

WOKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANAGEMENT

Assessment of MARKETING PROBLEMS AND PROSPECTS OF ENTREPRENEURIAL ACTIVITY IN RELATION TO MICRO AND SMALL- SCALE ENTERPRISE IN CASE OF GUBURE TOWN

A SENIOR ESSEY SUBMITTED TO THE MARKETING MANAGEMENT IN PARTIAL FUIFILLMENT OF THE REQUIREMENTS FOR OF BACHELOR ARTS (BA) DEGREE IN MARKETING MANAGEMENT

PREPARED BY: MUBARIK NESRU

ADVISOR: MEAZA G. (MA)

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WOLKITE; ETHIOPIA

Declaration

The researcher under signed below, declare that this study entitled **Assessment of marketing problems and prospects of entrepreneurial activity in relation to micro and small- scale enterprise in case of Gubre town** is my own work and that to the best of the research knowledge and belief. It contain no material previously published or written by another person no material except acknowledge reference, which to substantial extent, has been accepted for the qualification of any other, degree or diploma of a university or other institutions of higher learning.

Declared by:	signature	Date
	……	…….

Board of Examiner

Advisor:	signature	Date
ADVISOR: MEAZA G. (MA)	……..	……...
Examiner……	signature	Date
	……	……..
Examiner……	signature	Date
	…. …….	……..

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ABSTRACT

This study was conducted on marketing problem and prospect of entrepreneurial activity in relation to micro and small-scale enterprise in case of gubre town. It tried to identify the marketing problem and prospect of entrepreneurial activity to achieve its goal. The source of data can be both primary and secondary sources and it would be use open and closed ended questionnaires method of data collection and the study was adopt cluster sampling technique.

The conclusion of the major finding on marketing problem and prospect of entrepreneurial activity shows that, there is a lot of problem about entrepreneurial activity like lack of management skill, financial problem, lack of business experience, absence of analysis when starting the business and lack of efficient support from governmental bodies.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Entrepreneur is a process and initiating a business venture, organizing the necessary resources and assuming the associated risk and rewards. An entrepreneur recognizes a viable idea for business product or service and caries it out. This means finding and assembling necessary resources money, people, and machinery, location to undertake the business venture entrepreneurs also consume the risk and reap the reward of the business. They consume the financial and legal risks and ownership and receive the business profit.

A country may use different mechanism to make changes in its own economic structure like changing its agriculturally based economy and this can be done through increasing the share of agricultural and industrial sector in economy. However, in most cases developing countries are advised to facilitate production. (Beyene, 1995).

Micro and small-scale enterprise (MSEs) play significant role in the creation and employment opportunities and also generate and income for large proportion of the population. Provision of studies in the area confirm that the contribution of micro and small enterprises in this regard have long recognized all over the world. (Mulugata Hahans, 2011).

The government of Ethiopia has recognized the limits to markets and has thus taken on an attractive role in promoting in the private sector in contrast to in many developing countries. Various studies as well as governments report indicates that micro and small enterprises are largely believed to be provide means for large population of Ethiopia (Ministry of trade and industry, 2010).

The most widely used criteria to define small business are number of employees and amount of capital. Accordingly, the following definition is determined to be applied by the ministry of trade and industry in Ethiopia.

Micro enterprises are business enterprise found in all sectors of the Ethiopian economy with a paid-up capital of not more than birr 20,000 and less than 20 employees, but excluding high-tech consultancy firms and other high-tech establishments.

Small enterprises are business enterprises with paid-up capital of more than birr 20,000 and not exceeding birr 500,000 and with number of employees ranging from 20-100, but excluding high-tech consultancy firms and other high-tech establishments.

1.2. Statement of the problem

In overall economic development, a critically important role is played by micro and small Enterprises in the developing world. The majority of the countries rely on the dynamism,

Resourcefulness and risk-taking of private enterprises to which; most micro and small enterprises Belong to sustain the process and form the base for private sector led economic growth. Expansion and development of the sector increases agricultural productivity through providing agricultural inputs and creating demand for agricultural outputs. Thus, micro and small enterprises play a key role in stimulating other sectors of the economy such as trade, construction, services and agriculture as well as in reducing unemployment (ILO, 2006; Assefa, 2004). The existence of strong small business sector is necessary for the growth of the economy and reduces the unemployment rate and increase the number of products or service offered to the society (Truneh Abebe, 2011).

Ethiopia recognized the important contribution that MSEs could make in poverty reduction, employment creation and private sector development, while raising the national income. Hence, to promote the proliferation of MSEs and enhance its performance to enable to tackle the problem of unemployment and poverty reduction, the government forwarded MSE Development Strategy in 1997, in 2003 and in 2011. Federal Micro and Small-Scale Enterprises Strategy (FMSES) and Regional Micro and Small-Scale Enterprises Strategies (RMSES) were formulated in 1997 with main objectives for exploitation of local raw material, creation of productive job opportunities, adoption of new and appropriate technologies, and enhancement of the development of MSEs which have wide-ranging backward and forward linkages.

In 2003 in order to operational FMSEDA and RMSEDAs the government issued an Industrial Development Strategy in 2003 which was aimed at providing a package of material and technical government support to the MSEs including, inter alia, provision of utilities and infrastructure, raw materials, access to credits, etc. The new MSE Strategy (2011) 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.

