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**FACTORS INFLUENCING THE EXPORT PERFORMANCE OF
THE FLORICULTURE INDUSTRY
THE CASE OF MARGINPAR ETHIOPIA PLC.**

By: HOSE ABEBE

A Thesis Submitted to POST GRADUATE PROGRAM of Addis Ababa
University

In partial fulfillment of the Requirements for Master of Arts Degree in
Marketing Management

Advisor: GETIE ANDUALEM (PhD)

June, 2021

Addis Ababa, Ethiopia

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June, 2021

Statement of Declaration

I, HOSE ABEBE, hereby declare that this thesis, titled "Factors Influencing the Export Performance of the floriculture industry: the case of MARGINPAR ETHIOPIA PLC," is my original work and has not been submitted to any other university for the award of a degree or Masters and all the sources utilized in the research have been acknowledged.

Declared By:

Name: Hose Abebe

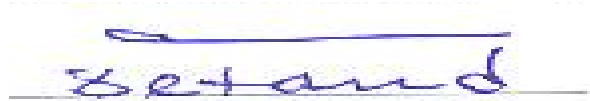
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This is to certify that **Hose Abebe** carried out his research work on the topic titled **Factors Influencing the Export Performance of the floriculture industry: the case of Marginpar Ethiopia plc.** The research is his original work and is suitable for submission for the award of Master's Degree in Marketing Management.

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Advisor: Getie Andualem (PhD.)

June, 2021

Addis Ababa, Ethiopia

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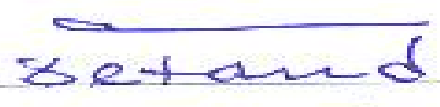
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Approved by Board of Examiners

Dr. Getie Andualem

Advisor



Signature

Dr. Taye A.

External Examiner

Signature

Dr. Andinet Worku

Internal Examiner



Signature

Acknowledgement

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“This thesis is especially dedicated to my beloved **father**, my **hero**, **ABEBE DADI**”

Hose Abebe

June, 2021

Abstract

The study's general objective is to examine the internal factors that influence the export performance of Marginpar Ethiopia plc from internal (firm) perspective. To accomplish these objectives a conceptual framework (model) was adopted based on prior related literature reviews, hypothesis were also developed and then tested accordingly. The research applied a deductive research paradigm with a quantitative research design and an explanatory research technique. A five-point Likert scale approach was used to collect primary data with a response rate of 88.78 % obtained from a sample size of 107 respondents. Assumption tests were performed prior to conducting the regression analysis, and it was discovered that the data had a reasonably normal distribution and linearity across the variables, with less multicollinearity. The regression of all predictor variables on export performance explicates 68.6 percent of the variation. The model and the data are reasonably well aligned.

According to the major findings, the internal drivers of export performance that are firm characteristics, management characteristics, and export marketing strategic capabilities have a positive and significant impact on Marginpar Ethiopia plc's export performance. However, management characteristics and strategic export marketing capabilities have a substantial correlation regarding export performance of the company. As a result, in order to increase their overall export success, Marginpar Ethiopia plc may benefit through focusing on internal (firm) - level factors of export performance that are export strategic marketing capabilities and management characteristics consequently and provide a prominent consideration to firm characteristics dimensions that are crucial for the success of the organization.

Key words: *Export, Export Performance, Firm characteristics, Management characteristics, Export marketing strategic capabilities*

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Acronyms

CEO – Chief Executive Officer

EHDA - Ethiopian Horticulture Development Agency

EHPEAH - Ethiopian Horticulture Producer Exporters Association

EMSC – Export Marketing Strategic Capability

EP – Export Performance

EU – European Union

IO – Industrial Organization

R & D – Research and Development

RBV – Resource Based View

SCP – structure Conduct Performance

SME – Small and Medium size Enterprises

UNCTAD – United Nations Conference on Trade and Development

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Chapter One

1.1 Introduction

The overview of the study is covered in this chapter, which starts with the study's background followed by statement of the problem statement, objective, scope, significance of the study and concludes with the study's organization.

1.2 Background of the study

Export plays a vital role in contributing to a nation's economic wealth by playing an important role and providing a method of assisting nations in enhancing their economic status and general living standard. Any industry's determinants should be thoroughly examined and considered in order to develop and improve its export performance. Exporting is a necessary component of all international trade (Leslie Kramer, 2021).

One of the key globally commercial mass production items are cut flowers. (Kendirli and Cakmak, 2007). In the early 20th century, particularly after the Second World War II, Cut flower production in the world gained acceptance. As a result, fast growth and changes have taken place in the cut flower production, storage, classification and marketing. Due to the aforementioned alteration, new techniques and technologies are used in the cut flower industry from the production to the consumption stages (Abas, 2015). According to Rikken, (2011) at present flower industry is changing at a faster rate and has become an exceedingly worldwide industry. In the past few decades, significant growth rates have been achieved and the leading flower exporting countries have been Holland, Israel, Colombia, Ecuador and Kenya, The Dutch floriculture industry is commonly known as the prominent flower industry in the world. In Africa, there are various countries that exports cut flowers to the rest of the world. Among these Kenya has been one of the leading cut flower exporters in Africa, and takes the 4th rank next to Holland, Colombia and Ecuador. (EHPEA, 2014).

In Ethiopia the export sector is extremely concentrated on Agricultural commodities. (Fassil E., Abule M., 2020) The agriculture sector has historically been the engine of the Ethiopian economy. Ethiopia's export sector is dominated by the export of few primary commodities which include agricultural products mainly coffee, oilseeds, gold, chat, flower, pulses, live animals, and hide skins. Although flower production and exporting as a commercial undertaking is relatively

new to Ethiopia's economy, it quickly established itself as one of the country's primary sources of foreign exchange. Goldberg & Pavcnik, 2007 states that Exports often brought in much needed foreign exchange, which can be used to buy capital goods and intermediate goods for a country's local economy. As a result, an increase in exports will benefit the rest of the economy. These potential trade gains have prompted countries to not only strengthen current trade relationships, but also to seek out new business opportunities.

In general, exporting as economic activity plays a vital role in economic development and progress of a nation as well as for the development of the particular exporting company. Exposure to global markets may also increase competitive pressures, boost innovation, and accelerate technological advancement and knowledge gains in the domestic economy, resulting in production and management methods that are more efficient (Jordan & Eita, 2007). Even while the benefits of exporting in an increasingly worldwide economy are enormous, many businesses find that exporting is hampered by a variety of challenges stemming from determining variables.

Diamantopoulos and Kakkos (2007) define export performance as “a strategic response by management to the interaction of internal and external forces” when dealing with a variety of firm- and environment-specific circumstances. Furthermore, it is defined by these writers as the amount upon which marketing strategy design and execution satisfy a firm's economic and strategic goals for exporting a goods into an international market.

Internal & external drivers of export performance remain conceptually justifiable, according to J.Barney (1991), since internal drivers are centered on resource based theory, whilst analyzing external factors is based on contingency theory. A company is viewed as a diverse blend of tangible and intangible resources in firm based theory. The corporation has access to the resources, which allows it to adjust ways to increase efficiency and effectiveness. Theoretically, a firm's resources are the predictors of its firm performance & strategic plan.

The internal vs. external variables/factors dichotomy can be used to evaluate export performance (Sousa, C.M.P., Martínez-Lopez, F.J. and Coelho, F., 2008), whose interrelationships influence the performance of exports. As a result, the study looked into the impact of internal or company-level determinants on export performance, such as firm characteristics, management characteristics, and export marketing strategic capabilities on the case of Margin par Ethiopia

Group by investigating the statistical assessment on how each elements influence the firm's export performance.

1.3 Back ground of the industry

Despite the fact that flower production and exporting is a relatively new commercial initiative in Ethiopia's economy, it has successfully established as being one of the country's major foreign currency sources. The beginnings of the industry is on the late 1970s in Ethiopia, through the key determination of generating foreign exchange revenues, the government established horticulture Development Corporation. The organization's goal was to supervise the production and sale of horticulture products such as flowers. In addition, for the very first period in the early 1980s, government farms started producing & exporting summer flowers, with a major government support, but due to Ineffective production, on the other hand, didn't last much longer (Joosten, 2007). In the mid-1990s, the industry re-emerged as a result of private initiative and summer flower production was pioneered by two local enterprises, Ethio flora and Meskel Flower. The two businesses were able to sell flowers in other countries. However, they were not as successful as they had hoped due to lack of expertise and competence in the industry (Gebreeyesus & Iizuka, 2010).

However, the combined efforts of the two companies gained the attention of international organizations such as the European Union, the Netherlands, and the United Kingdom, which saw the flower industry as a viable sector that needed to be encouraged. The EU cooperated with the Ethiopian government in the late 1990s to begin production. The objective was to investigate existing inputs and weather trends in order to develop marketing strategies for large-scale commercial endeavors. Similarly, the UK's Department for International Development conducted a series of feasibility studies aimed at identifying potential flower production regions to supply UK grocery chains. Likewise, a Dutch business delegation visited Ethiopia to look into the prospect of planting flowers for export to Europe (Taylor, 2011). The collaboration of these foreign governments aided in raising international awareness of Ethiopia's flower industry. As a result, a slew of international investors began investment into Ethiopian flower farms. Golden Roses, a subsidiary of Investment, United Kingdom based, was the first foreign entrant company in Ethiopia and it had increased productivity through the use of advanced greenhouse technologies (Taylor, 2011).

The Ethiopian flower industry arose in the late 1990s. Despite its late arrival, the industry has risen rapidly in few years and is currently Africa's second-largest flower exporter. A diversified agroecology and favorable weather conditions supported the great cultivation of high quality flowers in all height ranges. The Ethiopian Horticultural Producers and Exporters Association (EHPEA) was founded as a non-profit organization representing producers in 2002, following years of struggle. The organization played a key role in pressing for government assistance for the industry in terms of facilities, loans, and shipping (EHPEA, 2014).

Ethiopia is ideal for the flower industry due of its good temperature, plantations located around 2900 meters above sea level and rich in fertile soils, as well as the relatively low cost of land, water, energy, and human labor. And these are ideal circumstances for cultivating roses. A lot of foreign firms are interested in investing in this industry because of the ready earth areas and facilities for doing business, as well as the convenient geographic location that allows for direct export and import to foreign destinations.

As a result of developments in floriculture, more than 180 thousand people have been able to find job. Over 130 businesses are involved in the flower producing process in Ethiopia. The Ethiopian Horticulture Producers and Exporters Association was formed to bring firms together to build a national floriculture industry. One of its key goals is to attract international investment.

Ethiopian flowers are primarily shipped to Europe. Among them are the Netherlands, Germany, France, Switzerland, Israel, India, and Russia. Ethiopia, on the other hand, is looking for new ways to expand the number of destination countries that import its supplies and has already begun promoting its floriculture products in Japan, North America, and other African countries. Despite the fact that the flower industry is still relatively recent, it is thriving. (2015, Market Insider)

The Margin par Group is a vertically integrated flower producer with operations in Ethiopia and Kenya. In Ethiopia, the company is integrated from three divisions: Margin par, Larca, and Simba, all of which sell and distribute cut flowers all over the world. Margin-par is an agribusiness which covers the value chain from breeding to distribution of flowers. The cut

flower producers are centered in Addis Ababa, and their farms are near Holeta town in Walmera area. They export a variety of summer flowers from several farm sites to international markets. Eryngium, Astranita and Crocosmia are being grown and exported to Europe and the Far East.

The company's operations span more than 60 hectares of farmed land on west of Addis Ababa, at a height of 2,500 meters. Because Ethiopia is entirely inside tropical latitudes, the company is able to grow flowers throughout the year. The Eryngium, Questar variations, the Astringia Star series, Campanula, Crocosmia, and Agapanthus are the most common plants grown at the company's production sites with the sector and geographic priorities, Floriculture is a major employer in East Africa, and the growth of floriculture in this region help create more jobs.

Countries that exported the highest dollar value worth of flower bouquets during year 2019 are Netherlands: US\$4.6 billion with 48.9% of exported flower bouquets and Colombia: \$1.4 billion with 14.9% Third is Ecuador: \$879.8 million with 9.3% Fourth is Kenya: \$709.4 million with 7.5% which is first from Africa and then Ethiopia sits fifth and \$241.3 million with 2.6% and placed second from Africa. So, only Kenya sits above Ethiopia by gaining the highest dollar value of flower bouquet from Africa (Daniel Workman, 2020). There is a great potential for the expansion and diversification of horticulture exports. Ethiopia has an advantageous climate, ample land and labor. The country possesses highly positive characteristics for an export strategy.

1.4 Statement of the problem

In Ethiopia output and export are highly concentrated on agricultural commodities. The sector structure of exports also reveals heavy reliance of the country on raw agricultural products for about 80% of its total export earnings. Manufactured exports that are crucial for a rapid structural transformation of production is negligible and the country is one of the least industrialized countries in the world. (Export Promotion Agency, 2002)

In 2018/2019, Ethiopia's major goods exports involved coffee (28.7%), oil seeds (14.5%), chat (11.4%), pulses (10.2%), cut flowers (9.6%), leather and leather products (4.4%) and gold (1%). by the end of 2019 Ethiopia's highest foreign currency generator with live trees and plants are cut flowers with 276 million \$ with 10.7 percent of overall exports behind only to coffee, tea,

spices: us\$843.6 million with 32.6% and oil seeds by \$483.5 million with 18.7 % represented in terms of overall exports from Ethiopia.(Daniel workman, 2020).

Presently there is a high amount of scarcity of foreign currency occurrence in Ethiopia, a foreign exchange shortage will last for years and more cooperation with the private sector is essential to solve it (Aaron Maasho, Maggie Fick, 2018). Yet some sectors are getting preferential treatment when it comes to accessing hard foreign cash and the severe hard currency shortages are stifling the private sector. And the government considers agriculture as one of the main foreign currency generators of the country's economy. But even though the government is putting faith and keep facilitating many advantages for foreigners and home grown investors to invest in the sector by facilitating different incentives, offering them preferential treatment and encouragement, the sector couldn't generate as expected and as much as needed.

Ethiopia is favorable and advantageous for the flower industry because of its favorable climate, plantations located at an appropriate altitude and rich in fertile soils, as well as relatively inexpensive land, water, electricity, and human labor, with all of these resources if export performances could be investigated and implemented the outcome would be tremendous. Although the value of exports has increased over time, the sector's performance has been patchy or inconsistent in recent years, as it not only lagged behind expectations but also displayed a varied pattern. As a result, the question of whether an export performance study should be conducted arises. Agriculture exports such as coffee, fruits, and cut flower exports are important for gaining foreign currency. Even though Ethiopia is Africa's second largest exporter of cut flowers after Kenya, there is much potential for improvement in order to earn a steady foreign currency to compensate for the country's deficiencies.

