ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

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MASTERS OF ARTS DEGREE IN MARKETING MANAGEMENT

A Research Thesis

On

Impact of Marketing Information System on Target Export Market Selection: Evidence from Coffee Export Sector in Ethiopia

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Declaration

I hereby declare that this thesis entitled ‘’Impact of Marketing Information System on Target Export Market Selection: Evidence from Coffee Export Sector in Ethiopia “is my original work and that it has not been submitted in any prior application for any degree in this or any other university. All sources of materials used for this thesis have been duly acknowledged.

Name: Feleke Sisay _____ _____

Signature Date

Certification

This is to certify that candidate Feleke Sisay's research paper on " Impact of Marketing Information System on Target Export Market Selection: Evidence from Coffee Export Sector in Ethiopia " is the original work of his own work to the best of my knowledge. This work is plagiarism - free and has not been submitted to this or any other university. All Sources of materials used for this thesis have been duly acknowledged.

Beza Libeyesus Nisrane (PhD.) _____ _____

Signature Date

Acknowledgement

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ACRONYMS AND ABBREVIATIONS

MIS- Marketing Information System

ITC- International Trade Center

ICT- Information Communication Technology

HS- Harmonized System

LDCs-Least Developed Countries

DSM-Decision Support Model

MAT-Market Analysis Tools

GDP- Gross Domestic Product

FAO-Food and Agriculture Organization

MAT- Market Analysis Tools

EPI- Export Potential Indicator

PDI- Product Diversification Indicator

ECFF-Environment and Coffee Forum

SMEs- Small and Medium Enterprises

ICO- International Coffee Organization

SPSS- Statistical Package for Social Science

RBT- Resource Based Theory

EMS-Export Market Selection

ANOVA- Analysis of Variance

EX.Pot - Export Potential

Act.Exp - Actual Export

UR.EX.Pot- Unrealized Export Potential

UV- Unit value

Va- Value

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Abstract

The main objective of conducting this survey is to investigate the impact of marketing information systems on target Ethiopian coffee export market selection. To do so, the ITC market analysis tools of Trade map, Export potential map, and market access map, rules of origin and general ITC market analysis tools have been used as independent variables to predict the dependent variable target export market selection. To attain the goal of the study, quantitative research technique has been employed to investigate the impact of ITC market analysis tools on target export market selection decision of selected coffee exporting firms located in Addis Ababa. Both primary and secondary data sources were used in conducting the research. The primary data were collected by using a questionnaire and the secondary data were collected from various websites, and mainly from the International Trade Center Database. In order to arrive at meaningful results, findings and conclusions: The data was analyzed by using descriptive and inferential statistics. After interpreting the results of the study, it was concluded that the selection of the Ethiopian coffee export market is influenced by the ITC market analysis tools, such as Trade map, Export potential map, market access map, Rules of Origin, and general ITC market analysis tools. In conclusion, based on the findings of the study, coffee exporting firms from Ethiopia should search for countries with high import potential but not significant amounts from Ethiopia and promote and develop strategies that enable them to increase export quantities to such countries. Coffee *exporting firms, trade advisors, and policymakers from the government body recommended working in collaboration and interactively on the competitive and comparative advantages of Ethiopian coffee export businesses with respect to the top coffee exporters in the world market.*

Key words: market selection, marketing information system, market share, coffee export, market analysis tools, Trade map, Export Potential map, Market access map and Rules of Origin

Chapter One

1. Introduction

1.1 Background of the study

According to the Food and Agriculture Organization of the United Nations [FAO], 2022b, coffee is one of the most traded commodities and consumed drinks worldwide. The coffee plant, a shrub or small tree, requires approximately 3-4 years commencing yielding red cherries. These cherries are subsequently harvested either through strip harvesting or hand harvesting methods. Strip harvesting, which allows for mechanization, entails the removal of all cherries from the branch simultaneously. On the other hand, harvesting is a more labor-intensive approach. (National Coffee Association, n.d.).

Selecting the appropriate target country is crucial for a firm, as making an error in this decision can lead to enduring complications for its resources and future achievements. Numerous studies have highlighted the significance of International Market Selection (IMS) in the internationalization process of a firm (Malhotra, 2007).

Ethiopia, as stated by USDA (2019), holds the top position as the primary producer and exporter of Arabica coffee in Africa. Coffee stands as Ethiopia's largest export crop, serving as the backbone of its export sector. Not only does it hold the utmost significance as an agricultural export, contributing 25% to foreign exchange income (ECFF, 2015), but it also plays a pivotal role in the country's GDP, accounting for approximately 45%. Beyond its status as a major export, coffee sustains the livelihoods of millions of individuals and holds significant socio-economic and cultural value. (Edward et al, 2017)

The introduction of technology influences significantly the business by changing the industry infrastructure and business operation process and by creating the premises for the emergence of competitive advantages for organizations that are adopting marketing information systems. Identifying potential foreign target markets is a crucial concern in the fields of international marketing and international business research, strategy, and management. Charlotte Gaston, (2011)

Without a deep understanding of the foreign market, companies will not be able to develop efficient and effective export marketing programs. Therefore, they should build and benefit from appropriate export information systems. Mehmet Haluk (2008)

Choosing the countries for international expansion is a crucial decision. For companies venturing into the global market for the first time, picking the right countries is the initial phase in their internationalization process. Moreover, for companies with existing foreign operations, determining the suitable markets for future growth holds significant importance, considering the substantial resources involved in entering new markets. Making a mistake in selecting the appropriate target country can lead to lasting repercussions on a firm's resources and its potential achievements. (Shavin Malhotra, 2007)

Companies are required to develop efficient marketing information systems that provide managers with appropriate information, presented in an appropriate manner, at the appropriate moment, in order to help them make better marketing decisions (Kotler, 2007).

Companies with the lack of use of MIS cannot be competitive in the globalized world. In order to grow or maintain their market share companies should have to leverage appropriate information system technologies. As of ITC trade map four year (2019 to 2022) data computation, Ethiopian coffee market share is not growing as the same pace compared to top three competitors which are Brazil, Colombia and Honduras. Along infrastructural and business ethics related factors, this low growth of Ethiopian market share is due to lack of use of ICT technologies like ITC market analysis tools enable business actors analyze market-access needs, track the success of national trade, find export and import opportunities, and make informed trade decisions.

To improve transparency in international trade and ease market access, the International Trade Centre has created a set of web-based resources. These Market Analysis Tools suite covers the world’s largest databases on trade statistics, tariff data, and rules of origin related to applicable free trade agreements. Estimates of export potential, market pricing data, information on regional trade and investment, and much more are provided by additional tools. The main objective of this study is to identify the impact of marketing information system on target export market selection in Ethiopian coffee export sector, specifically based on the international trade center market analysis tools. Based on the findings, recommend concerned bodies, to utilize the

important tools in order to have competitive and comparative advantage. According to international trade center market survey 2014, it helps to make more than 1,000,000$ market selection decision. So, the study covers only four specific ITC market analysis tools: Trade map, Export potential map, market access map and rules of Origin. And also the general effect of the ITC market analysis tools to analyze target market selection for the product Coffee with HS-09011.

1.2 Problem Statement

Within a business atmosphere that is changing swiftly globalization affects how competitively many organizations can operate. Management strategy reveals that technology; information, communication and innovation are input for productivity and give birth to competitive advantages for the sustainability of company growth (Chen, et al., 2015). According to the average ranking of utilized information sources, businesses primarily gather export information from online sources (Mehmet Haluk) The performance in coffee export has been a major determinant of the overall performance of the total export income of the country (NBE, 2014). In order to investigate the impact of marketing information system on target export market selection, the marketing decision support system component of MIS has been discussed. It deals with tools that business firms marketing team used to analyze information and make better marketing decisions. (Simeon Cooke, 2020). Since ITC market analysis tools are marketing decision support system tools, the research survey has been conducted based on the international trade center market analysis tools. For the last five years, 2018-2022 the top ten exporting countries account 73.13% of (111.93bn) the total world export. From these 73.13% the top five also share 55.45% (Brazil 27.39%, Colombia 13.64%, Honduras 5.73%, Ethiopia 4.93% and Peru 3.76% on average).

Table 1: Market share and market growth of top five Coffee exporting Countries

S.N	Top Five Exporting countries	Market growth (%)			Market share (%)		Market growth (%)			Market share (%)		Market growth ((%)			Market share (%)		Market growth ((%)			Market share (%)	
		2018/2019			2019		2019/2020			2020		2020/2021			2021		2021/2022			2022	
		Qan.	Va.	UV	Qan.	Va.	Qan.	Va.	UV	Qan.	Va.	Qan.	Va.	UV	Qan.	Va.	Qan.	Va.	UV	Qan.	Va.
1	Brazil	21	4	-14	28.7	26	7	9	2	32	27.7	-4	17	21	30	26.8	-7	47	57	34	31
2	Colombia	6	0	-5	9.7	13	-8	8	17	9.3	13.7	-1	26	28	9	14	-9	28	41	10	14
3	Hunduras	-4	-14	-10	4.6	5.5	-22	-9	17	4	4.9	21	48	23	5	6	-19	30	60	5	6.1
4	Ethiopia	0	0	-9	3.4	4.5	-11	0	12	3	4.4	31	49	14	4	5.5	-10	27	41	4	5.5
5	Peru	-12	-7	5	2.9	3.5	-6	3	10	2.9	3.6	-10	18	32	2.5	3.5	24	57	27	37	4.3

Source: ITC Trade Map Data Computation

As we can see from the table above for the last five years, 2018 - 2022 the exported growth in value for the product is increasing at increasing rate for Brazil and Colombia. According to ITC trade map data, in the case of Ethiopian, it is stagnant and there is no any growth on value from 2018-2020. There is a big growth of 49% (2020/2021). For the period 2021/2022 grows at decreasing rate by 27% compared to the previous year. The recent two years (2021 & 2022) compared to the two top competitors, Ethiopian coffee export doesn't show any growth both in quantity and value market share. Therefore, the Ethiopian Coffee export market shows volatility that affects the market share and foreign currency earning of the country.

In theory, evaluations of export potential are founded on the premise that in an ideal scenario without obstacles, trade movements can be explained by a blend of supply efficiency, trade facilitation, and overall market demand. The ability of a nation to provide its current products (EPI) is measured by anticipated market shares, while its ability to expand into new products (PDI) is dependent on Hausmann and Hidalgo's notion of the product space.

The establishment of connections between products is achieved by evaluating the frequency with which they are co-located in the export baskets of various countries. (Hidalgo et al., 2007)

The Export Potential Map One of the ITC MAT focuses on to guide export development towards a less volatile and more environmentally conscious path. Within the total of $14bn unrealized export potential the top five importing countries Covers 46% of the global import. According to

ITC Export potential map data, the top four exporting countries Brazil, Colombia, Vietnam & Ethiopia covers 53% of unrealized export potential (3.588bn /47%, 1.102bn /32%, 509.4mn /15% & 211mn /6%) respectively from the top five importing countries.

In general, Ethiopian coffee export business has problems related to price volatility, low market share growth trends and unrealized future export potential share from the top five global coffee importers is only 3.28% and much less compared to the top three exporters (Brazil 23%, Colombia 21% and Vietnam 16%) which makes the country number one foreign currency earner product under question mark. Improving market share requires constant follow-up and problem-solving research to be carried out. An error by a firm in selecting the right target country can have long-term complications on its resources and its future success. Many researchers have identified IMS as the primary concern in a firm's internationalization process (Shavin Malhotra, 2007). Consequently, it's critical to keep track of how current variable trends impact Ethiopia's coffee export performance (Degife, 2014).

Since coffee is number one foreign currency earner for the country, government focus is very important to the sector. It needs continuous follow up and research on how to improve production and at the same time quality of the product and also research on the global market changes on demand, production, consumption pattern, and unit value and market share among the top competitors over different time periods. There are different actors in the sector who are more familiar with marketing information system and try to leverage their advantage in every moment. Continuous advancement in technologies changes the business environment and if nations and companies unable to update with the changes they will be looser of their share in the market. So, this study tries to investigate the practice of coffee exporters marketing information system usage and its effect on their export target market selection who have head or branch office in Addis Ababa. For the purpose of investigating the exporters MIS usage, the international trade center (ITC) market analysis tools of Export potential map, Trade map, market access map and the rules of origin facilitator will be used as independent variables for the study.

1.3 Basic Research Questions of the study

What is the impact of marketing information system on target export market selection?

1.3.1 Specific Research Questions of the study

1.3.1.1 What is the general impact of ITC market analysis tools on target export market selection?

1.3.1.2 How does the export potential map affect our target export market selection?

1.3.1.3 What is the effect of trade map data on target export market selection?

1.3.1.4 How does the market access map affect our target export market selection?

1.3.1.5 What important rule of origin facilitator information affects our export target market selection?

1.4 Objectives of the study

General Objective of the study

The general objective of this study is to examine the impact of marketing information system on target export market selection.

The specific objectives of the study

1. To examine the general impact of ITC market analysis tools on export target market selection
2. To analyze the effect of export potential map on export target market selection
3. To assess the impact of trade map data on export target market selection
4. To examine how market access map affects our export target market selection
5. To analyze the effect of rules of origin facilitators on export target market selection

1.5 Significance of the Study

Due to the dynamic nature of the coffee export market, previously carried out studies are not enough and the subject matter under study is not researched well before. To be competitive and maintain or grow market share more studies needs to be carried out in the marketing as well as in the production aspect. Therefore, the result of this study is important to update how the market analysis tools information impact our export target market decision and its effect on our market share. As this study attempts to examine the impact of ITC market analysis tools in export target market decision of coffee export market in Ethiopia, the result may

benefit the concerned policy makers and trade advisors in the coffee industry as a reference and input for decision making. Another very important significance of the study will be to inform new entrants to the coffee export market which destination is attractive market for their export product.

In addition, the result of the study may contribute to the field of marketing research and the result of this study can serve as a reference for other researchers who may be interested in further research in the field of coffee export market especially on comparative and competitive advantage area.

1.6 Scope of the Study

Conceptual scope: This study is delimited to investigate the impact of marketing information system, specifically, the ITC market analysis tools on Ethiopian coffee export target market selection.