The study by Minster of Urban Development and Construction, (2013), identified a number of challenges and constraints hindering the performance of MSEs in Selected Major Cities

Ethiopia. These challenges were manifested in terms of capital, technology and employment

growth trends. Enterprises from the regional cites indicated that shortage of finance (42 percent) to expand their business was their principal challenge, followed by lack of working premise (28.3 percent); and lack of access to market or absence of linkage to market. The study also showed that lack of access to land has been one of the most crucial bottlenecks (26.4 percent) in Addis Ababa, problem of finance (25.6 percent) and access to market (25.1 percent) were among the strong factors inhibiting the performance of these enterprises in the capital. The findings of (Mulu, 2007) also indicate that banks and MFIs do not seem to support MSEs expansion. Due to this 85 percent of the respondents have never received credit from these formal sources.

Therefore this study was attempt to identify the different factors that influence the performance Of MSEs and also try to analyze which factors among them are significantly affecting the performance of MSEs in GUBRE town. The research was conduct with objective to identify the nature of MSEs and analyses the specific relationship between the success of MSEs and type of MSEs and the role of the entrepreneurial activity in providing unemployment reduction. Generally, entrepreneurs are required to assess the environment, identify the opportunity to improve their activity and employment action to maximizing opportunity

1.3. Basic research questions

- ✓ What seems the nature of MSEs in Gubre town?
  What are the marketing problems that affect performance and MSEs in gubure town?
  What are the marketing problems of micro and small-scale entrepreneurial activity?
- ✓ What are the marketing problems that negatively affect the performance of MSEs in gubure?
- ✓ How to evaluate marketing prospect entrepreneurial actively upon its expansion?

1.4. Objectives of the study

1.4.1. General objectives

The primary objective of this study would be assessing the marketing problem and prospect of entrepreneurial activity in relation to micro and small-scale enterprises.

1.4.2. Specific objective

- ✓ To investigate the nature of MSEs in gubure town.
- ✓ To measure the performance of MSEs.
- ✓ To point out the marketing problem of micro and small-scale entrepreneurial activity.
- ✓ To identify marketing problems that negatively affects the performance of MSEs in gubre town.
- ✓ To evaluate prospect of entrepreneurial actively upon its expansion.

1.5. Significant of the study

The outcome of the study was

believe to have the following significance. It provides information to the managerial and owners of MSEs to solve the problem.

- ✓ For government and concerned bodies involved in the promotion of the development of MSEs may use finding to address the uncover problem.

- ✓ It was Help to MSEs owners to understand real problems and then seek solution for the problem and how to increase customer satisfaction.
- ✓ It was Use as reference for other researcher invest to conduct the study on the topic.

1.6. Scope of the study

The interest of the research would be focusing its area of the study in micro and small-scale enterprises organized in merchandizing small business, construction, urban agriculture, manufacturing and service delivery

1.7. Limitation of the Study

While conducting this study the researcher was faced the following limitations:

- Difficulty in distributing questionnaire to the selected employees in the center.
- Some of the respondents were not interested to fill open ended questions on the questionnaire.
- Since the researcher is full time students, it encountered constraints in time and budget.
- By limiting the scope of the study, the researcher overcomes the problem.

1.8. Organization the Study

The study has five chapters, the first chapter deals introduction which consist of background of the study, statement of the problems, basic research question, objective of the study, significance of the study, scope of the study and limitation of the study. The second chapter was emphasizing on review literature which is briefly discussed about the definition and concept of entrepreneurs and entrepreneurship and other related concepts. The third chapter was consists of methodology of the study. The fourth chapter consists of data presentation and analyses and the fifth chapter include conclusion and recommendation

CHAPTER TWO

LITERATURE REVIEW

2.1. Nature and Development of Entrepreneurship

Who is an entrepreneur? What is entrepreneurship? What is an entrepreneur cases path? These questions are asked more and more frequently, reflecting the increased national and international interest in the field. Yet, in spite of all this interest, a concise, universally accepted definition has not yet emerged. Overview of the development of entrepreneurship theory and term passed a serous of stage (Hirsch: 1986s)

In the middle age, the term entrepreneur was used to describe both an actor and a person managing large production project, the person would not take any risk but would merely manage the project using the resource provide. A typical entrepreneur in the middle age was the cleric the person in charge of great architectural works such as castles and fortifications and public buildings (Hirsch and Peter 1987: p. 7)

Richard Cantilena, a noted economist and author in the 1700's developed one of the early theories of the entrepreneur and is regarded by some as the founder of the term cantillon, viewed the entrepreneur as a risk taker, seeing the merchant, farmers, crafts man and other sole proprietor buy at a certain price and sell at uncertain price therefore entrepreneurs are operating at risk (Herbert and Link, 1982: 17)

In the middle of 20th century, the nation of entrepreneurs and innovation was established. The function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or more generally an untried technological possibility for producing a new commodity producing an old one in new way, opening source of supply of materials or a new out let for products, by reorganizing a new industry (Schumter, 1952: p. 72)

The concept of innovation and newness as an integral part of entrepreneurship is at the heart of this definition. Indeed, innovation the act of introducing something new is one the most difficult tasks for the entrepreneurs. It takes not only the ability to create and conceptualize but also to understand all the force at work in the environment.

