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MARKET STRATEGY, MANAGERIAL ATTITUDE, AND FIRM CAPABILITY ON EXPORT PERFORMANCE: STRUCTURAL ANALYSIS EVIDENCE FROM FRESH FRUITS AND VEGETABLE PRODUCERS IN ETHIOPIA

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ABSTRACT
The objective of this study is to examine the market strategy, managerial attitude, and firm capability that are significant for the export performance of fresh fruits and vegetables in Ethiopia. the study analyzed data from 85 questionnaire-based surveys of managers from medium, and large-scale fresh fruits and vegetable export companies in Ethiopia using PLS-SEM model. The model identified three significant factors and it reveals that all the relationships in the hypothesized model were significant at $p < 0.05$ and this shows that managerial attitude (0.00), affects export performance. The latent variables, market strategy (P=0.099), and firm capabilities (0.053) have not significantly affect the export performance of enterprises of fresh fruits and vegetable exporters in Ethiopia. these findings point to the need for business organizations and policymakers to address these export performance factors, thus improving the contribution of these firms to the economic development of countries and the result of the study completes the findings for, practice policy, and research endeavors.

Keywords: export performance factors, export performance, fruits, vegetables, and Ethiopia

1. INTRODUCTION
Export performance become a progressively significant topic for SMEs in recent years as a result of globalization as a general phenomenon and certain regions' economic recession (Sharma, 2016). By using the right international marketing strategies, Small and Medium-sized Enterprises (SMEs) can increase their export performance. (Spillan et al., 2021).
SMEs engaging in foreign operations have drawn important study attention in recent years.
Operations is SMEs' expansion to international markets, often relying on domestic intermediaries. These intermediaries provide the firms with valuable resources such as market knowledge and recognition and reduce foreign operations' costs. As a result, they are regarded as strategic partners (Efrat & Øyna, 2021).
Firms can benefit from different interplay strategic factors to improve competitiveness. For instance, utilizing their knowledge and resources from different countries; so may significantly increase the efficiency and efficacy of innovation activities, eventually enhancing firm performance(Freixanet & Federo, 2022). Moreover, Practitioners use the resources to achieve a competitive advantage, putting into consideration that they focus on building capabilities, and in particular, communication capabilities (Sinha et al., 2022).
If internationalization and increased capital intensity could be accomplished together, then firms' research and development (R&D) investments in terms of performance could be attained (Sinha et al., 2022).

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT
According Hossain and others explained that export performance has been measured through multi-layered determinants: financial, strategic, and satisfaction levels of exporting firms (Hossain et al., 2022). participating within a network may not be sufficient to increase the propensity to export of a firm, being important the kind of network

in which companies participate (Bettiol et al., 2021).
Market strategy has no relationship to market share or strategic performance. The contingent function of organizational learning as a whole in the framework for export performance and international competitive strategies is far more extensive than anticipated. Relevance in practice. To achieve effective export performance from both the market share and strategic viewpoints, managers may choose to leverage cost leadership over differentiation approach when selecting an acceptable international competitive strategy (Kingshott et al., 2020). The results showed that learning about international markets has a positive but insignificant direct route coefficient that correlates with export performance. (Wójcik & Ciszewska-Mlinarič, 2021).
The most prominent traits of export department employees that support the development of firm capabilities, which in turn enhances export performance, are organizational citizenship behavior and communication skills. Teamwork has also been a significant contributor to corporate capabilities(Hizarci Payne & Katrinli, 2021).
The results of a survey of Dutch SMEs show a favorable correlation between managers' international focus and their companies' export performance. The fact that this association is stronger for micro multinationals than for pure SME exporters suggests that managers' attention to the global market should be proportionate to firm-specific considerations in order to contribute value. (Fan, 2021).
Marketing strategies, firm capabilities, management characteristics, domestic market characteristics, international market characteristics, and export barriers all have an impact on export performance. (Ngo-Thi-Ngoc & Nguyen-Viet, 2021).
Based on the review of related literature, the following hypothesis was formulated
H_1: Firm capability and competencies have a positive and significant relationship with export performance.
H_2: Managerial attitude has a positive and significant relationship with export performance
H_3: Market strategy has a positive and significant relationship with export performance

