ST. MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MEASURING THE EFFECTIVENESS OF MARKETING.
(The Case of Micro and Small Enterprises (MSEs) on Gullele Sub-City.)

BY

BETHLEHEM AMARE

A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY, SCHOOL OF
GRADUATE STUDIES FOR PARTIAL FULFILLMENT OF REQUIREMNT
FOR THE DEGREE OF MASTER OF ART IN MARKTING MANGAEMNT

MAY, 2022
ADDIS ABABA, ETHIOPIA

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DECLARATION

I, Bethlehem Amare, declare that this thesis entitled: "MEASURING THE EFFECTIVENESS OF MARKETING. (THE CASE OF MICRO AND SMALL ENTERPRISES (MSES) ON GULLELE SUB-CITY.)" is my original work. I have undertaken the research work independently with the guidance and support of the research advisor. This study has not been submitted for any degree or diploma program or any other institutions and that all sources of materials used for the thesis has been duly acknowledged.

Declared by

Name: Bethlehem Amare_____

Signature: _____

Department: Marketing Management

Date: _____

CERTIFICATE OF APPROVAL

This is to certify that the thesis prepared by Bethlehem Amare, entitled "MEASURING THE EFFECTIVENESS OF MARKETING. (THE CASE OF MICRO AND SMALL ENTERPRISES (MSES) ON GULLELE SUB-CITY.)" and submitted in partial fulfillment of the requirements for the Degree of Masters of Art in Marketing Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Name of Advisor: <u>Zemenu A. (Asst. Prof.)</u> : Signature: _____: Date: _____

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LIST OF ABBREVIATION

MSEs – Micro and Small Enterprises

CP – Customer Philosophy

IMO – Integrated Marketing Organization

AMI – Adequate Marketing Information

SO – Strategic Organization

OE – Operational Efficiency

ANOVA - Analysis of Variance

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ABSTRACT

In Ethiopia Micro and small enterprises (MSEs) play critical role in the country's economic and social development and serves as vehicles for employment opportunities and ways of enhancing wealth creation by supporting the economic growth. But some of them have become a burden on the government and its causing a lot of problems due to different reasons. The extent of the obstacles varies across Ethiopian regions and cities and lack of marketing is one of the most significant factors. In the Gullele sub-city some micro and small businesses fall short of the economic goals they set for themselves as well as the country's economy. Most enterprises are executing marketing techniques without realizing it. It was expected that measuring the effectiveness of their marketing is very important. Thus, this study was carried out to measure the marketing effectiveness of Micro and small enterprises (MSEs) in Gullele Sub-city. The study descriptive research design, and studied the factors that were identified to measure marketing effectiveness by Philip Kotler which are Customer Philosophy, Integrated Marketing Organization, Adequate Marketing Information, Strategic Orientation and Operational Efficiency. The data collection method used was questionnaire; which was administered to 302 respondents. The collected data was analyzed using descriptive statistics. The Statistical Package for Social Sciences (SPSS version 20) was used. The findings revealed that the Micro and small enterprises (MSEs) in Gulele Sub City have fairly effective marketing but many enterprises fall in the category of none existing marketing to poor marketing effectiveness. According to the study, the marketing of Micro and small enterprises (MSEs) need further improvements; hence, the study recommended for more awareness to be created to the enterprises about the issue and how they can implement it.

Keywords: Customer Philosophy, Integrated Marketing Organization, Adequate Marketing Information, Strategic Orientation and Operational Efficiency.

CHAPTER ONE

INTORDUCTION

1.1 Background of the Study

Micro and Small Enterprises (MSEs) are becoming the backbone of a country's economy through poverty alleviation by creating job opportunities and business development in various countries worldwide (Chittithaworn et al., 2011). Most governments in the developing countries globally have realized the substantial contribution made by MSEs towards the achievement of sustainable local economic development and poverty diminution through income generation and creation of job opportunities to a large number of peoples (Swerczek& Ha, 2003).

MSMEs (micro, small, and medium-sized firms) have a far bigger potential influence than their size on reaching several of the sustainable development goals. SMEs make up the majority of enterprises globally and play a significant role in employment creation and the expansion of the global economy. They account for more than 50% of all jobs globally and 90% of all enterprises. In emerging economies, the GDP contribution from formal SMEs might reach 40%. When informal SMEs are taken into account, these figures are substantially higher. Our projections show that 600 million jobs would be required by 2030 to accommodate the expanding global workforce, making SME development a top priority for many governments worldwide. In emerging markets, SMEs account for 7 out of every 10 formal jobs created.