The Ethiopian Horticulture and Agricultural Investment Authority has announced that it will allocate many hectares of land to investors interested in investing in Ethiopia's flower farming sector, citing a large international interest in Ethiopia's horticulture development sector as a major factor in the Ethiopian government's decision to allocate many hectares of land to the floriculture sector (Xinhua, Michael Tewelde, 2017). This is only one example of Ethiopia's commitment to improving the floriculture business. Ethiopia's flower business has grown steadily over the last decade, making the country one of the continent's leading growers and exporters of flowers, But Exporting firms' bad performance is undesirable for both the country

and the exporting enterprises, as company success leads to national prosperity; otherwise, the opposite is true. As a result, efforts should be undertaken to address the issue of poor export performance in Ethiopia by taking company characteristics into account as a factor of export success.

Researches which have been conducted on export performance so far have concentrated mainly on external factors (Uncontrollable) but at firm level that influence export performance and knowledge on how to make exporting firms regarding the sector is underdeveloped. Therefore the researcher's main objective is whether firm level (Internal) factors like firm characteristics, management characteristics and Export marketing strategic capabilities have a significant influence on the export performance of the firms.

Also no studies have been conducted from the company (Marginpar Ethiopian plc.) regarding the topic, so since there is no study that have been carried out on the company regarding the topic and with a brief look into the extant literature, it shows that limited attention has been paid to firm internal factors that drive export performance especially among cut flower exporting firms operating in an emerging economy like Ethiopia since it is self-evident that determinants become barriers if firms do not fully exploit or optimize them (Mai, 2008).

As a result, the export performance of Marginpar Ethiopia plc, a Dutch-owned exporting firm, was researched in order to determine the elements that influence its export performance because most cut flowers are exported to the Netherlands in the world including Ethiopia, where they are the most well-known and dominant one in the industry and since their cut flower industry is prominent worldwide and generate multi billion dollars annually in the floriculture sector, there is a need to examine their export performance internally.

As Monteiro et al., (2013) stated understanding the determinants of export performance and how companies can leverage their capabilities to be more effective than competitors in meeting their consumers' needs and to enhance their international competitiveness has been an important research direction and this study thus seeks to identify the critical set of internal factors that significantly influence the export performance of Marginpar Ethiopia plc at firm level?

1.5 Research Questions

1.5.1 Main research question

What are the Internal/ Firm level factors that influence the export performance of Margin par Ethiopia plc?

1.5.2 Specific research questions

1. Does firm characteristics have an influence on the export performance of Marginpar Ethiopia plc?
2. Does management characteristics have an influence on the export performance of Marginpar Ethiopia plc?
3. Does export marketing strategic capabilities have an influence on the export performance of Marginpar Ethiopia plc?

1.6 Objectives of the study

1.6.1 General Objective of the study

The general objective of the study is to identify the internal factors influencing the export performance of Marginpar Ethiopia plc

1.6.2 Specific objectives of the study

The research, aims

- To investigate and identify the significant internal factors influencing export performance of the company
- To examine the influence of firm characteristics on export performance.
- To identify the influence of management characteristics on export performance.
- To investigate the influence of export strategic marketing capabilities on export performance.

1.7 Definition of Terms

Export: - The term "export" refers to the process of shipping products and services out of a country's port. An exporter who is based in the country of origin is referred to as a vendor of such goods and services. The buyer based in another country is referred to as an importer. In the

international arena, Exports, or trade, refers to the sale of goods and services produced in one country to another markets. Any item or commodity that is carried from one country to another in a timely manner legal fashion, usually for commercial purposes (Edwards and Alves, 2006)

Export performance: - Export performance refers to the sum of a company's or country's international sales, which includes export intensity, which is the ratio of export sales to total sales; export sales, which is the size of a country's export earnings in dollar value; and export growth, which is the increase in exports over a given time period (Katsikeas et al., 2000).

Floriculture: - Floriculture, often known as flower farming, is a branch of horticulture concerned with the production of flowering and attractive plants for use in gardens and floristry. Floriculture is a subset of ornamental horticulture that focuses on the cultivation, marketing, and display of flowers and ornamental plants. (Britannica, 2014)

Bouquets: – are miniature flower clusters or arrangements. A bouquet of flowers that has been tied together and attractively arranged to be given as a gift, carried on formal occasions, or used for marketing purposes.

1.8 Significance of the study

The study provided important direction for various actors in the flower export industry, as well as researchers. The researcher is one of the study's beneficiaries; the researcher is benefited by gaining an opportunity to experience on solving a real-world problem and obtaining a thorough understanding of export performance. The firm will also be beneficiary from the research since the study is likely to be used as an input material by the management team because it has significant implications for the elements that influence the firm's export performance and presents crucial recommendations for improving the firm's export performance. Customers benefit from the study as well, if the recommendations are carefully reviewed and executed to improve the firm's export performance, there will be a high level of client satisfaction. Future researchers who may be involved in conducting further studies on export performance and other areas will benefit from the study because it can serve as a stepping stone for further research on the topic and as a reference for future researchers to gain a deeper understanding of the subject regarding factors that influence export performance.

1.9 Delimitation of the study

The study concentrated on the impact of firm/internal factors on export performance, excluding external factors, and it did not cover all conceivable factors impacting export performance. Furthermore, while Ethiopia has a thriving cut flower export market, this study focused solely on the Marginpar Ethiopia plc Group, which consists of three cut flower exporting firms. As a target respondent, the study used exclusively the perception of management level and affiliated bodies of the firms that can contribute to the study regarding factors influencing export performance.

1.10 Limitation of the study

The research is confined to study only on Ethiopia basis, although the company also operates in foreign countries which are found in Europe and also in African countries like Kenya. In order to be more productive it is vital to conduct the study on the flower destination areas (importers) also but due to various grounds including time and budget constraints, those areas from importing countries are uncovered and it is out of the study's reach.

Furthermore, since the field of export performance determinants is vast and crucial for growth and development, a variety of determinant measures could be utilized to measure the influence export performance. However, the scope of this research was limited to internal/firm-level determinants influencing export performance. Finally, because of the global pandemic situation and the spreading of Covid-19 throughout the country, the researcher was challenged with an obstacle in disseminating and collecting questionnaires from the study's target respondents.

1.11 Organization of the Study

The research is prepared by holding five sections. The first chapter initiates with introduction to the study and background information behind the research conducted accompanied by the second chapter that looked into previously conducted related researches and literatures related to the topic. The third chapter presented research methodology and related aspects followed by the fourth chapter that deals with analysis and interpretation of the data collected and finally the last and the fifth chapter summaries the conclusions, findings reached; and the recommendations that is forwarded.

Chapter Two

2.1 Literature Review

The chapter covered three parts namely theoretical review, Empirical review and conceptual framework. It contains concepts and theories regarding factors influencing export performance by which the researcher reviewed previous studies and literatures on the subject matter of the study. Particularly, this section elaborated the internal factors influencing the performance of the cut flower export. The empirical literature review section covered the different studies conducted on firm level factors influencing export performance on different sectors. Finally, the conceptual framework of the study is discussed based on previous studies and related literatures.

2.2 Theoretical Review

2.2.1 Export Performance

Export and performance are the 2 components of a theoretical foundation of export performance. International marketing-related actions and operations of internationally active enterprises are referred to as export Cavusgil and Neviv (1981) and Performance, in the literature sense, it is the act of carrying out or accomplishing something such as a task or action. The success or failure of a country's efforts to sell locally made goods and services in many other overseas markets is referred to as export performance. (Zou and stan, 1998);

“One of the most widely investigated yet least understood and disputed aspects of international marketing is export performance.” As Katsikeas et al. (2000)states, This is related to the growing trend of economic internationalization, trade liberalization, and economic and monetary unions, as well as the fact that a large number of countries depend on export performance to achieve economic development. (Cavusgil and Zou, 1994).

According to Diamantopoulos and Kakkos (2007), export performance is the result of export behavior when surrounded by different firm- and environment-specific situations. Export performance, according to Cavusgil and Zou (1994) is management's strategic reaction to the interaction of internal and external forces. Furthermore, authors describe it as the extent where a company's strategic and economic goals in terms of exporting a products in a foreign market are met by developing and implementing a marketing strategy.

Both the final outcome of a firm's export practices, such as marketing activities and other commercial ventures in foreign markets, as well as the ultimate result from which a firm meets its aims in shipping a product to a foreign market are described as export performance. (Cavusgil& Zou, 1994). As a result, it has been seen as a significant signal for managers when making decisions about foreign operations, as it promotes growth and supports long-term corporate survival.

2.2.2 Role of Export

In national economy: It is obvious that export plays an important role in economic growth. Specifically, export generates a shift in economic structure, from an agricultural country to the industrial and service – oriented country. It is undeniable that export expands the capability of numerous consumer markets and of inputs for production. These somehow contribute to stabilizing production as well as boosting production efficiency. At the same time, export generates development opportunities for other industries. For instance, exporting textiles stimulates mass production in cottons and fabric dyes. Moreover, export creates employment and enhances citizen's living standard. That export arises means that it attracts millions of labor, which can solve unemployment – related issues. Besides, export is considered as the base for promoting and strengthening economic relationships with other countries all over the world. (Bui & Nguyen 2009, p. 379).

In export enterprises: Firstly, export offers domestic companies' opportunities to expand markets and show their positions in their industry. Therefore, both domestic and foreign customers would know more existence of such companies. These contribute to generating foreign currency source for enterprises, which can assist them to upgrade system, maintain machines and equipment with the aim of boosting production. Furthermore, export stimulates firms' creativity so that they can have a profound understanding of potential markets they should penetrate together with characteristics products they should research to meet market demands or consumer taste in such markets. Last but not least, it is obvious that export can lead to intense competitiveness between enterprises. Consequently, it is vital for them to enhance quality standards of products. Simultaneously, export enterprises should pay attention to reducing prices of export products, which would help them save their resources in general and input costs in particular. (Bui 2009, p. 379.)

2.2.3 Theoretical Paradigms

Taking into consideration the accomplishments of previous researches and literatures also through looking into the insights from empirical findings, the following theoretical framework is presented for the study:

There are two theoretical paradigms to determine the factors that are crucial for the success or failure of exporting activities namely Resource based theory and Contingency theory. According to J.Barney (1991), categorizing the drivers of export performance into internal and external elements is theoretically plausible because internal determinants are based on Resource Based Theory, whilst external determinants are based on Contingency Theory.

Sousa *et al.* (2008) Also, the resource-based paradigm that concentrates on the firm's internal aspects and the contingency paradigm, which emphasizes on the external ones, is used to characterize major drivers of export performance. A company is viewed as a unique combination of tangible and intangible resources in resource-based theory (assets, competencies, management characteristics and knowledge etc.). They are under the company's control and allow it to alter methods to improve efficiency and effectiveness. According to the theory, a firm's resources are the drivers of export performance.

Firms' internal and external concerns are the most important EP factors (Sousa et al., 2008). The two categories correspond to the two theoretical approaches that supports empirical research on export efforts: contingency theory and the Resource Based View. The Resource based view method is widely utilized in empirical research on internal determinants, and it backs up the idea that a company's Export Performance is controlled by business planning and programmes. Both the Resource Based View and the contingency theory are useful in comprehending the concept of export performance (Beleska-Spasova, 2014). The two theoretical perspectives that determine the criteria that affect whether exporting efforts succeed or fail are discussed below.

2.2.3.1 Resource Based View/ Theory (RBV)

The Resource-Based View focuses on gaining a competitive advantage through the utilization of a collection of resources, which includes all of a firm's "assets, knowledge, organizational processes, capabilities etc. (Barney, 1991). Dhanaraj and Beamish (2003) states that “improved performance arises from obtaining and developing distinctive resources of the firm,” indicating

the internal aspects of export performance. This viewpoint sees a corporation as a one-of-a-kind compilation of valuable tangible and intangible assets that defines its competitive advantage and export performance (Katsikeas, et al, 2000).

As per the RBV, these set of resources are controllable at the firm level and determine the success/failure of firm's activities in the global market. The resource-based theory views a company as an exclusive assembly of resource that it has control over, allowing it to think about and adopt methods aimed at enhancing its performance (Barney, 1991). As a result, Resource based view considers that exceptional performance is the outcome of getting and utilizing the firm's distinctive resources. (Dhanaraj and Beamish, 2003).

Management characteristics, firm characteristics, and export marketing strategy capabilities explain the internal and controllable elements that determine a firm's export performance. (Zou & Stan, 1998).

2.2.3.2 Contingency Theory/ Industry Structure Theory

The contingency theory technique is based on the premise that environmental/external factors have an impact on a company's performance. (Donaldson, 2001, Sousa et al., 2008). The kind of marketing practices used, the pattern in which they are structured, and the environment in which they operate all have an influence on the process of results they produce.

Contingency Theory argues that firm's activities in a market place are determined by external factors & hence, export determinants cannot be controlled at the firm level. The impact of different Firm Characteristics on export success varies depending on the firm's specific circumstances. This idea is based on the framework, behavior, and execution paradigm of industry sector, which asserts that market structural elements determine a firm's competitive power. Cavusgil and Zou (1994), a competitive edge can only be established & sustained if the strategy formulation plan is performed through efficiently and successfully. (Sousa et al., 2008).

Exporting is an industry's strategy response to the connection of environmental forces, as per Contingency Theory. This theory contends that in order to sustain and develop, a firm should accommodate to external environment pressures. The outcome of a company's efficient strategic reaction to foreign circumstances seems to be improved export performance. (Robertson and Chetty, 2000).

External determinants are defined as aspects that are distinctive to the industry and thus unmanageable by managers and they are classified into two sections named local and international market characteristics. Export performance in home markets is influenced by different elements than export performance in foreign markets. Subject to regulatory, economic, and cultural differences, the cost of doing business abroad grows as a consequence of the obligation of foreignness. Legal and political issues, as well as cultural commonalities, are the most frequently mentioned external factors of export performance. Export aid and domestic environmental resistance are two aspects of the domestic market. (Katsikeas, 2000).

2.2.4 Factors that influence Export Performance

Beleska-Spasova (2012) Achieving successful Export Performance is at the center of the strategic legislative procedure for firms and other entities, according to the assertion. The range of a corporate goals, both financial and non-financial is demonstrated in a successful Export performance. Such goals are achieved in an international scale within a certain time period and they can be evaluated based on the adequacy of the selected export strategy in relation to particular internal and external factors. However, it is recognized in the Export performance literature that Primary export performance drivers are categorized into two types, each of which should be evaluated independently: external environmental factors and internal drivers (Sousa et al., 2008) External forces include industry-level features and export market factors, whereas internal forces comprise firm- and product-related aspects (Cavusgil and Zou, 1994).

Export performances are determined by two critical factors, according to Bacchetta (2007), these are internal and external environment conditions, factors which are grouped under both internal and external factors. But, due to the scope of the study, the research emphasized only on internal factors (Firm based) that influence Marginpar Ethiopia plc's flower export performance, and its base is Resource-Based View theoretical paradigm since firm-level determinants refers to those factors which are internal & controllable at a firm level by using (Monteiro, Moreira & Sousa (2013) Firm Characteristics, Management Characteristics, and Export Marketing Strategic Capabilities are the three components that influence the company's internal influencing aspects.