The newness can be anything from a new product to a new distribution system to simply a new organization structure (Hisrich and peter, 1989: p.9)

2.2. Definition of Entrepreneurship

The concept of an entrepreneur is further refined when principles and terms from a business, managerial and personal perspective are considered. In particular, the aspects of entrepreneurship from a personal and sociological perspective have been explored. This exploration is reflected in more recent definition of the term.

In almost all of the definition of entrepreneurship, there is an agreement that we are taking about a kind of behavior that includes

1. Initiative taking
2. The organizing and reorganizing of social/economic mechanism to turn resources and situations to practical account

3. The acceptance of failure (shapero, 1975: p. 187)

Entrepreneur seen differently by economists, psychologists, business person and politician to an economist an entrepreneur is one who brings resources, labor, materials and other asset in the combinations that make their value greater than before and also one who introduce changes, innovations and a new order. To psychologists, such a person is typically driven by certain forces need to obtain or attain something to experiment to accomplish or perhaps to scope authority of others. To a business men entrepreneur

appears as a threat. An aggressive competitor, where as to another business the same entrepreneur may be an ally, a source of supply, a customer (Vesper, 1980, p.2)

Entrepreneurship is the dynamic process of creating incremental wealth. The wealth is created by individual who assume the major risk in terms of equity, time and career commitment or providing volume for some product or service (Ronstad, 1984. P. 28)

2.3. Form of Entrepreneurship

From different point of views, entrepreneurship can take three different forms.

Individual entrepreneurial: much of the definition given to entrepreneurship focus on the individual's entrepreneur. An individual entrepreneur was someone who started, acquired or franchised his or her own independent organization (Hisrick and Peters, 1989: p. 9)

Entrepreneur: an entrepreneur was a person who does entrepreneurial work within large organizations (Pinchot1983: p. 512).

The process by which an entrepreneur affects is called entrepreneurship from the stand point of a company, the benefits of having entrepreneur is obvious.

Entrepreneurs introduce and produce new products, process and service which in turn enable the company to grow and profit. It is important to know two important factors about entrepreneurs

- The process followed by entrepreneur is quite different from that followed by the independent individual entrepreneur. Entrepreneur's context was offered dependent of organizations willing.
- Entrepreneurship often takes place in organization that overall stifle entrepreneurship. In other word many organizations fail to create an environment for entrepreneurship. Thus, entrepreneur is individual who often engage in entrepreneurial action in large organization without the blessing their organization.

The entrepreneurial organization: the entrepreneurial function need not be embodied in a physical person. Every social environment has its own way of filling the entrepreneurial function, a person working in organizations have the potential for being an entrepreneur, as who those working independently to start their own business. An

organization can create an environment in which all of its members can contribute in some fashion to the entrepreneurial function. An organization that creates such an entrepreneur environment is defined as entrepreneurial organization (Hisrich and Peter. 1989: p. 18).

2.4. Characteristics of entrepreneurs

A common threat to entrepreneurs is that they are decision makers with regard to level of production and productive techniques the function of decision making may include production novel goods or finding new means of producing existing items. This refers to the innovational activity entrepreneurs are characterized by creating additional productive capacity prior to understanding production "entrepreneurs defined as a person who identifies product, mobilize resources, establishes a business that manage the business unit and make to grow beyond its initial stage, by involving himself in the multiplicity of these activities with unknown combinations" (Arymugan and Sankoranayena, 1891: p. 17).

An entrepreneur's dynamic agent in the economic process profits suggested being the reward of entrepreneurs for this compensation of managing the business efficiently. Entrepreneurs are those business people who perceive opportunity in the environment. From different literature (definition) of entrepreneurs have various qualities attributed to them. These characteristics are undoubtedly important for understanding the overall concepts of entrepreneurs.

1. Have a feel for recognizing and responding to the business opportunity
2. Self-confident
3. Willingness to take risk
4. Are decisive and can motivates others
5. Independent, and need for achievement

2.5. Entrepreneur's background to develop new venture

While a wide variety aspect of entrepreneur's background has been explored; only a few have differentiated the entrepreneur from the general populace or managers. The back ground area explored includes childhood family environment, education, and age and work history.

Childhood family environment:

Specific topics in the family environment of the entrepreneur include birth order, parent's occupation and relationship with parents. The impact of birth order has had conflicting research result since Henning and Jardine found that female executives tend to be first born (Henning and Jardim, 1975: p. 55)

Being the first or an only child is postulated to result in the child receiving special attention and there by developing more self-confidence for example in a rational sample of 408 female entrepreneurs. Hisrich and Brush found 50 percent to be first born/ Hisrich and Brush, 1984: PP. 30-37). However; in many studies of male and female entrepreneurs the first-born affect has not been present.

In terms of the occupation of the entrepreneur's parents, there is strong evidence that entrepreneur tend to have self-employed. Having a father who is self –employed provides a strong inspiration for the entrepreneur (Hisrich and brush, 1989: p.57).

