee-producing nations, giving Ethiopian coffee an edge in premium markets (Porter, 1990). Additionally, Ethiopia's coffee is often marketed as a product with cultural and historical significance, enhancing its appeal to consumers who value authenticity and heritage in their purchasing decisions (Krugman, 1980).

Product-specific factors also include packaging, branding, and the ability to meet international quality standards, such as organic or fair-trade certifications. High-quality packaging that preserves the coffee's freshness and enhances its shelf appeal is essential for gaining a competitive advantage in international markets. Moreover, the growing demand for ethically sourced products has increased the importance of certifications such as Fair Trade, which can significantly improve the perceived value of Ethiopian coffee and open doors to more niche markets that prioritize sustainability and social responsibility (Getachew & Assefa, 2020). These

product-specific attributes, combined with effective branding strategies, play a crucial role in enhancing the export performance of Ethiopian coffee in global markets.

Furthermore, the ability to maintain consistent quality and product standards is essential for ensuring repeat sales and fostering long-term relationships with international buyers. Exporters need to ensure that their coffee meets the specific requirements of different markets, whether they are targeting high-end specialty coffee shops or larger-scale international distributors. The successful adaptation of Ethiopian coffee products to meet these market demands, along with the strong brand image and product differentiation, significantly influences the country's ability to expand and sustain its market presence globally (Steffens & Grubel, 1975).

Ethiopian coffee's competitive edge in global markets is largely driven by its distinctive qualities, including its rich taste, diverse flavors, and the variety of coffee beans cultivated in different regions. These unique characteristics make Ethiopian coffee highly sought after in international markets, particularly in premium segments that prioritize high-quality, single-origin products. Coffee from regions like Sidamo, Yirgacheffe, and Harrar is renowned for its exceptional flavor profiles, which vary according to the microclimates and farming practices in each region. This product differentiation allows Ethiopian coffee to stand out from other coffee-producing countries, enabling it to secure a strong position in niche markets that value specialty coffee and its cultural significance (Porter, 1990).

In addition to product quality, branding and packaging are vital components of Ethiopia's coffee export success. The ability to effectively brand Ethiopian coffee as a premium product that emphasizes its heritage, organic cultivation methods, and fair-trade practices adds substantial value in international markets. The rise in consumer demand for ethically sourced and sustainably produced goods has made certifications such as Fair Trade and organic labels more important than ever. These certifications not only enhance the perceived value of Ethiopian coffee but also open doors to markets that prioritize sustainability and corporate social responsibility. To maintain competitiveness, Ethiopian coffee exporters must continue to invest in high-quality packaging that preserves the coffee's freshness and appeal on retail shelves, as well as adapt their products to meet international market standards (Getachew & Assefa, 2020).

2.4.4. Export Market Characteristics

Export market characteristics refer to the economic, cultural, and institutional factors within target markets that influence the success of export activities. For Ethiopia's coffee exports, understanding key market characteristics is critical in tailoring strategies that cater to specific consumer demands. Economic factors, such as the level of demand for coffee in international markets, play a pivotal role in shaping Ethiopia's export performance. The demand for high-quality coffee is particularly significant, as global consumers increasingly seek premium products that meet specific quality and sustainability standards. In addition to demand, consumer preferences for sustainable and ethically sourced coffee have become increasingly prominent, with certifications like Fair Trade adding value to Ethiopia's coffee exports (Krugman, 1980). Additionally, the competitiveness of international markets is another key consideration for Ethiopian exporters, as they face competition from other coffee-producing nations that may offer lower-priced or more readily available alternatives. Understanding these market characteristics enables Ethiopian exporters to better position their coffee products in the international market and meet the demands of diverse consumer bases.

Export market characteristics are vital for understanding how to effectively position Ethiopian coffee in global markets. The demand for high-quality coffee is growing worldwide, driven by consumers' increasing interest in specialty coffee, which Ethiopia is uniquely positioned to provide. As global demand for premium, traceable, and sustainably produced products continues to rise, Ethiopian coffee has a competitive advantage due to its reputation for quality and authenticity. This trend is especially evident in markets such as Europe and North America, where consumers are more likely to prioritize high-quality, ethically sourced products. By aligning with these consumer preferences, Ethiopian coffee exporters can increase their market share and attract premium buyers who value the sustainability and unique origins of their coffee (Krugman, 1980).

Furthermore, understanding the competitiveness of international markets is crucial for Ethiopian coffee exporters, as they must navigate a landscape filled with competitors from countries such as Brazil, Vietnam, and Colombia. These nations may offer lower-priced alternatives or have

better access to large-scale production, posing challenges for Ethiopia. However, Ethiopia's ability to differentiate its coffee through unique regional flavors, organic cultivation methods, and certifications such as Fair Trade provides a distinct advantage in competing with lower-cost alternatives. By focusing on these market characteristics and continuously adapting to evolving consumer demands, Ethiopian coffee exporters can maintain a strong presence in the international market and secure long-term success.

2.4.5. Export Marketing Strategy and Institutional Support

An effective export marketing strategy is essential for Ethiopian coffee exporters to penetrate global markets and differentiate their products. Ethiopia's coffee export sector often employs strategies centered around product differentiation, focusing on the unique qualities of Ethiopian coffee, such as its diverse varieties and rich cultural heritage. The country's coffee exporters also emphasize sustainability and ethical sourcing practices, using certifications like Fair Trade to appeal to consumers who prioritize these values (Porter, 1990). These strategies not only enhance the appeal of Ethiopian coffee but also position it as a premium product in international markets. To succeed, Ethiopian coffee exporters must also develop strong market orientation and strategic capabilities, enabling them to respond quickly to changing market conditions, consumer preferences, and global trends. The ability to effectively execute these strategies hinges on both organizational resources and a deep understanding of market dynamics (Steffens & Grubel, 1975).

Institutional support plays a critical role in enhancing the effectiveness of these export marketing strategies. In Ethiopia, the government's support through policies, subsidies, and trade facilitation services is essential in reducing barriers to entry and enhancing the competitiveness of Ethiopian coffee in global markets. Initiatives such as export subsidies and investment in infrastructure, such as ports and logistics systems, are designed to improve the efficiency of coffee exports (Getachew & Assefa, 2020). Institutional support can significantly lower the costs and risks involved in entering new markets, providing Ethiopian exporters with the necessary tools and resources to expand their international presence.

The role of government policies in shaping the coffee export sector cannot be overstated. In Ethiopia, coffee export policies have evolved to streamline the sector, but challenges remain. The Ethiopian Coffee Exporters Association (ECEA) and the Ethiopian Commodity Exchange (ECX) play a pivotal role in marketing and trading coffee. These institutions aim to standardize the quality of coffee and ensure that farmers receive fair compensation (Gashaw Wubante, 2020).

However, regulatory frameworks can be restrictive, with export bans on unprocessed coffee and complex bureaucratic procedures sometimes limiting the industry's competitiveness. Hana Mulugeta (2018) highlighted the need for policy reforms that would promote value-added coffee products and enhance export market access. Similarly, Nsabimana & Wondmagegn (2019) argue that bilateral trade agreements between Ethiopia and importing countries could bolster Ethiopia’s coffee export performance.

Ethiopia’s coffee export sector has successfully employed differentiation strategies that highlight the country's unique coffee varieties, cultural heritage, and sustainability efforts. These marketing strategies are crucial in positioning Ethiopian coffee as a premium product in competitive international markets. By emphasizing the authenticity and high quality of its coffee, along with certifications such as Fair Trade and organic, Ethiopian exporters can cater to the growing consumer demand for ethically sourced and environmentally sustainable products. Effective marketing also includes tailored approaches to different markets, considering local consumer preferences and trends. By continuously adapting to shifting market dynamics and consumer behaviors, Ethiopian coffee exporters can maintain a strong competitive edge and foster lasting relationships with international buyers (Porter, 1990; Steffens & Grubel, 1975).

Moreover, institutional support from the Ethiopian government and relevant agencies significantly enhances the effectiveness of these marketing strategies. Initiatives such as export subsidies, trade facilitation services, and investments in infrastructure particularly in transportation and logistics lower the barriers to entry in international markets and reduce costs for exporters. The role of institutions like the Ethiopian Coffee Exporters Association (ECEA) and the Ethiopian Commodity Exchange (ECX) is crucial in streamlining coffee trading, ensuring consistent quality, and advocating for the interests of coffee producers. However, challenges

remain, particularly with restrictive export regulations and bureaucratic hurdles that limit the potential of the coffee sector. Policy reforms aimed at promoting value-added coffee products and simplifying the export process would help improve Ethiopia's competitiveness in the global market (Getachew & Assefa, 2020; Gashaw Wubante, 2020; Hana Mulugeta, 2018).

2.4.6. Measurement of Export Performance

The measurement of export performance is critical for evaluating the effectiveness of a country's export activities and identifying areas for improvement. For Ethiopia's coffee export sector, key performance indicators (KPIs) would include export volume, market share, profitability, and the capacity to penetrate new markets. These indicators provide valuable insights into the success of Ethiopia's coffee in international markets. For instance, tracking export revenues over time offers a clear picture of how well Ethiopian coffee is performing in terms of sales, while measuring market share in key international coffee markets helps gauge the country's competitive standing compared to other coffee producers. Additionally, the ability to enter new markets can serve as an indicator of the export sector's growth and diversification. These measures help identify whether Ethiopia's coffee industry is growing in terms of revenue, reach, and international presence.

A robust measurement system is essential for understanding the broader impact of Ethiopia's coffee exports on the economy and allows policymakers and businesses to make data-driven decisions. It provides an empirical basis for adjusting export strategies, improving marketing approaches, and enhancing the value proposition of Ethiopian coffee in international markets. By systematically assessing export performance, stakeholders can more effectively allocate resources, prioritize markets, and implement policies that support the continued growth of Ethiopia's coffee industry (Getachew & Assefa, 2020; Porter, 1990).

To effectively measure the export performance of Ethiopia's coffee sector, it is essential to adopt a range of key performance indicators (KPIs) that capture both quantitative and qualitative aspects of export activities. Key indicators such as export volume, market share, and profitability provide tangible insights into the sector's competitiveness and overall success. Additionally, tracking the growth of Ethiopia's coffee exports in emerging markets helps assess the country's

ability to diversify its export destinations and mitigate risks associated with dependency on traditional markets. The ability to innovate and introduce value-added products, such as roasted coffee or packaged coffee, can also be considered as part of the measurement framework to evaluate the sector's potential for long-term sustainability (Getachew & Assefa, 2020).

A comprehensive measurement system not only facilitates the assessment of the coffee sector's performance but also empowers policymakers to make informed decisions that support the industry's growth. By collecting and analyzing data on export revenues, market reach, and consumer preferences, Ethiopia can refine its export strategies, optimize its marketing efforts, and enhance the value proposition of its coffee. Additionally, such a system enables businesses to better allocate resources, identify profitable markets, and adjust to changing global trends. With robust performance measurement tools, Ethiopia can build a more resilient coffee export sector that remains competitive and adaptive in a rapidly evolving global market (Porter, 1990).

2.4.7. Conceptual Framework

In the context of Ethiopia's coffee export performance, a conceptual framework is essential for integrating both internal and external determinants. According to existing literature, internal factors such as firm-specific capabilities, including management skills, product quality, and innovation are crucial in driving export success. These factors enable firms to produce coffee that meets international quality standards and manage relationships with global buyers effectively. External factors, such as market conditions, government policies, and global trade dynamics, also play significant roles in shaping export performance. Strong managerial practices and consistent quality assurance enable Ethiopian coffee exporters to compete in highly competitive global markets, while government support through export subsidies, trade agreements, and infrastructure investments can mitigate external challenges like competition from other coffee-producing nations and logistical issues (Getachew & Assefa, 2020).

A key component of the framework is understanding how these internal and external factors interact and contribute to the overall export success of Ethiopia's coffee sector. Research has shown that integrating these determinants allows exporters to identify market trends, refine marketing strategies, and develop competitive advantages in international markets (Krugman,

1980; Steffens & Grubel, 1975). For example, a focus on differentiating Ethiopian coffee through branding strategies that emphasize its unique origin and quality can help exporters increase market share in emerging coffee markets. By using this conceptual framework, Ethiopian exporters and policymakers can strategically address issues such as market expansion, supply chain efficiency, and branding, ensuring that the country maintains and improves its position in the global coffee market (Porter, 1990).

A comprehensive conceptual framework for Ethiopia's coffee export performance requires a balanced integration of internal and external determinants. The internal factors such as management expertise, product quality, and innovation are crucial for producing high-quality coffee that meets global standards. Strong management practices, including efficient supply chain management and relationship building with international buyers, enable Ethiopian coffee exporters to maintain consistent quality and adapt to changing market demands. External factors, including the economic environment, government policies, and international trade agreements, also significantly influence Ethiopia's coffee export performance. Government support, such as export subsidies, trade facilitation services, and infrastructure investments, helps address challenges such as market access and competition, ensuring that Ethiopian coffee remains competitive in the global marketplace (Getachew & Assefa, 2020).

By utilizing this conceptual framework, Ethiopian coffee exporters can better understand the interplay between internal capabilities and external market conditions, allowing them to identify emerging market trends and develop effective marketing strategies. As global demand for ethically sourced, organic coffee grows, Ethiopian exporters can leverage their unique product attributes such as the region-specific flavors and sustainable farming practices to create a competitive advantage in niche markets. Additionally, government policies that promote value-added coffee production and improve export infrastructure are key to supporting long-term growth. By strategically addressing both internal and external factors, Ethiopian coffee exporters can position themselves for success in an increasingly competitive global coffee market (Krugman, 1980; Steffens & Grubel, 1975; Porter, 1990).

2.4.8. Diagram of Conceptual Framework:

The diagram would visually represent how internal and external factors such as management, product quality, government policies, and market conditions interact to influence Ethiopia's coffee export performance.

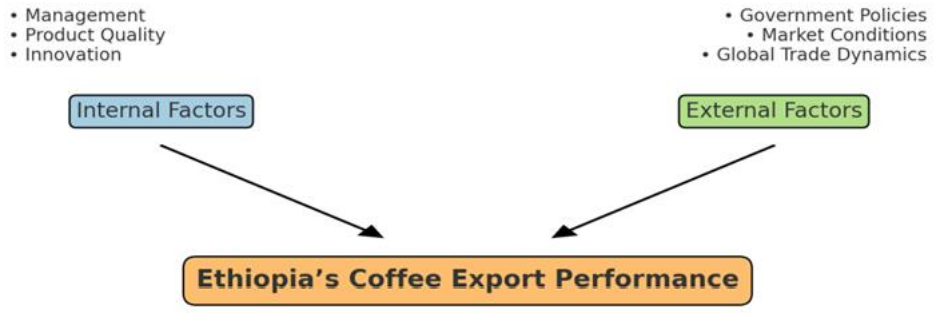


Figure 1: Diagram of Conceptual Framework

2.5. An Overview of the World Coffee Market

Theoretical trade models suggest that trade between countries typically arises from differences in relative factor endowments, with countries exporting goods they produce more efficiently (Krugman et al., 2012). However, this approach is challenged by the argument that trade in similar relative factor endowments may be limited or insignificant. Zewdu and Minyahil (2017) argue that achieving comparative advantage can be difficult under such conditions. This is particularly true in the global coffee trade, where developing countries, often with abundant natural resources, tend to export coffee to industrialized nations. These developing countries, despite having the highest relative advantages in coffee production, often focus primarily on coffee rather than diversifying into other exports (Zewdu & Minyahil, 2017). The global coffee market is thus shaped by the abundance of coffee-producing factors in developing countries, which drive export patterns from these regions to industrialized nations. The factor endowment theory highlights that coffee is predominantly produced in Latin America (Brazil, Colombia, Peru, Honduras, and Guatemala), Africa (Ethiopia, Uganda), and parts of Asia (Vietnam, Indonesia, and India), reflecting each region's comparative advantage in coffee production (Diriba, 2021).

According to Diriba (2021), international trade theory supports the notion of liberal trade, emphasizing the benefits of free trade and explaining the causes and patterns of global commerce. In the coffee industry, more than 90% of green coffee production and exports occur

in developing countries, which have a relative abundance of the resources required for coffee cultivation. For instance, Latin American countries like Brazil and Colombia dominate global production, while African countries such as Ethiopia and Uganda contribute significantly. As of the 2018-2019 crop year, Brazil led global coffee exports with 27.81% of the market share, followed by Vietnam (14.98%) and Colombia (11.52%). The domestic share of coffee exports varies significantly across countries. While large producers like Brazil, Vietnam, and Colombia rely less on coffee exports due to diversified portfolios, countries like Honduras and Ethiopia depend heavily on coffee for foreign exchange earnings. In Ethiopia, coffee exports account for over 20% of the country's total exports, underlining the nation's reliance on this commodity for economic stability (Diriba, 2021).

The global coffee market is shaped by the dynamics of both developed and developing countries, where the latter hold a relative advantage in coffee production due to their favorable environmental conditions and lower production costs. As developing countries continue to dominate global coffee production, they face the challenge of maintaining competitive pricing while addressing issues such as market volatility and the need for quality differentiation. In this context, Ethiopia's role as one of the leading coffee exporters in Africa is critical. Despite having a competitive advantage in terms of unique coffee varieties and favorable climate conditions, Ethiopia faces increasing competition from other major coffee producers, such as Brazil and Colombia, which have greater production volumes and more established international trade networks. This dynamic emphasizes the need for Ethiopia to invest in value-added products and marketing strategies to maintain and expand its share of the global coffee market (Zewdu & Minyahil, 2017).

