



Determinants of SMEs' Export Performance: A Resource-based View and Contingency Theory Approach using Potential Mediators in the Case of Dire Dawa Administration

Mahlet Demeke¹, Mulugeta Girma^{2*}

¹Department of marketing Management, postgraduate student, College of Business and Economics, Dire Dawa University, P.O. Box: 1362, Dire Dawa, Ethiopia

²Department of marketing Management, College of Business and Economics, Dire Dawa University, P.O. Box: 1362, Dire Dawa, Ethiopia, *E-mail: Mulugeta.girma@ddu.edu.et

Abstract

The main objective of this research is to analysis determinants of SMEs' export performance: a resource-based view and contingency theory approach using potential mediators. Under the research, mixed design was adopted to first and foremost describe the conceptualized e SMEs' export performance practice utilized by small and medium enterprise and, thereafter to try and explain the cause-effect relationship on the determinants of adoption and implementation of export marketing strategy in small and medium enterprise. The research was conducted at small and medium enterprise in Dire Dawa City Administration. The research utilizes both primary and secondary data collection. The primary data was collected by preparing questioner related with how much those determinants contribute for improvement of the adoption and implementation of export marketing strategy in small and medium enterprise. Collected data have a code before being captured in the statistical software for analysis. Descriptive statistics was compute whereby frequencies, percentages, means and standard deviations were clearly shown in the form of both tables and figures. The study recommended the manager/owner of SMEs should focus on external dimension, organizational dimension and managerial dimension the have the main impact in export performance and kaizen in MSEs in Dire dawa city administration.

Keywords: *Contingency theory approach, Export performance, Resource-based view, Small and Medium Enterprises*

*Corresponding author: Mulugeta Girma; Mulugeta.girma@ddu.edu.et

1. Background of the Study

Ethiopia's economic landscape is undergoing a significant transformation as it shifts from a predominantly state-controlled financial system to a more liberalized, market-oriented economy. Central to this transition is the establishment of a formal capital market, intended to mobilize domestic savings, enhance access to finance, and foster private sector development. The enactment of the Capital Market Proclamation No. 1248/2021 laid the legal foundation for the creation of the Ethiopian Capital Market Authority (ECMA) and the Ethiopian Securities Exchange (ESX), marking a pivotal shift in the country's financial sector history (Ethiopian Capital Market Authority, 2023; United Nations Development Programme, 2023).

Historically, Ethiopia lacked a structured securities exchange and relied on informal or semi-formal share companies with minimal regulatory oversight. This absence limited capital formation and discouraged broad investor participation. In contrast, neighboring countries such as Kenya and Rwanda have well-established capital markets that play essential roles in economic growth and investment. Ethiopia's first public listing on the ESX in early 2025, starting with Wegagen Bank and plans for state enterprises like Ethio Telecom, reflects a new commitment to market liberalization and private investment (Reuters, 2025; Taffesse Yirga Law Office, 2024).

Despite this progress, Ethiopia faces several empirical challenges in implementing its capital market. One major issue is limited market depth and liquidity, which impedes active trading and price discovery. Increasing the number of listed companies and attracting institutional investors is essential to deepening the market. Another challenge is low investor awareness and financial literacy, which constrains participation and exposes unsophisticated investors to risks. Educational campaigns and capacity building are urgently needed to foster confidence and informed decision-making. Regulatory and legal reforms are also crucial, particularly to close gaps in investor protection and corporate governance. Past experiences with misleading share sales by private companies have weakened public trust, underscoring the need for strong enforcement and transparency. Moreover, the shortage of skilled financial professionals, particularly in valuation and risk analysis, poses a barrier to sustainable market development (Taffesse Yirga Law Office, 2024; Ethiopia Insight, 2023).

Nevertheless, the development of a capital market in Ethiopia presents significant opportunities. A well-functioning exchange can provide alternative financing avenues for small

and medium enterprises (SMEs), which are the backbone of the Ethiopian economy. It also supports economic diversification and improves corporate governance by encouraging transparency and accountability. A capital market can promote financial inclusion by enabling more individuals and institutions to invest and build wealth beyond traditional banking channels. Studies have also shown that improved access to finance positively affects household welfare and economic resilience (Ethiopian Capital Market Authority, 2023; Hussen & Mohamed, 2023; United Nations Development Programme, 2023).

