



Addis Ababa University
School of Graduate Studies
Department of Marketing Management

**Marketing Challenges of Micro and Small Enterprises
(MSEs) in Bishoftu Town**

By

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Ethiopia



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Marketing challenges of Micro and Small Enterprises of Bishoftu Town

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Acronyms

CD	Compact Disc
CSA	Central Statistical Authority
CSI	Credit and saving institutions
GDP	Gross Domestic Product
GTP	Growth and Transformation Plan
IFC	International Financial Corporation
ILO	International Labour Organization
MoFED	Ministry of Finance and Economic Development
MoUDC	Ministry of Urban Development and Construction
MSEs	Micro and Small Enterprises
MSMEs	Medium, Small and Micro Enterprises
OECD	Organization for Economic Cooperation and Development
R&D	Research and Development
SPSS	Statistical Package for Social Sciences
TNC- MSEs	Transitional Cooperation for Micro and Small Enterprises
UNCTAD	United Nations Conference on Trade development
UNIDO	United Nations Industrial Development Organization

Abstract

This study is concerned about marketing challenges of Micro and small enterprises of Bishoftu town with a view to analyzing their impact on marketing efficiency of the underlying enterprises and forward best strategies that contributes to their success. Both primarily and secondary data were collected using structured questioner, and published and unpublished documents respectively. By using probability sampling technique 342 respondents were selected from 2621 operators. Descriptive and inferential statistics were used for analyzing data. The study revealed that all the respondents were literate and engaged in manufacturing, construction, trade, service and urban agriculture, within the three micro and small enterprises centers found in the study area. Factors such as marketing skill, legal and regulatory factors, infrastructure, local supply, and technical support are statistically significant; whereas, marketing skill and access to finance are not significantly determine the dependent variable, marketing efficiency. The study finds that there is inadequate market linkage between and among Micro and small enterprises and other large scale enterprises; despite their high level collateral requirements, credit and saving institutions were found to be the dominant financing bodies to the Micro and small enterprises. It has further observed that there is lack of credit facility, shortage of local supply and poor technical support to micro and small enterprises by concerned institutions. The study recommends that the Micro and small enterprise development office of the town shall create adequate market linkage between and among micro and small enterprises, medium and large scale enterprises and other governmental and non-governmental organizations. The regional government needs to find alternative financing institutions, design transparent credit facilities and improve policies and strategies to minimize collateral requirements so as to encourage micro and small enterprises obtain sufficient fund to finance their businesses. It is also advised that Shortage of local supply needs to be solved through strengthening the existing suppliers, establishing new micro and small enterprise suppliers and then creating market linkage with the underlying enterprises.

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CHAPTER ONE

1. Introduction

This chapter contains background of the study which highlights the study area, the reason why the study has done and the general focus of the study. Challenges under which MSEs in Bishoftu town operating their business are discussed and research questions to be answered and the gap that need to be solved by the study are identified under this chapter. Objectives and the significance of the study are also among major issues discussed in this section.

1.1. Background of the study

Micro and Small Enterprises (MSEs) are the main developing forces of marketing economies. They are getting the most important inducement of economic growth and provide substantive contribution to sustainability of economic development. Some writers argued that MSEs also play a significant role in the creations of employment opportunities and generations of income for quite a large proportion of population (MoUDC, 2013)

According to a study by Boaten (2012), the dynamic role of micro and small-scale enterprises (MSEs) in developing countries as necessary engines for achieving national development goals such as economic growth, poverty alleviation, employment and wealth creation, leading to a more equitable distribution of income and increased productivity is widely recognized. In an attempt to accelerate growth rates in low-income countries, particularly in Africa, many development partners and donors have made the promotion and development of MSEs a major concern. This shows that MSEs are seen as essential facilitator for economic growth, job creation, industrial development and poverty alleviation in both developed and developing countries.

It is also confirmed that the contributions of MSEs have long been recognized all over the globe. These types of enterprises, however, constitute less than 30% of employment and 17% of GDP in developing countries. Indeed, a study conducted in Africa found that only 20% of the total

populations of working age group were reported to have been working in the small enterprises (ILO, 2003a)

Beck and Demirguc Kunt (2006) on the other hand reported that the contribution of MSEs is better in developed countries for their economic growth. Small enterprises (along with medium) are major drivers of both employment and economic growth contributing to more than 50 % to GDP and 60 % to employment in developed economies. However, large numbers of enterprises are working in unfavorable environment.

Richardson, Howarth and Finnegan (2004) also stated that while the MSE sector is expanding in the majority of countries throughout the world, in many cases, creating markets and quickly adapting to the ever changing needs of global consumers. It is clear that these smaller enterprises face particularly severe competition as many of them operate at the margins of the formal economy with far less resources to hand than the larger global players.

Funding gaps for smaller firms are a major impediment to growth and wide variance in the profitability, survival and growth of MSEs compared to larger firms brings special financing problems. In addition, owners and managers of smaller firms often lack commercial experience and/or a track record as entrepreneurs. Early stages of growth are marked by uncertainty both in production and marketing. Smaller, innovative firms operate in environments of high complexity and rapid change and rely heavily on intangible assets (OECD, 2006).

Taking these thoughts into consideration, the most important question addressed in this study is marketing challenges of MSEs in Bishoftu Town. As reported by Ethiopian Cities association (2016), Bishoftu is one of the prominent towns of Oromia located on Addis Ababa Adama road. Due to its close vicinity to Addis and the city being situated amongst other popular recreational weekend retreats, it is well accessible and frequently travelled through. Bishoftu is concentrated by various small and large business enterprises operating their marketing activities .These enterprises have been facing various challenges related to marketing which can hamper their contribution to economic and social development of the town. Thus this thesis tried to review some theoretical and empirical studies on marketing challenges of the enterprises based on primary and secondary data.

1.2. Statement of the Problem

Clough, (2011) stated that micro and small enterprise (MSEs) can further be regarded as the seedbed for development of the entrepreneurial talent and assists in the distribution of national income and decentralization of industry. However, according to Hall (1987) they face unique challenges, which affect their growth and profitability and hence, diminish their ability to contribute effectively to sustainable development.

The MSEs usually engaged in production of goods and services for commercial purpose i.e., for making profit. Hence, major activities of these enterprises are tied with marketing. A study by Clough (2011), confirm this by stating marketing of a product or service is a central activity for a successful business. This shows that enterprises must give attention to marketing operations and try to identify, anticipate and meet the needs of customers so as to make sufficient profit and attain sustainability.

In today's rapidly growing businesses and corresponding competition environment, business firms, especially the micro and small enterprises, should concentrate on building up their marketing potentials and increase marketing efficiency. Every government of a country needs to support such enterprises if they have to contribute to economic growth of the country. Accordingly, Ethiopian government has developed support service programs to enhance the growth and profitability of these enterprises in all over the country, (Mulate, Fantu &Tadele 2006). Hence, Bishoftu town MSE development office is one of the government organizations took responsibility for promoting these support programs and establish MSEs in various sectors.

In spite of the ongoing support service programs to promote MSEs, it was observed from data obtained from micro and small enterprise development agency of Bishoftu town (2009 E.C), that out of 5,132 enterprises licensed and entered in to the business from 2002-2008 E.C., only 909 (18%) were found to be active until the end of year 2008 E.C. However, the reason is not known because there is no empirical study conducted to identify the problems.

Many scholars forward their suggestions about such failures in their studies on other micro and small enterprises. For example, Nogare, (2006) presented a notion that growth is more than array

of factors and a need for broader perspective covering founders' characteristics, innovation, and complexity of business environment in which the MSEs operate. Nogare (2006) also justified that small business owners or managers fail to formulate and adopt deliberate business growth strategies because first most owners or managers of small business enterprises have no awareness and skills of developing business growth strategies or plans. Secondly, owners or managers are not obliged to show a proof of long-term business growth strategies or plans. Small business enterprises have no or very few shareholders, and finally, most small business owners or managers have limited exposure to formal business management skill trainings. Nogare (2006) added such business growth strategies are adopted largely to minimize effects of external factors and most small business managers feel unrealistic as they often operate in risky business environment with little room of influence to minimize such risks. Instead, most small business owners depend on instinctive flexible management techniques actually different from deliberately designed long-term business strategies and plans. Often unplanned and accidental strategies are used by small business owners to cope with unexpected outcomes as strict adherence to original plans entails losing business advantages or incurring substantial loss.

Other related studies in Ethiopia have also been assessed to know the reason why various MSEs in the country fail to survive. The studies were found to be concerned with challenges of MSEs in relation to their growth, social and Economic aspects and envisioned their studies to those challenges existing outside marketing. For instance, a study conducted by Mekonnen (2014) is concerned with factors affecting transitional development of MSEs and that of Belay *et.al* (2015) is about factors affecting developments of MSEs, a study by Alemu and Dame (2016) also conducted on determinants of MSEs success which suggested demographic, experience and background of managers taking the type of sector selected and formality of the business as determinant factor.

Furthermore, studies such as Bereket (2010) and Tekle (2014) are directed to roles of micro and small enterprises in employment creation and contribution of Micro and Small Enterprises to Local Economic Development respectively. A study by Markos *et.al* (2015) is related to the relationship between micro enterprises and socio economic development among youth groups, a study by Selamawit (2015) was conducted on analysis of micro and small enterprise profile and a study by Mulat, Fantu and Tadele (2016) deal with issues related employment share of MSEs. All of

empirical studies discussed above were directed to areas outside marketing as a major area of study. Clough (2011) stated that without market, no business would exist. This confirms marketing as a core element of business which determines growth and sustainability of enterprises and hence, failure in marketing is clearly a major cause to failure in businesses.

Bishoftu town entertains hundreds of MSEs and other large and small business Organizations working in an environment of challenges common to many other enterprises discussed above, it is observed from various studies that no imperial study has been directed at understanding of marketing challenges facing MSEs exclusively and broadly such a complex business environment characterized by the town. This indicates that MSEs owners and managers, micro and small enterprise development offices, the government and other stakeholders have little awareness on marketing challenges and their influences on growth and sustainability of the enterprises in general and marketing efficiencies in particular.

As the matter of fact, lack of awareness of these concerned bodies about marketing challenges in MSEs would undoubtedly hesitate them from taking measures against problems. These would obviously hinder marketing efficiency and resulted in failure of these enterprises. Hence, the intention of this study is to identify marketing challenges, their significance and impact on marketing efficiency and forward recommendations that help the MSEs and other concerned bodies understand about the challenges and develop better strategy that enables them proactively respond against these challenges and turn marketing of existing MSEs into more effective revenue generator.

1.3. Research Hypothesis

H1: Marketing skill affects marketing efficiency of MSEs

H2: Managerial capacity affects marketing efficiency of MSEs

H3. Legal and Regulatory factors affects marketing efficiency of MSEs

H4. Infrastructure affects Marketing efficiency of MSEs

H5. Local supplies affect marketing efficiency of MSEs

H6. Accesses to finance affect marketing efficiency of MSEs

H7. Technical support affects marketing efficiency of MSEs

1.4. Objectives of the Study

1.4.1. General Objective

The general objective of this study is to identify marketing challenges facing MSEs in Bishoftu town with a view to analyzing their impact on marketing efficiency of the underlying enterprises and forward best strategies that contributes to their success.

1.4.2. Specific Objectives

- To identify major marketing challenges in MSEs of Bishoftu Town;
- To determine the significance of marketing challenges ;
- To examine the impact of marketing challenges on marketing efficiency of MSEs.

1.5. Significance of the Study

This study contributes to Micro and Small Enterprises under the study to be aware of factors influencing their marketing efficiency and effectiveness and develop strategies that minimize risks that may arise. It also enables them understand marketing as key factor of growth and profitability of their businesses.

The output of the study helps other MSEs look through their businesses and understands risks facing their enterprises so as to proactively take measures that reverse these risks. Furthermore, insights gained in this study are likely to contribute towards the development of policies by the government, MSE development offices and other concerned organizations dealing with MSEs in the country.

The study can also contributes to transformation of micro and small enterprises to their respective growth levels and results generated in this study highlights the competitive strategies the MSEs in all sectors can engage in order to survive in turbulent business environment influenced by bigger organizations.

1.6. Scope of the Study

The study is limited to Oromia regional state, Bishoftu town as research setting. Thematically, the survey appears to concentrate only on those MSEs that are recently active and have been registered under the MSE development strategy of Ethiopian government and licensed at each selected MSEs sectors in the Town. MSEs which ceased to exist (inactive MSEs) and private MSEs were not included in the study because the researcher could not get enough information about them. Thus, the scope of the assignment included identification of sample units and filling of the questionnaires with the maximum quality. The scope of the work extends further to processing these questionnaires with necessary diligences and includes the task of an in-depth analysis.

1.7. Definition of Terms and Concepts

Enterprise: are undertakings engaged in production and/or distribution of goods and services for commercial benefits, beyond subsistence or household consumption at the household level. An enterprise might be owned and operated by a single household, or by several households jointly on a partnership basis or by any institutional body. For example bakery, textile, garment, transports, education, legal services, etc are potentially profitable undertakings where enterprises exist. (MoUDC, 2013)

Micro enterprises: are enterprise having a total capital, excluding building, not exceeding 50,000 ETB in the case of service sector or not exceeding 100,000 ETB in the case of industrial sector and engage 5 workers including the owner, his family members and other employees. (Regulation No. 2011/2011- Fedral micro and small enterprise development agency, 2011)

Small enterprises are enterprises with 6-30 employees and a total capital of 50,001-500,000 ETB for service sector and 100,001-1,500,000 ETB for industrial sector,(Regulation No. 2011/2011- Fedral micro and small enterprise development agency, 2011)

Growth Oriented Micro and Small Enterprises (MSEs): Are MSEs engaged in production of goods and services in the sectors given priorities in the economic development of the country in

most policy and strategy documents of the government. The GTP identifies sectors like, construction, metal and woodworking, textile and garments, leather and foot wear, agro-processing, roads and other infrastructures as growth oriented sectors in which MSEs are also have considerable parts (MoFED, 2010).

Initial Capital: Is the original investment or money used to start the enterprise. These initial funds, or capital, may come from microfinance loan, city government grant, owner's personal savings, or any other relatives and family contributions. (MoUDC, 2013)

Intangible assets: Represent rights, privileges, and competitive advantages owned by a business. They are intangible only in the sense that they have no physical substance. Very often, their legal status may be of critical importance to the longevity of a company. Examples of intangible assets include: Patents, Copyrights, Franchises, Trademarks, and Goodwill (Kieso, weygant and Warfield, 2012)

Marketing: Is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational goals (Kotler, 2001)

1.8. Organization of the Study

The general structure of this study consists of five chapters. The first chapter is introduction part which built upon background of the study, statement of the problem, objectives of the study, importance of the study, scope and limitation of the study. The second chapter presents literature review that had systematically organized from different books, journals, MSEs establishment proclamations and directives and company records. The third chapter dealt with method of the research which consists of description of the study area, research approach, research design, population and sample, data sources and types, data collection procedures, ethical consideration and data analysis. The fourth chapter consists of analysis of data and interpretation of findings. Finally, conclusions and recommendations are presented in the fifth chapter.

CHAPTER TWO

2. Review of Related Literature

2.1. Introduction

In this chapter, assesment of a number of theoretical and empirical works on Micro and Small Scale Enterprises which would inspire a great deal of attention in development literature is done. A literature research undertaken involved reviewing relevant published materials from various sources including websites, internet, Federal and regional MSEs agencies' proclamations and directives, journals on subject under the study and Operational manuals of Micro and small enterprise development offices. Thus the chapter presents the theoretical, Empirical and conceptual basis of the study.

2.2. Theoretical Review

Eric Ronge, et al,(2002) stated that in any angle, there is no doubt that MSEs have already become major features of the economic landscapes in many developing countries. As a result, researchers, practitioners and policy makers are increasingly interested in MSEs as incubators of labor intensive technologies and as sources of jobs and incomes for the urban poor.

Bereket (2010) stated academicians, politicians and development economists have supported the promotion of micro and small business enterprise towards job creation, poverty reduction, innovation etc. With the increasing unemployment and poverty, micro and small enterprises come to the front in employment creation and income generation. Hence, the sector is believed to be able to fill the gap that exists between the poor and the rich in developing countries regarding income generation and, unemployment rate. Successful small businesses are the primary engines for economic development such as income growth and poverty reduction in many of the developing countries. These businesses can also build foundation for stable communities and gender equality.

Reviews of studies in the area also confirm that the contributions of MSEs have long been recognized all over the globe. The study by A.Nyangor (2010) indicates that Micro and small enterprises are a major source of entrepreneurial skills, innovation and employment. In the enlarged European Union of 25 countries, some 23 million MSEs provide around 75 million jobs and represent 99% of all enterprises. MSEs as the main source of employment in developed and developing countries nearly alike, comprising over 90% of African business operations and contributing to over 50% of African employment.

As stated by MoUDC (2013), small enterprises along with medium are major drivers of both employment and economic growth contributing to more than 50% to GDP and 60 % to employment in developed economies. These types of enterprises, however, constitute less than 30% of employment and 17% of GDP in developing countries. Hence, it is possible to underline that Micro and Small enterprises play significant roles in the creations of employment opportunities and contribution to growth of GDP in developing and developed countries.

La Mancha Sims (2013) stated in general sense that marketing helps increase sales. If you have done your marketing right, chances are that any potential clients will be able to instantly recognize your branding efforts, separating your company from your competitors and increasing the likelihood for them to become a future client or make a purchase. At this point, your clients can also become a part of your marketing campaign by writing positive comments about your company and its services or products on social media as well as recommending your company to friends, relatives and other business associates and you may see the sales increasing exponentially as word spreads.

