



**Influence of customer and Technology Orientation on Export Performance of
Garment Manufacturing Companies in Ethiopia**

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(Since 1950)



**Influence of customer and Technology Orientation on Export Performance of
Garment Manufacturing Companies in Ethiopia**

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**A Thesis submitted to College of Business and Economics of Addis Ababa
University in partial fulfillment of the requirement for award of the degree of
Master Science in Management Program**

**ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF MANAGMENT**

ADDIS ABABA

May, 2020

DECLARATION

*I, Ayalnesh Assefa Abebe, hereby declare that this thesis entitled “**Influence of Customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia**” submitted by me for the award of the degree of Master of Management, Addis Ababa University at Addis Ababa, Ethiopia, is my original work and it has never been presented in any university. All sources and materials used for this thesis have been duly acknowledged.*

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CERTIFICATION

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This is to certify that the thesis entitled, “***Influence of Customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia***” was carried out by ***Ayalnesh Assefa*** under the supervision of ***Workneh Kassa (PhD)***, submitted in partial fulfillment of the requirements for the degree of Master of Science in Management.

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LIST OF ABBREVIATIONS /ACRONYMS

CO – Customer Orientation

EXP – Export Performance

EXPL – Exploitive Innovation

EXPR – Exploratory Innovation

TO – Technology Orientation

ABSTRACT

The purpose of this paper is to investigate Influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia. Primary data source was used from 17 export garment manufacturing companies solicit response of 101 respondents. Out of questionnaires that have been distributed, 99% were usable. The mean value of the five point likert scale values of the dependent and various independent variables were taken as influencing factors on export performance. The analysis of the data was done with the help of SPSS.v23. The Result showed that, the relationship between customer orientation, exploitive innovation with export performance to have a significant relationship and were as hypothesized. In contrast, technology orientation in relation with export performance and explorative innovation were not as postulated. Exploratory innovation has a positive but insignificant relationship with export performance. Technology orientation has negative significant association with export performance indicating companies emphasized on labor intensive strategy result in a very low productivity that have an adverse effect on export performance. This study suggests the importance for understanding factors influence of customer and technology orientation on export performance of garment manufacturing companies in Ethiopia. The notion of using mass cheap labor as conceived by the policy makers and investors are in fact has an adverse consequence on performance of the companies. Hence, the study endorses the use of more specialized small firms, capacity building centers to cure the ills of the damage of misconception which would have an impact on the way the society views business.

Keywords: *Technology orientation, Customer orientation, Explorative innovation, Exploitive orientation*

CHAPTER ONE

INTRODUCTION

This chapter deals with the introductory part of the study. It includes background of the study, problem statement, basic research questions, objectives, significance, Scope, Limitation of the study, organization of the study and Operational definition of terms.

1.1. BACKGROUND OF THE STUDY

The equal attention to the customer and technology orientation is essential as the combination of these orientation leads to an innovation. Customer orientation though necessary relying heavily on it may lead the loss of innovative capacity as customers are not completely knowledgeable about the latest market or technological trends, exporters that overly rely on customers may overlook technological opportunities and therefore become stuck developing incremental innovations (Hortinha et al, 2011). Product and process innovations may help firms not only to improve their competitiveness at home, but also to take advantage of opportunities presented by international markets (Eriksson et al, 1997). Meanwhile, an excessive technology orientation may lead to unsuccessful innovation (Hortinha et al, 2011).

The external environment of the organization specifically past performance affects the performance of export. Moini (1995) state that past performance of the firms affects the export performance of the firm. Contrarily, Barney, (1996) contend traditional economic measures may indicate whether a company has performed well in the recent past, but are no guarantee for continuing success.

The size of the firm is also associated with a performance of the firm in selling it is product abroad as per the theory of the multi-national corporation. Hymer, (1976); Dunning, (1988) suggests that the larger the firm, the greater the capability and the volume to sell abroad. In terms of export intensity firm's productivity empirical evidences have mixed result Liu et al. (1999) and Castellani (2002) indicate it has no effect, Farinas & Martin-Marcos (2007) claim an inclusive result, Alvarez (2002) finds the effect of productivity on export intensity to be positive and significant. Equally, experience is particularly useful in helping decide on fundamentally new and risky enterprises, such as entering export markets for the first time. The perceptions, attitudes and even expectations of decision makers towards exporting are affected by the skills

that they have accumulated through experience, whether export-related or not (Reid, 1981; Shrader et al 2000).

Innovative capability specifically exploring existing skill and market is more effective for export performance when the market is stable (Sundqvist et al., 2012) while the combination of the existing capability with an incremental change pattern which opt for small deviations from current knowledge and practices (March, 1991). Market exploitation reflects a firm's attempt to lock in a comfortable position in the marketplace and guarantee its viability. Refining and developing knowledge about existing export markets allows for learning-curve effects, which minimize mistakes and transactional costs and facilitate decision-making implementation and control (Shane, 2000). Hence, through leveraging existing knowledge, the firm obtains greater efficiency and reliability (Atuahene-Gima et al, 2005; Yalcinkaya et al., 2007). Hence, this study assesses the effect of strategic orientation through canvassing related factors mainly strategic orientation, innovative capability, past performance, firm size, export experience and intensity on export performance of garment manufacturing companies in Ethiopia.

1.2. STATEMENT OF THE PROBLEM

Customer orientation refers to a cognitive, behavioral and cultural aspect of a firm's marketing concept that puts the customer at the center of the organization and its development (Deshpande & Webster, 1989). Customer-oriented firms are able to create superior customer value Han, et al. (1998) that results in enhanced customer satisfaction Agarwal, et al. (2003) and strong brand loyalty. Aaker (1991) argue that increasing customer satisfaction and loyalty prevent customer switching behavior, require less marketing effort to attract and retain customers, Reichheld & Sasser (1990) increase cash flow and firm value, and consequently lead to higher profits McNaughton, et al. (2001). Thus, customer orientation provides the foundation for a sustainable competitive advantage and contributes to financial performance. Deshpande et al (1993); Kohl I & Jaworski (1990) compelling evidence in the literature supports a linkage between customer orientation and performance. Tutar et al., (2015), Hind (2015), Zehir, et al., (2015), Fahim & Baharun(2017) conform the linkage Solberg & Olsson(2009) said otherwise.

While emphasis on customer orientation is supported it is also critical to compliment orientations with other strategic orientation such as technological orientation. Technology orientation

advocates that a firm can adopt its technical knowledge to develop new technical solutions and satisfy customer needs (Gatignon and Xuereb, 1997). Firms, therefore, can provide new services and products to address customer needs. Furthermore, technology orientation is an important factor that leads to more knowledge-learning behaviors (Noble et al., 2002).

Accordingly, Tsou et al. (2014) contend technology orientation should primarily lead to development of more innovative, technologically superior products compared to those offered by competitors (Tsou et al., 2014). It contributes tremendously to the improvement of product performance and ultimately business performance (Salojarvi, 2015). Solberg & Olsson (2009) claim technology orientation correlates positively with export performance.

Innovative capacity as defined by Adler & Shenbar (1990) involves capacity to develop new product, process or both or the capacity to seize an opportunity created by competitors. Innovation capacity of an organization has a significant effect on export performance (Fahim and Baharun, 2017). Prior researches in Ethiopia were scarce and have not been conducted in the same sphere of the current studies scope. Daniel et al. (2017) assess the positive effects of customer orientation and its components on firm performance on seed producer cooperatives. Kero & Sogbossi (2017) investigate the mediating effects of customer orientation in the competitive strategy orientation product innovative success. The only study that emphasized on garment industry is (Selam, 2018) that assessed customer orientation of local garment producers on market performance.

The garment industry in Ethiopia has been an attractive opportunity to invest as it has availed various advantages such as cheapest labor in the world, favorable government policy towards the sector, duty free access to certain countries should have given the edge to the manufacturing companies but despite the advantages the industry is not yet competitive in the global and local markets. Further the garment exported products does not figure even among the top 10 export products of Ethiopia. (Rao & Tesfahunegn ,2015)

Thus the researcher intends to examine empirically whether the above strategic orientation mainly Customer and Technological orientation as well as innovation capacity of the organization affect the export performance of garment firms in Ethiopia.

1.3. OBJECTIVES OF THE STUDY

1.3.1 GENERAL OBJECTIVE

The general objective of conducting this research is to investigate the influence of customer and technology orientations on the Export Performance in the case of Garment Manufacturing Firms in Ethiopia.

1.3.2 SPECIFIC OBJECTIVE

The specific objectives of the study are

- ✚ To investigate whether customer orientation influences export performance of Ethiopian garment industry.
- ✚ To assess whether Technology orientation influences export performance of Ethiopian garment industry.
- ✚ To assess whether innovative capability influences export performance of Ethiopian garment industry.

1.4. RESEARCH QUESTIONS

This study was an attempt to answer mainly the following research questions to achieve the intended objectives of the study and to address the research problem properly in accordance to with relevant prior literatures.

1. Does Customer orientation influence export performance of garment manufacturing firms in Ethiopia?
2. Does Technological orientation influence export performance of garment manufacturing firms in Ethiopia?
3. Does the level of innovative capacity influence export performance of garment manufacturing of firms in Ethiopia?

1.5. Research Hypotheses

As mentioned above, the main objective of this study is to examine Influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia in general particularly emphasizing on strategic orientation mainly technological and

customer orientation as well as innovation capacity emphasizing on exploratory and exploitive innovation.

Subsequent to the preceding research question of the study, the following hypotheses will be tested in this study.

- ⇒ **H1:** *There is positive and significant relationship between technological orientation and export performance.*
- ⇒ **H2:** *There is positive and significant relationship between customer orientation and export performance.*
- ⇒ **H3:** *There is positive and significant relationship between exploratory innovation and export performance.*
- ⇒ **H4:** *There is positive and significant relationship between exploitive innovation and export performance.*

1.6. SCOPE OF THE STUDY

Ethiopian Textile Institute database indicate seventeen Garment factories in Ethiopia that export their product (see Appendix A) on May 31 2019. This study will cover this manufacturing companies through a use of customer orientation, technological orientation, exploratory innovation, exploitative innovation, as a factor that affect perceived export performance.

1.7. SIGNIFICANCE OF THE STUDY

History shows that textile is one of the gateways for industrial development as it played the major role in the industrial revolution in both Germany and United Kingdom. Likewise, Ethiopian government believes the textile sector would help the nation to join middle-income status in 2025. The building of industrial park, the reenactment of the railway line to it is neighboring Djibouti has been one of the endeavors. The country is specifically attractive to investors in the sector for it is advantage duty free access to Europe and U.S market, cheapest labor force in the world, good climate condition to compete in cotton and textile industry as well as cheap hydroelectric power makes it very attractive for any investor to join invest in the sector.

Hence, the pouting of FDI in the sector does not help the exports to fall short way off targets. This scenario motivated the researcher to view the problem from customer and Technological orientation point of view.

It is, therefore, the results of this study will be significantly practical and helpful for;

- **Policy Makers:** It will give significant direction to review the current policy for the policies they craft to the sector in Ethiopia.
- **Practical:** The motive for any business to be established to maximize wealth of it is owners. Hence, this study shall provide a great insight by pin pointing areas of focus. Particularly, to export, marketing, operation and general managers to focus on areas of weakness in their respective parameters.
- **Theoretical:** Finally, it shall also aid as a reference for similar studies to be carried out for on issues of customer and technology orientation export performance, textile industry and related topics.

1.8. LIMITATION OF THE STUDY

The study area was limited to garment manufacturing companies in Ethiopia. Thus the results from this case might not be generalized to the overall textile industry as a whole in Ethiopia. The second limitation is lack of sufficient references due to the recency of the scope of interest of the scholars in the field of the study in Ethiopia and else ware.

Thus, to minimize the effect of the limitation encountered the researcher defined the scope properly and the unavailability of adequate scholarly work in the countries context shall be effectively dealt through the use of relevant literatures' as well as consultation of the industry specialists in Ethiopia.

1.9. OPERATIONAL DEFINITIONS

Considering the fact that customer and technology orientation is an emerging concept in Ethiopia in relation with export, the researcher introduce some important key terms and concepts used in the study along with their spirits and contexts for ease of understanding of the research subject.

- ✚ **Strategic orientations:** are defined as creating firm behaviors that are expected to generate competitive advantage in the long run in line with firm long term strategy.
- ✚ **Technology orientation (TO):** covers noticing a promising or accepted technology and, imitating and/or adopting it into the firm processes and/or production tasks in order to remain competitive beyond crafting first-hand technologies.

- ✚ **Customer orientation (CO):** is a set of beliefs that establishes customers' needs and satisfaction as a priority for an organization.
- ✚ **Export Perceived Performance:** Export performance is the extent to which the firm achieves its exporting related objectives.
- ✚ **Exploratory innovation:** activities aimed to enter new product-market domains.
- ✚ **Exploitative innovation:** activities improve existing product-market domains.

1.10. ORGANIZATION OF THE STUDY

This study comprises of five chapters. In the first chapter, the back ground of the study, statement of the problem, significance of the study, scope and limitations of the study, general and specific objectives, research questions, hypothesis of the study and operational definitions were included. In the second chapter, reviews of theoretical and empirical literatures shall be incorporated. In the third chapter, the methodology part of the study shall clearly be detailed and in the fourth and fifth chapters the result & discussion and summary, conclusion & recommendations of the study will be presented consecutively.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical framework

2.1.1 Overview of Customer orientation

Customer orientation constitutes the most vital component of market orientation (Deshpande et al. 1993; Kohli & Jaworski 1990; Narver & Slater 1990). It refers to a cognitive, behavioral and cultural aspect of a firm's marketing concept that puts the customer at the center of the organization and its development (Deshpande & Webster, 1989). Deshpande, et al. (1993) contend theoretical framework to market orientation considers customer orientation focal and supports that market-driven organizations are characterized by a set of cultural values and beliefs that put the customer interests first. Customer-oriented firms are able to create superior customer value Han, et al. (1998) that results in enhanced customer satisfaction Agarwal, et al. (2003) and strong brand loyalty. Aaker (1991) argue that increasing customer satisfaction and loyalty prevent customer switching behavior, require less marketing effort to attract and retain customers, Reichheld & Sasser (1990) increase cash flow and firm value, and consequently lead to higher profits McNaughton, et al. (2001). Thus, customer orientation provides the foundation for a sustainable competitive advantage and contributes to financial performance. Deshpande et al (1993); Kohli & Jaworski (1990) compelling evidence in the literature supports a linkage between customer orientation and performance.

Avlonitis & Gounaris (1999); Day & Wensley (1988); Tsiotsou (2010) contend that customer-oriented firm is able to better determine the needs and wants of target markets in order to satisfy them more effectively and efficiently than its competitors. Thus, comparing to less customer-oriented firms, a customer-oriented firm is more capable in obtaining organizational goals such as increasing market share, higher profits and a sustainable competitive advantage.

Customer orientation is viewed as extra element in marketing relationship and both concepts underline creation of sustainable competitive advantages through customer service excellence (Steinman, et.al. 2000). Similarly, the relationship of marketing and customer orientation aims at

improving and sustain firm's profitability by building up long-term relationships with customers and maximizing their satisfaction (Krepapa, et.al. 2000)

According to Narver and Slater (1990) customer orientation is one of the crucial notions of market orientation understanding and Good knowledge of customers' needs not only empowers a firm to make superior value for the organization as well as to its customers. It enhances the level of customer satisfaction and reduces customer switching intentions (Yen, et al., 2011). knowing customer needs is a must as this knowledge is necessary for manufacturers particularly to identify niche market and target specific niche with the right products. The right market entry strategy and geared resources towards the launch and post-sales desires of customers, enable products to have a higher chance of success and hence of contributing to a firm profitability (Yen, et al., 2011).

Blocker et al.,(2013) describe customer orientation as "a provider's capability to constantly probe customers' latent needs and uncover future needs "Customer orientation is viewed as a set of task-oriented behaviors (e.g., describing products accurately or identifying customer needs), That will refer to conceptualization as "functional customer orientation", as it is limited to behaviors that customers are likely to expect from the salesperson in the role of a business person (Homburg et al., 2011). Furthermore, customer orientation comprises an employee's tendency towards building a personal relationship with their customers (Donavan et al., 2004).

Customer orientation is composed of two different basic categories: Behavioral and cultural characteristics (Meehan et al., 2007). The behavioral viewpoint describes customer orientation in terms of peculiar behaviors related to, for example, generation and dissemination of market intelligence and responsiveness to it (Kohli & Jaworski, 1990). While, cultural viewpoint related to more fundamental characteristics of an organization. As an example, Narver and Slater (1990) define market orientation as "the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus consistent superior performance for the business." Thus according to (Homburg, et al, 2007) activities for influencing an organization's customer orientation fall into two categories: *Culture or the affective organizational system* that can aim to change an organization's cultural characteristics, and *processes or the cognitive organizational system* that can focus on improving an

organization's information processing. However affective systems and cognitive systems are both important antecedents of responsiveness to customer needs (Matsuno et al., 2005). Following the argumentation for responsive customer orientation and the evidences from specialized departments, customer orientation may be separated into two dimensions. The more detailed examination of customer orientation obstructs considerable advantages as change processes like building a pronounced customer orientation absorb many resources, including managerial time, energy and costs (Lam et al., 2010). Managers are often emphasis their efforts on either changes within the organization or changing boundary spanning processes (Homburg et al., 2007).

