



Export Market Exploration: the Key to Optimizing Export Performance with the Support of Market Sensing Capability and Export Channel Choice

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ABSTRACT

This study aims to determine the following: (1). the impact of market recognition capability on export performance in export furniture in Jepara. (2). the impact of export channel choice on export performance in export furniture in Jepara. (3). the impact of export market exploration on the export performance of export furniture in Jepara. This type of research is quantitative and uses primary data from questionnaires measured using a Likert scale. The population used in the study were export furniture companies in Jepara district that have been operating for more than three years. The sampling technique uses probability sampling technique with random sampling type. Data processing was analyzed using multiple linear regression analysis processed using SPSS software. The results of this study show that market recognition ability, export channel choice and export market exploration have a significant positive impact on export performance. Market discovery ability, export channel choice, and export market exploration variables simultaneously and partially affect export performance.

INTRODUCTION

The development of science and technology has an impact on all aspects of life. One of them is the aspect of economic growth. Economic growth can be influenced by several sectors, including the furniture industry. The furniture industry has a strategic role in spurring Indonesia's economic growth, namely through export performance (katadata.co.id). One of the biggest exporters of furniture worldwide is Indonesia. Due to their high quality, Indonesian wood-based furniture products are highly sought-after on the global market.

Indonesian furniture products are highly competitive in the international market. Data sourced from the trade map shows that Indonesia is ranked as the fifth largest supplier of wooden furniture products in the world. Indonesia has positive wood furniture export growth of 6% (in the 2017-2019 period). (Prasada, Hanung *et al.* 2022). Furthermore, data from Eurostat shows that Indonesia had an average EU timber export market share (HS code 940360) of 2.04% from January 2017 to December 2021. (Prasada, Hanung *et al.* 2022). This share is relatively large compared to the market share of several other foreign countries trading wooden furniture products in the EU market.

Table 1. Top Five Destination Countries for Indonesian Wood Furniture Exports (2021)

| No. | Name | Volume (kg) | Value (Us\$) |
|-----|--------------------------|-------------|---------------|
| 1 | United States of America | 246.619.058 | 1.144.231.040 |
| 2 | Japan | 58.607.885 | 138.926.857 |
| 3 | English | 27.282.278 | 62.010.800 |
| 4 | Netherlands | 27.046.264 | 97.577.520 |
| 5 | France | 17.143.513 | 46.939.172 |

Source: databoks.katadata.co.id 2021

Table 1, Indonesian furniture has been famous for its unique characteristics and use of quality wood. In addition, the combination of environmentally friendly materials makes it very popular with the international community, such as in Europe, America, Asia, and Africa. The Central Statistics Agency (BPS) reported that the export value of national wood furniture in January–December 2021 reached US\$ 1.99 billion, or around IDR 28.6 trillion. This value increased by 32.54% compared to sales in the same period the previous year, which were US\$ 1.5 billion, or around IDR 21.65 trillion. Meanwhile, if measured by volume, it reached 508.7 million kg. The volume increased by 20.46% compared to exports in the same period in 2020, which amounted to 422.3 million kg.

Some areas that are known to be centers of high-end wooden furniture producers in Indonesia are Jepara, Klaten, Pasuruan, Sidoarjo, Gresik, Cirebon, Sukoharjo, Surakarta, and Jabodetabek. Jepara Regency is famous for its furniture production and has become a mainstay industry for this Regency. Most of the people of Jepara are involved in the world of

furniture. It is no exaggeration to say that the furniture industry is a pillar of support and even a breath of life for the people of Jepara Regency. (Arifin, Roosdhani *et al.* 2022). Situated on the north shore of the island of Java, Jepara is a regency in Central Java. The district government has organized MSMEs in the area, including the furniture sector, which produces top quality furniture. Jepara is also known as the city of carving. The furniture industry is an economic milestone in Jepara District. Therefore, furniture is the regional flagship product of Jepara district, in addition to troso woven fabric, pottery, Monel, and others. (Zainudin, Widiastuti *et al.* 2021). The distribution of the carving and furniture industries is almost comprehensive in the Jepara area, especially in Tahunan District, which is the center of the furniture industry. Jepara furniture products are in great demand in the domestic and export markets.

