



**ASSESSMENT OF MARKETING PROBLEMS AND OPPORTUNITIES ON
DAIRY PRODUCTS (IN CASE OF GUBRE TOWN)**

**COLLEGE OF BUSINESS AND ECONOMICS
DEPARTEMENT OF MARKETING MANAGEMENT**

A RESEARCH PAPER SUBMITTED TO DEPARTEMENT OF MARKETING
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BACHELOR OF ARTS (BA) DEGREE IN MARKETING MANAGEMENT

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DECLARATION

I, the undersigned, declare that this is my own effort and has not been presented in any this university. All sources of materials used for this study have been duly acknowledged.

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CONFIRMATION

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BOARD OF EXAMINERS APPROVAL SHEET

This is to certify that this senior research paper prepared by Israel Ferdie entitled; "(Assessment of Marketing Problems and Opportunities on Dairy Products In Case of Gubre Town)" and Submitted in Partial Fulfillment of the Requirements for the Degree of Bachelor of Art in Marketing Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

Approved by Board of Examiner

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ABSTRACT

The word dairy refers milk based products, derivatives and processes, and the animals and workers involved in their production. A dairy farm produces milk and dairy factory processes it in to a variety of dairy products. The focus of this research is on the Assessment of Marketing Problems and Opportunities on Dairy Products In Case of Gubre town south nation nationality and people region of Ethiopia. In Gubre town there is great potential of dairy production because of the ample availability of labour force, water and large number of milking cows, but the numbers of cooperatives and milk collecting groups is few and they have low performance. The objective of this research is to address the fundamental factors affecting dairy products in Gubre town. The study has employed descriptive research approach. With regards to instrument for data collection ,the study is use combines of questionnaires and interview.

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LIST OF ACRONYMS

- FAO: - Food and Agricultural Organization
- GDP:-Gross Domestic Product
- USD: - United State Dollar
- UK: - United Kingdom
- USA: - United State of America

CHAPTER ONE

INTRODUCTION

This chapter contains an overview of the study background focusing on the Assessment of Marketing Problems and Opportunities on Dairy Products In Case of Gubre town. It presents the statement of the problem, research questions, objectives of the study, Significance of the study and the Scope of the study are also provided.

1.1 Background of the Study

Marketing, more than any other business functions, deals with customers. Marketing is managing profitable customers' relationships. The two fold goal of marketing is to attract new customers by promising superior value and to keep and grow current customers by delivering satisfaction. Marketers should always try to satisfy the need and wants of their customers by developing a well designed product based on customer's preference so as to be competent in this dynamic market environment (Kotler, 2008).

Agricultural marketing covers the service involved in moving agricultural products from the farm to the consumers. Numerous interconnected activities are involved in doing this, such as planning production, growing and harvesting, grading, packaging, transport, storage, agro and food processing, distribution, advertising and sales. The agricultural marketing includes the grain marketing, livestock, meat and dairy marketing (Marocchino, 2008).

The major types of dairy products are butter, cheese, milk powder, casein and condensed milk. Those products are produced in many countries all over the world. The world milk production in 2011 stood at nearly 606 million tones, with the top 10 producing countries accounting for 56.6% of production. The USA is the largest cow's milk producer in the world production, producing over 89 million tons in 2011, and an increase of 1.9% when compared to 2009. India is the second largest cow's milk producer, accounting for 8.7% of the world production and producing over 52 million tones in 2011.

The UK is the 9th largest producer in the world producing over 14 million tons in 2011 and accounting for 2.4% of the world cow milk production. The world top 10 cow

milk producing countries in 2011 are USA, India, China, Brazil, Russia, Germany, France, Newzealand, United Kingdom and Turkey (sited in FAO, 2011).

Over all milk production since 1990 has been stable, with declining milk production in some eastern European countries and increase in the USA, Australia, Newzeland, part of South America and India. In tropical countries since 1990, milk production as a share of world milk production has increased significantly in India and Brazil (sited in FAO, 2011).

The dairy sectors has seen spectacular growth at the national level in recent years, but many African Caribbean pacific countries falling to keep pace with higher yield and dairy production is suffering from cheaper power milk importer (sited in FAO, 2007).

The Ethiopian economy is based on the agricultural sector in which around 80% of the Ethiopian population are a farmers which accounts half of gross domestic product (GDP) , 43% of exports and 85% of total employment(world bank, 2011).

According to FAO (2007), among the 20 major food and agricultural commodities of Ethiopia ranked by value in 2005, whole fresh cow's milk is ranked third milk products in the same year was estimated at 1.5 million tones which is equivalent to USD 398.9 million. Current development in the country is characterized by rapid population growth in the country in general and SNNPR regional towns like Gubre in particular.

Therefore, by linking the current situation of world dairy production and its marketing activities with the current context of Ethiopia, I assessed the major marketing problem and opportunities of dairy products in Gubre town.

1.2 Statement of the Problem

Understanding the weakness and strengthens of the company strategies is the most important point that a marketing manager need to give attention in order to achieve organizational objective. This may help manager in stabilizing factors that are increase a good performance and to minimize or avoid factors that results poor performance in business operation (Rea and Kerzner, 1997). That is why we need to assess the existing marketing opportunities and problems in dairy products of different micro and small scale business enterprise in Gubre town.

The major marketing problem of dairy in Gubre town is fluctuation of demand especially at the fasting season. That means, this business center faced with a high demand at the non fasting season and a low demand at the fasting seasons. It is

difficult to meet the demand of customers because of shortage in milk supplies or they are not capable of sourcing by themselves. This business center is also characterized by poor customer handling practice. To be effective in this dynamic and competitive business environment any business should understand the customer need, want and preference so as to develop effective marketing strategies for good customers handling practice but this business center lacks in doing so (personal observation).

In addition to these dairy marketing activities in Gubre town is also lacks sufficient and modern milk processing materials. Since milk products are perishable by nature, it is necessary to have a modern milk processing materials so as to store the milk products for another consumption days. But there is lack of those processing technology like different preservation materials that used to reserve the product in a good manner for a long time (ibid).

The other problem in this business center is related to the poor understanding of managers about the marketing mix elements such as product, price, promotion, and place. Effective development of strategies in all marketing mix elements plays a great role to increase the entire performance of the organization.

Lastly, problem that those business centers faced is that of the inability to understand the marketing opportunities exist in Gubre town dairy marketing environment. Having a clear picture about the existing market opportunities in the business environment will help managers to exploit it by developing effective marketing strategies. But managers are not aware about the exiting market opportunities of this business center (ibid). Therefore, the student researcher assessed the above problems by conducting this research.

1.3 Research Questions

This research answers the following questions:

- 1) What are the major marketing problems of dairy product?
- 2) What is the impact of marketing problems on the performance of the dairy businesses?
- 3) Do they get formal and continuous training on processing, packaging and leveling of dairy products?
- 4) Do they use marketing mix strategy effectively?
- 5) What are the marketing opportunities of dairy products in Gubre town?

1.4. Objective of the study

1.4.1. General Objectives

The general objective of the study was to assess the marketing problems and opportunities of dairy products in Gubre town.

1.4.2. Specific Objectives

The specific objectives of the study were:

- 1) To identify the major marketing problems of dairy products.
- 2) To clarify the impact of marketing problems on the performance of dairy business industry in Gubre town.
- 3) To analyses the performance of dairy industry with related to training, processing, packaging and leveling of dairy products.
- 4) To assess the marketing mix strategies of the dairy business center.
- 5) To identify the major marketing opportunities of dairy products.