3. METHODOLOGY

This study is an exploratory form of correlational empirical research. Uses a quantitative methodology to analyse data collected from 85 structural questionnaires. Structural questionaries format with seven-points Likert scale were used (i.e., 1, 2, 3, 4, 5, 6 and 7), which indicated 'strongly disagreed', 'disagree', 'somehow disagree', 'neutral', 'somehow agree', 'agree', and 'strongly agree'. The correlation empirical research measures the relationship between export performance factors and the export performance of fresh fruits and vegetables in Ethiopia. It includes the structural equation modelling technique with a predictor. The inner model of the structural equation model explains the relationship between exogenous and endogenous constructs and the outer model explains the relationship between indicators and their underlying constructs. Partial least square–structure equation modelling (PLS-SEM) has been used for this study.

4. RESULTS AND DISCUSSIONS

The sample of fresh Fruits and vegetable exporters surveyed in this study are set out in Table 4.1. 54 (63.5%) of respondents in the sample are both Fruit and vegetable exporters, 22 (25.9%) of the respondents are vegetable exporters, and 9 (10.6%) are fresh fruit exporters. Therefore, one can deduce that the producers' mix of the respondents presented in Table 4.1 is corresponding with the producers' distribution in the sampling frame and indicating a good level of representation of the sample respondents.
Table 4.1 Characteristics of the Response Sample

Items	Description	Frequency	Percentage
1. Firm Characteristics			
1.1 Enterprise Type	Fruit	9	10.6
	Vegetable	22	25.9
	Fruit and Vegetable (Both)	54	63.5
1.2 Size of Firm	Medium Scale Enterprises (50 to 100 employees)	33	38.8
	Large Scale Enterprises (> 100 employees)	52	61.2
2. Internationalization Characteristics of Managers (Firms)			
2.1 Export Experience	0-6 years	18	21.2

	More than 6 years	67	78.8
2.2 Export intensity (export sales as % of total sales)			
	Low less than or equal to 50%	45	52.9
	High greater than 50%	40	47.1
2.3 Number of Export Market			
	Concentrators (less than 5 countries)	47	55.3
	Spreaders (Greater than 5 countries)	38	44.7
2.4 Main Export Market Distance			
	Regional	15	17.6
	Global	70	82.4
2.5 Main export Region			
	Europe	47	30.7
	Middle East	48	31.4
	Rest of Africa	42	27.5
	North America	7	4.6
	Asia Pacific	9	5.9
	Others	-	-
2.6 Internationalization Involvement			
	Direct exporting to foreign countries	79	92.9
	Indirect exporting	3	3.5
	Wholly owned subsidiary	1	1.2
	contracting	2	2.4

Source: survey result, 2022

Table 4.1 shows the result that the size of the firms and the size of the responding firms were measured by the number of employees working in the enterprises. The respondents were categorized following the Ethiopian Ministry of Trade and Industry definition of medium and large-scale Enterprises, where a firm employing between 50 to 100 is considered medium size firm, and a firm with more than 100 employees is a large firm. Accordingly, as the Table shows, the majority of the exporters in the sample were larger firms 52 (61.2 %) while the remaining 33 (38.8%) were categorized as medium Fresh fruits and vegetable enterprises.

Relatively, the experience of export companies shows that; the majority of the responses 67(78.8%) were provided by more experienced exporters with more than 6 years of exporting experience, while the remaining 18(21.2%) had less than 6 years of export experience.

As the above table shows the result regarding export intensity; 45 (52.9%) respondent firms generated less than half of their total annual sales from exports, while 40(47.1%) exporters have more than 50% of their sales from exports. The result indicates a balanced representation of less intensive (low intensity) and more intensive (high intensity) exporters in the response sample of Fresh fruit and vegetable firms.

The sample of respondents comprises mostly 47 (55.3%) exporters that have customers in less than 5 countries in export trade, whereas 38 (44.7%) of the firms in the sample export to less than five different countries in Fresh fruits and vegetable enterprises. When the number of export markets is concerned, firms exporting to more than 5 countries are perceived to be following a market spreading strategy, whereas firms exporting to less than 5 countries are perceived to be following a market concentration strategy in the export market. Thus, one can understand that the majority of the sample exporters have a relatively higher degree of the geographic spread of their exporting activities in fresh fruit and vegetable enterprises.