2.1.2. Dimensions of Functional Customer Orientation

Homburg, et al., (2011) suggest two different dimensions, the functional customer orientation which is the task-related behaviors that the sales person undertakes in order to help the customer make the right purchase decision and the relational customer orientation which is the salesperson behaviors that could help in building a long-term relationship with the customer. Customer orientation has been defined as the capability to continuously probe latent needs and uncover future needs of customers, and consists of two dimensions, customer-oriented climate and customer-oriented processes.

Customer-oriented climate is defined as the extent to which attention to customers' latent and future needs is lived within an organization, and can be grouped into the following four categories:

- ***Awareness for Customer Orientation:*** The first task for top management is to create awareness that latent and future needs are important. Measures to raise awareness include, among others, discussions about the future of customers and their potential needs. Comparable to the crucial role of top management support for market orientation (Kirca, et..al., 2005), the importance of latent and future needs must be established within organizations.
- ***Guidance towards Customer-Oriented Behavior:*** Subsequently, employees need to be guided towards being customer-oriented. Stories, anecdotes, and myths within an organization may point out the importance of latent and future needs (Homburg &

Pflesser, 2000). Examples include stories about the exceptional and pronounced fulfillment of hidden customer needs, unwritten laws and hidden rules concerning exploratory customer learning, entrepreneurial myths that point out the importance of satisfying future needs, and anecdotes from past events as examples for future customer orientation.

- ***Customer-Oriented Atmosphere:*** An atmosphere that reduces organizational constraints and support new ways of serving customers supports the proactive customer orientation of employees. The importance of the atmosphere for innovativeness (Hult, et..al., 2004) and market orientation (Gebhardt, et..al., 2006) is widely acknowledged in the literature. Examples for customer-oriented atmosphere include workplaces that are open and out of the ordinary, meeting rooms and offices that support communication and exchange, and areas where information can be exchanged informally across hierarchies.
- ***Customer-Oriented Infrastructure:*** Furthermore, the infrastructure within an organization should motivate employees, facilitate exchange, and provide direction towards customer orientation. Examples include dedicated contact points to collect insights about future needs, awarding employees that successfully identify needs before they were articulated by customers, and an early warning system to detect changes in the market. Such an infrastructure is closely related to organizational arrangements and rituals (Homburg & Pflesser, 2000).

Customer-oriented processes are defined as the extent of information processes that aim to probe latent needs and uncover future needs of customers, and can be grouped into the following four categories:

- ***Customer Integration:*** Methods where customers are integrated into innovation or development processes of the firm are subsumed as customer integration. Examples include the integration of customers into early innovation stages to learn about their needs (Chesbrough, et..al., 2006), incorporating feelings and preferences of customer during product development (Leonard & Rayport, 1999), accompanying customers in their daily life to learn about the use of products (Gouillart & Sturdivant, 1994), and working closely together with lead users (Von Hippel, 1986).

- ***In-Depth Qualitative Methods:*** Methods to investigate the underlying motivations and desires of customers are subsumed as in-depth qualitative methods. Examples include conducting future-oriented focus groups with experts (Ulwick, 2005), projective methods to gain insights into customers' latent needs (Zaltman, 1997), conducting virtual tests of concepts and products (Urban & Hauser 2004), and carrying out market tests with prototypes (Hamel & Prahalad, 1991).
- ***Trend Watching:*** Methods to constantly monitor technological trends and changes in the behavior of customers are subsumed as trend watching. Examples include peripheral vision capability (Day & Schoemaker, 2004), strategic issue management and scanning of relevant trends (Ofek & Wathieu 2010).
- ***Scenario Approaches:*** Methods to generate a set of potential customer futures and determine their impact on the organization are subsumed as scenario approaches. Examples include scenario management techniques (Schogel & Sulser, 2007), identifying new markets with the umbrella method (Hamel & Prahalad, 1994), determining the impact of unforeseeable events (Taleb, 2008), and analyzing future developments with road mapping techniques (Droge, et.al., 2008).

2.1.3. Overview of Technology Orientation

Technology is an important method for connecting customers and organizations. Organizations use technology to improve their ability to collect customer information Altamony et al., (2012); Masa'deh (2013); Shannak et al., (2010); Tsou et al., (2014). Furthermore, Zhou & Li, (2010) claim that an organization that is guided by technology has the opportunity to accumulate vast technological knowledge stores by past experience and processes which might be used to its advantage. According to Al-Ansaari, et al., (2015) a technology oriented firm seeks to acquire new and advanced technologies to develop new processes, products, and services, even though the rate of change in technology within its industry might affect adoption or development technology.

Technology orientation is defined as company's inclination in the introduction or use of new products, technologies or innovations. It is an organization's openness to new ideas and its propensity

to adopt new technologies during product development (Hurley and Hult, 1998). Technology orientation advocates that a firm can adopt its technical knowledge to develop new technical solutions and satisfy customer needs (Gatignon and Xuereb, 1997). Firms, therefore, can provide new services and products to address customer needs. Furthermore, technology orientation is an important factor that leads to more knowledge-learning behaviors (Noble et al., 2002).

It suggests that customer value and the longterm success of the organization depends on new innovations, technological solutions, products, services, or processes. Hakala (2011) Jeonget et al., (2006) state that an organization's technical skills, R&D resources, and technological base can be central in bringing innovative, better designed products into the market. Reflecting the philosophy of a technological emphasis, Zhou et al., (2005) contend customers prefer technologically superior products and services. As a result, a technology oriented organization is proactive in acquiring new technology indicating a firm's technical skills, R&D resources and technological base plays a central role in bringing innovative, better-designed products into the market Jeong et al. (2006) and applying the latest technologies to develop new products/services or supporting applications. Therefore, such a technology-oriented firm is proactive in acquiring new technologies and applying the latest technologies to develop its new products/services or supporting applications (Gatignon and Xuereb, 1997).

Accordingly, the firms' technological orientation should lead to development of more innovative, technological products in comparison with those offered by competitors (Tsou et al., 2014). Technology orientation thus contributes tremendously to the improvement of product performance and ultimately business performance (Salojarvi, 2015).

2.1.4. Technological orientation Dimensions

Technology orientation is measured using five items which are: sophisticated technologies, state-of-the-art technology, technological innovation based on research results, technological innovation in program/project management, and development of new technologies Gatignon and Xuereb, (1997); Hamel and Prahalad, (1994); Prahalad and Hamel, (1994); Tushman and Anderson, (1986); Zhou et al., (2005).

Innovations according to Rogers (1983) need to bring about relative advantage if they are to be labeled as radical innovation. Radical innovation is an advance by an order of magnitude the

technological state-of-the-art which characterizes an industry (Anderson & Tushman,1991). While, relative advantage appears as a consistently important product characteristic in explaining adoption Holack (1988); Parker & Sarvary (1994) and new product success (Montoya-Weiss & Calantone(1994).Furthermore, innovation that is similar to existing products cannot be highly differentiated and, therefore, cannot have a major advantage over the existing products or competitor.

Another factor that characterizes the competitive position of a product is its cost (Porter, 1980). The lower the cost, the greater the potential for profits, either by setting higher margins or by penetrating the market with a lower price these type of strategy is often pursued by the firms who use incremental innovation.

Hence, as innovation is a key in keeping firms relevant and competitive edges the following section describes the meaning of innovative capability and types of innovation capabilities.

2.1.5. Innovation capability

Adler & Shenbar (1990) defined innovation capabilities as: *(1) the capacity of developing new products satisfying market needs; (2) the capacity of applying appropriate process technologies to produce these new products; (3) the capacity of developing and adopting new product and processing technologies to satisfy the future needs; and (4) the capacity of responding to accidental technology activities and unexpected opportunities created by competitors.* An innovation capability is henceforth defined as the ability to continuously transform knowledge and ideas into new products, processes and systems for the benefit of the firm and its stakeholders. Innovation capability by itself is not a separately identifiable element. The capability is composed of enforcing practices and processes within the firm. These processes are a key mechanism for stimulating, measuring and reinforcing innovation (Benn Lawson et al, 2011). Kanter (1989) claim that organizations are most effective where the different resource needs of the “mainstream” and “new stream” are recognized and their management largely autonomous. Mainstream as well as new stream mean capabilities and innovation respectively. Conceptualization of Kantar’s model showed innovation capability.

2.1.5.1 Exploitation and Exploration

Organization theorists have recently adopted the human trait of ambidexterity, or *the ability of individuals to use both their hands with equal skill, as a metaphor to describe organizations*. As defined, ambidextrous firms *are capable of exploiting existing competencies as well as exploring new opportunities with equal dexterity*. However, because exploitative and exploratory orientations emerge from contradictory knowledge-processing capabilities (Floyd & Lane, 2000), researchers debate how, or even if, firms can achieve both orientations and whether such a pursuit results in higher performance.

Researchers have either implicitly or explicitly noted that exploitation and exploration entail contradictory knowledge processes (Floyd & Lane, 2000). On one hand, exploitation involves the use of explicit knowledge bases, such that by internalizing and combining them, incremental refinements to existing technological or marketing trajectories can be made (Nonaka, 1994). In effect, the intent of exploitation is to respond to current environmental conditions by adapting existing technologies and further meeting the needs of existing customers (Harry & Schroeder, 2000). In contrast, exploration involves the use of tacit knowledge bases, such that by externalizing and combining them, new technological or marketing trajectories are developed (Nonaka, 1994). Essentially, exploration is intended to respond to, as well as drive, latent environmental trends by creating innovative technologies and new markets.

Fundamentally, these knowledge processes are contradictory because they tap different administrative routines and managerial behaviors. Exploitation primarily involves learning from a top-down process, in which senior managers move to institutionalize those routines and behaviors that are best suited for refining current competencies. In contrast, exploration generally involves a bottom-up learning process, in which senior managers are persuaded to abandon their old routines and make a commitment to a new course of action (Wooldridge & Floyd, 1989). Unlike exploitation, exploration necessitates developing new skills and internal selection processes that are expected to yield a sufficient variety of autonomous strategic initiatives, that is, experiments with new skills or market opportunities that are triggered by shifts in factor or product markets (Burgelman, 1991). And, whereas exploitation entails largely formalized interactions between levels of management, exploration entails intensely sociopolitical

interactions that, because they are influenced by where managers reside in the organization's hierarchy, may cause managers to perceive the need to adapt differently (Weick, 1995).

Although SMEs face similar knowledge-processing demands as do their larger counterparts, SMEs differ significantly in the impediments that they face in dealing with these processes. For example, because they are closest to the changing trends in customer demand, the operating managers at both firm types are generally the first to feel the need to explore new sources of competitive advantage. At large firms, however, the operating managers typically communicate their insights and recommended initiatives to middle managers, who, in turn, choose what to convey, if anything, to senior managers. In some instances, middle managers may feel conflicted, particularly if these initiatives entail changing routines, competencies, and resource allocations, which threaten the status quo (Floyd & Lane, 2000). Consequently, middle managers may choose to filter or alter the meaning of cues from the operating-level managers to suit their own interpretation or to promote their own agenda. They may do so, even at the expense of their operating managers (Dutton & Jackson, 1987), the firm's strategic selection process, and the firm's performance.

In contrast, such organizational impediments tend to be minimized in SMEs, simply because the members of their TMTs are much closer to the firm's operating core. Indeed, senior managers in SMEs not only ratify and direct their firm's strategy, as do their counterparts in larger firms, but they also participate more directly in the day-to-day implementation of those strategies, as do the operating managers in larger firms. Consequently, these managers are closer to the firm's existing competencies and, therefore, are knowledgeable about when and how to exploit them. They are also closer to the markets and, therefore, are positioned to be more aware of changing trends in customer demand. This enables them to potentially discover, evaluate, and champion new market opportunities more directly activities that lie at the heart of exploration.

Such potential notwithstanding, however, the ability of senior managers in SMEs to guide knowledge processes in ways that promote an ambidextrous orientation is not a given.

Indeed, studies of SMEs have shown these firms to be, on average, biased toward exploratory processes, such as the proactive acquisition of new information (Zahra, Ireland, & Hitt, 2000), higher level learning (Busenitz & Barney, 1997), product leadership (Eisenhardt & Schoonhoven,

1990), and the aggressive use of resources in new arenas (Romanelli, 1987). In other words, despite facing fewer organizational learning impediments, senior managers in SMEs will experience dissonance in trying to reconcile contradictory knowledge demands, particularly because they are often expected to play both operating and strategic roles.

Although there is no widely accepted measure of an ambidextrous orientation (Exploitation and Exploration), existing research provides a sound basis for developing one. For instance, He and Wong (2004) designed a measure primarily based on product design differences having to do with exploration and exploitation. While on contrary, Benner and Tushman (2003), conceptualized ambidexterity as encompassing more than just product design and proposed a two-dimensional definition, entailing exploration and exploitation differences along an innovation's proximity to the firm's current technological/product trajectory—which is similar to He and Wong's measure—and an innovation's proximity to the firm's existing customer/ market segment, which extended that measure. Hence, Lubatkin et al. (2006) based their item from, He and Wong's (2004) 8-item measure and expand it into a 14-item measure, as a means to capture both of Benner and Tushman's (2003) proposed dimensions. Therefore, considering previous empirical works this study adopts the final 12 item constructs proposed by (Lubatkin et al. 2006).

2.1.6 Export performance

Research on the firm's export performance dates back to the early 1960s with the pioneering work of Tookey (1964), who first attempted to identify the factors associated with success in exporting. Since then, numerous empirical studies have examined the interrelationships among export performance determinants and their outcomes, indicative of an ever-increasing interest in export operations worldwide.

Export performance is the level of firms targets included in strategic objectives and financial targets that can happen through design and implementation of export marketing strategies for exporting a product (Dalvand, et al., 2015).

Sousa, (2004) broadly state export performance indicators that are based mainly on absolute values such as export intensity, export sales volume, and export market share, among others, are objective measures. On contrary, indicators that measure the perceptual or attitudinal

performance such as perceived export success and satisfaction with export sales are considered to be subjective measures of performance.

Katsikeas, et al. (2000) in their review of export performance measures used robust method and categorized export measurement into economic and Noneconomic Measures. The economic measure composed of Sales, Profit and Market share related, whereas Noneconomic measures are poised of product, Market, miscellaneous and generic measures. Sales and profit related are the most common measures in presenting performance of export in firm level empirical analysis. These categories are discussed subsequently.

Economic Measures

Sales-related measures were most often used to assess export performance, examined by two in every three studies. Fourteen different indicators were found to measure the volume, intensity, or growth of export sales, at either the corporate or product level. The most common measure criticized on the grounds that it can be affected by factors other than better exporting operations and does not reflect the competitive dimensions of export success (Kirpalani and Balcome 1987).

Another widely used and practically useful indicator is export sales growth, which may overstate performance because of price escalation and market growth, or understate performance because of experience curve effects and deteriorating demand (Kirpalani and Balcome 1987). Also important are profit-related measures, with export.

Profitability and growth most researched and often cited as the export firm's ultimate goal (Aaby and Slater 1989). Export profit contribution (percentage of company profits due to exports) received some empirical attention, although this measure suffers from shortcomings similar to those of export sales intensity, while export profit margin and growth were rarely examined due to measuring difficulties. Broadly, this set of measures is open to criticism in that export-related profits may not be known with certainty, especially when firms utilize marginal cost pricing (Samiee and Anckar 1998).

Market share-related measures (export market share and growth) are rarely researched. Although these measures can indicate the firm's competitive prowess rather than increased export business due to a growing market (Kirpalani and Balcome 1987), they have been

criticized on the ground that actual market share is often difficult to measure, especially among small companies operating in niche markets.

Noneconomic Measures

Among noneconomic measures of export performance, *market-related* measures were widely examined, although overall they are seldom researched. Five performance measures were identified here, with the number of export countries/markets most widely studied. However, there is persisting debate on export market expansion, suggesting that the number of foreign markets is not an end in itself but is contingent on the specific company, product, market, and marketing factors (Piercy 1982).

Product-related measures refer to the number of new products exported, the proportion of product groups exported, and the contribution of exports to product development. Though hardly used, this measurement is justified on the bases that product and its performance are key to any export marketing strategy.

Finally, several *miscellaneous* noneconomic measures were also used, each reported in a single study. These measures include the contribution of exporting to economies of scale and company reputation (Raven, McCullough, and Tansuhaj 1994), the number of export transactions (Culpan 1989), and the projection of export involvement (Diamantopoulos and Schlegelmilch 1994).

Generic Measures

Some researchers chose more collective approaches to export performance measurement. One common measure is based on export managers' degree of satisfaction with overall export performance to determine the net outcome of their respective companies' export activities. Other generic measures are perceived export success and the degree to which export objectives have been fulfilled. Obviously, these are crude measures of export performance, as they cannot adequately capture the construct's domain. Analysis of export performance indicators yields two sets of studies: those using a single indicator (33 studies) and those employing multiple measures of performance (60 studies), sometimes used for developing a composite index of the construct. Use of multiple measures was more popular, as different measures of export performance capture different facets of the strategic and operational phenomena that underlie it (Thach and Axinn

1994; Walters and Samiee 1990). Moreover, increasingly more export marketing academics and practitioners now believe that performance indicators are more complementary than mutually exclusive (Shoham 1998).

