

***FACTORS AFFECTING MARKETING PRACTICE OF MICRO
AND SMALL ENTERPRISES: THE CASE OF MIZAN AMAN
TOWN.***

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UNDER THE GUIDANCE

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CERTIFICATE

This is to certify that the thesis entities “**Factors Affecting Marketing Practice of Micro and Small Enterprises: in the case of Mizan Aman Town**”, Submitted to Jimma University for the award of the Degree of Master of Business Administration (MBA) and is a record of Valuable research work carried out by Mr. Teferi Tadesse Tekile under our guidance and supervision

Therefore we hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree of diploma.

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DECLARATION

The researcher hereby declares that the thesis entitled, “*Factors Affecting Marketing Practice of Micro and Small Enterprises: in the case of Mizan Aman Town*”, is his original work and that all sources that have been referred to and quoted have been dully indicated and acknowledged with complete references.

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ABSTRACTS

This paper aims to assess the factors affecting marketing practice of Micro and Small Enterprises in Mizan Aman city, Bench Maji Zone. To accomplish this purpose, a descriptive survey method and explanatory survey design were employed. Stratified sampling technique and purposive sampling techniques were used to select employees to participate in the study for the quantitative and qualitative aspects of the study respectively. The study was carried out in Mizan Aman city administration. Accordingly, 355 micro and small enterprise were selected by using probability sampling whereas. Questionnaire was the main instrument of data collection. In addition, interview and document analysis were employed to substantiate the data gained through the questionnaire. Mean, weighted mean, standard deviation and inferential statistics (pearson correlation coefficient and regression) were utilized to analyze the data by using an SPSS version 23. The data obtained through questionnaire, interview and document analysis were analyzed through narration for the purpose of triangulation. The finding of the study revealed that Managerial expertise affects the marketing practice such as Accessible training facilities, Strategic business planning, and effective communication. Entrepreneurship skill, such as Information to exploit business opportunities, Persistence and courage to take responsibility for ones failure hinders the marketing practice of MSEs. Market Competition, Market information, Adequate market for their product, Searching new market, Demand forecasting and Promotion to attract potential users. Finance Working adequacy of credit institutions capital, Collateral requirement from banks and other lending institutions, Loan application procedures of lending institution and cash management skills are the finance factors which hinder the marketing practice of MSEs. new technology Selection of proper technology, appropriate machinery and equipment and Skills to handle new technology are the technology factors which hinder the marketing practice of MSEs, From the finding of the study, it was concluded that Managerial expertise, entrepreneurial skills, market, finance and technology factors determine the marketing practice of MSEs Finally the researcher recommended that the government body and all actors in MSEs should encourage the development and expansion of the sectors.



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LIST OF ABBREVIATION

BMZOANRD:	Bench maji zone District of Agriculture and Natural Resources Development
BMZCTCD:	Bench maji zone culture tourism and communication District
CSA:	Central Statistic Agency
C TI:	Commerce Trade Industry
ETB:	Ethiopian birr
ECA:	Economic Commission of Africa
EMOTI:	Ethiopian ministry of Trade and Industry
FMSEDA:	Federal Micro and Small Enterprise Development Agency
GDP:	Gross Domestic Product
Ha:	Hectares
HLCLEP:	High Commission on the Legal Empowerment of the Poor
IDP:	Integrated Development Plan
ILO:	International labor organization
MACMOR:	Mizan Aman City Administration Municipal Office Report
MACOOFD:	Mizan Aman City Administration Office of Finance and Development
MM:	Millimeters
MN:	Mean
MOUDC:	Ministry of Urban Development and Construction
MOUDH:	Ministry Of Urban Development And Housing
MOTI:	Ministry of Trade and Industry
MSEs:	Micro and Small Enterprises
SD:	Standard deviation
SNNPR:	South Nations Nationality People Regions
SSA:	Sub Sahara Africa
U.S.A:	United State of America
MACULGDPOR:	Mizan Aman City Administration urban local government development program office report
US\$:	United State Dollar
OECD:	Organization for Economic Co-operation and Development

UNIT ONE

1. INTRODUCTION

This chapter deals with the background of the study, statement of the problem, objectives of the study, delimitation of the study, significance of the study, and operational definitions of the key terms will use in the study and organization of the study.

1.1. Background of the Study

Now a day world economy continues to move towards increased integration because of advances in communication technology, growth in developing countries and reduction in trade barriers, some of the greatest opportunities for small business to participate in global marketing place. Micro and small enterprises in this period has significant role in economic development and generating sustainable meaningful employment opportunities particularly for those at the margins of the economy (ILO, 2004).

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, equitable distribution of income both in developed and in developing countries (Boaten, 2012).

The Ethiopian government issued the national micro and small enterprises strategy in 1997 and established the federal micro and small Enterprises development agency to harness the benefit of such strategy until 1997, the national strategy was implemented by federal micro and small-scale enterprises (MSEs) development agency organized only at national level because of this, it was very difficult to make the strategy practical specially in delivering business development service for micro and small-scale enterprises (MSEs) operators.(CSA, 1997).

Thus, by considering the critical role of the sector and the constrained faced by Micro and small enterprises operators since 1997 the governments of Ethiopia decide to establish micro and small-scale enterprises (MSEs) coordinating body at regional level. Accordingly Micro and small enterprises development Agencies has set up in all regions, even sub branch offices at zone/district level. (Debela, 2010).

The Ethiopian government has taken many experiences from different countries in amending, the strategy especially from India, Japan and Malaysia. Since Ethiopia has limited capital government support to micro and small-scale enterprises (MSEs) depending up on the importance of the sector in the economy the growth oriented sectors are selected for Maximum government support and the rest non-selected sectors will get Minimum support Some of growth oriented sectors are:-In the manufacturing sector:-Metal & engineering, textile and garment, leather products, wood work products, agro processing and handicraft products, In the construction sector:-contractor, building material production, cobble stone production, traditional way of mining extraction, Urban agriculture:- cattle fattening, honey production, forestry, poultry farm, animal food preparation, Trade sector:- domestic product whole sale and retail trade and Service sector:- solid waste collection and recycling, maintenance service, etc. (MOUHD, 2016).

Micro and small enterprise in Ethiopia has affected with several factors. The major factors include financial problems, lack of qualified employees, lack of proper financial records, marketing problems and lack of work premises, besides; environmental factor affects the business, which includes social, economic, cultural, political, legal and technological factors. In addition there are also personal attitudes or internal factors that affect the MSEs, which are related to the person's individual attitude, training and technical expertise (Werotew, 2010).

Marketing their products effectively as well as accessing and acquiring information on business opportunities is the major bottlenecks that micro and small entrepreneurs face all over the country (HLCLEP, 2006).

Marketing in its simplest form is defined as the process of satisfying human needs by bringing products to people in the proper form, time and place and also an intrinsic productive value, in that it adds time, form place and possession utilities to products and commodities. Through the technical functions of storage, processing and transportation, and

through exchange, marketing increases consumer satisfaction from any given quantity of output (Mendoza, 1995).

According to (Kotler, 2009), the 4p's model consists of four marketing decision variables product, price, place and promotion. A product is anything that has offered to a market for Attention, acquisition use or consumption that might satisfy consumer. Price is the amount of money charged for the product. It is the most controllable and flexible element of the marketing mix. Promotion and physical distribution refers to major forms of marketing communication and managing the movement and storage of materials respectively.

The widely accepted marketing practice are: exchange (buying and selling), physical (processing, storage, packing, labeling and transportation), and facilitating (standardizing, financing, risk bearing, promoting and market information). The exchange function involves pricing, buying and selling which is a transfer of title between exchanging parties (Kohls and Uhl, 1985 and Andargachew, K, 1990).

The marketing practice of micro and small enterprises, changes over time in their employment and output shares, market orientation and location has usually thought to be related to many factors, including the level of economic development, changes in real income per capital, and progress in technology. Given this thought, the most important question addressed in this paper is the factors affecting in marketing practice of micro and small enterprise in Mizan Aman city administration.

The Mizan Aman city administration is one of the SNNPR city and located 583 Km southwest of Addis Ababa and 860 Km from the south nation nationality regional city, Hawassa. The total population of this city administration for the year 2017 was 58,946 (28412 (48.2%) males & 30534(51.8%) females), Micro and small enterprise operates in two sub-cities, five kebeles and the total number of 891 MSEs which, absorb male 2049 female 1131 total 3180 operates found in the city administration (MACAMOR, 2017).

Therefore, the aim of this research is to identify the major factors that affect the marketing practice of MSEs in Mizan Aman city administration in running their own businesses and recommend the appropriate measures to be taken.

1.2 Statement of the problem

The 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. The existence of a strong small business sector is necessary for the boosting of the economy.

In most developing countries, MSEs face constraints both at start up phases and after their establishment. In Africa, for example, the failure rate of MSEs is 85% out of 100 enterprises due to lack of skills and access to capital (Fedahunsi, 1997). It is typical of MSEs in Africa to be lacking in business skills and collateral to meet the existing lending criteria of financial institutions this has created finance gap in most markets. The MSEs are able to source and obtain finance mostly from informal sectors like friends and relatives while medium or large enterprises obtain funds from banks (World Bank, 2004).

The Ethiopian government adopted the national Micro and Small Enterprise Development Strategy for the first time in November 1997. The policy serves as guideline to all stakeholders to stimulate the establishment of new enterprises and enabling the existing ones to grow and become more competitive(MOUHD, 2012).

Marketing problems such as lack of product diversity, pricing problems, lack of awareness how to compete in the market, limited business management and salesmanship ability, limited capacity to promotional activities, and lack of market related knowledge are also hindering the development of MSEs (Assegedech, 2004).

In Ethiopia, MSEs have a problem of finance when establishing the business most individual sources of finance come from personal savings and loans acquired from relatives, friends and moneylenders with high amount of interests (EMOTI, 2005).

After the business goes operational, the probability of becoming profitable and paying back debts along with accrued interest is less. Besides, MSEs do not conduct market research and develop/design a product or service as per the need of customers (Zelege Worku, 2009).

Most informal operators do not get access to suitable locations where they can get easy access to markets (HLCLEP, 2006). There was gaps in marketing practice of micro and small

enterprise in Mizan Aman city administration. To take appropriate measures for these gaps, knowing the factors associated with the problems is a precondition to solve the gaps.

From the above mentioned studies, it is possible to learn Managerial expertise, Entrepreneurial skills, Market, Finance and Technology factors' that affecting marketing practice of micro and small enterprise and it is not studied. Therefore, this study tries to assess the factors affecting marketing practice of micro and small enterprise in Mizan Aman city administration and also tries to identify challenges, opportunities and prospects for the sector and come up with recommendation. Thus, in this study it is thought to assess the Managerial expertise, Entrepreneurial skills, Market, Finance and Technology factors that affect the marketing practice of MSEs in Mizan Aman city administration. That could benefit the Micro and small enterprises actors and policy-makers.

1.3 Objectives of the study

1.3.1 General objective of the study

The main objective of the study was to assess the factors affecting marketing practice of Micro and Small Enterprises in Mizan Aman city, Bench Maji Zone.

1.3.2 Specific objectives of the study

In order to meet the main objective of the research, the study had the following specific objectives;

1. To examine the effects of managerial expertise on marketing practice of micro and small enterprises in the study area.
2. To analyze the effects of entrepreneurial skills on marketing practice of micro and small enterprises in the study area.
3. To analyze the effects of market on marketing practice of micro and small enterprises in the study area.
4. To analyze the effects of finance on marketing practice of micro and small enterprises in the study area.
5. To analyze the effects of technology on marketing practice of micro and small enterprises in the study area.

1.4. Research hypothesis

Based on the existing theoretical and empirical literature on the factors affected the marketing practice of micro and small enterprises. This study was prove or disproves the following research hypotheses, which have been prepared based on conceptual framework of the study:

HO₁. Managerial expertise has no significant effect on marketing practice of micro and small enterprises in the study area.

HO₂. Entrepreneurial skill has no significant effect on marketing practice of micro and small enterprises in the study area.

HO₃. Market has no significant effect on marketing practice of micro and small enterprises in the study area.

HO₄. Finance has no significant effect on marketing practice of micro and small enterprises in the study area.

HO₅. Technology has no significant effect on marketing practice of micro and small enterprises in the study area.

1.5 Significance of the study

The findings of this study will be useful to all actors of MSEs in Mizan Aman city administration and others, within an insight into the benefits of using different factors studied in this research to predict the factors that affect the marketing practice of MSEs. Additionally, the government bodies can use the findings of this study to assist in policy formulation and development for a framework for critical technology, finance, market and other factors that affect the marketing practice of MSE. Furthermore, the findings of this study helps the researcher to gain insight on how to conduct research and it helps other researcher as source material for further study.


1.6. Scope of the study

The scope of these studies is delimited geographically, conceptually methodologically scope and time scope.


Geographically; it was delimited only Mizan Aman city administration in Bench Maji Zone, SNNPR. With specific focus on marketing practice of MSEs

Conceptually: Managerial expertise, Entrepreneurial skills, Market, Finance and Technology that affect Marketing Practice of MSEs constraints were the center of the study.

Methodologically: the study was a descriptive study in which representative sample size was selected by using probability-sampling techniques.

Questionnaires and interview were used as a data collection instrument. For analysis, the study used descriptive and inferential statistics. The collected data through questionnaire was entered in to a software called SPSS (Statistical Package for Social Sciences version 20) to find the frequency of distribution. 

1.7 Limitation of the study

The main problem encountered in the study was shortage of data and most of the documents that concerned with MSEs are written in Amharic. To translate into the required language (English) took longer period. In addition to this, the unwillingness of some MSEs to respond the questionnaires causes the limitation. Therefore, what the researcher did was, try manage properly and instead of concentrating only on the survey data,  cross check the data that gathered through survey with the interviews, and different reports (published and unpublished concerning the issue under study) so as to make the data representative and the outcome of the research findings credible. It is very important to note that these limitations did not have any significant interference with the outcome of the study.

1.8 Organization of the Study

The organization of this Paper consists of five chapters. Chapter One: This chapter encompasses introductory chapter and it will be focused on background of the study, statement of the Problem, objective of the study, research hypothesis and significance of the study, scope of the Study and limitation of the study. Chapter two: encompasses literature review focused on, Market and Marketing Concepts, scopes of marketing practice, Marketing Problems faced by MSEs in Ethiopia, definition of Micro and Small enterprises, Theories on micro and small enterprise, Distinctive Characteristics of MSEs , Roles of MSEs , Challenges of MSEs, Policy and Support Systems of MSEs in Ethiopia and conceptual framework of the study. Chapter Three: is research methodology focus on, Description of the study area, Research design, Type and Sources of data, Target population, Sample design and sampling Technique, Data collection method and data analysis procedure. Chapter Four: Results and Discussions. Chapter five: Conclusions and Recommendation.

1.9 Operational definitions of terms

Factors: A factor is a contributory aspect such as managerial expertise, entrepreneurial skills, market, finance and technology influences that affect marketing practice of micro and small enterprises.

Micro enterprise: means commercial enterprise whose capital is not exceeding birr 20,000 other than high technology and consultancy services.

Small enterprise: means a business engaged in commercial activities whose capital is exceeding birr 20,000 and not exceeding 50,000 birr, other than high technology and consultancy service institutions.

Respondent: respondents are those individuals who are owner or operators of micro and small enterprises.

Marketing: means a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others.

Marketing practice: means exchange (buying and selling), physical (processing, storage, packing, labeling and transportation) and facilitating (standardizing, financing, risk bearing, promoting and market information).

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter reviews the different literatures; the first part begins by Market and Marketing Concepts, Scope of Marketing Practices, Marketing Problems faced by MSEs in Ethiopia, Definition of MSEs in International level in general and in Ethiopian context in particular, Theories on micro and small enterprise, Distinctive Characteristics of MSEs, Roles of MSEs, Challenges of MSEs in general and in Ethiopian context, Policy and Support Systems of MSEs in Ethiopia and conceptual framework of the study

2.2 Market and Marketing Concepts

There are several ways that marketing can be defined, which primarily revolve around satisfying customers needs as part of an exchange process. For example, the Chartered Institute of Marketing defines marketing as, the management process which identifies, anticipates and supplies customer requirements efficiently and profitably (PalmerA, 2000).

According to kotler (2009), Marketing is a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others and also Marketers market 10 main types of entities;-scope of marketing

Goods: any tangible offerings, which provide functional value/benefit to customers/consumers

Services: are intangible products. As economies advance, growing proportions of the activities are focused on the production of services

Events: are happenings or usually something important.

Experiences: by orchestrating/ arranging/ several services and goods one can create, stage, and market experiences.

Persons: Celebrity marketing has become a major business. Celebrity is fame and honor.

Places: cities, states, regions, and whole nations compete actively to attract tourists, factories, company headquarters, and new residents.

Properties: properties are intangible rights of ownership of either real property (real estate) or financial property (stocks and bonds).

Organizations: organized body of persons or organized system.

