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FACTORS AFFECTING THE PERFORMANCE OF COFFEE MARKETING COOPERATIVES- A CASE STUDY OF WEST GUJI ZONE, OROMIA REGION, ETHIOPIA.

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Abstract

The main objective of this research was to investigate Factors Affecting the Performance of Coffee Marketing Cooperatives A Case Study of West Guji Zone, Oromia Region, Ethiopia. This research is descriptive and explanatory in nature. Qualitative as well as quantitative research approach was adopted in this paper to achieve the objectives of this study. Factors Affecting Cooperatives Performance independent variables and Performance of Coffee Marketing Cooperatives is dependent variable for this study. Sources of data is used both secondary and primary data sources. From 1500 total populations Questionnaire was distributed to 274 sample respondents who work at different members of Coffee Marketing Cooperatives. From distributed questionnaires 250 questionnaires were properly filled and returned back. Probabilistic sampling technique simple random sampling was used. Data was analyzed by using SPSS- Version 24. Method of Data Analysis was Descriptive statistics:- frequencies, percentage, means and standard deviations were used to analyze the demographic information. Tables and figures were used to increase the understanding the data collected from the survey. Inferential statistics i.e. Pearson correlation and regression analysis was used to examine the relationships and Factors Affecting Performance of Coffee Marketing Cooperatives. Furthermore, the regression analysis results revealed that Training and Development, Infrastructure, Information access and Customer Relationship have significantly influenced Coffee Marketing Cooperatives. The study recommends that It's essential to involve cooperative members in the planning process to ensure that the training programs address their unique challenges and aspirations. West Guji zone Coffee Marketing Cooperatives should increase/create the sales volume of business firms; the market competitiveness, for increment of profit, contribute for cost reduction, sustainable customer satisfaction being created on the product and service quality and high level of responsiveness has been develop and West Guji zone Coffee Marketing

Cooperatives should decrease infrastructures, Low usage of Information Communication Technology and Lack of skilled staff and professional knowledge.

Keywords: - Training and Development, Infrastructure, Access to information, Customer Relationship management, Coffee Marketing Cooperatives.

1. Background of Study

Agriculture remains the backbone of the economy of most developing countries. Typically, it is the largest source of employment; often two-thirds or more of the population are dependent for its livelihood on farming. The labor-intensive character of the sector reduces its contribution to the gross domestic product, but its contribution nevertheless ranges between 20 and 60 percent in most developing countries. Agricultural exports are the principal sources of foreign exchange earnings (Warren C. and Strokes M., 2015).

World trade in agricultural products has been growing especially in the 1990s. In 2021, the total nominal value of world agricultural trade will be US$412 billion, compared with US$326 billion in 1990 and US$234 billion in 2020. In addition, there is a breakdown between developed and developing countries. Developed countries account for approximately 70% of the agricultural trade although the share has been falling over the past decade (JICA, 2015).

Ethiopia is an agrarian country and agriculture accounts for 54 percent of the domestic product (GDP) and agriculture employs about 80 percent of the population and accounts for about 90 percent of the exports (CSA, 2020). The total population country is estimated to be about 7507 million (CSA, 2016) and with a per capita gross national income (GNI) in 2018 of US$110 (World Bank, 2016). She is one of African least developed countries with about 85% of her population living in the rural areas. The estimated average annual population growth rate is about 2.8%. The economy has recorded an annual growth rate of 4.4% for the period 1997 to 2001 (UNIDO, 2018). Coffee has remained the main export of the country; however, other agricultural products are currently being introduced on the international market. Despite secular decline in the international coffee price, coffee still remains the country's dominant export commodity.

According to Villanger (2023), the major export products from Ethiopia in 2022/23 were coffee (41%), oil seeds (13%), Khat (12%), leather and leather products (8%), Gold (6%) and pulses (4%). Although agriculture is the chief economic activity, most Ethiopian farm households struggle to produce just enough food for the subsistence of their families. The main crops produced include teff, wheat, corn, sorghum and other grains.

Many farmers in the southwest grow coffee plants. Oilseeds and sugarcane are other crops grown for sale. Improvements in farming equipment and methods, marketing, and transportation are needed to increase agricultural output (The World Book Encyclopedia, 2023).