Geographical Scope: Due to time and other constraints this study is geographically delineated to coffee exporters whose head or branch offices are located in Addis Ababa, Ethiopia.

Methodological Scope: This study is methodologically delimited to quantitative research approach and both descriptive and explanatory design.

Furthermore, the scope of this study is conceptually delineated to investigate the impact of ITC analysis tools in export target market decision.

1.7 Organization of the paper

The research paper has been organized into five chapters:

Chapter one will contain the background of the study, statement of the problem, basic research questions, objectives of the study, definition of terms, significance of the study, and delimitation/scope of the study. The second chapter deals with the review of related literatures and it will have an introduction, theoretical review, empirical review and the conceptual framework of the study. In chapter three research methodologies will be discussed, it will deal with the type and design of the research, the participant of the study, the sources of data, the data collection tools/instruments to be employed, the procedures of data collection and the methods of

data analysis used. Chapter Four will focuses results and Discussions: This part of the study the results/findings of the study will be summarized, interpreted and discussed. Finally, in chapter five discussions Summary, Conclusion and Recommendations part of the research work will be presented.

1.8 Definition of terms

Market analysis tools; Are tools to help users to examine trade related information over 200 countries and territories and better understand the latest supply and demand trends for internationally traded products.

Trade map; Trade Map provides - in the form of tables, graphs and maps - indicators on export performance, international demand, alternative markets and competitive markets, as well as a directory of importing and exporting companies.

Export potential map; Identifies products, markets, and suppliers with (unrealized) export potential as well as opportunities for export diversification for 226 countries and territories and 4,658 products. Evaluate export performance, target market demand, market access conditions, and bilateral linkages between the exporting and importing countries to provide a ranking of unrealized opportunities.

Market access map; is a free analytical portal that allows users to Access, Compare, Analyze and Download customs tariffs, tariff-rate quotas, trade remedies and non-tariff measures applicable to a specific good in any market in the world.

Rules of Origin Facilitator; is the first comprehensive global online resource on tariffs, trade agreements and rules of origin designed with SMEs in mind. The tool enables you in a few clicks to find out import duties in foreign markets applicable to your product, available duty savings, detailed rules of origin, and certification procedures.

"All the above terms are taken from International trade center portal"

A Marketing Information System is a system that collects, stores, analyzes, and distributes data to help organizations gain insights into their various target markets. It helps companies better understand customer needs and preferences so they can make smarter marketing decisions (Kotler, 2007)

Chapter two

2. Review of Related Literature

2.1 Introduction

A National Export Strategy provides a blueprint for competitiveness and development of a country's export sector. To improve members' capacity to create export strategies that are both sector- and country-specific, ITC has created a wide range of tools and services.

The process focuses on sustainable export growth and on mainstreaming trade into the broader development framework, including poverty alleviation, empowerment of women and environmental sustainability.

Governments have the ability to incentivize coffee farmers by providing rewards for their efforts in reducing and capturing carbon emissions. This approach is crucial in supporting the fulfillment of nationally determined contributions outlined in the Paris Agreement. An example of such an initiative is the European Commission's intention to compensate farmers within its jurisdiction for their carbon removal endeavors. This compensation is contingent upon the implementation of sustainable agricultural practices, including forest conservation, agroforestry, and peatland restoration. To ensure the credibility of these efforts, they must be verified using a specific methodology (Taylor et al, 2022).

Users of ITC's market analysis tools reported that in 2012, ITC's tools helped them with trade-related decisions valued at US$142 million. A 2012 survey of the beneficiaries of ITC's market-analysis training found that most users found the training had improved their capacities. Overall, 95% reported having improved their analysis skills in the previous three years of training, while 85% said that the training had improved their capacity to run trade fairs, trade missions or business matchmaking activities. (aid_for_trade_in_action,_ITC)

The obstacles to development include limited access to international markets, tariff and non-tariff trade restrictions imposed by Ethiopia's trading partners, the partners' respective national incomes, and distance are the barriers to the development of the export sector (Motuma, 2021).

The recurrence of adverse commodity terms of trade shocks has severely constricted growth in African economies, making it crucial for businesses and policymakers alike to consistently monitor trends in the region's key commodity markets. (African Trade report, 2022)

Coffee prices rose to their highest level in 10 years because of a shortfall in supply as well as logistical bottlenecks linked to the pandemic. According to the International Coffee Organization (ICO) increased logistics costs and concerns about future supply remained key market drivers. Poor weather, including the deeply intense frost experienced during the year, raised concerns around the size of the Brazilian crop, leading to record high volatility for spot and futures prices. This was exacerbated by the ever-increasing freight costs and the pandemic restrictions which disrupted global trade flows. (African Trade report, 2022)

2.2 Theoretical Review

2.2.1 Concepts of market analysis

Market analysis involves evaluating the target market and industry competition. It includes studying customer demographics, market trends, and competitor strategies to understand market dynamics and identify business opportunities and challenges. The rationale behind conducting market analysis is to ensure that companies/countries remain well-informed about the most recent market trends; their customer's/partner's buying patterns, the emergence of new technologies, and the changes in competitor strategies.

A market researcher looking to investigate international trade can get an abundance of detailed information on the potential for trade between two nations by using Trade Maps.

It is suggesting that Trade Map should be used together with the gravity model to create a more complete analysis of trade potential (Cornelius. H et al 2010)

The factors that contribute to the attractiveness of a market can vary depending on the specific considerations at hand. However, there are some common factors that are defined in the model, namely current market size, market growth rates, economic environment, and institutions & infrastructure. When evaluating a market, two fundamental factors to consider are market size and growth rate. The size of the market determines the number of opportunities available to sell a product. A larger market presents a higher potential for profitability, even if the profit margin is lower. However, regardless of the market size, it is crucial to also assess the growth rate. A market that is not growing indicates that the revenue potential is limited. On the other hand, a market with a low growth rate is likely saturated, with numerous competitors vying for the same sales. Consequently, this leads to a decrease in market share for all participants, as well as lower profit margins. The market growth rate can be evaluated from two perspectives. Firstly, the last known yearly growth rate provides insight into the short-term attractiveness of the market. Secondly, the growth rate over the past five years offers an understanding of the long-term attractiveness of the market. (H Unaldi, 2021)

By embracing the creative process of exploring new technologies and delivering enhanced value to customers, SMEs are able to not only compete but also excel in the face of competition. Furthermore, it is evident that business strategy plays a crucial role in driving the performance of SMEs. Effective business strategies provide SMEs with a competitive advantage, enabling them to secure market profits, seize opportunities, and ensure long-term sustainability. Thus, the positive and significant effects of information and communication technology on SMEs are undeniable. (Siti Maemunah, 2017)

2.2.2 Theoretical foundation of international market selection

When analyzing the potential for international growth, it is essential to explore both the formal and informal institutional factors within the business environment of a foreign country in order to identify and evaluate new opportunities for global expansion. (Charles Ragland et al, 2015)

The internationalization of firms is explained through various approaches, each with its own emphasis on market selection and entry. While these theories offer unique insights, they generally suggest that firms gradually expand into foreign markets. (Sema Sakarya , 2007)

International trade plays a pivotal role in fostering openness between nations and has emerged as a significant catalyst for economic growth. In contemporary times, cross-border trade has assumed a position of utmost significance in driving national economic growth. Nevertheless, the importance of international trade extends beyond mere economic prosperity, as it also facilitates the promotion of social and diplomatic ties among countries. (Diksha Paliwal, 2022)

The examination of scholarly literature demonstrates that the measurement of trade potential is predominantly conducted through the utilization of the gravity model, which is an econometric framework. (Söderling, 2005)

According to Diksha Paliwal, 2022, during the initial stages, scholars in the field of political economy, such as Adam Smith and Ricardo, were among the limited number of individuals who recognized the importance of international trade. This recognition has been further substantiated by the evident global expansion and economic progress that has taken place. The two main categories under which theories of international trade were produced were classical or nation-based theories and contemporary or firm-based theories, each of which is further subdivided into a number of groups. The following are some of commonly used international trade theories.

2.2.2.1 Mercantilism

The earliest classical theory based on countries was the concept of mercantilism, which goes back to the 17th and 18th centuries. Among the most discussed and questioned theories has been this one. One of the most discussed and debated theories have been this one. The nation's motto was to prioritize taking interest in its own wellbeing, which meant increasing exports and discouraging imports.

In order for this theory to be effective, it was necessary for a nation to achieve the objective of producing a significant quantity of goods, resulting in a surplus for exportation. By reducing reliance on purchasing goods and materials from external sources, the theory aimed to promote exports while discouraging imports.

2.2.2.2 Comparative advantage

David Ricardo introduced the idea of comparative advantage, which saw great success in the 19th century. According to the idea, which is exporting commodities with a relative cost advantage against absolute cost advantage is preferable for a nation when compared to other nations. What Ricardo said is that a country may import goods from another country if there is a comparative advantage, even though the nation may make items effectively itself.

The situation is analogous when it comes to exports. Even if a nation lacks proficiency in producing specific goods from foreign countries, it can still engage in exporting those products to other nations. Essentially, this principle promotes trade that is advantageous for all parties involved. This theory basically appreciates trade between two countries in win- win situation.

2.2.2.3 Factor Proportions theory

The Factor Proportions theory proposed by Heckscher and Ohlin dealt with the concept of comparative advantage that a country can gain by producing products that make use of the factors that are present in abundance in the country. The main basis of their theory is on a country's production factors like land, labour and capital. It was suggested by them that nations should manufacture goods and export those for which they have abundant resources. In contrast, countries would import goods that require raw materials in limited supply within their own country, but are readily available in the country from which they are importing. The factor-proportions theory has the potential to provide valuable insights into various quantitative and qualitative aspects of the expanding global trade. This is particularly relevant in a time when the group of major open economies has experienced a notable decrease in homogeneity (Robert Zymek, 2015). Ethiopia, being a nation abundant in arable land and blessed with favorable weather conditions, presents immense opportunities for substantial growth in the coffee exports industry.

2.2.2.4 The Resource-based Theory

The foundational principles of RBT theory start with the premise that organizational attributes are not simply altered. In order to thrive and attain a lasting competitive edge, the organization must rectify its orientation. The prevailing framework for assessing a company's profit potential,

as exemplified by Porter's (1989) perspective, posits that a firm's internal elements, such as its resources and capabilities, dictate its profitability. Barney's (1991) seminal research on strategic resources served as the cornerstone for RBT, shaping the evolution of the resource-based view into a fully-fledged theory known as RBT.

The concept of resource heterogeneity suggests that a company having distinct resources in a given context may have a greater ability to excel in specific tasks and establish a competitive edge. (Barney, 1991)

According to the resource based theory, unique resources and capabilities are the source of a firm's competitive advantage. Based on this idea, the Ethiopian coffee has unique taste and flavor so that the exporters are getting premium price. As a nation these unique competitive advantage should be utilized well to get more competitive advantage in the coffee export Business.

The competitive advantage of a company is established based on its distinct resources and combinations of resources, as stated by the resource-based view. Alliances are created to attain resource combinations that individual companies are unable to achieve on their own. Therefore, it is crucial for alliance managers to comprehend the impact of resources on alliance formation, structure, and performance. (Bing-Sheng Tong, 2000)

When a company makes more economic value than the marginal company in its industry and other companies are unable to do the same, it has built up a sustained competitive advantage (SCA) unable to duplicate the benefits of this strategy‘ (Barney et al 2007)

2.2.2.5 Porter’s national competitive advantage theory

The goal of the theory's development in the 1990s was to provide an explanation for the idea of national competitive advantage. According to the notion, a nation or group's competitive edge is determined by the resources at their disposal.

Based on this theory, the primary factors that determine a firm's competitiveness are market resources and capabilities, market demand conditions, local suppliers and complimentary industries, and local firm characteristics. Porter added to these basic factors a new list of advanced factors that he perceived as providing a country with a sustainable competitive

advantage which he defined as skilled labor, investments in education, technology, and infrastructure. It explains how governments can act to improve a country's position in a globally competitive economic environment. The Ethiopian coffee production and marketing still is not that much far from the traditional way of production and marketing and needs more improvement. For this matter skilled labor and technology advancement are key issues. According to Porter's theory, the competitiveness of a nation in an industry is determined by the industry's ability to innovate and improve.

2.2.2.6 Decision Support Model

The Decision Support Model (DSM) is an analytical tool, which employs a thorough screening process that facilitates systematic export market selection through the identification of realistic export opportunities for firms needs to expand their sales into international markets (Martin Cameron et al, et al, 2017)

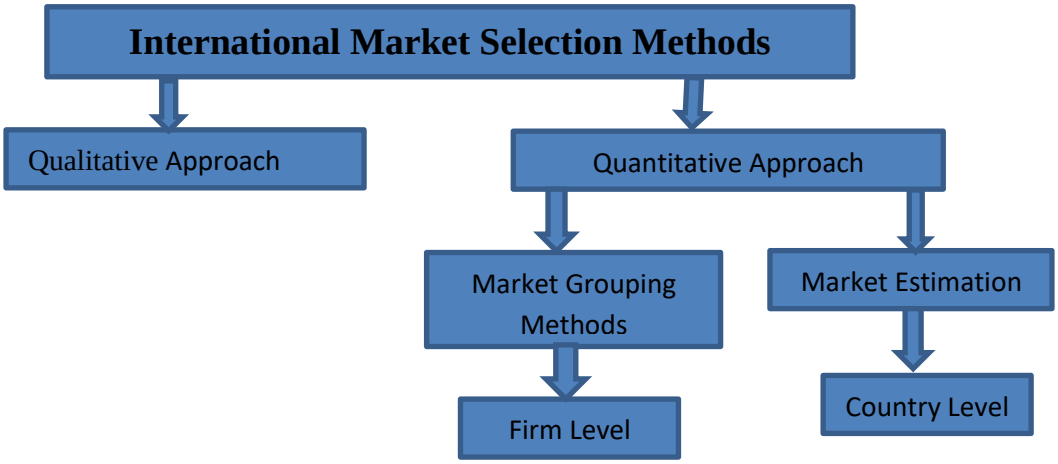

Figure 1: Decision support model in international market selection

Source: Martin Cameron et al, 2017

The International Trade Centre (ITC) has developed an export potential assessment methodology to support and bring transparency to the selection of products and markets for export promotion activities. It finds current items with strong export potential and/or diversification opportunities in a specific target market based on comprehensive trade and market access information:

This study attempts to apply the export potential indicator to examine the export potential of Ethiopian coffee export with top importers from Ethiopia and the world market. Identifying attractive target market needs analysis of importing countries potential using different market analysis tools. For identifying Ethiopian coffee export target market destination, the study tries to analyze the ITC Export potential map with other market analysis Tools of ITC. Expanding global trade has advantages and disadvantages of its own. A structured framework for improved comprehension has been made possible by the examination of the international trade system using a variety of theoretical perspectives.