1.5 Significant of the Study

The study has the following basic significances:

- It enables the manager of small scale and micro enterprises in the dairy industry of Gubre town to understand the problems, challenges and opportunities of dairy products. There for understanding those points will help managers to reshape their marketing strategies so as avoid problems and to exploit opportunities.
- It is also important to provide information for public and private enterprise that are interested in the dairy industry.
- In addition to this it play a significant role to planner and policy makers in order to understand the dairy market situation.
- Finding from such studies might be utilized by similar entities in this industry or other related sectors.
- Finally it expected to initiate further study in this area.

1.6 Scope of the Study

The literary boundary of the paper is concerned on the issue related to marketing problems and opportunities of dairy products only in the micro and small scale enterprises of dairy industry. In addition to this due to time and financial constraints,

geographically the study is limited in Gubre town. Finally participant in the study were managers, employers, and customer of dairy products.

1.7. Limitation of the study.

The following limitation faced will conducting the study:

- Some of the Customers are not willing to fill out the questionnaire so the researcher didn't collect all questionnaire response from target response. Therefore, the study face limitation of reduce the Customers, if all of the Customer's replied their response it might change the result of the finding.
- Due to the constraint of time, financial and other resources face a limitation in order to be undertaken smoothly.
- Target Customers are not fill the data promptly, affect the researcher to collect the relevant data on the given time interval.

1.8 Organization of the Study

The study organized in five chapters. The first chapter is an introduction part, which mainly contains background of the study, statement of the problem, research question, objective, significance, scope, limitation, methodology and organization of the study. The second chapter is the literature review part in which literature from various books, journals and internet was related to the study they address. The third chapter research contains research methodology, research design, type of data and source, sampling size and techniques, data processing and analysis .The fourth chapter contains data analysis and interpretation which is mainly used to analyze and interpret the data which is collected through different means. The last chapter contains summary of major finding, conclusion and recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 An Overview Of Marketing

Many people think of marketing only as selling and advertising. And no wonder every day we are bombarded with television commercials, direct mail offers, sales calls and internet pitches. However, selling and advertising are only the tip of marketing iceberg (Kotler and Armstrong, 2008).

Today marketing must be understood not in the old sense of making a sale “telling and selling” but in the new sense of satisfying customer needs. If the marketer understands consumer needs, develops products and services that provide superior effective, these products will sell easily, in fact, according to management guru Peter Drucker, ‘the aim of marketing is to make a selling unnecessary ‘. Selling and advertising are only part of a larger” marketing mix” a set of marketing tools that work together to satisfy customer needs and build customer relationships (Kotler and Armstrong, 2008).

Broadly defined, marketing is a social and managerial process by which individual and organization obtain what they need and want through creating and exchanging value with others. In a narrower business context, marketing involves building profitable, value-laden exchange relationships with customers. Hence, we define marketing as the process by which companies create for customers and build strong customer relationships in order to capture value from customers in return (Kotler and Armstrong, 2008).

In the consumer driven approach, consumer wants are the drivers of all strategic marketing decisions. No strategy is pursued until it passes the test of consumer research. Every aspect of market offering, including the nature of the product itself, is driven by the needs of potential consumers. The starting point is always the consumer. The rationale for this approach is that there is no reason to spend research and development funds developing product that people will not buy. History attests to many products that were commercial failures in spite of being technological breakthroughs (Kotler and Armstrong, 2008).

2.2 The Meaning of Agricultural Marketing

Agricultural marketing is a form of marketing that encompasses all goods and services related to the field of agriculture. All these products directly or indirectly support the effort to produce and deliver agricultural products' from farm to consumer. The range of this type of marketing include such varied products as real estate support, equipment used in cultivation and harvesting, storage facilities for harvested crops, and deliver services that make it possible to secure products necessary for agriculture to function are also normally included as a part of agricultural marketing (sited in conjecture corporation, 2013).

Within this broad marketing type, just about every aspect of the agricultural process is addressed. Financial service makes it possible for farmers to secure and develop property where crops can be planted, nurtured and harvested. Equipment financing that makes it possible to obtain the tools to work the land is also part of this aspect.

From there, resources that make it possible to connect with buyers are also part of the overall agricultural marketing process, and often involve the use of marketing professionals to identify and make the most efficient use of this type of business relationship (sited in Conjecture Corporation, 2013).

2.3 Links between Agriculture and Food Industry

Links between agriculture and food industry continually evolves. In primitives societies the farmers and consumers were either the same family or cloth neighbors who bartered their products and services, but as societies developed other linkage are added. Commodity traders, processors, manufacturers who convert product in to food items and retailers, among other, are interested between the producer and consumer (Dixie, 1989).

Bio technology has great potential for the developing countries since it is likely to be less capital intensive and more research know how intensive. Thus its benefit can flow faster in to the poorer countries that do not have the capital. Therefore its impact could be faster, more widespread and more significant (Dixie, 1989).

As the link between food and agriculture continues to evolve we see the emergency of an agribusiness i.e. where agriculture and food become a continuum. There is a line of argument which says that it makes sense that those who are closest should the consumer should assess his/ her needs and interpret them back to the primary producer (kohls and uhl, 1990).

As disposable income increase, the food industry will increase the quality and diversity of the products it produces. Food manufacturer will have particular expectations of agriculture as a supplier of their raw materials, including quality, cost, non seasonality, processing, product differentiation and health aspects (Kohls and Uhl, 1990).

2.4 The Importance of Agricultural and Food Marketing To Developing Countries

In many countries, and virtually every less developed country (LDC), agriculture is the biggest single industry. Agriculture typically employs over fifty percent of the labor force in LDCs with industry and commerce dependent upon it as a source of raw materials and as a market for manufactured goods.

Hence many argue that the development of agriculture and the marketing systems which impinge upon it are at the heart of the economic growth process in LDCs (sited in FAO, 2014).

Economic development itself provides the impulse towards more sophisticated and more efficient marketing systems. Subsistence farming is likely to diminish in importance as farmers respond to the increased opportunities that development and urbanization create; farms are likely to decrease in number whilst increasing in size; and agriculture will probably become less labor intensive and more capital intensive (sited in FAO, 2014).

A large number of jobs were created in the urban areas and people owned agricultural production in large numbers. Nigeria became a net importer of many agricultural products of which it had formerly been a net exporter. For as long as the world price for petroleum remained high the economy thrived and could well afford the food import bill (sited in FAO, 2014). However, as soon as the world price for oil fell, the food import bill became a serious burden.

Nigeria would only have avoided this scenario if it had been able to motivate people to continue in agriculture and this would only have been possible if the disparity between urban and rural incomes had been reduced. Rurally based enterprises, including small-holdings, can greatly improve their earning potential by adopting a market orientation. They can be encouraged to add value to commodities by adding to their utility. Value added products normally carry a higher margin than raw commodities (sited in FAO, 2014).

Another development which has in recent times increased interest in marketing practices is the trend, in many developing countries, towards market liberalization as part of economic structural adjustment programmes (ESAPs). The view that direct and indirect government participation in production and distribution had brought about structural distortions in economies has become widely accepted. All of this requires a better understanding of marketing practices and processes within the country implementing ESAPs, in general, and within the agricultural marketing parastatals affected, in particular (sited in FAO, 2014).

Criteria such as the percentage of the target population reached with the technology, products, processes or services, quantities produced and distributed and uptake of the product, service or technology are more often employed.