Information's: information can be produced and marketed as a product and

Ideas: every market offering includes a basic idea at its core. Producers manufacture the product in the factories and they sell HOPE in the stores

According to American Marketing Association (AMA 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 objectives (Kotler, 2009).

Davidson and (Backman, 1962), (Andargachew, 1990) defined the term market as a place or within which price-making force operates and exchanges of title tend to be accompanied by the actual movement of the goods affected.

The concept of exchange and relationships lead to the idea of market is the set of actual and potential buyers of a product (kotler P.&Keller, 2005).

A market can be described as simple arrangements to facilitate exchange of one thing for another. The most apparent features of a market are its pricing and exchange processes and it is more than a physical place.No need to meet physically for a market to operate especially in today s information and communication technologies. Marketing is the performance of all business activities involved in the flow of goods and services from the point of initial production until they are in the hands of ultimate consumers. Generally, marketing is all those business activities associated with the flow of goods and services from production to consumption Bain and Howells as cited in(Muluken, 2014).

Marketing are usually seen as a system because it comprises several, usually stable, interrelated structures that, along with production, distribution, and consumption, underpin the economic process (Mendoza, 1995).

Marketing is also define as an activity, set of institutions, and processes of creating, communicating, delivering, and exchanging goods and services that have value for customers, consumers and society. It provides the strategy that underlies sales practices, business communication, and business developments; hence, it is an integrated process by which companies build and develop strong customer relationships and create value for their customers and for themselves , One crucial element from the definition of marketing by AMA is that the goals of companies and individual consumers need to be satisfied. As a result, marketing must be a continuous process since the needs and wants of consumers for goods and services are ever changing over time. Producers must keep their eyes and minds open and should be alert to the changing customers' needs (Kotler, 2008).

From a societal point of view, marketing is the link between a society's material requirements and its economic patterns of response. Marketing satisfies these needs and wants through exchange processes and building long term relationships. Marketing can be looked at as an organizational function and a set of processes for creating, delivering and communicating value to customers, and managing customer relationships in ways that also benefit the organization and its shareholders. Marketing is the science of choosing target markets through market analysis and market segmentation, as well as understanding consumer buying behavior and providing superior customer value(Kotler, 2009).

Objectives of Marketing Practices are a goal that is targeted to be attained at the end of a marketing campaign. A marketing objective or goal also leads to the sales goal in a company since the main agenda of marketing is to increase sales in a company. Marketing objectives are formulated at the beginning of every marketing campaign (Kotler, 2008).

2.3. Scope of Marketing Practices

According to the kotler (2009), the scopes of marketing practice include customer focus, delivery value, surrounded by customer needs and part of environment

Customer Focus – As we know that the main focus of marketing is the customers. Thus, the Marketing intends to satisfy the needs or wants of the customers. Due to this, a marketer can optimism its cost for the customer and allowing the organization to focus on its core competencies in order to achieve its goals.

Delivery Value – Delivery is the key objective of marketing to satisfy the customer needs and wants. The Customer value can be determined by dividing the benefit with cost.

Surrounded by customer needs – Marketing is always starts with identifying the needs of the customers. Thus, the needs are turns into the features of the product that might satisfy the basic need of the customer.

Part of environment – Marketing is a part of environment. Here, the environment is the total of all the resources and institutions which are related to the production and distribution of goods and services to satisfy human wants.

2.4 Marketing problems faced by MSEs in Ethiopia

2.4.1 Product

The business line of MSE activities in Ethiopia is relatively similar. A lack of product diversity, however, is prevalent and as a result, similar products are over-crowding the market. Some micro enterprises shift from one product to another, and in doing so, capture better market opportunities. Nevertheless, as soon as the market has established itself, a multitude of further micro enterprises start in the same business and this causes the selling price to fall immediately (Assegedech, 2004).

According to Hailay.G, “as cited in” (Abera, 2012), the main problems of small businesses in Ethiopia are lack of adequate finance, lack of credit, marketing problems and problems related to production which includes techniques of production mostly outdated and lack of qualified raw materials at reasonable price.

2.4.2. Price

MSEs sell at break-even or even below cost, the reasons for selling at such a lower price can be attributed mainly to:-lack of basic costing knowledge, overhead costs are mostly not calculated as expenses, the fact that salaries or wages of family members involved in production or sales are overlooked as cost product, not knowing the exact earnings from sales separately, during and at the end of the day all family members spend the money earned from sales without recording, manufacturers do not correctly know how much raw material and accessories are required to make one unit of a product. In general, MSEs tend to overprice their products, with some under-pricing due to lack of costing skills as well as competition (Assegedech, 2004).

2.4.3 Promotion

Problems related to the promotion of products are listed below:-Many MSEs plan on promoting their products, however, their budget is mostly tight, Even though some enterprises understand that issuing flyers, posters and business cards have promotional values such promotional activities to use the money for other urgent matters (Assegedech, 2004).

Many MSEs are not correctly informed on how to join their respective Chambers of Commerce, or trade association of their industry. They seem not to be aware of the services that they could obtain from chambers and associations such as:-issuing journals, organizing promotional events, organizing trade fairs, advertising MSEs' products, upgrading skills, assisting MSEs in finding market outlets and solving general market outlet problems (FMSEDA, 2005).

2.4.4 Place or locations

According to (Rolfe, 2010), findings location is critical factor for sales and income of small scale Enterprises and hence entrepreneurs benefit from businesses in formal residential areas. Logically, this finding stems from the higher per capita income and demand density in developed urban areas. Demand density also makes taxi ranks and train stations more lucrative. These spaces are limited and thus a source of competitive advantage that cannot be

copied or re-created. Mboniyane (2011), Found that small businesses select a site without first thoroughly analyzing the suitability of location.

2.4.5 Sales

The family members with limited business management and salesmanship (mostly children) are involved in the operation of their respective family businesses. In such cases, owners fail to control the daily sales transactions of the business. Most of the MSEs lack marketing skills. In most cases, MSEs have limited means in obtaining effective and relevant data as well as information on market availability that can be obtained from chambers of commerce, MSEs development agencies, associations as well as trade, industry and tourism bureaus. Nevertheless, MSEs have difficulties in getting their hands on adequate data and information. One of the reasons for this deficit is that many of the centers are not within the reach of most MSEs (Assegdech, 2004)and (CTI, 2009) .

2.4.6 Competition

According to Assegdech 2004, Rahel wasihun and Paul2010, The MSEs competition is not only between the MSEs and the relatively bigger companies there is also competition among operators within the MSE sector itself and between MSEs that are engaged in the same line of business. The latter is what concerns MSEs more than competition from the big companies, because they serve different market segments and target clients. The target clients for the MSE sector, in most cases, are people with lower level of income and with the need to invest rather on consumption goods/services than making long-term capital investments. Competition among the MSEs is based on:-capacity to keep quality of product/service to acceptable standards or as per the needs of the customers. Product quality can be achieved through various means such as using raw material with good quality, using improved and efficient production process/technology, proper finishing, and good storage facilities - both for raw material and finished products and use of skilled labor, charging a competitive price. More costs are minimized the entrepreneur can reduce the selling price and attract a larger number of clients, selection of strategic location where customers can easily be obtained as well as easy accessibility of the enterprise to them, promoting product/service through possible cheap means, without incurring a high level of costs, selection of specific target

markets or clients that the business can efficiently respond to their needs and purchasing power and level of salesmanship and customer relation.

2.4.7 Lack of market related knowledge

Due to this aspect being very vital to overcome marketing problems, the crucial points that MSEs are unable to meet are manifested by-lack of information where the best market areas are located, inability to analyse their respective market, lack of skills to set competitive prices and inability to effectively promote products. The fact is that, in most cases, market studies are not carried out before a venture is undertaken within the market. Even though some organizations are helping MSEs to build their marketing knowledge, there is resistance on the part of many MSEs, mainly due to the low level of entrepreneurial awareness. On top of that, the experience of MSEs, are confined only to local conditions and they are not well aware of what is going on in other parts of the country. In many cases people responsible for selling MSEs' products are family members, lacking general knowledge of marketing (Assegedeche, 2004) and (HLCLEP, 2006).

2.4.8 Finance

The marketing problems the subject of finance should not be overlooked. Shortage of funds discourages the smooth operation and development of MSEs even if there are credit facilities, some of the MSEs do not use the money for the intended purpose. They rather divert it for other unintended and non-productive expenditures. Consequently, the enterprises fail to return the money back to the lender on time. This can result in a loss of credibility to get repeated loans when needed most. In order to minimize the impact of shortage of working capital MSEs should be able to have a budget/plan on how to use credit funds most effectively and for the intended purpose and have to be able to save money on their own for future investment in their business. Because of absence in financing, the creation of new enterprises and the growth and survival of existing ones will be impeded (Assegedeche, 2004) and (Rolfe, 2010).

2.5 Definition of Micro and Small Enterprises

There is no universally accepted definition of micro and small enterprises as the way of defining them depends upon the scale and structure of business in the economy and varies from country to country Organisation for Economic Co-operation and Development And as a result different countries have defined MSEs by using various types of measures that depend on the level of development.(OECD, 2004).

Uniform definitions for all small and micro enterprise sectors (European Union), some countries (e.g. India, the Philippines and Tanzania) use different definition for different sectors, including for micro enterprises, Some countries (India and Japan) define the sector by classify into manufacturing and services; and Some countries (European Union).revise the definitions by taking into account the experience of other countries, price inflation and improvements in productivity (MOUHD, 2016).

In search of a working definition for MSEs, nations have tried to set different standards, and defined accordingly. International Lobar Organization (ILO, International lobar organization, 2007), recommended that countries, in consultation with the most representative organizations of employers and workers and by taking national socio-economic conditions, define their (MSEs).

Following this, there are many empirical evidences, which show those varied definitions. By making general distinction between self-employment, micro, small and medium sized businesses; the European Union followed this convention, as indicated in (Malhotra, 2006) and (FBH, 2010) defined as follows using number of employees as a basic criterion.

According the definition in the European Union the MSEs business type depending on the number of employees. self-employment 0 number of employees, micro 2 up to 9 number of employees, small 10 up to 49 number of employees and medium sized businesses 50 up to 249 number of employees(FBH, 2010).

According the definition in the World Bank Group MSEs the micro enterprise employ 1 up to 10 employees with extent of total assets < US\$ 100,000 and Annual turnover < US\$

100,000 and also Small enterprise employ 11 up to 50 employees with extent of total assets US\$ 100,000-3million and Annual turnover US\$ 100,000-3 million (Malhotra, 2006).

In the case of African countries, there are also varied working definitions of the micro and small businesses. To put some, I have review in the following paragraphs.

The micro enterprise employ up to 5 employees with fixed assets (excluding land and building) not exceeding the value of \$10,000; small enterprises are those employing between 6 and 29 employees or having fixed assets (excluding land and building) not exceeding \$100,000 in Ghana (Agyapong, 2010).

In Ethiopia, two different definitions of micro and small enterprises are adopted, namely:- The definition used in the 1997 (EC 2005) micro and small enterprises development strategy and the definition used by the Central Statistics Authority (MOUHD, 2016).

According to ministry of trade and industry of Ethiopia, official definition Micro enterprises are business enterprises found in all sectors of the Ethiopian economy with a paid-up capital (fixed asset) of not more than birr 20,000, but excluding high-tech consultancy firms and other high-tech establishments and Small enterprises are business enterprises with a paid-up capital of more than birr 20,000 but not more than birr 500,000 but excluding high-tech consultancy firms and other high-tech establishments (EMOTI, 2005).

Currently the southern nation nationality and people transport and industries biro has modified the previous definitions of Micro enterprises in industrial and service sectors having the same manpower of 5 and total assets for micro enterprise industry is 100,000 birr and 50,000 Birr for micro enterprise service sectors respectively. Similarly, Small enterprises in industrial and service sectors having the same manpower of 6-30 and small enterprise industry total assets of 1, 500,000 birr and respectively 500,000 birr for small enterprise service sectors (SNNPRTIB, 2012).

The formulation of the 1997 Micro and Small Enterprise Development Strategy took into account the experiences of South Africa and other countries.

Central Statistics Agency definition of MSEs has based on the type of technology adopted and the size of workers.

The Definition of micro Enterprises employing up to 5 persons including the enterprise owners and family members with total assets of not more than ETB100,000. For the industrial sector (including manufacturing, construction and mining) and Enterprises employing a maximum of five persons, including the enterprise owners and family members, with a total asset of not more than ETB 100,000); and for the service sector (retail trade, transport, hotel, tourism, and information technology and maintenance services): Enterprises employing a maximum of five persons, including the enterprise owners and family members, with a total asset of not more than ETB 50,000 (MOUHD, 2012).

The Definition of Small Enterprises for the industrial sector (manufacturing, construction and mining), This refers to enterprises employing 6-30 persons and with a total asset of from ETB 100,001 up to ETB 1,500,000; and for the service sector (retail trade, transport, hotel, tourism, and information technology and maintenance services): This refers to enterprises that are employing 6-30 persons, and with total asset of at least ETB 50,001 and up to ETB 500,000 (MOUHD, 2016).

2.6 Theories on Micro and Small Scale Enterprises

Different theories were developed on the development of MSEs at different times. In this session some theories related to micro and small scale enterprises are presented. For instance, according to Tambunan (2006), two theories were developed in connection with micro and small scale enterprise. These are: classical and the modern theories.

The Classical theory - tambunan, states that poverty and the importance of MSEs development correlate positively in the course of rapid economic development, the economic share of MSEs declined; while those of large and medium enterprises dominate the economy in other words, the higher the proportion of people living in poverty, the more will be the contribution of MSEs in reducing poverty. This theory however, is criticized for neglecting the economic growth of MSEs through networking and clustering, agglomeration. It only focused on the relationship between levels of income and the growth of MSEs Because of these short coming of the theory, the modern view was developed in 1980s Tambunan (2006).

The Modern Theory- postulates that the major reason for the emergence of the notion of flexible specialization was the long debate of how to interpret the new global pattern of production caused by globalization forces and industrial restructuring. Global production had transformed from mass to individual production system and flexible specialization is the result of this debate. Hence, according to Tambunan (2006) the modern theory has three characteristics:

Flexible and Specialization -firms in the community form part of a bounded community which outsiders are largely excluded.

High level of competitive innovation - there is a continuous pressure on firms in the community to promote innovation in order to keep an edge of their competitors and;

High level of cooperation - there is a limited competition among firms in the community over wages and working conditions encouraging greater cooperation among them.

In general, according to Tambunan (2006), the flexible specialization on MSEs states those grow faster than large enterprises with the process and are important source of invention, efficiency and innovation. They are also capable of standing the competition with large enterprises. Hence, in the courses of development, the economic share of MSEs increases or in other words, MSEs contribute a lot for poverty alleviation; while, it declines in the classical theories. The other theories are the firm growth theory, and the economic theory.

The firm growth theory-The firm growth theory asserts that MSEs are more likely to disappear and be replaced by modern large-scale industry. This theory has, however, been shown to be inaccurate in the sense that MSEs do not normally compete directly with large enterprises; rather, they often tend to remain micro and small, co-existing with large multi-national companies, which phenomenon the World Bank, 1989 has identified as the „missing middle“ (Ryan, 2005).

The most obvious activity where these niches exist is in distribution to areas or income groups where their costs would be prohibitively high for large enterprises. However, in a literature survey on macro analyses of micro enterprises in developing countries, Liedholm and Mead (1993) came to the conclusion that macro-level empirical evidence indicates that,

as aggregate per capita income increases, there is a systematic pattern of evolution of MSEs towards larger firms based in larger localities, producing more modern products.

The economic theory of the growth of small firms has been concerned with the relationship between growth and firm size. The conventional wisdom in economic theory has long held that, due to economies of scale and scope, the growth of firms is positively related to their size. Large firms were typically expected to have advantages over small firms and so grow more rapidly. This process was expected to lead to a growing concentration of industry. This partly explains the emphasis on large scale industry in the former centrally planned economies (Scase, 1997).

But to some extent it no doubt also explains the fascination of economists from both east and west with the newly privatized firms in those countries. It was expected by many that all that was needed to release the forces of growth were a transfer of ownership from the state to "outside owners" who would engage in a process of strategic restructuring which would lead inevitably to rapid growth of the privatized firm sector. It was also thought that the small firm sector would play a relatively insignificant role in regeneration and transition growth (ibid).

2.7 Distinctive Characteristics of MSEs

The MSEs from the different problems faced point of view are characterized by: being dominated by one person, with the owner/manager taking all the major decisions. The entrepreneur may possess limited formal education, access to use of technology, market information, and access to credit from the banking sector is severely limited. Owners have weak management skills, thus inhibiting the development of a strategic plan for sustainable growth; they experience extreme working capital volatility; lack of technical know-how, inability to acquire skills and modern technology impede growth opportunities. The attraction of the MSEs as an alternative employment generator derives from the very nature and characteristics which have made the enterprise relatively more accessible to the poor, the less skilled and the less sophisticated and he deduced that labor absorptive capacity of MSEs is higher than the larger formal sector enterprises In addition, their average capital cost per job created is considerably smaller. According to him, MSEs are characterized by high labor

intensity, ease of entry and exit, small start-up and operating capital, low labor skill requirements, and they give impetus for entrepreneurial and indigenous technological development. He further added that one characteristic that MSEs possess in contrast to large businesses is the existence of women owners largely in these MSEs. For example, according to him, in Tanzania, at least one-third of MSEs operators are thought to be women (Agyapong, 2010).

