#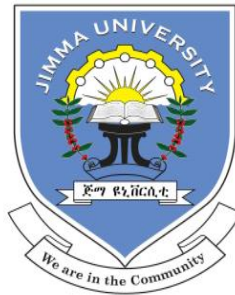 ASSESSMENT OF MARKETING CHALLENGES OF NEW VENTURES: *A Study on Micro and Small-scale Enterprises (MSEs) in Dawro Zone*

A Thesis Submitted to the School of Graduate Studies of Jimma University as a Partial Fulfillment of the Requirements for the Award of the Degree of Masters of Business Administration (MBA)

BY:
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MANAGEMENT DEPARTMENT (MBA PROGRAM)

MAY 30, 2015

JIMMA, ETHIOPIA

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JIMMA

CERTIFICATE

This is to certify that the thesis entitles *"Assessment of Marketing Challenges of New Ventures: a Study on Micro and Small-Scale Enterprises (MSEs) in Dawro Zone",* submitted to Jimma University for the award of the degree of Master of Business Administration (MBA) and is a record of bona fide research work carried out by Shimelis Tamirat Woldekidan, Under our guidance and supervision.

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

Main Adviser's Name	*Date*	*Signature*

_____   _____   _____

Co-Advisor's Name	*Date*	*Signature*

_____   _____   _____

DECLARATION

I hereby declare that this thesis entitled *"Assessment of Marketing Challenges of New Ventures: a Study on Micro and Small-Scale Enterprises (MSEs) in Dawro Zone",* has been carried out by me under the guidance and supervision of Ato Ashenafi Haile and Ato Emnet Negash.

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institution.

Researcher's Name   Date   Signature

_____   _____   _____

Abstract

*The central theme of this study was assessing marketing challenges of new ventures in MSE business in Dawro Zone through measuring internal and external marketing factors inter alia with venture performance. The study was executed using survey design in discerning the relationship between marketing factors on business performance. From total **526** ventures **222** were drawn as sample through the multi-stage sampling. Amharic version Likert-scaled questionnaire that was pilot tested for which Cronbach's **α** found to be **0. 812** for reliability employed for data collection using field interviewer thus, **201** (**90.54**% response rate) complete questionnaire booklets were returned. Semi-structured interview was conducted with 18 officials and expertise as key informants whose information was analyzed content wise for narrations. Furthermore, official documents from government offices as well as enterprises own documents have been consulted for secondary data. Using **SPSS V.20**, analysis ranging from simple descriptive statistics to parametric inferential statistical measures as student's t-test distribution for single sample and Pearson's coefficient for bivariate relationship was used for hypothesis testing. The survey pointed out that mean performance score for aggregate performance indicators was 2.70 with the δ 0.814 as self-appraised by respondents. This has been resulted from mediocre inside market orientation and marketing capabilities; and weak outside institutional support as explained by statistically significant mean scores of less than 1.85, 1.80, and 1.65 with 97.5% confidence interval. Among the challenges identified infrastructural problems mainly road and transportation stood ahead of others for upsetting the venture performance which was supported by low mean rating score of below 1.84 for the favorableness of business context with 97.5% confidence interval. The bivariate Pearson's correlation coefficient between marketing factors indicated the existence of positive significant associations ranging from sizable (0.575 for marketing supports) to strong (0.707 for market orientation) at 99% level of confidence. Adhering to the survey findings it is advisable to establish in-house marketing strength was the first step in attaining better performance and it is expected from every partner in sector, either participant or promoter.*

Key words: *MSEs, Marketing Challenges, Market Orientation, Marketing Capabilities, Institutional Marketing Supports, Venture Performance*.

Acknowledgements

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Acronyms

BDS– Business Development Service

CRM– Customer Relationship Management

CSA – Central Statistics Authority

EM – Entrepreneurial Marketing

EU – European Union

GDP – Gross Domestic Product

GVEP – Global Village Energy Partnership

GTP – Growth and Transformation Plan

FDRE – Federal Democratic Republic of Ethiopia

FMSEDA – Federal Micro and Small Enterprises Development Agency

HR – Human Resource

ILC – International Labor Conference

ILO – International Labor Organization

MSEDAs – Micro and Small Enterprises Development Agencies

MSEs – Micro and Small Enterprises

MSMEs – Medium, Small and Micro Enterprises

MUDC –Ministry of Urban Development and Construction

NISC – National Small Industries Corporation Ltd.

OECD –Organization for Economic Cooperation and Development

PASDEP –Plan for Accelerated and Sustainable Development to End Poverty

SMEs – Small and Micro Enterprises

SNNPRS –Southern Nations, Nationalities and Peoples Regional State

Spss – Statistical Package for Social Sciences

UNDP – United Nations Development Program

CHAPTER ONE
1. INTRODUCTION

1.1 Background of the Study

The role of Micro and Small-Scale Enterprises (MSEs) to the economic well-being of a given nation was enormous and appreciated by many economists and scholars throughout the world. Osotimehin, et al., (2012) considered small firms as the *backbone* of the national development process. Likewise, Vasanth (2012) praised the sector using phrases such as '*lifeblood of the economy*' as they were repeatedly used by many politicians to describe SMEs contribution to the economic welfare of the society. As it was also advocated by Habtamu (2007) SMEs occupy a prominent position in the development agenda of many developing countries. That is why Ethiopia was not exceptional and started concerted effort to promote it since 1997.

This is due to small firms played prominent role as the real backbone of the national development. For a country to reach its full potential in terms of economic and social development, any government cannot afford to ignore the importance of its indigenous micro and small scale enterprises and the contributions that they could make to the country's economy. Osotimehin, et al., (2012) shown that there is a high correlation between the degree of poverty, hunger, unemployment, economic wellbeing of the citizens of countries and the degree of vibrancy of the respective countries micro and small scale enterprises. Therefore, it was correct to say the sector as life *blood* of the economy to describe its contribution to the economic welfare of the society (Vasanth, 2012).

Hence in the same vein, FDRE (2011) revised MSE development strategy considered the sector as the *serving vehicles* for employment opportunities at urban center; as it underpin the economic development; and important vehicles for production and growth of the manufacturing sector. After the recognition of the economic benefits the government started encouraging entrepreneurship as definitely favorable for gaining advantages emanating from the sector. In light of this perspective of the sector, support services to small firms should be provided to strengthen them. For instance Vasanth (2012) highlighted the need for managerial support as they cannot afford for best managerial cadre rather they are dependent only on the effort of the entrepreneur for all functions of the firm. Abdullah et al (2008) in exploiting marketing tools and

techniques for their business success, government should play a vital role in educating the SMEs as cited in Pawan and Kamal (2013).

Despite the support and policies, performance and effectiveness of MSEs were so low. Tamara and Mitre (2012) in their prescription about "Marketing Knowledge and Strategies for MSEs", the failure rate of SMEs was extremely high by showing European Commission (2007) report as it has shown 50% of enterprises do not survive the first five years of their life and yearly death rate of companies in the EU-25 nations is 7%. This is a large number; and might be even worse in developing nations (Liedholm and Mead, 1999). The reasons for this failure of ventures come from several directions and have been perplexed in nature.

Woldegebriel (2012) enumerated critical constraints facing MSEs in Ethiopia both at the operation and start up level. Most of them are related to deficient entrepreneurial culture and excessive corruption. But he substantiated Assegedech (2004) for 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 of significant hindrance to MSEs capacity. Pawan K. and Kamal (2013) and Dayanandan, (2012) also identified such marketing problems as; inability to find new market for their products, not using marketing techniques to sell the products, no work has been done to satisfy or follow–up the consumers and the firms have not focused on distribution and logistics impediments to the performance of MSEs.

However, according to Stokes (2000) marketing theories were developed largely from studies of large corporations and marketing in traditional concepts. Marketing in small firms is not the simplistic if each of the four elements of the marketing mix (product, price, place and promotion) were examined. Rather distinctions between what successful small business owners and entrepreneurs actually do and what marketing theory would have been them to do could explicitly be identified. He also strongly argued that traditional marketing concepts coined from the case studies of large corporations must be examined in the context of small firms to ascertain the marketing competency needs of SMEs sector as it is relatively neglected, fragmented and still in its infancy level. When we come to developing countries like Ethiopia, such entrepreneurial sustainability problems were not studied in specific business functions like marketing in detailed manner that stimulated the motivation of the researcher to this enquiry.

1.2 Statement of the Problem

The impact of marketing challenges facing small business has been highlighted in several research works. Among the previous inquiries; Jay (2013) raised that in most of MSEs poor adoption of technology and marketing practices have led to very poor productivity. Jay emphasized that for entrepreneurial venture innovation is required not only for products and/or service offerings but also for marketing strategies and practices. Burno and Leidecker (1988) as cited in Vasanth (2012) small business failure can result from either lack of marketing or poor marketing practices. Vasanth (2012) also cited Carson and McCartan-Quinn (1995) for that MSEs were highly defenseless to competitive threat.

According to Longenecker, et al., (2008) entrepreneurs ignore marketing at early stages of planning the new venture. They emphasized the problem by collocating analogously saying that *"Concentrating on the Cart and Neglecting the Horse!"* that is giving due attention for products/services while overlooking the marketing activities that will carry them to the destination/the end user customer.

The empirical results of Osotimehin, et al., (2012) in their survey to evaluate challenges and prospects of MSEs in Nigeria found that the significance of marketing related challenges to MSEs and their contribution to firms' survival and success outweigh other factors considered in the investigation. More specifically, marketing problems such as lack of promotion, lack of skills in setting competitive prices, lack of demand forecasting, poor location of business sites and lack of knowledge of the market itself, are among others that were identified as more crucial and affecting venture sustainability (Dayanandan, 2012). Rahel & Issac (2010) in their exploratory survey of growth determinants of women operated MSEs in Addis Ababa showed similar results as marketing problems stood the first among others.

However for a firm to be successful, it is essential that a product or service meet a real need in the market-place as it could be known via market research and market intelligence. The pressure of competition and bargaining power of customers gradually increased from time to time. This demands herculean task from firms to draw attention of customers and hold on target market and its share. According to Vasanth (2012) integrated business strategy which combines business and market insights, brand positioning, process and management, and operational marketing were required from the management of firms in such circumstances.

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Vasanth (2012) listed constraints such as limited access to resources and lack of marketing expertise on the part of owner/manager hinder marketing function of small enterprises while they are required to adopt more or less similar marketing orientation to larger firms. But this requires marketing management capabilities in terms of planning and executing essential marketing activities. Such as marketing research, marketing strategies, planning and implementation, control and evaluation are among others listed as having paramount importance in determining MSEs performance in market. Hisrich, Peters and Shepeherd (2010) strengthened Vasanth's argument by raising additional issues related to marketing management: building effective management team, assigning the responsibilities to implement the marketing plan, budgeting the marketing strategy for costs involved, monitoring the progress, tracking specific results etc.

Looking at glance newly created ventures in Ethiopia, they do not take such factors into consideration. But they face ruthless competition from large in land and transnational firms which produce similar goods and armed with improved technologies, managerial ability and best marketing and sales force while producing premium quality products (MUDC, 2013). Moreover the existing marketing strategies they use reached the saturation level and outdated in some circumstances. It requires designing new innovative strategy or modifying though they are hindered by resources and capabilities limitation from doing so. Hence, sometimes venture owners/managers blindly enter the market and end up closing the venture sooner without attaining the attention of the customer they aspired to serve (Jay, 2013).

As mentioned earlier, the hurdles faced by micro and small scale enterprises were identified by several scholars and applied researchers. Many of their reports appreciated the significance of marketing problems in crude terms and mixed with other functional and structural problems. Moreover, it is increasingly recognized that marketing as practiced by entrepreneurs in different manner to the concepts presented in classical marketing principles. The arguments of different researchers tend to conclude that marketing practices in MSEs is situation specific, and variable regarding the levels of sophistication and effectiveness. However, Sheth (2011) posited that rethinking marketing theories and practices in different contexts was quite worthy in developing countries since marketing is an evolving discipline cutting across every spectrum of lives starting from individual it pervades the entire economy of virtually all the nations of the world as contended by Ewah & Ekeng (2009).

In Ethiopia, in the country level, as well in the study area it could be rarely found investigations on marketing focus as major business function in small and/or micro enterprises. This investigation was specifically targeted at addressing this fissure in focusing on MSE marketing challenges. This is due to the fact that the pervasiveness of marketing obstacles and their sizeable impact on the performance and sustainability of MSEs was calling joint effort to address it adequately.

Therefore it was envisaged to see the combined effect of marketing challenges emanating from inner ventures as well as external marketing environment by seriously affecting their performance. Since marketing was the activity that encompasses the entire business Drucker (1954) as in Vasanth (2012); when something goes wrong to the marketing function of the firm the whole system of the institution fails to survive. Hence looking at marketing problems and their nexus to performance separately and in detail is worthwhile and why this research work principally adhered to.

The enquiry was conducted in Southern Ethiopia, Dawro Zone where it was observed that many enterprises were not performing well. According to Dawro Zone Trade and Industry Department Strategic Plan (2003 E.C) MSEs were created and start their business today and the coming day or sooner fail to prosper and exit from the market place. Even those keep on struggling by producing their goods and services incur losses and their growth was stunted. On the contrary, newly established ventures obtain institutionally organized supports from the department in many of the issues challenging them, starting from their start-up. However, they were poor in marketing practices that could lubricate their operation and minimize the effect of such constraints. The marketing supports they were given was full of dissatisfaction due to its inadequacy from the operators point of view. Hence, it is wise to question that this compliant was legitimate or not.

Therefore, this study pointed towards discovering the marketing challenges faced by MSEs within the Zone and their bearings on venture performance. In light of these challenges look at MSE participants' considerations of institutional supports given by the government and other stakeholders in making the market-place suitable for playing enterprises to improve their performance. It also deemed to identify key success factors in the market-place that ought to be

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recognized by venture owners as well as all stakeholders in their endeavor for creating, owning and supporting successful ventures through analysis of marketing practices of best performing enterprises and those of failures. Therefore, this research work made an effort to find answers for the following basic research questions:

* How new enterprises in MSEs conduct their marketing functions?
* Could institutional marketing supports be enabled MSEs to perform well in the market?
* What are the major marketing challenges of newly established MSEs?
* How were the internal and external marketing factors associated?

1.3 Objectives of the Study

The central aim of this study is to assess the marketing challenges of MSEs in Dawro Zone of SNNPRS.

In line with this central theme the specific objectives of this study are:

* To assess marketing behavior and practices (orientation and marketing capabilities) of MSEs.
* To see the MSE participant's considerations about the adequacy of marketing supports.
* To identify marketing challenges of ventures both internal and external to MSEs.
* To detect relationships of internal and external marketing factors and venture performance.

1.4 Research Hypothesis

In the pursuit of answering the raised research questions and addressing objectives of the study the following propositions/null hypothesizes were tested:

H_{01}: Market orientation and marketing capabilities are not required to MSEs for satisfactorily performing in the market.

H_{02}: Institutional marketing supports were considered adequate by MSE participants to perform well in the market.

H_{03}: External marketing environment has no significant contribution to firm performance in MSE business.

H_{04}: A deliberate internal marketing effort has no relationship with MSE's performance.

1.5 Significance of the Study

This study fits into the quest to find a more efficient and effective way of improving the performance and sustainability of new ventures with the view of fixing marketing challenges at their start-up and early growth periods. The findings of the study was also intended to expand the body of knowledge in respect of the application of strategic marketing to the MSEs sector

and also serve as a guide to policy makers to implement policies that will help improve the performance of businesses in the sector. This investigation could provide stakeholders insights as to how to promote, develop and sustain successful marketing support scheme. The research could also be helpful in planning the development, implementation, monitoring and evaluation of marketing support in zone since marketing to MSE can be instrumental to their further growth and sustainability because it gives a better understanding of why - even though institutional marketing supports is being provided - MSEs in Dawro still face the same problems. Likewise, it has heuristic value in igniting other similar researches in the sector and other business functions.

1.6 Scope of the Study

The research units have been MSEs who are considered as new ventures and obtaining public support in their operations. That is the research endeavor was concerned with enterprises created since 2005 G.C with the establishment of, Trade and Industry Department, the institution supporting the sector in Dawro zone. Moreover, the study was undertaken will only bring marketing issues that constrain MSEs both internally and externally.

1.7 Limitations of the Study

The research endeavor was limited to preliminary assessment of factors challenging marketing in MSEs and their relationship to venture performance due to the fact that the limitations in budget, resources and time. Though its preliminary nature, it was enabled to be completed without compromising its quality through uninterrupted effort from the side of the researcher. But it worth mentioning the difficulty encountered in collecting the financial data since the operators were suspicious for items in financial performance parameters though it was also solved by extensive discussions creating understanding.

1.8 Organization of the Report

This research report has five chapters. The initial chapter of the research report deals with introductory parts of the study that comprises background, problem statement, objectives of the study, its significance, scope and limitations. The second chapter presents the literature related to the problem. Chapter three is the methodology part and shows the methods and tools used to approach the problem. The fourth chapter is about data presentation analysis and interpretation of the results. It also includes discussion and implications of the research findings. Finally, the last fifth chapter concludes the report and puts the way forward.

1.9 Operational Definitions and Concepts

* **Business Performance** is defined as the extent to achieving proposed objectives in sales volume, sales revenue growth, profitability, market share and customer base by using resource economically in the face of internal/external environment.

* **Entrepreneur** is a person who has possession of a new enterprise, venture or idea and is accountable for the inherent risks and the outcome. For the purpose of this study it was considered that all active members of the ventures to be entrepreneurs.

* **Marketing Capabilities** are defined as the competencies and processes designed to apply the collective knowledge, skills and resources of the firm to its marketing functions related needs such as product development skills, marketing research, strategy & planning, marketing program implementation, after-sales services, pricing skills, competitiveness, and customer relationship management, and measuring marketing activities' effectiveness.

* **Market Orientation** is an organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to this intelligence.

* **Marketing Supports** are activities which were carried out by the mobilization of partners that entrepreneurs should be offered support to help them overcome their marketing deficit and engage in effective marketing such as identifying new market opportunities and niches, expanding market reach, increasing market share and developing more innovative marketing strategies.

* New ventures were defined based on enterprises age and in this research ventures of cutting-off age less than 10 years were considered new venture i.e., all MSEs were considered as new ventures.

CHAPTER TWO
2. REVIEW OF RELATED LITERATURE

2.1 Introduction

MSEs have significant contributions for economic welfare of any nation in the world. Among the benefits of the sector raised in different academic and empirical literatures: facilitation of both income growth and income distribution (Ayal, 2009) promotion of economic regeneration, employment, and growth in many developing economies Yuzbasioglu (1997) as noted in Alasad and Abdelrahim (2007) locational flexibility, reduction of regional imbalances, value addition in the manufacturing sector, GDP growth of the economy, contributing to export promotion, diversification of the industrial structure, transformation of rural economy, increase the degree of competitive pricing- providing near perfect competitive situation etc. have been prominently discussed. In the same vein, Osotimehin, et al., (2012) cited (Uzor, 2004) for their role in increasing the number of products or services offered to the society were just a few economic benefits to mention.