The overall parent's relationship whether entrepreneur or not, is perhaps the most important aspects of the child hood family environment in establishing the desirability of entrepreneur's activity for the individual parents are supportive and encourage independence, achievement and responsibility. This supportive relationship of the parents appears to be most important for entrepreneurs (Hisrich and Brush, 1986: p.66)

Education: the education of entrepreneur has received significant research attention. While it is frequently stated the entrepreneurs are less educated than the general population, the research finding indicate that this clearly is not the case education was important in the up brining of entrepreneurs. Although a formal education is not necessary for starting a new business it does provide a good background, particularly when it is related to the field of the venture (Hisrich and Brush, 1989: p.59)

Age: the relationship of age to the entrepreneur's carrier process has also been carefully researched. It is important differentiate between entrepreneurs age (the age of

entrepreneur reflected in the experience) and chronological age in terms of chronological age, most entrepreneurs initiate their entrepreneurial career between the age of 22 and 55.

Work history: work history not only is a negative displacement in the decision to launch a new entrepreneur's venture, but is also important in the growth and eventual success of new venture (Hisrich ad Brush (1989: p. 61) while dissatisfaction with various aspect of one's job challenge. Frustration and bore done often motivates the launching a new venture. Previous technical and industry experience is important once the decisions to launch have been made.

2.6. Factor affecting entrepreneurial decision

Many individuals have difficulty in bringing their idea to the market and creating a new venture. Yet entrepreneurship and the actual entrepreneurial decision have resulted in several million new businesses throughout the world. Each of these companies is formed through a very personal process. Although unique have some common characteristics. Like all processes, it entails a movement from something to something. (a movement from a present life style to forming a new enterprise). The decision to start an entrepreneurial venture consists of several sequential sub decisions (Hisrich and peter, 1989: pp. 10-14)

- The decision to leave a present career
- The decision that an entrepreneurial venture desirable
- The decision that both external and internal factors make the venture possible

2.6.1. Change from present life style

The decision to leave a present career and life style is not an easy one. It takes a great deal of energy to change and create something new. The two most important incentives to leave a present life style and start a business are work environment and disruption

2.6.1.1. Work environment

While individual tend to start business in familiar area to work environments tend to be particularly good in spawning new enterprise: research and development and marketing Working in technology. / Research and development) individual develop new product, ideas and processes and often leave to form new companies when the present employers

do not accept the new ideas. Similarly, individuals in marketing become familiar with the market and unfilled customers' want and needs and frequently start new enterprise to fill these needs.

2.6.1.2. Disruptions

Perhaps even more incentive to leave a present life style and overcome the inertia by creating something new comes from a negative force (disruption). A significant number of companies are formed by people who have retired, who are relocated, or who have been fired.

There is no greater force than person dislocation to galvanize a person in to action another cause of disruption and resulting company formation in the complementation of an education degree

2.6.2. Factors affecting to form new enterprise

Yet what causes change due to personal disruption result in new company being formed instead of something else. The decision to start a new company occurs when an individual perceives that it is both desirable and possible.

2.6.2.1. Desirability of starting a new business

The desirability of starting a new business is resulting from an individual's culture, sub culture, family, teachers and peers

2.6.2.2. Factors affecting possibility of starting new business

While the desire generated from the individual's culture, sub culture, family, and teachers must be present before any action is taken, the second part of the question centers around the question: what makes it possible to form a new company? Several factors-government, background, marketing, role models and finance, contributes to the creation of new venture.

Perhaps the decision on whether to start your own business is best considered in light of an understanding of the entrepreneurial process (Stevenson, Roberts and Grous beck, 1985, pp, 16-23).

The entrepreneurial process involves more than just problem something in a typical management position. The actual process itself has four distinct phases.

1. Identify and evaluate the opportunity
2. Develop the business plan
3. Determine the resource required
4. Manage the resulting enterprise created

2.7. Source of new ideas

As reflected in the stories of the millions of entrepreneurs throughout the word, there are many possible sources of ideas some of the more useful source ideas are consumers, existing companies, distribution channels, the government and research and development (Hisrich and Peter, 1989: p. 95)

2.8. Methods for generating ideas

Frequently, there is a problem incoming up with a new idea. There are several methods available that the entrepreneur cause to help generate and test new ideas. Some of the most useful methods include focus groups, brainstorming and problem inventory analysis (Hisrich and Peter 1989: pp. 97-98).

2.9. Problems and constraints facing micro and small-scale enterprise in Adam

In order to appreciate the challenges, we face in the effective and efficient promotion of micro and small-scale enterprise and realize, their constraints, we have to first consider their characteristics. This help to determine the package of policy measure and institutional assistance necessary to sustain their growth. Entrepreneurs, both existing and emerging, are that actor in this economy and was create wealth and employment and ultimately provide the basis for economic progress. Micro and small-scale enterprise still face serious obstacles both at the operational and start up level. Some of the most critical constraints raised at different forum include access to.

- Finance, lack of clear and programmatic national policy

- Premises and land
- Lack of infrastructure
- Lack of training in entrepreneurial and management skill.

-Lack of information in business opportunities (Andualem., 2004: p. 43)

2.10. The role of entrepreneurship

The role of entrepreneurship in economic development involves more than just increasing per capital output and income it involves initiation and constituting change in structure of business and society. This change is accompanied by growth and increased output, which allows more to be divided by the various participants (Hisrich and peter 1989: p. 19). What facilitates needed change and development?