Additionally, the trend of increasing demand for specialty coffee provides an opportunity for coffee-producing countries to capitalize on their unique attributes. While the global market remains dominated by large-scale producers, there is a growing segment of consumers who are willing to pay a premium for high-quality, ethically sourced, and sustainably produced coffee. Ethiopia’s distinctive coffee varieties, such as those from Sidamo, Yirgacheffe, and Harrar, are well-positioned to meet this demand. By focusing on enhancing product differentiation through branding and certifications like organic or fair trade, Ethiopia can strengthen its competitive

position in the global market. The liberal trade principles outlined by Diriba (2021) further support the idea that developing countries, by enhancing their export strategies, can increase their market share and benefit from global trade trends.

2.6. An Overview of the Ethiopian Coffee Sector

Ethiopia, often considered the birthplace of Arabica coffee, is renowned for producing coffee with exceptional quality, flavor, and aroma (Habtamu, 2019). As the world's largest producer of Arabica coffee, Ethiopia's coffee sector plays a crucial role in the country's economy. Despite its global prominence, the Ethiopian coffee industry faces challenges in enhancing its value-added activities and diversifying trade. According to Ahmed et al. (2018), there is an urgent need for policymakers and industry stakeholders to focus on adding value to coffee production, moving beyond the export of raw commodities toward high-quality, processed coffee products. Alemayehu (2014) further highlights that coffee is a major driver of Ethiopia's economy, contributing 25-30% of the country's foreign exchange earnings, 5% of the Gross Domestic Product (GDP), and 90% of total exports. Furthermore, coffee provides employment to 85% of the Ethiopian population, and more than half of the coffee produced is consumed domestically.

Despite its central role in Ethiopia's economy, the country's coffee sector has seen little growth in recent years. The International Coffee Organization (2017) reported that the Ethiopian coffee industry has largely stagnated, facing challenges such as a lack of technological advancement, inconsistent quality, and limited access to international markets. However, coffee remains a vital cultural and economic asset for the country. Efforts to improve the quality of coffee through better processing techniques, as well as diversifying into higher-value coffee products, are necessary to revitalize the sector. Ethiopia's coffee market remains highly dependent on exports, which underscores the need for strategic improvements to the industry to ensure long-term growth and sustainability in the global coffee trade (Alemayehu, 2014; Habtamu, 2019).

Ethiopia's coffee sector, while integral to its economy, faces significant challenges that hinder its potential for growth and value creation. The lack of technological advancement in the coffee processing sector, coupled with inconsistent quality, limits Ethiopia's ability to fully capitalize on the premium coffee market. Additionally, logistical barriers, including insufficient infrastructure

and inefficient supply chains, prevent Ethiopian coffee from reaching international markets in a timely and cost-effective manner. As a result, Ethiopia's coffee exporters struggle to compete with larger, more technologically advanced coffee producers. To revitalize the sector, it is essential for stakeholders to invest in modern processing techniques, improve quality control measures, and develop more efficient export routes (International Coffee Organization, 2017).

Despite these challenges, Ethiopia's coffee sector holds immense potential due to the unique and high-quality coffee varieties produced in the country. As the birthplace of Arabica coffee, Ethiopia enjoys a competitive advantage in offering a diverse range of coffee profiles that are prized in specialty coffee markets. By focusing on value-added coffee products, such as roasted coffee or packaged coffee, Ethiopia can further increase its share of the global coffee market. Furthermore, enhancing branding and marketing efforts will help Ethiopian coffee stand out as a premium, sustainably produced product. With the right strategic interventions, including government support and industry reforms, Ethiopia can unlock the full potential of its coffee sector, ensuring long-term sustainability and growth in the international coffee trade (Ahmed et al., 2018; Alemayehu, 2014).

2.7. Coffee Production in Ethiopia

Ethiopia is renowned as the birthplace of coffee, with diverse growing regions such as Sidamo, Yirgacheffe, and Harrar, each offering unique flavor profiles. Coffee cultivation occurs primarily in highland areas, at altitudes between 1,500 and 2,200 meters, which provide the ideal climate and soil for Arabica coffee. The regions of Jimma, Kaffa, and Guji also contribute significantly to Ethiopia's coffee production. The country's coffee is grown by millions of smallholder farmers using traditional methods, often intercropped with other plants for biodiversity and soil health (The Kew Shop; Spero Coffee).

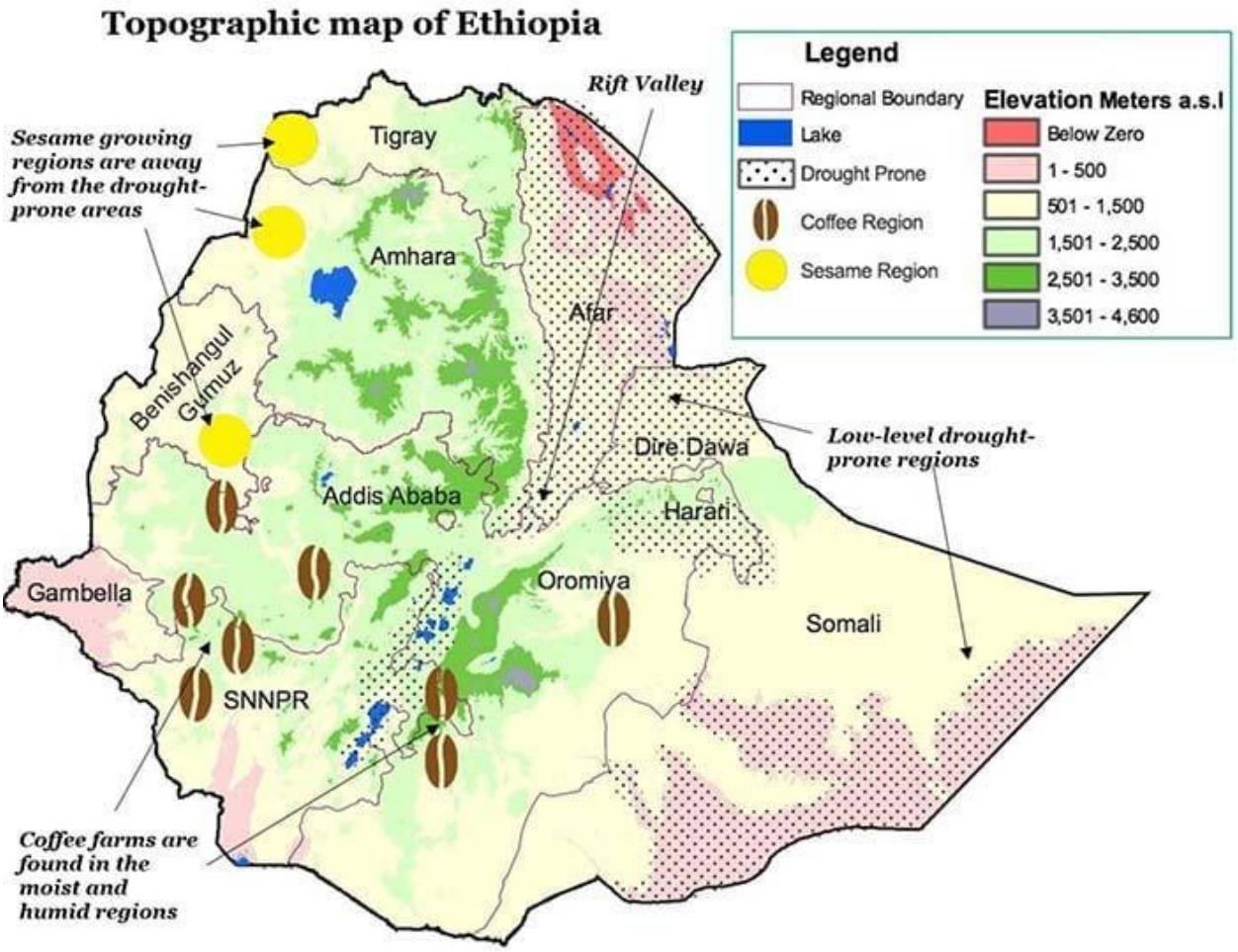


Figure 2: Coffee Production source in Ethiopia “Source: is noted as "CSA Report (2019)”

Ethiopia’s coffee production is primarily concentrated in the highland regions, which offer the ideal combination of altitude, climate, and soil for cultivating Arabica coffee. These regions, including Sidamo, Yirgacheffe, and Harrar, are not only known for producing coffee with distinct flavor profiles but also have a long history and cultural significance in coffee cultivation. The varying altitudes within these regions contribute to the wide diversity of flavors, from fruity and floral to earthy and spicy notes, making Ethiopian coffee highly sought after in international markets. The natural conditions in these areas combined with the traditional knowledge of local farmers allow for the production of some of the highest-quality coffee in the world (The Kew Shop; Spero Coffee).

In addition to the well-known coffee-producing regions, other areas such as Jimma, Kaffa, and Guji also contribute significantly to the national coffee output. These regions are part of Ethiopia’s broader coffee culture, where coffee cultivation is often integrated with other agricultural practices. Smallholder farmers, who make up the majority of Ethiopia’s coffee producers, typically use traditional farming methods that focus on sustainability and biodiversity. Coffee is often intercropped with other plants, such as spices or grains, which helps maintain soil health and reduces the need for synthetic fertilizers. This sustainable approach not only supports the environment but also produces coffee that is prized for its organic qualities, further enhancing Ethiopia's appeal in global markets (CSA Report, 2019).

2.8. Coffee Export Performance and Destinations

Ethiopia's coffee exports represent a significant portion of its economy, contributing about 30-35% of annual export revenue. In 2022, Ethiopia exported approximately 300,000 metric tons of coffee, primarily to Germany, the USA, Saudi Arabia, Japan, and Belgium. While the sector has shown growth, challenges such as low productivity and inconsistent quality persist. Efforts to enhance value addition and improve supply chain efficiency could boost export performance (The Kew Shop; Spero Coffee).

Ethiopia's coffee export performance plays a crucial role in the country's economy, generating significant foreign exchange earnings. With coffee accounting for 30-35% of annual export revenue, Ethiopia’s coffee sector is essential to the overall economic stability and growth of the country. The country exported approximately 300,000 metric tons of coffee in 2022, with major export destinations including Germany, the USA, Saudi Arabia, Japan, and Belgium. These markets represent both traditional and emerging coffee-drinking countries, highlighting Ethiopia’s strategic position in the global coffee trade. Despite its established presence in these markets, Ethiopia faces challenges such as low productivity and inconsistent quality, which affect its competitiveness and market share in an increasingly crowded global coffee market (The Kew Shop; Spero Coffee).

To address these challenges and boost coffee export performance, there is a need for focused efforts on value addition, such as developing processed coffee products like roasted or ground

coffee. Additionally, improving supply chain efficiency through better infrastructure, logistics, and quality control can enhance the country’s ability to meet international demand and maintain its competitive edge. Ethiopia's coffee exporters also stand to benefit from diversifying their market destinations and exploring new markets in regions such as Asia, where the demand for specialty coffee is growing. By implementing these strategies, Ethiopia can further strengthen its position as a leading coffee exporter and continue to contribute significantly to the national economy (The Kew Shop; Spero Coffee).

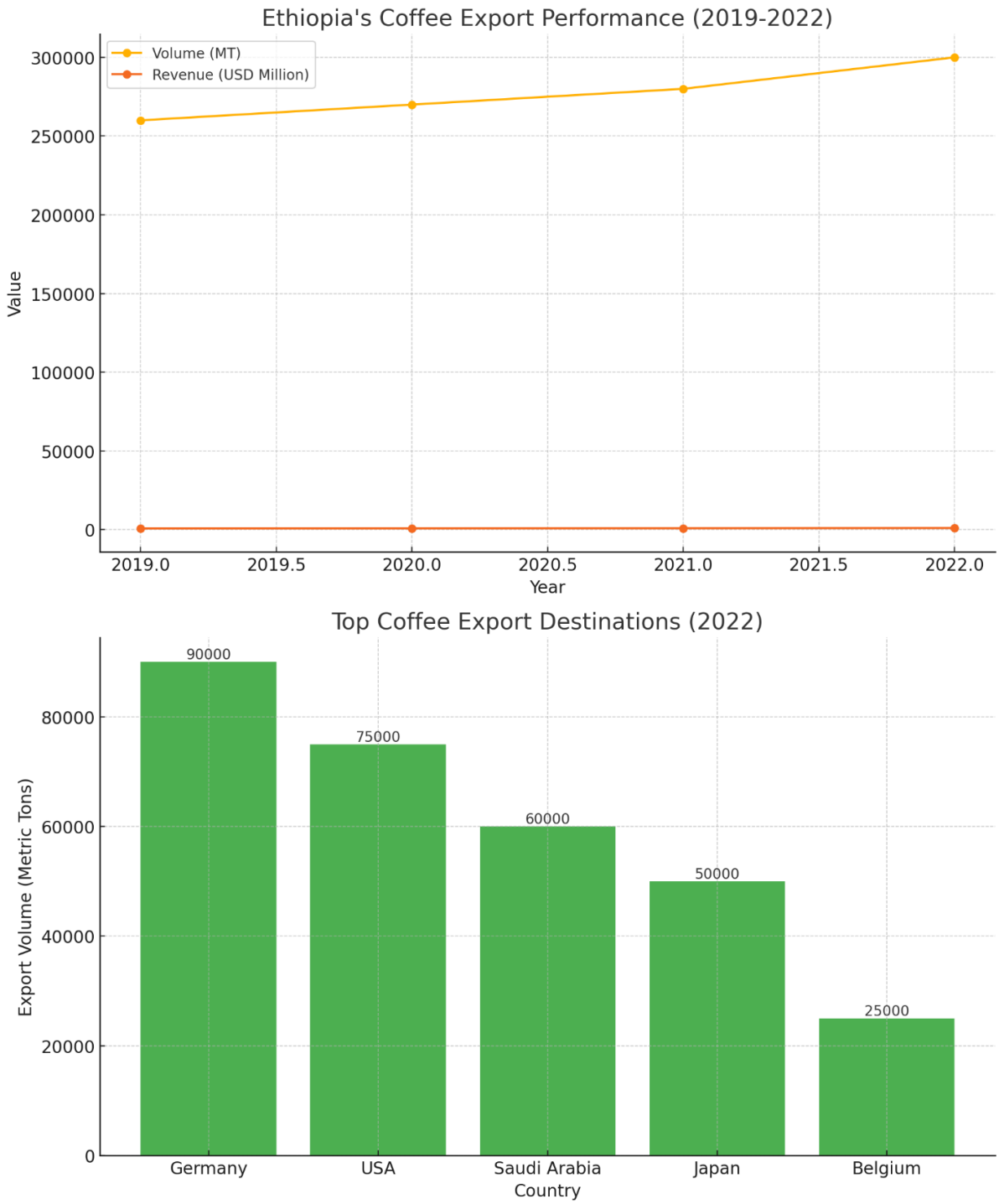


Figure 3: Diagram of Coffee Export Performance and Destinations

2.9. The Role of Coffee in Ethiopia's Economy

Coffee is Ethiopia's largest export commodity, accounting for about 30-35% of the country's total export revenue (Ethiopian Coffee & Tea Authority, 2017). The coffee sector supports the

livelihoods of approximately 25% of Ethiopia's population, including millions of farmers who depend on coffee cultivation. Despite its importance, the sector faces several challenges that hinder its growth, including inconsistent quality, low productivity, and market volatility.

According to Mechal (2013), coffee exports are essential for Ethiopia's economic development, contributing significantly to foreign exchange and government revenue. The coffee value chain involves a large portion of Ethiopia's population, from farmers to exporters, but improvements in productivity and value addition are required to increase its contribution to GDP.

Coffee is a cornerstone of Ethiopia's economy, contributing significantly to both national income and employment. As the largest export commodity, coffee accounts for about 30-35% of the country's total export revenue (Ethiopian Coffee & Tea Authority, 2017). Beyond its role as an export commodity, coffee is integral to the livelihoods of approximately 25% of Ethiopia's population, including millions of smallholder farmers who rely on coffee cultivation for their income. The coffee sector provides a vital source of employment, supporting not only farmers but also workers in processing, transportation, and trade. Despite its importance, the sector faces numerous challenges that hinder its growth, such as low productivity, inconsistent quality, and volatility in international coffee prices, which impact Ethiopia's ability to maintain a stable and competitive market position.

The role of coffee exports in Ethiopia's economic development cannot be overstated. According to Mechal (2013), coffee is crucial for generating foreign exchange and government revenue, helping to fund essential public services and infrastructure development. However, for coffee to continue driving Ethiopia's economic growth, improvements in productivity and value addition are needed. While the coffee value chain involves a large portion of the population, there is potential for greater economic impact if the sector moves beyond raw coffee exports to include higher-value products, such as roasted or packaged coffee. Strengthening the entire value chain, from farm-level production to international marketing, would not only increase the sector's contribution to GDP but also improve Ethiopia's standing in the global coffee market.