However they are challenged from different directions in performing their business activities. From the constraints of the ventures marketing function has serious limitation among MSEs though scholars like Stokes (2000) opined that regardless of the size and life cycle of the business marketing is crucial to the survival and development of firms. Furthermore, they were challenged from the situations in marketing environment externally. The literature reviewed concentrate on both the internal and external marketing issues constraining business performance of the ventures by introducing the entrepreneurial creation and support trends in Ethiopia.

2.2 The Advent of MSEs and Venture Creation in Ethiopia

More recently, micro and small enterprises took prime position in the economic policy and development agenda of many developing countries. But according to UNDP (2012) Ethiopia has a long history of mercantile and business that dates as far back as the medieval period. Since then some initiatives on entrepreneurship development were well-designed and could have produced a measurable impact on enterprise development, and employment and wealth in the past regimes of the nation. However they were designed as short term interventions with no provisions or mechanisms for sustainability and scaling–up. Consequently, they had limited national impact, and did not inspire political commitment from major stakeholders such as government,

entrepreneurs, and other critical non-state actors. For several decades this has been prevailing in the country.

For instance, institutional attempt to support business endeavors and MSEs development in Ethiopia came after 1950's when several reforms related to the development of MSEs were made. In between 1974-1991 venture creation was prohibited by law MUDC (2013). However, MUDC (2013) acknowledged the last time amendment of Derg regime by issuing the Small Scale Industry Development Special Decree № 9/ 1989 based on policy failures though the government enforces nationalization of business firms and denies private sector development in several barriers such as capital ceilings.

The existing government MSEs operation initiated by the issuance of the licensing and supervision of micro finance institutions proclamation in 1996 (proclamation № 40/1996) which provide credit facility to MSEs. Onwards in 1997 Federal Micro and Small Scale Enterprise Strategy (FMSES) and aligned regional strategies to the national strategy first devised. To address the major operational issues and problems constraining the national industrial strategy that contains packages of supports to MSEs was formulated in 2003 MUDC (2013).

Based such a trend, Ethiopia's Growth and Transformation plan GTP was proposed and executed. GTP which is the successor of PASDEP and the current development strategy of Ethiopia (2010-2015) has also given a priority to MSEs development. The GTP has put the MSEs development as one of the seven identified growth pillars of the country. The MSEs to be a development pillar identified basic economic entities that they have to be formal to get the necessary support. This development goal is especially anchored on stimulating the rapid growth and structural transformation of the micro and small businesses (MSEs) in the ways that enhance wealth creation and expansion of employment opportunities (MUDC, 2013).

But the current business trends and the changing entrepreneurial land scape demands for more sophisticated skills for the competitiveness and survival of MSEs in globalized market. Therefore, revised MSE Strategy (2011) was formulated in view of the GTP plan. It included fresh band of target groups, the graduates, (in addition to its classical emphasis on the poor and less skilled people) to form cooperatives and create their own jobs. On top of providing jobs to the people, the establishments are also hoped to bring about the technological transfer and new

corporate management skills to the nation, to create a broad based spring board for competitive domestic industrial and private sector development and to expand MSEs in urban areas for large scale creation of employment opportunities which will serve to reduce poverty and to strengthen sustainable rural urban and urban-urban functional and economic linkages. Thus, the GTP envisions that this will be accomplished by strengthening the micro and small scale enterprises in a manner that unleashes the full growth potential of MSEs to grow into medium and large scale domestic enterprises (MUDC, 2013).

2.2.1 MSEs Defined

According to various previous works (McCartan-Quinn and Carson, 2003; UNDP, 2012; MUDC, 2013; Liedholm and Mead (1999); and many others) there is no universally agreed statement that defines neither micro nor small business. But institutions and countries adopt several characteristics to qualify micro or small firms from larger counterparts.

When international experiences for the sector were reviewed in the revised 2011 MSEs strategy, most countries use and implement based on legal frameworks and meanings to identify the sector from others. The objective of defining the sector is obvious which is limiting the scope of the sector to concentrate on enterprises requiring strategic attention and derive benefits from the same. Such objectives were categorized under five basic issues in the policy document (FDRE, 2011). These are:

* *To have a framework that able to support MSE independently.*
* *To have institution, that support MSE development, uniform baseline*
* *To have uniform baseline about MSE information.*
* *To evaluate the Impacts, to setup & implement reform frameworks based on the supports given to MSE.*
* *To harmonize the national definition of MSE with international definition.*

To the same end the Ethiopian Central Statistics Authority (CSA) defined MSEs differently; the proposed research project adapted and used the definition that was forwarded by FDRE, MSEDA. MSEDA had defined MSEs in the outset of the policy of promoting the sector since 1997. However, the current operational definition of the sector has been revised for several reasons to make it relevant for situational changes across the country. Hence this definition is relevant for whoever conducting research in the sector. As a result this research endeavor was

concentrated on the revised definition for the sector. The following statements give definitions of both micro and small enterprises (FDRE, 2011):

I. Micro enterprises are those;

a)   Under industry sector (manufacturing, construction and mining). An enterprise operates with 5 people including the owner and/or their total asset is not exceeding Birr 100,000 (one hundred thousand).

b) Under service sector (retailer, transport, hotel and Tourism, ICT and maintenance service). It operates with 5 persons including the owner of the enterprise and/or the value of total asset is not exceeding Birr 50,000(fifty thousand).

II. Small enterprises are;

a) Industrial sectors (manufacturing, construction and mining) It operates with 6-30 persons and/or with a paid up capital of total asset Birr 100,000(one hundred thousand) and not exceeding Birr 1.5 million.

b) Service sector (retailer, transport, hotel and Tourism, ICT and maintenance service) It operates with 6-30 persons or/and total asset, or a paid up capital is with Birr 50,001 and not exceeding Birr 500,000.

* *NB: When ambiguity is encountered between manpower and total assets as explained above, total asset is taken as primary yardstick*

Woldegebriel (2012) summarized the above definition in the following table to briefly describe and distinguish the characteristics of each.

Table1. Summarized Description and Differences between Micro and Small Enterprises

Level of enterprise	Sector	Human power	Total asset
Micro enterprise	Industry	≤5	≤Birr 100000 ($6000 or E4500)
	Service	≤5	≤Birr 50000 ($3000 or E2200)
Small enterprise	Industry	6-30	≤Birr 1.5million ($90000 or E70000)
	Service	6-30	≤Birr 500000 ($30000 or E23000)

* *Source: Woldegebriel (2012); adapted from Ethiopian Micro and Small Enterprise Development Strategy (2011).*

2.2.2 Challenges faced by MSEs as New Ventures

As indicated above enterprises are the principal source of economic growth and employment creation and are at the heart of economic activity and development in nearly all countries. Business owners, managers and workers combine their skills and resources to produce enterprises that are able to compete effectively in local, national and international markets. Nearly all countries tried to support to unleash their benefits through different policy frameworks and interventions.

Despite the, policies, supports and packages implemented to raise the performance and effectiveness of SMEs; the result obtained was not encouraging. Liedholm and Mead (1999) firm closures somewhat more empirical evidence exists on the closure or death rates of small firms in developing countries. Firm mortality studies have been undertaken in Sierra Leone, Nigeria, Colombia, the Philippines and India. Nevertheless, even this information is rather scanty. A review of the data generated from these earlier studies suggests that the closure rates of micro firms hover between 9 and 10% a year. Gruber (2004) in his "Marketing in New Ventures: Theory and Empirical Evidence" showed similar results. Business mortality statistics suggest that discontinuance rates of new ventures can be as high as 70% in the first 5 years.

In the same vein, Tamara and Mitre (2012) posit that 50% of enterprises do not survive the first five years of their life, and the yearly average death rate of companies in the EU-25 is 7% by quoting European Commission (2007). Cant and Wiid (2013) used the estimation of Cant and Ligthelm (2003) for that 70-80 percent of SMEs fail. A number of elements and challenges have been identified as contributing factors to the high failure rate of SMEs in South Africa.

FDRE (2011) based on the business growth theory, a large number of enterprises may dissolve in the process and only very few enterprises promote to medium and higher level. The strategy recognized the challenges and failure rates by providing examples.

> *"....if we have about half a million MSE and let say 99 of which are dissolved or continue the remaining 1%, which is about 5000 MSE would promoted to medium and higher level as it signifies creation of investors. Thus, MSE development should be given prior attention as it serves as incubation device for developmental investors." Pp. 6*

Whatever the size of closure is, several studies attempted to examine empirically whether systematic patterns exist between closure rates of micro firms and other important variables. There closure and mortality were attributed to different factors from multitude of directions.

Problems faced by MSEs- an overview of perceived problems reported by entrepreneurs at time of different surveys. The responses indicate that three categories of problems were predominant in countries surveyed (Botswana, Kenya, Malawi, Swaziland, Zimbabwe):

- Access to capital;
- Problems of market; and
- Access to raw materials and intermediate inputs though the relative importance of these three varied from country to country (Liedholm and Mead, 1999).

Dayanandan (2012) in his study about sustainability of small enterprises categorized these multifaceted problems into four: Viz., managerial, financial, marketing and external problems. The prime problem identified in this survey was marketing related problem such as lack of promotion, lack of skills to set competitive price, lack of demand forecasting, poor business location, lack of knowledge of the overall market, etc. Managerial problems involve lack of business planning & business experience, failure to take risks and over emphasis on short term profits, etc. Shortage of working capital is the major financial problem. Accesses to credit, lack

of premise, lack of infra-structure, lack of BDS-services are the top listed problems by ventures. Rahel and Issac (2010) also have similar view of problems of women operated enterprises in Addis Ababa such as lack of enough working space, raw material inaccessibility, shortage of working capital, and lack of availability of enough loans follow subsequently besides the major problem of marketing.

Similar findings of MUDC (2013) survey also showed almost challenges alike in Ethiopian major Cities. Challenges to Growth There are many challenges MSEs face in their operations that hinder their growth in whatever terms we measure; be it in terms of capital, technology or employment. Some of these challenges are internal while others are external to the enterprise.

Empirically, the data collected from the enterprises from the regional towns reveals that most of the MSEs complain about lack of finance (42%) to expand their business followed by the lack of working premise (28.3%); while the third constraining factor is identified to be lack of access to market or absence of linkage to market. This shows that there needs to be a concerted effort from both the government and other public and private side to reduce the failure rates increase their sustainability (MUDC, 2013).

2.3 Marketing in MSEs as New Ventures

According to Ewah and Ekeng (2009) marketing is an evolving and dynamic discipline that cuts across every spectrum of life and it is intricately linked with the economy of virtually all nations of the world. Ideally marketing is the business philosophy which embraces the process of doing things, a state of mind, or a view of how business should be done (Vasanth, 2012). He also defined marketing as the process of satisfying the organization's stakeholders by creating value for them and the common thread that ties all the stakeholders together. He cited Drucker (1954) that marketing encompasses the entire business. Marketing is an approach to business that starts with the customer. It encompasses the activities of finding, winning, and keeping customers and a whole company concept, not confined solely to the marketing and sales department (Wilson & Bates, 2003).

Irrespective of size and stage of growth this notion works for all companies. O'Donell (2011) contends that small firm marketing is being a subject of considerable interest with researchers even though the academic literatures in marketing field surveyed suggest that the debates about

the marketing competency needs of MSEs sector is neglected as cited in Stokes (2000). Marketing is the primary function of every business. It has also cross-functional impact to the overall operations of the firm. That is why it is concluded as the primary value adding function in the word of value chain analysts.

Moreover, the aforementioned new venture failure rates considerably could be reduced using certain new venture management practices. And Gruber (2004) contends that marketing is considered to be a major key to success of new firms. He cited empirical research results that have concluded that professional analysis of target market can reduce venture failure rates by up to 60%, and venture capitalists rate the overall importance of marketing for the success of new firms at 6.7 on a scale of 7, a rating that is higher than all other business functions in a firm.

2.3.1 Marketing: the Basic Business Function

The marketing concept is generally defined as a philosophy or approach that plot the allocation of resources and formulation of strategies for an organization. Clough (2011) posited that marketing of a product or service is a central activity for a successful business; it is concerned with identifying, anticipating and meeting the needs of customers in such a way as to make a profit for the business. Without a market no business would exist.

But marketing seems easy to describe, but extremely difficult to practice. Marketing have evolved, and it involves an assessment and the inclusion of various stakeholders in the decision making process. It is therefore important for organizations to develop and implement efficient and effective marketing strategies which will incorporate relevant dimensions of the marketing concept. This involves the organic tasks of selecting a target market (customers/clients) in which to operate and developing an efficient and effective marketing ingredient combination (Kotler& Connor, 1997) as cited in Dzisi&Ofosu (2014).

They used the conventional definition of marketing as defined by American Marketing Association (AMA, 2013):

> *Marketing has been described as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.*

Dzisi&Ofosu (2014) also cited other related previous works of Pomering et.al (n.d) for the "4Ps" (product, price, promotion, and place) that suggest the elements an organization can and must control in tailoring its product offer to the market. As they indicated this framework–first proposed by McCarthy (1960) - has dominated and informed the understanding of marketing principals since 1950s. It has not only offered a useful guide to major categories or marketing activity, but it has also provided the organizing framework for "almost all marketing textbooks and courses" since then. However, the dynamics of marketing in recent times has changed dramatically as they noticed with new technologies altering how firms connect with their clients.

In sum, marketing is a powerful tool that can transform businesses and significantly add to the growth of a firm. The aim of marketing is to acquire, retain and satisfy clients. Without their clients firms don't exist! And marketing needs to cover all aspects of the firm put central to all other functions.

2.3.2 Marketing in the Context of MSEs

Stokes (2000) identified that marketing of smaller organizations and the interface between marketing and entrepreneurship is still in its infancy. Though little researchers tried a bit, it could be perceived as appearing fragmented, often subsumed with in other types of discourses regarding MSEs' marketing. In the same vein, Gruber (2004) posited that the state of research on entrepreneurial marketing is very unsatisfactory to both researchers and practitioners. In his words, 'research findings are extremely fragmented and there is no integrated analysis or comprehensive theory of the field and lax transparency in research findings makes it tedious and time consuming to develop a clear and comprehensive understanding of entrepreneurial marketing', however, term "Entrepreneurial Marketing" (EM) has come to describe the marketing activities of small and new ventures.

Ionita (2012) defined entrepreneurial marketing (EM) as:

> *"An organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customers relationship in ways that benefit the organization and its stakeholders and that is characterized by innovativeness, risk taking, pro-activeness, and may be performed without researches currently controlled."*

Ionita (2012) added Morris, Schindehutte et al (2002) definition to elaborate EM as "proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches to risk management, resource leveraging and value creation."

Similarly, empirical researches indicate that marketing is crucial to the survival and development of small firms and a key entrepreneurial competency Carson et al (1995) as cited in Stockes (2000).However, it is not that marketing as practiced by entrepreneurs in different manner to the concepts presented in conventional marketing principles. So he defined marketing in new ventures as 'entrepreneurial marketing which is carried out by entrepreneurs or owner managers of the entrepreneurial venture.'

In the same vein, O'Donell (2004) recognized that small firm owner-manager does engage in marketing, but that the form this marketing takes is not fully understood. Moreover, marketing theories were developed largely from studies of large corporations, and that many text books still reflect these origins in the concepts and cause studies which they presents it seems timely to examine marketing process in the context of smaller enterprises in order to develop our understanding of entrepreneurial marketing.

The quest for entrepreneurial marketing percepts and constructs has only gained little popularity in recent years. A number of studies suggest that entrepreneurial marketers construct successful strategies that fly in the face of traditional marketing percepts including research that shows markets should be created and not just served. In this perspective customers are not passive but instead represent creative resources to use by the firm. Therefore, all in all entrepreneurial marketing can be seen to challenge traditional text book approaches. (Gruber, 2004)

Marketing enables the entrepreneur to improve the quality of their goods and services.Vasanth (2012) suggested that marketing is critical in the smaller organization where every person's action is visible. Hence, the strong skills of marketing become inevitable for MSEs due to this reason currently MSEs have realized the importance of various marketing practices. Now they have been started utilizing various marketing tools like internet platform, digital advertising, mobile applications for customers, CRM and any more.

According to Longnecker et al., (2008) defined small business marketing as:

"Small business marketing consists of those activities that direct the creation, development and delivery of bundle of satisfaction from the creator to the targeted user and that satisfy the targeted user."

Vasanth (2012) emphasized other features of marketing required in MSEs. The need of innovative and integrated marketing strategy is stronger because of the pressure of competition has increased and bargaining power of customers who create the demand has strengthened. Customers are unable to deal with the flood of information in commercials and advertisement to clearly perceive that, the different products and services as substitutable in terms of quality and performance. At such stage and situations it becomes a herculean task for SMEs to draw the attention of customers and have a hold on target market and market share. Hence he coined "innovative marketing strategies" to SMES in his words to craft integrated business strategy which combines business and market insights, brand positioning, process and management and operational marketing.

On the contrary, the perspective of new venture owners and MSE participants to marketing function was under estimated if not ignored for several reasons. Longnecker et al (2008) entrepreneurs ignore marketing in the early stages of planning new ventures. They emphasized this analogues saying that 'concentrating on the cart and neglecting the horse' that is emphasizing the idea behind the product or services while overlooking the marketing activities that will carry the idea to customers. Banterle, Carraresi and Straneri (2008) poor marketing or smart marketing experience of the firm is dependent on its resource capability (marketing capability) and its commitment to market orientation (Opeda, Jaiyeoba and Donatus; 2011). However there are several challenges for this and the following factors were discussed among others since they were appearing in multiple literatures.

2.4 Empirical Evidences on MSEs Marketing Problems and their Impacts

As indicated above a small start-up firms have an independent owns/ manager most of the time. The owner manger presence creates a highly personalized management style. As Quinn and Carson (2003) notified such personalized management style impacts upon the type and nature of marketing activity.

There is sufficient evidence that small business failure can result from either a lack of marketing or poor marketing practice. Vasanth (2012) used to evidence the arguments of (Bruno and Leidecker, 1988; and Carson and McCartan-Quinn, 1995) that small business are unable to perform competitive marketing practice and more vulnerable to the threats from competitions.

The reason for this marketing function in SMEs is hindered by constraints such as limited access to resources, and lack of marketing expertise on the part of owner/manager, it is expected that SME marketing differs from marketing in large organization. Vasanth (2012) also referred Hill (2001) for his supporting idea for marketing concept in SMEs were not adopted to the same extent as larger firms did in the pursuit of firms goal since marketing in SMEs is situation specific, and variable regarding the level of sophistication and effectiveness.