2.2.1. Marketing efficiency of Micro and Small Enterprises

Marketing is a crucial factor for success of business. MSEs may offer the best products or services, but without marketing none of potential customers would know about it and sales may crash and they may have to close. Marketing allows you to compete with larger competitors. Accordingly, good Marketing efficiency allows small businesses the opportunity to compete with well-known larger corporations and compete for their market share. Smaller businesses often have an advantage over larger companies because of the greater amount of personal attention they can provide to each client. Good customer service and a real sense of value are more important to

clients than the lower rates they may pay for the services or products of larger companies (Sims 2013)

2.2.1.1. Market Access

Access to market can be related to location and transportation facilities where large buyers can participate in buying. Primarily, some products of the MSE may be produced and consumed by local markets. But some enterprises such as milk and milk product, poultry, fruits and vegetables, etc sell to their surrounding market and neighboring Towns or zones. Hence, transportation facilities have a vital contribution for being finding new markets at new places and importing cheaper raw materials from where it widely available which resulted in using cheaper raw materials for reducing costs of production which in turn decrease the price for products and then increase market demand and revenue of enterprises. In addition to transportation facilities, location of the business can play a central role in marketing of MSEs. Those MSEs located in urban and nearer to urban or commercial areas are more likely to survive than their counters in rural areas. Those that operate in commercial districts or on road sides typically show greater growth rates than those that are based on their home, although it can vary at the country level (Liedholm, 2002).

According to Sgustafson (2012), economic growth in developing countries is often constrained by a lack of access to regional and global markets. Without reliable access to fair, transparent markets, the poor in developing countries stand little chance of escaping poverty and hunger. Furthermore, Enterprises can provide quicker delivery to buyers if they are closer to buyers than are producers. However, there are various constraints to market access of which some are Poor infrastructure, location of the business itself, problem of proximity to buyers.

Clough (2011) stated that location of the business can play a role in their customer reach. If a business located on a main route people from other towns may purchase their products and recommend them to other people further away. For businesses located in rural areas there are not always as many institutions and commercial businesses close by compared to those in more urban areas or commercial centers and they may rely on local households as their main source of customers.

Geographic location has its implications for access to markets and other resources like finance, skilled labor, subcontractors, infrastructure, distribution and transport logistics and other facilities. SME success also depends on neighborhood appearance and continued or maintained future business operations in that location (Tustin, 2001)

Keeble (1997) also predicted that MSEs located in urban areas typically have a relative ease of access to customers and the inputs required to produce goods or services. MSEs located in urban areas may benefit from “agglomeration economies” and spatial externalities (i.e. specialized infrastructures, information, network of suppliers, specialized labour, specialized knowledge, concentration of existing exporters, etc). Strassmann (1987) suggests that home-based enterprises in commercial areas generate more income than similar enterprises in more remote areas.

2.2.1.2. Marketing Communication

The study by OECD (2005) suggested that to reach a target market, the marketer uses three kinds of marketing channels. Communication channels deliver messages to and receive messages from target buyers. They include newspapers, magazines, radio, television, mail, telephone, billboards, posters, fliers, CDs, audiotapes, and the Internet. Beyond these, communications are conveyed by facial expressions and clothing, the look of retail stores, and many other media .Marketers are increasingly adding dialogue channels (e-mail and toll-free numbers) to counterbalance the more normal monologue channels (such as ads). The marketer uses distribution channels to display or deliver the physical product or service(s) to the buyer or user. There are physical distribution channels and service distribution channels, which include warehouses, transportation vehicles, and various trade channels such as distributors, wholesalers, and retailers. The marketer also uses selling channels to effect transactions with potential buyers. Selling channels include not only the distributors and retailers but also the banks and insurance companies that facilitate transactions. Marketers clearly face a design problem in choosing the best mix of communication, distribution, and selling channels for their offerings. Major factors determining marketing channels according to OECD (2005) are:

a) Urban Infrastructure

Infrastructure is related to provision of adequate access to roads and telecommunication. It has been a main restraint in the development of MSEs. If the government failed to provide infrastructural framework it gets difficult to bring development and growth within MSEs. Frequent water shortages, power rationing and the high cost of electricity experienced in a country, can hinder growth for MSEs given that most modern processes are electrical. The availability of proper infrastructure will have positive effects to marketing management strategies that can influence marketing performance of MSEs. (Ardjouman & Asma, 2015)

b) Supply Chain

Whereas marketing channels connect the marketer to the target buyers, the supply chain describes a longer channel stretching from raw materials to components to final products that are carried to final buyers. For example, the supply chain for women's purses starts with hides, tanning operations, cutting operations, manufacturing, and the marketing channels that bring products to customers. This supply chain represents a value delivery system. Each company captures only a certain percentage of the total value generated by the supply chain. When a company acquires competitors or moves upstream or downstream, its aim is to capture a higher percentage of supply chain value. (Kotler, 2000)

2.2.1.3. Market Linkage

Millhold (2002) stated that Market linkage is market facilitation by each sector, including type of facilitation. Hence, Marketing Linkage among Micro and Small Enterprises is related to issues of creating Networking Structure for domestic Marketing. The study of Millhold (2002) also suggested that those MSEs that sell to traders and manufacturing firms are more likely to grow than other MSEs sell to final consumers. The linkage can take place in the form of direct market linkage with government organization, organizing trade fair & exhibition, Local market assessment, Market linkage between & among MSEs, medium & large scale industries.

As described by UNCTAD (2005), interfirm linkages can be a remarkable source of technology diffusion and mastery. There are many types of linkages-backward, forward, R&D and spillover effects. The most fruitful are the backward linkages between large and small enterprises. In some

cases horizontal linkages are established through networking activities and formal and informal cooperation among local MSEs. In other cases, vertical linkages can be fostered with larger corporations that are prepared to offer assistance and advice to small businesses. TNC-SME linkages whereby transnational corporations (TNCs) build up competitive supply chains can help MSEs access new and diversified markets, and information on market trends, acquire and master new technologies and skills, and solve cash flow/finance problems. It is most important that the TNC share its technical road map with the SME so it can preposition itself and be ready for changes in market and technology trends. The example of countries such as Ireland, Malaysia, Mexico, the Philippines, South Africa and Singapore indicates that the developmental impact of TNC-SME linkages can be instrumental in modernizing and dynamizing local industries. The United Nations Industrial Development Organization, UNIDO (2002) stated that these countries upgraded their local productive capacities and enhanced their industrial performance by integrating into the TNC supply chain. Experience shows, however, that this does not happen automatically. It requires a partnership among all stakeholders: government, TNCs, MSEs and their support agencies.

According to McCormic (1999) inter-firm linkages between small and large firms in value chains contribute to small firms' growth and success. This type of cooperation allows small firms to reap the benefits of scale and scope of economies. Marketing skills that the small firms develop and knowledge they acquire in inter-firm linkage can lead to competitive advantage in the global marketplace. This theory is based on the analysis of linkage that the Micro and Small Enterprises should have to raw materials input be it industrial or local market. Principally, the "Linkage and MSE Growth" model assumes proper value chain analysis, clustering, sub-contracting, vertical and horizontal integration could contribute to the development of the Micro and Small Enterprises in its further competitive environment.

As described in Micro and Small Enterprises development strategy manual of Oromia regional state (2003), it is necessary to create conducive environment to facilitate market linkage, enhance market opportunities and strengthen technology transformation between Micro and Small enterprises and large industries by establishing all these businesses in separate industrial zone. This statement conceived the fundamental concept that realizes the need of identifying industrial zone that bound all businesses at the same location to create efficient and effective

market linkage, i.e. facilitates creation of value chain among enterprises. According to Kotler (1999, p.481), the firm, in its search for competitive advantage, it needs to look beyond its own value chain, into the value chains of its suppliers, distributors and, ultimately customers. More companies today are 'partnering' with the other members of the supply chain to improve the performance of the customer value delivery system. Market linkage can also be enhanced through trade exhibitions and bazars. It creates an opportunity for marketers to meet and create relationships among each other, strengthen communication and facilitate exchange of goods and services. Enterprises can have forward linkage with customers or other resellers and backward linkage with their raw material suppliers to get the required quantity and quality of inputs which in turn help to produce quality goods or services that could satisfy customer's needs and wants.

2.2.1.4. Competition

Competition, a critical factor in marketing management, includes all of the actual and potential rival offerings and substitutes that a buyer might consider. Competitiveness is a complex concept, long debated in the worldwide specialized literature. There are noticed many ways in which there is defined competitiveness of the company, but no definition is universally accepted. Being inseparable from the notion of competition, the concept expresses at general level, the ability of individuals, companies, economies, regions etc.; to remain in the internal and/or international competition and to obtain economic benefits from it. For the company, the competitiveness concerns its ability to increase profits in market shares where it operates, context in which firms seek strategies to adapt to business environment and try to identify their competitiveness factors: improving quality standards, developing new products and production processes, adopting modern technologies etc. (Kotler, 2000)

As interior feature of an economic entity, the competitiveness is defined by company's potential and occurs in relation with the environment in which it operates. Competitiveness means, essentially, "the liability and skill for market contention and the skill for position gain and permanent commitment that are indicated especially by expansion of business successfulness, market share and profitability" (Markovics, 2005). Competitiveness is "determined by productivity, and depends on firms strategies, it is partially, the result of relationship between firms and local business environment, depends on social and economic objectives synergy and is influenced by factors from external environment" (Porter and Ketels, 2003).

Enterprises competitiveness is “the ability to sustain a market position by supplying quality products on time and at competitive prices”. This ability is reflected by “acquiring the flexibility to respond quickly to changes in demand and by successfully managing product differentiation by building up innovative capacity and an effective marketing system” (UNCTAD, 2005).

It is stated in the study of UNCTAD, (2005) that since the company has to face both domestic/ indigenous competitors and foreign/ international ones in each market where penetrates, an analysis is needed to identify the behavior of these competitors of the company and in this context, a more accurate assessment of their potential. Clearly, the number, size and quality of competitors influence the firm's ability to enter and compete profitably in a particular market and its competitiveness requires strengthening of its activity in a particular market, the existence of a strategy to maintain or increase market share through marketing elements which allow maximizing the strengths that distinguish it from the other competitors.

Bouazza, (2015) suggested unfair competition arising from the low cost of doing business in the informal sector is a serious challenge for a significant section of MSEs, especially small sellers and producers. In addition, unfair competition from companies operating in the non-official sector is a serious challenge affecting both MSEs and large firms in the any economy

2.3. Empirical Review

Empirical studies show that many constraints have been facing MSEs in most developing economies are unfavorable legal and regulatory environment and, in some cases, discriminatory regulatory practices, lack of access to markets, finance, business information, lack of business premises at affordable rent, low ability to acquire skills and managerial expertise; low access to appropriate technology, and poor access to quality business infrastructure (CSA, 2003).

Malhotra et al (2006) goes some way to confirm the above explanation that lack of access to finance is hampering the growth and competence of MSEs. Studies conducted by World Bank (2008) concluded that the problem of MSEs are access to working capital, inadequate infrastructure, high transactional cost, limited managerial and technical experts and marketing problems.

2.3.1. MSEs in Ethiopian Context

As stated by ILO, (2005) in Ethiopia until 1997, there were no organized policy and support systems catering to the development of the MSEs sector. Challenges, Opportunities and Prospects Premises, markets, finance, supply arrangements, regulatory barriers and legitimization of entrepreneurial activity are among the most urgent. However, Mekonnen (2014) described that recognizing the significance of this sector, the Ethiopian Government issued the National Micro and Small Enterprises Strategy in 1997 and established the Federal Micro and Small Enterprises development Agency in 1998. The country's industrial policy in 2003 and the poverty reduction strategy in 2006 have singled out MSEs as major instruments to create a productive and vibrant private sector and reduce poverty among Rural and urban dwellers.

Believing that Micro and Small Enterprises Sectors contribute to the economy of nations by creating employment opportunities, production of goods and services and other value added activities, Ethiopian government established , the Manufacturing, Construction, Commercial, service and Agricultural sectors considering as the most important sectors to be given priority and are shown in the table below.

Table 2.1: Sectors and their categories in business activities

S N	sector	Category of business activities
1	Manufacturing	textile and garment, leather and leather product, food processing and beverage, metal works and engineering, wood work including furniture, hand crafts, agro processing, etc.
2	Constraction	Contract or subcontract, construction materials production, cultural mining, precious ores processing , coble stone works, small contractual works, etc.
3	Commercial	inland whole sales, retail market, supplies of raw materials, etc.
4	Service	Small scale transportation services, cafeterias and restaurants, store services, touring services, maintenance service, beauty service, software development, decoration service, internet caffe, Etc.
5	Agriculture	dairy farm and fattening, bee hive, poultry, forest development, horticulture, small irrigation development, forage production, etc.

Source: Oromia Regional state MSEs Development agency , strategic plan (2003)

The five year Growth and Transformation Plan envisages ensuring faster and sustained development of the industrial sector and enabling the sector to gradually play a key role in the economy. To this end, particular emphasis is given to the promotion of micro and small enterprises as well as supporting the development of medium and large scale industries. Focus is laid on creating favorable conditions to export oriented and import substituting industries so as to accelerate structural changes in the sector. (MoFED, 2012)

Even though particular emphasis was given the problem of raw material shortages, lack of working capital and effective marketing practices faced by micro and small manufacturing industries result in the failure of these businesses to expand .The same problems, when experienced by informal sector operators, have the effect of preventing their expansion almost from the beginning of their operations .It was also observed that for about 50 percent of informal sector operators, the first major difficulty when starting their operation was the lack of sufficient initial capital and this problem becomes more critical when the informal sectors operators intended to expand their businesses. (CSA, 2003)

Empirical studies in Ethiopia indicate also that economic roles of the Micro and small enterprises in the country show significant changes in this decade. Mulate, Fantu and Tadele (2006) stated that Micro and small enterprises are playing vital role as a major source of entrepreneurial skills, innovation, employment opportunity, and generations of income for many people. Hence, support service programs are developed to alleviate the financial problems of MSEs through credit availability and improve market access to large business purchases which include skill upgrading programs for MSE operators, strengthening the use of appropriate modern technologies that boost their capacity to create long-term jobs, and export markets. These support programs as described by Mulate, Fantu and Tadele (2006) are stated as follows:

Facilitating economic growth and bring about equitable development: It is argued that the expansion of MSEs stimulates economic growth using local resources and is the basis for equitable distribution of income and wealth.

Create long-term jobs: Although MSEs are largely labor-intensive, i.e., reduce unemployment; they are characterized by low productivity and return. It is, therefore, essential to upgrade their

skills and strengthen use of appropriate modern technologies to improve their capacity to create more jobs.

Strengthen cooperation between MSEs: Promoting inter-sectoral linkages within MSEs and between MSEs and medium and large scale enterprises are the key for overcoming constraints in the area of resources.

Provide the basis for medium and large-scale enterprises: It is generally argued that MSEs are the bedrocks for the growth and development of medium and large-scale enterprises and stimulate indigenous entrepreneurship.

Promote exports: Because MSEs depend heavily on domestic raw materials, the strategy also pays due attention in helping MSEs to participate in international market in which the country has relatively comparative advantage e.g. leather and leather products, textiles, horticulture, etc.

Balance preferential treatment between MSEs and bigger enterprises: The strategy aims at correcting the preferential treatment given to bigger enterprises and it also aims at achieving the greatest possible cooperation and interaction between the various enterprises in the economy.

2.3.2. Marketing Challenges of MSEs

Scholars have used different approaches to identify the factors affecting the growth of small firms, however there is considerable variation in the results of previous researches. As stated by A.Nyangor, (2010), lack of access to credit, inadequate managerial and technical skills, low levels of education, poor market information, inhibitive regulatory environments, lack of access to technology, lack of infrastructure such as roads, adequate power, water, sewerage and telecommunication has been a major constraint in the development of Small and Micro Enterprises. According to Coad (2007), the growth of small firms is a particularly erratic phenomenon. Entry rates of new firms are high; however, a large number of these entrants can be expected to go bankrupt within a few years. Bertelsmann (2005) analyze the post-entry performance of new firms in seven Organizations for Economic Cooperation and Development (OECD) countries, the results revealed that about 20-40 percent of entering firms fail within the first two years, while only about 40-50 percent survives beyond the seventh year. One of the reasons they do not survive, as stated by Bertelsmann, is that they face several obstacles

(Challenges) over time. Challenging factors of Marketing can roughly be divided into two groups: internal factors of the firm and external factors that are beyond the control of the MSEs.

2.3.2.1. External Factors

Researchers have used different approaches to explain external factors affecting Marketing efficiency and in turn the growth of MSEs. Some of them have a big impact on the performance and growth of small firm's (Lumpkin and Dess, 1996). Major external factors affecting Marketing efficiency of MSEs are further explained below.

I. Legal and Regulatory Factors

According to Lumpkin and Dess, (1996) the growth of MSEs are affected by its business climate. Clement et al., (2004) noted that an unfavorable business climate has negative effect on small firm growth. Brown (2007) identified competition as one of the major hindrances to the growth of small firm. Davidsson (1989) noted that an unfavorable tax system and complicated rules and regulations can heavily hamper small firms' growth. Krasniqi (2007) showed that corruption is a major source of the rise in unfair competition. He further emphasized that the cost of complying with regulations and increased tax rates increases small firms' expenses while limiting their growth. Likewise, St-Jean (2008) noted that unfair competition from the informal sector, cumbersome regulations, and tax rates are the main obstacles on small business growth.

A study done by International Finance Corporation (IFC; 2013), based on responses of more than 45,000 firms in developing countries, found that the top obstacles to their operations are a poor investment climate, especially red tape, high tax rates, competition from the informal sector, and inadequate infrastructure, especially an insufficient or unreliable power supply. Whereas informality is a major hindrance of MSEs in middle-income countries, an inadequate power supply is the most important challenge for companies in low-income countries. High tax rates can reduce firms' internal sources of financing

Competition from the informal sector and corruption among government officials also pose significant challenges for firms. Objective measures of the size of the informal sector, barriers to entry into and exit from the formal market, and the existence of informal payments shed light on the importance of these obstacles to the existence of MMSEs (Khrystyna Kushnir, Melina Laura Mirmulstein, and Rita Ramalho, (2010).

Bouazza (2015) stated that MSEs in developing countries suffer more than large firms from many policy and institutional constraints arising from imperfect markets, and, as a consequence, they benefit disproportionately from reforms. Because of savings on registration and licensing costs as well tax evasion, non-official companies gain a substantial cost advantage that can allow them to produce and sell goods at a low price compared to companies that operate in the formal sector, which prevents genuine competition and increases the relative costs of the formal firms.