In Europe, crafts and micro enterprises are characterized by strong involvement of the owner or head of the enterprise in all steps of the work flow (financial independence, strong personal responsibility), crafts, technical and management competencies (apprenticeship as one means of passing on these competences), active contribution to production of products and services (in particular tailor-made and single-size-products or in small quantities) and proximity to the client and local activities (FBH, 2010).

In Ethiopia, even if there is lack of clarity, inconsistency, lack of organized information and consistent historical data regarding the distinguishing business characteristics. There are some features that distinguish MSEs from larger scale enterprises which include; greater owner influence, dominance of one person, more subjective decision due to centralization of decision making, close contact of the top management with employees at lower levels and greater concern with financial matters due to difficulty of attributable funds etc. (HLCLEP, 2006).

2.8. Roles of MSEs

Micro, small and medium enterprises play key role in the economic well-being of developing countries. They have been identified to play key roles in a society including contributing to jobs through innovations and creativity as well as aiding human resources development; and the immediate and the long run effect is that they affect levels of income and ultimately contributing to poverty alleviation (Agyapong, 2010).

Similarly, Liedholm (1999) found that MSEs do largely contribute to house hold income and welfare (providing income and employment), self-confidence and empowerment of the individual, social change, political stability, and democracy, contribution to distributional or

developmental objectives (providing new opportunities for the poor, income and rural isolated locations) and contributions in the area of demographic change reduction in rural-urban migration.

To review other evidence, the OECD (2004) indicated that MSMEs contribute over 55% of GDP and over 65% of total employment in high income countries and account for over 60% of GDP and over 70% of total employment in low income countries, while contribute over 95% of the total employment and about 70% of GDP in middle income countries.

To see the situation in Ethiopia, According to the survey conducted by Ethiopia Central Statistical Agency (CSA,1997) cited in HLCLEP (2006) indicated that within the MSEs sector,

Micro enterprises account for 99.8% of total establishments, 99.6% of employment and 94.7% of gross value of production and 95.1% of the value added in the industry economic sector.

2.9. Challenges of micro and small enterprises

Efforts to promote the development of MSEs often involve helping entrepreneurs solve marketing problems that constrain their growth. To do this effectively, it is helpful to know the most serious factors (the “binding constraint”) that small enterprises face (Mezgebe, 2012).

According to Commission on Legal Empowerment of the Poor most MSEs in Ethiopia face critical constraints both at the operation and start up level. Some of these constraints include lack of access to finance, access to premise, infrastructure, training in entrepreneurial and management skills, information on business opportunities, and social and cultural factors particularly related to deficient entrepreneurial culture and excessive corruption (ILO, 2007).

Poor Quality Work:-Lack of standardization, raw material storages, and poor quality of raw materials are also major problems (Rahel Wasihun & Paul, 2010).

Strong forward and backward linkages between sectors of the economy in supply of raw materials facilitate market for the output goods and services Eshetu & Mammo (2009).

Lack of Finance:-lack of adequate capital, sufficient loan, and inefficient financial market in terms of facilitating financial resources to entrepreneurs are the major obstacles in doing business particularly in the informal sector. Most micro and small enterprises are highly risky ventures involving excessive administrative costs and lack the experience in dealing with financial institutions and do not have a track record of credit worthiness with banks. Since most banking, institutions are reluctant to provide small enterprises with loan and credits, most MSEs are unable to secure collateral requirements. Because of absence in financing, the creation of new enterprises and the growth and survival of existing ones will be impeded (HLCLEP, 2006).

Legal and Regulatory Environment:- (Mboniyane, 2011) further found that the government is not actively providing support mechanisms for business registration to ensure the success of micro-enterprises.

There is also poor communication between the government and small business owners. Lack of proper regulation in terms of borrowing funds from the banks by small business owners; lack of focus in formulation and implementation of policies, and tax laws affects the performance of MSEs. For the proper promotion of the development of small business enterprises, there is need for a well-articulated plans or programs by the government Etumehu "as cited in" (Mezgebe, 2012).

A study conducted by Economic Commission of Africa (ECA, 2001) in countries such as Ethiopia, Cameroon, Gabon, Nigeria, Senegal and Uganda have shown that the regulatory and policy environment in which MSEs operate proves to be major handicap for their expansion and growth. The same study reveals that the complexity of customs system and many forms and declarations required have had a negative impact on the general business environment diverting entrepreneurs' efforts from more productive tasks.

The findings of Eshetu and Mammo (2009), also indicate that legal and regulatory problems are major obstacles to efficient operation of micro and small enterprises.

According to this study, bureaucratic registration requirements for licensing, high policy control, overregulation, corruption, high tariffs and unfair tax are found as major policy-

related constraints that adversely affect the sector. Free market policy has also exposed them to international competition, and this had a significant negative impact on their performance.

Low ability to acquire skills and managerial expertise:- Fagge (2004).Management has always been a factor in this sector as most MSEs do not have the required management expertise to carry them through once the business start growing. The situation gets compounded as training is not usually accorded priority in such establishments. There are lack of knowledge of entrepreneurial and managerial capacity, and marketing experience, lack of skill leads to problems in production due to the unfamiliarity of workers with rapid changing technology, lack of coordination of production process, and inability to troubleshoot failures on machinery and/or equipments is a critical problem that MSEs are facing since they cannot afford to employ specialists in the fields of planning, finance and administration, quality control, and those with technical knowledge (HLCLEP, 2006).

Marketing Problem:-The marketing problem is the main constraint for the growth of enterprises. Micro and small enterprises in Ethiopia faced various marketing problems. There is lack of product diversity and as a result, similar products are over crowding the market (Rahel Wasihun & Paul, 2010).

Marketing their products effectively as well as accessing and acquiring information on business opportunities are the major bottlenecks that micro and small entrepreneurs face all over the country. As a result, the design and quality of products of MSEs are below standard. In addition, lack of marketing skills and weak infrastructural facilities renders small businesses to be uncompetitive (HLCLEP, 2006).

Due to the aggressive competition small business enterprises are facing from companies that operate with greater capital outlay, companies with better and modern equipments for production, companies with better manpower and companies with marketing capabilities have resulted to low level of business and at times outright closure by small business owners Etumeahu, "as cited in" (Mezgebe, 2012).

2.10. Policy and support systems of MSEs in Ethiopia

Recognizing the significance of this sector, the Ethiopian government issued and established the National Micro and Small Enterprises Strategy and the Federal Micro and Small Enterprises Development Agency in 1997(E.C) and 1998(E.C) respectively. The country 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 urban dwellers (Mulu, 2007).

The Ethiopian government released the country's first MSEs development strategy in November 1997 E.C. The primary objective of the national strategy framework is to create an enabling environment for MSEs in addition to this basic objective of the national MSE strategy framework, the MOTI has developed a specific objective which includes, facilitating economic growth and bring about equitable development, creating long-term jobs, strengthening cooperation between MSEs, providing the basis for medium and large scale enterprises, promoting export, and balancing preferential treatment between MSEs and bigger enterprises (EMOTI, 2005).

The implementation of the strategy is planned to follow five stages. These are awareness creations, needs identification and implementation planning, resource identification, training of support agency staff and strengthening the business and entrepreneurial culture. The strategy indicated criteria for prioritizing MSEs for support. MSEs which are based on local raw materials and labor intensive having greater inertia and inter-sectoral linkages (particularly with agriculture), import substitution and export capacity, MSEs engaged in activities that facilitate and promote tourism (ibid).

It is possible to understand from the above discussed policies that the current government is giving great attention for the sector to alleviate the abject poverty, unemployment and to achieve better income distributions. But recently in March 2011, a task force headed by the Ministry of Urban Development and Construction (MoUDC) and the Federal Micro and Small Enterprises Development Agency published a new strategy for the development of MSEs the strategy identified and analyzed key MSE development constraints namely,

financial, training/consultancy, market, and infrastructure, and technology transfer, institutional and cross-cutting issues.

According to the new strategy (2011), the overall vision of the strategy is to create a “competitive” MSE sector that lays the groundwork for industrial development. To realize this vision, three objectives have been identified, which are: To increase the employment and wealth creation capability of MSEs, to enable the MSE sector to become more competitive and link with agricultural development and to ensure MSE development by creating a large entrepreneurial base in towns and cities throughout the country.

Nation’s Overall development objectives may include employment creation, productivity, competitiveness, GDP growth, price stability; and external payments equilibrium; as well as social, sector and regional equality including poverty reduction. Positioning MSEs development policy against national targets makes it easier to co-ordinate the relevant activities of different minister and to prioritize goals (CTI, 2009).

It also establishes the basis for a tighter process of decision making very often official statements concerning MSEs policy consist of a list of generalizations about the role of small business in society without any details as to the priorities and potential in this respect Until 1997, in Ethiopia, there were no organized policy and support systems catering to the development of the MSEs sector, so structural, institutional, and policy barriers are not being address. Premises, markets, finance, supply arrangements, regulatory barriers and legitimization of entrepreneurial activity are among the most urgent (EMOTI, 2005).

2.11. Conceptual framework of the study

In order to develop a conceptual framework for this study, the researcher has focused on important empirical evidences in different study areas. Management has always been a factor in this sector as most MSEs do not have the required management expertise to carry them through once the business start growing. The situation gets compounded as training is not usually accorded priority in such establishments Fagge (2004).

There are lack of knowledge of entrepreneurial and managerial capacity, and marketing experience, lack of skill leads to problems in production due to the unfamiliarity of workers

with rapid changing technology, lack of coordination of production process, and inability to troubleshoot failures on machinery and/or equipments is a critical problem that MSEs are facing since they cannot afford to employ specialists in the fields of planning, finance and administration, quality control, and those with technical knowledge (HLCLEP, 2006).

In addition to the above empirical evidences (Njanja, 2009) in Kenya which revealed that both the external (political/legal, economic/demographic, socio-cultural, technological and globalization) and internal business (management expertise, resources, individual characteristics etc.) environments are influencing the micro and small businesses.

The significance of Micro and small enterprise marketing practice are not be over emphasized. The factors identified include entrepreneurial skills, Managerial expertise, market, finance and technology.

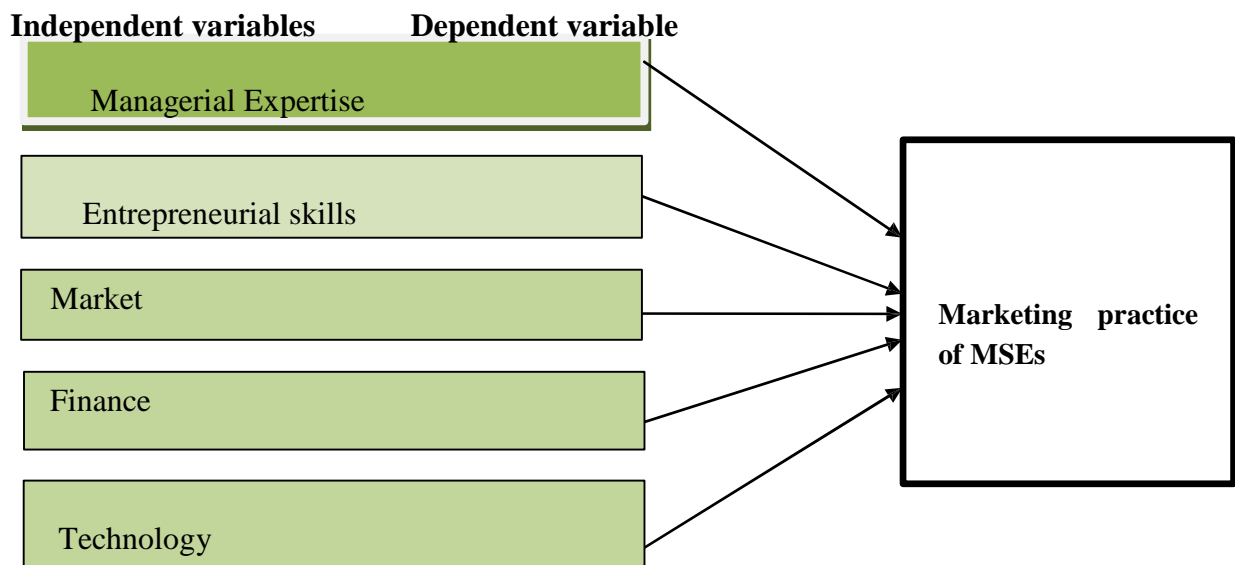


Figure 2.1: Conceptual Framework

Source: -Adopted from Njanja et al., (2009) and modified by the researcher, 2018 for his study.

CHAPTER THREE

3. RESEARCH AND METHODOLOGY

3.1. Description of the study area

Bench-Maji zone has found in the South western border of Ethiopia in the South Nations, Nationalities and Peoples Region. The zone is bordered in north by Sh ka Zone and Gambella Regional State, the South Sudan in the west and the south border, in the northeast by Kaffa Zone, and in the southeast and east by the South Omo Zone. The population of Bench-Maji Zone is 1,066,228 (529,595 or (49.6%) males & 537,313 (50.4%) females) (BMZCTCD, 2017). Mizan Aman city is the capital city of bench maji zone. The city is suited at a distance of 583 Km southwest of Addis Ababa and 860 Km from the regional city, Hawassa and it has found at a distance of 50 km Tepi and 230 km from Jimma. It has two sub-cities and five Kebeles, 67 clusters 147 block organized city. Average rainfall of the Mizan Aman is 1935 mm and Average temperature $21.5C^0$ the population of Mizan Aman city administration is 58,946 (28412 or(48.2%) males & 30534(51.8%) females), Assumed growth rate of the population 4.8. However, in the reality on the ground, the population is rising from time to time due to high in migration (MACAMO, 2014).

Study area



Figure 3.1: Location of the study area

Source:- MACAULGDPOR, 2018.

3.2 Research Design

The types of research employed under this study were descriptive and explanatory survey design. The major purpose of descriptive research is description of the state of affairs as it exists at present. Then this study describes and critically assesses the factors affecting the marketing practice of MSEs in Mizan Aman city administration. Second, the study employs explanatory survey design in that the relationship between variables is correlated with an aim of estimating the integrated influence of the factors on marketing practice.

According to Kothari (2004, 3), “Quantitative research is based on the measurement of quantity or amount. It is applicable to phenomena that can be express in terms of quantity. Qualitative research, on the other hand, is concerned with qualitative phenomenon, i.e., phenomena relating to or involving quality or kind”. The study also employs both primary and secondary data from both primary and secondary sources using appropriate data collection methods.

3.3 Type and Sources of Data

3.3.1 Type of Data

For this research the main types of data were include both primary and secondary data. By using both qualitative and quantitative data collecting method the mix use of these data types is from the standpoint that insufficiency and incompleteness were minimized.

3.3.2 Sources of Data

The study was a blend of both primary and secondary sources of data. The primary data were collected by using questionnaire from micro and small enterprise operator respondents and interviews from Mizan Aman city municipal office departments of micro and small enterprise management bodies and managers and Primary data were collected by using Enumerators and researcher. The secondary data were from published and unpublished reports of organizations, business books, and journal articles, different marketing practice of MSEs related manuals and reports of other stakeholder institutions and different published articles.

3.4 Target Population

According to Mizan Aman city municipal office department of Micro and Small Enterprises (2017) report, the total populations of Mizan Aman city administration are 58,946 (28412 (48.2%) males & 30534(51.8%) females) and there are 891 registered MSEs which, absorb the total population of male 2049 female 1131 total 3180 so that total population of the study area was 3180 which has been classified into five growth oriented sectors those are 204 MSEs are construction sector which, absorb male 687 female 208 total 895 entrepreneurs or owners, 158 MSEs are urban agriculture sector which, absorb male 241 female 170 total 411 entrepreneurs, 260 MSEs are manufacturing sector which, absorb male 375 female 307 total 682 entrepreneurs, 169 MSEs are service sector which, absorb male 503 female 235 total 738 entrepreneurs and 100 MSEs are trade sector which, absorb male 243 female 211 total 454 entrepreneurs (MACAMOR, 2017).

From those 355 respondents was selected using probability sampling technique.

3.5 Sample Design and Sampling Technique

For this study, in order to select a representative sample probability sampling techniques were implemented to select sample respondents. According to Mizan Aman city municipal office department of MSEs (2017) report, the total population of the study are 3180 MSEs operators which include construction sector (895) operators, manufacturing sector (682) operators, service sector(738) operators, urban agriculture sector (411) operators and trade sector (454) operators were found in the city administration. The sample size selected here is considered as representative of construction sector, manufacturing sector, service sector, urban agriculture sector and trade sector and also large enough to allow for precision, confidence and general ability of the research findings.