There are several problems for this and we could see each of them from external environment and internal firm's perspective. Gruber (2004) the distinctive marketing challenges of new ventures were associated with their particular characteristics and their environmental factors also contribute to these challenges that young firms encounter in their marketing efforts. Newness, smallness of size at start-up and uncertainty and turbulence of the marketing environment are the new venture characters creating marketing challenges of new ventures as he pinpointed the causes.

According to him newness of ventures could create lack of trust in their abilities and offerings, lack of exchange relationships with suppliers and distribution channels, lack of historical data and experience in marketing that force the owner/managers to rely on social interactions among strangers and informal and routine sales practices as an unknown entity rather than marketing to potential customers and other key stakeholders. On the other hand the limited size means limited financial and human resource to marketing. This further creates scarcity in critical marketing skills and put the venture at disadvantage of limited market presence and market power of bargaining (Gruber, 2004).

Gruber also posited that the uncertainty and turbulence in the marketing environment pours its manifold bearings on the market position of the new venture. The impacts summarized in his work include: limited market data and information that in turn results in poor marketing decisions and planning, low predictability of the market data, high risk of wrong decisions which ultimately might have fatal consequences for the venture. In similar vein, Quinn and Carson

(2003) supported this argument by raising the fact that the inherent deficits in managerial expertise of small firms increase the vulnerability to the external shocks.

Markets and marketing were seen as a problem everywhere and empirical findings also support this. When we see, Liedholm and Mead (1999) problems of market were serious in all five African countries surveyed by their work. In the same vein, Clough (2011) substantiated empirical findings for marketing was third (36%) to lack of finance to expand stock and lack of adequate equipment as a major business challenge identified by entrepreneurs in East Africa. Further, marketing challenge was identified across all technologies involved in the survey.

It also comes into play with many other challenges identified. For example, increasing the stock to include a demonstration system would allow enterprises to do public demonstrations as part of their product promotion, hence a lack of finance to expand their stock is affecting their marketing capability (Clough, 2011). OECD (2004) strengthened this argument by positing that obstacles for MSEs were not exclusive; their prevalence, the likelihood that they will occur simultaneously, and their severity, are often greater in poorer communities like ours.

That means marketing environment of emerging markets contributes to the challenges. Characteristics such as market heterogeneity, sociopolitical governance, and chronic shortage of resources, unbranded competition and inadequate infrastructure are among the factors mentioned in Sheth (2011). As well, the magnifying short comings in developing economies markets were identified by Ewah and Ekeng (2009). Low marketing education, preferences for foreign goods, high cost of production, inadequate infrastructure base, few competitive opportunities, excessive government regulations, interferences, political instability, and low patronage for non-essential goods were listed as problems of marketing in developing economies.

Moreover, Clough (2011) answered the question 'what the major challenges of MSEs are, in terms of marketing?' in the survey conducted in East Africa countries as:

* ***Competition (25%)*** *was the main marketing challenge identified by entrepreneurs and was a challenge identified across all the firms and it could come from entrepreneurs in the same business as well as substitute products.*

* ***Identifying new markets,*** *taking time away from the business to engage in marketing activities, finances for advertising material and knowledge on advertising techniques, etc.*
* ***A lack of distribution channels*** *was the most frequent challenge identified by survey.*
* ***Transportation costs*** *can increase the price of products and cut into the entrepreneur's profit margin.*

Osotimehin et al (2012) in their survey to evaluate challenges and prospects of MSEs in Nigeria, they notably found that the significance of marketing challenges to MSEs success and survival. Rahel and Issac (2010) in their exploratory survey of growth determinants of women operated MSEs in Addis Ababa, come up with similar results that marketing problems stood first among other problems due to the existence of competitors with identical products, change in demand and absence of market linkages. Dayanandan (2012) in his survey conducted on Dessie town identified marketing related problem such as lack of promotion, lack of skills to set competitive price, lack of demand forecasting, poor business location, lack of knowledge of the overall market, are the major determinants of MSEs sustainability.

Losing competitive advantage in the market mainly comes from the marketing activities of the ventures. Admasu (2012) in his correlational study on factors affecting the performance of micro and small enterprises in Arada and Lideta Sub Cities of Addis Ababa showed similar results. Marketing related factors such as lack of market information, not conducting market research, lack of demand forecasting, in sufficient searching of potential markets, inadequate marketing of the product, poor pricing, promotion, distribution and poor customer relationship and handling. But this could be corrected by employing strategies and tactics of low cost marketing (Gruber, 2004) and the chance of firm success could be increased if small businesses generally started by hard working and highly motivated individuals having vision and ambition attributes that are integrated with a marketing orientation as posited in Quinn and Carson (2003).

2.5 Market Orientation of MSEs

Quinn & Carson (2003) cited Cromie (1991) that the underlying principles of marketing are equally applicable to large and small firms alike though a lack of sophisticated marketing is perceived to be problematic for smaller firms. The successful small firm is seen as "a prime example of a marketing-oriented business" (Willsmer, 1984) as in Quinn and Carson (2003). The company will typically be close to its customers and flexible enough to respond quickly to

changing customer needs what usually called Market Orientation (MO). Thus, one can ask 'what do we mean by market orientation?' Kholi and Jaworski (1990) defined Market Orientation (MO) as:

> *"… an organization -wide generation of market intelligence pertaining to current and future customer needs, the dissemination of the intelligence across departments, and organization -wide responsiveness to that intelligence. MO is an expression of actions concerned with the implementation of the marketing concept."*

They added also that customers are the center of marketing concept in a business philosophy. The implementation of the marketing concept is expressed to as market orientation. Market orientation refers to more than market segmentation. In effect, it involves more than the marketing department because it is an organization-wide concept. Likewise, Narver and Slater (1990) indicated that the understanding of the customer and keeping the rest of the organization informed about customer changes so that superior value can be delivered is a major function of the marketing as a management function. As a result, market orientation has been assumed to be a precondition to success and profitability for most companies. They also defined MO:

> *"…is the characteristic of an organization's culture that encourages employees throughout the organization to put emphasis on profit creation and maintenance of superior customer value as major goals to accomplish. It creates norms for behavior about the organization -wide development of and responsiveness to information about customers and competitors both current and potential."*

Businesses develop long-term commitments in order to maintain the relationship through quality, service, and innovation. The inter-functional co-ordination aspect of market orientation pledges involvement of the firm's departments in the creation of value for the targeted market segments and the rapid response to the consumers' demands (Porter, 1985) as cited in Kohli and Jaworski (1990).Inter -functional co-ordination is an important component as it makes possible the transmission of experience and promotes organizational learning. Inter -functional coordination is also a channel to communicate the market expectations to the appropriate departments that can effectively develop products/service delivery in a timely manner. The strategic actions, which the firm presents to its markets, competitors and macro environment is a consequence of the inter-functional co-ordination, established from market intelligence. These actions focus on meeting the market needs in addition to the firm's needs.

Market oriented businesses possess a competitive advantage in both the speed and effectiveness of their responsiveness to opportunities and threats. A business culture is a basis for competitive

advantage only when it is indispensable, and difficult to imitate. Proactive market orientation has a significant and positive mediating effect between resources and performance while reactive market orientation appears to be losing its effectiveness. As a result, market orientation has been assumed to be a precondition to success and profitability for most companies since they found by their work it is an important determinant of performance regardless of the market turbulence, competitive intensity or technological turbulence of the environment in which it operates (Kohli and Jaworski, 1990).

2.6 Marketing Capabilities of New Ventures

Abony (2003) as cited in Kazimoto (2014) recommended that effective SMEs participation in markets was required and could be attained in maintaining significant capabilities in different areas ranging over the industry value chain including production, design, distribution, branding and marketing. These capabilities were developed by firm's level of market orientation and are derived from a well performed marketing management that consists of analyzing market opportunity, searching and setting appropriate market objectives, and developing marketing strategies that could be realized and controlled Kotler, (2004) as cited in Banterle, Carraresi and Stranieri (2008). They are marketing competencies that are always taken to refer to observable and relevant skills that lead to effective performance. Marketing capabilities play a key role as they are the basis on which the firm applies its market intelligence and which enables it to be really customer oriented.

Vasanth (2012) listed marketing management capabilities in terms of marketing research, marketing strategy, planning and implementation, control and evaluations that could have a key role in SMEs performance in the market. He also noted that as the existing marketing strategies reached their saturation level that requires new innovative strategies were required from new ventures to percolate into the market.

Spillan and Parnell (2006) showed the relationship between organizational resources associated with market orientation and firm performance among SMEs is a topic deserving greater research attention. This paper seeks to fill this gap by examining the relationship between marketing orientation and capabilities with performance among SMEs. Desiring a greater emphasis on the individual firm, many business and marketing strategy researchers began to focus more intently on idiosyncratic firm resources as the foundation for firm strategy.

Firms that create a market-driven culture and initiate effective processes for collecting, sharing, interpreting information, and decision-making tend to be more effective in judging the market and crafting a strategic vision regarding the market and competitive environment that exists. Firms attaining superior performance through vigorous market-based strategies present attributes of continuous improvement, learning and innovation (Spillan and Parnell, 2006).

Overall, these considerations show that marketing in new ventures faces a multitude of challenges. Hence, Jay (2013) have opined that SMEs should relook at their business model and establish their core competencies, through innovation and technological up grading etc. In the following parts how marketing capabilities/ resources and market orientation were required to adjust their marketing strategies and tactics of low cost effective marketing. Therefore, efforts needed to regularly sharpen the market judgment capabilities and the future vision of the firm. Ultimately, the gradual marketing management capabilities development plays a key role in good SMEs performance in the market (Banterle, Carraresi and Stranieri, 2008).

However, as Habtamu (2007) compiled MSEs marketing problems in addition to lack of marketing information, lack of marketing expertise and knowledge of the market, they tend to underestimate the strategic importance of marketing in achieving competitive advantage while start-ups require aggressive marketing campaigns. That also jeopardizes their customer/ market orientation and development of market capabilities and competencies eventually. This in turn hampers the long term growth and sustainability of new ventures.

Hence, provision of the necessary supports and formulation of small business policy sought to address this problem through shifting the emphasis away from blanket coverage based on their needs as they occupied a prominent position in the development agenda of many developing countries like Ethiopia.

2.7 Required Interventions to MSEs Marketing Problems

The ILO has a spell out the unique mandates to improve the business environment for building sustainable enterprises in promoting "opportunities for decent and productive work, in conditions of freedom, equity, security and human dignity". ILC's conclusions highlight the importance of an "enabling environment" for sustainable enterprises. This term contains four elements such as i) the norms and values in a country with regards to entrepreneurship, ii) the policy, legal and regulatory framework in which enterprises operate, iii) the administrative arrangements used to

implement and enforce this framework, and iv) the organizations that promote, regulate and represent enterprises and their workers, including financial institutions (ILO,2010).

Liedholm and Mead (1999) efforts to promote the development of MSEs often involve helping the entrepreneurs solve the problems that constrain their growth. To do this effectively, it is helpful to know which are the most serious problems or "the binding constraints" that small enterprises face. A full analysis of this question would involve developing a complex understanding of the directions in which a particular small enterprise might evolve and the things that are required *to enable it to survive and to thrive*. However, entrepreneurs may have only a limited understanding of the difficulties they face.

But as we have seen so far marketing, a strategic tool for business development is critical for the growth and survival of micro, small and medium enterprises. Marketing is the most important factor for the success of any enterprise. Large enterprises have enough resources at their command to hire manpower to take care of marketing of their products and services. MSEs do not have adequate awareness for and the necessary resources at their command and thus needs institutional support for providing these inputs in the area of marketing.

When we looked at the Indian experience the government established independent public sector enterprise to provide marketing assistance to MSEs. The enterprise eligible this authority is National Small Industries Corporation (NSIC). The broad objectives of the scheme include: to enhance marketing capabilities, the competencies & competitiveness of the MSMEs; To update MSMEs about the prevalent market scenario (MO) and its impact on their activities; and To enrich the marketing skills of the micro, small & medium entrepreneurs. NSIC adopts various mechanisms to enhance competitiveness and marketability of MSEs and their products; it uses consortia and tender marketing, single point registration for government purchases, B2B web portal for marketing MSEs, market intelligence service, exhibitions and technology fairs, Buyer-Seller meets, Short term credit supports (usually of 90 days term) for marketing and inputs, and performance and credit rating mechanisms as a techniques to be included in the marketing support scheme (NSIC, 2012).

Laura Clough (2011) advocated the position of GIVEP staff felt about marketing supports that entrepreneurs should be offered to help them overcome their marketing deficit and engage in effective marketing. Emphasis was also given to market development support since it looks

at all aspects of running a business and can be any activity that is supporting the business and helping it to grow from a marketing perspective. Accordingly they give two-step process in supporting the enterprises; the mobilization team may contact the entrepreneur to offer them support and the entrepreneur may contact the mobilization team for support and advice. Market development support is normally done face to face either on a one to one or group basis. However it can also be done over the phone, for example, informing entrepreneurs of forthcoming exhibitions at which they could promote their products. Such marketing supports provided include: marketing training, market development support, mentoring and group networking sessions.

The revised national MSE development strategy FDRE (2011) aspires to provide supports to MSEs based on business growth model considering the developmental level, problems that are likely to occur and recommendable solutions and future strategic directions. In line with the ILO commandments to create the enabling environment the support framework also envisioned to create enabling condition by solving the problems of MSEs. The support framework comprises 5 major support schemes such as; HR, technology development, industry extension, market development and marketing system support, finance and credit facilitation, and production and sales center development.

The market development and marketing system support in turn 5 sub-support schemes, viz., marketing system supports (sub-contracting, outsourcing, franchising, and out grower systems); raw materials/input supports; MSEs exhibition and bazar arrangements; construction of market centers; and formulating MSE website and directory. Market support frameworks are formulated to enhance market capacity although searching market is the primary role of MSE through creating capabilities and marketing orientations.

OECD (2004)observation in local government role in entrepreneurship and MSE development policies have an important local dimension in facilitating and increasing rates of enterprise creation. It is now an almost universal concern for local authorities for accelerating developments in disadvantaged localities. In the same token, based on the national strategic framework the regional government Micro and Small scale Enterprises Development Agency of SNNPRS issued directives for each support activities. Among the directives directive of market development and marketing system directive № 011/2011was one and almost containing similar

provisions in national strategic document and operational issues to be followed by local administrations such as Zone, Woreda and Town administrations in the region.

MUDC (2013) survey showed that though various forms of market linkages in sub-contracting will be expanded by government intervention in market and marketing system: most market supply provisions are government dependent that does not able MSE to be competent independently; most MSE are not competent in production and service they offer; and failure in application of incentive rules that were formulated at regional level fairly and uniformly on MSE support base were manifested across 13 cities surveyed.

2.8 Analytical Framework of the Study

The objective of the proposed research work was isolating marketing factors: viz., market orientation and marketing capabilities of the firm; and external marketing environmental factors and institutional supports that could facilitate or hamper the performance and sustainability of MSEs. And hence, it aspires to know the relationship that exists between of market orientation and marketing capabilities with firm's performance and sustainable growth. Finally, the research work wants to highlight relationship between institutional supports given to them and their performance in the market. That means firm's performance is the dependent variable and market orientation, marketing capabilities, institutional supports and other external marketing factors are independent variables. To this end the following diagram shows the conceptual frame work of the study.

Figure1. Analytical Framework of the Study

A. External Marketing Factors:

1. External Marketing situations:
-Demand and Market Size;
-State of Competition;
-Marketing Infrastructure Base;
-Location, Government Regulations, etc.

2. Marketing Supports
-Quality BDS Service
-Quality Industry Ext. Service
-Market Information provision
-Favorably Located Premise Grant
-Facilitation of Market Linkage

B. Firm's Internal Marketing Factors:

1. Marketing Capabilities:
-Marketing research;
-Marketing plan and strategy (product, pricing, promotion, distribution);
-Competitiveness and soon

2. Market Orientation
-Market Intelligence Creation
-Market Intelligence Dissemination
-Intelligence Responsiveness

Venture Performance
-Growth in Sales Volume
-Increase in Cash in flow
-Growth in Profitability
-Increase in Customer Base
-Increase Market Share

Source: Analytic Framework Showing Relationships among Variables Based on Literatures Reviewed so far for the Research.

CHAPTER THREE
3. METHODOLOGY

3.1 Introduction and Overview of the Study Area

This research endeavor was executed using survey design by adopting mixed approach (both qualitative and quantitative) because the information that was required for the assessment of marketing challenges needs data from several spectrums. That means the data was respondents' opinion about their market orientation, marketing capabilities and challenges the ventures face from the environment; and the MSE participants rating for the marketing supports they had been provided in Dawro Zone.

The study area, Dawro Zone, is one of the 14 zonal administrations in SNNPRS which was established in 1993 E.C. and covers a total area of 4436.7 sq. km. It lies between 6.59-7.34 latitude and 36.68 to 37.52 longitudes, with an elevation ranging 501-3000 meters above sea level. This zone has 5 'woredas' (Viz. Essera, Gena Bosa, Loma, Mareqa and Tocha) and one town administration, Tarcha Town Adminstration,) that all comprise a total population of more than half a Million (Dawro Zone Trade and Industry Department Report, 2014).

3.2 The Research Design and Approach

It is cross sectional study and survey design was chosen and applied in this study. As its aim was exploring the marketing challenges from external environment and in-house to the enterprises this has been the chosen as the way to investigate the issue. And then analysis of cause effect relationship between marketing factors from both internal and external environment on business performance has been performed in order to see the significance of the challenges emanating from each source. Hence, all the processes of the study; the sampling design and procedures, data collection instruments and field work procedures, statistical analysis of measurements were followed this track.

3.3 Population, Sample Size and Sampling Technique

3.3.1 Population

The unit of analysis in this investigation was Micro & Small-Scale Enterprises (MSEs). Meanwhile MSEs were vague due to different approaches that have been applied to define them.

Hence this research project adopted the revised governmental definition of the sector. Therefore, the sampling frame was the list of officially registered enterprises which are created as new venture business firms and that will be obtained from the department of trade and industry in Dawro Zone. Currently, the total number of the ventures was 526: Manufacturing 58, Construction 37, Urban Agriculture 59, Service, 115 and Retail Businesses 257 (Dawro Zone Trade and Industry Department Report, 2014).

3.3.2 Sample Size

The sample size required in any survey for testing hypothesis of population means can be expressed as:

$$n_0 = z^2_{\alpha/2} \frac{p(1-p)}{d^2}$$

Where
n_0= sample size,
Z = Standardized normal value at specified confidence interval,
α = Level of significance,
p =Estimated rate proportion variability, and
d = Precision range or the required confidence interval. (Adams et al, 2007)

From the total enterprises in the sampling frame, 384 enterprises has to be selected as a sample considering 95% confidence level ($Z_{\alpha/2}$=1.96), estimated population proportion (p=0.5) and precision range or margin of error 5% (d= ±5%). However, Gill and Johnson (2010) gave provisions to adjust small sized population samples obtained using the above formula by citing Fowler (2002) i.e. when the calculated sample size exceeds 10% of population size, n_0 has to be adjusted down by correction factor:

$$n_{adj} = \frac{n_0}{1 + n_0/N}$$

Where
n_{adj} was adjusted sample size,
n_0 was initially calculated sample size, and
N was the total population size

And the adjusted sample size of the research became **222** ventures and hence the survey was conducted on these economic in this research endeavor.