One theory of economic growth depicts innovation as the key not only in developing new products (or services) for the market but also stimulating investment interest in the new venture created. This new investment works on both the demand and the supply sides of the growth equation. The new capital created expands the capacity for growth (supply side) and the resultant new spending utilizes the new capacity and output (demand side).

Entrepreneurship is one of the most effective methods for bridging the gap between science and technology and the market place, creating new enterprise, and bringing new products and services to market. These entrepreneurial activities significantly impact the economy of the area by building the economic base and providing jobs. (Hailey, 1952: p. 66)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Description of the study area

The study will conduct in gubure town which is located in southern part of Ethiopia SNNP regional state. The town is also 179 Km from the capital city of Ethiopia (Addis Ababa). It is also 192 Km far from regional cities of SNNP (Hawassa).

3.2. Research design

Descriptive research design was adopt in the research. According to William (2006) descriptive research design is the process of collecting data in order to taste hypothesis or to answer question concerning the current of the subject in the study.

3.3. Source of data and type

To address the problems the researcher was use both primary and secondary data.

- Primary source of data would be using the information gather through questionnaires, interview method of data collection instruments.
- Secondary source of data was acquire from different written materials which support this research.

3.4. Methods of data collection

In this research the researcher was uses different instrument to gather information. Due to low cost, due to consideration of time, the researcher was questionnaire method to collect primary data and different staff document as a secondary source of data. In addition, the questioner would be considering both open and close ended questionnaire.

3.5. Sampling method and sample size

Sampling is coming first along with mentioning target population. There are 474 in merchandise, 523 in service delivery, and 606 in manufacturing, 353 in construction and in urban agriculture 300 entrepreneur’s work in Gubre town.

$n=N/1+N\ (e)^2$

N=2256, e=10% (0.1)

$n=2256/1+2256(0.1)^2$

2256/1+22.56=2256/23.56=96

Ni1, merchandise 474/2256*96=20

Ni2, service delivery 523/2256*96=22

Ni3, manufacturing 606/2256*96=26

Ni4, construction 353/2256*96=15

Ni5, urban agriculture 300/2256*96=13

Where N= number of total populations

n = number of sample size

e = error

The researcher was use probability sampling technique in which specially cluster sampling technique because the researcher put the population in to class or arrange class.

3.6. Data analysis method

Analyzing of data was depending on the information gather from different source. The data was analyse by using tables and paragraphs. The questionnaire was normally sort out by auditing, classifying, and coding and in this study descriptive analysis was use because of its simplicity and clarity to draw inferences and necessary information make under each table through descriptive method having qualitative and quantitative nature.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

This part of the study presents analysis and interpretation of data collected through questioner from sample owners of micro and small scale enterprise in gubure town from the total 96 questionnaire that are distributed to the selected sample owners responds only 84 so the analysis was done only on 84 questionnaire.

NO	Item	Owners frequency	Owner's percentage (%)
1	Sex		
	Male	60	71.42
	Female	24	28.57
	Total	84	100
2	Age		
	18-25	42	50
	26-40	32	38.09
	41-60	10	11.90
	Above 60		
	Total	84	100
3	Educational level		
	1-6		
	7-8	8	9.52

	9-12	24	28.57
	Above 12	52	61.90
	Total	84	100

Table 4. 1 ***demographic characteristics of respondent***

Source own survey: 2017

According to table 4.1 above to owners demographic characteristics are described as follows.

From owners of micro and small scale enterprise respondents of table 4.1 item 1, 71.42% (60) respondents are male and 28.57% (24)respondents are female with regard to item 2, 50% (42) owners respondents are (18-25), 38.09%, (32) owners respondents are (26-40) and 11.90% (10) owners respondents are to age of (41-60) under item 3 of the respondents educational level of (7-8),9.52%,(8) owners respondent, (9-12) ,28.57%, (24) owners of respondent and above (12) ,61.90%, (52) owners of respondent.

Owner's questioner analysis

In this part the questioners which are gathered from owner of micro and small scale enterprise are discussed.

Table 4. 2 ***types of business you running?***

No	Item	Owners frequency	Owners percentage %
1	Merchandise	18	21.42
2	Service delivery	20	23.80
3	Manufacturing	22	26.19
4	Construction	12	14.28

5	Urban agriculture	12	14.28
	Total	84	100

Source: own survey, 2017

According table 4.2 on the above surveyed for the study 26.19% (22) are engaged in manufacturing, 14.28% (12) urban agriculture and also 14.28% (12) are in construction ,21.42%(18) are in merchandise and 23.80% (20) owners respondent are engaged in service delivery.

Table 4. 3 ***when was starting the business?***

When was starting the business?	Owners frequency	Owners percentage %
1997-2002	52	61.90
2003-2009	32	38.09
Total	84	100

Source: own survey, 2017

As we see the table 4.3 61.90% (52) owners of small scale enterprise are starting the business from 1997-2002, and 38.09% (32) owners respondent said from 2003-2009.

From the above statement and table as we see most of owners of micro and small scale enterprise starting their business 1997-2002 this shows they are more experienced and they have known how about the business from 2003-2009 owners are few but the year that they start the business.