2.2. Empirical Literature Review

2.2.1. Empirical Review at International Level

Studies on customer orientation various parameters the effect of customer orientation on customer could be viewed in terms of customer satisfaction and service quality. Hind (2015) conducted a study using customers of pharmacy one in its 41 branches located in Amman choosing a convenience sampling technique on the customers who visit pharmacy one branches during the period of the study conducted it is analysis on 248 respondents with the aid of SPSS and AMOES state there is a significant statistical effect of customer orientation on customer satisfaction as well as a significant statistical effect of service quality on customer satisfaction and also a statistical significant mediating effect of Service Quality on the relationship between customer orientation and customer satisfaction.

Fahim & Baharun(2017) examine the determinants of strategic orientation (SO), which consist of market learning orientation (MLO) and entrepreneurial orientation (EO) and Innovation capability (IC) towards small firms' performance. According to the resource based view theory, market orientation and learning orientation are significant antecedents of firm performance but many of the studies measured both as separate constructs. They state the two orientations are complementary in term of behavioral perspective where firm will learn and focus on market and later can help in the contribution of marketing towards business strategy. The combination of market learning orientation and entrepreneurial orientation is significant to proactively identify any changes related with the environment. Considerably, innovation capability is regard as a dynamic capability approach to enable firm to sustain in this volatile market. The study explored market learning orientation, entrepreneurial orientation and innovation capability of small and micro farmers of Malaysia using 235 respondents from Northern, Southern, Western and Eastern regions. The statistical analysis was done through scale's reliability, factor loading determination and hypotheses testing. The testing showed that market learning orientation and entrepreneurial orientation have positive impact to innovation capability as well as farm performance.

Dalvand et al., (2015) in their study of food export companies stating this particular industry is biased towards innovation and was diagnosed fairly competitive. The model of their conceptual framework is based on a combination of past research studies using respondents that include experts, senior experts and managers of companies on sample size of 340. The study used structural equation modeling statistical in Lisrel software, analysis based on the premises of the primary and secondary hypotheses. Consequently, the main association between effectiveness, operational capabilities and export performance was approved and it was demonstrated that the impact of operational innovation capabilities on export performance is more than effective innovation capabilities. Furthermore, resource allocation, learning and organizational culture capabilities from effective innovation, manufacturing and marketing capabilities from the operational innovation capabilities have positive effects on export performance.

Solberg &Olsson (2009) Study Management orientation and export performance: the case of Norwegian ICT companies. The contrast of three management orientations relevant for exporters: export, technology and customer orientations. The main hypothesis dictates orientations associate positively with export performance. However, an alternative hypothesis regarding customer relations is propounded (negative impact on performance). The respondents include marketing managers of ICT companies on sample size of 80 were collected and analyzed using Ordinary least squares (OLS)-regression and structural equation modeling (SEM) were used Given the limited number of respondents the study was forced to apply OLS model only. The findings support the hypotheses indicate export performance enhances with export commitment. Technology orientation correlates positively with export performance. contrarily, the much acclaimed customer orientation implies negative correlation with export performance.

Monreal-Pérez et al., (2012) on their longitudinal study of Spanish firms analyzed the impact of innovation on a firm's export activities using Probit model address potential endogeneity concerns as well as examine the impact of export activity on a firm's innovation performance conducted a longitudinal analysis of 14,142 observations of an annual average of 1767 Spanish firms within the manufacturing sector during the period from 2001 to 2008. The results suggest that the Innovation has a positive effect on the firm's export activity and adequately explains the observed phenomena. The result implies that innovation induces firms to increase their export activities. Nevertheless, firms do not experience any learning-by-exporting effects on the

obtaining of product or process innovations. Productivity does not modify any of these relationships.

Hitt, Hoskisson, & Kim, (1997) using Standard & Poor's COMPUSTAT database select 295 manufacturing firm with an average sales exceeding \$100 million between 1988 and 1990 conform innovation in the form of R&D has positive effect on export performance. They contend that the intensity in the R&D would bring about product diversification and bring about positive effect and eventually wares off as international diversification increases.

Wakelin (1998) study the role of innovation in determining export behavior for a sample of UK firms including both innovating and non-innovating firms using a microeconomic data set of UK firms which covers 320 firms for a period of 5 years from 1988–1992 and accounts for over half of total UK manufacturing output over the 5 years empirically determine export behavior using Probit model founda vary between innovating and non-innovating firms. Non-innovative firms were found to be more likely to export than innovative firms of the same size. However, the numerous past innovations has a positive impact on the likelihood of innovative firm exporting. The paper concludes that the capacity to innovate changes the behavior of the firm relative to non-innovating firms.

Lages et al., (2009) using a resource-based viewpoint to understand exactly how a set of capabilities (organizational learning, relationship, and quality capabilities) influences product strategy (product quality and product innovation) and export performance (relationship performance and economic performance). Using two types of respondents from the same firm, they find strong support for the capability–strategy–performance link. The finding imply managers should invest in relationship management capabilities to improve product innovation and product quality, which in turn leads to export performance enhancement. Additionally, product quality is a important element in international markets, both product innovation and relationship performance play a greater role in enhancing economic performance. The study concluded with implications for international marketing theory and practice.

Ribau et al(2017) aims at studying the impact of a set of internal innovation capabilities on export performance of small and medium-sized firms (SMEs), with the mediating role of entrepreneurial orientation contingent upon the proactive or reactive behavior of the firms to

external stimuli. The study involves the analysis of 147 questionnaire-based survey of managers from plastic manufacturing SMEs operating in Portugal that were subjected to a Partial Least Squares-Structural Equation Modelling (PLS-SEM) technique. The findings show active firms to external stimuli are not only better at innovating but also their entrepreneurial orientation capabilities underpin a better performance in international markets when compared with firms that react to external stimuli.

Yan et al., (2017) Drawing on the resource-based view and the customer orientation using a sample of 230 Chinese exporting firms, found that Managerial ties is linked to superior export performance, and the link is positively moderated by Customer orientation. Therefore, this study expands understanding of how firms can not only improve their export performance through the development of Managerial ties, but also use customer orientation to reinforce Managerial ties and export performance association. They argue that Managerial ties can help exporting firms to enhance export performance; and customer orientation will help strengthen the positive effect of Managerial ties as customer orientation directs the value of Managerial ties for improvement of competitive strategy and customer experience with a market focus on generation, dissemination, and use of market intelligence concerning existing and potential customers and competitors.

Osman et al., (2016) develops and tests a model that examines the impact of born-global customer orientation on innovativeness through the mediating roles of technological capability, relationship quality, and relationship information process using data of 197 small and medium-sized born-global firms in Turkey were used to measure these relationships through structural equation modeling. The result suggests that customer orientation influences innovativeness indirectly through the mediating role of technological capability. Simply technological capability acts as a full mediator between customer orientation and innovativeness. Contrary to the authors predictions, relationship quality and relationship information process do not significantly influence innovativeness. Therefore, the empirical result rejects the mediating roles of relationship quality and relationship information process.

Prifti & Alimehmeti (2017) Study the concept of customer orientation as an outer source of innovation for organizations in the context of Albania. Investigate customer orientation relation with innovation and firm performance by analyzing a sample of 99 companies operating in

Albania. The relationships and the impact of customer orientation on innovation and performance are tested empirically through structural equation modeling techniques (SEM). The analysis substantiates Previous theoretical and empirical findings in developed economies; however, it gives way to some contextual interpretations. The implications of this study are considerable in academia and in managerial purposes. They contend customer orientation relevance relies in the distinction of customer orientation construct and the right division of components within the company, and the adequate approach toward intelligence generation, dissemination, and reacting to market needs and competition with innovative products and services.

Mensah & Acquah (2015) investigate the influence of innovation on organizational performance of small and medium sized enterprises (SMEs) in the Sekondi Takoradi metropolis used survey research design whilst the research approach was quantitative research approach. Simple random sampling technique was used to collect data from 243 owners'/owner managers of SMEs in the Sekondi Takoradi Metropolis through self-administered questionnaires. Partial least squares (PLS) structural equation modeling (SEM) was used to test the hypotheses postulated. The research showed all four types of innovation significantly influence organizational performance positively, except the product innovation/organizational performance relationship, which was positive but not significant. The results also suggest that innovation accounted for more than fifty-one percent of the variation in organizational performance.

Zehir, et al., (2015) investigating the relationship between customer orientation, innovation capability and export performance in consideration of mediator effect of innovation capability on the relationship between customer orientation with export performance on small and medium-sized enterprises (SMEs) in Turkey using the survey method with 474 owners and managers in total, from 186 number of firms operating in manufacturing sector. Data have been analyzed using correlation and regression analysis with Structural Equation Model (SEM). Analysis is performed using SPSS and AMOS software packages. The result of the study indicates innovation capability has a partial mediator effect on customer orientation dimensions and export performance. This empirical finding show that SMEs can be able to achieve competitive advantage through improving a market-driven innovation capability.

Tutar et al. (2015) researched strategic orientation within the scope of competitive advantage theories in the literature is analyzed through the case of ASEM (Furniture Market of Sakarya). They conducted study defining the status of strategic orientation of the firms (market orientation, entrepreneurial orientation and technology orientation) in using innovation capabilities. The survey collected were used to test strategic orientations, innovation types and market performance for SMEs in ASEM. The result suggests that proactive market orientation, entrepreneurial orientation and technology orientation positively related with innovation capabilities. Furthermore, innovation capabilities play a crucial role between strategic orientation and market performance.

2.2.2. Empirical Review at National Level

Daniel et al (2017) assess the positive effects of customer orientation and its components on firm performance are empirically supported by studies conducted for large firms in developed economies. This paper examines the impact of market orientation components on the performance of seed producer cooperatives in Ethiopia. The finding indicate customer orientation, inter-functional coordination, and supplier orientation have significant effect whereas, not competitor orientation, contribute to higher business performance. Our findings confirm that customer orientation is the key factor for superior business performance in developing and emerging economies. Business performance has a mediating role between market orientation components and livelihood performance. Inter-functional coordination and supplier orientation influence the livelihood of member farmers both directly and indirectly via business performance. The study concludes that customer orientation of seed producer cooperatives is very important for business performance and provides a strong basis for the livelihood of seed producer families. Seed producer cooperatives can improve their performance and the livelihood of member-farmer families by implementing market oriented strategies, emphasizing the key components of market orientation.

Kero & Sogbossi (2017) investigate the mediating effects of customer orientation in the competitive strategy orientation product innovative success relationship using quantitative approach through self-administered questionnaires of 388 tested the hypothesis using structural equation modeling via AMOS to analysis regression and confirmatory factors of variables on a data. The finding indicates that customer and competitive orientation has significant positive

effect on products innovative success. Selam (2018) investigate the influence of customer orientation on the market performance of garment companies in Ethiopia. The study considered two commonly used models of customer orientation. The researcher used Kohli and Jaworski's dimensions of customer orientation and investigate the influence on market performance based on five determinants adapted from Irving; Customer satisfaction, customer value, customer loyalty, attraction of new customers, market growth and market share. The data was collected from fourteen garment companies in Ethiopia and the Ethiopian Textile and Garment Manufacturers Association through survey questionnaire and projective techniques 60 usable questioners were collected coded and analyzed with the use of SPSS and EViews. The research result indicate positive significant relationship between Intelligence Generation; Responsiveness. However, there is a positive but insignificant relationship between Intelligence dissemination and Market Performance of local garment companies in Ethiopia. The study recommends that garment companies emphasize to become customer oriented in order to achieve superior market performance.

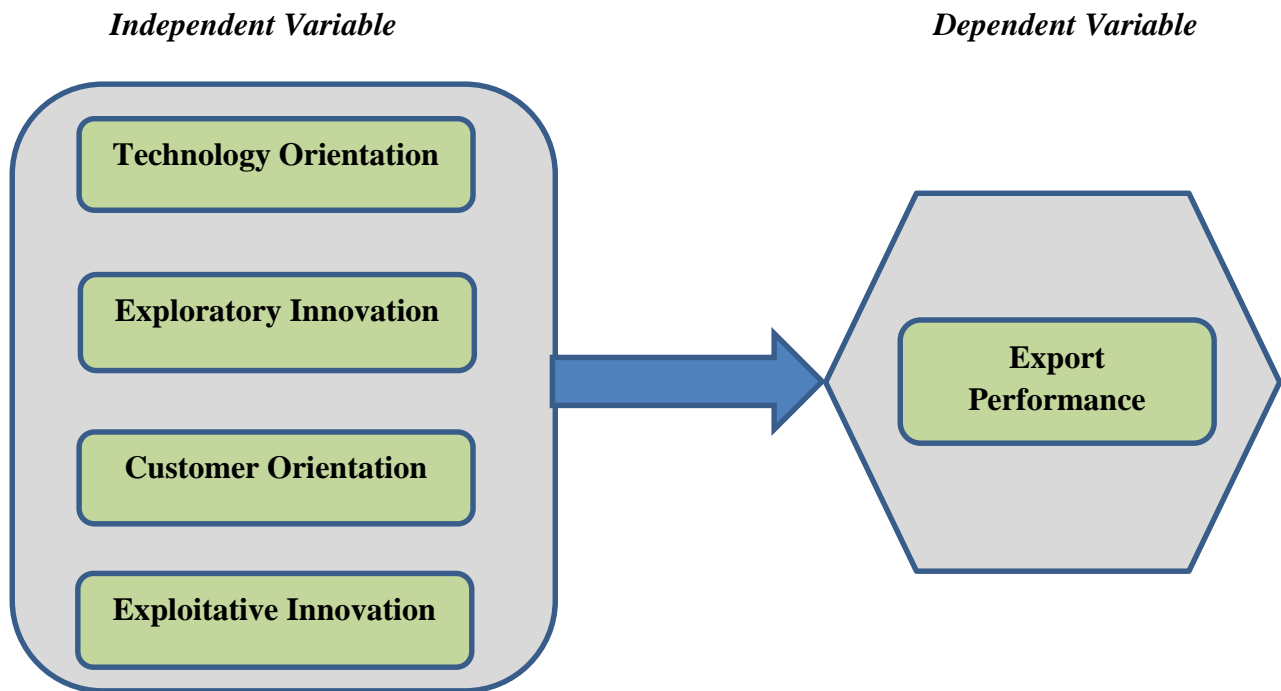
2.3. Research Gap

Based on the previous review of literature at international level researchers have identified and investigated several factors considered in fragmented manner only consider customer orientation or Technological orientation while considering innovation capacity or export performance. Furthermore, empirical literatures fragmentally analyze the mediating role of innovation capacity. This, study, therefore, attempts to fill this research gap by investigating the Influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia. Garment industry in Ethiopia as indicated by Selam,(2017) state there is still untapped market that only need a design modification in the current manufacturing process of the garment companies indicative of less emphasis given to customer orientation and emphasized on customer orientation on market performance . Other literature that are conducted domestically include Daniel et al (2017) who studied the influence of customer orientation on business performance while Kero & Sogbossi (2017) influence of customer orientation on product innovation success. Hence, previous doesn't wider strategic orientation innovation capacity and export performance as per the knowledge of the researcher.

2.4. Conceptual Framework and Hypothesis Development

Based on the existing theories in the literature, the research formulated an inclusive research framework as shown below.

Figure 1. Conceptual Framework of the model



(Source: Adapted from Hortinha et al., 2011)

CHAPTER THREE

RESEARCH DESIGN AND APPROACH

3.1. Introduction

This chapter outlines the methodology and techniques used to fulfill the objectives of the research set out in the introduction. It contained the research design, the research type, data collection techniques, population and sampling techniques, research instrument and data analysis method.

3.2. Research Design

Research Design refers to the framework into which the research fits depend on the theory and nature of the research problem. This will underpin all of the research activities (Walliman, 2006). According to Creswell (2009), there are three research designs. These are – Qualitative, Quantitative, and Mixed designs. Quantitative research approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion (Kothari,2004). It has two types of research design – Survey and Experimental (Creswell, 2009). A survey design provides a quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population. From sample results, the researcher generalizes or makes claims about the population (Creswell, 2009). Moreover, qualitative data was collected through interviews. This study aims to investigate influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia, based on a generalizable sample. Therefore, this study shall use both quantitative and qualitative (i.e., mixed) research design. In order to ensure that the research design was consistent with the research objectives on appropriate respondents were selected in each Garment Manufacturing Companies as a sample to examine the stated factors. After selecting the respondents, a self-administered questionnaire and interviews was employed as they are deemed an appropriate approach to collect data for this research. Before the full survey data collection, the questionnaire was pre-tested to check any inconsistency on the interpretation of the items by the respondents.

3.3. Data Source

This research is based on the questionnaire survey and hence it used the primary sources. The primary data is collected from selected respondents from each manufacturing entities in Ethiopia.

3.4. Study Area

In research methods, population is the entire aggregation of items from which samples can be drawn. In this study, the target population is comprised of Garment Manufacturing Companies in Ethiopia. As of July 31, 2019 there are 17 garment manufacturing firms in Ethiopia who are engaged in exporting their products. Hence, this study included all garment manufacturing companies (See Appendix A).

3.5. Target population

The study target populations are Garment Manufacturing Companies in Ethiopia. As of July 31, 2019 there are 17 garment manufacturing firms in Ethiopia who are engaged in exporting their products. The respondent to the questionnaire developed is intended to include top level managers, marketing and sales department, as well as export management were considered as sample frame of current research.