Given that the nation's natural resources support the furniture business, it is one of the sectors with the most potential for growth. In the global arena, the national furniture industry is able to be competitive due to its innovative products. As a labor-intensive and export-oriented sector, the furniture industry also plays an important role in making a significant contribution to national economic recovery efforts. The development of the furniture industry has increased and decreased significantly every year.

LITERATURE REVIEW

Export Performance

Export performance is the result that a company achieves in international sales. (Shoham 1998). A firm's export performance reflects the firm's specific behavior in utilizing its resources and capabilities in the international context at a particular point in time. A company's export performance is considered one of the key indicators of the success of the company's export activities and therefore has become a widely studied phenomenon. Much research has been conducted to gain a better understanding of the factors (firm-specific or environmental) and behaviors (e.g. export strategies) that make export ventures successful. (Beleska-Spasova 2014).

Achieving successful export performance is at the heart of the strategic decision-making process for business and public policy makers. For companies, successful export performance indicates the extent to which the company's economic and non-economic objectives are achieved at a given point in time in an international context, and reflects the adequacy of the chosen export strategy to successfully respond to the company and its environmental conditions. Since exporting is a strategic decision for a company, its objectives can vary significantly depending on the company, industry, national context and timing. (Beleska-Spasova 2014).

Factors affecting export performance include government policy, namely that export-oriented countries will export based on the principle of comparative advantage, which says a country will tend to produce more goods whose production process is relatively more efficient and export them in turn,

then exchange them for other goods that have fewer relative advantages. (Arifin, Roosdhani et al. 2022). Export performance is the intensity of exports as a result of the company's export strategy. The export performance of the company is one of the indicators used in measuring the value or success of a company that shows the ability to make export sales directly or indirectly. These are the export channel structure, strategic orientation, and external environment. (Arifin and Komaryatin 2020).

A company's performance in foreign sales is known as its export performance. The research demonstrates that there is no consensus on acceptable performance levels or a defined definition of export performance, which leads to the usage of a variety of measuring metrics. The measurement of export performance can be problem-driven rather than theory-driven, as studies on export performance differ in definition and address different issues. Export performance can be measured at different levels: product, export business, or firm level. (Arifin and Komaryatin 2020).

Market Sensing Capability

Market sensing capability is the ability of an organization to be aware of changes in its market and to accurately forecast the response of its marketing actions. (Day 1994). Marketing capability can therefore be understood as an integrative process through which a company's collective knowledge, skills and resources are applied to the needs associated with business markets, enabling the company to add value to its goods and services and to adapt to them to adapt these to adapt to market conditions, exploit market opportunities and overcome competitive threats. In general, market recognition skills are critical to the development of market orientation and organizational performance. There is a need to conceptualize market sensing as an organization's learning ability to advance strategic marketing by learning more about customers, competitors and channels in order to respond to events and trends in the market. (Day 1994). (Day 1994).

Market sensing capability is one form of organizational knowledge that is able to learn and respond to changes in the marketing environment. Several studies have suggested that market sensing capabilities can improve organizational adaptation to environmental changes, thereby increasing the speed with which organizations can respond to the market with product innovations aimed at achieving business growth. Studying and responding to all market changes represents a market-oriented company that creates value for consumers. (Mubarok, Hurriyati et al., 2014)..

Market Sensing Capability can increase a company's competitive advantage. Based on this, the elements of market sensing capability that must be owned by companies include environmental analysis, understanding market trends, being able to track competitors' strategies, and being responsive to all changes that occur in the marketing environment. (Mubarok, Hurriyati et al., 2014)..

