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Discovering Thoughts, Inventing Future

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# GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: E MARKETING

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MARKETING

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## Establishing Linkages between Materialism and Social Pressure and its Contributors

By Dr. Saju Eapen Thomas & Dr. P. R. Wilson

*City University College Ajman*

**Abstract-** While research has extensively looked at the association between low self-esteem and materialism; it has not been able to explain the co-existence of materialism and high self-esteem as noticed in Indian environments. Though exploratory in nature, this study looks at the linkages between materialism and, social pressure and its contributory factors which are considered as a major cause of materialism even among high esteem individuals. Social pressure construct includes all socialization factors which include media, peer group, family, social comparison with referents and attitude to debt, which creates a strong urge in individuals to enter into status consumption behavior. A quantitative survey was used to collect data from executives in three major cities of south India basis which the social pressure-materialism model is developed using structural equation modeling. This study supports the premise that social pressure and its contributory factors are associated with materialism. In this study, the confirmatory factor analysis, indicate the prominence of 'possession defined success', in comparison to 'acquisition centrality' and 'acquisition for pursuit of happiness'. This is indicative of the fact that individuals in their attempt to fulfill their inherent need to appear successful engage in buying of status related products.

**Keywords:** *materialism, social pressure.*

**GJMBR-E Classification:** *JEL Code: M31*



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# Establishing Linkages between Materialism and Social Pressure and its Contributors

Dr. Saju Eapen Thomas<sup>α</sup> & Dr. P. R. Wilson<sup>σ</sup>

**Abstract-** While research has extensively looked at the association between low self-esteem and materialism, it has not been able to explain the co-existence of materialism and high self-esteem as noticed in Indian environments. Though exploratory in nature, this study looks at the linkages between materialism and, social pressure and its contributory factors which are considered as a major cause of materialism even among high esteem individuals. Social pressure construct includes all socialization factors which include media, peer group, family, social comparison with referents and attitude to debt, which creates a strong urge in individuals to enter into status consumption behavior. A quantitative survey was used to collect data from executives in three major cities of south India basis which the social pressure-materialism model is developed using structural equation modeling. This study supports the premise that social pressure and its contributory factors are associated with materialism. In this study, the confirmatory factor analysis, indicate the prominence of 'possession defined success', in comparison to 'acquisition centrality' and 'acquisition for pursuit of happiness'. This is indicative of the fact that individuals in their attempt to fulfill their inherent need to appear successful engage in buying of status related products.

**Keywords:** materialism, social pressure.

## I. INTRODUCTION

*“At resale stores I have seen brand new clothes with original price tag still hanging from the sleeve. Some children have so many toys that they stay frustrated, not knowing which one to pick up for their next amusement. Presumably sensible adults trade in perfectly good cars just to have something shinier and newer. Didn't us once live productive normal lives, without all these gadgets” [Cunningham (2005)]. Nearly forty-four percent of the participants, who took part in a consumer survey conducted in the US, responded positively to the question “My closets are filled with still unopened items” [Faber and O'Guinn (1988)].*

Fournier and Richins (1991), Richins (1994), and Wong (1997) have established that individuals who engage in excessive consumption habits have high materialistic values. High consumption cultures are seen across most developed western countries (Durning, 1994; Csiksmenmihalyi and Rochberg-Halton, 1978). There exists enough evidence linking high consumption

habits with materialism. It is generally accepted that majority of people, who show high propensity to consume, score high on materialism scales and low on self-esteem scales (Rassauli and Hollander, 1986; Richins and Dawson, 1992 and Richins, 1991). Rich western nations are most associated with the culture of consumption, but now there are ample evidences of this phenomenon building up as a global phenomenon (Leary, 2004; Kasser and Ryan, 1993).

Globalization along with factors such as rising income levels, changes in consumption pattern of upper and middle class and increase in the number of working women are making India an attractive market for status and luxury products (Handa and Khare, 2011; Khare et al., 2012). This effectively is leading to the transformation of the Indian consumer, who was considered to be more conservative, religious and culture oriented, compared to their western counterparts (Banerjee, 2008; Kumar and Gupta, 2003; Dumont, 1970). Research has come out with substantial evidences to show that most people, who show such high consumption behavior, also have high materialistic values. This study looks at the linkages between materialism and, social pressure and its contributory factors which are considered as a major cause of materialism in India and South Asian regions.

## II. LITERATURE REVIEW

### a) Materialism

Oxford English Dictionary (2017) defines materialism as “a tendency to consider material possessions and physical comfort as more important than spiritual values”. It is a way of life, opinion or tendency based entirely upon material interests. The prevalent notion is that people become materialistic in their efforts to compensate for the feelings of insecurity and inadequacy (Kasser et al. 2004). Most materialistic people believe that acquisition will bring them happiness, and possession in turn is considered as the sign of success (Belk, 1984, 1985). Rassuli and Hollander (1986) saw materialism as a mindset, which is oriented towards acquisition of things and spending. Belk (1984) defined materialism as the consumer orientation where they attach high importance to their worldly possessions. At the highest levels of materialism such possessions assume a central place in a person's life and are believed to provide the greatest source of satisfaction and dissatisfaction in life. This embodies the

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persistent belief of materialistic consumers that the acquisition of things will lead to greater happiness and satisfaction in life.

There exist two major conceptualizations of materialism which finds general acceptance. They are Richard Belk's (1985) view of materialism as a set of personality traits and Richins and Dawson's (1992) view of materialism as a value or value system. Richins and Dawson (1990) considered traits as something formed at an early age and remained relatively unchanged over a lifespan. This is because the underlying trait itself is generally impervious to environment stimuli. It is this belief that led the authors to propose the concept of materialism as a set of social values, because over a lifetime values change, whereas traits remain constant. They drew supporting evidences from the observation made by Csikszentmihalyi and Rochberg-Halton (1981) that variety and depth of relationship with objects can change over a lifetime.

Based on this argument, Richins and Dawson (1992) defined the construct of materialism as the importance people ascribe to the acquisition and ownership of material goods, as a means to achieve their life goals and desires. They tried to explain the concept based on the following three constructs. The first is 'acquisition centrality', according to which materialistic individuals will make the process of acquiring material possessions the main focus of their lives. Second construct is 'acquisition as the pursuit of happiness', which states that materialistic people believe that acquiring things will fetch them happiness and satisfaction in life. The third one is 'possession defined success', according to which materialists monitor their achievements and successes by regularly comparing the quality of their possessions with what others have.

#### *b) Materialism – The Causal Factors*

The generally accepted belief is that people become materialistic in their efforts to compensate for the feelings of insecurity and inadequacy, and individuals try to fill up such void in their lives by acquiring possessions (Belk, 1985; Diener et al., 1993; Kasser et al., 2004). It is this belief that links materialism to the concept of self-esteem (Rosenberg, 1989). Literature shows us that a number of studies support the low self-esteem materialism-pathway proposition (Inglehart, 1971; Ahuvia and Wong, 2002; Reindfleisch et al., 1997; Cohen and Cohen, 1996; Kasser et al., 1995; Baumrind, 1967). Low self-esteem develops in individuals due to feelings of insecurity and inadequacy (Rosenberg 1989). Authoritarian and permissive parenting (Baumrind, 1972), non- intact or broken families (Burroughs and Reindfleisch, 2002), economic deprivation (Abramson and Inglehart, 1995) and unmet safety or security needs (Inglehart, 1971, Kasser, 2002), are childhood related factors that build low self-esteem in

an individual as they move to adulthood. This low self-esteem driven pathway of materialism is termed as insecurity-inadequacy pathway.

The socialization pathway theory put forward by Kasser et al. (2004) is an alternate pathway of materialism and according to this, socialization factors such as television media, peers, family and social comparison with remote referents can create materialistic values in individuals. They were of the opinion that insecurity-inadequacy and socialization pathways of materialism interact, leading to the development of materialistic tendencies. Authors feel that the primary reason for the development of alternate pathway proposition is the inability of the insecurity-inadequacy pathway to substantiate the causes for materialism in different socio-cultural environments.

#### *c) Social Pressure as a contributor of materialism*

Authors did a quick search of the results from recent studies published by different researchers across the world, who have tried to empirically establish the link between low self-esteem and materialism. It was noticed that none of them could achieve substantial evidence to prove that low self-esteem is the major causative factor of materialism. Two studies by Mick (1996) saw the existence of significant but very low negative correlations ( $r = -0.19$ ,  $p < 0.01$  and  $r = -0.14$ ,  $p < 0.05$ ). Studies by Chancellor (2003) ( $r = -0.12$ ,  $p > 0.05$ ) and by Meek (2007) ( $r = -0.09$ ,  $p > 0.05$ ) found lack of any significant relationship between materialism and self-esteem. Benmoyal-Bouzaglo and Moschis's (2010) study in France, too showed no significant correlation ( $r = 0.039$ ,  $p > 0.05$ ). The prevalent belief that materialism is caused by low self-esteem, where childhood related factors play a role is getting questioned here. A major problem posed to the researchers is about the coexistence of high self-esteem and materialism among individuals (Thomas et al., 2011; Thomas and Wilson, 2011, 2016), which forces to enquire whether materialism seen in Asian environment is due to the interaction of socialization factors creating social pressure in individual.

Peer influence and social comparisons were observed as the two predominant factors contributing to such high consumption behavior. It was observed that easy availability of finance also play an important role in fueling such purchases (Faber and O'Guinn, 1988; Lyons, 2003). Hence, attitude to debt is included as a contributing factor. 'Social pressure to consume' construct is defined as a combination of all factors that build up pressure on individuals to conform to opinions, attitudes or behavior of others and acts as a moderator of materialism (Thomas and Wilson, 2016). The construct explains the influence of socialization factors which include media, peer group, family, social comparison with referents (Kasser et al., 2004) and attitude to debt, which creates a strong urge in

individuals to enter into consumption acts, so as to conform to prevalent social norms or attitude, or opinion and behavior of leading personalities. This study is taken-up to verify the role of social pressure as a contributor of materialism as suggested earlier.

### III. RESEARCH OBJECTIVES AND HYPOTHESES DEVELOPMENT

Many earlier studies indicated the lack of association between materialism and self-esteem. Recent studies provide evidence to show the role-played by social pressure factors in triggering materialism and related status consumption tendencies. Peers or reference groups are the actual social groups, with whom an individual or group interact with and compare themselves with (Bearden and Etzel, 1982). Consumer susceptibility to interpersonal influence is due to the need to identify with or enhance one's image in the opinion of significant others by the acquisition and use of products and brands, which confirm to their expectation (Bearden et al., 1989). Ford and Ellis (1980) show that peer pressure do play a significant role in influencing shopping and purchasing patterns of their members. Lewin (1965), Venketesan (1966), Burnkrant and Cousineau (1975) showed that peer influence can bring changed attitudes and behaviors of individuals and can induce consumption of status products to conform to their attitude.

The social comparison theory (Festinger, 1954) proposed that individuals have the need for self-evaluation and they use references, against which they assess their attitudes and opinions. This aspect of social comparisons becomes the primary characteristic of the variable, we are considering in this study. Social comparisons can be both in upward or downward directions (Schiffman and Kanuk, 2004). Upward comparisons with celebrities or idealized media images end up in building an inflated and unrealistically high estimation of the standard of living. In a society where people generally maintain high consumption habits, others also will be pressurized to follow suit. Frank (2005) and Royo (2007) showed that people who make upward comparisons end up in consuming more status products. Bloss (1967) asserts that the post-adolescent identity crisis make people search for peer affiliations and upward social comparisons. Research work by Tabin (1992) and Rochberg-Halton (1984) supports this view point.

The consumer attitude to debt is concerned about an individual's propensity to avail credit facility offered by various financial institutions or marketers, to fulfill his or her desire for consuming more or acquiring more status items. This can be seen as an external factor acting in tandem with the influence of television media, peer group pressure and upward social comparisons in creating social pressure and in turn materialism. The aggressive strategies by financial

companies to target the marginal borrowers in the last two decades or the attempts which made credit easily available to most consumers in the most countries (Black and Morgan, 1999; Canner et al., 1998; Canner et al., 1999; Lindsay, 1997). Faber and O'Guinn (1988), Mundis (1986), Lyons (2003) provide factual support to the fact that there has been dramatic increase in consumer lending and higher debt burden among individuals. There exists enough evidence to show that easy availability of loans makes the consumers spend more on purchasing status and luxury items in India also (Gupta and Agarwal, 2003; Nair, 2005). Rao (2006), Narasimhan (2008), Sarangpani and Mamata (2008) have shown that credit card availability and use has increased rapidly in India in the last three decades. The greater reliance that individuals show to debt financing play an important role in the cultural shift towards higher consumption behavior and associated financial distress (Richins and Rudwin, 1994; Lea et al., 1995; Kasser and Ryan, 1996; and Nickerson et al., 2003).

Thomas and Wilson (2016) summarized the concept of social pressure as: "today's society people make inferences of others on the basis of items they own and use (Belk, 1980; Rosenfeld and Holeman, 1977). This builds peer-pressure on individuals and leads them to get into upward social comparisons. This ultimately compels them to buy and use such products, which will fetch them social status (Calder and Burnkrant, 1977; Solomon, 1983). Such induced desire for more and more material items is bringing in a cultural shift towards higher consumption standards, driving individuals to have greater reliance on debt financing (Richins and Rudwin, 1994; Leah et al., 1995)". This led to the formulation of the hypothesis that materialism was linked to attitude to television, peer pressure, social comparison and attitude to debt.

*Hypothesis 1:* Attitude to television, peer influence, upward social comparisons and attitude to debt are contributors of social pressure.

*Hypothesis 2:* Social Pressure is associated with materialism.

### IV. METHODOLOGY AND DATA ANALYSIS

#### a) Data Collection

A structured questionnaire based survey for data collection was used here. Data was collected from Bangalore, Hyderabad and Kochi, three major cities in southern part of India. The target population for this study was working executives from the corporate sector, professionally qualified persons working in middle and lower level of management. We used a multistage sampling procedure and selected fifteen companies each from these cities. The corporate firms were selected randomly from a list of companies, which carried out campus placements in leading business schools in these cities. Survey covered five hundred and

thirty respondents, which included two hundred and ten from Kochi, one hundred and eighty eight from Bangalore and, one hundred and thirty two from Hyderabad. Nearly fifty-seven percent of the sample belonged to the age group 20-30 years, while thirty-two percent were from 30-40 years age group. Majority of the respondents were male (67%) and fifty eight percent were married.

#### b) Instruments Used

Authors used Richins and Dawson's (1992) materialism scale to measure materialism values of our respondents. The alpha reliability coefficient obtained for this study for the overall materialism scale was 0.777. Individual component Cronbach alpha values were 0.739, 0.648 and 0.707 for success, centrality and happiness factors respectively. The mean value of scores were 17.31 (SD = 4.41) for success factor, 19.55 (SD = 4.36) for centrality factor and 14.58 (SD = 3.85) for happiness factor and 51.43 (SD = 10.51) for overall materialism score and all these results are well within acceptable limits.

Social pressure was measured using a five-item scale, developed to measure the level of social pressure of the respondents due to the cumulative effects of factors such as attitude to television, interpersonal and peer influence, upward social comparisons and attitude to debt.

The five item scale used to measure of social pressure is:

- *Models that come in TV commercials are all beautiful and I wish I was like them.*
- *I am more concerned about the utility of a product and not much bothered whether it creates an impression on other people.*
- *"I always voice my opinion even if it is against the opinion of the majority of the group members".*
- *I celebrate birthdays, anniversaries and such other events just because it is common practice. Membership in prestigious clubs or social groups is important for a person like me.*
- *There is nothing wrong in borrowing money to celebrate festivals (Diwali/ Ramzan/ Navaratri/ Christmas).*

This scale had a reliability alpha value of 0.80.

Attitude towards TV programs and advertising were measured using a seven-item scale adopted from Rossiter's (1977) scale, to check 'Children's Attitude to TV Advertising Testing', which was used in similar studies (Thomas and Wilson 2016). This scale was pre-tested by the researchers and had an alpha value of 0.86. Interpersonal and peer group influence was measured using an adapted five-item scale developed (Thomas and Wilson 2016) from 'Consumer Susceptibility to Interpersonal Influence' scale of Bearden et.al. (1989). The reliability alpha value for this scale was 0.79. The social comparison was measured using a four-item scale (Thomas and Wilson 2016) compiled from 'Attention to Social comparison' scale of Lennox and Wolfe (1984). This scale showed a reliability value of 0.731. Finally for measuring attitude to debt, the researchers used an adapted scale (Thomas and Wilson 2016) from the one developed by Leah et.al. (1995) and the reliability alpha value for this measurement scale was 0.80.