The next step was determining the actual sample size. The sample size was determined based on the following formula presented by Yemane (1967):

$$\begin{aligned}
 n &= \text{sample size} & n &= \frac{N}{1+N(e)^2} \\
 N &= \text{Total population} \\
 e &= \text{error (0.05)} \\
 \text{Then } n &= \frac{3180}{1+3180(e)^2} = \frac{3180}{1+3180(0.05)^2} = \frac{3180}{8.95} = \underline{355} \\
 \text{Accordingly } n &= 355
 \end{aligned}$$

This 355 was distributed to five growth oriented sectors of MSEs proportional using proportionality formula such as:- $ni = n.Ni/ N$, where N = Total population, ni = sample of strata, Ni = population of strata, n = total sample size. Using the micro and small entrepreneurs list of the registered MSEs 355 sample respondents were selected randomly based on proportional to the population size.

Table 3.1. The population of strata and their sample size.

N = Total population	n = total sample size.	Ni = population of strata	ni = sample of strata
3180	355	construction sector =895	$n1=355 \times 895/ 3180 = \mathbf{100}$
3180	355	manufacturing sector =682	$n2=355 \times 682/ 3180 = \mathbf{76}$
3180	355	Urban agriculture sector=411	$n3=355 \times 411/ 3180 = \mathbf{46}$
3180	355	service sector =738	$n4=355 \times 738/ 3180 = \mathbf{82}$
3180	355	trade sector =454	$n5=355 \times 454/ 3180 = \mathbf{51}$
Total			355

Source: (MACAMOR, 2017).

3.6 Methods of Data Collection

In this research both qualitative and quantitative data were collected from both primary and secondary data sources. For the quantitative data, questionnaires were prepared and distributed based on the specific objectives of the study.

Nine Enumerators were involved in the data collection through questioners under supervision of the researcher. For the qualitative data collection, the researcher based on interview guide line prepared in advance, were conduct by the researcher.

The secondary data were collected from published and unpublished reports of different level of micro and small enterprise development sectors (country, regional and zonal, city administration), report of CSA (central statistical agency),websites and different published articles of urban and housing development office, trade office, finance and economy development office.

3.7. Method of Data Analysis

The study was used manual and computerized system in method of data processing. In the data processing procedure editing, coding, classification and tabulation of the collected data were used. Data processing has used two phases namely: data clean up and data reduction. During data clean up the collected raw data was edited to detect abnormality, errors and omissions in responses and checking that the questions are answered accurately and uniformly. The process of assigning numerical or other symbol which come next was used to reduce responses into a limited number of categories or classes. After this, the processes of classification or arranging large volume of raw data into classes or groups based on common characteristics were applied. Data with the common characteristics was placed together and in this way, the entered data were divided into a number of groups. Finally, tabulation and pie charts were used to summarize the raw data and it was displayed in the form of tabulation for further analysis. The further transformation of the processed data to look for patterns and relationship between and/or among data groups by using descriptive and inferential (statistical) analysis. The Statistical Package for Social Science (SPSS version 23) was used to analyze the data obtained from primary sources. Specifically, descriptive statistics (mean and standard deviation) and inferential statistics (correlation and regression) were used from this tool. simple correlation coefficient (r) it is also called the Pearson correlation coefficient was used statistical method for obtaining an index of the relationships between two variables to ascertain whether a statistically significant relationship exists between entrepreneurial skills, Managerial expertise, market, finance and technology with marketing practice of MSEs, the Pearson Correlation Coefficient was used. According to Duncan C. and Dennis H. (2004), correlation coefficient can range from -1 to +1. The value of -1 represents a perfect negative correlation while a value of +1 represents a perfect positive correlation. A value of 0 correlations represents no relationship. The results of correlation coefficient interpreted as follows. The Correlation coefficient (-1.00 to -0.8] and [0.8 to 1.00) Interpret as Strong, (-0.8 to -0.6] and [0.6 to 0.8) Interpret as Substantial, (-0.6 to -0.4] and [0.4 to 0.6) Interpret as Medium, (-0.4 to -0.2] and [0.2 to 0.4) Interpret as Low and (-0.2 to 0.2) Interpret as Very Low. Multiple regressions were used. Regression functions the equation of regressions on this study is generally built around two sets of variables, namely dependent variable (marketing

practice of MSEs) and independent variables (Managerial expertise, entrepreneurial skills, market, finance and technology). The basic objective of using regression equation on this study is to make the study more effective at describing, understanding and predicting the stated variables. Mathematically, the multiple regression models are represented by the following equation and Regress marketing practice on Selected Variables:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5$$

Where:

Y is dependent variable- marketing practice

X1= Managerial expertise, X2= entrepreneurial skills, X3= market, X4= finance and X5= Technology are the independent variables.

β_0 is the intercept term- constant which would be equal to the mean if all slope coefficients are 0. β_1 , β_2 , β_3 , β_4 and β_5 are the coefficients associated with each independent variable which measures the change in the mean value of Y, per unit change in their respective independent variables. Accordingly, this statistical technique was used to explain the following relationships. Regress marketing practice (as dependent variable) on the selected linear combination of the independent variables using multiple regressions.

3.8 Validity test

A study was conducted to refine the methodology and test instrument such as a questionnaire before administering the final phase. Questionnaires was tested on potential respondents to make the data collecting instruments objective, relevant, suitable to the factors and reliable as recommended by John Adamset al. (2007). Issues raised by respondents were corrected and questionnaires were refined. Besides, proper detection by an advisor was also taken to ensure validity of the instruments. Finally, the improved version of the questionnaires were printed, duplicated and dispatched. The instruments selected can help to show factors that affect marketing practice of MSEs. It can clearly address how these factors affect the marketing practice of MSEs in Mizan Aman city administration. The relevant data was collected on the factors of the MSEs that can better indicate the relationship between factors and the marketing practice of MSEs. The structured and unstructured interviews can also validate the

measurement. Moreover, to have valid conclusion, inferential statistical model was used to test the relationship between the variables.

3.9 Reliability test

Creswell (2009) considers the reliability of the instruments as the degree of consistency that the instruments or procedure demonstrates. Cronbach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in a questionnaire are related to each other. The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency. In this study each statement rated on a 5 point liker response scale which includes strongly agree, agree, undecided, disagree and strongly disagree. Based on this before duplicated and dispatched the all questionnaires the reliability test was conducted in Mizan Aman city administration with a sample of 10% from each sector total 35 sample respondents and the table 3.2 blow shows the Cronbach's alpha coefficient for the instrument.

Table 3.2 Measure of internal Consistency-Cronbach"s alpha

Dimension	No of items	Cronbach's alpha	Remark
Managerial expertise	6	0.81	Reliable
Entrepreneurial skills	9	0.84	Reliable
Market	8	0.79	Reliable
Finance	7	0.72	Reliable
Technology	5	0.72	Reliable
Marketing practice	5	0.68	Reliable

Source: (own sample survey, 2018).

Note: The full result for all items is presented in Appendix A.

As shown above in the table 3.2, all dimensions Cronbach's alpha is above the cut of point of 0.67. The lowest Cronbach's alpha registered is 0.68 (marketing practice) and the highest is 0.84 (Entrepreneurial skills). Typically an alpha value is acceptable if it is 0.67 or above

(Cohen et al., 2007). Since, instruments were developed based on objectives; it is possible to collect necessary data from respondents. Then, instruments are consistent with the objectives of the study. Accordingly, the questionnaires were distributed to sample respondents.

3.10 Ethical Consideration

All the research participant included in this study were appropriately informed about the purpose of the research and their willingness and assent was secured before the commencement of distributing questionnaire and asking interview questions. Regarding the right to privacy of the respondents, the study maintained the secrecy of the identity of each participant. In all case, Names are kept secret thus collective names like respondents were used.

CHAPTER FOUR

4. DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

The main objective of this study is to critically assess the factors affecting the marketing practice of MSEs in Mizan Aman city administration.

To facilitate ease in conducting the empirical analysis, the results of descriptive analyses are presented first, followed by the inferential analysis. 355 questionnaires were distributed across the five growth oriented sectors in Mizan Aman city administration, out of which 336 were completed and retrieved successfully, representing 94.6% response rate. Out of the 355 questionnaires administered 100, 76, 46, 51 and 82 were distributed to construction sector, manufacturing sector, urban agricultural sector, trade sector and service sector respectively. The numbers of questionnaires retrieved from construction sector, manufacturing sector, urban agricultural sector, trade sector and service sector are 96, 72, 46, 46 and 76 respectively. This represents a response rate of 96%, 94.73%, 100%, 90.19% and 92.68% for construction sector, manufacturing sector, urban agricultural sector, trade sector and service sector respectively.

Generally, this section is organized in the following manner: First, the general information about MSEs were presented and analyzed. Second, data collected through questionnaires and interviews were analyzed concurrently. Moreover, the results of Pearson's product moment correlation coefficient and regressions were analyzed.

4.2 General characteristics of the micro and small enterprises

The following figure summarizes the respondents engaged in five growth oriented sector.

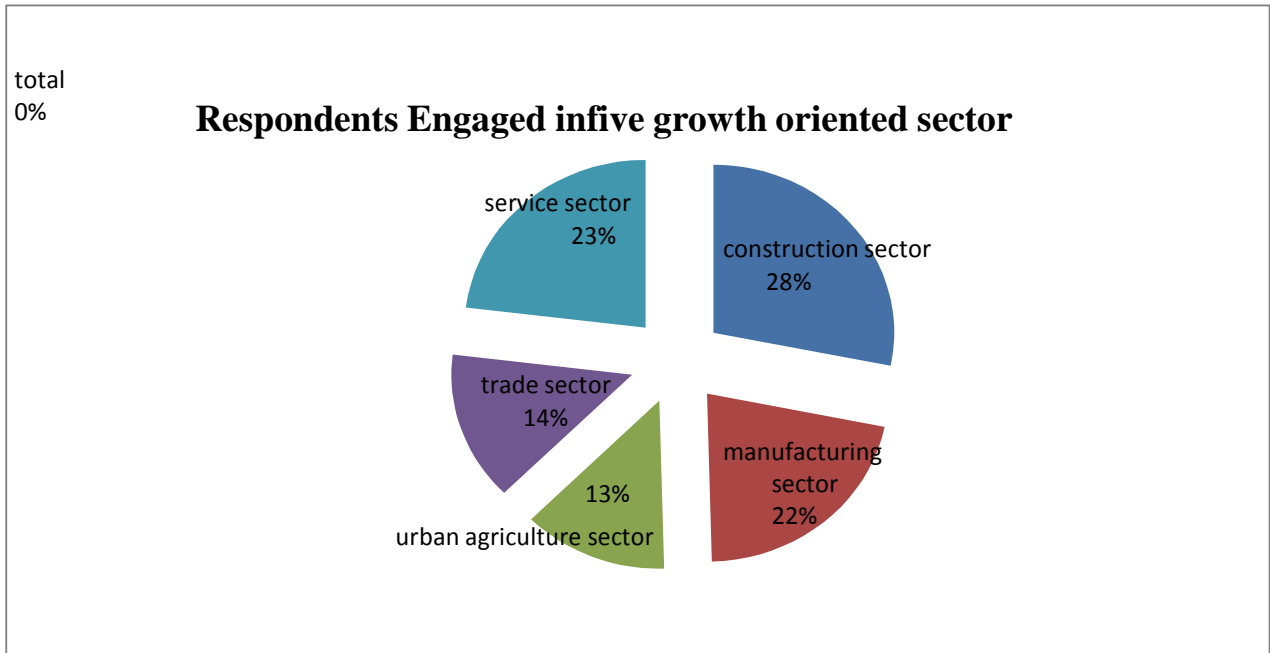


Figure 4.1 Sectors respondents engaged in MSEs in five growth oriented sector.

Source: own study, 2018

As shown in figure above, the sample sectors were operating in five growths oriented sectors of the economy. Most of them are engaged in construction sector (28%) followed by service sector (23%), manufacturing sector (22%), trade sector (14%) and urban agriculture sector (13%). This division of MSEs by sector type was believed to be helpful to study each sector critical factors that affect the marketing practice of MSEs.

This is because marketing practice in different sectors of the economy face different types of problems. That means the degree of those critical factors in construction sector may be the same or differ from the factors that are critical to manufacturing sector, urban agricultural sector, trade sector and service sector.

4.2.1 Demographic profile of respondents

The following tables summarize the demographic profile of respondents by Sex, Age, Educational Qualification, Marital status and Work experience.

Table 4.1 Respondents' demographic profile

1. Sex		Number	Percent
	Male	273	81.25
	Female	63	18.75
	Total	336	100.0
2. Age			
	under 20 years	22	6.5
	21-35 years	272	81.0
	36-50 years	37	11.0
	over 50 years	5	1.5
	Total	336	100.0
3. educational qualification			
	grade1-4	17	5.1
	grade5-8	103	30.7
	high school complete	83	24.7
	Certificate	88	26.2
	Diploma	40	11.9
	degree and above	5	1.5
	Total	336	100.0
4. marital status			
	Single	104	31.0
	Married	220	65.5
	Divorced	6	1.8
	Widowed	6	1.8
	Total	336	100.0
5. work experience			
	0-3 years	94	28.0
	4-6 years	174	51.8
	7-10 years	48	14.3
	10 above	20	6.0
	Total	336	100.0

Source: own study, 2018

As it shown in the above table 4.1 there is low proportion of women compared to men in the MSEs. In the Mizan Aman city administration the proportion of men in MSEs covers 273(81%) and women constitute only 63 (19%), demonstrating that there is a clearly observable the gap of human participation in MSEs in the study area.

Regarding the age structure, the above table shows majority of the respondents are within the age category of 21-35 years 272 (81.0%) followed by those under the category of 36-50 years 37(11.0%).The remaining 22 (6.5%) and 5 (1.5%) of the respondents are under the age category of below 20 years and over 50 years respectively.

When we see the educational level of the respondents, it is clearly seen from the above table that most are within the 5-8 grade level 103(30.7%).This is followed by those who completed certificate 88 (26.2%) and high school complete 83 (24.7%).The figure also shows that 40 (11.9%) and 17 (5.1%) of the respondents are within diploma and 1-4 grade levels respectively. It is only 5 (1.5%) that has a degree and above.

As can be seen from the table above, the marital status of the respondents shows that the majority are married 220 (65.5%) followed by singles 104 (31.0%).The remaining 6(1.8%) and 6 (1.8%) of the respondents are divorced and widowed respectively. With regard to the work experience of the respondents, the table shows that majority of the respondents about 174(51.8%) have 4-6 years of experience in their work. It is also clear that 94 (28.0%) and 48 (14.3%) of the respondents have an experience of 0-3 years and 7-10 years respectively. The remaining 20 (6.0%) of the respondents have above10 years of service in their enterprise.

4.3. Factors affecting the marketing practice of micro and small enterprises

Respondents were asked different questions regarding the factors affecting the marketing practice of MSEs in Mizan Aman city administration. Their responses are organized in the following manner.

4.3.1 Results of descriptive statistics

There are a number of factors that affect marketing practice of MSEs associated with different factors. This part explains the descriptive statistics calculated on the basis of the factors that affect the marketing practice of MSEs. But, while making interpretation of the results of mean and standard deviation the scales were reassigned as follows to make the interpretation easy and clear Al-Sayaad, Rabea, & Samrah, (2006) as cited by (Bassam, 2013). Mean range and Response Option:- 1 to 1.80 Strongly disagree , 1.8 to 2.6 Disagree , 2.6 to 3.4 Neutral , 3.4 to 4.20 Agree and 4.2 to 5.00 Strongly agree

The results for measures of central tendency and dispersion were obtained from the sample of respondents of construction sector, manufacturing sector, service sector, urban agriculture sector and trade sector are shown in the following tables.