Despite the recent price recovery, projections by the World Bank, the ICO, and the FAO all point to oversupply and downward price pressure, as on balance production continues to

expand faster than consumption, partly because of increased planting in the mid-1990s and market maturity in the major industrialized markets. Climatic and disease factors will, however, continue to lead to sizeable annual variations in both output and prices (JICA, 2015). Smallholder farmers in particular face uncertain production environment and enormous constraints and higher cost in accessing markets. The farmers also exchange with actors who have more resources, information, and options and more economically powerful organizations, including markets.

Moreover, there is a high level of uncertainty surrounding the activities of coffee marketing cooperatives in developing countries (Embden, *et al.*, 2017). This uncertainty is the reflection of climatic factors, which are more extreme in the tropics, unstable coffee markets, the paucity of information; low social and economic status, etc. and these are the main problems of coffee marketing. To solve such coffee marketing problems, the role of coffee marketing cooperatives is indispensable. This study, thus, tries to emphasize on factors affecting the performance of coffee marketing cooperatives through delivering various marketing services.

1.2. Statement of the Problem

It is believed that the characteristics of modern cooperative businesses have mostly been developed in the past 160 years. People form cooperatives do something better than they could do individually or through a non-cooperative form of business. Acting together, say, in bringing agricultural produce coffee collectively, members can develop bargaining power, enjoy the benefits of a larger business and can access information, which has important impact in the process of marketing.

Sometimes people believe that forming a cooperative automatically will solve business problems faced by individual farm households. In reality, cooperatives are subject to the same economic forces, legal restrictions and international relations that other businesses face (Krisiinaswami and Kulandaiswamy, 2020).

In connection to coffee marketing activities, various forms and extent of problems could be identified, and prioritized, to decide upon them by the decision makers. In addition, the cooperatives decision-making procedures purchase capacity, sales volume, profitability, and other marketing performance parameter needs to be assessed. This may also be true for cooperatives.

To bring maximum profits to all institutions concerned, a channel of distribution should be treated as a unit- a total system of action (Mamoria, *et al.*, 2017). But some members of cooperatives have an experience of selling their produce to other marketing channels. In addition, there may be various problems in collecting coffee from members. This might be caused by the dissatisfaction of members with services rendered to them by their cooperatives. There may be various problems in collecting and exporting coffee through cooperatives.

Based on the principles of cooperatives, coffee farmers' marketing cooperatives are expected to genuinely perform their marketing activities and provide adequate services to their members.

According to Anderson and Vincze (2020), customer expectations about the types and quality of services that should be offered and their criteria for performance of these services have a major impact on the level of satisfaction or dissatisfaction felt with the total purchase and sale experience. This can be represented as Customer Satisfaction = Service expectations – perceived service performance. So, cooperatives performance should be continuously checked against the level of customer satisfaction.

Performance evaluation must combine various types of analysis that would provide the basis to analyze the functioning of the system, explain efficiencies, and assess the potential for and means of improving economic efficiency or other objectives. For achieving economic efficiency, a cooperative must plan, organize, motivate and control its operation (Knapp, 2020).

Asmare (2019) concluded that, the factors of production employed in producer's cooperatives was inefficiently used. Inefficiency includes underutilization of labor, fertilizer and capital expense and size groups. However, positive marginal value products of input indicated that the potential for the improvement of the efficiency level and for maximizing the growth of income of the producer's cooperatives was high.

Getenesh (2019) examined how proper record keeping and audit reports help the farmer in analyzing the management performance of his enterprise efficiency, and concluded; cash and non-cash inflows and outflows should be distinguished.

The gross return should be broken down by major products, expense should be allocated to different sub-headings avoiding rather large amount of "miscellaneous" expenses.

Admasu (2018) analyzed the performance of coffee marketing system with the aim of evaluating the overall performance of coffee marketing and concluded that there was marketing inefficiencies prevailing in the system. He has also summarized that the pricing inefficiencies, lack of standardizations at rural market centers, lack of appropriate price information system, abnormal profit in marketing, lack of short run integration between central and local prices.

Mulat and Bekele (2019) analyzed market integration using secondary and primary data and indicated that food grain marketing efficiency need to be improved through a combination of several policy measures; improving infrastructure, like road, providing price information, checking the activity of unlicensed intermediaries.

Actually, there is no empirical information supported with scientific research that shows the factors affecting performance of coffee marketing cooperatives. This research will, therefore, attempt to empirically investigate the above issues and bridge information, empirical, and knowledge gaps

1.3 Specific objectives

⇒ To identify major factors affecting the performance of coffee marketing cooperatives in the study area.

⇒ To analyze the relationship between factors affecting the performance of coffee marketing cooperatives in the study area.