II. Infrastructure

Infrastructure relates to provision of adequate power, access roads, telecommunication, sewage, and water. It has been a main restraint in the development of MSEs (Dondo & Mutiso, 2007). If the government failed to provide infrastructural framework it gets difficult to bring development and growth within MSEs. Ardjouman (2014), suggested frequent water shortages, power rationing and the high cost of electricity experienced in a country, can hinder growth for MSEs given that most modern processes are electrical. The availability of proper infrastructure will have positive effects to marketing manage strategies that can influence marketing performance of MSEs.

III. Local Supply

Suppliers form an important link in the company's overall customer value delivery network. They provides the resources needed by the company to produce its goods and services. Supplier problems can seriously affect marketing. Marketing managers must watch supply availability and costs. Supply shortages or delays, conflict, and other events can cost sales in the short run and damage customer satisfaction in the long run. Rising supply costs may force price increases that can harm the company's sales volume (Kotler, 2012).

Many manufacturers depend on raw materials supplied from outside sources. Some of the factors that can delay or hamper a regular delivery schedule include a glitch at the site of a supply source, problems with transportation or inclement weather. If supplies are not forthcoming as needed, the potential for shutdown or a major slowdown in the manufacturing process can result. Hence, the fate of such enterprises depends on access and level of local supply from the surrounding. The fluctuation of local supply may therefore make it difficult to plan and that may precipitate same stock that may destabilize the setup (Kotler, 2012)

IV. Financial Factors

Shah (2013) explained promotion and expansion of business is impossible without sufficient finance. Lack of access to external financing is one of the major challenges to the growth of MSEs, and it has accounted for high rates of failure among those MSEs. Financial institutions behave more cautiously when providing loans to MSEs and MSEs are usually charged comparatively high interest, high collateral and loan guarantees. Krasniqi (2007) finds that loan policies and collateral requirements discourage firms from obtaining loans from banks. In consonance with Berger and Udell (1998), Galindo and Schantiarelli (2003) find that in both developing and developed countries, small firms have less access to external financing, which leads small firms to be more restrained in their operations and growth compared to large firms.

A study done by Beck (2005) in developing countries provides further evidence that MSEs face greater financing obstacles than large firms do. Ayyagari (2006) show that financing, crime, and political instability directly affect the rate of growth of small firms, with financing being the most significant constraint affecting small firms' growth.

Rocha (2010) analyze the most binding constraint on firm growth in developing countries .They find that each country faces different sets of constraints and that these constraints also vary by firm characteristics, especially firm size. However, across all countries, access to financing is among the most binding obstacle while other obstacles appear to matter much less.The internal finance has an important part in financing of MSEs, at the same time numerous studies have confirmed that enterprises have recourse to external finance when they can't satisfy their own financing requirements with internal finance. In the case of external finance, the enterprises draw on cash from external organizations and investors.

Examining the external finance, the public offering and the bond issue is not characteristic to this sector, because of its high cost and big time-consumption, and the trade debt and trade credit are applied occasionally depending on the deal position of the enterprise. In the case of external debt the role of the bank loan and overdraft, the leasing and the factoring (and for feting) can be emphasized, but this enterprises can get loan and overdraft just by higher interest and collateral because of the relatively high cost of the credit assessment and higher operating risks. To sum it up

it can be declared, that the MSEs are in more disadvantageous situation than the large size enterprises on the admittance of financing sources with respect to both equity and debt.

V. Technical Factors

Small businesses are constrained not only by financial factors but also by non-financial factors such as lack of training and education, inadequate technical skills, poor access to markets, lack of information and unreliable infrastructure. Many entrepreneurs rush out to establish MSEs without having good and adequate technical skills. They covet the progress and profit of existing ones without good technical background. For this reason, many enterprises collapse after few years. It is important for entrepreneurs to recognize the role of education and training in ensuring the success of their business endeavor. Education and training will help establish a good foundation for small business growth, (Biggs and Shah, 2006).

Bouazza (2015) explained that among the major challenges facing the development of MSEs is the huge lack of technological capabilities, which is the key to developing the competency of SME owners and managers. Romijn (2001) underlined that technological capacities are considered as tools for strengthening the competitiveness of MSEs. By improving their technological capabilities, MSEs can largely improve their production abilities and profitability: the latter can be improved in several ways, such as through R&D spending, technology and knowhow agreements with domestic and foreign firms. It is possible to generalize that Micro and small business owners are in need of at least training, education and experience sharing with similar industries in order to develop their marketing skill that enable them to withstand challenges coming from marketing perspectives.

2.3.2.2. Internal Factors

Success and failure of MSEs is not only related to external business environment aspect. It also depends on the firm internal factors and many more key strategic factors, which can be summarized as follows:

I. Managerial Capacities

Several studies have considered the management capacities of the top management team as key factors for small business growth. According to Olawale and Garwe (2010), management capacities are sets of knowledge, skills, and competencies that can make the small firm more efficient. Aylin (2013) state that management skills are a crucial factor for the growth of MSEs

and that the lack of management skills is a barrier to growth and is one of the factors that can lead to failure. Pasanan (2007) suggests that the growth pattern of small firms is associated with their managerial capacities. Bhide (1996) notes that shortage of core competence and skilled top management team is one of the main challenges faced by MSEs.

As explained by Kotler (2014), the marketing managers develop the firm's detailed marketing plans and procedures. With the help of subordinates, including product development managers and market research managers, they determine the demand for products and services offered by the firm and its competitors. In addition, they identify potential markets such as, wholesales, public, retails business firms, or government.

Parker (2014) observes that marketing managers develop pricing strategy with an eye towards maximizing the firm's share of the market and its profits while ensuring that the customers are satisfied. In collaboration with sales, product development, and other managers, they monitor trends that indicate the need for new products and services and oversee product development. Marketing managers work with advertising and promotion managers to promote the firm's products and services to attract potential users. Other areas where management is required may be in promotions, public relations, sales, production and all levels of the organization. Boulton & Carland (1983), SME is considered to be any organized effort intended to return a profit or economic outcome through the provision of products or services to an outside group. Meredith (2001) observed that the operation of MSEs traditionally requires the investment of time and capital in creating, expanding or improving the operations of a business.

The enterprises that are considered to have fewer than 250 employees are generally considered to be MSEs. Management is an essential activity that helps MSEs pursue or achieve their stated goals Thornton & Kagan (2005). This means that the management measures taken by any organization are very significant to performance of that organization. Hendrick & Singhai (2005) argue that management actions and managers activities are very important in today's business activities. The actions and dealing done by management in MSEs decides whether the enterprise performs effectively. McHugh (2010) has given an example that if a SME is in economic complexity, management ideals of cost cutting may be expected. Thus, the methods used by management to solve problems will largely determine the long-term effectiveness of the MSEs (Balfanz & Koelmel, 2009).

In context of this study managing the marketing efficiency is a crucial issue. MSEs must design and put into action the marketing mix that will best achieve its Objectives in target markets. According to Kotler (2012), this involves four marketing management functions: analysis, planning, implementation, and control.

1) Marketing Analysis

Managing the marketing function begins with a complete analysis of the company's situation. The marketer should conduct a SWOT analysis by which it evaluates the company's overall strengths, weaknesses, opportunities, and threats. Strengths include internal capabilities, resources, and positive situational factors that may help the company serve its customers and achieve its objectives. Weaknesses include internal limitations and negative situational factors that may interfere with the company's performance. Opportunities are favorable factors or trends in the external environment that the company may be able to exploit to its advantage. And threats are unfavorable external factors or trends that may present challenges to performance. The company should analyze its markets and marketing environment to find attractive opportunities and identify environmental threats. It should analyze company strengths and weaknesses as well as current and possible marketing actions to determine which opportunities it can best pursue. The goal is to match the enterprise's strengths to attractive opportunities in the environment, while eliminating or overcoming the weaknesses and minimizing the threats. Marketing analysis provides inputs to each of the other marketing management functions. Hence, marketing analysis involves a complete analysis of the company's situation. Analyzing company strengths and weaknesses to determine which opportunities the company can best pursue, and feeding information and other inputs to each of the other marketing management functions. (Kotler, 2012)

2) Implementation

As stated by kotler (2012). Marketing Implementation is the process that turns marketing plans into marketing actions in order to accomplish strategic marketing objectives. Whereas marketing planning addresses the "what" and "why" of marketing activities, implementation addresses the "who", "where", "when", and "how". One firm can have essentially the same strategy as another yet win in the market- place through faster or better execution. Successful implementation

depends on an action program that pulls all of the people and activities together and forms sound formal organizational structure, its decision and reward structure and the firm's marketing strategies fitting with its company culture (the shared system of values and beliefs).

3) Marketing Control and Evaluation

Marketing control is the process of measuring and evaluating the results of marketing strategies and plans, and taking corrective action to ensure that marketing objectives are attained. Implementation requires four steps: Set specific goals (What do we want to achieve?), measure performance (What is happening?), evaluate performance (Why is it happening?), and take corrective action (What should we do about it?). Because many surprises occur during the implementation of marketing plans, marketers must practice constant marketing control—evaluating the results of marketing strategies and plans and taking corrective action to ensure that the objectives are attained. Marketing control involves four steps. Management first sets specific marketing goals. It then measures its performance in the market place and evaluates the causes of any differences between expected and actual performance. Finally, management takes corrective action to close the gaps between goals and performance. This may require changing the action programs or even changing the goals (Kotler, 2012)

II. Marketing Skill

Marketing skill is of the most effective factor to firm's survival and growth. According to Van Scheers (2012) the lack of marketing skills has a negative impact on the success of small businesses. Small business owners exhibit certain personality traits that are responsible for the success or failure of their businesses. Inadequate marketing skills of owners create marketing problems in the small business sector.

As described by Murphy (2006, 13-14) Marketing skill of MSE determines in the long term, whether the business will succeed or go under. TNA Report (2010) also indicates that sales and marketing are regarded as the most important knowledge areas to develop, followed by innovation & technology, leadership, production management, quality management systems, export promotion, tax/laws, finance and control, personnel and organization and problem-solving skills. Further, the report states that the process of gaining and consolidating competitive advantage

requires a variety of skills and knowledge relating to the changing features of company business. In practice, this means SME training and other business support services should play an important leverage effect and enhance competitive advantage through their supporting and facilitating efforts. The assumption is if potential customers are not aware of your products or services, no one will do business with you. To do this any marketer should have knowledge and skill of Forecasting Market demand and marketing Planning. Kotler, (2009)

2.4. Conceptual Framework

Conceptual framework, as stated by Mugenda,(2003) refers to how a researcher conceptualizes relationship between variables in a study and shows them graphically or diagrammatically. It shows independent variables and dependent variables and how they are related or influences one another. Hence, understanding factors of marketing challenges in Micro and small enterprise and developing the strategy that enables to overcome these challenges is important for growth, competitiveness and sustainability of business. In this section, after reviewing the literature thoroughly, the researcher attempted to develop conceptual framework for the study. Variables that the study focused on are factors of Marketing challenges in MSEs in Bishoftu town: Legal & regulatory frame work, Lack of access to market, Insufficient local supply, Lack of technical support, insufficient credit facility and Practices of Informal Sector and Corruption are among external factors and Lack of Marketing management capacity, Lack of marketing skill, Lack of market linkage and poor potential of competitiveness are among internal factors that affect marketing of MSEs which in turn affect growth and survival of businesses. Hence, if the outcomes of MSEs achieved positively, the enterprises under study will be profitable, expand, sustain and may finally grow and transform to medium enterprises. To align the conceptual framework with the research objectives, Marketing of MSEs is a dependent variable whereas all factors of marketing challenges (internal and external factors) are independent variables and the relationship is shown in the following figure.

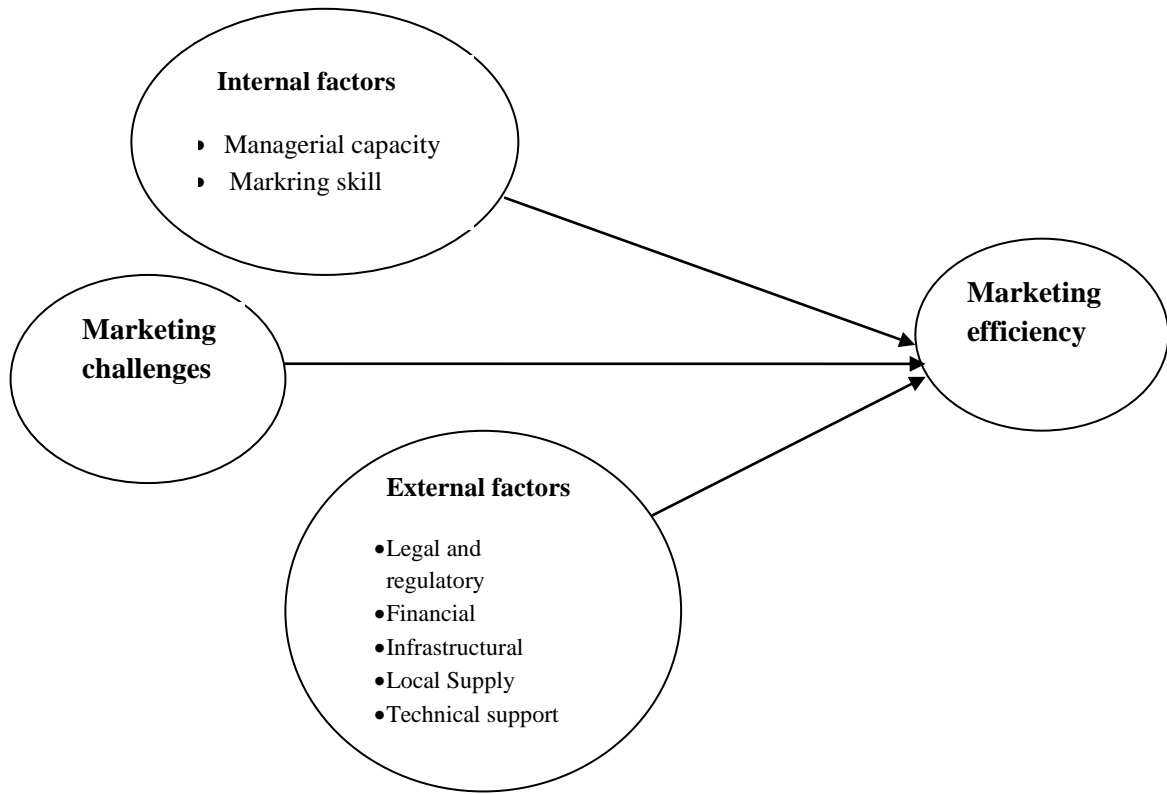


Figure 2.2. Conceptual frame work of Marketing Challenges of MSEs.

Source: own developed model, 2017

CHAPTER THREE

3. Research Method

3.1. Introduction

This chapter deals with the brief description of the study area and discusses the sources and methods of data collection as well as the analytical model employed and the estimation procedure followed during the analysis. It describes just what is done, how it is done, what data was used, what data-gathering devices was employed, how sources of data was selected, and how the data was analyzed and drawing a conclusion.

3.2. Description of the Study Area

As stated in Bishoftu city profile (2006), the foundation of Bishoftu town was directly connected with starting of Ethio-Djibouti Rail way in 1917. The Town has unique features like natural or crater lakes, has an attractive environment for investment activities and has a best tourist sites. The history of the Ethiopian air force is tightly woven with the history of Bishoftu. In 1946, the beginnings of what would become the Ethiopian Air Force was moved from Lideta airport in Addis Ababa, which was needed by Ethiopian Airlines, to Bishoftu. Location, of the town, topography, climate and population of the city as follows:

3.2.1. Location

Bishoftu town is a separate woreda of Ethiopia located 47.9 km south east of Addis Ababa along its four route highway. It is one of prominent cities under east shewa Zone of Oromia Regional state. It is located between $8^{\circ} 43' - 8^{\circ} 45'$ north and $38^{\circ} 056' - 39^{\circ} 01'$ east longitude (Bishoftu, 2006).

3.2.2. Topography

The natural topography of Bishoftu town with buffer zones has been characterized by flat land on North and east and is locked by the swamp and lakes. On the south direction undulating land that is dominated by hills, while the general topography of the city is undulating that is dominated by hills (Bishoftu, 2006).

3.2.3. Climate

The altitude of the town ranges from 1900-1995m above sea level .May is the hottest month of the year while November is the coldest one. Its average Temperature and Rainfall is 26.08°c and 735mm respectively (Bishoftu, 2006).

3.2.4. Population

Bishoftu from the time of its establishment the population is increasing from time to time. The Town is also home to the Ethiopian Air Force. The major components of the city inhabitants are small and large scale merchants, civil servants and daily laborers. Bishoftu is one of the highly populated cities in Ethiopia. According to the CSA (2016), Bishoftu has 153,857 populations. The city's population is increasing rapidly as a result of its increased attractiveness in terms of improved road infrastructure, water supply, health facilities, sanitation infrastructure, and greenery development.



Fig. 3.1: Administrative Map of Bishoftu Town.

Source: Bishoftu city profile, Bishoftu city Administration, OoFED, 2006

3.2.5. Potentials for investment

As reported in Ethiopian cities association (2016), Bishoftu has various investment potentials of which resort development, Manufacturing Industry, Tourism venture, poultry, Dairy farm are some of the most important investment sectors and each of the investment potential is described below.

Resort development: The city has seven beautiful lakes located in different parts of the city. The distribution of the lakes in and around the city presents an excellent opportunity for the development of resorts.

Manufacturing Industry: Due to its close vicinity to Addis and the city being situated amongst other popular recreational weekend retreats, it is well accessible and frequently travelled through. The express highway, connecting Addis to Adama passes also through the city. All these positively contribute to facilitating the transport of raw materials and manufactured products from the center to other parts of the country.

