ADDIS ABABA UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MANAGEMENT

THE MEDIATING ROLE OF MARKETING STRATEGY IN THE EFFECT OF ANTECEDENTS ON EXPORT PERFORMANCE OF OILSEEDS: The Case of Ethiopian Pulses and Oil Seeds Exporters Association

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF ART IN INTERNATIONAL BUSINESS SPECIALIZING IN IMPORT AND EXPORT MANAGEMENT

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January, 2025

Addis Ababa, Ethiopia

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Approval of the Thesis

As member of the board of examiners, we examined this thesis entitled "The mediating role of marketing strategy in the effect of antecedents on export performance of oilseeds: The Case of Ethiopian Pulses and Oil Seeds Exporters Association "prepared by Dagmawit Kebede. We here by clarify that the thesis is accepted for fulfilling the requirements for the award of the degree of masters of social science (MSC) in international business specializing in Import and Export Management.

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Declaration and Approval by the Advisor

I, Dagmawit Kebede, declare that the study entitled "The mediating role of marketing strategy in the effect of antecedents on export performance of oilseeds: The Case of Ethiopian Pulses and Oil Seeds Exporters Association "is the result of my effort in this research undertaking. It is submitted to the partial fulfillment of the requirement of the Masters of Social Science (MSC) in International Business specializing in Import and Export Management.

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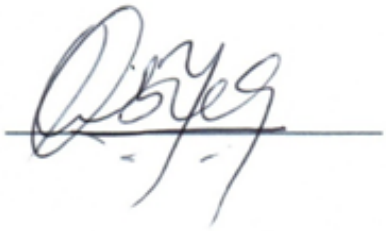
Signature: 	Signature: 
Date: 30-1-25	Date: 30-1-2025

Acknowledgment

First of all, I would like to praise almighty God for helping and enabling me to carry out this study. My appreciation and special thanks go to my advisor, Abera Legesse (PhD), for his ongoing guidance and valuable and constructive comments throughout the preparation of the study. Finally I would like to thank Ethiopian Pulses and Oil Seeds Exporters Association for giving me the necessary information in preparing this thesis.

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Acronyms and Abbreviations

EPOSEA	Ethiopian Pulses and Oilseeds Exporters Association
MoTRI	Ministry of Trade and Regional Integration
SPSS	Statistical Software Package for Social Sciences
ANOVA	Analysis of Variance
VIF	Variance Inflation Factor
EP	Export performance
FC	Firm Characteristics
PC	Product Characteristics
MC	Market Characteristics
IC	Industry Characteristics
EMS	Export Marketing Strategy

Abstract

This study investigates the factors affecting the export performance of Ethiopian oilseed exporters, emphasizing the mediating role of export marketing strategies. A quantitative research approach was employed, utilizing an explanatory survey design to establish causal relationships between internal factors (firm and product characteristics), external factors (industry and market characteristics), and export performance. Data were collected from 162 respondents, primarily members of the Ethiopian Pulses and Oilseeds Exporters Association (EPOSEA). The analysis was conducted using SPSS version 27 software, incorporating descriptive statistics, correlation analysis, and multiple regression models to test the relationships among variables. The results reveal that firm, product and market factors does not have significant influence on export performance, however industry characteristics shows the strongest direct impact. Export marketing strategies comprising product adaptation, pricing, promotion, and distribution emerged as a crucial mediator, enhancing the effectiveness of these factors. Statistical tests, including Pearson correlation, multicollinearity checks, and regression analysis, confirmed the robustness of the model. The adjusted R-square value indicated that 70% of the variance in export performance could be explained by the independent variables, underscoring the importance of aligning internal capabilities and external opportunities with strategic marketing efforts. Respondents emphasized several recommendations, including the need for increased government support including addressing structural barriers and simplify export regulations. They also highlighted the importance of investing in modern technologies to enhance production efficiency and meet international quality standards. Additionally, respondents recommended improving market accessibility through enhanced trade networks and partnerships, as well as addressing logistical challenges by upgrading transportation and storage infrastructure.

***Key words**: export performance, Firm Characteristics, product Characteristics, industry Characteristics and marketing Characteristics, export marketing strategy, oilseeds export.*

CHAPTER ONE

1. Introduction

Nations' of the world differ in their resource endowments and level of technology applied in the production of goods and services. The engagement of nations in the international trade depends upon a nation's specialization in the production of goods in which they have comparative advantages constructs room for improvement of the welfare of the society as a whole. Many economists advocated the contribution of international trade for welfare of nations (as the engine of growth) in the overall process of economic development (Onafowora and Owoye, 1998; Arndt, 1999).

Exporting is now one of the fastest growing economic activities essential for both nations and firms, there is still no strong theoretical framework for researching the export activity phenomenon (Leonidou et al., 2002). A possible explanation for this is that researchers live in a world that desires and rewards theories that look for factors to improve export performance. According to Daniels (2015), international trade refers to all commercial transactions between two countries. In most countries international trade covers a significant share of countries' GDP. In the case of Ethiopia, the contribution of export/GDP ratio is lower and the declining share of exports in import financing GDP ratio was 6 percent and import to GDP ratios was 25 percent in the year 2013/14(NBE, 2014/15). And as a result export business for a specific country is a vital component of its economy by creating new market for its product as well as new job opportunity for the citizens. On the other hand international trade gives chance to both consumers and countries the opportunity to be exposed to new markets and products.

The oilseeds industry represents a critical economic sector for Ethiopia, leveraging the country's favorable climatic conditions and abundant arable land. Despite these natural advantages, the export performance of Ethiopian oilseeds has remained modest when compared to other leading producers and exporters. This gap underscores the importance of understanding the factors influencing export performance to enhance the competitiveness of Ethiopia's oilseeds industry in global markets (Taffesse et al., 2012).

Oilseeds, including sesame, niger seed, and linseed, are essential crops in Ethiopia's agricultural and economic framework. These crops have been cultivated for generations, contributing significantly to the country's agricultural exports and providing livelihoods for many smallholder farmers (Wijnands et al., 2009). However, the sector faces numerous challenges, such as low productivity, limited access to modern agricultural technologies, and inadequate infrastructure (Alemu et al., 2003; Shahidur et al., 2015). Addressing these issues requires a comprehensive analysis of the factors influencing export performance.

While existing studies have explored the determinants of export performance (EP) for agricultural commodities, research often focuses on internal or external factors independently, overlooking the role of mediating factors like export marketing strategies. It is also important to focus not only on the direct effects of the internal and external factors on EP but also on any potential mediating factors (indirect factors) that can influence EP.

By identifying and analyzing these factors, this study seeks to provide valuable insights and recommendations for policymakers, industry stakeholders, and development organizations. The findings can contribute to the formulation of strategies and interventions aimed at enhancing the export competitiveness of the Ethiopian oilseed sector, thereby fostering economic growth, increasing foreign exchange earnings, and improving the livelihoods of smallholder farmers involved in oilseed production.

1.1 Background of the study

The Ethiopian Pulses and Oilseeds Exporters Association (EPOSEA), formerly known as the Ethiopian Pulses, Oilseeds, and Spices Processors-Exporters Association (EPOSPEA), were established in 1998 with a clear mandate to foster the growth and global competitiveness of its members. The association revised its name in the current fiscal year to reflect its focused commitment to the export of pulses and oilseeds, two of Ethiopia's key agricultural exports. Since its inception, EPOSEA has played a pivotal role in transforming Ethiopia's export sector by empowering its members and positioning them as significant contributors to the global market.

EPOSEA exists to serve, promote, and protect the interests of its members. By building their capacity and enabling them to compete globally, the association contributes significantly to Ethiopia's economic development.

The Ethiopian Pulses and Oilseeds Exporters Association stands as a cornerstone of Ethiopia's export sector, driving progress and innovation. By equipping its members with the tools, knowledge, and networks they need, EPOSEA plays an instrumental role in boosting the global competitiveness of Ethiopian pulses and oilseeds. Through its unwavering commitment to capacity building, advocacy, and collaboration, EPOSEA not only serves its members but also contributes significantly to the nation's economic development. Membership in this dynamic association is an invaluable asset for exporters aiming to thrive in the global market.

The researcher chooses the Ethiopian Pulses, Oil Seeds, and Spices Association for this academic research because it serves as a hub for numerous exporters within the industry. This centralization offers a unique opportunity to efficiently access a wide range of exporters, streamlining the data collection process.

1.2 Statement of problem

The oilseeds export sector is a vital component of Ethiopia's economy, contributing significantly to foreign exchange earnings and employment (Nega, 2019). Despite its importance, there is limited comprehensive research investigating the diverse factors influencing the export performance of this critical industry. Existing studies have primarily focused on production-related and macroeconomic determinants, such as productivity levels, commodity prices, and exchange rate fluctuations (Bezabih, 2014; Nega, 2019; Gebeyehu, 2020). However, these studies have largely neglected the potential mediating effects of export market strategies on performance outcomes.

Prior research has explored the direct impact of internal and external factors on export performance (EP) (Mershaye Kurabachew, 2019; Addis Alemayehu, 2019; Mulugeta Fikru, 2024; Belayneh, 2023), yet it has often overlooked the indirect effects that mediating variables, such as export strategies, might have. Considering this gap, the current study aims to develop an integrative model that not only includes internal and external export factors but also investigates

the mediating role of export strategies, offering a more holistic framework for understanding EP in the Ethiopian oilseed industry.

This study intends to bridge the research gap by conducting a thorough analysis of factors influencing the export performance of Ethiopian oilseeds, incorporating a wider range of variables to capture their complex interrelationships. By examining firm characteristic, product, industry, market characteristics and the mediating role of export market strategies—including product adaptation, pricing, distribution, and promotion (Cavusgil & Zou, 1994; Lages & Montgomery, 2004)—this research aims to provide nuanced insights that can inform policy, industry-level initiatives, and firm-level strategies, ultimately strengthening the competitiveness of this essential export sector. The findings also have potential implications for other export-focused industries in Ethiopia and comparable developing economies.

1.3 Research questions

A. Is the effect of external factors (market and industry characteristics) and internal factors (firm and product characteristics) significant?
B. Dose the export marketing strategy mediate the relationship between internal factors, external factors and export performance of oilseeds?
C. What is the relative strength of external (market and industry characteristics) and internal factors (firm and product characteristics) of export performance?

1.4 Objective of the study

1.4.1 General objectives:

- The general objective of this study is to examine the mediating role of marketing strategy in the effect of antecedents on export performance of oilseeds in Ethiopian.

1.4.2 Specific Objectives:

- To analyze the impact of internal factors on export performance.
- To assess the impact of external factors on oilseed export activities.

- To examine the mediation effect of export marketing strategy between internal and external factors and export performance.

1.5 Significance of the study:

The study on factors affecting the performance of oil seeds, specifically within the Ethiopian Pulses, Oil Seeds, and Spices Association, holds significant importance for various stakeholders, including policymakers, exporters, researchers, and the global agricultural market. Ethiopia has long been recognized as a major producer and exporter of oil seeds, contributing substantially to the nation's economy and agricultural sector. By focusing on company-specific factors, this research aims to uncover insights that can lead to targeted interventions and informed decision-making. Understanding the operational, financial, and market-specific challenges faced by individual exporters provides actionable insights that can enhance the overall efficiency and competitiveness of the sector. Additionally, the study's findings can inform the development of policies and strategies to address bottlenecks, improve access to finance, and foster infrastructure development, benefiting both exporters and the broader economy.

This research is particularly significant for exporters within the Ethiopian Pulses, Oil Seeds, and Spices Association as it identifies best practices and common challenges, offering practical recommendations for optimizing operations and enhancing competitiveness in international markets. By examining firm specific factors, the findings ensure that proposed solutions are directly applicable to the unique circumstances of individual businesses. Moreover, the study has broader socio-economic implications, contributing to poverty reduction and rural development by improving the livelihoods of farmers and other stakeholders along the oil seeds value chain. This focus aligns with Ethiopia's development goals and adds valuable insights to academic literature, serving as a foundation for future research on agricultural exports and company performance.

1.6 Scope of the study

The scope of this study focuses on identifying and analyzing the factors influencing the performance of oil seed exporters within the Ethiopian. It delves into firm-specific characteristics, product attributes, industry, and market, while also examining the mediating role of export

marketing strategies. By narrowing the focus to these interconnected elements, the study aims to provide a comprehensive understanding of how these factors collectively impact the competitiveness and operational success of exporters.