3.6. Sampling methods and sample size

3.6.1. Sampling Methods

It is extremely important to choose a sample that is truly representative of the population so that the inferences derived from the sample can be generalized back to the population of interest. Improper and biased sampling is the primary reason for divergent and erroneous inferences (Bhattacharjee, 2012).

Through using appropriate sampling techniques that best suites the objective and status quo, sampling has been performed to select representative sample from all garment export manufacturing companies' in Ethiopia which are 17 as of July 2019. Subsequent to the inclusion of all the companies' respondents from the concerned department/respondents from each entity was selected.

3.6.2. Sample Size Determination

Determining sample size is a very important issue because samples that are too large may waste time, resources and money, while samples that are too small may lead to inaccurate results

(Nobel, 2019). The Sample size of each entities of respondents has been determined using the purposive sampling technique and each entities respondents are chosen based on their know how of the study under the question in their perspective duties to the garment manufacturing firms. Including employees assigned in top level managers, marketing and sales department and export management 6 respondents per entity times the number of entities under the study is 17 sums up 102 respondents.

3.7. Operationalization and Measurement of Variables

The main goal of this study is to find out the Influence of Customer and Technological Orientation on export performance of garment companies in Ethiopia. The dependent variable in this study is export performance of garment industry which is measured using subjective measurement of organizational performance. It is measured using a five point Likert scale. The definition of the independent variables their measurement and expected sign on the export performance is indicated in Table 1.

Table 1. Conceptual definition of constructs

Constructs	Definition	Measurement	Expected effect on export performance(+/-)
Customer Orientation	Refers the extent to which a firm takes into account the preferences and needs of its customers in its decisions.	Five point Likert type scale (5= strongly agree, 4= agree, 3= neutral, 2= disagree, 1= strongly disagree)	+
Technological Orientation	Organizations ability to utilize its technical knowledge in order to build a new technical solution to satisfy the needs and wants of the target market.	Five point Likert type scale (5= strongly agree, 4= agree, 3= neutral, 2= disagree, 1= strongly disagree)	+
Exploratory Innovation	Pursue new knowledge and develop new products and services for emerging customers or markets.	Five point Likert type scale (5= strongly agree, 4= agree, 3= neutral, 2= disagree, 1= strongly disagree)	+
Exploitative Innovation	Build upon existing knowledge and extend existing products and services for existing customers	Five point Likert type scale (5= strongly agree, 4= agree, 3= neutral, 2= disagree, 1= strongly disagree)	+
Export Performance	The relative success or failure of the efforts of an organization or country to sell locally produced goods and services to other countries.	Five point Likert type scale (5= strongly agree, 4= agree, 3= neutral, 2= disagree, 1= strongly disagree)	

3.8. Measurement of Variable

The main goal of this study is to find out the Influence of Customer and Technological Orientation on export performance of garment companies in Ethiopia. As mentioned before survey is the strategy of this research. Based on extended literature review we have developed an appropriate research variable which had been validated in prior studies. Following table presents variables and their corresponding measurements sources used for questionnaire.

Table 2. Source of Constructs

Constructs	Number of Items	Source of Questionnaire Items
Export Performance (EXP)	10	Zou, Taylor, &Osland(1998)
Customer Orientation (CO)	10	Narver& Slater (1990)
Technological Orientation(TO)	6	Zhou, et al.,(2005) Han, et al (2001)
Exploratory Innovation(ExprI)	8	Lubatkin et al. 2006 Yalcinkaya, et al.,(2007)
Exploitative Innovation(ExpII)	8	Lubatkin et al. 2006 Yalcinkaya, et al., (2007)

Source: Own literature review

3.9. Data Analysis Methodology

Hair et.al (2005) argued that for analyzing the relationship between one dependent variable and several independent variables multiple regressions analysis can be applied. Hence, multiple regression analysis is an appropriate way to check the relationships between independent variables and dependent variable in this study.

This study used a multiple linear regression method to analyze the data. The regression model used is specified as follows.

$$Y = a + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + e$$

Where Y= Export performance

a= intercept

X₁= Customer Orientation

X₂= Technology Orientation

X₃= Exploratory Innovation

X₄= Exploitative Innovation

e= Error Term

3.10. Data analysis and interpretation

Descriptive statistics such as frequency distribution and figures was used to assess the demographic profile of the respondents to make the analysis more meaningful, clear and easily interpretable. Descriptive statistics allow the researchers to present the data that acquired in a structured, accurate and summarized manner. The analysis of data was undertaken using statistical software of Statistical Package for Social Sciences (Version23).

The data collected from the field was sorted out for completeness, checked for any errors and omissions, and summarized in tables. Also the data obtained from the study was decoded into the computer and statistical analysis was employed using the Statistical Package for Social Sciences (SPSS) for the descriptive part of the study as well as Cronbach's Alpha for testing the validity of the data was undertaken.

Descriptive statistics by percentages and tables generated from the software to establish relationship among variables. The relevant information obtained in a standard form using tables, frequencies and percentages to was used to analyze and interpret the information. For the inferential part of the study OLS (ordinary least square) method was used using SPSS v23 after diagnostics tests are conducted and confirmed of no violation.

3.11. Pilot Testing

Piloting is a key stage in the development of the questionnaire allowing evaluation of the instrument before the main study is conducted (Parahoo,2006). The major objective of the pilot taste was to get feedback on the questionnaire way of preparation, wording, coherence and any other valuable comment and to in incorporate any important comments and finalize the questionnaire. Moreover, it helps the researcher to check reliability, understandability, and accuracy of its content. The questionnaires were piloted on five (5) respondents who didn't participate in the actual administration of the questionnaire.

3.12. Ethical Consideration

Ethics are the moral principles or values that guide officials in all aspects of their work. Ethical behavior encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency Wee (2002). Before conducting the study, the researcher considered the ethical issues that can be anticipate and described in the study. These issues relate to all phases of the research process. In addition to that Honesty and integrity must be attained from the

respondents. Problems therefore may be encountered as they may feel their jobs are at risk if they speak ill of company policies and practices. To overcome this problem / this issue, each survey was conducted in strict confidence with informed consent from each respondent allowing them to refuse the survey. The researcher avoids plagiarism by ensuring that all information that was presented in the study and carefully referenced and a clear reference was written.

3.13. Measurement: Validity and Reliability

Validity is the degree to which a test measures what it purports to measure Creswell (2009). Hammersley (1987) asserted that “an account is valid or true if it represents accurately those features of the phenomena, that it is intended to describe, explain or theories”. In so far, validity is concerned with two main issues: whether the instruments used for measurement are accurate and whether they are actually measuring what they want to measure Winter (2000). Ritchie & Lewis (2003), indicated that the validity of research is conceived as the precision or correctness of the research finding. Checking the validity of data collecting instruments before providing to the actual study subject is the core to assure the quality of the data (Yalew,1998). To ensure validity of Instruments, the instruments were developed under close guidance of the advisors and also a pilot study will be carried out on 5 respondents to pre-test the instrument. The pre-test was providing an advance opportunity for the investigator to check the questionnaires and to minimize errors due to improper design elements, such as question, wording or sequence Adams et al. (2007:136). After the dispatched questionnaires were returned, necessary modification on 7 items and Complete removal and replacement of 4 unclear questions were done. Finally, the improved version of the questionnaires was printed, duplicated and dispatched to the targeted respondents.

Reliability is the extent of the research findings can be duplicated or replicated, if similar study is undertaken using the same research methods. They asserted that “the reliability of the findings depends on the likely recurrence of the original data and the way they are interpreted” in other word (Stability, Equivalence, Homogeneity) of the data Ritchie & Lewis,(2003), as well as how valid the results were and should produce similar generalized results if the sample size increase (Field, 2006).

Dunn (2001) also defines reliability as a measure's stability or consistency across time. The data reliability test is measured by using Cronbach's alpha, α (or coefficient alpha) which was

developed by Lee Cronbach in 1951, measures reliability, or internal consistency formulates as follows:

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Where:

N = the number of items.

\bar{c} = average covariance between item-pairs.

\bar{v} = average variance.

The Alpha value is ranges from a maximum of 1.0 for a perfect score to minimum of zero, good measure of the alpha should be 0.70 or higher (Neuman, 2007). According to William and Barry (2010) scales exhibiting a coefficient alpha between 0.80 and 0.96 are considered to have very good reliability, between 0.70 and 0.80 are considered to have good reliability, and alpha value between 0.60 and 0.70 indicates fair reliability and when the coefficient alpha is below 0.60, the scale has poor reliability. After the test if all the variables pass the test the researcher proceed for further analysis.

Hence, the Cronbach's Alpha values of the survey presented in table below indicate good reliability.

Table 3. Reliability Test (Cronbach's Alpha)

<i>Dimensions</i>	<i>Alpha coefficients for dimensions</i>
Export performance	0.945
Technology orientation	0.958
Customer orientation	0.950
Exploratory innovation	0.963
Exploitive innovation	0.946

Source: Analysis of Survey data 2020, using SPSS 23

The Cronbach's Alpha range value is b/n 0.945 to 0.963. Therefore, all variables are acceptable for further analysis.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

4.1. Introduction

In this chapter, the data was collected from respondents and analyzed and interpreted using quantitative analysis which involves analysis of the demographical information of respondents and the descriptive and inferential statistics employed to test and to investigate the influence of independent variables on dependent variable. To analyze the collected data in line with the overall objective of the research undertaking, statistical procedures were carried out using SPSS (version 23).

4.2. Response rate on Questionnaire

A total of 102 questionnaires were distributed to garment manufacturing firms including employees assigned in top level managers, marketing and sales department and export management to assess influence of customer and technological orientation on export performance of garment companies in Ethiopia. 101 questionnaires were filled up and returned making the response rate 99 percent. This indicates that, the respondents under this study were committed to give information relevant to the research.

4.3. Demographic characteristics of respondents

This section provides a profile of respondents who involved in the study and data collection. The primary data was collected from the employees of 17 garment-exporting firms using questionnaires. Hence, this section describes the demographic characteristics of the respondents that focused on gender, level of education, years of work experience, years of work experience in garment industry and position.

Table 4. Demographic characteristics of respondent

Variable	Category	Frequency	Percent
Gender	Male	69	68.3
	Female	32	31.7
Current level of education	BA/BSC(Under graduate)	64	63.4
	MA/MSC/MBA(Graduate)	28	27.7
	PhD.	9	8.9
Work experience	1-5 years	84	83.2
	6-10 years	17	16.8
Work experience in garment exporting company	less than a year	23	22.8
	1-5 years	38	37.6
	6-10 years	32	31.7
	11-15 years	8	7.9
Position in the organization	Top level management	18	17.8
	Middle level management (line manager)	67	66.3
	Team supervisor	16	15.8

Source: Analysis of Survey data 2020, using SPSS 23

Data shows that 68.3% of the respondents are males while the rest 31.7% are females. Imron, et al., (2017) indicate higher productivity resulted from increased employee motivation and efficiency with those with diversity. Gender diversity is one of the source of intangible and socially complex resources to market insight, creativity and innovation, and improved problem-solving. The exporting business is a cut throat business require creativity, innovation and problem solving from all available employees specially those who make the major decision henceforth having women that make up at least one third of the top level management.

Regarding the level of education, 8.9% PhD holders, 27.7% are Masters holders and most of the respondents 63.4% of them are degree holders. Chetty and Campbell (2004) stated that of the vital characteristics of global firms is their quick and fast acquisition of knowledge. Lautanen (2000) imply there is a particular relationship between foreign market information and knowledge intensity with sales growth rate globally in a new technology-based venture in Finnish. Knowledge has an important role concerning the internalization of new enterprises successfully. Equipping managers with various business conditions around the globe opens them

up to opportunities internationally Knight & Liesch, (2002). Hence, having an employee with good educational background would enable exporting firms to communicate better explore new market and stay in a competition.

Regarding the respondents work experience, 83.2% of the employees have an experience of 1-5 years. The task achieved by the organization is undertaken by employees who are relatively in their earlier carrier span indicating there is an opportunity for creativity innovation and problem solving and could build their carrier in the organization in coming years which would have a sustainability in the organization. 16.8% of them have 6-10 years of work experience. This implies that there are a handful of experienced employees on top management who can lead and share their fair amount of experience with their younger colleagues. A high educational level with a good work experience will enable management to balance the risk taking of younger employees to take more guided and reasonable risk to enable workers perform smoothly on a dynamic business environment.

Regarding the respondents work experience in garment exporting company, 37.6% of the respondents have an experience of less than a year, 1-5 years 54.5% have an experience. The task achieved by the organization is undertaken by employees who are relatively in their earlier carrier span indicating there is a lot of room for dynamism change 7.9% of them have 6-10 years of work experience. This implies that there are a handful of experienced employees who can lead and share their fair amount of experience with their younger colleagues in Garment sector. A high educational level with a good work experience will enable management to balance the risk taking of younger employees to take more guided and reasonable risk taking to enable workers perform efficiently.

With reference to the position of respondents, 17.8% are top level managers, 66.3% are middle level management (line managers) and 15.8% are supervisors. This indicate that the respondents have a good knowledge about the organization Middle managers are in a strong position to introduce organizational change. Foreseeing turbulent times ahead, Peter Drucker said, the very term 'middle management' is becoming meaningless in the context of what he called as the 'double-headed monster' (Drucker, 1980). Drucker emphasizes the important role of middle managers in creating and maintaining effective management systems. Upward effect is generally related with consensus decisions, commitment to objectives, and innovation (Schilit, 1987).

Hence, with their importance in the Middle level management it can be assumed they are the right respondents in investigating the Influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia.

4.4. Survey results

The following descriptive statistical analysis shows the conceptual framework adopted for this study. Particularly, the analysis demonstrates the research questions to make discussions the study used mean, standard deviation, frequency and percentile. The respondents were asked to indicate the extent to analyze influence of customer and technological orientation on export performance of garment companies in Ethiopia in five scales (1=strongly disagree, 2= Disagree, 3= Neutral, 4= Agree and 5=strongly agree).

4.4.1 Technology Orientation

According to the respondents the questions regarding the use of sophisticated technologies in development of new product 1% of the respondents 'strongly disagree', 4% 'disagree', 14.9% of the respondents' reply 'Neutral', 55.4% 'Agree' with the statement and the rest 24.8% 'strongly Agree' on the use of sophisticated technology on product development. The mean value of the respondent is 3.99 which show respondents lean towards an agree on the use of sophisticated technology on development of new product the majority responded 'Neutral'. The SD 0.86 declared that respondents' view is deviated from the mean. The result is an indicative of the fact that even though the respondents are convinced that they are using the sophisticated technology in the development of new product they are unsure of the level of sophistication used.

Concerning with Our new products always use state-of-the-art technology 2% of respondents 'strongly disagree' while 5% 'disagree'. The respondents that reply 'Neutral' account for 7.9% of the respondents the rest 33.7% and 51.5% of them respond 'agree' and 'strongly agree' on the use of state-of-the-art technology. The mean result indicates 4.27 which substantiate that the respondents 'agree' about the use of state of the art technology in their production system. The SD showed 0.95 deviations from the mean that the respondents are scattered out. The result is indicative that most garment companies under the study are recently established and even after their establishment the machineries used are getting lighter less expensive and more available for producers which made it possible for the manufacturers to acquire equipments easily as they are exporters they have an easy access to forex for procurement of equipments as well as most

garment manufacturing companies usually work with foreigners who have experience in the area gives them an insight on current technologies in affordable cost.

Technological innovation based on research results acknowledge in our organization. Accordingly, 2% of the respondents ‘strongly disagree’, 4% reply ‘disagree’ the respondents that reply ‘Neutral’ account for 14.9% of the respondents. Almost half of the respondents or 48.5 %

Table 5 Summary of survey findings for Technology Orientation

SR.N	Variable used	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Technology Orientation								
TO1	We use sophisticated technologies in our new product development	1%	4%	14.90%	55.40%	24.80%	3.99	0.806
TO2	Our new products always use state-of-the-art technology	2%	5%	7.90%	33.70%	51.50%	4.277	0.95
TO3	Technological innovation based on research results is readily accepted in our organization	2%	4%	14.90%	48.50%	30.70%	4.02	0.894
TO4	Technological innovation is readily accepted in our program/project management.	5%	8.9%	32.70%	37.60%	15.80%	3.505	1.026
TO5	We systematically scan for new technologies inside and outside the industry.		20%	39.60%	30.70%	24.80%	3.911	0.95
TO6	Our products are on the leading edge of the industry standard.	5%	8%	27.70%	32.70%	26.70%	3.683	1.104

Source: Analysis of Survey data 2020, using SPSS 23

‘agree’ on the acceptance of Technological innovation research result while the rest of them that account for 30.7% ‘strongly agree’. The mean result is 4.02 which indicate technological innovation based on research results is readily accepted in our organization. The SD 0.894 revealed that the respondents’ response is scattered out and deviated from the mean. The result is an implicative of the use of innovation based research results use by the garment companies under the study. The garment industry often involves experimenting with color, styles and fabric which often needs researching the quality of the garment and it is one of the reason that this garment companies are still in business.