According to(Johanson & Vahlne, 1990), Psychological distance is defined as things like disparities in language, culture, political systems, educational attainment, and industrial development that hinder or upset the exchange of information between a business and a market. And, for this study, the respondents who export mainly to the domestic markets were named regional and those sample firms exporting predominantly to the rest of the world were labelled as global. As it is portrayed in Table 4.1, 15 (17.6%) of the respondents indicated that the domestic market (Ethiopia) is their main export region of distance, while the majority 70 (82.4%) of the sample has spread their exports to the global area.

Main export region of the products is, Middle East is the main export region for nearly 48 (31.4%), whereas the other 47 (30.7%) export are to Europe, 42 (27.5%), 9 (5.9%), and 7 (4.6%) are respectively to Rest of Africa, North America,

and the Asia Pacific.

4.1. Measurement model assessment of the study

Reliability and Validity

The measurement model of the study was further assessed based on the outer loadings, Cronbach's alpha, composite reliability, average variance extracted (AVE), and discriminant validity (Hair et al., 2019).

Table 4:2 below presented and according to (Kwong-Kay Wong, 2013), the factor loadings for the extracted factor were all above the critical value of 0.5 for all the items and, composite reliability was tested to confirm the constructed reliability as well. The result indicated that all the values were greater than 0.708 (Kock, 2015).