Table 4.2. Managerial expertise

Items	Construction Sector		Manufacturing sector		Service sector		Urban agriculture sector		Trade sector	
	MN	SD	MN	SD	MN	SD	MN	SD	MN	SD
A) Clear division of duties and responsibility among Employees	3.68	1.31	3.32	1.37	3.79	1.32	3.54	1.22	3.70	1.33
B) Organization and effective communication	3.50	1.28	3.69	1.16	4.24	.89	3.83	1.10	3.76	1.30
C) Selection of associates in business	3.44	1.38	3.56	1.22	4.21	.96	3.80	1.20	3.61	1.20
D) Well trained and experienced employees	3.97	1.16	4.21	.96	4.14	.86	4.20	1.00	3.91	1.38
E) Accessible training facilities	4.60	.75	3.35	1.28	4.36	.84	4.33	.79	4.15	.84
F) Strategic business planning	3.71	1.29	3.64	1.26	4.18	.80	3.98	1.22	3.85	1.17
Grand	3.81	1.20	3.63	1.21	4.15	0.95	3.95	1.10	3.83	1.20

Source: own study, 2019/2020

MN=Mean, SD=Standard deviation

As it shown in above table 4.2, Accessible training facilities is the main factors that hinder managerial expertise in the marketing practice of MSEs it shows a mean score of 4.60, 4.36, 4.33 and 4.15 with a standard deviation of .75, .84, .79 and .84 for MSEs engaged in construction sector, service sector, urban agricultural sector and trade sector respectively and moderately hinders the mean score of 3.35 and standard deviation of 1.28 for MSEs engaged in manufacturing sector. Therefore, the average score of the respondents with regard to Accessible training facilities indicates their agreement with little deviations among them. With regard to Well trained and experienced employees the mean scores are 4.21, 4.20 , 4.14, 3.97and 3.91 with standard deviation of .96, 1.00, .88, 1.16, and 1.38 for operators engaged in manufacturing sector, urban agricultural sector, service sector, construction sector and trade sector respectively. This shows that MSEs have factors with well trained and experienced employees in their members. Likewise, Strategic business planning, the table above shows that, the mean score of 4.18, 3.98, 3.85, 3.71 and 3.64, with standard deviation of .80, 1.22 , 1.17 ,1.29 and 1.26 For MSEs engaged in service sector, urban agricultural sector, trade sector, construction sector and manufacturing sector respectively. The table shows Organization and effective communication is the factors of operators engaged in service sector, urban agricultural sector, trade sector and manufacturing sector respectively With mean score of 4.24, 3.83, 3.76 and 3.69 with standard deviations of .89, 1.10, 1.30 and 1.16 respectively and it is moderately affects the operators engaged in construction sectors with mean score of 3.5 with standard deviations of 1.28 respectively. The table shows Selection of associates in business is the factors of MSEs operators engaged in service sector, urban agricultural sector, trade sector and manufacturing sector respectively with mean score of 4.21, 3.80, 3.61 and 3.56 with standard deviations of .96, 1.20, 1.20 and 1.22 respectively And moderately it is the factors of MSEs operators engaged in construction sector with mean score of 3.44 with standard deviations 1.38 respectively.

The table also shows Clear division of duties and responsibility among employees is the factors of MSEs operators engaged in service sector, trade sector, construction sector and urban agricultural sector respectively with mean score of 3.79, 3.70, 3.68 and 3.54 with

standard deviations of 1.32, 1.33, 1.31 and 1.22 respectively and moderately it is the factors of MSEs operators engaged in manufacturing sector with mean score of 3.32 with standard deviations 1.37 respectively.

According to interview conducted with management bodies and Mizan Aman city municipal office department head of MSEs and vice head of municipal office, it was confirmed that they had many Managerial expertise factors that affects the marketing practice such as Accessible training facilities, Strategic business planning, well trained and experienced employees and Organization and effective communication. Furthermore, most of these enterprises operate without systems in line with Managerial know how. Similarly, interviewees indicated that, inability (low technical skills) to troubleshoot failures on machinery and/or equipments is a critical factor of well trained and experienced employees and also accessible training facilities. Since the operators of MSEs Selection of associates in business is not depend on especially in their fields, Hobbes with technical knowledge.

Coming down to the matter of business plan for the business, in an interview conducted with management and Mizan Aman city municipal office department head of MSEs and vice head of municipal office, it was confirmed that operators of MSEs have no proper business plans at start faces the most factors during the course of their lives.

According to Fagge, (2004) the Management factors militate against the effective operation of MSEs. Management has always been a factor in this sector as MSEs do not have the required management expertise to carry them through once the business start growing. The situation gets compounded as training is not usually accorded priority in such establishments. To conclude, all these managerial expertise factors were confirmed by the respondents in this survey who indicated that their businesses were constrained Accessible training facilities, Strategic business planning, well trained and experienced employees, Organization and effective communication, Selection of associates in business and Clear division of duties and responsibility among employees.

Table 4.3 Entrepreneurial skills

Items	Constructi on sector		Manufacturi ng sector		Service sector		Urban agriculture sector		Trade sector	
	MN	SD	MN	SD	MN	SD	MN	SD	MN	SD
A) Knowledge of VAT report	3.73	1.26	3.31	1.42	2.34	1.28	1.70	.70	2.48	1.50
B)Entrepreneurship training	4.54	.71	4.35	.91	3.97	1.22	4.13	1.05	4.35	.82
C) Motivation and drive	3.93	1.07	3.76	1.17	3.93	1.12	4.46	.81	4.11	.97
D) Tolerance to work hard	3.66	1.34	3.49	1.34	3.68	1.22	3.87	.93	3.37	1.39
E) Persistence and courage to take responsibility for ones failure	3.70	1.26	3.35	1.34	3.68	1.19	3.85	1.15	3.59	1.26
F)Initiative to assess ones strengths and weakness	3.63	1.31	3.39	1.37	3.76	1.22	4.09	1.07	3.67	1.43
G)Information to exploit business opportunities	4.37	.94	4.17	1.04	3.95	1.12	3.96	1.19	4.13	1.11
H)Skill to setting bidding form	3.71	1.14	3.78	.98	4.22	.95	1.83	.83	3.93	.99
I)Skills to setting price	4.11	1.08	3.67	1.22	3.89	1.09	3.48	1.63	3.83	1.18
Grand	3.93	1.12	3.70	1.20	3.71	1.16	3.49	1.04	3.72	1.18

Source:own study, 2019/2020

MN=Mean, SD=Standard deviation

As it shown in the above table 4.3 Entrepreneurship training scores the highest mean as 4.54, 4.35, 4.35, 4.13 and 3.97 with standard deviation of .71, .82, .91, 1.05 and 1.22 for operators engaged in construction sector, trade sector, manufacturing sector, urban agriculture sector and service sector respectively.

The second most important entrepreneurial skills factor that affects the marketing practice of MSEs is Information to exploit business opportunities. Their mean score of 4.37, 4.17, 4.13, 3.96 and 3.95 with standard deviation of .94, 1.04, 1.11, 1.19 and 1.12 for owners or respondents engaged in construction sector, manufacturing sector, trade sector, urban agriculture sector and service sector respectively. The third most important entrepreneurial skills factors that affect the marketing practice of MSEs are Motivation and drive with mean scores 4.46, 4.11, 3.93, 3.93 and 3.76 with standard deviation of .81, .97, 1.07, 1.12 and 1.17 for operators engaged in urban agriculture sector, trade sector, construction sector, service sector and manufacturing sector respectively. The above table shows Skills to setting price is the factors of MSEs operators engaged in construction sector, service sector, trade sector, manufacturing sector respectively with mean score of 4.11, 3.89, 3.83 and 3.67 with standard deviations of 1.08, 1.09, 1.18 and 1.22 respectively and moderately it is the factors of MSEs operators engaged in urban agricultural sector with mean score of 3.48 with standard deviations 1.63 respectively. With regard to Initiative to assess ones strengths and weakness the mean scores are 4.09, 3.76, 3.67 and 3.63 with standard deviation of 1.07, 1.22, 1.43 and 1.31, for operators engaged in urban agricultural sector, service sector, trade sector and construction sector respectively and also it is moderately affect with mean score of 3.39 and standard deviation 1.37 in manufacturing sector. This shows that MSEs have factors with Initiative to assess ones strengths and weakness in their members.

Likewise, Persistence and courage to take responsibility for ones failure, the table above shows that, the mean score of 3.85, 3.70, 3.68 and 3.59 with standard deviation of 1.15, 1.26, 1.19 and 1.26 for MSEs engaged in urban agricultural sector, construction sector, service sector and trade sector respectively and also it is moderately affect with mean score of 3.35 and standard deviation 1.34 in manufacturing sector.

The above table shows Tolerance to work hard is the factors of operators engaged in urban agricultural sector, service sector and construction sector respectively, with mean score of 3.87, 3.68 and 3.66 with standard deviations of .93, 1.22 and 1.34 respectively. And also it is moderately affect with mean score of 3.49 and 3.37 with standard deviation 1.34 and 1.39 in manufacturing sector and trade sector respectively. The table also shows Skill to setting bidding form is the factors of operators engaged in service sector, trade sector, manufacturing sector and construction sector respectively with mean score of 4.22, 3.93, 3.78 and 3.71 with standard deviations of .95, .99, .98 and 1.14 respectively. But it is not entrepreneurial skill factors operators engaged in urban agricultural sector the mean score and standard deviation of 1.83 and .83 respectively.

Furthermore, the arithmetic mean and standard deviation indicates that Knowledge of VAT report is the entrepreneurial skill factors that hinder the success of entrepreneurs acted in construction sectors. Given that a mean score of 3.73 with standard deviation of 1.29 and moderately Knowledge of VAT report is the entrepreneurial skill factors that hinder the success of entrepreneurs acted in manufacturing sectors. Given that a mean score of 3.31 with standard deviation of 1.42 but for MSEs engaged in trade sector, service sector and urban agriculture sector the Knowledge of VAT report are not the entrepreneurial skill factors respectively the disagreement on this factor is justified by the calculated means of 2.48, 2.34 and 1.70 with standard deviations of 1.50, 1.28 and .70 respectively.

According to interview conducted with management bodies and Mizan Aman city municipal office department head of MSEs and vice head of municipal office, it was confirmed that Entrepreneurship training, Information to exploit business opportunities, Persistence and courage to take responsibility for ones failure, Initiative to assess ones strengths and weakness, Motivation and drives, Tolerance to work hard, Skills to setting price, Skill to setting bidding form and Knowledge of VAT report are the entrepreneurial skill factor that affect the marketing practice of MSEs in the study area.

According to (Fagge, 2004), lack of entrepreneur technical skill is one of the most often cited reasons for effective operation of MSEs. The author stated that low entrepreneur

technical skills are problems militate against the effective operation of MSEs. Many entrepreneurs rush out to establish MSEs without having good and adequate technical skills.

Most important problems in relation to price, Some MSEs sell at break-even or even below cost Assegedeche (2004).

Some of the reasons for selling at such a lower price can be attributed mainly to: lack of basic costing knowledge, overhead costs are mostly not calculated as expenses, the fact that salaries or wages of family members involved in production or sales are overlooked as cost product, not knowing the exact earnings from sales separately, during and at the end of the day all family members spend the money earned from sales without recording, manufacturers do not correctly know how much raw material and accessories are required to make one unit of a product. Most MSEs do not know whether they actually make profit or not. They express their success only by accentuating the changes they make.

In general, MSEs tend to overprice their products, with some under-pricing due to lack of costing skills as well as competition. In some instances MSEs are forced to sell at any lower price, due to the existence of larger enterprises, which sell similar products with reduced prices.

Table 4.4 Market

Items	Construction sector		Manufacturing sector		Service sector		Urban agriculture sector		Trade sector	
	MN	SD	MN	SD	MN	SD	MN	SD	MN	SD
A) Adequate market for my product	4.50	.68	4.46	.73	4.14	1.04	4.09	1.19	4.30	.81
B) Market competition	4.40	.62	4.49	.65	4.57	.57	4.52	.62	4.30	.59
C) Searching new market	4.24	.74	4.15	.71	4.30	.54	4.48	.62	4.33	.73
D) Demand forecasting	4.00	1.11	3.99	.97	4.32	.79	4.28	.75	4.02	.86
E) Market information	4.36	.91	4.32	.71	4.42	.57	4.33	.47	4.35	.77
F) relationship with an that conduct marketing research	3.73	1.27	3.97	.86	4.28	.78	4.24	.85	3.89	1.16
G) Promotion to attract potential users	3.84	1.10	3.94	1.03	4.09	1.02	4.15	1.05	3.87	1.14
H) Customer relationship and handling	3.22	1.51	3.32	1.37	3.71	1.28	3.72	1.33	3.17	1.32
Grand	4.04	0.99	4.08	0.88	4.23	0.82	4.22	0.86	4.03	0.92

Source: own study, 2019/2020

MN=Mean, SD=Standard deviation

As shown in the table 4.4 above, market is consisted of eight items. From these factors Market competition, Market information, Adequate market for their product, Searching new market , Demand forecasting, Relationship with an organization that conduct marketing research , Promotion to attract potential users and Customer relationship and handling are critical market factors that affect the marketing practice of MSEs engaged in all sectors.

The mean scores and standard deviations clearly show respondents agreement on the variables. That is mean scores of Market competition are 4.57, 4.52, 4.49, 4.40 and 4.30 with standard deviations of .57, .62, .65, .62 and .59 for MSEs engaged in service sector, urban agricultural sector, manufacturing sector, construction sector and trade sector respectively.

The respondents of service sector, construction sector, trade sector, urban agricultural sector and manufacturing sector, agree with a mean of 4.42, 4.36, 4.35, 4.33 and 4.32 with standard deviation of .57, .91, .77, .47 and .71 that there is factor of Market information in markets respectively.

In the above table it can be seen that, adequate market for their product is another market factor that affect the marketing practice of MSEs. The arithmetic mean of 4.50, 4.46, 4.30, 4.14 and 4.09 with standard deviation of .68, .73, .81, 1.04 and 1.19 for MSEs engaged in construction sector, manufacturing sector, trade sector, service sector and urban agricultural sector respectively. Moreover, the table shows that Searching new market affect market in marketing practice. The mean scores are 4.48, 4.33, 4.30, 4.24 and 4.15 and standard deviations are .62, .73, .54, .74 and .71 for business enterprises engaged in urban agricultural sector, trade sector, service sector, construction sector and manufacturing sector respectively. Similarly, majority of respondents agreed with Demand forecasting. This agreement is justified by the mean scores of 4.32, 4.28, 4.02, 4.00 and 3.99 with standard deviation of .79, .75, .86, 1.11 and .97 for operators engaged in service sector, urban agricultural sector, trade sector, construction sector and manufacturing sector respectively. The above table show Relationship with an organization that conduct marketing research is another market factor that affect the marketing practice of MSEs this is justified by the respondents agreement with a mean scores of 4.28, 4.24, 3.97, 3.89 and 3.73 with standard deviation of .78, .85, .86, 1.16 and 1.27 for operators engaged in service sector, urban agricultural sector, manufacturing sector, trade sector and construction sector respectively. Likewise, Promotion to attract potential users, the respondents of urban agricultural sector, service sector, manufacturing sector, trade sector and construction sector respectively agree Promotion to attract potential users is the factor of market in marketing practice with mean scores of 4.15, 4.09, 3.94, 3.87 and 3.84 with standard deviation of 1.05, 1.02, 1.03, 1.14 and 1.10 respectively.

Customer relationship and handling is the market factors that hinder the success of entrepreneurs acted in urban agricultural sector and service sector. Given that a mean score of 3.72 and 3.71 and with standard deviation of 1.33 and 1.22 respectively and also it is moderately factors the operators acted in manufacturing sectors given that mean score of 3.32

with standard deviation of 1.37. and On the other hand, the table above shows that respondents of construction sector and trade sectors are neither 'agreed' nor 'disagreed' with customer relationship and handling that affect their marketing practice in market factor with mean of 3.22, and 3.17 with standard deviation of 1.51 and 1.32 for respondents engaged in construction sector and trade sectors respectively.

In an interview conducted with management and Mizan Aman city municipal office department head of MSEs and vice head of municipal office, it was confirmed that Market competition, Market information, Adequate market for their product, Searching new market , Demand forecasting, Relationship with an organization that conduct marketing research , Promotion to attract potential users and Customer relationship and handling are critical market factors that affect the marketing practice of MSEs engaged in all sectors.

According to (Assegedech, 2004) mostly the case and common recognition, "Competition is Cruel", which implies that some larger companies in relation to MSEs have advantages due to: selling at reduced price without reducing product quality using economies of scale, customer targeting capacity, proper and intensified product/service advertising capacity, good personal contacts and networks, sound Industry reputation, sufficient information regarding existing market and capacity to exploit more market opportunities. Competition is not only between the MSEs and the relatively bigger companies. There is also competition among operators within the MSE sector itself and between MSEs that are engaged in the same line of business. To conclude, all these market factors were confirmed by the respondents in this survey who indicated that their businesses were constrained by Market competition, Market information, Adequate market for their product, Searching new market , Demand forecasting, Relationship with an organization that conduct marketing research , Promotion to attract potential users and Customer relationship and handling are critical market factors that affect the marketing practice of MSEs engaged in all sectors.

Table 4.5 Finance

Items	Construction sector		Manufacturing sector		Service sector		Urban agriculture sector		Trade sector	
	MN	SD	MN	SD	MN	SD	MN	SD	MN	SD
A)Cash management skills	3.55	1.37	3.56	1.52	3.66	1.37	3.96	1.01	3.78	1.41
B)Working capital	4.35	1.04	4.37	.93	4.18	1.20	4.09	.89	4.24	1.06
C)The interest rate charged by banks and other lending institutions	3.69	1.19	3.76	1.06	3.89	1.05	4.13	1.05	4.02	1.04
D)Loan application procedures of banks and other lending institutions	4.29	.83	4.03	.89	3.76	1.01	4.04	.84	4.17	.93
E)Collateral requirement from banks and other lending institutions	4.33	.83	3.93	1.01	3.78	1.05	4.11	.95	4.20	.83
F)Adequacy of credit institutions	4.14	1.03	4.32	.80	4.07	1.19	4.00	1.16	4.11	1.08
G)The tax levied on my business	4.27	1.04	4.08	1.05	4.13	1.28	2.57	1.42	4.35	1.25
Grand	4.09	1.05	4.01	1.04	3.92	1.16	3.84	0.90	4.12	1.09

Source: own study, 2019/2020

MN=Mean, SD=Standard deviation

The mean scores of 4.37, 4.35, 4.24, 4.18 and 4.09 with standard deviation of .93, 1.04, 1.06, 1.20 and .89 of the respondents in above table 4.5 shows that those operators engaged in

manufacturing sector, construction sector, trade sector service sector and urban agricultural sector affected by Working capital of the finance factor in marketing practice of MSEs respectively. Regarding adequacy of credit institutions, the mean scores shows that the respondents' of the all sectors agree it is one of the finance factors in marketing practice of MSEs. The results show that the mean scores of 4.32, 4.14, 4.11, 4.07 and 4.00 with standard deviation of .89, 1.03, 1.08, 1.19 and 1.15 of the respondents those engaged in manufacturing sector, construction sector, trade sector , service sector and urban agricultural sector affected by adequacy of credit institutions to the finance factor in marketing practice of MSEs Respectively.