Technological innovation is voluntarily acknowledged in our program/project management. Thus, 5% of the respondents 'strongly disagree', 8.9% reply 'disagree'. The respondents that reply 'Neutral' account for 32.7% of the respondents the rest that account for half of the response perceive that technological innovation is readily accepted in our program/project management is 37.6% and 15.8% that reply 'agree' and 'strongly agree' on the acceptance of technological innovation by program/project management. The mean result 3.50 and SD 1.10 declared that respondents' view is deviated from the mean. The result is an implicative of the fact that the program/project management of the organization is a using technological innovation. This is an indicative of a strong chain of command by the organization top management despite it is flexibility in use of new technology as well as the new innovations allow the project managers accept it as the industry highly volatile and rely on new innovation the project managers do know that they don't have a choice but to submit to the use of new innovation.

Our organization systematically scan for new technologies inside and outside the industry. 20% of them respondents 'Disagree' On contrary, 30.7% and 24.8% of the respondents 'Agree' and 'strongly agree' this might be assumed that given the dynamic nature of the industry and competitiveness it is essential to consistently search for new technology. The rest 39.6% of the respondents replayed 'Neutral' this information provides respondents do not know whether their company scan new technologies inside and outside the industry. The mean 3.91 contented that respondents are conform the view that their company scan new technologies inside and outside the industry. The SD indicates 0.95 deviation from the mean. The result show that there is some sort of systematic technological scanning but the majority of respondents are undecided of the scope of technological scanning.

Our products are on the leading edge of the industry standard, 5% of respondents 'strongly disagree' while 8% 'disagree'. The respondents that reply 'Neutral' account for 27.7% of the respondents the rest that account for almost half or 32.7% and 26.7% of them respond 'agree' and 'strongly agree' on their product being on the leading edge of the industry standard. The mean result indicates 3.68 which substantiate that respondents 'agree' about their product being on the leading edge of the industry standard. The SD 1.10 showed that the respondents' response is highly scattered out. The final goal of any product is to have the highest quality as possible, reliable product as a finished result and If the quality of the provided outcome does not comply with the expectations and does not meet international standards, then the production might as

well have been a waste of valuable time and resources. The industry of garment production needs to ensure high quality of finished products as there is high competition globally for exporters, that will respond to international standards, be durable, and most importantly meet the needs of the consumers to their maximum extent. Hence, the result of the study is an indicative of there is a product that meet the standard set and are on the leading edge of the industry standard.

4.4.2. Customer Orientation

From the data given below in Table 6 about having high commitment to customer, 6% and 11% of the respondents' reply 'strongly disagree' and 'disagree' respectively. 20.8% of them said it is 'Neutral' and 31.7% and 30.7% respondents reply 'agree' and 'strongly agree' respectively. The mean score is 3.70 indicating that respondents lean towards agreement while the SD 1.18 declared that respondents' view is deviated from the mean.

The result conforms the argument of Colovic(2012) fashion industry is very fast, whereas life cycle is very short. The entire industry is based on latest fashion trends and consumers' pleasure. For that reason, the market is extremely inclined to competitions requires high commitment to customers.

Zeithaml (1988) claim customer value is the perception of what a product or service is worth to a Customer versus the possible alternatives. The worth means whether the Customer feels got benefits and services over what the customer paid. Customer Value in a simplistic form, can be expressed as Benefits minus Cost ($CV=B-C$). Regarding the inquiry of value creation 32.7% of the respondents' reply 'Neutral' this implies that the respondent in the garment companies are undecided on the provision of value to the customer. While 37.6% and 15.8% of replied 'agree' and 'strongly agree'. But the rest 5% and 8.9% of the respondents' replay 'strongly disagree' and 'disagree' respectively. The actual mean is 3.50 declared that respondents are 'Agree' to this point of view. This therefore, the respondents agree on creating value to the customer. The SD is 1.02 showed that the respondents' response is highly scattered out.

Regarding considering understanding customer needs those who respond 1% and 4% responded 'strongly disagree; and 'disagree' 14.9% reply 'Neutral'. While, more than half of the respondent 55.4% and 24.8% said 'strongly agree' and 'agree'. Job performance is one of the criteria which employees got promotion in the organization. The mean 3.99 exhibited the view that majority of the respondent's response is 'Agree'. The SD 0.806 revealed that the respondents' response is scattered out deviated from the mean. The result imply Successful garment companies depends

on understanding consumer desire and responding with appropriate product need. The organization specifically those who are in marketing and sales track and use sales data, keep their attention to the new trend in the media, focus groups, and other means of ascertaining consumer preferences is to provide feedback to designers and manufacturers about the type and quantity of goods to be produced.

Table 6. Summary of survey findings for Customer Orientation

SR.N	Variable used	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Customer Orientation								
CO1	we have high Customer commitment	6%	11%	20.80%	31.70%	30.70%	3.703	1.188
CO2	our firm create customer value	5%	9%	32.70%	37.60%	15.80%	3.505	1.026
CO3	we understand customer needs	1%	4%	14.90%	55.40%	24.80%	3.99	0.806
CO4	we adopt customer satisfaction objectives	2%	5%	7.90%	33.70%	51.50%	4.277	0.95
CO5	our firm measure customer satisfaction	2%	7%	20.80%	41.60%	28.70%	3.881	0.972
CO6	we render after-sales service	3%	7%	29.70%	36.60%	23.80%	3.713	1.003
CO7	Our sales people share information within our business concerning competitors' strategies.	3%	5.9%	26.70%	44.60%	19.80%	3.723	0.95
CO8	We respond to competitive actions that threaten us.	3%	5%	28.70%	37.60%	25.70%	3.782	0.986
CO9	We target customers and customer groups where we have, or can develop, a competitive advantage.	3%	7%	20.80%	46.50%	22.80%	3.792	0.973
CO10	All of our business functions (e.g. marketing/sales, manufacturing, R&D, finance/accounting, etc.) are integrated in serving the needs of our target markets.	4%	6%	22.80%	42.60%	24.80%	3.782	1.016

Source: Analysis of Survey data 2020, using SPSS 23

According to Peter and Olsan, (2005) satisfaction is a phenomenon expressing that the performance and benefits of the products exceed the expectations of the customers. Customer

satisfaction is a significant part of stakeholder theory (Freeman, 1984; Post et al, 2002). Customer satisfaction typically leads to customer loyalty and customer loyalty reflect the probability of repurchasing products or services. Regarding considering adoption of customer satisfaction objectives it shows that the respondents do intend to lean towards an agreement as majority or 33.7% and 51.5% said 'strongly agree' and 'agree' respectively whereas those who were undecided with their view 7.9% exclaimed 'Neutral' the rest of the respondents 2% and 5% state 'strongly disagree; and 'disagree' respectively. The mean indicates 4.27 exhibited the view that majority of the respondent's response is 'Agree'. The SD 0.95 revealed that the respondents' response is scattered out. The result implies that the garment companies do adopt customer satisfaction as an objective.

As far as our firm measure customer satisfaction 41.6% and 28.7% of the respondents replied 'agree' and 'strongly agree' where as 20.8% of the respondents who are undecided responded 'Neutral' the rest 2% and 6.9% of the respondents' replay 'strongly disagree' and 'disagree'. This means the garment companies do measure customer satisfaction. The actual mean 3.881 declared that respondents are 'Neutral' to this point of view. This therefore, means that the staffs have a short work experience. The SD 0.972 showed that the respondents' response is scattered out. Purushothama (2010) state some companies, who were trying to achieve excellence developed their own methods for keeping a track on changing customer needs and their perceptions. Numerous agencies started the initiation of conducting surveys, giving weight for various criteria and arriving at an index in order to track whether the company is showing a positive improvement or not. Hence, the result implies that the garment companies under the study do keep some sort of customer satisfaction mechanism to measure the satisfaction level of their customers.

From 101 sample respondents about those who responded they render after-sales service account for half of the respondents 36.6% of them 'agree' with the statement while 23.8% of the 'strongly agree'. 29.7% of the respondents choose 'Neutral' index the rest of the respondents who are 6.9% and 3% answered 'disagreed' and 'strongly disagree'. It infers that the garment companies do provide after sales. The after sale service it can provide to customer services by garment companies include credit terms or extended credit terms, warranties on the clothing purchased, alterations to the clothing, sales return policy, a discount on future purchases, and so on. This survey study result shows the majority of companies under the study do provide after

sales service to their customers as the result is further proved by the mean of the respondents has an index of 3.71 which leans towards agreement showed that the leading number of respondents tend to 'Agree' while the is SD 1.00 which is deviated from the mean.

Customer orientation is the thought of sharing essential details, information, stats, or insights across departments to create a more efficient organization. The foundation of sales and marketing is knowledge and information to make informed decisions, forecasts and predictions, and improve future campaigns. The marketing or sales team hence is expected to share information with other division such as production department on the products that are demanded by current and potential customers, Budget and financial need to run the demanded product find a short and long term financial means need to be arranged by the finance administration and Human resource administration need to plan with other departments to assure the needed labor of the organization based on the information shared by the sales or marketing department. While, craving strategy the marketing team shares the strategy of their main competitors and an emphasize on this aspect is one of the vital element to achieve the company's objective. As far as sales division sharing information within the business concerning competitors' strategies 3% and 5.9% of the respondents' reply 'strongly disagree' and 'disagree' respectively on sharing information with the rest of their colleges. Whereas, 26.7% of them said 'Neutral' and 44.67% and 19.8% respondents reply 'agree' and 'strongly agree'. The mean is 3.72 indicating that respondents are do agree with their sales team or people responsible share information with their colleagues. The SD 0.95 declared that respondents' view is deviated from the mean. The result is an indicative of information sharing by the sales or marketing department to their colleagues in other department.

As it is stated above in Table 6 about the garment companies responding to competitive actions that threaten them, almost more than 37.6% of the respondents replied 'agree' the companies are responding to competitive action that threaten their going concern. 25.7% of them said 'strongly agree' 5% and 3% responded 'disagree' and 'strongly disagree' respectively. Whereas, 28.7% of them said 'Neutral'. The mean 3.78 declared that companies do respond to competitive action that threaten them with the SD 0.98 indicates that the deviation from the mean response. Mbatha (2018) state low rate of innovation; lack of access to manufacturing inputs are the main competitive advantage threats to South African Clothing, Textiles, Leather and Footwear (SACTLF) Industry. The result of the study implies that the garment companies responding to

such challenges. The Ethiopian garment exporters have reasonably supported with Agoa agreement, easy access to Forex despite the chronic shortage and as expressed earlier have the equipment and technology that would enable them to compete with their competitors. Since their survival depended on responding to a tight competition the result capitulates this reasonably.

Targeting in marketing is a strategy involves segregating a large market into smaller sections to concentrate on a specific group of customers within that audience. It expresses a segment of customers based on their unique needs and emphasizes exclusively on serving them. Regarding question on targeting customers and customer groups where an organization have or can develop, a competitive advantage is important 3% and 6.9% of the respondents' reply 'strongly disagree' and 'disagree' respectively. 20.8% of them said 'Neutral' and 46.5% and 22.8% respondents reply 'agree' and 'strongly agree'. The mean is 3.792 indicating that respondents are agree on targeting customer. The SD 0.973 declared that respondents' view is deviated from the mean. This indicates that the garment companies under the study do target customers since stiff competition and resource constraint would provoke them to be reasonable and target their customers.

Regarding to all of our business functions (e.g. marketing/sales, manufacturing, R&D, finance/accounting, etc.) are integrated in serving the needs of our target markets, 4% and 5.9% of the respondents' reply 'strongly disagree' and 'disagree' respectively. 22.8% of them said 'Neutral' and 42.6% and 24.8% respondents reply 'agree' and 'strongly agree'. The mean is 3.78 indicating that respondents are not sure whether there is an integration of business function. The SD 1.01 declared that respondents' view is deviated from the mean. The result indicates that the garment companies do integrate with in their business function. Unlike the previous finding of Georgise, et al, (2014) who state The preliminary findings of the study highlight that prevailing approach to supply chain integration is limited to ad hoc functional based boundaries within the firm. The supply chain integration enablers are also restricted to the traditional way of communications such as telephone, fax, and letters. Firms need to focus on those issues that require attention in pursuance of greater supply chain integration.

4.4.3 Exploratory Innovation

Producers of clothes today do their business in conditions of rapid dynamics of change and unstoppable trend of globalization, with many innovations and large competition. The entire world is treated as a prospective source of production and a unique market of garments.

(Colovic,2012) Hence, being innovation and out of the box thinking is essential for survival in that regard question forwarded to the respondent whether the firms look for novel technological ideas by thinking “outside the box” those replied ‘agree’ account for 41.6% and 13.9% ‘strongly agree’. Those responded who were undecided about the innovative thinking account for ‘Neutral’ response is 29.7%, On the contrary, 3% and 11.9% of the respondents’ reply ‘strongly disagree’ and ‘disagree’ respectively. The actual mean is 3.51 and SD 0.97 deviation from mean. The result indicate that the garment companies do look for new technology and ideas that are out of the box for their organization.

Table 7. Summary of survey findings for Exploratory Innovation

SR.N	Variable used	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Exploratory Innovation								
EXPR1	our firm looks for novel technological ideas by thinking “outside the box”	3%	12%	29.70%	41.60%	13.90%	3.51	0.976
EXPR2	our firm bases its success on its ability to explore new technologies	5%	21%	27.70%	30.70%	15.80%	3.32	1.122
EXPR3	we creates products or services that are innovative to the firm	6%	10.9%	28.70%	35.60%	18.80%	3.5	1.101
EXPR4	we looks for creative ways to satisfy its customers’ needs	5%	5.9%	26.70%	42.60%	19.80%	3.66	1.023
EXPR5	Our firm aggressively ventures into new market segments	3%	3%	17.80%	45.50%	30.70%	3.98	0.938
EXPR6	we actively targets new customer groups	2%	5%	11.90%	28.70%	52.50%	4.25	0.984
EXPR7	Our firm chooses new approaches to processes, products and services that are different from those used in the past.	3%	8.9%	31.70%	42.60%	13.90%	3.55	0.943
EXPR8	Our firm has included some new aspects to its processes, products and services compared to prior strategies.	2%	5%	11.90%	28.70%	52.50%	4.25	0.984

Source: Analysis of Survey data 2020, using SPSS 23

Regarding to their firm bases its success on its ability to explore new technologies, 20.8% of the ‘disagree’. 5% responded ‘strongly disagree’ those who are undecided that answered ‘Neutral’

account for 27.7% of the respondents. On the other hand, 30.7% and 15.8% respondents reply 'agree' and 'strongly agree'. The mean is 3.32 indicating that respondents are not sure whether their firm bases its success on its ability to explore new technologies, while the SD 1.12 declared that respondents' view is deviated from the mean is high and scattered. Colovic, (2012) state garment industry throughout the world has the same problem: large supplies of finished garments cannot find their customers. The industry of highly or less-developed countries faces many crises and constant fall of production, loss of markets, workers being redundant, closing-up factories and moving production into countries with cheap manpower. Hence, the garment companies to explore new technologies not only necessary but critical to stay in the business. The result of the study indicates the firms' success on it is ability to explore new technologies varies highly.

Christopher (2004) describe garment markets characteristics by rapid changes, where cases of success and failure can often be linked to organizational flexibility as these markets exhibit typical characteristics short lifecycles, low predictability high volatility and high impulse purchasing. The companies' ability to create innovate product is one of the factor of success with this regard the respondents regarding their companies creating products that are innovative to the firm, 35.6% and 18.8% of the respondents replied 'agree' and 'strongly agree' consecutively. Those who are undecided with the level of creative product that are innovative account for 28.7% replied 'Neutral'. Contrarily, 10.9% and 6% of the respondents 'disagree' and 'strongly disagree' consecutively. The mean value index indicates 3.5 show that average respondents agree on using a creating product that are innovative. The SD 1.10 declared that respondents view is deviated from the mean highly. Hence, the result indicates there is creative products that are innovative.

According to Harold et al. (1997) contend customer satisfaction is not easy to measure as it means different thing to different people, level of satisfaction can change for better or worse over period of time and satisfaction can change with consumers' needs and preferences.

In regard to the above aspect question regarding garment companies looking for creative ways to satisfy its customers' needs indicate 42.6% and 19.8%of the respondents 'agree' and 'strongly agree' consecutively. Those with undecided opinion choosing 'Neutral' index account for 26.7% of respondents. Whereas, 5.9% and 5% of the respondents 'disagree' and 'strongly disagree' consecutively on the statement looking creative ways to satisfy customer needs. The

mean is 3.66 while the SD 1.02 declared that respondents view is deviated from the mean. This implies garment companies look for creative ways to satisfy customers need.

Study by Yabs (2014), indicate there are lots of variables to in market segmentation namely customized products, user status, user rate, education level of customer, price, location, branches and so on. While, Hajar (2014) concluded some demographic factors like income, age, gender, and education can be used to segment market. This study has excelled the segmentation ideas focusing the demographic group and not the categorization of high and low fashionable customer. Study reveals that high concern for fashion house marketers is not only the demographic variables to segmenting their market because in fashion house psychographic variables and behavioral factors also have an impact on customer choices. Bruwer, Roediger et al. (2017) identified three major areas for market segmentation including psychographic, socio-demographic, and product involvement Bruwer, Roediger et al. (2017) emphasized that only psychographic factors focused on Activities, Interest and Opinion (AIO). Bruwer, Roediger et al. (2017) identified market segmentation can be based on psychographic (lifestyle) considering two additional methods including socio-demographics and product involvement. But they did not clearly identify which socio-demographics factors such as family, income, sex, age, gender, occupations are influential to segment a market. According to Martin (2011) state the rationale behind marketing segmentation is to allow businesses to focus on their consumers' behaviors and purchasing patterns. Segmentation done effectively allows an organization to achieve its highest return on investment (ROI) in turn for its marketing and sales expenses. Any given organization marketing its products or services should focus on the various types of segmentation.