#### c) Confirmatory Factor Analysis for Materialism - Social Pressure Two Factor Model

Researchers carried out a confirmatory factor analysis for both establishing the relationship between the measured values of social pressure and materialism, and also to check on the validity of the instruments. A fundamental feature of confirmatory factor analysis is that it is hypothesis driven. In this study, the hypothesized model is shown in fig.1, where we try to estimate the relation between social pressure and its contributing factors such as attitude to television, peer pressure, social comparison and attitude to debt with materialism and its component factors such as success, acquisition centrality and happiness. The table 1 below gives the details of model fit for the confirmatory factor analysis. Chi-square value of 21,286 with  $P > 0.058$  is within the acceptable limit.

Table 1: CFA Model Fit for Materialism - Social Pressure - Two Factor Model

	Recommended Level of Fit	Model fit values
$\chi^2$		21.286
DF		13
P	> 0.05	0.058
Normed $\chi^2$	< 3	1.679
GFI	> 0.90	0.984
AGFI	> 0.91	0.965
NFI	> 0.92	0.960
TLI	> 0.95	0.973
CFI	> 0.94	0.983
RMR	< 0.8	0.319
RMSEA	< 0.05	0.042



Root mean square error of approximation (RMSEA) is 0.042 and is in the acceptable limits of  $< 0.05$  [Hu and Bentler (1999), Thompson (2004)]. Root mean square residual (RMR) value obtained was 0.319 which is well within the  $< 0.8$  limit [Hu and Bentler (1999)]. Comparative fit index (CFI) according to Hu and Bentler (1999) and Thompson (2004) is recommended to be

$> 0.95$ . The value, we got from this exercise is 0.973 and hence acceptable. Hu and Bentler (1999) had stated that Tucker-Lewis index value in any confirmatory factor analysis should be  $> 0.95$  and the value obtained in this exercise was 0.973. Normed fit index (NFI) should be above 0.95 [Thompson (2004)] and the value recorded here is 0.96 and hence within the acceptable limits.

Table 2: Standardized Regression Weights

			Estimate
SIIA	<---	Success Factor	.698
SIIB	<---	Centrality Factor	.462
SIIC	<---	Happiness Factor	.355
SIID	<---	Attitude to TV	.449
SIIE	<---	Peer Pressure	.769
SIIF	<---	Social Comparison	.867
SIIG	<---	Attitude to Debt	.508

Fig.1 below shows the confirmatory factor analysis model developed using structural equation modeling. One-sided arrows represent factor loadings

of the component factors and the two sided arrows represent the correlation factor.

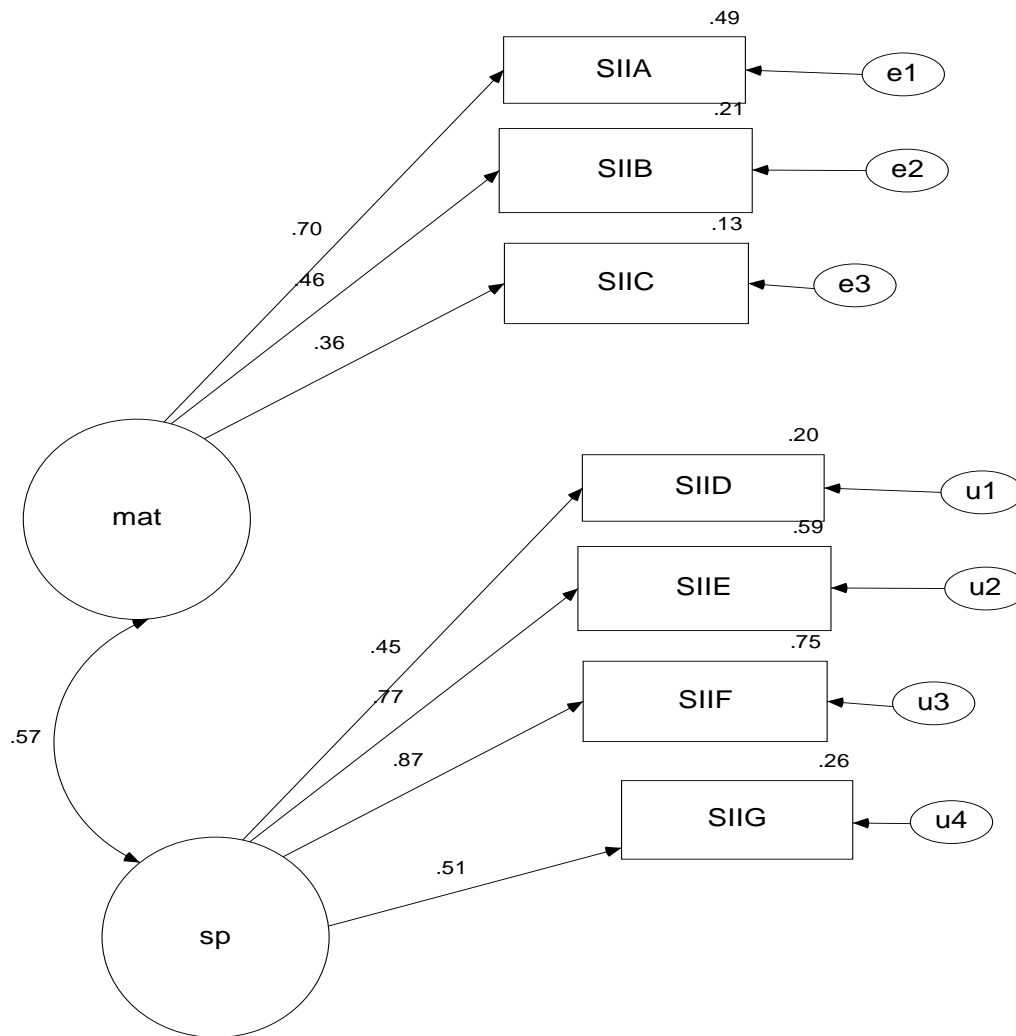


Fig. 1: Materialism and Social Pressure Two Factor Model

## V. DISCUSSIONS ON MATERIALISM AND STATUS CONSUMPTION

This model confirms the association between materialism and social pressure ( $r = 0.57$ ) as hypothesized in the beginning of this study. This supports our hypothesis H1. From table 2, we can infer that 'Attitude to TV', 'Peer Pressure', 'Social Comparison' and 'Attitude to Debt' all have a contributory role in the formation of 'Social Pressure', in turn supporting hypothesis H2.

It is also evident from table-2 that social comparisons ( $r = 0.87$ ) and peer pressure (0.77) play a larger role in the development of social pressure as they have higher regression factor loadings. Attitude to debt ( $r = 0.51$ ) and attitude to television ( $r = 0.45$ ) also play significant roles in the development of social pressure. On the materialism side, it can be inferred that possession defined success is much more prominent than acquisition centrality or possession as source of happiness for this study.

The confirmatory factor analysis indicates the prominence of 'possession defined success' (success) with a regression factor loading of 0.698, in comparison to 'acquisition centrality' ( $r = 0.46$ ) and 'acquisition for pursuit of happiness' ( $r = 0.36$ ). The high dominance of 'success' factor in this study clearly indicates the incidence of status consumption involved in social pressure driven materialism. Supportive evidence for this can be seen in the studies by Wong (1997), Eastman et al. (1997, 1999), Kim (1998) and Wan-Jusoh et al. (2001) which establish the strong association between status consumption and 'success' factor of materialism across many nations. Individuals in their attempt to fulfill their inherent need to appear successful in the eyes of others do get into buying of status related products. This matches with the findings of Packard (1959) and Dawson and Cavell (1986) that people consume products to demonstrate their superior status level. Thus people under social pressure end up being materialistic and indulge in high status consumption behavior.

The structural equation modeling shown in fig. 1 provides factual evidence to prove that social comparison and peer pressure (regression factor loadings of 0.87 and 0.77) play a larger influential role among the factors of social pressure in the development of materialism. The observed predominance of 'success' factor of materialism and the prominence of social comparison and peer pressure among the social pressure components can be easily linked. Belk (1980), Rosenfeld and Holman (1977) have established the fact that in today's society people make inferences about others based on the products that they own. Upward social comparisons force people to compare what they own with what others own (Frank, 1985). Studies by Calder and Burnkrant (1977), Schenk and Holman

(1980) and Solomon (1983) have shown that more and more people buy such products which could fetch them the success tag. Thus it can be concluded that our target population do engage in high status consumption behavior driven by their materialistic need to appear successful in the eyes of their peers and others.

Works by Josselson (1991) and Clarke (2001) have proved that the influence by social comparison and peer pressure leads individuals to acquire and display status possession in-front of others and all such instances point towards an individual's need to develop a favorable identity. Acquisition of products or brands endorsed by celebrities in the hope of gaining a favorable identity is well established in the works by Woodruff-Burton and Elliot (2005), Swann et al. (1992) and Erickson (1968). Thus it can be deduced that social pressure creates 'possession defined success materialism' leading individuals to high status consumption behavior developing out of an individual's need for overcoming the identity crisis. The concept of second individuation process put forward by Bloss (1967) and studies by Rochberg-Halton (1984), Erickson (1968), Tabin (1992) and Bloss (1967) support this finding.

## VI. CONCLUSION

Primarily this study examined the relationship between materialism and social pressure factors such as attitude to TV, peer pressure, social comparison and attitude to debt. The study has helped in establishing the strong association between these factors and social pressure which in turn drives individuals to materialism, as envisaged. The confirmatory factor analysis, indicate the prominence of 'possession defined success' with a regression factor loading of 0.698, in comparison to 'acquisition centrality' and 'acquisition for pursuit of happiness' with regression factor loading of 0.46 and 0.36 respectively. The high dominance of 'success' factor in this study clearly indicates the incidence of status consumption involved in social pressure driven materialism. Individuals in their attempt to fulfill their inherent need to appear successful in the eyes of others do get into buying of status related products. Thus people under social pressure end up being materialistic and indulge in high status consumption behavior.

### a) Theoretical and Social Implications

The findings from this study are indicative of the existence of another pathway of materialism which is not linked to the generally accepted self-esteem based pathways of materialism. It establishes the social pressure driven pathway of materialism caused by factors such as attitude to television, peer pressure and social comparison, which were common to the socialization pathway. Attitude to debt is an additional factor the role of which in the development of social pressure is established through this study and hence

considered as part of the social pressure pathway. There exists little evidence in the body of literature to show the link that attitude to debt has with materialism. This study provides the required initiative in establishing the role of attitude to debt as a causative factor of social pressure and materialism.

The notable finding of this study is that materialistic values seen in environments similar to India is not caused by insecurity-inadequacy pathway related to low self-esteem, rather it is a set of social factors that lead individuals with high self-esteem to be materialistic. Another crucial finding from this study is the strong relationship of success factor of materialism with the social pressure components, social comparison and peer pressure. This provide with insights on why people with materialistic tendencies develop status consumption behavior. To control such tendencies, efforts should be taken up by educating children at early school days not to attach life success with worldly material possessions alone.

#### b) Limitations and Scope for Future Research

The social pressure construct used here consists of socialization factors which include media, peer group, family, social comparison with referents and attitude to debt. The combined effect of these factors is termed as social pressure. The premises for this study are based on the situations prevalent in South India. Authors feel that due considerations should be given to socio-cultural and economic environment factors before extending the findings from this study on another population base. Further, there are limitations arising due to the survey method and lengthy questionnaires.

Focus of this study was limited to establishing the relationship between materialism and social pressure, and in identifying the contributors of social pressure and materialism. Future research can be taken up to establish the forward linkages, which is to test the role of social pressure factors in development of materialism among individuals leading them to high status consumption behavior. Such research should target on building more empirical evidence on the role of social pressure in triggering status consumption and high consumption behavior. Similar studies could be extended to the lower socio-economic groups where some of the children may be deprived of all those niceties that children from middle and upper classes have.

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# Examining the Productivity of the Nigerian Shipping Industry

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**Abstract-** This study is on investigation of the productivity of Nigerian Shipping Industry, a study of some selected companies. In addressing the specific objectives, four hypotheses were formulated. Data was sourced through primary sources and secondary sources. The collected data were analyzed using Data Envelopment Analysis Model, Principal Component Analysis (PCA), Production Frontier Model Cobb Douglas Function, Data Envelopment Analysis (DEA) Model, Least Squares Regression-Based Estimation of Frontier. From the analysis Based on the significance of the p value at  $\alpha = 0.05$ , the researcher reject the null hypothesis in favour of the alternative hypothesis. Therefore, the productivity of shipping companies was positively affected by capital input resources applied during the study period, in hypothesis two it is also significant at  $\alpha = 0.05$ . Therefore, based on this result we again see a positive contribution of labour input with productivity in the case of these shipping companies. In hypothesis three the coefficient of port efficiency is 0.009 with a "t" statistic of 0.430. This is however not significant. The implication is that port efficiency or crane efficiency at the ports of call does not have a significant impact on the productivity of shipping companies and hypothesis four the result suggests that most shipping companies operating in Nigeria's shipping industry should be encouraged to improve their overall efficiency which will accrue directly to shippers and indirectly to the national economy.

**Keywords:** productivity, shipping industry, performance, liner shipping, port efficiency.

**GJMBR-E Classification:** JEL Code: M39



*Strictly as per the compliance and regulations of:*



# Examining the Productivity of the Nigerian Shipping Industry

Peter Ekeada<sup>α</sup>, Uzoma Obioma<sup>σ</sup> & Julius O. Anyanwu<sup>ρ</sup>

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**Keywords:** productivity, shipping industry, performance, liner shipping, port efficiency.

## I. INTRODUCTION

Shipping has multiple meanings. It can be a physical process of transporting goods and cargo, by land, air and sea. It can also describe the movement of objects by ship, land or “ground” shipping can be by train or by truck. In air and sea shipments, ground transportation is often still required to take the product from its origin to be airport or seaport and then to its destination, ground transportation typically more affordable than air shipments but more expensive than shipping by sea (Bird, 1970).

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### a) Problem Statement

Inefficiencies at the ports have led shipping companies to be less productive. Such inefficiencies which formed the basis for this research work is as follows; Inadequate infrastructural facilities for efficient and fast services: It is noteworthy that vessels make money when they are on the move and that the time spent on discharging and handling cargo carried by vessels cost the vessels’ owners money on the crew, port charges, vessels’ running etc and so the less the delay in turnaround time (i.e. time to berth, unload cargo, load any new cargo and leave the port), the better for the vessels since whilst delayed or working at ports, the vessels are accumulating heavy costs depending on the size of the vessel.

### b) Objectives of the Study

The main objective of the study is to examine the productivity of the Nigerian shipping industry. However, the research objectives are;

1. To determine the effect of capital resource (proxied by deadweight) on the productivity of Nigeria's shipping companies.
2. To determine the effect of labour resources on the productivity of shipping companies.
3. To ascertain the effect of port efficiency (proxied by crane efficiency) to shipping company productivity.
4. To ascertain the relative efficiencies of Nigeria's shipping companies.

### c) Research Hypothesis

1. There is no significant effect of capital resource (proxied by deadweight) on the productivity of shipping companies.
2. There is no significant effect of the labour resources on the productivity of shipping companies.
3. There is no significant effect of port efficiency (proxied by crane efficiency) on shipping company productivity.
4. The relative efficiencies of Nigeria's shipping companies are not significantly different from zero.

## II. LITERATURE REVIEW

### a) Key Features of the Liner Shipping Industry

The liner shipping industry is one of the most capital intensive industries, given their passive investments in each step of its organizational structure and infrastructure Fusillo, 2006). There are substantial time gaps between taking a decision to invest in or to



upgrade any asset and the deployment of such assets. During these time gaps the decision factors may have turned dramatically against the earlier decision creating the core of observed supply/demand imbalances in liner shipping (Fusillo, 2004). Shipping lines have to invest heavily on their assets, vessels and equipment fleet to maintain fixed sailing schedule. On the other hand they are facing volatile demand due to seasonality effects and cargo imbalances between trades.

The high fixed to variable cost ratio, highly specialized capital, variable demand and fixed supply in the short run means that longer periods of overcapacity are followed by shorter periods of capacity scarcity. In periods of overcapacity shipping lines are driven towards freight rate and capacity competition potentially pushing them to price below marginal costs.

#### i. *Concentration*

Economies of scale are a key driver in liner shipping. A rather inelastic demand, low freight rates and low return on investment (ROI) force carriers to concentrate on their costs base, partly by exploiting economies of scale in ships and in organizational size. Larger ships along with efficient hub and spoke logistics systems mean a lower cost per transported unit (Cullinane and Khanna, 2000), which is the main concern for liner carriers, providing that demand secures fully loaded ships. Industry concentration comes in various forms.

Operational co-operation ranges from slot-chartering and vessel-sharing agreements to strategic alliances, mergers and acquisitions. Trade agreements in the form liner conferences lost much of their role when the European Commission abolished the block exemption in late 2008. The industry tends to be more and more concentrated to respond to the market challenges posed by demand instability and to take advantage of economies of scale (Notteboom, 2012; Fusillo, 2006).