In the world, there are 582 million businesspeople. One to nine employee microbusinesses make up 3.7 million of the 31.7 million small businesses. Small businesses generate 1.5 million new employment a year, or 64% of all new jobs in the United States. 15 million Americans work for themselves full-time. In America, small firms utilize between 30 and 50 percent of all commercial space, or around 20 and 34 billion square feet. Since 1982, the number of small enterprises in the United States has doubled. 73% of small businesses spend money on social media promotion.

Small and medium-sized businesses (SMEs), which make up the majority of companies in almost every region, are the backbone of the global economy. SMEs account for 90% of the private sector in the developing countries and produce more than 50% of all jobs in those economies. An estimated 80% of jobs on the continent of Africa are provided by SMEs, making them a key engine of

economic expansion. There are almost 44 million micro, small, and medium-sized businesses in Sub-Saharan Africa alone. The MSEs sector provides certain benefits to the economy especially the Small and Medium Enterprises (SMEs) sector plays an essential role in the supporting of service demand and needs for specialization (Fjose, Grunfeld, and Green, 2010).

In Ethiopia Micro and small enterprises (MSEs) play critical role in the country's economic and social development and serves as vehicles for employment opportunities and ways of enhancing wealth creation by supporting the economic growth. Much attention is given by the government of the Federal Democratic Republic of Ethiopia (GoE) to the development of MSEs.(GFDRE, 2012).

Ethiopia most important development priorities were job creation for the increasing supply of labor force which contributed in reducing poverty (NPC, 2016; WBG, 2018). Hence, the implementation of the micro and small enterprises (MSEs) development strategies given undue role to achieve these objectives (NPC, 2016). The revised MSE strategy focus on enhancing the competitiveness of MSEs, ensuring continued rural development through sustainable growth of MSEs, and making the subsector a foundation for industrial development (FMSEDA, 2011). During Growth and Transformation Plan (GTP) I implementation period (2010/2011–2014/2015), construction sector was largest over other sector which accounts about 36.2%, followed by services with 20.8%, trade with 15.2%, manufacturing with 14.7% and urban agriculture accounts 13.1% employment through MSEs (EEA, 2015).

In a developing country like Ethiopia MSEs play a great deal in the job creation, poverty reduction and economic growth of a country. That's why Ethiopia has given a lot of attention to those sectors. The government is working so hard to create comfortable working premises and has also created linkage opportunities between the small enterprises and large companies' also opportunities in different governmental projects as well. However, there are some MSEs that are straggling because of different reasons and limitations.

In Gullele Sub-city, Micro and Small Enterprises Development Office now changed their name to Job, Enterprise and Industry Development Office is established in 1994. Since then they have created many job opportunities for the residents of the sub-city throughout all 10 weredas. They also provided other services that motivate the enterprises to develop their economy and to develop their capacity of hiring. There are more than 2000 enterprises in Gullele sub-city. Some of them are

having problem developing their economic level and also can't create job opportunities other than themselves. This is because of different issues but some of the problems they are facing can be minimized using the appropriate marketing. Therefore, this paper measures the effectiveness of marketing of micro and small enterprises in Gullele Sub-city.

1.2 Statement of the problem

Individuals, groups, or associations own and run MSEs, which typically require a lot of help from the government or other external sources. Government officials are responsible for the facilitation and adjustment of startup and working capital sources, working premises, raw material supply, managerial and technical skill training, market enterprise linkage creation, and management support for MSEs, according to Aregawi and Tilaye (2014), MUDC (2013), and Habtamu et al (2013). As a result, the obligation necessitates enormous efforts and collaboration between business owners and government officials at all levels.

Micro and small enterprise play a major role on the economy of a country by generating income and also by creating job opportunities in vast. They are established to develop their economy and to contribute in developing the economy of the countries. But some of them have become a burden on the government and its causing a lot of problems. When the government provides working premises for those enterprises, it's only for 5 years and after that they have to be capable enough to rent other place without the help of the government or even get their own place of work. The working premises should be passed on for new enterprises after that but this is not the case.

Due to a lack of financial resources, management experience, poor location, poor infrastructure, low demand for products or services, corruption, and a paucity of raw materials, there are inherent challenges that affect MSEs' long-term survival and business performance (Akabueze, 2002). In this regard, Hanna (2010) and MUDC (2013) discovered that, while the extent of the obstacles varied across Ethiopian regions and cities, irregular raw material supply, lack of working premises, insufficient startup and working capital, lack of marketing, lack of access to market, and lack of access to land, particularly in Addis, are the most significant.