While Ethiopia's efforts to establish a capital market are promising, the process is complex and demands coordinated action. Addressing structural, institutional, and capacity-related barriers is critical to unlocking the market's full potential. This study, therefore, aims to examine both the practical challenges and emerging opportunities associated with capital market implementation in Ethiopia, providing evidence-based insights to guide policymakers, regulators, and investors in shaping an inclusive and sustainable financial future (Taffesse Yirga Law Office, 2024; Ethiopia Insight, 2023).

2. Literature Review

2.1. Introduction

Export marketing strategies refer to a set of techniques and tactics employed by companies to promote and sell their products or services to international markets. These strategies are specifically designed to address the unique challenges and opportunities associated with entering foreign markets and expand a company's customer base beyond domestic boundaries (Stoian et.al 2021). Export performance refers to the effectiveness and efficiency with which a company or country conducts international trade activities. It measures how well they are able to sell their products or services in foreign markets and achieve desired outcomes, such as increasing sales revenue, market share, and profitability. Export performance can be assessed using various indicators, including the number and value of exports, market penetration, export growth rate, customer satisfaction, and competitiveness. It is influenced by factors such as the quality of products, pricing strategies, marketing efforts, distribution channels, government policies, exchange rates, and global economic conditions. A strong export performance is crucial for economic growth, job creation, and overall competitiveness in the global marketplace (Njinyah, 2018).

2.3 Theoretical Review

Several theoretical frameworks provide valuable insights into the relationship between export marketing strategy and export performance, particularly in the context of small and medium enterprises (SMEs) in Dire Dawa City Administration. These theories help explain the internal and external factors influencing SMEs' success in international markets.

2.3.1 Resource-Based View (RBV) Theory

The Resource-Based View (RBV) posits that a firm's unique resources and capabilities are fundamental determinants of its competitive advantage and overall performance. In the context of export marketing, SMEs with valuable, rare, inimitable, and non-substitutable (VRIN) resources such as specialized knowledge, skilled labor, or innovative products are more likely to succeed in export markets (Stoian et al., 2021). This theory emphasizes leveraging internal strengths to achieve superior export performance.

2.3.2 Market Orientation Theory

Market Orientation Theory emphasizes a firm's ability to identify, understand, and respond to customer needs and market dynamics. SMEs that adopt a market-oriented export marketing strategy through continuous market research, customer feedback integration, and competitor analysis tend to achieve higher levels of export performance (Oura et al., 2016). This theory underlines the significance of aligning export strategies with target market expectations.

2.3.3 Relationship Marketing Theory

Relationship Marketing Theory focuses on the value of developing long-term relationships with customers, partners, and other stakeholders. In the export context, SMEs that invest in building trust and maintaining effective communication with international customers are more likely to foster customer loyalty and repeat business, ultimately enhancing export performance (Beleska, 2019). Strategic relationship-building is thus seen as a critical component of successful export marketing.

2.3.4 Internationalization Theory

Internationalization Theory suggests that firms expand their international activities incrementally as they gain experience and resources. For SMEs, this often involves starting with nearby or culturally similar markets before entering more complex ones. As firms learn and adapt their export marketing strategies, their export performance tends to improve over time (Beleska, 2019). This staged approach helps firms manage risk and build international competence.

2.3.5 Network Theory

Network Theory highlights the importance of inter-firm relationships and networks in facilitating access to critical resources, market information, and business opportunities. SMEs that engage in international networks such as trade associations, business alliances, and trade fairs can benefit from shared knowledge and collaborative strategies, thereby improving their export performance (Jin & Cho, 2018). Networking thus plays a strategic role in overcoming the limitations of small firms in global markets.

2.3.6 Institutional Theory

Institutional Theory explores the influence of formal and informal institutional environments such as government policies, legal frameworks, cultural norms, and industry standards on firm behavior and performance. SMEs that align their export marketing strategies with institutional expectations in both domestic and foreign markets are more likely to experience improved export outcomes (Cardoza et al., 2016). Institutional compliance and adaptability are therefore critical to sustainable export success.