#### ii. *Entry and Exit Barriers*

The liner industry is a capital intensive industry. Liner companies have to invest heavily not only on building ships and acquiring a large box fleet, they also need to invest in marketing, information systems, building the customer base and may also invest extensively on the land side. Consequently, the entry barriers are considered as relatively high. The merger and acquisition policy followed by some liner companies can be seen as a way to gain immediate entry to new markets or to expand presence on existing markets.

#### iii. *Product Differentiation*

The main activity of liner companies is the ocean transportation of containerized cargo. Consequently, they serve mainly the commodity market, giving no room for service differentiation. New supply chain requirements put more pressure on liner companies in terms of service reliability and a more

global coverage (Notteboom, 2006). Service frequency and reliability, cargo security and some other qualities only give small room for service differentiation. Vertical integration offers more scope for differentiation.

#### iv. *Vertical Integration*

The poor financial performance of the liner carriers compared to other players in the shipping and logistics industries gave impetus to some liner companies to extend their services to port terminals, inland transportation and logistics services (Graham, 1998, Cariou, 2001, Frémont and Soppé, 2007). The deployment of larger vessels, the formation of strategic alliances and the waves of Merger and Acquisition have resulted in lower costs at sea, shifting the cost burden to landside operations (Notteboom, 2009). Some shipping lines develop door-to-door services based on the principle of carrier haulage in an attempt to get a stronger grip on the routing of inland container flows. Other shipping lines combine a strategy of selective investments in key supporting activities (e.g. agency services or distribution centers) with sub-contracting of less critical services. Only a few exceptions, the management of pure logistics services is done by subsidiaries that share the same mother company as the shipping line but operate independently of liner shipping operations, and as such also ship cargo on competitor lines (Heaver, 2002). A last group of shipping lines are increasingly active in the management of hinterland flows.

#### b) *The volatility in carriers' revenue streams and their pricing strategies*

The container shipping industry has one of the complex pricing strategies. They deal with too many customers with different cargos. Freight of All Kind (FAK) pricing policies are applied on most of the trade lanes, irrespective of cargo quantity loaded inside the container. Carriers' primary target is to maximize and stabilize their revenues flow from freight rates. However, demand inelasticity, trade imbalances and capacity rigidity in the short run do not help shipping lines to achieve the revenue stability they are looking for, which is the core problem for carriers' financial performance. In a market with ships over supply conditions, carriers compete between each other by cutting down rates to maintain their market share. In fact, such reaction has a minor influence on the demand. The only change they produce is just attracting very low value cargos which normally are not shipped in containers (e.g. scrap and waste paper). Accordingly, these cargoes disappear once the freight rates pick up again to normal patterns. Price wars between carriers continue till freight rates reach the lowest acceptable level or the refusal level. Below this threshold level, carriers prefer to lay-up their ships.

Reducing ships oversupply leads to rate restoration above the refusal levels again. As soon as

demand and freight rates pick up again, the full available capacity will be deployed again in the market. Freight rates will keep going up till the market reaches full utilization of the available capacity. At that point, carriers irrationally start to order new capacity to skim more profits from the market. However, it takes sometime till the new capacity is delivered to the market. By that time the demand conditions are totally different and not in favor of the extra capacity deployed. This pushes freight rates to lower levels and generates a new situation of oversupply conditions. Another aspect of the difficulty facing the carriers when setting up their pricing strategy is the trade imbalance on some of the trade lanes, especially on the major lanes. Carriers' pricing policies focus on charging higher freight rates on the production-consumption direction than on the opposite direction.

#### i. *Shipping Lines and Strategic Alliances*

Strategic alliances are formed in order to extend economies of scale, scope and network, through strategies such as the integrating of individual service networks, vessel sharing, slot-chartering, joint ownership and/or utilization of equipment and terminals and similar endeavors on better harmonization of operations. Liner carrier alliances are developing at least two different types: (1) core alliances with a set of global partners,

(2) Multi-consortia networks of slot exchanges covering individual traders. Through this kind of global alliance arrangement, a lot of scale benefits can be achieved: more frequent service, shorter transit times, wider port coverage, lower slot costs and a stronger bargaining position in negotiating with terminal operators, container depots and inland/feeder transportation carriers.

Alliances, acquisitions and mergers have been seen as elements of an industry-wide strategy to return to profitability via cost cutting and rationalization. While intense competition and low profitability have encouraged rationalization, the preferred method of achieving the objective has changed over time. Strategic alliances were preferred in the late 1980s and early 1990s, culminating in the formation of the Grand and Global Alliance. More recently the emphasis has

switched to merger and acquisition. Co-operative ventures in container shipping began with the formation of consortia in the late 1960s and 1970s in order to raise the capital required to mount container services.

#### ii. *Productivity Measurement in Shipping*

According to David (1994) Productivity is concerned with the efficient utilization of resources (inputs) in producing goods and services. Shipping is a highly competitive capital-intensive transportation services industry where ship owners compete by their ability to undercut their competitors and by record of efficiency and performance as a profit earning reputed carriers of fleets. Productivity is one of the most important variables in determining the overall cargo carrying performance of the fleets measured in terms of ton-miles of cargo transportation provided.

In productivity measurement for the shipping companies, which constitute the maritime fleets of a country, are necessary in order to know at what productivity level they should be operating and at what level they are operating now. Productivity can help the shipping companies to assess the efficiency of conversion of their resources (Dead Weight Tonnage) to produce more service. (Ton miles carried) for a given amount of expended resources. Resource planning, such as scheduling of ships through different available routes and maximum utilization of ships capacity etc, can be facilitated through productivity measurement. Future target of productivity can be fixed considering the present value. Necessary strategies for improving productivity can be determined based on the gap between planned level and the measured level of productivity.

Economic and non-economic objectives of the company can be recognized in the light of production results can be utilized for planning the profit level of the company because higher productivity means higher profit. The conceptual approaches for measuring production includes the estimation of production functions and the estimation of cost functions. In production functions approach, (Groiros, C. and Ojasalo, K. (2004) formula for the productivity of a fleet is given by:

$$\text{Productivity} = \frac{\text{Total Ton miles of Cargo Shipment in the year}}{\text{Total Deadweight the fleet actively employed in carrying the cargo in the year}}$$

And it depends upon three main factors:

Mean operating speed, which determines the time a vessel takes on a voyage. The mean operating speed is important because it determines the amount of cargo that can be delivered during a fixed period and hence the revenue is earned. Sometimes it is better to operate the ship at full speed in a high freight rate market whereas in low freight rates a reduced speed may be more economic because the cost of fuel saving may be greater than the loss of revenue.

Deadweight utilization, which refers to the extent to which a vessel travels with a full load of cargo. It is the ton mileage of cargo carried divided by ton mileage of cargo that the ship could actually have carried if it had always obtained a full payload. In practice, the deadweight cargo capacity of a ship represents a physical maximum and its commercial decision whether this capacity is fully utilized. The ship owner has always the option to accept a part cargo depending on the market condition.

Loaded Days at sea which is vessels time divided between loaded at sea (Steaming days) and the unproductive days (in ports, off line, in loaded days at sea by optimizing of each of these components, the productivity of the fleet can be increased. Probably the most useful ways to tackle and increased the productivity of a fleet are to bring changes in its actual operating performance in response to the market condition. Cargo handling is also important since this determines the port-time.

In cost function approach concept of productivity measurement, one has to deal with the total shipping cost and total revenues earned. The costs of shipping (Everett, 1994, Stafford, 1997) are classified into four main following categories.

Operating cost, Cargo Handling costs, Voyage Cost, Capital Costs.

### III. METHODOLOGY

#### a) Research Design

The study adopted a survey research approach in analyzing the productivity of some selected shipping companies in Nigeria. Descriptive research is used to describe characteristics of a population or phenomenon being studied.

#### b) Population of Study

The population of the study consists of some selected shipping companies operating in Nigeria's freight market. The list of those companies was obtained from Nigeria's Shipping Company Association and Nigeria's Shippers Council. There are total of thirty five that own and operate in Nigerian's freight market according to validated list from the relevant records. Out of this number, only thirty of them were willing to participate in the survey. Based on this population, a sample frame of thirty was drawn for sampling purposes.

#### Sample Size

The sample size for this study was calculated as follows using Yamane's (1967) formulae:

$$n = \frac{N}{1+N(e)^2}$$

$$n = \frac{30}{1+30(0.0025)}$$

$$n = \frac{30}{1.075}$$

$$n = 28$$

#### Types of Data

A. Primary data

B. Secondary data

#### c) Instrument of data collection

The researcher used survey questionnaire to collect data from the shipping companies' sampled. Out of the twenty eight (28) questionnaires sent out to the

shipping companies, only twenty four (24) were correctly filled with data and this were the ones used for the statistical analysis.

#### d) Method of data analysis

Production Frontier Model (Cobb Douglas Function).

Generally shipping operation in a shipping company involves carriage of cargo, involves use of the following capital inputs: vessel or tonnage capacity, terminals, cargo handling facilities (both ship based and shore based). However, in a single output production frontier framework a single most representative variable is chosen as proxy. In this study, we will use deadweight tonnage as the most representative since it reflects the cargo carrying capacity of shipping companies. In terms of labour input we use number of operational staff in the shipping companies whose activities directly impact on the output of production. Researchers argue that certain factors outside the control of shipping managers affect shipping production. To account for this environmental factor, we include crane efficiency which can be taken as a proxy for port efficiency (All hypotheses are tested at  $\alpha=0.05$  level of significance)

#### e) Least Squares Regression-Based Estimation of Frontier Functions

In most applications, the production model, is linear in the logs of the inputs or functions of them, and the log of the output variable appears on the left-hand side of the estimating equation. It is convenient to maintain that formulation and write:

$$\ln y_i = \alpha + \beta^T x_i + \varepsilon_i$$

Where  $\varepsilon_i = -u_i$ , and  $x_i$  is the set of whatever functions of the inputs enter the empirical model. We assume that  $\varepsilon_i$  is randomly distributed across shipping firms.

#### Data Envelopment Analysis (DEA) Model

The Data Envelopment Analysis (DEA) is a relatively new "data oriented approach for evaluating the performance of a set of peer entities called Decision Making Units (DMUs) which convert multiple inputs into multiple output.

### IV. DATA PRESENTATION AND ANALYSIS

#### a) Frequency Distribution of Data

Table 4.1 indicates the descriptive summary of the data employed for analysis in this study. In this table we note that in the sample of twenty four shipping companies studied, the mean deadweight tonnage of vessels in their fleet is 5,416 tons, and average number of personnel in these companies is twenty seven (27). Within the sample period, these companies covered an average of fourteen (14) shipping routes while lifting and average tonnage of four hundred and seventy seven thousand tons of cargo. Furthermore, average crane

efficiency at the port was 18.55 tons/hour while average freight rate stood at N4, 429.88 per ton of cargo. The full data set employed in this study is attached in

appendix 1. In the subsequent sections, we address the hypotheses that govern this study.

**Table 4.1:** Descriptive Statistics of Sample Data

Variable	Obs.	Mean	Std. Dev.	Min	Max
Deadweight(Tons)	24	5,416.44	5,724.71	91.47	20,720.20
personnel (number)	24	27	5	17	40
Cargo Throughputs (Tons) (000)	24	477.83	543.71	3.76	1,860.05
Shipping Routes	24	14	5	8	24
Port Efficiency (tons/hour)	24	18.55	10.80	6.06	47.77
Freight Rates (N)	24	4,429.88	1,574.52	2,050.00	7,600.00

#### b) Tests of Hypotheses

Results obtained from estimation of production function and efficiency using Data Envelopment Analysis shall be used to test the hypotheses.

Test for Hypothesis one: There is no significant effect of capital resource on the productivity of shipping companies.

In table 4.2, we have the result of productivity analysis of shipping companies. The dependent variable is volume of cargo lifted by the shipping companies under study. This variable is also referred to as vessel throughput since cargo vessels were the transport units. To achieve output, various input variables namely: capital (proxied by deadweight capacity of vessel

employed) and labour (proxied by the number of operational personnel in the employ of the shipping companies). To account for a variable outside the control of shipping company managers but which impact on their productivity, port efficiency (proxied by crane efficiency at the port of call) is included. Thus we note that the capital (or deadweight) input factor has a coefficient of 0.001 in table 4.2. The associated “t” statistic is 31.410 with a “p” value of 0.000. Based on the significance of the p value at  $\alpha = 0.05$ , we reject the null hypothesis in favour of the alternative hypothesis. Therefore, the productivity of shipping companies was positively affected by capital input resources applied during the study period.

**Table 4.2:** Regression output on Shipping Company Productivity

Vsl_thruput	Coef.	Std. Err.	T	P>t	[95% Conf.	Interval]
Deadweight	0.001	0.000	31.410	0.000	0.001	0.001
Personel	0.261	0.043	6.140	0.000	0.173	0.350
port_eff	0.009	0.020	0.430	0.672	0.051	0.034
_cons	1.172	1.074	1.090	0.288	3.413	1.068
F( 3, 20)	=	378.5				
Prob> F	=	0.000				
R-squared	=	0.983				
Adj R-squared	=	0.980				
Root MSE	=	0.945				
No. of Obs	=	24				

#### i. Test for Hypothesis two

There is no significant effect of the labour resources on the productivity of shipping companies.

Again, we note that in table 4.2, the coefficient of labour (or operational personnel) is 0.261 with associated “t” statistic of 6.140. The “p” value of this input variable is 0.000. This is also significant at  $\alpha = 0.05$ . Therefore, based on this result we again see a positive contribution of labour input with productivity in the case of these shipping companies.

#### ii. Test for Hypothesis three

There is no significant effect of port efficiency (proxied by crane efficiency) on shipping company productivity.

In table 4.2, we also note that the coefficient of port efficiency is 0.009 with a “t” statistic of 0.430. This is however not significant. The implication is that port efficiency or crane efficiency at the ports of call does not have a significant impact on the productivity of shipping companies. This result may be connected to complaints



port users make about some terminal operators who are yet to invest in modern cranes (facilities) since the concession process.

The model fitting information of table 4.2 indicated significant “f” statistic ( $p = 0.000$ ) and an adjusted “R” value 98%. This implies that the model has explanatory power and hence is appropriate for addressing hypotheses one to three which govern this study.

### iii. Hypothesis four

The relative efficiencies of Nigeria's shipping companies are not significantly different from zero.

Table 4.4 reports the efficiency score and ranking of the shipping companies under study. The

mean efficiency score of the companies is 0.74 or 74% approximately. However, a closer look reveals that only eight (8) out of the twenty-four (24) companies sampled have 100% efficiency score with rank of 1st position. Seven (7) other companies have recorded efficiency score of between 60 and 95%. While the remaining nine (9) recorded between 39 and 57% efficiency. This result suggests that most shipping companies operating in Nigeria's shipping industry should be encouraged to improve their overall efficiency which will accrue directly to shippers and indirectly to the national economy.

Table 4.4: Efficiency Results of DEA Model

Shipping Company	Rank (position)	Eff_Score (θ)	Shipping Company	Rank (position)	Eff_Score (θ)
Cross_traders	1	1	Cosco	13	0.75
Maersk	1	1	JNAK	14	0.72
Delmas	1	1	Dully_shipping	15	0.62
Safmarine	1	1	NAI_COMMET	16	0.57
China_shipping	1	1	P&O_NED	17	0.51
SDV	1	1	Brawal	18	0.47
East_Atlantic	1	1	Japaul	19	0.46
Grimaldi	1	1	Wal	20	0.44
Gasop	9	0.95	Gold_Star	21	0.43
Torm	10	0.89	Wolid	22	0.43
Fleming	11	0.84	Gulf	23	0.40
MGM	12	0.78	Green_WA	24	0.39

### c) Result of Findings

From the results, for hypothesis one, the associated t-statistic is 31.410 with a p value of 0.000 at 95% confidence level, therefore, the productivity of shipping companies was positively affected by capital input resources applied during the study period.

Based on hypothesis two with t- statistic of 6.140 and p value of 0.000, it was concluded that there was a positive contribution of labour input with productivity.

In addition, hypothesis three indicate that the coefficient of port efficiency is 0.009 with a t-statistic of 0.430, it implies that port efficiency or crane efficiency at the port of call does not have a significant impact on the productivity of shipping companies.

In conclusion, for hypothesis four, it was found out from the DEA output that eight (8) out of the twenty four (24) shipping companies sampled were on the efficient frontier with 100% and seven (7) other companies have the efficient score between 60% and 95%, while the remaining nine (9) recorded between 39% and 57% efficiency.

## V. CONCLUSION

This result suggests that most shipping companies operating in Nigeria's shipping industry should be encouraged to improve their overall efficiency which will accrue shippers and indirectly to the national economy.

## VI. RECOMMENDATIONS

Based on the findings of the study it is advised that the shipping companies operating in Nigeria shipping industry should be encouraged to improve their overall efficiency which will accrue directly to shippers and indirectly to the National economy.