International trade helps a nation's economy flourish, which raises the standard of living for its citizens, generates jobs, gives them various choices as consumers, etc. (Diksha Paliwal, 2022)

2.3 Empirical Review

The empirical literature search portion of a study discusses the work of various scholars examining the concepts related to factors impacts export target market decision, as well as the results of studies conducted on the subject. Developing a strong connection among the stakeholders in the value chain is extremely important. Additionally, it is crucial to focus on improving the quality standards in order to enhance coffee production, productivity, sales value, and international marketing. This improvement is particularly significant for Ethiopian smallholder farmers, as well as private and public coffee producers, who can effectively increase their output by implementing effective governance in the coffee production and marketing value chain. Moreover, it is essential to enhance the role of value chain actors in order to promote market-oriented value chain development. Participatory methods for identifying and implementing selective commodities and interventions play a vital role in addressing the challenges faced in the coffee production and marketing chain. By making the process of discovery and execution easier, these techniques help actors learn from their mistakes and seize new possibilities. (Asfaw, 2014)

Selecting the appropriate target country is crucial for a firm, as any error in this decision can lead to enduring complications on its resources and future achievements. Numerous scholars have recognized the significance of International Market Selection (IMS) in the internationalization process of firms (Malhotra, 2007). The results of the Spearman rank-order test indicated that the

International Trade Centre and Decision Support Model approaches had the highest overall correlation (0.694), followed by the International Trade Centre and gravity approaches (0.650) (M Aucamp, 2020)

2.3.1 Factors Impacting Coffee Export Target market Selection

According to ITC survey, 2020 the market analysis tools help to realize additional exports, reduce the time or cost of obtaining information, make better-informed trade policy decisions etc.

2.3.1.1 General ITC Market analysis tools Impact

All of the tools (Trade Map, Market Access Map, Investment Map, and Product Map) are functioning well, in facilitating trade information according to the survey findings, with Trade Map receiving the highest rating, particularly in terms of usefulness. (ITC Survey report, 2010)
In the quickly changing context of global trade, up-to-date evidence-based information is essential for making decisions. Real-time data on trade dynamics, market access circumstances, growth potential, policy options, potential business partners, and business operations are all provided by ITC's market assessments. We assist stakeholders in converting data into usable insight in a setting where data sources, availability, and value have grown
Provide special sources of survey-based and academic research and data to investors, policymakers, business support organizations, and small businesses. These resources are essential to improving the performance of small enterprises in both domestic and foreign markets (ITC, database). The market access map, market analysis tool helps policy makers to make better-informed trade policy decisions. (ITC Survey, 2020)

H1: The ITC General Market analysis tools Impact Ethiopian coffee export target market Selection

2.3.1.2 Export Potential map

Different approaches may be necessary when considering the details of specific product-country combinations. The DSM methodology offers well-researched and structured guidelines to aid

export promotion specialists and policymakers in their strategic planning efforts. (Martin Cameron et al, 2021)

The Export Potential Assessment conducted by the International Trade Centre provides the most comprehensive estimation of export potential values at a detailed product level. This approach draws inspiration from the gravity model, which takes into account market attractiveness and trade barriers. Additionally, it incorporates various aspects of trade potential covered by the Decision Support Model, such as import size, growth, and market accessibility. However, it is important to note that each of these three approaches serves a specific purpose and has its own benefits and limitations. Therefore, it is recommended to utilize and combine the gravity model, International Trade Centre approach, and Decision Support Model to enhance the analysis and complement each other. However, it is crucial to not solely rely on export potential values when making export promotion decisions. Other intangible components of export potential should also be taken into consideration alongside quantitative analysis. (M Aucamp, 2020)

The evaluation of export potential has been facilitated by the International Trade Center (ITC) through the development of a specific methodology. By utilizing comprehensive trade and market access data, this approach enables the identification of products already present in the desired market that possess significant potential for export or diversification. The Export Potential Indicator (EPI) is a valuable tool for countries aiming to enhance their exports to either new or existing target markets, thereby providing support to their existing export sectors. This indicator effectively identifies products that have demonstrated international competitiveness and achieved successful export outcomes in specific target markets. (AD Huseynova et al2022). According to the ITC surveys, the Export potential map helps to identifying the actual and potential trade capacity between two countries and also helps to realize additional exports. Following these study results, the following hypothesis is proposed:

H2: The ITC export potential map market analysis tool has significant effect on the Ethiopian coffee export target market Selection

2.3.1.3 Trade Map

Trade Map offers a comprehensive range of information on the trade potential between two countries, providing the international trade researcher with extensive breadth and depth of data. To enhance the analysis of trade potential, it is recommended to combine Trade Map with the gravity model, thereby creating a more comprehensive and thorough evaluation. For analyzing trade at the corporate or national level, Trade Map is undoubtedly a highly useful tool for trade analysts. . (Cornelius. H et al, 2010)

The Trade Map facility, operated by the International Trade Centre (ITC) of the United Nations, allows for the analysis of trading patterns between two countries. Its online, database-driven service enables the examination of trade potential by utilizing the harmonized system (HS) nomenclature. This tool, maintained by the ITC, provides valuable insights into the trading relationships between numerous countries worldwide (Alvarez 2006).

The Trade Map tool, developed by the International trade Centre (ITC), allows users to look at past trade trends between China and South Africa in order to pinpoint regions with potential for trade.

According to ITC Survey 2020, the trade map helps to better understand trade related issues. Based on the above Study and survey results, the following hypothesis is proposed:

H3: ITC Trade map, a market analysis tool has a significant effect on Ethiopian coffee export target market decision

2.3.1.4 Market Access map

The acquisition behavior of firms from developing countries is influenced by the distance between their home country and the target countries. However, when we consider the market potential of the target country, the results become even more intriguing and provide valuable insights into the strategies employed by firms from emerging economies. Our findings demonstrate that the significant market potential of countries compensates for and even surpasses the impact of distance. This phenomenon also explains the rapid pace at which developing countries internationalize their operations when the market potential is high, as it reduces the

perceived risk associated with target countries. In a broader sense, our results highlight the interconnected nature of factors that influence the foreign market acquisition behavior of firms. Based on our research, it is evident that adopting a holistic perspective on firm behavior can lead to a deeper understanding of the internationalization phenomenon. In today's fiercely competitive global arena, companies engaging in foreign acquisitions should place less emphasis on distance and instead focus on the market attractiveness and potential of the target country. Management should not solely be driven by the potential benefits of investing in countries that are geographically closer and share similar cultural beliefs. Rather, they should carefully evaluate the size of these markets in relation to their products and/or services. (Shavin Malhotra et al, 2008)

The ultimate determination to engage in a potentially alluring Emerging markets, along with the choice of the method of market entry, will be influenced by the interplay between external indicators of market appeal and factors associated with the internal corporate environment, such as the company's vision and objectives, risk tolerance, orientation and philosophy, desired level of control, and available resources. Research studies that focus on incorporating these dimensions into an index, determining their relative significance in reflecting the potential of the Emerging Markets, and quantifying certain aspects like the competitiveness of the relevant industry, will contribute to the formulation of a comprehensive framework for evaluating Emerging Markets as expansion prospects. (Sema Sakarya et al, 2006)

The market access map, market analysis tool helps policy makers to make better-informed trade policy decisions. (ITC Survey, 2020) Based on the above Study and survey results, the following hypothesis is proposed:

H4 – ITC market access map, a market analysis tool has a significant effect on Ethiopian coffee export target market decision.

2.3.1.5 Rules of Origin facilitator

Rules of origin do indeed restrict trade, that the cumulation of such rules could increase trade in the order of 50%, and that the impact is greater on intermediate than manufacturing trade. When speaking to intermediate trade, the failure of cumulation matters more than manufacturing trade. (Patricia Augier et al, 2004)

Rules of origin act as a barrier to trade by having negative effects on both utilizations of preferences and trade flows. Strict rules of origin have a negative effect on both utilization rates of preferences and total aggregated trade flows, exemplified by the textile and clothing sector. Rules of origin should offer greater flexibility by permitting greater relaxation in the product-specific requirements by e.g. the introduction of a single transformation rule for all beneficiary countries instead of the strict double transformation rule; avoid multiple product-specific criteria, e.g. by the introduction of general across-the-board criteria; include provisions on full cumulation and generous tolerance rules; allow duty drawback; allow for self-certification that limits the administrative costs linked to proving the origin; and generously grant derogations to LDCs from the origin rules in certain sectors.

The impact of rules of origin and their cumulation on trade patterns can be significant. This fact was further supported by the formal empirical analysis. Although policymakers and industries have long believed in the influence of rules of origin on trade, this is the first comprehensive effort to empirically assess the potential level of restrictiveness imposed by rules of origin. (Patricia Augier et.al, 2004)

The rules of origin promote specialization and the procurement of inputs from the most competitive suppliers, thus facilitating trade. Temporary customs relief is provided for the importation of clothing products from a specific group of African countries into the United States, thanks to the existence of special rules of origin. (Kommerskollegium, 2012) In order to identify attractive target markets, coffee exporters should have to analyze countries origin related custom duties. Based on the above Study result, the following hypothesis is proposed:

H5 – ITC Rules of Origin facilitator, market analysis tool has a significant effect on Ethiopian coffee export target market decision.

2.4 Conceptual Framework of the study

Based on the existing theoretical and empirical studies outlined in the literature, the researcher proposed the following model, which illustrates the influence of MIS on the market selection decision-making process of identifying an appealing target market within the context of Ethiopian coffee export business.

Despite extensive discussions surrounding this topic, there is a widespread consensus that Information Technology (IT) plays a pivotal role in the altered dynamics of work process, organizational reformation, and societal transformation. (Avgerou et al, 2001).

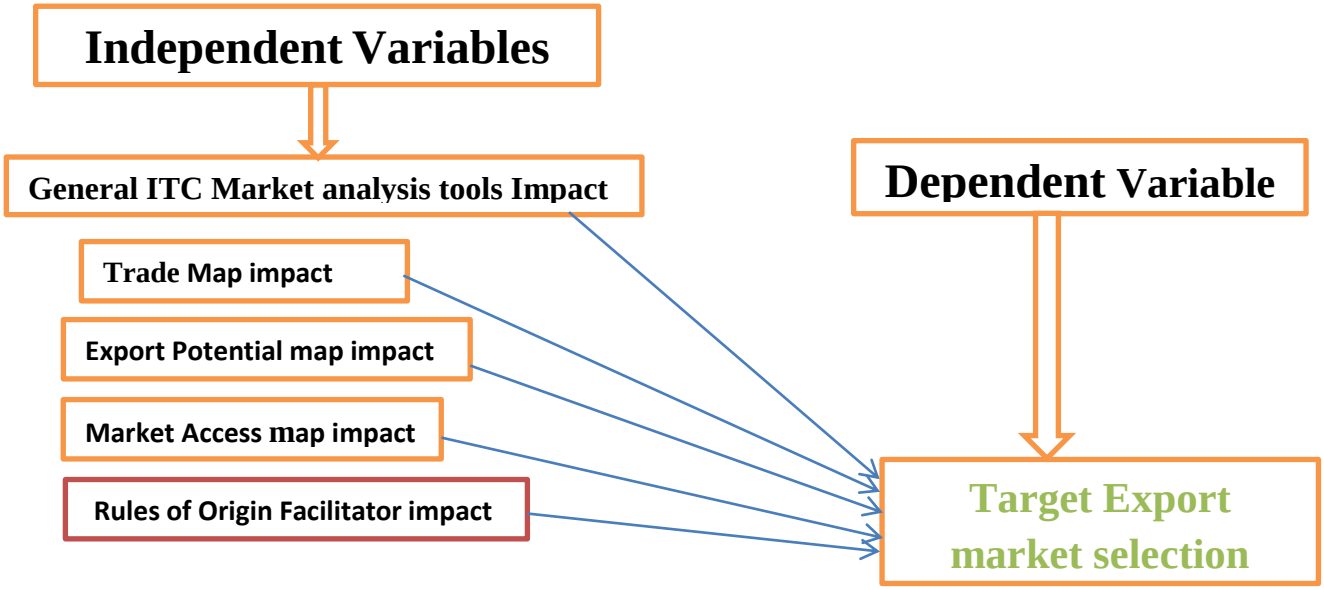

Figure 2: Conceptual Frame work of the study

Source: Shasha Zhao, 2016)

CHAPTER THREE

3. RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter discussed the research design and the methodology employed in carrying out the study to answer the research questions raised in the first chapter of this thesis. It contains; Research design, the description of the study area, the research approach, the target population and sample design, the data sources, the method of data collection, the Methods of data analysis, the validity and reliability, and ethical aspects that have been taken into account when conducting the study.

3.2 Research Design

Based on the overall research questions and purpose, the most commonly known research designs are descriptive, exploratory, and explanatory. Descriptive research seeks to describe and interpret what is and aims to describe scenarios statistically. Conversely, explanatory research seeks to determine the link of cause and effect between the variables. And also increase your understanding of a given topic, ascertain how and why a certain phenomenon is happening and predicts future occurrences. Exploratory research is flexible, sometimes even unstructured, and focuses on generating background information and helps to better understand and deeply clarify a problem. It can be used to develop hypotheses and develop questions to be answered (Kothari, 1990). The researcher applied both descriptive and explanatory research designs in this study. The descriptive research design has been used to describe the existing conditions in selected exporters and national coffee export practices. An explanatory research design has been used to explain, analyze and identify the impact of ITC market analysis tools that affect coffee export target market selection decision.

3.3 Research Approach

To achieve the goal of this study, a quantitative research approach has been used to provide a more complete understanding of the research problem. Accordingly, a quantitative approach has been used to analyze statistical data with quantitative measurements and studied the relationship between dependent and independent variables.