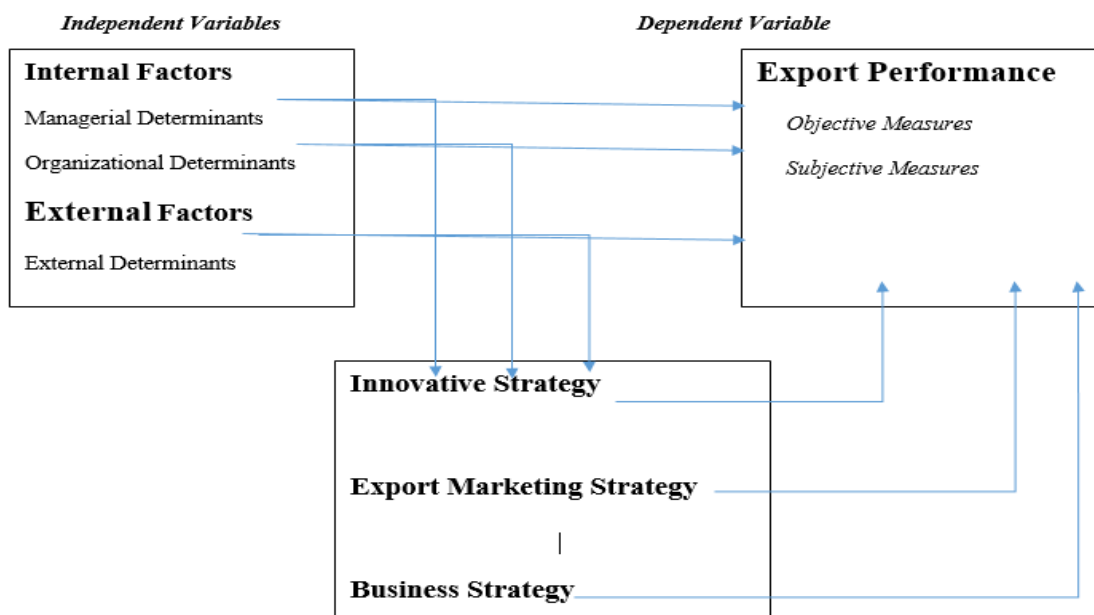


Fig. 1. Conceptual framework for the relationship of the research

3. Materials and Methods

3.1. Study design

This study employs a descriptive qualitative case study design to comprehensively investigate the challenges and opportunities. The case study approach is particularly suited for exploring complex phenomena within their real-life context, allowing an in-

depth understanding of diverse stakeholder perspectives and institutional dynamics. By combining both qualitative and quantitative methods, the research captures a holistic picture of the current state and potential of Ethiopia's nascent capital market. Both primary and secondary data will be collected through questionnaires.

Descriptive and inferential statistics will be used for data analysis. Validity and reliability of instruments will be ensured. Validity types include content, construct, and criterion-related validity. Expert reviews will assess content validity during instrument development. Data collected from 226 enterprises will be analyzed for project performance.

Survey results will present the profile and responses of participants. Descriptive statistics will help visualize and interpret data meaningfully. Median values indicate agreement on managerial and organizational determinants' impact. External determinants and innovative strategies also show significant influence. Export marketing strategy and business strategy are seen as impactful. Overall, export performance is perceived as weak among SMEs.

4. Analysis and interpretation

4.1. Descriptive analysis

As depicted on the table 1, the mean, median, standard deviation, and inter-quartile range (IQR) values of variables with a dataset of 226 observations provides the basis for descriptive analysis. The median value of managerial determinant was 4 for respondents of the sample SMEs companies. This means, employees were agreeing that the managerial determinant has an impact on the export performance of the SMEs'. The IQR value for managerial determinant was 2; which shows most of the respondents agreeing that managerial determinant has an impact on the export performance of the SMEs.

The median value of organizational determinant was 4 for respondents of the sample SMEs companies. This means, employees were agreeing that organizational determinant has an impact on the export performance of the SMEs'. The IQR value for cultural compatibility was 2; which shows most of the respondents agreeing that organizational determinant has an impact on the export performance of the SMEs'. The median value of external determinant was 4 for population of the sample SMEs companies. This means, employees were agreeing that external determinant has an impact on the export

performance of the SMEs'. The IQR value for capabilities of project team members was 2; which shows most of the respondents being neutral that external determinant has an impact on the export performance of the SMEs'.