Market sensing capability can be divided into three subprocesses (Day 1994):

1. Sensing
2. Sense-making
3. Response

In short, sensing is the process of collecting data about customers, competitors and other channel participants; Meaning-making, on the other hand, is the process of interpreting data in light of prior knowledge and experience. Response is the process of using collected and analyzed data to make decisions. In other words, response transforms intangible information and knowledge into visible marketing actions (Tag 1994). Emphasize that the market discovery process in market-oriented companies is more systematic, thoughtful, and proactive than in other companies where this process is more ad hoc, reactive, limited, and diffuse (Day 1994). (Day 2002).

Organizations that master market discovery activities can be expected to achieve competitive advantage and better business performance. In other words, a company's ability to learn about its market environment and use appropriate information to guide its actions is a key driver of business performance. (Lindblom, Olkkonen et al. 2008).

H1: Market sensing capability has a positive and significant effect on export performance.

Export Channel Choice

Export Channel Choice is an important strategy for exporting companies and an unavoidable topic in international marketing strategy review studies. In exporting, channel choice is a key strategic decision in the form of the organizational structure that a firm uses to organize and support the marketing, sales, and distribution of its products to foreign markets. (Anderson and Coughlan 1987). Export channels play an important role in influencing a firm's export performance, which can have an important influence on a firm's willingness to survive and continue its investment involvement in foreign product entry (Brouthers, Brouthers et al. 2008).

When entering foreign markets, exporting companies must choose the distribution channels through which they export their products. This implies a choice between using independent intermediaries and using your own resources. This is a complex and difficult decision as it determines the extent to which they assume responsibility for sales and it has clear implications for the company's success in international markets. (Madhok 1997). This suggests that firms establish their export channels to exploit and develop their firm-specific resources while protecting them from appropriation by competitors. (Madhok 1997).

Existing RBV research suggests that the resources each firm possesses are an important component of the export channel decision. More specifically, firms with intangible resource values enter international markets using direct export channels (Sharma and Erramilli 2004). Firms that use direct export channels have greater control over their foreign operations because they avoid the use of intermediaries, allowing them to protect their intangible resources

from imitation (Blomstermo, Deo et al. 2004). (Blomstermo, Deo Sharma et al. 2006). Direct export channels reduce the risk of resource imitation by competitors (Knott 2003). (Knott 2003) while allowing exporting firms to leverage resources by accessing information and knowledge in foreign markets (Henisz 2003). (Henisz 2003).

Basically, there are three options available for companies to organize export channels (Li, He et al. 2017) :

1. Market mode (using title-taking distributors to perform export functions)
2. Intermediary mode (working with agents or middlemen to share control of export activities)
3. Hierarchical mode (using self-managed operations in exporting)

Widely recognized as one of the most important strategic decisions in international marketing firms, export channel selection has significant costs and performance implications for exporting organizations. For example, export channels cannot be easily reversed once selected and implemented due to the high level of sunk costs involved. (Li, He et al. 2017).

H2: Export Channel Choice has a positive and significant effect on export performance.

Export Market Exploration

Export market exploration is about developing new knowledge and opening up new markets that are currently unknown to the company. (March 1991). It suggests an attempt to break away from the existing knowledge base and exploit unexplored possibilities. Market exploration creates variety and updates a company's market portfolio, thereby ensuring long-term profitability. For export managers, exploratory activities are particularly helpful in promoting organizational success because international markets are typically more complex and dynamic (Garcia, Calantone et al. 2003). In dynamic markets, customer needs change quickly and it is difficult to predict such changes. In stable markets, customer preferences change little and any changes are completely predictable.

Export market exploration informs exporting companies about new export markets and opens up new business opportunities that represent a departure from existing practices and require entirely new market knowledge, skills and processes. The success of export market exploration is likely to be greater when export customers' needs and requirements are unknown or changing rapidly than when they are static. The reason for this is that under dynamic export market conditions, numerous new business opportunities arise and companies that seek opportunities perform better (Lisboa, Skarmeas et al. 2013).