Benefits are measured in terms of development goals, such as improved nutritional status or increased rural incomes. The use of economic criteria is usually limited to the latter and to selecting the least-cost strategy to achieve a quantitative goal (sited in FAO, 2014). However, the criteria used to evaluate commercial marketing strategies should not automatically be eliminated, because these improve the efficiency of some aspects of social marketing strategy without preventing the attainment of social objectives (sited in FAO, 2014).

2.5 The Concept Of Dairy Marketing

As an attribute, the word dairy refers to milk based products, derivatives and processes, and the animals and workers involved in their production: For example dairy cattle, dairy goat. A dairy farm produces milk and dairy factory processes it into a variety of dairy products. These establishments constitute the global dairy industry, accompany of the food industry.

A dairy marketing is a business activities which involves the harvesting of animal milk mostly from cows or goats, but also from buffalo, sheep, horses or camels and process it so as to satisfy human need and wants. A dairy is typically located on dedicated dairy farm or section of a multipurpose farm that is concerned with the harvesting of milk (FAO, 2009).

The concept of dairy marketing service is milk marketing organization that serves dairy producers and the industry by combining the milk supplies of independent and cooperative farms for the purpose of creating efficiency and the reduction of cost on

milk assembly, field service and transportation. DMS continually works to create increased efficiency on milk assembly, hauling and field services (sited in Dairy lea cooperative Inc, 2004).

2.6 Structure of Dairy Industry

While most countries produce their own milk products, the structure of dairy industries varies in different part of the world. In major milk producing countries most milk is distributed through while sale market.

In Ireland and Australia, for example, farmer's cooperatives own many of the large scale processor; while in the united state many farmers and processors do business through individual contacts. In the united state, the country's 196 farmers cooperative sold 86 percent of milk in the united state in 2002, with five cooperatives accounting for half that, this was down from 2,300 cooperatives (Iacbo, 2006)

In developing countries the past practice of farmers marketing milk in their own neighborhoods are changing rapidly. Notable developments include considerable foreign investment in the dairy industry and growing role for dairy cooperatives. An output of milk is growing rapidly in such countries and presents a major source of income for many farmers (sited in European Union, 2008).

As many other branches of the food industry, dairy processing in the major dairy producing countries has be came in caressingly concentrated with fewer but larger and more efficient plants operated by fewer but larger and more efficient plants operated by fewer workers. In 2009 charges of violation have been male against major daily industry players in the united state (sited in FAO, 2009).

2.7 Types Of Dairy Products

A) Ergo (Ethiopian naturally fermented milk)

The product typically was semi-solid and in smallholder dairy farms, it was produced from whole milk, while in milk cooperatives or other producer groups it was produced from skim milk. On average, milk was accumulated in a clay pot or a gourd over a period of 1 to 4 days and allowed to develop acidity. The mean shelf life of fermented milk was 3.8 days. This fermented milk was the main product used as basis for further processing of various fermented milk products such as traditional butter, ghee, cottage cheese, buttermilk and whey.

B) Traditional butter (Kibe) and buttermilk (Arerra)

Today milk is separated by huge machines in bulk into cream and skim milk. The cream is processed to produce various consumer products, depending on its thickness, its suitability for culinary use and consumer demand which differ from place to place and country to country. Some cream is dried and powdered, some is condensed (by evaporation mixed with varying amount of sugar and canned).

The buttermilk is a by-product of the formation of butter from fermented milk. At household level, part of this by-product was reported to be consumed by the household members and by suckler calves. The rest was processed into cottage cheese.

C) Cottage cheese (ayib) and metataayib

On traditional way the churning of sour milk mainly at household level yield buttermilk and then buttermilk boiled by firing an iron or clay pot until a curd-mass formed. This was followed by cooling to coagulate the curd. The curd-mass yield cottage cheese and the cottage cheese is a soft curd-type cheese. While in one farm and in milk cooperatives or other producer groups it was produced from skim milk. Then, the curd was separated from the whey through a fine-meshed cloth or a sieve.

In some area of country, the cottage cheese was again processed into traditional hard cheese (Metata-ayib). This is carried out by putting the cottage cheese in a sieve container and squeezing was done in intervals for about 3 days until the water content was sufficiently reduced.

D) Traditional ghee (NeterKibe)

Traditional ghee was made by evaporation of the water from butter by heating and melting of butter in an iron or clay container until bubbling ceases. Then finely grounded spices are added and stirred until it is mixed uniformly. Then the product is stored in clean equipment and can be stored for several months. The presence of different spices makes good flavor of the products and helps to increase the shelf life. It could be stored for about 2.8 years without losing the quality desired by the local consumers.

2.8 The Dairy Marketing Strategy

When marketing dairy products, the most important aspect of your strategy is determining your competition and audience. By establishing these parameters, you can help to flush out what aspect of your dairy business to highlight and where will be

the most effective place for you to advertise to capture your target audience. Understanding the dairy business and products thoroughly will help understanding the dairy business and products thoroughly will help you to discern your advertising asset and weakness (Aveyard, 2007).

By taking an in depth look at your dairy products and the process that goes in to producing them, your products advantage will become clear. Look at how the product is created whether you produce milk, butter, cheese or any other dairy products. Understanding the product, the business and the process will help to form you overall marketing strategy (Aveyard, 2007).

2.9. Marketing And Pricing Of Milk Products

The price of a product is important factors in the market influencing consumer demand. Hence to be marketable, dairy products must be competitively priced. This implies that the cost involved in raw material procurement, processing, packaging, storage, marketing and distribution must be kept as low as possible. In general the price of dairy products will involve costs such as cost of raw milk, cost of raw milk collection and transportation, cost of processing, cost of packaging, cost of marketing and distribution, taxes and tariffs, and profit margin at each stage of the marketing channel (TECHNOSERVE, 1995).

It is important that all the cost elements are included in the calculation of the market value of the product. Over pricing can led to uncompetitiveness of the product while under pricing cause's financial loss and eventual collapse of the business (TECHNOSERVE, 1995).

2.10 Feasibility Study for Milk Marketing and Processing

Before one decides to invest in the business of milk marketing and / or processing one should carry out feasibility study to establish the economic viability of the planned business. This should include a realistic business plan (TECHNO SERVE, 1995).

2.10.1 The Essential Element Of a Feasibility Study

According to TECHNOSERVE, 1995 the following points are an essential element for effective feasibility study, these include:

- ✓ Established the amount of milk produced, both in the morning and evening at the proposed site, throughout the year.

- ✓ Identify the current market outlet available for milk precuts in the area.
- ✓ Determine the average fresh milk and various milk products price being changed by local products.
- ✓ Test various product samples for taste to determine acceptable products being produced in the proposed area
- ✓ Locate sources of energy (fuel-wood, charcoal. electricity, and water).
- ✓ Determines the capitals investment required (be sure to in clued land, building equipment and power).
- ✓ Draw up a clear business plan that will establish the availability of the proposed milk marketing or processing enterprise.

2.11 The Milk Marketing Channel

The milk marketing channel involves all intermediaries which involved in the transportation of milk products from the farmer to the final consumer. According to TECHNOSERVE, 1995, there are at least 8 different channels for milk such as:

- Producer – consumer
- Producer - milk hawker - consumer
- Producer – processor - consumer
- Producer – processor – retailer - consumer
- Producer - dairy cooperatives – processor – retailer - consumer
- Producer – milk transporter - processor-retailer- consumer
- Producer – milk trader – processor – retailer - consumer
- Producer – dairy cooperative - milk transporter - wholesaler retailer - consumer

The number of intermediaries involved will have bearing on both producer and consumer milk price. The shorter the channel the more likely that the consumer price will be low and the producer will get a higher return.