Table 4. 4 ***what was your intention for starting the business?***

Intention for starting the business	Owners frequency	Owners percentage %
Desire to work	6	7.14

Desire to accumulate	23	27.38
To earn for survival	39	46.42
An opportunity presented it self	16	19.04
Other		
Total	84	100

Source: own survey, 2017

According, to table 4.4 on the above 46.42% (39) owners respondents are to earn for survival, 27.38% (23) respondents are desire to accumulate wealth, 19.04% (16) are on opportunity presented itself and 7.14% (6) owners are desire to work one self.

Generally, as a researcher analyze from the above table most of owners are starting the business to earn for survival.

Table 4. 5 ***what is the problem you face to start the business?***

Problems face to start the business	Owners frequency	Owners percentage %
Financial problem	61	72.61
Lack of ability and skill	18	21.42
Lack of persons that can do the analysis	5	5.95
Total	84	100

As we see on the above table 4.5 72.61 %(61) faced the financial problem 21.42(18) respondents said lack of ability and skill and 5.95 %(5) owners of small scale enterprises was faced lack of persons that can do the analysis.

Generally, as we see on the above statement, most of the owners faced financial problem the reason is most of our society have no capital to construct the business that's why they faced financial problem.

Table 4. 6 ***How is the business managed?***

How the business was managed?	Owners frequency	Owners percentage %
Slowly by one individual		
By one individual having consultation from other	20	23.80
By two or more individuals	64	76.19
Total	84	100

Source: Owen survey, 2017

According to table 4.6 on the above 76.19% (64) respondents said their business was managed by two or more individuals and 23.80% (20) was by one individual having consultation from other. Generally, as we see the above statement most of micro and small businesses are managed by two or more individuals because most of micro and small scale enterprises are constructed by group of people so the owners are those all group participants in this case the business was managed by two or more individuals.

Table 4. 7 ***Do the type quality and design of your products/merchandise/ service get improved from time to time?***

Do the type quality and design of your product / merchandise / service get improved from time to time?	Owners frequency	Owners percentage %
Yes	53	63.09
No	31	36.90
Total	84	100

Source: own survey, 2017

On the above table 4.7as we see 63.09% (53) owners of micro and small scale enterprises was do the type, quality and design of their product / merchandise and service made improvement from time to time and 36.90% (31) respondents are said No , those 36.90% (31) of respondents are have a reason to say No most of the reason are :-

- ✓ Financial problem
- ✓ Technological advancement
- ✓ Government policy

Table 4. 8 ***Do the type, quality, design of your product /merchandise and service is satisfying the customer need?***

Does your product / merchandise and service type, quality, design satisfy the customer need?	Owners frequency	Owners percentage %
Yes	56	66.66

No	28	33.33
Total	84	100

Source: own survey, 2017

According to the above table 4.8, 66.66% (56) of owners respondents are respond "yes" our product / merchandise and service type, quality and design was satisfy the customer need and 33.33% (28) are said "No". Those 33.33% (28) owners respondents state a reason why they say "No" most of the reasons are the major reason are:-

- ✓ Absence or lack of advanced material
- ✓ The work place

Table 4. 9 ***What type of advantage do you get from governmental bodies?***

Advantages do you get from governmental bodies?	Owners frequency	Owners percentage %
By creating opportunity to promote your product and service	23	27.38
By creating opportunity to be competitive in the market	45	53.57
By facilitating you to participate in innovate activities	16	19.04
Other		
Total	84	100

Source: own survey, 2017

As the above table 4.9, 53.57% (45) owners respondent said governmental bodies gives the opportunity to be competitive in the market, 27.38% (23) respondents was said by creating opportunity to promote your product and service and 19.04% (16). Generally, as we see on the above statement most of owners respondent said they get advantage by creating opportunity to be competitive in the market this means this is what the government objective to construct micro and small scale enterprise that's why most of respondents said by creating opportunity to be competitive in the market.

Table 4. 10 ***Do you have an intention to employee workers in your business?***

Do you have an intention to employee workers in your business?		
Yes	84	100
No		
Total	84	100

Source: own survey, 2017

According to table 4.10, 100% (84) owner's respondents said "yes". This means they give intention to employee workers in your business. Generally, as we see the above statement all owners of micro and small scale enterprises are as we see on the table 4.10 they give intention to employee workers in their business the reason is to do their jobs effectively as the customer want and owners said and to have a good or to be skilled worker.

Table 4. 11 ***Do you pay enough salary that changes their life for the existing employee?***

Do you pay enough salary that changes their life for the existing employee?	Owners frequency	Owners percentage %
Yes	61	72.61
No	23	27.38

Total	84	100

Source: own survey, 2017

As we see the above 4.11, 61 (72.61%) owners respondents was said "yes" we pay enough salary for the existing employees that change their life and 23(27.38%) was said "no".

Generally, most of the owners of small scale enterprises were said "yes" we pay enough salary for the existing employees that change their life. The reason was first all employees are working to change their life and also country development that pay enough salary. But 23(27.38%) of owners respondents was said "No' the reason was most of the time the income of those owners they get is not sufficient for themselves so that they didn't pay enough salary.