2.2.4.1 Internal / Firm level Determinants of Export Performance

The most commonly cited characteristics used to predict export performance were discovered through several literature evaluations in International Business disciplines. Aaby and Slater (1989) categorized them as: firm characteristics regarding size, administrative commitment and executive perceptions, technology, market knowledge, market planning, communication abilities, from export strategy perspective, market selection, intermediate usage, product mix, product development, advertising, and price are all factors to ponder.

Zou and Stan (1998) states that Internal factors affecting export success were investigated, including export strategy, managers' perspectives and behaviors, managers' abilities, and the features and competencies of the firm. Moini (1995) proposed that there are four factors that influence export performance from firm characteristics, firm's size, international experience, competitive advantages and from managerial characteristics, manager's experience, foreign language ability, knowledge and skill related factors.

Most research have taken into account the variables that are related to product strategy, advertising, price and distribution, as per Sousa et al. (2008). Furthermore, variables connected to firm characteristics, such as size and international experience, are frequently cited as drivers of Export Performance. A manager's educational level, capabilities, skills, and competence, expectations, international experience, and perspectives on internationalization are all features of managerial characteristics. Internal impediments, according to academics, have a higher impact on a company's expansion strategies than external barriers (Phan, 2013). Export Performance drivers can be either obstacles or advantages; nevertheless, the management's application and aims determine their consequences. Export Performance factors, become obstacles if companies do not adequately examine or improve them (Mai, 2008). The internal elements that drive export success are described as Firm Characteristics, Management Characteristics, and Export Marketing Strategy Capabilities in the evaluation of export performance works of literature by Sousa et al., (2013) and Zou& Stan, (1998).

2.2.4.1.1. Firm's characteristics

In international business research, Firm characteristics have been a central theme, and are acknowledged as a pivotal section in driving sustainable competitive advantage and influencing

export performance (Chen et al., 2016). This notion concentrates on a firm's capacity to mobilize resources, generally in combination, using organizational procedures, to the desired end effect of achieving the best competitive outcomes (Ferreira & Fernandes, 2017).

Foreign networking and knowledge of export markets, technological development and firm size are prominent characteristics contributing to whether a company's export performance is positive or not. To be more precise, researches show that having intensive foreign networking translates to better export performance through cost reduction in export activities. Thanks to massive investment in technology, companies have an opportunity to enhance its production scale, and then can gain more economic benefits. Consequently, they are able to find solutions for fierce competitiveness in international market. Moreover, aligning technology with production progress helps the business generate its competitive advantages in terms of new products and assists firms to reduce costs as well as to boost revenues. (Monteiro, Moreira & Sousa 2013, p. 11 – 12.)

Firm characteristics influence a firm's choice of marketing strategies and the aptitude to implement the selected strategies (Cavusgil & Zou, 1994). There are several aspects for measuring firm size, including number of employees, sales volume and investment level in R&D. Number of employees and investment in R&D can affect export growth and export market coverage. (Monteiro, Moreira & Sousa 2013, p. 20.)

Sousa et al. (2004), simplify the fact that a competent corporation with worldwide experience will most likely select the most appealing marketplace and adjust its marketing methods to improve its export performance. Furthermore, experience helps firms overcome difficulties and uncertainties. The size of a company is regarded to be a good indicator of its resources, which are held to affect export behavior, because firm size affects resource allocation (Baldauf et al., 2000).

Technological innovations assist firms to respond rapidly to swift changes in technologies and the market environment in a highly competitive international market. Firms implement innovations in order to acquire first-mover or early-mover advantages, which will lead to increased performance or to eliminate a performance gap caused by indecisions in the external environment. Firm technology, therefore, has a positive effect on export performance (Aaby & Slater, 1989; Zou & Stan, 1998).

2.2.4.1.2 Management characteristics

Management characteristics like aspects of the company have also certain impact on export performance (Langs, 2005). Some objective characteristics like education, mastering a foreign language can influence attitudes towards export. Command of foreign language give a manager some advantages, it can be significant in the sense that it can make it easier to make professional relationships or contacts with potential business partners. Develop relations with existing customers (Leonidou et al, 2002). Further characteristics, such as a manager's international experience, is important for successful export. This is confirmed by some researches, conducted by, Madsen (1993) and Axinn (1988). The same is supposed by Zou and Stan (1998). They consider that a manager's international experience help to prevent a company from risks or give a company benefits in connection to doing business abroad.

Skill – based characteristics have a close relationship with export performance of a business. To be more specific, top managers' skills play a crucial role in reflecting the company's export performance. For instance, previous experience in export field, knowledge of foreign languages together, managerial experience abroad together with education level somehow affect firm's export intensity and sales growth. Additionally, attitudinal characteristics such as attitude towards international – oriented and customer – oriented management, trade barriers, and competitiveness along with export commitment. Monteiro, Moreira, and Sousa (2013 (p. 11))

In terms of export performance, senior managers' competencies are vital, and management features are also critical for corporate success. Export managements make judgments and establish plans to strengthen and expand the foreign market that will also undoubtedly have an influence on the company's export performance (Chen et al., 2016). A company's export success is influenced by how managers choose, join, and operate in a foreign country, execute strategic marketing, and manage business with overseas clients (Katsikeas et al., 2000).

Many authors have researched managerial characteristics as drivers of export performance in various directions Aaby and Slater (1989); Cavusgil & Zou, (1994), to name a few). All these traits are grouped into three types: “attitudinal characteristics,” “skill-based characteristics,” & “behavioral characteristics” in order to synthesize the different characteristics. A number of variables that can be classed as managerial attitudinal determinants have been explored. These include, among other factors, management's international orientation, export commitment,

anticipated export advantages, and export constraints (Zou and Stan, 1998). Managerial education is crucial because it improves entrepreneurial skills, information analysis capabilities, and the cognitive skills and abilities required for strategic decision-making, particularly in tough international markets. Managerial commitment to an export market helps to ensure that entry into the market is carefully planned and that managerial and financial resources are effectively allocated (Cavusgil & Zou, 1994).

Management commitment is very important for export success because when the manager has commitments to export, they will plan carefully programs to enter the export markets and allocate financial and managerial resources sufficiently (Sousa et al., 2008). This allows a company to acquire opportunities in foreign markets and pursue the efficient export marketing strategy to improve performance of firm's exporting (Cavusgil and Zou, (1994); Zou and Stan, (1998)).

The commencement of progress, sustenance, and prosperity in exporting is mostly due to management. The links between export performance and managerial traits are the focus of several empirical studies (Sousa et al., 2008). Previous literature evaluations identified managerial traits as predictors of export performance, and the majority of researchers concluded that this determinant was an essential component in export performance that might have a considerable impact on export success. Zou and Stan, (1998) noted that "management characteristics play a significant role in influencing export sales unit effectiveness". Organization and management are frequently in charge of export performance, therefore they are accountable for the firm's poor or great export performance (Nazar and Saleem, 2009).

2.2.4.1.3. Export marketing strategic capabilities

Export marketing strategy competencies include, for example, the ability to modify the marketing mix as well as marketing channel strategies such as channel form and channel connection. Stan and Zou (1998). It is strongly advised that any company seeking to enter a new international market should have a thorough understanding of the marketing mix and how to strategically fit it into that market's environment. These are effective to assist a firm to improve its export success. (Sousa et al; 2013).

The competitive advantage of a corporation in the worldwide markets targeted by its export strategy determines its tendency and capacity to launch and maintain regular exporting activities. Firms compete in export industries using a number of different techniques. Every form of competitive export strategy is linked to a particular comparative edge, and the market attractiveness of the export target could be a key factor influencing the automation of an appropriate export competitive posture, resulting in export development and growth (Katsikeas et al., 1996).

Several studies have validated this association, such as (Zou and Stan (1998), who found that a firm should necessarily need to perform international marketing research for development and to use international marketing analysis, which has a favorable impact on export revenues, growth and consequently export performance.

According to Leonidou et. al. (2002), Export marketing strategy is crucial for the success of export performance and it has been recognized as a predictor of export performance by several academics. Underneath the export strategic marketing category, Zou & Stan (1998) identify Product, Price, Promotion and Distribution Strategies as significant elements for evaluating export performance. Export performance is positively connected with the firm's capacity to provide a comprehensive marketing mix in export markets (Leonidas et al, 2002).

2.2.4.1.4 Export Performance

Export sales volume growth, profitability, market share and other export performance measures are evaluated scientifically and subjectively depending on absolute values. Subjective measures, such as the manager's judgment of goal achievement and overall export performance satisfaction, are supported by perceptual evaluations. Export sales growth, export profitability, export market share, overall export performance satisfaction, and export success related to strategic goals tend to be utilized far more frequently than other measurements, despite the fact that the number of parameters considered as indicators of export performance is expanding. (Sousa, 2004)

2.3 Empirical Review

Various research on Ethiopian manufacturing enterprises' export performance have been undertaken, however very few assessments on Ethiopian floriculture exporting firms have been performed. However, reviewing some of the relevant literatures related with floriculture and other exporting firms that is relevant to the study's purpose are presented:

2.3.1 Firm Characteristics

Firm characteristics and capabilities have long been a focus of international business study, and they are widely acknowledged as critical factors in achieving long-term competitive advantage and determining export performance (Chen et al., 2016).

A study conducted by Mehariw Belay Gelagay, Amanpreet Singh (2020) that External and Internal Factors on Export Performance in Ethiopian Manufacturing Firms study described external and internal factors that influence export performance in Ethiopian manufacturing firms. In this study, self-administered survey was administered to manufacturing exporters in Ethiopia. Descriptive analysis was made to demonstrate the impact of internal and external factors on Ethiopia's export performance using SPSS version 21. The study revealed that external uncontrollable forces and internal controllable factors are the causes of export performance in Ethiopian exporting firms. It was therefore, recommended that exporting manufacturing firms in Ethiopia should engage in maximizing their firm characteristics variable, use their opportunities and work on their strengths to enhance export performance.

A study prepared in New Zealand by Dean, et al., (2000) defined internal impacts comprises firm competencies as export experience, firm characteristics such as firm size, number of years in business, and perceived level of export barriers, export marketing strategy as market diversification against concentration and motivation for exporting measured by proactiveness vs. reactiveness. Their goal was to see if there were any differences between low- and high-performing exporters. They looked at the link between the listed variables and export performance in three dimensions: export sales, export percentage of total sales, and export growth. In terms of export sales, they discovered firm characteristics, perceived trade barriers, and export marketing strategies have a significant discriminate coefficient. Regarding the percentage of total sales from exporting and export marketing strategies, they denoted all dimensions have significant discriminate coefficients. The mean differences, on the other hand,

were in the other direction, with higher performance having lower means for each variable. They discovered that only competency characteristics exhibit significant discriminating coefficients in terms of export growth, and that enterprises experiencing export growth (high performers) have more experience than bad performers (Dean, et al., 2000).

Degu Setegn Bekele, Navjot Kaur (2018)'s study has revealed firm characteristics indicators (firm size in terms of full time employees, the age of the companies, duration of foreign experience, capital origin of the firms) in relation with export success in the context of Ethiopian exporters. The major goal of this study was to analyze the significant association between firm's characteristics and export performance of the firm. Quantitative research was carried out using a survey employing a questionnaire, with 389 sample exporters participating, resulting in an 88 percent response rate. Primary data has collected from each stratum using systematically selected key informants like CEO and top executives with extensive understanding of the company's export operations. Descriptive statistics, correlation, and multiple regressions were employed as tools of data analysis. According to the study's findings, there is a link between firm characteristic indicators and export performance, and the adjusted regression result suggests that firm characteristic indicators should explain 52 percent of the variation in export performance. The most influential factor in the regression was the firm's foreign exporting experience (beta =.178), followed by the firm's capital origin. For these reasons, it has been suggested that firms receive continuous and productive international trade training for their CEOs and experts; that firms have a sufficient number of educated, trained full-time employees; and that Ethiopian investment policy allow and encourage foreign firms (firms with significant capital, resources, or international experience or capabilities) who want to be involved on a long-term basis.

Firm characteristics and capabilities are a major source of a company's competitive advantage and are critical to the company's long-term existence (Chen et al., 2016). The size, export experience, international competency, and technology of enterprises are examined as characteristics and capability in this study. The results of previous studies demonstrate that a firm's characteristics and competencies are crucial variables in its export performance (Mysen, 2013; Zou & Stan, 1998)

H1: Firm's characteristics have a significant and positive effect on export performance.

2.3.2 Management characteristics

Research conducted by Madsen (1998) and Axinn (1988) has confirmed that some objective characteristics like education, mastering a foreign language can influence attitudes towards export. Command of foreign language give a manager some advantages, it can be important in that meaning that it can simplify creating personal contacts or contacts with possible business partners, develop relations with existing customers (Leonidou et al, 1998) and characteristics, such as a manager's international experience, can be critical for better export. They consider that a manager's international experience help to prevent a company from risks or give a company benefits in connection to doing business abroad. According to Zou and Stan (1998), when they have summarized previous investigations about managerial perceptions and attitudes, they found that a manager's export commitment plays a key role for export performance. They concluded as well that being international oriented creates a favorable precondition for profitable export.

Capacity for innovation and worldwide knowledge, on the other hand, are two characteristics usually related with some organizations' export procedures (Oura, 2016). Firms from developing countries, on the other hand, appear to benefit from internationalization in ways that are different from those experienced by corporations in affluent countries. The findings revealed that worldwide experience has a greater impact on EP than innovative capabilities, underlining the importance of novelty in firms' export attempts (Oura, 2016).

According to a study conducted by (Viktorina Sorokina, 2012) that focused on various aspects that can influence Swedish companies' export performance to the Russian market. Two interviews were conducted as part of the qualitative approach used in the research. The study's findings can serve as a guide for Swedish businesses that already export or are considering doing so in Russia. As a foundation for this thesis, a number of previous studies on effective export and the challenges to it have been examined. The empirical data gathered for this study either verified or refuted some of the prior conclusions. The following conclusions were drawn from the current study about the impact of internal factors: firm size has no bearing on a company's ability to export. However, a company's international competency, export expertise, and local business network in a foreign market are critical. Managerial qualities and social networks revealed to be significant as well for successful export.

Stoian et al. (2011) studied the export performance of 146 Spanish exporters was investigated, they developed a theoretical framework based on the resource based view of a company and put it to the test using regression analysis. They came to the conclusion that management characteristics such as managers' international language abilities, global business expertise, and the firm's dedication to exporting are the most significant considerations of export performance and the studies revealed that greater Export performance outcome necessitate a higher level of managerial commitment.

The managers' education background, knowledge and experience have considerable beneficial effects on EP (Love et al., 2016). Zhou et al. (2007) show that Utilizing social network connections, firms' expertise and knowledge could be increased, boosting inward and external internationalization, notably export practices. When Zou and Stan (1998) summarized previous research on managerial views and attitudes, they discovered that a manager's commitment to export plays a critical influence in export performance. They also came to the conclusion that being internationally focused generates a favorable environment for profitable export. Perceived export obstacles on the other hand might contribute to a low perception of export success, and they concluded by suggesting that managerial qualities have a substantial impact on export performance.

H2: Management characteristics have significant and positive effect on export performance.