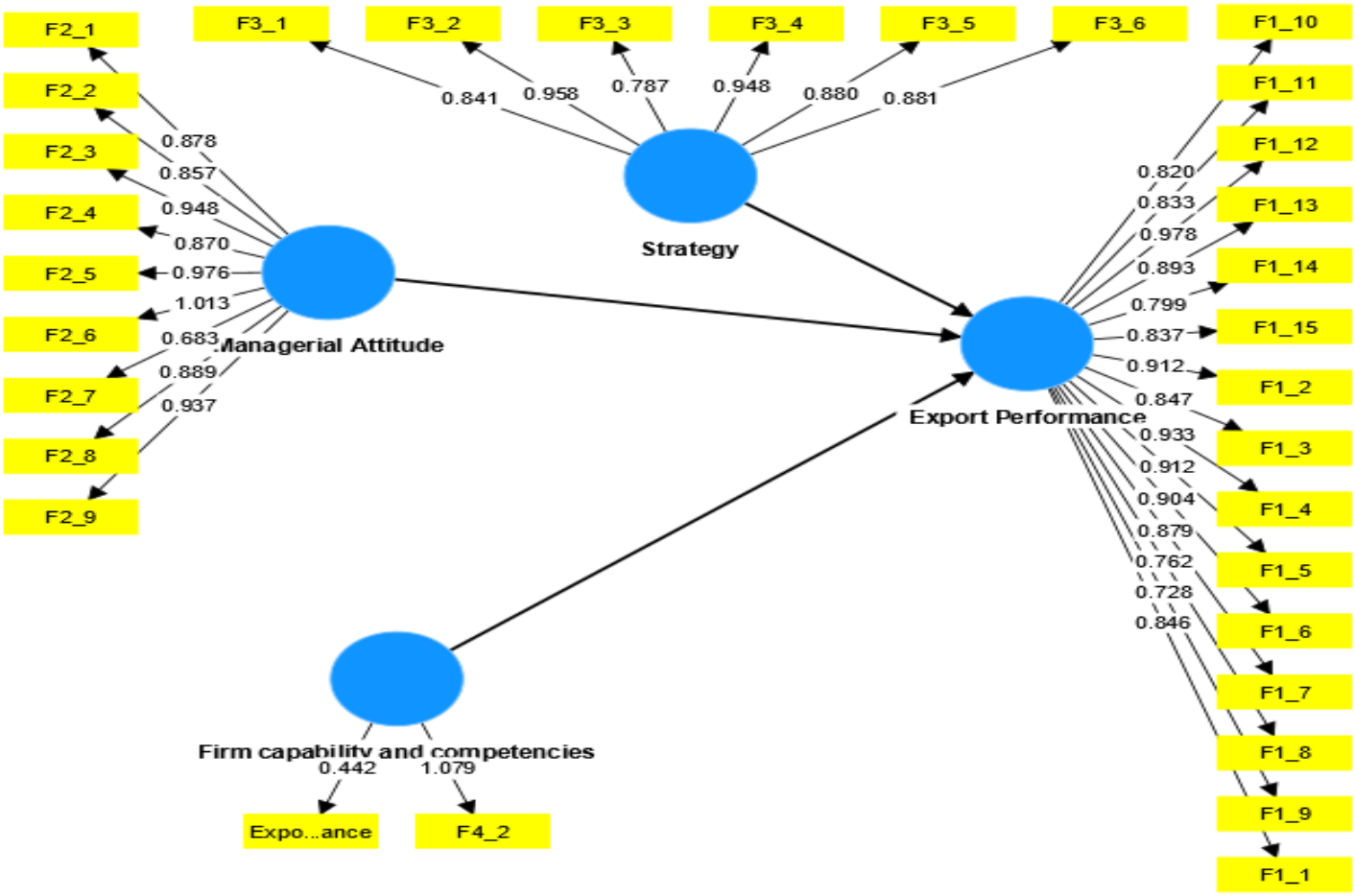

Figure 1: Structural Model: R-Square, outer loadings, and path coefficients (n = 1000 bootstrapped samples)

Table 4.2 Summary Results for Measurement Model Assessment

Variables	Indicators	Loadings	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	The average variance extracted (AVE)
Export Performance	F_1 F_2 F_3	0.846 0.912	0.977		0.977	0.742

	F_4 F_5 F_6 F_7 F_8 F_9 F_10 F_11 F_12 F_13 F_14 F_15	0.847 0.93 3 0.912 0.90 4 0.87 9 0.762 0.728 0.82 0 0.83 3 0.97 8 0.89 3 0.799 0.837		0.979		
Managerial attitude	F2_1 F2_2 F2_3 F2_4 F2_5 F2_6 F2_7 F2_8 F2_9	0.87 8 0.857 0.94 8 0.87 0 0.976 1.013 0.68 3 0.88 9 0.937	0.974	0.978	0.974	0.808
Market strategy	F3_1 F3_2 F3_3 F3_4 F3_5 F3_6	0.841 0.95 8 0.787 0.94 8 0.88 0 0.881	0.955	0.978	0.955	0.782
Firm capability and competencies	F4_1 F4_2	1.079 0.44 2	0.646	1.019	0.783	0.680

Table 4.3: Reliability and Validity - overview

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	The average variance extracted (AVE)
Export Performance	0.977	0.979	0.977	**0.742**
Firm capability	0.646	1.019	0.783	**0.680**

& com				
Managerial Attitude	0.974	0.978	0.974	**0.808**
Strategy	0.955	0.958	0.955	**0.782**

Validity

Table 4:4 shows that, Fornell and Larcker's (Fornell & Larcker, 1994) guideline disclosed also that the AVE values for each construct exceeded 0.50, which demonstrates the statistical significance of all items of the measurement model and is consistent (Barclay, D., Thompson, R., dan Higgins, 1995). In addition, the range of AVE lies between 0.680 – 0.808 for all study variables.

Therefore, figure 1(model): displays that all the three constructs of factors of export performance, firm capability and competencies, managerial attitude and Market strategy factors were statistically significant with a value < 0.05.

Table 4.4 Discriminant validity – Heterotrait-monotrait ratio (HTMT) Matrix

	Export Performance	Firm capability and competencies	Managerial Attitude	Strategy
Export Performance				
Firm capability and competencies	0.295			
Managerial Attitude	0.82	0.512		
Strategy	0.684	0.546	0.767	

Reliability and Validity

The reliability of the variables was tested using Cronbach's Alpha and composite reliability (CR). Initially, the overall sample was assessed and items having factor loading that was smaller than 0.600 were discarded. The results for reliability and validity along with the factor loading for the remaining items are presented in the Table above for the overall sample. All the Alpha values and CRs were higher than the recommended value of 0.700. the average variance Extracted (AVE) and CRs were all higher or close to 0.500 and 0.700, respectively, which corroborates convergent validity. Discriminant validity was assessed through cross-loadings. Finally, Table above reports the cross-factor loading of all the items. It is observed that all the factor loading is greater than their cross-loading, which is a sign of discriminant validity. Discriminant validity was also tested using the criterion suggested by Fornell and Larcher, cross-loading, and the Hetrotrait-Monotait Method (HTMT). The result of there of them are reported in the Table 4.4 and Table 4.5.