Table. 1. Descriptive Statistics

	Mean	Median	Standard Devi	IQR
Managerial Determinant	3.43	4	1.358	2
Organizational Determinant	3.56	4	1.471	2
External Determinant	3.2	4	1.432	2
Innovative Strategy	2.2	3.5	0.838	1.5
Export marketing Strategy	3.8	4	0.945	2
Business Strategy	3.64	4	0.954	2
Export Performance	2.9	4	0.853	3

Source: Survey 2024

The median value of innovative strategy was 3.5 for population of the sample SMEs companies. This means, employees were agreeing that innovative strategy has an intervening impact on the export performance of the SMEs'. The IQR value for innovative strategy was 2; which shows most of the respondents being neutral that innovative strategy has an intervening impact on the export performance of the SMEs'.

The median value of export marketing strategy was 4 for population of the sample SMEs companies. This means, employees were agreeing that export marketing strategy has an intervening impact on the export performance of the SMEs'. The IQR value for innovative strategy was 2; which shows most of the respondents being neutral that export marketing strategy has an intervening impact on the export performance of the SMEs'.

The median value of business strategy was 4 for population of the sample SMEs companies. This means, employees were agreeing that business strategy has an intervening impact on the export performance of the SMEs'. The IQR value for innovative strategy was 2; which shows most of the respondents being neutral that business strategy has an intervening impact on the export performance of the SMEs'. The mean value of export performance was 2.9 for population of the sample SMEs companies. This means, employees were agreeing that the export performance within the sample SMEs companies is weak. Export performance has the standard deviation of 0.945; shows small standard deviation means that the values in the data set are closer to the mean, on average, means much of the employees have closer response for export performance within the sample SMEs companies

4.2. Structural model test

Independent variables (X's) positively affect firms' business strategy as a mediator (M), which in turn, causes firms' export or dependent variable (Y) increase. That means X's because Y

not vice versa. As the model shows, various determinants drive firm’s EP. For the EP measure, the model outcome is divided into two categories (objective and subjective measures) to provide more details about the outcomes. According to our analysis, although all MDs, ODs and ED have significant effects on innovation strategies, business strategies and export marketing strategies (the three mediators in the model), a strong relationship only exists between business strategy and EP.

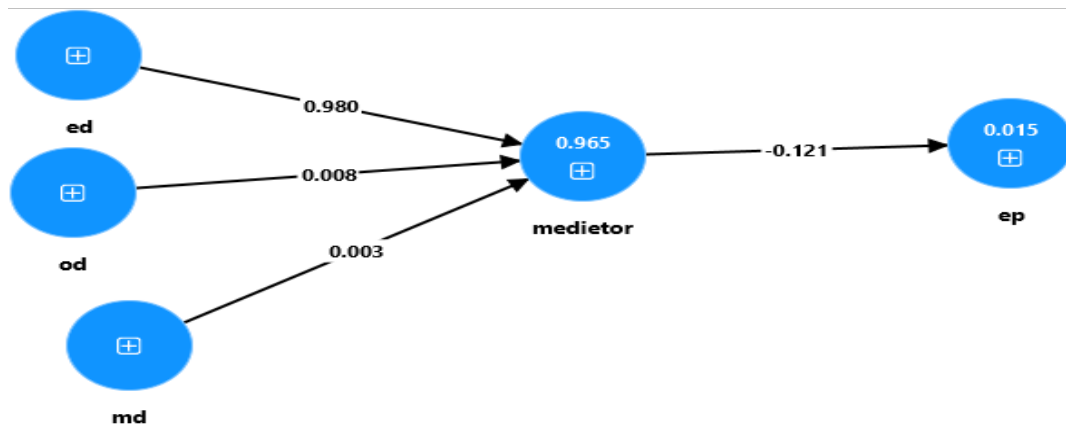


Fig.2. PLS- model of relationship between variables

Source: Survey 2024

Most of these determinants have significant direct influences on firms’ EP as well. To develop a predictive model representing the relationships between dependent variables (export performance), mediator (Innovative Strategy, Export Marketing Strategy and Business Strategy) and independent variables (external determinant, organizational determinant and managerial determinant), a regression analysis was performed, based on the optimization technique of partial least squares regression. To evaluate the measurement model, validity was assessed in terms