2.3.3 Export Marketing Strategic Capabilities

According to studies, committed exporting is reliant on ongoing distribution arrangements and frequent trips to overseas agents. Clearly, strategies on 4-ps are devised in order to deliver higher value to customers. When developing marketing strategies, the 4-ps (Product, Price, Distribution, (Place), Promotion, and Service) are targeted towards the target market (Kotler, 2004). Distribution strategies, such as the employment of intermediaries and strategic partnerships, are linked to export commitment, according to previous study by Aaby et al. (1989); Cavusgil et al. (1994).

Furthermore, many researchers (Zou and Stan (1998); Madsen 1987) have confirmed the relationship that the ability of a firm to undertake international marketing research for development and the ability of a firm to use it has a beneficial impact on export sales, growth,

and ultimately export performance. According to (Leonidou ET. al. (2002), superior export performance is linked to product adaptability. It comprises the firm's ability to adapt prices and provide lower prices (i.e. penetration pricing strategy which are both related positively to export performance, and promotion adaptability is also highly linked to export success (Zou and Stan, 1998).

According to (Muhammad Suhail Nazar, 2009)'s research on firm level determinants of export performance, level of practical understanding and export marketing strategic capabilities International marketing research, as well as product, price, and promotion capabilities, are all important factors in a company's export performance.

Studies on Determinants of Export marketing performance, in Addis Ababa (Addis, 2019): the case of Ethiopian pulses, oilseeds, and spices exporters. the factors studied using mixed research approach, and the findings are only institutional support related factors were found statistically significant that affects export performance while characteristics of export marketing characteristics export product characteristics, and use of export market strategy, firm/managerial characteristics are insignificant.

Inconsistent results have been found in studies on the impact of strategy adaptation on company performance (Zou & Stan, 1998). Some researchers argue that adaptability improves a company's prospects of success and export performance (Styles and Ambler, 1994). Others, however contend that adaptation is effective for certain but not all aspects of a company's marketing approach. Firm factors have a beneficial impact on export performance, according to empirical evidence (Doole et al., 2006).

H3: Export marketing strategic capabilities have a significant and positive effect on export performance.

2.4 Conceptual framework

As the study aimed to investigate the factors influencing the export performance of Marginpar Ethiopia plc by establishing dimensions to export performance (dependent variable) with Firm characteristics, management characteristics and Export marketing strategic capabilities as independent variables, the Conceptual framework is represented as follows:

The conceptual framework (Figure 1) was adopted from the studies of (Monteiro, Moreira & Sousa 2013), Nazar and Saleem, (2009), Sousa et.al, (2016), Zou and Stan (1998). The framework depicts the influence of internal factors (firm level factors) influencing the export performance.

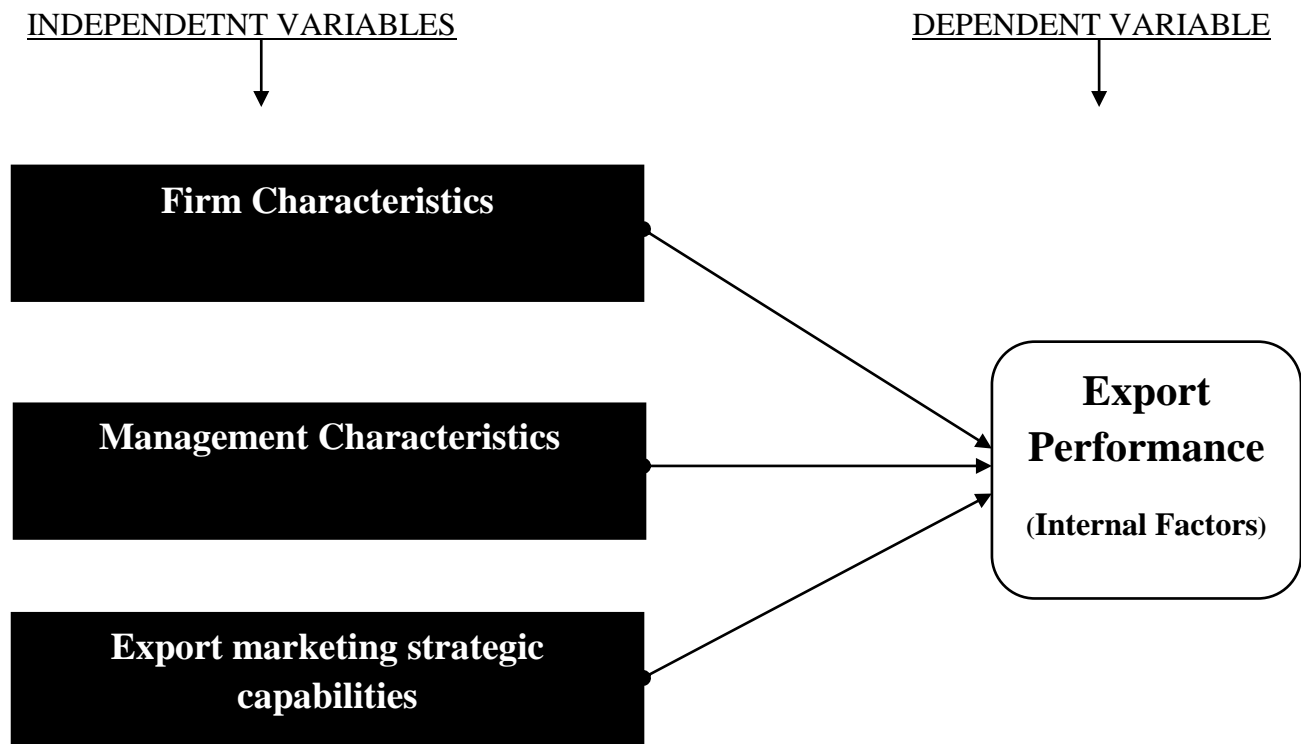


Figure 1, Conceptual framework of the study

Source: Nazar and Saleem, (2009), Sousa et.al, (2016), Zou and Stan (1998)

Chapter Three

3.1 Research Design and Methodology

The overall procedures of the research in terms of its design, data collection, analysis and other related aspects is discussed on this section.

3.2 Research Paradigm

The study followed a deductive approach. Most people usually identify scientific enquiry with a deductive approach to research. They utilize the same phases as inductive research, but they will reverse the order/direction, moving from general to more specific levels. The researcher studies what others have done, reads existing theories of whatever phenomenon is studying, and then tests hypotheses that emerge from those theories. Deductive reasoning aims at testing existing theory so the research utilized a deductive reasoning paradigm. (Raimo Streefkerk, 2019)

3.3 Research approach

To conduct this study, the researcher utilized a quantitative research approach to investigate the elements that influence Marginpar Ethiopia plc's export performance, because quantitative research, according to Creswel (2003), is a method for investigating the relationship between variables in order to test objective theories. Instruments can then be used to measure these variables, resulting in numbered data that can be analyzed using statistical methods. It entails investigations that use on statistical analysis and theories to reach at their conclusions.

3.4 Research design

The study employed an explanatory research design to investigate the factors that influence Margin par Ethiopia plc's export performance. To achieve the study's goal, the researcher adopted an explanatory research design because it's important to consider the factors that influence Margin par Ethiopia plc's export performance, as well as the link between the independent and dependent variables since Explanatory research looks at the causes and effects of a variety of variables as Uma S. and Roger B., (2016) states that an Explanatory study is undertaken to seek and clarify relationships between various components of the subject of study.

3.5 Sampling Design

The technique or procedure used by the researcher to choose items for the sample is referred to as a sample design. A sample design is a method for selecting a representative sample from a population. (Kothari et al., 2004).

3.5.1 Target Population

All the factors under consideration in any field of inquiry make constitute a 'universe' or 'population.' It is reasonable to assume that when all of the objects are covered, there is no element of uncertainty left, and the superior accuracy is reached (Kothari, 2004).

The study's target populations were Margin par Ethiopia plc's permanent employees, with the total target population for this study being defined as the employees of Margin par Ethiopia plc (Margin par Ethiopia, Simba, and Larca firms), which are more than 1135 employees collectively, based on the size of the total population, based on the population a sampling frame were derived.

3.5.2 Sampling Frame

The confidence interval approach was used to calculate the sample size for this investigation. The total population of the study was 1135, but 145 respondents were chosen as a sampling frame because they are represented as top executives, managements, and affiliated bodies and are in the best position to deliver the information needed and have extensive understanding to provide the information required on the firm's export operations.

3.5.3 Sampling technique

The goal of the sampling techniques is to use various approaches to choose a representative group from the population under investigation. A sample is a group of participants who involves in a particular study. Purposive sampling is a non-probability sampling strategy in which "items chosen for the sample are selected based on the researcher's judgment, people in the best position to offer the relevant information." Researchers frequently feel that by applying sound judgment, they can acquire a representative sample and save time and resources" (Saunders et al., 2012). To select management members and professionals from various departments inside the firms, a purposeful sampling technique was utilized. As a result, this study included managements, experts, professionals, and other affiliated firm personnel as samples.

3.5.4 Sample size

Since the population size of the study is finite and defined as management related bodies on various areas, export experts, professionals, and affiliated bodies, the research employed Tamaro Yamane's method to establish the sample size from a given targeted population, since statistician Tamaro Yamane (1967) developed a method for sample size computation. The sample size determination formula were employed to calculate the sample size (n) given the population size (N) and a margin of error (e) which is computed as $(n = N / (1+N (e)^2))$, the sample size derived from the population size of the study is as follows. (Yamane, 1967)

With the confidence level of 95 percent (an alpha level of 0.05)

A 95% confidence level, and $e = \pm 5\%$

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

Where

n = the sample size

N = the population size

1 = defines the probability of the event occurring

e= the level of precision (Sampling error).

So N population size = (145)

e= 5 % (0.05)

$$145 / (1 + 145 * (0.05)^2) = 106.422018348$$

Round 106.422018348 to a whole number (107), to avoid a fraction sample.

$$106.422018348 = \mathbf{107}$$

- So by applying the sample determination formula as computed above, the sample size of the study becomes **107**.

3.5.5 Sampling procedure

Management and affiliated bodies, such as export experts, top executives, and management bodies from various departments, were taken into consideration for the study by utilizing a purposive sample method. The researcher distributes and collects the specified sample size from the selected sample size frame using the purposive sampling methodology, which is a sort of non-probability sampling that is best effective when researching a specific cultural domain with experienced experts.

3.6 Sources of Data

Primary and secondary data collecting methods are the two types of data collection procedures.

- Primary source: were gathered through the use of closed-ended questionnaires administered to actual participants, including executives, managers, export experts, and professionals.
- Secondary source: To make the study more productive, secondary data from a collection of books, websites, journals, articles, and literatures were explored.

3.7 Data collection procedures

Prior to distributing the questionnaires, a pilot survey (preliminary study) was conducted to reveal the questionnaires' weaknesses (if any) and to assist in determining the appropriate group of respondents. According to Hill (1998), 10 – 30 participants for pilots in survey research is a reasonable range. Since the study's sample size is 107, a pilot study was conducted using survey techniques by distributing questionnaires and attempting to distinguish ambiguous questions to the majority of the respondents. The questions were then rewritten to ensure that every respondent clearly understood what the questions meant before the survey was fully made its debut. Because the surveys were sent to respondents by hand and through social media platforms, a conventional telephone follow-up was done. The pilot and the final items of the questionnaires completed the reliability and validity testing. The responses received during the pilot test were not part of the actual study process and were only used for testing purposes.

3.8 Data Collection methodology

Data collection is a method of collecting observations or measurements in a methodological way. Data collecting allows the researcher to get first-hand knowledge and unique insights into the problem statement, whether the researcher is conducting research for commercial, public, or educational objectives, Pritha Bhandari, (2020). A survey questionnaire was used to obtain data from a sample size of 107 respondents for the study.

3.9 Data collection instrument

To measure variables, the researcher employed measures derived from prior related studies that have been demonstrated to be valid. Tuba and Selcuk, (2005), Levi, (2012), Yudi et al, (2017), and Diamantopoulos and Kakkos, (2007) were used with slight modifications. As a data collection tool, a survey questioner was utilized, and on a five - point Likert scale method, all statements in the questionnaire were rated (Likert, R., 1932).

3.10 Data analysis methods

The final outcome from the survey was collected and then analyzed with spss version 20 before being interpreted. The most crucial part of every study is data analysis and the information gathered is summarized throughout the data analysis phase. It involves applying analytical and logical reasoning to data to find patterns, correlations, and trends. It's also a method for acquiring raw data and translating it into information that people can utilize to make decisions.

The ultimate data collected through questionnaires was analyzed and presented in the form of figures, and tables using SPSS software version 20 for Windows. The research included both descriptive and inferential data analysis. On several dimensions of the evaluation system, descriptive statistics were used for the presentation, interpretation, and discussion sections. In addition, inferential statistics were used, multiple regression and Pearson correlation analysis were also used to examine the link between the independent variables (management characteristics, firm characteristics, and export marketing strategic capabilities) and the dependent variable (export performance). The study's findings are presented using frequency tables, figures, and percentages.

3.11 Validity and reliability

Validity and reliability are crucial features of research technique that include survey/questionnaire accuracy and consistency. This section discusses the validity and reliability of the survey.

3.11.1 Validity

Validity refers to the degree to which a concept can be accurately measured in a quantitative study. The validity of the information acquired refers to how well it is related to the investigation. "Assessing what is intended to be done" is how validity is defined (Field, 2005). The research adviser inspected and verified the validity of the questionnaire by assessing the applicability of the items in the survey for each factor and measurement scale and the validity of the instrument was confirmed to be valid.

3.11.2 Reliability

Reliability refers to the extent to which a measurement of a phenomenon generates a stable and consistent outcome. Because it concerns the constancy of a measuring instrument's parts, reliability testing is essential. If the items on a scale "hang together" and measure the same concept, it is considered to have a high internal consistency dependability (Huck, 2007). Internal consistency is measured using the Cronbach Alpha coefficient, which is the most extensively used internal consistency statistic. When using Likert scales, it is regarded as the most acceptable measure of dependability (Whitley, 2002, Robinson, 2009). The Cronbach alpha coefficient metric was used in this research and the study resulted that, it is reliable.

3.12 Research Ethics

In any research, ethical issues are critical. Before commencing to distribute questionnaires, the research participants who were included in this study were adequately informed about the study's purpose and their willingness and consent were obtained. The respondents' anonymity and confidentiality, as well as their responses, were carefully considered and kept confidential.

Chapter Four

4.1 Data Analysis and Research Findings

The aim of the research is to investigate into the factors that influence Marginpar Ethiopia plc's export performance at the firm level. Responses were inputted into SPSS tool and then descriptive and inferential statistics were analyzed respectively.

4.2 Questionnaire Response Rate

To conduct the particular study 107 questioners were distributed to management and affiliated staffs of the firm, but 98 questioners were replied and 3 of them were incomplete and were omitted from the study. The overall response rate for the survey was 88.78 percent. As a result, the study's analysis is based on 95 valid responses from the respondents.