⇒ To examine to what extent the various factors affect the performance of coffee marketing cooperatives in the study area.

1.4 Research Hypothesis

Ha_1-There is positive and significant relationship between training and skill development and performance of coffee marketing cooperatives in West Gujji Zone.

H_2-There is positive and significant relationship between infrastructure and performance of coffee marketing cooperatives in West Gujji Zone.

H_{a3}-There is positive and significant relationship between access to information and performance of coffee marketing cooperatives in West Gujji Zone.

Ha_4-There is positive and significant relationship between customer relationship management and performance of coffee marketing cooperatives in West Gujji Zone.

2. Empirical Literature Review

Coffee producers in Ethiopia have historically received a very small share of the export price of green coffee. Reasons that are often mentioned are heavy government intervention and high marketing and processing costs. Prior to 2019, coffee production and marketing in Ethiopia was centrally controlled under the Ministry of Coffee and Tea Development. Producers had to sell at fixed prices and fixed times during the year.

The study by Wendemagegn (2019) has tried to analyze coffee market chain in the case of Dale district of Southern Ethiopia. The analysis of market structure indicates that the volume of coffee traded in the area was concentrated in the hand of few traders who controlled the bigger share of the market.

Mutandwa et al., (2019) analysed coffee export marketing in Rwanda by employed the Bosten consulting group matrix (BCG). They took and evaluated two parameters namely rate of market growth and relative market share. The result indicated that in terms of market growth rate the country records the negative rate due to decreasing of production during the particular year of the study. The result of the country's relative market share also indicated that a very small proportion in the global coffee trade. In addition this, they tried to give ideas that concerning the growth of both parameters which are Training and Development of Rwanda coffee through participation in trade fairs and exhibitions in various countries. And also need to foster relationships with the international buyers.

The study by (**Tadesse and Feyera, 2018**) attempted to analyze the impact of coffee market liberalization on producer prices and price transmission signals from world markets by employing Co-integration and Error-Correction Model (ECM). The findings indicate that the reforms induced stronger long-run relationships among

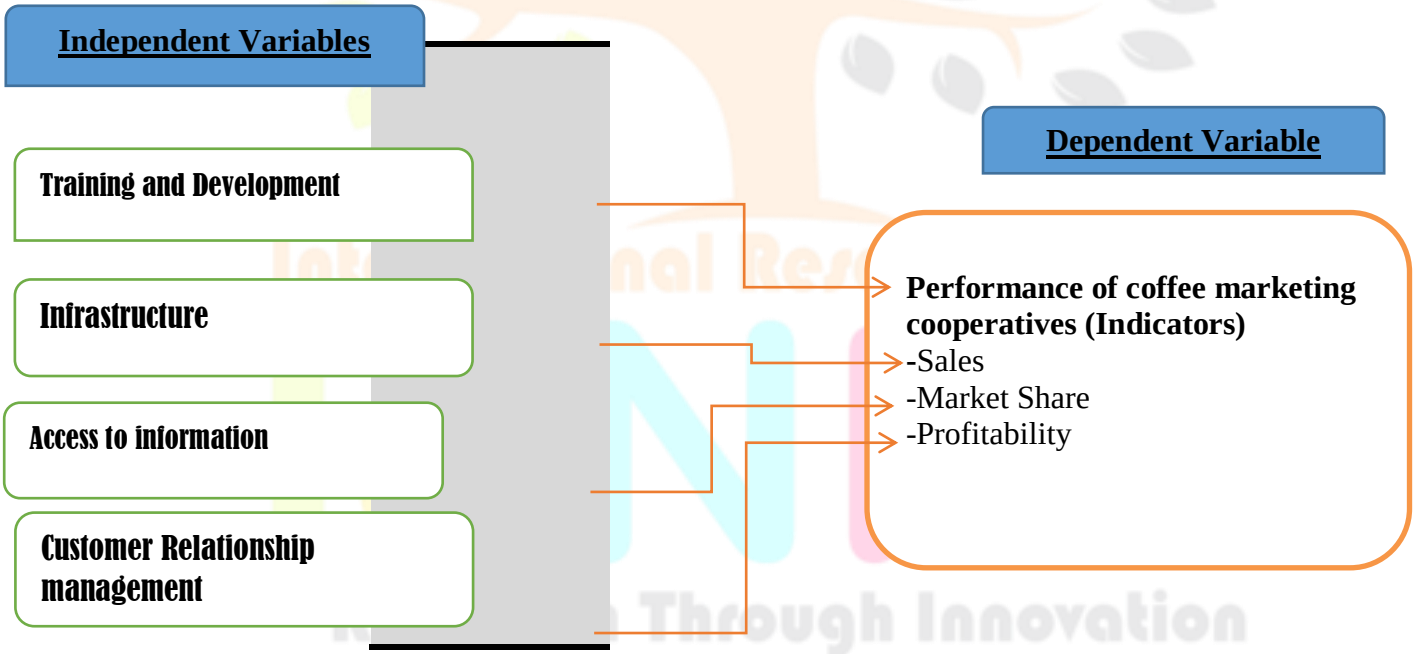
grower, wholesaler and exporter prices. Their estimation of the ECM showed that the short-run transmission of price signals from world to domestic markets has improved. In their conclusion, the authors indicated that domestic price adjusts more rapidly to world price changes today than it did prior to the reforms.