1.7 limitation of the study

- Limited financial resources may affect the scope and scale of the research, potentially restricting the ability to conduct extensive surveys, interviews, or access specialized databases.
- The research may not capture a comprehensive picture if resource constraints limit the depth and breadth of data collection and analysis.
- Gaining access to key stakeholders such as exporters, and policymakers may be challenging due to time constraints, geographic factors, or stakeholder reluctance.

1.8. Organization of the Study

The study is grouped into five chapters. The first chapter, which is the introduction part, deals with the background of the study, statement of the problem, objective, significance of the study, scope of the study, limitations of the study, and other related points. The second chapter addressed a review of theoretical and empirical literature as well as the conceptual framework of those factors that affect oilseed export that could have been covered under the study. The third chapter described the study's research approach in detail. The fourth section included the main data presentation, analysis, regression, and interpretation. The data has been analyzed using an explanatory research design. Finally, chapter five covered the summary, conclusion, and recommendations of the study.

CHAPTER TWO

2. Review of related Literature

The literature review is organized into three main sections: the theoretical review, the empirical review, and the conceptual framework. The theoretical review provides an overview of international trade theories. The second section focuses on the empirical literature, examining the factors influencing oilseeds exports, along with a review of previous research on oilseeds export performance. Finally, the third section presents the conceptual framework, which is developed from both theoretical and empirical perspectives.

2.1 International Trade Theories

The belief that international trade drives economic growth and enhances national welfare can be traced back to the 18th century, particularly through mercantilism. This collection of ideas posits that a nation's wealth is best measured by its reserves of precious metals, emphasizing the importance of a favorable balance of trade. Mercantilist thought framed economic activity as a zero-sum game, where one country's gain necessitated another's loss. Therefore, it advocated for policies that promoted exports over imports, encouraging government intervention to achieve a trade surplus (Appleyard & Field, 2014).

In response to mercantilism, Adam Smith introduced the concept of absolute advantage in The Wealth of Nations (1776). He argued that trade should not be constrained by government policies but should instead arise naturally from market forces. This perspective laid the groundwork for a more dynamic understanding of trade, where nations benefit from producing goods in which they hold absolute efficiencies. However, Smith's theory does not fully account for the complexities of comparative productivity among countries.

David Ricardo's comparative advantage theory (1817) further developed this discourse by addressing situations where one nation might have an absolute advantage in multiple goods. Ricardo demonstrated that even if a country is less efficient in producing all goods, it can still benefit from trade by specializing in the production of goods for which it has the lowest opportunity cost.

The theories of absolute and comparative advantage are interlinked, as they collectively shift the focus from mere output to the relative efficiencies of production. While absolute advantage highlights the inherent capabilities of a nation, comparative advantage emphasizes the strategic allocation of resources, allowing countries to optimize their trade relationships.

Building upon these foundational theories, the Resource-Based View (RBV) emerged as a contemporary lens for analyzing export performance. Developed by Barney (1991) and Wernerfelt (1984), the RBV asserts that firms can achieve competitive advantages through unique resources and capabilities that are valuable, rare, inimitable, and non-substitutable (VRIN). This perspective integrates well with comparative advantage, as it underscores that a firm's internal strengths—such as management expertise, financial resources, and technological capabilities—are crucial in determining its ability to engage in successful international trade (Kaleka, 2012). Firms that leverage their unique resources can adapt their products and marketing strategies more effectively to meet the demands of foreign markets, thus enhancing their export performance (Morgan et al., 2004).

The RBV also intersects with market orientation theory, which posits that a firm’s success hinges on its ability to understand and respond to customer needs. Market-oriented firms are more adept at navigating competitive conditions, allowing them to develop targeted strategies that resonate with their target markets (Kohli & Jaworski, 1990). This theory complements the RBV by emphasizing that having the right resources is not enough; firms must also align those resources with market demands to thrive in international trade.

Moreover, the Contingency Theory enriches this discussion by suggesting that there is no one-size-fits-all approach to strategy formulation. Instead, the effectiveness of a firm's strategy depends on the alignment between its internal characteristics and the external environment (Lawrence & Lorsch, 1967). This means that a firm's unique resources (as highlighted by the RBV) and its market orientation must be synchronized with industry dynamics and market conditions for optimal export performance (Zou &Cavusgil, 2002).

In summary, the interplay between these theories creates a cohesive framework for understanding international trade and export performance. Mercantilism and the theories of

absolute and comparative advantage provide a foundational understanding of trade dynamics, while the RBV, market orientation, and contingency theory add layers of complexity by emphasizing the importance of internal capabilities and external market alignment. Together, they form a comprehensive perspective that informs the development of effective export strategies, ultimately enhancing firms' performance in diverse international markets.

2.2 Empirical Literature Review

Export performance serves as a critical measure of a firm's international success and is influenced by various factors, including firm characteristics, product-market attributes, and industry conditions. Recent research underscores the significant mediating role of marketing strategy in improving export performance by effectively aligning internal capabilities with external market conditions. By adopting appropriate marketing strategies, firms can enhance their competitiveness and successfully navigate the complexities of global markets. Understanding the determinants of export performance is essential for firms seeking to expand their international footprint and sustain long-term success.

Firm characteristics significantly impact export performance, with larger firms generally achieving better results due to their greater financial resources, managerial expertise, and economies of scale (Leonidou et al., 2010; Zou & Stan, 1998). Additionally, international experience plays a crucial role, as firms with prior exposure to foreign markets are better equipped to handle complexities and uncertainties, thereby improving their performance (Aaby & Slater, 1989; Katsikeas et al., 2000). Innovative capabilities, particularly investment in research and development (R&D) and product innovation, further enhance a firm's competitiveness in international markets (Lages et al., 2009; Filatotchev et al., 2009). Firms that leverage these internal strengths are more likely to achieve sustainable export success.

Product-market attributes also play a crucial role in determining export success, with key factors such as product quality, innovation, adaptability, and branding influencing international competitiveness. High-quality and technologically advanced products that meet global standards tend to perform well in foreign markets (Lages et al., 2009; Leonidou et al., 2011). Moreover, product differentiation and innovation provide firms with a competitive edge, allowing them to establish a unique market position (Calantone et al., 2006; Filatotchev et al., 2009). The extent of

product customization is largely dictated by industry dynamics, customer expectations, and regulatory requirements in the target markets.

Industry conditions further shape export success by influencing competitive intensity and regulatory frameworks. Firms operating in highly competitive industries must differentiate themselves through innovation and branding to maintain market presence (Cavusgil & Zou, 1994). Additionally, regulatory factors such as tariffs, trade restrictions, and government policies can either facilitate or hinder export performance (Leonidou, 2004).

Given these challenges, firms must develop strategies to navigate trade barriers effectively. Several scholars have explored the mediating role of marketing strategy in addressing these factors. For instance, Getie (2018) highlights that marketing strategy functions as a bridge between firm capabilities, market characteristics, and industry conditions, facilitating export success. Studies by Lages, Silva, and Styles (2009) and Morgan, Katsikeas, and Vorhies (2012) provide empirical evidence supporting the role of strategic marketing in enhancing firm performance. Additionally, Leonidou, Palihawadana, and Theodosiou (2011) demonstrate that adaptive marketing strategies moderate the influence of external environmental factors on export outcomes. These findings underscore the importance of marketing strategy in enabling firms to leverage their internal strengths while responding effectively to external market challenges.

2.2.1 Export Performance

Exporting is a crucial initial step for organizations seeking to expand their international business activities. Export performance refers to the relative success or failure of a firm or nation in selling domestically produced goods and services in foreign markets. This performance can be evaluated through objective metrics such as sales, profits, and marketing effectiveness, as well as through qualitative measures like distributor or customer satisfaction (Allaro, 2010). A comprehensive survey by Katsikeas (2000) identified four key indicators of economic export performance: export intensity, export sales, export growth, and export profitability. Additionally, subjective assessments by managers regarding their satisfaction with export success offer an alternative perspective on performance measurement (Evangelista, 1994). Recent trends have

supported the use of composite measures that integrate both financial outcomes and managerial evaluations of export market performance (Cavusgil& Zou, 1994).

The existing literature has identified numerous determinants of export performance and various methods for measuring these factors. As noted by Beleska-Spasova (2014), achieving effective export performance is central to the strategic planning processes of both businesses and other entities. For companies, successful export performance reflects the realization of both financial and non-financial objectives within a specified timeframe. The appropriateness of the chosen export strategy, considering specific internal and external factors, is critical to evaluating this success (Beleska-Spasova, 2014).

It is essential to distinguish between two categories of key drivers of export performance: internal factors and external environmental characteristics, which should be assessed separately (Cavusgil and Zou, 1994; Leonidou, 1995, 2004; Sousa et al., 2008; Agnihotri and Bhattacharya, 2015). Internal factors include firm-specific and product-related characteristics, while external factors encompass industry-level dynamics and determinants specific to export markets (Cavusgil and Zou, 1994).

2.2.2 Ethiopia's Oil Seeds Export Performance

Ethiopia is one of Africa’s largest producers of oilseeds, a sector that significantly contributes to the country’s economy. The export of oilseeds, along with pulses and spices, has become Ethiopia's second-largest source of foreign currency after coffee, and the government has prioritized it as part of its economic growth strategy. Despite considerable potential, the oilseed export sector faces various challenges that hold back its performance in global markets. Understanding these factors and identifying strategies to address them is essential for enhancing Ethiopia's position in the oilseed trade.

Ethiopia’s diverse climate and a land that is suitable for growing oilseeds like sesame, linseed, and Niger seed, which are popular in international markets for their quality. These oilseeds contribute significantly to the country's export earnings and play a crucial role in creating employment and supporting the livelihoods of smallholder farmers. According to the Ethiopian Pulses, Oilseeds, and Spices Processors-Exporters Association (EPOSPEA), Ethiopia's oilseeds

industry supports approximately 3 million smallholder farmers, who benefit from the crop's high market demand both domestically and internationally (EPOSPEA, 2021).

The Ethiopian government has also emphasized the importance of the agricultural sector, particularly oilseeds, within its Growth and Transformation Plan (GTP), aiming to increase agricultural productivity and improve export earnings. The GTP highlights the potential of oilseeds to diversify Ethiopia's exports, reduce dependency on coffee, and address the country's foreign exchange challenges (Ministry of Trade, 2015). These priorities reflect the essential role that oilseed exports play in Ethiopia's economic agenda.

Ethiopia's oilseed exports have experienced steady growth over the past decade, largely due to increased demand from countries in Asia, the Middle East, and Europe. Sesame seed, in particular, is the most significant oilseed export, with major buyers including China, Israel, and Turkey. These markets prefer Ethiopian sesame for its distinct quality, such as its oil content and flavor, which aligns with consumer preferences in these regions (FAO, 2020).

However, despite the growth in export volume, Ethiopia's oilseed exports have not reached their full potential in terms of revenue. Exporters frequently face competition from other major oilseed-producing countries, such as India and Sudan, which offer similar products at competitive prices. This pricing pressure often forces Ethiopian exporters to accept lower prices, impacting profitability and limiting the sector's contribution to national economic growth (Alemayehu, 2019).

2.2.3 Factors Affecting Oilseed Export Performance

2.2.3.1 Internal factors

Internal factors are those which are directly related to the controllable issues within the firm itself which contain firm and product characteristics.

- **Firm Characteristics**

Firm characteristics play a fundamental role in shaping export marketing strategies and influencing performance. According to Aaker (1988) and Porter (1980), a firm's capabilities and

constraints directly impact its choice of marketing strategies and its ability to execute them effectively. Key assets and skills, such as international experience, extent of international business involvement, and resources allocated for export development, form the backbone of a firm's sustainable competitive advantage (Day and Wensley, 1988; Porter, 1985). These attributes enable firms to identify market-specific nuances, craft tailored strategies, and implement them efficiently, thereby enhancing their export performance. Size advantages (Reid, 1982) and resource availability (Terpstra, 1987) further augments a firm's capacity to navigate complex international markets.

Managerial attitudes and capacities significantly amplify a firm's ability to achieve higher export performance. Managerial traits such as risk-taking, innovativeness, proactivity, and creativity have been linked to export success (Cavusgil, 1984; de Andrade, 2013). These attributes foster a responsive approach to export stimuli and enable firms to seize emerging opportunities ahead of competitors. Zou, Fang, and Zhao (2003) emphasize the importance of managerial expertise, particularly in understanding market language and culture, to establish effective communication and networks. Skilled managers with extensive international experience are better equipped to sense opportunities, mitigate risks, and capitalize on favorable market conditions.