Table 4. 12 ***Do you pay enough salary that changes their life for the existing employee if you say "yes" in what aspect?***

In what aspect do you pay enough salary that changes their life for the existing employee if you say "yes"?	Owners frequency	Owners percentage %
For survival	19	22.61
For saving	20	23.80
Investing their business	45	53.57
Total	84	100

Source: own survey, 2017

According to the table 4.12, 53.57% (45) owner's respondents said that investigating their business, 23.80% (20) respondents said for saving, 22.61% (19) owners' respondent said that for survival they pay enough salary. Generally, as we see the above statement most of owners pay enough salary for the employees to investigating their business because those employees are work for changing their life or to develop and also country

development this means if they develop the country also develop in other hand 23.80% (20) owners respondent said that for saving the reason they said was first those employees have to save money after that they invest their own business 22.61% (19) respondents are said for survival the reason was they said for survival any want this means it can be for saving or investing their business those wants come after surviving that's why they for survival.

Table 4. 13 ***What was the major source of your capital?***

Major source of your capital?	Owners frequency	Owners percentage %
Own saving		
Sale of asset		
Loan from the bank	84	100
Inheritance		
Total	84	100

Source: own survey, 2017

As we see the above table 4.13 100% (84) owner's respondents said that major source them capital was loan from the bank. Generally, from the above statement as we see all of owners are their major capital was loan from the bank the reason was our country most of we can say all micro and small scale enterprises are got their initial capital from the loan and also all of those owners said they have no any capital without loan.

Table 4. 14 ***Did you have any business experience before starting this business?***

Business experience before starting this business?	Owners frequency	Owners percentage %

Yes	31	36.90
No	53	63.09
Total	84	100

Source: own survey, 2017

As we see the above table 4.14, shows 63.09% (53) of the owners respondents are they have no prior experience before starting this business and the remaining 36.90% (31) has experience. From this we can see the most owners of micro and small scale enterprise have no prior experience this means they didn't have any idea about the business.

Table 4. 15 ***What was your major reason for participating in this business?***

Major participating in this business?	Owners frequency	Owners percentage %
As means of self-help and to support families	38	45.23
To keep busy		
I had no alternative income source	20	23.80
To be independent	26	30.95
Total	84	100

Source: own survey, 2017

According to the above table 4.15, as shown 45.23% (38) owners respondents said that as a means of help and to support families, 30.95% (26) respondents are said, to be independent and 23.80% (20) owner's respondent said that I had no alternatives income source. Generally, as we see most of respondents said that as a means of self-help and to

support families the reason was most probably they work for means of self-help and o support families because first when you work for the means of self and to support families. When we see the lowest percent 23.80% (20) respondent said that I had no alternative income source the reason was there is no job this means the owners don't have may be education or they didn't get the advantage of work so they grouped into micro and small scale enterprises.

Table 4. 16 ***Why did you choose this particular activity?***

Choosing this particular activity?	Owners frequency	Owners percentage %
I could not choose any other	31	36.90
It was family run business	21	25
Relevant prior work experience		
Due to lack of money	17	20.23
The other is highly competitive	15	17.85
Total	84	100

Source: own survey, 2017

As we see the above table 4.16, owners respondents said that 36.90% (31) said, could not choose any other, 25% (21)respondents respond it was family run business, 20.23% (17) respondents said that due to lack of money and 17.85% (15) owners respondents said that, the other is highly competitive. Generally, most of the owners said that could not choose any other because other business may be can take more capital.

Table 4. 17 ***Which source of new idea did you use to establish this business?***

Source of new idea you use to establish this business?	Owners frequency	Owners percentage %
Existing business customer	45	53.57
Customer		
Government rule and regulation	21	25
By come across	18	21.42
Total	84	100

Source: own survey, 2017

As we see on the above table 4.17, 53.17% (45) owner's respondent said existing business, 25% (21) respondents said that government rule and regulation and 21.42% (18) owner respondents said resource of new idea use to establish the business come across. Generally, most of owner's respondents said that the source of new idea for their business was existing business, because when they introduce new idea that can't be done before if coasty and lack of materials are problems but it is easy to modify on existing business. In other hand some owners respondent said that 21.42% (18) respondents respond that by come across those one few the reason was it was hard to aware their new ideas to come across to the society and it requires more technological equipment's.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The researcher finally comes with the following conclusions based on the findings regarding the marketing problem and prospect of entrepreneurial activity in relation to micro and small scale enterprise in gubure town.

The study has assessed the marketing problem and prospect of entrepreneurial activity.

The participation of males is greater on the entrepreneurial activity compared to females. Most of the owners in MSEs were above grade 12 educational level, between 26 – 40 years old.

Financial problem, lack of awareness about the importance of MSEs lack of ability and know how to run this business

Absence of analysis was some of the marketing problem of the MSEs Owners to start new business.

Nearly the entire sample MSEs was managed by the group of individuals.

Even though the number of the enterprise is in a growing trend, above half of the owne of the enterprise mentioned as there is still marketing problems in satisfying consumer needs and wants, inconsistent production capacity of the enterprise, wrong perception of consumers to locally produced products were the major problems failed to satisfy consumer wants.

More than half of the owners assured as they were not get support from governmental bodies at sufficient level.

Those MSEs owners were gaining payment for survival and help their family

Loan from bank and sales of asset was the main source of capital to the MSEs owner.

Majority of the sample MSEs owners has no business experience before starting this business

5.3. Recommendations

- Based on the problem identified from the sample respondents of MSEs owners, the following recommendation suggested to improving the efficiency of the research process.