3.3.3 Sampling Technique

Firstly, the procedure sampling of the study followed multi-stage. Cluster random sampling to select administrative units and hence 3 of the administrative units, *Mareqa* and *Loma Woreda* and *Tarcha* Town Administration, were taken from 6 administrative units. Secondly, stratified allocation the enterprises from the 5 key sectors that were regarded as developmental sectors by government: namely; **Construction, Manufacturing, Retail Business, Urban Agriculture and Service** rendering enterprises as strata was made so as to bring equal representation to each of the sectors since the enterprises were performing their business activities in different sub-sectors having different characteristics.

Then, based on the stratum size individual firms was selected based on lottery method in order to bring representativeness of the sample and give equal chance to the enterprises. The individual respondent has been selected based on the respondent's information power relative to other members of the firm ownership. Therefore, the choice of the respondent of the venture was based on the position or agreement with the members in the venture and chairpersons were given preferences. The field interviewer was strictly followed by the researcher to reduce the interviewer bias.

3.4 Nature of the Data and Data Collection Tools

3.4.1 Nature of the Data

As indicated above, the required data was qualitative and mainly opinions survey the focus of primary data sources resides in MSE participants and other qualitative as well as quantitative supporting secondary data sources such as their documentation and government offices has been extensively utilized. Questionnaire that was well-designed has been employed as its primary instrument to collect the data from primary sources. One questionnaire booklet was completed by one of the members of the enterprises who was considered relevant respondent among other members (chair person, secretary, other members, etc.) in one enterprise by the help of interviewer. The interviewer administered questionnaire was preferred due to its high response rate. Since it gives the two people an opportunity to interact and get details on the questions and answers. Information that augments data from venture participants has also been collected by semi-structured interview with government officials and expertise.

Data which could be collected from business plans, financial documents, audit reports, and other documents of the firm was used as secondary sources. Official plans and reports,   pamphlets, office manuals, circulars and policy papers from Zonal Trade and Industry Department as well as woreda offices were consulted to realize additional information where appropriate. Besides, variety of books, published and/or unpublished government documents, websites, reports and newsletters were reviewed to make the study fruitful.

3.4.2 Data Collection Tools
Questionnaire

The questionnaire that was used in this study comprises both closed ended and open ended questions. Closed-ended, mainly Likert-scaled, questions have been used to collect data from respondents except for questions related to demographic characteristics of the respondents and MSEs. However, opportunities were given to the respondents to say more about the challenges faced in each section through open-ended questions. The questionnaire was validated and translated into Amharic language before actual execution was commenced. (Both of the questionnaire versions were attached to this report at appendix 1.)

Key Informants' Interview

The interview had been structured and organized in a manner that would enable the researcher to assemble information on the behavior and practices of enterprises while marketing their products and about their attitude concerning what they have been lacking in marketing their produce. They were also probed about the ways of filling the gaps of ventures in marketing functions professionally. It was employed to enrich the data collected from respondents from the ventures.

3.5 Data Analysis and Presentation

The appropriate data was analyzed using two approaches. First, simple descriptive statistical analysis was used to display the demographic status of the targeted population biographic data and the venture; and the marketing factors both in-house and external to firms. In doing so, means, proportions and /or percentages are extensively used by transforming the data. Inferential statistical measurements used were parametric for hypothesis testing since the collected data were after transforming ordinal data of each item to interval for each construct. Such inferential statistical measures as *student's t-test* and *Pearson correlation coefficient* for bivariate analysis

of relationship among the variables were used. To this end the data was analyzed using the Statistical Package for Social Sciences (SPSS V.20). In addition, qualitative data from open ended items and key informants interview were analyzed by their contents for emerging themes and patterns and used as basis for discussion of the findings.

3.6 Reliability and Validity of the Instrument

Here in this research, principal investigator and co-researchers for the thematic area of "*Assuring entrepreneurial sustainability…*" have been consulted to review the questions and categories listed in the original questionnaire and interview. Moreover, the questionnaire was distributed to 10 randomly selected micro enterprises around *Jimma* University and the Cronbach's α was analyzed and found to be 0. 812. This showed the consistency of responses on the items and indicated the reliability as its acceptable level was α ≥ 0.7. Spss result on reliability for the questions asking on variables was attached at appendix 2. To assure validity previous studies' survey instruments and related literatures were consulted while identifying the constructs of the variables and designing questionnaires.

CHAPTER FOUR
4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

In the quest for marketing challenges of MSEs in Dawro Zone, the data was obtained from MSEs in three administrative units (*Tarcha* Town Adminstration, *Maraqa* and *Loma Woreda*). In this research endeavor questionnaire was employed as main survey tool for the data collection. Key informants interview was also used to support the responses gathered by questionnaire. The questionnaire was administered for 222 MSE operators having different positions in their respective enterprises. 201 complete questionnaire booklets were returned i.e., the response rate was 90.54%. The questionnaire has six parts. The first part was designed to gather demographic data of both the respondents and the venture. The second part was used to gather information on the level of marketing orientation of the firm and involves 15 closed-ended items in Likert scale and one open ended item. The third part was used to gather the marketing capabilities of MSEs and contains 17 closed ended items of rating their capability in marketing function. The fourth part was about the institutional marketing support that consists of 9 closed-ended items and 1 open ended item in marketing support preferences of enterprises. Data on external business contexts/challenges facing micro and small enterprises was collected using 6 closed ended items and 3 open ended items that were organized under fifth part of the questionnaire. The final part of the questionnaire was designed to collect the data on business performance of enterprises. It has 6 close-ended questions and 2 open ended items.

Key informants interview was accomplished with 18 respondents. The interview schedule involves 18 items that were structured to gather in depth information concerning the marketing function and its challenges among MSEs. The Analysis of closed ended items was performed using Spss V.20 and data from open-ended items in the questionnaire and the interview schedule were summarized for the patterns in each of the issues raised in this study about marketing function in MSE business.

4.2 Demographic Information

4.2.1 Respondents Demography

The respondents were drawn from the operators of MSEs since MSEs are the subjects of this study. Among 201 respondents 59.2% were male and the remaining proportion (40.8%) was female. Almost 82% of the respondents lied below the age of 35 years and the rest 18% were greater than 35 years of age. Concerning their marital status 52.2% were married and 47.8% were not in an engagement at the moment. 12.4% of the respondents were below secondary level as far as their educational status was concerned. But a significant portion of the respondents (87.6%) attended secondary and beyond levels of education.
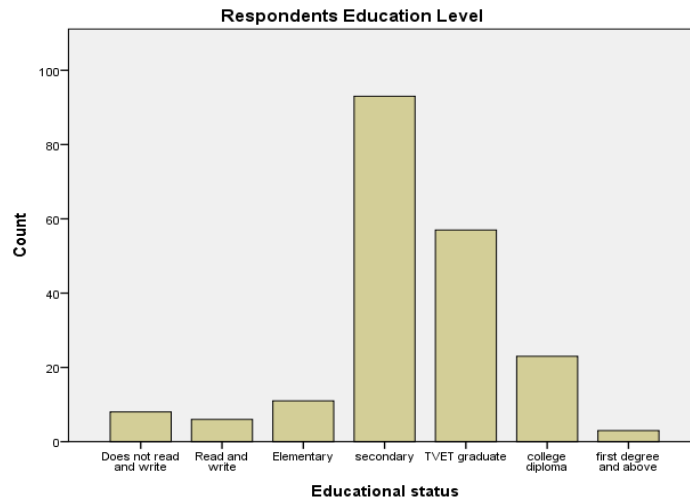
Figure 2 Chart Showing the Educational Status of Respondents

Source: Spss v.20 Output of the Survey Data (2015).

Among the respondents majority (78.1%) didn't have jobs earlier than engaging in MSEs. But only 21.9% or 44 respondents opted to quit their former jobs to engage in MSE business. For factors motivated their engagement in MSE their response set for the survey showed that 51% of the respondents favored lack of employment opportunity; 11.9% disagreement with previous employer; 11.9% disappointing working environment in previous work place; 9.5% conflict with family; 32.3% by looking others as role model; 39.3% internal desire to be self-employed; and 26.9% of them reported that favorable environmental factors such as support provided by government as factor that initiated them to engage in MSE for the item asking multiple responses as the reason for engagement in the sector.

However, after their engagement in MSEs, only 2.5% (5) of the respondents do have additional income generating jobs. But the remaining large number of the respondents (97.5%) used to survive in MSE as a sole source of their personal income for their livelihood. Depending on their position in the enterprise 46.8% were chair persons, 14.4 % were vice chair persons, 20.9% were cashiers, 4% were elected auditors and 13.9 were ordinary members in their respective ventures.

4.2.2 Demographic Information of MSEs

The average founding members of the enterprises involved in this study was 5 members that range from 2-10 members. The year in operation or age of the enterprise also ranges from 0.2-9 years. But the average age of the ventures was 3.87 years with the standard deviation of 2.05 years showing high variability among MSEs in their age that show the representation of enterprises was similar to the population of study. Concerning their start-up capital it ranges from 5,000.00-189,000.00 ETB. That means almost all of the business enterprises were started their business at micro level. They constitute all the sub sectors in the MSE business as indicated in the following table.

Table 2 MSEs in Different Sub Sectors

Sub Sectors	Frequency	Percent	Valid Percent	Cumulative Percent
Manufacturing	18	9.0	9.0	9.0
Construction	22	10.9	10.9	19.9
Urban Agriculture	16	8.0	8.0	27.9
Service	40	19.9	19.9	47.8
Retail	105	52.2	52.2	100.0
Total	201	100.0	100.0	

Source: Spss v.20 Output of the Survey Data (2015).

4.3 Internal Marketing Factors of MSEs

4.3.1 Market Orientation of the Ventures

Market orientation (MO), as discussed earlier, involves market intelligence creation, market intelligence dissemination and market intelligence responsiveness. In this study respectively 6, 4 and 5 close-ended Likert scaled items were employed to measure each of the construct.

The mean response on market intelligence creation was 2.70 and its standard deviation was 1 based on the Likert scale. But the researcher considered the level of firm's market intelligence

creation into three categories; namely low for mean market intelligence creation below 2.70, medium for mean market intelligence creation between 2.71 & 3.49, and high for mean market intelligence creation greater than 3.49 after transforming the data. The result of analysis of this market orientation statistic, as indicated in the following table, showed that 52% of the firms involved in the study fall under low intelligence generating category. 20.5% of the enterprises fell under medium and 27.5 % were included under higher market intelligence creation categories. This was indicated in the following table.

Market Orientation	Responses			
	Low	Medium	High	Total
1.1 Market Intelligence Creation				
Frequency	104	41	55	200
Valid Percent	52.0	20.5	27.5	100.0
Cumulative Percent	52.0	72.5	100.0	
1.2 Market Intelligence Dissemination				
Frequency	100	35	66	201
Valid Percent	49.8	17.4	32.8	100.0
Cumulative Percent	49.8	67.2	100.0	
1.3 Intelligence Responsiveness				
Frequency	102	49	49	200
Valid Percent	51	24.5	24.5	100.0
Cumulative Percent	51	75.5	100.0	
Mean Total Market Orientation				
Frequency	100	51	48	199
Valid Percent	50.3	25.6	24.1	100.0
Cumulative Percent	50.3	75.9	100.0	

Market Orientation Constructs	N	Min.	Max.	Mean Statistic	Std. Error	Std. Dev.	Var.
Market Intelligence Creation	200	1.00	3.00	1.7550	.06077	.85946	.739
Intelligence Dissemination	201	1.00	3.00	1.8308	.06314	.89512	.801
Intelligence Responsiveness	200	1.00	3.00	1.7350	.05866	.82959	.688
Market Orientation	199	1.00	3.00	1.7387	.05841	.82392	.679
Valid N (List-wise)	199						

Table 3: Descriptive Statistics of Market Orientation of Enterprises
Source Spss v.20 Output of the survey Data (2015).

Similarly, the mean response on market intelligence dissemination was seen 2.785 and its standard deviation was 1.07. In the same token, the level of firm's market intelligence dissemination was divided into three transformed categories; namely low for mean market intelligence dissemination below 2.70, medium for mean market intelligence dissemination

between 2.71 & 3.49, and high for mean market intelligence dissemination greater than 3.49. The recorded data of study depicted that 49.8% of the firms involved in the study fall under low intelligence dissemination category. However, 17.4% & 32.8% of the enterprises were fell under medium and better in market intelligence dissemination respectively as it could be seen in the above table.

In the case of intelligence responsiveness, 2.76 were the mean score of the enterprises having δ of 1.05. Similar categorization of the level to earlier items was also applied to this market orientation construct and the result of the data showed that 51% of the MSEs were poorly responding to the intelligence disseminated. The rest categories were responding moderately and actively responding categories 24.5% for each.

When we looked at the data for market orientation as a whole, by considering all the parameters, the mean market orientation of the ventures was 2.75 and its standard deviation was 1.02 showing significant variability on market orientation among MSEs. More than half (50.3%) of the MSEs were experienced low market orientation. Moderate level of market oriented firms constituted 25.6% of the firms under investigation. Only less than quartile of the firms (24.1%) were market oriented.
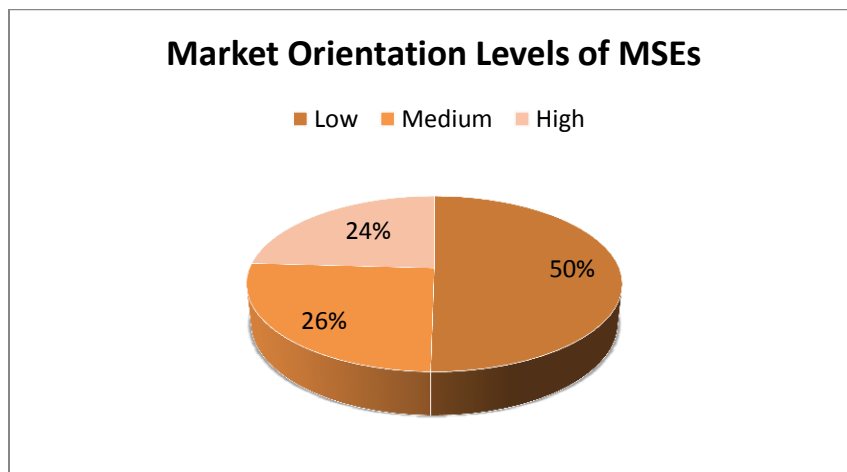
Figure 3 Chart Showing Proportion MSEs Based on their Market Orientation Level
Source: Spss v.20 Output of the Survey Data (2015).

For the open ended questions to identify the methods employed by MSEs to attain market information, most of the MSEs reacted as they did not bother about the market information and

rather the information moves faster in their social attachments and networks like *Equb*. But some of the firms seek the information keenly but the ways they used are in informal and un-intentioned fashion by collecting customer feedbacks, enterprise linkages, from MSE development offices and the like. And hence information collected from the market players was not used effectively used in improving their marketing efforts. In similar vein, the key informants interview with the MSE promoting sector focal persons come up with similar results and it was believed that the marketing orientation of the enterprises was so low among the MSEs. The reason given by the interviewees was poor awareness and/or attitudinal problem as a root cause for this.

4.3.2 Marketing Capabilities of the Ventures

As one internal marketing variable of enterprises marketing capabilities was categorized under four broad sections for the purpose of this research endeavor. These are market research, marketing strategies, marketing management and other marketing related capabilities of the enterprises. Sixteen items in Likert-scale were employed to measure these marketing capabilities and each of the MSEs rated by their respective participant members who were chosen as a respondent.

The market research capability of the enterprises was measured in terms of three items that were concerned with identifying customer needs, competitor actions and the general market information. The total market research capability was 2.79 on average and whose δ was 1.04 but it was not formally structured market research as indicated in interview.

Descriptive Statistics of Marketing Capabilities							
	N	Min.	Max.	Mean		Std. Deviation	Variance
				Statistic	Std. Error		
Market Research Capability	201	1	3	1.7264	0.06067	0.86009	0.74
Marketing Management Cap.	201	1	3	1.7512	0.05976	0.84724	0.718
Marketing Strategy	201	1	3	1.7662	0.06109	0.86605	0.75
Others Competitiveness	201	1	3	1.7065	0.05978	0.84759	0.718
Total Marketing Capability	201	1	3	1.6866	0.05886	0.83443	0.696
Valid N (List-wise)	201						

Item	Frequency Distribution	Capability Levels			
		Incapable	Moderate Capacity	Well Capable	Total

2.1	Market Research Capability	Frequency	109	38	54	201
		Percent	54.2	18.9	26.9	100.0
		Cumulative Percent	54.2	73.1	100.0	
2.2	Marketing Strategy Capability	Frequency	104	40	57	201
		Percent	51.7	19.9	28.4	100.0
		Cumulative Percent	51.7	71.6	100.0	
2.3	Marketing Management Capability	Frequency	103	45	53	201
		Percent	51.2	22.4	26.4	100.0
		Cumulative Percent	51.2	73.6	100.0	
2.4	Other Capabilities	Frequency	110	40	51	201
		Percent	54.7	19.9	25.4	100.0
		Cumulative Percent	54.7	74.6	100.0	
Total Marketing Capabilities		**Frequency**	**111**	**42**	**48**	**201**
		Percent	**55.2**	**20.9**	**23.9**	**100.0**
		Cumulative Percent	**55.2**	**76.1**	**100.0**	

Table 4: Descriptive Statistics of Marketing Capabilities of Enterprises
Source Spss v.20 Output of the survey Data (2015).

Based on their distribution on the variability of the marketing capabilities, the MSEs were considered incapable, moderately capable and well capable where their capability in each of broad categories of marketing capabilities was equal to/less than 2.70; between 2.71 and 3.49; and beyond 3.49 respectively based on the Likert scale. Hence after transforming the data, marketing strategies capability which was rated using product capability (product or service quality, new product development, and product varieties); pricing capability (costing and ability to set competitive prices for products); promotional capabilities; and distributional (reach and availability of products or services to customers) capabilities as constructs to the items. Out of the rated 201 enterprises 71.6% were having average or lower capability in marketing strategy. Generally the mean and standard deviation of marketing strategy capabilities of MSEs were 1.76 and 0.87 respectively as shown in the above table.