Tourism Ventures: The city's climate is pleasant and appeals to different people from different parts of the world. The presence of the seven lakes contributes to the enjoyable climate and adds colour to the city. The richness of the landscape, the variety of flowers and blueness of the lakes, attract tourists from different parts of the world throughout the year. Due to the lakes, Bishoftu is also known for the great variety of birds. Particularly, Chalaka Lake is known of hosting migratory birds from Europe on its shores in addition to the endemic birds.

3.2.6. Infrastructure

Additionally, facilitated through its wealth in greenery, Bishoftu has distributed various ornamental trees in different parts of the country. Urban agriculture such as dairy, poultry, horticulture, animal husbandries are the known projects of the city.

3.3. Research Approach

Research approach is either qualitative or quantitative .The qualitative and quantitative approaches refer to the means through which one chooses to discuss and analyze selected data (patel and

Davidson, 2003). Both approaches have their own strengths and drawbacks and neither one of the approaches can be held better than the other one.

The best research method to use for a study depends on a study's research purpose and the accompanying research questions (yin, 2003). Therefore, in order to achieve the objectives of this study and thereby provide answers to its problems, quantitative research approach was used by the researcher. There are compelling reasons why the researcher opted to use qualitative methods. The adoption of positivist paradigm entails that measurement remains an essential element since its basic assumption is that social phenomenon can be measured. Therefore, quantitative method gains deeper insights on the issue, to significantly strengthen the analyses and thus enhance confidence in the conclusions.

3.4. Research Design

Research design is the logic that links the data to be collected and the conclusions to be drawn to the initial questions of a study. It is a plan through which a strategy is to be carried out. It specifies the method and procedures for the collection, measurement and analysis of data (yin, 2003). In order to identify marketing challenges facing MSEs in Bishoftu town, cross-sectional design was applied. Because, it helps as a monitoring and evaluation tools to indicate the current level of sustainability, growth and marketing challenge of the sectors.

3.5. Population and Sample

According to the secondary data collected from MSEs development office of Bishoftu Town, (2009 EC), there are **909** active micro and small enterprises within seven centers having a total number of **4137** owners. These form the population of the study. Hence, the study was concerned about MSEs owners/managers involved in industry (manufacturing), construction, service, urban agriculture, and trade operating in selected three MSEs centers. A sample population for centers and sectors are calculated based on proportionate system.

Out of the seven MSEs centers which were composed of 909 enterprises having 4,137 owners, three centers (first, second and fourth centers) composed of 664 enterprises and 2,621 owners were purposively selected. The researcher decided to select these three centers for the reason that

they consist of about 73% (664/909) of the total micro and small enterprises which makes it a good representative for analyzing marketing challenges of the enterprises in the Town.

The total number of 664 enterprises covered under the study includes manufacturing (129), construction (165), service (161), urban agriculture (55) and trade (154) sectors. The sample size selected here is considered as representative of all sectors and also large enough to allow for precision and confidence of the research findings. The following formula was used for calculation of the sample size of population since it was found to be relevant to studies where inferential statistics are being used to analyze data (Jackson & Furnham 1999).

$$\left(\frac{p(1-p)}{z^2 + p(1-p)/N} \right) \frac{1}{R} = n$$

Where

n = sample size required,

N= number of population (2621),

P=estimated variance in the population which is 50%,

A = margin of error which is 0.05,

Z = standard normal test (for confidence level 95%) is 1.96,

R = estimated response rate which is 98%.

Using the given formula, 342 respondents are selected from the total of 664 MSEs consisting 2621 operators.

Table: 3.1 sample size

MSEs centers	Population per center	Sample population per center	Sample population per each sector				
			Manufaturing	Service	Trade	Construction	Urban agriculture
1st	999	130	25	32	30	32	11
2nd	1144	149	29	36	34	37	13
4rth	478	63	12	15	45	16	5
Total	2621	342	66	83	79	85	29

Source: Own calculation, 2017.

Total respondents for each sector are selected on proportional basis using ratio of each in terms of selected total enterprises: Manufacturing $(129/664) \times 342 = 66$, construction $(165/664) \times 342 = 85$, Service $(161/664) \times 342 = 83$, Urban agriculture $(55/664) \times 342 = 29$ and trade $(154/664) \times 342 = 79$ are selected.

3.6. Data Sources and Types

There are two kinds of data normally used in researches: primary and secondary data. Primary data is recognized as data that is gathered for a specific research, especially in response to a particular problem for the first time where secondary (historical) data is the data that already exists, like literature studies, which has been previously collected and assembled for some studies other than the one at hand. Hence, the source of primary data was structure questionnaire while that of secondary data were journals, articles, and websites, working manuals, MSE's laws and regulations of the federal and regional government, books and other research studies. It may be useful for the purpose of specific survey (Zikmund, 2003). This study was mainly based on primary data which provided us with high quality, reliable and acknowledged data.

3.7. Data Collection Procedures

The questionnaire was accompanied with a cover letter where we decided to what purpose the survey was conducted. The disposition of the questionnaire was designed to entail three different parts. The first part is background of respondents concerning personal profile designed to get information on socio-demographic condition of the respondent. In the second part, views and attitudes about their enterprises to identify respondents' business position as to withstanding challenges arrived from marketing perspectives. In the third part, respondents were to give answer about marketing challenges of their enterprises. In other words to what extent each factors of marketing challenge has affect marketing efficiencies of MSEs.

The task of writing a questionnaire, determining the list of questionnaire and designing the format of printed or written questionnaire is an essential aspect of the development of a survey research design. There are two basic requirements for the questionnaire: the relevancy and the accuracy.

For a questionnaire to be relevant, only needed information is collected. i.e. only information that is necessary to solve the question at stake is collected. Accuracy is obtained by having as high validity and reliability as possible (Zikmund, 2003).

Furthermore, according to Chisnall (2004), as the Likert scale is regarded to have reliability and simple construct it was found to be suitable for the questionnaires. Therefore, in this research, the key challenges that affect the MSEs were identified and measured using 5-point Likert scale questions ranging from strongly disagree, denoted by 1, to strongly agree denoted by 5. This scale tests the extent to which MSEs Operators perceived the challenges as being very extensive or critical on their marketing operations. The questionnaires were prepared in English and translated into local language, Afan Oromo and Amharic and back to English to ensure understandability and reliability of information. People involved in the data collection constituted three enumerators and one supervisor.

3.8. Data Analysis Techniques

The ultimate goal of analysing data is to treat evidence fairly, to produce compelling analytical conclusions and to rule out alternative interpretations. According to Denscombe (2003) data analysis means that the researcher is deciding what and which meaning can be attributed to the collected data and what are the implications to that effect and how does it relate to the topic being investigated. Accordingly, overall analysis of data is organized as follows:

Background information in the first part; i.e. Socio demographic aspect, and business position of respondents in the second part were described by percentage and the third part, Likert scale questions, were presented by, mean scores and standard deviation and inferential statistics such as correlation and regression analysis to determine factors of marketing challenges of MSEs. These analytical systems help to facilitate meaningful analysis and interpretation of research findings.

3.9. Model Specification

The following model is formulated for this research in order to give right answers to the research questions. So the reliability and validity of the model was recognized and used in this study to analyze and interpret the result of the study. The independent variables of the model are

managerial capacity (MC), Marketing skill (MS), Legal and Regulatory Factors (LRF), Infrastructure (IS), Local Supply (LS), Access to Finance (AF) and Technical Support (TS). The dependent variable is Marketing Efficiency (ME).Based on these variables the following regression model was developed to show prediction of the dependent variable by the independent variables.

$$Y_i = \alpha + \beta_1 x_{1i} + \beta_2 x_{2i} + \beta_3 x_{3i} + \beta_4 x_{4i} + \beta_5 x_{5i} + \beta_6 x_{6i} + \beta_7 x_{7i} + \varepsilon_i$$

Where the variables are defined as:

Y_i = ME (dependent variable)

α = Constant term

β_i = Coefficients

x_{1i} = MC

x_{2i} = MS

x_{3i} = LRF

x_{4i} = IS

x_{5i} = LS

x_{6i} = AF

x_{7i} = TS

ε_i = Error term

Under the assumptions of:

- $\varepsilon_i \sim N(0, 1)$ mean zero and variance 1
- Linear relationship between outcomes (y) and explanatory variable x
- Outcome variable (y) should be Normally distributed for each value of explanatory variable (x)
- Standard deviation of y should be approximately the same for each value of x
- Fixed independent observations
- The observations (explanatory variables) should be independent

3.10. Validity and Reliability

While doing research, we may get no response or inaccurate response because of respondents' error, ambiguous of both questions and answers or errors in formulating questionnaires. In order to reduce the possibility of getting higher errors, attention was given. Hence, validity and reliability tests, which help to detect the presence or absence of those errors, have taken place to reduce the problems. These two factors are further discussed below:

3.10.1. Validity

Validity is the extent to which collection methods accurately measure what they were intended to measure and concerned whether the findings are really about what they appear to be about (Widersheim & Eriksson, 1997). The questionnaire was carefully designed based on the regression model. It was also reviewed, commented upon, modified, and finally approved by the advisor and experts having experience with in the research area.

3.10.2. Reliability

Reliability is concerned whether the procedures of data collection and analysis will generate the same results on other occasions or will other observers make similar observations and arrive at same conclusions from the raw data (chisnall, 2003)

In order to measure the consistency of the questionnaire and the overall reliability of constructs that it is measuring, the reliability test was carried out based on Cronbach's Alpha coefficient. Cronbach's Alpha can be interpreted like a correlation coefficient. Its coefficient range lay on the value from 0 to 1. A reliability coefficient (alpha) higher than or equal to 0.7 is considered as acceptable. That means the targeted questions raised in the questionnaires are capable to meet the objective of the study.

Therefore, the reliability test accomplished that all the items of the pilot questionnaire has been reliable since the scores of the test was higher than 0.7, as indicated in table 3.2. Hence, the responses generated for all of the variables used in this research are reliable enough for the data analysis.

Table 3.2: Reliability statistics

Variables	Cronbach's Alpha	No. of Items
Marketing Skill	0.935	3
Managerial capacity	0.924	4
Legal and regulatory factors	0.763	5
Infrastructure	0.770	2
Local supplies	0.838	2
Access to finance	0.831	4
Technical support	0.861	3
Marketing efficiency	0.799	14
Overall result	0.897	37

Source: Own analysis, 2017

3.11. Ethical Considerations

This study was entirely devoted to identify marketing challenges facing the MSEs in the Town and determine how these factors significantly affecting the success of their businesses so as to forward possible recommendation for future improvements and maintain marketing efficiency. It was not interested to defame or abuse or expose secrets (if any) in any way to the public. To realize this fact, formal letter was written from Addis Ababa University, Department of Marketing for permission of the agencies and enterprises from which the information is required. The study participants were informed about the purpose of the study and the informed verbal consent was obtained from each participant before data collection. Marketing efficiency of MSEs is measured objectively, based on information collected from respondents. Finally confidentiality was assured and the data made to be kept by avoiding personal identifiers.

CHAPTER FOUR

4. Data Presentation, Interpretation and Analysis

4.1. Introduction

In the previous section, marketing challenges of MSEs has been discussed. It was underlined that Marketing of a product or service is a central activity for a successful business. Obviously, analysis of marketing challenges enables Micro and Small Enterprises under the study to be aware of factors influencing their Marketing efficiency and proactively develop strategies that minimize these challenges. It also enables them understand marketing as important element of growth and survival of their businesses.

Under this chapter, the data collected through proposed methods and tools are discussed and analyzed carefully so as to show marketing challenges facing MSEs in the study area. In order to identify Marketing challenges of MSEs, the influence of the variables designed for each factor has been quantified with Likert scale ranging from 1 to 5. Statistical tools such as mean, standard deviations, skewness and linear regression have been used for analyzing and interpreting the data. To get preliminary outlook of marketing challenges of MSEs of Bishoftu Town, the outcome of the whole data are analyzed in the following manner.

4.2. Response Rate

Three hundred forty two questionnaires were distributed across the five sectors: manufacturing, contraction, trade, service and urban agriculture, within three MSEs centers. To reduce non-response rate in this research, the supervisor personally contact each respondent and aware the benefits of the research for their enterprises. Understand the research objectives, officials of the micro and small enterprise development office also aware the MSEs operators on importance of the study to their enterprises and confess them fill and return the questionnaires fully and on time. For this reason, all questionnaires were completed and retrieved successfully, i.e., 100% of the questionnaires returned. For more elaboration, 85(24.8%) of the respondents came from the construction sectors such as building, finishing work, gypsum work etc, 83 (21.2%) from service

sectors like tea room, cafes, inns etc. Around 79 (23.0%) traders also included in the study. They sell inputs for the producers and industry owners. From the manufacturing sector webbing, textile, garment, food processing and other similar sectors comprises 66 (19.2%) respondents. The least participants are urban farmers, 29(8.8%); they usually produce flowers, cabbage, salads, and grow cattle and distribute milk and milk products etc. (Table 4.1).

Table: 4.1. Collected questionnaires

MSEs centers	Sample size					Total
	Industry	Service	Trade	Construction	Urban agriculture	
Sample size	66	83	79	85	29	342
Data collected	66	83	79	85	29	342
Percentage (%)	19.2	24.2	23.0	24.8	8.8	100.0

Source : Own survey,2017.

4.2.1. Socio -demographic Characteristics of the Respondents

In this section, details of the gender, age, marital and educational status of respondents are presented and discussed based on data shown in table 4.2 below

4.2.1.1. Respondents by Gender

Regarding gender distribution of the respondents, 184 (53.8%) of the participants were males whilst the remaining 158 (46.2 %) were females. According to this survey, male MSE owners/managers are 1.6 times higher than the female owners/managers.

4.2.1.2. Respondents by Responsibility

The background information of the respondents based on their responsibility show that 212 (62%) and 99 (28.8%) of the respondents were owners and managers respectively. This implies that the majorities of the respondents are the most responsible personnel; so they contribute better to obtain reliable information for the study.

4.2.1.3. Respondents by Age Group

Accordingly it can be inferred from the table above that 296 (86.5 %) respondents have aged 40 years and below or 156(47%) are below 30 years. Only 46(13.5%) respondents are above 40 years

of age showing that most employees or owners/managers of MSEs in the Town are the most productive age group.

4.2.1.4. Respondents by Marital Status

Regarding marital status table 4.5 below reveals that number of married and unmarried respondents is equal (48.8%). Only 2.4 % are divorced. In other ways MSEs creates good job opportunity not only to the young but also to people leading the family.

4.2.1.5. Respondents by Educational Back ground

Respondents' educational level rises from Informal education level to MA/MSc degree. It is possible to understand from table 4.2 below that larger number of respondents is BA/BSc holder (account 31.6 % of the total respondents) and the smallest number (0.9%) of respondents learn informal education. Still 250 (73%) of respondents are diploma and above (Diploma, BA/BSc and MA/MSc). This shows Most operators of MSEs are educated people. This may also increase the level of certainty of obtaining relevant data from respondent.

4.2.1.6. Respondents by Age of their Enterprises

As can be observed in table below, respondents were asked to indicate the length of time their enterprises have been in operation to know the survival rate of enterprises. It also helps to identify experience of respondents with in the business so that providing reliable information for the study. In this case, out of the total of 342 respondents only 323 (94.4%) gave valid answer. Out of those valid responses, the majority (28.8%) of them have been operating in their enterprise for 5 - 6 years. However, 208 (64.4%) enterprises have been in operation for a minimum of five years and 27(8.4%) of them have been in operation for a maximum of two years.

4.2.1.7. Respondents by Ownership

As indicated in table 4.2 below, out of the 342 respondents only 321 are owners. The remaining 21 are hired managers. Majority 210 (65.4%) of the enterprises were on the hand of below four (4) persons showing that most enterprises are held by few individual owners.

Table 4.2. Socio- demographic Characteristics of Respondents

Variables		Frequency	%
Respondent by gender	Male	184	53.8
	Female	158	46.2
Category of respondents by responsibility	Manager	99	28.9
	Owner	212	62.0
	Others	31	9.1
Years of establishment	1-2	27	8.4
	3-4	88	27.2
	5-6	93	28.8
	7-8	70	21.7
	>8	45	13.9
Marital status of respondents	Married	167	48.8
	Unmarried	167	48.8
	Divorced	8	2.3
Respondents age category (in years)	18-25	38	11.1
	26-30	118	34.5
	31-40	140	40.9
	41-50	29	8.5
	>50	17	5.0
Educational background of respondents	Informal education	3	0.9
	Primary school	24	7.0
	Secondary school	65	19.0
	Diploma	104	30.4
	BA/BSC	108	31.6
	MA/MSC	38	11.1
Number of owners per MSE	1-2	79	24.6
	3-4	131	40.8
	5-6	51	15.9
	7-8	16	5.0
	>10	12	3.7

Source: Own Analysis, 2017

4.2.2. Operational Conditions of Respondents

Operational condition of respondents such as preparation of viable plan, provision of skill development training and awareness creation plus Marketing practices and access to finance play a significant role especially for success of new entrants in particular and those engaged in business in general.

4.2.2.1. Operators' Conditions of Training, Planning and Success their Business

As indicated in Table 4. 3 below, 208 (60.8%) of respondents have business plan and 259 (75.7%) of them found successful. On the other hand, 224(65.5%) of respondents were not trained and 83 (24.3%) of the respondents were unsuccessful.

Table 4.3. Operators' condition in training, planning and success

Factors	Yes		No		Total
	f	%	f	%	
Business plan	208	60.8	134	39.2	342
Training	118	34.5	224	65.5	342
Successful in marketing	259	75.7	83	24.3	342

Analysis Source: Own

4.2.2.2. Respondents by their Source of Finance

As can be inferred from table 4.4 below respondents were asked issues related to their sources of finance to begin business. With this regard, 12(3.5%) of them answered self-financing and 192 (56%) of them answered Credit and Saving Institutions (CSI) was their sources of finance. But, 138 (40.4%) of respondents said their sources of finance was both CSI and self-financing. This indicates credit and saving institutions contributed the highest share as source of finance, however still a number MSEs are not relied only on external financing.