Companies that explore export markets excessively may become more imaginative and proactive, but they may also take advantage of overly uncertain, expensive, and risky of export market prospects. Exporting businesses must begin market research in order to proactively support adaptation to shifting market conditions. Exporting consumers have ever-changing demands and wants, and export market signals are too complex and unpredictable to respond to. Export operations are becoming increasingly

important to the survival of enterprises and the intensifying globalization of the world economy. Foreign markets are an important determinant of a firm's progress along the path of internationalization.(Lisboa, Skarmeas et al. 2013).

H3: Export Market Exploration has a positive and significant effect on export performance.

Based on the theoretical basis and the results of previous research, it can be concluded that the theoretical research framework between market sensing capability, export channel choice, and export market exploration on export performance is described as follows:

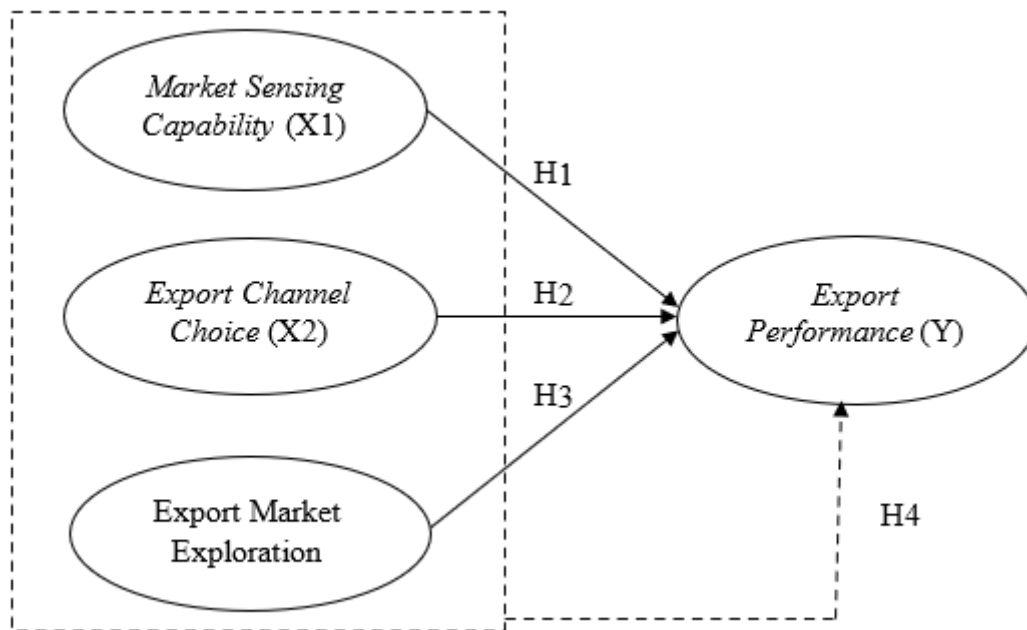


Figure 1. Conceptual Framework

METHODOLOGY

The research methodology of this study includes a quantitative approach to examine the impact of market discovery capability, export channel choice and export market exploration on the export performance of furniture companies in Jepara. With a population of 333 export furniture companies, when determining the sample size, a formula is used that takes into account five to ten times the number of estimated parameters, thus ensuring sufficient statistical power for the analysis. Primary data will be collected through structured questionnaires using Likert scale. The sampling technique chosen is probability sampling with a random sampling type to increase representativeness. Data analysis is carried out using multiple linear regression analysis using SPSS software, which allows examining the individual and combined effects of the variables on export performance. The aim of the study is to confirm the significant positive influence of market discovery ability, export channel choice and export market exploration on export performance.