The interplay between ownership structure and managerial capacity also shapes firm characteristics, particularly for small and medium enterprises (SMEs). In such firms, the overlap between ownership and management often intertwines decision-making processes, making corporate governance a critical factor (Zou, Fang, and Zhao, 2003). Studies on Chinese exporters highlight the significance of financial positioning and managerial expertise in driving export performance. By addressing these intrinsic factors holistically, firms can enhance their strategic positioning, optimize resource utilization, and achieve sustainable growth in the competitive landscape of international trade.

- **Product Characteristics**

Product characteristics significantly influence the marketing strategies employed in export ventures (Cavusgil, Zou, & Naidu, 1993; Cooper & Kleinschmidt, 1985; McGuinness & Little, 1981). These attributes can impact a firm's competitive positioning, shaping the decision to adopt

either an offensive or defensive strategy (Day & Wensley, 1988; Cook, 1983). Key product characteristics that affect export marketing strategies include culture-specificity, patent strength, unit value, uniqueness, product age, and service or maintenance requirements.

The ability of a firm to adapt its products to meet customer needs in foreign markets is closely tied to these barriers. Domestic product standards and consumer preferences may not align with those in overseas markets, necessitating modifications (Lall, 1991; Katsikeas& Morgan, 1994). For instance, products intended for export must be packaged to ensure safety during transportation, storage, and handling. Additionally, packaging must include instructions in the relevant languages and specific information required by the host country, such as expiration dates, ingredient types, and net weights.

However, many firms face challenges in adapting their products due to limited resources to meet foreign market requirements, inadequate quality control processes (Figueiredo & Almeida, 1988; Cardoso, 1980), and subpar quality of raw materials (Figueiredo & Almeida, 1988). Furthermore, compliance with packaging, labeling, and strict product design specifications can complicate export efforts (Brooks & Frances, 1991). These product barriers highlight the necessity for firms to invest in adaptation strategies to successfully penetrate and compete in international markets.

2.2.3.2 External factors

External problems are which the firm itself has no control over the consequences of such problems. These external factors include industry characteristics and market characteristics.

- **Industry Characteristics**

Industry characteristics significantly influence the intensity of exporting activities and the strategies employed by firms in international markets. The distinct nature of different industries leads to variations in export marketing strategies (Porter, 1980). Industry structure serves as a critical determinant of strategic decisions in domestic contexts (Kerin, Mahajan, & Varadarajan, 1990). In the realm of export marketing, it is essential to consider differences in market systems, government interventions, and the presence of foreign competitors. Additionally, factors such as

technological intensity and price competition within an industry play a crucial role in shaping marketing strategy adaptations (Jain, 1989).

Research by Bodur and Cavusgil (1985) highlights the relationship between firm size and export activities, indicating that larger firms generally possess advantages that enhance their export operations. These firms often have greater organizational and financial resources, as well as increased production capacity, which enables them to devote more resources to exporting (Reid, 1987). Conversely, smaller firms face significant hurdles related to their size and the concentration of the industry (Figueiredo & Almeida, 1988).

Technological advancement is another vital factor impacting export activity. Christensen (1987) noted that exporters targeting industrialized markets can leverage technology as a source of competitive advantage over local producers. Overall, barriers associated with industry structure can negatively affect a firm's competitiveness, emphasizing the need for a thorough understanding of these dynamics when developing export strategies.

- **Market Characteristics**

Conditions in foreign markets present both opportunities and challenges for exporters. Developing an effective export marketing strategy requires aligning a firm's strengths with market opportunities while addressing its strategic weaknesses and mitigating potential threats (Aaker, 1988; Terpstra, 1987). Consequently, the formulation of export marketing strategies is heavily influenced by specific characteristics of the export market (Cavusgil, Zou, & Naidu, 1993; Cooper & Kleinschmidt, 1985; Rosson & Ford, 1982). Key market characteristics that can affect export marketing strategies include demand potential, cultural similarities with the home market, familiarity with the product, brand recognition among export customers, and the compatibility of legal and regulatory frameworks.

Exporters from developing countries often contend with a poor reputation that hampers their competitiveness. According to Ford et al. (1987), a company's export strategy is significantly affected by the perceived quality associated with the product's origin. Mohy-ud-Din and Javed (1997) noted that many firms have lost market share in key markets due to negative perceptions linked to low-quality exports. This diminished reputation results in inadequate international

demand and poses customer-related barriers that limit the export competitiveness of developing nations. Factors contributing to these barriers include low foreign demand, cultural and linguistic challenges (Brooks & Frances, 1991), and the impact of country-of-origin perceptions (Lall, 1991). Addressing these export market barriers is crucial for enhancing the competitiveness of firms in the global marketplace.

2.2.4. Export Marketing Strategy

Export marketing strategy encompasses the methods by which a firm responds to the interplay of internal and external forces to achieve its export objectives. This strategy includes all elements of a conventional marketing plan, such as product, promotion, pricing, and distribution.

The marketing mix, often referred to as the 4Ps—product, promotion, pricing, and distribution (place) is a fundamental framework for developing marketing strategies.

- **Product** refers to the goods or services a company offers to meet customer needs, emphasizing features, quality, branding, and differentiation (Kotler & Keller, 2016).
- **Promotion** encompasses all communication efforts to inform, persuade, and remind consumers, including advertising, sales promotions, public relations, and digital marketing (Belch & Belch, 2021).
- **Pricing** strategies determine how much customers are willing to pay, taking into account costs, competitor pricing, and perceived value (Nagle & Müller, 2017). Finally,
- **Distribution (place)** ensures products are available to consumers through the right channels, including direct sales, retail stores, and online platforms (Rosenbloom, 2018). These elements work together to create customer value and competitive advantage.

A well-balanced marketing mix helps companies achieve their business objectives by addressing consumer preferences and market conditions. For instance, a premium brand may focus on high-quality products, luxury pricing, and selective distribution, while a cost-leader may emphasize affordability, mass production, and extensive retail availability (Kotler & Keller, 2016). Promotional strategies must align with the target audience—digital marketing is effective for younger demographics, whereas traditional advertising may suit older consumers (Belch & Belch, 2021). Moreover, pricing strategies such as penetration pricing or skimming can influence

market entry and brand positioning (Nagle & Müller, 2017). Ultimately, the integration of the 4Ps ensures a coherent and effective marketing strategy that enhances customer satisfaction and business growth.

A critical consideration in international marketing is whether to standardize the marketing strategy or adapt it to the specific conditions of the foreign market (Douglas & Craig, 1989). The extent of adaptation versus standardization is influenced by various factors, including product characteristics, industry dynamics, market conditions, organizational capabilities, and environmental factors (Buzzell, 1968; Cavusgil, Zou, & Naidu, 1993; Jain, 1989; Walters, 1986). Consequently, export marketing strategy can be evaluated along a continuum of standardization and adaptation.

While empirical research has established a link between marketing strategy and performance, most studies have focused on domestic marketing contexts (e.g., Buzzell & Gale, 1987; Phillips, Chang, & Buzzell, 1983; Robinson & Fornell, 1986). In the realm of international marketing, fewer studies (e.g., Bilkey, 1982; Christensen, da Rocha, & Gertner, 1987; Cooper & Kleinschmidt, 1985) have suggested that export performance is influenced by export marketing strategy. However, due to conceptual and methodological challenges in these studies, their findings remain fragmented, leaving the relationship between export marketing strategy and performance largely unresolved (Aaby & Slater, 1989; Madsen, 1987).

The connection between export marketing strategy and performance has been explored in the literature addressing the success or failure of exporting activities. These studies typically identify key factors contributing to successful export marketing, including export marketing strategy itself, management attitudes, and various firm, industry, product, and market characteristics (Aaby & Slater, 1989; Cavusgil, 1983; Christensen, da Rocha, & Gertner, 1987; Cooper & Kleinschmidt, 1985). For example, Cavusgil (1983) utilized factor analysis to reduce the influencing marketing decision variables to four key areas: the basic company offering, relationships with foreign distributors or agents, export promotion, and pricing strategies.

Marketing strategy plays a critical mediating role in linking antecedent factors—including firm, product, market, and industry characteristics—with export performance. Effective marketing strategies help firms leverage their internal resources and capabilities while adapting to external

market dynamics, ensuring a competitive edge in international markets. By aligning product differentiation, pricing, promotional efforts, and distribution strategies with market demands, firms can enhance their global reach and performance (Cavusgil & Zou, 1994; Lages et al., 2009). Additionally, marketing strategies allow firms to navigate industry challenges, including regulatory barriers and competitive intensity, by positioning themselves strategically within the market (Morgan et al., 2012). The adaptability of marketing strategies is crucial in responding to cultural, economic, and institutional differences across target markets, further reinforcing their role as a key determinant of export success.

2.3 Literature Gap

Research on the determinants of export performance has yielded diverse and sometimes contradictory findings. While many studies suggest that foreign direct investment positively influences export performance, others, such as Menji (2010) and Agasha (2006), challenge this notion. Furthermore, there is significant divergence regarding the impact, importance, and long-term effects of variables influencing Ethiopia's export performance. Several studies have narrowly focused on single export commodities like coffee and oilseeds (e.g., Hailegiorgis, 2011; Tadese, 2015; Zekarias & Degye, 2019; Fassil & Degye, 2019; Murad & Beyan, 2020), while others have examined broader factors influencing export performance (e.g., Belayneh & Wondaferaw, 2013; Ashenafi & Getaneh, 2014; Abebe, 2016; Israel, 2020). However, many of these studies are limited to specific aspects, such as financial incentives or bilateral trade relationships.

The oilseed export sector in Ethiopia has received considerable attention, with studies like Mershaye (2019) and Mulugeta (2024) highlighting critical challenges. Internal barriers, including inadequate working capital, limited market information, and low technological adoption, were identified alongside external factors such as poor infrastructure, high transportation costs, and insufficient government support. Both studies emphasize the need for improved infrastructure, enhanced government intervention, and targeted training to address these constraints. Mulugeta (2024) also identified key determinants of export performance, including marketing and macro-environmental factors such as climate variability and exchange

rate fluctuations, recommending strategies like better foreign currency allocation and competitive local pricing to bolster oilseed exports.

A significant body of research has explored macroeconomic variables such as exchange rates, inflation, and trade openness as determinants of export performance (e.g., Tewodros, 2016; Zerihun Bekele, 2019; Amaha, 2020; Berihun Amsalu, 2021). While these economic variables are extensively studied, there remains a critical gap regarding the role of export marketing strategies in mediating these effects. Strategic marketing efforts, such as market segmentation, branding, distribution and promotional strategies, are underexplored despite their potential to help exporters navigate challenging economic conditions. Addressing this gap could yield a deeper understanding of how export marketing strategies influence performance, particularly in the context of Ethiopia's oilseed exports.

The role of proactive marketing strategies as central determinants of export performance has been largely neglected, as noted by Aaby and Slater (1989). Scholars like Day and Wensley (1983), Lambkin and Day (1989), and Wind and Robertson (1983) emphasize the need for integrating strategic considerations into export marketing research. Viewing export markets as strategic opportunities could provide a comprehensive framework for improving Ethiopia's oilseed export outcomes. This perspective advocates for emphasizing export marketing strategies as key determinants of performance, which could align internal and external forces to enhance competitiveness in international markets.