With regard to Collateral requirement from banks and other lending institutions the mean score of 4.33, 4.20, 4.11, 3.93 and 3.78 with standard deviation of .83, .83, .95, 1.01 and 1.05 for entrepreneurs engaged in construction sector, trade sector, urban agricultural sector, manufacturing sector and service sector respectively. Similarly, Loan application procedures of banks and other lending institutions is the factor in finance with a mean score of 4.29, 4.17, 4.04, 4.03 and 3.76 with standard deviation of .83, .93, .84, .89 and 1.01 for operators of construction sector, trade sector, urban agricultural sector, manufacturing sector and service sector respectively.

By the same token, respondents of the all sectors agreed with the interest rate charged by banks and other lending institutions. This is justified by the mean scores 4.13, 4.02, 3.89, 3.76 and 3.69 with a deviation of 1.05, 1.04, 1.05, 1.06 and 1.19 for operators engaged in urban agricultural sector, trade sector, service sector, manufacturing sector and construction sector respectively. The above table also show The tax levied on my business is another finance factor that affect the marketing practice of MSEs this is justified by the respondents agreement with a mean scores of 4.35, 4.27, 4.13 and 4.08 with standard deviation of 1.25, 1.04, 1.28 and 1.05 for operators engaged in trade sector, construction sector, service sector and manufacturing sector respectively and The tax levied on their business is not finance factor that affect the marketing practice of MSEs in urban agriculture sector this is justified by the respondents disagree with a mean scores of 2.57 with standard deviation of 1.42 respectively.

Moreover, cash management skills are finance factor that affect the marketing practice of MSEs as the table above show very well. The respondents agree with a mean of 3.96, 3.78, 3.66, 3.56 and 3.55 with standard deviation of 1.01, 1.41, 1.37, 1.52 and 1.37 for MSEs engaged in urban agricultural sector, trade sector, service sector, manufacturing sector and construction sector respectively.

In general, the results of Finance Factors indicated that there are Working adequacy of credit institutions capital, Collateral requirement from banks and other lending institutions, Loan application procedures of banks and other lending institutions, interest rate charged by banks and other lending institutions, The tax levied on their business and cash management skills are the finance factors which hinder the marketing practice of MSEs in the study area. In addition, during the interview of Mizan Aman city municipal office department head of MSEs and vice head of municipal office and also management bodies, they all agreed the existence of the factors and explained the measures that the government is undertaking to lessen them such as finance for credit and gap to address all MSEs cash management skill.; however, they all agrees the measurements taken to alleviate these factors are not sufficient and so that a lot has to be done in the future.

According to (Assegedech, 2004) in discussing marketing factors the subject of finance should not be overlooked. Shortage of funds discourages the smooth operation and development of MSEs. Even if there are credit facilities, some of the MSEs do not use the money for the intended purpose. They rather divert it for other unintended and non-productive expenditures. Consequently, the enterprises fail to return the money back to the lender on time. This can result in a loss of credibility to get repeated loans when needed most.

Table 4.6. Technology

Items	Constructio n sector		Manufacturi ng sector		Service sector		Urban agriculture sector		Trade sector	
	MN	SD	MN	SD	MN	SD	MN	SD	MN	SD
A)Appropriate machinery and Equipment	3.98	.91	3.72	1.17	3.76	1.20	4.13	1.02	4.11	1.04
B)Skills to handle new technology	3.89	1.13	3.56	1.26	3.68	1.19	4.24	.77	4.09	1.03
C)Money to acquire new technology	4.19	.99	4.11	1.13	3.97	1.13	4.33	.60	4.30	.89
D)Selection of property technology	3.97	1.01	3.61	1.26	3.74	1.23	4.41	.81	4.04	1.01
E)Entrepreneurship training about new technology	4.52	.73	4.53	.60	3.99	1.16	4.50	.51	4.41	.72
Grand	4.11	0.95	3.91	1.08	3.83	1.18	4.38	0.74	4.19	0.94

Source: own study, 2019/2020

MN=Mean, SD=Standard deviation

As it can be seen in table 4.6 above, Entrepreneurship training about new technology is the main factor of technology in marketing practice of MSEs engaged in manufacturing sector , construction sector, urban agricultural sector, trade sector and service sector The mean scores 4.53, 4.52, 4.50, 4.41 and 3.99 with standard deviations .60, .73,.51, .72 and 1.16 respectively. This is followed by money to acquire new technology the mean score 4.33, 4.30, 4.19, 4.11 and 3.97 with standard deviation .60, .89, .99, 1.13 and 1.13 respectively in MSEs engaged in urban agricultural sector, trade sector , construction sector, manufacturing sector and service sector.

According to the above table 4.6 for operators engaged in urban agricultural sector, trade sector, construction sector, service sector and manufacturing sector respectively, Selection of proper technology affects technology factors in marketing practice of MSEs.

That is a means scores 4.41, 4.04, 3.97, 3.74 and 3.61 with standard deviations of .81, 1.01, 1.01, 1.24 and 1.26 respectively. With regard to appropriate machinery and equipment, the mean scores and standard deviations are 4.13, 4.11, 3.98, 3.76 and 3.72 with 1.02, 1.04, .91, 1.20 and 1.17 for operators of urban agricultural sector, trade sector, construction sector, service sector and manufacturing sector respectively.

On the other hand, the mean and standard deviation for Skills to handle new technology, the table above shows that the respondents' agree the Skills to handle new technology is affect the technology factor in marketing practice of MSEs. The mean scores 4.24, 4.09, 3.89, 3.68 and 3.56 with standard deviations of .77, 1.03, 1.13, 1.19 and 1.26 for operators engaged in urban agricultural sector, trade sector, construction sector, service sector and manufacturing sector respectively.

To conclude, all these: Technology factors were confirmed by the respondents in this survey who indicated that their businesses were constrained by Entrepreneurship training about new technology, money to acquire new technology, Selection of proper technology, appropriate machinery and equipment and Skills to handle new technology are the technology factors which hinder the marketing practice of MSEs in the study area. It was also indicated during the interview with Mizan Aman city municipal office department head of MSEs and vice head of municipal office and also management bodies are indicated that there is a factor of capital to buy the proper technology (equipment, machinery, tools, etc). Because of shortage of money from saving and credit institution and the matured credit not collected on time and they confirmed Entrepreneurship training about new technology is not on time shortage of training about new technology and it is not solve the problem about technology.

According to (Assegdech, 2004) A comprehensive and continuous training can be provided on how to use money efficiently and on how to correctly invoice the money earned from sales. Besides getting knowledge, training sessions have the advantage of facilitating MSEs into sharing ideas and discussing how to overcome problems.

4.3.1.1 Comparison of Factors

Even though, all the Managerial expertise, entrepreneurial skills, market, Finance and Technology factors affect the marketing practice of MSEs, this does not necessarily mean that all factors have equal impact in all sectors.

The following table clearly compares the overall impact of all key factors discussed in detail above.

Table 4.7 Comparison of the major factors

Items Marketing practice factors	Constructio n sector		Manufacturin g sector		Service sector		Urban agriculture sector		Trade sector	
	MN	SD	MN	SD	MN	SD	MN	SD	MN	SD
1)Managerial expertise	3.81	1.20	3.63	1.21	4.15	0.95	3.95	1.10	3.83	1.20
2)Entrepreneurial skills	3.93	1.12	3.70	1.20	3.71	1.16	3.49	1.04	3.72	1.18
3)Market	4.04	0.99	4.08	0.88	4.23	0.82	4.22	0.86	4.03	0.92
4)Finance	4.09	1.05	4.01	1.04	3.92	1.16	3.84	0.90	4.12	1.09
5)Technology	4.11	0.95	3.91	1.08	3.83	1.18	4.38	0.74	4.19	0.94

Source: own study, 2019/2020

MN=Mean, SD=Standard deviation

As it can be seen in table 4.7 above, in Construction and trade sector technology, finance and market factors has the biggest potential to contribute to the marketing practice, In manufacturing sector market, finance and technology factors has the biggest potential to contribute to the marketing practice followed by Entrepreneurial skill and managerial expertise factor, In Service sector market, managerial expertise and finance factor has the biggest potential to contribute to the marketing practice followed by technology and

Entrepreneurial skills factors and In Urban agriculture sector technology, market and managerial expertise factors and has the biggest potential to contribute to the marketing practice followed by finance and Entrepreneurial skills factors . In another words, the result shows that technology, managerial expertise, finance, Entrepreneurial skill and market are the most factors that affect the marketing practice of MSEs in the study area. That means the degree of those critical factors in one sector may be the same or differ from the factors that are critical to other sectors. Therefore to be concluded that: technology, managerial expertise, finance, Entrepreneurial skill and market factors affect the marketing practice of MSEs in the study area.

4.3.2 Results of Inferential Statistics

In this section, the results of inferential statistics are presented. For the purpose of assessing the objectives of the study, Pearson's product moment correlation coefficient and regression analyses were presented. With the aid of these statistical techniques, conclusions are drawn with regard to the sample and decisions are made with respect to the research hypothesis.

4.3.2.1 Correlation coefficient

In this study Pearson's product moment correlation coefficient was used to determine whether there is significant relationship between Managerial expertise, Entrepreneurial skills, Market, Finance and Technology variable with marketing practice. The following section presents the results of Pearson's product moment correlation on the relationship between independent variables and dependent variable. The table 4.8 below indicates that the correlation coefficients for the relationships between marketing practice and its independent variables are linear positive significant correlation coefficients.

Table 4.8 Correlation coefficients of variables

Independent variables		Marketing practice
Managerial expertise(X1)	Pearson Correlation	.431**
Sig. (2-tailed) N		.000
Entrepreneurial skills(X2)	Pearson Correlation	.336
Sig. (2-tailed) N		.336**
Market (X3)	Pearson Correlation	.000
Sig. (2-tailed) N		.336
Finance (X4)	Pearson Correlation	.327**
Sig. (2-tailed) N		.000
Technology (X5)	Pearson Correlation	.409**
Sig. (2-tailed) N		.000
		.336
		.493**
		.000
		.336

~~**Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at the 0.05 level (2-tailed). p= calculated significance value, r= Pearson Correlation~~

Source: own study, 2019/2020

As it is clearly indicated in the above table 4.8, shows there is medium positive relationship was found between Managerial expertise and marketing practice ($r = .431$, $p < 0.01$), which are statistically significant at 99% confidence level. This implies that at a 1% level of significance it was discovered that the Managerial expertise plays a significant role in determining the marketing practice of MSEs in the Mizan Aman city administration.

Moreover, the table presents the association between the selected variables and marketing practice of MSEs for a sample of 336 respondents in Mizan Aman city administration.

The above table shows there is low positive relationship between entrepreneurial skills and marketing practice ($r = .336$, $p < 0.01$), which are statistically significant at 99% confidence level. This implies that at a 1% level of significance it was discovered that the

Entrepreneurial skill plays a significant role in determining the marketing practice of MSEs in the Mizan Aman city administration. Also the above table shows there is low positive correlation between market and marketing practice ($r=.327$, $p<0.01$) which are statistically significant at 99% confidence level. This implies that at a 1% level of significance it was discovered that the market plays a significant role in determining the marketing practice of MSEs in the Mizan Aman city administration.

Regarding the Finance and marketing practice there is medium positive correlation between Finance and marketing practice ($r=.409$, $p<0.01$) which are statistically significant at 99% confidence level. This implies that at a 1% level of significance it was discovered that the Finance plays a significant role in determining the marketing practice of MSEs in the Mizan Aman city administration.

Similarly Technology and marketing practice there is medium positive correlation between Technology and marketing practice ($r=.493$, $p<0.01$) which are statistically significant at 99% confidence level. This implies that at a 1% level of significance it was discovered that the Technology plays a significant role in determining the marketing practice of MSEs in the Mizan Aman city administration

4.3.2.2 Multiple regressions analysis

For the purposes of determining the extent to which the explanatory variables explain the variance in the explained variable, regression analysis was employed. Five independent variables are used to determine to what extent they are predictors of the dependent variable. The dependent variable is marketing practice and independent variables are Managerial expertise, Entrepreneurial skill, Market, Finance and Technology factor.

The values of all five independent variables were calculated while we compared the mean score of all factors discussed in detail above.

The basic assumptions of multiple regressions were checked before going to analysis and all checked assumptions were meet successfully.

Assumption 1 – Sample Size

Regression analysis is often sensitive to sample sizes. The common rule of thumb floating about the sample size in standard linear regression is fifteen (15) cases of data per predictor (Field, 2009). According to (Green, 1991 as cited in Field 2009) to test the overall model there commended minimum sample size of $N=50+8k$, where k is the number of independent variables. Taking into account the five (5) number of independent variables in the present study; $50+8(5) = 90$ which is less than observed respondents/sample size/. i.e. $50+ 8(5) = 90 < 355$. Based on the criteria, the sample size exceeds the minimum to run the standard multiple linear regressions.

Assumption 2 – Normality Test

As it shown on appendix F the p-p plot of regression shows whether the model used met the multiple regression assumption of normal distribution. The regression standardized residual between the expected and observed cumulative probabilities tell us that, while not matching perfectly, are fairly similar. This suggests that the residuals are approximately normally distributed. The regression assumption of normality is met.

To make sure that the appendix G show assumption is valid or not, the residuals generated out of the regression model is plotted against the fitted values of the dependent variables. If this curve is like bell shaped distribution it can be concluded that the disturbance term is normally distributed with mean zero and constant variance one. This suggests that the residuals are approximately normally distributed. The regression assumption of normality is met.

Assumption 3 –Multi co linearity

We say there is multi co linearity problem when there is correlation between variables employed in the regression model (when the assumption that $cov(x_1, x_2) = 0$ is violated). That is the existence of a perfect or exact linear relationship among some or all explanatory variables of a regression model. The inter correlation between the two variables can be measured by the correlation coefficient between one variable with another variable. If the correlation coefficient between the two variables is greater than 0.7, one can conclude that there is a series problem of multi co linearity (Gujarati, 2004).

Then the table 4.9 below shows the correlation coefficient among explanatory variables in this study. The highest correlation coefficient for this study explanatory variable is 0.273 that is between Technology and Managerial expertise, which is less than 0.7. Therefore, there is no evidence for presence of multi co linearity problem in this study model. The regression assumption is not violated.

Table 4.9 Correlation of independent variables

Factors	Managerial expertise(X1)	entrepreneur ial skills(X2)	mark et (X3)	Finance (X4)	Technology (X5)
Managerial expertise(X1)	1				
Entrepreneurial skills(X2)	.143**	1			
Market (X3)	.136*	.084	1		
Finance (X4)	.210**	.181**	.136*	1	
Technology (X5)	.273**	.238**	.153**	.331**	1

Source: own study 2019/2020

As it is discussed in chapter three, multiple linear regressions method was used to determine how marketing practice is affected by five factors. The regression analysis is presented as follows.

Table 4.10 Regression results and hypothesis testing

Model summary	R	R square		Adjusted R Square	Std. Error of the Estimate	Sig.
		.691 ^a	.478		.470	1.005
Coefficients	Model	<i>Un standardized Coefficients</i>		<i>Standardized Coefficients</i>	T	
	Variables	B	Std. Error	Beta	Sig.	
	(Constant)	-5.563	.481		-11.577	.000
	Managerial expertise(X1)	.428	.064	.277	6.669	.000
	Entrepreneurial skills(X2)	.322	.068	.196	4.737	.000
	Market (X3)	.319	.059	.217	5.365	.000
	Finance (X4)	.291	.065	.192	4.461	.000
	Technology (X5)	.484	.075	.284	6.488	.000

a. Predictors: (Constant), Technology (X5), Managerial expertise(X1), market (X3), Finance (X4), entrepreneurial skills(X2)

Source: own study 2018

Table 4.10 above displays the estimates of the multiple regression of marketing practice against its variables for the sample of 336 respondents.

By looking at the p-value in above table it is possible to interpret whether the particular independent variable has a significant relationship with the dependent variable. The relationship is significant if the p-value is not larger than 0.05. The results show that there is a significant relationship for Managerial expertise (.000), Entrepreneurial skills (.000), Market (.000), Finance (.000), and Technology (.000) This means that all the variables are good predictors of the dependent variable.