RESEARCH RESULT

Validity Test

The validity test is intended to identify whether the questionnaire instrument is valid or invalid in explaining the stated study variables. The validity test can be measured by comparing the calculated r value with the r table. In this study, the number of samples (n) = 60, $df = 60 - 2 = 58$ and a significance of 0.05 was obtained from the r table. The results of the instrument validity test analysis with IBM SPSS Statistics 20 regarding Customer Orientation are as follows:

Table 2. Instrument Validity Test Analysis Results

| Question Item | R-count | R-table ($\alpha=5\%$, $df=58$) | Description |
|---------------|---------|---------------------------------------|-------------|
| 1 | .931** | 0.2542 | Valid |
| 2 | .906** | 0.2542 | Valid |
| 3 | .895** | 0.2542 | Valid |

Source: SPSS 25 Output, 2023

Based on the calculation results in table 2, the *market sensing capability* variable (X1) which consists of 3 statement items, each question item has an R-count (R pearson) value greater than the r -table with $\alpha=0.05$ and $df = 58$, namely 0.2542 so it can be concluded that the statement items on the *market sensing capability* variable are valid.

Additionally, the following are the findings of the validity test for the export channel choice variable (X2):

Table 3. Validity Test Results of Export Channel Choice Variables

| Question Item | R-count | R-table ($\alpha=5\%$, $df=58$) | Description |
|---------------|---------|---------------------------------------|-------------|
| 1 | .989** | 0.2542 | Valid |
| 2 | .982** | 0.2542 | Valid |
| 3 | .964** | 0.2542 | Valid |

Source: SPSS 25 Output, 2023

The export channel choice variable (X2), which has three statement items, is based on the calculation results shown in the above table. Each statement item has an R-count (R Pearson) value greater than the r -table with $\alpha = 0.05$ and $df = 58$, which is 0.2542, indicating that the statement items on the export channel choice variable are valid.

Additionally, the following are the findings of the validity test for the export channel choice variable (X3):

Table 4. Validity Test Results of Export Market Exploration Variables

| Question Item | R-count | R-table ($\alpha=5\%$, $df=58$) | Description |
|---------------|---------|---------------------------------------|-------------|
| 1 | .917** | 0.2542 | Valid |
| 2 | .933** | 0.2542 | Valid |
| 3 | .913** | 0.2542 | Valid |

Source: SPSS 25 Output, 2023

The social media marketing variable (X3), which has three statement items, is based on the calculation results shown in the above table. Each statement item has an R-count (R pearson) value greater than the r-table with $\alpha = 0.05$ and $df = 58$, or 0.2542, indicating that the statement items on the social media marketing variable are valid.

Furthermore, the validity test results for the *export performance* variable (Y) are as follows:

Table 5. Export Performance Variable Validity Test Results

| Question Item | R-count | R-table ($\alpha=5\%$, $df=58$) | Description |
|---------------|---------|---------------------------------------|-------------|
| 1 | .947** | 0.2542 | Valid |
| 2 | .897** | 0.2542 | Valid |
| 3 | .973** | 0.2542 | Valid |

Source: SPSS 25 Output, 2023

Based on the calculation results in the table above for the validity test on the *export performance* variable (Y) which consists of 3 statement items, each question item has an R-count (R pearson) value greater than r-table with $\alpha = 0.05$ and $df = 58$ which is 0.2542 so it can be concluded that the statement items on the *export performance* variable are valid.

Table 6. Reliability Test Results

| Variables | Cronbach's Alpha value | Description |
|----------------------------------|------------------------|-------------|
| <i>Market Sensing Capability</i> | 0.895 | Reliable |
| <i>Export Channel Choice</i> | 0.978 | Reliable |
| <i>Export Market Exploration</i> | 0.910 | Reliable |
| <i>Export Performance</i> | 0.933 | Reliable |

Source: SPSS 25 Output, 2023

From the results of the table above, it can be concluded that the questionnaire of each variable has a *Cronbach alpha* value > 0.6 so that it can be interpreted that the *market sensing capability* questionnaire, *export channel choice*, *export market exploration*, *export performance* in this study is declared reliable.