Table 4.5 Discriminant validity – Fornell -Larcker criterion

	Export Performance	Firm capability and competencies	Managerial Attitude	Strategy
Export Performance	**0.861**			
Firm capability and competencies	0.267	**0.824**		
Managerial Attitude	0.824	0.45	**0.899**	
Strategy	0.685	0.419	0.765	**0.884**

Table 4.6 Hypothesis Testing

	Original sample (O)	**Sample mean (M)**	**Standard deviation (STDEV)**	**T statistics (|O/STDEV|)**	**P values**	**supported**
Firm capability and competencies -> Export Performance	-0.138	-0.124	0.071	1.936	0.053	No
Managerial Attitude -> Export Performance	0.743	0.725	0.102	7.261	0.00	Yes

					0*	
Strategy -> Export Performance	0.170	0.178	0.103	1.652	0.099	No

Notes: * significant at 0.05

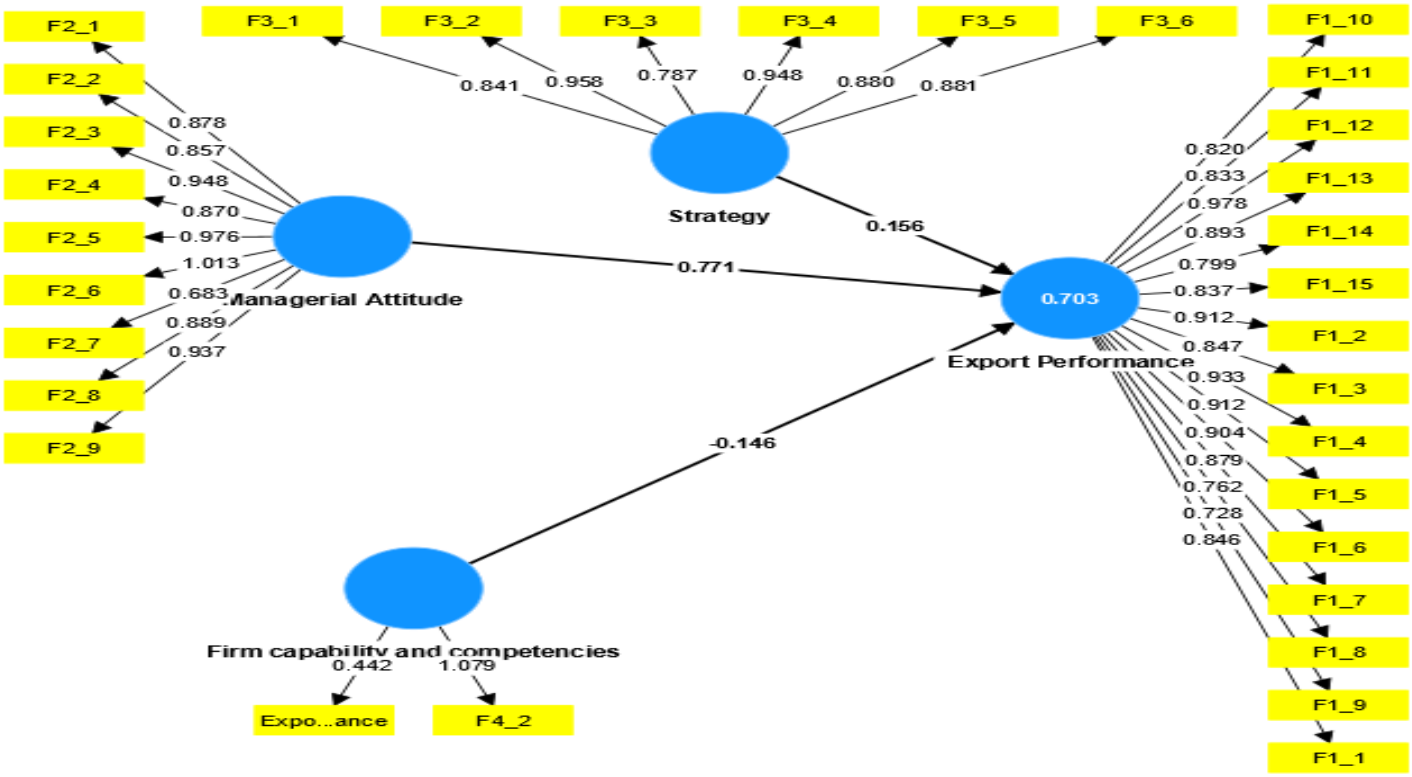

Figure 1: The measurement Model: outer loadings

The PLS-SEM was used to test hypotheses H_1, H_2, and H_3 concerning the relationship of Market strategy, managerial attitude, firm capability, and export performance as shown in Table 4.6 and based on the beta coefficient with 95% confidence level and p-value to test whether the hypothesis is supported or not.

Table 4.6 presents the path coefficients (β), standard deviation, T-statistics, and P values. All the relationships (path coefficients) of Market strategy, managerial attitude, and firm capability are found to be significant to export performance.

H_1 states that the market strategy significantly affects export performance. PLS-SEM result, as shown in Table 4.6 and figure 2, confirm that the beta coefficient, p-values, and t-values are not significant (β1 = -0.1380, p=0.053, T=1.936), showing market strategy not significantly affects export performance. H_1 was not supported.

H_2 states that the managerial attitude significantly affects export performance. PLS-SEM results, as shown in Table 4.6, Figure 2, confirm that the beta coefficient, p-values, and t-values are significant (β1 = 0.743, p= 0.00, T=7.261), showing managerial attitude significantly affecting export performance. Hence, H_2 was supported.

H_3 states that the firm capability significantly affects export performance. PLS-SEM results, as shown in Table 4.6, Figure 2, confirm that the beta coefficient, p-values, and t-values are not significant (β1 = 0.170, p= 0.099, T=1.652), that showing firm capability not significantly affecting export performance. Hence, H_3 was not supported.

5. CONCLUSIONS

The main aim of this study is to examine the relationship between market strategy, firm capability and export performance. H1 and H3 were reported to be not significant. However, H_2 managerial attitude, reported to be significant. Based on this study, the following conclusions were drawn.