From the consumer’s point of view, the shorter the marketing channel, the more likely is the retail price going to be low and affordable. This explains, following the liberalization of the dairy industry, direct sales of row milk from producer to consumer or through hawkers has been on the increase despite the public health risks associated with the consumption of in treated milk product (TECHNOSERVE, 1995).

2.12 Dairy Production System in Ethiopia

The main source of milk production in Ethiopia is from the cow, but small quantities of milk are also obtained from goat and camel in some region particularly in pastoralist areas. According to Deborah and Birhanu 1991, four major systems of milk production can be distinguished in Ethiopia, these are:

A. Pastoralist

Even though, information on both absolute numbers and distribution vary, it is estimated that about 30 percent of the livestock production system which support an estimated 10% of the human population covers 50 – 60% of the total area mostly lying at altitude ranging from below 1500 meters a.s.l. Pastoralist is the major system of milk production in the low land. However, because of the rainfall and related reasons like shortage of feed availability of milk is low and highly seasonally dependent.

B. The highland small holder milk production

The Ethiopia high lands possess a high potential for dairy development. These areas occupying the central part of Ethiopia, over about 40% of the country (approx 490,000km²) and are the largest of all their kind in sub Sahara Africa. The majority of milking cows are indigenous animals which have low production performance with the average age at first calving is 53 month and average calving intervals is 25 months.

Cows has three to four calves before leaving the herd at 11-13 years of age, the average cows lactation yield is 524 liters for 239 days of which 238 liters is off take for human use while 286 liters is suckled by the calf. But also a very small number of cross bred animals are milked to provide the family with fresh milk, butter and cheese. Surpluses are sold usually women, who use the regular cash income to buy household necessities or to save for festival occasions. Both the pastoralist and smallholders farmers produce 98% of the country milk.

C. Intensive dairy farming

This is a more specialized dairy farming practiced by state sectors and very few individuals on commercial basis. Most of the intensive dairy farms are concentrated in and around Addis Ababa and are basically based on exotic pure bred stock. The urban, pre urban and intensive dairy farmers are produce 2% of the total milk production of the country.

D. Urban and pre urban milk production

This system developed in and around major cities and towns which have a high demand for milk. The systems comprise small and medium size dairy farms located mainly in the highlands of Ethiopia. Farmers use all or part of their land for home growth feeds. Generally, the primary of the production system is to sale milk as a means of additional cash income.

2.13 Major Constraint Of Dairy Development In Ethiopia

The livestock sub sectors in general and the dairy sub-sector in particular does not make a contribution to the national income considering with its size. The reasons are numerous and include both technical and non technical constraints (Deborah and Birhanu, 1991).

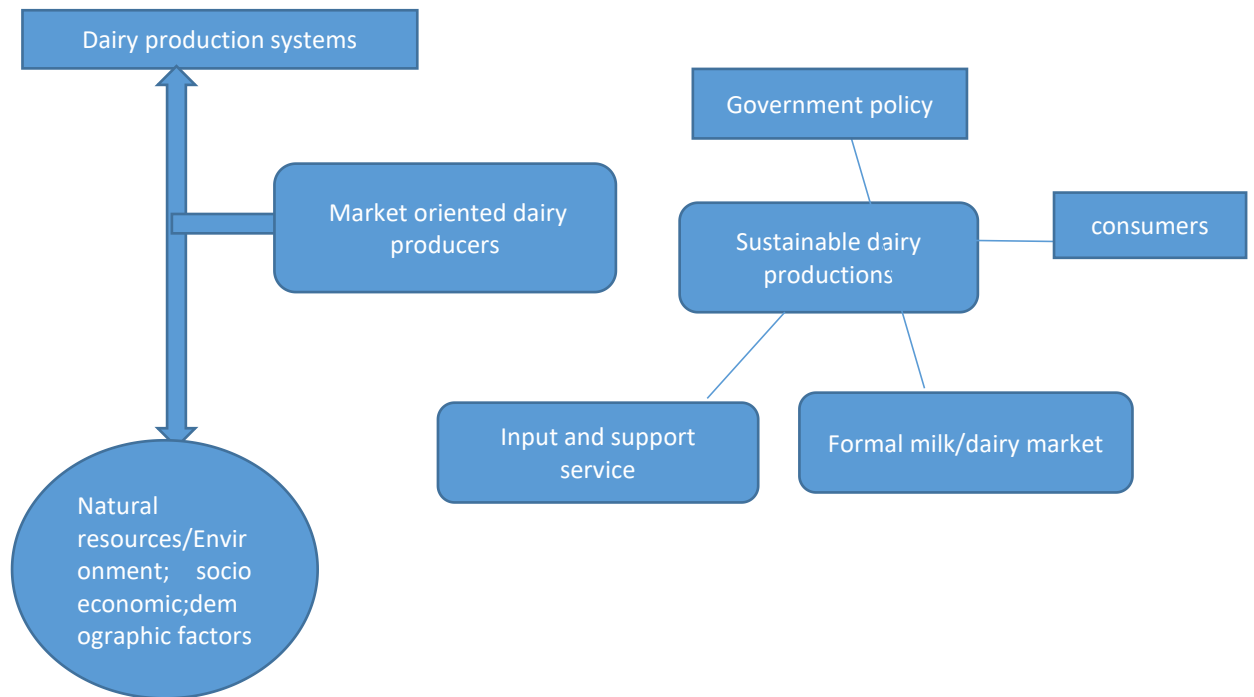
The major technical constraints are animal health disease, feed and nutrition and genotype. Animal health and improved management is one of the major constraints of dairy development in Ethiopia which cause poor performances across the productivity system. The shortage of feed is also the other constraints that affect the performance of dairy development in Ethiopia. The quality of feed also deteriorates during the dairy seasons in both the mixed farming and pastoral system.

The genetic of Ethiopia's livestock have involved largely as a result of natural selection influenced by environmental factors (Deborah and Birhanu, 1991).

However the non technical constraints of dairy development generally include a variety of social economic and institutional considerations which is most case and are will common constraints to other agricultural sectors in the country. The major non technical constraints include human population and livestock population. High population growth has forced people to cultivate to more land. Livestock population is one of the serious constraints to the livestock development in Ethiopia rest on the importance attached to the economic functions of the livestock found in various agro ecological zones, overall livestock in Ethiopia are used as in put functions, asset and security functions in the low lands the pastoral nomads maximum benefit from livestock through milk and meat (Debrah and Birhanu, 1991).

2.14 CONCEPTUAL FRAMEWORK

Dairy products are the kinds of foods that are obtained primarily from or contain milk of mammals such as cattle, goats, sheep etc. Dairy products include a variety of foods such as cheese, butter, yogurt, and many more.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Study Area

The present study was conducted at Gubre town in the Southern Nations Nationalities and Peoples Region (SNNPR), Gurage zone, positioned at 178 km southwest of Addis Ababa and 20 km east of Wolkite town. Wolkite is an administration and trading center of Gurage zone. It is found southwest of Addis Ababa along the main Addis Ababa - Jimma road at a distance of 158 km.

Topography of the town is characterized by flat areas. Gubre is bordered on the south, west and east both by Cheha woreda and on the north by the Wabe River which separates it from Abeshge and Kebena woreda.