The question regarding garment firms' aggressive ventures into new market segments, 45.5% and 30.7% of the respondents' reply 'agree' and 'strongly agree' respectively implying garment companies do venture into new market segment. Those who replied 'Neutral' accounted for 17.8% of the respondents. Contrarily, 3% and 3% of the respondents 'strongly disagree' and 'disagree'. The average mean is 3.98 that conforms what has been described earlier that more than half of the respondents do agree with the statement that the garment companies do aggressively going into new market segments and the SD 0.93 declared that respondents view is deviated from the mean.

The data regarding, Garment companies actively target new customer groups, 28.7% of them replied 'agree' while 52.5% said 'strongly agree'. Those who were undecided on their company

being actively targeting new customer group or reply 'Neutral' 11.9% whereas, 5% and 2% of the respondents said 'disagree' and 'strongly disagree'. The mean 4.25 signified the responds 'agree' about the statement. The SD 0.984 declared that respondents view is differed from the mean. The finding is an indicative that the garment companies target new customer groups conforming Islam (2016) argument that an emerging industry must necessitate the leadership and management development in line with setting business vision and goals and equally If they cannot segment their customer groups in proper way, it will be strong hindrances in making the garment business stable and promising through achieving profits and sustainable business.

Elmer's (2017) executive summary report pointed out the global garment business is going through a period of change and competition that, global online marketing, more start-ups and consumers, creativity, innovation and consumer attention, some of which comes from technology, some from celebrities and also experienced economy, global minimalism and global-local strategy. Hence, considering new approach in an organization Regarding Our firm chooses new approaches to processes, products and services that are different from those used in the past 42.6% and 13.9% of the respondents said 'agree' and 'strongly agree' It shows that firms choose new approach. 31.7% said 'Neutral'. On contrary 8.9% of the respondents stated 'disagree' While 3% reply supporting the notion of 'strongly disagree'. The mean 3.55 asserted that the respondents 'Agree' with the statement and the SD 0.94 declared that respondents view is differed from the mean.

Franks (2000) suggested 'sense and respond' as the key strategy to maintain a profitable position in the increasingly dynamic and demanding market. A key defining characteristic of rapid responsiveness and greater flexibility, in this context, is to maintain closer relationships between suppliers and buyers (Wheelright & Clark, 1992). The study with this regard address the question to the garment companies whether the firm has included some new aspects to its processes, products and services compared to prior strategies, the findings suggests that 28.7% and 52.5% of the respondents said 'agree' and 'strongly agree' respectively. Those who are undecided on their response account for 11.9% supporting the notion of 'Neutral'. Differently, 2%and 5% of respondents deduced sum of 'strongly disagree' and 'disagree'. This means that the garment companies do consider new aspect of process, product and service comparing with

prior strategies. The mean value as indicate in the above table 4.25 asserted that the respondents 'Strongly agree'. The SD 0.984 declared that respondents view is deviated from the mean.

4.4.4 Exploitive Innovation

Sorri (2010) identified internal factors including poor performance measurement practice, low financial capacity, low productivity, high cost of production, poor quality garment, poor logistics handling as well as reduction in performance and competitiveness occur due to poor customer and supplier relation of Ethiopian garment enterprises. Regarding the firms' commitment to improving quality and lower cost 30.7% and 15.8% respond 'agree' and 'strongly agree' consecutively. Those who are undecided on their opinion that choose 'Neutral' account for 27.7% of the respondents. Whereas, 20.8% of the data stated 'disagree' supporting this notion, 5% of them said 'strongly disagree'. The mean 3.32 asserted that the respondents 'Agree'. The SD 1.12 declared that respondents view is differed from the mean. The finding deviate from the mean highly but the higher index is 'agree' that account for one third of the respondents indicating there are companies who commitment to improving quality and lower cost in their organization.

(Avizit,2015); (Chandurkar, et al ,2015) contend supply chain management plays an important role in garment industry and design to be selected by the manufacturer depends on the requirement from the industry. This reflects those actions & values which are responsible for the continuous improvement of the design along with the process of development & management of an organization with the concept of improving its profitability & ensuring its survival and stand in the market toward this tough competition which will not only improve the profitability but will also give a satisfactory service to the customer. In line with *continuous improvement reliability of products and services provided by garment industries* the question inquired indicate 35.6% and 18.8% of the respondents 'agree' and 'strongly agree' with the statement. While, 28.7% stated 'Neutral' as they are uncertain on the level of improvement and reliability of the product and service they deliver. While, 6% and 10.9% respectively reply 'strongly disagree' and 'disagree'.

Table 8. Summary of survey findings for Exploitive Innovation

SR.N	Variable used	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Exploitive Innovation								
EXPL1	our firm commits to improve quality and lower cost	5%	21%	27.70%	30.70%	15.80%	3.32	1.122
EXPL2	we continuously improves the reliability of its products and services	6%	11%	28.70%	35.60%	18.80%	3.5	1.101
EXPL3	our firm increases the levels of automation in its operations	6%	8.9%	22.80%	34.70%	27.70%	3.69	1.147
EXPL4	we constantly surveys existing customers' satisfaction	5%	5%	19.80%	55.40%	14.90%	3.7	0.954
EXPL5	our firm fine-tunes what it offers to keep its current customers satisfied	5%	10%	20.80%	39.60%	24.80%	3.69	1.102
EXPL6	our firm penetrates more deeply into its existing customer base	3%	11%	22.80%	44.60%	18.85%	3.65	1.004
EXPL7	Employees of our firm believe that improvement of the firm's processes, products and services is their responsibility.	5%	11.9%	16.80%	41.60%	24.80%	3.69	1.12
EXPL8	Employees of our firm try to continuously improve the firm's processes, products and services.	4%	13.9%	13.90%	45.50%	22.80%	3.69	1.093

Source: Analysis of Survey data 2020, using SPSS 23

The mean deviation 3.5 pointed out that average respondents do agree with the statement and the SD value of 1.10 affirmed that respondents view is deviated from the mean is high as the response is highly varies from mean on both ends. The finding indicates that the garment companies continuously improve the reliability of their product and service.

Khatun (2014) state new ideas came out from innovation and strategies helps to improve the quality by utilizing the knowledge bringing necessary information, technology, mass customization, and some others means to raise the productivity with improved quality. (Vashisht 2018) also stress the importance of technological progress has been the key driver of economic growth in the modern history of mankind. Over the years, technological innovations have

brought immense benefits. They have increased labor productivity and raised standards of living across the globe. Particularly the garment industry with rapid dynamism requires it is operation to be automated. The study inquiring whether the garment firm increases the levels of automation in its operations, indicate that 34.7% and 27.7% of the respondents said 'agree' and 'strongly agree' respectively. 22.8% respondents mentioned that 'Neutral' the rest 6% and 8.9% of respondents deduced sum of 'strongly disagree' and 'disagree'. The mean value as indicate in the above table 3.69 asserted that the respondents 'Agree'. The SD 1.14 declared that respondents view is deviated from the mean is higher. The finding is an implicative of the difference in the level of automation between the garment companies even though significant of them do increase the level of automation in their operation.

Customer satisfaction not only impact the business' bottom line, it also impacts team morale and retention rate. Customers satisfaction need to be constantly monitored through survey. Many organizations are aware that customer satisfaction is the greatest asset. Customer satisfaction surveys provides valuable insight for organizations to stay relevant, understand customer needs and wants. However, having a feedback from consumers on a regular basis is not always seen as a priority, sometimes because no one is quite sure how to do it. Hence, on that regard inquiry has been forwarded whether the Garment companies on constantly surveys existing customers' satisfaction, more than half of the respondent or 55.4% 'agree' on the notion while 14.9% 'strongly agree'. Those who choose 'Neutral' index account for 19.8%. On the contrary, 5% each responds 'disagree' and 'strongly disagree' The mean score is 3.7 asserted that the respondents and SD is 0.954 declared that respondents view is deviated from the mean is higher. The finding suggest that the garment companies are constantly conducting survey of the existing customers.

Colovic (2012) fashion industry is very fast, whereas life cycle is very short. The entire industry is based on latest fashion trends and consumers' pleasure. For that reason, the market is extremely inclined to competitions as the future of the industry is planned more than any other period in history. Taking successful world fashion require a good garment company to be it is pumping heart. Hence, regarding garment firm fine-tuning what it offers to keep its current customers satisfied 39.6% and 24.8% of the respondents 'agree' and 'strongly agree' on their companies improving it is product. Those who reply 'Neutral' account for 33.3% of the respondents. Contrarily, 9.9% and 5% of the respondents 'disagree' and 'strongly disagree'. The

mean 3.69 reflects that the respondents 'Agree' on the notion that their companies fine tune their product to keep the customer satisfied. The SD 1.10 declared that respondents view is deviated from the mean suggesting that fine tuning to keep their customers varies widely between the garment companies.

According to O'Regan(2002) market penetration is the name given to a growth strategy where the business focuses on selling existing products into existing markets. He identifies four main objectives that market penetration seeks to achieve including: increasing market share of the current product or services in the existing market; Market penetration is adopted by a firm to raise its sales revenue without making changes in the products or services; market penetration strategy can be implemented by offering sales, increasing sales force, increase distribution and promotion of products, and more expenditure in marketing and advertising activities to increase sales; and it is a growth strategy where the business focuses on selling existing products into existing markets.

Hence, based on the above statement the study sought to inquire to whether garment firms penetrate more deeply into its existing customer base, the data presented that 44.6% of the respondents replied 'agree' on the notion while, 18.85% 'strongly agree'. Those who were undecided on their opinion or choose the 'Neutral' account 22.8% the respondents. Inversely 3% and 10.9% of the respondents 'strongly disagree' and 'disagree'. The mean result is 3.65 while the SD 1.00 declared that respondents view is deviated from the mean suggesting that garment companies penetrating deeply into the existing customer base varies highly.

Shiramizu & Singh (2007) state quality does not evolve overnight. They contend People need to dedicate themselves and their companies to having quality practices and policies in order to gain a reputation of delivering quality. To attain sustainable quality within the organization companies have motivate employees through empowerment to dedicate themselves to their work; Invest time and money in training and developing employees into leaders; and reinforcing core values in employees to maintain quality practices. Quality can be achieved if management and workers believe in achieving successful leadership within the organization. Hence, regarding employees' role in product process and service and continuous improvement the study forward two inquiries with that regard. The data shows Employees of the garment firm believe in the

improvement of the firm's processes, products and services is their responsibility is 41.6% and 24.8% of the respondents replied 'agree' and 'strongly agree'. Those who are undecided with the notion or replied 'Neutral' are 16.8 %. Conversely, 5% and 11.9% of them said 'strongly disagree' and 'disagree' this finding shows employees improvement of process product and services is their responsibility. As a result, the mean 3.69 indicated to 'agree' notion indicating improvement in product and service is presumed by the employees as their responsibility. The value of SD 1.12 showed that the respondents' response is scattered out highly. The SD is an indicative that the respondents is highly scattered across the indexes that employees of the garment firm believe it is their responsibility to improve the firm's processes, products and services.

Similarly, inquiry regarding employees of garment firm try to continuously improve the firm's processes, products and services indicate 45.5% and 22.8% of respondents 'agree' and 'strongly agree' that account for more than half of the respondents. The of respondents supposed 'Neutral' accounted for 13.9% of respondents. On contrary, 4% and 13.9% of the respondents reacted to 'strongly disagree' and 'disagree' it simply indicates a very few garment firms does not try to improve product process and service of their organization. The mean 3.69 deduced imply 'Agree' notion while the SD 1.09 showed that the respondents' response is scattered out highly. The SD is an indicative that the reply of the respondents is highly scattered across the indexes that continuously improve firm's processes, products and services.

4.4.5 Export Performance

According to a UN report Between 2009 and 2015, apparel export revenues increased more than tenfold (from nearly \$8 million to nearly \$85 million). In 2016, export revenues dropped to \$74 million. According to Garment is one of the top ten export of Ethiopia in 2018 accounting to (2.7%) \$70.2 million from to export of the country Based on the result the respondents conform that the garment firm has been very profitable 42.6% and 24.8% of the respondents 'agree' and 'strongly agree' with the statement. While, those who are undecided with their opinion choosing 'Neutral' account for 21.8%. Contrarily, 1% and 9.9% respectively 'strongly disagree' and 'disagree'. The mean is 3.8 indicating imply 'Agree' notion while the SD value of 0.95 deviate from the mean. The frequency, Mean value and export performance report indicate the garment companies were profitable.

Table 9. Summary of survey findings for Export Performance

SR.N	Variable used	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Standard Deviation
Export Performance								
EX 1	Our firm has been very profitable.	1%	10%	21.80%	42.60%	24.80%	3.8	0.959
EX 2	Our firm has generated a high volume of sales.	5%	10%	20.80%	39.60%	24.80%	3.69	1.102
EX 3	Our firm is achieved a rapid growth in export expansion.	6%	10.9%	28.70%	35.60%	18.80%	3.5	1.101
EX 4	Export Performance has improved our global competitiveness	6%	8.9%	22.80%	34.70%	27.70%	3.69	1.147
EX 5	We have increased the workforce due to our increased expansion in sales and marketing	2%	7%	20.80%	41.60%	28.70%	3.88	0.972
EX 6	Our Export Performance has strengthened our strategic position	5%	5%	19.80%	55.40%	14.90%	3.7	0.954
EX 7	Export Performance has significantly increased our global market	3%	5%	28.70%	37.60%	25.70%	3.78	0.986
EX 8	Export Performance has been very satisfactory by the firms standard	5%	20.8%	27.70%	30.70%	15.80%	3.32	1.122
EX 9	Export Performance has had been very successful	5%	8%	27.70%	32.70%	26.70%	3.68	1.104
EX10	Export Performance has exceeded our expectations	3%	5%	28.70%	37.60%	25.70%	3.78	0.986

Source: Analysis of Survey data 2020, using SPSS 23

In line with previous statement the study assesses about whether the garment firms have generated a high volume of sales 39.6% of the respondents replied ‘agree’ the data that their firms generate high volume sales while, those who replied ‘strongly agree’ accounted for 24.8%. Those who are undecided with the notion or replied ‘Neutral’ are 20.8%. On the other hand, 9.9% and 5% responded ‘disagree’ and ‘strongly disagree’ respectively. The response that account for more than half agree on that their company is generating high volume of sales. The mean is 3.69 declared that the firms generate high volume of sales whereas the SD 1.10 indicates there is a high level of variance from the mean and garment companies. It is an indicative that the reply of the respondents is highly scattered across the indexes as the perception of the respondents in generation of high sales is accounted in their company’s perspective in comparison with their past trend which the political instability hampered for the garment

companies specially those who were in conflict area to sale less volume than the rest and one of the reason for the high deviation. From 101 sample respondents 35.6% and 18.8% of the respondents 'agree' and 'strongly agree' regarding the garment firms achieve a rapid growth in export expansion those with 'Neutral' notion is 28.7%. The rest of the respondents 10.9% and 6% responded 'disagree' and 'strongly disagree' respectively. The mean 3.5 showed that the respondent tends to 'Agree' on the statement. The SD 1.10 declared that respondents' view is deviated from the mean.

As far as export performance in terms of has improved our global competitiveness 34.7% and 27.7% of the respondents replied 'agree' and 'strongly agree'. The respondents that accounted for 22.80% choose the notion 'Neutral' this imply that the respondents in the garment firm they don't have enough information about global competitiveness measures as they usually compare their performance based on their budgeted sales and past performance. But the rest 6% and 8.9% of the respondents' replay 'strongly disagree' and 'disagree'. The actual mean is 3.69 declared that respondents on average reply 'agree' with this point of view. The SD 1.14 show that the respondents' response is scattered out highly implying the global competitiveness varies from companies to companies due to the companies are either not aware of the measurement of global competitiveness and the measurement used by companies on global competitiveness varies based on the management of the garment companies.

One can easily notice from the table above is that the performance of export, sales and competitiveness increase. Coherently with the performance it is reasonable to inquire whether the garment companies have increased the workforce due to the increased expansion in sales and marketing, 41.6% and 28.7% of the respondents 'Agree' and 'strongly agree' respectively. In contrast, 20.8% of the respondents said 'Neutral' the rest 2% of them answered 'strongly disagree'. The mean 3.88 contented that respondents support that their garment company does increase their workforce due to increase in expansion in sales and marketing. The SD 0.972 indicates that the deviation from the mean.

According to the respondents in table 9 above the question regarding whether the export Performance has strengthened strategic position 55.4% and 14.9% of the respondents 'Agree' and 'strongly agree' respectively. While, those who were unaware of the measurement to

strengthens strategic position and undecided with the statement choosing 'Neutral' account for 19.8%. Contrarily, 5% each of respondent respond strongly disagree' and 'disagree'. The mean value of the respondent is 3.7 which show the respondents agreement with the statement that the export Performance has strengthened strategic position. The SD 0.954 declared that respondents' view is deviated from the mean. The result is an indicative that the export performance of garment companies has strengthened strategic position.