In addition, in Addis Ababa, owners of businesses and MSE coordinators and specialists discuss crucial issues they face in their day-to-day operations, such as working spaces, raw materials, management, and financial adjustments. Furthermore, anecdotal evidence, quarterly and annual

reports, and public meetings on MSE held in various sub-cities revealed that due to various deterrent factors, some MSEs have shown deteriorating performance and have been on the verge of ceasing operations rather than graduating from one enterprise level to the next.

The majority of businesses in the Gullele sub-city have been in operation for more than five years. There are businesses that are ten years old or older. Some of these businesses are unlawful, but others have legitimate issues. Some micro and small businesses fail in a variety of reasons, and they fall short of the economic goals they set for themselves as well as the country's economy. Some of the issues they face include a work environment that is unsuitable for the nature of their business, low-quality products, inadequate resources, a lack of social awareness, and other issues. These issues may be linked to their marketing. Without realizing it, many micro and small businesses are executing marketing techniques. They're having trouble putting strategic planning, a marketing plan, and other factors of success into action.

The majority of MSEs in the Gullele sub-city focuses on serving the current market and don't offer new products for potential clients. Their new product process is lacking, and there is a lack of management integration with the research, manufacturing, and distribution processes. They don't regularly update their market research, the majority of them employ traditional marketing as a strategy, and they underutilize their marketing resources. Additionally, they don't have a backup plan in case something goes wrong. As a result, measuring the effectiveness of their marketing is very important.

1.3 Research Questions

- ❖ How effective is the MSEs in Gullele sub-city customer philosophy?
- ❖ How effective is the MSEs in Gullele sub-city integrated marketing organization?
- ❖ How effective is the MSEs in Gullele sub-city adequate marketing information?
- ❖ How effective is the MSEs in Gullele sub-city strategic orientation?
- ❖ How effective is the MSEs in Gullele sub-city operational efficiency?
- ❖ How effective is the MSEs in Gullele sub-city marketing?

1.4 Objective of the Study

1.4.1 General objective

The objective of this research is to measure the effectiveness of the marketing of the micro and small enterprises in Gullele sub-city to help improve their profitability level.

1.4.2 Specific objective

Specific objectives are to:

- ✓ Measure the MSEs in Gullele sub-city customer philosophy.
- ✓ Measure the MSEs in Gullele sub-city integrated marketing organization.
- ✓ Measure the MSEs in Gullele sub-city adequate marketing information.
- ✓ Measure the MSEs in Gullele sub-city strategic orientation.
- ✓ Measure the MSEs in Gullele sub-city operational efficiency.
- ✓ Measure the MSEs in Gullele sub-city marketing effectiveness.

1.5 Scope and Limitation of the study

1.5.1 Scope of the study

This research was conducted in Addis Ababa which is the capital city of Ethiopia. The study was limited only in one of the sub cities of Addis Ababa called Gullele sub city. Within the Gullele sub city micro and small enterprises, the study focuses on one of the sectors which are manufacturing sector of the micro and small enterprises. This is because of the time, resource and financial constraints.

The study focuses on the effectiveness of marketing of the manufacturing sector of micro and small enterprises. The study looks at the five major attributes of a marketing orientation which are a customer-oriented philosophy, an integrated marketing organization, adequate marketing information, a strategic orientation and operational efficiency.

1.5.2 Limitation of the study

The study was limited only in the Gullele sub-city administration. The study only tried to examine the effectiveness of marketing used by the MSEs in Gullele sub-city in the manufacturing sector. This is due to the limited time of this research. This study examined the effectiveness of marketing

by using the executive guide to marketing effectiveness by Philip Kotler, 1977. He mentioned five orientations which are mentioned above to determine its effectiveness by the extent to which the organization reflects on those five major attributes of a marketing orientation. Additionally, there were limitations on researches related with Kotler's five orientations of marketing effectiveness measures.

1.6 Significance of the Study

This study will be helpful for the enterprises to achieve their goals and reach their maximum profitability level by creating many job opportunities for the society. This study will encourage the MSEs to give the appropriate attention for marketing to overcome their problems and help develop the country's economy. Also the bureau or the government can get benefit and can increase the accessibility of the working premises to the new comers if the existing entrepreneur leaves the place according to the plan. This study also helps academicians to study the issue further and create a deeper understanding on the subject.

1.7 Definition of Basic terms

✓ **Micro-enterprise:** is generally defined as a small business employing nine people or fewer, and having a balance sheet or turnover less than a certain amount and are those business enterprises with a paid up capital of not exceeding Birr 20,000.

✓ **Small enterprises:** are businesses with a total investment between Birr, 20,000 up to Birr, 500,000 and do not include these enterprises with advanced technology and high technical consultancy.