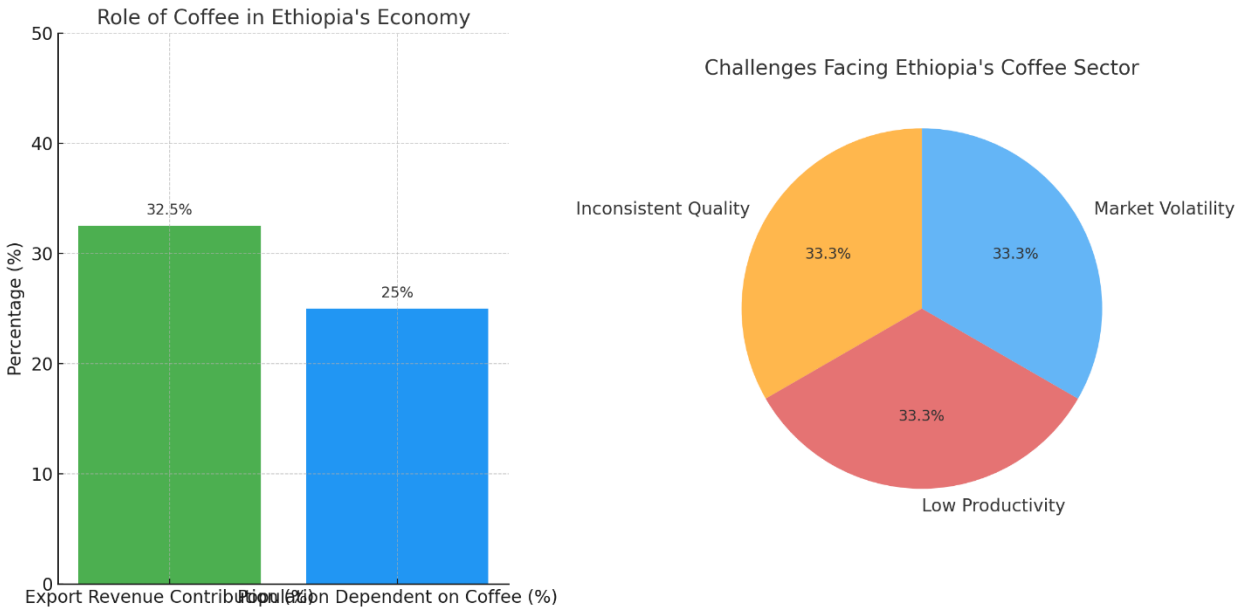


Figure 4: The role of coffee in Ethiopia Economy and challenges

2.10. Global Competition

The global coffee market is highly competitive, with numerous coffee-producing countries vying for market share. Ethiopia, despite its unique position as the birthplace of coffee, faces stiff competition from major producers such as Brazil, Colombia, and Vietnam, which dominate the industry in terms of volume and market share. The volatility of global coffee prices, often influenced by changes in supply and demand, climate factors, and market speculation, further complicates Ethiopia's ability to maintain a competitive edge.

The influence of global competition on Ethiopia's coffee exports is significant. As noted by Philip R. Cateora (1996), countries with stronger production capabilities, modern technology, and better market access often outcompete Ethiopia. Ethiopian coffee exporters face the challenge of securing favorable market positions in the face of these well-established competitors. To overcome these challenges, Ethiopian exporters must differentiate their products through effective branding and quality improvements. Kotler & Armstrong (2004) emphasize that investing in branding and quality enhancement is crucial for Ethiopian coffee exporters to navigate competitive pressures and gain a stronger foothold in global markets.

To succeed in this competitive environment, Ethiopian coffee exporters must focus on the unique qualities of their coffee, such as its rich cultural heritage, distinctive flavors, and sustainability. By emphasizing these attributes, Ethiopian coffee can appeal to the growing global demand for specialty coffee. Additionally, adopting modern processing techniques and improving logistics to strengthen market access will allow Ethiopian coffee to expand its international presence, mitigating some of the challenges posed by global competition. Through strategic investments in product differentiation and operational improvements, Ethiopia can enhance its position in the global coffee trade.

To further strengthen Ethiopia's position in the global coffee market, exporters must also focus on developing sustainable and ethical business practices. As consumers worldwide increasingly prioritize sustainability and ethical sourcing, Ethiopian coffee can capitalize on this trend by promoting its fair-trade certifications and environmentally friendly farming practices. According to the International Coffee Organization (2019), consumers are willing to pay a premium for coffee that is produced sustainably and ethically. By ensuring that coffee production meets international environmental and social standards, Ethiopian exporters can not only enhance the quality of their product but also build a loyal consumer base that values the social and environmental responsibility behind the coffee they purchase. This approach can serve as an additional differentiating factor, setting Ethiopian coffee apart from other global competitors and helping it maintain a competitive edge in the specialty coffee sector.

2.11. The Impact of Logistics

Logistics plays a crucial role in the efficiency and cost-effectiveness of coffee exports. In Ethiopia, logistical challenges, including inadequate infrastructure, inefficient transport networks, and supply chain bottlenecks, significantly impact the timely delivery of coffee to international markets. The Ethiopian Coffee Export Trade Report (2016) emphasized the importance of improving road infrastructure, ports, and warehousing facilities to facilitate smoother coffee exportation processes.

Efficient logistics infrastructure is essential to enhancing the competitiveness of Ethiopian coffee in global markets. As Gashaw Wubante (2020) emphasizes, the perishable nature of coffee beans

makes timely transportation and proper storage crucial to preserving quality. Improvements in transportation and storage facilities will help reduce losses due to delays and improper handling, contributing to better quality control throughout the export process. Moreover, streamlined logistics can lower costs, making Ethiopian coffee more affordable and competitive in international markets. These enhancements will not only improve the export process but also support Ethiopia's position as a key player in the global coffee trade.

Investment in logistics infrastructure is necessary for Ethiopia to remain competitive. Upgrading road networks, ports, and warehousing facilities, as highlighted in the Ethiopian Coffee Export Trade Report (2016), is critical for reducing delays and improving delivery efficiency. By addressing these logistical bottlenecks, Ethiopia can enhance its export performance, expand market share, and foster long-term growth in the global coffee market.

2.12. Sustainability and Environmental Challenges

Sustainability is a critical issue in global trade, particularly in sectors like agriculture. Ethiopia's coffee production faces numerous environmental challenges, including deforestation, land degradation, and the impacts of climate change. These factors threaten the long-term viability of coffee production and affect the consistency and quality of exports. According to the Ethiopian Coffee & Tea Authority (2017), climate-induced factors such as erratic rainfall patterns and rising temperatures are increasingly affecting coffee yields and quality. These environmental changes make it difficult for farmers to maintain consistent production, which in turn impacts the ability to meet international market demands. Furthermore, unsustainable agricultural practices, such as deforestation and loss of genetic diversity, exacerbate these challenges, undermining the long-term sustainability of Ethiopia's coffee sector.

To address these environmental challenges, it is crucial for the Ethiopian government to promote sustainable farming practices. This includes encouraging the use of climate-resistant coffee varieties, implementing reforestation programs, and supporting agroforestry techniques that protect biodiversity and enhance soil health. Sustainable farming practices not only help mitigate the effects of climate change but also ensure the long-term productivity and resilience of coffee farming. By fostering both environmental and economic sustainability, Ethiopia can enhance its

coffee export performance, securing its position in the global market while maintaining responsible environmental stewardship (Hana Mulugeta, 2018).

The Ethiopian government must also take proactive steps to integrate sustainability into the broader coffee export strategy. This involves strengthening policies that incentivize sustainable farming methods, improve resource management, and provide farmers with the tools needed to adapt to changing climate conditions. By doing so, Ethiopia can ensure that its coffee sector remains competitive in global markets, contributing to the country's long-term economic development and promoting the sustainability of its coffee industry for future generations.

2.13. Communication and Market Promotion

Effective communication is a critical component of Ethiopia's coffee export strategy, particularly in the competitive global market. The role of communication extends beyond traditional marketing efforts and includes the establishment of strong relationships with buyers, transparent communication about quality, and the promotion of sustainability standards. Ethiopian coffee exporters need to engage with international buyers by sharing detailed information about the origin, cultivation methods, and sustainability practices involved in producing their coffee. This not only builds trust but also reinforces the premium quality of Ethiopian coffee, making it more appealing to buyers who prioritize transparency and ethical sourcing (Kotler, 1997).

Moreover, market promotion plays a vital role in differentiating Ethiopian coffee in global markets. Exporters should leverage branding strategies that highlight the unique cultural and geographical aspects of Ethiopia's coffee, emphasizing its distinct flavor profiles and historical significance. By focusing on these attributes, Ethiopian coffee can appeal to premium buyers willing to pay higher prices for high-quality, sustainably sourced products (Kotler, 1997). In addition to traditional marketing, digital platforms such as social media, websites, and online marketplaces are powerful tools to increase global visibility and reach new consumers. These platforms provide a cost-effective way for Ethiopian coffee exporters to tell their story and connect directly with international customers (Kotler & Armstrong, 2004).

Furthermore, to ensure long-term success, Ethiopian coffee exporters must continuously adapt their marketing strategies to changing global trends, such as the increasing demand for ethically

sourced and organic products. Effective communication strategies should focus on educating consumers about the environmental and social benefits of Ethiopian coffee, reinforcing its value in markets that prioritize sustainability (Kotler, 1997). By adopting a mix of traditional and digital marketing methods, Ethiopian coffee exporters can strengthen their brand presence, foster customer loyalty, and enhance their export performance, ensuring that Ethiopian coffee remains a leading choice for premium markets worldwide.

2.14. Regulatory Procedures and Challenges

The regulatory environment in Ethiopia's coffee export sector is multifaceted, with numerous rules governing production, certification, and trade. These regulations aim to protect both producers and consumers but can also present barriers to entry for new exporters and smaller businesses. For example, compliance with international quality standards and certifications, such as Fair Trade and Organic certifications, can be time-consuming and costly (ECATDA, 2022). While these certifications help enhance the value of Ethiopian coffee, particularly in premium markets focused on sustainability and ethical sourcing, the financial and time investment required to meet these standards can be a significant barrier, especially for small-scale exporters.

Bureaucratic inefficiencies further complicate the export process, resulting in delays and increased transaction costs. Lengthy customs procedures, excessive paperwork, and a lack of transparency can hinder the efficiency of coffee exports, reducing Ethiopia's competitiveness in global markets. According to Saunder et al. (2007), streamlining customs operations, simplifying regulatory procedures, and enhancing transparency could significantly improve Ethiopia's coffee export performance. Reforming the regulatory framework would help create a more efficient export environment, encouraging participation from both large and small exporters, ultimately strengthening Ethiopia's position in the global coffee market.

2.15. Conclusion

Ethiopia's coffee export sector plays a vital role in the nation's economy and holds significant growth potential. However, its performance is shaped by a complex interplay of internal and external factors, including firm-specific capabilities, management practices, government support, market conditions, and export marketing strategies, which limit the sector's full potential.

Theories such as absolute and comparative advantage, alongside the Heckscher-Ohlin model, highlight Ethiopia's competitive advantages in coffee production. Yet, the success of its coffee exports also depends on effective management, institutional support, and strategic marketing that emphasizes the unique qualities of Ethiopian coffee.

Empirical studies show that coffee exporters who manage resources efficiently, respond to market demands, and differentiate their products through branding and quality are more likely to succeed. To improve the sector's performance, Ethiopia must refine government policies, develop infrastructure, streamline export procedures, enhance communication strategies, and promote sustainable farming practices. These steps are crucial in boosting Ethiopia's competitive position in global coffee markets, enabling the country to sustain and expand its market share.

A comprehensive approach is needed for long-term success, focusing on policy reforms, better infrastructure, and sustainable production methods. Addressing regulatory challenges, enhancing processing quality, and improving the export system will increase the competitiveness of Ethiopian coffee. With the right strategies, particularly in promoting value-added coffee products, Ethiopia can strengthen its position as a leading global coffee exporter, ensuring continued economic growth and sustainable development within the sector.

CHAPTER THREE

3. Research Design and Methodology

3.1. Introduction

This chapter presents the research design and methodology used to investigate the determinants of coffee export performance in Ethiopia. It provides a detailed framework for addressing the research objectives and questions outlined in Chapter One. The chapter covers the study area, research paradigm, approach, and design, along with the target population, sampling techniques, data sources, data collection methods, and analytical tools. Measures to ensure validity and reliability are also discussed, alongside the ethical considerations observed during the research process to uphold the study's integrity.

The research employs a mixed-methods approach, integrating qualitative and quantitative methods to provide a comprehensive analysis of the factors influencing Ethiopia's coffee export sector. This methodology enables a balanced exploration of both macro-level market conditions and firm-level determinants affecting export performance. By aligning with the study's objectives, this approach facilitates the identification of critical factors and the development of actionable strategies to enhance Ethiopia's competitive position in global coffee markets.

The study focuses on Ethiopia's major coffee-producing regions, including Sidamo, Yirgacheffe, and Harrar, as well as key export hubs and port cities. Guided by a positivist paradigm, the research emphasizes objective measurement and analysis of relationships between determinants and export performance. The sampling techniques ensure the inclusion of a representative sample of stakeholders, such as coffee producers, exporters, and policymakers. Primary data were collected through surveys and interviews, while secondary data were drawn from government reports, academic studies, and industry publications. This robust methodology ensures reliable and valid findings that contribute to a deeper understanding of Ethiopia's coffee export dynamics.

3.2. Research Approach

This study adopts a mixed-methods approach, combining quantitative and qualitative data collection and analysis to provide a comprehensive understanding of the determinants affecting

Ethiopia's coffee export performance. Secondary data were gathered from governmental and industry sources, including the Central Statistics Authority (CSA), Ethiopian Coffee and Tea Authority, Ethiopian Coffee Exporters Association (ECEA), and the National Bank of Ethiopia (NBE). These data include export volumes, prices, revenues, and productivity levels. Primary data were collected through semi-structured interviews and structured questionnaires targeting key stakeholders, such as exporters, government officials, and cooperative members.

The quantitative approach employed descriptive statistics to analyze data on export volumes, prices, and market trends, presenting results in graphs, tables, and percentages to identify key patterns. Meanwhile, qualitative data from semi-structured interviews provided insights into operational challenges, perceptions, and strategies within the coffee export sector. The mixed-methods design allows for triangulation, improving the validity and depth of the study by integrating measurable outcomes with subjective experiences (Creswell, 2018).

This integrated approach enhances the reliability and richness of the findings. Quantitative analysis identifies trends and relationships between variables, such as the influence of government policies and market access on export performance. Simultaneously, qualitative analysis explores human-centered factors like perceptions of quality and barriers to market entry. Together, these methods ensure a balanced and robust understanding of Ethiopia's coffee export dynamics, offering actionable insights for policymakers and stakeholders.

3.3. Research Design

A research design serves as a detailed blueprint for conducting a study to effectively address research problems (Malhotra & Birks, 2007). This study adopts both causal and descriptive research designs to provide a comprehensive analysis of the determinants influencing Ethiopia's coffee export performance.

The causal research design explores cause-and-effect relationships between factors such as government policies, market conditions, and management practices, and their impact on coffee export performance. For instance, the study examines whether changes in export subsidies, infrastructure development, or international demand directly affect export volumes and revenues. By analyzing the direction and strength of these relationships, the causal approach

provides actionable insights for policymakers and industry stakeholders, helping them address key challenges and optimize performance (Malhotra & Birks, 2007).

Complementing the causal approach, the descriptive research design offers a detailed profile of Ethiopia's coffee export sector, focusing on stakeholder characteristics, market trends, and challenges faced by exporters. As Robson (2002) explains, descriptive research provides a thorough examination of current conditions, mapping out the dynamics of the industry and offering context for how identified factors manifest in practice. By integrating causal and descriptive designs, the study ensures a multidimensional analysis, laying the groundwork for strategies that enhance Ethiopia's competitiveness in the global coffee market.

3.4. Target Population and Sample Size

3.4.1. Target Population

The target population for this study comprises key stakeholders in Ethiopia's coffee export sector, including managers of selected coffee export companies, members of coffee cooperatives, and officials from relevant agencies such as the Ethiopian Coffee Exporters Association (ECEA) and the Ethiopian Coffee & Tea Authority. These stakeholders play critical roles in decision-making, policy implementation, and operational processes that influence coffee export performance. By focusing on this group, the study aims to obtain insights from those directly involved in addressing the challenges and opportunities within the industry.

Given the manageable size of the population, a census approach was employed, ensuring data collection from all stakeholders within the target group. This method minimizes the risk of bias and ensures comprehensive representation, capturing a diverse range of perspectives and experiences. The inclusion of all relevant stakeholders provides a holistic view of Ethiopia's coffee export sector, enabling a more reliable and nuanced analysis of the factors affecting its performance.

3.4.2. Sample Size Determination

This study utilized a census method to ensure the inclusion of every individual within the target population, thereby eliminating sampling errors and providing comprehensive data. Census methods are particularly effective for relatively small populations as they facilitate detailed

insights from all key stakeholders. According to Israel (1992), such approaches yield a more accurate and complete representation of the population without the necessity for sampling.

The target population comprised 150 stakeholders in Ethiopia's coffee export sector, including coffee exporters, cooperative members, and relevant officials. Data collection successfully engaged 100 individuals, with 90 valid responses ultimately used for analysis. These responses were gathered through semi-structured interviews and structured questionnaires, enabling the collection of both qualitative and quantitative data. The high response rate highlights strong engagement among participants and underscores the relevance of the study to stakeholders in Ethiopia's coffee export industry. The comprehensive inclusion of diverse perspectives and experiences contributes to the reliability and depth of the study's conclusions.

While the census method was employed for this study, a sample size determination could have been conducted for comparison purposes. Utilizing Yamane's (1967) formula would ensure a 95% confidence level with a 5% margin of error:

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

Where:

- n = Sample size
- N = Population size (150 stakeholders)
- e = Margin of error (0.05)

Substituting the values, we find:

$n = 150 / (1 + 150(0.05)^2)$

$n \approx 150 / 1.375 \approx 109$

Thus, the required sample size would be approximately 109 stakeholders. However, this study successfully collected data from 101 individuals, with 90 valid responses utilized for analysis. The

responses represented a rich and comprehensive perspective from the selected Coffee Farmers Cooperative Union's coffee exporters, cooperative members, and relevant officials.

3.5. Data Sources and Data Collection Methods

3.5.1. Data Sources

This study utilized both primary and secondary data to explore the determinants of Ethiopia's coffee export performance comprehensively.