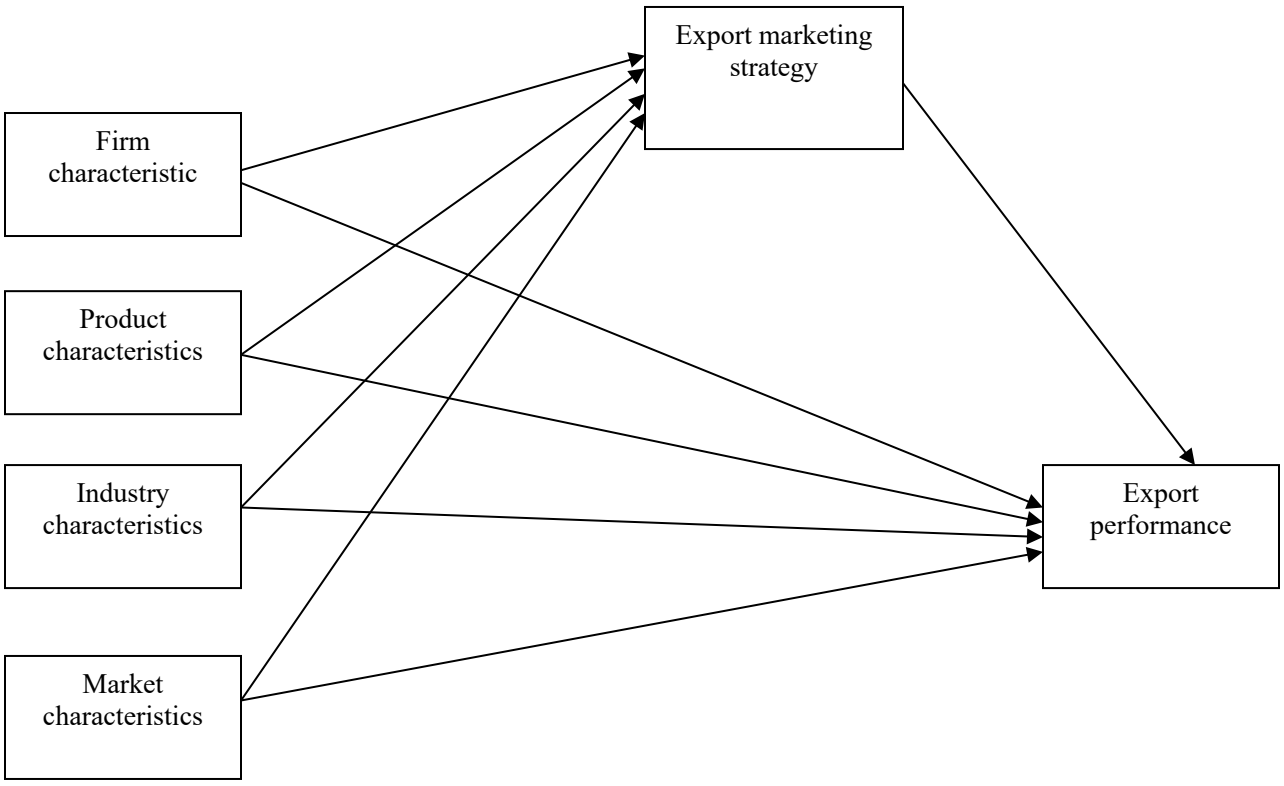
2.4 Conceptual Framework of the Study

Figure 1 presents a conceptual framework that illustrates the relationship between export marketing strategy and oilseeds export performance, based on the principle of alignment. This framework suggests that the marketing strategy used in an export performance is influenced by both internal factors, such as firm and product characteristics, and external factors, including industry and export market characteristics.

The oilseeds export performance is then determined by the effectiveness of the export marketing strategy. Unlike previous studies that directly linked firm, product, industry, and market characteristics to export performance (e.g., Cooper & Kleinschmidt, 1985; Madsen, 1989), this

framework emphasizes that these links are mediated by the marketing strategy. This highlights the importance of adapting the marketing strategy to fit the specific context defined by the firm, product, industry, and market characteristics. By ensuring this alignment, firms can enhance their export performance.

Figure 1.Conceptual framework



(Source: Getie 2018)

2.5 Research Hypothesis

Based on the literature review as well as the relationships between the independent variables, dependent variables and mediating factor as represented in the above conceptual model, the following hypotheses will be tested:

Firm characteristics

Based on the research done by (Getie, 2018) Firm characteristics, such as international experience, size, and resources, significantly influence export performance with a positive correlation coefficient. This suggests that stronger firm characteristics correlate with better export performance. Also (Cavusgil, 1994) found that Firm characteristics affect both the formulation and successful execution of export strategies, which in turn influence the performance in export markets. The research supports the hypothesis, indicating that factors like a firm's international competence and commitment significantly enhance performance.

- H1. Firm characteristics have a significant effect on oilseed export performance.

Products characteristics

According to (Getie, 2018) Product characteristics have a significant effect on export performance with a positive relationship indicated by regression analyses. Variables such as product uniqueness, quality, and market-specific adaptations are highlighted as critical factors that enhance export performance. In addition the study by (Mulugeta, 2024) hypothesized that product characteristics significantly impact oilseed export performance in Ethiopia. The findings confirmed this hypothesis, demonstrating that product-related factors, such as the quality and quantity of oilseeds, compliance with importers' standards, and effective product design and branding, play a crucial role in enhancing export outcomes. Also the researcher emphasized that ensuring high-quality standards and adequate supply, while addressing product-specific challenges, can significantly bolster Ethiopia's oilseed export sector.

- H2. Products characteristics have significant effect on export performance

Industry characteristics

Mulugeta (2024) argues that industry characteristics are critical in shaping oilseed export performance. The study identifies factors such as access to technology, competition in foreign markets, and supply chain dynamics as pivotal in influencing export outcomes. Technological advancements, in particular, are highlighted as essential for improving production efficiency and meeting international standards, which are crucial for success in the oilseed export sector. Also, Getie (2018) reports that while industry characteristics significantly impact export performance, the relationship is negative, as indicated by a negative correlation coefficient. This finding

suggests that certain structural or competitive factors within the industry can hinder optimal export outcomes. Key barriers include intense price competition, limited access to advanced technology, and the presence of foreign competitors, which collectively pose significant challenges to firms' export performance.

- H3. Industry characteristics have significant effect on oilseeds Export Performance.

Market characteristics

Numerous studies emphasize the significant positive impact of market characteristics on oilseed export performance. According to Mershaye (2019), improving market factors, such as addressing customer and procedural barriers, can greatly enhance export outcomes. Similarly, Getie (2018) identifies cultural similarity, demand potential, product familiarity, and legal and regulatory frameworks as critical determinants influencing the success of firms in the export sector. These findings highlight the importance of favorable external market conditions in shaping firms' strategic and operational decisions, ultimately driving improved performance in oilseed exports.

- H4. Market characteristics have significant effect on oilseeds Export Performance.

Export marketing strategies

Getie (2018), Export marketing strategy is identified as a critical mediator between both internal factors (e.g., firm and product characteristics) and external factors (e.g., industry and market characteristics) and export performance. When the mediator variable (export marketing strategy) is introduced into the model, the direct effect of factors on export performance decreases but remains significant.

Elements such as product adaptation, pricing competitiveness, promotion adaptation, and support for foreign distributors play a pivotal role in linking the independent variables to export performance. These strategies enable firms to align their internal and external capabilities with market demands, thereby enhancing performance outcomes. Regression and path analysis confirm that marketing strategies significantly mediate the relationship between independent factors and export performance, highlighting their importance in achieving export success.

In addition to this (Cavusgil, 1994) study showed that export marketing strategy significantly mediate the relationship between both internal factors and external factors on export performance.

- H5. Export marketing strategies mediates the effect of external factors (industry and market characteristics) and internal factors (firm and product characteristics) on export performance.

CHAPTER THREE

3 RESEARCH METHODOLOGY

This chapter describes and discusses the research process as well as sampling procedures and modes of data analysis used. It includes description of the study area, research approaches to be followed, research design to employed, population and sample size determination, sampling method and procedure, data type and source, data collection procedure and ethical consideration presented sequentially

3.1 Research Design

This study applies explanatory survey research design so as to find out the effect of internal and external factors on export performance and the mediating role of export marketing strategy to reveal their causal relationships and significance of independent variables. Explanatory research method can used when the cause-and-effect relationships between study variables and determine which variable influences the predicted outcome most. Explanatory research explores all the factors that lead to a certain outcome or phenomenon.

3.2 Research approach

Research approaches are mechanisms of attaining research objectives. Research approaches are also adopted based on the feasibility of the selected approaches. The common research approaches are quantitative, qualitative and mixed research approaches.

In this study quantitative approach were used. Quantitative method is a means for testing objective theories by examining the relationship among variables. Data collected is number and statistics (Creswell, 2003). The data is based on precise measurements and the final report is statistical report with correlations, comparisons of means and statistical significance of the findings. The purpose of survey research is to generalize from the sample to the population so that inferences can be made about some characteristic, attitude or behavior of the population.

3.3 Target population

The target population for this study consists of members of the Ethiopian Pulses and Oilseeds Exporters Association. Since the association includes many of the major oilseeds exporters, it provides a convenient and comprehensive sample to examine significant determinants within a single group.

3.4 Sample Size and Sampling Technique

As oil seeds exporters are the primary target of this study and most of them are organized under Ethiopian Pulses, Oilseeds and Spices Processors-Exporters Association(EPOSEA), the Sampling frame will be the list of EPOSEA members whose list make up the most active exporters of the industry and representative of the population. The researcher targeted those individuals whose titles were General Manager, export managers, marketing managers, senior export officers and export officers who have a deep understanding of the company's oilseed export processes. Purposive sampling technique was used to select a representative sample from this target population. According to (EPOSEA), it is estimated that there are 340 active oilseed exporters in the association. The expected sample size for the study was determined by a simplified formula provided by Yamane (1967), a 95% confidence level, and a 5 percent error.

Thus, the entire sample size was 194, as per the below computation and each of the element indicated in the formula has been explained accordingly.

Where;
N = total number of populations = 340
n = sample size = 184
e = sampling error = 0.05

3.5. Data Sources and Types

The research used quantitative method to collect a relevant information or data. Primary sources will be data collected through questionnaire whereas secondary data are those collected from publications from books, journals, reports, and bulletins collected from different stakeholders

including exporters, Ministry of Trade, Ethiopian Oil Seeds, Pulses and Spices Association, and articles on national and international journals.

3.6. Data Analysis

Data was analyzed using both descriptive and inferential statistics technique. The descriptive statistics applied for the questions regarding demographic and other informative questions. The questionnaire was filled by the members of EPOSEA. The questionnaires include close ended and open ended items. The Questionnaire is prepared using *Likert* scale and distributed to sample group.

After the data collected from primary and secondary sources, it was appropriately checked and edited by the researcher. Then the edited data was coded entered into computer. Finally, the data was analyzed by using SPSS version 27 and the results obtained was discussed and analyzed. The questionnaire has ordinal data items and they involved five response categories: Strongly disagree, Disagree, Neutral, Agree and Strongly Agree.

Descriptive statistics were initially performed, followed by an examination of the relationships between dependent and independent variables. Using Pearson's Correlation Coefficient with a p-value threshold of 0.05, the significance of these relationships was assessed. The analysis was conducted with a 95% confidence level, allowing for a 5% margin of error. Building on the results, the study further examined the strength of the correlations and the predictive capacity of the independent variables on the dependent variable. Before proceeding with regression analysis, the five key assumptions of linear regression were rigorously tested. These included linearity, normality, multicollinearity, autocorrelation, and homoscedasticity. The researcher employed scatterplots, residual mappings, Q-Q plots, correlation matrices, and Variance Inflation Factors (VIF) to validate these assumptions, ensuring the appropriateness of the linear regression model for the analysis.

3.7. Measures Used in Previous Research

All measures were adopted from different existing literature in the field which is listed below.