Table 4.4 Source of Finance

Financing Body	Frequency	%
Credit and saving institutions (CSI)	192	56.1
Self-financing	12	3.5
Both CSI and self-financing	138	40.4
Total	342	100.0

Source: Own Analysis

4.3. Analysis of Marketing Challenges of MSEs in Bishoftu Town

This section discusses about marketing challenges, describes the significance of major marketing challenges and their impact on marketing efficiency of MSEs. Data collected from respondents in this regard has been quantified with Likert scale ranging from 1 to 5 and the process of identification of these challenges is analysed first by descriptive statistics based on mean and standard deviation and secondly inferential statistics, such as assesment of multi-collarity and ordinary least square assumptions were used. Hence, the analysis is conducted according to category of marketing challenges discussed in chapter two: internal and external factors.

4.3.1. Analysis of Internal Factors of Marketing Challenges

Descriptive statistics of individual variables provide an important first look to the data. With respect to a large number of variables in this study, descriptive statistics were used to determine the mean and standard deviation for each variable to identify which values occur most often and what range of value is most likely to seen. The following criteria (table 4.10) were used to express the degree of mean values based on the criteria to scale rating of class interval.

Table 4.5. Criteria to scale mean score

Range	Degree
1.25 __1.99	Most unfavourable (true to a very high extent)
2.00 __2.74	Unfavourable (true to a high extent)
2.75 __3.49	Average (True to a moderate extent)
3.50 __4.24	Favourable (True to a high extent)
4.25 __4.99	Most favourable (true to a very high extent)

Source: Evannyakwara (2013)

1) Marketing Skill

Each marketing skill factor was explored further with relation to marketing skill indicators. The indicators were given and the respondents asked to pick from a likert-scale ranging from ‘strongly disagree to strongly agree’. Hence, responses for questions asked to identify whether MSEs analyze existing business opportunities, perform market segmentation and identify the target market that can be best served by their business were retrieved and analysed in the following manner (table 4.6)

Table 4.6 Marketing skill

Factors	Frequency	Mean	STD
Analyzing existing business opportunities.	342	2.54	1.53
Market Segmentation	342	2.47	1.47
Identifying the target Market	342	2.56	1.51

Source: Own Analysis

Accordingly, as shown in table 4.6 above, mean score of all marketing skill factors are below mean value indicating that managers have low Marketing skill or hesitant to analyze existing

business opportunities, segment their market and identify their target market that can be best served. In general, most of the enterprises are not customer focused.

2) Managerial Capacity

Table 4.7 below clearly shows that MSE's managerial capacity to developing annual Marketing plan for their business has mean score of 2.66, capacity to developing strategic marketing plan for their business has a mean score of 2.57, developing marketing strategy for business has mean score of 2.51, and developing evaluation and control programs for business has mean score of 2.69, all lowest. This indicates that regardless their educational competency (table 4.4) managerial capacity of owners/managers of MSEs is unfavorable or most managers/ owners of the enterprises are hesitant in planning, implementing and controlling their market.

Table 4.7 Managerial capacity

Factors	Frequ ency	Mean	STD
Developing annual Marketing plan for your business	342	2.66	1.38
Developing strategic marketing plan your business	342	2.57	1.35
Developing marketing strategy for business	342	2.51	1.32
Developing evaluation and control programs for business.	342	2.69	1.32

Source: Own Analysis

4.3.2. Analysis of External Factors of Marketing Challenges

1) Legal and Regulatory Factors

Table 4.8 below indicates the political and legal factors are one of marketing challenges to MSEs. High mean scores indicate the positive environment and low mean score indicates the negative environment in the businesses towards marketing challenges. Accordingly the result in the table show that challenges from competition of non-officials has a mean score of 2.81 indicating that there is competition from non-official but the extent of competition is so moderate.

Table 4.8. Legal and regulatory factors

Factors	Frequ ency	Mean	STD
Political stability of the region/ town as an opportunity to Marketing efficiency	343	3.43	1.16
Flexibility of government policy in relation to MSEs	342	3.41	1.13
Absence of competition from non -official sectors	342	2.81	1.14
Favorable tax policy	342	3.29	1.17
Absence of corruption as causes of fair competition	342	2.54	1.37

Source: Own Analysis

On other hand absence of corruption as a cause of fair competition has a mean score of 2.54 which indicates corruption is a marketing challenge which hinders fair competition among businesses. Others marketing factors: Political stability of the region or the town as an opportunity to Marketing efficiency, Flexibility of government policy in relation to MSEs and Favorable tax policy have a mean score of 3.43, 3.41, and 3.29 respectively exert moderate challenges to marketing.

2) Infrastructure

Regarding the infrastructural factors shown in table 4.9, Power interruption with standard mean 3.24, insufficient power supply with mean score 3.2 and inadequacy of water supply with standard mean of 3.39 exert moderate challenges to marketing

Table 4.9 Infrastructure

Factors	Frequency	Mean	STD
Power interruption	342	3.24	1.09
Insufficient power supply	342	3.22	1.07
Inadequacy of water supply	342	3.39	1.09

Source: Own Analysis

3) Access to Finance

Shah et al. (2013) stated that financial institutions behave more cautiously when providing loans to MSEs, and MSEs are usually charged comparatively high interest, high collateral and loan guarantees which discourage firms from obtaining loans from banks. Accordingly, as can be inferred from table 4.10 below, the results depict that there is high collateral requirement for the MSEs as the mean score gets 3.84. Interest rate is at an average as its mean score is 3.39. However, there is lack of access to finance and credit facility as their mean score is 3.87 and 3.60 respectively.

Table 4.10 Access to finance

Factors	Frequ ency	Mean	STD
Lack of finance	342	3.87	1.20
Insufficient credit facility	342	3.60	1.30
High interest rate	342	3.39	1.24
High collateral requirement.	342	3.84	1.31

Source: Own Analysis

4) Technical Support

As can be observed from table 4.11 below, provision of sufficient technical training in the area of business, skill development training by **TVET** and **MSEs** agencies, enough experience sharing opportunity with similar industry and enough counseling services to MSEs by concerned institutions are all unfavorable as their mean score ranges from 2.51 to 2.70. This indicates that MSEs covet the progress and profit of existing ones without good technical background.

Table 4.11 Technical support

Factors	Frequency	Mean	STD
Provided with Sufficient technical training in the area of business.	342	2.65	1.28
Provided with sufficient skill development training by TVET and MSEs agencies.	342	2.68	1.26
Provided with enough experience sharing opportunity with similar industry.	342	2.51	1.22
Obtain enough counseling services by concerned institutions.	342	2.70	1.34

Source: Own Analysis

5) Local Supply

As discussed earlier in literature review, supplier problems can seriously affect marketing. Marketing managers must watch supply availability and costs. Supply shortages or delays, conflict, and other events can cost sales in the short run and damage customer satisfaction in the long run. Rising supply costs may force price increases that can harm the company's sales volume (Kotler, 2012). To this fact it can be inferred from table 4.12 below that shortage of local supply of raw materials and the deliance of these supply (input) have a mean score of 3.72 and 3.74 respectively. This indicates that there is a high level shortage and deliance of local supply to MSEs of the Town which needs improvement.

Table 4.12 Local supply

Factors	Frequency	Mean	STD
Shortage of local input	342	3.72	1.23
Deliance in supplying inputs for production	342	3.74	1.26

Source: Own Analysis

4.4. Marketing Efficiency of MSEs

In this study marketing efficiency was measured in production, pricing, promotion and distribution effort of MSEs. Because concerning about customers' solution, cost, convenience and communication does an essential part of marketing. Winning companies are those that meet customer needs economically and conveniently and with effective communication (Kotler, 2002). Competition is also considered as essential part of marketing effort because businesses must be aware of all actual and potential rival offerings and substitutes that a buyer might consider. As MSEs are small businesses, factors considered as challenges in this regard are only those relevant to these small businesses.

1) Production, Pricing and Promotion Efficiencies

The result shown in table 4.13 depicts the mean score of shortage of local supply or raw materials as affecting production and quality of product/services in MSEs of the town and high costs of local supply like raw materials as influence the pricing of the product/services are favorable to high extent showing that there is shortage of local supplies as input to production and the resulting high cost of these supplies, where both are affecting production of goods and services and impacts also the pricing efficiencies of the enterprises.

It can also be understood from the table (table 4.13) above that the mean score promotional activities through Bazar and exhibition is below the average indicating poor promotion efficiency of products and services of the MSEs of the town. Furthermore, mean score of poor telecommunication structure at moderate level. This shows that telecommunication infrastructure is fair.

Table 4.13. Marketing efficiency of MSEs

Factors	SD	DA	Nt	A	SA	N	Mean	SD
1. Production and quality of product/service								
Shortage of local supply (Raw materials) has been affecting timely production and quality of product and of goods/ services of your enterprise.	20 (5.8%)	46 (13.5%)	61 (17.8%)	97 (28.4)	118 (34.5%)	342	3.72	1.23
2. Pricing of product/service								
High costs of local supply (Raw material) has been influencing pricing of product and services in your business	21 (6.1%)	29 (8.5%)	59 (17.3%)	90 (26.3%)	143 (41.8%)	342	3.89	1.21
3. Promotion effort								
Your products are sufficiently promoted through Bazar	87 (25.4%)	113 (33.0%)	74 (21.6%)	36 (10.5%)	32 (9.4%)	342	2.45	1.24
Your products are sufficiently promoted through exhibition.	86 (25.1%)	122 (35.7%)	76 (22.2%)	31 (9.1%)	27 (7.9%)	342	2.39	1.18
Poor telecommunication infrastructure and Network access hinders promotion of your products/services and facilitation of your sales effectiveness through communication of social media.	34 (9.9%)	52 (15.2%)	147 (43%)	63 (18.4%)	46 (13.5%)	342	3.10	1.12
4. Place (Storage, distribution..) effort								
There is adequate marketing linkage between your enterprise and other MSEs	93 (27.2%)	111 (32.5%)	56 (16.4%)	61 (17.8%)	21 (6.1%)	342	2.43	1.23
There is adequate marketing linkage between your enterprise and other (Non MSEs) large organizations	88 (25.7%)	129 (37.7%)	56 (16.4%)	50 (14.6%)	19 (5.6%)	342	2.37	1.17
Your business is sufficiently liked with markets such as, whole sales or retail business firms	83 (24.3%)	114 (33.3%)	63 (18.4%)	45 (13.2%)	37 (10.8%)	342	2.53	1.28
Your business is more relied upon government market than markets of other business	84 (24.6%)	108 (31.6%)	71 (20.8%)	50 (14.6%)	29 (8.5%)	342	2.51	1.24
There is enough market access to sell your product/service.	93 (27.2%)	151 (44.2%)	33 (9.6%)	34 (9.9%)	31 (9.1%)	342	2.30	1.22
You have provided with a place (shade) for selling your product/service.	72 (21.1%)	77 (22.5%)	44 (12.9%)	69 (20.2%)	80 (23.4%)	342	3.02	1.48
5. Competition effort								
Your enterprise has developed competitive strategy for its business	134 (39.2%)	98 (28.7%)	29 (8.5%)	44 (12.9%)	37 (10.8%)	342	2.27	1.37
Your enterprise has identified potential competitors ,their strength and action	122 (35.7%)	94 (27.5%)	38 (11.1%)	46 (13.5%)	42 (12.3%)	342	2.39	1.40
Your enterprise has been reacting to take competitive position against competitors	97 (28.4%)	83 (24.3%)	45 (13.2%)	69 (20.2%)	48 (14.0%)	342	2.67	1.43

SD =Strongly Disagree, DA =Disagree, Nt= Neutral, A= agree, SA=Strongly agree

Source : Own survey,2017

2) Distribution Efficiency

Analysis indicated in table 4.13 above show that MSEs' adequacy of marketing linkage between other similar MSEs and large organizations and their access to market for selling their product or service are poor as their mean scores are below average. But reliance of MSE'S business on government market is low and provision of shades for production of goods and services is fair as their mean scores are below and above average respectively.

3) Competitive Efficiency

Table 4.13 indicates MSE'S efficiency of identification of competitors, developing competitive strategy for their business and their reaction to take competitive position in the market is poor as their mean values get below the average indicating that competitive efficiency of MSEs is poor.

4.5. Assessment of Multi-collinearity

Multi-collinearity exists when there are strong correlations among the predictors. If the correlation coefficient (r) greater than 0.80 or the tolerance value below 0.10 and variance inflation factor (VIF) greater than 10 in the correlation matrix, multi-collinearity problem is a serious for the distribution (Field, 2009). Tolerance is a statistics used to indicate the variability of the specified independent variable that is not explained by the other independent variables in the model.

As the study result illustrated, the tolerance levels for all variables are greater than 0.10 and the VIF value less than 10 (Table 4.14). So, there was no multi-collinearity problem that alters the analysis of the findings.

Table 4.14 Collinearity statistics

Variables	Collinearity Statistics	
	Tolerance	VIF
Marketing skill (MS)	0.396	2.528
Managerial capacity (MC)	0.412	2.427
Legal& regulatory factors (LRF)	0.707	1.415
Infrastructure (IS)	0.822	1.216
Local supply (LS)	0.708	1.413
Access to finance (AF)	0.591	1.693
Technical support (TS)	0.662	1.510

Source: Own Analysis'

4.6. Assessment of Ordinary Least Square Assumptions

4.6.1. Detecting of Outliers

Primarily, the existence of outliers was tested through Cook's distance. According to this evaluation if the distance greater than one the extreme value which can affect the distribution can occur. Otherwise, outliers are not detected that capable to fluctuate the outcome. As the result indicates, the minimum Cook's result for this studies distribution had been 0.000 while the maximum is 0.068. Thus, this figure indicates that in all cases the value is less than one, so the problem is not real.

4.6.2. Assessment of Normality

The variables used in the independent variables were included in the model are Managerial Capacity (MC), Marketing Skill (MS), Legal and Regulatory Factors (LRF), Infrastructure (IS), Local Supply (LS), Access to Finance (AF) and Technical Support (TS). However, the dependent variable is Marketing Effect (ME). Table 4.22 contains the normality test for all of the variables.

In order to test the normality of data, Kolmogorov-Smirnov and Shapiro-Wilks tests of normality were used and conducted using SPSS Version 20. According to Field (2009), when the test is significant if $p > 0.05$; that is if the significant value of the distribution above the threshold of the probabilistic result (0.05), the researcher has full evidence to conclude that the distribution is normal.

For tests on samples of $n = 3$ to 2000 Shapiro-Wilks test is recommended and for those of $n > 2000$ Kolmogorov-Smirnov is recommended. Thus, the Shapiro-Wilks normality test was used for this research.

Accordingly, the result of test showed in table 4.15 below, all the variables are found to be normal because P -value > 0.05 .

Table 4.15 .Test of normality

Variables	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	statistic	Df	Sig.	statistic	df	Sig.
MC	0.153	334	.200*	0.960	334	0.434*
MS	0.156	334	.200*	0.938	334	0.218*
LRF	0.242	334	.542*	0.889	334	0.066*
IS	0.162	334	.179*	0.935	334	0.196*
LS	0.089	334	.200*	0.966	334	0.672*
AF	0.143	334	.200*	0.924	334	0.118*
TS	0.154	334	.200*	0.934	334	0.187*
ME	0.154	334	.200*	0.934	334	0.187*

a. Lilliefors Significance Correction ,

df: degree of freedom;

Sig: significance

* Indicates significant with 0.05 level of precision

Source: Own analysis, 2017

4.6.3. Normality of the Error Term

The error term should be normally distributed with a mean of zero and standard deviation of one should meet to apply Ordinary least square (OLS). This test can be held using a histogram with a normal curve. As a result indicates the assumption is achieved as the mean of the error term is 3.85×10^{-16} which is nearer to zero and the standard deviation 0.990 which is approaching to one. Therefore, the error term is standardized normal.

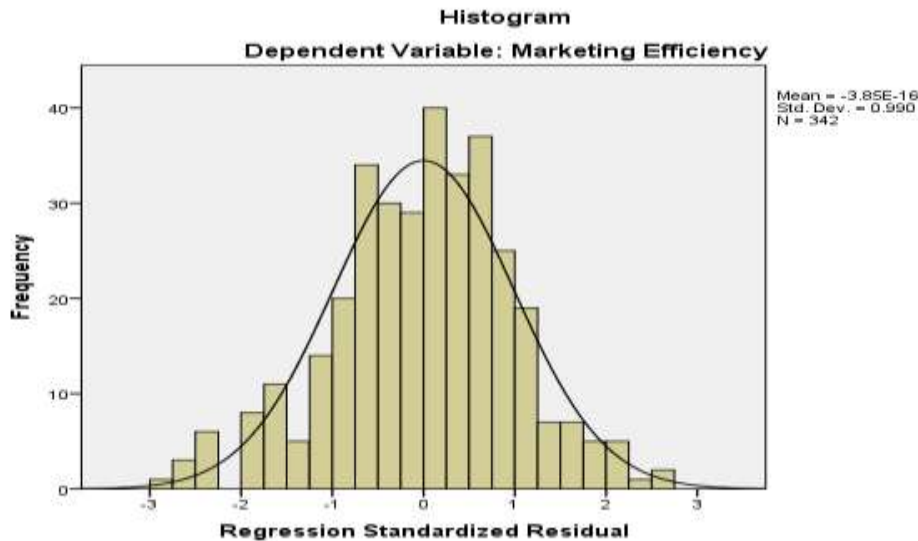


Fig 4.1 Normality tests of error term

Source: own analysis

4.6.4. Assesment of Hetroskedasticity Test

When the error term and the independent variable correlated to each other, the problem of heteroscedasticity would occur. This is tested by drawing a graph with standardized predicted versus standardized residual curve. In the curve if any continuity trend can be observed, i.e., if efficiency increment or decrement trend visualized, the problem is detected otherwise it is safe from the problem. In that regard, the study distribution has not shown any such kinds of trend; hence the heteroscedasticity problem is not obvious.