Factors of export performance were concerned with the structural equation model result shows that managerial

attitude, has a strongly positive significant relationship with export performance. However, market strategy, and firm capability shows that no significant.
Finally, the factors of export performance have significantly explained the variation of export performance in the fresh fruit and vegetable exporters by 70% but the rest 30% variation in export performance is explained by the other factor of export performance.

6. RECOMMENDATION

Based on the findings and conclusion reached, the researcher forwarded the following recommendations focusing on issues, which may have managerial and policy implications:
The result of the structural equation model revealed that market strategy was revealed as not a factor of the export performance of fresh fruit and vegetable export business in Ethiopia. As the result reveals; the market strategy needs to develop based on the international requirement.
The result of the structural equation model revealed that managerial attitude was revealed as a factor of export performance fresh fruit and vegetable export business in Ethiopia. As the result shows; the managerial attitude needs to develop based on the international requirement.
The result of the structural equation model revealed that firm capability was revealed as not a factor of export performance fresh fruit and vegetable export business in Ethiopia. As the result reveals; the firm capability needs to develop based on the international requirement.

7. IMPLICATIONS FOR THE RESEARCH

The purpose of this investigation was to see the factors of export performance and export performance of fresh fruit and vegetable export companies in Ethiopia. The sample was drawn only from managers of the producers and export firms and future researchers should have to draw a sample of respondents on more numbers from other related companies for general visibility of the study. This study encompasses three export performance factors: market strategy, managerial attitude, and firm capability and continuous improvement which accounts only 70 percent of the variance in export performance. The rest 30 percent is due to the other factors that may be perceived as an important factor of export performance by other researchers but they were excluded from this study. Therefore, such variables should be incorporated in order to find the relationship between factors of export performance and the export performance of fresh fruits and vegetables of exporters in Ethiopia. Finally, conduct a replication study in other export companies of beverages, food products, etc.

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