

DO TRADE PROMOTION ORGANIZATIONS CONTRIBUTE TO PROMOTING THE EXPORT PERFORMANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES?

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ABSTRACT

Aim: The commercial sector in Tanzania has improved greatly over the last three decades, and small and medium-sized enterprises (SMEs) have been a prime mover of economic growth, employment, and poverty reduction. Despite this important role, there are different obstacles to accessing global markets for Tanzanian SMEs, including limited trade support, poor market access, and regulatory barriers. This paper seeks to establish the extent to which trade promotion organizations (TPOs) help in surmounting such challenges and enhancing the export capabilities of SMEs in Dar es Salaam, the economic hub and most populous city in Tanzania. **Methods:** The study uses a mixed-methods approach and sampled primary data from 400 respondents comprised of SME representatives and trade stakeholders. Different quantitative techniques were used for the analysis of the effect of TPO interventions with regard to market intelligence, legal advisory services, facilitation of foreign exchange, export-oriented programs, and assistance concerning export procedures, including logistic and multiple linear regression analysis to determine the impact on SME export success. Qualitative perceptions give added depth to this study through a rich understanding of experiences and constraints faced by SMEs. **Results:** The findings confirm that there is a positive and significant association between TPO-provided services and SME export performance, underlining the crucial role of tailored support. **Conclusions:** The priorities that come out of this study for policy enhancement include reinforcement of infrastructures of TPOs for actionable market insights, availability of foreign exchange services, and the scale-up of training programs on international trade practices. These recommendations are targeted at ensuring the optimization of TPO efforts in facilitating the entry of SMEs into global markets for sustainable economic development in Tanzania.

Key words: export performance, trade promotion organizations, export promotion programs, foreign exchange, international trade, SME, export market access

JEL codes: F13, L26, O19

INTRODUCTION

The internationalization of small and medium-sized enterprises (SMEs) is increasingly recognized today as a major avenue for their sustained growth and competitiveness in the global economy [Anand 2015, Dabić et al. 2020, Coldwell et al. 2022]. Internationalization presents numerous opportunities for market expansion, fostering innovation, and enhancing profitability among SMEs. However, the global trading environment poses significant challenges for SMEs in developing economies like Tanzania. These challenges often include limited access to essential market knowledge, restrictive regulatory frameworks, and insufficient financial resources [Kiveu and Ofafa 2013, Vasilescu 2014, Lwesya 2021, Utouh 2024]. Addressing these barriers, as highlighted by Leonidou et al. [2017], is critical to unlocking the potential of SMEs and driving economic growth.

To tackle these challenges, trade promotion organizations (TPOs) have emerged as essential institutions supporting SMEs on their internationalization journey. These organizations play a crucial role in supporting SMEs by providing essential services such as market intelligence, legal advisory, guidance on export procedures, and mechanisms to mitigate foreign exchange risks. These services are particularly beneficial in fostering internationalization by enhancing SMEs' competitive positioning in foreign markets [Khazragui 2011, Haddoud et al. 2017, Ruiz-Coupeau et al. 2019, Veinbergs and Skadina 2021].

In Tanzania, the Tanzania Trade Development Authority (TanTrade) plays a central role in facilitating SME participation in global markets. TanTrade bridges the gap between SMEs and global opportunities through trade fairs, export training programs, and policy advocacy.

Despite their recognized importance, the impact of TPOs on SME export performance remains underexplored in developing economies. This study addresses this gap by examining how TPO services contribute to the export success of Tanzanian SMEs, with a focus on Dar es Salaam, the nation's commercial hub, and home to over 400,000 SMEs. A mixed-methods approach is employed to assess how services like market intelligence, export procedure support, and legal advisory influence export outcomes.

The study applies the resource-based view (RBV) framework and internationalization theory to analyze SME export performance. The RBV emphasizes the significance of unique, inimitable resources such as market intelligence, export knowledge, and financial tools that are critical for SMEs to thrive in international markets [Barney 1991]. This aligns with TPO services that aim to address SMEs' internal resource gaps. Similarly, internationalization theory highlights the importance of reducing transaction costs and mitigating risks during market entry, which TPO services such as trade fairs and legal assistance directly address. Together, these frameworks provide a robust lens for understanding how external interventions, like TPO support, enable SMEs to overcome barriers and achieve global success.

The study aims to answer three key questions:

- How do Tanzanian SMEs perceive the impact of TPO services on their export performance?
- What specific TPO services have the most significant effect on SME export performance?
- What challenges hinder Tanzanian SMEs from realizing their full potential in international markets?

By addressing these questions, this research contributes to the growing body of literature on SME internationalization and TPO effectiveness, particularly in developing economies. It also offers actionable recommendations for policymakers, TPOs, and SMEs to enhance export performance.