3.4 Target Population and Sampling

3.4.1 Target Population

For the purposes of this study, the active exporters of Ethiopian coffee in the 2022/23 fiscal year were used as target populations. According to data from the Ethiopian Coffee and Tea Authority on the 2022/2023 fiscal year, according to ministry of trade and regional integration, Ethiopia has more than 400 active coffee exporters who export coffee to more than 60 countries.

3.4.2 Sampling Technique

As a non-probability sampling technique, convenience sampling chooses units for the sample based on those are most convenient for the researcher to reach. This sampling technique has limitation in representativeness of the whole population under study. But most of the coffee exporters found in Addiss Ababa or have branch offices. So the issues of representativeness effect didn't affect the study result. It will be challenging for the researcher to give each coffee exporter an equal chance of being chosen to be a part of the study, because some of them have offices outside of Addis Ababa. Because of unable to give all exporters equal chance to be a sample population, the researcher employs non-probability sampling techniques of convenience. Thus, the simplicity of non-probability sampling makes it simple to use, time-efficient, and convenient to select participants from the nearest portion of the population. The majority of coffee exporters with high export potential are located in Addis Ababa, so that the representativeness limitation issue of convenience sampling technique has been minimized in this study. Therefore, primary and secondary data has been gathered from a selected group of coffee exporters using a convenience sampling technique. Since majority of coffee exporters are located in Addis Ababa and some have branch office. So, this fact increases the reliability and generalizability of the research result.

3.4.3 Sample Size

Determining the appropriate sample size holds significant importance as it directly impacts the efficiency of a study. Oversized samples can result in unnecessary consumption of time, resources, and financial means, while undersized samples may yield unreliable and imprecise outcomes. According to Remesh team, the sample size formula helps us find the accurate sample size through the difference between the population and the sample. To Recall that sample size refers to the quantity of observations in a certain sample population.

Since it is not possible to survey the whole population, the study takes a sample from the total population and then conducts a survey or research. As stated by Saunders (2007), researchers typically adhere to a 95% level of certainty in their work. Using finite population sample size formula Yamane,

There are many formulas used for calculating sample size. One of the most common formulas used is Yamane's formula: $n = \frac{N}{1+N(e)2}$ = $n = \frac{400}{1+400(0.05)2}$ = $n = \frac{400}{1+1}$ $n = \frac{400}{2}$ = 200

n: is the required sample size from the population under study

N: is the whole population that is under study

e: is the precision or sampling error

Therefore, a sample size 200 respondents out of the entire population of 400 respondents would therefore be the lowest acceptable number of responses to maintain a 95% confidence level.

3.5 Method of data collection

To conduct this study both primary and secondary data collection has been conducted. For primary data collection, a questionnaire has been used by the researcher to obtain the required information. For conducting the study, the researcher first contacted the Ethiopian Coffee Association regarding the list and address of active coffee exporting firms. The necessary data, which is the list and address of the firms, have been collected. Based on the information collected from ECA, collects data basically face- to- face (personal) and by using e- mail, fist

calling to them and reached an agreement to send the questionnaire and then they fill it and send back it.

3.6 Research Instrument

The researcher has conducted a survey in collecting the primary data, which is adapted from ITC market analysis tools usage and impact survey assessment, using a five-point Likert scale for all the variables developed for the study by adapting questions developed by the International trade center to monitor relevance, utilization, performance of market analysis tools and to provide insights on the impact of ITC market analysis tools from different period surveys and constructed in the manner to answer the intended questions of the study.

3.7 Procedure of data Collection

A questionnaire has been sent to important participants who provided basic study data, such as marketing managers, operations managers, export managers, experts, export officers, owners, and/or those important people who are directly in charge of the export operation in the chosen coffee exporting companies.

3.8 Data analysis Method

Data processing is critical part of the entire survey operation. It includes editing, coding, data entry, data cleaning and reliability examination. In order to arrive at meaningful facts and conclusions, the collected data of the respondents with the help of questionnaires have been analyzed using a descriptive and an inferential statistics. Descriptive statistical analysis has been used to describe the data to investigate the impact of ITC market analysis tools on Ethiopia's coffee export target market decision. The inferential statistics analyze; regression and correlation analysis. That has been used to statistically analyze the relationship between the independent and dependent variables to make prediction to the larger population.

3.10 Validity and Reliability

3.10.1 Validity

Validity determines how well a method, tool, or process examines a specific concept. The validity determines whether the measuring device actually measures what it should measure or how truthful the research results are. In order to ensure the validity, the researcher chooses strong research design; clearly define the research questions and hypotheses, as well as thoroughly identifying and defining the variables. Furthermore, the researcher makes appropriate decision on the most suitable measurement techniques, ensuring accuracy in data collection. Finally, the data collected has been analyzed using appropriate statistical methods that possess the capability to accurately ascertain the impact of the independent variable on the dependent variable. An expert knowledge validity issue has been addressed by cross checking opinions of the study participants with empirical evidences. Like experiments and survey results of different periods on the problem area that can be verified through measurement, evaluating the logical consistency of opinions of the participants within a firm and within the sector and also analyzing contextual appropriateness of the participant opinions taking into consideration the infrastructure, practices and experiences in the sector as a nation compared to the international practices.

3.10.2 Reliability

How steadily and consistently that device taps the variable is referred to as reliability. It is used to measure internal consistency, which relates to item responses that are consistent across constructs, and indicates that the scores are stable over time when the instrument is administered. To ensure reliability issue in this research, the researcher chooses appropriate methods and samples and conducts the research carefully and consistently and by carrying out a major element analysis and calculating the coefficients of Cronbach's alpha.

According to Perry R. Hington, 2014, an alpha score above 0.75 is generally taken to indicate a scale of high reliability; 0.5 - 0.75 is generally accepted as indicating a moderate reliable scale and a figure below this indicates low reliability.

The pilot test has proved the questionnaire designed to collect the necessary data was reliable. Furthermore, for the reliability test of the data's Cronbach's alpha was calculated using SPSS 26 and the result is presented in Table 4.3 below. The alpha values for the four constructs in the study are greater than the acceptable guideline of 0.75, so it can be certain and concluded that the

measurements can be applied for analyses with high reliability. Meanwhile, the other one construct is moderately reliable with an alpha value of 0.60.

Table 2: Measurement Reliability Test

Factors impacting target market selection	Cronbach's Alpha	N of Items
General ITC market analysis tools impact	.600	5
Export Potential map impact	.752	4
Trade Map Information impact	.875	6
Market Access Map impact	.879	5
Rules of Origin information impact	.822	3

Source: Survey result, 2024

As it is seen above from Table 2, the four independent variables scale had a coefficient alpha more than 0.75 that indicated a strong reliability and one dimension with moderate reliability. So, the constructs considered adequate to determine reliability. Based on this fact the researcher conducted a test to measure the internal consistency and the result showed Cronbach's alpha for 23 items is 0.75 that is high and the items are internally consistent.

3.11 Ethical Considerations

In this study all participant and data collected remain confidential and also, the privacy of the respondent's will be respected in reporting of this research.

Confidentiality - the respondents have been assured that they will not be confused and that their response will remain confidential. The information they provided is confidential and used for academic purpose only.

Organizational approval - The researcher gets approval and obtains a written support letter from Addis Ababa University College of Commerce to all selected firms located in Addis.

Informed consent - Cover page of the questionnaire explains the purpose of the study and informed that the respondents have the right to accept or refuse to participate in the research activities

CHAPTER FOUR

4. RESULT AND DISCUSSION

4.1 Introduction

This chapter deals with the result and discussion of the study and organized in the following manner: It contains the reliability and validity test for the measures used, the demographic profiles of the respondents were presented and inferential statistics of the sample data analyzed. It has been divided in to two sections. The first section deals with the descriptive statics, which contains the description of the demographic profile of the respondents, the general information of the exporting firms addressed by the study and the outcomes of the survey from the questionnaire.

The second part is the inferential statistics of the sample data and it includes the correlation analysis, the regression analysis, the result of the multiple regression analysis and the result of the hypothesis test were explained and presented.

4.2 Sample and response rate

The questionnaires were distributed in person and by e- mail to the selected coffee exporting firm's employees. These selected employees were informed by phone and in person to send the questionnaires back for collection. A total of 200 questioners were distributed, and 187 were received back. From the 187 received back questionnaires, 3 of them were invalid and after excluding 3 invalid questionnaires, a total of 184 valid questionnaires were accepted for a response rate of 93.5%. Out of the 200 questionnaires distributed, 92% of them returned were valid questionnaires.

4.3 Demographic Profile of Respondents

The respondents were asked to describe themselves in relation to the background information believed relevant to the problem of statement under study.

Table 3: Demographic Information of Respondents

S.N	Variables	Type of Variables	Frequency	Percent
1	Gender	Male	95	51.6
		Female	89	48.4
		Total	*184*	*100*
2	Age Group	20-30	61	33.2
		31-40	83	45.1
		41-50	39	21.2
		51-60	1	0.5
		Above 60		
		Total	*184*	*100*
3	Educational Level of Respondents	Diploma	26	14.1
		First Degree	92	50
		Master's Degree	61	33.2
		Above Masters	5	2.7
		Total	*184*	*100*
4	Number of Years of Experience	Below 1yr	6	3.3
		1-2yrs	30	16.3
		2-5yrs	87	47.3
		5-10yrs	47	25.5
		Above 10yrs	14	7.6
		Total	*184*	*100*
5	Position in the Company	Export Officer	48	26.1
		Expert in Export Dep't	62	33.7
		Export Manager	39	21.2
		Marketing Manager	20	10.9
		Other	15	8.2
		Total	*184*	*100*

Source: Own Survey, 2024

On this section presented the results on the demographics of the respondents, which include gender, age, educational level and position of the respondents selected as the sample population for the study. Objective of the demographic analysis in this research is to describe the composition of the sample population such as the number of respondents' proportion of males and females, age group of respondents, the range of service years of experience and Functional position of respondents of the selected coffee exporting Firms. The demographic characteristics of the respondents are summarized in Table -3 above.

From table- 3 above, found that 95 of the respondents were male possessing 51.6% of total Respondents and the remaining 89 are female, representing 48.4% of total respondents. Based on the SPSS output result as shown in table 3 above, the more number of respondents was in the 31-40 year olds, which is 45.1%, followed by the 20-30 years old that takes 33.2%, at the third place 41-50 years old that covers 21.2% and 51-60 years old, which make up 0.5% of the total respondents.

As indicated in Table- 3 above, the majority of respondents who has Coffee exporting know how and are responsible for all exporting activities of the selected exporting firms are 92 first degree holders, which is around 50% of the total respondents of the distributed questionnaire. Then 61 Masters Holders who takes 33.2% of the total respondents. Finally, the remaining 16.8% represented by Diploma and above Master Degree holders who make up 14.1% and 2.7% respectively.

Beyond their gender, age and educational qualification, the respondents from the respective exporting firms were requested about their Professional position and presented below as follows.

From 184 respondents who were responded the questionnaire in this survey, 62 or 33.7% are expert in export department and the rest 66.3% of the respondents representing 20,39,48 and 15 or 10.9 %, 21.2%, 26.1% and 8.2% answered that they were marketing manager, export manager, export Officer and Other respectively. The result reveals that the majority of the respondents are Expert in export Department, Export Officers and Export managers which are 149 or 80.98% of all respondents. This statistics confirms that, about 81% of the respondents are those who have knowledge of coffee export and this fact has positive effect in the reliability issue of the study.

4.4 Export Related Information of the Firms

Following the demographic profile of the respondents, the number of years of operation in the coffee export business, the legal form of the company, number of export destinations of the firm, The ITC market Analysis Tools usage for target market Selection, the most used ITC market analysis tools and the amount of USD gained by the help of the tools per a year were requested and the result of the survey is addressed in Table 4 below.

Table 4: Export Related information of the firms

S.N	Variables	Type of Variables	Frequency	Percent
1	Legal formation of the Firm	private Limited Company	93	50.5
		Sole proprietorship	37	35.3
		Share Company	14	24.7
		Partnership		
		Cooperative Union	8	4.3
		Public Enterprise	19	10.3
		Regulatory body	13	7.1
		Total	184	100
2	Number of Years stayed in the Coffee Export Business	Under 5 years	37	20.1
		Between 6-10 yrs	61	33.2
		Between 11-15 yrs	57	31
		Between 16-20yrs	9	4.9
		Above 21	6	3.3
		Total	170	92.4
		Missing System	14	7.6
3	The number of Export destination countries of the firm	1-4	1	0.5
		5-9	38	20.7
		10-14	59	32.1
		More than 16	76	41.3
		Total	174	94.6
		Missing System	10	5.4
4	The ITC market Analysis Tools usage for target market Selection	Trade Map	29	15.8
		Market Access Map	28	15.2
		Export Potential Map	14	7.6
		Rules of Origin	9	4.9
		All	92	50
		Trade map, Market Access map	3	1.6
		Trade map, Market access map &Export potential map	8	4.3
		10	1	.5
		Total	184	100
5	What is the size (in USD) of your export value in the last 12 months for which the ITC Market Analysis Tools have helped you to make your decision	0-5000	1	.5
		5000-10000	4	2.2
		10000-20000	1	0.5
		20000-50000	4	2.2
		50000-100000	22	12
		Above 100000	139	75.5
		Total	171	92.9
		Missing System	13	7.1
		Total	184	1000

Source: Survey Result, 2024

As seen from the table- 4 above, the result of the survey shown that 37 or 21.8 % of the total respondent's firms selected for the survey were operating in the coffee export business sector for less than 5 years period and 61 or 35.9% of respondent's firms were operating in the coffee export business sector between 6-10 years. In addition 57 or 33.5%, 9 or 5.3%, and 6 or 3.5%, of the total respondent's firms were engaged in coffee export business for between 11-15 years, between 16-20 years and above 21 years of period respectively.

As it appeared in the above table- 4, majority of the firms contacted for the study are Private Limited Companies and Sole proprietorship, which constitutes 93 & 37 firms or 50.5% and 20.1% of the total sample size respectively. Meanwhile, the result of the survey result reveal that out of the 184 respondent's firms, the remaining 54 respondent's firms or 14 (7.6%), 8 (4.3%), 19 (10.3%), 13(7.1%) are formed as Share Company, Cooperative Union , Public Enterprise and Regulatory body respectively.