The main economic activities of the town are farming and trade. Trade is the main livelihood strategy for the study area. Many of the population depend on trade as the livelihood strategy. Most of the peoples found in the area engaged in peddler (Suq bederete), petty market, kiosk & shop and service providing types of business (like shoeshine, tea shop). They also participate in the trading of chat and fruits. Seasonal rainfall pattern determined the farming activities of the area.

The subsistence agriculture in Gubre is primarily based on enset and chat, together with maize, teff as well as same annual root crops and important cash crops including coffee. There are a number of home based private livestock holding in the study area. The majority of milk produced is consumed at household level in the form of fluid milk, butter and cheese. Parts of dairy products like butter and cheese have been sold through informal markets.

3.2 Research design

The researcher used descriptive research design. This is because, descriptive research design is important to describe the characteristics of objects, people, groups, organizations, or environments. In addition to this, it also enabled us to have a clear picture on the given situation by addressing questions such as who, what, when, where and how.

3.3 Type Of Data And Source

The relevant data for the study was collected from primary and secondary sources. The primary data sources are obtained using questioner and interview. The questioner was include both cloth ended and open ended type, where as the interview was structured. Finally the secondary data for literature review is collected from different books, journals and internet.

3.4 Sampling Techniques And Size

The researcher used the non probability sampling method and from the non probability sampling we have used judgmental sampling methods. This is because of it is important to select the right person who have a strong relation with the issue involved. This helps the researcher to identify the core problems and opportunities of dairy products.

Since the population size of customers in the dairy business are infinite, and due to time and financial constraints the researcher was select only 50 sampling respondents. From those 50 respondents 70% of them were customers and the remaining 30% were manager and employer of dairy sectors, i.e. 5 managers and 10 employers was selected.

3.5 Data processing and analysis

One of the important things to note when writing a research report is to make it readable and understandable by the target audiences and others. The statistical technique for this research paper is the descriptive statistical tool that used to analyze the collected data. Descriptive tools such as a percentage rate and tabulation will be employed to present result and statistical tools such as the tests.

3.6 Ethical Considerations

At the beginning, a clear and accurate information about the research was given to the participants of the study and their voluntary participation was respected. The participants' identity was protected and all information obtained from the respondents were confidential and no one was having access to the identity of the respondents. Moreover, no information was be modified or changed. Information was presented as collected and all the secondary

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Result of the Study

In order to collect the necessary information about the major marketing problem and opportunities of dairy sectors in gubre town, 35 questioners were distributed to customer and 32 Of them completed and returned properly. But three of them failed to return properly. The response of the questioner is presented as follow:

4.1.1 Information About Customers

Table 4.1.1 Demographic characteristics of dairy product customer

Variables	Category	number	%
Sex	Male	17	53%
	Female	15	47%
	Total	32	100%
Age	18-30	24	75%
	31-43	7	22%
	44-56	1	3%
	Above 57	0	0
	Total	32	100%
Educational background	High school completing	4	12.5%
	Certificate	2	6%
	Diploma	14	44%
	Degree	12	37.5%
	Second degree	0	0
	Specify, if others	0	0
	Total	32	100%

As indicated in table 4.1.1 from the total of 32 respondents 53% of them were male while the remaining 47% was female. Similarly from the total of 32 respondents 75% of them were between the ages of 18-30, 22% of respondents were between age 31-43 and the remaining 3% were between ages of 44-56. There is no respondent whose age is above 57.

With respect to educational background in table 4.1.1, the study shows that 12.5% of respondents are high school completing, 6% are certificate, 44% are diploma and the remaining 37.5% of respondents are degree. The study shows there is no respondent who have a second degree and other.

Table 4.1.2 General information

Item	Questions		Customer response	
			Number	%
1	Are you daily user of milk products?	Yes	18	56%
		No	14	44%
		Total	32	100%
2	If you say yes how many times you use milk per a day?	One	10	56%
		Two	6	33%
		Three	2	11%
		More than three	0	0
		Total	18	100%
3	From milk product which one you use mostly?	Milk	21	66%
		Butter	3	9%
		Cheese	0	0
		Yogurt	8	25%
		Total	32	100%

According to table 4.1.2, item 1 which indicates are you the daily user of milk products: from the total of 32 respondents 56% of them are daily user of milk products while the remaining 44% are not daily user of milk products.

As we show in table 4.1.2 from the total of 32 respondents 18 (56%) of them are daily user of milk products and from 18 daily user of customers use milk product once per a day, 33% of respondent use twice per a day and the remaining 11% of respondents use milk product three times per a day and no one use milk products more than three times per a day.

On table 4.1.2, item 3 which indicate the type of products customers use mostly from total of 32 respondents 62% of them use milk mostly, 9% of respondent were use butter, 25% of customers were use yogurt mostly there were no one who use cheese from the total respondents.

Table 4.1.3 Customers observations on the problem of dairy

Item	Questions		Customer response	
			Number	%
1	Do you observe any problem when you buy milk products?	Yes	14	44%
		No	18	56%
		Total	32	100%
2	If yes what kind of problems do you observe?	Lack of quality	8	57%
		Shortage of product	2	14%
		Poor customer handling	3	22%
		Specify, if other	1	7%
		Total	14	100%

As indicated in table 4.1.3 from the total of 32 respondents 44% of them were observe problems when they buy milk products but the remaining 56% of respondents were not observe any problem on the product.

On table 4.1.3, the study shows that 14 (44%) of them were observe problem and from those 14 respondent 57% of customers observe a problem on lack of quality, 14% of them answer shortage of product, 22% respondent observe poor customer handling and the other 7% of respondent observe a problem on the equipment they use provide the milk product.

Table 4.1.4 Differentiation and quality of milk product

Item	Questions		Customer response	
			Number	%
1	Do they offer their product by different amount?	Yes	28	85.5%
		No	4	12.5%
		Total	32	100%
2	How do you rate the quality of milk products?	Good	20	62.5%
		Very good	4	12.5%
		Medium	8	25%
		Bad	0	0
		Very bad	0	0
		Total	32	100%

According to table 4.1.4 questions represented in item 1 shows that from the total of 32 respondents 87.5% of them answered that dairy sectors offer their product by different amount, but the remaining 12.5% of respondents were say the dairy sectors do not offer their product by different amount.

Similarly on table 4.1.4, item 2 which focus on the quality of milk products out of 32 respondents 62.5% say good, 12.5% of respondents say very good and the remaining 25% of respondents respond medium and there is no one answered bad and very bad on the quality of milk products.

Table 4.1.5 Distribution and Pricing of milk product

Item	Questions		Customer response	
			Number	%
1	Do you get the milk product at the time and place you required?	Yes	25	78%
		No	7	22%
		Total	32	100%
2	Do you think the price of milk product is appropriate?	Yes	26	81%
		No	6	19%
		Total	32	100%

As indicated in table 4.1.5, 78% of customers get the milk product at the time and place of their requirement and the remaining 22% of customers were not get the dairy product at the time and place they required.

Similarly in table 4.1.5, item 2, 81% of respondents respond that the price of milk product is appropriate where as the remaining 19% respond that the price of milk product is not fair.