The remainder of the paper presents the theoretical foundations and reviews of existing literature on TPOs and SME internationalization. Then the research methodology is outlined, and the results are presented, followed by a discussion. Last part of the paper contains conclusions, highlights limitations of the study and also provides practical policy recommendations to improve SME export performance with future research directions.

LITERATURE REVIEW

Theoretical foundation

The internationalization theory, originally developed by Buckley and Casson [1998], discusses the motives and methods by which firms expand into international markets [Andersen et al. 2014]. This theory postulates that firms

internalize operations when external markets are inefficient, hence reducing transaction costs and enhancing profitability. In the case of SMEs, internationalization opens opportunities to access larger markets and achieve economies of scale, but it also introduces challenges like navigating foreign regulations and addressing cultural differences. The theory also gives the underlying base upon which TPOs take active interest in and support the priority needs of SMEs entering international markets. This theory provides an underlying conceptual framework that is required to explore how TPOs reduce the cost and risk associated with market entry by providing critical services, including market intelligence and export advice, to assist SMEs in overcoming commercial obstacles to their internationalization, which is a premise necessary for them to be successful competitors abroad.

The RBV of the firm by Barney [1991] states that a firm attains continued competitive advantages from resources that are valuable, rare, inimitable, and non-substitutable. In SME internationalization contexts, such critical resources include export knowledge, financial support, and technical expertise. According to this view, those firms which have access to these resources should be more capable of handling the complexities of international markets with greater relative performance compared to their competitors. Although the RBV offers some valuable insights, its limitations point to the focal issue on the static accumulation of resources rather than on dynamic capabilities relating to innovation and learning. The RBV also supplements internationalization theory by focusing on the internal capabilities that TPOs help SMEs grow. For example, TPOs enhance the competitiveness of SMEs through training, innovation, and facilitating access to financial resources.

The internationalization theory and RBV are strong in combining a framework that analyzes the contribution of TPOs to SME export performance. This paper applies these theories in an attempt to understand how the services of TPOs, such as market intelligence, legal assistance, and foreign exchange facilitation, actually enable SMEs to overcome barriers to internationalization and achieve export success.

Empirical literature review

Small and medium-sized enterprises' perceptions of TPOs play a critical role in determining both their level of engagement and the overall effectiveness of these programs. Dominguez [2018] highlights that while TPOs offer essential resources, such as funding, networking opportunities, and export knowledge, their impact varies depending on firm-specific capabilities and external market conditions. Beyond financial and institutional support, access to knowledge-sharing platforms and external trade services has been shown to strengthen SMEs' internationalization capabilities. In particular, Ferreras-Méndez and Fernández-Mesa [2019] found that SMEs employing external knowledge search strategies significantly enhance their absorptive capacity, leading to improved export performance. This suggests that effective engagement with TPO services not only provides SMEs with direct trade support but also facilitates their ability to process, adapt, and leverage external knowledge for competitive advantage in international markets. On the other hand, Oura et al. [2016] observed that favorable perceptions of TPOs' reliability and efficiency encouraged Brazilian SMEs to participate more actively in export markets. Wilkinson and Brouthers [2006] examined how U.S. State-sponsored export-promotion activities influence the international marketing strategies of small to medium-sized enterprises. Their study suggests that, even when accounting for firms' internal resources, participating in trade exhibitions and utilizing programs to identify agents and distributors can enhance the SMEs' satisfaction with their export performance.

However, negative perceptions can deter SMEs from leveraging TPO services. Rankho and Macha [2022] revealed that Tanzanian SMEs often viewed TPO interventions as inaccessible or insufficiently tailored to their needs, where bureaucratic inefficiencies and a lack of customization diminished SMEs' trust in TPO programs. Yahya and Mutarubukwa [2015] similarly noted that Tanzanian SMEs in rural areas perceived TPO services as geographically limited, reducing their utility.

The role of TPOs in helping SMEs expand into new markets cannot be understated. Bhardwaj et al. [2021] highlighted that well-structured trade promotion programs enable SMEs to penetrate international markets more effectively by offering market intelligence, financial support, and policy advocacy. Building on this, Ringo and Tegambwage [2022] found that Tanzanian SMEs with prior export experience are more likely to engage with TPOs, perceiving them as strategic enablers of market expansion. Their study highlights the importance of institutional support, firm-level entrepreneurial orientation, and business networks in strengthening SME internationalization outcomes.

The impact of TPO services on SMEs' export performance is well-documented across various contexts. Malca et al. [2020] highlight that structured export promotion programs serve as catalysts for SME internationalization, leading to improved export volumes and enhanced market diversification. Similarly, Appiah et al. [2019] showed that TPO-provided legal assistance and export compliance support reduced entry costs for Ghanaian SMEs, enhancing their export performance. These findings are reinforced by Wang et al. [2017], who noted that TPO interventions act as mediators, amplifying the benefits of internal marketing capabilities for SMEs.