Measures Used in Previous Research	
Export Performance	**Illustrative Studies**
Export sales level	Zou and Stan (1998), Cavusgil and Zou(1994), Madsen (1989), Bello and Williamson (1985), Mulugeta (2024), Seada (2022)
Export sales growth	Zou and Stan(1998), Cavusgil and Zou(1994), Madsen (1989), Seada (2022), Mulugeta (2024)
Export profits	Zou and Stan(1998) Cavusgil and Zou(1994), Bilkey (1985), Mulugeta (2024), Seada (2022)
Export Marketing strategy	
Export Product Strategy	Cavusgil & Zou(1994), Katsikeas et al.(2006), Getie (2018)
Export Pricing Strategy	Theodosiou & Katsikeas(2001), Addis (2019), Getie (2018)
Export Promotion Strategy	Leonidou et al.(2002), Getie (2018), Addis (2019)
Export Distribution Strategy	Morgan et al.(2004), Getie (2018), Addis (2019)
Firm Characteristics	
Firm Size	Chen & Hambrick(1995), Hitt et al.(1997), Bonaccorsi (1992)
Financial Resources	Penrose(1959), Wernerfelt (1984), Fazzari et al.(1988)
Managerial Capabilities	Hambrick & Mason (1984), Carpenter et al (2004).
Export Experience	Sousa et al (2008), Day and Wensley (1988)
Product characteristics	
Product Quality	Parasuraman et al. (1988), Garvin (1987), Zeithaml (1988), Anderson et al. (1994), Flynn et al. (1995), Figueiredo and Almeida (1988), Cardoso (1980), Aggarwal (1986), Christensen et al. (1987), Daniels and Robels (1982)
Product Customization(adaptation)	Wind & Rangaswamy (2001), Gilmore & Pine (1997), Piller (2004), Christensen et al. (1987), Wortzel (1981), Brooks and Frances (1991), Mershaye(2019)
Industry Characteristics	
Industry Competition	Cavusgil & Zou (1994), Morgan et al. (2004), Katsikeas et al. (2000), Christensen et al. (1987)

Industry Export Intensity	Zou et al. (1998), Lages & Montgomery (2004), Katsikeas et al. (2000)
Market Characteristics	
Market Demand Stability	Shoham (1999), Katsikeas et al. (1996), Leonidou (2004)
Market Accessibility	Leonidou (1995), Shoham (1996), Katsikeas et al. (1996)
Trade barriers	Leonidou (1995), Tesfom (2006), Mershaye(2019)

Table 1: Measures Used in Previous Research

3.9. Reliability and Validity of the Research

- **Validity**

The validity and reliability of research instruments are essential for ensuring the accuracy and consistency of data collection. Validitydetermines whether a questionnaire measures what it is intended to measure (Fields, 2005). Key types include face validity**,** content validity**,** construct validity**,** andcriterion validity. Content validity, the most recommended form, involves assessing how well an instrument represents the content it intends to generalize (Straub, Boudreau et al., 2004).

Construct and criterion validity ensure a cause-and-effect relationship between questions and outcomes (Straub et al., 2004). Instruments used in previous studies provide a foundation for this process, ensuring consistency across research efforts. Theoretical and empirical approaches, such as reviewing literature and employing statistical tools, further enhance validity (Anol, 2012). For instance, SPSS software can test validity by analyzing the correlation between individual questions and the overall score. Questions with significance values below 0.05 are deemed valid, as demonstrated in Ashulekha's (2023) study. Based on the stated facts, the questions applied in this study have been checked using SPSS, and the result obtained out of the total score is less than 0.05 for each question.

- **Reliability**

The repeatability of instruments ensures consistency across measurements (Whitley, 2002; Robinson, 2009). Cronbach's Alpha coefficient is widely used to assess internal consistency, particularly with Likert scales. No absolute rules exist for internal consistency; however, most agree

on a minimum internal consistency coefficient of 0.70 (Whitley, 2002); (Robinson, 2009). Hinton et al. (2004) have suggested four cut-off points for reliability, which include excellent reliability (0.90 and above), high reliability (0.70-0.90), moderate reliability (0.50-0.70), and low reliability (0.50 and below).

Reliability is critical it must complement validity for comprehensive instrument evaluation. Together, these measures provide robust tools for researchers to ensure the accuracy, consistency, and applicability of their findings. Here are the reliability test results:

Table 2: Reliability Statistics

Variables	Cronbach's Alpha	Number of items	Level of Reliability
Firm characteristics	.867	6	High Reliability
Product characteristics	.812	4	High Reliability
Market characteristics	.842	6	High Reliability
Industry characteristics	.911	5	High Reliability
Export market strategy	.939	10	High Reliability
Export performance	.741	5	High Reliability
Total	.969	6	High Reliability

(Source: Own Survey Result, 2025)

As shown in the above table, Cronbach alpha coefficient values for each variable are greater than 0.70, which enables the researcher to conclude that the measurements could be applied for further analysis with acceptable reliability test results.

CHAPTER FOUR

4. PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter focuses on presenting, analyzing, and interpreting the data. The initial step involved data cleaning to ensure accuracy. Descriptive statistical tools were then used to analyze the data. Since the core focus of the study is on inferential statistics, correlation and regression analyses were conducted to address the research questions and achieve the study's objectives. To collect primary data, a Likert scale questionnaire was designed and distributed to a sample of 184 oil seed exporters under EPOSEA. Out of the total, 162 questionnaires were returned, while the remaining was excluded due to being incomplete or unfilled. Consequently, 162 responses were used for the quantitative analysis and discussion to achieve the research objectives, resulting in a response rate of 88.04%.

4.1 Respondents Demographic Characteristics

The survey result shows that, gender category among 162 total respondents 124(76.5%) respondents were male and the remaining 38 (23.5%) of respondents were female. This shows that the majority of male respondents were sampled relatively higher than female respondents.

As shown in the table below, age between 46 – 55 years are 7 (4.3%) and age of 25 and lower which is 10 (6.2%). Age of 26-35 respondents are 73 (45.1%) and age between 36 - 45 years 72 (44.4%), these result indicate that majority of respondents were found in these two groups.

The respondents were asked to indicate their educational qualifications. As shown in the table below, 128 respondents (79%) hold a bachelor's degree, while the remaining 34 respondents (21%) hold a master's degree. This indicates that the majority of respondents are bachelor's degree holders, with the highest level of education being a master's degree. The educational background of the respondents suggests that most are well-educated, capable of understanding the questions effectively, and able to relate their company's export performance to the identified factors and export market strategy questions being studied.

Also majority of the respondents working experience was between 6-10 years have taken the share of 83 (44.9%). Also respondents whose experiences were more than 10 years which were

35 (18.9%) and respondents whose experience were 2-5 are 36 (19.5%). Respondents with fewer numbers were less than 2 years of experience 8(4.3%).

Respondents were also asked to describe their current job position in the company and their responses are summarized in table below. The result showed that 61 (37.7%) of respondents were senior export officer and 56 (34.6%) of the respondents were export marketing manager. Export marketing managers and senior export officers have responded to the majority of the questionnaires.

Table 3: Respondents Demographic Characteristics

Item		Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Female	38	23.5	23.5	23.5
	Male	124	76.5	76.5	100.0
	Total	162	100.0	100.0	
Age	25 and lower	10	6.2	6.2	6.2
	26-35	73	45.1	45.1	51.2
	36-45	72	44.4	44.4	95.7
	46-55	7	4.3	4.3	100.0
	Total	162	100.0	100.0	
Education	Degree	128	79.0	79.0	79.0
	Masters	34	21.0	21.0	100.0
	Total	162	100.0	100.0	
Experience	less than 2 years	8	4.3	4.9	4.9
	2-5	36	19.5	22.2	27.2
	6-10	83	44.9	51.2	78.4
	above 10 years	35	18.9	21.6	100.0
	Total	162	87.6	100.0	
Job position	general manager	29	17.9	17.9	17.9
	Export marketing manager	56	34.6	34.6	52.5

	senior export officer	61	37.7	37.7	90.1
	export officer	16	9.9	9.9	100.0
	Total	162	100.0	100.0	

(Source: Own Survey Result, 2025)

4.2 Correlation Analysis

A correlation is a measure of how strongly two variables relate to each other. Correlation coefficients are frequently used to describe data because they are relatively easy to use and provide a great deal of information in just a single value (Mooi &Sarstedt, 2011).The calculated value of the correlation coefficient ranges from -1 to 1, where -1 indicates a perfect negative relation (the relationship isperfectly linear) and 1 indicates a perfectly positive relationship. A correlation coefficient of 0 indicates that there is no correlation (Mooi & Sarstedt, 2011).Accordingly, the focus will be on Pearson correlation coefficients and significance test results. Each of the four independent variables, along with the mediating variable of export market strategy and export performance, will be examined to assess the presence or absence of correlations between them.

Table 4: Correlation Analysis

Correlations							
		FC	PC	MC	IC	EMS	EP
FC	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	162					
PC	Pearson Correlation	.847**	1				
	Sig. (2-tailed)	.000					
	N	162	160				
MC	Pearson Correlation	.835**	.808**	1			
	Sig. (2-tailed)	.000	.000				

	N	162	162	162			
IC	Pearson Correlation	.883**	.792**	.885**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	162	162	162	162		
EMS	Pearson Correlation	.885**	.793**	.888**	.937**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	162	162	162	162	162	
EP	Pearson Correlation	.776**	.702**	.760**	.784**	.841**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	162	162	162	162	162	162
**. Correlation is significant at the 0.01 level (2-tailed).							

(Source: Own Survey Result, 2025)

The correlations reveal strong interconnections between the variables, emphasizing their collective impact on export market strategy (EMS) and export performance (EP).

Firm Characteristics (FC) shows strong positive correlations with all other variables, particularly with Industry Characteristics (IC) (r = 0.883) and EMS (r = 0.885).

Product Characteristics (PC) are strongly linked to Market Characteristics (MC) (r = 0.808) and moderately to EMS (r = 0.793) and EP (r = 0.702). This highlights the importance of aligning product attributes with market needs and strategic decisions to achieve export success.

Market Characteristics (MC) also show high correlations with IC (r = 0.885) and EMS (r = 0.888), indicating that understanding market dynamics crucial for developing effective strategies. The correlation with EP (r = 0.760) reinforces the significant role of market factors in driving export outcomes.

Industry Characteristics (IC) the result indicate that IC is highly influential, with the strongest correlation observed with EMS (r = 0.937).

Finally, Export Market Strategy (EMS) serves as a pivotal mediator, showing strong correlations with all independent variables and directly influencing Export Performance (EP) (r = 0.841).

This indicates that a well-crafted strategy, supported by firm, product, market, and industry is necessary to achieving better export results.

4.3. Multiple Regression Analysis

Multiple regression analysis is a statistical method that forecasts the value of a response variable by utilizing a number of explanatory factors. Some explains regression analysis, which is used to determine the degree or intensity, in which the dependent variable (export performance) can be explained by the independent variable (firm, product, market and industry).

4.3.1 Assumptions of Linearity Regression Analysis

Based on the response obtained from the questionnaire the researcher further analyzed the data using multiple regression models. This study is tested for classical linear regression model assumptions; linearity, normality, multicollinearity and homoscedasticity assumptions.

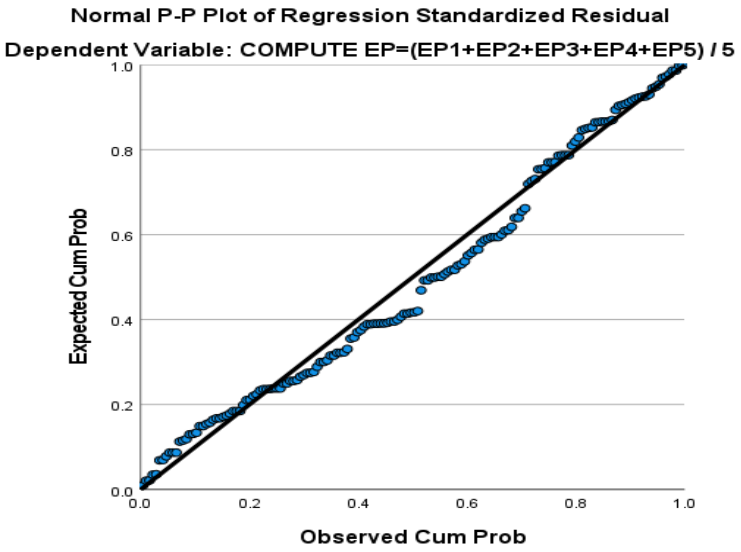
4.3.1.1 Linearity Assumption

For multiple linear regressions to produce accurate results, the relationship between the independent and dependent variables must be linear. If this assumption is violated, the regression analysis may underestimate the true relationship and yield inaccurate statistical results (Jensen and Ramireze, 2013).

To verify the assumption of normality, the data was compared to a theoretical normal distribution. Ideally, the points should form an approximate straight line in the plot. Any deviation from this line indicates departures from normality. In this study, the points closely follow the diagonal line, confirming that the residuals are normally distributed. This outcome satisfies one of the key assumptions of regression analysis, ensuring the reliability of the results.

Although there are minor deviations at the tails of the distribution, these are not significant enough to raise concerns. Such deviations are common in large datasets and are generally considered acceptable. Hair et al. (2020) note that in practical research, perfect normality is rare, and minor deviations are typically acceptable unless they indicate significant skewness or kurtosis, which could bias results.

Figure 2: linearity Test



(Source: SPSS Regression Result, 2025)

4.3.1.2. Autocorrelation

Autocorrelation, also known as serial correlation, occurs when the residuals (errors) of a regression model are correlated with each other across observations. In other words, the value of an error term in one period influences the error term in subsequent periods. This violates the assumption of independence of residuals in regression analysis, which is critical for the validity of parameter estimates and hypothesis tests. Autocorrelation is often observed in time-series data, where the sequential nature of the data introduces dependencies between observations.