Table 7. Normality Test
One-Sample Kolmogorov-Smirnov Test

| | | Unstandardized Residual |
|----------------------------------|----------------|-------------------------|
| N | | 60 |
| Normal Parameters ^{a,b} | Mean | .0000000 |
| | Std. Deviation | 1.09991025 |
| Most Extreme Differences | Absolute | .091 |
| | Positive | .091 |
| | Negative | -.087 |
| Test Statistic | | .091 |
| Asymp. Sig. (2-tailed) | | .200 ^{c,d} |

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

Source: SPSS 25 Output, 2023

based on the normality test results, which showed an Asymp.Sig. (2-tailed) value of 0.200. The study's data is normally distributed since H_0 is accepted because the value of Asymp. Sig. (2-tailed) $> \alpha$ (0.05). The test for the normalcy assumption has passed.

Multiple Linear Regression Analysis Results

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|---------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.814 | 1.071 | | 1.694 | .096 |
| | Market Sensing Capability | .383 | .103 | .412 | 3.706 | .000 |
| | Export Channel Choice | .237 | .099 | .246 | 2.401 | .020 |
| | Export Market Exploration | .284 | .110 | .277 | 2.587 | .012 |

a. Dependent Variable: Export Performance

Source: SPSS 25 Output, 2023

Based on the table above, the regression equation is obtained as follows:

$$Y = 1.814 + 0.383 (X_1) + 0.237 (X_2) + 0.284 (X_3)$$

The equation can be interpreted as follows:

1. The constant value (a) obtained is 1.814 which means (Y) *export performance* has a value of 1.814 without the influence of the model set, namely *market sensing capability*, *export channel choice* and *export market exploration*.
2. The regression coefficient of *market sensing capability* (X₁) shows a positive value of 0.383, which means that if *market sensing capability* increases by 1 unit, it will cause *market sensing capability* to increase by 0.383 units. The positive coefficient indicates a positive relationship between *market sensing capability* and *export performance*, the more *market sensing capability* increases, the more *export performance* will increase and vice versa.
3. The regression coefficient of *export channel choice* (X₂) shows a positive value of 0.237, which means that if the *export channel choice* increases by 1 unit, the *export performance* will increase by 0.237 units. The positive coefficient indicates a positive relationship between *export channel choice* and *export performance*, the more *export channel choice* increases, the more *export performance* will increase and vice versa.
4. The regression coefficient of *export market exploration* (X₃) shows a positive value of 0.284, which means that if *export market exploration* increases by 1 unit, it causes *export performance* to increase by 0.284 units. The positive coefficient indicates a positive relationship between *export market exploration* and *export performance*, the more *export market exploration* increases, the more *export performance* increases and vice versa.

Table 8. F-test
ANOVA^a

| Model | | Sum of Squares | Df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 131.022 | 3 | 43.674 | 34.264 | .000 ^b |
| | Residuals | 71.378 | 56 | 1.275 | | |
| | Total | 202.400 | 59 | | | |

a. Dependent Variable: Export Performance

b. Predictors: (Constant), Export Market Exploration, Export Channel Choice, Market Sensing Capability

Source: SPSS 25 Output, 2023

In the table above the F-test above, the result of F count is 34.264 while the F table is 2.77. This calculation shows that the F count is greater than the F table, so the decision is H_a accepted and H_o rejected. This proves that the independent variables (*market sensing capability, export channel choice and export market exploration*) jointly influence the dependent variable (*export performance*).