In addition, the shipping companies should improve on their labour and capital to increase the productivity of the shipping companies.

Finally, the type of technology employed as well as the capacity utilization will determine the effectiveness, efficiency and productivity of shipping companies, so effort should be made at employing current technologies and modern cranes and facilities.

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# Analyzing the Impact of Social Media: A Study on Online Shoppers of Apparel Companies in Bangladesh

By Nahida Sultana

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**Abstract-** As most of the organizations are becoming online-centric, they have to offer and sell products through different online platforms. Social media platforms serve as the most useful media for offering products to customers. So, this is necessary for them to know customers' purchasing behaviors toward different social media platforms. The purpose of the study is to enlighten how Social Media affects different stages of customers' purchasing decision making this is influential than mass media. The study is quantitative. Convenient sampling method has been adapted to collect primary data, and statistical analysis has been used for data analysis. For comparing test samples, multiple regression analysis has been conducted. Five social media platforms are considered to know their impact on decision-making stages. The study found that the impact of social media differs at various stages of customers' purchasing decision making process. More impact was observed on information searching decision, followed by evaluation of alternatives stage, purchasing stage, the post- purchasing stage and finally on need recognition stage. Influence of social networking site – Facebook was evidenced statistically significant. The impact of other social media platforms on customers' decision-making stages was statistically insignificant. Social media is found to be more influential than mass media in terms of different factors.

**Keywords:** social media, online shopping, customers' decision making, bangladesh.

**GJMBR-E Classification:** JEL Code: M30



*Strictly as per the compliance and regulations of:*





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**Abstract-** As most of the organizations are becoming online-centric, they have to offer and sell products through different online platforms. Social media platforms serve as the most useful media for offering products to customers. So, this is necessary for them to know customers' purchasing behaviors toward different social media platforms. The purpose of the study is to enlighten how Social Media affects different stages of customers' purchasing decision making this is influential than mass media. The study is quantitative. Convenient sampling method has been adapted to collect primary data, and statistical analysis has been used for data analysis. For comparing test samples, multiple regression analysis has been conducted. Five social media platforms are considered to know their impact on decision-making stages. The study found that the impact of social media differs at various stages of customers' purchasing decision making process. More impact was observed on information searching decision, followed by evaluation of alternatives stage, purchasing stage, the post-purchasing stage and finally on need recognition stage. Influence of social networking site – Facebook was evidenced statistically significant. The impact of other social media platforms on customers' decision-making stages was statistically insignificant. Social media is found to be more influential than mass media in terms of different factors.

**Keywords:** social media, online shopping, customers' decision making, bangladesh.

## I. INTRODUCTION

In the marketing environment, social media is a new thing. The emergence of social media is radically changing the marketing landscape. Now, the time of one way communication where the messages were pushed out without any feedback is over (Parker, 2011). Through enabling the two-way communication, social media has created a good relationship between the customers and organizations (Hoyer and MacInnis, 2010). Purchasing through social media offer more benefits to the customers to have immediate required information, knowing the brand reputation and the marketers also can build a good connection with their customers. Use of social media can spread the word-of-mouth among the social media users. Social media enables the online shopping through influencing the customers to buy the products observing the reviews, comments, and experiences shared by other customers. Many organizations are now adopting social media for

advertising their products, and the number of involving customers in social media purchasing is on the rise.

Social media influences different decision-making stages of purchasing. Through social media, customers can share ideas and contents and also write the reviews, recommendations about the organization. They also share their good and bad experiences after purchasing products. Customers have to access to the broad range of social media tools and platforms that will enable them to be connected with companies and others. There is a significant impact of social media on how information is spread among the customer groups (Sago, 2010). Although many studies showed that many people don't rely on social media for purchasing; but they get prompted by the reviews and comments of customers who purchased the products and shared their experience.

### a) Study Objectives

The broad objective of the study is to evaluate the impact of social media on the customers of apparel products in Bangladesh.

The specific objectives of the study are as follows:

- To explore the impact of different social media in the stages of customers' decision making
- To analyze the factors affecting use of social media than other mass media
- To provide recommendations to improve its effectiveness

### b) Research Implications

**Theoretical implication:** There is an insufficient study found related to impact of social media in Bangladeshi companies. So, the study will make theoretical contribution to the Bangladeshi companies.

**Practical implication:** This study will help the apparel companies of Bangladesh to sell and deliver the products through social media and to know which social media platform has a significant impact on customers' decision-making process. The study result will provoke them to improve insignificant social media platform so that the customers also can shop through those platforms.

### c) Limitations

The study is based on a limited survey where the survey is only conducted on the online shoppers of

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different apparel companies. So, the perceptions of other product shoppers on online have been overlooked here. Otherwise, best efforts are contributed to performing the study.

## II. LITERATURE REVIEW

There are different perceptions about social networking sites and social media. Mostly, Social Networking Sites (SNS) includes some fundamental features such as user profiles, content and a technique that enable the users to connect with each other as well as comment on posts (Gross & Acquisti, 2005; Ellison, Steinfield & Lampe, 2007; Lenhart & Madden, 2007; Winder, 2007; Boyd & Ellison, 2007 as cited in Cox 2010).

Social media can be defined as a set of internet applications that is based on technological and ideological web 2.0 foundations and allow the exchange of user-generated content (Kaplan and Haenlein, 2010). It's a broad term that indicates the software techniques enabling the user generated content to be shared (O'Reilly cited by Sinclair and Vogus, 2011). In another study, social media is termed as the two-way communication channel where the needed facts from the individual sources seems more vivacious than the information from another medium (Solis, 2011).

In an empirical analysis, Shi and Liao (2015) disclosed that online customer review through social media affects perceived effectiveness and acquaintance with group buying. In another study, Bilal, Ahmed and Shahzad (2014) have investigated the impact of social media (YouTube, Blogs and Twitter, etc.) and social networks (Facebook, Google, LinkedIn) on the customers' decision making in the context of garments industry in Pakistan. As the research methodology, they used descriptive statistics and logistic regression. Bilal, Ahmed and Shahzad (2014) found that Facebook, Google, Blog and YouTube has positive impact in customers' decision making and MySpace, LinkedIn, Orkut, Twitter, Friendfeed, Tumblr have negative impact on customers' purchasing decision making.

Before it in 2013, Gohet *al.* revealed that the involvement in social media brand communities leads to the favorable increase in buying expenditures. They also examined the impact of UGC (User Generated Content) and MGC (Market Generated Content) that present evidence of social media contents influencing consumers' buying behavior through the entrenched information and persuasion (Gohet *al.*, 2013). Another research in 2013 performed by Al-Dhuhli and Ismael showed that Instagram had made a significant change in the customers' purchasing behavior toward selecting products.

According to Zang et al. (2011), organizations should have the brand presence on several social networking sites for increasing the customers. Many

researchers have shown that disclose of electronic word of mouth (eWOM) messages can create more interest in the merchandise group than can disclose the information made by marketers. Now-a-days, customers are better informed about the products as social media empower them to attain access to the information (Zhang et al., 2011). Website visits help customers to communicate with other users for accomplishing their purposes. When customers can interact with other, this can affect them through many factors that play a significant role in facilitating customers to have some ideas about the unknown products (Constantinides, 2004).

McKinsey & Company (2010) have revealed that social media has significant impact on customers when they are purchasing a product for the first time as they need to do research. They also disclosed that social media impact on information search in their decision-making process as from the social media platform; they can get information about the products, services and brands (McKinsey & Company, 2010). In another study performed by Jaffe (2010), this is showed that the customers trust more the word of other people word than the corporate. For the evaluation of the alternatives, forums appear as a good place for getting valuable information. Customers can discuss with the current and former customers through this. Then in the post-purchase behavior, social media also is significant. People are now using social for sharing their good or bad experience with the peers (Jaffe, 2010). According to Sago (2010), different social media sites have a significant influence on how the information is shared with consumer groups. The research performed by Sago determines the impact levels positive or negative comments about the product. The survey was conducted with 293 undergraduate university students to examine the impact level by the information source on product buying decisions (Sago, 2010).

Subsequently, one study performed by Chu (2011) examined the relationship between the Facebook group and the viral advertising responses. His study results show that the college-aged group members in Facebook involve with the higher self-disclosure level and sustain positive attitude toward social media. The result also discovered the variations in the predictors of pass-on behaviors between the non-group members and group members.

Before that, Mangold and Faulds (2009) identified that people can communicate with hundreds and thousands of people and can know about the products after the emergence of online-based social media. They argue that the social media is a hybrid component of the promotion mix. Managers shape customers' discussion through many networking platforms, blogs, promotional tools and social media tools (Mangold and Faulds, 2009).

When customers have interest in products, they tend to go through some steps before undertaking final actions. These include determining available options, examining information of the selected alternatives and then evaluating which option will be most likely provide the best outcome. Social media delivers them this fact as customers receive information from their friends, or relatives but also from the brands regarding product features through pages they liked on Facebook or followed on Twitter (Kim and Ko, 2012). Along with this, a number of studies have delivered findings that the decision maker may seek some ways to simplify the evaluation procedure when the decision becomes multifaceted (Bruner, Good now and Austin 1956; Association for Psychological Science 2008). Customers form the choices among the brands at the time of evaluation as suggested by Kotler and Kotler (2009). Customers are undoubtedly impacted by the required information that exposes the assessments through reviews in blogs and so on. Buying intention and preference may not be entirely served as the reliable purchasing behavior prediction (Kotler and Keller 2009).

#### Variable Identification

There is an insufficient study about the impact of social media in different stages of customers' decision making separately, and this is also salient that there is no hint about any specific social media or social networking sites that are used most widely. Through the analysis of different studies, five social media and five stages of customers' decision making have been identified. The independent variables are five social media – Facebook, Twitter, Instagram, Online blogs and YouTube and the dependent variables are the five stages of customers' decision making – customers' need recognition, searching information, evaluation of alternatives, purchasing and post-purchasing.

Hence, the factors that influence the shoppers to use social media than the mass media have been identified on the basis of contemporary considerations of customers – effectiveness, credibility and easiness. So, three test variables are – effectiveness, credibility and easiness. The research framework has been presented below:

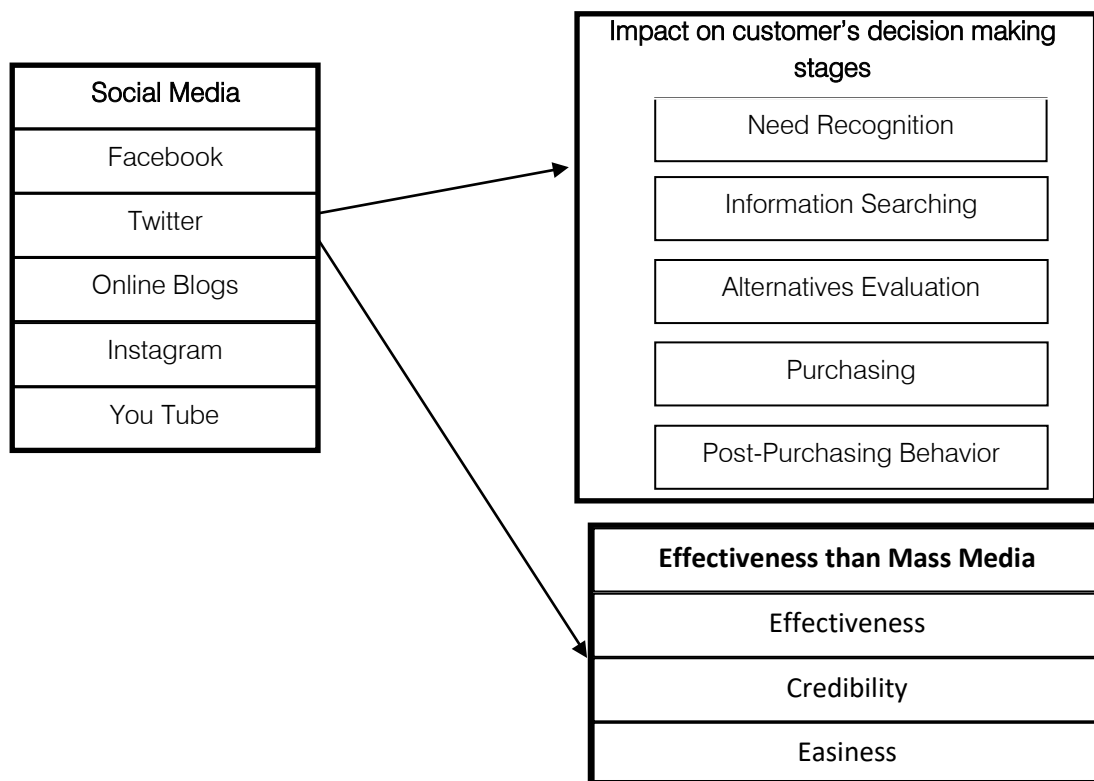


Figure 1: Research Framework

### III. RESEARCH METHODOLOGY

#### a) Sampling Plan

The target population for this study consisted of the internet users who do online shopping. Convenient random sampling has been adopted to select the respondents. There were 450 survey questionnaires distributed, and 100 of those were returned,

representing a 22% response rate. All the questionnaires were analyzed.

#### b) Data Collection Method

Data for the study was collected with mail survey, group post, instant messaging and direct interaction through a structured questionnaire. No incentives were given to the respondents for the

completion of questionnaires. One filter question is asked to ensure whether respondents are qualified to be included in the research.

#### c) Analytical Tool

The objective of this study is to explore the impact of social media on customers' purchasing decision in the apparel industry, Bangladesh. Quantitative design fits to this study. The statistical model that best suits the study is Multiple Regression Model that predicts variable value by two more variable values. Here, multiple independent variables (social media platforms) will be analyzed against one single dependent variable (each stage of customers' decision

making). To know the factors affecting use of social media rather than mass media, one sample t-test has been used.

## IV. DATA ANALYSIS

#### a) Respondents' Profile

The study is slightly dominated by the female respondents (53.14%), and most of the respondents (70%) are in 21 – 30 age group. Most of them are students, and most of the respondents (around 45%) have income less than 15000 BDT. 55% online shoppers' have monthly expenditures of internet use within 500 BDT, and 65% are married.

#### b) Impact of different social media in customers' decision-making stages

Dependent	Independent	Beta	t	Sig.	R <sup>2</sup>	F	Sig.
Need recognition	Facebook	.397	4.075	.000	.180	3.957	.003
	Twitter	-.032	-.306	.761			
	Online blogs	.039	.385	.701			
	Instagram	.059	.583	.561			
	YouTube	.100	1.012	.314			
Information searching	Facebook	.652	8.165	.000	.448	14.622	.000
	Twitter	.050	.583	.561			
	Online blogs	.069	.829	.409			
	Instagram	.086	1.037	.302			
	YouTube	.088	1.085	.281			
Evaluation of alternatives	Facebook	.411	4.326	.000	.222	5.129	.000
	Twitter	.047	.462	.645			
	Online blogs	.087	.882	.380			
	Instagram	.166	1.686	.095			
	YouTube	.094	.975	.332			
Purchasing	Facebook	.407	4.154	.000	.170	3.689	.004
	twitter	.006	.059	.953			
	Online blogs	-.015	-.146	.884			
	Instagram	.001	.005	.996			
	YouTube	.063	.630	.531			
Post Purchasing Behavior	Facebook	.398	4.075	.000	.174	3.781	.004
	twitter	.123	1.184	.240			
	Online blogs	-.099	-.972	.334			
	Instagram	-.022	-.216	.830			
	YouTube	.123	1.240	.218			
a. Predictors: (Constant), Facebook, Twitter, Online blogs, Instagram, YouTube							

As presented in the above table of multiple regression analysis, R square is .180, .448, .222, .170 and .174 respectively that denotes that 18% of variance in the dependent variable (need recognition) explained by independent variable (social media), 44.8% of variance in (information searching) explained by the predictors, while 22.2% in alternative evaluation, 17% in purchasing decision, and 17.4% of the variance in post-purchasing behavior can be expounded by the five predictors (social media).

The P- value in column 5 indicates the significance of variables; is the P-value is smaller than .05, the variable is significant. According to this, the results of multiple regression analysis have been presented as follow:

1. Facebook has significant impact on need recognition
2. Facebook has significant impact on information searching
3. Facebook has significant impact on evaluation of alternatives
4. Facebook has significant impact on purchasing
5. Facebook has significant impact on post-purchasing.