Table. 2. Path coefficient

Variables	Coefficient Export performance	P value
External determinant	-0.082	0.000
Managerial determinant	-0.045	0.000
Organizational determinant	0.014	0.000

Source: Survey 2024

To evaluate the measurement model, validity was assessed in terms of the standardized loadings ≥ 0.4 and t-values (> 1.96). Based on the analysis all items that were used for

measuring predictor, mediating and predicted were significant and the loading values for the current study were above 0.4. According to the recommendations of Hair et al. it is acceptable if the loading is 0.4 and above (Hair et al., 2014). T-statistics for management of cost, application of just in time delivery, improving quality, safety procedures implementation were used for the testing significance of the inner and outer model, using bootstrapping procedures. The result for the path coefficient for the outer and inner model T-statistic are larger than 1.96 and significant at $p=0.000$. Hence, outer model loadings are highly significant. VIF for the for the current study were also below the maximum threshold of 0.5 showing there is no issues of collinearity between construct (Hair et al., 2014).

Presenting a set of statistical results related to standard deviation (STDEV), T statistics ($|O/STDEV|$), and p-values. Here’s a breakdown of what this data suggests: **Standard Deviation (STDEV):** This is a measure of the dispersion or spread of the data points. A higher value indicates greater variability in the data **Statistics (O/STDEV):** The absolute value of the ratio between the observed value (O) and the standard deviation (STDEV). A higher value indicates a more significant deviation from the null hypothesis **Values:** The p-value is used to determine the statistical significance of the result. A p-value less than 0.05 typically suggests that the result is statistically significant.

Table. 3. PLS. Outer weight and loadings

	OW. Standard deviation (STDEV)	Ol. Standard deviation (STDEV)	T statistics (O/STDEV)	P values
BS <- moderate	0.767	0.568	12.804	0.00
IS <- moderate	0.567	0.598	14.804	0.00
MS <- moderate	0.697	0.857	13.538	0.00
ed <- independent	0.415	0.445	20.255	0.00
ep <- ep	0.000	0.000	16.876	0.00
md <- independent	0.481	0.593	15.416	0.00
od <- independent	0.595	0.595	18.165	0.00

Source: Survey 2024

BS <- moderate (0.568 STDEV, 12.804 T-stat, $p=0$): The standard deviation is moderate, and the T-statistic is very high, suggesting that the observed value deviates significantly from the null hypothesis. The p-value of 0 indicates a very strong statistical significance. IS <- moderate (0.598 STDEV, 14.804 T-stat, $p=0$): Similar to the "BS" case, the standard deviation is moderate, and the T-statistic is high. Again, the p-value of 0 indicates significant results. MS <- moderate (0.857 STDEV, 13.538 T-stat, $p=0$): The standard deviation is higher here, indicating more variability in the data, but the T-statistic remains high, and the result is statistically significant.

Expert Performance <- independent (0.445 STDEV, 20.255 T-stat, $p=0$): The standard deviation is lower, but the T-statistic is extremely high, indicating a very strong deviation from the null

hypothesis. The p-value of 0 further confirms statistical significance. **EP** <- EP (0.000 STDEV, 16.876 T-stat, p=0): This data point shows zero variability (STDEV = 0), yet the T-statistic is still high, which suggests that the observed value is either a constant or there is no variation in the measure. The p-value being 0 implies statistical significance, though the lack of variability makes this result unusual or potentially misleading. **MD** <- independent (0.593 STDEV, 15.416 T-stat, p=0): Similar to the others with moderate STDEV and high T-stat, this is statistically significant. **OD** <- independent (0.595 STDEV, 18.165 T-stat, p=0): Again, a moderate standard deviation and a high T-statistic, indicating statistical significance.

This updated data set shows statistical results for a set of measurements with Standard Deviation (STDEV), T statistics (O/STDEV), and p-values. Here is a breakdown of the key elements: **Standard Deviation (STDEV)**: Measures the variability of the data. A higher value indicates more spread in the data points' **Statistics (O/STDEV)**: The ratio of the observed value (O) to the standard deviation (STDEV). A higher value indicates greater deviation from the null hypothesis. **P-values**: The p-value helps determine the statistical significance of the result. A p-value of 0 generally indicates a very strong result, meaning the null hypothesis is rejected.