Data on marketing management capability of the MSEs were gathered on the firms' ability to plan, to implement, control and evaluate that marketing plan in the firm. It could be seen that the average capability of MSEs in marketing management capabilities 1.75 with standard variability

of 0.85. Other marketing related capabilities of MSEs were rated by constructs such as competitiveness, after sales service, responsiveness, customer relationship management and marketing resources, skills and knowledge of the enterprises. The mean capability of MSEs in these areas of market related capabilities was 1.71 and its δ was 0.85. The whole data for marketing capabilities could be aggregated and the combined mean for the capabilities was 1.69 with δ is equal to 0.83.

For instance, the market research capability 54.2% of the MSEs was poorly equipped with such a capability. Whereas 18.9% of them were moderately capable and the rest 26.9 % did possess well developed capacity in obtaining marketing information and the general marketing environment. Similarly, 51.7%, 19.9% and 28.4% of the enterprises were rated as incapable, moderately capable and well capacitated in marketing strategies respectively. To see the trend of the data on totality, significant portion of the MSEs (55.2%) were fallen under marketing incapacities. (See the following pie chart.)
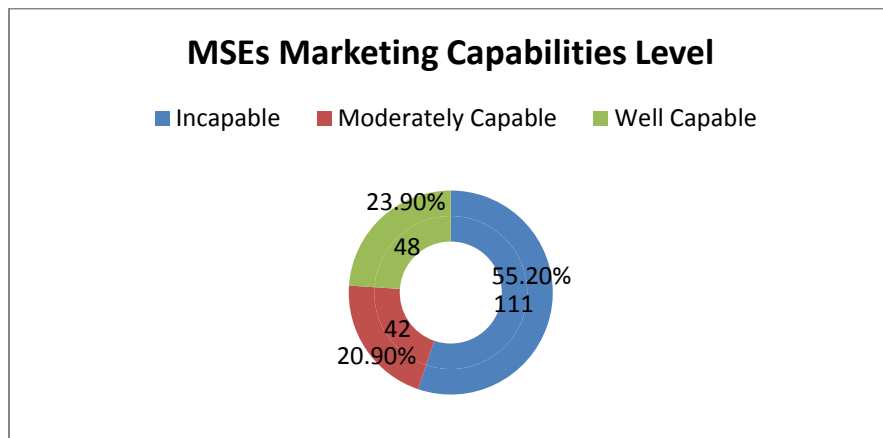
Figure 4 Chart Showing Proportion of MSEs based on Marketing Capability Level
Source: Spss v.20 Output of the Survey Data (2015).

The response for the question that asks whether there was a culture of evaluating marketing capabilities of the enterprise or not, only 59 respondents from their respective MSEs (29.4%) were responded as yes for the question. The remaining portion, 70.6% or in 142 MSEs, there was no evaluation of marketing competencies and resource capacities for marketing in the firms as exhibited in the following table.

Had you evaluated your marketing capabilities?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	59	29.4	29.4	29.4
	no	142	70.6	70.6	100.0
	Total	201	100.0	100.0	

Table 5: Percentage of Ventures Evaluating their Marketing capabilities
Source: Spss v.20 Output of the Survey Data (2015)

The key informants' interview acknowledged the marketing capability problems of MSEs. Such factors as quality production capability meaning poor product quality, poor customer handling and retention by responding to their interests, poor technology, technical skills and equipment possession, the problem of untrusted linkages with supply chains and unable to set competitive price were the major setbacks of marketing capability in MSEs. Similarly, the remedy actions that used to be taken by MSEs that evaluated their marketing deficiencies were trying to produce best quality products to customer attention and satisfaction; reducing their prices; labor division among members including salesmanship; create linkages with other firms complementing them or as last resort requesting government's supports were more pronounced by the filled questionnaires by respondents.

4.4 Data on External Marketing Factors

4.4.1 Marketing Supports to MSEs

The data on the institutional marketing supports given for the enterprises was rated based on five point Likert scale (from excellent to non-existent) for 9 major marketing supports obtained from government and other stakeholders. The table about marketing support as explained below shows the summary of responses from MSEs about their opinion towards the support services that they were experienced during their business operation.

From the information given in the tables we could see this when we thoroughly looked at the frequency tables from Spss output sheet. For instance, the proportion of respondents who rated the supports as below satisfactory level were 25.4% for training; 30.3% for market information provision; 32.8% for market development support; 54.2% for promotional support; 54.7% for facilitation of market linkage; 57.2% for favorably located premise grant; 58.7 for support in pricing and costing; 59.2% for supports to quality production; and 60.2% for supports of product placement in ascending order.

Marketing Supports	Statistic	Rating Scale					
		Non Existent	Below Satisfactory	Satisfactory	Good	Excellent	Total
Training in Marketing	Frequency	8	43	72	54	24	201
	Valid %	4	21.4	35.8	26.9	11.9	100
Market Development Support	Frequency	14	52	82	48	5	201
	Valid %	7	25.9	40.8	23.9	2.5	100
Advertising Support	Frequency	36	73	66	23	3	201
	Valid %	17.9	36.3	32.8	11.4	1.5	100
Support in Pricing and Costing	Frequency	58	60	58	25	0	201
	Valid %	28.9	29.9	28.9	12.4	0	100
Support in Product Placement	Frequency	40	81	52	25	3	201
	Valid %	19.9	40.3	25.9	12.4	1.5	100
Support in Quality Improvement	Frequency	48	71	47	31	4	201
	Valid %	23.9	35.3	23.4	15.4	2.0	100
Market Information Provision	Frequency	16	45	80	57	3	201
	Valid %	8.0	22.4	39.8	28.4	1.5	100
Facilitation of Market Linkage	Frequency	27	83	69	20	2	201
	Valid %	13.4	41.3	34.3	10.0	1.0	100
Favorably Located Premise Grant	Frequency	50	65	56	30	0	201
	Valid %	24.9	32.3	27.9	14.9	0	100

	N	Min.	Max	Mean		Std.	Variance
				Statistic	Std. Error	Deviation	
Institutional Marketing Supports	201	1.00	3.00	1.5622	.04446	.63037	.397
Valid N (listwise)	201						

Table 6: Descriptive Statistics of MSE Operators' Rating of Marketing Supports
Source: Spss v.20 Output for the Survey Data (2015)
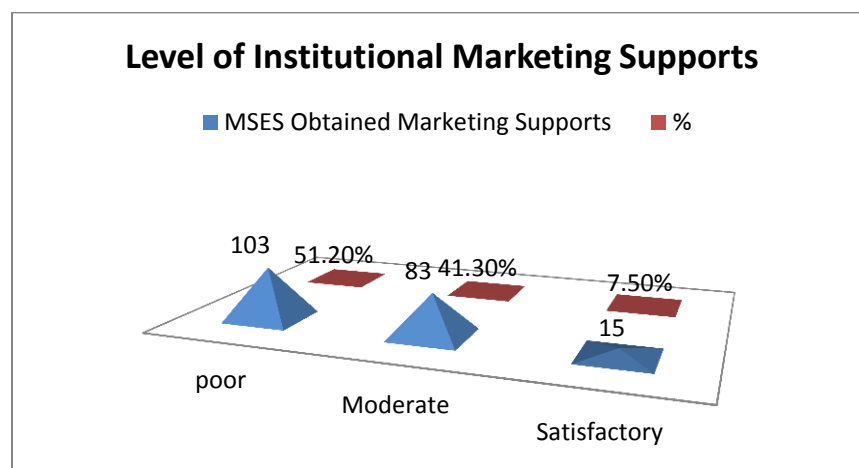
Figure 5 Levels of Institutional Marketing Supports Given to MSEs
Source: Spss v.20 Output of the Survey Data (2015).

To see the overall picture of marketing supports in capacitating the enterprises the response set from the questionnaire was transformed to three categories viz., poor support level for which the aggregate mean of the 9 support services was below average (2.5); moderate level support for mean between 2.75 and 3.75; and satisfactory support for mean response greater than 3.75. The overall respondents rating for institutional marketing support mean score rating was 1.56 and its standard deviation was 0.63 in the transformed data as revealed above in the table.

Based on this categorization of the whole support package in marketing 51.2% of the respondents, more than half of the respondents claimed that the support services were not adequate for MSEs. The next larger proportion of the respondents, 41.3% also rated the support services moderately. However, only 7.5% of them were satisfied by the marketing support schemes provided for them in marketing their products and services as displayed in the above graph.

The summary of key informants' interview for institutional marketing support also shades the light on the extent of support services rendered to MSEs. Marketing training, working capital loan, material supply such as machine lease, facilitation of premises or shades and creating linkages with buyers of their commodities were most offered services among others. But there was no need assessment of the marketing supports and the basis of supports were unclear. As the key informants response, it was hardly concluded that the support service was adequate because the number of enterprises obtained the support were few in number and the participation of partners including the MSE operators themselves was too low to bring effectiveness. Besides, the enterprises prefer transaction linkages with government offices to rely on the sales revenue from public purchase expenditures as the main market to rely on for selling their product and sales revenue to other self-sustaining supports. In case of training it was least preferred support service and in some severe situations operators refuse participating marketing training sessions even though they were invited to the same. For similar item in the open-ended item the respondents replied that financial supports or supports that brought opportunities to sell out their products as soon as possible were given preferential priorities over others.

4.4.2 MSEs External Marketing Environment

The external marketing environment in which the enterprise operates poses the challenges in one hand and forwards indispensable market opportunities from several directions on the other hand.

But only 6 major factors in task environment were considered in close-ended questions to see the cumulative strength of environmental factors in posing threats to MSEs business operation. These are the market size and demand, state of the competition, market infrastructure base, location of the business, input supply, and government laws and regulation related to business practice in MSEs and each business categories that were relatively deemed to represent environmental factors in this study. The same 5-point Likert scale, from strong positive influence to strong negative influence, was applied to collect the data. But transforming of the responses/data to three categories (favorable for mean above 3.5, normal for 2.51-3.5 and unfavorable environment for mean of 2.5 and below responses) was made to make clear the situation in the marketing environment.

External Marketing Context	Statistic	Influence					
		Strong Negative	Moderate Negative	No	Moderate Positive	Strong Positive	Total
Demand and Market Size	Frequency	5	38	68	75	15	201
	Valid %	2.5	18.9	33.8	37.3	7.5	100
State of Competition	Frequency	15	59	78	40	9	201
	Valid %	7.5	29.4	38.8	19.9	4.5	100
Market Infrastructure	Frequency	37	69	60	31	4	201
	Valid %	18.4	34.3	29.9	15.4	2.0	100
Location	Frequency	21	71	75	31	3	201
	Valid %	10.4	35.3	37.3	15.4	1.5	100
Input Supply	Frequency	19	64	65	49	4	201
	Valid %	9.5	31.8	32.3	24.4	2.0	100
Government Regulation	Frequency	11	53	96	32	9	201
	Valid %	5.5	26.4	47.8	15.9	4.5	100

	N	Min.	Max.	Mean		Std. Deviation	Variance
				Statistic	Std. Error		
External Business context	201	1.00	3.00	1.7363	.05013	.71072	.505
Valid N (listwise)	201						

Table 7: Descriptive Statistics of MSEs' External Business Context Rating
Source: Spss v.20 Output for the Survey Data (2015)

Based on the data of external marketing situations presented the proportion of the responses that shows the severity of posing negative influences constitute 21.4% for demand and market size, 31.8% for government regulations, 36.8% for the state of competition, 41.3% for input supply, 45.8% for location and 52.7% for market infrastructures in ascending order. On the contrary,

those emphasized the favorableness of external marketing environment to their business were 44.8% for demand and market size, 26.4% for input supply, 24.4% for state of competition, 20.4 for government regulations and laws, 17.4% for market infrastructure and 16.9 for their business location in descending order.
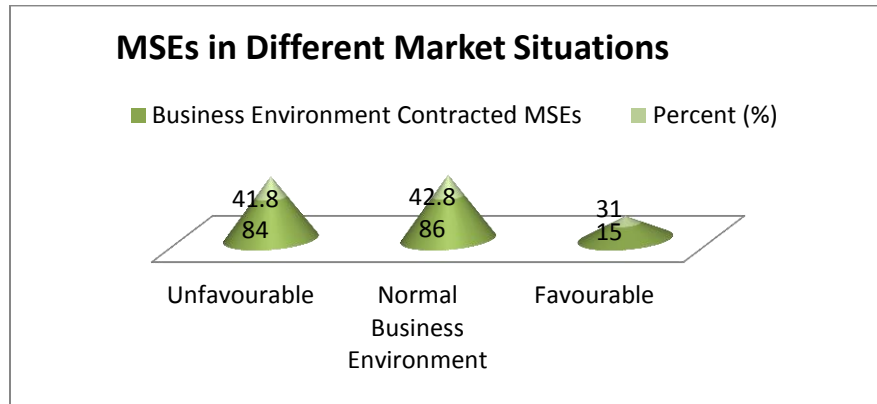
Figure 6 Chart showing different business situations that face the MSEs

Source: Spss v.20 Output of the Survey Data (2015).

The mean score of environmental situation rating was 1.74 with the standard deviation of 0.71 as in the above table. Moreover, the results shown in the chart also gave us that 41.8% of them pronounced that the external environment have negative influence on the business undertakings of their enterprises.

Additionally, both key informants and survey respondents indicated that the challenges in the market environment during introduction were weighed as serious for most of the enterprises. Among the prominent introduction problems poor customer understanding, attraction, handling and retention coupled with low awareness and/or negative attitudes of clients in the market resulted in very slow sales of products over longer period. Ultimately this resulted in loss of commitment, helplessness and finally disagreement of the members with each other. The other critical problems emphasized in both sources were the infrastructural problems mainly transportation, water, electricity, premise (its availability and size), limited working capital position, etc.

4.5 Data on Business Performance of MSEs

The business performance of the MSEs was appraised by parameters that are considered as key performance indicators in most business performance evaluations: financial performance

measures such as annual sales volume, cash flow of the enterprises, profitability of the business; market performance measures like customer base and market share of the enterprises. The respondents assessed their enterprises' performance in 5 point Likert scale that ranges from excellent to very bad on each of the parameters. Parallel to the responses in external market situation, the responses were also transformed to three categories (excellent performance for mean above 3.5; good for the mean response between 2.51 and 3.5; and below average performance 2.5 and below mean response) to evaluate the performance. Summary of the data on business performance was displayed in the table here under.

External Marketing Context	Statistic	Performance					
		Very Bad	Poor	Normal	Good	Excellent	Total
Sales Volume	Frequency	3	45	103	47	3	201
	Valid %	1.5	22.4	51.2	23.4	1.5	100
Cash Flow	Frequency	16	65	82	35	3	201
	Valid %	8	32.3	40.8	17.4	1.5	100
Profitability	Frequency	24	77	72	8	20	201
	Valid %	11.9	38.3	35.8	4.0	10.0	100
Customer Base	Frequency	21	77	65	26	12	201
	Valid %	10.4	38.3	32.3	12.9	6.0	100
Market Share	Frequency	24	85	62	28	2	201
	Valid %	11.9	42.3	30.8	13.9	1.0	100

	N	Min.	Max.	Mean		Std. Deviation	Variance
				Statistic	Std. Error		
Business performance	201	1.00	3.00	1.7065	.05079	.72001	.518
Valid N (listwise)	201						

Table 8: Descriptive Statistics of MSEs' Performance Rating
Source: Spss v.20 Output for the Survey Data (2015)

The results of the data revealed 24.9% of the respondents remarked that the enterprises' annual sales volume was satisfactory and exceeds. In the same way 18.9%, 14%, 18.9%, and 14.9% of the respondents denoted similar opinion in that their MSE's cash flow, profitability, customer size and market share respectively were good and beyond. However, the relative proportion of those respondents who confirmed that their business performance was poor or even worse was almost as equivalent as to those who said it is more than or equal to good performance in annual sales volume. It was 23.9% of the respondents. On the other performance indicators the

proportion of respondents who thought their performance is weak was by far higher than in annual sales volume. It was 54.2% on market share, 50.2% on profitability, 48.8% on customer size and 40.3% on cash flow.

As a whole the MSE participant's self-performance appraisal, 44.8% of the respondents considered their performance were below average and only 15.4% of the respondents' appraisals revealed that their performance was excellent. The rest 39.8% of the respondents' evaluation remarked their level of performance was in not good-not bad position as indicated in the chart that follows. In addition to this the average score of the responses on each of business performance construct was below 2.73 except for annual sales volume. The $\overline{\text{X}}$ performance of all the performance indicators aggregated together was also 1.71 with the ẟ 0.72 that shows uniformity of responses among enterprises.
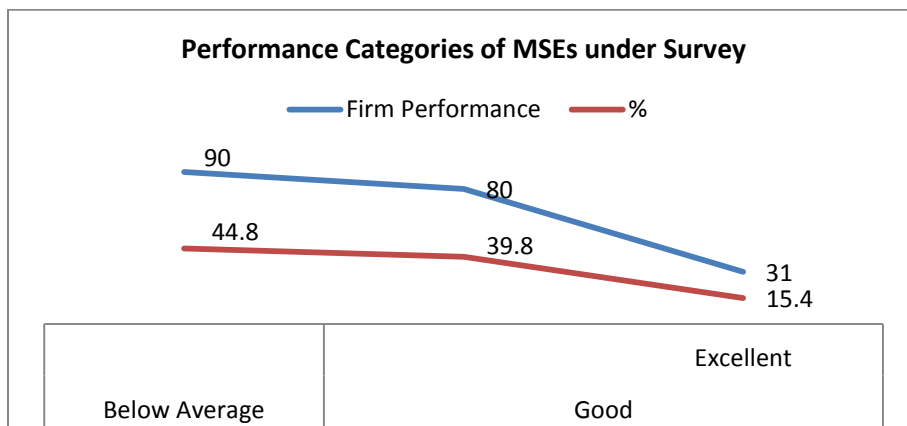
Figure 7 Chart Showing the Distribution & Levels Performance of MSEs in the survey
Source: Spss v.20 Output of the Survey Data (2015).

Considering other business performance indicators such as satisfaction of the owners/members of MSEs, growth in employment opportunity, paid-up capital and level of the enterprise; only 28.9% of the respondents were satisfied with their venture performance and 5 enterprises out of 201 (2.5%) were grown to small scale enterprises. 60.2% of the enterprises had not added additional human resource in the form of either membership or employee since start-up.

4.6 Cross Tabular Results

The cross tabulated tables for the variables showed that from those MSEs who lack market orientation, 96 (96%) were also weak in marketing competencies. Conversely, from 48 MSEs

that are market oriented only 1 or 2.1% was poor in acquiring marketing resources and competencies. From firms that had been given satisfactory marketing supports, 11 out of 15 (73.3%) and 15 out of 15 (100%) were displayed market oriented behaviors and improved their marketing capabilities respectively. All MSEs that operate in favorable business environment exhibited market oriented behaviors in their business operation. However, only 6.1% of the ventures in unfavorable environment have such marketing qualities. By the same token, all MSEs under favorable marketing conditions have adequate marketing competencies except only 1.2% (1 in 84 MSEs) had marketing capabilities required in marketing their products if they are encountered unfavorable situations. (See table 9.)