Concerning export performance significantly increasing global market of garment companies 37.6% and 25.7% of them respond 'agree' and 'strongly agree' respectively. Those who were undecided to give their opinion on whether their export performance significantly increasing global market of garment companies choosing the 'Neutral' account for 28.7% of the respondents. The rest 3% and 5% responded 'strongly disagree' 'disagree' on significant increasing of global market of garment companies. The mean result indicates 3.78 imply majority of garment companies export performance increase significantly while the SD 0.98 showed that the respondents' response is scattered out away from the mean.

One can easily notice from the table above export performance has been very satisfactory by the firms' standard, 30.7% and 15.8% of the respondents' reply 'Agree' and 'strongly agree' respectively. The respondents that accounted for 27.7% choose the notion 'Neutral'. Contrarily, 20.8% and 5% of them answered 'Disagree' and 'strongly disagree'. The mean is 3.32 contented that are unsure of export performance has been very satisfactory by the firms' standard this imply that the garment companies' performance measure of satisfactoriness varies between the companies as well as those who were in the area of political instability in recently were affected. The SD 1.12 indicates that respondents portray the reality of their performance of the garment companies vary due to numerous political instability recently and some has been affected highly than others.

From the data given above in table 9 export performance has had been very successful 32.7% and 26.7% asserted by replying 'agree' and 'strongly agree' respectively. Those who were undecided on the notion choosing 'Neutral' 27.7%. Conversely 5% and 8% of the respondents' reply 'strongly disagree' and 'disagree' respectively. The mean is 3.68 indicating that respondents agree with the statement. The SD is 1.10 declared that respondents' view is deviated from the mean implying the performance of the companies under the study varies due to various factors mainly the political stability that shook the country mainly affected their performance.

Regarding Export Performance exceeding garment companies' expectations 37.6% and 25.7% said 'strongly agree' and 'agree' consecutively. Those who response exclaimed 'Neutral' account for 28.7% of the respondents. On the other hand, respondents responded 'strongly disagree; and 'disagree' is 3% and 5% respectively. The mean is 3.78 exhibited the view that majority of the respondent's response is 'Agree'. The SD 0.986 revealed that the respondents' response is scattered out or deviated from the mean. The result as measurement of previous performance measurement conform that the political stability that shook the country mainly affected their performance.

4.5. Mean and Standard Deviation of Variable

Table 10 implies mean scores and deviations from the mean towards the different variable (Export Performance, Technology Orientation, Customer Orientation, Exploratory Innovation and Exploitive Innovation).

Table 10. Mean and standard deviation of variables

SN.	Item	Mean	Std. Deviation
1	<i>Export Performance</i>	3.68	0.77
2	<i>Technology Orientation</i>	3.90	0.72
3	<i>Customer Orientation</i>	3.81	0.75
4	<i>Exploratory Innovation</i>	3.75	0.67
5	<i>Exploitive Innovation</i>	3.62	0.80

Source: Analysis of Survey data 2020, using SPSS 23

The average Sensitivity regarding the selected variables had a mean score that ranges between 3.90 and 3.62 respectively; with a standard deviation ranging from 0.67 and 0.80 respectively. Indicating the variation from the mean does have significant variation which proves the complexity of human behavior on perception of motivational factors. The range of likert coding is expressed below

- ⇒ Mean value 2 and less, indicated Disagree with the statement listed.
- ⇒ Mean value greater than 2 and less than 3, indicate Neutral.

⇒ Mean value greater than 3 indicate the respondents are Agree with the statement.

Export performance is the extent of firms targets (include strategic objectives and financial targets) that can be happened through design and implementation of export marketing strategies for exporting a product (Dalvand, et al., 2015). The study measure export performance based on indicators that measure the perceptual or attitudinal performance such as perceived export success and satisfaction with export sales are considered to be subjective measures of performance. Hence, the mean of the detail dimension of the variable has a value of 3.68 and variation of 0.77 indicating the parameters mentioned in the detail regarding export performance has a nonaligned response as the mean and variation indicate it falls between positive and adverse response. This result show that export performance of garment companies varies due to political instability that garment companies specially those who were in conflict areas have suffered an adverse performance. Furthermore, garment companies from organization to organization as their individual strength in efficient use of resource, strategic planning, implementation and execution varies among the companies which is reflective on their export performance.

Technology orientation is measured using five items which are: sophisticated technologies, state-of-the-art technology, technological innovation based on research results, technological innovation in program/project management, and development of new technologies Gatignon and Xuereb, (1997); Hamel and Prahalad, (1994); Prahalad and Hamel, (1994); Tushman and Anderson, (1986); Zhou et al., (2005). The mean of the detail dimension of the variable has a value of 3.90 and variation of 0.72 indicating the parameters mentioned in the detail regarding export performance has a positive response as the mean and variation indicate it falls on positive response on both ends. The result is an indicative that given most of the garment companies are only recently established and partly owned as well as hire individuals who have an exposure and experience in other country as well as materials and machines are becoming easily accessible the result is a testament of the reality.

Many researchers (Avlonitis & Gounaris,1999); Day & Wensley, 1988); Tsiotsou, 2010) contend that customer-oriented firm is able to better determine the needs and wants of target markets in order to satisfy them more effectively and efficiently than its competitors. Thus, comparing to less customer-oriented firms, a customer-oriented firm is more capable in obtaining

organizational goals such as increasing market share, higher profits and a sustainable competitive advantage. The mean of the detail dimension of the customer orientation variable has a value of 3.81 and variation of 0.75 indicating the parameters mentioned in the detail regarding export performance has a positive response as the mean and variation indicate it falls on positive response on both ends. The result is indicative of the garment companies under the study does emphasize on targeting their customers by incorporating customer needs and wants as their prime objective provide the product that customer desire, measure the satisfaction of customers and respond to dynamism in competition.

Exploration involves the use of tacit knowledge bases, such that by externalizing and combining them, new technological or marketing trajectories are developed (Nonaka, 1994). Essentially, exploration is intended to respond to, as well as drive, latent environmental trends by creating innovative technologies and new markets. The mean of the detail dimension of the exploration innovation variable has a value of 3.75 and variation of 0.67 indicating the parameters mentioned in the detail regarding export performance has a positive response as the mean and variation indicate it falls on positive response on both ends. The result is a proof of garment companies use innovative ways in creating, processing and marketing their product from that of the past.

The intent of exploitation innovation is to respond to current environmental conditions by adapting existing technologies and further meeting the needs of existing customers (Harry & Schroeder, 2000). The mean of the detail dimension of exploitation innovation variable has a value of 3.62 and variation of 0.80 indicating the parameters mentioned in the detail regarding export performance has a nonaligned response as the mean and variation indicate it falls between positive and adverse response. The result indicates the garment companies under the study varies as their strategic planning and implementation, organizational culture, automation, customer targeting maintaining and improvement of quality with reasonable cost varies based on the company's performance as some do well has in the positive side others who are in adverse are the organization failing to coup up with the dimension.

4.6. Test results for the classical Linear Regression Model assumptions

Our research question for the multiple linear regression is: Can we explain the outcome variable, export performance with the given independent variables customer orientation, technology orientation, exploratory innovation and exploitive innovation.

4.6.1. Determining how well the model fits

The first table of interest is the model summary (Table 11). This table provides the R, R², adjusted R², and the standard error of the estimate, which can be used to determine how well a regression model fits the data:

Table 11. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.968 ^a	0.937	0.934	0.19696

Source: Analysis of Survey data 2020, using SPSS 23

In the above table 11 the regression model presents how much of the variance in Export performance is explained by the underlying factors. The model or the predictor variables have accounted for 93.7% of the variability. This means more than 93.7% of variations in export performance in garment manufacturing companies in Ethiopia were explained by independent variables included in the model. However, the remaining 6.3% changes in export performance in garment manufacturing companies in Ethiopia are caused by other factors that are not included in the model.

4.6.2. Statistical significance of the model

The F-ratio in the ANOVA (Table 12) tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F(4, 96) = 357.359$, $p(.000) < .05$ (i.e., the regression model is a good fit of the data).

Table 12. ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	55.451	4	13.863	357.359	.000 ^b
	Residual	3.724	96	.039		
	Total	59.175	100			

Source: Analysis of Survey data 2020, using SPSS 23

4.6.3. Multicollinearity

According to Brooks (2008), multicollinearity will occur if some or all of the independent variables are highly correlated with one another. It shows the regression model has difficulty in explaining which independent variables are affecting the dependent variable. If multicollinearity problem is too serious in a model, either additional important variable should be added or unimportant independent variable should be dropped. This study uses high pair-wise correlation coefficients method to detect the existence of multicollinearity high pair-wise correlation coefficients method see the correlation of independent variables between each other. According Joseph and Rosemary (2003) to if the correlation coefficient is higher than 0.8, it is considered as the model consists of serious multicollinearity problem.

Table 13. Multicolilnearity

Model		Correlations			Collinearity Statistics	
		Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)					
	Techno	.801	-.248	-.064	.221	4.535
	Customer	.915	.631	.204	.181	5.513
	Exploratory	.800	.083	.021	.272	3.673
	Exploitive	.944	.707	.250	.169	5.931

Source: Analysis of Survey data 2020, using SPSS 23

The information in the (Table 13) above also allows us to check for multicollinearity. A common rule of thumb: for any predictor VIF > 10 should be examined for possible multicollinearity problem (Dhakal, 2016). In our multiple linear regression model. VIF should be < 10 (or

Tolerance > 0.1) for all variables, which they are. Thus, it can be concluded that all the variables in the study have low correlation power as a result there is no multicollinearity problem in the explanatory variables selected to access influence of customer and technology orientation on export performance of garment manufacturing companies in Ethiopia

4.6.4. Autocorrelation

The other Assumption of classical linear regression model is Autocorrelation. The diagnostic test for CLRM assumption of no autocorrelation was tested by this study. According to Gujarati, (2004) the assumption of no autocorrelation between the disturbances assumes that given any two X values, X_i and X_j ($i \neq j$), the correlation between any two u_i and u_j ($i \neq j$), is zero. According to Chris Brooks (2008) it is assumed that the errors are uncorrelated with one another. If the errors are not uncorrelated with one another, it would be stated that they are ‘autocorrelated’ or that they are ‘serially correlated’. This assumption was tested by Durbin Watson (DW) test of autocorrelation. Durbin--Watson (DW) is a test for first order autocorrelation -- i.e. it tests for a relationship between an error and its immediate previous value. The result of DW test as shown in table 14 does fall between 2 and 4-dU the proximity to 2 indicate no evidence of autocorrelation in this study.

Figure 2 Rejection, non-rejection, and inconclusive regions for DW test

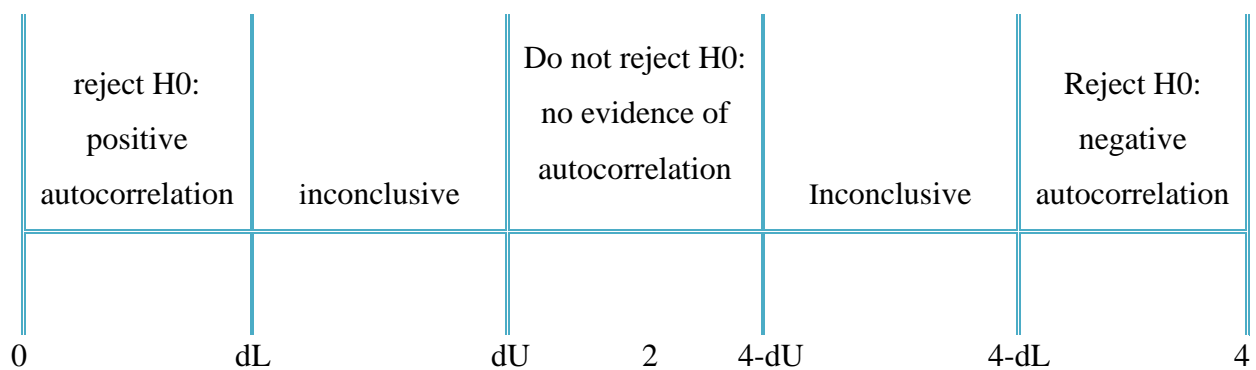


Table 14. DW test result test of autocorrelation

Test	DW test statistics
DW result	2.210

Source: Analysis of Survey data 2020, using SPSS 23

Table 15. The Multiple Regression result of the study

Coefficients ^a									
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics		Status	
	B	Std. Error	Beta			Tolerance	VIF		
1	(Constant)	.066	.122		.543	.589			
	Techno	-.146	.058	-.137	-2.511	.014	.221	4.535	Reject
	Customer	.495	.062	.479	7.974	.000	.181	5.513	Accept
	Exploratory	.046	.056	.040	.815	.417	.272	3.673	Reject
	Exploitive	.588	.060	.610	9.782	.000	.169	5.931	Accept

Source: Analysis of Survey data 2020, using SPSS 23

4.6.5. Technology Orientation

As it is shown in table 15 above the coefficient for technology orientation ($b = -0.146$, with its p -value .014) is significant. It can be seen that maintaining other explanatory variables constant technology orientation was found to have a statistically significant negative association with export performance. As a result, the researcher rejects hypothesis that stated *there is positive and significant relationship between technology orientation and export performance*. The study's finding is contrary to previous works of Tutar et al. (2015) who study strategic orientation developed within the scope of competitive advantage theories in the literature is analyzed through the case of ASEM (Furniture Market of Sakarya) suggest technology orientation are positively related in innovation capabilities. Likewise, Solberg & Olsson (2009) Study Management orientation and export performance: the case of Norwegian ICT companies. The contrast of three management orientations relevant for exporters: export, technology and customer orientations. Technology orientation correlates positively with export performance.

The possible reason for the result is that even though the garment export companies relatively have better technological orientation since most of the companies emphasized on labor intensive strategy resulting in a very low productivity compared to competitor countries which neutralizes the labor cost advantage (Rao & Tesfahunegn, 2015). Furthermore, Messele (2013) contend the performance of Ethiopian garment enterprises is affected among many by technology accessibility timely than their global competitors. Similarly, Daniel (2017) through identification of the major factors affecting the export of Ethiopian garment enterprises state backward technology in comparison with other countries as the government policy in creating high

employment lead investors to focus on labor intensive strategy the performance of the companies writhe significantly.

Other competitors globally subcontract activates to small specialized companies that have advanced machinery in that specific aspect which allow them to compensate the lag of internal capacity in Ethiopia however this practice is not practiced.

4.6.6. Customer Orientation

As it is shown in table 15 above coefficient of customer orientation is 0.495 with its p-value .000. It can be seen that maintaining other explanatory variables constant customer orientation was found to have a statistically significant positive association with export performance. As a result, the researcher accepts hypothesis that stated *there is positive and significant relationship between customer orientation and export performance*. Prior research by Zehir, et al., (2015) investigating the relationship between customer orientation, innovation capability and export performance in consideration of mediator effect of innovation capability on the relationship between customer orientation and export performance with an implementation on small and medium-sized enterprises (SMEs) in Turkey. This empirical finding show that SMEs can be able to achieve competitive advantage through improving a market-driven innovation capability. Fahim & Baharun (2017) examine the determinants of strategic orientation towards small firms' performance indicate that customer orientation have positive impact firms' performance. Yan et al., (2017) Drawing on the resource-based view and the customer orientation using a sample of 230 Chinese exporting firms, found that Managerial ties is linked to superior export performance, and the link is positively with Customer orientation. Daniel et al (2017) assessing the positive affect of customer orientation and its components on firm performance are empirically supported by the studies conducted for large firms in developed economies. Selam (2018) also conforms positive significant relationship between Intelligence Generation; Responsiveness to customer on market performance of garment companies in Ethiopia. The possible justification for the result is that since the garment industry requires significant dynamism in terms of orientation the garment companies in Ethiopia have customer oriented strategy.

4.6.7. Exploratory Innovation

As it can be seen in the above table 15 the coefficient of exploratory innovation is .046 and its P value is .417. Holding other explanatory variables constant exploratory innovation has emerged in this study as having a positive but statistically insignificant influence on export performance as its value of significance is greater than 0.05. Therefore, this leads to the rejection of the hypothesis that stated as *exploratory innovation has a positive and significant effect on export performance* is not statistically significant.

Previous Researches by Dalvand et al., (2015), Tutar et al. (2015), Fahim & Baharun (2017) state that innovation capacity has positive effects on export performance. Similarly, Wakelin (1998) concludes that the capacity to innovate changes the behavior of the firm relative to non-innovating firms. Mensah & Acquah (2015) also suggest that innovation accounted for more than fifty-one percent of the variation in organizational performance. In addition, innovation capabilities play a key role between strategic orientation and performance. Contrary to the previous studies (for example Mensah and Acquah, 2015) the study the result has insignificant positive association with export performance. The possible justification for the result is that the policy of mass production through mass cheap labor has deter the garment industry in Ethiopia not to emphasize on innovative capacity aspect that encompasses innovation in terms of marketing process and product innovation which affirms the previous result discussed about technology orientation that lagged technology and rudimentary thinking in terms of strategy is mainly the factor for the result of the study.

4.6.8. Exploitive Innovation

As it is shown in table 15 above coefficient of exploitive innovation is 0.588 with its p-value .000. It can be seen that maintaining other explanatory variables constant exploitive innovation was found to have a statistically significant positive association with export performance. As a result, the researcher accepts hypothesis that stated *there is positive and significant relationship between exploitive innovation and export performance*. Exploitation involves the use of explicit knowledge bases, such that by internalizing and combining them, incremental refinements to existing technological or marketing trajectories can be made (Nonaka, 1994). In effect, the intent of exploitation is to respond to current environmental conditions by adapting existing technologies and further meeting the needs of existing customers (Harry & Schroeder, 2000).