Table 4.1.6 customer satisfactions on milk products

Item	Questions		Customer response	
			Number	%
1	Are you satisfied by the milk products?	Yes	24	75%
		No	8	25%
		Total	32	100%
2	If you say yes how much you satisfied?	Satisfy	16	67%
		Very satisfy	3	12.5%
		Neutral	5	20.5%
		Dissatisfy	0	0
		Very dissatisfy	0	0
		Total	24	100%

According to table 4.1.6, item one 75% of respondents are satisfied by the milk products where as the remaining 25% of respondents were not satisfied.

Similarly in table 4.1.6, item 2 as we show from the total of 32 respondents 24 (75%) of respondents were satisfied and from those 24 customers were satisfy, 12.5% of them were very satisfy and the remaining 20.5% of respondents were neutral and there was no dissatisfy and very dissatisfy respondents.

Table 4.1.7 Effort of manager to satisfy customer

Item	Questions		Customer response	
			Number	%
1	Do they make any effort to satisfy you?	Yes	24	75%
		No	8	25%
		Total	32	100%

According to table 4.1.7 out of 32 respondents 75% of them were saying the dairy sectors were make an effort to satisfy customer while the remaining 25% of respondent say the dairy sectors do not show any effort to satisfy customer.

In related to this, from those 24 (75%) of respondents in the above table most of them answered the effort of the dairy managers is focused on quality improvement, price reductions and improvement of customer handling practice.

Table 4.1.8 Promotional activities of the dairy sectors

Item	Questions		Customer response	
			Number	%
1	Do they make any promotion to attract you?	Yes	12	37.5%
		No	20	62.5%
		Total	32	100%
2	If yes, what kind of promotion they do?	Advertisement	3	25%
		Personal selling	7	58%
		Sales promotion	2	17%
		Specify, if other	0	0
		Total	12	100%

As indicated in 4.1.8 which focus on the promotional activities of the dairy sectors, out of 32 respondents 37.5% of them say the dairy business were make promotion to attract customers while the remaining 62.5% of respondents answer shows the dairy business do not make any promotional activities to attract customers.

Similarly in table 4.1.8 item 2, from those 12 respondents who say managers make a promotion to attract customers, 25% of them answered that the type of promotion the dairy business used is advertisement, 58% of respondent say personal selling and the remaining 17% of respondent say sales promotion and there is no one use other type of promotional activities.

Table 4.1.9 Consumption of milk product

Item	Questions		Customer response	
			Number	%
1	Do they make any promotion to attract you?	Yes	28	87.5%
		No	4	12.5%
		Total	32	100%
2	If yes, what kind of promotion they do?	Income	11	39%
		Religion	15	54%
		Shortage of product	2	7%
		Specify, if other	0	0
		Total	28	100%

According to table 4.1.9 from the total of 32 respondents 87.5% of them were affected their daily consumption of milk by different factors but the remaining 12.5% of respondents daily consumption is not affected by any factors.

In related to this table 4.1.9 item 2 shows that from 28 respondents in which their daily consumption is affected by different factors 39% of respondent daily consumption is affected by factors such as income, 54% of respondent were by religious factors and the remaining 7% of respondent were affected by shortage of product and there is no one specify other factors.

Lastly, almost all of respondent rise many related and different opinions and most of their idea were lies on the dairy sectors should make an improvement to satisfy customers and some others customers were attractive by the current activities of those

business and they believe as they have to retain it, but other few number of respondents were completely uninterested by the current marketing activities of the dairy sectors.

4.2 Structural Interview

In order to collect the necessary information about the major marketing problems and opportunities of dairy products 15 managers which engaged in milk and milk product marketing were selected and all of them were successfully interviewed. The response of the interview is presented as follow:

Table 4.2.1 Personal information of managers

Variables	Category	number	%
Educational background	High school completing	1	7%
	Certificate	2	13%
	Diploma	7	47%
	Degree	5	33%
	Second degree	0	0
	Specify, if others	0	0
	Total	15	100%
Income of respondents in birr	400-700	4	27%
	700-1000	3	20%
	1000-1300	2	13%
	1300-1600	4	27%
	Above 1600	2	13%
	Total	15	100%
Year of experience in milk marketing activities	One year	2	13%
	Two year	6	40%
	Three year	3	20%
	Four year and above	4	27%
	Total	15	100%

As indicated in table 4.2.1 from the total of 15 respondents 7% of them are high school completing, 13% were certificate, 47% were diploma and the remaining 33% of respondents were degree and there is no one who second degree and other.

With respect to income of respondent from those 15 respondent 27% of them were income between 400-700, 20% of respondents were between 700-1000, 13% of respondents were between 1000-1300 above 1600 birr, 27% of them were income between 1300-1600 and the remaining 13% of respondents are income above 1600 birr.

Similarly as we show in table 4.2.1 from the total of 15 respondent 13% of them have one year experience, 40% of respondent have two year experience, 20% of respondent have three year experience and the rest 27% of respondent have four year and above experience in milk marketing activities.

Table 4.2.2 operation of dairy business

Item	Questions		Customer response	
			Number	%
1	Does your organization operate in group or individual?	Group	6	40%
		Individual	9	60%
		Total	15	100%

As indicated in table 4.2.2, 40% of the dairy sectors owned and operate in group while the remaining 60% of the sectors are owned and operated individually. Therefore, the study shows that most of the dairy sectors were operated by individual base.

Table 4.2.3 marketing problems of dairy product

Item	Questions		Customer response	
			Number	%
1	Is there any marketing problem in your locality?	Yes	11	73%
		No	4	27%
		Total	15	100%
2	Does those marketing problem have a significant impact on the performance of your organization?	Yes	11	100%
		No	0	0%
		Total	11	100%
3	Does your organization practice to avoid problem?	Yes	7	64%
		No	4	36%
		Total	11	100%

According to table 4.2.3, item 1, from the total of 15 respondents 73% of them answered that there is marketing problem in their dairy products where as the remaining 27% of respondents answer show there is no any problem in their milk products.

As the study shows that the major problem which explained by those 11(73%) of respondents, were include mainly,

- Problem on milk product at the fasting season in which most of the milk product is expired at the fasting seasons due to lack of demand and they dispose it as loss.
- In addition to this lack of milk processing material in those dairy sectors were also problems of milk products.
- The other problems which identify in the study were including the perishable nature of the products by itself and the fluctuation of demand especially at the fasting and non fasting seasons.

As indicated in table 4.2.3, item two out of 11 respondents which say there is a problem in milk products, all (100%) of them respond that those marketing problems have significant impact on the performance of their organization.

The study shows that the major impact of those marketing problems on the organizational performance of the dairy business were lack of self confidence in their operation, decrease revenue or even loss and unable to sustain in the market at all.

Similarly in table 4.2.3, item 3 which represent the practice of those dairy business to avoid problem, from those 11 respondents which say there is a problem in milk product 64% of them were practiced to avoid problem while the remaining 36% of respondents were not implement any practice to avoid the problem of milk product.

According to the study those 7(64%) of respondents which try to avoid problem of milk products were used different mechanisms which include process the milk product to reduce wastage and to make the product available for another consumption day, provision of training to employees so as to improve their skill and knowledge on how to preserve the milk product and way of customer handling and hard working in the area within a full confidence in general.

In other way, as the study shows from those 11 respondents 36% of them were not implement any practice to avoid problem. This is because of different reasons; the most common were lack of finance so as to engage in the practice of avoiding problem. In addition to this lack of experience in the dairy industry and the difficulty nature of the problem were the other reasons which discourage managers to avoid marketing problems of dairy product.