In East Africa, Massyn et al. [2021] found that TPO-organized trade fairs and advocacy programs increased SME visibility and global market penetration. Njinyah [2017] corroborated these results in Cameroon, where export-promotion programs improved SMEs' competitiveness and reduced operational costs. Bourletidis [2013] further emphasized that SMEs leveraging TPO services achieved strategic growth during economic crises, highlighting the resilience-building role of these organizations.

Despite these positive impacts, gaps remain in understanding the full extent of TPO contributions. For example, Oura et al. [2016] and Wang et al. [2017] both emphasized that TPO services are most effective when SMEs possess strong internal capabilities, such as strategic planning and financial management. This study builds on these insights to evaluate how TPO services in Tanzania influence SME export performance, both directly and indirectly.

Despite the support provided by TPOs, SMEs in developing economies like Tanzania face a multitude of challenges in their efforts to internationalize, ranging from internal constraints to external environmental factors. One of the most significant barriers is limited access to financing. Beck et al. [2005] found that exporting requires substantial upfront investments in production capacity, marketing, and compliance, which many SMEs are unable to secure. Kontinen and Ojala [2011] further noted that financial constraints hinder SMEs' ability to scale operations and meet export demands. Mkenda and Rand [2020] highlighted that Tanzanian SMEs face high interest rates and limited credit availability, creating critical bottlenecks in their export efforts.

In addition to financial barriers, SMEs often lack access to reliable market knowledge. Julien and Ramangalahy [2003] argued that insufficient information about foreign markets leaves SMEs ill-equipped to navigate international trade effectively. This is supported by Roy, Sekhar, and Vyas [2016], who found that knowledge gaps often lead to poorly informed decisions, such as targeting unsuitable market segments or underestimating regulatory requirements. Their study suggests that SMEs in emerging economies face significant challenges due to a lack of market intelligence and strategic planning. Roy et al. [2016] found that a lack of structured market intelligence leads SMEs to misjudge customer needs, target inappropriate markets, and underestimate financial risks. In Tanzania, Mpunga [2016] observed that SMEs struggle to gather actionable market intelligence, particularly in rural areas where technological resources are limited.

Regulatory complexities present another significant challenge. Mittelstaedt et al. [2003] noted that navigating customs procedures, product standards, and documentation requirements can be daunting for SMEs, especially those with limited administrative capacity. Fliess and Busquets [2006] added that regulatory hurdles are particularly burdensome in developing economies, where institutional support is often fragmented. Foreign exchange volatility and the absence of hedging mechanisms further compound these issues, eroding profit margins and creating uncertainty in financial planning [Hessels and Terjesen 2010, Kneller and Pisu 2011].

Lastly, SMEs frequently lack the networks and relationships needed to succeed in international

markets. Building connections with foreign buyers, distributors, and partners is critical for market entry but remains a significant hurdle for Tanzanian SMEs [Chetty and Blankenburg Holm 2000]. Coviello and Munro [1997] emphasized that TPOs play a crucial role in bridging this gap by facilitating networking opportunities, such as trade fairs and matchmaking events. This study examines these multifaceted challenges, offering insights into strategies that can enhance SMEs' export readiness and performance.

RESEARCH METHODS

This study utilizes primary data collected from SMEs operating in Dar es Salaam, Tanzania, in May 2023. Structured surveys were administered to capture information on SMEs' export performance, utilization of TPO services, and perceptions of TPO programs. The survey instrument included a combination of close-ended questions and Likert-scale responses (ranging from 1 – “strongly disagree” to 5 – “strongly agree”) to assess their perceptions, challenges, and outcomes. The variables used in the analysis are presented in Table 1.

To address the study's objectives, two main analytical approaches (quantitative analysis and descriptive statistical analysis) were employed.

Impact of TPO services on small and medium-sized enterprises' export performance

For the main study, multiple linear regression was employed to evaluate the effect of TPO services on export performance. The model is specified as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_n X_n + \varepsilon$$

where:

Y – export performance,

X_1, X_2, \dots, X_n – independent variables,

ε – error term.

Diagnostics for this model included:

- Adjusted R^2 : the model explained 67% of the variance in export performance ($R^2 = 0.67$).
- Multicollinearity: all variance inflation factors (VIFs) were below 2, confirming no multicollinearity.
- Residual analysis: verified linearity, homoscedasticity, and normality assumptions.

By incorporating these diagnostics, the models were validated for their robustness and reliability in interpreting the relationships between TPO services and the SMEs' export performance.