From the results, this is salient that only Facebook social media has an impact on each stage of Customer's decision-making. Facebook has the most significant impact in which stage has been identified in the following table:



**Table 1:** Impact of Facebook on customers' decision making stages

Dependent variable	Beta	Sig.	Order
Need Recognition	.397	0.000	5
Information searching	.652	0.000	1
Evaluation of alternatives	.411	0.000	2
Purchasing decision	.407	0.000	3
Post- purchasing	.398	0.000	4

In the above table, this is observed that Facebook as an independent variable has the significant

#### One Sample t-test

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Effectiveness- Social media provide more effective platforms for new products/ services/ brands to draw customers' attention than mass media	15.397	99	.000	1.11236	.9688	1.2559
Credibility- Blog posts, FB pages/ advertisements/ user reviews have higher credibility than mass media.	7.289	99	.000	.76404	.5557	.9723
Easiness- Information searching is easier through social media than mass media	13.067	99	.000	1.02247	.8670	1.1780

The respondents are asked these three Likert-scale questions. There is the significant impact of social media regarding effectiveness, credibility, and easiness than other social media as P-value is smaller than alpha value .05. Shoppers prefer social media than mass media for effectiveness, followed by easiness and credibility.

## V. OVERALL FINDINGS

This is observed that most of the online shoppers (98%) are active on Facebook than other social media platforms. The respondents are asked about their shopping experience in social media, and most of them (70%) stated that have been deceived many times. One of the most common problems many of them face is the inconsistency and higher product price. Their attitude toward social media purchasing has also been analyzed. There are about 36% people who have social media obsession and 45% people who have social media phobia while purchasing.

The multiple regression analysis shows that the social media platform that has a significant impact on each stage of customers' purchasing decision making is Facebook. Facebook is widely used in the apparel shopping in Bangladesh and has the most significant impact on information search stage, followed by other stages. Then one sample t-test shows that people prefer mostly social media shopping than mass media for its effectiveness, followed by its easiness and credibility.

In the research findings, customers play an active role regarding information acquisition for the

impact mostly on information searching and evaluation of alternatives stages of customer's decision making, followed by purchasing, post- purchasing and finally on need recognition.

#### c) Use of social media than other mass media

Use of social media than other mass media has been analyzed regarding three variables – effectiveness, credibility, and easiness. The analysis has been performed with one sample t-test that has been presented as below:

availability, and accessibility of information through different social media platforms. The implication of the impact of social media in customers' purchasing decision making stage denotes the customers have been able to practice a wide range of tools of comparison, reviews and recommendation available in social media that assist them to make their purchasing decision. The use social media appears to be most influential in the information searching stage as people want to know about the product and reviews of others before purchasing. The influence of social media seems to be lower and of minor importance at the post-purchasing stage and need recognition stage compared to other stages of customers' purchasing decision making. Many people don't feel encouraged to voice out their comments and provide feedbacks to their peers, friends, relatives, and family.

From the findings of this research, this can be observed that online customers in Bangladesh are actively using social media as a tool of validating the purchasing decision; whatever they are not interested to share their word-of-mouth to others.

## VI. RECOMMENDATION

Some recommendations have been provided that can be executed within the organization of apparel industry.

- Apparel industry should develop more their online presence for promoting their products through social media and social networking sites so that customers get the required information at any time.

Such presence also will help to draw the attention of the customers who are not following those organizations.

- Organizations also can integrate several channels. Merging the online and offline promotional activities and channels will able the customers of both sides who prefer online purchasing and who don't like to get relevant and required information about the products and companies that eventually lead them to purchase.
- Customers like customization and consider this an important aspect at the time of purchasing. So, what facilities organization will provide their customers when they purchase certain things is to be described in social media platforms. Such description will help them to find out the products and save their labor, time and cost of searching.
- As online customers are to buy products through observing things without touching or experience, organizations should provide them with an assurance that if there are any defects in products, they will remain responsible.
- For encouraging the customers to share their word-of-mouth on social media, the organization is to ensure better shopping experience.

The above recommendations will be beneficial in attracting the online customers and flourishing their online shopping experience.

## VII. CONCLUSION

To sell and deliver products to customers successfully, companies must have to know the customers' purchasing behavior. As nowadays, most of the companies are becoming online-centric, marketing products through social media platforms can play a leading role. Before that, companies need to know which social media has a significant impact on customers' purchasing behavior. So, the goal of this study was to analyze the impact of different social media platform in different stages of customers' purchasing decision-making. Findings of this study indicate one point that there is significant impact of social media (Facebook) on customers' buying decision-making. Other social media platforms don't influence online purchasing like Facebook in the Apparel companies of Bangladesh. But this influence in all stages of decision making process is not same. The most effect is observed at the information searching and purchasing stage. Another finding of this study is that why people prefer social media than the mass media for shopping. These were analyzed regarding effectiveness, easiness, and credibility. As people find social media more useful when they want to search information immediately, opinions of others about the products and evaluate the items with other alternative brands; they

find it more effective, easy and credible than different mass media such as TV, newspaper, etc.

In future, further research can be conducted in other industries of Bangladesh. Another study can be conducted to investigate the impact of social media characteristics in customers' purchasing behaviors.

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# The Mediating Role of Marketing Strategy in the Effect of Antecedents on Export Performance of Leather and Textile Exporting Companies in Ethiopia

By Dr. Getie Andualem Imiru

*Addis Ababa University-School of Commerce*

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**Keywords:** export, marketing, performance, marketing mix, strategy, leather, textiles ethiopia.

**GJMBR-E Classification:** JEL Code: M31



*Strictly as per the compliance and regulations of:*



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**Keywords:** export, marketing, performance, marketing mix, strategy, leather, textiles ethiopia.

## I. INTRODUCTION

The study report is organized into seven sections. Firstly, statement of the problem is briefly highlighted. Secondly; Research questions are articulated; thirdly, literature review related to key areas in which the present study extends to the previous literature on the export marketing strategy-performance relationship are highlighted; fourthly, a broad conceptual framework of export marketing strategy and performance is proposed; fifthly, the design of the study and the methodological procedures are described; sixthly, the findings of the study are presented and discussed; finally, a statement of conclusion, recommendation and further area of investigation are proposed.

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## II. STATEMENT OF THE PROBLEM

In the international marketing context, a handful of studies (e.g., Bilkey 1982; Christensen, da Rocha, and Gertner 1987; Cooper and Kleinschmidt 1985; McGuinness and Little 1981; Rosson and Ford 1982) have suggested that export performance is influenced by export marketing strategy. Because of conceptual and methodological problems associated with these studies, however, their results are fragmented and the relationship between export marketing strategy and export performance remains an unresolved issue (Aaby and Slater 1989; Madsen 1987).

Trade is positively associated with growth performance. Therefore, exporting could be considered as a strategic activity at firm, industry and country levels (Kaimakoudi, 2014). Companies have to seek new opportunities in the market. Firms can be proactive by anticipating future demands and opportunities in the market, participating in emerging markets, shaping the environment, and introducing new products and brands before their rivals (Venkatraman, 1989). Therefore, proactiveness can provide companies to be a financial leader (Zou et al, 1998). The multiplicity of measures used and the fragmented nature of the findings bring additional need for a fresh look into the construct of export performance from both scholars' and practitioners' perspectives. In their qualitative study, Carneiro and colleagues (2016) found that, there are similarities on practitioners' and scholars' views of export performance, ranging from multi-dimensional conceptualization, preference for economic measures and market measures to infrequent use of learning and behavioural measures. Ethiopia is the 91st largest export economy in the world and the 80th most complex economy according to the Economic Complexity Index (ECI). In 2016, Ethiopia exported \$1.71B and imported \$19.1B, resulting in a negative trade balance of \$17.3B. In 2016 the GDP of Ethiopia was \$72.4B and its GDP per capita was \$1.73k atlas (2017). Until 2013, the major agricultural export crop was coffee, providing about 26.4% of Ethiopia's foreign exchange earnings. In the beginning of 2014, oilseeds

exports have been more important. Coffee is critical to the Ethiopian economy. More than 15 million people (25% of the population) derive their livelihood from the coffee sector.

Other exports include live animals, leather and leather products, chemicals, gold, pulses, oilseeds, flowers, fruits and vegetables and khat (or qat). Cross-border trade by pastoralists is often informal and beyond state control and regulation. In East Africa, over 95% of cross-border trade is through unofficial channels and the unofficial trade of live cattle, camels, sheep and goats from Ethiopia sold to Somalia, Kenya and Djibouti generates an estimated total value of between US\$250 and US\$300 million annually (100 times more than the official figure). Recent initiatives have sought to document and regulate this trade. Dependent on a few vulnerable crops for its foreign exchange earnings and reliant on imported oil, Ethiopia lacks sufficient foreign exchange.

According to the World Bank news report, the newly completed Addis Ababa-Djibouti railway line significantly eases trade logistics related constraints. The Group's report also lauded Addis Ababa in the area of developing industrial parks and power generation efforts which they say is expected to improve export performance and stimulate growth in the short to medium-term world bank (2017). Over the longer term, countries highly dependent on one or a few commodity products should work to diversify their export bases.

The major export products of Ethiopia include coffee, livestock products (leather, live animals and meat), oil seeds and pulses, fruits, vegetables and flowers, textiles, natural gum, spices and mineral products. In addition to the efforts underway to increase the export supply of these products and to improve their quality, investments in other currently unexploited, higher value-added, export sectors is highly encouraged. Recognizing that large capital investments are needed to exploit these resources; various incentives are currently provided to encourage foreign investments (including joint ventures and marketing arrangements) so that the sector provides meaningful contribution to the Country's development. In Ethiopia there are around 914 exporters engaged in the following product categories: leather and leather products, textile and garments, in oil seeds, coffee/roasted coffee General export, pulses or cereals, spices, live animals, flower, textiles etc.; Most of the exporting companies are established for the last 26 years since the government liberalized the economy after the command economy of the military government steeped down. The exporters of Ethiopia can be classified into 34 product categories.

### III. RESEARCH QUESTIONS

With globalization of markets and competition, foreign markets have become increasingly viable and

natural opportunities for growth -oriented domestic firms the following questions were raised in this study.

- Can the marketing strategy-performance relationship be empirically verified by internal forces such as firm and product characteristics and external forces such as industry and export market characteristics?
- To what extent is export performance mediated by export marketing strategy?

### IV. SCOPE OF THE STUDY

This study is delimited to three major Ethiopian exporting companies engaged leather and leather products, textile and Garment products. The study units are all employees participating in formulating, implementing and monitoring, evaluating and control export marketing strategies. The major cities included Addis Ababa, Bahir Dar, Gondar, Hawassa, Nathreth and Dire Dawa. The variables under this study are delimited to firm characteristics, product characteristics, industry characteristics, export market characteristics, Elements of Marketing Strategy (product adaptation, price competitiveness, support to foreign distributor and promotion adaptation) and export marketing performance. Methodologically, it is delimited to three major chain retail stores.

### V. LITERATURE REVIEW

In this study three distinctive features should be noted at the outset.

- Firstly, the unit of analysis is an individual exporting company which is defined as marketing of a specific product in a specific export market.
- Secondly, export performance is determined by export marketing strategy and marketing strategy is influenced by internal and external environments of the firm. Furthermore, export performance is conceived as the accomplishment of strategic as well as economic objectives.
- Thirdly, data have been collected through structured research questions with marketing managers directly involved in the export ventures studied.

Firms at different stages (initial foreign market entry, expansion of national markets, and global rationalization) differ in their international experience, extent of international involvement, strategic thrust, international levers, and strategic decisions (Douglas and Craig 1989).

#### a) Internal forces

Internal forces contain firm and product characteristics.

##### i. Firm Characteristics

Firm's capabilities and constraints profoundly influence their choice of marketing strategy and ability to

execute the chosen strategy (Aaker 1988, porter 1980). Key assets and skills of a firm constitute its sources of sustainable competitive advantage (day and Wensley 1988; porter 1985). Possession of assets such as international experience, extent of international business involvement, and resources available for export development affect export marketing strategy and performance.

## ii. *Product Characteristics*

The specific marketing strategy in an export venture is influenced by product characteristics (Cavusgil, Zou, and Naidu 1993; Cooper and Kleinschmidt 1985; McGuinness and Little 1981). Product attributes can affect the positional competitive advantage (Day and Wensley 1988), which influences the choice of an offensive or defensive strategy (Cook 1983). Relevant product characteristics that influence export marketing strategy include culture specificity, strength of patent, unit value, uniqueness, age, and service/maintenance requirements of product.

## b) *Industry forces*

Industry forces includes industry characteristics and export market characteristics.

### i. *Industry Characteristics*

The intensity of exporting activity and the nature of export marketing strategy vary considerably across industries. This is largely a result of the varying nature of industries (Porter 1980). Industry structure has been considered a key determinant of firms' strategy in domestic market context (Kerin, Mahajan, and Varadarajan 1990; Porter 1980). In export marketing, analysis of the relationship between industry structure and marketing strategy must incorporate the significant variations in the market systems, government interventions, and presence of foreign competitors across markets. In addition, technology intensiveness

and intensity of price competition in the industry also must be considered as the relevant correlates of adaptation of marketing strategy (Jain 1989).

### ii. *Export Market Characteristics*

Conditions in foreign markets pose both opportunities and threats for exporters. Export marketing strategy must be formulated in such a way to match a firm's strengths with market opportunities and neutralize the firm's strategic weaknesses, or to overcome market threats (Aaker 1988; Terostra 1987). Consequently, export marketing strategy tends to be conditioned by export market characteristics (Cavusgil, Zou, and Naidu 1993; Cooper and Kleinschmidt 1985; Rosson and Ford 1982). The key characteristics of the export market that can affect the choice of export marketing strategy include demand potential, cultural similarity to home market, familiarity with the product, brand familiarity of export customers, and similarity of legal and regulatory frameworks.

### iii. *Export Marketing Performance*

Export performance is defined as the extent to which a firm's objectives, both economic and strategic, with respect to exporting a product into a foreign market, are achieved through planning and execution of export marketing strategy. A firm usually initiates an export venture with a number of objectives, which can be economic (i.e. profits, sales, or costs) and/or strategic (i.e. market expansion, competitive response, gaining a foothold in foreign market, or increasing the awareness of the product/firm). Subsequent to formulation and implementation of export marketing strategy, some objectives can be achieved fully, others only marginally. The extent to which a venture's strategic and economic objectives are achieved is therefore a gauge of the performance in the export venture.

*Table 1:* Dimensions of export performance reviewed in the previous literature

Authors	Year	Performance	Dimensions or Indicators
Gracia et al	2015	Export activity and export performance	Resource commitment, experience, Firm size, export barriers, export performance
Spyropoulou et al	2015	Brand advantages on export ventures	Resources, competitive intensity, market distance and export entrepreneurship
Kaimakoudi	2014	Investigating export performance and competitiveness	Strategies, competitiveness and export marketing
Adu-Gyamfi, Komeliussen	2013	Antecedents of export performance in emerging markets	Resource commitment, experience, Firm size, export barriers, export performance
Papadopoulos and Martin	2010	The influence of internationalization on export performance	Institutional commitment, international experience and export performance
Lages et al	2009	Annual performance of an export venture	Overall performance, product quality, importers satisfaction, relationship performance with importers and suppliers.
Leonidou et al	2002	Marketing strategy determinants of export performance	Export performance, managerial, organization and environmental factors
O' class and weerawardena	2001	The influences of firm and environment characteristics on marketing performance	Uniqueness, performance, experience, marketing capabilities, environment and competitive intensity
Zou et al.	1998	Financial export performance	Financial, strategic and satisfaction with export venture
Kats keas et al	1997	The influence of firm characteristics and export commitment on export performance	Experience, firm size, competitive advantages and export commitment



### c) *Export Marketing Strategy*

Export marketing strategy is the means by which a firm respond to the interplay of internal and external forces to meet the objectives of the export venture. It involves all aspects of the conventional marketing plan, including product, promotion, pricing, and distribution. In international marketing, the key consideration is whether the marketing strategy should be standardized or adapted to the conditions of the foreign market (Douglas and Craig 1989). The degree of marketing adaptation versus standardization is a function of product, industry, market, organization, and environmental characteristics (Buzzell 1968; Cavusgil, Zou, and Naidu 1993; Jain 1989; Waktors 1986). Therefore, we evaluate export marketing strategy along the standardization adaptation continuum.

### d) *Relationship between Export Marketing Strategy and Export Performance*

The relationship between export marketing strategy and performance has been investigated as part of a stream of exporting literature involved with explaining the success or failure of a firm's exporting activities. These studies typically attempt to identify key factors that contribute to successful export marketing. Among the key success factors highlighted are export marketing strategy; management attitudes; and other firm, industry, product and export market factors (Aaby and Slater 1989; Bilkey 1982; Cavusgil 1983; Christense, da Rocha, and Gertner 1987; Cooper and Kleinschmidt 1985; McGuinness and Little 1981; Rosson and Ford 1982). In their review article, Aaby and Slater (1989) suggest that export performance is direct influenced by a firm's business strategy.

With few exceptions, previous studies have been conducted at the overall firm level. As a result, export marketing strategy and performance were conceptualized as firm specific characteristics. An underlying theoretical justification for firm level studies is the theory of internalization (Buckley and Casson 1985; Rugman 1981), which states that, in an imperfect market, firms should internalize the firm specific advantages, both tangible and intangible, to extract maximum economic rent. Because firm specific advantages are derived not only from the development and marketing of a particular product but also from the total learning process of the firm, export performance could be investigated at the firm level.