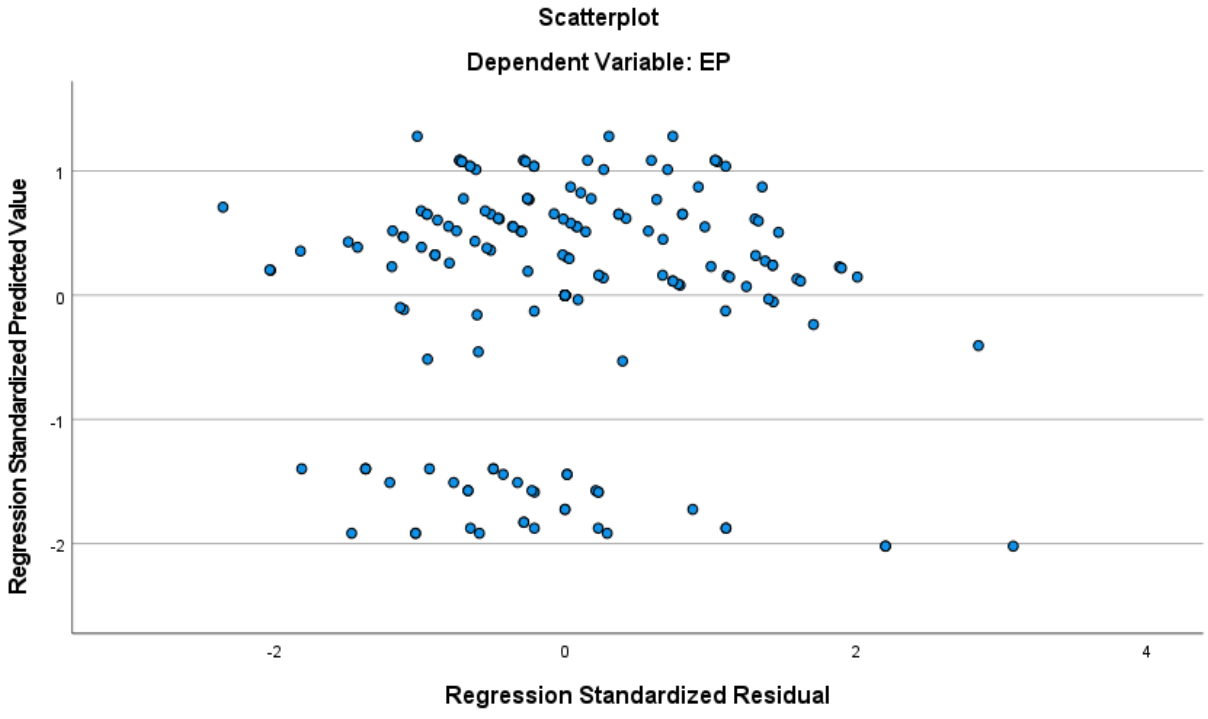
Detecting and addressing autocorrelation is crucial for ensuring the robustness of a regression model. The Durbin-Watson statistic is commonly used to test for first-order autocorrelation, with values ranging between 0 and 4. A value close to 2 indicates no autocorrelation, while values approaching 0 or 4 suggest positive or negative autocorrelation, respectively (Field, 2018). By addressing autocorrelation, researchers can ensure that their regression models yield more reliable and accurate results, particularly in studies involving time-dependent data. Based on the result as indicated in the below table, the system reveals a Durban Watson value of 1.638. Thus, the result lies between 0 <1.638<4, assuring that there is no violation of autocorrelation.

Therefore, there is no relationship between the residual variable and the independent variable, and the assumption here is satisfied.

4.3.1.3. Homoscedasticity

Homoscedasticity refers to the assumption in regression analysis that the variance of the residuals, or errors, remains constant across all levels of the independent variables. In other words, the spread of the residuals should be uniform, regardless of the value of the predictors. This assumption is critical because heteroscedasticity (unequal variance of residuals) can lead to inefficient estimates and unreliable hypothesis tests, as it violates one of the key conditions for the ordinary least squares (OLS) method to provide the best linear unbiased estimators (BLUE) (Gujarati & Porter, 2009). Based on the scatterplot output as shown below, it appears that the spots are diffused and do not form a clear specific pattern, so it can be concluded that the regression model does not cause a heteroscedasticity problem.

Figure 3: Homoscedasticity Test

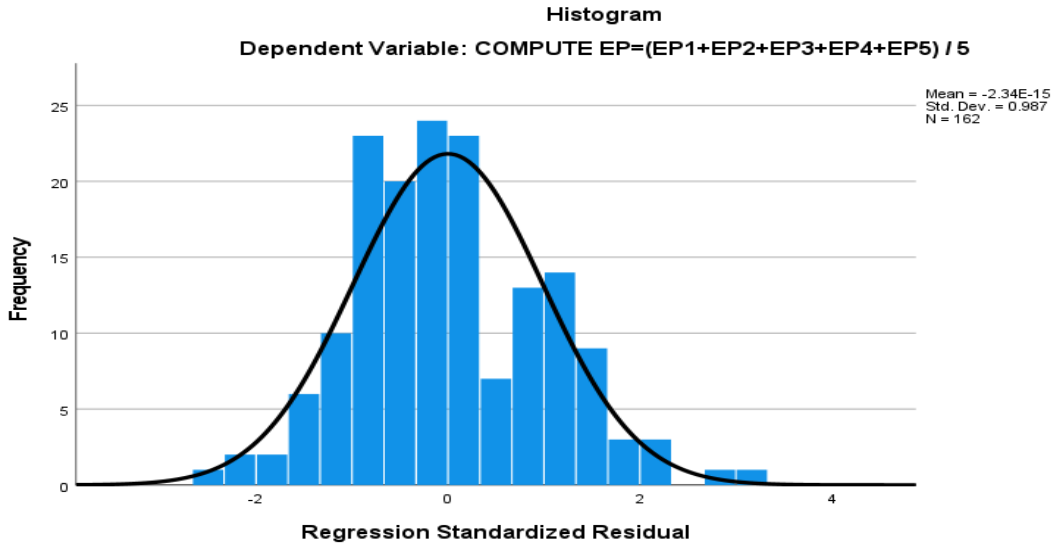


(Source: SPSS Regression Result, 2025)

4.3.1.4 Normality test

Normality test is a statistical procedure used to assess whether a given dataset follows a normal distribution, which is fundamental for many statistical methods that assume normality, such as t-tests and ANOVAs. Several methods are used to test for normality, including graphical methods like histograms and Q-Q plots, and formal tests such as the Shapiro-Wilk test, Anderson-Darling test, and Kolmogorov-Smirnov test (Shapiro & Wilk, 1965; Anderson & Darling, 1952). While graphical methods provide visual insights, formal tests offer more quantitative criteria, with each test having its strengths and limitations depending on sample size and data characteristics (Razali & Wah, 2011).

Figure 4: Normality Test



(Source: SPSS Regression Result, 2025

4.3.1.5. Multicollinearity Test

This assumption is crucial because it ensures that the independent variables are not highly correlated with each other. Andy (2013) suggests that a tolerance value below 0.1 is a strong indicator of a potential collinearity problem. Similarly, Burns (2008) points out that a Variance Inflation Factor (VIF) value exceeding 10 signals a possible issue. Based on these guidelines, the researcher conducted a multicollinearity test using the SPSS software and found that all

independent variables had VIF values below 10 and tolerance values above 0.1, suggesting no significant multicollinearity between the explanatory variables.

Table 5: multicollinearity test

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	FC	.161	6.217
	IC	.148	6.756
	PC	.254	3.936
	MC	.189	5.304
a. Dependent Variable: EP			

(Source: Own Survey Result, 2025)

4.4. Multiple Linear Regression Analysis

Multiple regressions are a correlation between the observed values of Y and the values of Y predicted by multiple regression models. Therefore, large values of the multiple regressions represent a larger correlation between the predicted and observed values of the outcome. Adjusted R square was used to measure the percentage of variance in the dependent variable explained by independent variable. From multiple regression equation, the standard regression coefficient (beta weight) was determined to compare the effect of each independent variable had on the variability of export performance.

4.4.1 Model Summary

It shows details about the characteristics of the model. In the present study, firm, product, industry, marketing and export performance of oilseeds were the main variables considered.

Table 6: Model summary

Model Summary[b]					
Model	R	R Square	Adjusted R	Std. Error of	Durbin-

			Square	the Estimate	Watson
1	.837[a]	.700	.629	.45519	1.638
a. Predictors: (Constant), MC, PC, FC, IC					
b. Dependent Variable: EP					

The value of R on the regression model represents the strength of the correlation between Independent variables and export performance. Hence, the value R = 0.837 shows positive and strong correlation between independent variables and export performance.

The values of R square and adjusted R square are 0.700 and 0.692 respectively. The value of R square represents how much of the dependent variable can explained by the independent variable. Therefore, 70 % of the variation in the dependent variable (export performance) can be accounted in the independent variable (FC, PC, MC and IC). The remaining 30% of the variations are due to some other factors which are not included in this study.

Adjusted R-squareshows the generalization of the results, i.e., the variation of the sample results from the population in multiple regressions. It is required to have a difference between the R-square and adjusted R-square minimums (0.700-0.692=0.008). In this case, the value is 0.692, which is not far away from 0.700, so it is good. In general, it can be deduced that if the general population instead of a representative sample were used to create the model, it would account for about 0.8% which is very less variance in the outcome.

4.4.2 ANOVA Analysis

ANOVA, stands for analysis of variance, is a test used to determine the difference between research results from three or more unrelated samples or groups.

Table 7 ANOVA Test

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	75.949	4	18.987	91.640	.000[b]
	Residual	32.529	157	.207		
	Total	108.478	161			
a. Dependent Variable: EP						
b. Predictors: (Constant), MC, PC, FC, IC						

(Source: Own Survey Result, 2025)

As shown in the above table the results are indicating that:

- P-value/Sig value: Typically, a study will select a 95% confidence interval or 5% of the significance threshold. As a result, the p-value needs to be lower than 0.05. It is determined to be 0.000 in the table above. Therefore, the result is significant.

- F-ratio: It represents an improvement in the prediction of the variable by fitting the model after considering the inaccuracy present in the model. A value is greater than 1 for the F-ratio yield-efficient model. In the above table, the value is 91.640, which is good.

4.4.3 The Regression Coefficient

Regression Analysis is a statistical method used to examine the relationship between a dependent variable (Y) and one or more independent variables (X). It helps in understanding, modeling, and predicting how changes in the independent variables affect the dependent variable. This analysis facilitates a study's hypothesis testing. In addition, using a standardized beta coefficient, the degree to which each independent variable affected the state of the dependent variable was assessed.

Table 8: Summary of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.668	.151		4.423	.000
	FC	.111	.108	.112	1.030	.305
	IC	.387	.091	.483	4.254	.000
	PC	.131	.082	.139	1.606	.110
	MC	.135	.093	.146	1.451	.149

(Source: Own Survey Result, 2025)

The standardized coefficients (Beta)indicate the relative importance of each independent variable in predicting the dependent variable. Among the four predictors, IC (Beta = 0.483, p =0.000) has the highest impact, meaning it plays the most significant role in explaining variations in the dependent variable. Since its p-value is less than 0.05**,** IC is statistically significant, suggesting a strong and meaningful relationship.

On the other hand, FC (Beta = 0.112, p = 0.305), PC (Beta = 0.139, p = 0.110), and MC (Beta = 0.146, p = 0.149) have much lower standardized coefficients, indicating weaker contributions to the model. Moreover, their p-values are greater than 0.05**,** meaning they are not statistically significant. This implies that changes in these variables do not reliably predict changes in the dependent variable.

Overall, the analysis suggests that IC is the dominant predictor, while FC, PC, and MC do not significantly contribute to the model. If the goal is to improve prediction accuracy, focusing on IC or exploring additional relevant variables may enhance the model's effectiveness. Removing non-significant predictors could also simplify the model without losing explanatory power.

4.5 Mediation Analysis

4.5.1 SPSS AMOS for Mediation Analysis

The mediation analysis is a statistical methods used to respond questions on how an independent variable X affects a dependent variable Y. There are two distinct paths by which the variable X influences Y. When empirical test of mediation model is carried out the direct and indirect effects should be taken in to consideration, as well as the total effect of the model. These effects can be estimating the components which constitute the indirect effects, the effect of X on M, and the effect of M on Y (Hayes, 2013).