Asmare (2019) concluded that, the factors of production employed in producer's cooperatives will be inefficiently used. Inefficiency includes underutilization of labor, fertilizer and capital expense and size groups. Admasu (2018) analyzed the performance of coffee marketing system with the aim of evaluating the overall performance of coffee marketing and concluded that there will be marketing inefficiencies prevailing in the system. He has also summarized that the pricing inefficiencies, lack of standardizations at rural market centers, lack of appropriate price information system, abnormal profit in marketing, lack of short run integration between central and local prices.

Mulat and Bekele (2019) analyzed market integration using secondary and primary data and indicated that food grain marketing efficiency need to be improved through a combination of several policy measures; improving infrastructure, like road, providing price information, checking the activity of unlicensed intermediaries.

The Ethiopian Herald (2015) cited in Tesfaye, (2015) explore that some peasant cooperatives in coffee growing regions of Oromia and the southern Ethiopia Regions had been reorganized and have success stories.

2.1 Conceptual Framework



Source: **Researcher own framework, (2024)**

3. Research Approach

In the study, both quantitative and qualitative research approach was used to give answer for the research question. Close-ended questionnaires were used for collecting quantitative data. Interview was employed to collect qualitative data from managers.

3.1 Research Design

This research consists of both descriptive and explanatory natures. According to Chopra et al. (2012), a research design was the program that guides the researchers in the process of collecting, analyzing and interpreting the data. The study was also employed explanatory research design, in order to show the relationship between variables was correlated with an aim of estimating the integrated factors affecting the performance of coffee marketing co-operatives.

3.2 Target Population and Sample Frame

For this study, the target population was selected from Coffee marketing cooperatives of West Guji zone, Oromia Region. Hence, Coffee marketing cooperatives of West Guji zone, Oromia Region was a target group of the study. In West Guji zone there five coffee cooperatives, such as Abaya, kercha, Gerba, Dugda dawa and Birbirsa Kojowa. From Five coffee cooperatives the researcher was purposively focus on four coffee cooperatives. Their total population was 1500, (One thousand five hundred).

3.3 Sampling Techniques and sample size

A sample was the number of items selected to represent the whole population (Kothari, 2004). Non- probability sampling techniques was used to select the participants for this study**.** Coffee marketing cooperatives was selected using purposive sampling.

3.4 Sample size

The target population of the study was coffee marketing cooperatives West Guji zone. The total target population was 1500, (One thousand five hundred). To arrive at the desired sample, the researcher used the formula developed by (Toyora Yemane, 1967).

$n = \frac{N}{1+N(e)2} n = \frac{1500}{1+1500(0.05)2}$ n= 315 Where,

N= Total population, n= sample size, e=standard error =5 %(0.05), Confidence level=95%

3.5 Data sources and Methods of data collection

3.5.1 Data sources

Data was collected from both primary and secondary sources. Primary data was collected through questionnaire. Questionnaire was prepared for the total 274 questionnaires distributed coffee marketing cooperatives in the Bule Hora Woreda. In addition to this, secondary sources of data was collected from (coffee marketing cooperatives and cooperative union, Agricultural Bureau of the Oromia region, West Guji zone Cooperative Training and Development Office.

3.5.2 Methods of data collection

The required secondary data was collected from diverse secondary sources including coffee marketing cooperatives and from cooperative union, Agricultural Bureau of the Oromia region, West Guji zone Cooperative Training and Development Office. An informal discussion was conducted with the cooperatives'

members, officials, and other key informants. Relevant primary data was collected through closed ended questionnaire

3.5.3 Methods of data analysis and presentation

The technique preferred for data analyzing was descriptive and inferential statistics. In addition, the interview questions was analyzed using descriptive narrations through concurrent triangulation strategy.