Though these studies have contributed to our knowledge of export behaviour, there are notable limitations associated with firm level investigations of export marketing strategy and performance. Considerable variations in export marketing strategy and performance often exist across various product market export ventures of the same firm. It is unrealistic to expect that the same marketing strategy can lead to the same results in all export market ventures

(Douglas and Wind 1987). Consequently, if the export marketing strategy performance relationship is investigated at the overall firm level, aggregating all product market export ventures, confounded findings are likely to result (Madsen 1987). Therefore, the position taken in this research is that the individual product market export venture must be taken as the unit of study to obtain a more precise measurement of the export marketing strategy performance relationship.

Previous studies have viewed exporting simply as a means of realizing the economic goals of the firm. Performance has been measured in terms of sales or profits, with no deliberate attempt to relate it to a firm's strategic and competitive goals, such as gaining a foothold in foreign markets or neutralizing competitive pressure the firm faces in the domestic market. Furthermore, these studies have posited that firm, product, industry, and export market factors determine export performance directly. The central role of proactive marketing strategy in determining export performance has not been emphasized. As a result, research on exporting is becoming increasingly isolated, with inquiries consisting of a "mosaic" of autonomous endeavours (Aaby and Slater 1989).

The need for strategic considerations in marketing theory has been emphasized by Day and Wensley (1983), Lambkin and Day (1989), and Wind and Robertson (1983). Increasingly, firms have treated export markets as strategic as well as economic opportunities. Given intense international competition, it is believed that export marketing research can be enriched if exporting inquiries incorporate strategic considerations. This implies that exporting should be viewed as a firm's strategic response to the interplay of internal and external forces, export marketing strategy should be emphasized as a key determinant of export performance, and the strategic dimensions of export performance must be tapped.

The other issue is related to the diversity of conceptualization and measurement of export marketing strategy and performance and the simplistic nature of research approaches employed in some previous studies. Both Madsen (1987) and Aaby and Slater (1989) observe that export marketing strategy and performance were conceptualized and operationalized in many different ways by different researchers. They point out that researchers previously have made little effort to identify measurement difficulties, sampling, validity, or particular technical problems. Data collection methods have ranged from unstructured personal discussions to structured mail surveys to in depth interviews, and analytical approaches have ranged from simple frequencies to sophisticated multivariate techniques. As a result, confusing and even contradictory findings have surfaced in the literature (e.g., the effect of firm size on export performance). These discrepant findings hinder not only practice, but

also theory development in export marketing. Hence, there is an urgent need for an integrated approach to export marketing inquiry. Such an approach must explicitly deal with the measurement as well as conceptualization of export marketing strategy, export performance, and factors internal and external to the firm using a structured questionnaire.

## VI. CONCEPTUAL FRAMEWORK AND HYPOTHESIS OF THE STUDY

In this research; Internal forces (Firm characteristics and product characteristics) & Industry forces (industry characteristics and export market characteristics) are proposed to be related to marketing mix strategy and export performance.

### a) Conceptual Framework of the study

Exporting can be conceptualized as a strategic response by management to the interplay of internal and external forces. The particular theoretical perspective adopted here is the principle of strategy environment

coalignment (Aldrich 1979; Porter 1980; Venkatraman and Prescott 1990), which states that the “fit” between strategy and its context whether it is the external environment (Anderson and Zeithaml 1984; Hofer 1975) or organizational characteristics (Chandler 1962; Gupta and Govindarajan 1984) has significant positive implications for firm performance framework of industrial organization (cf. Scherer and Ross 1990) and rests on two premises: (1) Organizations are dependent on their environments for resources (Pfeffer and Salancik 1978) and (2) Organizations can manage this dependence by developing and maintaining strategies (Hofer and Schendel 1978).

The framework postulates that marketing strategy in an exporting company is determined by internal forces such as firm and product characteristics and external forces such as industry and export market characteristics. The performance of the export venture, in turn, is determined by export marketing strategy and firm Characteristics (e.g., a firm's capability.)

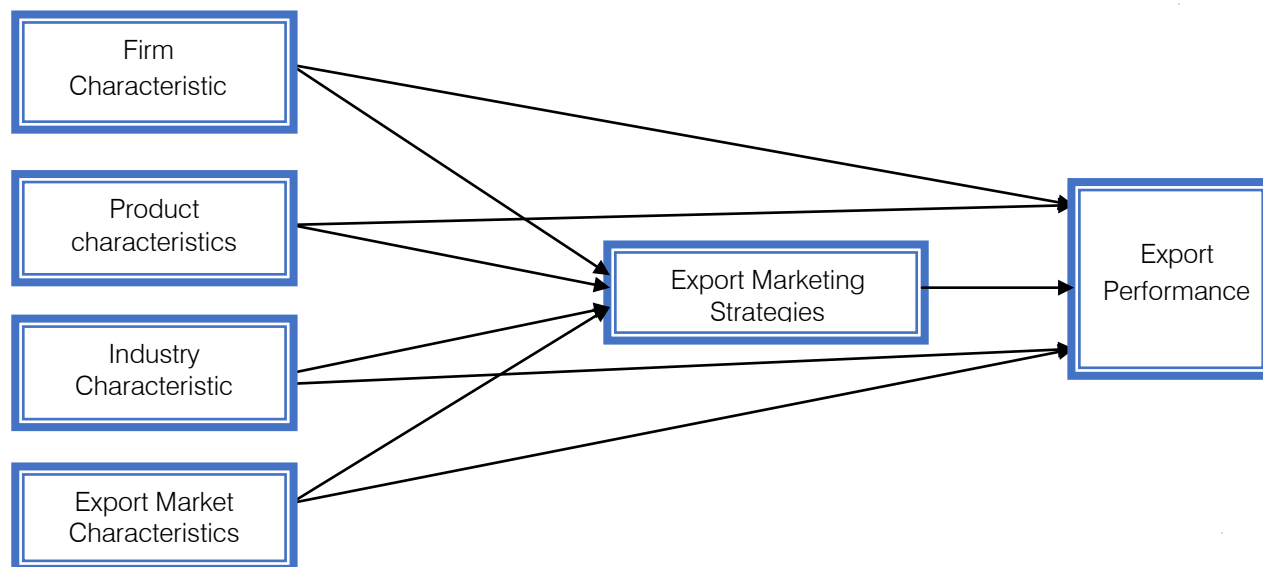


Figure 1: Conceptual Framework of Export Marketing Strategy and Performance

### b) Hypothesis of the Study

In line with the objectives of the study the following hypothesis were set and tested.

- H1: Firm characteristics have a positive influence on the export marketing strategy,
- H2: Product characteristics have a positive influence on the export marketing strategy,
- H3: Industry characteristics have a positive influence on the export marketing strategy,
- H4: Export market characteristics have a positive influence on the export marketing strategy,
- H5: Product adaptation has a positive and significant effect on export performance,
- H6: Price competitiveness has a positive and significant effect on export performance,

H7: Promotion adaptation has a positive and significant effect on export performance,

H8: Support to Foreign Distributer/ Subsidiary has a positive effect on export performance,

H9: Product adaptation mediates the effect of Firm Characteristic on export performance,

H10: Export marketing strategies mediates the effect of product characteristic on export performance,

H11: Export marketing strategies mediates the effect of industry characteristic on export performance,

H12: Export marketing strategies mediates the effect of export market characteristic on export performance.

## VII. RESEARCH DESIGN

### a) Sampling Design

A survey was designed to obtain the effects of antecedent variables and marketing mix strategy on export performance of leather and textile companies. The population of the study was all exporters operating in Ethiopia. The data for the analysis was developed and applied to a sample of members of major two exporters product categories (leather and leather products and textile and garment products which has been operating since 1986.

### b) Research Instrument

The questionnaire was prepared following an exhaustive literature review and all constructs were measured with existing scales. The questionnaire consisted of questions related to the constructs and measures needed in the study. The final, refined instrument contained six groups of variables intended to measure firm, product, industry, and export market characteristics, as well as export marketing strategy and performance. The five groups of explanatory variables were measured primarily by five-point Likert scales. All items were measured on a five-point Likert-type scale where 1=strongly disagree to 5=strongly agree. 278 Questionnaires were distributed to exporters. All of the participants were either the corporate strategist or

marketing strategists of the case companies. In order to test the proposed hypotheses, 253 responses were obtained from exporters.

## VIII. MEASURES AND MODEL

All measures were adopted from different existing literature in the field. Firm Characteristics were measured using eleven items. Product Characteristics were measured using seven items; industry characteristic was measured from two items; export market characteristic was measured from seven items. In addition, export marketing strategy were considered as a mediating role such as product adaptation were measured using six items, price competitiveness three items, promotion adaptation six items and support to foreign distributors three items.

## IX. RESULT AND DISCUSSION

### a) Demographic Profile

Although a total of 278 questionnaires were distributed to a sample of exporter from total exporter of 914 in the country. Only 253 questionnaires were returned at the end of the data collection process, which gave the response rate of 91 per cent. The demographic profile of the respondents is shown in Table 1.

Table 2: Profile of Respondents

Item	Description	Frequency	%
Firm Size	less than 50	82	32.4
	50-499	106	41.9
	500-4,999	65	25.7
Annual Sales	less than 1000	7	2.8
	1000-9,999	38	15.0
	10,000-99,000	22	8.7
	100,000-1,999,000	82	32.4
	2,000,000 or more	104	41.1
Year of experience in international market	less than 5 years	17	6.7
	5-10	76	30.0
	11-20	99	39.1
	21-30	50	19.8
	31 or more	11	4.3
Number of market the firm operates	1-5	43	17.0
	6-10	86	34.0
	11-20	79	31.2
	21 or more	31	12.3
Type of Products	Consumer Products	198	78.3
	Industrial Products	55	21.7

### b) Reliability Analysis

Reliability analysis were conducted prior to the regression analysis in order to identify the appropriate items for the analysis. The consistency reliability and the value of Cronbach's alpha will determine the variables' reliability and measure the consistency of a multiple item

scale (Sekaran, 2003). Table 2 shows the summary of the reliability analysis and factor loadings for all the measurement items used in multiple regression analysis. Therefore, Cronbach alpha coefficients (0.915) which are by far above 0.70 which demonstrates an excellent internal consistency.

# Model

$$Y_1 = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

$$Y_2 = a + b_5X_5 + b_6X_6 + b_7X_7 + b_8X_8 + e$$

Where,

Y1 is Export Marketing Strategy

Y2 is Export Performance

X1 is Firm Characteristics

X2 is Product Characteristics

X3 is Industry Characteristics

X4 is Export Market Characteristics

X5 is Product Adaptation

X6 is Price Competitiveness

X7 is Promotion Adaptation

X8 is Support to Foreign Distributors

## c) Over all Mean Score of the Effect of Marketing Strategy and Export Performance

To perform correlation and linear regression analysis on the data, the researcher has created an index for each of the constructs or variables that represent the value of the construct by averaging the subject responses to items.

Table 3: Mean and standard deviation for Effect of Marketing Strategy on Export Performance

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Consumer buying decision	253	1.64	4.82	3.5305	.80449
Packaging color	253	1.71	4.83	3.4546	.79158
Background image	253	1.00	5.00	3.5692	.87636
Packaging Material	253	2.29	4.43	3.6863	.47175
Font Size	253	2.67	5.00	3.6319	.62828
Printed Information	253	2.00	5.00	3.9381	.77672
Innovation	253	2.00	5.00	3.5823	.73352

## d) Correlation Analysis

A correlation is a measure of how strongly two variables relate to each other. Correlation coefficients are frequently used to describe data because they are relatively easy to use and provide a great deal of information in just a single value (Mooi & Sarstedt, 2011).

Karl Pearson's coefficient of correlation or simple correlation is the most widely used Method of measuring the degree of relationship between two variables (Kotari, 2004).

The calculated value of the correlation coefficient ranges from -1 to 1, where -1 indicates a perfect negative relation (the relationship is

perfectly linear) and 1 indicates a perfectly positive relationship. A correlation coefficient of 0 indicates that there is no correlation (Mooi & Sarstedt, 2011).

The below table shows the Pearson correlation result with its significant level. When we see the correlation of Firm characteristics with Export performance it has a significant positive Pearson correlation of 0.334 at 0.01 confidence interval. With regard to Industry characteristics it has a significant negative Pearson correlation of -0.177 at 0.01 confidence interval. But, when we see the correlation of product characteristics and export market characteristics the correlation is not significant.

Table 4: Correlations of independent and dependent variables

Correlations of Independent and Dependent Variables						
		Export performance	Firm characteristics	Product characteristics	Industry characteristics	Export market characteristics
Export performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Firm characteristics	Pearson Correlation	.334**	1			
	Sig. (2-tailed)	.000				
Product characteristics	Pearson Correlation	.082	.708**	1		
	Sig. (2-tailed)	.192	.000			
Industry characteristics	Pearson Correlation	-.177**	.519**	.669**	1	
	Sig. (2-tailed)	.005	.000	.000		
Export market characteristics	Pearson Correlation	.110	.136*	.162*	.349**	1
	Sig. (2-tailed)	.080	.030	.010	.000	
N		253	253	253	253	253

\*\* Correlation is significant at the 0.01 level (2-tailed), \* Correlation is significant at the 0.05 level (2-tailed)



The table below shows the correlation of independent variables with the mediator variables. As it is shown in the table 5 the correlation of export performance, production adaptation, and price

competitiveness with export performance they have a significant Person correlation of 0.263, 0.274, and 0.194 respectively at 0.01 confidence interval.

Table 5: Correlations of Independent and Mediator Variables

		Export performance	Production adaptation	Price competitiveness	Promotion Adaptation	Support to foreign distributors
Export performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Production adaptation	Pearson Correlation	.263**	1			
	Sig. (2-tailed)	.000				
Price competitiveness	Pearson Correlation	.274**	.304**	1		
	Sig. (2-tailed)	.000	.000			
Promotion Adaptation	Pearson Correlation	.194**	.544**	.338**	1	
	Sig. (2-tailed)	.002	.000	.000		
Support to foreign distributors	Pearson Correlation	.085	.284**	.081	.397**	1
	Sig. (2-tailed)	.180	.000	.197	.000	
N		253	253	253	253	253

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

Table 6 below shows the correlation of independent, dependent, and mediator variables together.

Table 6: Correlation of independent, dependent, and mediator variables

Correlations										
		Export performance	Firm characteristics	Product characteristics	Industry characteristics	Export market characteristics	Production adaptation	Price competitiveness	Promotion Adaptation	Support to foreign distributors
Export performance	Pearson	1								
	Sig. (2)									
Firm characteristics	Pearson	.334**	1							
	Sig. (2)	.000								
Product characteristics	Pearson	.082	.708**	1						
	Sig. (2)	.192	.000							
Industry characteristics	Pearson	-.177**	.519**	.669**	1					
	Sig. (2)	.005	.000	.000						
Export market characteristics	Pearson	.110	.136*	.162*	.349**	1				
	Sig. (2)	.080	.030	.010	.000					
Production adaptation	Pearson	.263**	.309**	.352**	.308**	.582**	1			
	Sig. (2)	.000	.000	.000	.000	.000				
Price competitiveness	Pearson	.274**	.403**	.230**	.159*	.182**	.304**	1		
	Sig. (2)	.000	.000	.000	.011	.004	.000			
Promotion Adaptation	Pearson	.194**	.206**	.024	.120	.540**	.544**	.338**	1	
	Sig. (2)	.002	.001	.700	.056	.000	.000	.000		
Support to foreign distributors	Pearson	.085	.020	-.243**	-.092	.359**	.284**	.081	.397**	1
	Sig. (2)	.180	.752	.000	.144	.000	.000	.197	.000	
N		253	253	253	253	253	253	253	253	253

\*\*., Correlation is significant at the 0.01 level (2 tailed), \*. Correlation is significant at the 0.05 level (2 tailed)

e) *Regression Analysis*

In its simplest form, regression analysis allows market researchers to analyze relationships between one independent and one dependent variable. In marketing applications, the dependent variable is usually the outcome we care about, while the independent variables are the instruments we have to

achieve those outcomes with. It can also help make predictions (Mooi and Sarstedt, 2011).

i. *Antecedent Forces on Export Market Strategy*

The following tables are extracted from SPSS in order to perform a regression analysis between independent variables and dependent variable.

Table 7: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.697 <sup>a</sup>	.486	.477	.382

a. Predictors: (Constant), Expmachx, Firmchx, Indtychx, Prodtchx

The model for this regression was:  $Y_1 = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$ . From the model summary result we can see that independent variables explain the dependent variable with a percentage

of 48.6. In cross-sectional designs, values of around 0.30 are common while for exploratory research, using cross-sectional data; values of 0.10 are typical (Mooi & Sarstedt, 2011).