Next, the export destinations of the companies were also analyzed by using SPSS 26 and the output of the survey shows that 76 or 43.7% of the companies export to more than 16 countries. And followed by 59 or 33.9%, 38 or 21.8%, and 1 or 0 .6% of the firms addressed have been exporting coffee to (10 – 14), (5 – 9) and (1 – 4) destination countries.

And also, as shown on the above table- 4, the respondents were asked about the ITC market analysis tools usage for their target market selection. The result shows that 92 or 50%, 28 or 15.2%, 29 or 15.8%, 14 or 7.6%, 9 or 4.9% of the respondents use: All tools, Market access map, Trade map, Export potential map and rules of Origin respectively. Also 3 or 1.6%, 8 or 4.3% of the respondents use (Market access map and Trade map) & (Export potential map, Market access map & Trade map) in combination respectively.

Lastly, the respondents from the coffee exporting firms were asked about the amount of USD they have saved by using ITC market analysis tools and as shown on the above table- 4 the result of the survey were presented as follows: 139 or 75.5%, 22 or 12.9% ,4 or 2.3%, 22 or 12.9%, 1 or 0.6% , 4 or 2.3%, and 1 or 0.6% of the respondents were responded that they have saved above 100,000 , 50000-100000 , 20000 -50000 , 10000 – 20000, 5000-10000 , and 0 – 5000 respectively.

As stated above, based on the result of the survey, above 65% of the respondents were operating in the coffee export business for over 6 years, so they have good exposure to the business environment, and the probability that their response to reality has been high. Above 73% of the exporting firms are exporting to more than 10 countries. This information reveals that, as an exporter, having more country experience leads to rich knowledge for the coffee export business area, and as a result, the responses from these respondents increase the reliability of the survey result. Regarding the market analysis tools usage culture of respondents, since above 50% of the respondents use all the tools, this fact increases the generalizability of the level of usefulness of the construct independent variables. Finally, the amount of USD they gain using the tools shows that above 75% of respondents reveal that they gain above 100,000 USD with the help of the tools. Therefore, all the statements stated above related to the independent variables construct confirm the reliability of the measuring instruments and also that they have their own impact on the dependent variable: the target export market selection decision.

4.6 Descriptive Analysis

4.6.1 The Impact of MIS on Coffee Export Market Selection

In this part of the research, the marketing information system impact of the ITC market analysis tools on export target market selection has been analyzed. The analysis focus on the ITC market analysis tools of Trade map, Export potential map, market access map, Rules of Origin and The General impact of ITC market analysis tools.

In this section, the study tried to analyze primary data that were collected from 184 participants.

Based on the above information, it is important to examine the impact of marketing information system tools of the international trade center market analysis tools in coffee exporting firms in Addis Ababa. Specifically, the study tries to address the impact of ITC market analysis tools focusing on the Trade map, Market access map, Export potential map and Rules of Origin on target export market selection.

Statements in this question were rated on the 5 point Likert scale ranging from 1 = strongly disagree, 2 = disagree, 3 = Indifferent (neither agree nor disagree) 4 = agree and 5 = strongly agree. Item Means and standard deviations measuring a level of agreement were computed from the Respondents' responses. Table- 5 below shown respondents' views on the impact of ITC

market analysis tools: Trade map, Market access map, Export potential map, Rules of Origin and General ITC market analysis tools impact on target export market selection.

From table- 5 below, the result of the descriptive analysis of the study shown that, the average means value of all the descriptive variables is 3.807 with a standard deviation of 0.696. The standard deviation value is within the acceptable range of (-2 to +2) and near to zero. So, the variables used in the study were valid and internally consistent.

Moreover, the result of the analysis shows that the average score of all variables were above 3, that ranges from 3.768 to 3.937. So, based on the SPSS output results of the study, the researcher generalized that the respondents agree with the stated statements about the impact of ITC market analysis tools on the coffee export target market selection.

'General impact of ITC market analysis tools' category was aimed at addressing the importance of the tools for firms that are exporting coffee in their target market selection decision. Respondents were asked whether they believed the general ITC market analysis tools impact coffee export target market selection and this was accompanied with a mean of 3.77 and a standard deviation of 0.56.

Secondly, the other variable that is examined is export potential and the results from this survey indicate that respondents agree that the export potential map impact target export market selection decision of exporting firms with mean 3.773 and standard deviation of 0.748. Trade map and Market Access map are also factors which impact most their target export market selection decision with means of 3.768 and 3.782 respectively. These were followed by rules of Origin with means of 3.937.

Table 5: Summary of descriptive statistics of variables

Factors that impact target Coffee Export market Selection	ITC market analysis tools General impact		Export Potential map		Trade Map		Market Access map		Rules of Origin	
Tools help users to better understand trade related issues	3.76	.43								
Tools help policy makers	3.90	.72								
They help us to reduce time or cost	3.70	.48								
Help to realize additional export opp.	3.87	.71								
Help to better market selection	3.64	.49								
Provide timely and practical info.			3.87	.79						
Provide detailed guidance to Business			3.66	.59						
Use the tool to identify attractive market			3.72	.85						
The export potential indicator identifies potential export value			3.84	.76						
The Trade map monthly, quarterly					3.95	.72				
Market share and market growth data on the trade map					3.84	.81				
The unit value and unit value index on the trade map					3.77	.84				
The trade map helps firms to identify top importers & Exporters					3.65	.53				
Indicators on export performance ,international demand, alternative					3.72	.79				
A directory of importing and exporting companies found					3.68	.67				
The market Access map helps exporters to identify custom tariffs							3.83	.72		
Regulatory requirements found in the market access map applicable							3.72	.48		
Helps to compare tariffs and other market							3.83	.63		
Enable us to compare tariffs and other market access indicators across different importers, exporters							3.57	.58		
The market access map enable us to analyze trade agreements,							3.96	.75		
Rules of Origin Facilitator enables our company to find out import duties									3.91	.70
The growth in total import value of coffee importer									3.98	.74
Detailed information on rules of origin and certification procedures									3.92	.43
Total Average of variables mean/SD	*3.774*	*.708*	*3.773*	*.748*	*3.768*	*.767*	*3.782*	*.632*	*3.937*	*.623*
Over all mean /SD value	Mean = 3.807				Standard Deviation = 0.696					

Source: Survey Result, 2024

From the above table 5 survey result, we conclude that rules of origin, market access map, General ITC market analysis tools, export potential map and trade map has their own impact on the export market selection decision of coffee exporting firms in Addis Ababa with a standard deviation of 0.623, 0.632, 0.708, 0.748 and 0.767 respectively. Based on the above table 4 result we can conclude that all the respondents agree with the statements stated in the study that the tools have positive impact and they provide information for the firms target market selection decision to their coffee export market selection. All the variables are internally consistent and pointed out around the mean with a standard deviation ranging from 0.623 – 0.767.

In 2014, More than 3,000 users of Market Analysis Tools and services responded to annual online survey, and 69% of companies declared that ITC Market Analysis Tools have a positive or very positive influence on their import or export activity. (ITC survey result, 2014)

From the descriptive statistics result concluded that 75% of the respondents agree with the constructs developed under all independent and dependent variables which implies that the tools have positive impact on target export market selection.

4.6.1.1 Trade Map

The international trade center market analysis tool of trade map's impact on target export market selection have been analyzed by constructing six questionnaire statements which are assumed to identify the tools impact on export market selection. Respondent's feedback on the tools' impact agrees with stated one with a mean value of 3.768 and standard deviation of 0.767.

Table 6: Respondent's Response about trade map

Impact of Trade map	SD	D	IND	A	SA	Mean	Standard deviation
The Trade map monthly, quarterly and yearly trade flows data has great influence on firms attractive target market selection decision	-	3	43	98	40	3.95	.719
The market share and market growth data on the trade map helps exporters to analyze their competitiveness	-	12	41	95	36	3.84	.811
Then unit value and unit value index on the trade map affect firms price decision	-	12	54	82	36	3.77	.838
The Trade map helps firms to identify top importers and Exporters of a product and exploit their competitive advantage	-	5	55	124	-	3.65	.533
Indicators on export performance, international demand, alternative markets and competitive markets in trade map helps us to make well informed decision about our export destinations	-	11	58	86	29	3.72	.799
A directory of importing and exporting companies found in the trade map simplify our export market selection decision	-	9	52	111	12	3.68	.668
		5%	27%	54 %	14%	3.79	.450

Source: Survey Result, 2024

The participants were asked to rate the extent to which they agree with the statements identified under trade map impact. The result of the respondent's response is described as follows.

The means for the trade map items constructs ranged between 3.65 and 3.95 (1= strongly disagree and 5= strongly agree) and the standard deviation for the trade map constructs ranged between 0.650 and 0.838 which show less variance with the mean. The statement which respondents agree with most was "The Trade map monthly, quarterly and yearly trade flows data has great influence on firms attractive target market selection decision" (mean= 3.95 and standard deviation= 0.719). The Overall mean level of respondent's Response about the trade map data is 3.79, specifying that the majority of respondents are in high level agreement attitude with the statements point out in the study.

Over 98% of users of the trade map believed that they improved their efficiency to make trade related decisions. (Recuperado, 2016)

The descriptive statistics reveal that trade map impact on firms export target market selection is visible and coffee exporting firms could benefit by utilizing this tool.

4.6.1.2 General ITC market Analysis tools impact

The International Trade Center General market analysis tools impact on target export market selection has been examined by constructing five questionnaire statements that are expected to illustrate the tools impact on export market selection. Respondent's feedback on the tools' impact agrees with the stated statements with a mean value of 3.769 and standard deviation of 0.561. The results of the respondent's exposure were presented as follows on table 7.

Table 7: Respondent's response about general ITC market analysis tools impact

Impact of General ITC market Analysis tools	SD	D	IND	A	SA	Mean	Standard deviation
Tools help users to better understand trade related issues	-	-	45	139	-	3.76	.431
Tools help policy makers to make better-informed trade policy decisions.	-	-	58	88	38	3.89	.716
They help us to reduce the time or cost of obtaining information we are looking for	-	-	59	124	1	3.68	.477
Tools help companies to realize additional export opportunities	-	-	59	90	35	3.87	.705
The ITC Database information helps to make better market selection decision	-	-	67	116	1	3.64	.492
Overall Mean, Standard deviation and response %	-	-	31%	61%	8%	3.77	.561

Source: Survey Result, 2024

As shown in Table 6 above, the results of the survey conducted by respondents show that the General ITC market Analysis tools impact on export market selection decision.

The result of the survey analysis shows that 69% of the total numbers of Respondents agree with General ITC market Analysis tools impact on export market selection. Meanwhile, 31% of those surveyed respondents have indifferent or neutral assessment of the impact of the General ITC market Analysis tools on export market selection. The analysis shows that the general ITC market analysis tools have positive impact implication on target market selection. So, coffee exporters in Addis Ababa will be benefited by using the tools in their target export market selection.

4.6.1.3 Export Potential Map

To analyze the effect of Export potential map on export market selection, four measuring statements have been constructed that were important to illustrate the tools impact on export market selection. Respondent's Response on the tools' impact agrees with the stated statements with a mean value of 3.769 and standard deviation of 0.561. The results of the respondent's view were presented as follows on table-7. Identifying products and markets for which the country does not make enough utilization of its export potential creates opportunities of new market entry (Elena Kast'akova, 2023)

Table 8: Respondent's response about Export potential map impact

Impact of Export potential map	SD	D	IND	A	SA	Mean	Standard deviation
provides timely and practical information on products, markets, and suppliers with unrealized potential	-	7	50	87	40	3.87	.792
Provide detailed guidance to businesses on unexplored export opportunities.	-	1	64	118	1	3.66	.587
Private companies can use the tool to identify attractive target markets for the products they export.	-	13	61	75	35	3.72	.853
The Export Potential Indicator identifies the potential export value for any exporter in a given product and target market based on an economic model	-	2	65	79	38	3.83	.760
Overall Mean, Standard deviation and response %	-	3%	33%	49%	15%	3.76	.537

Source: Survey Result, 2024

Based on the survey result of respondent's feedback of the four measuring construct on Table- 8 above, it is concluded that the ITC market Analysis tool of export potential map has impacted our export market selection decision.

The result of the survey analysis shows that 69% of the total numbers of respondents agree with Export potential map impact on export market selection. Meanwhile, 31% of those surveyed respondents have indifferent or neutral view of the impact of Export potential map on export market selection decision. Export potential values are often used as guidance to select products/sectors with an extensive production base in a country for export promotion activities.

Comparative advantage often has a significant influence on the trade balance, which can be measured by the revealed comparative advantage (RCA) of a country (M Aucamp, 2020). Based on the result, export potential map signals the comparative or competitive advantage of a country in a specific product export sector.

4.6.1.4 Market Access Map

The respondents to the questionnaire were asked to rate the extent to which they agree with the statements made under market access map. The results of the respondent's view were presented as follows on table 9.

MAcMaps (Market Access Maps) has thus been constructed to integrate the major measures of protection (ad valorem and specific duties, prohibitions, tariff quotas, antidumping duties, norms) at the most detailed level (tariff lines), as well as all discriminatory régimes.(Antoine Bouët et al,2001)

Table 9: Respondent's response about market access map

Impact of market access map	SD	D	IND	A	SA	Mean	Standard deviation
The market access map helps exporters to identify custom tariffs and Trade Remedies applied by an importing country to a product	-	3	57	93	31	3.83	.718
Regulatory requirements found in the market access map applicable to Coffee by importer and exporter affect our destination market decision	-	1	52	129	2	3.72	.486
Helps to compare tariffs and other market access indicators applicable to all countries when exporting in a given destination market and affect our target market decision	-	2	52	108	22	3.82	.643
The market access data enable us to compare tariffs and other market access indicators across different importers, exporters and products and helps to make better market selection decision	-	-	88	88	8	3.57	.578
The market access map enable us to analyze trade agreements, their respective status, and the countries involve in	-	2	52	84	46	3.95	.759
Overall Mean, Standard deviation and response %	-	1%	33%	55%	12%	3.83	.455

Source: Survey Result, 2024

The means for the Market Access Map items construct ranged between 3.57 and 3.95 (1= strongly disagree and 5= strongly agree) and the standard deviation for the market access map construct ranged between 0.486 and 0.759 which show acceptable variance with the mean. The statement which respondents agree with most was "Regulatory requirements found in the market access map applicable to Coffee by importer and exporter affect our destination market decision" (mean= 3.72 and standard deviation= 0.486). The overall mean level of respondent's Response about the trade map data is 3.828, describing that the majority of respondents are in high level agreement attitude with the statements constructed in the study.