Figure 7: Effect of independent variables on export performance mediated by marketing strategy

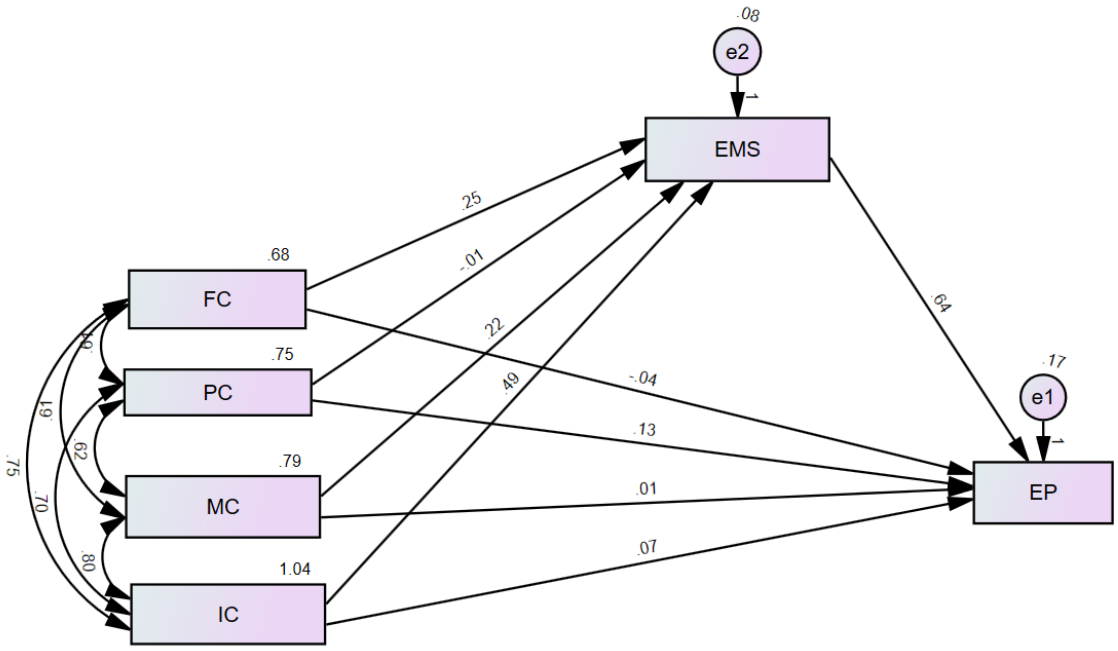


Table 9: Direct and Indirect Effect of Variables on EP

	Direct	Indirect	Result
FC	0.113	0.156	Significant
PC	0.036	-0.038	Not Significant
MC	0.053	0.157	Significant
IC	0.096	0.312	Significant

(Source: AMOS Mediation Analysis Result, 2025)

As shown in the above table the direct effects analysis revealed that Market Characteristics, Industry Characteristics, Product Characteristics, and Firm Characteristics have significant direct relationships with Export Marketing Strategy. Additionally, the direct effect of EMS on Export Performance was statistically significant ($p < 0.05$), indicating that Export Marketing Strategy plays a crucial role in shaping export performance.

However, when Export Marketing Strategy was introduced as a mediator, the direct effects of MC, IC, and FC on Export Performance were reduced, suggesting a partial mediation effect. In contrast, the direct effect of PC on Export Performance remained significant even after including EMS, indicating that Export Marketing Strategy does not mediate this relationship.

Indirect Effects and Mediation Analysis

To assess mediation, bootstrapping was performed, and the confidence intervals were examined. The results indicate:

MC → EMS → EP ($p = 0.003$): Significant mediation

IC → EMS → EP ($p = 0.007$): Significant mediation

PC → EMS → EP ($p = 0.820$): No mediation

FC → EMS → EP ($p = 0.003$): Significant mediation

From these result we can conclude that Export Marketing Strategy significantly mediates the relationship between MC, IC, and FC with Export Performance, but not for Product Characteristics.

Table 10: Regression Weights with mediator

			Estimate	**S.E.**	**C.R.**	**P**	**Label**
EMS	<---	FC	.246	.065	3.769	***	Significant
EMS	<---	PC	-.010	.050	-.192	.847	Not Significant
EMS	<---	MC	.220	.056	3.923	***	Significant
EMS	<---	IC	.486	.055	8.841	***	Significant
EP	<---	IC	.072	.100	.714	.475	Not Significant
EP	<---	PC	.135	.075	1.801	.072	Not Significant
EP	<---	FC	-.045	.102	-.441	.659	Not Significant
EP	<---	MC	.005	.088	.059	.953	Not Significant
EP	<---	EMS	.636	.118	5.385	***	Significant

(Source: AMOS Mediation Analysis Result, 2025)

Based on the Barons and Kenny's (1986) mediation test model and the subsequent AMOS analysis and interpretation provides sufficient information that there is mediation relationship between independent variables, Export Marketing Strategy and export performance. Therefore, it can be concluded that EMS significantly mediates the relationship between independent variables and export performance.

4.6 Hypothesis Testing

- H1. Firm characteristics have a significant effect on oilseed export performance.

To test this hypothesis correlation analysis was run on SPSS and presented on Table 3 above and it was observed between firm characteristic and export performance, where $r = .776$, $p < .001$. However, the multiple regression analysis on table 8 indicates that a firm characteristic does not

have significant affect on export performance, where the value of B is 0.111 and $p < 0.305$. This can be interpreted as characteristics has does not have significant effect on export performance. Hence, hypothesis 1 is rejected. Similarly, research by Tadesse and Solomon (2018) on Ethiopian exporting firms indicated that firm-specific characteristics were not significant predictors of export performance. Additionally, empirical inconsistencies in the literature, as noted in Sousa et al. (2008), indicate that the significance of firm characteristics varies across industries and markets, reinforcing the possibility that oilseed exports are driven more by macroeconomic and industry-wide factors rather than individual firm capabilities.

- H2. Product characteristics have a significant effect on oilseed export performance.

To test this hypothesis correlation analysis was run on SPSS and presented on Table 3 above and it was observed between firm characteristic and export performance, where $r = .702$, $p < .001$. However, the multiple regression analysis on table 8 indicates that a firm characteristic does not have significant affect on export performance, where the value of B is 0.131 and $p < 0.110$. This can be interpreted as characteristics has does not have significant effect on export performance. Hence, hypothesis 2 is rejected. This is consistent with the study by Lages & Montgomery (2004), which found that while product quality and adaptation are important, they primarily influence export success when combined with strong branding, distribution networks, and customer relationship management. Cavusgil & Zou (1994) also highlighted that product adaptation is necessary but not a standalone factor in determining export performance.

- H3. Industry characteristics have a significant effect on oilseed export performance.

To test this hypothesis correlation analysis was run on SPSS and presented on Table 3 above and it was observed between firm characteristic and export performance, where $r = .784$, $p < .001$. However, the multiple regression analysis on table 8 indicates that a firm characteristic does not have significant affect on export performance, where the value of B is 0.387 and $p < 0.001$. This can be interpreted as characteristics has does not have significant effect on export performance. Hence, hypothesis 3 is accepted. The finding that industry characteristics significantly affect export performance aligns with other studies like Mersahye (2019) and Getie (2018). In addition Mulugeta (2023), accept this hypothesis and emphasizing that Ethiopia, despite being a leading

global exporter of sesame seeds, faces significant export challenges that stem primarily from internal industry constraints rather than external market conditions. Key obstacles include declining productivity, pest infestations, and limited access to modern agricultural technology. This underscores the idea that industry-specific factors, such as production efficiency and technological advancement.

- H4. Market characteristics have a significant effect on oilseed export performance.

To test this hypothesis correlation analysis was run on SPSS and presented on Table 3 above and it was observed between firm characteristic and export performance, where $r = .760$, $p < .001$. However, the multiple regression analysis on table 8 indicates that a firm characteristic does not have significant affect on export performance, where the value of B is 0.135 and $p < 0.149$. This can be interpreted as characteristics has does not have significant effect on export performance. Hence, hypothesis 4 is rejected. The finding that market characteristics do not significantly affect export performance aligns with certain studies in the field. For instance, a comprehensive review by Sousa et al. (2008) identified six domestic factors influencing export performance, including domestic demand and local market characteristics, but did not find these factors to be consistently significant across different contexts. Similarly, a meta-analysis by Leonidou et al. (2002) examined various determinants of export performance and found that external market characteristics often have an insignificant or inconsistent impact.

- H5. Export marketing strategies mediates the effect of external factors (industry and market characteristics) and internal factors (firm and product characteristics) on export performance.

The results indicate that Export Marketing Strategies fully mediate the relationship between external factors (Industry and Market Characteristics) and internal factors (Firm Characteristics) on Export Performance**.** IC, MC, and FC significantly influence Export Marketing Strategies, and Export Marketing Strategies, in turn, significantly affects EP. However, Product Characteristics does not have a significant effect on Export Marketing Strategies or EP, meaning mediation does not occur for Product Characteristics. Overall, the findings confirm that Export

Marketing Strategies acts as a critical link between key internal and external factors and export success.

These findings align with prior studies emphasizing the mediating role of marketing strategies in export performance. Leonidou et al. (2002) and Zou & Stan (1998) highlight that external market conditions and firm capabilities impact export success only when mediated by strategic marketing actions. Similarly, Cavusgil & Zou (1994) confirm that export marketing strategies serve as an essential bridge between firm characteristics and performance. Thus, this study reinforces existing literature, demonstrating that Export Marketing Strategies is important determinant of export success.

Table 11: Summary of Proposed Hypothesis

S.No	**Hypothesis**	**Test**	**Result**
H1	Firm characteristics have a significant effect on oilseed export performance	Pearson Correlation and regression analysis	Rejected
H2	Product characteristics have a significant effect on oilseed export performance	Pearson Correlation and regression analysis	Rejected
H3	Industry characteristics have a significant effect on oilseed export performance	Pearson Correlation and regression analysis	Accepted
H4	Market characteristics have a significant effect on oilseed export performance	Pearson Correlation and regression analysis	Rejected
H5	Export marketing strategies mediates the effect of external and internal factors on export performance.	Pearson Correlation and regression analysis	Accepted

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter summarizes the key findings, offers recommendations, and presents conclusions derived from the study. It elaborates on the implications and contributions of the results while also highlighting potential directions for future research.

5.1. Summary of Major Findings

The main objective of this study is to examine the effect of internal and external factors and mediating effect of export market strategy on Export Performance of Ethiopian oil seeds. In order to achieve this objective data was collected using both primary and secondary sources. The researcher gathered the basic primary data obtained through the use of structured questionnaires. The secondary data for the literature as well as other parts of the study was collected from articles, books, and internet sources. The questionnaire was organized and categorized into three major types: demographic profile, main questions, and short answer. The main part of the questions was constructed according to the Likert scale type with methods for measuring data extended from strongly disagree to strongly agree to evaluate the insights of oilseed exporters.

The study included data from 162 respondents, yielding a response rate of 88.04%. The demographic analysis revealed that 76.5% of respondents were male, with most falling between the ages of 26–35 (45.1%) and 36–45 (44.4%). Additionally, the majority (79%) held a bachelor's degree, and 44.9% had 6–10 years of work experience, highlighting a well-educated and experienced workforce. Senior export officers (37.7%) and export marketing managers (34.6%) comprised the majority of respondents, ensuring the data represented professionals directly involved in export strategies.

The study utilized both correlation and regression analyses to explore relationships between firm, product, market, and industry characteristics and export performance. Correlation analysis showed strong positive relationships among the variables, with EMS emerging as a pivotal mediator. Firm characteristics (FC) were strongly correlated with EMS ($r = 0.885$), while industry characteristics (IC) had the strongest relationship with EMS ($r = 0.937$). Export performance (EP) also demonstrated a strong positive correlation with EMS ($r = 0.841$),

emphasizing the importance of strategic planning in driving export success.

Regression analysis provided deeper insights, showing that the overall model explained 70% ($R^2 = 0.700$) of the variance in EP. Among the independent variables, only IC had a statistically significant direct impact on EP ($B = 0.387$, $p < 0.001$). For EMS, the model explained 90.2% ($R^2 = 0.902$) of its variance, with IC exerting the most substantial influence (Beta = 0.565, $p < 0.001$), followed by FC and market characteristics (MC). Product characteristics (PC), however, showed minimal impact on both EMS and EP.