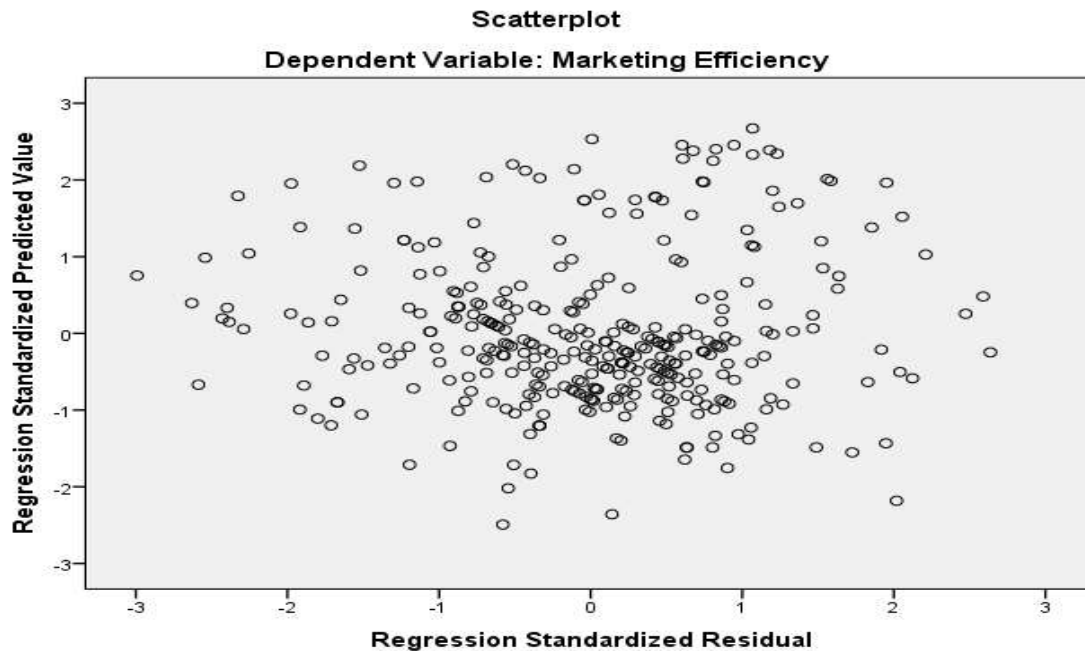


Fig.4.2 Heteroskedasticity Test

Source: own analysis

4.7. Marketing Efficiency Correlations Coefficient Analysis

A correlation analysis was used to examine the strength of the relationships between independent variables, Managerial Capacity (MC), Marketing Skill (MS), Legal and Regulatory Factors (LRF), Infrastructure (IS), Local Supply (LS), Access to Finance (AF) and Technical Support (TS), and the dependent variable Marketing Efficiency (ME). Table 4.16 contains the correlations coefficient analysis for all of the variables.

It helps to identify important factors which capable to affect the dependent variable. The results of correlation analysis show that all independent variables are correlated with the dependent variable Marketing Efficiency (ME) with a 0.01 level significance. However, Managerial capacity, legal and regulatory factors and Technical support are moderately correlated while the remaining others are weakly correlated.

Table 4.16. Pearson correlations matrix

Variables	MS	MC	LRF	IS	LS	AF	TS	ME
MS	1.00							
MC	0.719**	1.00						
Sig (2- td ^a)	0.000							
LRF	0.317**	0.370**	1.00					
Sig (2- td ^a)	0.000	0.000						
IS	0.174**	0.083	0.309**	1.00				
Sig (2- td ^a)	0.000	0.127	0.000					
LS	-0.226**	-0.115*	0.160**	0.128*	1.00			
Sig (2- td ^a)	0.000	0.034	0.003	0.018				
AF	-0.346**	-0.196**	0.176**	0.237**	0.530**	1.00		
Sig (2- td ^a)	0.000	0.000	0.001	0.000	0.000			
TS	0.446**	0.532**	0.385**	0.147**	0.017	0.000	1.00	
Sig (2- td ^a)	0.000	0.000	0.000	0.007	0.751	0.999		
ME	0.352**	0.455**	0.516**	0.374**	0.257**	0.135*	0.532**	1.00
Sig (2- td ^a)	0.000	0.000	0.000	0.000	0.000	0.012	0.000	

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

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

a: Significance (2- tailed)

Source: Own analysis

4.8. Regression Analysis

Regression analysis was conducted to examine the causal and strengths of relationships between the dependent and independent variables. A regression model was formulated and tested where the dependent variable represented Marketing efficiency of MSEs hereafter called the (ME), and the independent variables: Marketing skill (MS), Managerial capacity (MC), Legal and regulatory factors (LRF), Infrastructure (IS) Local Supply (LS), Access to Finance (AF) and Technical Support (TS). Basically, the regression analysis is used to test how the model fits and investigate the determinant variables to the dependent ones in the model. Finally, the research questions get their proper answer based on the proposed specific hypothesis and the regression results.

The table above displays R, R square, adjusted R square, and the standard error. R is the multi-correlation coefficient which is measuring the relationship between the dependent and predictor variables. The values of R range from -1 to 1. The sign of R indicates the direction of the relationship (positive or negative). The absolute value of R indicates the strength, with larger absolute values indicating stronger linear relationship. So, the value of R is 0.713 which implies the dependent and the predictors have developed a strong positive linear relationship.

Moreover, R squared is the proportion of variation in the dependent variable explained by the regression model. It is ranged from 0 to 1. Small values indicate that the model does not fit the data well. The sample R squared tends to optimistically estimate how well the models fit for the population. Both R squared and adjusted R square somehow has the same meaning and purpose. But the adjusted R square is applicable for the small numbers of observation ($n < 30$) or numbers of variables less than or equal to 5. So, in the case of this study, the researcher should use R square, because the numbers of variables involved in the study were eight. In this regard, the R square value is 0.509. This show that the seven independent variables of the model accounted 50.9% of the variation over the marketing efficiency of the MSEs (the dependent variable); whereas, the rest 49.1 % of the variation are covered by other unknown variables which is not included in the study.

The sign of the beta coefficient (β) also shows the +ve or -ve effect of the independent variables over the dependent once. From the result revealed in table below, the β sign of five independent variables are positive, whereas, the remaining two variables are negative over the predicting variable. That means, any increase or decrease in the independent variables lead to decrease or increase in the dependent variable respectively

Moreover, the researcher checked whether all the factors are important to determine the model or not, by using t-test statistics. If the p-value $<$ sig value=0.05 the factor/s are important to determine the model, i.e. accepted , otherwise the factor should be rejected in the model.

Result of regression analysis presented in table 4.17 above also provides more comprehensive and accurate examination of the research hypothesis. Therefore, the regression analysis was used to

test the developed hypotheses based on the hypothesis and investigate the impact of the independent variables on the dependent ones.

, Marketing Skill (MS) is not significantly affect, i.e., the dependent variable (ME) because $B = -0.12$ and $p\text{-Vale} > 0.05$.

Primarily the first hypothesis, Marketing Skill (MS) is to be checked whether significantly affect the marketing efficiency (ME) of MSEs .The result indicated that factor condition is not significantly affect the dependent variable (ME) of the MSEs ($Beta = -0.012$, $p = 0.840 > 0.05$). Therefore, the assumed hypothesis is rejected, i.e. the independent variable, Marketing skill did not affect the dependent variable, Marketing efficiency.

The second hypothesis involved in this study was to check whether Managerial Capacity (MC) is affect Marketing Efficiency (ME). As revealed in table above, those two variables are statistically significantly associated. This show that the independent variable managerial capacity (MC)affects the dependent variable Marketing efficiency(ME) because ($B = 0.224$ and $p < 0.05$).This implies that for a unit percentage increment of Managerial Capacity (MC), the Marketing Efficiency (ME) can escalate by 22.4%.

Similarly, the third hypothesis, Legal and Regulatory Factors (LRF) have significant impact on Marketing Efficiency (ME) ($Beta = 0.224$, $p < 0.05$). So, it is possible to conclude that the two Legal and regulatory factors affect Marketing efficiency. In that regard, for a unit percentage increment of Legal and Regulatory Factors (LRF) then the Marketing Efficiency (ME) had been increased by 22.4%.

Likewise, Infrastructure (IS) affect Marketing Efficiency (ME) of the MSEs in Bishoftu town ($Beta = 0.226$, $p < 0.05$). Thus, for a one unit percent average infrastructure facilitation change can capable to elongate 22.6% marketing efficiency.

Furthermore, the study wants to test whether Local Supply (LS) is statically significant determinants of the Marketing Efficiency (ME) of the MSEs in Bishoftu town or not. The result indicated in table above that the coefficient of the local supply has statically significant indicating that it can affect Marketing efficiency of MSEs ($Beta = 0.232$, $p < 0.05$). So, there is strong. Thus,

for a unit percentage change of increase in local supply escalate the market efficiency by 23.2% taking the remaining effect as a constant.

Analysis shown in table 4.17 above further indicate that Access to Finance (AF) is not statically significant for the contribution of Marketing Efficiency (ME) indicating that the factor did not affect marketing efficiency the MSEs in town (Beta = -0.830, $p > 0.05$).

The Table also shows that Technical Support (TS) in MSEs of Bishoftu town is positively related with Market Efficiency (ME) with a coefficient estimate of 0.295. This show that Technical support affects Marketing efficiency of MSEs of the town (B=0.295,P=0.00). Hence, holding other factors constant, a 1% increase in Technical Support (TS) in the study area increases the Market Efficiency (ME) by 29.5% and the p value of TS, i.e., 0.000 reveals that it is statistically significant at 5% level of significance.

CHAPTER FIVE

Findings, Conclusion and Recommendations

5.1. Introduction

In the previous chapter, we have analyzed data collected during the study. In this chapter we shall summarize our analytical findings and present conclusions drawn from the survey and the three research questions would be answered. Finally at the end of this chapter will be provided further suggestions and recommendations for future research.

5.2. Summary of Major Findings

In order to identify marketing challenges of MSEs, the influence of the variables designed for each factor has been quantified with Likert scale ranging from 1 to 5. Statistical tools such as mean, standard deviations, and linear regression were used for analyzing and interpreting the data and the result obtained from the analysis is summarized as follows:

Most MSEs are owned by less than five individuals, for this fact 24.6 % of the total enterprises are held by one or two persons. The study also revealed that more than half (61%) of owners or managers have prepared a plan for their business before starting or entering into new businesses. But most of them were not provided with training around the theme of their business before entering into new business.

It is observed from the study that credit and saving institutions are the major source of finance for MSEs showing that enterprises have no or few alternative credit institution providing them loan. Moreover, large number of MSEs is discouraged to take loan from credit institutions because of insufficient credit facility, high interest rate and high collateral requirements.

Most micro and small enterprises have shortage of local supplies (raw materials) as input to their production of goods and services. There is also high level of deliance of these supplies in the side of suppliers.

There is inadequate telecommunication infrastructure and network access and problems of power and water supply interruptions affecting marketing efficiency of the micro and small enterprises.

There is also inadequate market access and poor marketing linkage between and among MSEs, other large scale enterprises and organisations. Furthermore, provision of places (shades) to MSEs to sale their products to the market is insufficient .The study also show that because of lack of facilitations to create opportunities of Bazar and exhibition, products/services of MSEs have not been sufficiently promoted to the market. This is would agree with findings of Mulugeta (2011) who underlined that one of the critical factors of MSEs are market-related problems, which are caused by poor market linkage and poor promotional efforts.

It could be realized from the study that owners and Managers of MSEs have lack of marketing management capacities. This show that provision of sufficient skill development and technical training in the area of business, facilitation of experience sharing programs, provision of counseling services to MSEs are found unfavorable to high extent. Furthermore, most enterprise owners and managers have not developed marketing strategy for their business.

It is observed from the study that among legal and regulatory factors, flexibility of government policy in general is favorable to MSEs. However, problem is observed in implementation of policies such as protection of the market from non-official sectors and related corruption which have been hindering fair competition among markets. This is in agreement with Fagge, (2004) who confirmed that there have been many good policies formulated in the past by the government, but weak implementation has made it impossible to realize the goal.

The result of regression analysis shows that all factors of marketing challenges (independent variables) under the study have contributed 50.9 % of possible impacts on the dependent variable i.e., marketing efficiency. It is possible to judge that the remaining 49.1% is contribution of other unknown variables (factors) not included in this study. It also indicates that all independent variables, except Marketing Skill and Access to Finance, are significantly affecting Marketing efficiency (the dependent variable). Hence, more of the independent variables show positive effect on the dependent variable.

Technical Support for SMEs of the Town is the most significant factor affecting Marketing Efficiency (ME) with estimated coefficient of 0.295. This implies, holding other factors constant, a 1% increase in Technical Support (TS) in the study area increases Marketing Efficiency (ME) by 29.5% and the p-value of TS, i.e., 0.000 reveals that it is statistically significant at 5% level of significance.

5.3. Conclusion

The model marketing challenges consists of seven factors: Marketing skill, Managerial capacities, Legal and regulatory factors, Infrastructure, Local supply, Access to finance and Technical support. Taking these factors into consideration, the study has identified marketing challenges of MSEs in Bishoftu town; then analyzed the significance of marketing challenges and their impact on marketing efficiencies of the enterprises and conclusions derived from the analysis is forwarded in the following manner.

Allowing lower number of ownership per MSEs, contrary to the required standard, resulted in holding many enterprises by few individuals .This in turn reduce the possibility of minimizing unemployment and affect equitable distribution of income and wealth within the town.

Most of MSEs owners and managers were not provided with training around the theme of their business before starting new business .This create gap in running the businesses properly and results in premature failure.

Credit and saving institutions play the dominant role as sources of financing to MSEs in Bishoftu town.This resulted in the enterprises to rely heavily on credit and saving institutions for financing their businesses. Even if the institution's financial policies get inflexible, they have no alternative financing agencies or institutions to choose. This creates significant challenges to MSEs regarding access to finance for their businesses.

Existence of insufficient credit facility and high collateral requirements by credit institutions usually discourages MSEs from taking loan. Hence, they become one of the major challenges to MSEs of the town .This indicates that there is policy gap in provision of loans related to collateral requirements and lack of strategies regarding credit facilities.

Shortage of local raw materials' supply and their deliance may arrised from absence of regular delivery schedule, a problem at the site of supply sources, lack of transportation facilities or infrastructure and others. These all together causes the supply costs to rise and forced price of product or service to increase which in turn decrease production and sales volume of goods and

services. Fluctuation of local supply also causes fluctuations in price of goods or services. Hence, problems of local supplies affect efficiency of production and pricing of goods and services and hamper marketing efficiency of the enterprises in general.

Inadequate telecommunication infrastructure and network access affect communication efficiencies of many MSEs. The fact that infrastructures such as power and water supplies are directly tied to day to-day activities of every business would make lack of these benefits to greatly influence marketing efficiencies of the enterprises.

Inadequate market linkage between and among MSEs and other large scale enterprises and lack of market access has got significant impact on marketing efficiencies of the MSEs for the fact that problems related these factors have not only weaken communication efforts among enterprises but also causes shortage of inflows and out flows of resources with in the market . In addition they cause decrease in sales volume of products and corresponding reduction in production of goods and services.

Bazars and exhibition are not only opportunities through which goods or services are promoted but also where large volume of sales can take place and market linkage opportunities are facilitated or created. Hence, poor facilitation of Bazar and exhibition opportunities would result in inefficient competition and a decrease in sales volume and end up in bankruptcy.

Lack of managerial capacity of owners and managers of MSEs is the major cause of poor planning, implementation, controlling and evaluation of marketing activities. Insufficient technical skill training, experience sharing and provision of counseling services to owners or managers can also cause poor marketing skill. This is consistent with description of Biggs and Shah,(2006) which states many entrepreneurs rush out to establish MSEs without having good and adequate technical skills.

Failure to develop marketing strategy results in poor knowledge of potential competitors, their strength, action and reaction. Therefore, enterprises cannot react actively and take competitive position in market, then end up in failure.

Despite the flexibility of government policies related to MSEs development programs in many corners touched by the study, significant failure in implementation of these policies hinders protection of the market from non-official sectors and related corruptions concerning MSEs of the town.

5.4. Recommendation

The main interest of this study was identifying marketing challenges facing MSEs in Bishoftu town. The study shows that there are different constraints hindering marketing efficiency of MSEs that must be solved by Micro and small enterprises development office of the town, owners and managers of the MSEs, stake holders and other concerned government organizations .Therefore, recommendations that enable them minimize the challenges and encourage improvements in marketing efficiency of the MSEs are summarized as follows:

- Starting to new business without having sufficient technical skills resulted in marketing inefficiency of MSEs and failure of businesses within in few years. Hence, owners of MSEs should get sufficient training and experience sharing before entering to new business
- The regional government and MSEs development office of the town needs to find alternative financing institutions, design and implement transparent credit facilities and strategies and develop policies that encourage the enterprises to take loan from the financing institutions through improving or creating other better alternatives regarding collateral requirements.
- It is also advised that shortage of local supply needs to be solved through solving related problems such as constraints at supply sources, transportation facilities and road infrastructure. In other ways strengthening capacity of existing suppliers, establishing new micro and small enterprise suppliers and then creating market linkage with the underlying enterprises can also be a solution needing attention.
- Inadequate telecommunication infrastructure and network access affect communication efficiencies of many MSEs. The fact that infrastructures such as power and water supplies are directly tied to day to-day activities of every business would make lack of these benefits to greatly hamper marketing efficiencies of MSEs. Therefore, the MSEs development agency, together with the city administration and government need to improve these infrastructures.
- The study recommends that the Micro and small enterprise development office of the town shall create adequate market linkage between and among micro and small enterprises,

medium and large scale enterprises and other governmental and non-governmental organizations.