So that according to the above p-value the hypothesis (**HO₁**) which states Managerial expertise has no significant effect on Marketing Practice of Micro and Small Enterprises in Mizan Aman city administration. Are tested and there ($p < 0.01$) which are statistically significant at 99% confidence level this implies that at a 1% level of significance, it was discovered that Managerial expertise play a significant role in determining the marketing practice of MSEs. Thus, the null hypothesis may therefore be rejected and it is accepted that, Managerial expertise affect the marketing practice of MSEs in the Mizan Aman city administration.

The hypothesis (**HO₂**) which states Entrepreneurial skills has no significant effect on Marketing Practice of Micro and Small Enterprises in Mizan Aman city administration. Are tested and there ($p < 0.01$) which are statistically significant at 99% confidence level this implies that at a 1% level of significance, it was discovered that Entrepreneurial skills play a significant role in determining the marketing practice of MSEs. Thus, the null hypothesis may therefore be rejected and it is accepted that, Entrepreneurial skills affect the marketing practice of MSEs in the Mizan Aman city administration.

The hypothesis (**HO₃**) which states Market has no significant effect on Marketing Practice of MSEs in Mizan Aman city administration are tested and there ($p < 0.01$) which are statistically significant at 99% confidence level this implies that at a 1% level of significance, it was discovered that Market play a significant role in determining the marketing practice of MSEs. Thus, the null hypothesis may therefore be rejected and it is accepted that, Market affect the marketing practice of MSEs in the Mizan Aman city administration. The hypothesis (**HO₄**) which states Finance has no significant effect on Marketing Practice of MSEs in Mizan

Aman city administration are tested and there ($p < 0.01$) which are statistically significant at 99% confidence level this implies that at a 1% level of significance, it was discovered that Finance play a significant role in determining the marketing practice of MSEs. Thus, the null hypothesis may therefore be rejected and it is accepted that, Finance affect the marketing practice of MSEs in the Mizan Aman city administration. And also the hypothesis (H_{O5}) which states Technology has no significant effect on Marketing Practice of MSEs in Mizan Aman city administration. Are tested and there ($p < 0.01$) which are statistically significant at 99% confidence level this implies that at a 1% level of significance, it was discovered that Technology play a significant role in determining the marketing practice of MSEs. Thus, the null hypothesis may therefore be rejected and it is accepted that, Technology affect the marketing practice of MSEs in the Mizan Aman city administration. The above table also shows that, the correlation between the observed value of marketing practice and the optimal linear combination of the independent variables (Managerial expertise, Entrepreneurial skills, Market, Finance and Technology factors) is 0.691, as indicated by multiple (R). Besides, given the (R Square) value of 0.48 and Adjusted (R square) value of 0.470. The Un standardized coefficients B column, gives us the coefficients of the independent variables in the regression equation including all the predictor variables as indicated below.

Predicted marketing practice score = $-5.563 + .428(\text{Managerial expertise}) + .322(\text{Entrepreneurial skills}) + .319(\text{Market}) + .291(\text{Finance}) + .484(\text{Technology})$ The multiple regression result as it shown on the above table, all factors that used in this study have positive and significant influence on the explained variable. The standardized beta coefficient column shows the contribution that an individual variable makes to the model. The beta weight is the average amount the dependent variable increases when the independent variable increases by one standard deviation (all other independent variables are held constant). As these are standardized we can compare them. Thus, the influence on the marketing practice of MSEs is from the Technology factor (.484), Managerial expertise factor (.428), Entrepreneurial skills factor (.322), market factor (.319) and Finance factor (.291) respectively. The Finance factor is the poorest predictor of marketing practice when it is compared with the other explanatory variables under study.

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter deals with the summary, conclusions and recommendations. For clarity purpose, the summary from Major Findings and conclusions are based on the research objectives of the study. Based on the findings of the study recommendations are made to government bodies, to operators of MSEs and suggestion for other researchers.

5.2. Summary

This research was conducted in Mizan Aman city administration with the prime intent of critically to assess the factors affecting the marketing practice of MSEs. Specifically, the study attempted to examine the Managerial expertise, Entrepreneurial skills and Technology factors that affect the marketing practice of MSEs, to analyze market and finance factor that affect the marketing practice of MSEs in the study area. The study used both qualitative and quantitative approaches of data collection there by involving descriptive and explanatory survey design, which can assist the study clearly explaining, and describing the state of affairs in the study area. A sample of 336 respondents engaged in five growth oriented sectors was taken for the study using stratified and probability sampling techniques. Based on 336 respondents and interview results acquired from the concerned bodies, the major findings of this study are summarized as follows.

❖ It was found that factors like accessible training facilities, strategic business planning, well trained and experienced employees and organization and effective communication are the main managerial expertise factors that affects the marketing practice in the study area. Mizan Aman city municipal office management bodies and department head of MSEs and vice head of municipal office confirmed those factors. Furthermore, most of these enterprises operate without systems in line with Managerial know how. Similarly, interviewees indicated that, inability (low technical skills) to troubleshoot failures on machinery and/or equipments is a critical factor of well trained and experienced employees and also accessible training facilities.

Since the operators of micro and small enterprise selection of associates in business is not depend on especially in their fields, Hobbes with technical knowledge.

❖ Entrepreneurial skill is very important for the marketing practice of MSEs but It was found that entrepreneurial skills factor like Entrepreneurship training, Information to exploit business opportunities, Persistence and courage to take responsibility for ones failure, Initiative to assess ones strengths and weakness, Motivation and drives, Tolerance to work hard, Skills to setting price, Skill to setting biding form and Knowledge of VAT report are the entrepreneurial skill factor that affect the marketing practice of MSEs in the study area.

❖ In relation to the Market Factors it is found that there are Market competition, Market information, Adequate market for their product, Searching new market, Demand forecasting, Relationship with an organization that conduct marketing research, Promotion to attract potential users and Customer relationship and handling are critical market factors that affect the marketing practice of MSEs engaged in all five growth oriented sectors.

❖ In relation to the finance factors there are Working adequacy of credit institutions capital, Collateral requirement from banks and other lending institutions, Loan application procedures of banks and other lending institutions, interest rate charged by banks and other lending institutions, The tax levied on their business and cash management skills are the finance factors which hinder the marketing practice of MSEs in the study area.

❖ Technology factors were confirmed by the respondents in this survey indicated that their businesses were constrained by entrepreneurship training about new technology, money to acquire new technology, Selection of property technology, appropriate machinery and equipment and Skills to handle new technology are the technology factors which hinder the marketing practice of MSEs in the study area.

5.3. Conclusions

Taking the data analysis and the findings to recommend possible solution to alleviate the problem of MSEs based on the objectives and findings of the study, the following conclusions are worth drawn.

The results of the study indicates Entrepreneurship training about new technology, money to acquire new technology, Selection of property technology, appropriate machinery and equipment and Skills to handle new technology were the main technology factors that affect the marketing practice of MSEs in the study area.

It also shows that working capital, adequacy of credit institutions, collateral requirement from banks and other lending institutions, loan application procedures of banks and other lending institutions, the interest rate charged by banks and other lending institutions, tax levied on their business and cash management skills were the key finance factors that affecting the marketing practice of MSEs in the study area.

The study also found that Accessible training facilities, well trained and experienced employees, Strategic business planning, organization and effective communication, Selection of associates in business and clear division of duties and responsibility among employees were the major managerial expertise factors that affecting the marketing practice of MSEs in the study area.

The market competition, market information, adequate market for their product, searching new market, demand forecasting, relationship with an organization that conduct marketing research, promotion to attract potential users and customer relationship and handling were the main market factors that affecting the marketing practice of MSEs in the study area.

The study also found that entrepreneurship training, information to exploit business opportunities, motivation and drive, skills to setting price, initiative to assess ones strengths and weakness, persistence and courage to take responsibility for ones failure, tolerance to work hard, skill to setting bidding form, knowledge of VAT report were the major Entrepreneurial skill factors that affect the marketing practice of MSEs in the study area.

In terms of the stated research hypothesis the specific empirical findings emerged from the investigation that there exists significant positive relationship between independent variables and dependent variable. Moreover, the selected independent variables may significantly explain the variations in the dependent variable in study area.

Finally, the study has further identified that the different influences in which each of the factors under study have in different sectors of the business. The research clearly illustrates that, even if the degree of those critical factors in construction sector slightly differ from the factors that are critical to manufacturing, service, urban agriculture and trade sectors, most of the factors are considerably common for five growth oriented sectors. It has been noted that the factors such as technology and managerial expertise had very high effects on the marketing practice of MSEs compared to other factors in the study area.

In general, the findings of this research show that there are different constraints which hinder the marketing practice of MSEs in the study area which can be solved by government body and operators themselves. Therefore, it is important to draw some recommendations that can help the government body and all actors in MSEs and to encourage the development and expansion of the sectors.

5.4. Recommendations

The main interest of this paper was to assess the factors affecting marketing practice of MSEs in the study area. Suggestions for corrective and complementary measures to enhance the potential marketing practice of MSEs are essential. Such recommendations demand an in-depth analysis of the influence of different factors regarding the sector.

On the basis of the major findings of the study the following recommendations have been drawn with the view to improve the marketing practice of MSEs in Ethiopia in general and in the study area in particular.

❖ To play MSEs their marketing practice roles properly, the Bench Maji zone and Mizan Aman government body should increasing the operators capacity on new technology, knowledge, and skill or attitude that enables operators to practice for marketing

activities, through continuous trainings, experience sharing from successful enterprises, and provision of advice and consultancy should be crucial.

- ❖ It is better if the government bodies provide affordable alternative sources of finance for MSEs. This can be done by communicating with the credit institutions to lessen their requirements, upgrading the cash management skills of the operators engaged in MSEs and solve the problem of over loading tax on their business. And also to solve the shortage of working capital MSEs the operators should be use a budget plan on how to use credit funds most effectively and for the intended purpose and also save money on their own for future investment in their business.
- ❖ Market are indicated as the marketing practice factors faced by the MSEs in the study area. Therefore, it is necessary to solve these factors. So that the government body is better to, solve the Market competition this market Competition is between the MSEs and the relatively bigger business companies and also competition among operators within the MSEs sector itself and between MSEs that are engaged in the same line of business with less experience, linking the MSEs with other market, developing market research to predict about the future market trends and changing the perception of the general public through extensive awareness creation mechanisms are very important.
- ❖ To avoid problems of selection of business associations according to their interest, the officials working in MSEs should allow the operators to select their members based on their preference and interest.
- ❖ The local government bodies supports the MSEs to solve problems of Skills to setting price, Skill to setting bidding form and Knowledge of VAT report by training the MSEs in each level of five growth oriented sector according to their behavior.
- ❖ The strengthening of the local government institutions at different levels would play a major role in positively influencing the marketing practice of MSEs, thus to reduce delays in processing legal requirements. The government through various relevant departments should specialize more in taking up a facilitative role, especially by reviewing all the blockings by laws, to address issues of getting a license or getting a premises on which to operate.

Suggestions for further research

The focus for this study was on the marketing practice of MSEs. It is the researcher's view that future research could therefore investigate the other stage marketing practice like medium scale and large scale enterprise and come up with specific findings which will potentially contribute a lot in the marketing practice of the country in general.

This study dealt with Managerial expertise, entrepreneurial skills, market, finance and Technology factors determine 47.8 (percent) of the marketing practice of MSEs which indicates there are other factors which can explain the variability of the marketing practice of MSEs in study area. Hence, other researchers should consider such factors that have dominated the marketing practice of MSEs the field of MSEs are large and very diverse. It is an interesting area with many unresolved issues. It would be encouraging to get more solutions to many issues arising.

Finally, investigating different factors based on the right information are vital for the good marketing practice of MSEs. This can be achieved by conducting more researches in related areas.

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Appendix A

Reliability test; Sample Survey study

Scale: Managerial expertise.

Case Processing Summary

		N	%
Cases	Valid	35	100.0
	Excluded ^a	0	.0
	Total	35	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.805	6

ANOVA with Cochran's Test

		Sum of Squares	df	Mean Square	Cochran's Q	Sig.
Between	People	163.457	34	4.808	2.763	.736
Within	Between Items	2.552	5	.510		
People	Residual	159.114	170	.936		
Total		161.667	175	.924		
Total		325.124	209	1.556		

Grand Mean = 3.58

Scale: Entrepreneurial skills

Case Processing Summary

		N	%
Cases	Valid	35	100.0
	Excluded ^a	0	.0
	Total	35	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.842	9

ANOVA with Cochran's Test

		Sum of Squares	df	Mean Square	Cochran's Q	Sig
Between People		231.219	34	6.801		
Within People	Between Items	44.749	8	5.594	37.242	.000
	Residual	291.695	272	1.072		
	Total	336.444	280	1.202		
Total		567.663	314	1.808		

Grand Mean = 3.56

Scale: market

Case Processing Summary

		N	%
Cases	Valid	35	100.0
	Excluded ^a	0	.0
	Total	35	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.785	8

ANOVA with Cochran's Test

		Sum of Squares	df	Mean Square	Cochran's Q	Sig
Between People		212.143	34	6.239		
Within People	Between Items	27.454	7	3.922	19.405	.007
	Residual	319.171	238	1.341		
	Total	346.625	245	1.415		
Total		558.768	279	2.003		

Grand Mean = 3.66

Scale: Finance

Case Processing Summary

		N	%
Cases	Valid	35	100.0
	Excluded ^a	0	.0
	Total	35	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.720	7

ANOVA with Cochran's Test

		Sum of Squares	df	Mean Square	Cochran's Q	Sig
Between	People	138.367	34	4.070	11.084	.086
Within	Between Items	12.939	6	2.156		
People	Residual	232.204	204	1.138		
Total		245.143	210	1.167		
Total		383.510	244	1.572		

Grand Mean = 3.65

Scale: Technology

Case Processing Summary

		N	%
Cases	Valid	35	100.0
	Excluded ^a	0	.0
	Total	35	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.721	5

ANOVA with Cochran's Test

	Sum of Squares	df	Mean Square	Cochran's Q	Sig
Between People	121.920	34	3.586		
Within People					
Between Items	25.977	4	6.494	22.449	.000
Residual	136.023	136	1.000		
Total	162.000	140	1.157		
Total	283.920	174	1.632		

Grand Mean = 3.76

Scale: Marketing practice

Case Processing Summary

	N	%
Valid	35	100.0
Excluded ^a	0	.0
Total	35	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.676	5

ANOVA with Cochran's Test

	Sum of Squares	df	Mean Square	Cochran's Q	Sig
Between People	94.377	34	2.776		
Within People					
Between Items	7.863	4	1.966	8.468	.076
Residual	122.137	136	.898		
Total	130.000	140	.929		
Total	224.377	174	1.290		

Grand Mean = 3.73

APPENDIX B

QUESTIONNAIRE JIMMA UNIVERSITY COLLEGE OF BUSINESS AND ECONOMICS DEPARTEMENT OF MANAGEMENT MBA PROGRAM

SECTION 1: INTRODUCTION

Dear respondent,

I am a graduate student in master of business administration from department of management, Jimma University. Currently, I am undertaking a research entitled '*Factors affecting the marketing practice of Micro and Small Enterprises in Mizan Aman city Administration.*

You are one of the respondents selected to participate on this study. Please assist me in giving correct and complete information to present a representative finding on the current status of the factors affecting the marketing practice of Micro and Small enterprises in Mizan Aman city administration. Your participation is entirely voluntary and the questionnaire is completely anonymous.

Finally, I confirm you the information that you share me will be kept confidential and only used for the academic purpose. No individual's responses will be identified as such and the identity of persons responding will not be published or released to anyone and your response will be merging and analyze with the other respondents for better result. Your support in answering the questionnaire is helpful for doing the right and meaning full problem solving research. All information will be used for academic purposes only. Thank you in advance for your kind cooperation and dedicating your time.

Sincerely, Teferi Tadesse

Instructions

- ❖ No need of writing your name
- ❖ For Liker scale type statements and multiple choice questions indicate your answers with a check mark (√) in the appropriate block.

Part one Biographic detail

1. State your gender below:

Male Female

2. In what age group below do you belong?

Under 20 years 36 - 50 years

21 – 35 years over 50 years

3. Indicate your educational qualification below:

Not Read and write Certificate

Grade1-4 Diploma

Grade 5-8 Degree and above

High school complete

4. Marital status

Single Divorced

Married Widowed

5. How many years work experience do you have MSEs?

0-3 7-10

4-6 10 above

6. What is the sector of your enterprise from five growth oriented sectors?

Construction sector urban agriculture sector

Manufacturing sector trade sector

Service sector

Part two: Factors affecting the marketing practice of Micro and Small Enterprises

The major factors that affect marketing practice of MSEs are listed below. Please indicate the degree to which these factors are affecting the marketing practice of your business enterprise.

After you read each of the factors, evaluate them in relation to your business and then put a tick mark (✓) under the choices below. Where, **5** = strongly agree, **4** = agree, **3** = undecided, **2** = disagree and **1**= strongly disagree.