Table 1, Response rate of respondents

Number of Respondents	107
Questioners Returned	98
Questioners Completed	95
Response Rate	88.78 %

Source: Survey Data (June, 2021), SPSS v. 20

The validated data that were conducted were inputted in to the statistical tool SPSS Version 20 and then descriptive and inferential statistics were analyzed respectively and they are depicted as follows:

4.3 Data Reliability Test

The internal consistency of the research instrument is the subject of reliability analysis. The Cronbach's Alpha reliability test was conducted for the study in order to ensure internal consistency between the elements included on each scale. The Cronbach's alpha reliability coefficient is usually between 0 and 1. For the scale to be reliable, the satisfactory value must be more than 0.6, the closer Cronbach's alpha coefficient is to 1.0, and the more consistent the items on the scale are internally. (Joseph & Rosemary, 2003).

In this study multiple items (independent variables) were used to measure the factors influencing the export performance, so the items in the scales were subjected to reliability testing using Cronbach's coefficient alpha to determine the internal consistencies and the overall reliability

scale is .906 meaning that since it is closer to the value of 1.0, It has a high level of consistency and reliability.

Table 2, Reliability test of the variables

Variables	N	Cronbach's Alpha	No. of Items
Firm Characteristics	95	.840	7
Management Characteristics	95	.917	7
Export Marketing Strategic Capabilities	95	.851	8
Export Performance	95	.930	5
Total Reliability Scale		.906	27

Source: Survey Data (June, 2021), SPSS v. 20

4.4 Demographic Characteristics of Respondents

The demographic profile of the organization under investigation is presented in this chapter. The data collected to achieve the research goals is gathered from participants with a wide range of demographic characteristics. Therefore, the demographic variables about the respondents were is presented as follows, from 95 respondents 63 (66.3 %) were males and the remaining 32(33.7%) were females which indicates that male participants make up the majority of the respondents. From the Age group 3(3.2%) are below 25 years, 35 (36.8 %) are between 26 – 35 years, 39(41.1%) are between 36 – 45 years and 18(18.9%) are more than 46 years. This obviously demonstrates that the management and affiliated bodies of the firms' workforce is made up of middle-aged and adult employees.

Based on education level, 13(13.7 %) respondents are College Diploma owners with 69(72.6 %) Degree owners and 11(11.6 %) are MA/MSc owners with 2 (2.1 %) of PhD holders. This reveals that the majority of responders have a strong academic background, indicating that they are capable of comprehending the impact of firm-level elements on the export industry in order to meet the desired outcomes.

On the having a foreign language ability other than English part, 10 (10.5 %) of the responders have the ability to communicate in a language other than English and 85 (89.5 %) of the responders have no capability on foreign language besides English, meaning that relatively a

limited number of management and affiliated bodies speaks multi languages. On experience level of the responders in the sector 18(18.9 %) respondents have an experience of less than 5 years, 24 (25.3%) have between 5 up to 10 years of experience, 43(45.3%) respondents with 10 up to 15 years of experience and finally 10 (10.5%) Respondents have a combined experience of more than 15 years, which shows that the respondents have more than ten years of experience in the industry. Related to experience on traveling abroad for commercial purpose in the previous five years, 46(48.4 %) respondents had not traveled abroad with 24 (25.3 %) respondents traveled between 1 and 3 times and 15 (15.8 %) respondents between four and six times and 10(10.5 %) with over six times, participants have traveled abroad, this indicates that the majority of the respondents had traveled overseas on business, a few management and affiliated bodies with more travel experience than the others.

Therefore, the above interpretations indicated that most of the respondents have the acquired appropriate experience level on the sector, education level with reasonable level of language proficiency that are able to respond the survey with a greater understanding of their firm's export performance activities.

Table 3, Demographic Characteristics of Respondents

	<i>Items</i>	<i>Frequency</i>	<i>Percent</i>
Gender	Male	63	66.3
	Female	32	33.7
	Total	95	100
Age Group	Less than 25 years	3	3.2
	26 - 35 years	35	36.8
	36 - 45 years	39	41.1
	More than 46 years	18	18.9
	Total	95	100
Education	College Diploma	13	13.7
	Degree	69	72.6
	MA/MSC	11	11.6
	PhD	2	2.1
	Total	95	100
Foreign Language	Yes	10	10.5
	No	85	89.5
	Total	95	100
Export Sector Experience	Less than 5 years	18	18.9
	5 – 10 Years	24	25.3
	10 - 15 years	43	45.3
	More than 15 years	10	10.5
	Total	95	100
Travel Abroad	None	46	48.4
	Between 1 – 3	24	25.3
	Between 4 – 6	15	15.8
	More than 6	10	10.5
	Total	95	100

Source: Survey Data (June, 2021), SPSS V.20

4.5 Descriptive Analysis of the Study Variables

The independent variables in this part of the descriptive analysis of factors impacting export success includes (Firm characteristics, Management characteristics and Export Marketing strategic Capabilities) and dependent variable which is Export Performance is presented. The min., max. , Mean and Standard deviation for all the constructs are depicted. A mean score of 3.80 and above shows a high level of agreement and those between 3.40 and 3.79 are considered to be moderate level of agreement and mean score that is less than 3.40 displays a low level of Agreement based on (Akmaliah, 2009)

4.5.1 Descriptive Analysis of Firm Characteristics

The first question regarding firm characteristics was if the size of a corporation has an effect on its export performance, strongly disagree has been responded with 1(1.1) person and disagree has been responded with 14(14.7) respondents and 28(29.5) respondents reply neutral, 18(18.9) agreed and lastly 18(18.9) strongly agreed with a mean of 3.57 and a standard deviation of .996 on the subject.

About the age of the firm influencing the company's export performance 2(2.1) respondents strongly disagreed with 13(13.7) of them disagreed and 27(28.4) pointing neutral with 34(35.8) responders agreed with 19(20) strongly agreed in a mean and standard deviation of 3.58 and 1.027 respectively.

Relating to the level of technology and innovation utilized by the firm affects its export performance 1(1.1) respondent strongly disagreed with the question, 8(8.4) respondents disagreed and 36(37.9) respondents remain neutral with 26(27.4) agreed on the specified subject and 24(25.3) of the responders strongly agreed with a mean and a standard deviation of 3.67 and .983 respectively.

On if the firm's production efficiency is favorable to an improved export performance question, 1(1.1) responder strongly disagree with the question and 14(14.7) respondents agreed and 28(29.5) remain neutral and 34(35.8) respondents agreed and 18(18.9) of the respondents strongly agreed in a mean value of 3.57 and a standard deviation of .996.

Firm's financial resource capabilities are adequate, on this construct 2(2.1) of the responders strongly disagreed and 12(12.6) of the participants disagreed and 32(33.7) remain neutral and 33(34.7) respondents agreed and finally 16(16.8) respondents strongly agreed with a mean and a standard deviation of 3.52 and .998.

Concerning if the firm grant and takes special attention on R&D to enhance its export performance, 4(4.2) respondents strongly disagree with 12(12.6) respondents agreed and 27(28.4) remain neutral and 36(37.9) of the respondents agreed and 16(16.8) of the responders strongly agreed with a mean and a standard deviation of 3.51 and 1.051 respectively.

About the firm's involvement in a business network regularly to an improved export performance, 20(21.1) responders disagreed with the subject and 25(26.3) remain neutral with 34(35.8) respondents agreed and finally 16(16.8) respondents strongly agreed with a mean and a standard deviation of 3.48 and 1.009.

Table 4, Percentage Statistics of Firm Characteristics

Firm Characteristics (FC)	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
The size of the firm has an impact on the company's export performance	1(1.1)	14(14.7)	28(29.5)	34(35.8)	18(18.9)	3.57	.996
The age of the firm influences the company's export performance	2(2.1)	13(13.7)	27(28.4)	34(35.8)	19(20)	3.58	1.027
The level of technology and innovation used by the firm affects its export performance	1(1.1)	8(8.4)	36(37.9)	26(27.4)	24(25.3)	3.67	.983
The firm's production efficiency is favorable to a better export performance	1(1.1)	14(14.7)	28(29.5)	34(35.8)	18(18.9)	3.57	.996
The firm's financial resources capabilities are adequate	2(2.1)	12(12.6)	32(33.7)	33(34.7)	16(16.8)	3.52	.988
The firm grant and takes special attention on R&D to enhance its export performance	4(4.2)	12(12.6)	27(28.4)	36(37.9)	16(16.8)	3.51	1.051
The firm involves in a business network regularly to an improved export performance	-	20(21.1)	25(26.3)	34(35.8)	16(16.8)	3.48	1.009

Source: Survey Data (June, 2021), SPSS v. 20

Table 5, Mean & Std. Dev. Statistics of Firm Characteristics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Firm Characteristics	95	1.71	5.00	3.5564	.71958
Valid N	95				

Source: Survey Data (June, 2021), SPSS v. 20

Total mean was determined to be 3.5564 with a standard deviation of 0.71958, indicating that the respondents have a moderate level of agreement on its impact on export performance.

4.5.2 Descriptive Analysis of Management Characteristics

Regarding the management characteristics variable the first question was whether managements have a good level of perception towards competitiveness, 1(1.1) person strongly disagrees where 6(6.3) respondents disagree with 19(20.0) respondents reply neutral with 39(41.1) agreed and finally 30(31.6) respondents strongly agreed on the subject matter and a mean and standard deviation is 3.96 and .933 respectively.

On whether Management's level of commitment towards exporting is satisfactory 7(7.4) of them disagreed and 24(25.3) pointing neutral, 31(32.6) respondents agreed with 33(34.7) respond strongly agreed and the mean of the subject is 3.95 and standard deviation is .949. Relating to if the firm's management has sufficient international market knowledge 9(9.5) respondents disagreed with 19(20.0) of the respondents remain neutral on the subject matter and 35(36.8) of the respondents agreed and finally 32(33.7) respondents respond strongly agreed. and the mean and standard deviation for if the firm's management has sufficient international market knowledge is 3.95 and .961 consequently.

On the subject of, if the firm's Management has the ability to perceive threats and opportunities timely and act accordingly 6(6.3) respondents respond disagree and 24(25.3) remain neutral and 36(37.9) respondents reply agreed and 29(30.5) respondents strongly agreed. The mean and the standard deviation is 3.93 and .902 consequently. On if the firm's management has an adequate educational background, 1(1.1) respondent responds strongly disagreed and 8(8.4) respondents stated agree and 19(20.0) remain neutral and 30(31.6) respondents respond agree and finally 37(38.9) respondents respond strongly agree and the mean and the standard deviation of the construct is 3.99 and 1.016 consequently.

When asked if the company invests enough resources to pursue export activities, the respondents said as follows, 10(10.5) respondents stated disagree and 22(23.2) respondents remain neutral and 30(31.6) respondents reply agreed and 33(34.7) respondents pinpoint strongly agreed and the mean of the construct is 3.91 and standard deviation of the construct is 1.001. About if the firm's management bodies has proficiency in foreign languages, 1(1.1) respondent strongly disagreed with 9(9.5) respondents stated agreed and 18(18.9) remain neutral with 39(41.1) respondents reply agreed and 28(29.5) of the respondents respond strongly agreed and the mean and the standard deviation of the constructs are 3.88 and .977 consecutively.

Table 6, Percentage Statistics of Management Characteristics

Management Characteristics (MC)	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std.Dev
Managements have a good level of perception towards competitiveness	1(1.1)	6(6.3)	19(20.0)	39(41.1)	30(31.6)	3.96	.933
Management’s level of commitment towards exporting is satisfactory	-	7(7.4)	24(25.3)	31(32.6)	33(34.7)	3.95	.949
Firm’s management has sufficient international market knowledge	-	9(9.5)	19(20.0)	35(36.8)	32(33.7)	3.95	.961
Firm’s Management has the ability to perceive threats and opportunities timely and act accordingly	-	6(6.3)	24(25.3)	36(37.9)	29(30.5)	3.93	.902
Firm’s management has adequate educational background	1(1.1)	8(8.4)	19(20.0)	30(31.6)	37(38.9)	3.99	1.016
Your firm allocates sufficient resources to pursue export operations	-	10(10.5)	22(23.2)	30(31.6)	33(34.7)	3.91	1.001
Firm’s management bodies has proficiency in foreign languages	1(1.1)	9(9.5)	18(18.9)	39(41.1)	28(29.5)	3.88	.977

Source: Survey Data (June, 2021), SPSS v. 20

Total mean was determined to be 3.9368 with a standard deviation of 0.78736, indicating that the respondents have a high level of agreement on its impact on export performance.

Table 7, Mean & Std. Dev. Statistics of Management Characteristics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Management Characteristics	95	1.57	5.00	3.9368	.78736
Valid N	95				

Source: Survey Data (June, 2021), SPSS version 20

4.5.3 Descriptive Analysis of the Export marketing strategic capabilities

The first issue under export strategic marketing capabilities was whether the firm has a favorable product adaptation capability; 1(1.1) person strongly disagrees, 12(12.6) respondents disagree, 30(31.6) respondents respond neutrally, 32(33.7) respondents agree, and finally 20(21.1) respondents strongly agree with a mean and standard deviation of 3.61 and .992. In terms of whether the firm has a favorable pricing adaptation capability, 3(3.2) respondents strongly disagreed, with 12(12.6) disagreeing, 23(24.2) pointing neutral, and 32(33.7) respondents agreeing with 25(26.3) strongly agreeing, for a mean score of 3.67 and standard deviation of 1.096. Concerning whether the company adapts its channel design to efficiently serve the export market, 9(9.5) respondents disagreed, 29(30.5) respondents are neutral, 36(37.9) respondents agreed, and 21(22.1) respondents strongly agreed, with a mean of 3.73 and a standard deviation of .916.

About if the firm undertakes an intensive promotion strategy on overseas market 2(2.1) respondents pinpoint strongly disagreed and 17(17.9) responders reply disagree and 25(26.3) remain neutral and 31(32.6) respond agree and 20(21.1) strongly agreed and the mean and the standard deviation of the construct are 3.53 and .1080. on the other hand if the company has put in place clear strategies that helps the firm to expand export markets over the years question, 1(1.1) respondent reply strongly disagree and 13(13.7) respondents respond agreed and 30(31.6) remain neutral and 32(33.7) respondents stated agree and finally 19(20.0) respondents strongly agreed. The mean and standard deviation of the construct are 3.58 and .996 consecutively. On the other hand if there is a strategic decision making trend by top level management 3(3.2) of the respondents respond strongly disagree and 18(18.9) responders disagreed and 25(26.3) remain neutral and 33(34.7) respondents respond agree and 16(16.8) respondents strongly agreed and the mean value and standard deviation are 3.43, 1.078 respectively.

On the other hand if the firm effectively executed the actions detailed in the export marketing plan, 3(3.2) respondents replied strongly disagree and 14(14.7) respondents stated agree and 29(30.5) remain neutral and 32(33.7) responders agree and finally 17(17.9) responders strongly agree with the subject matter and the value of mean and standard deviation is 3.48 and 1.050 respectively. Concerning if the firm regularly measures the export performance against set export targets 1(1.1) respondent strongly disagrees and 15(15.8) respondents replied disagree and 29(30.5) remain neutral and 32(33.7) responders agreed and finally 18(18.9) respondents strongly agreed in a mean and standard deviation value of 3.54 and 1.009 consequently.