- Micro and small enterprises cannot survive unless they are competent in such competition environment of the era. Therefore, owners or managers of the MSEs are recommended to develop promotional strategies and programs that stimulate consumers about their offerings. They are also recommended to develop competitive strategies that enable them identify their potential competitors, their strength and action and respond proactively to challenge to coming from competitors. Supporting activities by Micro and small enterprises' development offices must be enhanced by giving special attention to Bazaars, exhibitions and trade shows.
- The Micro and small enterprise development office of the town shall protect unfair competition arising from non-official sectors and related corruptions which have been challenge to marketing efficiency and get obstacles to growth and survival of MSEs. This can be done through implementation of policies and strategies, establishing accountability, and develop control and followup strategies.
- Efficiency in marketing is unthinkable without strong management capacities of owners or managers. Therefore, to enable the MSEs compete successfully in the market, the MSEs Development office of the town is advised to provide training facilities and promote experience sharing programs and provision of counseling services to owners or managers of the enterprises.

5.5. Limitation of the Study and Direction for Future Research

5.5.1. Limitations of the Study

Factors considered for analysis were only those the researcher expected as most relevant to the level of advancement of recent businesses. Other unconsidered challenging factors in the study may exist. Because of information limitation and access, the study did not include those micro and small enterprises which are quitted from the business for various reasons .These may limit the quality of the analysis.

5.5.2. Direction for Future Research

Nogare, (2006) presented a notion that growth of MSEs is more than array of factors and a need for broader perspective covering founders' characteristics, innovation, and complexity of business environment in which the MSEs operate. This show that MSEs can face different challenges depending on factors indicated above. Hence, there can be other marketing challenges different from those included in this study. For this fact, factors identified in this study covers only 50.9% of possible challenges affecting marketing efficiency. The remaining 49.1 % is expected to be covered by other factors or challenges not included in this study which may requires another study.

Furthermore, in this study, two independent variables: Marketing skill and Access to finance, which were considered as factors of marketing challenges of MSEs in Bishoftu town at the beginning of the study, were found to be non-correlated to the dependent variable marketing efficiency .This may need proofing against MSEs of any other environment -region or town

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Appendix I

**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE
DEPARTMENT OF MARKETING MANAGEMENT**

Questionnaires for Members/Owners of MSEs Enterprises of Bishoftu Town.

Dear Respondent:

This questionnaire is designed for studying **marketing challenges of Micro and Small enterprises** in Bishoftu town. The aim of the study is only for academic purpose and not to abuse or defame the enterprises or **MSE** agency. All responses are confidentially kept and used for the stated purpose only. Thus, I would kindly request you to go through all questions and respond the solid reality regarding each issue. Put (√) Mark on the space provided; write your suggestions, reasons and recommendations in the blank space left for you.

Thank you in advance.

1. Personal information

1.1. Age 18- 25 26-30 31-40 41-50 above 50

1.2. Sex M F

1.3. Marital status :

Married Single Divorce

1.4. Education level

Primary school 12th complete Diploma

Degree (BA/BSC) MA/MSc PhD

Other (specify) _____

2. When did your Micro/Small Enterprise established? (DD/MM/YY) _____
3. Your responsibility in Micro and small Enterprise _____
4. Sector of your investment (Manufacturing, Trade, Agriculture, etc) _____
5. What is the Number of member owners of the business? _____
6. Have you trained on marketing in area of your investment before practically getting into the business? Yes No

7. If Your answer for Q.6 is “yes” please put areas (topics) on which the training was provided and suggest its relevance to the business you have engaged in :

8. How many was your initial investment (capital)? Br. _____

9. What was source of finance for your initial capital for your investment? (Self , Loan from Credit institutions, all, Other (specify) _____

10. What was your annual sales in 2008 E.C?. Br. _____

11. What is your total asset at the end of year 2008 EC.? Br. _____

12. Who is /are financing agency/ies of your enterprise? _____

13. What is/ are product or services your enterprise Producing/ providing? _____

14. Have you developed your business plan before getting in to the business

Yes No

15. Do you evaluate profitability of your business? yes No

16. Do you believe that your enterprise is successful /effective in its marketing (Sales) activities

Yes No

17. If your answer for Qn. No 16 is “No” please explain all the constraints causing ineffectiveness to your business? _____

II. Challenging factors of Marketing.

Please rate the level at which each factor is affecting your business based on the following five point scale by putting check mark (√) corresponding to numbers assigned. Note that numbers :1 is represented by *Strongly Disagree*, 2 is represented by *Disagree*, 3 is represented by *Neutral*, 4 is represented by *Agree* 5 represented by *strongly agree*.

L T	Challenging factors	1	2	3	4	5
1	Internal factors					
1.1	Marketing skill					
	<i>You have performed the following before entering into the market.</i>					
1.1.1	You have analyzed existing business opportunities.					
1.1.2	You have segmented your market based on various factors such as demographic, psychographic, etc,					
1.1.3	You have identified the target market you can best serve.					
1.2	Managerial capacities					
1.2.1	You have developed annual Marketing plan for your business					

1.2.2	You have developed strategic marketing plan for your business					
1.2.3	You have developed marketing strategy for your business					
1.2.4	You have developed evaluation and control programs for your business.					
2	External Factors					
2.1	Legal and regulatory factors :					
2.1.1	Political stability of the region/ town has created an opportunity to your marketing efficiency.					
2.1.2	Flexibility of government policy as relation to MSEs has greatly encouraging your business growth					
2.1.3	There is no non -official sector. So absence of competition from non - official sectors strengthens competition of your business in the market					
2.1.4	Favorable tax policy of the government is encouraging that it contributes to growth and profitability of your business					
2.1.5	There is no corruption concerning MSEs. Hence corruption couldn't be a cause for unfair competition in your business.					
2.2	Infrastructure (roads, adequate power, water and telecommunication)					
2.2.1	There is insufficient power supply that hinders your business from running smoothly.					
2.2.2	Inadequate water supply has been hindering your business from proper functioning					
2.3	Input (RM) supply					
2.3.1	Shortage of input supply has been affecting your marketing efficiency.					
2.3.2	Deliance in supplying inputs for production of goods/services have been affecting your productivity and profitability.					
2.4	Access to finance					
2.4.1	Lack of finance has been affecting your marketing efficiency					
2.4.2	There is insufficient credit facility with financial institutions.					
2.4.3	High interest rate has highly discouraged your firm from obtaining loan from financial institutions.					
2.4.4	High collateral requirement by financial institutions has highly discouraged your firm from obtaining loan.					
2.5	Technical support (training, counseling, education, etc)					
2.5.1	You have been provided sufficient Technical training in the area of your business.					
2.5.2	You are getting sufficient skill development training by TVET and MSEs agencies.					
2.5.3	You have provided with enough experience sharing opportunity with similar industry.					
3	Marketing efficiency of MSEs					
3.1	Production and quality of product/service					

3.1.1	Shortage of local supply (Raw materials) has been affecting timely production and quality of product and of goods/ services of your enterprise.					
3.2	Pricing of product/service					
3.2.1	High costs of local supply (Raw material) has been influencing pricing of product and services in your business					
3.3	Promotion effort					
3.3.1	Your products are sufficiently promoted through Bazar					
3.3.2	Your products are sufficiently promoted through exhibition.					
3.3.3	Poor telecommunication infrastructure and Network access hinders promotion of your products/services and facilitation of your sales effectiveness through communication of social media.					
3.4	Place (Storage, distribution..) effort					
3.4.1	There is adequate marketing linkage between your enterprise and other MSEs					
3.4.2	There is adequate marketing linkage between your enterprise and other (Non MSEs) large organizations					
3.4.3	Your business is sufficiently liked with markets such as, whole sales or retail business firms					
3.4.4	Your business is more relied upon government market than markets of other business					
3.4.5	There is enough market access to sell your product/service.					
3.4.6	You have provided with a place (shade) for selling your product/service.					
3.5	Competition effort					
3.5.1	Your enterprise has developed competitive strategy for its business					
3.5.2	Your enterprise has identified potential competitors ,their strength and action					
3.5.3	Your enterprise has been reacting to take competitive position against competitors					

Thank you!

YUNIVERISTII ADDIS ABABAA
MANA BARUMSA HOJII DALDALA
DEPARTMENTII BULCHIINSA GABAA

Gaafannoo miseensota/abbootii Qabeenyaa waldaalee IMX Bulchiinsa magaalaa Bishooftuu tiif dhihaate.

Kabajamtoota deebii kennitootaa;

Gaafannoon kun Mata duree **Rakkoolee Gabaa waldaalee IMX Magaalaa Bishooftuu** jedhu irratti qorannoo gaggeessuuf kan qophaahedha. Kaayyoon qorannoo kanaas waldaalee IMXs ta'e waajjiraalee ol'aanoo isaaniin to'atan kallattii hin malleen ibsuuf osoo hin taane rakkoolee gabaa isaanii qorannoo qabatamaadhaan adda baasuun yaada furmaataa kaa'uu qofadha .Deebiin isin kennitan qaama kamiifuu haala kamiin iyyuu darbee hin kennamu; dhimma qorannoo kanaan ala tajaajila biroofis hin oolu. Kanaafuu xiyyeeffannoo guddaa kennuun deebii sirrii fi dhugaa ta'e akka nuuf kennitan kabajaan isin gaafanna . Deebii keessan saanduqa gaaffii fuula dura taa'e keessa mallattoo (✓) kaa'uu fi Iddoowwan duwwaa kennaman keessatti yaada keessan barreeffamaan ibsuun kennaa.

Deeggarsa nuuf gootaniif dursinee isin galateeffanna.

1.Haala dhuunfaa keessanii.

1.1 **Umurii:** 18- 25 26-30 31-40 41-50 50 ol

1.2. **Korniyaa:** Dhiira Dubartii

1.3. Haala gaa'elaa:

Kan fuudhe/heerumte Kan hin fuune/herumne kan hiike/hiikte

1.4.Sadarkaa Barumsaa

Sad, 1ffaa 12ffaa kan xumure Diploomaa
Digirii 1ffaa (BA/BSC) Digirii 2ffaa MA/MSC PhD

Kan biraa (ibsa) _____

18. Waldaan keessan Bara kam hundaaha? _____

19. Waldaa kana keessatti sadarkaan ittigaafatamummaa keessan maali? _____
20. Sektarri waldaa keessanii isa kami (Manufacturing, Daldala , Qonnaa, kkf) _____
21. Baayyinni miseensota waldaa keessanii meeqa? _____
22. Osoo hojiitti hin galiin dura hojii irratti gurmooftaniin walqabatee haala gabaa (marketing) irratti leenjiin isiniif kennameeraa? Eeyyee lakki
23. Gaaffii lakk.6 ‘f deebiin keessan “eeyyee” yoo ta’e Mata duree leenjichaa fi osoo nuuf ibsitani ? _____
24. Waldaan keessan kaappitaala qarshii meeqaan hojii eegale? Qr. _____
25. Gaaffii lakk 8 ilaalchisee maddi faayinaansii keessan eessa? (dhuunfaa , Liqii dhaabbilee liqii irraa argame, lamaanuu , madda biroo (haa ibsamu) _____
26. Gurgurtaan keessan waggaa kan Bara 2008 meeqa? Qr. _____
27. Qabeenyi keessan waliigalaa waggaa kan Bara 2008 meeqa? Qr. _____
28. Dhaabbileen waldaa keessaniif liqii Kennan eenyufaati? _____
29. Waldaan keessan omisha maal-maal omisha Ykn Tajaajila maal-maal kenna? _____
30. Waldaan keessan osoo hojii qabatamaatti hin galiin dura karoora daldalaa (business plan) qopheeffateeraa? eeyyee lakki
31. Waldaan keessan bu’a qabeessummaa Raawwii isaa ni gamaaggamaa? Eeyyee lakki
32. Waldaan keessan gama milkaahina gabaa tiin sadarkaa gaarii irra jira jettanii amantuu? Eeyyee lakki
33. Gaaffii lakk 16 irratti deebiin keessan “lakki” yoo ta’e rakkooleen milkaahina hojii gabaa keessan irratti gufuu ta’an maal-maal akka ta’an osoo nuuf ibsitani? _____

II. Rakkoolee dhimma sochii gabaa irratti hudhaa ta’an.

Dhimmoolee gabatee armaan gadii keessatti ibsaman bu’uura lakkoofsa kennameen sadarkeessaa. Deebii keessan mallattoo (✓) kaa’uudhaan kenna. Jechoonni sadarkeessaa *Tasuma irratti walii*

hin galu =lakk 1, Irratti walii hin galu =lakk 2, yaada hin qabu = lakk 3, irratti walii nan gala lakk 4, cimeseen irratti waliigala lakk = 5 jechuudha.

L T	Dhiibbaalee hudhaa ta'an (challenging factors)	1	2	3	4	5
1	Dhiibbaa keessaa (internal factors)					
1.1	Dandeettii gaggeessummaa gabaa (Marketing skill)					
	<i>Osoo hojii qabatamaatti hin galiin dura hojiiwwan armaan gadii hunda raawwachuu keessan ibsaa.</i>					
1.1.1	Waldaan keessan Carraalee gabaa jiran sakatta'ee adda baafateera.					
1.1.2	Waldaan keessan haala jireenya hawaasaa, umurii, aadaa fi kkf irratti hundaahuun gabaa isa kam akka tajaajiluu qabu (maammila isaa) gosa gosaan qoqqoodee ibseera.					
1.1.3	Waldaan keessan iddoo xiyyeeffannoo gabaa (eenyuun caalaatti akka tajaajiluu danda'u) adda baafatee jira.					
1.2	Humna bulchinsaa qabaachuu (Managerial capacities)					
1.2.1	Waldaan keessan dhimma sochii gabaa hojii daldalaa isaa ilaalchisee karoora waggaa qopheeffate ittiin hoogganamaa jira.					
1.2.2	Waldaan keessan dhimma sochii gabaa hojii daldalaa isaa karoora tarsii moo qopheeffate ittiin hoogganamaa jira.					
1.2.3	Waldaan keessan Tarsiimoo gabaa (marketing strategy) hundeeffateetu socho'aa jira.					
1.2.4	Waldaan keessan sochii gabaa irratti sirna to'annoo fi hordoffii diriirsee ittiin hojjetaa jira.					
2	Hudhaalee alaa (External Factors)					
2.1	Rakkoo seeraa fi qajeelfamaa (Legal and regulatory factors)					
2.1.1	Tasgabbiin siyaasaa Naannichaa /magaalichaa guddina gabaa waldaa keessaniif carraa guddaa uumeera.					
2.1.2	Imaammanni mootummaa hojii waldaa keessaniif mijaawaa waan ta'eef guddina gabaa keessan kan jajjabeesudha.					
2.1.3	Daldalli seeraan alaa Magaalicha keessa waan hin jirreef dorgommii gabaa waldaa keessanii irratti dhiibbaa hin fidne.					
2.1.4	Imaammanni gibiraa (tax) Mootummaa sochii gabaa keessaniif mijaawaa waan ta'eef bu'a qabeessummaa fi guddina waldaa keessaniif gumaacheera.					
2.1.5	Dhimma waldaa keessan waliin walqabatee Malaammaltummaan hin jiru. Kanaafuu rakkoo Malaammaltumaatiin dhiibbaan waldaa keessan irra gahe hin jiru.					
2.2	Bu'uuraalee Misoomaa (Daandii, Bishaan, Ibsaa fi telekoomunikeeshinii)					
2.2.1	Addaan ciccitiinsa Ibsaa (elektrikii) waan jiruuf gama ibsaa tiin guddina gabaa keessan irra dhiibbaan gaheera.					
2.2.2	Humni ibsaa gahaan waan hin jirreef guddina gabaa keessan irratti dhiibbaa fideera.					

2.2.3	Hanqinni dhiheessii bishaanii tajaajila ykn omishaa fi gabaa keessan irratti dhiibbaa fideera.					
2.3	Dhiheessii galtee (Input supply)					
2.3.1	Hanqinni dhiheessii galtee guddina omishtummaa waldaa keessanii irratti dhiibbaa fida jira.					
2.3.2	Gatiin galteewwanii olka'aa waan ta'eef sochii gabaa waldaa kessan irratti dhiibbaa fideera.					
2.3.3	Waldaan keessan galtee yeroon argachuu dhabuudhaan omisha ykn tajaajila ariifachiisaa kennuu irratti rakkoon isa qunnamaa jira.					
2.4	Argamina Baajataa					
2.4.1	Rakkoon baajataa guddina gabaa keessan irratti dhiibbaa fida jira.					
2.4.2	Waldaan keessaniif dhaabbilee liqii kennan waliin haalli mijaahaan akka uumamu hin taasifamne.					
2.4.3	Dhali liqii hedduu olka'aa ta'uun isaa dhaabbilee liqii irraa akka hin liqeeffanne hudhaa ta'eera.					
2.4.4	Wabiin liqii liqeessitootaan gaafatamu hedduu olka'aa ta'uun isaa liqii fudhachuuf hudhaa ta'eera.					
2.5	Deeggarsa teeknikaa (leenjii , gorsa, barnootaa fi kkf)					
2.5.1	Hojii gabaa irratti leenjii teeknikaa gahaan isiniif kennameera.					
2.5.2	Hojii gabaa irratti leenjii dandeettii keessan cimsu isiniif kennameera (TVET fi Waajjira IMX tiin).					
2.5.3	Waldaalee IMX gara biroo waliin carraan muuxxannoo waljijjiirraa isiniif kennameera.					
2.5.4	Sirna gabaa irratti qaamolee dhimmi ilaaluun tajaajilli gorsaa isiniif kennameera.					