Small and medium-sized enterprises' perceptions of TPO services

Further to this, a logistic regression model was used to analyze the SMEs' perceptions of TPO services and the likelihood of engaging with TPO programs. This analysis helps explain why some SMEs choose to engage with TPOs' services while others do not, and the model is specified as:

$$P(Y) = 1|X = \frac{e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k}}{1 + e^{\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k}}$$

where:

Y – probability of engaging with TPOs' services,

X_1, X_2, \dots, X_n – individual independent variables

(e.g., market intelligence, legal assistance),

k – number of independent variables.

Diagnostics for this model included:

- Hosmer–Lemeshow test: confirmed goodness of fit with $p > 0.05$.

Table 1. Variables used in the analysis

Variable	Description	Type	Source
Export performance (Y)	dependent	revenue growth, market diversification	survey
Market intelligence	independent	access to export-related information	survey
Legal assistance	independent	guidance on compliance and regulations	survey
Trade fairs	independent	participation in TPO-organized trade events	survey
Foreign exchange	independent	support with currency risk management	survey
Firm size	control	micro, small, medium-sized	firm data

Source: authors' research.

- b) Receiver operating characteristic (ROC) curve: achieved an area under the curve (AUC) of 0.82, indicating strong predictive accuracy.

Challenges faced by small and medium-sized enterprises in international markets

To analyze the challenges faced by the SMEs, a descriptive statistical approach was employed using a five-point Likert scale. Respondents were presented with a list of challenges identified from the literature and asked to rate their level of agreement, with the responses ranging from 1 (strongly disagree) to 5 (strongly agree). Frequencies and proportions were calculated to determine the most critical barriers.

$$\text{challenge score} = \frac{\sum_{i=1}^n \text{rating}_i}{n}$$

where:

rating_i – respondent's rating for a specific challenge,
 n – total number of respondents.

This descriptive approach provided insights into the extent and nature of the challenges limiting the SMEs' performance, supplementing the quantitative models used for objectives one and two.

The study utilized stratified random sampling to ensure representation across different sectors, firm sizes, and levels of export experience. A total of 400 SMEs were surveyed, representing industries such as manufacturing, agriculture, and services. Additionally, 20 key stakeholders from TPOs (e.g., TanTrade), regulatory bodies (e.g., Business Registrations and Licensing Agency – BRELA), and export associations were interviewed.

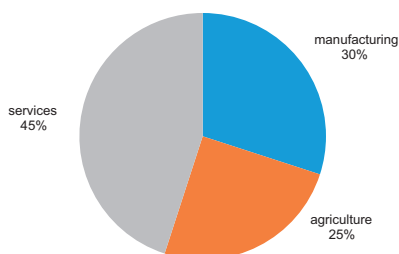


Fig. 1. Sectoral distribution of SMEs in Dar es Salaam
Source: authors' research.

The sample size was calculated using Yamane's [1967] formula to ensure representativeness:

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

where:

n – sample size,

N – population size (405,902 SMEs in Dar es Salaam),

e – margin of error (5%).

Substituting the values:

$$n = \frac{405,902}{1 + 405,902(0.05^2)}$$

$$n = \frac{405,902}{1,015.755} \approx 400$$

This yielded a sample size of 400 SMEs, which is sufficient for generalizing the findings to the broader population.

RESULTS

General characteristics of the studied sample

The study analyzed data from 400 SMEs in Dar es Salaam, encompassing the manufacturing (30%), agriculture (25%), and services (45%) sectors (Fig. 1). Regarding firm sizes, micro-enterprises (those with fewer than 10 employees) made up 60% of the sample, followed by small enterprises (10–50 employees) at 30%, and medium-sized enterprises (51–100 employees) at 10% (Fig. 2). Most SMEs (70%) reported less than five years of export experience, reflecting the emerging nature of international trade in this context.

The sectoral distribution of SMEs in Dar es Salaam highlights the diverse nature of the economic activity

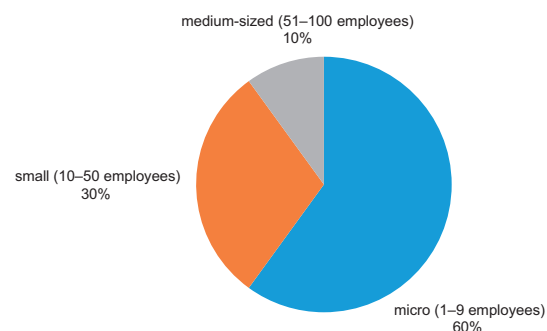


Fig. 2. Firm size distribution of SMEs in Dar es Salaam
Source: authors' research.

in the region, with a significant focus on services and industrial production (Fig. 1).

The distribution of the firm sizes of the SMEs in Dar es Salaam reflects the prevalence of small, family-run ventures and the limited presence of larger SMEs (Fig. 2).