The overall level of respondents understanding about market access map data impact on target market selection shown 67% of the total respondents agree with the statements constructed to measure the tool's impact. In contrast 1% of the total respondents disagree with the statements stated to measure the tools impact on export market selection. Meanwhile 33% of the respondents felt indifferent indicating that they have no awareness on the statements constructed.

MAcMaps, also known as Market Access Maps, is a comprehensive and detailed assessment of market access. It has been designed to incorporate various forms of protection measures such as ad valorem and specific duties, prohibitions, tariff quotas, anti-dumping duties, and norms. This measure operates at the tariff line level, ensuring a thorough analysis of market access. Additionally, it encompasses all discriminatory regimes, providing a holistic view of market accessibility. (Antoine Bouët et al, 2001)

Based on the result of the survey and other study, coffee exporting firms benefit by using and checking the market access map for their export target market selection. It helps to identify custom and tariff related comparative and competitive advantages between different partners.

4.6.1.5 Rules of Origin

The international trade center market analysis tools of Rules of Origin impact on target export market selection have been analyzed by constructing three statements which are assumed to show the tool's impact on export market selection.

Rules of origin do appear to restrict trade, and that in aggregate the cumulation of such rules could increase trade in the order of 50% (P Augier, 2024). Rules of origin offer preferred market

access for final goods whose inputs originate mostly within a free trade agreement (Emanuel Ornelas, 2024).

Respondent's feedback on the tools' impact agrees with stated constructs with a mean value of 4.03 and standard deviation of 0.294. The detail survey result is presented in table 10 below.

Table 10: Respondent's response about Rules of Origin

Impact of market access map	SD	D	IND	A	SA	Mean	Standard deviation
Rules of Origin Facilitator enables our company to find out import duties in foreign markets applicable to our product	-	1	51	96	36	3.91	.699
The growth in total import value of coffee importer determines our target market selection	-	2	46	90	46	3.98	.739
Detailed information on rules of origin and certification procedures accessed on the Rules of Origin Facilitator affects our market selection decision	-	-	25	149	10	3.92	.430
Overall Mean, Standard deviation and response %	-	1%	22%	61%	17%	4.03	.294

Source: Survey Result, 2024

The majority or 69% of respondents agree with the constructs made to measure the tools impact on export target market selection decision. In contrast 1% of the total respondents disagree with the stated construct. Meanwhile 33% of the respondents felt indifferent or neutral indicating that they have no awareness on the statements constructed to measure the tools' impact.

One of the important reasons countries enter into bilateral or regional free trade agreements (FTAs) is to avoid tariff and non-tariff barriers between or between them. (Jisoo Yi, 2015)

The rules of Origin have important effect in identifying bilateral or preferential free trade agreements between partner countries. Even if the rules of origin impact in this study shows insignificant effect, exporting firms better to utilize information found in the ITC rules of origin facilitator.

4.7 Correlation Analysis

A correlation coefficient, with values ranging from -1 to +1, is used in correlation analyses.

A correlation coefficient of +1 denotes a perfect positive [linear] relationship between the two variables under study; a correlation coefficient of -1 indicates a perfect negative [linear] relationship; and a correlation coefficient of zero denotes no linear relationship at all between the two variables. (NJ Gogtay et al, 2017)

Table 11: Correlation between independent and dependent variables

		Export market selection	General ITC market analysis tools impact	Export Potential map	Trade map	Market Access Map	Rules of Origin
Export market selection	Pearson Correlation Sig. (2-tailed) N	1 184					
General ITC market analysis tools impact	Pearson Correlation Sig. (2-tailed) N	.867** .000 184	1 184				
Export Potential map	Pearson Correlation Sig. (2-tailed) N	.802** .000 184	.739** .000 184	1 184			
Trade map	Pearson Correlation Sig. (2-tailed) N	.889** .000 184	.841** .000 184	.769** .000 184	1 184		
Market Access Map	Pearson Correlation Sig. (2-tailed) N	.815** .000 184	.776** .000 184	.694** .000 184	.784** .000 184	1 184	
Rules of Origin	Pearson Correlation Sig. (2-tailed) N	.696** .000 184	.622** .000 184	.818** .000 184	.678** .000 184	.623** .000 184	1 184

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

* Correlation is significant at the 0.05 level (2-tailed).

Source: Survey Result, 2024

As it is shown and clear from the table above that, all independent variables are significantly and positively correlated with the dependent variable Export market selection. General ITC market analysis tools impact (r = 0.867), Export Potential map (r = 0.802), Trade map (r = 0.889),

Market Access Map (r = 0.815) are correlated with Export market selection strongly and Rules of Origin correlated with Export market selection with (r= 0.696) moderately.

4.8 Regression Analysis

Regression analysis is a statistical tool for the identification of relationships between variables. (Alan O. Sykes, 1993).

4.8.1 Linear Relationship

Export market selection is counterfeit to be linearly related with ITC market analysis tools components; that mean the dependent Export market selection is assumed to be impacted with changes in ITC market analysis tools elements (the independent variables). There must be a linear relationship between the two variables.

The linearity means that the variables at a scatter plot of scores should form a straight line perfectly or roughly, not a curve (Field, 2009). In this study the scatter plots show that linear relationship exists between the variables and the assumption of linearity has satisfied.
The scatter plot diagram is attached in the appendix

4.8.2 Multicollinearity

Multicollinearity is a statistical phenomenon that occurs when two or more independent variables in a regression model are highly correlated with each other. VIF begins at 1 and has no upper limit. VIF = 1, shows, no correlation between the independent variable and the other variables. High multicollinearity between this independent variable and the others is indicated by a VIF greater than 5 or 10. (Aniruddha Bhandari, 2023)

The Multi-collinearity in this study has been analyzed using Tolerance value and Variance Inflation Factor (VIF) value. As stated above by the author, VIF value more than 5 or 10 indicates high multi-collinearity between the dependent and independent variables. As shown in the tables 12 below, all the VIF values are less than 10 and the Tolerance values are in the acceptable range. So, based on the survey result concluded that there is no multi-collinearity effect between the independent variables.

Table 12: Multicollinearity between independent variables

Model	Collinearity Statistics	
Export market selection	Tolerance	VIF
General ITC market analysis tools impact	.244	4.093
Export Potential map	.230	4.344
Trade map	.219	4.560
Market Access Map	.328	3.049
Rules of Origin	.321	3.117

Source: Survey Result, 2024

4.8.3 Normality test

In data analysis, it is important to check and test whether or not the data fit the normality requirements, even though various statistical techniques assume that the distribution of the population data is normal distribution. (Sang Gyu Kwak et al, 2019)

In order to test the normality of the data set, the study applied two means of assessing normality. Graphically: Normal Probability Plot and numerically: Skewness and Kurtosis tests were applied.

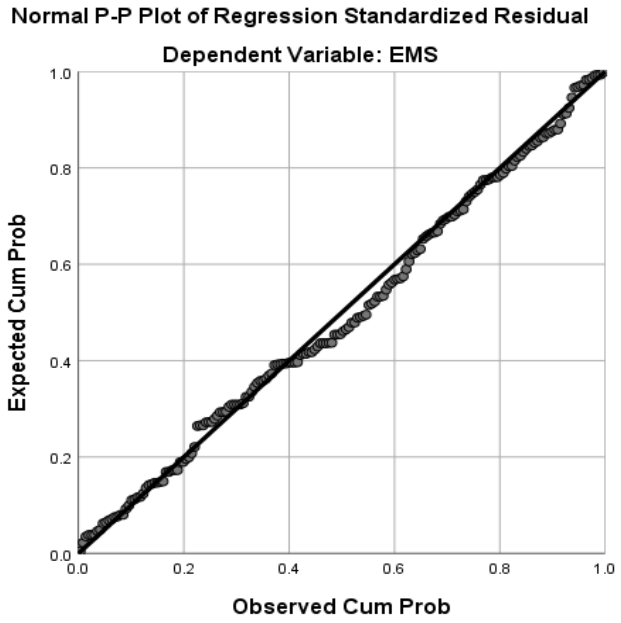

Figure 3: Probability plot of regression standardized residual

The Normal Probability Plot data points should have to lie in a reasonably form from the data plot in this study; form straight diagonal line that would suggest no major deviations from normality. Appendix four illustrated that the scores were normally distributed. Secondly, the analysis of normality in the data set has been tested by exploring the skewness and kurtosis values of the ITC market analysis tools.

Table 13: Summary of skewness and Kurtosis statistics

Constructs Items	Skewness Statistic	Kurtosis Statistic
Export market selection	.368	-1.104
General ITC market analysis tools impact	-.004	-.741
Export Potential map	-.548	-.033
Trade map	.182	-1.027
Market Access Map	.393	-.410
Rules of Origin facilitator	-.184	-.249

Source: Survey Result, 2024

According to Hair et al. (2010) and Bryne (2010), data is deemed normal if the skewness falls between -2 and +2, while the kurtosis falls between -7 and +7. (Suleyman Demir, 2022)
As it is shown in table 13 above, With the exception of Export market selection and trade map the skewness statistics value, the other constructs fulfill high normality range of +1 to -1 and kurtosis value. So, based on the survey statistics output value concluded that the data sets are normally distributed except export market selection and trade map shown moderate normality distribution.

4.8.4 Auto correlation

In this study, Durbin-Watson test assumption applied to test for correlation between variables residuals. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated. As a general rule, the residuals are independent or uncorrelated if the Durbin-Watson statistic is nearly 2, and an advisable range is 1.50 - 2.50. (Ephrem, 2018). For this study, Durbin-Watson test value is 1.774 and it is within the acceptable range of 1.50-2.50. So, the variable residuals are independent or uncorrelated in this study.

4.9 Regression Analysis Model

Regression analysis is a collection of statistical tools that used as a basis for making inferences about relationships among interrelated variables. (M.A Golberg et al, 2004). Consequently, multiple linear regressions was conducted in order to determine the explanatory influence of the predictor or independent variables of Trade map, General ITC market analysis tools impact, Export potential map, Market Access map and Rules of Origin to find out the correlation and to determine the most influential variables that impact dependent variable (Export market Selection). The interdependence between the predictor and dependent variables was tested by using correlation analysis and then hypothesis tests were done using regression analysis.

Table 14: Model Summary

Model Summary[b]										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.931[a]	.867	.863	.12110	.867	231.188	5	178	.000	1.774
a. Predictors: (Constant), Rules of Origin, General ITC market Analysis tools impact, market access map , Export potential map, Trade map										
b. Dependent Variable: Export Market Selection										

Source: Survey Result, 2024

Table 14 above Shown that regression model summary results of Export market Selection and the independent variables. The significance level of 0.05 was used with 95% confidence interval. As indicated in the above table 14 the independent variables predict the dependent variable value of R shows the correlation between the variables. The value of R square reveal the degree of variance in export market selection resulted by the components of ITC Market analysis tools of Export Potential map, general ITC market analysis tools, trade map, market access map and Rules of Origin. The value of the variance is .867 or 86.7% and the remaining (100% - 86.7%) 13.3% expressed by other variables that were not taken into consideration in this model.

4.10 ANOVA Analysis

The ANOVA method measures the relative size of variance among group means (between group variance) contrast to the average variance within groups (within group variance) (Hae-Young Kim.2014). If the F-statistic exceeds a critical value, it indicates significant differences between group means.

Table 15: ANOVA Analysis

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.951	5	3.390	231.188	.000[b]
	Residual	2.610	178	.015		
	Total	19.562	183			
a. Dependent Variable: Export potential map						
b. Predictors: (Constant), Rules of origin, General ITC market analysis tools impact, Market access map, Export Potential map and Trade map						

Source: Survey Result, 2024

As shown in table 15 above, the ANOVA test of F statistics value of 231.188 is significant at 0.000 levels. Therefore, from the result, it can be confirmed that with 86.3% of the variance (R-Square) in ITC market analysis tools of Export Potential map, Trade map, Market access map and Rules of origin has significant impact on coffee export market selection and the model adopted appropriately measures the construct.

4.11 Coefficients for the Multiple Regressions

Multiple linear regressions help to forecast the values of a dependent variable by knowing the values of predictor variables with statistical significance. It can be presented in the following form (AL Rezami et al 2020); $y = \beta 0 + \beta 1x1 + \cdots + \beta pxn + en$

The statistical regression model of the study was based on the theoretical regression model frame work as indicated below.

Y=a+b1x1+b2x2+b3x3+ b4x4 +e

Where:

- Y= the Export market selection.
- a= the y intercept/constant
- X1= General ITC market analysis tools impact
- b1= the regression coefficient of overall ITC data base information and market analysis tools
- X2= Export Potential Map
- b2= the regression coefficient of the export competitive advantage and other Economic considerations.
- X3= Trade map
- b3= the regression coefficient of trade map data information opportunities
- X4= Market Access Map
- b4= the regression coefficient threats and opportunities in tariff quota, custom and other duties
- X5= Rules of Origin
- X5= the regression coefficient threats and opportunities in preferential laws and other certification.
- e= error term.

$$Y=1.156+0.163X1+0.102X2+0.270X3+0.126X4+0.027X5$$

The main objective of this part of the study was to identify the most influential independent variable in determining the dependent variable. Accordingly, the impact of each predictor or independent variable that impacts the dependent variable was examined using the standardized beta coefficient. On table 16 below coefficients table shown the share of each independent variable to the multiple linear regression model and their statistical significance.