The data's was analyzed through software SPSS 25 version and quantitative statistical procedures and methods.

RESULTS AND DISCUSSION

4. Reliability Analysis

Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively related to one another.

Table 4.1:-Reliability Analysis

Dimension Factors Affecting Performance	**Cronbach's Alpha**
Training and Development	.929
Infrastructure	.928
Access to information	.905
Customer Relationship management	.737
Coffee Marketing Cooperatives	.874

Source: SPSS Reliability Test (2024)

The above table shows that the coefficient for the Factors Affecting Performance and Coffee Marketing Cooperatives related effects, Training and Development, Infrastructure. Access to information and Customer Relationship (0.929, 0.928, 0.905 and 0.737) respectively, and Coffee Marketing Cooperatives is 0.874. Therefore, the overall of variables reliability test indicated that good reliability it was greater than the standard value (i.e., >.70). From all of variables reliability test the highest standard value was Training and Development and Infrastructure.

Table 4.2 - Pearson Correlation Among the study Variables.

Correlations

		Training develop	Infrastructure	Information access	Customers Relationship	**Coffee marketing cooperatives**
training develop	Pearson Correlation	1	.812**	.995**	.839**	**.958****
	Sig. (2-tailed)		.000	.000	.000	**.000**

Infrastructure	N	250	250	250	250	**250**
	Pearson Correlation	.812**	1	.811**	.771**	**.724****
	Sig. (2-tailed)	.000		.000	.000	**.000**
Information access	N	250	250	250	250	**250**
	Pearson Correlation	.995**	.811**	1	.840**	**.953****
	Sig. (2-tailed)	.000	.000		.000	**.000**
Customers Relationship	N	250	250	250	250	**250**
	Pearson Correlation	.839**	.771**	.840**	1	**.779****
	Sig. (2-tailed)	.000	.000	.000		**.000**
Coffee marketing cooperatives	N	250	250	250	250	**250**
	Pearson Correlation	**.958****	**.724****	**.953****	**.779****	**1**
	Sig. (2-tailed)	**.000**	**.000**	**.000**	**.000**	
	N	**250**	**250**	**250**	**250**	**250**

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

Source: SPSS Regression results output, (2024)

As per above table, there were positive relationship between five determinants of Factors Affecting Performance and Coffee Marketing Cooperatives at p<0.01 level. Therefore, the researcher can say that Coffee Marketing Cooperatives had positive correlation with all the five explored determinants.

1. Training and development

As shown on the above table, there was a positive relation between Training and development and Coffee Marketing Cooperatives with (r = 0.958**, p<.01). This implies that there is a strong positive correlation between Training and development and Coffee Marketing Cooperatives.

2. Infrastructure

According to the result correlation above, there was found a positive relationship between Infrastructure and Coffee Marketing Cooperatives with (r = .724**, p<.01). This implies that there is a Strong positive correlation between Infrastructure as a factor of Infrastructure and Coffee Marketing Cooperatives

3. Information access

According to the result correlation above, there was found a positive relationship between Information access and Coffee Marketing Cooperatives with (r = .953**, p<.01). This implies that there is a strong positive correlation between Information access as a Factors Affecting Performance and Coffee Marketing Cooperatives

4. Customer Relationship

According to the result correlation above, there was found a positive relationship between Customer Relationship and Coffee Marketing Cooperatives with (r = .779**, p<.01). This implies that there is a positive correlation between Customer Relationship as a factor of Factors Affecting Performance and Coffee Marketing Cooperatives.

4.3 Model summary of Regression analysis on Factors Affecting Performance and Coffee Marketing Cooperatives.

The regression Model Summary presents how much of the variance in Coffee Marketing Cooperatives is explained by the selected Factors Affecting Performance variables; Training and Development, Infrastructure, Information access and Customer Relationship).

Table 4.3- Model summary

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.986[a]	.972	.972	.98474	2.491
a. Predictors: (Constant), Training and Development, Infrastructure, Information access and Customer Relationship					
b. Dependent Variable: Coffee Marketing Cooperatives					

Source: Own Survey 2024

As shown on the table above Given the R Square of .972, the model summary reveals that the proportion of the variation in Coffee Marketing Cooperatives is explained by Factors Affecting Performance is 97.2% (where by R square is .972) and the remaining 2.8% of the variance is explained by other unexplored variables not included in this study. As it is observed from the model summary the coefficient of multiple correlations R which is the degree of association between Factors Affecting Performance and Coffee Marketing Cooperatives is .986.