The sectoral distribution of the SMEs in Dar es Salaam highlights the diverse nature of economic activities in the region, with a significant focus on services and industrial production (Fig. 3).

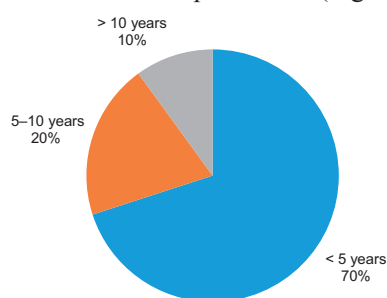


Fig. 3. Sectoral distribution of SMEs' export experience in Dar es Salaam

Source: authors' research.

The analysis of TPO services reveals interesting trends in how SMEs leverage these resources; the following part highlights both areas of strong engagement and potential gaps in support.

Impact of trade promotion organization services on small and medium-sized enterprises' export performance

The multiple linear regression analysis highlighted the positive impact of TPOs' services on export performance (Table 2). Market intelligence exhibited the strongest effect ($\beta = 0.165$, $p < 0.01$), followed by legal assistance ($\beta = 0.132$, $p < 0.05$), trade fairs ($\beta = 0.115$, $p < 0.05$), and foreign exchange facilitation ($\beta = 0.095$, $p < 0.05$).

Table 2. Regression results

Independent variable	Coefficient (β)	Significant (p)
Market intelligence	0.165	0.01
Legal assistance	0.132	0.05
Trade fairs	0.115	0.05
Foreign exchange facilitation	0.095	0.05

Source: authors' research.

Small and medium-sized enterprises' perceptions of trade promotion organizations' services

The utilization of TPO services varied across categories, with market intelligence being the most widely used service at 68%. Legal assistance followed at 55%, while 50% of SMEs reported attending trade fairs. Foreign exchange facilitation had the lowest utilization rate, at 40%, reflecting potential gaps in the financial support available to SMEs (Table 3).

Table 3. Utilization of trade promotion organization services

Type of service	Utilization rate [%]
Market intelligence	68
Legal assistance	55
Trade fairs	50
Foreign exchange facilitation	40

Source: authors' research.

In addition, logistic regression analysis identified significant predictors of SME engagement with TPOs' services:

- SMEs with prior export experience were 2.5 times more likely to engage with these services ($OR = 2.5$, $p < 0.01$).
- Accessibility to TPO services increased the likelihood of engagement by 3.1 times ($OR = 3.1$, $p < 0.01$).
- Sector-specific interventions significantly influenced engagement ($OR = 2.8$, $p < 0.05$).

Challenges faced by small and medium-sized enterprises in international trade

The study identified several key challenges hindering the SMEs' performance in international trade based on both quantitative and qualitative insights (Table 4):

- Financial constraints: the most prominent challenge, with 70% of respondents citing limited access to affordable credit as a critical barrier.
- Regulatory complexities: 65% of respondents highlighted difficulties in meeting international standards.
- Market knowledge gaps: a significant issue for 60% of SMEs, particularly those in agriculture.

- Foreign exchange volatility: eroded profit margins for 50% of respondents.
- Networking barriers: cited by 45% of SMEs, with challenges in building relationships with foreign buyers and distributors.

Table 4. Challenges faced by small and medium-sized enterprises in international trade

Challenge	Share [%]
Financial constraints	70
Regulatory complexities	65
Market knowledge gaps	60
Foreign exchange volatility	50
Networking barriers	45

Source: authors' research.

This study highlights the pivotal role of TPOs in enhancing SME export performance by providing essential resources and support while also identifying key challenges that limit SMEs' ability to exploit international trade opportunities fully. Therefore, the following section discusses the findings.

DISCUSSION OF FINDINGS

The findings of this study underscore the significant role of TPOs in enhancing SMEs' export performance while revealing critical challenges that hinder their ability to fully capitalize on international trade opportunities. These findings, grounded in the RBV and internationalization theory, contribute to a deeper understanding of the interplay between external support mechanisms and internal SME capabilities in fostering export success.

The RBV emphasizes that SMEs require access to valuable, inimitable resources, such as market intelligence, financial support, and regulatory knowledge, to achieve competitive advantage. Trade promotion organizations provide these resources, aligning their interventions with the internationalization theory, highlighting the reduction of transaction costs and barriers that are critical to market entry. This discussion contextualizes the study's findings within these theoretical frameworks while identifying gaps and actionable insights for stakeholders.