Primary Data: Primary data were collected directly from key stakeholders in the coffee export sector, including managers of coffee exporting companies and representatives from the Ethiopian Coffee Exporters Association (ECEA). Structured questionnaires were used to gather quantitative data on export volumes, revenues, and market conditions, while in-depth interviews provided qualitative insights into challenges, opportunities, and strategies influencing export performance. These data collection methods allowed the study to capture both measurable aspects and stakeholder perceptions, ensuring a balanced understanding of Ethiopia's coffee export dynamics. Field observations further enriched the findings by offering contextual insights into real-world operational challenges.

Secondary Data: Secondary data were drawn from a variety of reputable sources, including academic research, government reports, trade publications, and statistical records. Key sources included the Ethiopian Coffee and Tea Authority, the Ethiopian Coffee Exporters Association, and international trade organizations such as the Food and Agriculture Organization (FAO) and the International Coffee Organization (ICO). These data provided essential background information and validated primary findings, offering broader insights into the trends and dynamics of Ethiopia's coffee export industry. According to Bryman & Bell (2011), secondary data enhances the reliability and depth of research by providing external validation and additional context.

3.5.2. Data Collection Methods

This study employed a combination of quantitative and qualitative data collection methods to comprehensively explore Ethiopia's coffee export performance. Structured questionnaires were designed to gather quantitative data on key variables, such as export volumes, revenue, and market conditions. These questionnaires were distributed to coffee export managers and other

stakeholders, ensuring the collection of standardized data that could be analyzed statistically to identify trends and patterns within the sector.

To complement the quantitative data, semi-structured interviews were conducted with key stakeholders, including coffee exporters, government officials, and cooperative members. These interviews provided qualitative insights into operational challenges, such as market access, quality control, and the impact of government policies. The flexibility of semi-structured interviews allowed for an in-depth exploration of specific issues while maintaining consistency across responses.

Additionally, secondary data from previous studies, government reports, and literature reviews were integrated into the analysis. This enriched the research by providing context and validating findings from the primary data. The combination of these methods ensured a robust and well-rounded approach to understanding the factors influencing Ethiopia's coffee export performance (Bryman & Bell, 2011).

3.6. Methods of Data Analysis

3.6.1. Descriptive Statistics

Descriptive statistics were employed to summarize and analyze quantitative data collected on key variables such as export volumes, revenues, and quality certification practices. Statistical measures, including mean, percentage, and standard deviation, were used to identify central tendencies, variations, and trends within the data, offering a deeper understanding of Ethiopia’s coffee export performance. For instance, calculating the mean and standard deviation allowed the study to assess typical export volumes and revenues, as well as the variability across different regions and exporters (Bewick, Cheek, & Ball, 2003).

The results of the analysis were presented using tables and graphs to enhance clarity and interpretability. Tables provided a systematic and detailed view of the data, while graphs visually illustrated trends and distributions, making it easier to identify patterns and explore relationships between variables. For example, the study examined how export volumes are influenced by quality certifications, such as Fair Trade or Organic, and the role of government policies in shaping

export performance. These visual tools offered accessible insights, supporting data-driven conclusions.

Descriptive statistics are particularly useful for summarizing large datasets and presenting an overview of the findings. They enable the study to establish a foundation for further analysis by highlighting key trends and patterns, which are essential for making informed decisions and recommendations to improve Ethiopia's coffee export sector.

3.6.2. Inferential Statistics

Inferential statistics were employed to identify significant factors influencing Ethiopia's coffee export performance, focusing on variables such as infrastructure, market access, and quality management. Regression analysis was used to assess the predictive power of these factors on export volumes and revenues, while correlation analysis examined the strength and direction of relationships between them. For example, the study evaluated how improvements in infrastructure, such as road networks and port facilities, correlate with increased coffee export volumes and how certifications for quality management impact the competitiveness of Ethiopian coffee in international markets (Bewick, Cheek, & Ball, 2003).

These inferential tools are essential for drawing conclusions that extend beyond the sample data, allowing the study to generalize findings to the broader population. By analyzing the statistical significance of various factors, the study provides actionable insights for improving Ethiopia's coffee export sector. This approach helps policymakers and industry stakeholders identify the most impactful areas for intervention, offering a data-driven foundation for strategic planning.

By leveraging regression and correlation analyses, the study contributes to a deeper understanding of the dynamics of Ethiopia's coffee exports. These methods enhance the reliability of the findings and support recommendations aimed at improving the sector's competitiveness in the global coffee market.

3.6.3. Thematic Analysis

Qualitative data collected from interviews and observations will be analyzed thematically to identify key themes, patterns, and insights related to Ethiopia's coffee export performance. This

method allows for a detailed exploration of stakeholder perceptions regarding challenges such as logistical barriers, inconsistent quality, and market access, as well as strategies employed to address these issues. Thematic analysis enables the study to uncover recurring issues and highlight factors that significantly influence the experiences and decision-making of coffee exporters.

The findings will be presented using tables, charts, and graphs, which offer clarity and facilitate interpretation. These visual tools will summarize the qualitative data and provide a structured comparison across stakeholder groups, such as exporters, government officials, and cooperative members. This approach ensures that the data are accessible and actionable, allowing for a comprehensive understanding of the contextual challenges affecting the sector.

By employing thematic analysis, the study provides a nuanced understanding of the qualitative aspects of Ethiopia's coffee export sector. This method complements the quantitative analysis, offering a richer perspective on the factors influencing export performance and guiding recommendations for addressing identified challenges.

3.7. Validity and Reliability

Validity: Validity ensures the appropriateness and accuracy of research instruments. Instruments were pre-tested and reviewed by industry experts to verify their suitability for the study objectives(Taylor, 2013).

Reliability: Cronbach's Alpha was employed to measure the internal consistency of survey items. All variables showed high reliability, with Cronbach's Alpha values exceeding 0.9, indicating strong internal consistency (Nunnally, 1978).

Variable	Cronbach's Alpha	No. of Items
Export Policy	0.962	6
Global Competition	0.944	6
Consistency	0.962	6
Communication	0.981	6
Logistics	0.990	6
Regulatory Procedure	0.992	6

Variable	Cronbach's Alpha	No. of Items
Export Performance	0.989	5

Source: SPSS Results (2022)

3.8. Ethical Procedures

Ethical considerations were rigorously observed throughout the research process to maintain the integrity of the study and respect for participants. All respondents were fully informed about the study's purpose and the voluntary nature of their participation. Prior to data collection, participants were given a clear explanation of the research goals, their rights, and the potential benefits of the study. Consent was obtained from all participants, ensuring that they were comfortable with the process and fully understood their involvement. This transparency was essential in building trust between the researcher and participants, enabling the collection of accurate and reliable data.

To ensure the privacy and protection of participants, confidentiality and anonymity were strictly maintained. Personal identifiers were not collected, and any information that could potentially identify participants was removed from the data. This ensured that individual responses could not be traced back to any specific person. Furthermore, the data collected were used exclusively for academic purposes, in accordance with ethical research standards. The study adhered to these ethical guidelines to ensure that all participants' rights were respected throughout the research process.

Proper acknowledgments were given to all sources to prevent plagiarism and uphold academic integrity. All sources, including interviews, published studies, and data sets, were appropriately cited. This adherence to ethical research practices ensured transparency and integrity throughout the research process, fostering credibility and reliability in the study's findings. By following these procedures, the research upheld the highest ethical standards and ensured that the study contributed meaningfully to academic knowledge.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS, AND DISCUSSION OF RESULTS

4.1. Introduction

This chapter presents the findings of the study on the determinants affecting coffee export business performance in Ethiopia, focusing on key factors such as government trade policies, global competitiveness, product traceability, relationship management, logistics and infrastructure, and regulatory compliance. The objective of this chapter is to analyze the data collected through structured questionnaires and to interpret the results in relation to the research questions and objectives.

The chapter is organized into three main sections:

1. Data Presentation – This section summarizes the demographic characteristics of respondents and provides descriptive statistics on key research variables.
2. Data Analysis – This section involves statistical analyses, including descriptive statistics, correlation analysis, and regression modeling to examine the relationships between variables.
3. Discussion of Results – This section interprets the findings in the context of existing literature and the theoretical framework, highlighting key insights and their implications for Ethiopia's coffee export industry.

The analysis is conducted using JASP software, a statistical tool that facilitates both descriptive and inferential statistical analysis. The descriptive statistics include measures such as mean, median, standard deviation, and frequency distribution, which provide an overview of the collected data. Inferential analyses, such as correlation tests, ANOVA, and regression analysis, are applied to test research hypotheses and examine relationships between variables.

The findings from this chapter will serve as a basis for drawing conclusions and formulating recommendations in the subsequent chapter.

4.2. Descriptive Analysis

Descriptive analysis provides a summary of the collected data, offering insights into the characteristics of the respondents and key research variables. This section presents the demographic profile of the participants and analyzes the central tendencies and dispersion of responses related to the determinants of coffee export performance. Descriptive statistics such as frequency distributions, mean, median, standard deviation, and percentages are used to summarize the data. The findings are presented using tables and graphical representations to enhance clarity.

Descriptive Statistics

	Gender	Educational Level	Your role within the organization	Years of Experience in Management	Years of Experience within your Organization
Valid	101	101	101	101	101
Missing	0	0	0	0	0
Mode	2.000	1.000	4.000	3.000	3.000
Median					
Mean					
Std. Deviation					
Minimum					
Maximum					

4.2.1. Demographic Characteristics of Respondents

The demographic profile of respondents includes variables such as gender, educational level, job role, years of experience in management, and tenure within the organization. These factors provide an understanding of the composition of the study participants and their relevance to the research topic.

Gender Distribution

The dataset consists of 101 valid responses, with 70 male respondents (69.3%) and 31 female respondents (30.7%). This indicates that the majority of respondents in the coffee export industry

are male, reflecting a male-dominated workforce. However, a significant representation of female respondents (30.7%) suggests increasing participation of women in the sector.

Frequencies for Gender

Gender	Frequency	Percent	Valid Percent	Cumulative Percent
Female	31	30.693	30.693	30.693
Male	70	69.307	69.307	100.000
Missing	0	0.000		
Total	101	100.000		

Educational Level

Regarding educational qualifications, the majority of respondents (55.4%) hold a Bachelor's degree, followed by 40.6% with a Master's degree or higher. A small percentage (3.0%) have a Diploma, while only 0.99% have completed only tenth grade. These findings indicate that a highly educated workforce is engaged in the coffee export business, with a strong presence of professionals holding undergraduate and postgraduate degrees.

Job Role and Work Experience

The respondents were classified into four professional categories:

- Senior-level professionals (39.6%) represent the largest group.
- Managerial positions (30.7%) make up a significant portion, highlighting experienced decision-makers in the industry.
- Mid-level professionals (24.8%) also form a substantial part of the workforce.
- Entry-level professionals (4.9%) are the smallest group, suggesting that most employees have considerable experience.

These results suggest that most respondents hold mid-to-senior-level roles, which adds credibility to their insights regarding export business challenges and strategies.

Frequencies for Educational Level

Educational Level	Frequency	Percent	Valid Percent	Cumulative Percent
Bachelor's Degree	56	55.446	55.446	55.446
Completed Tenth Grade	1	0.990	0.990	56.436
Diploma	3	2.970	2.970	59.406
Master's Degree or higher	41	40.594	40.594	100.000
Missing	0	0.000		
Total	101	100.000		

Years of Experience in Management

Experience in management was categorized into four groups:

- 31.7% of respondents have 6-10 years of management experience, making it the most common category.
- 25.7% have 10 or more years of experience, indicating a presence of highly experienced leaders.
- 21.8% have less than 3 years of experience, suggesting a mix of emerging managers.
- 20.8% have 3-5 years of experience.

This distribution highlights that a significant portion of respondents (57.4%) have more than 6 years of management experience, which enhances the reliability of the responses concerning coffee export performance.

Frequencies for Years of Experience in Management

Years of Experience in Management	Frequency	Percent	Valid Percent	Cumulative Percent
10 Years and above	26	25.743	25.743	25.743
3-5 Years	21	20.792	20.792	46.535
6-10 Years	32	31.683	31.683	78.218
Less than 3 years	22	21.782	21.782	100.000
Missing	0	0.000		
Total	101	100.000		

Years of Experience within the Organization

Regarding tenure in their current organizations:

- 49.5% of respondents have been with their organization for 5-10 years, suggesting strong employee retention.
- 26.7% have less than 5 years of experience, indicating a considerable presence of newer employees.
- 15.8% have 11-15 years, and 7.9% have over 15 years of tenure, demonstrating long-term commitment among some employees.

These findings show that the majority of respondents (73.3%) have been with their organization for at least 5 years, making them well-positioned to provide insights into the challenges and opportunities in coffee export performance.

Frequencies for Your role within the organization

Your role within the organization	Frequency	Percent	Valid Percent	Cumulative Percent
Entry-level Professional	5	4.950	4.950	4.950
Managerial Position	31	30.693	30.693	35.644
Mid-level Professional	25	24.752	24.752	60.396
Senior-level Professional	40	39.604	39.604	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Years of Experience within your Organization

Years of Experience within your Organization	Frequency	Percent	Valid Percent	Cumulative Percent
11-15 Years	16	15.842	15.842	15.842
15 Years and above	8	7.921	7.921	23.762
5-10 Years	50	49.505	49.505	73.267

Frequencies for Years of Experience within your Organization

Years of Experience within your Organization	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 5 Years	27	26.733	26.733	100.000
Missing	0	0.000		
Total	101	100.000		

4.2.2. Summary of Descriptive Analysis

The demographic analysis reveals the following key insights:

1. The coffee export business is predominantly male-dominated, but with a growing female workforce.
2. Most respondents possess high educational qualifications (Bachelor's and Master's degrees), which indicates a skilled and knowledgeable workforce.
3. The industry is led by experienced professionals, with a majority holding senior or managerial roles.
4. A significant proportion of respondents have over 6 years of management experience, adding credibility to their perspectives on the industry's challenges.
5. Employee retention is strong, as nearly half of the respondents have been with their organizations for 5-10 years.

These findings provide a strong foundation for the subsequent statistical analyses, including correlation tests and regression analysis, which will explore the relationships between these demographic factors and export business performance.

4.3. Descriptive Statistics Overview: Analysis of Government Trade Policies and Export Performance

The descriptive statistics for government trade policies and their impact on coffee export performance provide insights into how respondents perceive Ethiopia's trade regulations and policies. The mean scores range from 2.416 to 2.594, with standard deviations between 0.974

and 1.202, indicating moderate agreement with some variation in responses. The median scores are mostly 2.000, suggesting that many respondents disagreed or were neutral regarding the effectiveness of these policies.

4.3.1. Interpretation of Key Variables

Effectiveness of Ethiopia's Foreign Trade Policies

- Mean: 2.446 | Mode: 2 (Agree) | Std. Deviation: 1.044
- 50.5% of respondents agreed that Ethiopia's foreign trade policies are conducive to coffee export growth, while 17.8% were neutral, and 17.8% disagreed.
- The relatively high standard deviation (1.044) suggests some variability in opinions, indicating that some exporters may not fully perceive the policies as supportive.

Tangible Benefits from Foreign Trade Regulations

- Mean: 2.416 | Mode: 2 (Agree) | Std. Deviation: 1.080
- A higher proportion (41.6%) agreed that trade regulations provide benefits, while 18.8% remained neutral and 19.8% strongly agreed.
- 16.8% disagreed, indicating that while many believe there are benefits, a significant portion of exporters do not fully recognize these advantages.

Influence of International Trade Partners on Ethiopian Policies

- Mean: 2.436 | Mode: 2 (Agree) | Std. Deviation: 0.974
- The majority (42.6%) agreed that Ethiopia's trade policies are shaped by international trade partners, with 24.8% neutral and 15.8% disagreeing.
- The lower standard deviation (0.974) indicates relatively consistent responses, suggesting that most respondents acknowledge the external influence.

Focus on Increasing Coffee Export Volumes

- Mean: 2.416 | Mode: 2 (Agree) | Std. Deviation: 1.202

- 38.6% agreed that Ethiopia's trade policies focus on increasing export volumes, while 23.7% strongly agreed.
- However, 17.8% remained neutral, and 19.8% disagreed, suggesting mixed perceptions about the government's trade priorities.
- The higher standard deviation (1.202) indicates greater variation in responses.

Adaptability of Foreign Trade Policies to Global Market Changes

- Mean: 2.515 | Mode: 2 (Agree) | Std. Deviation: 1.016
- While 42.6% agreed that Ethiopia's trade policies are frequently revised, 24.8% were neutral, and 18.8% disagreed.
- The standard deviation (1.016) suggests moderate variations in opinions, highlighting a lack of uniformity in how policy adaptability is perceived.

Ease of Navigating and Implementing Foreign Trade Policy

- Mean: 2.594 | Mode: 2 (Agree) | Std. Deviation: 1.012
- Only 36.6% of respondents agreed that the current foreign trade framework is easy to navigate, while 32.7% remained neutral.
- 17.8% disagreed, indicating concerns over policy complexity and implementation challenges.
- The relatively high percentage of neutral responses suggests uncertainty among exporters regarding ease of compliance.

4.3.2. Summary of Government Trade Policy Impact

The analysis suggests that Ethiopian coffee exporters hold mixed perceptions about the effectiveness of foreign trade policies. While a considerable number of respondents acknowledge benefits, a significant proportion remains neutral or skeptical, particularly regarding policy adaptability and ease of implementation.