The studies result is in line with Dalvand et al., (2015) Fahim & Baharun (2017) who contend innovation capacity has positive effects on export performance. Wakelin (1998) The paper concludes that the capacity to innovate changes the behavior of the firm relative to non-innovating firms. Mensah & Acquah (2015) The results also suggest that innovation accounted for more than fifty-one percent of the variation in organizational performance. Tutar et al. (2015) positively related in innovation capabilities. Furthermore, innovation capabilities play a major role between strategic orientation and market performance.

The possible justification for the result is that the garment firms in Ethiopia heavily rely on their employees' performance incremental innovation on product quality and committed to lowering cost with maintain quality of their product.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

The main objective of the study was to examine Influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia. Therefore, based on the analysis and interpretations made at the pervious chapter the following summary, conclusions and recommendation are made.

5.1. Summary of findings

A total of 102 questionnaires were distributed to sample population to examine Influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia 101usable questionnaires were filled up and returned making the response rate 99% percent. This indicates that the respondent under this study were committed to give information relevant to the research understudy.

Demographic questions were analyzed using figures frequency and percentages. The descriptive statistics of independent and dependent was analyzed using mean. While, the other research questions were analyzed using multiple regression and classical linear regression that are included (model specification, autocorrelation, multicollinearity, hetroskedasticity and normality). The demographic characteristics of the respondents that focused on gender, age, level of education, salary, years of work experience and position. The findings revealed the mean of the detail dimension of the customer orientation variable has a value of 3.81 and variation of 0.75 indicating the parameters mentioned in the detail regarding export performance has a positive response as the mean and variation indicate it falls on positive response on both ends. The regression result also confirms this association as the coefficient of customer orientation is .479 with its p-value .000. The possible justification for the result is that companies under the study target their customers by incorporating customer needs and wants as their prime objective provide the product that customer desire, measure the satisfaction of customers and respond to dynamism in competition. Since the garment industry requires significant dynamism in terms of orientation the garment companies in Ethiopia have customer oriented strategy.

Technology orientation is measured using five items which are: sophisticated technologies, state-of-the-art technology, technological innovation based on research results, technological innovation in program/project management, and development of new technologies. The mean of

the detail dimension of the variable has a value of 3.90 and variation of 0.72 indicating the parameters mentioned in the detail regarding export performance has a positive response as the mean and variation indicate it falls on positive response on both ends. The multiple regression however indicate negative association as the coefficient is $-.146$ with its p-value $.014$. The result is evident of the fact that even though the garment export companies relatively have better technological orientation.

The result is an indicative that given most of the garment companies are only recently established and partly owned as well as hire individuals who have an exposure and experience in other country as well as materials and machines are becoming easily accessible the result is a testament of the reality. However, since most of the companies emphasized on labor intensive strategy resulting in a very low productivity compared to competitor countries which neutralizes the labor cost advantage (Rao & Tesfahunegn, 2015). Messele (2013); Daniel (2017) contend the performance of Ethiopian garment enterprises is affected among many by technology accessibility timely than their global competitors. Furthermore, other competitors globally subcontract activates to small specialized companies that have advanced machinery in that specific aspect which allow them to compensate the lag of internal capacity in Ethiopia however this practice is not practiced.

The findings revealed the mean of the detail dimension of the exploration innovation variable has a value of 3.75 and variation of 0.67 indicating the parameters mentioned in the detail regarding export performance has a positive response as the mean and variation indicate it falls on positive response on both ends. Whereas, the coefficient of exploration innovation is $.040$ and its P value is $.417$ exploratory innovations contrary to the postulate the study the result has insignificant positive association with export performance. The result implies that the policy of mass production through mass cheap labor has deter the garment industry in Ethiopia not to emphasize enough on innovative capacity aspect that encompasses innovation in terms of marketing process and product innovation which affirms the previous result discussed about technology orientation that lagged technology and rudimentary thinking in terms of strategy is mainly the factor has a lesser significance in comparison with other factors accounted by the study.

The finding indicates the mean of the detail dimension of exploitation innovation variable has a value of 3.62 and variation of 0.80 indicating the parameters mentioned in the detail regarding export performance has a nonaligned response as the mean and variation indicate it falls between positive and adverse response. The result indicates the garment companies under the study varies as their strategic planning and implementation, organizational culture, automation, customer targeting maintaining and improvement of quality with reasonable cost varies based on the company's performance as some do well has in the positive side others who are in adverse are the organization failing to couple up with the dimension. Furthermore, the coefficient of exploitive innovation is .610 with its p-value .000 the result implies that the garment firms in Ethiopia heavily rely on their employees' performance incremental innovation on product quality and committed to lowering cost with maintain quality of their product.

5.2. Conclusion

In this section based on the regression analysis findings outlined in chapter four the conclusion is presented followed by some recommendations to provide insight in to Influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia.

Customer orientation was found to have a significant and positive influence on Export performance. This result suggests that companies under the study target their customers by incorporating customer needs and wants as their prime objective provide the product that customer desire, measure the satisfaction of customers and respond to dynamism in competition. Since the garment industry requires significant dynamism in terms of orientation the garment companies in Ethiopia have customer oriented strategy.

Technology orientation was found to have a significant and negative influence on Export performance. The result is evident of the fact that even though the garment export companies relatively have better technological orientation since most of the companies emphasized on labor intensive strategy result in a very low productivity compared to competitor countries which neutralizes the labor cost advantage. The result confirms past statement by Daniel (2017) who state Ethiopian garment enterprises state backward technology in comparison with other countries as the government policy in creating high employment lead investors to focus on labor intensive strategy the performance of the companies withes significantly. Furthermore, other

competitors globally subcontract activates to small specialized companies that have advanced machinery in that specific aspect which allow them to compensate the lag of internal capacity in Ethiopia however this practice is not practiced.

Exploration innovation was found to have insignificant but positive influence on Export performance. Contrary to the hypothesis the result implies that the policy of mass production through mass cheap labor has deter the garment industry in Ethiopia not to emphasize enough on innovative capacity aspect that encompasses innovation in terms of marketing process and product innovation which affirms the previous result discussed about technology orientation that lagged technology and rudimentary thinking in terms of strategy is mainly the factor has a lesser significance in comparison with other factors accounted by the study.

Exploration innovation was found to have significant and positive influence on Export performance. The result implies that the garment firms in Ethiopia heavily rely on their employees' performance incremental innovation on product quality and committed to lowering cost with maintain quality of their product. The mean result indicate garment companies under the study varies as their strategic planning and implementation, organizational culture, automation, customer targeting maintaining and improvement of quality with reasonable cost varies based on the company's performance as some do well has in the positive side others who are in adverse are the organization failing to coup up with the dimension.

5.3. Recommendations

The purpose of the study was to examine the Influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia. It is evident that any garment exporter wants a high sustainable performance. One of the ways to achieve this is to understand the problems and prospects of strategic orientation and innovative capability.

The organization under the study exhibit customer orientation, and exploitive innovation are the main influencer for it is positive export performance of the garment companies. Whereas, Technology orientation indicate the current technology of the garment companies are the cause of a very low productivity compared to competitor countries. The explorative innovation has insignificant association indicating the variable does not have significant influence on Export performance. Based on the findings, the following recommendations, which are necessary for the betterment of the export performance are put forwarded as follows:

- ✎ The garment manufacturing companies has a weakness in technological orientation which is costing the garment companies in terms of poor performance. The labor intensive mass production of garment considered as practical norm by both the investors and the government is the cause of poor performance that could be remedied through policy change by the government in implementing a reverse innovation through collaborating with higher educational institutes, entrepreneurial incubators and funding activities that bridge the gap of importing advanced technology.
- ✎ Global competitors are now a days are outsourcing part of their production to smaller well specialized firms to fill the gap of procuring and learning new technology in the field. Hence, garment companies in Ethiopia need to consider in expensive ways that can be done through collaboration between companies and skilled individuals.
- ✎ The study indicates one of the element of export performance of the companies is owed to customer orientation. But yet are not venturing to new market due to branding issues as customers around the globe associate the cloth they wear with certain status the garment companies need to emphasize on branding their product.
- ✎ Since the industry is currently being indebted to it is employees as the policy towards the industry is mass production through the use of employees the government as well as the business need to emphasize on capacity building of employees in consistent ways as the way forward.

5.4. Suggestions for Future Research

Further research needs to be carried out on a larger population and sample size to measure the general viability of the findings on other export manufacturing sectors in Ethiopia. More factors should be included in the study that could have influenced the export performance to obtain more comprehensive understanding about the factors that influence export performance specifically entrepreneurial orientation. The result of this study indicates that there is a need to emphasize on factors technological orientation as it affects export performance adversely a new outlook in terms of it is policy as well as challenges that has been associated with the norms of the industry need to be studied specifically.

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Appendices

APPENDIX A

No	Product	Organization name
1	Garment	AlmedaTextile P.L.C.
2	Garment	Asbm Industries P.L.C.
3	Garment	Addis Garment S.C.(Augusta)
4	Garment	Concept International Ethiopia P.L.C.
5	Garment	DestaGarment Industries P.L.C.
6	Garment	DNX Garment PLC
7	Garment	Feleke Garment P.L.C.
8	Garment	Yirgalem Addis Textile P.L.C.
9	Garment	Lemma Muluneh Garment Factory
10	Garment	TellageGarment P.L.C.
11	Garment	Lucy Garment Industry P.L.C.
12	Garment	Knit To Finish P.L.C
13	Garment	GMM Garment P.L.C.
14	Garment	KebireInterprise/Maa Garment and TextileP.L.C./
15	Garment	Eltex Textile and Garment Factory P.L.C.
16	Garment	NovaStar Garment Factory P.L.C.
17	Garment	Yonis Garment P.L.C.

APPENDIX B
ADDIS ABABA UNIVERSITY
College of Business and Economics
Management Department

Dear/sir/madam Respondents!

Mr'sAyalneshAssefa currently pursuing a thesis at the College of Business and Economics as partial fulfillment towards the completion of my graduate program on the survey titled as *Influence of customer and Technology Orientation on Export Performance of Garment Manufacturing Companies in Ethiopia*. I kindly request you to fill in this questionnaire while assuring you that the information that you provide will be treated with confidentiality and shall only be used for academic purpose. I would like to remind you that your fair and impartial feedback will make this research a very successful one.

▪ **General Instruction:**

- No need of writing your name
- Read all the questions before attempting to answer
- Please make a tick mark (√) in the appropriate box and selected likert scales
- Give your answer for all questions
- For open ended questions need to interview
- If you need further clarification contact in the below address

It's essential to bear in mind that this survey is only for academic research purpose and the responses of each participant will be dealt with utmost confidentiality.

Thank you for your cooperation and assistance.

Sincerely,

Name: AyalneshAssefa

Phone: 09-35-35 70 25

Email: assefa.ayalnesh@yahoo.com

SECTION I. DEMOGRAPHICAL DATA

Please put a tick mark in the appropriate box below:

1. Gender: a. Male b. Female
2. Current level of education
a. BA/BSC (Under graduate) MA/MSc/MBA (Graduate) c. PhD
3. Work experience
a. Less than a year >1 b. 1-5 Years c. 6-10 Years
d. 11-15 Years e. More than 15 years
4. Work experience in garment exporting company
a. Less than a year >1 b. 1-5 Years c. 6-10 Years
d. 11-15 Years e. More than 15 years
5. Position in the organization
a Top level management b Middle level management(line manager)
c. Team supervisor d. Experts

SECTION II: FACTORS INFLUENCING EXPORT

This section is dedicated to assessing various factors influencing the export in garment industry in Ethiopia Please judge how frequently each statement fits you're using the following rating scales. And please indicate your level of agreement or disagreement to the opinion stated in the table below

Select one of the five scales set below from **1= Strongly Disagree to 5= Strongly agree**. Each of the five scales in set to give the meaning stated against each as follows.

R.No	Variable used	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Technology Orientation						
TO1	We use sophisticated technologies in our new product development	1	2	3	4	5
TO2	Our new products always use state-of-the-art technology	1	2	3	4	5
TO3	Technological innovation based on research results is readily accepted in our organization	1	2	3	4	5
TO4	Technological innovation is readily accepted in our program/project management.	1	2	3	4	5
TO5	We systematically scan for new technologies inside and outside the industry.	1	2	3	4	5
TO6	Our products are on the leading edge of the industry standard.	1	2	3	4	5
Customer Orientation						
CO1	we have high Customer commitment	1	2	3	4	5
CO2	our firm create customer value	1	2	3	4	5
CO3	we understand customer needs	1	2	3	4	5
CO4	we adopt customer satisfaction objectives	1	2	3	4	5
CO5	our firm measure customer satisfaction	1	2	3	4	5
CO6	we render after-sales service	1	2	3	4	5
CO7	Our sales people share information within our business concerning competitors' strategies.	1	2	3	4	5
CO8	We respond to competitive actions that threaten us.	1	2	3	4	5
CO9	We target customers and customer groups where we have, or can develop, a competitive advantage.	1	2	3	4	5
CO10	All of our business functions (e.g. marketing/sales, manufacturing, R&D, finance/accounting, etc.) are integrated in serving the needs of our target markets.	1	2	3	4	5

R.No	Variable used	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Exploratory Innovation						
EXPR1	our firm looks for novel technological ideas by thinking “outside the box”	1	2	3	4	5
EXPR2	our firm bases its success on its ability to explore new technologies	1	2	3	4	5
EXPR3	we create products or services that are innovative to the firm	1	2	3	4	5
EXPR4	we look for creative ways to satisfy its customers’ needs	1	2	3	4	5
EXPR5	Our firm aggressively ventures into new market segments	1	2	3	4	5
EXPR6	we actively target new customer groups	1	2	3	4	5
EXPR7	Our firm chooses new approaches to processes, products and services that are different from those used in the past.	1	2	3	4	5
EXPR8	Our firm has included some new aspect to its processes, products and services compared to prior strategies.	1	2	3	4	5
Exploitive Innovation						
EXPL1	our firm commits to improve quality and lower cost	1	2	3	4	5
EXPL2	we continuously improves the reliability of its products and services	1	2	3	4	5
EXPL3	our firm increases the levels of automation in its operations	1	2	3	4	5
EXPL4	we constantly survey existing customers’ satisfaction	1	2	3	4	5
EXPL5	our firm fine-tune what it offers to keep its current customers satisfied	1	2	3	4	5
EXPL6	our firm penetrate more deeply into its existing customer base	1	2	3	4	5
EXPL7	Employees of our firm believe that improvement of the firm's processes, products and services is their responsibility.	1	2	3	4	5
EXPL8	Employees of our firm try to continuously improve the firm's processes, products and services.	1	2	3	4	5

R.No	Variable used	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Export Performance						
EX 1	Our firm has been very profitable.	1	2	3	4	5
EX 2	Our firm has generated a high volume of sales.	1	2	3	4	5
EX 3	Our firm is achieved a rapid growth in export expansion.	1	2	3	4	5
EX 4	Export Performance has improved our global competitiveness	1	2	3	4	5
EX 5	We have increased the workforce due to our increased expansion in sales and marketing	1	2	3	4	5
EX 6	Our Export Performance has strengthened our strategic position	1	2	3	4	5
EX 7	Export Performance has significantly increased our global market	1	2	3	4	5
EX 8	Export Performance has been very satisfactory by the firms standard	1	2	3	4	5
EX 9	Export Performance has had been very successful	1	2	3	4	5
EX10	Export Performance has exceeded our expectations	1	2	3	4	5

APPENDIX C

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	101	100.0
	Excluded ^a	0	.0
	Total	101	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.962	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Export	15.0851	7.408	.936	.945
Techno	14.8715	7.924	.860	.958
Customer	14.9544	7.635	.906	.950
Exploratory	15.0155	8.271	.829	.963
Exploitive	15.1504	7.274	.932	.946

Regression

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Exploitive, Techno, Exploratory, Customer ^b		Enter

a. Dependent Variable: Export

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.968 ^a	.937	.934	.19696	.937	357.359	4	96	.000	
										2.210

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.	
1 Regression	55.451	4	13.863	357.359	.000 ^b	
Residual	3.724	96	.039			
Total	59.175	100				

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	Collinearity Statistics
	B	Std. Error	Beta			Zero-order	VIF	Part	Tolerance	VIF
(Constant)	.066	.122		.543	.589					
Techno	-.146	.058	-.137	-2.511	.014	4.535	-.248	-.064	.221	4.535
Customer	.495	.062	.479	7.974	.000	5.513	.631	.204	.181	5.513
Exploratory	.046	.056	.040	.815	.417	3.673	.083	.021	.272	3.673
Exploitive	.588	.060	.610	9.782	.000	5.931	.707	.250	.169	5.931

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions				
				(Constant)	Techno	Customer	Exploratory	Exploitive
1	1	4.954	1.000	.00	.00	.00	.00	.00
	2	.027	13.603	.71	.00	.01	.00	.05
	3	.010	22.824	.00	.13	.19	.42	.06
	4	.006	28.361	.21	.48	.08	.22	.38
	5	.004	36.808	.08	.38	.72	.36	.50