Mediation analysis revealed that EMS significantly mediated the relationship between the independent variables and EP. IC exhibited partial mediation, with both direct and indirect effects on EP through EMS. FC and MC showed full mediation, indicating their impact on EP was entirely channeled through EMS. Notably, PC demonstrated neither a significant direct effect nor mediation, suggesting its limited role in this context.

The hypothesis testing supported these findings. The first hypothesis, which posited that firm characteristics significantly affect EP, was rejected despite a strong correlation ($r = 0.776$), as regression analysis showed no significant direct effect ($p = 0.305$). Similarly, the second hypothesis regarding product characteristics was rejected due to a lack of significant impact ($p = 0.110$). The third hypothesis, asserting that industry characteristics significantly influence EP, was accepted, with IC emerging as a critical driver ($p < 0.001$). The fourth hypothesis, related to market characteristics, was rejected due to non-significance ($p = 0.149$). However, the fifth hypothesis, which proposed that EMS mediates the effects of internal and external factors on EP, was accepted. EMS played a critical role, particularly in fully mediating the effects of FC and MC and partially mediating IC's influence.

The findings highlighted the critical role of EMS in driving export success. The strong correlation between EMS and EP ($R^2 = 0.708$) underscored its importance, with every one-unit increase in EMS associated with a 69.2% improvement in EP. Industry characteristics were the most influential driver of EMS, followed by firm and market characteristics. Product characteristics, however, had minimal impact on EMS, further supporting its limited role in this study.

Finally, the respondents specify additional factors that they believe have affected oil seeds export performance of Ethiopia in the short answer question. The respondents identified several additional factors like Political instability and bureaucratic government policies were highlighted as significant challenges, creating uncertainties and inefficiencies in the export process. Security issues outside the capital, where raw materials are sourced, further complicate access to quality oilseeds, as these regions are prone to instability. These factors collectively hinder the seamless flow of raw materials to exporters, affecting overall performance. Also they stated that poor infrastructure such as transportation networks and storage facilities, is one of the issues it increase costs and delay of products delivery.

Another critical issue raised was the poor quality of raw oilseeds from farmers, which respondents attributed to insufficient government support for agricultural development. Farmers face challenges in producing high-quality seeds due to a lack of resources, training, and incentives. This, in turn, limits exporters' ability to compete in international markets. Addressing these systemic issues—political instability, bureaucratic policies, security concerns, and inadequate farmer support—will be crucial to improving the export performance of Ethiopia's oilseed sector.

5.2. Conclusion

This study aimed to investigate the factors influencing the export performance of Ethiopian oilseed exporters, with a particular emphasis on the mediating role of export marketing strategies. Utilizing an explanatory research design and a quantitative approach, the study assessed the impact of internal factors (firm and product characteristics) and external factors (industry and market characteristics) on export performance. The findings provide critical insights into the determinants of successful export activities within the Ethiopian oilseeds sector.

The results indicate that firm characteristics, such as company size, financial resources, and managerial expertise, do not have a statistically significant direct effect on export performance. This suggests that while firm-level attributes contribute to operational efficiency, they may not be the primary drivers of export success. Similarly, product characteristics, including quality and adaptation strategies, were found to have a weak direct effect on export performance.

On the other hand, industry characteristics emerged as the most significant determinant of export performance. Factors such as competition levels, technological advancement, and supply chain efficiency had the strongest direct impact. This highlights the importance of addressing structural challenges within the oilseed industry, such as low productivity and insufficient access to modern agricultural technology. Additionally, market characteristics, including demand stability, trade barriers, and regulatory requirements, were found to be essential, although their direct effect on export performance was not statistically significant.

A key contribution of this study is the identification of export marketing strategies as a crucial mediating factor between internal/external determinants and export performance. Strategies related to product adaptation, pricing, promotion, and distribution significantly enhanced export outcomes. The mediation analysis confirmed that marketing strategies played a full mediating role for firm and market characteristics, while industry characteristics exhibited partial mediation. This underscores the necessity of aligning internal capabilities and external opportunities with well-structured marketing efforts to achieve competitive advantage in global markets.

The study's findings have important implications for policymakers, industry stakeholders, and export firms. First, the Ethiopian government should focus on improving industry-related constraints by facilitating technological advancements, enhancing supply chain infrastructure, and addressing regulatory inefficiencies. Second, oilseed exporters should adopt a more proactive approach to market strategies by investing in product differentiation, competitive pricing, and targeted promotional campaigns. Third, industry associations such as the Ethiopian Pulses and Oilseeds Exporters Association (EPOSEA) should provide capacity-building programs that equip exporters with the necessary skills to navigate international market complexities.

Furthermore, the research highlights the need for improved market accessibility through stronger trade networks and partnerships. Addressing logistical challenges by upgrading transportation and storage infrastructure would enhance export efficiency and reduce costs. Additionally, government interventions should focus on simplifying export regulations to foster a more favorable business environment for oilseed exporters.

In conclusion, industry characteristics and marketing strategies have a more profound impact. The study reinforces the idea that a holistic approach, integrating internal strengths, industry-wide improvements, and effective marketing strategies, is crucial for enhancing the global competitiveness of Ethiopian oilseed exports. Future research should explore qualitative aspects of export challenges, such as managerial decision-making processes and international buyer preferences, to provide a more comprehensive understanding of the factors shaping export success in this sector.

5.3. Recommendation

Firms should prioritize investments in managerial training and capacity building to improve decision-making and strategic planning in export activities. Export managers and officers should be equipped with skills to analyze international markets, understand cultural nuances, and develop adaptive strategies that align with global market demands. Additionally, firms should allocate sufficient financial resources to enhance their technological capabilities, which are crucial for improving productivity and meeting international quality standards**.**

To address the challenges of product adaptation and quality, exporters must focus on enhancing the value proposition of their products. This includes improving quality control mechanisms, adopting advanced packaging technologies, and ensuring compliance with international standards. Customization to meet the specific preferences of target markets, such as labeling and branding in local languages, can significantly improve market acceptance and competitiveness.

Policymakers and industry stakeholders should work collaboratively to address structural barriers, such as inadequate access to advanced technologies and high production costs. Establishing public-private partnerships to invest in technological innovation and infrastructure development can enhance the competitiveness of the oilseed export sector.

Export marketing strategies play a critical mediating role in achieving export success. Firms should develop comprehensive strategies that include product adaptation, competitive pricing, targeted promotions, and efficient distribution networks. By aligning marketing efforts with the specific needs and preferences of target markets, exporters can enhance their visibility and market share in international markets.

Market characteristics, including demand potential and accessibility, are pivotal to export performance. Exporters should invest in market intelligence systems to identify emerging opportunities and anticipate changes in consumer preferences. Establishing trade networks and partnerships with international distributors can also improve market penetration and reduce logistical challenges.

Government and industry associations, such as the Ethiopian Pulses and Oilseeds, Exporters Association (EPOSEA), should advocate for policies that support exporters. This includes offering financial incentives, such as subsidies or tax breaks, to reduce production costs and enhance profitability. Furthermore, simplifying export regulations and improving access to foreign exchange resources can alleviate operational challenges for exporters.

Collaboration among exporters, industry associations, and government agencies is essential for addressing sector-wide challenges. Platforms for knowledge sharing and networking should be established to enable exporters to learn from best practices and collectively address common barriers. Collaborative efforts can also enhance the bargaining power of Ethiopian exporters in international markets.

Improving infrastructure, such as transportation networks and storage facilities, is crucial for reducing costs and ensuring the timely delivery of products to international markets. Investments in modern logistics systems can also help mitigate post-harvest losses and maintain product quality throughout the supply chain.

5.4 Limitations and Direction for Future Research

This study has certain limitations that should be acknowledged. First, it primarily focused on members of the Ethiopian Pulses and Oilseeds Exporters Association (EPOSEA), potentially limiting the findings to other exporters or agricultural sectors. The research emphasized quantitative methods, which, while effective for statistical analysis, may not fully capture the qualitative insights and lived experiences of exporters. External environmental factors such as global economic shifts, climate change, and geopolitical influences were not deeply examined, which could provide a more comprehensive understanding of the challenges faced by exporters. Future research could evaluate the effectiveness of existing policies and programs aimed at

supporting exporters. This would provide evidence-based recommendations for policymakers to design targeted interventions that address the specific needs of the oilseed export sector.

Future research should address these limitations by adopting a longitudinal approach to analyze changes in export performance over time and incorporating qualitative methods such as interviews or case studies to provide richer insights. Expanding the scope to include exporters outside EPOSEA or in other agricultural sectors could enhance the findings. Researchers should also explore the impact of additional factors that affect export performance.

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Appendixes

Addis Ababa University

College of Business and Economics

School of Graduate Studies

Department of Management

Questionnaires Prepared for Oilseeds Exporters

Dear Respondents,

This questionnaire is prepared to collect data for thesis work on the topic of '***Factors affecting export performance: In the case of*** **EPOSPEA** ***oil seeds exporters''.*** The study is to be undertaken for the partial fulfillment of the requirement for MBA program. For the successful accomplishment of the study, your response will be used as a valuable input. I assure you that the information you will provide will be used only for academic purpose and will be kept confidential. Therefore, I request you to fill the questionnaire genuinely and without bias.

Thank you in advance for your cooperation

Directions:-

- Writing your name is unnecessary.
- Put tick mark as per the questions required in the box and put your short and precise answer in the space provided

A. Demographic information

1. Gender

Female ☐ Male ☐

2. Age

25 years and lower ☐ 26-35 years ☐

36-45 years ☐ 46-55 years ☐

56 and above ☐

3. Educational level

Diploma ☐ Degree ☐

Master ☐ PhD ☐

Other ☐

4. How long have you been exporting oilseed?

Less than 2 years ☐ 2-5 Years ☐ 6-10 Years ☐ Above 10 Years ☐

5. Job position

General Manager ☐ Export (marketing) manager ☐

Senior export officer ☐ Export officer ☐

B. Please mark what you feel most appropriate, using the scale from 1 to 5 (Where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = Strongly Agree).

Firm Characteristics		5	4	3	2	1
1	Our firm has an adequate number of full-time employees to support its export activities.					
2	We have experienced management team.					
3	Our exporting activities efficiency is largely aided by our staff's export management expertise.					
4	The management believes in expanding the foreign market destination.					

5	Our firm has adequate financial resources to support export activities?					
6	Our firm has sufficient international experience to effectively compete in export markets.					
	Product Characteristic					
1	There is adequate skill to adapt products for foreign markets.					
2	There is lack of ability to supply required quantity on continuous basis.					
3	There is difficulty in meeting importers product quality standards.					
4	There is no problem with the quality of oilseeds production.					
	Market Characteristic					
1	Poor image of our company products in foreign markets.					
2	There is insufficient foreign demand for oilseeds.					
3	There is lack of information about export procedure oilseed					
4	Problems in making arrangements for getting paid.					
5	Problems in meeting delivery dates.					

6	International trade procedural complexity for oilseed export.					
	Industry Characteristic					
1	Easy to initiate export operations in oilseeds.					
2	There is strong competition from other foreign Exporter in potential markets.					
3	There is lack of new technology that facilitate oilseed exports					
4	Lack of adequate quality of raw materials					
5	There is a lack of awareness of the use of technology in marketing.					
	Export market strategy					
1	Our promotional approach is adapted to suit the export market.					
2	Our company has adapted its product positing strategy to meet the needs of the export market.					
3	We do have a number of distributors whose profiles are kept					
4	We target our markets ahead of budget year					
5	We do have a Promotional Strategy by which we base ourselves for promoting our company in networking events.					

6	Customers are provided with samples to help them in their buying decision.					
7	We have a practice of doing marketing researches using our own techniques in developing our marketing plans/strategies					
8	There is no difficulty in meeting export packaging requirements.					
9	There is no difficulty in meeting export labeling requirements.					
10	Our pricing strategy in export markets is competitive compared to local competitors					
	Export performance					
1	My company has been profitable.					
2	My company has generated a high volume of sales.					
3	My company has improved our global competitiveness					
4	My company global market share has significantly increased over the years.					
5	My company has been very successful in the past consecutive years					

C. Short-Answer Questions.

1. Are there any additional factors that you believe have affected the export performance of oilseeds in Ethiopia?

Thank you very much for participating in this survey