1. The majority (over 40%) agree that Ethiopia's trade policies contribute to export performance, but a large neutral response rate suggests uncertainty.
2. Trade regulations are perceived as somewhat beneficial, but some exporters (16.8%) disagree, indicating the need for more policy clarity.
3. Global influences on trade policy are acknowledged, but exporters seem divided on whether these policies favor local businesses.
4. The ease of navigating trade policies is a major concern, with only 36.6% agreeing and a high percentage of neutral and negative responses.

These findings suggest that policymakers should focus on improving transparency, ensuring easier implementation of regulations, and making policies more adaptable to global trade dynamics. Further inferential analysis (e.g., correlation and regression) will explore the direct impact of trade policies on coffee export performance.

Descriptive Statistics

Government Trade Policies and Export Performance

	The foreign trade policies of Ethiopia are conducive to the growth of coffee exports	The government's foreign trade regulations provide tangible benefits for coffee exporters in Ethiopia	Ethiopia's trade policies are shaped by the requirements and policies of other international trade partners	The foreign trade policy has a clear focus on increasing Ethiopia's coffee export volumes	Ethiopia's foreign trade policies are revised frequently to adapt to global market changes	The current foreign trade policy framework is easy to navigate and implement for coffee exporter
Valid	101	101	101	101	101	101
Missing	0	0	0	0	0	0
Mode	2.000 [a]	2.000 [a]	2.000 [a]	2.000 [a]	2.000 [a]	2.000 [a]
Median	2.000	2.000	2.000	2.000	2.000	3.000
Mean	2.446	2.416	2.436	2.416	2.515	2.594
Std. Deviation	1.044	1.080	0.974	1.202	1.016	1.012
Minimum	1.000	1.000	1.000	1.000	1.000	1.000
Maximum	5.000	5.000	5.000	5.000	5.000	5.000

[a] The mode is computed assuming that variables are discreet.

Frequency Tables

Frequencies for Government Trade Policies and Export Performance: The foreign trade policies of Ethiopia are conducive to the growth of coffee exports.

The foreign trade policies of Ethiopia are conducive to the growth of coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	14	13.861	13.861	13.861
Agree	**51**	**50.495**	**50.495**	**64.356**
Neutral	18	17.822	17.822	82.178
Disagree	13	12.871	12.871	95.050
Strongly Disagree	5	4.950	4.950	100.000
Missing	0	.000		

Frequencies for Government Trade Policies and Export Performance: The foreign trade policies of Ethiopia are conducive to the growth of coffee exports.

The foreign trade policies of Ethiopia are conducive to the growth of coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent
Total	101	100.0		

Frequencies for Government Trade Policies and Export Performance: The government's foreign trade regulations provide tangible benefits for coffee exporters in Ethiopia.

The government's foreign trade regulations provide tangible benefits for coffee exporters in Ethiopia.	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	20		19.802	19.802
Agree	42		41.584	61.386
Neutral	19		18.812	80.198
Disagree	17		16.832	97.030

Frequencies for Government Trade Policies and Export Performance: The foreign trade policies of Ethiopia are conducive to the growth of coffee exports.

The foreign trade policies of Ethiopia are conducive to the growth of coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	3		2.970	100.000
Missing	0			
Total	101			

Frequencies for Government Trade Policies and Export Performance: Ethiopia's trade policies are shaped by the requirements and policies of other international trade partners.

Ethiopia's trade policies are shaped by the requirements and policies of other international trade partners.	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	16		15.842	15.842
Agree	43		42.574	58.416

Frequencies for Government Trade Policies and Export Performance: The foreign trade policies of Ethiopia are conducive to the growth of coffee exports.

The foreign trade policies of Ethiopia are conducive to the growth of coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent
Neutral	25		24.752	83.168
Disagree	16		15.842	99.010
Strongly Disagree	1		0.990	100.000
Missing	0			
Total	101			

Frequencies for Government Trade Policies and Export Performance: The foreign trade policy has a clear focus on increasing Ethiopia's coffee export volumes.

The foreign trade policy has a clear focus on increasing Ethiopia's coffee export volumes	Fr	Percent	Valid Percent	Cumulative Percent

Frequencies for Government Trade Policies and Export Performance: The foreign trade policies of Ethiopia are conducive to the growth of coffee exports.

The foreign trade policies of Ethiopia are conducive to the growth of coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent
		equency		
Strongly Agree		23.762	23.762	23.762
Agree		38.614	38.614	62.376
Neutral		17.822	17.822	80.198
Disagree		11.881	11.881	92.079
Strongly Disagree		7.921	7.921	100.000
Missing		0.000		
Total		100.000		

Frequencies for Government Trade Policies and Export Performance: Ethiopia's foreign trade policies are revised frequently to adapt to global market changes.

Ethiopia's foreign trade policies are revised frequently to adapt to global market changes	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	14	13.861	13.861	13.861
Agree	43	42.574	42.574	56.436
Neutral	25	24.752	24.752	81.188
Disagree	16	15.842	15.842	97.030
Strongly Disagree	3	2.970	2.970	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Government Trade Policies and Export Performance: The foreign trade policies of Ethiopia are conducive to the growth of coffee exports.

The foreign trade policies of Ethiopia are conducive to the growth of coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent

Frequencies for Government Trade Policies and Export Performance: The current foreign trade policy framework is easy to navigate and implement for coffee exporters.

The current foreign trade policy framework is easy to navigate and implement for coffee exporters	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree		12.871	12.871	12.871
Agree		36.634	36.634	49.505
Neutral		32.673	32.673	82.178
Disagree		13.861	13.861	96.040
Strongly Disagree		3.960	3.960	100.000
Missing		0.000		
Total		100.000		

4.4. Descriptive Statistics of Ethiopian Coffee Competitiveness in the Global Market

The analysis of responses from 101 participants highlights key insights into the competitiveness of Ethiopian coffee in the international market. The study evaluates various aspects, including quality, pricing, marketing strategies, and global competition.

4.4.1. Competitiveness of Ethiopian Coffee in the Global Market

Participants were asked whether they perceive Ethiopian coffee as competitive in the global market in terms of quality and pricing. The results indicate that 31.7% strongly agree, while 30.7% agree, collectively making up 62.4% of respondents who perceive Ethiopian coffee as globally competitive. However, 11.9% disagreed, and 3.96% strongly disagreed, while 21.8% remained neutral.

The relatively high agreement rate suggests that Ethiopian coffee has a strong position internationally, primarily due to its quality and pricing strategy. However, the presence of neutral and negative responses indicates the need for further improvements in pricing strategies and market expansion efforts.

4.4.2. Perceived Quality of Ethiopian Coffee Compared to Other Countries

Regarding the perceived quality of Ethiopian coffee compared to other coffee-producing nations, the results reveal that 37.6% of respondents agree, while 26.7% strongly agree, accounting for a total of 64.3% positive responses. Meanwhile, 19.8% remained neutral, and 15.8% disagreed (8.9% disagreed, 6.9% strongly disagreed).

These findings reinforce the widely held belief that Ethiopian coffee is renowned for its superior quality. The presence of a significant neutral group (19.8%) suggests that some stakeholders might feel that Ethiopian coffee needs further enhancements in quality control or consistency to maintain its global reputation.

4.4.3. Resources and Capabilities of Ethiopian Coffee Traders

When assessing whether Ethiopian coffee traders have the necessary resources and capabilities to be competitive on the international stage, 27.7% strongly agreed, while 32.7% agreed, totaling 60.4% positive responses. Meanwhile, 16.8% disagreed, 3.96% strongly disagreed, and 18.8% were neutral.

The notable percentage of neutral (18.8%) and negative (20.8%) responses suggests that some coffee traders may face challenges in resources, logistics, or financial support when competing internationally. This implies a need for enhanced capacity-building initiatives, financial support

mechanisms, and improved supply chain efficiency to strengthen Ethiopian coffee traders' global presence.

4.4.4. Pricing Competitiveness of Ethiopian Coffee

Regarding pricing competitiveness, the responses indicate that 44.6% agree and 13.9% strongly agree, leading to a total of 58.4% positive responses. However, 9.9% disagreed, 6.9% strongly disagreed, and 24.7% were neutral.

While the majority view Ethiopian coffee pricing as competitive, the presence of a relatively high neutral response (24.7%) and a combined 16.8% disagreement suggests that pricing strategies might need further optimization to attract more international buyers. Factors such as global pricing fluctuations, market access, and competition from other coffee-producing countries may be affecting perceptions.

4.4.5. Effectiveness of Marketing Strategies in Reaching Global Markets

The effectiveness of marketing strategies used by Ethiopian coffee exporters was also analyzed. Results show that 41.5% agreed and 9.9% strongly agreed, totaling 51.5% positive responses. On the other hand, 17.8% disagreed, 5.9% strongly disagreed, and 24.7% remained neutral.

Although a majority believe that the marketing strategies are effective, the significant percentage of neutral (24.7%) and negative responses (23.8%) suggests that marketing efforts may need improvements in areas such as digital marketing, branding, and promotional campaigns to enhance Ethiopian coffee's visibility in the international market.

4.4.6. Strength of Global Competitors in the Coffee Industry

Finally, participants assessed the capabilities of global competitors in the coffee industry, particularly regarding financial resources, skilled labor, and other competitive factors. The results indicate that 39.6% agreed and 19.8% strongly agreed, meaning 59.4% recognize the formidable competition in the global coffee market. However, 26.7% remained neutral, while 9.9% disagreed and 3.96% strongly disagreed.

The relatively high neutral response (26.7%) suggests that some participants may not have in-depth knowledge of global competitors' strengths. However, the overall findings confirm that

Ethiopian coffee exporters face strong international competition, particularly from countries with better financial backing and access to skilled labor.

4.4.7. Summary of Findings

1. Quality and pricing: Ethiopian coffee is generally perceived as high-quality and competitively priced, though some concerns about pricing strategies exist.
2. Trader capabilities: While many believe that Ethiopian coffee traders have the resources to compete globally, a notable percentage of respondents remain uncertain or disagree.
3. Marketing effectiveness: Marketing strategies are perceived as moderately effective, but improvements are needed in branding and international market penetration.
4. Global competition: Many stakeholders acknowledge the significant financial and operational advantages of global competitors, suggesting a need for strategic interventions to enhance Ethiopian coffee's market share.

These findings provide valuable insights for policymakers, exporters, and stakeholders in the Ethiopian coffee industry, guiding future market expansion, pricing strategies, and capacity-building efforts.

4.5. Descriptive Statistics: Competitiveness of Ethiopian Coffee in the Global Market

The descriptive statistical analysis provides an overview of the perceptions of Ethiopian coffee exporters regarding their competitiveness in the global market. The results include measures such as frequencies, percentages, and measures of central tendency (mode, median, mean, and standard deviation) for key variables related to export performance, quality, pricing, marketing strategies, and competition.

4.5.1. Competitiveness of Ethiopian Coffee in the Global Market

A majority of respondents (31.68% strongly agree and 30.69% agree) believe that Ethiopian coffee is competitive in the global market, particularly in terms of quality and pricing. However, a smaller proportion (11.88% disagree and 3.96% strongly disagree) indicate concerns about

competitiveness. The relatively high proportion of neutral responses (21.78%) suggests that some respondents may perceive market conditions as uncertain.

4.5.2. Quality of Ethiopian Coffee Compared to Other Producing Countries

Regarding the superior quality of Ethiopian coffee compared to other coffee-producing nations, 26.73% strongly agree, and 37.62% agree. However, a small proportion (8.91% disagree and 6.93% strongly disagree) question this assertion. The mean and median values suggest a generally positive perception, though variability in responses indicates differing opinions among exporters.

4.5.3. Resources and Capabilities of Ethiopian Coffee Traders

When asked about whether Ethiopian coffee traders have the resources and capabilities to be competitive on the international stage, 27.72% strongly agree and 32.67% agree. Nonetheless, 16.83% disagree, and 3.96% strongly disagree, highlighting concerns about resource constraints. The presence of 18.81% neutral responses suggests that some respondents are uncertain or believe improvements are needed.

4.5.4. Competitiveness of Ethiopian Coffee Pricing

The pricing of Ethiopian coffee as a factor for competitiveness receives mixed responses. While 44.55% agree and 13.86% strongly agree that Ethiopian coffee pricing is competitive enough to attract international buyers, 9.90% disagree, and 6.93% strongly disagree. The relatively high neutral response (24.75%) suggests uncertainty about whether pricing is sufficiently attractive to sustain market share.

4.5.5. Effectiveness of Marketing Strategies

The effectiveness of marketing strategies employed by Ethiopian coffee exporters in reaching global markets also demonstrates mixed responses. 41.58% agree and 9.90% strongly agree that current strategies are effective, while 17.82% disagree, and 5.94% strongly disagree. A notable

portion (24.75%) remains neutral, suggesting the need for further improvements in marketing efforts.

4.5.6. Competitiveness of Global Coffee Industry Players

Finally, the competitiveness of global coffee industry players is perceived as strong, with 19.80% strongly agreeing and 39.60% agreeing that international competitors have sufficient financial resources, skilled labor, and other key factors that make them formidable. However, 9.90% disagree and 3.96% strongly disagree with this assertion, while 26.73% remain neutral.

4.5.7. Summary of Findings

Overall, the results indicate that Ethiopian coffee exporters generally perceive their product as competitive in terms of quality and pricing. However, concerns exist regarding resource availability, pricing competitiveness, and marketing strategies. The mixed responses highlight the need for policy interventions and industry support to enhance competitiveness in the global coffee market. Addressing challenges related to financial resources, marketing, and international trade dynamics will be critical for sustaining Ethiopian coffee's market position.

Descriptive Statistics

	Ethiopian coffee is competitive in the global coffee market, particularly in terms of quality and pricing	*Ethiopian coffee stands out for its superior quality when compared to other coffee-producing countries*	*Ethiopian coffee traders have the resources and capabilities to be competitive on the international stage*	*The pricing of Ethiopian coffee is competitive enough to attract international buyers consistently*	*Marketing strategies adopted by Ethiopian coffee exporters are effective in reaching global markets*	*Global competitors in the coffee industry possess sufficient financial resources, skilled labor, and other key factors that make them formidable in the international market*
Valid	*101*	*101*	*101*	*101*	*101*	*101*

Descriptive Statistics

	Ethiopian coffee is competitive in the global coffee market, particularly in terms of quality and pricing	*Ethiopian coffee stands out for its superior quality when compared to other coffee-producing countries*	*Ethiopian coffee traders have the resources and capabilities to be competitive on the international stage*	*The pricing of Ethiopian coffee is competitive enough to attract international buyers consistently*	*Marketing strategies adopted by Ethiopian coffee exporters are effective in reaching global markets*	*Global competitors in the coffee industry possess sufficient financial resources, skilled labor, and other key factors that make them formidable in the international market*
Missing	*0*	*0*	*0*	*0*	*0*	*0*
Mode	*4.000*	*1.000*	*1.000*	*1.000*	*1.000*	*1.000*
Median						
Mean						
Std. Deviation						
Minimum						
Maximum						

Frequency Tables

Frequencies for Global Competitiveness and Export Performance: Ethiopian coffee is competitive in the global coffee market, particularly in terms of quality and pricing.

Ethiopian coffee is competitive in the global coffee market, particularly in terms of quality and pricing	*Frequency*	*Percent*	*Valid Percent*	*Cumulative Percent*
Agree	*31*	*30.693*	*30.693*	*30.693*
Disagree	*12*	*11.881*	*11.881*	*42.574*
Neutral	*22*	*21.782*	*21.782*	*64.356*
Strongly Agree	*32*	*31.683*	*31.683*	*96.040*
Strongly Disagree	*4*	*3.960*	*3.960*	*100.000*
Missing	*0*	*0.000*		
Total	*101*	*100.000*		

Frequencies for Global Competitiveness and Export Performance: Ethiopian coffee stands out for its superior quality when compared to other coffee-producing countries.

Ethiopian coffee stands out for its superior quality when compared to other coffee-producing countries	*Frequency*	*Percent*	*Valid Percent*	*Cumulative Percent*
Agree	*38*	*37.624*	*37.624*	*37.624*
Disagree	*9*	*8.911*	*8.911*	*46.535*
Neutral	*20*	*19.802*	*19.802*	*66.337*
Strongly Agree	*27*	*26.733*	*26.733*	*93.069*
Strongly Disagree	*7*	*6.931*	*6.931*	*100.000*
Missing	*0*	*0.000*		
Total	*101*	*100.000*		

Frequencies for Global Competitiveness and Export Performance: Ethiopian coffee traders have the resources and capabilities to be competitive on the international stage.

Ethiopian coffee traders have the resources and capabilities to be competitive on the international stage	*Frequency*	*Percent*	*Valid Percent*	*Cumulative Percent*
Agree	*33*	*32.673*	*32.673*	*32.673*
Disagree	*17*	*16.832*	*16.832*	*49.505*
Neutral	*19*	*18.812*	*18.812*	*68.317*
Strongly Agree	*28*	*27.723*	*27.723*	*96.040*
Strongly Disagree	*4*	*3.960*	*3.960*	*100.000*
Missing	*0*	*0.000*		
Total	*101*	*100.000*		

Frequencies for Global Competitiveness and Export Performance: The pricing of Ethiopian coffee is competitive enough to attract international buyers consistently.

The pricing of Ethiopian coffee is competitive enough to attract international buyers consistently	*Frequency*	*Percent*	*Valid Percent*	*Cumulative Percent*
Agree	*45*	*44.554*	*44.554*	*44.554*

Frequencies for Global Competitiveness and Export Performance: The pricing of Ethiopian coffee is competitive enough to attract international buyers consistently.