The Durbin-Watson statistic was used to test for independent of residuals. The value of the Durbin-Watson statistic ranges from 0 to 4. As a general rule, the residuals were independent (not correlated) if the Durbin-Watson statistic was approximately 2, and an acceptable range was from 1.50 to 2.50. The results presented in the table 4.15 labeled Model Summary under the heading Durbin-Watson was 2.491 as a general rule of this points an acceptable range & Positive auto correlation problem.

Table 4.4 ANOVA of Regression Analysis on Factors Affecting Performance and Coffee Marketing Cooperatives.

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	8264.776	4	1377.463	1420.484	.000[b]
	Residual	235.640	243	.970		
	Total	8500.416	249			
a. Predictors: (Constant), Training and Development, Infrastructure, Information access and Customer Relationship						

b. Dependent Variable: Coffee Marketing Cooperatives

Furthermore, the ANOVA table shows the overall significance / acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value .000, which is less than $p<0.05$, implies the model fit is significant and 0.000 of regression model representing true information . Therefore, Factors Affecting Performance is a strong predictor of Coffee Marketing Cooperatives.

Table 4.5 Regression Coefficient on Factors Affecting Performance and Coffee Marketing Cooperatives

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.310	.371		.834	.405
Training and Development	.460	.038	.324	12.263	.000
Infrastructure	.760	.044	.484	17.442	.000
Information access	.180	.028	.107	6.474	.000
Customer Relationship	.319	.042	.242	7.511	.000

a. Dependent Variable Coffee Marketing Cooperatives

Source: SPSS output (2024).

Above table indicates that Training and Development had statistically significant contribution to Coffee Marketing Cooperatives at 95% confidence level, since their p-values are 0.000 and which was greater than 0.000 ($p<0.05$). Also, Infrastructure and Information access had statistically significant contribution to Coffee Marketing Cooperatives since their p-value were 0.000 and 0.000 respectively and which were less than the significance level 0.00 ($p<0.05$).

In general, Training and Development is the most significant independent variable which has significantly statistical contribution to Coffee Marketing Cooperatives with p-value of 0.000 with followed by Customer Relationship.

The above table indicates that Training and Development had statistically significant contribution to Coffee Marketing Cooperatives at unstandardized beta at 0.460. It means one unit change in independent factors leads to influence the Coffee Marketing Cooperatives by 46%. Also most of them had statistically significant contribution to Coffee Marketing Cooperatives.

4.6:-HYPOTHESIS TESTING

In this part, the researcher tests both hypotheses regarding the relationship between dimensions Factors Affecting Performance traits and its effects on Coffee Marketing Cooperatives. This hypothesis testing is based on standardized coefficients Beta (β) and P-value to test whether the hypotheses were reaccepted or rejected.

Ha1: There is significant relationship between Training and Development and Coffee Marketing Cooperatives

Above table indicates that Training and Development had statistically significant relationship contribution to Coffee Marketing Cooperatives at 95% confidence level, since their p-values are 0.000 and which was less than 0.00 ($p<0.05$). Therefore, the researcher rejected the (Ho) hypothesis and accepted the (Ha) hypothesis.

Ha2: There is significant relationship between Infrastructure and Coffee Marketing Cooperatives.

Above table indicates that Infrastructure had statistically significant relationship contribution to Coffee Marketing Cooperatives at 95% confidence level, since their p-values are 0.001 and which was less than 0. 000 ($p<0.05$). Therefore, the researcher rejected the (Ho) hypothesis and accepted the (Ha) hypothesis. This indicates that Infrastructure has a positive and statistically significant influential relationship (contribution) to Coffee Marketing Cooperatives.

Ha3: There is significant relationship between Information access and Coffee Marketing Cooperatives

On the results of Multiple Regression, as presented in table above, revealed that Information access has a no significant relationship influential relationship (contribution) to Coffee Marketing Cooperatives.

Therefore, the researcher accepted (H0) hypothesis and rejected the (Ha) hypothesis.

Ha4: There is significant relationship between Customer Relationship and Coffee Marketing Cooperatives.