7. Please indicate the degree to which you agree with the following statements concerning Managerial expertise.

S. No.	Managerial expertise	5	4	3	2	1
7.1	Clear division of duties and responsibility among Employees					
7.2	Organization and effective communication					
7.3	Selection of associates in business					
7.4	Well trained and experienced employees					
7.5	Accessible training facilities					
7.6	Strategic business planning					

8. Please indicate the degree to which you agree with the following statements concerning Entrepreneurial skills

S. No.	Entrepreneurial skills	5	4	3	2	1
8.1	Knowledge of VAT report					
8.2	Entrepreneurship training					
8.3	Motivation and drive					
8.4	Tolerance to work hard					
8.5	Persistence and courage to take responsibility for ones failure					
8.6	Initiative to assess ones strengths and weakness					
8.7	Information to exploit business opportunities					
8.8	Skill to setting bidding form					
8.9	Skills to setting price					

9. Please indicate the degree to which you agree with the following statements concerning market.

S. No.	Market	5	4	3	2	1
9.1	Adequate market for my product					
9.2	Market competition					
9.3	Searching new market					
9.4	Demand forecasting					
9.5	Market information					
9.6	Relationship with an organization that conduct marketing research					
9.7	Promotion to attract potential users					
9.8	Customer relationship and handling					

10. Please indicate the degree to which you agree with the following statements concerning finance.

S. No.		5	4	3	2	1
	Finance					
10.1	Cash management skills					
10.2	Working capital					
10.3	The interest rate charged by banks and other lending Institutions					
10.4	Loan application procedures of banks and other lending institutions					
10.5	Collateral requirement from banks and other lending Institutions					
10.6	Adequacy of credit institutions					
10.7	The tax levied on my business					

11. Please indicate the degree to which you agree with the following statements concerning technology.

S. No.		5	4	3	2	1
	Technology					
11.1	Appropriate machinery and equipment					
11.2	Skills to handle new technology					
11.3	Money to acquire new technology					
11.4	Selection of property technology					
11.5	Entrepreneurship training about new technology					

12. Please indicate the degree to which you agree with the following factors that have a direct influence on the marketing practice of your business?

S. No.	Marketing practice	5	4	3	2	1
12.1	Managerial Expertise					
12.2	Entrepreneurial Skills					
12.3	Market					
12.4	Finance					
12.5	Technology					

ጅማ ዩኒቨርሲቲ የቢዝነስና ኢኮኖሚክስ ኮሌጂ የማኔጅመንት ትምህርት/ክፍል የቢዝነስ አስተዳደር ድህረምረቃ ፕሮግራም

መግቢያ እኔ ጅማ ዩኒቨርሲቲ በማኔጅመንት ትምህርት ክፍል የቢዝነስ አስተዳደር ድህረምረቃ ፕሮግራም ተመራቂ ተማሪ ስሆን፤ በአሁን ሰዓት የመመረቂያ ፅሁፌን በማዘጋጀት ላይ እገኛለሁ። የጥናቴ ርዕስም በሚህን አማን ከተማ አስተዳደር ስር የሚገኙ የጥቃቅንና አነስተኛ የንግድ ተቋማት የግብይት ትግበራ ላይ ተፅእኖ የሚያሳድሩ ተግዳሮቶችን ይመለከታል። እርስዎም በዚህ ጥናት እንዲሳተፉ ተመርጠዋል። እርስዎ የሚሰጡትን ትክክለኛውን መረጃ ለጥናቴ ውጤታማነት በጣም አስፈላጊ መሆኑን በመገንዘብ መጠይቁን በጥንቃቄ እንዲሞሉ እጠይቃለሁ።

ተሳትፎዎ በእርስዎ በጎበ ፈቃደኝነት ላይ የተመሰረተነው። በመጨረሻም የሚሰጡት መረጃ ሚስጥራዊነቱ የተጠበቀና ለዚህ ጥናት ዓላማ ብቻ እንደሚውል አረጋግጣለሁ። የማንኛውም መልስሰጪ ማንነት በማንኛውም መልኩ የማይታተምና የማይሰራጭ ይሆናል። ሁሉም መረጃዎች ለትምህርታዊ ዓላማ ብቻ ይውላሉ። ጊዜዎን ሰውተው ስለሚያደርጉልኝ ትብብር በቅድሚያ አመሰግናለሁ።

ተፈሪ ታደሰ

ማሳሰቢያ - በመጠይቁ ላይ ስም መፃፍ አያስፈልግም። መልስዎትን በሳጥኑ ውስጥ የእርማት ምልክት (✓) ያስቀምጡ።

ክፍል አንድ፡- አጠቃላይ መረጃ

1. ያታወንድሱት
2. በየተኛ የዕድሜ ክልል ኖት?
- ከ 20 ዓመት በታች
- ከ 21 - 35
- ከ 36 - 50 ዓመት
- ከ 50 በላይ
3. ከዚህ በታች ከተዘረዘሩ ትት/ ደረጃዎት የተኛው ነው?
- ማንበብና መፃሕፍ አልችልም
- ሰርተፍኬት ከ 1-4ኛ ክፍል ዲፕሎማ
- ከ 5-8ኛ ክፍል ድግርና በላይ
- ሁለተኛ ደረጃ ት/ት ያጠናቀቀ
4. የጋብቻ ሁኔታ አገበተዉ የፈታ
- ያላገባ ያገባባል / ሚስት በ ሞት የተለየበዎት
5. በጥቃቅንና አነስተኛ የሥራ ዘርፍ የሰንት አመት የሥራ ልምድ አለዎት?
- 0-3 ዓመት 7-10 ዓመት
- 4-6 ዓመት 10 ዓመት በላይ
6. ከአምስቱ የዕድገት ተኮር ዘርፍ በየተኛ ወደ ዘርፍ ነዉ የተሰማሩት?

በኮንስትራክሽን ዘርፍ በከተማ ግብርና ዘርፍ

በማኑፋክቸርን ግብርና በንግድ ዘርፍ

በአገልግሎት ዘርፍ

ክፍል ሁለት፡ በጥቃቅንና አነስተኛ ተቋማት ግብይት ግብረ እንቅስቃሴ ላይ ተፅዕኖ የሚያሳድሩ ጉዳዮች ከዚህ በታች ለጥቃቅንና አነስተኛ ተቋማት ግብይት ግብረ እንቅስቃሴ ላይ የሚገኙ ጉዳዮች ለግብርና ዘርፍ ገቢ ለማድረግ ስሜት ይዘታቸው ይህን ዘርፍ ለማስፈጸም የሚያስፈልጉትን ጉዳዮች ለማረጋገጥ ይህን ዘርፍ ይበልጥ ተፅዕኖ የሚያሳድሩትን በደረጃ ያመለክቱ፡፡ ለእያንዳንዱ ጉዳይ ከአማራጮቹ አንድ ጊዜ ብቻ የምልክት በማድረግ ማረጋገጥ ይችላሉ፡፡ 5 = በጣም እስማማለሁ 4 = እስማማለሁ 3 = ለመወሰን እቸግራለሁ 2 = አልስማማም 1 = በጣም አልስማማም

ተ.ቁ		5	4	3	2	1
7.	የስራ አመራር ክህሎት ጋር የተያያዙ ግሮች					
7.1	በስራ ተኮር መካከል ግልፅ የሆነ የስራ ሀላፊነት ክፍፍል በተመለከተ፡፡					
7.2	አደረጃጀትና ወጪ ታማኝ ማንኛውንም አስራ ለተመለከተ					
7.3	የስራ ባልደረሰውን አመራር ለተመለከተ					
7.4	የሰለጠኑ እና ልምድ ያላቸው ሰራተኞችን በተመለከተ					
7.5	ተመጣጣኝ የሆነ የስልጠና ተደራሽነት በተመለከተ					
7.6	የረገፍ ምጊዜ የቢዝነስ ጥያቄን በተመለከተ					

ተ.ቁ	8. የስራ ፈጠራ እና የአባላት ክህሎት ጋር የተያያዙ ግሮች	5	4	3	2	1
8.1	የግትር ረገጥ እወቀት፡፡					
8.2	የስራ ፈጠራ ስልጠና፡፡					
8.3	ለ ሥራ ፈጠራ መነሳሳት፡፡					
8.4	ጠንክሮ መስራት መቻል፡፡					
8.5	ለ ሚዲያ ጠራ ጊዜ የወጪው ድቀት ጥንቃቄ ሀላፊነትን መውሰድ፡፡					
8.6	የራስን ጠንካራና ደካማነትን መፈተሽ ማረም፡፡					
8.7	በቁረጽ የሆነ የስራ ፈጠራ ስልጠና ማግኘት					
8.8	የጫራ ታሰነድ የመሙላት ችሎታ					
8.9	ዋጋ የመተመን የመወሰን ችሎታ					

ተ.ቁ		5	4	3	2	1
	9. ከገቢያጋርየተያያዙችግሮች					
9.1	በቁየሆነየገበያእድልመፈጠሩ።					
9.2	የገቢያወድድር።					
9.3	አዲስየገበያአማራጭንመፈለግ					
9.4	የወደፊትየገበያፍላጎትንመተንበይ					
9.5	በቁየሆነየገበያመረጃ					
9.6	ግብይተንበተመለከተጥናትናምርምርከሚያካሂዱተቋማትጋርያለዉግንኙነት።					
9.7	ምርቶችንበአግባቡለሚጠቀሙትማለተዋወቀ።					
9.8	ከደንበኛጋርያለዉቀረበታእናአያያዝ።					

ተ.ቁ		5	4	3	2	1
	10. ከገንዘብጋርየተያያዙችግሮች					
10.1	የብርአያያዝክህሎት					
10.2	የስራማንቀሳቀሻካፒታል					
10.3	ባንኮችናሌሎችአበዳሪተቋማትየሚጥሉትየብድርወለድመጠን።					
10.4	ባንኮችናሌሎችአበዳሪተቋማትለማበደርየሚከተሉትሂደት።					
10.5	ባንኮችናሌሎችአበዳሪተቋማትለማበደርየሚጠይቁትየማስያዣመጠን።					
10.6	በቁየሆኑየብድርተቋማት					
10.7	በስራዬላይየሚጣለዉየግብርመጠን					

ተ.ቁ		5	4	3	2	1
	11. ቴክኖሎጂ ጋር የተያያዙት ግሮች					
11.1	ለስራዬ ተገቢ የሆነ ቴክኖሎጂ ግብዓት					
11.2	የቴክኒክ ችሎታና ክህሎት ለአዲስ ቴክኖሎጂ					
11.3	ገንዘብ ለአዳዲስ ቴክኖሎጂ ውጤቶች፡፡					
11.4	ለስራዬ ተገቢ የሆነ የቴክኖሎጂ ውጤት መምረጥ					
11.5	ለአዳዲስ ቴክኖሎጂ ለማህበራት የተሰጠ ስልጠና					

ተ.ቁ		5	4	3	2	1
	12. የግብይት ግብራ					
12.1	የስራ አመራር ክህሎት ጋር የተያያዙት ግሮች					
12.2	የስራ ፈጠራ እና የአባላት ክህሎት ጋር የተያያዙት ግሮች					
12.3	ከገቢያ ጋር የተያያዙት ግሮች					
12.4	ከገንዘብ ጋር የተያያዙት ግሮች					
12.5	ቴክኖሎጂና ተዛማጅ ግሮች					

APPENDIX C

Interview Questions

1. Interview questions with Mizan Aman city administration municipal office department of micro and small enterprise development

1.1 What factors did affecting the marketing practice of MSEs relation to:

- ✓ Managerial expertise (organization and effective communication, well trained and experienced employees and like)
 - ✓ Entrepreneurial skills (entrepreneurship training, motivation and drive and other)
- ✓ market(relationship with suppliers, customers and others)
- ✓ finance (working capital, collateral requirements ,etc)
- ✓ technology (appropriate machinery and equipment, money to acquire new technology and like)

What factors are highly affecting the marketing practice of MSEs overall functioning of its activity from above listed factors?

APPENDIX D

Correlationsmatrix of all the variables							
		marketing practice	Managerial expertise(X1)	entrepreneurial skills(X2)	market t (X3)	Finance ce (X4)	Techn ology (X5)
marketing practice	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	336					
Managerial expertise(X1)	Pearson Correlation	.431**	1				
	Sig. (2-tailed)	.000					
	N	336	336				
Entrepreneurial skills(X2)	Pearson Correlation	.356**	.143**	1			
	Sig. (2-tailed)	.000	.009				
	N	336	336	336			
Market (X3)	Pearson Correlation	.327**	.086	.084	1		
	Sig. (2-tailed)	.000	.115	.124			
	N	336	336	336	336		
Finance (X4)	Pearson Correlation	.409**	.210**	.181**	.136*	1	
	Sig. (2-tailed)	.000	.000	.001	.012		
	N	336	336	336	336	336	
Technology (X5)	Pearson Correlation	.493**	.237**	.238**	.153**	.331**	1
	Sig. (2-tailed)	.000	.000	.000	.005	.000	
	N	336	336	336	336	336	336
**. Correlation is significant at the 0.01 level (2-tailed).							
*. Correlation is significant at the 0.05 level (2-tailed).							

APPENDIX E

Regression results of all the variables

Model Summary ^b										
M o d e l	R	R Sq uar e	Adjus ted R Squar e	Std. Error of the Estima te	Change Statistics					Durbi n- Wats on
					R Squar e Chan ge	F Chan ge	df1	df2	Sig. F Cha nge	
1	.691 _a	.47 8	.470	1.005	.478	60.467	5	330	.00 0	.897
a. Predictors: (Constant), Technology (X5), market (X3), entrepreneurial skills(X2), Finance (X4), Managerial expertise(X1)										
b. Dependent Variable: marketing practice										
ANOVA ^a										
Model		Sum of Squares		df	Mean Square	F	Sig.			
1	Regression			305.401	5	61.080	60.46 7	.000 ^b		
	Residual			333.349	330	1.010				
	Total			638.750	335					
a. Dependent Variable: marketing practice										

b. Predictors: (Constant), Technology (X5), market (X3), entrepreneurial skills(X2), Finance (X4), Managerial expertise(X1)

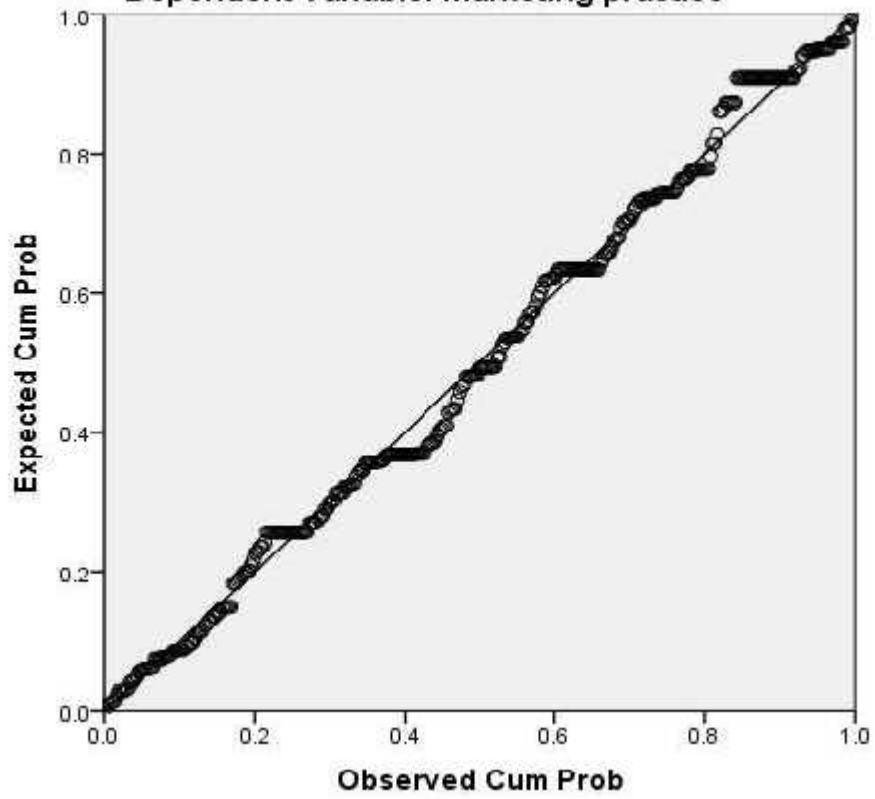
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	-5.563	.481		-11.577	.000	-6.509	-4.618		
	Managerial expertise(X1)	.428	.064	.277	6.669	.000	.302	.554	.918	1.089
	entrepreneurial skills(X2)	.322	.068	.196	4.737	.000	.188	.456	.925	1.081
	market (X3)	.319	.059	.217	5.365	.000	.202	.436	.965	1.036
	Finance (X4)	.291	.065	.192	4.461	.000	.163	.419	.858	1.166
	Technology (X5)	.484	.075	.284	6.488	.000	.337	.631	.826	1.210
a. Dependent Variable: marketing practice										

APPENDIX F

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: marketing practice



APPENDIX G

Histogram

Dependent Variable: marketing practice