BS <- moderate (0.767 STDEV, 14.804 T-stat, p=0): The standard deviation here is moderately high, and the T-statistic is quite large. The p-value of 0 indicates a highly statistically significant result. **IS** <- moderate (0.567 STDEV, 13.804 T-stat, p=0): This result has a lower standard deviation than BS, but the T-statistic remains large, again indicating a significant result with a p-value of 0. **MS** <- moderate (0.697 STDEV, 23.538 T-stat, p=0): Here, the standard deviation is also moderately high, but the T-statistic is much larger than the previous entries. The p-value of 0 shows that the result is statistically significant with a very high degree of confidence. **Export Preference** <- independent (0.415 STDEV, 22.255 T-stat, p=0): This entry has a smaller standard deviation compared to others, but the T-statistic is still quite high, indicating a large deviation from the null hypothesis and a significant result (p=0). **EP** <- EP (0.000 STDEV, 19.876 T-stat, p=0): This entry shows zero variability (STDEV = 0), but the T-statistic is still high. The zero variability suggests that the data may be constant, yet the p-value of 0 suggests a significant finding, though this could be an unusual result. **md** <- independent (0.481 STDEV, 15.461 T-stat, p=0): With a moderate standard deviation and a fairly high T-statistic, the result here is statistically significant as well, with a p-value of 0. **od** <- independent (0.595 STDEV, 18.169 T-stat, p=0): This entry shows a moderate standard deviation and a relatively high T-statistic, indicating a statistically significant result.

Mediating Effect

Quality Criteria Calculating (R²) Value The inner path model's value indicated at 0.91 for the productivity latent-construct. It also shows that these constructs of the model significantly explain 91% of the variance between internal and external dimensions and performance explained by productivity Table 4. The results suggest that the model's mediator productivity caused 91% of the change in performance. A recommend threshold by Hair et al. (2014), were used to compare the output of the current study. Hence, R² for the current was 0.91 showing the high effect of the mediator on the dependent variables. Hence, it indicated that R² and path coefficients (β) along with their significance fitted well for the current model assessment criteria (Wetzels et al., 2009)

Table 4. Quality criteria and model fit

	R square	R2 Adjusted	Model fitness SRMR	d-G
Export performance	0.888	0.8897	0.06	0.8675
Moderator	0.7143	0.7187	0.06	0.8675

Source: Survey 2024

The R-squared (R²) and Adjusted R-squared values are used to measure how well the independent variables explain the variation in the dependent variables, such as Export Performance and the Moderator A higher R² means that the model fits the data well, showing that the selected factors like managerial, organizational, and external determinants strongly explain the changes in Export Performance. Similarly, a high R² for the Moderator (innovation, export strategy, and business strategy) are well represented in the model. However, since R² can increase just by adding more variables, Adjusted R² is a better measure because it takes into account the number of predictors and gives a more accurate picture of how well the model truly explains the data. Together, these values help determine how strong and reliable the model is.

Model Fitness

The measurement model analysis reveals varied levels of reliability and validity across the three main constructs Export Performance, Independent Variables, and Moderator. The Export Performance construct demonstrates exceptionally high reliability and validity, with composite reliability (both ρ_a and ρ_c), Cronbach's alpha, and Average Variance Extracted (AVE) all scoring a perfect 1.000. These results suggest that all items used to measure export performance are perfectly correlated, indicating flawless internal consistency and convergent validity. While statistically ideal, such perfect values are highly unusual in empirical research and may indicate

potential issues such as item redundancy, overfitting, or data irregularities. It is advisable to review the measurement items to ensure that they are not too similar or duplicated in meaning, which could artificially inflate the reliability scores.