Table 8: ANOVA

ANOVA <sup>a</sup>						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	34.169	4	8.542	58.534	.000 <sup>b</sup>
	Residual	36.192	248	.146		
	Total	70.361	252			

a. Dependent Variable: Expmarkstra, b. Predictors: (Constant), Expmachx, Firmchx, Indtychx, Prodtchx

In table 9 below the constant, beta, and significance level of each variable is addressed. The table indicates that the four variables which are Firm characteristics, Product characteristics, Industry characteristics, and Export market characteristics

influence Export market strategy significantly at 95% confidence interval with a sig. level of 0.000, 0.037, 0.024, 0.000, and 0.000 respectively. As the constant and B values are known the model will be:  $Y_1 = 0.746 + 0.279X_1 - 0.104X_2 - 0.089X_3 + 0.719X_4 + 0.05$

Table 9: Regression Model

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	.746	.209		3.565	.000
Firm characteristics	.279	.042	.425	6.567	.000
Product characteristics	-.104	.050	-.157	-2.096	.037
Industry characteristics	-.089	.039	-.148	-2.278	.024
Export market characteristics	.719	.055	.642	13.133	.000
R	0.697				
R square	0.486				
Adjusted R-Square	0.477				
F-Value	58.534				

a. Dependent Variable: Export market strategy

ii. *Antecedent Forces and Mediators on export performance*

The following tables are extracted from SPSS in order to perform a regression analysis between independent variables and dependent variable.

Table 10: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.333 <sup>a</sup>	.111	.097	.522

a. Predictors: (Constant), Supptdis, pricompt, Prodadt, PromAdtn

The model for this regression was:  
 $Y_2 = a + b_5X_5 + b_6X_6 + b_7X_7 + b_8X_8 + e$ . From the model summary result we can see that independent variables explain the dependent variable with a percentage of

11.1. In cross-sectional designs, values of around 0.30 are common while for exploratory research, using cross-sectional data; values of 0.10 are typical (Mooi & Sarstedt, 2011).

Table 11: ANOVA

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.445	4	2.111	7.738	.000 <sup>b</sup>
	Residual	67.660	248	.273		
	Total	76.104	252			

a. Dependent Variable: Exmarper, b. Predictors: (Constant), Supptdis, pricompt, Prodadt, PromAdtn

The table below shows the constant, beta, and significance level of each variable. It indicates that two variables which are Product adaptation and Price competitiveness influence Export market performance significantly at 95% confidence interval with a sig. level of 0.010, and 0.001 respectively. The other two variables

which are Promotion Adaptation and Support to foreign distributors is not influence Export market performance significantly. As the constant and B values are known the model will be:  $Y_1 = 1.198 + 0.522X_1 - 0.168X_2 + 0.243X_3 + 0.056X_4 + 0.05$

Table 12: Regression Model

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.656	.249		10.662	.000
	Product adaptation	.164	.063	.188	2.588	.010
	Price competitiveness	.149	.046	.210	3.255	.001
	Promotion Adaptation	.013	.058	.018	.230	.818
	Support to foreign distributors	.005	.045	.007	.109	.913

a. Dependent Variable: Exmarp

The above table shows the constant, beta, and significance level of each variable. It indicates that four variables which are; Firm characteristics, Industry characteristics, Export market characteristics, and Product adaptation influence Export performance significantly at 95% confidence interval with a sig. level of 0.000, 0.000, 0.029, and 0.001 respectively. Among these variables the first three are antecedent forces and the last one is mediator variable.

### iii. AMOS Analysis for Mediation

To identify the existence of mediation, a path diagram is drawn as a model for depicting a causal chain by using AMOS. The values associated with each path are standardized regression coefficients. These values represent the amount of change in Y given a standard deviation unit change in X.

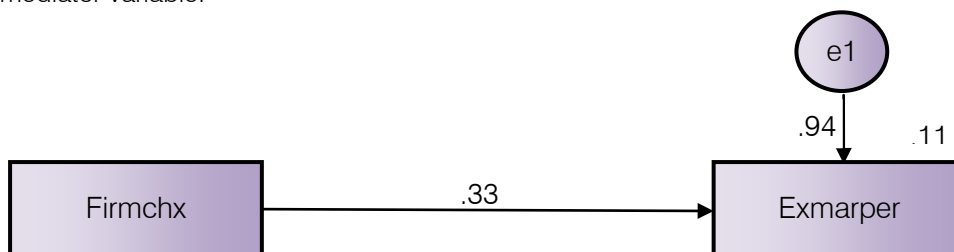


Figure 2: Relationship between firm characteristics & export performance

Table 13: Regression Weight without Mediator

			Estimate	S.E.	C.R.	P
Exmarper	<---	Firmchx	0.228	0.041	5.630	***

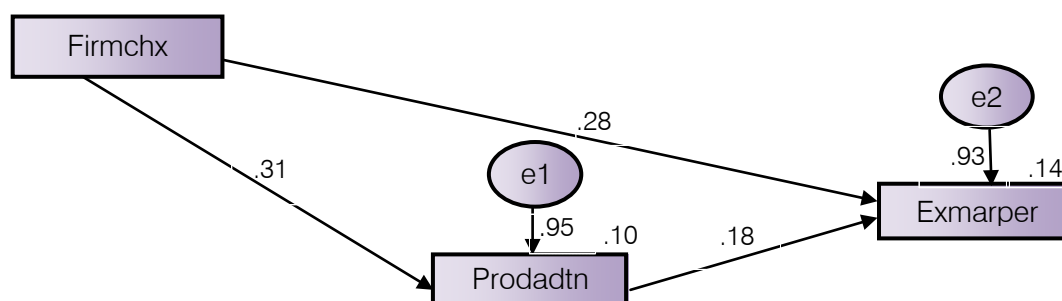


Figure 3: Firm characteristics and product adaptation on Export performance

Table 14: Regression Weights with Mediator

			Estimate	S.E.	C.R.	P
Prodadtn	<---	Firmchx	0.241	0.047	5.153	***
Exmarper	<---	Firmchx	0.191	0.042	4.553	***
Exmarper	<---	Prodadtn	0.155	0.054	2.881	0.004

Table 15: Direct and Indirect Effect of Variables

			Indirect Effect	Direct Effect	Result
Exmarper	<---	Firmchx	0.0868	0.18	Significant

From a theoretical perspective, a significant reduction on the path demonstrates that a given mediator is indeed potent. Perfect mediation holds if the independent variable has no effect when the mediator is controlled (Reuben and David, 1986).

If indirect effect is lower than direct effect even the mediator variables devouring significant path, the mediator variable should be excluding first to gain the result of direct effect. Subsequently, include the mediator variable in a model to gain the outcome. Once the direct effect is drop presented, one can be concluded that the mediation effect is occurs. (Afthanorhan W.M. etal, 2014).

If the result of direct effect is suddenly increase once includes a mediator variable when all path coefficient is significant, calculate the result of indirect effect. If value of direct effect is higher than indirect effect, the non-mediation effect is not occurring. (Afthanorhan W.M. etal, 2014).

The variable firm characteristics significantly affect export performance and partially mediated by product adaption since when the mediator variable removed from the model its direct value dropped from 0.31 to 0.18 and the direct effect is still significant after mediator enters the model.

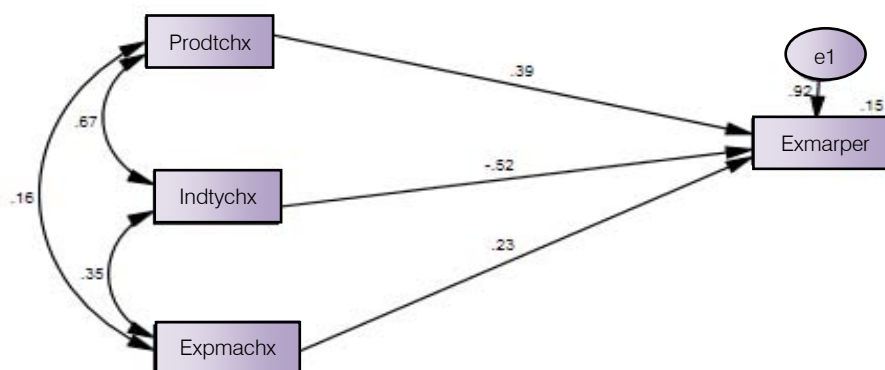


Figure 4: Antecedent variables on export performance

Table 16: Regression Weights without Mediator

			Estimate	S.E.	C.R.	P
Exmarper	<---	Prodtchx	0.273	0.055	4.997	***
Exmarper	<---	Expmachx	0.265	0.073	3.657	***
Exmarper	<---	Indtychx	-0.325	0.052	-6.275	***



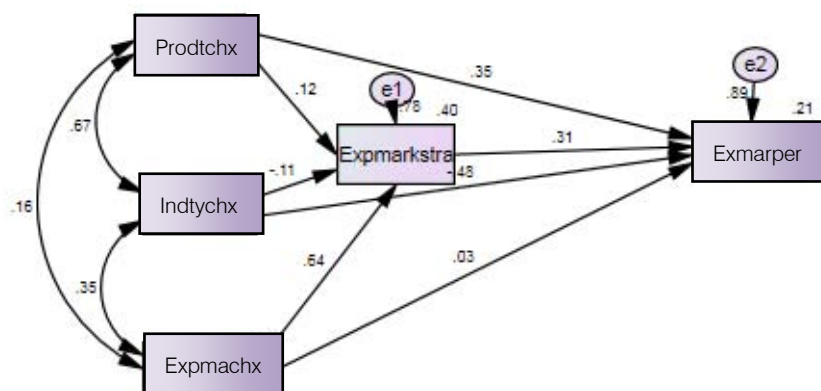


Figure 5: Effect of antecedents on export market performance mediated by marketing strategy

Table 17: Regression Weights with Mediator

			Estimate	S.E.	C.R.	P
Expmarkstra	<---	Expmachx	0.720	0.059	12.237	***
Expmarkstra	<---	Indtychx	-0.068	0.042	-1.629	0.103
Expmarkstra	<---	Prodtchx	0.081	0.044	1.826	0.068
Exmarper	<---	Prodtchx	0.246	0.053	4.652	***
Exmarper	<---	Expmachx	0.032	0.088	0.362	0.717
Exmarper	<---	Indtychx	-0.303	0.050	-6.028	***
Exmarper	<---	Expmarkstra	0.324	0.075	4.324	***

Table 18: Direct and Indirect Effect of Variables

			Indirect Effect	Direct Effect	Result
Exmarper	<---	Prodtchx	0.042	0.31	Significant
Exmarper	<---	Expmachx	0.0528	0.31	Significant
Exmarper	<---	Indtychx	0.0192	0.31	Significant

All the three variables which are product characteristics, export market characteristics and industry characteristics significantly affect export market performance. Among these variables product characteristics and industry characteristics partially mediated by export market strategy. Regarding to product characteristics; when the mediator variable removed from the model its direct value dropped from

0.39 to 0.31 and the direct effect is still significant after mediator enters the model. When we see industry characteristics the result of direct effect is suddenly increase once includes a mediator variable when all path coefficients are significant, and the value of direct effect is higher than indirect effect, in this case mediation effect is occurring.

Table 19: Hypothesis Test Results

Hypothesis Test Results		
1.	H1: Firm characteristics have a positive influence on the export marketing strategy,	Accepted
2.	H2: Product characteristics have a positive influence on the export marketing strategy. - Product characteristics have a significant effect on export marketing strategy but the effect is negative.	Rejected
3.	H3: Industry characteristics have a positive influence on the export marketing strategy. - Industry characteristics have a significant effect on export marketing strategy but the effect is negative.	Rejected
4.	H4: Export market characteristics have a positive influence on the export marketing strategy	Accepted
5.	H5: Product adaptation has a positive and significant effect on export performance,	Accepted
6.	H6: Price competitiveness has a positive and significant effect on export performance,	Accepted
7.	H7: Promotion adaptation has a positive and significant effect on export performance.	Rejected
8.	H8: Support to Foreign Distributer/ Subsidiary has a positive effect on export performance.	Rejected
9.	H9: Product adaptation mediates the effect of Firm Characteristic on export performance,	Accepted
10.	H10: Export marketing strategies mediates the effect of product characteristic on export performance,	Accepted
11.	H11: Export marketing strategies mediates the effect of industry characteristic on export performance,	Accepted
12.	H12: Export marketing strategies mediates the effect of export market characteristic on export performance.	Rejected

## X. CONCLUSION

The correlation of Firm characteristics with Export performance has a significant positive Pearson correlation of 0.334 at 0.01 confidence interval. With regard to Industry characteristics it has a significant negative Pearson correlation of -0.177 at 0.01 confidence interval. But, when we see the correlation of product characteristics and export market characteristics the correlation is not significant. The correlation of export performance, production adaptation, and price competitiveness with export performance have a significant Person correlation of 0.263, 0.274, and 0.194 respectively at 0.01 confidence interval.

The four variables which are Firm characteristics, Product characteristics, Industry characteristics, and Export market characteristics influence Export market strategy significantly at 95% confidence interval with a sig. Level of 0.000, 0.037, 0.024, 0.000, and 0.000 respectively. Firm characteristics, Industry characteristics, Export market characteristics, and Product adaptation influence Export performance significantly at 95% confidence interval with a sig. level of 0.000, 0.000, 0.029, and 0.001 respectively.

The variable firm characteristics significantly affect export performance and partially mediated by product adaption since when the mediator variable removed from the model its direct value dropped from 0.31 to 0.18 and the direct effect is still significant after mediator enters the model. product characteristics, export market characteristics and industry characteristics significantly affect export market performance. Among these variables product characteristics and industry characteristics partially mediated by export market strategy.

## XI. LIMITATION AND DIRECTION FOR FUTURE RESEARCH

This study has some shortcomings and limitations. The survey was conducted on leather and textile products -sectors given higher priority by the Ethiopian Government. The calibre possessed by some companies on the selected sectors for the study strategists have a low level of strategy formulation, implementation and controlling cultures. The findings can be generalized for other product categories in addition to reflecting sector specific results. For future research, another set of antecedents of export performance can be included in the research model. Moreover, Future researchers can use a minimum cut of point of income to be generated by exporting companies in order to show the role of the mediating variable on export performance across a wider range of exporting sector. Research in different sectors may still produce contribution to the field.

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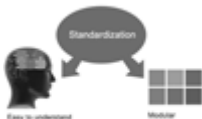
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- j) There should be brief acknowledgments.
- k) There ought to be references in the conventional format. Global Journals recommends APA format.

Authors should carefully consider the preparation of papers to ensure that they communicate effectively. Papers are much more likely to be accepted if they are carefully designed and laid out, contain few or no errors, are summarizing, and follow instructions. They will also be published with much fewer delays than those that require much technical and editorial correction.

The Editorial Board reserves the right to make literary corrections and suggestions to improve brevity.





## FORMAT STRUCTURE

***It is necessary that authors take care in submitting a manuscript that is written in simple language and adheres to published guidelines.***

All manuscripts submitted to Global Journals should include:

### **Title**

The title page must carry an informative title that reflects the content, a running title (less than 45 characters together with spaces), names of the authors and co-authors, and the place(s) where the work was carried out.

### **Author details**

The full postal address of any related author(s) must be specified.

### **Abstract**

The abstract is the foundation of the research paper. It should be clear and concise and must contain the objective of the paper and inferences drawn. It is advised to not include big mathematical equations or complicated jargon.

Many researchers searching for information online will use search engines such as Google, Yahoo or others. By optimizing your paper for search engines, you will amplify the chance of someone finding it. In turn, this will make it more likely to be viewed and cited in further works. Global Journals has compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

### **Keywords**

A major lynchpin of research work for the writing of research papers is the keyword search, which one will employ to find both library and internet resources. Up to eleven keywords or very brief phrases have to be given to help data retrieval, mining, and indexing.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy: planning of a list of possible keywords and phrases to try.

Choice of the main keywords is the first tool of writing a research paper. Research paper writing is an art. Keyword search should be as strategic as possible.

One should start brainstorming lists of potential keywords before even beginning searching. Think about the most important concepts related to research work. Ask, "What words would a source have to include to be truly valuable in a research paper?" Then consider synonyms for the important words.

It may take the discovery of only one important paper to steer in the right keyword direction because, in most databases, the keywords under which a research paper is abstracted are listed with the paper.

### **Numerical Methods**

Numerical methods used should be transparent and, where appropriate, supported by references.

### **Abbreviations**

Authors must list all the abbreviations used in the paper at the end of the paper or in a separate table before using them.

### **Formulas and equations**

Authors are advised to submit any mathematical equation using either MathJax, KaTeX, or LaTeX, or in a very high-quality image.

### **Tables, Figures, and Figure Legends**

Tables: Tables should be cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g., Table 4, a self-explanatory caption, and be on a separate sheet. Authors must submit tables in an editable format and not as images. References to these tables (if any) must be mentioned accurately.