- Even if the newly **o**pened MSEs is increasing from time to time there was problems on the owner to start the new business which is basically financial problem, so the owner has to look alternative source of income and the government too should support them to be competitive and creative in their business activity.
- Those MSEs which are managed by a group of manager but it is better to consult the business consultants.
- If the above listed supports are provided in sufficient manner the capacity of the entrepreneurs can improve and by that they can play a great role and contribution for entrepreneurship activity and reduction of unemployment in the town. By that it is possible to increase the overall economic contribution of entrepreneurial activity in the town.
- There are some problem is non – productivity of this enterprises to satisfy the need and wants of consumers. Most consumers are not satisfied by the type /quality/ design of products /services/merchandizes of MSEs in the town, failure of these enterprises to be competitive in identifying better products when compared to exported products and difficulty in identifying the needs of consumers and other problem are existed in addition to this products /services/ merchandizes those needed by consumers some time not available so to solve the problem the following measures are recommended as a solution. Small – scale enterprises especially in small – industry areas should adopt, search and use different technologies those helps to be productive.

  Owners of this enterprises should seek information from clients, suppliers or competitors and do research how to provide product /service merchandize with best quality /type/ design.

They should determine the need and want/ demand of consumers and potential customers to deliver products and services effectively and efficiently.

They should strive to keep consumers satisfied and place long – term good will and short – term gain.

The government should encourage the coordination of government institutions, chamber of trade and industry, micro and small enterprises agency and other NGO's for supporting this enterprise and on alleviating problems encounter them like absence of market, and shortage and backwardness of materials for production skill, training, input, finance and information are the majors.

In general if the marketing problems that hinder the growth and development of small – scale enterprises mentioned above and pointed by the owners and government were solved this enterprises can play a greater role and can have attractive future in reduction of unemployment and the like problem of the town.

Entrepreneurship is the process of discovering, evaluating and exploiting opportunities, which go on to verify them in the form of new business venture (Stevenson, 1986, 389)

By relating the definition of entrepreneur and entrepreneurship from different books and the internet, it is obvious to conceptualize entrepreneur's activities which are selected as a base stone for this research paper. In short entrepreneurial activities are activities, which are performed by entrepreneur.

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APPENDIX

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF MARKETING MANAGEMENT

The general purpose of this questionnaire is to conduct a research on marketing problem and prospects entrepreneurial activity in relation to micro and small scale enterprise in gubure town. Your responses are very much important for the success of the study and you are expected to be confidential, you are kindly requested to fill the questionnaire

You do not need to writer your name and address, only write the necessary information in the space provided and put an (X) mark in the box.

Thank you for your cooperation!!

Personal information

1. Sex

Male☐ Female ☐

2. Age

18-25 ☐ 26-40☐ 41-60☐ above 45☐

3. Educational level?

1-6☐ 7-8 ☐ 9-12☐ >12 ☐

4. Type of business you are running

Merchandize☐ urban agriculture

Service delivery☐ construction

Manufacturing☐

5. When was start running the business?

6. What was your intention for starting the business? (More than one answer is possible)

Desire to work for oneself ☐ Desire to accumulate wealth☐

To earn for survival ☐ an opportunity presented it self☐

Others Mention

_____

_____

7. What is the problem you face to start the business?

Financial problem for conducting ☐

Lack of ability and skill☐

Lack of persons that can do the analysis☐

Lack of awareness about its importance☐

Other mention

_____

8. How is the business managed?

Solely by one individual ☐

By one individual having consultation from other ☐

By two or more individuals ☐

9. Do the type quality and design of your products /merchandize/ service get improved from time to time?

Yes ☐ No☐

10. If No for the above question, why not?

_____

_____

11. Do the type, quality; design of your product/ merchandize service is satisfying the customers need?

Yes☐ No☐

12. If you say no for the above question, what do you comment the dissatisfaction of customers?

_____

13. Do you get any advantage from governmental bodies? (More than one answer is possible)

By creating opportunity to promote your product and service☐

By creating opportunity to be competitive in the market ☐

By facilitating you to participate in innovative activities ☐

Other, mention

_____

_____

14. If you respond No for the above question what kind of support you need from government bodies? _____

_____

15. Do you have an intention to employee workers in your business?

Yes☐ No☐

16. Do you pay enough salary that changes their life for the existing employee?

Yes☐ No☐

17. If you say "Yes" for the above question, in what aspect

For survival☐ for saving and ☐

Investing their business

If others/ mention _____

_____

18. What was the major source of your capital?

Own saving ☐ Sale of asset☐

Loan from bank ☐ Inheritance☐

19. Did you have any business experience before starting this business?

Yes ☐ No☐

20. What was your major reason for participating in this business?

As a means of self-help and to support families☐

I had no alternative income source ☐

To keep busy☐ to be independent☐

21. Why did you choose this particular activity?

I could not choose any other☐ Due to lack of money ☐

It was family run business ☐ the other are highly competitive ☐

Relevant prior work experiences

22. Are you willing to introduce new idea that is not used by others?

Yes ☐ No☐

23. Which source of new idea did you use to establish this business?

Customer ☐ Government rule and regulation☐

Existing business☐ by come across☐