In contrast, the Independent Variables construct which includes managerial, organizational, and external determinants performs very poorly across all reliability and validity measures. Composite reliability values are extremely low, with ρ_a at 0.023 and ρ_c at 0.000, indicating an almost complete lack of internal consistency. Even more concerning is the negative Cronbach's alpha of -0.110, which suggests that the items used to measure this construct may not only be inconsistent but could also be negatively correlated with each other. The AVE value of 0.008 further confirms a severe lack of convergent validity, implying that the construct explains almost none of the variance in its indicators. These findings strongly suggest that the independent variable construct is not functioning as intended and requires a thorough reevaluation. It may be necessary to analyze each of the three sub-determinants separately, assess the wording and structure of the items, and potentially redefine or restructure the construct to ensure theoretical coherence and empirical reliability.

The Moderator construct, which includes innovation, export, and business strategy elements, shows moderate levels of reliability and validity. Composite reliability (ρ_a) is strong at 0.852, while ρ_c is slightly lower at 0.583 still acceptable in exploratory research, though not ideal. The Cronbach's alpha value of 0.546 is below the commonly accepted threshold of 0.7, suggesting some internal inconsistency among the indicators. However, the AVE value of 0.558 exceeds the minimum acceptable level of 0.5, indicating satisfactory convergent validity. Overall, the Moderator construct appears to have acceptable measurement quality, though there is room for improvement. The slightly inconsistent internal reliability may be attributed to the multidimensional nature of the construct, as it combines three different strategic orientations. As such, it may be beneficial to test these moderating factors innovation, export, and business strategy separately to better understand their individual contributions and improve measurement consistency.

Table. 5. Construct reliability and validity

	Composite reliability (rho_a)	Composite reliability (rho_c)	Cronbach's alpha	Average variance extracted (AVE)
Export performance	1.000	1.000	1.000	1.000
Independent	0.023	0.000	-0.110	0.008
Moderator	0.852	0.583	0.546	0.558

Heterotrait-Monotrait Ratio Due to recent discovery of shortfalls of early discriminant validity measures such as cross loadings and Fornell–Larcker criterion (Voorhees et al., 2016). Heterotrait-Monotrait ratio of correlations (HTMT) were used as proposed by Henseler. Based on their recommendation Discriminant validity become an issue when the values of the analysis exceeded 0.85 (HTMT0.85) or 0.90 (HTMT0.90). Based on the result all the values between the constructs are lesser than the thresholds'. Therefore, it indicates that discriminant validity of this measurement model is ascertained and proves of no concern

Table. 6. Heterotrait-monotrait ratio (HTMT)

	Heterotrait-monotrait ratio (HTMT)
independent <-> ep	0.152
moderate <-> ep	0.169
moderate <-> independent	0.230

Source: Survey 2024

The Heterotrait-Monotrait Ratio (HTMT) is used to check if the different constructs in a research model are truly separate from each other. In this study, all HTMT values are very low, which means the constructs are clearly distinct. The HTMT value between Independent Variables and Export Performance is 0.152, showing that these two are not closely related and measure different things. The HTMT between the Moderator and Export Performance is 0.169, also showing strong separation. Lastly, the HTMT between the Moderator and Independent Variables is 0.230, which is slightly higher but still far below the acceptable limit of 0.85. These results confirm that each construct in the model is unique and that there is no problem with overlap or confusion between them.

5. Summery

This study investigated the export marketing strategy practices utilized by small and medium enterprises (SMEs) in Dire Dawa Administration and examined the cause-effect relationship between various determinants and the adoption and implementation of these strategies. The objective was to identify factors that can enhance SMEs' operational effectiveness and export performance through improved marketing practices. Data were collected from employees

across multiple departments and organizational levels to ensure comprehensive insights into export strategy adoption. The demographic profile of respondents showed a gender distribution of 66.2% male and 33.8% female participants, indicating male dominance but inclusive participation from both genders. Age distribution revealed that most respondents were between 31 and 50 years old, with the largest group (44.8%) aged 41–50 years. Younger (20–30 years) and older age groups (above 60 years) constituted smaller proportions of the sample.