Variables	Internal	Market Orientation				Marketing Capabilities			
External	**Levels**	Low	Medium	High	Total	Incapable.	Moderately Capable	Well Capable	Total
Institutional Marketing Supports	*Poor*	87	11	4	102	95	6	2	103
	Moderate	13	36	33	82	16	36	31	83
	Satisfactory	0	4	11	15	0	0	15	15
	Total	100	51	48	199	111	42	48	201
External Marketing Environment Factors	*Unfavorable*	77	3	2	82	80	31	0	111
	Normal Business Env't	23	37	26	86	3	29	10	42
	Favorable	0	11	20	31	1	26	21	48
	Total	100	51	48	199	84	86	31	201

Table 9: Cross Tabulation Results (Interactions among Variables). *Source: Spss v.20 Output of the survey Data (2015)*

In view of the business performance, as presented in the following table, almost 98% of market oriented MSEs were performed above average in their business but the proportion of MSEs that performed well falls as low as 2% when they were not market oriented. Similarly, 96% of the ventures those are well equipped in marketing weapons succeeded in their business. However, the success rate was only 3 in 111 MSEs when they do not possess such marketing competencies and resources. Based on the supports they have been provided with, 60% of MSEs who were adequately supported performed excellently in their industry. On the other hand, only 4% excellent MSE performers were seen under poor support schemes. Out of those 103 MSEs that were challenged in their business situations, only 1.2% was excellent in their business performance. But from favored enterprises in the business context, no firm performed below average and even 67.7% of the MSEs performed excellently.

Variables	Level	Market Orientation				Marketing Capabilities				Marketing Supports				Marketing Environment Influence			
		Low	Medium	High	Total	Incapable	Moderately Capable	Well Capable	Total	Poor	Moderate	Satisfactory	Total	Unfavorable	Normal	Favorable	Total
Business Performance (Dependent)	Below Average	78	9	1	88	79	9	2	90	73	17	0	90	64	26	0	90
	Good	20	36	24	80	29	26	25	80	26	48	6	80	19	51	10	80
	Excellent	2	6	23	31	3	7	21	31	4	18	9	31	1	9	21	31
	Total	100	51	48	199	111	42	48	201	103	83	15	201	84	86	31	201

Table 10: Cross Tabulation Results (Interactions between independent variables and business performance). *Source: Spss v.20 Output of the survey Data (2015)*

As we can see from the cross tabulated results of the sub sectors of MSEs urban agriculture was challenged both internally and externally and poorly performing sector since 87.5% of the responses had made visible below average performance in this category. On the contrary, 27.5% of the responses made known that MSEs engaged in service sub sector were carrying out their business well.

Marketing Factors	Business Categories / Levels	Mfg.	Constr.	Urban Agri.	Retail	Service	Total
Market Orientation	Low	14	12	16	6	52	100
	Medium	2	4	0	17	28	51
	High	2	5	0	17	24	48
	Total	18	21	16	40	104	199
Marketing Capabilities	Incapable	15	14	16	5	61	111
	Moderately Capable	1	2	0	20	19	42
	Well Capable	2	6	0	15	25	48
	Total	18	22	16	40	105	201
Marketing Supports	Poor	15	13	11	6	58	103
	Moderate	3	6	5	26	43	83
	Satisfactory	0	3	0	8	4	15
	Total	18	22	16	40	105	201
Marketing Environment Influence	Unfavorable	13	11	15	5	40	84
	Normal Env't	3	9	1	23	50	86
	Favorable	2	2	0	12	15	31
	Total	18	22	16	40	105	201
Business Performance	Below Average	12	7	14	8	49	90
	Good	4	12	2	21	41	80
	Excellent	2	3	0	11	15	31
	Total	18	22	16	40	105	201

Table 11: Cross Tabulation Results (The Frequency of Different Business Sub-sectors at Different Levels of Marketing Factors). *Source: Spss v.20 Output of the survey Data (2015)*

4.7 Statistical Inferences and Relationships among the Marketing Factors

4.7.1 t- test Inference

Earlier in the descriptive statistics the independent variables that are in-house marketing factors of the enterprise and factors external to MSE, and the dependent variable business performance were seen in detail. Here we were able to see whether these descriptions are statistically valid or not. Moreover, the relationships that might exist intra-marketing factors and between these factors and performance would be presented. To this end the parametric approaches of student's *t* distribution/*t*-test and ***Pearson's*** correlation coefficient was applied to determine whether the data supports our suppositions of the distribution of the variables among MSEs; and whether there are significant relationships between the marketing factors themselves and business performance to test the hypothesis. It was observed that the distribution of the not only the dependent variable but all the independent variables also tend to be normally distributed. The following visual test of histogram with normal curve for the variable venture performance depicted this and it was more or less symmetrical and unimodal. The skewness and kurtosis was less than the absolute value of 1 and thus the normality assumptions to use the test were fulfilled.
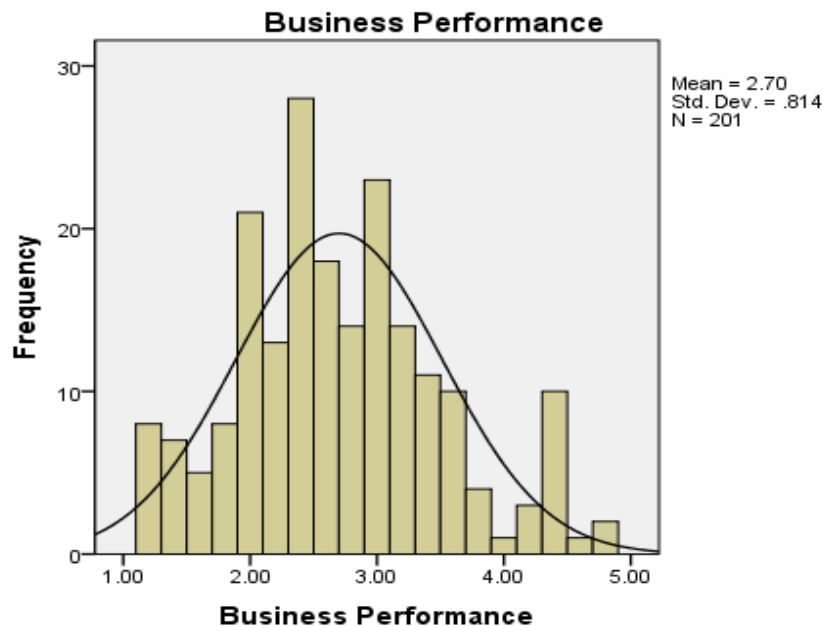
Figure 8 Graph Showing the Normal Distribution of Venture Performance

Source: Spss v.20 Output of the Survey Data (2015).

Marketing Orientation μ score for the MSEs in Dawro Zone could be estimated as ≤ 1.85 whose test statistic student's t-test distribution (t- value = 29.77 at 198 degree of freedom) that is massively greater than the critical value at 97.5% level of confidence as shown in the table that follows. Similarly, the mean score for MSE population for marketing capabilities was ≤ 1.80 where t-value = 28.66 at 200 degree of freedom at 97.5% confidence level showing its statistical significance of pointing the true mean of the attributes among total operating enterprises as population parameter in the study area. The standard errors for both of the internal factors were only marginal. Hence, the need for internal market orientation and marketing capabilities from the side of venture was unquestionable in order to perform well and thus the null hypothesis $H1_O$ was rejected. That means market orientation and marketing capabilities are related to each other and required to MSEs to sustain in the market while performing well.

Table 12 One-Sample t-Test Statistics

Variables	Test Value = 0					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Market Orientation	29.769	198	0.000	1.73869	1.6235	1.8539
Marketing Capability	28.656	200	0.000	1.68657	1.5705	1.8026
Institutional Marketing Supports	35.135	200	0.000	1.56219	1.4745	1.6499
External Marketing Situations	34.636	200	0.000	1.73632	1.6375	1.8352
Business performance	33.602	200	0.000	1.70647	1.6063	1.8066

Source: Spss v.20 Output of the Survey Data (2015).

In the same way, using one sample t-test indicated in above table the estimate of true mean of institutional marketing supports score lies between 1.4745 - 1.6499 at 95% confidence level since calculated t-value =35.14 at 200 degree of freedom was greater than the critical value. Therefore, the population parameter estimate for mean was statistically significant at 99% confidence level and the institutional marketing supports were not considered satisfactory by MSE participants and the null hypothesis $H2_O$ was not supported and rejected. Furthermore, external marketing context was estimated as between 1.638 - 1.835 at 95% confidence level for mean rating score for its business favorableness where t-value is 34.63 at 200 degree of freedom. Henceforth it is right to conclude that in the study area the marketing environment was challenging for MSEs.

4.6.2 Pearson's Correlation Coefficient

The existing relationships amongst the variables have be seen using Pearson's correlation coefficients. A result from spss was also presented here under.

Variables		Market Orientation	Marketing capability	Institutional Marketing Supports	External Challenges and Opportunities	Business Performance
Table 13 Pearson Correlations						
Market Orientation	Pearson Correlation	1	.859**	.692**	.705**	.707**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	199	199	199	199	199
Marketing capability	Pearson Correlation	.859**	1	.764**	.703**	.637**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	199	201	201	201	201
Institutional Marketing Supports	Pearson Correlation	.692**	.764**	1	.634**	.575**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	199	201	201	201	201
External Challenges and Opportunities	Pearson Correlation	.705**	.703**	.634**	1	.669**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	199	201	201	201	201
Business Performance	Pearson Correlation	.707**	.637**	.575**	.669**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	199	201	201	201	201

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

Source: Spss v.20 Output of the Survey Data (2015).

From the above correlation matrix, we could see that the relationship between the internal marketing factors namely market orientation and marketing capabilities was strongest and positive from others. Its coefficient of correlation was 0.859 and it is statistically significant at 99% level of confidence. Concerning the relationships among both external and internal marketing factors; institutional marketing supports have strong positive relationship with market orientation (r =0.692) and marketing capabilities (r =0.764), and similarly external marketing context was also demonstrate strong positive relationship with market orientation (r =0.705) and marketing capabilities (r =0.703).

The relationship of business performance and each of the marketing factors was also positive and its coefficient of correlation (r) was 0.707 with market orientation, 0.669 with external marketing factors from environment, 0.637 with marketing capabilities of the MSE and 0.575 with

institutional marketing supports in descending order of the level of the strength of relationships. All the relationships were statistically significant at 99% level of confidence. These relationships clearly supported the data presented in cross-tabular information displayed above and not supported the assumptions put in the hypothesis H_{3O} and H_{4O}. Therefore, it possible to conclude the marketing factors has significant contribution to MSE performance and to deduce lacking any one of them could challenge the ventures and jeopardize their performance in market.

4.8 Summary of Findings, Discussions and Implications

4.8.1 Summary of Major Findings

Based on self-appraisal of the MSE participants involved in the survey, only 15.4% were well performing in their markets. But nearly 45% of the respondents reported that their firm was performing below average. The remains of respondents clarified that their venture was besieged to survive in nearly average performance as indicated by the mean performance score of the sample of 1.70 and standard deviation 0.72. The factors contributed for this low level of venture performance was mainly in-house marketing problem and considerably from the external marketing factors.

Internally firms were not market oriented. The sample mean market orientation score of the ventures in the survey was 1.739 with δ 0.824 depicts this. The MSEs in the study area were not customer/competitor focused and have low coordination in the enterprise for serving customer and or defending the competitor moves in their market territory. Surprisingly, in sub sectors like urban agriculture and manufacturing 100% and 78% firms involved in the investigation were poor in market orientation or not market oriented all together. Firms under service sub sector were better off in market orientation and only 15% of them lack market orientation. Similarly, their marketing capabilities position was also weaker. The cumulative capabilities score in market research, marketing strategies, marketing management and other marketing related capabilities was 1.687 in average with 0.834 standard deviation. Additionally, 55.2% of the MSEs were incapable of marketing their products. This figure was raised up 83% in manufacturing and 100% for MSEs in urban agriculture. This finding was supported by the findings of Abony (2003) SMEs are required to have maintain significant capabilities in different areas ranging over the industry value chain including production design, distribution, branding, and marketing to effectively participate in the market as cited in Kazimato (2014). However,

70.6% of the respondents in the survey reported that they had not evaluated their firm's marketing capabilities yet. Those who have assessed their competency in marketing used to evaluate their marketing practices most often informally and their level of review was not detail and comprehensive. It is a kind of freely riding in the marketplace.

Among the marketing supports that augment the above weaknesses of the ventures, training in marketing, market information provision and market development services were the only supports for which the feedback from the respondents was positive. But in the cases of product placement and distribution, product pricing and costing, and availing favorably located premises were poorly rendered as rated by the respondents. The overall support services in marketing given by stakeholders, mainly the government, were not considered adequate. About 51.2% of the respondents acclaimed the inadequacy of the supports and only 7.5% of them reported that they obtained satisfactory provisions in their business. Moreover, in sub sectors like urban agriculture 0% of MSE participants in the survey given satisfaction feedback on the marketing supports. Though Osinde, et al., (2013) posited government should take leading role by providing an enabling environment for MSEs market operations to bring an improvement in sales growth and market shares.

Figuring out the external marketing environmental factors posing either threats or best opportunities to the ventures; demand and/or market size, state of competition, and government regulation were rated fairly positive by the respondents. Which means the aforementioned factors could have either positive impact or minimal or no negative influence on business. The serious problem in the marketing problem in the external environment considered by the respondents was the poor infrastructure base of the zone followed by locational disadvantages and related input supply problem. The overall cumulative environmental factors influence was considered negative by 42% of the respondents and only 15% of the respondents were replied that their enterprise was auspicious and favored by the environment. This finding also supports the empirical evidence of Sheth (2011) that inadequate infrastructure; market heterogeneity, chronic shortage of resources, unbranded competitions, and etc. pose threats on MSE marketing.

It was seen that there are perplexed strong positive connections among the internal and external marketing factors. For instance, ventures that lacked market orientation were also weaker in their marketing competencies. About 96% of the ventures under low market orientation were reported

their incapability in marketing in their survey response. This is also supported by Pearson's coefficient of correlation (r) 0.859 for the relationship between market orientation and marketing capabilities. Among the MSEs obtained satisfactory marketing supports 73.3% enterprises exhibited market oriented practices in their business and all of them improved or fully equipped with necessary marketing competencies. The coefficients of correlation of institutional marketing supports of 0.692 & 0.764 clearly depict these associations with market orientation and marketing capabilities respectively. Under favorable business environment all MSEs exhibited market oriented behaviors in their business undertakings and almost 99% of the responses showed that firms operating in favorable market conditions possessed adequate marketing capacities. This obvious link among the variables could be seen by looking at Pearson's correlation of 0.705 & 0.703 of market environment influence with market orientation and marketing competencies.

Lastly, it was seen that all of the variables have significant contribution for the performance and growth of MSEs. Market orientation was the first determinant of the performance. The result of the survey showed that 98% of market oriented firms excellently performed in their business. When we looked at the responses 96% of MSEs having well capability in marketing was also exhibited excellent performance. Similarly, 68% ventures contracted favorable marketing environment and 60% of MSEs obtained satisfactory support in marketing were also has exhibited best performance in their business undertakings. These all associations of business performance with each of the independent variables could be seen statistically significant Pearson correlation 0.707 for market orientation, 0.669 for favorable market environment, 0.637 for marketing capability and 0.575 for institutional marketing supports in descending order of relative strength.

4.8.2 Discussion on Results

MSEs still contribute for the economic participation of people who have little skills, low educational status and few job opportunities. This was also the case in the survey area and from the respondents more than 87% were either TEVET graduates or below in their educational status and their response on the item for having prior income generating job before joining MSE or not indicated that 78% of them do not have prior job. Including those who had previous income generating jobs were turned to rely only on their MSE income and the figure 97.5%

shows the proportion of the respondents who sustain their lives and family based on the venture created income only. Moreover, 51% of the respondents were also reacted positively for lack of other job opportunities from the motivating factors to engage in MSE business. Thus identifying their market challenges and devising mechanisms of alleviating these factors has economic benefits and it was inclusion of the society at large.

The root of all problems was mainly perspective difference in the firms depending on their size. Small firms need Market Orientation as large firms do but MSEs were lack this marketing related behavior. They have been created little intelligence on the market territory they are serving. The limited information obtained by their weak intelligence was not transmitted to all internal stakeholders of the business. Their responsiveness for that little information also lags behind or surrounds the medium level (Banterle, et al., 2008). Similarly, in this survey the result indicated significant proportion of firms that do not exhibited market oriented behavior which approached 1:1 for those who exhibited more or less. The result for this is not the size related budget and resource limitations only, but also their perspective was guided by the selling concept to deliver their products for already established markets as posited by Banterle, et al., (2008).

However, their business performance was largely influenced by this crucial internal factor. The correlation between market orientation and performance (0.707) shows this relationship clearly. But this is not extraordinary since market oriented behavior influence inter functional coordination in the underlying marketing concept other than selling concept as evidenced in earlier empirical studies such as Mahmoud (2011). According to Jawroski and Kohli (1993), Narver and Slater (1990) market orientation brings improvements in capabilities, competencies and practices internal marketing of the firm as well as the devotion to allocate firm resources on marketing activities of the firm. This could be justified as market orientation has coefficient of correlation 0.859 for the relationship with marketing capabilities in the survey. This shows market orientation precedes possession of marketing capabilities and it is the foundation that has to be laid in MSEs. Ultimately, the capabilities in marketing manifested themselves on both financial and market performances (coefficient of correlation 0.637) this is also in tandem with the findings of the study of Opeda, Jaiyeoba and Donatus (2011).

The institutional marketing supports were not enough to bring such behavioral orientation and capabilities in first instance. Secondly, they are not directed to solve the marketing problems they

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are bump into. Most often, the supports were always transactional connections and they concentrate on giving fish but not on the ways of catching those fish by own. However, the common adage "attitude leads deeds" works here also. The marketing supports given to them should be redirected to the caliber and actions in marketing function in MSEs. If the perspective and marketing caliber of the ventures improved, it would turn out to marketing capability by default as we have seen the relationships. With no doubt those capable enterprises withstand any of the challenges emanating from the environment and/or able to make use of the opportunities. But the survey results showed that the in adequacy of the supports was reflected in the level of market orientation, marketing capabilities and venture performance. Moreover, the external marketing environment has so many challenges and opportunities which MSEs couldn't make use of.

4.8.3 Implications of the Study

In general, participants and promoters of the MSE sector could infer the importance of marketing as the business function and as the basic guiding principle either to establish or support the ventures from scratch. More specifically, operators that engage in MSE business must start their business from marketing philosophy and concentrate on the marketing plan portion of their business plan. Concentrating on the marketing function builds the business on the foundation of market orientation. In order to perform well in the market place market oriented business practices were seen as the source of marketing capabilities and building block through experience and duration in operation that could create competitive advantage for the firm. When such capabilities were established in reliable foundations the firms develop stamina and strength to the shocks from environment and make use of every opportunity that comes in front of them.