## Figures

Figures are supposed to be submitted as separate files. Always include a citation in the text for each figure using Arabic numbers, e.g., Fig. 4. Artwork must be submitted online in vector electronic form or by emailing it.

## PREPARATION OF ELETRONIC FIGURES FOR PUBLICATION

Although low-quality images are sufficient for review purposes, print publication requires high-quality images to prevent the final product being blurred or fuzzy. Submit (possibly by e-mail) EPS (line art) or TIFF (halftone/ photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Avoid using pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings). Please give the data for figures in black and white or submit a Color Work Agreement form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

For scanned images, the scanning resolution at final image size ought to be as follows to ensure good reproduction: line art: >650 dpi; halftones (including gel photographs): >350 dpi; figures containing both halftone and line images: >650 dpi.

Color charges: Authors are advised to pay the full cost for the reproduction of their color artwork. Hence, please note that if there is color artwork in your manuscript when it is accepted for publication, we would require you to complete and return a Color Work Agreement form before your paper can be published. Also, you can email your editor to remove the color fee after acceptance of the paper.

## TIPS FOR WRITING A GOOD QUALITY MANAGEMENT RESEARCH PAPER

Techniques for writing a good quality management and business research paper:

**1. Choosing the topic:** In most cases, the topic is selected by the interests of the author, but it can also be suggested by the guides. You can have several topics, and then judge which you are most comfortable with. This may be done by asking several questions of yourself, like "Will I be able to carry out a search in this area? Will I find all necessary resources to accomplish the search? Will I be able to find all information in this field area?" If the answer to this type of question is "yes," then you ought to choose that topic. In most cases, you may have to conduct surveys and visit several places. Also, you might have to do a lot of work to find all the rises and falls of the various data on that subject. Sometimes, detailed information plays a vital role, instead of short information. Evaluators are human: The first thing to remember is that evaluators are also human beings. They are not only meant for rejecting a paper. They are here to evaluate your paper. So present your best aspect.

**2. Think like evaluators:** If you are in confusion or getting demotivated because your paper may not be accepted by the evaluators, then think, and try to evaluate your paper like an evaluator. Try to understand what an evaluator wants in your research paper, and you will automatically have your answer. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

**3. Ask your guides:** If you are having any difficulty with your research, then do not hesitate to share your difficulty with your guide (if you have one). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work, then ask your supervisor to help you with an alternative. He or she might also provide you with a list of essential readings.

**4. Use of computer is recommended:** As you are doing research in the field of management and business then this point is quite obvious. Use right software: Always use good quality software packages. If you are not capable of judging good software, then you can lose the quality of your paper unknowingly. There are various programs available to help you which you can get through the internet.

**5. Use the internet for help:** An excellent start for your paper is using Google. It is a wondrous search engine, where you can have your doubts resolved. You may also read some answers for the frequent question of how to write your research paper or find a model research paper. You can download books from the internet. If you have all the required books, place importance on reading, selecting, and analyzing the specified information. Then sketch out your research paper. Use big pictures: You may use encyclopedias like Wikipedia to get pictures with the best resolution. At Global Journals, you should strictly follow here.



**6. Bookmarks are useful:** When you read any book or magazine, you generally use bookmarks, right? It is a good habit which helps to not lose your continuity. You should always use bookmarks while searching on the internet also, which will make your search easier.

**7. Revise what you wrote:** When you write anything, always read it, summarize it, and then finalize it.

**8. Make every effort:** Make every effort to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in the introduction—what is the need for a particular research paper. Polish your work with good writing skills and always give an evaluator what he wants. Make backups: When you are going to do any important thing like making a research paper, you should always have backup copies of it either on your computer or on paper. This protects you from losing any portion of your important data.

**9. Produce good diagrams of your own:** Always try to include good charts or diagrams in your paper to improve quality. Using several unnecessary diagrams will degrade the quality of your paper by creating a hodgepodge. So always try to include diagrams which were made by you to improve the readability of your paper. Use of direct quotes: When you do research relevant to literature, history, or current affairs, then use of quotes becomes essential, but if the study is relevant to science, use of quotes is not preferable.

**10. Use proper verb tense:** Use proper verb tenses in your paper. Use past tense to present those events that have happened. Use present tense to indicate events that are going on. Use future tense to indicate events that will happen in the future. Use of wrong tenses will confuse the evaluator. Avoid sentences that are incomplete.

**11. Pick a good study spot:** Always try to pick a spot for your research which is quiet. Not every spot is good for studying.

**12. Know what you know:** Always try to know what you know by making objectives, otherwise you will be confused and unable to achieve your target.

**13. Use good grammar:** Always use good grammar and words that will have a positive impact on the evaluator; use of good vocabulary does not mean using tough words which the evaluator has to find in a dictionary. Do not fragment sentences. Eliminate one-word sentences. Do not ever use a big word when a smaller one would suffice. Verbs have to be in agreement with their subjects. In a research paper, do not start sentences with conjunctions or finish them with prepositions. When writing formally, it is advisable to never split an infinitive because someone will (wrongly) complain. Avoid clichés like a disease. Always shun irritating alliteration. Use language which is simple and straightforward. Put together a neat summary.

**14. Arrangement of information:** Each section of the main body should start with an opening sentence, and there should be a changeover at the end of the section. Give only valid and powerful arguments for your topic. You may also maintain your arguments with records.

**15. Never start at the last minute:** Always allow enough time for research work. Leaving everything to the last minute will degrade your paper and spoil your work.

**16. Multitasking in research is not good:** Doing several things at the same time is a bad habit in the case of research activity. Research is an area where everything has a particular time slot. Divide your research work into parts, and do a particular part in a particular time slot.

**17. Never copy others' work:** Never copy others' work and give it your name because if the evaluator has seen it anywhere, you will be in trouble. Take proper rest and food: No matter how many hours you spend on your research activity, if you are not taking care of your health, then all your efforts will have been in vain. For quality research, take proper rest and food.

**18. Go to seminars:** Attend seminars if the topic is relevant to your research area. Utilize all your resources.

**19. Refresh your mind after intervals:** Try to give your mind a rest by listening to soft music or sleeping in intervals. This will also improve your memory. Acquire colleagues: Always try to acquire colleagues. No matter how sharp you are, if you acquire colleagues, they can give you ideas which will be helpful to your research.

**20. Think technically:** Always think technically. If anything happens, search for its reasons, benefits, and demerits. Think and then print: When you go to print your paper, check that tables are not split, headings are not detached from their descriptions, and page sequence is maintained.



Adding unnecessary information: Do not add unnecessary information like "I have used MS Excel to draw graphs." Irrelevant and inappropriate material is superfluous. Foreign terminology and phrases are not apropos. One should never take a broad view. Analogy is like feathers on a snake. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Never oversimplify: When adding material to your research paper, never go for oversimplification; this will definitely irritate the evaluator. Be specific. Never use rhythmic redundancies. Contractions shouldn't be used in a research paper. Comparisons are as terrible as clichés. Give up ampersands, abbreviations, and so on. Remove commas that are not necessary. Parenthetical words should be between brackets or commas. Understatement is always the best way to put forward earth-shaking thoughts. Give a detailed literary review.

**21. Report concluded results:** Use concluded results. From raw data, filter the results, and then conclude your studies based on measurements and observations taken. An appropriate number of decimal places should be used. Parenthetical remarks are prohibited here. Proofread carefully at the final stage. At the end, give an outline to your arguments. Spot perspectives of further study of the subject. Justify your conclusion at the bottom sufficiently, which will probably include examples.

**22. Upon conclusion:** Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium through which your research is going to be in print for the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects of your research.

## INFORMAL GUIDELINES OF RESEARCH PAPER WRITING

### Key points to remember:

- Submit all work in its final form.
- Write your paper in the form which is presented in the guidelines using the template.
- Please note the criteria peer reviewers will use for grading the final paper.

### Final points:

One purpose of organizing a research paper is to let people interpret your efforts selectively. The journal requires the following sections, submitted in the order listed, with each section starting on a new page:

*The introduction:* This will be compiled from reference matter and reflect the design processes or outline of basis that directed you to make a study. As you carry out the process of study, the method and process section will be constructed like that. The results segment will show related statistics in nearly sequential order and direct reviewers to similar intellectual paths throughout the data that you gathered to carry out your study.

### The discussion section:

This will provide understanding of the data and projections as to the implications of the results. The use of good quality references throughout the paper will give the effort trustworthiness by representing an alertness to prior workings.

Writing a research paper is not an easy job, no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record-keeping are the only means to make straightforward progression.

### General style:

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

**To make a paper clear:** Adhere to recommended page limits.

### Mistakes to avoid:

- Insertion of a title at the foot of a page with subsequent text on the next page.
- Separating a table, chart, or figure—confine each to a single page.
- Submitting a manuscript with pages out of sequence.
- In every section of your document, use standard writing style, including articles ("a" and "the").
- Keep paying attention to the topic of the paper.



- Use paragraphs to split each significant point (excluding the abstract).
- Align the primary line of each section.
- Present your points in sound order.
- Use present tense to report well-accepted matters.
- Use past tense to describe specific results.
- Do not use familiar wording; don't address the reviewer directly. Don't use slang or superlatives.
- Avoid use of extra pictures—include only those figures essential to presenting results.

#### **Title page:**

Choose a revealing title. It should be short and include the name(s) and address(es) of all authors. It should not have acronyms or abbreviations or exceed two printed lines.

**Abstract:** This summary should be two hundred words or less. It should clearly and briefly explain the key findings reported in the manuscript and must have precise statistics. It should not have acronyms or abbreviations. It should be logical in itself. Do not cite references at this point.

An abstract is a brief, distinct paragraph summary of finished work or work in development. In a minute or less, a reviewer can be taught the foundation behind the study, common approaches to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Use comprehensive sentences, and do not sacrifice readability for brevity; you can maintain it succinctly by phrasing sentences so that they provide more than a lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study with the subsequent elements in any summary. Try to limit the initial two items to no more than one line each.

*Reason for writing the article—theory, overall issue, purpose.*

- Fundamental goal.
- To-the-point depiction of the research.
- Consequences, including definite statistics—if the consequences are quantitative in nature, account for this; results of any numerical analysis should be reported. Significant conclusions or questions that emerge from the research.

#### **Approach:**

- Single section and succinct.
- An outline of the job done is always written in past tense.
- Concentrate on shortening results—limit background information to a verdict or two.
- Exact spelling, clarity of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else.

#### **Introduction:**

The introduction should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable of comprehending and calculating the purpose of your study without having to refer to other works. The basis for the study should be offered. Give the most important references, but avoid making a comprehensive appraisal of the topic. Describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will give no attention to your results. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here.

*The following approach can create a valuable beginning:*

- Explain the value (significance) of the study.
- Defend the model—why did you employ this particular system or method? What is its compensation? Remark upon its appropriateness from an abstract point of view as well as pointing out sensible reasons for using it.
- Present a justification. State your particular theory(-ies) or aim(s), and describe the logic that led you to choose them.
- Briefly explain the study's tentative purpose and how it meets the declared objectives.





**Approach:**

Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done. Sort out your thoughts; manufacture one key point for every section. If you make the four points listed above, you will need at least four paragraphs. Present surrounding information only when it is necessary to support a situation. The reviewer does not desire to read everything you know about a topic. Shape the theory specifically—do not take a broad view.

As always, give awareness to spelling, simplicity, and correctness of sentences and phrases.

**Procedures (methods and materials):**

This part is supposed to be the easiest to carve if you have good skills. A soundly written procedures segment allows a capable scientist to replicate your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order, but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt to give the least amount of information that would permit another capable scientist to replicate your outcome, but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section.

When a technique is used that has been well-described in another section, mention the specific item describing the way, but draw the basic principle while stating the situation. The purpose is to show all particular resources and broad procedures so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step-by-step report of the whole thing you did, nor is a methods section a set of orders.

**Materials:**

*Materials may be reported in part of a section or else they may be recognized along with your measures.*

**Methods:**

- Report the method and not the particulars of each process that engaged the same methodology.
- Describe the method entirely.
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures.
- Simplify—detail how procedures were completed, not how they were performed on a particular day.
- If well-known procedures were used, account for the procedure by name, possibly with a reference, and that's all.

**Approach:**

It is embarrassing to use vigorous voice when documenting methods without using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result, when writing up the methods, most authors use third person passive voice.

Use standard style in this and every other part of the paper—avoid familiar lists, and use full sentences.

**What to keep away from:**

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings—save it for the argument.
- Leave out information that is immaterial to a third party.

**Results:**

The principle of a results segment is to present and demonstrate your conclusion. Create this part as entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Use statistics and tables, if suitable, to present consequences most efficiently.

You must clearly differentiate material which would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matters should not be submitted at all except if requested by the instructor.



**Content:**

- Sum up your conclusions in text and demonstrate them, if suitable, with figures and tables.
- In the manuscript, explain each of your consequences, and point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation of an exacting study.
- Explain results of control experiments and give remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or manuscript.

**What to stay away from:**

- Do not discuss or infer your outcome, report surrounding information, or try to explain anything.
- Do not include raw data or intermediate calculations in a research manuscript.
- Do not present similar data more than once.
- A manuscript should complement any figures or tables, not duplicate information.
- Never confuse figures with tables—there is a difference.

**Approach:**

As always, use past tense when you submit your results, and put the whole thing in a reasonable order.

Put figures and tables, appropriately numbered, in order at the end of the report.

If you desire, you may place your figures and tables properly within the text of your results section.

**Figures and tables:**

If you put figures and tables at the end of some details, make certain that they are visibly distinguished from any attached appendix materials, such as raw facts. Whatever the position, each table must be titled, numbered one after the other, and include a heading. All figures and tables must be divided from the text.

**Discussion:**

The discussion is expected to be the trickiest segment to write. A lot of papers submitted to the journal are discarded based on problems with the discussion. There is no rule for how long an argument should be.

Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implications of the study. The purpose here is to offer an understanding of your results and support all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of results should be fully described.

Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact, you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved the prospect, and let it drop at that. Make a decision as to whether each premise is supported or discarded or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."

Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work.

- You may propose future guidelines, such as how an experiment might be personalized to accomplish a new idea.
- Give details of all of your remarks as much as possible, focusing on mechanisms.
- Make a decision as to whether the tentative design sufficiently addressed the theory and whether or not it was correctly restricted. Try to present substitute explanations if they are sensible alternatives.
- One piece of research will not counter an overall question, so maintain the large picture in mind. Where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.



**Approach:**

When you refer to information, differentiate data generated by your own studies from other available information. Present work done by specific persons (including you) in past tense.

Describe generally acknowledged facts and main beliefs in present tense.

## THE ADMINISTRATION RULES

Administration Rules to Be Strictly Followed before Submitting Your Research Paper to Global Journals Inc.

*Please read the following rules and regulations carefully before submitting your research paper to Global Journals Inc. to avoid rejection.*

*Segment draft and final research paper:* You have to strictly follow the template of a research paper, failing which your paper may get rejected. You are expected to write each part of the paper wholly on your own. The peer reviewers need to identify your own perspective of the concepts in your own terms. Please do not extract straight from any other source, and do not rephrase someone else's analysis. Do not allow anyone else to proofread your manuscript.

*Written material:* You may discuss this with your guides and key sources. Do not copy anyone else's paper, even if this is only imitation, otherwise it will be rejected on the grounds of plagiarism, which is illegal. Various methods to avoid plagiarism are strictly applied by us to every paper, and, if found guilty, you may be blacklisted, which could affect your career adversely. To guard yourself and others from possible illegal use, please do not permit anyone to use or even read your paper and file.



CRITERION FOR GRADING A RESEARCH PAPER (COMPILATION)  
BY GLOBAL JOURNALS

Please note that following table is only a Grading of "Paper Compilation" and not on "Performed/Stated Research" whose grading solely depends on Individual Assigned Peer Reviewer and Editorial Board Member. These can be available only on request and after decision of Paper. This report will be the property of Global Journals.

Topics	Grades		
	A-B	C-D	E-F
<b>Abstract</b>	Clear and concise with appropriate content, Correct format. 200 words or below	Unclear summary and no specific data, Incorrect form Above 200 words	No specific data with ambiguous information Above 250 words
<b>Introduction</b>	Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited	Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter	Out of place depth and content, hazy format
<b>Methods and Procedures</b>	Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads	Difficult to comprehend with embarrassed text, too much explanation but completed	Incorrect and unorganized structure with hazy meaning
<b>Result</b>	Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake	Complete and embarrassed text, difficult to comprehend	Irregular format with wrong facts and figures
<b>Discussion</b>	Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited	Wordy, unclear conclusion, spurious	Conclusion is not cited, unorganized, difficult to comprehend
<b>References</b>	Complete and correct format, well organized	Beside the point, Incomplete	Wrong format and structuring



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