Table 8, Percentage Statistics of Export Marketing Strategic Capabilities

Export Marketing Strategic Capabilities (EMSC)	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std.Dev
There is a favorable capability of product adaptation in the firm	1(1.1)	12(12.6)	30(31.6)	32(33.7)	20(21.1)	3.61	.992
There is a favorable capability of pricing adaptation in the firm	3(3.2)	12(12.6)	23(24.2)	32(33.7)	25(26.3)	3.67	1.096
The firm adjusts its channel design to export market efficiently	-	9(9.5)	29(30.5)	36(37.9)	21(22.1)	3.73	.916
The firm undertakes an intensive promotion strategy on overseas market	2(2.1)	17(17.9)	25(26.3)	31(32.6)	20(21.1)	3.53	1.080
The company has put in place clear strategies that helps the firm to expand export markets over the years	1(1.1)	13(13.7)	30(31.6)	32(33.7)	19(20.0)	3.58	.996
There is a strategic decision making trend by top level management (executives)	3(3.2)	18(18.9)	25(26.3)	33(34.7)	16(16.8)	3.43	1.078
The firm effectively executed the actions detailed in the export marketing plan	3(3.2)	14(14.7)	29(30.5)	32(33.7)	17(17.9)	3.48	1.050
The firm regularly measures the export performance against set export targets	1(1.1)	15(15.8)	29(30.5)	32(33.7)	18(18.9)	3.54	1.009

Source: Survey Data (June, 2021), SPSS v. 20

Total mean was determined to be 3.5711 with a standard deviation of 0.71984, indicating that the respondents have a moderate level of agreement on its impact on export performance.

Table 9, Mean & Std. Dev. Statistics of Export Marketing Strategic Capabilities

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Export Marketing Strategic Capabilities	95	1.50	5.00	3.5711	.71984
Valid N	95				

Source: Survey Data (June, 2021), SPSS v. 20

4.5.4 Descriptive analysis of Export Performance

The first question in the section on export performance was whether the firm's export sales have been growing rapidly; 6(6.3) respondents disagreed, 30(31.6) respondents responded neutrally, 37(38.9) respondents agreed, and finally 22(23.2) respondents strongly agreed on the subject matter, with a mean and standard deviation of 3.79 and .874 consecutively. About whether the firm's export performance has considerably enhanced its foreign market share, 4(4.2) respondents disagreed, with 29(30.5) indicating neutral, and 33(34.7) respondents strongly agreed, with a mean and standard deviation of 3.92 and .883 respectively. Regarding if the export performance has improved the firm's profitability 5(5.3) respondents disagreed with 33(34.7) respondents are neutral and 33(34.7) respondents agreed and 24(25.3) respondents strongly agreed with a mean and standard deviation of 3.80 and .882. Concerning if the firm's export performance in terms of strategic goals is achieved 5(5.3) respondents disagreed and 24(25.3) are neutral with 39(41.1) respondents agreed and 27(28.4) of the respondents strongly agreed with a mean and a standard deviation of 3.93 and .866 respectively. On the Overall satisfaction of respondents with the firm's export performance, 3(3.2) respondents disagreed and 27(28.4) are neutral with 34(35.8) respondents agreed and 31(32.6) respondents strongly agreed with a mean and a standard deviation of 3.98 and .863 respectively.

Table 10, Percentage Statistics of Export Performance

Export Performance(EP)	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. Dev
The firm's export sales growth has been growing rapidly	-	6(6.3)	30(31.6)	37(38.9)	22(23.2)	3.79	.874
Firm's export performance has significantly improved its international market share	-	4(4.2)	29(30.5)	33(34.7)	29(30.5)	3.92	.883
Our export performance has increased the firm's profitability	-	5(5.3)	33(34.7)	33(34.7)	24(25.3)	3.80	.882
The firm's export performance in terms of strategic goals is achieved	-	5(5.3)	24(25.3)	39(41.1)	27(28.4)	3.93	.866
Overall you are satisfied with the firm's export performance	-	3(3.2)	27(28.4)	34(35.8)	31(32.6)	3.98	.863

Source: Survey Data (June, 2021), SPSS v. 20

Total mean was determined to be 3.8821 with a standard deviation of 0.77212, indicating that the respondents have a high level of agreement on its impact on export performance.

Table 11, Mean & Std. Dev. Statistics of Export Performance

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
Export Performance	95	2.00	5.00	3.8821	.77212
Valid N	95				

Source: Survey Data (June, 2021), SPSS v. 20

4.6 Inferential Analysis

To define whether there is a statistically significant relationship among the dependent and independent variables, the study utilized Pearson correlation and commenced multiple regression analysis after assumption tests.

4.6.1 Pearson Correlation Analysis

The correlation between the independent variables that are Firm Characteristics, Management Characteristics, and Export Marketing Strategic Capabilities and the dependent variable which is Export Performance was investigated by the utilization of Pearson correlation analysis. The correlation coefficient has a significance value of between -1 to 1, spanning from negatively correlated with a value of -1 to uncorrelated with a value of 0 and to positively correlate with a value of +1. A correlation that is close to the value of 1 can be denoted as a strong correlation and a correlation value close to 0 and a negative value is denoted as weak. The closer the correlation gets to 1 the stronger it becomes and the closer it gets to zero and negative the weaker it is. According to Field (2005), correlations below 0.3 are regarded weak, moderate correlations align between 0.3 & 0.7 are denoted as moderate, and strong correlations are higher than 0.7.

Table 12, Pearson Correlation Analysis

		Correlations			
		FC	MC	EMSC	EP
Firm Characteristics	Pearson Correlation	1	.637**	.695**	.678**
	Sig. (2-tailed)		.000	.000	.000
	N	95	95	95	95
Management Characteristics	Pearson Correlation	.637**	1	.724**	.752**
	Sig. (2-tailed)	.000		.000	.000
	N	95	95	95	95
Export Marketing Strategic Capabilities	Pearson Correlation	.695**	.724**	1	.767**
	Sig. (2-tailed)	.000	.000		.000
	N	95	95	95	95
Export Performance	Pearson Correlation	.678**	.752**	.767**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	95	95	95	95

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

Source: survey Data (June, 2021), SPSS v. 20

The Pearson correlation (r) values were all confirmed to be statistically significant at $P < 0.01$, indicating a dependable association, as indicated in the table 12. Between the dependent and independent variables, the level of relationship stretched from 0.678 to 0.767. The power of the correlation between Management characteristics (MC) and Export Marketing Strategic Capabilities (EMSC) regarding Export Performance (EP) was found to be strong, whereas the power of the correlation between Firm characteristics and Export Performance (EP) was discovered to be moderate.

Firm Characteristics with $r=0.678$ and $p < .001$, Management Characteristics with $r=0.752$ and $p < .001$, and Export Marketing Strategic Capabilities with $r=0.767$ and $p < .001$ are all strongly and positively linked with the dependent variable which is export performance.

Export Marketing Strategic Capabilities with $r=0.767$ and $p < .001$ Management Characteristics with $r=0.752$ and $p < .001$ and Firm Characteristics with $r=0.678$ and $p < .001$ are among the independent variables that have a positive and significant association with export performance. This indicates that internal/firm-level variables that are Firm characteristics, Management

Characteristics and Export Marketing Strategic Capabilities had a significant impact on the firms in evaluating their export performances.

4.6.2 Assumption Testing for Multiple Regression

Before commencing a regression analysis, certainty is needed if the data collected accurately represents the samples. If these assumptions are violated, the outcomes will be erroneous, and the researcher will not be able to achieve the best outputs. (Hair et al. 1998). Normality, Linearity, and Multicollinearity were the assumption tests which have been conducted before regression analysis was commenced.

4.6.2.1 Normal Distribution

Normality depends on the shape of a metric variable's data distribution and its connection to the normal distribution. The values of skewness and kurtosis statistics have been used to measure normality, as well as probability plots. Kurtosis is the flatness or peakiness of a distribution metric. Skewness is a measurement of a distribution's symmetry. (Anderson et.al; 1998)

According to George & Mallery (2010), the most frequently acceptable value for skewness and kurtosis distribution is ± 2 (between -2 and +2). For the converted and standardized data, all metrics of skewness and kurtosis value were found to be in the permissible range, as shown in Table 13.

Table 13, Normal Distribution

		Statistics			
		FC	MC	EMSC	EP
N	Valid	95	95	95	95
	Missing	0	0	0	0
Skewness		-.285	-.330	-.206	-.236
Std. Error of Skewness		.247	.247	.247	.247
Kurtosis		.086	-.303	-.150	-.633
Std. Error of Kurtosis		.490	.490	.490	.490

Source: survey Data (June, 2021), SPSS v. 20

All variables in the linear regression analysis must be multivariate normal, this assumption can superlative be verified by a histogram and a P-P Plot. Residual route will follow the diagonal thoroughly until the end if the distribution is Normal.

The P-P plot indicates that the residuals have a substantially normal distribution, as suggested by Hair et al. (1998). Since all the points are closely lied on the diagonal line from the bottom left to the bottom right based on the PP Plot diagram presented below on Figure 2, which puts forward that there is a normality in data distribution.

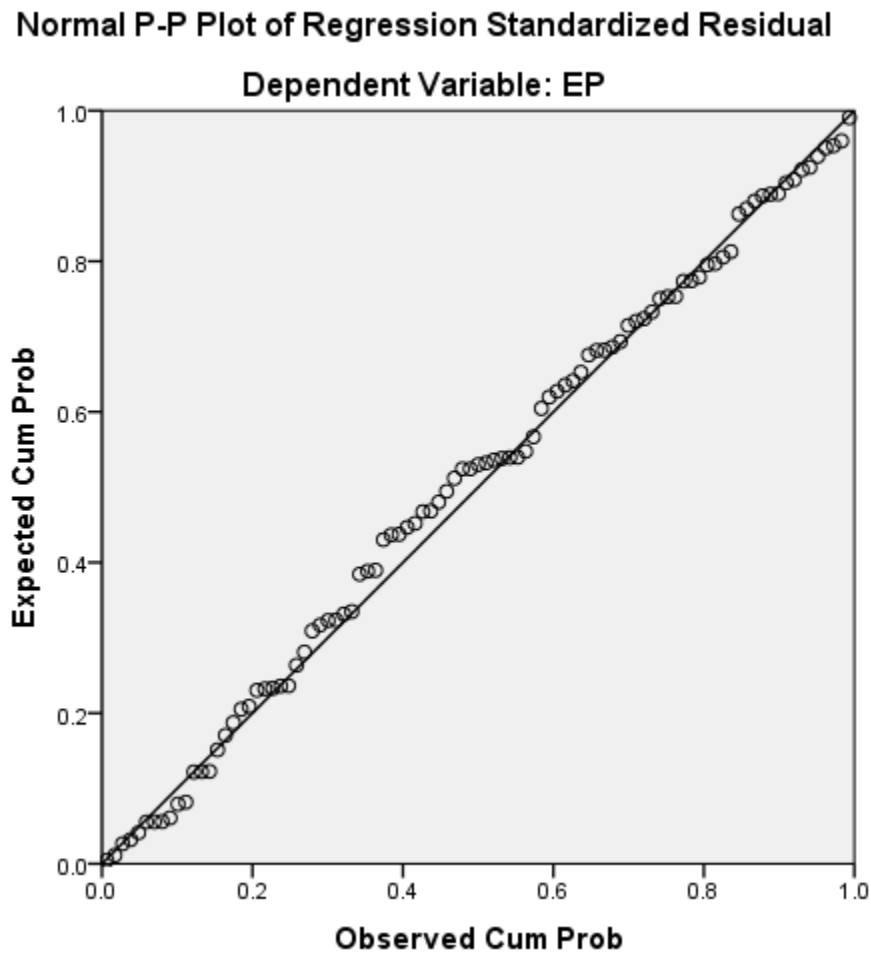


Figure 2, Normality p-plot of regression standardized residual

Source: Survey Data (June, 2021), SPSS v. 20

The test for normality assumption of the residual was performed with histogram also and the result tests showed that the residual is reasonably close to normally distribution.

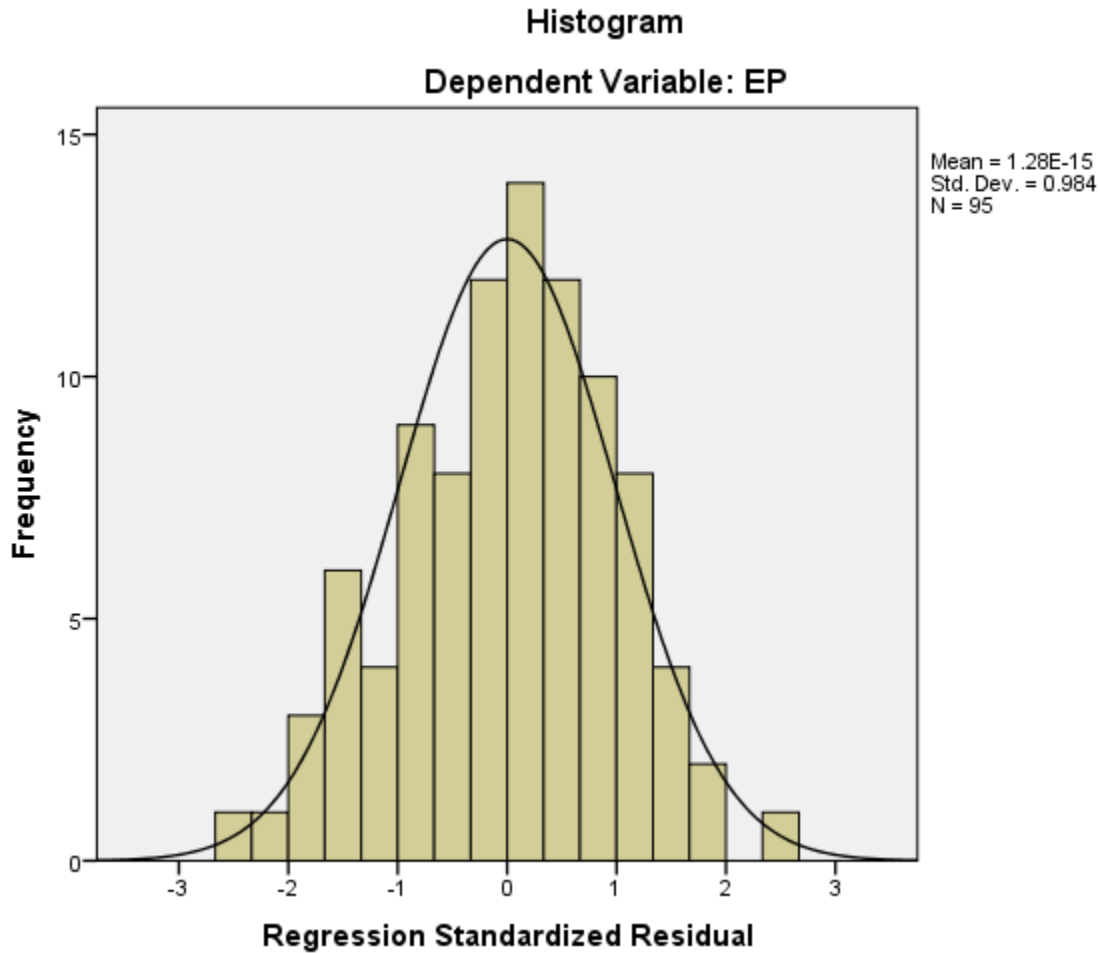


Figure 3, Regression Standardized Residual

Source: Survey Data (June, 2021), SPSS v. 20

As can be seen from the above displayed figures (Figure 2 and Figure 3) the test for normality of the residual was performed with P-P Plot & histogram and the result tests showed that the residual is close to normally distribution. The results of both examinations confirmed that the residuals are distributed normally.