Table 16: Coefficient of regression

Model		Unstandardized Coefficients		Coefficients	t	Sig.	Co-linearity Statistics	
		Beta	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.156	.143		8.065	.000		
	General ITC market analysis tools impact	.163	.032	.279	5.028	.000	.244	4.093
	Export Potential map	.102	.035	.168	2.950	.004	.230	4.344
	Trade map	.270	.042	.372	6.363	.000	.219	4.560
	Market Access Map	.126	.034	.175	3.653	.000	.328	3.049
	Rules of Origin	.027	.054	.024	.507	.613	.321	3.117

Source: Survey Result, 2024

In this study, as shown above on table 16 the independent variables that take part to variance of the dependent variable are expressed by standardized Beta coefficient. The regression shows that the highest contribution seen by independent variables such as Trade map, General ITC market analysis tools impact and Market access map. In explaining the dependent variable Coffee export market selection, the contribution made by Trade map, General ITC market analysis tools impact and Market access map standardized Beta coefficients are .372, .279 and .175 respectively. Except Rules of Origin, all the independent variables have statistically significant effect on Export market selection as drawn by table 16 above. The Significance value for the independent variables Trade map, market access map, General ITC market analysis tools impact and export potential map are .000, .000, .000 and .004 respectively and they are significant. Lastly, the rules of origin impact in predicting the dependent variable coffee export market selection is insignificant with coefficients of the standardized estimation value of 0.613.

4.12 Hypothesis Testing

It is obvious that ITC market analysis tools have positive impact in determining coffee export market selection. Although there are a number of factors that determine export market selection, this study focus on the impact of marketing information system specifically focusing on the ITC market analysis tools impact on coffee export market Selection in Ethiopia. To address this objective, five hypotheses were developed to empirically test their statistical significance in the research context. Multiple regressions are used to assure the research hypothesis. The regression analysis was realized by using SPSS 26 version software. Table 17 below, shows the importance of the tools impacting coffee export market selection as shown by multiple regression analysis.

Table 17: Summary of Hypothesis Testing

Hypothesis	Sig. test result	Independent variable	Dependent variable	Result	Reason
H1:General ITC market analysis tools impact target export market selection	.000	General ITC market analysis tools impact	Target coffee export market selection	Accepted	β= .279 p <.05
H2: Export potential map data have effects on export target market selection	.004	Export Potential map		Accepted	β=.168 p<.05
H3: The trade map data have impact on target export market selection	.000	Trade map		Accepted	β=.379 p< .05
H4 : Market Access map data have impact on target export market selection decision	.000	Market Access map		Accepted	β=.175 p< .05
H5: The Rules of origin facilitator information have impact on Firm's export market selection decision	.613	Rules of Origin		Rejected	β= .024 p>.05

Source: Survey Result, 2024

4.12.1 Summary of Hypothesis Testing

H1: General ITC market analysis tools impact on target export market selection

From table 17 it is clear that there is significant relationship between General ITC market analysis tools impact and target export market selection in firms that are exporting coffee in Addis Ababa. The value of beta is .279 which holds that 1% change in General ITC market analysis tools impact will lead to 27.9% change in target market selection decision in coffee exporting firms in Addis Ababa. The significance value is .000 which shows that the hypothesis is acceptable.

H2: Export potential map data have impact on export target market selection

As it is illustrated in table 17 above, obvious that there is significant relationship between Export potential map and target export market selection in firms that is exporting coffee in Addis Ababa. The value of beta is .168 which reflects that 1% change in export potential map, will lead to 16.8% change in target market selection decision in coffee Exporting firms in Addis Ababa. The significance value is .004. Since the sig. value is less than 0.05 the hypothesis is acceptable.

H3: The trade map data have impact on target export market selection

As it is shown in table 17 above, there is significant relationship between Export potential map and target export market selection in firms that are exporting coffee in Addis Ababa. The value of beta is .329 which shows that 1% change in export potential map, will lead to 32.9% change in target export market selection decision in coffee exporting firms in Addis Ababa with significance value of .000. Since the sig. value is less than 0.05 the hypothesis is acceptable.

H4: Market Access map data have impact on target export market selection decision

From table 17 above, it is clear that there is significant relationship between Market Access map and target export market selection in firms that are exporting coffee in Addis Ababa. The value of beta is .175 which holds that 1% change in market access map data, will lead to 17.5% change in target market selection decision in coffee Export firms in Addis Ababa. The significance value for this item is .000 and since the sig value is less than 0.05 the hypothesis is acceptable.

H5: The rules of origin facilitator information have impact on target export market selection decision.

As it is shown in table 17 above, there is insignificant relationship between the rules of origin facilitator information and target export market selection in firms that are exporting coffee in Addis Ababa. The value of beta is .024 which holds that 1% change in rules of origin facilitator information will lead to 2.4% change in target market selection decision in coffee Exporting firms in Addis Ababa with significance value of .613. Since the sig. value is greater than 0.05 the hypothesis is not acceptable.

4.13 Current Ethiopian coffee export situation and implications

According to ITC trade map data, Ethiopian coffee export share in the world export shows slow growth and price volatility compared to other top five exporting competitors.

Table 18: Top ten Importer countries of coffee and their potentials

	Top Ten Importer countries of Coffee HS 090111 with Their Potentials (in Billion Dollar)									
Potential	Countries									
	USA	Germany	Italy	Belgium	Japan	Canada	France	Netherlands	Spain	Korea RP.
EX.Poten.	8	4.9	2.4	2.1	1.8	1.3	1.1	1	0.94	0.881
Act.Poten	5.3	3.4	1.6	1.4	1.3	0.806	0.728	0.688	0.642	0.602
UR. Potential	2.9	1.7	0.857	0.747	0.585	0.624	0.592	0.494	0.423	0.31

Source: ITC export potential Map

Table 19: Markets to top five world coffee exporters

Top Five Exporters of Coffee (HS 090111)	Potential		Markets to top five world exporters of Coffee (HS-090111)						
			United States	Germany	Italy	Japan	Canada	France	Spain
Brazil	EX.Pot	10bn	2bn	1.8bn	619mn	505mn	440mn	368mn	312mn
	Act.EX	6.6bn	1.3bn	1.3bn	581mn	373mn	135mn	150mn	164mn
	UR EX. Pot.	3.8bn	675mn	505mn	38mn	131mn	305mn	218mn	148mn
			United States	Italy	Germany	Japan	Belgium	Canada	Spain
Colombia	EX.Pot	4.7bn	1.5bn	502mn	422mn	290mn	244mn	187mn	159mn
	Act.EX	3.2bn	1.3bn	66mn	240mn	230mn	154mn	257mn	74mn
	UR EX. Pot	1.7bn	675mn	436mn	182mn	60mn	89mn	0	86mn
			Germany	USA	Italy	Belgium	Japan	Russia	Thailand
Vietnam	EX.Pot	4.6bn	738mn	738mn	361mn	338mn	204mn	138mn	131mn
	Act.EX	2.6bn	428mn	260mn	260mn	144mn	182mn	156mn	78mn
	UR EX. Pot	2.2bn	309mn	478mn	101mn	195mn	22mn	0	53mn
			United States	Germany	Italy	Canada	Belgium	Japan	Taipei, Chinese
Honduras	EX.Pot	1.9bn	830mn	266mn	100mn	96mn	90mn	53mn	48mn
	Act.EX	1.3bn	302mn	332mn	72mn	55mn	121mn	49mn	2.6mn
	UR EX. Pot	731mn	528mn	0	28mn	41mn	0	4mn	46mn
			United States	Germany	Saudi Arabia	Japan	Belgium	Korea,PR	Netherlands
Ethiopia	EX.Pot	1.9bn	248mn	220mn	188mn	149mn	99mn	95mn	88mn
	Act.EX	1.2bn	158mn	188mn	159mn	96mn	72mn	79mn	8.3mn
	UR EX. Pot	708mn	91mn	32mn	30mn	52mn	27mn	16mn	79mn

Source: ITC export potential map

The export potential map provides information on the untapped future export potentials that exporting countries will have in different individual importing countries. As it is shown on table 19 above, Based on the ITC export potential map data, the top three exporting countries; Brazil, Colombia and Vietnam dominated the future untapped export potential. According to ITC export potential map, Italy is the 3rd top importer of coffee with unrealized export potential of 857mn Dollar for exporting countries. From this 857mn unrealized export potential, 70% is shared by the top four exporting countries. Meanwhile, Italy is not from the top seven importing countries of Ethiopian coffee. Germany is number one Ethiopian coffee importing country. But regarding untapped future export potential of Ethiopian coffee in Germany market showing uncomfortable 1.9% share only. Therefore, Exporting firms, Trade advisors and concerned government bodies need to follow up and trace demand shifts of importing countries.

Chapter Five

5. Summary, Conclusion and Recommendation

5.1 Summary

The main objective of this study was to investigate the impact of ITC market analysis tools on coffee export market selection. In order to identify impact of the tool's, five measuring instruments have been constructed: general ITC market analysis tools impact, export potential map, trade map, market access map, and rules of origin facilitator.

To answer the question of the study investigation, a quantitative research approach was used.

To collect related and appropriate data within the scope of the thesis title, both primary and secondary data sources have been used. The primary data were collected from coffee exporting firms in Addis Ababa, using a questionnaire instrument. In order to convert the raw data into meaningful form and be able to interpret it, descriptive and inferential statistics tools have been used to analyze it.

The ITC market analysis tools used in this study gave us the chance to know and access all the information related to international coffee export business activities and trends. Information related to Importing and Exporting Countries yearly statistics, Exporting and importing countries export and import potential, market access related to customs tariffs, trade remedies, and regulatory requirements between countries.

The result of the descriptive analysis shows that the average mean value of the predictor variables is 3.807 and 0.696 standard deviation. From this result, we can say that the majority of the respondents have agreed with the statements that are constructed to measure the level of the tools impact on export market selection. The result of the survey summary has presented as follows:

The result of the correlation analysis shows that from the five independent variables, four of them, i.e., the general ITC market analysis tools impact, the export potential map, the trade map, and the market access map, have a 2-tailed sig. value of.000,.004,.000, and.000, respectively. Since they have a sig. value less than 0.05 and are positively correlated with the dependent

variable, they have a significant impact on the export market selection decision of firms. Meanwhile, the rule of origin predictor is correlated positively with export market selection with 2-tailed sig. value of .613 but hasn't significant impact on the response variable coffee export market selection.

The survey result of the regression analysis model summary shows that, R = 0.931, which explains that the linear correlation of all the independent variables strongly forecasted the dependent variable. Also the result of R-square = 0.867 suggests that the linear combination of independent variables in the investigation reveals that 86.7% of the variability in coffee export market selection has been caused by the predictor variables, and the rest, 13.3%, is described by other variables that are not considered in this regression model.

The Durbin Watson item from the model is 1.774, which is in between 1.5 and 2.5 and it was confirmed that, there is no autocorrelation in the residuals from the regression analysis.

The ANOVA F-value expresses that if there is significance within the level of the treatment variables, $P<0.05$ and a high F-value indicate that the predictor items are significant. (Julia Simkus, 2023).

The F-value in the ANOVA analysis of 231.19 indicates that the independent variables are significant since the p-value is less than 0.05. So, based on the ANOVA test result, all the explanatory variables considered in the model describe variability in coffee export market selection.

The coefficients of regression analysis and standardized valuation results reveal that, except for rules of origin, all the predictor variables have a significant impact on the model construct. The coefficient of regression analysis results show that, rules of origin facilitators have no significant impact on the response variable. Export market selection has a significant value of 0.613, which is greater than the acceptable alpha value of 0.05. As explained above except for the rules of origin facilitator, all the other four independent variables, i.e., general ITC market analysis tools impact, export potential map, trade map, and market access map, have a significant impact on the response variable, export market selection, with a significant value of 0.000, 0.004, 0.000, and 0.000 respectively.

Generally, the hypothesis test result has shown that, except for rules of origin facilitator, all other independent variables, including general ITC market analysis tools impact, export potential map, trade map and market access map have a significant impact on the export market selection decision of coffee exporting firms with a confidence interval of 95% at a significance value of less than an alpha value of 0.05.

5.2 Conclusion

Having an attractive export destination market is crucial for the growth of Ethiopian coffee exports. As it is known, the coffee export business is the country's number one foreign currency earner. So, it is important to identify the most attractive coffee export destinations to have a competitive advantage and a growing market share in the sector. To do so, the marketing information system (MIS) plays an irreplaceable role in searching for these attractive destinations. So importantly, the ITC market analysis tools are opportunities for every business to have overall information on international trade and practices in specific business sectors.

The main objective of this research is to investigate the impact of the marketing information system on target coffee export market selection, specifically focusing on the ITC market analysis tools. Five predictors, or independent variables, have been identified from the ITC market analysis tools database. To answer the research question,. General ITC market analysis tools impact, trade map, export potential map, market access map, and rules of origin are the tools selected to judge the tools' impact on target export market selection.

From the international trade center source, we can see that Brazil, Colombia, Vietnam, Honduras, and Ethiopia are the top five exporters of coffee (HS-090111), respectively.

In order to analyze the tools' impact, descriptive and inferential statistics have been employed in the study. The results from the descriptive statistics revealed that the mean value and the standard deviation values for the constructs are above average. This confirms that the majority of the respondents agree with the hypothesis that the ITC market analysis tools impact the export market selection of coffee exporting firms. Next, based on the inferential statistics shown, except for the rules of origin, all the other independent variables are: General ITC market analysis tools impact, trade map, the export potential map and the market access map correlated positively and

they all had a significant impact on the dependent variable. The rule of origin facilitator is not significant and is correlated weakly with the export market selection decision.

The inferential statistics of the regression analysis reflected or indicated that the linear combination of the predictor variables highly predicted the response variable. The linear relationship between the independent variables of the study expresses about 86.7% of the variance in the export market selection.

From the ANOVA analysis and the survey results, it has been concluded that all the explanatory variables are highly significant, with a P-value of less than 0.05. So based on the result, all the predictor variables considered in the model could explain variations in export market selection.

The standardized coefficient result from the survey shows that the majority of the predictor variables support the model prediction well, and the rules of origin make some or insignificant contribution. Therefore, it can be concluded from the result that the export market selection decisions of coffee exporting firms are impacted by the marketing information system (MIS) component of the marketing decision support system tool of ITC market analysis tool usage.