Table 9. t test
Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|---------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.814 | 1.071 | | 1.694 | .096 |
| | Market Sensing Capability | .383 | .103 | .412 | 3.706 | .000 |
| | Export Channel Choice | .237 | .099 | .246 | 2.401 | .020 |
| | Export Market Exploration | .284 | .110 | .277 | 2.587 | .012 |

a. Dependent Variable: Export Performance

Source: SPSS 25 Output, 2023

The table above explains the effect of X_1 (*market sensing capability*), X_2 (*export channel choice*) and X_3 (*export market exploration*) on Y (*export performance*) partially as follows:

1. t test between X_1 (*market sensing capability*) and Y (*export performance*) obtained t_{count} of 3.706 is greater than t_{table} 1.673 with a significance figure is 0.000 so that based on these values it can be concluded that H_o is rejected and H_a is accepted which means the hypothesis is **accepted**, meaning that *market sensing capability* has a significant effect on *export performance*.
2. t test between X_2 (*export channel choice*) and Y (*export performance*) obtained t_{count} of 2.401 is greater than t_{table} 1.673 with a significance figure is 0.020. so based on these values it can be concluded that H_o is rejected and H_a is accepted which means the hypothesis is **accepted**, meaning that *export channel choice* has a significant effect on *export performance*.
3. t test between X_3 (*export market exploration*) and Y (*export performance*) obtained t_{count} of 2.587 greater than t_{table} 1.673 with a significance figure is 0.012 so that based on these values it can be concluded that H_o is rejected

and H_a is accepted hypothesis **Accepted**, meaning that *export market exploration* has a significant effect on *export performance*.

Table 10: Correlation Analysis Results
Model Summary^b

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .805 ^a | .647 | .628 | 1.129 |

a. Predictors: (Constant), Export Market Exploration, Export Channel Choice, Market Sensing Capability

b. Dependent Variable: Export Performance

Source: SPSS 25 Output, 2023

The findings of the market sensing capabilities, export channel selection, and export market exploration correlation study on export performance are displayed in the above table with an Adjusted R Square value of 0.628, or 62.8%. This indicates that the impact of export market discovery, export channel selection, and market sensing abilities on export performance is 62.8%, with additional factors outside the study's regression model accounting for the remaining 37.2%.

DISCUSSION

The Effect of Market Sensing Capability on Export Performance

Based on the results of data processing and hypothesis test analysis, the results prove that market sensing capability provides a significant influence on export performance. The outcomes of the multiple linear regression analysis data processing, which display a t-count value of $3.706 > t\text{-table } 1.673$ and a significance level of $0.000 < 0.05$, provide evidence of this. The regression coefficient is 0.383, indicating that the effect of market sensing capability on export performance has a significant direction. Thus, the decision H_0 is rejected and H_a is accepted, so that the first hypothesis can be accepted. This indicates that the higher value of market sensing capability implemented in export furniture companies will have an impact on increasing the value of export performance, and the lower the market sensing capability implemented, it will have an impact on decreasing the value of export performance.

Market sensing capability is the ability of an organization to be aware of changes in its market and to accurately forecast the response of its marketing actions. (Day 1994). Companies that have the ability to sense the market, are then able to create a competitive advantage for the products they produce so as to improve their marketing performance to adapt to environmental changes, and encourage improved marketing management in achieving business growth. (Mubarok, Hurriyati et al., 2014).. From this, *market sensing capability* is an important thing that companies must have in carrying out their export activities. The results of this study are in line with previous research conducted by (Saputro, Haryono et al. 2019) which states that market sensing capability has a positive and significant effect on export performance.

In this study, the indicator responsiveness to customers has the highest score of 4.02 with a statement that reads, (The company sees changes in competition to stay in the market."This means that implementing *market sensing capabilities* in export furniture companies can help them survive in the market. By seeing the changes in competition that occur in the market, of course, every company has the hope to survive for a long time and still exist with all the changes and developments that occur in the market.

Effect of Export channel Choice on Export Performance

Based on the results of data processing and hypothesis testing analysis, the results prove that export channel choice is proven to have a significant influence on export performance. The data processing results with multiple linear regression analysis, which display a t count of $2.401 > t$ table 1.673 and a significance level of $0.020 < 0.05$, support this. The regression coefficient is 0.237, indicating that the effect of export channel choice on export performance is significant. Therefore, the first hypothesis can be accepted based on the decision that H_0 rejected and H_a accepted. This decision shows that export furniture companies' export performance will increase with higher export channel choice implementation values, while export performance will decrease with lower export channel choice implementation values.