On the results of Multiple Regression, as presented in table above , revealed that Customer Relationship has a positive and statistically significant influential relationship (contribution) to Coffee Marketing Cooperatives with $\beta= .319$, at 95% confidence level ($p <0.05$). Therefore, the researcher accepted (Ha) hypothesis and rejected the (H0) hypothesis.

Table 4.6: Summary of Hypothesis (H_1-H_4) Result

No	Hypothesis	Results	Reason
Ha1	Training and skill development and performance of coffee marketing cooperatives.	Accepted	Regression Result β=0.460 sig=0.000
Ha2	Infrastructure and performance of coffee marketing cooperatives.	Accepted	Regression Result β=0.760 sig=0.000
Ha3	Access to information and performance of coffee marketing cooperatives.	Accepted	Regression Result β=0. 180 sig=0.000
Ha4	Customer relationship management and performance of coffee marketing cooperatives.	Accepted	Regression Result β=0.319 sig=0.000

Source: Own SPSS output, 2024

From the above discussion and summary of hypothesis, the regression analysis result revealed that the most influential factors are Training and Development, Infrastructure, Access to information and the Customer Relationship, respectively.

4.7 Results and Discussion

This implies infrastructure and farmer's coffee market cooperatives have direct proportional. That means as good as infrastructure in the coffee produced farmers districts can give for wide range of alternative for farmers coffee market cooperatives that discussed during interview panelist session.

The West Guji zone's coffee market is a complex system that involves various actors, each serving a specific function in the chain. The following are some of the key players engaged in the coffee marketing process in the region:

⇒ The coffee farmers are the primary producers of the coffee beans. They are responsible for cultivating, harvesting, and processing the coffee cherries.

⇒ Coffee cooperatives are groups of farmers who come together to process, market, and sell their coffee beans. They play a crucial role in the coffee value chain by providing a platform for farmers to collectively market their coffee, negotiate better prices, and access technical assistance and finance.

⇒ Coffee processors are responsible for transforming the raw coffee cherries into green coffee beans that are ready for export or local consumption. They purchase coffee cherries from farmers and cooperatives and process them using various methods, such as wet processing, dry processing, or semi-dry processing.

⇒ Coffee exporters are responsible for selling the processed coffee beans to international buyers. They play a crucial role in connecting the coffee producers in the West Guji zone with the global market.

⇒ Coffee roasters are responsible for transforming the green coffee beans into roasted coffee that is ready for consumption. They purchase coffee beans from exporters or importers and roast them to various levels, such as light, medium, or dark roast, depending on the desired flavor profile.

⇒ Coffee retailers are responsible for selling roasted coffee to consumers. They may operate coffee shops, cafes, or online stores, and they play a crucial role in connecting consumers with the coffee produced in the West Guji zone.

The West Guji zone's coffee market structure is characterized by a large number of small-scale farmers and cooperatives, with a few larger players dominating the market. The market is highly fragmented, with many different actors operating in the region. However, there are efforts underway to strengthen the coffee value chain and improve the competitiveness of coffee producers in the region, such as the Ethiopian Coffee and Tea Authority's (ECTA) initiative to establish a coffee quality control and certification system.

It is difficult to estimate the proportion of the market dominated by a small number of powerful companies, as the coffee market in the West Guji zone is highly fragmented and diverse. However, there are a few larger players that have a significant presence in the market, such as the Ethiopian Coffee and Tea Authority, which is the largest coffee producer and exporter in the country, and a few large coffee cooperatives, such as the Yirgacheffe Coffee Farmers Cooperative Union (YCFCU).

5. - Summary of Findings

- Majority of the respondents' age were ranging from 25-34 years-old and most of them are married.