The supports that were provided to the ventures were not only inadequate but did not consider the real need of them. Supports that do not create market oriented behavior couldn't make venture members to ask their marketing capabilities level. Mere sales transaction processing supports provided based on the government expenditure modalities to MSEs could increase dependency syndrome on the venture and make them loving help from the cradle to the grave. On the other hand in the words of Thanh, Oum and Narjoko (2010) capacity building is an essential measure to strengthen SMEs' managerial skills and capability. Training in modern

management systems, or on (simple) information and communication technologies would help SMEs in strengthening marketing capabilities.

Cant and Wiid (2013) put the challenges and issues negatively influencing the success of enterprises as particularly related to marketing whether they are exogenous macro or endogenous environmental factors. The environmental challenges identified here in this investigation lie in the infrastructure position of the study area. In one hand, input supply from distant sources increase the transportation cost, risk and lead time of the inputs. On the other hand, transporting to profitable markets was very challenging and inaccessible. Electricity, water and sanitary services were also challenging and build up the environmental challenges of MSEs in the study area that is why poor rating of arranging favorably located premises from the marketing support part and still tempting the administrative units in contrast to the rhetoric of supporting the sector.

Thus the benefits of making the environment encouraging were beyond the support in the perspective of MSE development. The improvement of the overall business and investment environment is much more effective for supporting the longer-term development of SMEs than financial and fiscal incentives, which could create distortions in resource allocation. Improving infrastructure such as transportation networks and logistic systems, and expanding the capacity and coverage of public utilities were required here as indicated in other studies conducted in developing countries (Thanh, Oum and Narjoko , 2010).

Though the limitations of semi-exploratory nature of this study in the assessment of marketing challenges of new MSE ventures, it illuminated the need of detail investigation of all the variables and the magnitude of influence each of the factors on venture performance. Concerning the external environmental marketing factors associations with internal marketing factors conduciveness of the environment has stronger positive relationship than the focused marketing supports to the MSEs. In addition, the relative influence of market environment was also higher in business performance than the supports that deemed to bring MSE marketing effectiveness. To see locational disparity or conformance of the study replicating similar studies makes sense. Likewise, sub-sector analysis showed that all the marketing factors were not conducive to urban agriculture though agriculture is the tradition and basis of livelihood of the people in the study area. What contributed to this was left unidentified in this study.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 Conclusion

It has been witnessed and no one can deny the fact that MSEs large contribution for employment generating and creating new personal income of including those who were disadvantaged in economic participation in a country. This has also been seen in this survey in the study area, Dawro zone, where unemployed people could have added employments and base their lives from the income generated from it. Nevertheless, the ventures were circumscribed with different problems from both internal and external directions to meet these and other economic ends. The multi-faceted teething troubles involve in turn structural and functional deficiencies as marketing related problems.

Depending on its impact on the venture performance, marketing challenge was considered the gravest among other structural and functional problems of the ventures. The marketing challenges that were seen in this study are market orientation and marketing capabilities from the inside enterprise; and institutional marketing supports and environmental marketing challenges and opportunities from outside marketing environment. In the meantime, the findings of the study disclosed all of the factors and the impacts of these factors found to have material influence on each other and the venture performance.

In first instance, internal marketing factors of the enterprises both market orientation and marketing capabilities have greater significance for firm performance. But the marketing practices of the venture found to be not considering this fact and fall short of exhibiting these indispensable qualities and hence challenged in marketing their products and services. The internal marketing practice of the enterprises was not deliberate or arbitrary in fashion and results. That means the sprouts of poor market orientation manifested themselves on weaker reactions or scattered marketing practices on the market place as a result of weak in marketing capabilities.

This is not only the case, but the delicate MSE ventures severely tempted from the environment by pushing them aside from having neither market oriented practices nor the capabilities to implement such perspective adequately. Mainly market infrastructure base of the study area has

a sizeable influence for this. It was so poor and responsible for other challenges that emanates from it. For instance, it was identified as greater transportation cost for both inputs and outputs of the enterprises, market inaccessibility, input supply problems, and other related locational disadvantages were adversely affected the enterprises though there was promising opportunities in the part of demand and market size.

Above all the marketing supports provided to solve both internal marketing limitations of the enterprises and external environmental challenges were inadequate in amount as well as poor in quality. As a result it couldn't solve the challenges in marketing for ventures. In crude terms, the marketing supports were inefficient and ineffective either to break the intricate web of influences of internal marketing deficiencies and external adverse restraints or could be seen in both marketing practices and performance.

However, this study exposed marketing characteristics of successful enterprises from the experience of those that accomplished excellently in their venture financial and market performance as key success factors. Such ventures that internally exhibited market oriented business behavior and practices and acquired necessary marketing capabilities, and/or operated in encouraging environmental situations, and obtained adequate institutional marketing supports were succeeded in their performance.

5.2 Recommendation

Marketing could be seen as the basic theme for firms undertaking business as it has been said so many times. In this survey it should also be considered beyond that because the spill-overs of failure in it affect all other business functions and successes in it cover the limitations of the same. Likewise, Banterle, et al., (2008) reinforced this notion by contending the strategic role of marketing activities as market oriented and innovative firms have the capacity to understand their customer needs and strategically responding to them. Based on the findings and implications of this investigation, it was advisable to all the partners in MSE sector including the MSE participants to consider the need of marketing and market orientation for their business from the scratch start-up and establishment of the venture. Market orientation is the basement for other marketing capabilities and competencies that enables firms to sustain competing and performing in any of the circumstances.

For operators, people engaged in MSE business, it was advised and encouraged to periodically evaluate again and again their marketing weaknesses in terms of market orientation and capability parameters. Each evaluation phase could provide the limitations and gaps to be filled and hence through time they could develop a culture of up-dating themselves from the benefits experiencing market orientation since change occurs everywhere. This was also posited by Mahmoud (2011) that it is in MSE sector that firms need to be more customer focus, monitor competitive trends, and respond appropriately to market intelligence in order to survive given their financial, technical and other constraints.

Moreover types of support that ought to be sought from other partners base these evaluations and have the ability to create internal strength of the venture which is rather real need of the support than the cooked cake version of transactional facilitation. Similarly, promoters of the sector must also support these mentioned moves of the enterprises. Besides, it still requires attitudinal changes and paradigm shifts in the support process. Extensive training might be the prerequisite to bring marketing perspective changes in MSE business. Secondly, creating conducive business environment in general and infrastructural facilitation specifically has also a paramount advantage of encouraging the enterprise as it has been seen in the survey. Finally, the overall marketing support scheme consider and base the need assessment of enterprises in the marketing support and be redirected in order to address real marketing gap of the enterprises.

Having realized the importance of marketing practices, Vasanth, Mousumi and Kirshina (2012) prescribed creating new innovative marketing strategies to adapt with their challenges. Such new marketing instruments as utilizing internet platform like Facebook, mobile applications to be attached with customers and CRM as plausible solutions from those listed by Jay (2013).

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Appendices

1. Questionnaire

Dear respondent, this questionnaire is designed to gather pertinent data that will be used to conduct academic research on the topic "An Assessment of Marketing Challenges of New Ventures: A Study on Micro and Small Scale Enterprises (MSEs) in Dawro Zone. Your cooperation in providing genuine answers for the questions that follow is highly important for the success of this study. Your responses will be kept confidential. It will be used only for academic purpose.

Thank you for your cooperation in advance!

I Basic Demographic Information

1. About the Respondent (Put "√" in your choice of response in the table.)

1.1 Age:

18-35 years	35-50 years	50 - 64years	Above 64 years

1.2 Gender

Male	Female

1.3 Marital Status

Not in Engagement	Married

1.4 Educational Level:

Does not read and write	Read and write	Elementary School	Secondary School	TVET graduate	College diploma	First degree and above

1.5 Position in the Enterprise

Chair Person	V.Chair Person	Auditor	Cashier	Member only

1.6 Did you have an employment before you join/start this business?

Yes	No

1.7 What factor(s) motivated you to start your own business in the form of enterprise? (Multiple answers are possible and circle your choice)

No	Factors	Responses Yes	Responses No	Remark
1	Lack of employment opportunity to be employed			
2	Disagreement with the previous employer			
3	Disappointing work environment in the previous work place			
4	Conflict with family			
5	By looking others as a role model			
6	Internal desire to be self employed			
7	Favorable environmental factors such as support provided by the kebele administration			

1.8 Do you have any other job other than this business currently?

Yes	No

2. About the Enterprise (Put "√" in response that qualifies your enterprise in the table.)

2.1 Size of your business:

Micro		Small	

2.2 Business Category

Manufacturing	Construction	Urban Agri.	Service	Retail

2.3 Number of Founding Members _____

2.4 Number of Years in Operation _____

2.5 Start-Up Capital (in ETB) _____

II. Basic Business Information

1. **Market Orientation of MSEs**: (Put "√" in one of responses about your opinion in your business; 5 = Strongly Agree, 4= Agree, 3= Neutral, 2= Disagree and 1= Strongly Disagree as indicated in the table.)

1.1 Market Intelligence Creation

Item	Item Description In Our Enterprise;	Response Set 5	4	3	2	1	Remark
1.1.1	Our business objectives are driven by customer satisfaction.						
1.1.2	we meet with customers at least once a year to find out what products or services they will need in the future						
1.1.3	We poll end users at least once a year to assess the quality of our products and services.						
1.1.4	We generate intelligence on our competitors independently by own.						
1.1.5	We periodically review the likely effect of changes in our business environment (e.g., regulation) on customers						
1.1.6	We are slow to detect changes in our customers' product preferences.						

1.2 Market Intelligence Dissemination

Item	Item Description In Our Enterprise;	Response Set 5	4	3	2	1	Remark
1.2.1	Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.						
1.2.2	A lot of " informal talks" in this business unit concerns our competitors' tactics or strategies						
1.2.3	When something important happens to a major customer of market, the whole business unit knows about it within a short period						
1.2.4	We have formal enterprise meetings at least once a month to discuss market trends and developments.						

1.3 Intelligence Responsiveness

Item	Item Description In Our Enterprise;	Response Set 5	4	3	2	1	Remark
1.3.1	We periodically review our product development efforts to ensure that they are in line with what customers want						
1.3.2	When we find that customers would like us to modify a product of service, the departments involved make concerted efforts to do so.						
1.3.3	When we find out that customers are unhappy with the quality of our service, we take corrective action immediately.						
1.3.4	We are quick to respond to significant changes in our competitors' pricing structures and other competitive actions that threaten us						
1.3.5	Several departments get together periodically to plan a response to changes taking place in our business environment						

1.4 How does your firm obtain new market information? And how all members (owners and employees) react to that specific information? _____

_____

_____.

2. Marketing Capabilities of the Firm

a. Please rate   marketing capabilities of your enterprise. (Put "√" in one of the responses about your rating the business you are involved in; 5 = Very Strong, 4= Strong, 3= Average, 2= Weak and 1= Very Weak in the table.)

Item	Item Description		Response Set					Remark
	Our Enterprise 's Capability in;		5	4	3	2	1	
2.1	**Market Research**	In obtaining customer needs						
		In obtaining competitor action						
		In obtaining general market information						
2.2	**Marketing Strategy**	Product Capability; Quality, Development						
		Price Capability; Costing , Competitive Pricing						
		Promotion Capability; ads, sales promotion, etc.						
		Placement Capability; availability, reach…						
2.3	**Marketing Management**	Planning						
		Implementation						
		Control						
		Evaluation						
2.4	**Other Capabilities**	Competitiveness						
		After Sales Service						
		Responsiveness						
		Customer Relationship Management						
		Marketing Resources, Skills, Knowledge						

b. Had you evaluated your marketing capabilities ever? Yes_____ No_____

c. If your answer for the above question (b) is "Yes", how you used to improve your weaknesses and capability deficiencies? _____

_____.

3. Marketing Supports

a. Please provide your opinion about the marketing supports on the following parameters and issues as Excellent (5), Good (4), Satisfactory (3), Below Satisfactory (2) and Non-existent (1) by putting "√" depending on your experience.

Item	Item Description	Response Set					Remark
	Our Enterprise/its members obtained supports in;	5	4	3	2	1	
3.1	Marketing Training						
3.2	Market Development Support						
3.3	Advertising/Promoting Products/Services						
3.4	Pricing and Costing products/services						
3.5	product / service placement or distribution						
3.6	Products and services quality improvement and branding						
3.7	Market Information Provision market research support						
3.8	Facilitation of Market Linkage , Events and Exhibitions						
3.9	Favorably Located Premise Grant and Market Infrastructure Support						

b. How do you prefer to be supported in marketing your enterprise's product or service?

_____

_____

_____.

4. **External Marketing challenges and opportunities**

a. Please provide your opinion about the following marketing challenges and opportunities depending on their impact on your firm as by putting "√" Strong Positive Influence (5), Moderate Positive Influence (4), No Influence (3), Moderate Negative Influence (2), and Strong Negative Influence (1) depending on your business experience.

Item	Item Description	Response Set					Remark
	The influence of the factor to our business enterprise was;	5	4	3	2	1	
4.1	Demand and Market Size						
4.2	State of Competition						
4.3	Marketing Infrastructure Base						
4.4	Location						
4.5	Input Supply						
4.6	Government Regulations						

b. What do you feel about the marketing challenges that your enterprise faced during start up? _____

_____.

c. List market and marketing challenges you faced when you just started your business and that are still unsolved and your enterprise was suffering from.

_____

_____.

5. **Business Performance**

a. Please rate your business performance and growth based on the following parameters Excellent (5), Satisfactory (4), Normal (3), poor (2) and Very Bad (1) by putting "√" depending on your current position.

Item	Item Description	Response Set					Remark
	Our Enterprise/its members obtained supports in;	5	4	3	2	1	
5.1	Sales Volume						
5.2	Cash Flow						
5.3	Profitability						
5.4	Customer Base						
5.5	Market Share						

b. Your enterprise's current position

1. Size of your business now: (Put "√" in response that qualifies your enterprise in the table.)

Micro	Small	Medium	Large

2. Number of Existing Members M___F___T___ Current Employment M___ F ___ T___

2. Amharic Version Questionnaire

የመረጃ ማሰባሰቢያ ቅፅ

የተከበራችሁ መላሾች ይህ የመረጃ ማሰባሰቢያ ቃለ መጠይቅ የተዘጋጀው በዳውሮ ዞን ባሉ የጥቃቅንና አነስተኛ ኢንተርፕራይዞች የገበያ ችግሮች ዳሰሳ ጥናት ለማድረግ እንዲያስችል ነው፡፡ የጥናቱ ዓላማ የመመረቂያ ጽሑፍ ለማዘጋጀት ሲሆን በአነ ሸመልስ ታምራት በጅማ ዩኒቨርሲቲ ቢቢዝነስ አድሚኒስትሬሽን የ2ኛ ድግሪ (MBA) ተማሪ ነው፡፡ ጥናቱን ውጤታማ ለማድረግ እያንዳንዱ መላሽ የሚያደርገው ትብብር ከሁሉም የላቀ የወሳኝነት ድርሻ ስላለው የእርስዎን እውነተኛና ትክክለኛ ምላሽ እንጠብቃለን፡፡ የሚሥጠትም መረጃ/ምላሽ ሚስጢራዊነቱ የተጠበቀና ለጥናቱ አገልግሎት ብቻ የሚውል ነው፡፡ በመሆኑም የእርስዎን የሆነውን የግል ምላሽ የሚጠይቁቶትን መጠይቆች በባዶ ቦታዎች የእርስዎን አስተያየት በመስጠት እንዲሁም አማራጭ መልሶች ያሏቸውን መጠይቆች "√" ምልክት በማድረግ የግልዎንና የኢንተርፕራይዝዎን ሁኔታ በማየት ተገቢነት አለው ብለው የሚያምኑበትን ምላሽዎን ያስቀምጡበታል፡፡

ለትብብርዎ በቅድሚያ ምስጋናዬን አቀርባለሁ!

ሀ. አጠቃላይ መረጃ
1. የመላሽ መሠረታዊ መረጃ

1.1 ዕድሜ (በ"√" ምልክት ምላሽዎን ይስጡ)

18-35 ዓመት	35-50 ዓመት	50-64 ዓመት	ከ64 ዓመት በላይ

1.2 ፆታ

ወንድ	ሴት

1.3 የጋብቻ ሁኔታ

ለጊዜው የጋብቻ ትስስር የሌለው/የሌላት	ያገባ/ች

1.4 የትምህርት ደረጃ

መፃፍና ማንበብ የማይችል	መፃፍና ማንበብ የሚችል	የመጀመሪያ ደረጃ ት/ያጠናቀቀ	የ2 ደረጃ ት/ያጠናቀቀ	የቴ/ሙ/ያ ትም/	ኮሌጅ ድፕሎማ	የመጀመሪያ ድግሪና በላይ

1.5 በጥቃቅንና አነስተኛ ኢንተርፕረይዙ ያላቸው የሥራ ድርሻ

ሊቀመንበር	ም/ሊቀመንበር	አድተር	ገ/ያዥ	አባል

1.6 በማህበሩ ከመደራጀትዎ በፊት ገቢ ማስገኛ ሥራ አለዎት?

አለኝ	የለኝም

1.7 በጥቃቅንና አነስተኛ ተደራጅተው አዲስ የንግድ ሥራ እንዲጀምሩ ምን አነሳሳዎት? ከአንድ በላይ አማራጮች ይቻላል፡፡
(በሠንጠረዡ ውስጥ በ"√" ምልክት ምላሽዎን ይስጡ)

ተ.ቁ	ምክንያቶች	ምላሽ		ምርመራ
		አዎ	አይደለም	
1	ሌላ የሥራ አማራጭ በማጣት			
2	ከቀድሞ አሰሪዬ ጋር ባለመስማማቴ			
3	በመጀመሪያ የሥራ ቦታ የሥራ አከባቢ ያለመመቸቸት			
4	ከቤተሰብ ጋር ባለመግባባት			
5	ሌሎች ጥቃቅንና አነስተኛ ላይ የተደራጁትን በማየቴ			
6	በራሴ ውስጣዊ ፍላጎት የግሌን ሥራ ለመፍጠር			★
7	ለመደራጀት ምቹ ሁኔታ ስላለና ከአከባቢው መንግስት ድጋፍ ስላገኘሁ			★

1.8 አሁን ከማህበሩ ሥራ ውጪ ሌላ ተጨማሪ ገቢ ማስገኛ የራስዎ የግል ሥራ አለዎት?