The pricing of Ethiopian coffee is competitive enough to attract international buyers consistently	*Frequency*	*Percent*	*Valid Percent*	*Cumulative Percent*
Disagree	*10*	*9.901*	*9.901*	*54.455*
Neutral	*25*	*24.752*	*24.752*	*79.208*
Strongly Agree	*14*	*13.861*	*13.861*	*93.069*
Strongly Disagree	*7*	*6.931*	*6.931*	*100.000*
Missing	*0*	*0.000*		
Total	*101*	*100.000*		

Frequencies for Global Competitiveness and Export Performance: Marketing strategies adopted by Ethiopian coffee exporters are effective in reaching global markets.

Marketing strategies adopted by Ethiopian coffee exporters are effective in reaching global markets	*Frequency*	*Percent*	*Valid Percent*	*Cumulative Percent*
Agree	*42*	*41.584*	*41.584*	*41.584*
Disagree	*18*	*17.822*	*17.822*	*59.406*
Neutral	*25*	*24.752*	*24.752*	*84.158*
Strongly Agree	*10*	*9.901*	*9.901*	*94.059*
Strongly Disagree	*6*	*5.941*	*5.941*	*100.000*
Missing	*0*	*0.000*		
Total	*101*	*100.000*		

Frequencies for Global Competitiveness and Export Performance: Global competitors in the coffee industry possess sufficient financial resources, skilled labor, and other key factors that make them formidable in the international market.

Global competitors in the coffee industry possess sufficient financial resources, skilled labor, and other key factors that make them formidable in the international market	*Frequency*	*Percent*	*Valid Percent*	*Cumulative Percent*
Agree	*40*	*39.604*	*39.604*	*39.604*
Disagree	*10*	*9.901*	*9.901*	*49.505*
Neutral	*27*	*26.733*	*26.733*	*76.238*
Strongly Agree	*20*	*19.802*	*19.802*	*96.040*
Strongly Disagree	*4*	*3.960*	*3.960*	*100.000*
Missing	*0*	*0.000*		
Total	*101*	*100.000*		

4.6. Descriptive Statistics on Relationship Management and Export Success

The survey data provides insights into the role of relationship management, marketing strategies, and technological adaptation in the export performance of Ethiopian coffee traders. The responses highlight both strengths and areas for improvement in these key factors influencing global competitiveness.

4.6.1. Relationship Management Skills

The majority of respondents (41.58%) agreed that Ethiopian coffee merchants possess strong relationship management skills that benefit their export operations. Additionally, 13.86% strongly agreed, indicating a positive perception of these skills. However, 26.73% remained neutral, and 14.85% disagreed, suggesting that while relationship management is generally seen as a strength, there is room for further enhancement.

4.6.2. Communication and Negotiation with International Buyers

Effective communication and negotiation skills are essential for successful export transactions. About 33.66% of respondents agreed that Ethiopian coffee exporters excel in these skills, while 17.82% strongly agreed. However, a sizable portion (29.70%) remained neutral, and 16.83% disagreed, implying that not all traders are equally skilled in international business negotiations.

4.6.3. Use of Social Media and Digital Platforms for Marketing

The integration of digital platforms in marketing is critical in modern international trade. While 36.63% of respondents agreed that Ethiopian coffee exporters effectively use social media and other digital channels, 22.77% disagreed, and 15.84% were neutral. This suggests that while some exporters leverage digital marketing well, others may need additional training or resources to optimize their online presence.

4.6.4. Market Channel Utilization

Strategic utilization of diverse market channels is crucial for reaching a wider international consumer base. While 35.64% of respondents agreed that Ethiopian coffee merchants effectively use various market channels, 22.77% were neutral, and 20.79% disagreed. This suggests that some traders may rely on traditional methods rather than diversifying their approaches.

4.6.5. Regular Evaluation of Marketing Strategies:

Continuous assessment and adaptation of marketing strategies are key to sustaining competitiveness. About 38.61% of respondents agreed that Ethiopian coffee exporters regularly evaluate their marketing approaches, while 23.76% strongly agreed. However, 19.80% remained neutral, and 13.86% disagreed, indicating that some exporters may not be systematically reviewing their strategies.

4.6.6. Use of Technology for Export Interactions

Technology plays an essential role in enhancing trade efficiency. Approximately 34.65% of respondents agreed that Ethiopian coffee traders make efficient use of technology in their international dealings, while 16.83% strongly agreed. However, 20.79% remained neutral, and 21.78% disagreed, suggesting variability in technology adoption among exporters.

4.6.7. Key Findings and Implications

- Ethiopian coffee traders generally exhibit strong relationship management skills, but there is a need for further capacity-building in international communication and negotiation.
- While digital marketing is utilized, gaps exist in its effectiveness, requiring greater investment in training and technological adaptation.

- Many exporters are engaged in market diversification and evaluation of their strategies, but a significant portion of respondents expressed neutral or negative views, indicating a need for more structured approaches.
- The adoption of technology remains inconsistent, highlighting the importance of digital transformation initiatives.

4.6.8. Conclusion

The findings suggest that while Ethiopian coffee exporters possess several competitive strengths, targeted improvements in negotiation skills, digital marketing strategies, and technology utilization could further enhance their global performance. These areas should be prioritized in capacity-building programs and policy interventions aimed at strengthening Ethiopia's coffee export industry.

Descriptive Statistics: Relationship Management and Export Success

	Ethiopian coffee merchants possess strong relationship management skills that benefit their export operations	Ethiopian coffee exporters excel in communication and negotiation skills with international buyers	Social media and other digital platforms are effectively used to market Ethiopian coffee to a global audience	Ethiopian coffee merchants strategically utilize various market channels to reach international consumers	Regular evaluation of marketing strategies ensures that Ethiopian coffee exporters remain competitive in the global market	Ethiopian coffee traders make efficient use of technology to enhance their interactions with international customers
Valid	101	101	101	101	101	101
Missing	0	0	0	0	0	0
Mode	1.000	1.000	1.000	1.000	1.000	1.000
Median						
Mean						
Std. Deviation						
Minimum						
Maximum						

Frequency Tables

Frequencies for Relationship Management and Export Success: Ethiopian coffee merchants possess strong relationship management skills that benefit their export operations.

Ethiopian coffee merchants possess strong relationship management skills that benefit their export operations	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	42	41.584	41.584	41.584
Disagree	15	14.851	14.851	56.436
Neutral	27	26.733	26.733	83.168
Strongly Agree	14	13.861	13.861	97.030
Strongly Disagree	3	2.970	2.970	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Relationship Management and Export Success: Ethiopian coffee exporters excel in communication and negotiation skills with international buyers.

Ethiopian coffee exporters excel in communication and negotiation skills with international buyers	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	34	33.663	33.663	33.663
Disagree	17	16.832	16.832	50.495
Neutral	30	29.703	29.703	80.198
Strongly Agree	18	17.822	17.822	98.020
Strongly Disagree	2	1.980	1.980	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Relationship Management and Export Success: Social media and other digital platforms are effectively used to market Ethiopian coffee to a global audience.

Social media and other digital platforms are effectively used to market Ethiopian coffee to a global audience	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	37	36.634	36.634	36.634
Disagree	23	22.772	22.772	59.406
Neutral	16	15.842	15.842	75.248
Strongly Agree	22	21.782	21.782	97.030
Strongly Disagree	3	2.970	2.970	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Relationship Management and Export Success: Ethiopian coffee merchants strategically utilize various market channels to reach international consumers.

Ethiopian coffee merchants strategically utilize various market channels to reach international consumers	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	36	35.644	35.644	35.644
Disagree	21	20.792	20.792	56.436
Neutral	23	22.772	22.772	79.208
Strongly Agree	17	16.832	16.832	96.040
Strongly Disagree	4	3.960	3.960	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Relationship Management and Export Success: Regular evaluation of marketing strategies ensures that Ethiopian coffee exporters remain competitive in the global market.

Regular evaluation of marketing strategies ensures that Ethiopian coffee exporters remain competitive in the global market	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	39	38.614	38.614	38.614
Disagree	14	13.861	13.861	52.475
Neutral	20	19.802	19.802	72.277
Strongly Agree	24	23.762	23.762	96.040
Strongly Disagree	4	3.960	3.960	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Relationship Management and Export Success: Ethiopian coffee traders make efficient use of technology to enhance their interactions with international customers.

Ethiopian coffee traders make efficient use of technology to enhance their interactions with international customers.	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	35	34.653	34.653	34.653
Disagree	22	21.782	21.782	56.436
Neutral	21	20.792	20.792	77.228
Strongly Agree	17	16.832	16.832	94.059
Strongly Disagree	6	5.941	5.941	100.000
Missing	0	0.000		
Total	101	100.000		

4.7. Interpretation of Descriptive Statistics for Product Traceability and Export Performance

The descriptive statistics and frequency tables provided offer critical insights into the state of product traceability and the export performance of Ethiopian coffee. Here's an interpretation of the findings:

4.7.1. Steady Supply of Coffee Products for Export

Supply reliability: A total of 49.50% agree, and 20.79% strongly agree that there is a steady supply of coffee products available for export from Ethiopia, which is a positive indicator for the sustainability of coffee exports. However, 7.92% disagree, and 1.98% strongly disagree, signaling a minority who perceive supply issues. The results suggest that, generally, respondents believe Ethiopia's coffee export supply is reliable.

4.7.2. Adequate Systems for Traceability During Export

Traceability systems: There is a divided perception regarding the presence of adequate systems for traceability, with 36.63% agreeing and 16.83% strongly agreeing that these systems are in place. On the other hand, 19.80% disagree, and 0.99% strongly disagree, indicating that there is room for improvement in establishing or communicating these systems effectively. While many respondents acknowledge traceability systems, a significant portion feels they may not be sufficiently robust or well-integrated.

4.7.3. Robust Traceability Practices Enhancing Credibility

Global recognition of traceability: The perception of Ethiopian coffee's traceability enhancing its credibility is moderately positive. 38.61% agree, and 15.84% strongly agree with this statement. However, 9.90% disagree, and 2.97% strongly disagree, indicating that while many respondents believe traceability practices enhance credibility, there are still concerns or gaps that need to be addressed for full international recognition.

4.7.4. Collaboration Between Coffee Merchants and Farmers

Farmer collaboration: The collaboration between coffee merchants and farmers to maintain quality and traceability is viewed positively but with mixed opinions. While 29.70% agree, and 16.83% strongly agree, 15.84% disagree, and 4.95% strongly disagree. Additionally, 32.67% remain neutral, suggesting that while this collaboration is acknowledged, it may not be consistently perceived as effective or widespread.

4.7.5. Role of Technology in Traceability and Quality

Technology's role: A majority of respondents (36.63% strongly agree, and 28.71% agree) believe that technology plays a crucial role in maintaining traceability and quality throughout the coffee export process. However, 13.86% disagree, and 4.95% strongly disagree, indicating that while technology is largely seen as essential, there are respondents who feel its impact is either overstated or underutilized.

4.7.6. Availability of High-Quality Raw Coffee Materials

Raw material quality: The availability of high-quality raw coffee materials is also seen as essential for traceability and overall coffee quality, with 33.66% agreeing and 28.71% strongly agreeing. While this is a positive outcome, 14.85% disagree, and 3.96% strongly disagree. This suggests that the perception of raw material quality is relatively high but not universally accepted as consistent.

4.7.7. Conclusion on Product Traceability and Export Performance

Overall, the results reveal that Ethiopian coffee's traceability practices and its supply for export are seen positively, though there are some concerns and areas for improvement. The majority of respondents agree that technology, collaboration between merchants and farmers, and high-quality raw materials play key roles in ensuring traceability and quality. However, some respondents express doubts about the effectiveness of these practices and systems, suggesting potential gaps in traceability infrastructure and communication. While the perception of Ethiopian coffee's traceability and quality standards is largely favorable, further improvements may be necessary to enhance the credibility and competitiveness of Ethiopian coffee in international markets.

Descriptive Statistics: Product Traceability and Export Performance

	There is a steady supply of coffee products available for export from Ethiopia	Adequate systems are in place to ensure the traceability of coffee products during the export process	Ethiopian coffee exports are known for their robust traceability practices, which enhance their credibility	Ethiopian coffee merchants effectively collaborate with coffee farmers to maintain quality and traceability standards	Technology plays a crucial role in maintaining product traceability and quality throughout the coffee export process	The availability of high-quality raw coffee materials ensures the traceability and overall standard of Ethiopian coffee exports
Valid	101	101	101	101	101	101
Missing	0	0	0	0	0	0
Mode	1.000	1.000	1.000	3.000	4.000	1.000
Median						
Mean						
Std. Deviation						
Minimum						
Maximum						

Frequency Tables

Frequencies for Product Traceability and Export Performance: There is a steady supply of coffee products available for export from Ethiopia.

There is a steady supply of coffee products available for export from Ethiopia	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	50	49.505	49.505	49.505
Disagree	8	7.921	7.921	57.426
Neutral	20	19.802	19.802	77.228
Strongly Agree	21	20.792	20.792	98.020
Strongly Disagree	2	1.980	1.980	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Product Traceability and Export Performance: Adequate systems are in place to ensure the traceability of coffee products during the export process.

Adequate systems are in place to ensure the traceability of coffee products during the export process	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	37	36.634	36.634	36.634
Disagree	20	19.802	19.802	56.436
Neutral	26	25.743	25.743	82.178
Strongly Agree	17	16.832	16.832	99.010
Strongly Disagree	1	0.990	0.990	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Product Traceability and Export Performance: Ethiopian coffee exports are known for their robust traceability practices, which enhance their credibility.

Ethiopian coffee exports are known for their robust traceability practices, which enhance their credibility	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	39	38.614	38.614	38.614
Disagree	10	9.901	9.901	48.515
Neutral	33	32.673	32.673	81.188
Strongly Agree	16	15.842	15.842	97.030
Strongly Disagree	3	2.970	2.970	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Product Traceability and Export Performance: Ethiopian coffee merchants effectively collaborate with coffee farmers to maintain quality and traceability standards.

Ethiopian coffee merchants effectively collaborate with coffee farmers to maintain quality and traceability standards	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	30	29.703	29.703	29.703

Frequencies for Product Traceability and Export Performance: Ethiopian coffee merchants effectively collaborate with coffee farmers to maintain quality and traceability standards.

Ethiopian coffee merchants effectively collaborate with coffee farmers to maintain quality and traceability standards	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	16	15.842	15.842	45.545
Neutral	33	32.673	32.673	78.218
Strongly Agree	17	16.832	16.832	95.050
Strongly Disagree	5	4.950	4.950	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Product Traceability and Export Performance: Technology plays a crucial role in maintaining product traceability and quality throughout the coffee export process.

Technology plays a crucial role in maintaining product traceability and quality throughout the coffee export process	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	29	28.713	28.713	28.713
Disagree	14	13.861	13.861	42.574
Neutral	16	15.842	15.842	58.416
Strongly Agree	37	36.634	36.634	95.050
Strongly Disagree	5	4.950	4.950	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Product Traceability and Export Performance: The availability of high-quality raw coffee materials ensures the traceability and overall standard of Ethiopian coffee exports.

The availability of high-quality raw coffee materials ensures the traceability and overall standard of Ethiopian coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	34	33.663	33.663	33.663

Frequencies for Product Traceability and Export Performance: The availability of high-quality raw coffee materials ensures the traceability and overall standard of Ethiopian coffee exports.

The availability of high-quality raw coffee materials ensures the traceability and overall standard of Ethiopian coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	15	14.851	14.851	48.515
Neutral	19	18.812	18.812	67.327
Strongly Agree	29	28.713	28.713	96.040
Strongly Disagree	4	3.960	3.960	100.000
Missing	0	0.000		
Total	101	100.000		

4.8. Descriptive Statistics for Logistics and Infrastructure Supporting Ethiopian Coffee Exports

The results provide a clear picture of how logistics and infrastructure are perceived as contributing to the success of Ethiopian coffee exports.

4.8.1. Effective Logistics and Transportation System

Logistics effectiveness: 41.58% agree, and 16.83% strongly agree that there is an effective logistics and transportation system to support the export of Ethiopian coffee. However, 16.83% disagree, and 0.99% strongly disagree, showing that there is some concern about the effectiveness of the logistics system. 23.76% are neutral, indicating uncertainty or lack of strong opinion.

4.8.2. Meeting Delivery Timelines and International Relationships

Reliability of delivery: 42.57% agree, and 13.86% strongly agree that Ethiopian coffee exporters reliably meet delivery timelines, contributing to positive international relationships. However, 17.82% disagree, and 1.98% strongly disagree, showing that some exporters might be falling short in meeting deadlines. 23.76% are neutral, signaling a mixed opinion or lack of awareness among respondents.

4.8.3. Consistency of Logistics Arrangements

Logistics consistency: 43.56% agree, and 11.88% strongly agree that logistics arrangements are consistent and ensure smooth operations. While 18.81% disagree, and 4.95% strongly disagree, this indicates that there are challenges in maintaining logistics consistency, but the majority believes in its effectiveness.

4.8.4. Fast and Efficient Delivery Services

Delivery speed and efficiency: 41.58% agree, and 12.87% strongly agree that fast and efficient delivery services are available for Ethiopian coffee exports to international markets. However, 20.79% disagree, and 3.96% strongly disagree, suggesting that delivery speed and efficiency are not always optimal, though most respondents view it positively.

4.8.5. Meeting International Quality Standards for Delivery

International quality standards: 46.54% agree, and 17.82% strongly agree that coffee exporters in Ethiopia meet international quality standards for product delivery. A smaller percentage (15.84%) disagree, and 19.80% are neutral, reflecting a strong but not universal belief that Ethiopian exporters meet international standards.

4.8.6. Dependability of Logistics Services

Logistics service dependability: 42.57% agree, and 21.78% strongly agree that logistics services are generally dependable and contribute to the success of Ethiopian coffee exports. However, 10.89% disagree, and 2.97% strongly disagree, signaling that while logistics services are largely seen as dependable, there are concerns that could affect overall success.