4.6.2.2 Linearity

Linearity implies that a collection of data which can be represented by a General Linear Model, which is a set of equations that may be used to express linear relationships in measured data.

The degree to which the change in the dependent variable is related to the change in the independent variable is measured by the linearity of the relationship between the dependent which is export performance and independent variables that are firm characteristics, management characteristics and export marketing strategic capabilities. (Hair, et al., 1998).

Therefore, all the relationships between dependent variable (Export Performance) and independent variables that are (Firm Characteristics, Management Characteristics & Export Marketing Strategic Capability) fit reasonably with linear pattern and it embraces that linearity assumption.

On the figure below (Figure 4), a scatter plot of standardized residuals vs the fitted values for regression models is depicted:

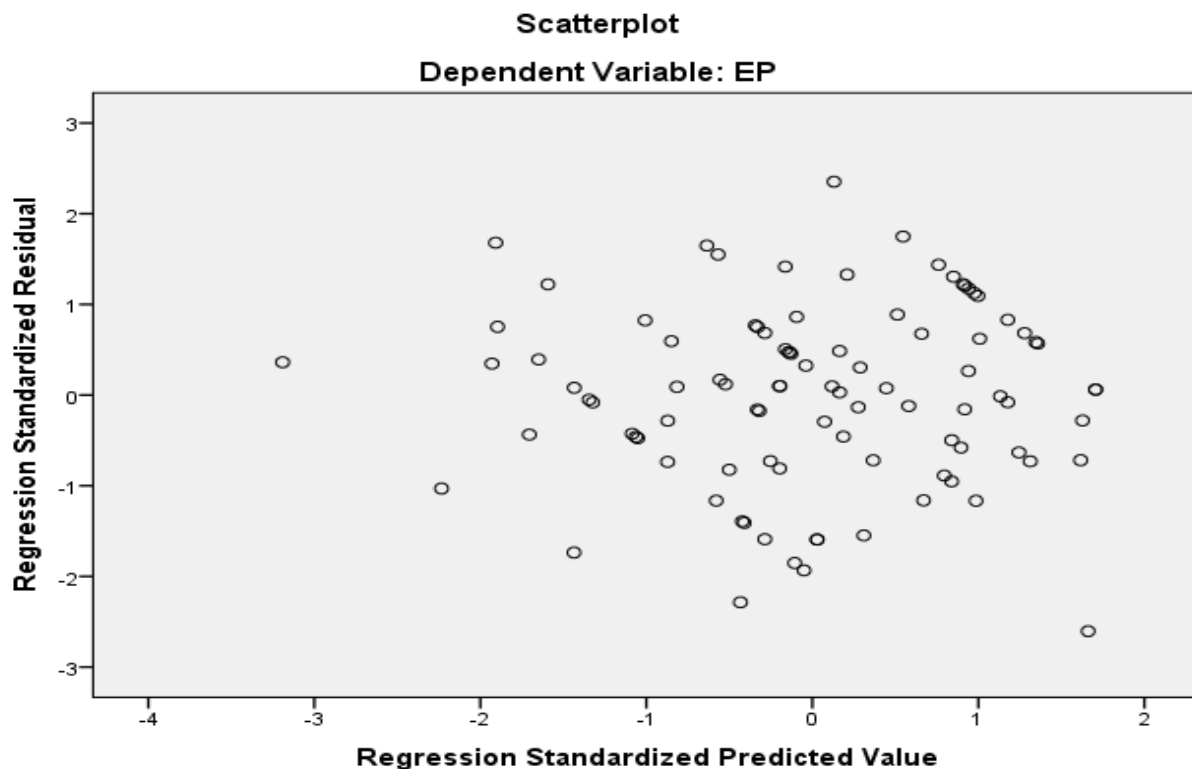


Figure 4, Linearity Scatter plot for regression standardized residual

Source: Survey Data (June, 2021), SPSS v. 20

4.6.2.3 Multi-Collinearity

The appropriateness of the sample size and the absence of correlation among the independent variables are the two critical requirements to meet prior to conducting regression analysis. (Ho, 2006). The predictive power of multiple regression significance testing, is directly proportional to the sample size.

Ho (2006) proposed that the sample size of the study should be at least twenty times greater than the quantity of independent variables, for the researcher to get the anticipated level of statistical impact, meaning that the figure of respondents utilized for the study is over the prerequisite standards.

Multi collinearity is a condition that happens if independent variables are highly correlated with each other and gain a power to share a predicting power on the dependent variable, that leads to the model fitting the data properly but no independent variables are going to have a significant effect in predicting the outcome.

The absence of relationship among independent variables is another key criterion for regression analysis, because multicollinearity develops when a lone independent variable is highly connected with a group of other independent variables. If the correlation coefficient of independent variables are 1, it shows a high collinearity and if the correlation coefficient is 0, there is a lack of multicollinearity. (Hair et al., 2010).

The presence of multi-collinearity can be assessed by using Tolerance and variance Inflation Factor values for each predictor. The tolerance value is the proportion of variance in one predictor that cannot be explained by the other predictors. Tolerance should be larger than 0.10, and any result less than that indicates the occurrence of multi-collinearity. VIF, on the other hand, is calculated as "1/tolerance," and a VIF number larger than 10 implies multi-collinearity (Saunders et al. 2009). Table 14 shows that for this study, both the tolerance and VIF derived for each independent variable for both regression analyses meet the conditions discussed above, indicating that multi-collinearity does not exist.

Table 14, Multicollinearity problem test of VIF and Tolerance

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	FC	.479	2.087
	MC	.441	2.266
	EMSC	.384	2.601
a. Dependent Variable: EP			

Source: Survey Data (June, 2021), SPSS v. 20

4.6.3 Multiple Regression Analysis

A general statistical technique for analyzing the association between a lone predicted variable with several predictors that are independent variables is called multiple regression. When the problem statement contains a lone dependent variable that is assumed to be connected to two or more independent variables then multiple regressions are the appropriate analysis technique. The goal of multiple regression analysis is to forecast how the dependent variable will change when the independent factors change (Hair et. al, 2010).

Correlation between the observed outcome and the predicted values is multiple regression. Big value on the correlation shows that, those variables are highly associated. The determinant's coefficient, R square is a measurement of how well the independent variables predict the dependent variable which is export performance. Statistical regression tests the association or relationship among variables likewise correlations, In contrast to correlations regression's primary goal is prediction.

The percentage of variance in the dependent variable explained by the independent factors was calculated using the adjusted R square. The standard regression coefficient was considered using the multiple regression calculation to compare the effect of each independent variable on the variability of export performance.

Table 15, Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.828 ^a	.686	.676	.43956

a. Predictors: (Constant), EMSC, FC, MC

b. Dependent Variable: EP

Source: Survey Data (June, 2021), SPSS v. 20

The above table, (table 15) shows the summary of the model and the model summary shows that R is the linear correlation between the actual values of the dependent variable and values of the dependent variable which is predicted by the model. As indicated in model summary table above, the R value (0.828) shows that the overall impact of the independent variables (Firm Characteristics, Management Characteristics and Export Marketing Strategic Capabilities) on the dependent variable (Export performance) is significant. R Square value (coefficient of determination) shows goodness of fit of the independent variables (Firm Characteristics, Management Characteristics and Export Marketing Strategic Capabilities) in explaining the variation in the dependent variable (Export Performance).

R Square value is constantly between 0% and 100% and the higher the R Square value, the better the model fits our data, it shows how fitted regression line is fitted closely with the data. Regarding study, R Square value is 0.686 which indicates 68.6% of the variability in Export performance is explained by the influence of the independent variables that are Firm Characteristics, Management Characteristics and Export Marketing Strategic Capabilities.

Adjusted R² indicates the percentage of variation explained by only the independent variables that actually affect the dependent variable. The adjusted R-Square which is 0.676 shows the explanatory power of all independent variables involved in the study. Hence, in this study, the adjusted R Square value is 0.676 which signifies that 67.6% of the variations in export performance are being accounted in the regression model.

The power of the association among independents and dependent variable is depicted on the summary model.

The impression on table 15 shows the model summary outcome, when export performance was regressed on Firm characteristics, Management Characteristics and Export Marketing Strategic Capabilities which are the independent variables form a statistically significant association with p less than 0.01 among the dependent variable.

The B values (table 16), reflects that the association between export performance and each independent variable predictor. Positive value indicates positive association and negative value depicts that negative association regarding the predictor and the outcome. Export marketing strategic capabilities' standardized beta value is 0.404, which specifies that the variable has a superior level of significance with export performance than the other variables. This indicates the influence of Export Marketing Strategic capabilities is higher than management characteristics with a b value of 0.353 and firm characteristics with a b value of .201 respectively in describing the variability of the export performance.

The p values of all independent variables are below 0.05 and this directs us that a positive & significant association occurs between the Firm characteristics, Management characteristics and Export marketing strategic capabilities with dependent variable (Export performance). Since, coefficients of the above mentioned independent variables were statistically at <5% level of significance, All hypothesizes related with the three independent variables (Firm characteristics, Management characteristics and Export marketing strategic capabilities) were supported.

Table 16, Regression Analysis of Dependent and Independent Variable

Model		Unstandardized Coefficients		Standardize d Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Toleranc e	VIF
1	(Constant)	.336	.258		1.305	.195		
	FC	.201	.091	.188	2.212	.029	.479	2.087
	MC	.353	.087	.360	4.069	.000	.441	2.266
	EMSC	.404	.102	.376	3.974	.000	.384	2.601

a. Dependent Variable: EP

Source: Survey Data (June, 2021), SPSS v. 20

4.6.4 Analysis of Variance

The Analysis of Variance's table examines our model's ability to explain any variation in the dependent variable without directly addressing the strength of the relationship. The ANOVA test determines whether the entire model (all independent variables combined) has significantly greater predictive power for the dependent variable (Export Performance). It is a technique for determining the relevance of an investigation's findings.

In the ANOVA table below, (table 17) the regression row depicts the variation that the model accounts for, while the residual row depicts the variation that the model does not account for. Accordingly, the regression sum of squares (38.457) is considerably larger than the residual sum of squares (17.583), which signifies that most of the variation in export performance is explained by the model. The F' ratio value represents the ratio of the improvements in prediction (model predictive power) that results from suiting the model, relative to the wrongness (inaccuracy) that still occurs in the model which was represented by the Residual value. As indicated in the table 17, F is 66.346 which is significant at $p < 0.001$. This outcome indicates that an F' ratio happens with a probability of fewer than 10%, showing that the model's explanation of variation is not attributable to chance. As a result, it suggests that the outcome of the regression model produces significantly greater export performance predictions.

Table 17, Analysis of Variance (ANOVA)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.457	3	12.819	66.346	.000 ^b
	Residual	17.583	91	.193		
	Total	56.040	94			

a. Dependent Variable: EP

b. Predictors: (Constant), EMSC, FC, MC

Source: Survey Data (June, 2021), SPSS v. 20

The above table (table 17) reveals that the dependent variable is significantly predicted by the combination of independent variables (firm characteristics, management characteristics, and

export marketing strategic capabilities). The goal of this study's regression was to find an equation that could be utilized to determine the effect of drivers on the dependent variable.

The specified regression equation for the study is as follows:

$$Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \dots + e$$

Covariates are variables that can influence the dependent variable y and should be quantified to better understand the residual effect of the independent variables of interest.

The Equation is as follows;

$$Y = \alpha + \beta_1 (fc) + \beta_2 (mc) + \beta_3 (emsc) + \dots + e$$

Y is denoted as Export Performance (EP) whereas FC is Firm Characteristics (FC) and MC as Management Characteristics (MC) with (EMSC) as Export Marketing Strategic Capabilities.

Since all the variables has significant influence on export performance, all were included in the model summary, consequently the model summary will take the following form:

$$Y = .336 + (0.201) x_1 + (0.353) x_2 + (0.404) x_3$$

The above mentioned model summary suggests that a single value rise in Firm characteristics will outcome in a 0.201 value increment in firm export performance and a single value rise in management characteristics will outcome a 0.353 value increment in firm export performance and a single value rise in Export marketing strategic capabilities will outcome a 0.404 value increment in firm's export performance.

4.7 Discussion of Findings

The study was conducted to answer three research questions regarding firm characteristics, management characteristics and export marketing strategic capabilities with export performance.

The study discovered that Firm characteristics have a positive and significant influence on export performance by a mean and standard deviation values of 3.556 and 0.996 respectively. Different authors has supported the significance influence of firm characteristics and the result of the findings is consistent with the findings of Zou and Stan (1998), Mysen (2013), and Chen et al., (2016). Export success is determined by a firm's size, export experience, international competency, and technology, among other factors. A greater firm size, more export experience, stronger international competency, export planning, and export market orientation are all linked to better export performance and the results of previous studies demonstrated that like (Chen et al., 2016; Mysen, 2013).

As a result, the study's findings indicate that company characteristics play an important impact in influencing Marginpar Ethiopia plc's export performance. Several scholars have argued that firm features have a favorable impact on a company's export performance. Firm characteristics and capabilities are a main source of a firm's performance advantage and are central to the firm's continued survival stated by (Chen et al., 2016). According to the research, the most common company characteristics components utilized by cut flower exporters are size, export experience, worldwide competency, and the firms' technology and innovations. Firm factors have a beneficial impact on export performance, according to empirical evidence (Doole et al., 2006).

The findings are supported by (Chen et al., 2016) who concludes that firm characteristics have been a central theme, and is acknowledged as a pivotal section in driving sustainable competitive advantage and influencing export performance and also Salomon and Shaver (2005) states that firm characteristics as one of the critical and significant influential determinants of export performance.

The study discovered that management characteristics has a positive & significant effect on export performance by a mean of 3.9368 and std. dev. of 0.933.