3	Sochii gabaa waldaalee IMX (Marketing efficiency of MSEs)	1	2	3	4	5
3.1	Omishuu bu'aa/tajaajilaa qulqullina qabu					
3.1.1	Hanqina dhiheessii galteewwan naannoo omisha/tajaajila qulqullina qabu yeroon omishuu irratti dhiibbaa fidee jira					
3.2	Gatii bu'aawwan omishaa/Tajaajilaa baasuu (pricing)					
3.2.1	Qaala'iinsi gatiin dhiheessii galteewwanii gatii bu'aawwan omishaa keessanii baasuu irratti dhiibbaa fideera.					
3.3	Beeksisa(Promotion)					
3.3.1	Omisha/Tajaajila keessan karaa Baazaarii adda addaa haala qabuun gabaatti beekesiftanii jirtu.					
3.3.2	Omisha keessan karaa Egzibiishinii adda addaa haala qabuun gabaatti beekesiftanii jirtu.					
3.3.3	Hanqinni bu'uura misoomaa qunnamtii telekoomunikeeshinii fi Neet -workii bu'a qabeessummaa gurgurtaa bu'aa omishaa/tajaajilaa keessan irratti rakkoo fideera.					
3.4	Iddoo (kuusaa, Raabsaa fi kkf)					
3.4.1	Waldaa IMX keessanii fi waldaalee IMX biroo gidduutti wal qunnamtii gabaa gahaa uummatanii jiru.					
3.4.2	Waldaa IMX keessanii fi dhaabbilee daldalaa biroo gidduutti walqunnamtii gabaa gahaa uummatanii jiru.					
3.4.3	Waldaalaan keessan dhaabbilee Gurgurtaa waliigalaa, Chirchaaroo fi qinxaaboo waliin walqunnamtii gabaa gahaa uummatee jira.					
3.4.4	Waldaan Keessan gabaa dhaabbilee daldalaa caalaa gabaa Mootummaa waliin hidhamee jira.					
3.4.5	Waldaan keessan Omisha ykn tajaajila isaa gurgurachuuf gabaa gahaa argataa jira.					
3.4.6	Waldaan keessan Iddoo gabaa omisha ykn tajaajila isaa itti gurguratu argataa jira..					
3.5	Dorgommii gabaa gaggeessuu					
3.5.1	Waldaan keessan tarsiiimoo dorgommii gabaa hundeeffatee ittiin hojjetaa jira.					
3.5.2	Waldaan keessan dorgomtoota isaa cimoo ta'an, sadarkaa cimina isaanii fi hojii isaanii adda baafateera.					
3.5.3	Waldaan keessan dorgomaa cimaa ta'ee dorgomtoota isaa caaluuf bal'inaan hojjechaa jira.					

Deeggarsa nuuf taasiftaniif galatoomaa

አዲስ አበባ ዩኒቨርሲቲ
የንግድ ሥራ ት/ቤት ማርኬቲንግ ዲፓርትመንት

ለቢሾፍቱ ከተማ ጥቃቅንና አነስተኛ

ኢንተርኖራይዎች የተዘጋጀ መጠይቅ።

ክቡራን መልስ ሰጪዎች.

ህ መቅ ቢሾክቱ ከተማ ጥቃቅንና አነስተኛ ኢንተርኖራይዎች የገበያ ተግዳሮቶች በሚል ርክስ ጥናታዊ ጽሑፍ ለማዘጋጀት የሚረዱ መረጃዎችን ለመሰብሰብ የቀረበ ነው። የመጠይቁ ዋና ዓላማ ጥቃቅንና አነስተኛ ኢንተርኖራይዎችን ወይም ኢንተርኖራይዎቹን ያቋቋሙትን መ/ቤቶች ስም ባልተገባ ሁኔታ ለመግለፅ ወይም ለማጉደፍ ሳይሆን ለአካዳሚ ጉዳይ ለታለመው ለዚህ ጥናታዊ ጽሑፍ ለመጠቀም ብቻ ነው።

ስለህ ምሰን አስተያየት ወይም መልስ ምንጩ በሚስጢር የሚጠበቅ ይሆናል። በመሆኑም ጥያቄዎቹን በሙሉ በሚገባ በማጤን ተገቢና ትክክለኛ አስተያየት ወይም መልስ አንድሰጡኝ በትህትና አጠይቃለሁ። በተጨማሪም ውድ ጊዜዎን ሰውተው ስለሚሰጡኝ መልስ አስቀድሜ አመሰግናለሁ።

ጥያቄዎቹን በተሰጡት ሳጥኖች ውስጥ የ “ህ” ምልክት በማስቀመጥ ወይም ክፍት ቦታዎች ውስጥ ተገቢውን መልስ በመአ መልሱ።

1. የመልስ ሰጪው የግል ሁኔታ

1.1. ክትሜ 18-25 26-30 30-40
 41-50 ከ50 በላይ

1.2. ጾታ : ወንድ ሴት

1.3. የጋብቻ ሁኔታ
ላብ ብብ ታች

1.4. የትምህርት ደረጃ

የመጀመሪያ ደረጃ ት/ቤት ንግሥታዊ ያጠናቀቀ/ች

10ኛ ክፍል ያጠናቀቀ/ች ቲችሎማ

10+3 ያጠናቀቀ/ች መጸመሪ ቲፅሪ

2ኛ ቲፅሪ 3ኛ ቲፅሪ

2. የጥቃቅንና አነስተኛ ኢንተርኘራይዝዎ የተቋቋመበት ቀንና ዓመተ ምህረት ብገልጹልን

3. በጥቃቅንና አነስተኛ ኢንተርኘራይዝዎ ውስጥ ያለዎት የስልጣን ደረጃ _____

4. ኢንተርኘራይዝዎ የተየተሰማሩበት የኢንተርኘራይዝ ዓይነት /ሴክተር/ ይግለጹ (ግብርና
፤ ማኑፋክቸሪንግ ፤ ንግድ ፤ አገልግሎት ፤ ግንባታ)

5. የኢንተርኘራይዝዎ አባላት /ባለቤት/ብዛት _____

6. ወደ ሥራ ከመግባትዎ በፊት ስለምርት ወይም አገልግሎት አሰጣጥዎ ስልጠና ተሰጥቶታል?
አዎ አይደለም

7. ባይ ቁጥር 6 መልስ- “አዎ” ከሆነ የስልጠናው ርዕስና ከሥራዎ ጋር ያለው ግንኙነት ወይም
 ቀሜታ ቢገልጹልኝ _____

8. በመጀመሪያ ኢንተርኘራይዝዎን ለማቋቋም ያወጡት ገንዘብ ብር _____

9. ኢንተርኘራይዝዎ የተቋቋመበት የገንዘብ ምንጭ _____

10. በ2008 ምመሬ ረሻ ላ መታዊ ሽያጭዎ ስንት ነበር ? _____

11. በ2008 ዓ.ም መጨረሻ ላይ የተጣራ ሐብትዎ ስንት ነበር ? _____

12. ለድርጅትዎ ማጠናከሪያ የሚሆን ብድር የሚያገኙበት ድርጅት ማን እንደሆነ ብገልጹልኝ

13. ድርጅተዎ የሚያመርተውን ምርት ወይም የምስጠውን የአገልግሎት ዓይነት ቢገልጹልን?

14. የድርጅትዎን የሥራ መርሀግብር ዕቅድ ያወጣሉ ? አዎ አይደለም

15. በየጊዜው የድርጅቱን ስኬት ይገመግማሉ ? አዎ አይደለም

16. ድርጅትዎ ስኬታማ (ትርፋማ) ነው ብለው ያምናሉ? አዎ አይደለም

17. ለዓ ቁጥር 16 መልስ- “አይደለም” ከሆነ ለድርጅተዎ ስኬታማነት እንቅፋት የሆኑትን መሰናክሎች
ቢገልጹልን ? _____

2. የገበያ ተግዳሮቶች

በሰንጠረዥ ውስጥ የተቀመጡት የገበያ ተግዳሮቶች ከፊት ለፊታቸው ከተቀመጡት መመዘኛ ቁጥሮች አንፃር በመገምገም መልስዎን በቁጥሮች ትይዩ (✓) ምልክት በማስቀመጥ ብመለሱልን !

ማስታወሻ : ቁጥር 1 = በጣም አልሰማም ቁጥር 2 = አልሰማምም ቁጥር 3 = ሐሳብ ከመስጠት ገለልተኛ ነኝ

ቁጥር 4 እስማማለሁ = ቁጥር 5 = በጣም እስማማለሁን ያመለክታሉ።

ተ.ቁ	ተግዳሮቶች	1	2	3	4	5
1	ውስጣዊ ተጽዕኖዎች ፤					
1.1	የገበያ ክህሎት					
	ወደ ሥራ ከመግባትዎ በፊት በድርጅትዎ ውስጥ የሚከተሉትን ተግባራት ፈጽመዋል።					
1.1.1	ለድርጅትዎ ገበያ ያሉትን ምቹ አጋጣሚዎች በጥናት ለይተዋል።					
1.1.2	የተገልጋይዎን በየዓይነታቸው ከፋፍለው አስቀምጠዋል።					
1.1.3	ትክክለኛ ተገልጋዎን ለብቻ ለይተው አውቀዋል።					
1.2	የማስተዳደር አቅም					
1.2.1	ለገበያዎ አመታዊ መርሃግብር አውጥተው እየተመሩበት ነው።					
1.2.2	ለገበያዎ የረጅም ጊዜ ዕቅድ አውጥተው እየተመሩበት ነው።					
1.2.3	የድርጅትዎን የገበያ ስልት (ስትራቴጂ) አውጥተዋል(አለዎት)					
1.2.4	ለገበያዎ የዕቅድ ትግበራ ቁጥጥርና ግምገማ መርሐግብር አውጥተው እየሰሩበት ነው።					
2	ውጫያዊ ተፅዕኖዎች ፤					
2.1	ፖሊቲካዊና ህጋዊ ጉዳዮች፤					
2.1.1	የክልሉ ወይም ከተማው የፖለቲካ መረጋጋት መኖሩ ለገበያዎ ዕድገት ምቹ ሁኔታ የፈጠረ ነው።					
2.1.2	የመንግስት ፖሊሲ ለጥ/አ/ኢንተርፕራይዞች ምቹ መሆኑ ለገበያዎ ምቹ ሁኔታዎቻችን ፈጥሯል።					
2.1.3	በከተማው የሕገወጥ ንግድ ሥራዎች ስለሌሉ ለአርስዎ የገበያ ተዎዳዳሪነት ምቹ ሁኔታዎች ፈጥረዋል።					
2.1.4	ተመጣጣኝ የሆነ የግብር (ታክስ) ሕግ ለድርጅትዎ ትርፋማነትና ዕድገት አስተዋጽኦ አለው ።።					
2.1.5	የሙስና አለመኖር በንግድ ሥራዎ ላይ በቂ ተወዳዳሪ እንደሆኑ ረድቶዎታል።					
2.2	መሰረተ ልማት (መንገድ ፣ መብራት፣ ውሃ፣ ፍሳሽ ማስወገጃ ቴሌኮሙኒኬሽን)					
2.2.1.	የሐይል መቆራረጥ በገበያ ሥራዎ ላይ አሉታዊ ተፅዕኖ ፈጥሯል።					
2.2.2.	<input type="checkbox"/> አ <input type="checkbox"/> ል ክፍረት በገበያ ሥራዎ በተገቢው ሁኔታ እንዳይካሄድ አድርጓል።					

3	የጥ/አ/አ/ የገበያ ማሻሻያ እንቅስቃሴ	1	2	3	4	5
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2.2.3.	የውሃ አቅርቦት <input type="checkbox"/> ለጥራት የንግድ እንቅስቃሴ ላይ ተጽዕኖ ፈጥሯል።					
2.3	የግብአት ጥሬ <input type="checkbox"/> ክቃዎች መገኘት።					
2.3.1	የግብአት ጥሬ ቃዎች ክጥረት በንግድ ሥራ ጥራት ላይ ተጽዕኖ <input type="checkbox"/> ማረፊያ።					
2.3.2	የግብአት ጥሬ ዕቃዎች አቅርቦት መዘግየት በምርት ወይም አገልግሎት አቅርቦት ላይ ችግር ፈጥሯል።					
2.4	የፋይናንስ (ገንዘብ) አቅርቦት፣					
2.4.1	ለንግድ ሥራ የሚውል የገንዘብ ዕጥረት በንግድ ሥራ ላይ ተጽዕኖ <input type="checkbox"/> ማረፊያ።					
2.4.2	ከአባዳሪ ድርጅቶች ጋር ለብድር አገልግሎት ምቹ ሁኔታዎች አልተፈጠረዎትም።					
2.4.3	የብድር ወለድ ማደግ ከአባዳሪ ድርጅቶች ገንዘብ የመበደር ዕትል- እንዳይሳካ ምክንያት ሆኗል።					
2.4.4	አባዳሪ ድርጅቶች የሚጠይቁት ከፍተኛ የዋስትና ጥያቄ (የብድር መያዣ) ለድርጅት የገንዘብ እንዳይበደር መሰናክል ሆኗል።					
2.5	የቴክኒክ <input type="checkbox"/> እገዛ (ስልጠና፣ ምክር ፣ ትምህርት ወዘተ) ፣					
2.5.1	በንግድ ሥራ ዘርፍ ዙሪያ ቀጣይነት ያለው የቴክኒክና ሙያ ስልጠና ተሰጥቶታል።					
2.5.2	በንግድ ሥራ ዘርፍ <input type="checkbox"/> ርግብ በቴክኒክና ሙያ ኮሌጆችና የጥ/አ/አ.ንተርን ራይዝ ኤጀንሲ አማካኝነት በቂ የሆነ የሙያ ክህሎት ስልጠና አግኝተዋል።					
2.5.3	ከተማሳሳይ ኢንተርፕራይዞች ጋር የልምድ ልውውጥ ዕድል ተሰጥቶታል።					
2.5.4	የንግድ ሥራ ለንድፍ ጠናቅቆ በቂ የሆነ የምክር አገልግሎት ተሰጥቶታል።					

3.1	ምርት/ አገልግሎትና ጥራታቸው						
3.1.1	የግብአት ጥሬ ቃዎች ክጥረት በንግድ ሥራ ጥረት ላይ ተጽዕኖ ፈጥሯል።						
3.2	የምርት/አገልግሎት ዋጋ ማውጣት						
3.2.1	የግብአት ጥሬ ዕቃዎች ዋጋ መናር በንግድ ሥራ ጥረት ላይ ተጽዕኖ ሰጥቷል።						
3.3	የማስተዋወቅ ስራ						
3.3.1	ምርት-ዎን ለማስተዋወቅና ለመሸጥ በቂ የባዛር ዕድሎች ተከፍቶሎታል።						
3.3.2	ምርት-ዎን ለማስተዋወቅና ለመሸጥ በቂ የኤግዚዚሽን ዕድሎች ተከፍቶሎታል።						
3.3.3	በቂ ያልሆነ የቴሌኮሙኒኬሽን መሰረተልማትና የመገናኛ /ኔትወርክ/መስመር መቆራረጫ በብቃት እንቅስቃሴ ላይ ክፍት ሰጥቷል።						
3.4	ቦታ (ንብረት ግምጃ ቤት፣ ስርጭት ወዘተ)						
3.4.1	ለኢንተርፕራይዝዎ ከሌሎች ኢንተርፕራይዞች ጋር የገበያ ትስስር ዕድል ተፈጠሯል።						
3.4.2	ለኢንተርፕራይዝዎ ከሌሎች ትላልቅ ንግድ ድርጅቶች ጋር የገበያ ትስስር ዕድል ተፈጠሯል።						
3.4.3	ኢንተርፕራይዝዎ ከጅምላ ሻጭ፣ ከትርጉምና ተጠቃሚ ጋር በቂ የገበያ ትስስር አለው።						
3.4.4	ኢንተርፕራይዝዎ ከንግድ ድርጅቶች ይበልጥ ከመንግሥት ገበያ ጋር የተሳሰረ ነው።						
3.4.5	ለምርት ወይም ለአገልግሎት በቂ ገበያ አግኝተዋል።						
3.4.6	ለምርት መሸጫ ቦታ /ሴድ/ አግኝተዋል።						
3.5	የገበያ ውድድር						
3.5.1	የንግድ ሥራ ዕድገትና ትርፋማነት በቦታ ላይ የተመሰረተ ነው።						
3.5.2	የንግድ ሥራ ቦታ ለማግኘት ለገበያ አቅራቢ ነው።						
3.5.3	የንግድ ሥራ ቦታ ለማግኘት ለምርት ግብአት የሚሆን ጥሬ ዕቃ ከሚገኝበት አቅራቢ ነው።						

ስለተብብርዎ በጣም እናመሰግናለን።

Appendix II

List of MSEs in the seven centers

Baay'ina Waldaalee IMX fi Miscensotaa Isaanii Bara 2008 ; Magalaa Bishooftuu
(bu'uura giddugaleessota isaanitiin)

L T	Giddugaleessa (center)	Baay'na waldaalee sekteraan (No. Of enterprise per sector)					Idama	Baay'ina miscensotaa
		Indastirii(Industry)	Tajaajila(Service)	Daldala(Commercial)	Ijaarsa(Construction)	Qonna(Agriculture)		
1	1 ^{ma}	50	64	60	88	19	281	999
2	2 ^{ma}	55	65	62	57	22	261	1144
3	3 ^{ma}	47	35	36	36	23	177	1063
4	4 ^{ma}	24	32	32	20	14	122	478
5	5 ^{ma}	1	3	0	3	5	12	193
6	6 ^{ma}	14	14	6	0	4	38	143
7	7 ^{ma}	1	6	0	3	8	18	117
		192	219	196	207	95	909	4137

Kan qindeesse:

Maqaa Habalee Yilmas

Gabsee Hojii A/A/hojii Cada hojii fi seena zabessum

Mallatoo [Signature]

Guyyaa 12/07/07



Appendix III

MSES established from 2002-2008 E.C & survived up to 2008 E.C.

ODEEFANNOO DURA (PRELIMINARY INFORMANTION)

Waldaalee IMX Bulchiinsa Magaalaa Bushooftuu Bara **2002-2008** tti haaraa gurmaa'an.

Seekara	2002	2003	2004	2005	2006	2007	2008	Ida'ama
Qonna(Agriculture)	49	14	45	65	339	42	54	607
Indastirii(Industry)	102	6	110	45	260	69	82	674
Ijaarsa(Construction)	114	171	390	66	332	39	67	1179
Tajaajila(Service)	107	27	153	58	447	62	82	936
Daldala(Commercial)	124	36	295	266	902	80	33	1736
Grand Total	496	254	993	500	2280	292	318	5132

Waldaalee IMX Bara 2008 hojii irra jiran(Baay'inaan): **209**

Kan qindeesse:

Maqaa Haasalee Yilman

Gahee hojii AAICIS/8

Mallattoo [Signature]

Guyyaa 18/07/07