4.8.7. Conclusion on Logistics and Infrastructure Supporting Export Operations

The results suggest that logistics and transportation are critical components of Ethiopian coffee export success, but there are areas where improvements can be made. The majority of respondents agree that Ethiopian coffee exporters are able to meet international timelines and quality standards, although there are some concerns regarding the consistency and speed of delivery services. The reliability and effectiveness of logistics are largely seen as positive, though a significant proportion remains neutral or expresses dissatisfaction, indicating areas where infrastructure could be enhanced for more efficient and dependable service.

Descriptive Statistics: Logistics and Infrastructure Supporting Export Operations

	There is an effective logistics and transportation system to support the export of Ethiopian coffee.	Ethiopian coffee exporters reliably meet delivery timelines, contributing to positive international relationships	Logistics arrangements for coffee exports are consistent and ensure smooth operations	Fast and efficient delivery services are available for Ethiopian coffee exports to international markets	Coffee exporters in Ethiopia meet international quality standards for product delivery	Logistics services are generally dependable and contribute to the success of Ethiopian coffee exports
Valid	101	101	101	101	101	101
Missing	0	0	0	0	0	0
Mode	1.000	1.000	1.000	1.000	1.000	1.000
Median						
Mean						
Std. Deviation						
Minimum						
Maximum						

Frequency Tables

Frequencies for Logistics and Infrastructure Supporting Export Operations: There is an effective logistics and transportation system to support the export of Ethiopian coffee.

There is an effective logistics and transportation system to support the export of Ethiopian coffee	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	42	41.584	41.584	41.584
Disagree	17	16.832	16.832	58.416
Neutral	24	23.762	23.762	82.178
Strongly Agree	17	16.832	16.832	99.010
Strongly Disagree	1	0.990	0.990	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Logistics and Infrastructure Supporting Export Operations: Ethiopian coffee exporters reliably meet delivery timelines, contributing to positive international relationships.

Ethiopian coffee exporters reliably meet delivery timelines, contributing to positive international relationships	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	43	42.574	42.574	42.574
Disagree	18	17.822	17.822	60.396
Neutral	24	23.762	23.762	84.158
Strongly Agree	14	13.861	13.861	98.020
Strongly Disagree	2	1.980	1.980	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Logistics and Infrastructure Supporting Export Operations: Logistics arrangements for coffee exports are consistent and ensure smooth operations.

Logistics arrangements for coffee exports are consistent and ensure smooth operations	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	44	43.564	43.564	43.564
Disagree	19	18.812	18.812	62.376
Neutral	21	20.792	20.792	83.168
Strongly Agree	12	11.881	11.881	95.050
Strongly Disagree	5	4.950	4.950	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Logistics and Infrastructure Supporting Export Operations [Fast and efficient delivery services are available for Ethiopian coffee exports to international markets.]

Fast and efficient delivery services are available for Ethiopian coffee exports to international markets	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	42	41.584	41.584	41.584

Frequencies for Logistics and Infrastructure Supporting Export Operations [Fast and efficient delivery services are available for Ethiopian coffee exports to international markets.]

Fast and efficient delivery services are available for Ethiopian coffee exports to international markets	Frequency	Percent	Valid Percent	Cumulative Percent
Disagree	21	20.792	20.792	62.376
Neutral	21	20.792	20.792	83.168
Strongly Agree	13	12.871	12.871	96.040
Strongly Disagree	4	3.960	3.960	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Logistics and Infrastructure Supporting Export Operations: Coffee exporters in Ethiopia meet international quality standards for product delivery.

Coffee exporters in Ethiopia meet international quality standards for product delivery	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	47	46.535	46.535	46.535
Disagree	16	15.842	15.842	62.376
Neutral	20	19.802	19.802	82.178
Strongly Agree	18	17.822	17.822	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Logistics and Infrastructure Supporting Export Operations: Logistics services are generally dependable and contribute to the success of Ethiopian coffee exports.

Logistics services are generally dependable and contribute to the success of Ethiopian coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	43	42.574	42.574	42.574
Disagree	11	10.891	10.891	53.465
Neutral	22	21.782	21.782	75.248
Strongly Agree	22	21.782	21.782	97.030
Strongly Disagree	3	2.970	2.970	100.000

Frequencies for Logistics and Infrastructure Supporting Export Operations: Logistics services are generally dependable and contribute to the success of Ethiopian coffee exports.

Logistics services are generally dependable and contribute to the success of Ethiopian coffee exports	Frequency	Percent	Valid Percent	Cumulative Percent
Missing	0	0.000		
Total	101	100.000		

4.9. Interpretation of Descriptive Statistics for Regulatory Compliance and Export Performance

The results provide insights into the perception of how well Ethiopia's regulatory environment supports the coffee export industry. Below is an analysis of each variable:

4.9.1. Monitoring of Regulatory Compliance by Ethiopian Authorities

Active monitoring: 43.56% agree, and 19.80% strongly agree that compliance with regulatory standards in foreign trade is actively monitored by Ethiopian authorities. On the other hand, 12.87% disagree, and 3.96% strongly disagree, signaling some concern over the effectiveness of monitoring. A sizable portion (19.80%) remains neutral, indicating uncertainty or lack of awareness about the monitoring processes.

4.9.2. Regulatory Environment Supporting the Coffee Export Industry:

Regulatory support: 39.60% agree, and 18.81% strongly agree that the regulatory environment in Ethiopia effectively supports the coffee export industry. However, 10.89% disagree, and 4.95% strongly disagree, indicating that there are some doubts about the effectiveness of the regulatory environment. A significant portion (25.74%) remains neutral, suggesting that some exporters may not fully understand or feel the impact of the regulatory environment.

4.9.3. Compliance Measures Followed by Coffee Exporters:

Regulatory compliance: 40.59% agree, and 16.83% strongly agree that regulatory compliance measures are consistently followed by Ethiopian coffee exporters. Yet, 9.90% disagree, and 6.93% strongly disagree, indicating that there may be some exporters who do not consistently

comply with regulations. 25.74% are neutral, pointing to a mixed view of how well these measures are followed.

4.9.4. Transparency of the Regulatory Framework:

Regulatory transparency: 43.56% agree, and 11.88% strongly agree that the regulatory framework governing the coffee export industry is transparent and easy to understand. However, 16.83% disagree, and 5.94% strongly disagree, suggesting that some exporters find the regulatory framework confusing or opaque. A portion (21.78%) remains neutral, which may suggest a lack of clarity or understanding of the regulations.

4.9.5. Infrastructure to Meet Regulatory Compliance:

Infrastructure for compliance: 46.54% agree, and 8.91% strongly agree that Ethiopian coffee exporters possess the necessary infrastructure to meet regulatory compliance standards. However, 14.85% disagree, and 4.95% strongly disagree, indicating that not all exporters have the required infrastructure in place to meet compliance standards. A notable 24.75% are neutral, possibly signaling a lack of awareness or differing views on infrastructure availability.

4.9.6. Justification and Contribution of Regulatory Policies to the Coffee Export Sector:

Effectiveness of regulatory policies: 43.56% agree, and 16.83% strongly agree that the regulatory policies governing foreign trade are well-justified and contribute positively to the coffee export sector. However, 14.85% disagree, and 2.97% strongly disagree, signaling that some stakeholders may not see the policies as effective. 21.78% are neutral, again indicating mixed feelings about the contributions of these policies.

4.9.7. Conclusion on Regulatory Compliance and Export Performance

The results indicate a generally positive perception of Ethiopia's regulatory environment for coffee exports, but there are areas where exporters feel uncertain or dissatisfied. While a majority agrees that regulatory compliance is monitored, the regulatory environment supports the sector, and the policies contribute positively, there are concerns about the transparency of regulations and the consistency of compliance among exporters. The neutrality in many responses suggests that some stakeholders may lack clarity on the effectiveness and practical

impact of the regulatory framework. Additionally, there are concerns about the infrastructure needed for full regulatory compliance.

Descriptive Statistics: Regulatory Compliance and Export Performance

	Compliance with regulatory standards in foreign trade is actively monitored by the Ethiopian authorities.	The regulatory environment in Ethiopia effectively supports the needs of the coffee export industry.	Regulatory compliance measures are consistently followed by Ethiopian coffee exporters.	The regulatory framework governing the coffee export industry is transparent and easy to understand.	Ethiopian coffee exporters possess the necessary infrastructure to meet regulatory compliance standards.	The regulatory policies governing foreign trade are well-justified and contribute positively to the coffee export sector.
Valid	101	101	101	101	101	101
Missing	0	0	0	0	0	0
Mode	1.000	1.000	1.000	1.000	1.000	1.000
Median						
Mean						
Std. Deviation						
Minimum						
Maximum						

Frequency Tables

Frequencies for Regulatory Compliance and Export Performance [Compliance with regulatory standards in foreign trade is actively monitored by the Ethiopian authorities.]

Regulatory Compliance and Export Performance [Compliance with regulatory standards in foreign trade is actively monitored by the Ethiopian authorities.]	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	44	43.564	43.564	43.564
Disagree	13	12.871	12.871	56.436
Neutral	20	19.802	19.802	76.238

Frequencies for Regulatory Compliance and Export Performance [Compliance with regulatory standards in foreign trade is actively monitored by the Ethiopian authorities.]

Regulatory Compliance and Export Performance [Compliance with regulatory standards in foreign trade is actively monitored by the Ethiopian authorities.]	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	20	19.802	19.802	96.040
Strongly Disagree	4	3.960	3.960	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Regulatory Compliance and Export Performance [The regulatory environment in Ethiopia effectively supports the needs of the coffee export industry.]

The regulatory environment in Ethiopia effectively supports the needs of the coffee export industry	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	40	39.604	39.604	39.604
Disagree	11	10.891	10.891	50.495
Neutral	26	25.743	25.743	76.238
Strongly Agree	19	18.812	18.812	95.050
Strongly Disagree	5	4.950	4.950	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Regulatory Compliance and Export Performance [Regulatory compliance measures are consistently followed by Ethiopian coffee exporters.]

Regulatory compliance measures are consistently followed by Ethiopian coffee exporters	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	41	40.594	40.594	40.594
Disagree	10	9.901	9.901	50.495
Neutral	26	25.743	25.743	76.238

Frequencies for Regulatory Compliance and Export Performance [Regulatory compliance measures are consistently followed by Ethiopian coffee exporters.]

Regulatory compliance measures are consistently followed by Ethiopian coffee exporters	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Agree	17	16.832	16.832	93.069
Strongly Disagree	7	6.931	6.931	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Regulatory Compliance and Export Performance [The regulatory framework governing the coffee export industry is transparent and easy to understand.]

The regulatory framework governing the coffee export industry is transparent and easy to understand	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	44	43.564	43.564	43.564
Disagree	17	16.832	16.832	60.396
Neutral	22	21.782	21.782	82.178
Strongly Agree	12	11.881	11.881	94.059
Strongly Disagree	6	5.941	5.941	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Regulatory Compliance and Export Performance [Ethiopian coffee exporters possess the necessary infrastructure to meet regulatory compliance standards.]

Ethiopian coffee exporters possess the necessary infrastructure to meet regulatory compliance standards	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	47	46.535	46.535	46.535
Disagree	15	14.851	14.851	61.386
Neutral	25	24.752	24.752	86.139
Strongly Agree	9	8.911	8.911	95.050

Frequencies for Regulatory Compliance and Export Performance [Ethiopian coffee exporters possess the necessary infrastructure to meet regulatory compliance standards.]

Ethiopian coffee exporters possess the necessary infrastructure to meet regulatory compliance standards	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	5	4.950	4.950	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Regulatory Compliance and Export Performance: The regulatory policies governing foreign trade are well-justified and contribute positively to the coffee export sector.

The regulatory policies governing foreign trade are well-justified and contribute positively to the coffee export sector	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	44	43.564	43.564	43.564
Disagree	15	14.851	14.851	58.416
Neutral	22	21.782	21.782	80.198
Strongly Agree	17	16.832	16.832	97.030
Strongly Disagree	3	2.970	2.970	100.000
Missing	0	0.000		
Total	101	100.000		

4.10. Descriptive Statistics for Export Performance

The results provide insights into the effectiveness of Ethiopian coffee exporters' performance. Here's an analysis of each variable:

4.10.1. Foreign Trade Performance Meets Industry Expectations:

Meeting expectations: 40.59% agree, and 15.84% strongly agree that the foreign trade performance of Ethiopian coffee exporters generally meets industry expectations. However, 12.87% disagree, and 3.96% strongly disagree, indicating that some exporters do not believe their

performance is meeting industry standards. 26.73% are neutral, suggesting some uncertainty or mixed views about performance expectations.

4.10.2. Effective Management of Export Operations:

Export operations management: 38.61% agree, and 16.83% strongly agree that Ethiopian coffee exporters demonstrate effective management of their export operations, ensuring success in international markets. On the other hand, 17.82% disagree, and 3.96% strongly disagree, showing that a portion of respondents perceives a lack of effective management. 22.77% are neutral, indicating some indecision or mixed perceptions about management quality.

4.10.3. Export Performance Compared to Global Competitors:

Global competitiveness: 38.61% agree, and 15.84% strongly agree that Ethiopian coffee exporters' performance is outstanding compared to global competitors. However, 19.80% disagree, and 6.93% strongly disagree, suggesting that some exporters believe Ethiopia's performance lags behind global competition. 18.81% are neutral, possibly unsure about Ethiopia's standing in global markets.

4.10.4. Importance of Exceptional Customer Service for Export Success:

Customer service impact: 45.55% agree, and 19.80% strongly agree that delivering exceptional customer service is key to the successful export of Ethiopian coffee. This suggests that a majority recognizes the importance of customer service. However, 9.90% disagree, and 2.97% strongly disagree, indicating some disagreement on the significance of customer service. 21.78% are neutral, which may reflect uncertainty or varying experiences with customer service practices.

4.10.5. Continuous Improvement in Export Performance:

Continuous improvement: 45.55% agree, and 19.80% strongly agree that the organization’s export performance is continuously improving as it adapts to global market dynamics. However, 12.87% disagree, and 2.97% strongly disagree, signaling that some exporters do not feel their performance is improving. 18.81% are neutral, reflecting uncertainty or mixed perceptions about the ongoing improvements in export performance.

4.10.6. Conclusion for Export Performance

The results generally indicate a positive outlook on Ethiopian coffee exporters' performance. While many believe that the foreign trade performance meets expectations, is effectively

managed, and is improving over time, there are also significant portions of respondents who are neutral or disagree with these statements. Customer service is widely acknowledged as a critical factor in export success, and there is an overall positive view of the coffee export sector's competitiveness, though some respondents feel Ethiopia still faces challenges in comparison to global competitors.

Descriptive Statistics: Effectiveness of Export Performance

	The foreign trade performance of Ethiopian coffee exporters generally meets industry expectations	Ethiopian coffee exporters demonstrate effective management of their export operations, ensuring success in international markets	The overall export performance of Ethiopian coffee merchants is outstanding in comparison to global competitors	Delivering exceptional customer service is a key driver for the successful export of Ethiopian coffee	Our organization's export performance is continuously improving as we adapt to global market dynamics
Valid	101	101	101	101	101
Missing	0	0	0	0	0
Mode	1.000	1.000	1.000	1.000	1.000
Median					
Mean					
Std. Deviation					
Minimum					
Maximum					

Frequency Tables

Frequencies for Effectiveness of Export Performance: The foreign trade performance of Ethiopian coffee exporters generally meets industry expectations.

The foreign trade performance of Ethiopian coffee exporters generally meets industry expectations	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	41	40.594	40.594	40.594
Disagree	13	12.871	12.871	53.465
Neutral	27	26.733	26.733	80.198
Strongly Agree	16	15.842	15.842	96.040

Frequencies for Effectiveness of Export Performance: The foreign trade performance of Ethiopian coffee exporters generally meets industry expectations.

The foreign trade performance of Ethiopian coffee exporters generally meets industry expectations	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly Disagree	4	3.960	3.960	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Effectiveness of Export Performance: Ethiopian coffee exporters demonstrate effective management of their export operations, ensuring success in international markets.

Ethiopian coffee exporters demonstrate effective management of their export operations, ensuring success in international markets.]	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	39	38.614	38.614	38.614
Disagree	18	17.822	17.822	56.436
Neutral	23	22.772	22.772	79.208
Strongly Agree	17	16.832	16.832	96.040
Strongly Disagree	4	3.960	3.960	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Effectiveness of Export Performance: The overall export performance of Ethiopian coffee merchants is outstanding in comparison to global competitors.

The overall export performance of Ethiopian coffee merchants is outstanding in comparison to global competitors	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	39	38.614	38.614	38.614
Disagree	20	19.802	19.802	58.416
Neutral	19	18.812	18.812	77.228
Strongly Agree	16	15.842	15.842	93.069
Strongly Disagree	7	6.931	6.931	100.000

Frequencies for Effectiveness of Export Performance: The overall export performance of Ethiopian coffee merchants is outstanding in comparison to global competitors.

The overall export performance of Ethiopian coffee merchants is outstanding in comparison to global competitors	Frequency	Percent	Valid Percent	Cumulative Percent
Missing	0	0.000		
Total	101	100.000		

Frequencies for Effectiveness of Export Performance: Delivering exceptional customer service is a key driver for the successful export of Ethiopian coffee.

Delivering exceptional customer service is a key driver for the successful export of Ethiopian coffee	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	46	45.545	45.545	45.545
Disagree	10	9.901	9.901	55.446
Neutral	22	21.782	21.782	77.228
Strongly Agree	20	19.802	19.802	97.030
Strongly Disagree	3	2.970	2.970	100.000
Missing	0	0.000		
Total	101	100.000		

Frequencies for Effectiveness of Export Performance: Our organization's export performance is continuously improving as we adapt to global market dynamics.