Table 4.2.4 Milk product preservation material

Item	Questions		Customer response	
			Number	%
1	Do you have good and enough materials which used to preserve milk products?	Yes	11	73%
		No	4	27%
		Total	15	100%

According table 4.2.4 from the total of 15 respondents 73% of them have good and enough materials which used to preserve milk products, but the remaining 27% of respondents do not have good and enough materials to preserve milk product.

Table 4.2.5 provision of training to employee

Item	Questions		Customer response	
			Number	%
1	Does your organization provide training to employee?	Yes	12	80%
		No	3	20%
		Total	15	100%

As indicated in table 4.2.5 80% of respondent in the dairy sectors were provide continues training but the remaining 20% of respondents were not provide training to their employee.

According to the study the type of training which provide by those dairy sectors to their employee were include training parallel with their job (on the job training), off the job training and short term training with related to dairy product and even in their personality.

Table 4.2.6 market price setter in the dairy industry

Item	Questions		Customer response	
			Number	%
1	Who set market price?	Government	0	0
		Customer	0	0
		Competitors	6	40%
		Your self	9	60%
		Specify, if others	0	0
		Total	15	100%

The study in table 4.2.6 shows that from the total of 15 respondents 40% of them says the market price of dairy product is set by competitors while the remaining 60% of respondents were set the price of milk product by themselves. There is no involvement of government customers in setting the price of milk product.

Table 4.2.7 access to marketing and productions information

Item	Questions		Customer response	
			Number	%
1	Do you have access to marketing and production information?	Yes	12	80%
		No	3	20%
		Total	15	100%

As indicated in table 4.2.7 out of 15 respondent 80% of them have access to marketing and production information while the remaining 20% of respondents do not have access to marketing and productions information on milk product.

As we understand from the study the major source of information to those respondents which say 'yes' were from customers, competitors, employer and governments. The most common source of information is customer.

Table 4.2.8 Marketing opportunities of dairy products

Item	Questions		Customer response	
			Number	%
1	Is there any market opportunity for dairy marketing in your locality?	Yes	9	60%
		No	6	40%
		Total	15	100%
2	If yes what is the major source of this opportunity?	Increase in the size of population	3	33%
		Urbanization	1	11%
		Increase in level of consumption	5	56%
		Specify, if others	0	0
		Total	9	100%
	Do you exploit the opportunity effectively?	Yes	3	33%
		No	6	67%
		Total	9	100%

According to table 4.2.8 item1, from the total of 15 respondent 60% of them were say there is an opportunity for milk marketing in their locality, but the remaining 40% of respondent says there is no milk marketing opportunity in their locality.

In related to this in table 4.2.8, item2 out of 9 respondent 33% of them were say the major source of opportunity in milk marketing comes from the increased size of population, 11% of respondent were say urbanization, and the remaining 56% of respondents were say increased level of consumption.

Similarly in table 4.2.8, item 3 from the total of 9 respondent which say there is an opportunity 33% of them were exploit the marketing opportunities of dairy product , but the remaining 67% of respondent were not exploit the opportunity effectively.

In related to this from those 9 respondent who say there is an opportunity for milk marketing 6(67%) of them were not exploit the opportunity due to many reasons

including lack of capital, lack of modern equipment, lack of experience in the dairy sectors, fluctuation of demand, lack of government support and religion are some of the factors.

Finally, most respondents are very happy and interesting on the overall raised questions, and their major response lies on the profitability of dairy sectors to each and every individual business and even at the national level especially if some improvement made in the area and government support them. But few respondents were preferred to be silent.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary Conclusion And Recommendation

5.1.1 summary of Major finding

The study attempted to address the major research questions posed in the first chapter.

As a result, the major findings of the study are summarized as follows;

- from the total of 32 respondents 53% of them were male while the remaining 47% was female
- Similarly from the total of 32 respondents 75% of them were between the ages of 18-30, 22% of respondents were between age 31-43 and the remaining 3% were between ages of 44-56. There is no respondent whose age is above 57.
- the study shows that 12.5% of respondents are high school completing, 6% are certificate, 44% are diploma and the remaining 37.5% of respondents are degree.
- from the total of 32 respondents 56% of them are daily user of milk products while the remaining 44% are not daily user of milk products.
- from the total of 32 respondents 44% of them were observe problems when they buy milk products but the remaining 56% of respondents were not observe any problem on the product.
- from the total of 32 respondents 87.5% of them answered that dairy sectors offer their product by different amount, but the remaining 12.5% of respondents were say the dairy sectors do not offer their product by different amount.
- 78% of customers get the milk product at the time and place of their requirement and the remaining 22% of customers were not get the dairy product at the time and place they required.
- 81% of respondents respond that the price of milk product is appropriate where as the remaining 19% respond that the price of milk product is not fair.
- from the total of 32 respondents 24 (75%) of respondents were satisfied and from those 24 customers were satisfy, 12.5% of them were very satisfy and the remaining 20.5% of respondents were neutral
- out of 32 respondents 75% of them were saying the dairy sectors were make an effort to satisfy customer while the remaining 25% of respondent say the dairy sectors do not show any effort to satisfy customer.

- focus on the promotional activities of the dairy sectors, out of 32 respondents 37.5% of them say the dairy business were make promotion to attract customers while the remaining 62.5% of respondents answer shows the dairy business do not make any promotional activities to attract customers.
- from those 12 respondents who say managers make a promotion to attract customers, 25% of them answered that the type of promotion the dairy business used is advertisement, 58% of respondent say personal selling and the remaining 17% of respondent say sales promotion and there is no one use other type of promotional activities.
- from the total of 32 respondents 87.5% of them were affected their daily consumption of milk by different factors but the remaining 12.5% of respondents daily consumption is not affected by any factors.
- from 28 respondents in which their daily consumption is affected by different factors 39% of respondent daily consumption is affected by factors such as income, 54% of respondent were by religious factors and the remaining 7% of respondent were affected by shortage of product and there is no one specify other factors.

In order to collect the necessary information about the major marketing problems and opportunities of dairy products 15 managers which engaged in milk and milk product marketing were selected and all of them were successfully interviewed.

- from the total of 15 respondents 7% of them are high school completing, 13% were certificate, 47% were diploma and the remaining 33% of respondents were degree and there is no one who second degree and other.
- 40% of the dairy sectors owned and operate in group while the remaining 60% of the sectors are owned and operated individually. Therefore, the study shows that most of the dairy sectors were operated by individual base.
- from the total of 15 respondents 73% of them answered that there is marketing problem in their dairy products where as the remaining 27% of respondents answer show there is no any problem in their milk products.
- from the total of 15 respondents 73% of them have good and enough materials which used to preserve milk products, but the remaining 27% of respondents do not have good and enough materials to preserve milk product.
- 80% of respondent in the dairy sectors were provide continues training but the remaining 20% of respondents were not provide training to their employee.

- from the total of 15 respondents 40% of them says the market price of dairy product is set by competitors while the remaining 60% of respondents were set the price of milk product by themselves.
- out of 15 respondent 80% of them have access to marketing and production information while the remaining 20% of respondents do not have access to marketing and productions information on milk product.
- out of 15 respondent 80% of them have access to marketing and production information while the remaining 20% of respondents do not have access to marketing and productions information on milk product.
- from the total of 9 respondent which say there is an opportunity 33% of them were exploit the marketing opportunities of dairy product , but the remaining 67% of respondent were not exploit the opportunity effectively.
- ✓ Finally, most respondents are very happy and interesting on the overall raised questions, and their major response lies on the profitability of dairy sectors to each and every individual business and even at the national level especially if some improvement made in the area and government support them. But few respondents were preferred to be silent.