The results demonstrate that SMEs with prior export experience and those perceiving TPO services as accessible are significantly more likely to engage with these services. Accessibility emerged as a crucial determinant, increasing engagement likelihood by 3.1 times, while sector-specific interventions further enhanced engagement. These findings align with the RBV, emphasizing the importance of leveraging external resources to build competitive advantages. Trade promotion organization's services such as market intelligence, legal assistance, and trade fairs provide SMEs with the necessary tools to navigate international markets. This is consistent with Schembri et al. [2019], who found that well-managed TPO services enhance SME trust and engagement by providing structured trade support and resources. Similarly, Kahiya and Dean [2016] and Safari and Saleh [2020] highlighted the importance of sector-specific trade interventions in improving SMEs' readiness for export markets.

The positive impact of TPO services on SMEs' export performance reinforces both the RBV and internationalization theory. With the strongest effect ($\beta = 0.165, p < 0.01$), market intelligence equips SMEs with actionable insights, enabling them to identify new opportunities and mitigate risks in foreign markets. Legal assistance ($\beta = 0.132, p < 0.05$) and trade fairs ($\beta = 0.115, p < 0.05$) also demonstrated significant contributions, helping SMEs reduce compliance costs and establish vital international connections. At the same time, foreign exchange facilitation had a moderate impact ($\beta = 0.095, p < 0.05$). These findings align with Navarro-García et al. [2016], who demonstrated that market intelligence is crucial in reducing perceived market risks and enhancing strategic export behaviors in SMEs. Similarly, Njinyah [2017] found that legal assistance significantly reduces regulatory challenges for SMEs. In contrast, Chetty and Blankenburg Holm [2000] and Al-Hyari et al. [2012] found that trade fairs help SMEs expand business networks, increase visibility, and improve their chances of entering foreign markets. However, Love et al. [2016] indicate that early internationalization strongly correlates with the number of countries enterprises export to and the intensity of their export activities. However, they find little evidence linking early internationalization to extra-regional exporting, indicating that

early-exporting SMEs are likely “born regional” rather than “born global.”

Despite the benefits of TPO services, the findings of this study underscore significant barriers that hinder the ability of SMEs in Tanzania to excel in international markets. These challenges are practical obstacles and indicative of structural inefficiencies within the trade ecosystem, requiring targeted interventions from policymakers, TPOs, and trade stakeholders. Financial constraints emerged as the most cited barrier (70%), reflecting a critical issue in SME internationalization. Beck et al. [2005] and Kontinen and Ojala [2011] emphasized that limited access to affordable credit disproportionately affects SMEs, restricting their ability to scale production, invest in marketing, and meet international compliance standards. In Tanzania, high interest rates and bureaucratic hurdles exacerbate this challenge, as noted by Mkenda and Rand [2020]. These findings validate the RBV, posing that firms with greater financial resources are better positioned to compete in global markets.

Conversely, the challenge of regulatory complexities (65%) highlights systemic inefficiencies, particularly in navigating customs procedures, meeting international product standards, and managing export documentation. These barriers align with the findings of Mittelstaedt et al. [2003] and Fliess and Busquets [2006], who argued that fragmented regulatory frameworks impose excessive costs on SMEs. The internationalization theory suggests that these barriers are transaction costs that SMEs must overcome to succeed in foreign markets. Streamlining regulatory processes and harmonizing trade policies could significantly enhance SME competitiveness, as argued by Njinyah [2017].

Market knowledge gaps, reported by 60% of respondents, indicate that Tanzanian SMEs often lack actionable insights into foreign market conditions, customer preferences, and competitive landscapes. Julien and Ramangalahy [2003] and Appiah et al. [2021] emphasized the critical role of market intelligence in enabling SMEs to make informed strategic decisions. The findings also highlight the need for TPOs to expand digital platforms that provide real-time market insights and offer training programs tailored to specific sectors.

Foreign exchange volatility (50%) further complicates the financial landscape for SMEs, eroding profit margins and increasing uncertainty in international transactions. Hessels and Terjesen [2010] and Kneller and Pisu [2011] highlighted the destabilizing effects of currency fluctuations, particularly for SMEs lacking access to hedging tools. Addressing this challenge requires coordinated efforts to develop forex risk management programs and provide SMEs with financial instruments to mitigate currency risks.

Networking barriers (45%) remain a significant hurdle, reflecting SMEs’ limited ability to build relationships with international buyers and distributors. Coviello and Munro [1997] emphasized the importance of networks in facilitating market entry, a view echoed by Chetty and Blankenburg Holm [2000]. Trade promotion organizations, through trade fairs and matchmaking events, can play a crucial role in bridging these gaps and enhancing SMEs’ access to global markets. These challenges highlight areas for improvement within TPO service delivery and underscore the need for broader systemic reforms. Addressing these barriers requires a multi-stakeholder approach that integrates policy, institutional, and capacity-building efforts to support SMEs effectively.