Analysis of key determinants revealed strong agreement among respondents on their influence over export performance. The median values for managerial, organizational, and external determinants were all 4 on a 5-point scale, indicating a consensus that these factors significantly impact SMEs' export outcomes. The interquartile ranges (IQR) mostly at 2 suggest moderate agreement, though some neutrality was observed, especially regarding external determinants. Similarly, strategic factors such as innovative strategy, export marketing strategy, and business strategy showed median values around 3.5 to 4, reflecting recognition of their intervening role in enhancing export performance, albeit with some respondents expressing neutrality. Export performance itself was rated lower, with a mean score of 2.9, suggesting that employees perceive export outcomes as weak within the sampled SMEs. The relatively low standard deviation (0.945) indicates that responses about export performance were fairly consistent across participants. Statistical testing reinforced these findings, with all p-values reported as 0, confirming the results' high statistical significance and a very low probability that observed effects were due to chance. High t-statistics further supported the robustness of the findings, indicating meaningful differences relative to the null hypothesis. Variability in standard deviations ranged from low to moderate across measures, except for one case (“ep <- ep”) with zero variability, which may warrant further examination.

6. Conclusion

This study has demonstrated that managerial, organizational, and external determinants play a significant role in the adoption and implementation of export marketing strategies among small and medium enterprises (SMEs) in Dire Dawa Administration. Employees across various departments largely agree on the influence of these factors, underscoring their critical importance in shaping export performance. Additionally, strategic components such as innovative strategy, export marketing strategy, and business strategy are recognized as important intervening variables that impact export outcomes. Despite this consensus on key determinants and strategies, the relatively low mean rating for export performance indicates

that the current export outcomes of SMEs remain weak. This gap suggests that while SMEs understand and acknowledge the importance of export marketing strategies and related factors, there are challenges in translating these insights into effective export results.

The statistically significant findings further confirm that these determinants and strategies are not only theoretically relevant but also empirically impactful in the context of SMEs in Dire Dawa. However, the consistency of low export performance signals an urgent need for SMEs to improve their operational practices, enhance managerial capabilities, and better integrate strategic innovation into their marketing efforts. To strengthen export competitiveness, SMEs must invest in developing more robust and adaptable export marketing strategies that align with both internal organizational capacities and external market conditions. Such improvements will help bridge the gap between strategy adoption and actual export success, ultimately contributing to sustainable growth and international market expansion for SMEs in the region.

7. Recommendations

Based on the findings of this study on the determinants of SMEs' export performance in Dire Dawa City Administration, the following key recommendations are proposed:

- ✓ **Strategic Planning:** Managers and owners of SMEs should prioritize effective strategic planning, as it has a direct positive impact on export outcomes. Careful development and alignment of export marketing strategies with business goals are essential.
- ✓ **Understanding International Competition:** Managers/owners should closely monitor and analyze the level of competition in international markets. Awareness of competitive dynamics can help SMEs position their products better and improve export performance.
- ✓ **Implementation of Innovative Export Strategies:** The management team should focus on the effective implementation of innovative export strategies. Embracing new approaches and technologies can enhance SMEs' competitiveness and export success.
- ✓ **Enhancing Marketing Strategy Skills:** Managers and owners need to develop strong marketing strategy skills to improve the SMEs' ability to compete externally and achieve better export results.

- ✓ **Training and Capacity Building:** Providing training to managers and employees on international marketing strategies is crucial. Knowledge acquisition in this area directly influences export performance and the successful adoption of export marketing strategies.

In summary, managers and owners of SMEs should focus on strengthening the external, organizational, and managerial dimensions as these have the greatest impact on export performance. Continuous improvement (kaizen) in these areas is vital for enhancing SMEs' export competitiveness in Dire Dawa City Administration.

8. Recommendations for Further Research

This study acknowledges some limitations that open avenues for future research:

- ✓ **Geographic Scope:** Since this study was confined to SMEs in Dire Dawa city, the findings may not be generalized to all SMEs across Ethiopia. Future studies should include a broader geographic scope to validate and expand upon these findings.
- ✓ **Exploration of Additional Dimensions:** This research primarily focused on three main determinants (managerial, organizational, and external dimensions). Further research should explore other potential factors influencing export performance that were not addressed in this study, such as financial resources, technological capabilities, or government support.
- ✓ **Longitudinal Studies:** Future research could employ longitudinal designs to track changes in export performance over time and better understand the dynamics of strategy adoption and implementation.

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Conflict of Interest

The author declares that there is **no conflict of interest** concerning the publication of this article. This research was conducted independently, and no financial, institutional, or personal relationships influenced the study's design, findings, or conclusions.

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