- As measured using 5- point Likert scales, Level of Customer Relationship has the highest group mean score from the Factors Affecting Performance of Coffee Marketing Cooperatives which indicate the increasing the marketing network, Follow-up cooperatives for feedback, whether the of Buyer Cooperativeness to Build Long-Term Relationships for Coffee Marketing Cooperatives measured.
- And the result of the mean score for the measures of Level of Customer Relationship was relatively high (3.71) which indicates that the majority of respondents have strong agreement on the measure of Level of Customer Relationship and the mean score for Infrastructure was (2.93) exist in the level of medium.
- The result from Pearson coefficients implies that the four factors measuring Factors Affecting Performance of Coffee Marketing Cooperatives were all positively related with Training and development within the range of 0.958** to 0.724**.
- There is no problem of Multicollinearity among the variables as the correlation matrix shows the highest correlation of 0.321 which is between Training and development.
- As shown on the above table, the tolerance values for each independent variable Training and Development, Infrastructure, Information access and Customer Relationship) were 0.321, 0.319, 0.286 and 0.297 respectively which were not less than 0.10.
- This is also supported by the VIF value, which were 3.115, 3.104, 3.496, and 3.367 respectively which were well below 10. Therefore, the analysis was not violated the Multi-collinearity assumption.
- Findings from the multiple regression analysis depict, the R Square of .972, the model summary reveals that the proportion of the variation in Coffee Marketing Cooperatives is explained by Factors Affecting Performance is 97.2% (where by R square is .972) and the remaining 2.8% of the variance is explained by other unexplored variables not included in this study.
- Furthermore, the significance value of F statistics shows a value .000, which is less than $p<0.05$, implies the model is significant contribution to Coffee Marketing Cooperatives Statistically significant of the four Factors Affecting Cooperatives Performance shows there is relationship between them and the dependent variable in which $p<0.05$.
- As evidenced from the result of correlation analysis, there is a strong positive relationship between the four reward components of independent variable (Training and Development, Infrastructure, Information access and Customer Relationship) and Coffee Marketing Cooperatives.
- As shown on the above table hypothesis the regression analysis result revealed that the all of them were influential factors are Training and Development, Infrastructure, Information access and Customer Relationship respectively.

5.1 Conclusions

The objectives of this study were to investigate the Factors Affecting Performance of Coffee Marketing Cooperatives in the Case of Study of West Guji Zone. The researcher selects four variables as factor to Affecting Performance of Coffee Marketing Cooperatives Based on the analysis made, the following conclusions were drawn:

The Factors Affecting Performance of Training and development has a positive and significant effect on the Coffee Marketing Cooperatives. The higher level of infrastructure and the lower the level of was Information access on the level of the Coffee Marketing Cooperatives. The finding showed the result of the mean score for the measures of Level of Customer Relationship was relatively high (3.71) which indicates that the majority of respondents have strong agreement on the measure of Level of Customer Relationship and the mean score for Infrastructure was (2.93) exist in the level of medium.

The results of Pearson Correlation indicated that Level of Training and Development, is the highest predictor and a positive significant of Coffee Marketing Cooperatives, but Infrastructure was the lowest predictor and a positive significant of Coffee Marketing Cooperatives.

From the above discussion and summary of hypothesis the regression analysis result revealed that the all of them were influential factors.

5.2 Recommendations

Based on the findings and conclusions, the following suggestions were forwarded in order to improve the Factors Affecting Performance of Coffee Marketing Cooperatives in the Case of Study of West Guji Zone. depending on the findings of the study and conclusions made, the researcher came up with some important recommendations which would help the organization to focus on the Performance of Coffee Marketing Cooperatives that can largely contribute to the improvement on level of Performance of Coffee Marketing Cooperatives. The recommendations given are the following:

- ⇒ To provide training and development on coffee industry fundamentals, including coffee cultivation, processing methods, grading, and quality standards. This would help cooperative members gain a deeper understanding of the coffee value chain and make informed decisions throughout the marketing process.
- ⇒ Training and development programs should be tailored to the specific needs and context of the coffee marketing cooperative. It's essential to involve cooperative members in the planning process to ensure that the training programs address their unique challenges and aspirations.
- ⇒ When it comes to accessing information on coffee marketing cooperatives, to cross-reference and critically evaluate the information you find from different sources to ensure accuracy and relevance. Additionally, reaching out to coffee marketing cooperatives directly or connecting with professionals in the field can provide firsthand experiences and insights.
- ⇒ Coffee marketing cooperatives should invest in a combination of physical, human resource, financial, and institutional infrastructure to improve their performance and competitiveness in the coffee market. By doing so, they can improve the quality of their coffee, increase their market share, and enhance the livelihoods of their members.

⇒ Customer relationship management that can improve the performance of coffee marketing cooperatives Coffee marketing cooperatives can improve their customer relationships, increase customer loyalty, and ultimately, improve their performance and competitiveness in the coffee market.

⇒ Finally, West Guji zone Coffee Marketing Cooperatives should increase/create the sales volume of business firms; the market competitiveness, for increment of profit, contribute for cost reduction, sustainable customer satisfaction being created on the product and service quality and high level of responsiveness has been develop.

⇒ And West Guji zone Coffee Marketing Cooperatives should decrease Lack infrastructures, Low usage of Information Communication Technology and Lack of skilled staff and professional knowledge.

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