Export channel choice is an important strategy for exporting companies and an unavoidable topic in international marketing strategy review studies. In exporting, channel choice is a key strategic decision in the form of the organizational structure that a firm uses to organize and support the marketing, sales, and distribution of its products to foreign markets. (Anderson and Coughlan 1987). Export channels play an important role in influencing the firm's export performance, which can have an important influence on the firm's willingness to survive and continue its activities. The results of this study are in line with previous research conducted by (Kalinic and Brouthers 2022) which states that export channel choice has a positive and significant effect on export performance.

In this study, the indicator responsiveness to customers has the highest score value of 3.83 with a statement that reads, (The company chooses the right marketing channel to support the company's economy." This means that implementing *export channel choices* in export furniture companies can help companies support the company's economy. Choosing the right marketing channel will have a good impact on the company's export performance; otherwise, if the marketing channel chosen by the company is not right, the company will experience a decrease in revenue generated, which will affect export performance, especially in the company's economy.

The Effect of Export Market Exploration on Export Performance

Based on the results of data processing and hypothesis test analysis, the results prove that export market exploration is proven to have a significant effect on export performance. The multiple linear regression analysis results, which display a t value of $2.587 > t$ table 1.673 and a significance level of $0.012 < 0.05$, provide support of this. The regression coefficient is 0.284, indicating that the effect of export market exploration on export performance has a significant

direction. As a result, the first hypothesis can be accepted because H_0 rejected and H_a accepted the decision. This indicates that the higher the value of export market exploration implemented in export furniture companies, the greater the impact on export performance, and the lower the value of export market exploration implemented, the greater the impact on export performance.

Market exploration creates variety, updates a company's market portfolio and thus ensures long-term survival. For export managers, exploratory activities that promote business success are particularly helpful because international markets are typically more complex and dynamic. (Garcia, Calantone et al. 2003).. The results of this study are in line with previous research conducted by (Faroque, Torkkeli et al. 2022) which states that export market exploration has a positive and significant effect on export performance.

In this study, the indicator responsiveness to customers has the highest score value of 3.95 with a statement that reads, (Applying new skills to products can provide a competitive advantage for the company." This means that implementing *export market exploration* for export furniture companies can provide advantages for the company's economy. Applying new skills to the product will have a positive impact on the company's ability to improve the quality of the products produced in order to compete in the international market by improving export performance.

CONCLUSIONS AND RECOMMENDATIONS

It is possible to draw the following conclusions, based in part on the data analysis of the factors, from the data processing results and discussion of the research findings regarding the variables that affect export performance on export furniture in Jepara:

1. Market sensing capability has a positive and substantial impact on export performance for export furniture in Jepara, as indicated by the regression coefficient of market sensing capability, which has a positive value of 0.383 with a significant level of $0.000 < 0.05$.
2. The export channel choice regression coefficient has a positive value of 0.237 with a significant level of $0.020 < 0.05$, indicating that export performance on export furniture in Jepara is positively and significantly impacted by export channel choice.
3. The export market exploration regression coefficient has a positive value of 0.284 with a significant level of $0.012 < 0.05$, indicating that export performance for export furniture in Jepara is positively and significantly impacted by export market investigation.
4. Market sensing capabilities, export channel selection, and export market exploration all have an impact on export performance, as shown by F-count 34.264 and $> F\text{-table } 2.77$ with a significance value of $0.000 < 0.05$. Consequently, H_a is accepted and H_0 is rejected.
5. The result of the corrected R square test was 62.8 percent, or 0.628. This shows that market sensing ability, export channel selection, and export market exploration account for 62.8% of export performance; variables not included in the study's regression model account for the remaining 37.2%.

ADVANCED RESEARCH

It is expected that research on the impact on export performance will continue to develop and improve and should also be able to examine the issues raised in more detail, including through the inclusion of additional independent variables.

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