This finding is supported by earlier research results obtained by Katsikeas et al. (2000), Sousa et al. (2008), Chen et al. (2016), and Haddoud et al. (2018). The variables denoted by managers' education, international experience, innovation, support, and commitment are all positively

related to export performance, and if performed well these qualities are likely to achieve superior export performance. Knowledgeable managements are more effective in dealing with often demanding foreign business activities and in meeting foreign clients' necessities. Knowledge of export-related procedures enhances managers' decision-making process and provides them to develop effective business strategies. As a result, business owners should hire highly educated individuals with worldwide experience to run their firms more productively. According to Aaby and Slater (1989) management perceptions play large role for a firm's export success. Strong connection between perceived opportunities for growth, connected to the export and export performance (Axinn, 1988). And as the work of Zou and Stan (1998), when they have summarized previous investigations about managerial perceptions and attitudes, they found that a manager's export commitment plays a key role for export performance. They concluded as well that being international oriented creates a favorable precondition for profitable export. (Zou and Stan, 1998).

The manager's level of education is an important determinant of the firm's export performance. Strategic decision-making is a managerial responsibility, including export decisions. Given this, the managers' education is important, as it enhances entrepreneurial skills, the capabilities to analyses information, as well as the cognitive skills and abilities necessary for strategic decision-making, especially when related to difficult international markets. Better educated managers have better risk analysis skills and are more rational; hence, they have better risk taking abilities and a broader business perspective (Hambrick and Mason, 1984). Better education also enhances the skills of managers to be more receptive and adaptive to cultural differences, avoiding ethnocentric bias (Andersen, 1997). All of these arguments point to better strategic decision-making and, as a result, better export performance.

Chugan and Singh (2015) examined a firm's commitment regarding exports and they argue that export commitment towards competitiveness, management's attitude and managerial resources devoted to export activities has been significant to an enhanced export performance. The results showed that a higher degree of managerial characteristics is fundamental to achieving better Export performance outcomes.

Export Marketing Strategic Capabilities' outcome shows that it has a positive & significant effect on the firm's export performance by a mean value of 3.5711 and a standard deviation of 0.992 and this finding is supported by the work of (Cavusgil and Zou (1994), Leonidou et al.

(2002), and Katsikeas et al. (2000). Firms that adapt their marketing strategies by adapting their people, processes, programs, products, price, promotion and performance will achieve export sales growth, export profitability, export market share, and can meet their goals.

The relationship has been supported in numerous research like (Zou and Stan (1998); Madsen 1987). The capacity of a firm's marketing strategic capabilities to conduct international marketing research for development, as well as the fact that a firm's ability to use international marketing research has a favorable effect on export sales, growth, and, ultimately, export performance. Leonidou et. al. (2002) also states that product adaptation is correlated with superior export performance. It comprises the firm's freedom to adapt prices and provide lower prices (i.e. penetration pricing strategy), which are both positively connected with export performance.

As a result, the study hypotheses were examined using multiple regression analysis regarding the internal determinants of export performance as dependent and independent variables, and as can be seen from the above consistent discussion that they were empirically supported by the study's findings and we can conclude that all the null hypothesis were supported and the results are summarized below on (table 18):

Table 18, Summary of the research hypothesis

Hypothesis	Beta Value	P/Sig. Value	Relationship	Result
H1: Firm's characteristics have a significant and positive effect on export performance.	$\beta=.201$.029 P<0.05	Positive & Significant	Supported
H2: Management characteristics have significant and positive effect on export performance.	$\beta=.353$.000 P<0.05	Positive & Significant	Supported
H3: Export marketing strategic capabilities have a significant and positive effect on export performance.	$\beta=.404$.000 P<0.05	Positive & Significant	Supported

Source: Survey Data (June, 2021), SPSS v. 20

Chapter Five

5.1 Summary, Conclusion and Recommendation

This is the concluding phase that reviews the study's key findings, present conclusions and recommendations and finally implicating directions for future researchers.

5.2 Summary of the findings

The research's purpose was to study the impact of firm level factors on Marginpar Ethiopia plc's export performance. Three variables have been utilized to assess their influence on the firm's export performance as mentioned in the literature review part in Chapter 2 as Firm Characteristics, Management Characteristics and Export marketing Strategic Capabilities were the three variables. The variables were utilized as independent variables to see how each one affected the firms' export performance. To accomplish these objectives a conceptual model was adopted based on prior related literature reviews, Monteiro, Moreira & Sousa (2013), Based on previous empirical literatures hypothesis were developed and then tested. The study utilized descriptive and explanatory analysis to accomplish the objective of the research. The mean and standard deviation of the respondents' responses regarding the influence of firm characteristics, management characteristics, and export marketing strategic capabilities on export performance were examined using descriptive statistics. The relationship between the independent variables and dependent variable was assessed using Pearson correlation and regression analysis. The normal distribution of the residuals was checked using skewness and kurtosis, and the findings showed that they are within the acceptable range and are distributed normally. The test for normality of the residuals was performed using P-P Plot & histogram also and the results showed that the residuals are normally distributed.

The diagnostic test for regression assumption violations was performed. As a result, normality, linearity, and multicollinearity tests were done to ensure that no regression assumptions were violated and the assumptions were verified. According to VIF, there was no multi-collinearity between the independent variables that are firm characteristics, management characteristics and export marketing strategic capabilities suggesting that the variables are not strongly connected and that regression analysis could be undertaken. The value of R square was .686 representing

that firm level determinant's increased by one segment, the firm's export performance will improve by 68.6 percent.

As a result, the following important findings were made and are reported below:-

Export Marketing Strategic Capabilities found to be the most highly connected independent variable with Marginpar Ethiopia plc's export performance, with a correlation coefficient of 0.767 and with a beta coefficient of 0.404 and a p value of 0.000, it has a great impact and is the most influencing factor on export performance of the firm. Export performance was mostly impacted by the firms' Export Marketing Strategic Capabilities, according to the research. The inference is that the higher the firm's Export Marketing Strategic Capabilities, the better its export performance.

Management characteristics with a correlation coefficient of 0.752, proved to be the second correlated independent variable with Marginpar Ethiopian plc's export performance. According to the data, it is also the second most important factor influencing corporate export performance, with a beta coefficient of 0.353 and a p value of 0.000.

Furthermore, with a correlation coefficient of 0.678, firm characteristics performs as the third correlated independent variable with Marginpar Ethiopia plc's export success. It is also the third main influential element of company export success, according to the data, with a beta coefficient of 0.201 and a p value of 0.029.

Therefore, it was discovered that Export Marketing Strategic Capabilities, Management characteristics and Firm Characteristics have positive relationship and significant influence on export performance of Marginpar Ethiopia plc. The three null hypothesis of firm characteristics, management characteristics and Export marketing strategic capabilities are supported, since they have a positive association and a significant impact with the export performance of Marginpar Ethiopia plc.

5.3 Conclusion

The success of Ethiopia in the cut flower exports sector from Africa has been notable, since Ethiopia is the second cut flower exporter in Africa next to Kenya. Ethiopia has a number of advantages that allow it to be one of the world's leading producers and exporters of cut flowers. Since agriculture is Ethiopia's most important source of revenue, cut flowers are ranked fifth on generating foreign currency and so understanding the sector's internal factors is very essential and the export performance of the exporting firms should be exceedingly high since there is a high demand of the product all over the world and Ethiopia is very favorable to produce flowers from different dimensions as suitable climate, in expensive labor, cheap land and other related aspects are found.

Since the objective of the study was to assess the internal / firm level determinants of factors influencing export performance in Marginpar Ethiopia plc, with the factors established as firm characteristics, management characteristics and Export Marketing Strategic Capabilities. In order to determine the relationship between internal factors influencing cut flower enterprises' export success, this study developed three hypotheses. As a result of the study's major findings, it can be concluded that all independent variables, such as firm characteristics, management characteristics, and Export Marketing Strategic Capabilities, have a significant and positive relationship with export performance and play a crucial role in the cut flower exporting business.

The results showed that variables that are management characteristics and Export marketing strategic capabilities have more significance than firm characteristics of the exporting firms. The majority of the constructs under variable firm characteristics showed that a moderate level of agreement, but management characteristics and Export marketing strategic capabilities showed a high level of agreement and most respondents are satisfied with the company's export performance regarding sales, profit, market share, achieving a strategic goals and overall export performance.

From all the above findings and discussions, it can be inferred that the main predictors of export performance of the firms are related with the specific factors subcategorized under the three factors that are Firm Characteristics, Management Characteristics and Export Market Strategy Capabilities and it can be concluded that the main significant predictors of the cut flower

exporting firms at firm level in Marginpar Ethiopia plc are Export Marketing Strategic Capabilities and management characteristics, followed by firm characteristics.

5.4 Recommendation

Based on the findings of the study, the following recommendations are presented:

- Since the study area is vast, it needs further comprehensive research which elaborates the influencing factors that are internal and external determinants that should be explored supplementary.
- It would be better if the firms don't overlook firm characteristics related areas as such invest adequately and provide a special attention to Research and Development to enhance their cut flower export performance prominently and it is preferable if the firms involve in a business network more regularly and they have to get all-embracing and productive training on international trade to competent with those who had the same training or experience regarding export, in order to gain more strategic advantage on their cut flower export performance.
- Though the study shows that the respondents are satisfied with the firm's export performance, there is a big room for improvement so it would be better if the firms consider applying a special attention on the importance of (internal) firm-level drivers of export performance and if the firm's Management bodies give a prominent attention to the Export performance dimensions which are crucial for the success of their organization, it may lead to an improved performance.
- It would be preferable if the firms considered the role of export marketing strategy as a crucial instrument for formulating the connection between a company's internal resources, competencies, and export performance.
- The priority sequence of the factors that are significant to the export performance of the company can be an input as an indicator to a strategic plan of the company's ambition, investment and commitment. As a result, Export Marketing Strategic Capabilities, Management Characteristics, and then Firm Characteristics in a succeeding pattern implied as a firm may have a better performance by prioritizing their sequence.
- If Ethiopian investment policy tries further to work aggressively on encouraging foreign firms (firms with huge capital/resource/international experience) who wants to be

engaged on exporting activities either jointly or privately to attain more foreign currencies which in turn enhances the country's economy and improves the people's standard of living in the country.

- Local exporters may take the experience of the foreign owned companies in to an account and learn from their experience in order to be more proactive rather than be reactive in the international market of cut flowers.

5.5 Implications for Future Research

Future research directions are as follows:

- This study used a designed questionnaire to obtain data on the Factors that influence Marginpar Ethiopia plc's Export Performance from a Firm's Perspective/ Firm Level Influences. However, since the study focuses on the exporter, who represents just one side of trade, it would be critical if future studies could focus and try to investigate the same purpose of investigating the major elements that influence export success from the importer's (buyer's) perspective. In the meanwhile, these relationships have been built between two parties; future research could look into the importer, who is the trade's counter-party.
- Since this study only examines internal or company level factors impacting export success, external factors influencing export performance can be investigated in the future.
- Export Marketing Strategic capabilities by itself is a vast export performance variable that can be investigated further separately and furthermore there are several contributing factors that influence export performance that can be incorporated and likewise many different performance indicators can be measured additionally to a better output.
- Subsequently this study focused on cut flower exporting companies sector wise and future researchers can concentrate and study further on other exporting sectors that are significant in Ethiopian economy regarding export performance.

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APPENDIX

Addis Ababa University School of Commerce
Department of Marketing Management
Post Graduate Program
Survey Questionnaire

Dear respondent,

I am a Marketing Management postgraduate student at Addis Ababa University's School of Commerce. I would be grateful if you could spare some time to participate in this research study by filling out the enclosed questionnaire. I want to assure you that any information you provide will be kept completely confidential and anonymous. The goal of this survey is to learn more about the elements that influence Marginpar Ethiopian plc's export performance. The findings of this study could have a significant impact on the company's and sector's export success.

Since you are selected to participate in the survey, you are kindly asked to respond to the questions completely; depending on the subject at hand. The main goal of this checklist is to collect firsthand information about the aforementioned topic.

Thank you in advance for agreeing to participate in the research study. If you have any questions regarding this survey, please contact me at the address below:

hoseabebe71@gmail.com and +251911105371, which are the researcher's email and cell phone numbers, respectively.

GENERAL INSTRUCTIONS

It is unnecessary to mention your name.

Please put (√) in the right box.

Section I: - Respondents Background

Please indicate your answer by putting “√” sign to the option under the described column.

1. Gender: Male Female

2. Age group: Less than 25 26-35 36-45 More than 46

3. Level of education: College Diploma Degree MA/MSc PhD

4. Do you speak foreign languages besides English? Yes No

5. How long in years have you been involved in exporting business sector?

 Less than 5 5-10 11-15 More than 15

6. How often do you travel abroad for business in the last 5 years?

 None between 1-3 between 4-6 More than 6

Section II: - Factors influencing Export Performance of Marginpar Ethiopian plc.

Name	Statements	Strongly Disagree-1	Disagree-2	Neutral-3	Agree-4	Strongly Agree-5
Firm Characteristics (FC)						
FC 1	The size of the firm has an impact on the company's export performance	1	2	3	4	5
FC2	The age of the firm influences the company's export performance	1	2	3	4	5
FC 3	The level of technology and innovation used by the firm affects its export performance	1	2	3	4	5
FC 4	The firm's production efficiency is favorable to a better export performance	1	2	3	4	5
FC 5	The firm's financial resources are adequate	1	2	3	4	5
FC 6	The firm grant and takes special attention on R&D to enhance its export performance	1	2	3	4	5
FC 7	The firm involves in a business network regularly to an improved export performance	1	2	3	4	5
Management Characteristics (MC)						
MC 8	Managements have a good level of perception towards competitiveness	1	2	3	4	5
MC 9	Management's level of commitment towards exporting is satisfactory	1	2	3	4	5
MC 10	Firm's management has sufficient international market knowledge	1	2	3	4	5
MC 11	Firm's Management has the ability to perceive threats and opportunities timely and act accordingly	1	2	3	4	5
MC 12	Firm's management has adequate educational background	1	2	3	4	5
MC 13	Your firm allocates sufficient resources to pursue export operations	1	2	3	4	5
MC 14	Firm's management bodies has proficiency in foreign languages	1	2	3	4	5

Export marketing strategic capabilities (EMSC)						
EMSC 15	There is a favorable capability of product adaptation in the firm	1	2	3	4	5
EMS 16	There is a favorable capability of pricing adaptation in the firm	1	2	3	4	5
EMSC 17	The firm adjusts its channel design to export market efficiently	1	2	3	4	5
EMSC 18	The firm undertakes an intensive promotion strategy on overseas market	1	2	3	4	5
EMSC 19	The company has put in place clear strategies that helps the firm to expand export markets over the years	1	2	3	4	5
EMSC 20	There is a strategic decision making trend by top level management (executives)	1	2	3	4	5
EMSC 21	The firm effectively executed the actions detailed in the export marketing plan	1	2	3	4	5
EMSC 22	The firm regularly measures the export performance against set export targets	1	2	3	4	5
Export Performance (EP)						
EMSC 23	The firm's export sales growth has been growing rapidly	1	2	3	4	5
EMSC 24	Firm's export performance has significantly improved its international market share	1	2	3	4	5
EMSC 25	Our export performance has increased the firm's profitability	1	2	3	4	5
EMSC 26	The firm's export performance in terms of strategic goals is achieved	1	2	3	4	5
EMSC 27	Overall you are satisfied with the firm's export performance	1	2	3	4	5

Thank you so much!