These findings provide important theoretical and practical implications. From a theoretical perspective, they validate the RBV by demonstrating how external resources like TPO services contribute to SMEs’ competitiveness in international markets. They also support internationalization theory by illustrating the critical role of networks and relationships in reducing market entry costs and risks. Practically, the results underscore the need for targeted interventions to address the identified challenges. Expanding digital platforms to deliver market intelligence and export training, simplifying regulatory compliance processes, and enhancing networking opportunities through trade fairs and matchmaking events are essential steps to support SME growth. Developing financial mechanisms, such as export-oriented credit products and currency hedging tools, can also mitigate financial constraints and currency risks.

This study highlights the significant role of TPO services in enhancing SMEs’ export performance

while identifying persistent challenges that hinder their internationalization. Addressing these challenges through coordinated efforts among policymakers, TPOs, and SME stakeholders is critical for creating a supportive environment that enables Tanzanian SMEs to thrive in international markets.

CONCLUSIONS

This study investigated the role of TPOs in enhancing the export performance of small and medium-sized enterprises (SMEs) in Dar es Salaam, Tanzania. It examined three key objectives: SMEs' perceptions of TPOs' services, the impact of these services on SMEs' export performance, and the challenges SMEs face in international trade. The findings revealed that, while TPOs' services significantly enhance SMEs' export performance, challenges such as financial constraints, regulatory complexities, and market knowledge gaps persist as critical barriers.

Small and medium-sized enterprises perceive TPOs' services positively, particularly market intelligence, legal assistance, and trade fairs, which were found to contribute to improved export performance. However, the low utilization of foreign exchange facilitation services highlights potential gaps in addressing currency-related challenges. These insights underscore the critical role of TPOs in equipping SMEs with the resources and networks needed to navigate international markets successfully.

Despite these benefits, challenges such as limited financial resources, inadequate market knowledge, and institutional inefficiencies hinder SMEs' ability to leverage TPOs' services fully. Addressing these challenges is essential to ensure that Tanzanian SMEs can maximize their potential in the global market.

RECOMMENDATIONS

The findings of this study highlight the critical role of TPOs in supporting the export performance of SMEs while also underscoring persistent challenges that need to be addressed. Several recommendations are proposed to enhance the effectiveness of TPOs and create a more supportive environment for SMEs.

First, there is a need to enhance the accessibility of TPO services by expanding digital platforms that deliver market intelligence, training programs, and export-related resources. These platforms should be tailored to ensure inclusivity, particularly for rural and micro-enterprises that face logistical and informational barriers. Sector-specific interventions are also essential, as they can address the unique needs of industries such as manufacturing, agriculture, and services, enabling targeted support for SMEs in these sectors.

Second, improving financial support mechanisms is crucial for addressing the economic constraints faced by SMEs. Governments and financial institutions should collaborate to develop export-oriented credit products, such as low-interest loans and currency-hedging tools, that cater specifically to the needs of SMEs. Additionally, streamlining the processes for accessing financial assistance, including subsidies and grants, will encourage greater participation from SMEs, particularly those that are newly established or resource-constrained.

Simplifying regulatory compliance is another vital area for intervention. Export procedures need to be streamlined to reduce bureaucratic delays and associated costs. Training workshops on regulatory requirements should equip SMEs with the knowledge and skills required to navigate export processes more efficiently. Establishing a single-window system for export documentation could significantly enhance the ease of business for SME exporters.

Strengthening networking opportunities is equally important, which is why TPOs should increase the frequency and scope of trade fairs, export missions, and matchmaking events to foster connections between SMEs and international buyers or distributors. Additionally, establishing mentorship programs that pair experienced exporters with less experienced SMEs can provide valuable guidance and help SMEs build confidence in international markets.

Building SMEs' capacity is a cornerstone of improving their export performance. This can be achieved by developing training programs focusing on critical areas such as market research, pricing strategies, and customer insights. Collaboration with academic

institutions and industry experts can ensure the relevance and quality of these training initiatives. Furthermore, addressing infrastructure and logistics challenges is essential for improving SME export efficiency. Investments in transportation infrastructure, such as road improvements, and developing cost-effective logistics solutions, including cold storage facilities for perishable goods, can significantly reduce the operational challenges for SMEs.

LIMITATIONS OF THE STUDY

While this study provides valuable insights into the role of TPOs in enhancing SMEs' export performance, several limitations should be acknowledged. First, the study focuses exclusively on SMEs in Dar es Salaam, which may not fully capture the diverse experiences and challenges of SMEs in other regions of Tanzania. This geographical limitation could affect the generalizability of the findings. Second, the reliance on cross-sectional data restricts the ability to establish causality between TPOs' services and the SMEs' export performance. While the econometric models provide robust statistical evidence, longitudinal data would be necessary to understand how TPOs' services impact SMEs over time. Third, self-reported data, though useful for capturing perceptions and qualitative insights, is subject to biases such as social desirability and recall errors, which could affect the accuracy of the findings. Addressing these limitations in future studies could provide a more comprehensive understanding of the topic.