5.1.2 Conclusion

Based on the analysis of the data the researcher draw the following conclusion

- ❖ There is a marketing problem in milk products. Result from the study indicate that the problem of milk product in the area were include lack of quality, problem related to training, poor customer handling, lack of enough milk preservation materials and lack of promotion.
- ❖ The daily consumption of milk product in the dairy sectors were highly affected the factors such as income and religion.
- ❖ Marketing problems in the dairy sectors were highly affected the performance of the business.
The major impacts of those problems were decrease in revenue and even loss, lack of self confidence and unable to sustain in the market. In related to this lack of finance and lack of experience in the dairy sectors were affect managers to avoid problems.
- ❖ In the dairy sectors the price of milk product were determined by the seller themselves rather than considering customers.

- ❖ There is a huge market opportunity for milk products in the dairy industry. The major sources of this opportunity were resulted from increased in level of consumption and increase in the size of population. But managers in the dairy sectors were not exploiting this opportunity effectively because of different factors like lack of capital and modern equipments in the area.
- ❖ Most of the dairy businesses were operate in an individual base and this results poor performance in the operation of the dairy business.
- ❖ Milk product processing, handling and packaging materials have the key role in order to process, handle and package the milk and milk products. So as the finding shows that in the study area there were different materials which used to process and handle those milk products but there were not good and enough.
- ❖ The dairy sectors were collected different information from customer, government, competitors and other in order to develop effective marketing mix strategies, even though there is some problem in their product, price, promotion and place.

5.1.3 Recommendation

As it is presented in the analysis part, the study shows that there are a lot of marketing problems and opportunities on the dairy business enterprise. Thus, to avoid or reduce problems and to exploit opportunities in the dairy sectors the researcher has made the following recommendations:

- Provide continues training to their employee so as to perform tasks effectively and efficiently to satisfy and retain current customers and to attract new customers of milk product.
- Promote the product through different local Medias like debub Radio FM 102.2, locally produced magazines, bill boards and other with the intended benefit of the product.
- Create good linkage with different financial institutions and micro finances to solve their financial problem.
- Implement synchrony marketing strategies in order to solve problems of seasonally fluctuating demand.
- Set the price of milk products with a great consideration of demand.

- Establish a centralized milk collection center and process the milk in the area by empowering cooperatives through providing continues, formal and practical training, providing market knowledge and information, providing loan and accessible market place.
- Operate in group so as to have a good advantage in financial strength, skill and knowledge toward business concept.
- Investors whether they are domestic or foreign, should be motivated to invest in marketing processing, and commercialization of milk products.
- Strengthen the capacity through continues training by small by small scale and micro enterprise office and interested NGOs. NGOs should work closely with trade and industry as well as small, scale and micro enterprise office.
- Formalize the marketing system by creating marketing links with milk processors in Addis Ababa because Addis Ababa is an appropriate place in terms of vicinity and a lot of processor of milk fund there.
- Address the market capacity through market linkage, business development service and access to knowledge and resource.

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APPENDIX

WOLKITE University

College of business and economics

Department of marketing Management

Questioners to be fulfilled by customer of dairy business in gubre town.

Thank you in advance!

N.B. it is not required to write your name.

Please make a tick mark (✓) in the box and/or write additional response on the space provided. **Dear respondents:** this questioner is prepared by wolkite University Marketing Management graduating class students. The objective of the questioner is to collect information on the major marketing problems and opportunities of dairy sectors in Gubre town. The research aims only for academic purpose and not will be uses for other purpose and you are kindly requested to give your response.

Part one: personal in formation

1. Sex A. Male B. female
2. Age A. 18-30 31-43 44-56 D. abo7
3. Educational background
- A. High school completing Diploma E. secd degree
- B. Certificate D. Degree F. spfy if others

Part two: questions related to the study

1. Are you the daily user of milk products?
 A. yes B. No
2. If your answer for question number “1” is yes, how many times you use milk per a day?
 A. One B. Two Three More than three
3. From milk products which one you use mostly?
 A. Milk B. Butter C. Cheese D. Yogurt
4. Do you observe any problem when you buy the milk products?
 A. Yes B. No
5. If your answer for question number “4” is yes, what kind of problems do you observe?

- A. Lack of quality C. Poor customer handing
 B. Shortage of product D. Specify if other-----

6. Do they offer their product by different amount?

- A. yes B. No

7. How do you rate the quality of milk products?

- A. Good C. Medium Very bad
 B. Very good D. Bad

8. Do you get milk products at the time and place you required?

- A. Yes B. No

9. Do you think the price of milk products is appropriate?

- A. Yes B. No

10. Are you satisfied by the milk products?

- A. Yes B. No

11. If your answer for question number "10" is yes, how much you satisfied?

- A. Satisfy C. Neutral E. Very dissatisfy
 B. Very satisfy D. Dissatisfy

12. Do they make any efforts to satisfy you?

- A. Yes B. No

13. If your answer for question number "12" is yes what kind of efforts they do?

14. Do they make any promotion to attract you?

- A. Yes B. No

15. If your answer for question member "14" is yes what kind of promotion they do?

- A. Advertising C. Sales promotion
 B. Personal selling D. Specify it other-----

16. Are there any factors that affect your daily consumption of milk?

- A. Yes B. No

17. If your answer for question number "16" is yes which factors affect you mostly?

- A. Income C. Shortage of the product
 B. Religion D. Specify if other-----

18. Lastly please mention your general opinion about those milk products?

A structured interview developed to gather information on marketing problems and opportunities of dairy products in Gubre town.

Part one: personal information

1. Educational background

- A. high school completing C. diploma E. second degree
B. Certificate D. degree F. specify it other-----

2. Income of respondent

- A. 400-700 C. 1000 – 1300 E. Above 1600
B. 700- 1000 D. 1300 – 1600

3. How many years experience do you have in milk marketing activities?

- A. one year two year C. three year D. four year and above

Part two: question related to the study

1. Does your organization operate in group or individuals?

- A. Group B. Individual

2. Is there any marketing problem on your milk product?

- A. Yes B. No

3. If your answer for question member “2” is yes what are the major problems of dairy marketing in your locality?-----

4. Do those marketing problems have a significant impact on the performance of your organization?

- A. Yes B. No

5. If your answer for question number “4” is yes, what is the major impact of those problems in your business?

6. Does your organization implement any practice to avoid problems?

A. yes B. No

7. If your answer for question number "6" is yes, what mechanism does you implement?-----

8. If no, why?

9. Do you have good and enough materials which used to preserve milk products?

A. Yes B. No

10. Does your organization provide a continuous training to employee?

A. Yes B. No

11. If your answer for question number "10" is yes, what type of training you provide?

12. Who set market price?

A. government C. Competitors E. Specify if other-----
B. Customer D. Yourself

13. Do you have access to marketing and production information?

A. Yes B. No

14. If you answer for question number "13" is yes, what are your sources of information?

15. Is there any market opportunity for dairy marketing in you locality?

A. Yes B. No

16. If your answer for question number 15 is yes what is the major source of this opportunity?

A. Increase in population life C. Increase in level of consumption
B. urbanization D. law competition
E. specify if others-----

17. Do you exploit the opportunity effectively?

A. Yes B. No

18. If your answer for question number “17” is No, why?

19. Finally if you want to say anything about the above questions?