Our organization's export performance is continuously improving as we adapt to global market dynamics	Frequency	Percent	Valid Percent	Cumulative Percent
Agree	46	45.545	45.545	45.545
Disagree	13	12.871	12.871	58.416
Neutral	19	18.812	18.812	77.228
Strongly Agree	20	19.802	19.802	97.030
Strongly Disagree	3	2.970	2.970	100.000
Missing	0	0.000		
Total	101	100.000		

4.11. Interpretation of Regression Analysis

The linear regression model was used to assess the effectiveness of export performance based on factors like educational level and years of experience in management. The dependent variable is the foreign trade performance of Ethiopian coffee exporters, which is evaluated through their ability to meet industry expectations.

Model Summary:

- **Model M_o (Intercept-only model):**
    - R = 0.000: This indicates no linear relationship between the predictors and the dependent variable when only the intercept is considered.
    - R^2 = 0.000: This suggests that the model does not explain any of the variability in export performance when no predictors are included.
    - Adjusted R^2 = 0.000: The adjusted R^2 also shows that no explanatory power is added by the intercept-only model.
    - RMSE = 1.036: The root mean square error is the standard deviation of the residuals, indicating the average deviation between the observed and predicted values.
- **Model M_1 (with predictors included):**
    - R = 0.249: This indicates a small positive correlation between the predictors (educational level and years of experience in management) and export performance.
    - R^2 = 0.062: This shows that the model with the predictors explains only 6.2% of the variation in export performance. This is relatively low, suggesting that the predictors used may not strongly influence export performance.

- Adjusted R^2 = 0.002: After adjusting for the number of predictors, the R^2 value decreases, showing that the model might not be significantly improving the prediction of export performance.
- RMSE = 1.034: The RMSE is slightly lower than in the intercept-only model, but it still indicates considerable deviation between the predicted and observed export performance values.

4.12. Linear Regression

Model Summary - Effectiveness of Export Performance [The foreign trade performance of Ethiopian coffee exporters generally meets industry expectations.]

Model	R	R^2	Adjusted R^2	RMSE
M_o	0.000	0.000	0.000	1.036
M_1	0.249	0.062	0.002	1.034

Note. M_1 includes Educational Level, Years of Experience in Management

4.13. ANOVA Analysis of the Effect of Management Experience on Export Performance

An Analysis of Variance (ANOVA) was conducted to examine the effectiveness of export performance in the context of delivering exceptional customer service as a key driver for the successful export of Ethiopian coffee. The focus was on the relationship between Years of Experience in Management and export performance.

Table: ANOVA Results for Export Performance Based on Years of Experience in Management

Cases	Sum of Squares	df	Mean Square	F	p
Years of Experience in Management	1.397	3	0.466	0.460	0.711
Residuals	98.088	97	1.011		

Note. Type III Sum of Squares

The analysis was conducted on three different levels of management experience to assess its impact on export performance. The variability explained by the factor of management experience

is represented by the sum of squares, which was found to be 1.397. The degrees of freedom (df) for the factor were 3, corresponding to the number of levels in the independent variable. The mean square, calculated by dividing the sum of squares by its degrees of freedom, resulted in a value of 0.466. The F-statistic, which measures the ratio of variance explained by the model to the variance unexplained, was 0.711. This value suggests a relatively low effect of management experience on export performance. Lastly, the p-value of 0.711 is greater than the commonly accepted significance level of 0.05, indicating that there is no statistically significant difference in export performance across the different levels of management experience.

Based on the results of this ANOVA, it can be concluded that years of experience in management do not have a statistically significant effect on the export performance of Ethiopian coffee. This indicates that factors other than management experience may be more critical drivers for successful coffee export performance.

The following ANOVA table also tests whether the predictors as a group significantly explain the variation in export performance.

- Sum of Squares for Regression = 6.650: This value represents the variation in the dependent variable explained by the independent variables (educational level and management experience).
- Sum of Squares for Residuals = 100.577: This represents the unexplained variation in export performance after accounting for the predictors.
- F-statistic = 1.036: The F-statistic is the ratio of the variance explained by the model to the unexplained variance. A value of 1.036 is relatively low and suggests that the model does not significantly improve our ability to predict export performance.
- p-value = 0.407: This p-value is greater than the standard significance level of 0.05, indicating that the model is not statistically significant. Thus, we fail to reject the null hypothesis and conclude that the predictors (educational level and years of experience in management) do not significantly influence export performance.

ANOVA

Model		Sum of Squares	df	Mean Square	F	p
M_1	Regression	6.650	6	1.108	1.036	0.407
	Residual	100.577	94	1.070		
	Total	107.228	100			

Note. M_1 includes Educational Level, Years of Experience in Management

Note. The intercept model is omitted, as no meaningful information can be shown.

4.14. Coefficients Table

The coefficients table provides details on how each predictor affects the dependent variable, while also indicating the statistical significance of each effect.

- Intercept: The intercept value for M_1 is 2.426, which means that when all predictors (educational level and years of experience) are zero, the export performance score is expected to be 2.426. This effect is statistically significant, with a p-value less than 0.001.
- **Educational Level**:
    - Completed Tenth Grade: The coefficient is -0.541, indicating a slight negative relationship with export performance. However, the p-value (0.609) suggests that this effect is not statistically significant.
    - Diploma: The coefficient is -0.063, showing a very small negative effect on export performance, but with a p-value of 0.919, this is also not statistically significant.
    - Master's Degree or Higher: The coefficient is 0.110, showing a very small positive effect on export performance, but with a p-value of 0.629, this is also not statistically significant.
- **Years of Experience in Management**:
    - 3-5 Years: The coefficient is -0.412, indicating a slight negative relationship with export performance, but with a p-value of 0.193, this is not statistically significant.

- 6-10 Years: The coefficient is 0.115, suggesting a small positive relationship with export performance, but with a p-value of 0.689, this is not statistically significant.
- Less than 3 years: The coefficient is 0.325, indicating a small positive relationship, but with a p-value of 0.310, this is not statistically significant.

Coefficients

Model		Unstandardized	Standard Error	Standardized[a]	t	p
M_o	(Intercept)	2.485	0.103		24.119	< .001
M_1	(Intercept)	2.426	0.260		9.317	< .001
	Educational Level (Completed Tenth Grade)	-0.541	1.054		-0.514	0.609
	Educational Level (Diploma)	-0.063	0.619		-0.103	0.919
	Educational Level (Master's Degree or higher)	0.110	0.228		0.485	0.629
	Years of Experience in Management (3-5 Years)	-0.412	0.314		-1.312	0.193
	Years of Experience in Management (6-10 Years)	0.115	0.288		0.401	0.689
	Years of Experience in Management (Less than 3 years)	0.325	0.318		1.022	0.310

[a] Standardized coefficients can only be computed for continuous predictors.

4.15. Key Insights and Conclusions on Determinants of Coffee Export Performance in Ethiopia

This chapter presented a comprehensive analysis of the determinants affecting coffee export performance in Ethiopia, synthesizing findings from descriptive statistics, inferential analyses, and participant perceptions. The demographic profile of respondents indicated a predominantly

male workforce with high educational qualifications and considerable management experience, thus providing a knowledgeable base for insights into the coffee export industry.

Key highlights include a generally positive perception of Ethiopian coffee's global competitiveness, particularly in quality and pricing; however, concerns regarding pricing strategies and market access were noted. Respondents acknowledged the necessity for enhanced marketing effectiveness, suggesting improvements in branding and visibility to further strengthen Ethiopian coffee's position in international markets.

The analysis of government trade policies revealed mixed perceptions, with many respondents expressing uncertainty about policy effectiveness, adaptability, and compliance ease. Calls for greater transparency and clarity in trade regulations were emphasized. Logistics and infrastructure were recognized as vital components supporting export operations, although challenges related to service speed and consistency were identified.
Furthermore, the socio-economic dynamics of relationship management and product traceability were highlighted as pivotal factors influencing export success, with participants noting the role of technology and collaborative practices in enhancing quality and traceability standards.

Key findings from ANOVA and regression analyses indicated that management experience did not significantly impact export performance, suggesting that other variables might play a more critical role. Overall, while Ethiopian coffee exporters are optimistic about their competitive landscape, significant challenges remain, necessitating focused strategies on logistics, regulatory compliance, and marketing to enhance overall export performance. This chapter's findings provide a valuable foundation for the recommendations and conclusions discussed in the following chapters.

CHAPTER FIVE

5. SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1. Summary

This study aimed to assess the determinant factors affecting coffee export business performance in Ethiopia, focusing on selected coffee farmers' cooperative unions. Ethiopia, as one of the leading coffee producers globally, heavily depends on coffee exports for foreign exchange earnings and economic growth. However, various internal and external factors influence the efficiency and competitiveness of Ethiopian coffee exports in international markets. The study identified key determinants, including government policies, global competition, logistics and infrastructure, sustainability, quality management, communication, and export marketing strategies.

The research utilized descriptive and inferential statistical analyses to evaluate the relationship between these factors and export performance. The findings indicate that:

- Ethiopian coffee exporters possess strong relationship management and communication skills, but there are inconsistencies in negotiation with international buyers.
- Social media and digital platforms are underutilized for global marketing, with some exporters lacking the necessary digital marketing skills.
- Ethiopian coffee traders employ various market channels, but logistical inefficiencies hinder effective distribution.
- Price volatility and global competition present significant challenges, necessitating robust pricing strategies and market diversification.
- Government policies, though supportive, require further refinement to enhance efficiency and transparency in export procedures.
- Sustainability initiatives, including organic certification and fair trade compliance, are crucial for maintaining competitiveness in premium markets.

5.2. Conclusion

Based on the findings, the Ethiopian coffee export sector has substantial potential but faces several structural and operational challenges. The competitive edge of Ethiopian coffee, driven by its quality and unique varieties, is often undermined by logistical constraints, regulatory

inefficiencies, and limited value addition. The study concludes that improving coffee export performance requires a holistic approach, integrating policy reforms, infrastructure development, capacity building, and market expansion efforts.

Furthermore, enhancing technological adoption, promoting direct trade relationships, and increasing awareness of international quality standards can significantly improve Ethiopia's standing in the global coffee market. Addressing these challenges will enable Ethiopian coffee exporters to maximize their revenues, increase market penetration, and sustain long-term competitiveness.

5.3. Recommendations

To enhance the performance of Ethiopia's coffee export sector, the following recommendations are proposed:

5.3.1. Policy and Institutional Reforms

- Simplify and streamline coffee export regulations to reduce bureaucratic delays and improve transparency.
- Strengthen trade policies to encourage direct trade relationships between Ethiopian coffee exporters and international buyers.
- Enhance government support for value-added coffee processing to reduce reliance on raw coffee exports.

5.3.2. Infrastructure and Logistics Improvement

- Invest in modern storage facilities and transportation networks to reduce post-harvest losses and inefficiencies in supply chains.
- Improve port facilities and customs clearance processes to minimize delays in international shipping.
- Expand access to financial support for coffee exporters to enable better logistics management and market penetration.

5.3.3. Market Diversification and Promotion

- Strengthen marketing strategies by promoting Ethiopian coffee through international trade fairs, digital platforms, and e-commerce.

- Encourage branding and certification initiatives to enhance the global appeal of Ethiopian coffee, particularly in premium markets.
- Develop training programs on digital marketing and negotiation skills for coffee exporters.

5.3.4. Quality and Sustainability Enhancement

- Implement standardized quality control mechanisms to maintain consistency in Ethiopian coffee exports.
- Support sustainability initiatives, including organic farming, fair trade certification, and environmentally friendly processing methods.
- Increase awareness and incentives for coffee producers to adopt best practices in quality management.

By implementing these recommendations, Ethiopia can strengthen its coffee export sector, ensuring long-term sustainability and competitiveness in the global market. Future research should explore the impact of international trade agreements and digital transformation on Ethiopian coffee exports to provide deeper insights into emerging opportunities and challenges.

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Questionnaire for Thesis Research

Addis Ababa University
Graduate Program
International Business Management Department

Research Title: Assessing the Determinants Affecting the Export Performance of Ethiopian Coffee

The purpose of this research is to investigate key factors influencing the export performance of Ethiopian coffee, focusing on selected coffee exporters in Addis Ababa. Your response is valuable and confidential and will only be used for academic purposes. Thank you for your participation.

For further inquiries, please contact:
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Section 1: General Information

Please indicate your response to the following general questions by marking "√" next to the applicable option.

Gender

1. Female ☐ 2. Male ☐

Educational Level

1. Completed Tenth Grade ☐ 2. Diploma ☐ 3. Bachelor's Degree ☐ 4. Master's Degree or higher ☐

Your role within the organization

1. Entry-level Professional ☐ 2. Mid-level Professional ☐ 3. Senior-level Professional ☐ 4. Managerial Position ☐

Years of Experience in Management

1. Less than 3 years ☐ 2. 3-5 Years ☐ 3. 6-10 Years ☐ 4. 10 Years and above ☐

Years of Experience within your Organization

1. Less than 5 Years ☐ 2. 5-10 Years ☐ 3. 11-15 Years ☐ 4. 15 Years and above ☐

Section 2: Market Influences Impacting Export Performance

Please indicate your level of agreement with the following statement by selecting the appropriate number by marking (√).

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

S.No.	Government Trade Policies and Export Performance	1	2	3	4	5
1	The foreign trade policies of Ethiopia are conducive to the growth of coffee exports.					
2	The government's foreign trade regulations provide tangible benefits for coffee exporters in Ethiopia.					
3	Ethiopia's trade policies are shaped by the requirements and policies of other international trade partners.					
4	The foreign trade policy has a clear focus on increasing Ethiopia's coffee export volumes.					
5	Ethiopia's foreign trade policies are revised frequently to adapt to global market changes.					
6	The current foreign trade policy framework is easy to navigate and implement for coffee exporters.					
S.No.	**Global Competitiveness and Export Performance**	**1**	**2**	**3**	**4**	**5**
1	Ethiopian coffee is competitive in the global coffee market, particularly in terms of quality and pricing.					
2	Ethiopian coffee stands out for its superior quality when compared to other coffee-producing countries.					

3	Ethiopian coffee traders have the resources and capabilities to be competitive on the international stage.					
4	The pricing of Ethiopian coffee is competitive enough to attract international buyers consistently.					
5	Marketing strategies adopted by Ethiopian coffee exporters are effective in reaching global markets.					
6	Global competitors in the coffee industry possess sufficient financial resources, skilled labor, and other key factors that make them formidable in the international market.					
S.No.	**Product Traceability and Export Performance**	**1**	**2**	**3**	**4**	**5**
1	There is a steady supply of coffee products available for export from Ethiopia.					
2	Adequate systems are in place to ensure the traceability of coffee products during the export process.					
3	Ethiopian coffee exports are known for their robust traceability practices, which enhance their credibility.					
4	Ethiopian coffee merchants effectively collaborate with coffee farmers to maintain quality and traceability standards.					
5	Technology plays a crucial role in maintaining product traceability and quality throughout the coffee export process.					
6	The availability of high-quality raw coffee materials ensures the traceability and overall standard of Ethiopian coffee exports.					
S.No.	**Relationship Management and Export Success**	**1**	**2**	**3**	**4**	**5**
1	Ethiopian coffee merchants possess strong relationship management skills that benefit their export operations.					
2	Ethiopian coffee exporters excel in communication and negotiation skills with international buyers.					
3	Social media and other digital platforms are effectively used to market Ethiopian coffee to a global audience.					
4	Ethiopian coffee merchants strategically utilize various market channels to reach international consumers.					
5	Regular evaluation of marketing strategies ensures that Ethiopian coffee exporters remain competitive in the global market.					
6	Ethiopian coffee traders make efficient use of technology to enhance their interactions with international customers.					
S.No.	**Logistics and Infrastructure Supporting Export Operations**	**1**	**2**	**3**	**4**	**5**
1	There is an effective logistics and transportation system to support the export of Ethiopian coffee.					
2	Ethiopian coffee exporters reliably meet delivery timelines, contributing to positive international relationships.					
3	Logistics arrangements for coffee exports are consistent and ensure smooth operations.					

4	Fast and efficient delivery services are available for Ethiopian coffee exports to international markets.					
5	Coffee exporters in Ethiopia meet international quality standards for product delivery.					
6	Logistics services are generally dependable and contribute to the success of Ethiopian coffee exports.					
S.No.	**Regulatory Compliance and Export Performance**	**1**	**2**	**3**	**4**	**5**
1	Compliance with regulatory standards in foreign trade is actively monitored by the Ethiopian authorities.					
2	The regulatory environment in Ethiopia effectively supports the needs of the coffee export industry.					
3	Regulatory compliance measures are consistently followed by Ethiopian coffee exporters.					
4	The regulatory framework governing the coffee export industry is transparent and easy to understand.					
5	Ethiopian coffee exporters possess the necessary infrastructure to meet regulatory compliance standards.					
6	The regulatory policies governing foreign trade are well-justified and contribute positively to the coffee export sector.					
S.No.	**Effectiveness of Export Performance**	**1**	**2**	**3**	**4**	**5**
1	The foreign trade performance of Ethiopian coffee exporters generally meets industry expectations.					
2	Ethiopian coffee exporters demonstrate effective management of their export operations, ensuring success in international markets.					
3	The overall export performance of Ethiopian coffee merchants is outstanding in comparison to global competitors.					
4	Delivering exceptional customer service is a key driver for the successful export of Ethiopian coffee.					
5	Our organization's export performance is continuously improving as we adapt to global market dynamics.					

Thank you very much!!!