አለኝ	የለኝም

2. ድርጅቱን በሚመለከት አጠቃላይ መረጃዎች (በ"√" ምልክት ምላሽዎን ይስጡ)

2.1 የኢንተርፕራይዙ መጠን

ጥቃቅን	አነስተኛ

2.2 የንግዱ ዘርፍ

ማኑፋክቸሪንግ	ግንባታ	የከተማ ግብርና	አገልግሎት	ንግድ

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2.3 የመሥራች አባላት ብዛት_____

2.4 በሥራው የቆዩበት ዓመታት ብዛት _____

2.5 የሥራው መነሻ ካፒታል_____

ለ/. የኢንተርፕራይዙ የግብይት ሁኔታን በሚመለከት
1. ገበያን በመረዳት በገበያ መመራትን በሚመለከት
ምላሾዎን (በ"√" ምልክት ምላሾዎን ይስጡ፤ **5** በጣም እስማማለሁ፣ **4** እስማማለሁ፣ **3** ለመወሰን እቸገራለሁ፣ **2** አልስማማም እና **1** በጣም አልስማማም ናቸው::)
1.1 የገበያ ሁኔታ መረጃን መረዳት

መጠይቅ	የመጠይቁ ዝርዝር	ምላሾች					ምርመራ
	በኛ ኢንተርፕራይዝ	5	4	3	2	1	
1.1.1	የደንበኛ ፍላጎት እርካታ የኢንተርፕራይዛችን ዓላማ መነሻ ነው፤						
1.1.2	ከደንበኞቻችን ጋራ ቢያንስ በዓመት አንድ ጊዜ ወደፊት በሚፈልጉቸው ምርቶችና አገልግሎቶች ላይ እንወያያለን፤						
1.1.3	ቢያንስ በዓመት አንድ ጊዜ ደንበኞቻችን ስለምርቶቻችን ጥራት አስተያየት እንዲሰጡን እናደርጋለን፤						
1.1.4	ገበያ ተፎካካሪዎቻችንን መረጃ በራሳችን ብቻ ገምጋመን እናውቃለን፤						
1.1.5	የሥራ ቦታችን አጠቃላይ ሁኔታ እና ሊከሰቱ የሚችሉ ለውጦችንና እንዲሁም ውጤታቸውን እና በሥራችን የሚያስከትሉትን ጫና ቀድመን ተንብየን እናውቃለን፤						
1.1.6	የደንበኞቻችን ፍላጎት ለውጥ በማወቅ ረገድ ዘግምተኛ ነን፤							✶

1.2 በኢንተርፕራይዝ ደረጃ የተገኘውን መረጃ ለሁሉም ክፍሎች ማዳረስ

መጠይቅ	የመጠይቁ ዝርዝር	ምላሾች					ምርመራ
	በኛ ኢንተርፕራይዝ	5	4	3	2	1	
1.2.1	የደንበኞች የእርካታ ሁኔታ መረጃ በሁሉም የኢንተርፕራይዙ ክፍሎች ይታወቃል፤						
1.2.2	የሊሎች ተቋራኝ ምስት አቅራቢ ድርጅቶች ሁኔታንና የሚከተሉትን ሥልቶች በሚመለከት ተደጋጋሚ እና መደበኛ ያልሆኑ ውይይቶችን እናደርጋለን፤						
1.2.3	ድርጅቱን በሚጠቅሙ እና ዋና ዋና ደንበኞቻችን በሚመለከቱ ጉዳዮች በድርጅቱ ውስጥ ያሉ ሁሉ ወዲያውኑ እንዲያውቁት ይደረጋል፤						
1.2.4	የገበያ ሁኔታን፣ ለውጦችን እና ዕድልና ሥጋቶችን በሚመለከት መደበኛ ወርሃዊ ሰብሰባ አለን፤						

1.3 በተገኘው መረጃ መሠረት ተገቢውን የግብይት እንቅስቃሴ ማድረግን በሚመለከት፤

መጠይቅ	የመጠይቁ ዝርዝር	ምላሾች					ምርመራ
	በኛ ኢንተርፕራይዝ	5	4	3	2	1	
1.3.1	የኛ የምርት ከደንበኞች ፍላጎት ጋር አብሮ እያደገ/እየሄደ ስለመሆኑ ወቅታዊ ግምገማዎችን እናደርጋለን፤						
1.3.2	ደንበኞቻችን በምርቶቻችን/አገልግሎታችን ላይ ለውጥ ከፈለጉ ወዲያውኑ የተደራጀ ሥራ በመሥራት ምላሽ እንሰጣለን፤						
1.3.3	ደንበኞቻችን በምርቶቻችን/በአገልግሎቶችን ጥራት ደስተኞች ካልሆኑ በፋጣኝ ማስተካከያ እናደርጋለን፤						
1.3.4	የተፎካካሪዎቻችን ምርቶች ዋጋ ማስተካከያንና ሌሎች የኛን የገበያ ይዘታ የሚነዱ የውድድር ሁኔታዎችን ካየን ፈጣንና ተቢነት ያለውን ምላሽ እንሰጣለን፤						
1.3.5	የገበያ ሁኔታና ለውጦችን በመመልከት ሁሉም የድርጅቱ ክፍሎች ወቅቱን ጠብቀው የተደራጀ የምላሽ እርምጃ ዕቅድ ያዘጋጃሉ፤						

1.4 በኢንተርፕራይዛችሁ የገበያ መረጃ እንዴት ይገኛል? የተገኘውስ መረጃ እንዴት ጥቅም ላይ ይውላል? ያብራሩ:: _____

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2. የኢንተርፕራይዙ የግብይት/የመገበያያት ብቃትን በተመለከተ

2.1 የኢንተርፕራይዝዎን የግብይት ብቃት በሚከተለት መሥፈርቶች ይገምግሙ፡፡ (በ"√" ምልክት ምላሽዎን ይስጡ፤ 5 በጣም ጠንካራ፤ 4 ጠንካራ፤ 3 አማካይ፤ 2 ደካማ እና 1 በጣም ደካማ ናቸው፡፡)

መጠይቅ	የመጠይቁ ዝርዝር		ምላሾች					ምርመራ
	በኛ ኢንተርፕራይዝ		5	4	3	2	1	
2.1	የገበያ ጥናት በማድረግ	የደንበኞችን ፍላጎት መረጃ የማወቅ ደረጃ						
		የተፎካካሪዎችን እንቅስቃሴ ቀድሞ የመገንዘብ ሁኔታ						
		አጠቃላይ የገበያ መረጃን ማግኘት						
2.2	የኢንተርፕራይዙ ግብይት ሥልት	በምርት የመወዳደር ብቃት፤ ጥራት፤ አዲስ ምርት ለገበያ ማቅረብ፤						
		በዋጋ የመወዳደር ብቃት፤ በወጪ ስሌት እና ተፎካካሪ ዋጋ በማቅረብ						
		ምርትን የማስተዋወቅ ብቃት፤ ማስታወቂያዎችን በማሥራጨት ወዘተ						
		ምርትን በብቃት ማሥራጨት፤ ለደንበኞች ተደራሽነት እና አቅርቦት						
2.3	አጠቃላይ ግብይት ሥራ አመራር	የማቀድ ብቃት						
		ዕቅድን ተግባራዊ የማድረግ ብቃት						
		ሥራዎችን የመከታተልና የመቆጣጠር ብቃት						
		ውጤቱን የመገምገም ብቃት						
2.4	ሌሎች	የተፎካካሪነት ደረጃ						
		ከሽያጭ በኋላ አገልግሎት የመስጠት ዝንባሌ						
		ፈጣን ምላሽ የመስጠት ዝንባሌ						
		ከደንበኞች ጋር ያለው ቁርኝት						
		የግብይት ዕውቀት፤ ከህሎትና የሚያስፈልጉ ቅድም ሁኔታዎች ይዞታ						

2.2 የድርጅትዎን የግብይት አቅም ገምግመው ያውቃሉ? አዎ................. ገምግመን አናውቅም........................(በ"√" ምልክት ምላሽዎን ይስጡ)

2.3 ከላይ ለተጠየቀው መጠይቅ ምላሽዎ "አዎ" ከሆነ ያለብዎትን ግብይት አቅም ውስንነትን ለማሻሻል ምን ዘዴ ይጠቀሙ ነበር?

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3. የግብይት ድጋፍ አገልግሎትን በተመለከተ

3.1 ኢንተርፕራይዞችን ለባብቃት ከመንግስት እየተገኘ ባለው የገበያ እና ግብይት ድጋፍ አገልግሎት ላይ ያለዎትን አስተያየት በሚከተለው ሠንጠረዥ ላይ ባሉ መጠይቆች አንፃር ይግለጹ፡፡ (በ"√" ምልክት ምላሽዎን ይስጡ፤ ምላሾቹ 5 በጣም ጥሩ፤ 4 ጥሩ፤ 3 በቂ፤ 2 ከበቂ በታች እና 1 የለም ናቸው፡፡)

መጠይቅ	የመጠይቁ ዝርዝር		ምላሾች					ምርመራ
	በኛ ኢንተርፕራይዝ		5	4	3	2	1	
3.1	የግብይት ክህሎት ሥልጠና							
3.2	የገበያ ልማት ድጋፍ							
3.3	ምርት/አገልግሎት የማስተዋወቅ ድጋፍ							
3.4	ዋጋ የማውጣት እና የምርት ወጪ ስሌት ድጋፍ							
3.5	ምርት ወደ ገበያ የማውጣት/የሥርጭት ድጋፍ							
3.6	የምርት/አገልግሎት ጥራት ማሻሻያና መለያ በማዘጋጀት ረገድ የሚሠጡ ድጋፎች							
3.7	የገበያ መረጃ አገልግሎት							
3.8	የገበያ ትስስር፤ የንግድ ባዛሮችንና ግብይት ምቹ ኩነቶችን ማመቻቸት							
3.9	በምቹ አከባቢዎች የመሸጫ ቦታ አቅርቦትና ሌሎች የግብይት መሠረተ ልማቶችን ማመቻቸት							

3.2 የገበያና የግብይት ድጋፍ በመንግስት በቂል ሲመቻች ምን ዓይነትና እንዴት አገልግሎቱ ቢቀርብ ለኢንተርፕራይዞች ውጤታማነት ያግዛል ይላሉ? _____

_____

4. የኢንተርኘራይዞች ውጫዊ የግብይት ተፅዕኖዎች

4.1 ከዚህ በታች በሠንጠረዡ በተመለከቱ መጠይቆች መሠረት የግብይት ተግዳሮቶች /አስቸጋር ሁኔታዎች/ እና መልካም ዕድሎችን በኢንተርኘራይዞችህ በሚያስከትሉት ጫና መሠረት አስተያየትዎን ይግለፁ፡፡ (በ"√" ምልክት ምላሽዎን ይስጡ፤ ምላሾቹ **5 በጣም ጥሩ ዕድል ፤ 4 ጥሩ ዕድል፤ 3 ምንም ተፅዕኖ የለውም፤ 2 መጥፎ ተፅዕኖ እና 1 በጣም መጥፎ ተፅዕኖ** ናቸው፡፡)

መጠይቅ	የመጠይቁ ዝርዝር			ምላሾች			ምርመራ
	ተፅዕኖ የሚያስከትሉ ሁኔታዎች	5	4	3	2	1	
4.1	የገበያው ምርቶችን የመገዛት ፍላጎትና የገበያው መጠን/ስፋት						
4.2	የገበያው ውድድር ሁኔታ/ጥንካሬው						
4.3	የግብይት መሠረተ ልማት ይዘታ						
4.4	የሥራው ቦታ አመቺነት						
4.5	የጥሬ ዕቃ አቅርቦት						
4.6	በሥራ ላይ የዋሉ የግብይትና መሠል ሕጎች						

4.2 ኢንተርኘራይዝዎ ሥራውን በጀመረበት የመጀመሪያዎቹ ወቅት ያጋጠሙአችሁን የግብይት ችግሮች እንዴት ይገልፁአቸዋል?

_____
_____

4.3 ኢንተርኘራይዝዎ ሥራውን በጀመረበት የመጀመሪያዎቹ ወቅት ምን ምን ዓይነት የግብይት ችግሮች አጋጠሙአችሁ?

_____
_____

4.4 ከእነዚህ ውስጥ እስካሁን ያልተፈቱ ችግሮች የትኞቹ ናቸው?

_____
_____

5. የኢንተርኘራይዝዎ አፈፃፀም በተመለከት

5.1 የንግድ ድርጅትዎን አፈፃፀም እና ዕድገት በተመለከት ያለዎትን አስተያየት በሠንጠረዡ ላይ በተመለከቱ መጠይቆች መሠረት ምላሽዎን ያስፍሩ፡፡(በ"√" ምልክት ምላሽዎን ይስጡ፤ ምላሾቹ **5 በጣም ጥሩ ፤ 4 ጥሩ፤ 3 በቂ/መጠነኛ 2 ደካማ እና 1 በጣም መጥፎ** ናቸው፡፡)

መጠይቅ	የመጠይቁ ዝርዝር			ምላሾች			ምርመራ
	የኛ ውጤታማነት/ዕድገት	5	4	3	2	1	
5.1.1	በዓመታዊ ሽያጭ መጠን						
5.1.2	በጥሬ ገንዘብ ፍሰት						
5.1.3	በትርፋማነት						
5.1.4	በደንበኞች ብዛት እና ጥራት						
5.1.5	በገበያ ይዘታ						

5.2 የኢንተርኘራይዝዎ ወቅታዊ ደረጃ
5.2.1 የድርጅቱን መጠን በ"√" ምልክት ያሳዩ

ጥቃቅን	አነስተኛ	መካከለኛ	ከፍተኛ

5.2.2 አሁን ያሉት አባላት /የሀብት ድርሻ ያላቸው ወይም ባለቤት የሚባሉት አባላት/ ብዛት ወ............... ሴ................. ድ............

ተቀጣሪ ሠራተኞች ብዛት ወ............ ሴ........... ድ..........

3. Cronbach's α on each Variable Measuring Items for Reliability Test

Total Reliability Statistics	
Cronbach's Alpha	N of Items
.812	73

Item No	Description	Cronbach's Alpha
	1.Market Orientation	
1.1.1	Our business objectives are driven by customer satisfaction.	.808
1.1.2	we meet with customers at least once a year to find out what products or services they will need in the future	.804
1.1.3	We poll end users at least once a year to assess the quality of our products and services.	.816
1.1.4	We generate intelligence on our competitors independently by own.	.823
1.1.5	We periodically review the likely effect of changes in our business environment (e.g., regulation) on customers	.807
1.1.6	We are slow to detect changes in our customers' product preferences.	.803
1.2.1	Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.	.820
1.2.2	A lot of " informal talks" in this business unit concerns our competitors' tactics or strategies	.805
1.2.3	When something important happens to a major customer of market, the whole business unit knows about it within a short period	.812
1.2.4	We have formal enterprise meetings at least once a month to discuss market trends and developments.	.808
1.3.1	We periodically review our product development efforts to ensure that they are in line with what customers want	.808
1.3.2	When we find that customers would like us to modify a product of service, the departments involved make concerted efforts to do so.	.822
1.3.3	When we find out that customers are unhappy with the quality of our service, we take corrective action immediately.	.810
1.3.4	We are quick to respond to significant changes in our competitors' pricing structures and other competitive actions that threaten us	.813
1.3.5	Several departments get together periodically to plan a response to changes taking place in our business environment	.808
	2.Marketing Capabilities	
2.1.1	Marketing research capability in obtaining customer needs	.812
2.1.2	Marketing research capability in obtaining competitor action	.812
2.1.3	Marketing research capability in obtaining general market information	.811
2.2.1	Marketing strategy capability in product capability; quality, development	.812
2.2.2	Marketing strategy capability in price capability; costing , competitive pricing	.812
2.2.3	Marketing strategy capability in promotion capability; ads, sales promotion, etc.	.823
2.2.4	Marketing strategy capability in placement capability; availability, reach…	.812
2.3.1	Marketing management capability in planning	.810
2.3.2	Marketing management capability in plan implementation	.809
2.3.3	Marketing management capability in control	.818
2.3.4	Marketing management capability in evaluation	.806
2.4.1	Other marketing capability in competitiveness	.810
2.4.2	Other marketing capability in after sales service	.812
2.4.3	Other marketing capability in responsiveness	.814
2.4.4	Other marketing capability in customer relationship management	.823

2.4.5	Marketing resources, skills, knowledge	.809
3.Marketing supports		
3.1	supports in Marketing Training	.805
3.2	supports in Market Development Support	.806
3.3	supports in Advertising/Promoting Products/Services	.799
3.4	supports in Pricing and Costing products/services	.799
3.5	supports in product / service placement or distribution	.804
3.6	supports in Products and services quality improvement and branding	.814
3.7	supports in Market Information Provision market research support	.814
3.8	supports in Facilitation of Market Linkage , Events and Exhibitions	.806
3.9	supports in Favorably Located Premise Grant and Market Infrastructure Support	.804
4. External Marketing Environment Factors influence		
4.1	The influence of demand and market size to our business enterprise	.798
4.2	The influence of state of competition to our business enterprise	.804
4.3	The influence of marketing infrastructure to our business enterprise	.798
4.4	The influence of location to our business enterprise	.801
4.5	The influence of input supply to our business enterprise	.798
4.6	The influence of government regulations to our business enterprise	.806
5.Business Performance		
5.1	Sales Volume	.807
5.2	Cash Flow	.803
5.3	Profitability	.802
5.4	Customer Base	.802
5.5	Market Share	.806

4 Interview Schedule for Key Informants

1. What do you feel about the general marketing environment in which MSEs operate in your woreda/zone? _____

2. What are the marketing supports you have been providing to the MSEs? _____
_____

3. On what basis and how such supports were being supplied to enterprises?
_____

4. Did you have an assessment of the marketing support needs of enterprises in your local administrative boundary? _____

5. If so, list the requested support needs.
_____

6. What is the top most preferred marketing support by MSEs and why? _____
_____
_____

7. What is the least preferred marketing support by enterprises and why? _____

8. How has MSEs market orientation been rated in your jurisdiction? _____

9. Do MSEs in your woreda oriented to market and customer? _____ Justify your response- How and Why not? _____

10. What are the marketing capability deficiencies MSEs suffering from? _____

11. external marketing impediments that hinder performance and growth of MSEs you encountered? _____

12. Do their support requests and their capability gaps and external obstacles relate? Explain
_____

13. Do you feel that the marketing supports provided by your office;
    a. Created market orientation in MSEs? _____
       If "yes", how? _____ If "No", Why Not? _____
    b. Augmented marketing capability deficiencies of MSEs? _____
       If "yes", how? _____ If "No", Why Not? _____
    c. Helped MSEs in overcoming external marketing challenges? _____
       If "yes", how? _____ If "No", Why Not? _____

14. In your woreda, "the way marketing activities performed by MSEs determine their performance and success." Do you agree to this proposition? _____

15. If you agree to the proposition in item 14, what specific qualities of MSE in relation to marketing that distinguish successful ventures from failing? List them. _____

16. What should be done to establish an entrepreneurial culture of market orientation in your woreda/zone? _____

17. How could marketing capability deficiencies be filled? _____

18. How could external marketing challenges of MSEs be tackled? _____ .