As we can see from the International Trade Center database and discussion above, Brazil, Colombia, Vietnam, Honduras, and Ethiopia are the top five exporting countries of coffee with HS code 090111. The untapped export potential from different partner countries for the above-mentioned five countries presented below. Accordingly Brazil, Colombia, Vietnam, Honduras, and Ethiopia shares 3.8 billion, 1.7 billion, 2.2 billion, 0.731 billion, and 0.708 billion USD, respectively. From this, we can see that the share of untapped potential that Ethiopia has from different importing countries is small compared to the top three exporters. It shows that there is a market share gap. Coffee (HS 090111) not roasted nor decaffeinated, is the 7th, 1st, 16th, 1st, and 1st foreign currency earner for Brazil, Colombia, Vietnam, Honduras, and Ethiopia, respectively. Since coffee 090111 is the country's number one foreign currency earner product, it needs government attention not to lose markets to the top four or others but rather to gain more share from the world coffee export business. To do so, it needs to understand and find out what the competitive advantages behind the big market share differences are. The ITC market analysis tools are a very important source of information to follow up on and understand the world coffee

and/or to take corrective action for exporting firms, trade advisors and policymakers. According to the ITC export potential map, Italy is the 3rd-top importer of coffee, with an unrealized export potential of 857 million dollars for exporting countries. Of this, 857 million unrealized export potential of 70% is shared by the top four exporting countries. Meanwhile, Italy is not among the top seven importing countries of Ethiopian coffee and this fact shows those coffee exporting firms, trade advisors, and all concerned bodies from Ethiopia that it is better to search for countries with high import potential but not importing significant amounts from Ethiopia and promote and develop strategies that enable them to increase export quantities to such countries.

5.3 Recommendations

Based on the findings of the study and, overall, the coffee export business practices of Ethiopia, the following recommendations have been proposed:

- The coffee export share of Ethiopia in the world market, compared to the top five exporting countries, shows slow market share growth. So, exporting firms, trade advisors, and policymakers from the government body recommended working in collaboration and interactively on the competitive and comparative advantages of Ethiopian coffee export businesses with respect to the top coffee exporters in the world market.
- For every business activity, the marketing information system plays a crucial role. Based on findings from the study, the ITC market analysis tools have a positive impact on coffee export market selection for new entrants and existing firms. So, they are recommended or advised to continuously utilize the tools in order to track and follow up on business trends to find an attractive export market for their export products.
- Since coffee is the country's number one foreign currency earner product, it needs special attention and a shift from the usual to a modern, technology supported plantation system, infrastructural improvement, market chain simplicity, and good business ethics.
- It is better to have a national MIS plat form that integrates all exporting firms, stakeholders, and other key players in the coffee export business sector of the country.

- All exporting firms should have a culture of utilizing marketing information system (MIS) platforms, especially the ITC market analysis tools of trade map, export potential map, and market access map.

- Even if the rules of origin show an insignificant result from this study finding, it is difficult to conclude that the rules of origin facilitator have an insignificant effect on the dependent variable; export market selection, only based on this study result. This may be due to the respondents' limited exposure to and understanding of the tool's significance. So, it needs further research work regarding its impact on export market selection decision.
- Even if Italy is the third-top world coffee importer with an unrealized export potential of 857 million dollars, she is not from the top seven importing countries of Ethiopian coffee. So, coffee exporting firms from Ethiopia should search for countries with high import potential but not significant amounts from Ethiopia and promote and develop strategies that enable them to increase export quantities to such countries.
- Germany is the number-one Ethiopian coffee-importing country, but regarding the untapped future export potential of Ethiopian coffee in the German market, it is not comfortable with a 1.9% share. Therefore, exporting firms, trade advisors, and concerned government bodies are recommended to follow up and trace, demand shifts in importing countries for Ethiopian coffee and exploit other favorable markets for Ethiopian coffee exports using the ITC market analysis tools.

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Annex- I: Survey questionnaire

ADDIS ABABA UNIVERSITY
School of Commerce
Graduate Program in Marketing Management

Survey on Effect of Marketing Information System on target market selection: Evidence from Coffee Export Sector in Ethiopia

Questionnaire

I am a graduate student of Addis Ababa University, School of Commerce in the department of Marketing Management. Currently I am conducting a research for the fulfillment of MA degree in marketing management under the title of "Investigating the Effect of Marketing Information System on target market selection: Evidence from Coffee Export Sector in Ethiopia" The main objective of the questionnaire is to investigate the Effect of Marketing Information System on target market selection. Therefore, I ask for your kind support in filling out the attached questionnaire to the best of your knowledge and experience with Effect of Marketing Information System on target market selection.

I kindly confirm you that the information you provide will be handled with strict confidentiality. And also used for research purpose only. Your genuine comments will have a great contribution to the quality of these research results.

Please indicate your opinion by ticking (√) for each closed questions.

Sincerely,
Feleke SisayEmail address: sisfelek@gmail.com

Part-I: Respondents' Demographic profile

Please indicate your choices by ticking (√) on the box.

i. Gender: Male ☐ Female ☐

ii. Age (year): 20-30 ☐ 31-40 ☐ 41-50 ☐ 51-60 ☐ above 61 ☐

iii. Educational level: level 1 to 4 ☐ Diploma ☐ First Degree Holder ☐
Master's Degree ☐ Above Masters ☐

iv. Position in the Company; Export Officer ☐ Expert in Export Dep't ☐ Export Manager ☐

Marketing Manager ☐ General Director ☐ Other ☐

v. Your year of service in this company: Below 1yr ☐ 1-2yrs. ☐ 2-5yrs. ☐

5-10yrs. ☐ Above 10yrs. ☐

Part II. Information of the Firm

1. Number of Years stayed in the Coffee Export Business;

Under 5 Years ☐ Between 6-10 Years ☐

Between 16-20 Years ☐ Above 21 ☐

Between 11-15 Years ☐

2. Legal formation of the Firm;

Private Limited Company ☐ Share Company ☐

Sole Proprietorship ☐ Partnership ☐

Cooperative Union ☐ Joint-Venture ☐ Public Enterprise ☐

3. The number of Export destination countries of the firm

Between 1-4 ☐ Between5-9 ☐

Between10-14 ☐ More than 16 countries ☐

4. The ITC market Analysis Tools usage for target market Selection

Trade Map ☐ Market Access Map ☐ Export Potential Map ☐

Rules of Origin ☐ None of all ☐

5. Which of Market Analysis Tools do you use the most?

Trade Map ☐ Market Access Map ☐ Export Potential Map ☐

Rules of Origin facilitator ☐

6. What is the size (in USD) of your export value in the last 12 months for which the ITC Market Analysis Tools have helped you to make your decision?

0—5000 ☐ 5,000-10,000 ☐ 10,000-20,000 ☐

20,000-50,000 ☐ 50,000-100,000 ☐ Above 100,000 ☐

Part III. Impact of ITC market analysis tools in Coffee Export Attractive target market Decision

Instruction: Please indicate your choices by ticking (√) with each of the statements from the options that range from 'strongly disagree' to 'strongly agree'.

1= strongly disagree *(SD)* 2 = Disagree *(D)* 3 = Indifferent *(N)* 4 = Agree *(A)* 5= Strongly Agree *(SA)*

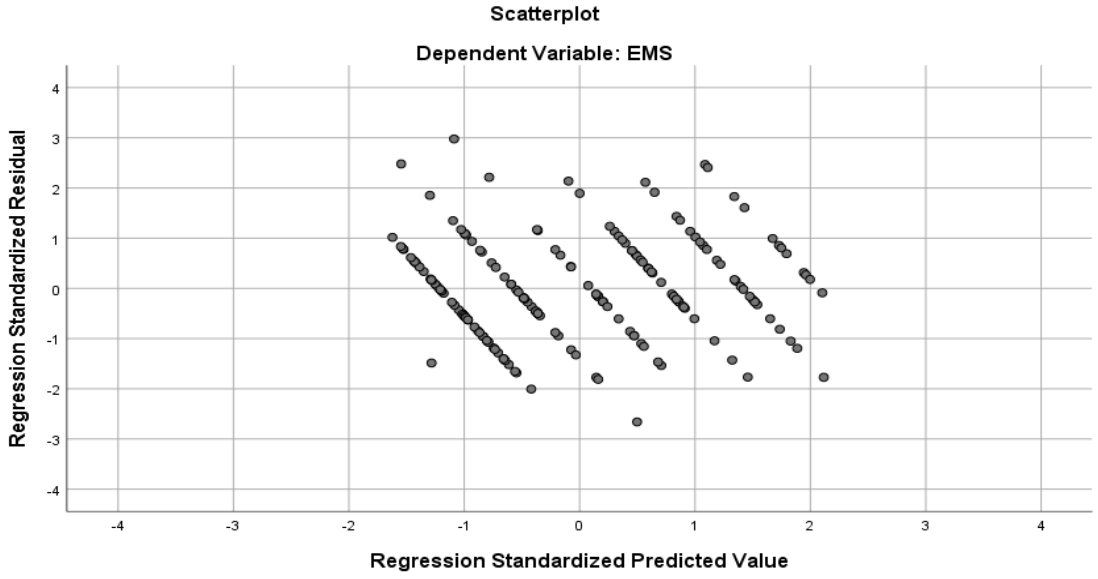
S.No	General Effect of ITC market Analysis tools	1	2	3	4	5
1	Tools help users to better understand trade related issues					
2	Tools help policy makers to make better-informed trade policy decisions.					
3	They help us to reduce the time or cost of obtaining information we are looking for					
4	Tools help companies to realize additional export opportunities					
5	The ITC Database information helps to make better market selection decision					
	A. Export Potential map					

1	provides timely and practical information on products, markets, and suppliers with unrealized potential					
2	Provide detailed guidance to businesses on unexplored export opportunities.					
3	Private companies can use the tool to identify attractive target markets for the products they export.					
4	The Export Potential Indicator identifies the potential export value for any exporter in a given product and target market based on an economic model					
	B. Trade Map effects					
1	The Trade map monthly, quarterly and yearly trade flows data has great influence on firms attractive target market selection decision					
2	The market share and market growth data on the trade map helps exporters to analyze their competitiveness					
3	Then unit value and unit value index on the trade map affect firms price decision					
4	The Trade map helps firms to identify top importers and Exporters of a product and exploit their competitive advantage					
5	indicators on export performance, international demand, alternative markets and competitive markets in trade map helps us to make well informed decision about our export destinations					
6	A directory of importing and exporting companies found in the trade map simplify our export market selection decision					
	C. Market Access Map effects					
1	The market access map helps exporters to identify custom tariffs and Trade Remedies applied by an importing country to a product					
2	Regulatory requirements found in the market access map applicable to Coffee by importer and exporter affect our destination market decision					
3	Helps to compare tariffs and other market access indicators applicable to all countries when exporting in a given destination market and affect our target market decision					
4	The market access data enable us to compare tariffs and other market access indicators across different importers, exporters and products and helps to make better market selection decision					
5	The market access map enable us to analyze trade agreements, their respective status, and the countries involve in					

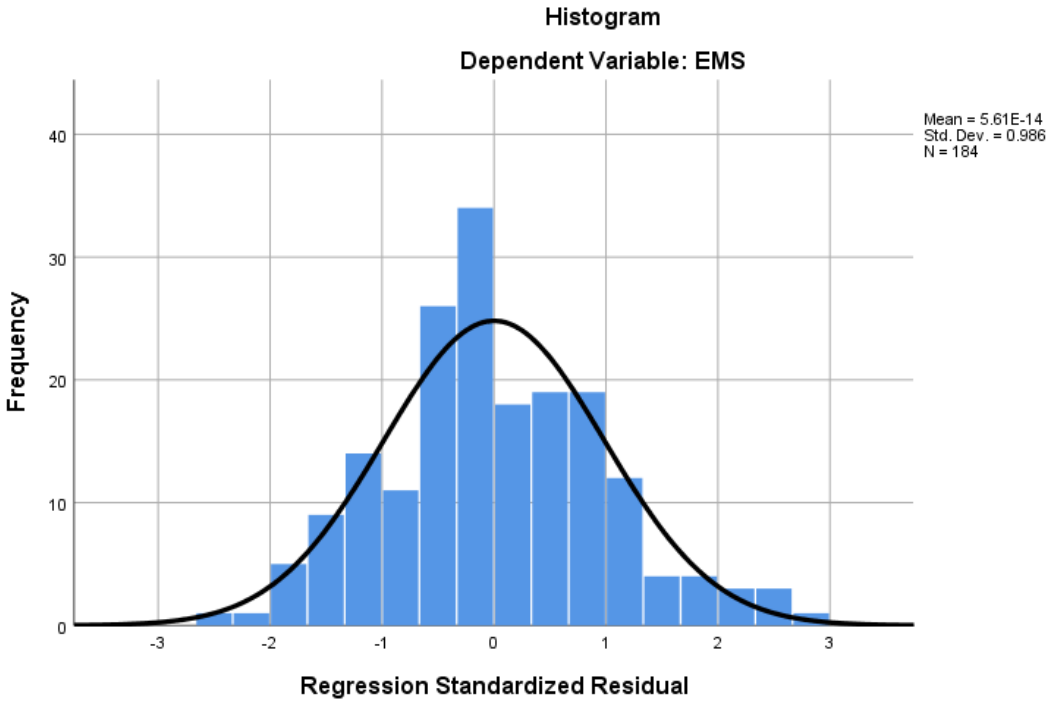
	D. The Rules of origin facilitator effect					
1	Rules of Origin Facilitator enables our company to find out import duties in foreign markets applicable to our product					
2	Rules of Origin Facilitator provides us current information on available duty savings for our market decision					
3	Detailed information on rules of origin and certification procedures accessed on the Rules of Origin Facilitator affects our market selection decision					
	E. The Export target market selection					
1	The growth in total import quantity of coffee determines our target market selection					
2	The growth in total import value of coffee importer determines our target market selection					
3	The amount of comparative minimum import duties applied by country affects our target market selection decision					
4	number of import requirements set by countries affect our target market selection decision					
5	The total import unit value growth by a country affects our target market selection					

Annex-II

Scatter plot of test for ITC market analysis tools With Export market Selection



Annex-III


Histogram
Dependent Variable: EMS
Mean = 5.61E-14
Std. Dev. = 0.986
N = 184
Frequency
40
30
20
10
0
-3
-2
-1
0
1
2
3
Regression Standardized Residual