POLICY IMPLICATIONS

The findings of this study highlight critical areas for policy intervention to enhance the export performance of Tanzanian SMEs. The following implications focus on systemic reforms and strategic priorities for policymakers:

Policymakers should enhance the operational and financial capacity of TPOs through increased funding, partnerships with international trade agencies, and digital transformation. These improvements will enable TPOs to provide SMEs with better market intelligence, export training, and logistical support.

Simplifying export procedures and harmonizing trade policies with regional and global standards are essential to reducing barriers for SMEs. Introducing single-window systems for export processes and negotiating bilateral trade agreements will streamline operations and improve market access.

Policymakers should collaborate with financial institutions to develop export-specific financial products, such as low-interest loans, export credit guarantees, and tax incentives. These measures would address the financial constraints and encourage SME participation in international trade.

Strategic investments in trade-enabling infrastructure, such as transportation networks, port facilities, and cold storage, would reduce the logistical inefficiencies and improve SMEs' competitiveness in global markets.

Inclusive policies should decentralize TPOs' services to reach underserved regions, focusing on gender and youth participation. Capacity-building programs on export strategies, regulatory compliance, and financial management should be integrated into national SME development plans.

FUTURE RESEARCH DIRECTIONS

Future research should consider expanding the geographical scope to include SMEs from diverse regions in Tanzania, such as Arusha, Mwanza, or Mbeya, to provide a more comprehensive analysis of TPOs' effectiveness nationwide. Additionally, adopting a longitudinal design would allow researchers to assess the dynamic effects of TPOs' interventions on SMEs' export performance over time, offering insights into how sustained support influences growth and resilience.

Further research could also explore the interaction between TPOs' services and specific SME characteristics, such as firm size, sector, or ownership structure. This would help in identifying which types of SMEs benefit most from specific interventions and could inform the design of more targeted support programs. Finally, future studies could utilize qualitative methods, such as case studies or in-depth interviews, to complement quantitative findings and uncover deeper insights into the contextual and cultural factors that influence SMEs' perceptions and utilization of TPOs' services.

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ROLA ORGANIZACJI PROMOCJI HANDLU W PROMOWANIU WYNIKÓW EKSPORTU MAŁYCH I ŚREDNICH PRZEDSIĘBIORSTW

STRESZCZENIE

Cel: Sektor przedsiębiorstw w Tanzanii znacznie poprawił swoje wyniki w ciągu ostatnich trzech dekad, a małe i średnie przedsiębiorstwa (MSP) były głównym motorem wzrostu gospodarczego, zatrudnienia i redukcji ubóstwa. Pomimo tej ważnej roli istnieją różne przeszkody w dostępie do rynków światowych dla MSP tanzańskich, w tym ograniczone wsparcie handlowe, słaby dostęp do rynku i bariery regulacyjne. Celem artykułu jest ustalenie, w jakim stopniu organizacje promocji handlu pomagają w pokonywaniu takich wyzwań i zwiększaniu możliwości eksportowych MSP w Dar es Salaam – centrum gospodarczym i najludniejszym mieście w Tanzanii. **Metody:** Badaniem objęto 400 respondentów, w tym przedstawicieli MSP i interesariuszy handlowych. Do analizy wpływu interwencji organizacji promocji handlu w odniesieniu do informacji rynkowych, usług doradztwa prawnego, ułatwienia wymiany walut, programów zorientowanych na eksport i pomocy dotyczącej procedur eksportowych zastosowano techniki ilościowe, w tym regresję logistyczną i wielokrotną regresję liniową w celu określenia wpływu na sukces eksportowy MSP. **Wyniki:** Empirycznie udowodniono, że istnieje dodatnia i istotna zależność między usługami świadczonymi przez organizacje wspierające handel a wynikami eksportowymi MSP, co podkreśla kluczową rolę dostosowanego wsparcia. **Wnioski:** Priorytety wynikające z tego badania w zakresie ulepszenia polityki obejmują wzmocnienie infrastruktury organizacji wspierających handel w celu uzyskania praktycznych informacji rynkowych, zapewnienie dostępności usług wymiany walut oraz rozszerzenie programów szkoleniowych dotyczących międzynarodowych praktyk handlowych. Zalecenia te mają na celu optymalizację działań w ułatwianiu wejścia MSP na rynki światowe, co przyczyni się do rozwoju zrównoważonego gospodarczego Tanzanii.

Słowa kluczowe: wydajność eksportu, organizacje promocji handlu, programy promocji eksportu, wymiana walut, handel międzynarodowy, MSP, dostęp do rynków zagranicznych