CHAPTER TWO

LITRATURE REVIEW

This chapter provides an insight to readers about the theoretical reviews, empirical reviews and conceptual framework of the study is presented at the end of this chapter.

2.1 Theoretical Literature

2.1.1   Marketing

The term "marketing plan" refers to a broad notion. Different authors define and conceptualize it in different ways. Let's look at some of the definitions that have been used over the years. The various definitions by various authors are listed below in chronological order of publication year.

Chandler, 1962 " the determination of the basic long -term goals and objectives of an enterprise and the adoption of courses of action and the allocation of resources necessary to carry out these goals"

Anthony, 1965 "the process of deciding on objectives, on the resources used to attain these objectives and on the policies that are to govern the acquisition, use and disposition of these resources"

Hart & Stapleton, 1977 "A statement in very general terms of how the marketing objective is to be achieved; e.g. acquiring a competitive company, by price reductions, by product improvement, or by intensive advertising. The strategy becomes the basis of the marketing plan"

Baker, 1984 "the establishment of the goal or purpose of a strategic business unit and the means by which it is to be achieved through management of the marketing function"

Kotler, 1990 "The broad principles by which the business unit expects to achieve its marketing objectives"

Bennet, 1995 " the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational goals."

Kotler, 1997 "the selection of target markets, the marketing mix and the marketing expenditure levels"...... "The marketing strategy is the way in which the marketing function organizes its activities to achieve a profitable growth in sales at a marketing mix level"........ "A marketing strategy may be defined as a plan (usually long term) to achieve the organization's objectives as follows…"

      a) By specifying what resources should be allocated to marketing.

      b) By specifying how these resources should be used to take advantage of opportunities which are expected to arise in the future.

The analysis of definitions of marketing can be assumed that some common and similar definition of marketing has been reached based on the definitions provided above. In addition, most of them can adequately describe the concept of marketing. According to most of the authors marketing is the selection of a company's fundamental long-term goals and objectives, the adoption of strategies and the allocation of the resources required to achieve these goals.

2.1.2 Marketing for MSEs

Micro and small business owners who have never taken a marketing course are nonetheless unfamiliar with marketing plan conception and implementation. The majority of micro and small enterprises use marketing methods without even realizing it (Meziou F, 1991). Small businesses that are unable to transform in order to compete with a fierce competitor frequently struggle to manage their resources and fail to take steps toward business growth. In this era of competition, a company's success is determined on its ability to respond to changing market conditions and client needs. Maritz also provided empirical evidence of the link between marketing elements and service excellence. The research was carried out in Victoria, Australia, among a significant number of high-growth entrepreneurial small enterprises. Service profit chain activities, relationship marketing initiatives, and best practice initiatives were all considered, and their relationship with service quality was investigated. The service quality was found to be positively related to these prepositions. (Dragnic D, 2009) investigated the presence and implementation of marketing activities as part of management and operational components of market orientation in Croatian small businesses. To understand the mediating effect of customer and competitor orientation on company performance, a fundamental assessment of each has been done. According to the findings, the majority of small businesses in Croatia conducted marketing activities such as product or service planning and

control, as well as pricing. The author also confirms that the business units pay close attention to customers and competitors. The study emphasizes the need for more research into market orientation's application in the sector.

Small businesses compete in the market with nine different types of strategies, including pricing, leadership, quality products, differentiation, innovation, diversification, efficiency, quality customer service, intensive marketing, and market expansion, according to an extensive literature review and empirical analysis using Cragg's marketing strategy scale. According to the findings, a sizable percentage of small businesses had achieved strong IT alignment. Furthermore, small businesses with high IT alignment outperformed those with low IT alignment in terms of organizational performance (Cragg P, King M, Hussin H, 2002).

(Cronin-Gilmore, 2012) performed a survey among small businesses in the United States to learn more about their marketing operations and the underlying variables that help them compete. As a key source of marketing, small business owners rely on formal and informal networking. According to the report, a key difficulty that small firms encounter is a lack of marketing knowledge and training. Sources of competitiveness were identified as information shared among networks, as well as studying and analyzing rivals. The participants would research their competition and frequently base their selections on what had worked for another small firm. Performance can be improved by having a comprehensive grasp of the competition and conducting market research. These companies are said to develop strategies that last only six months or less.

(Mokhtar & Ismail, 2012) found that marketing tactics and the manner in which business owners sell their products have a beneficial impact on business performance. The research was carried out among Malaysian SMEs, and the sample was divided into two groups: high and low performing SMEs, based on annual sales and profits for three years. The goal of the study was to find strategic differences between high- and low-performing units in the same industry. Direct sales, out-of-state sales, overseas sales, advertising frequency, and promotional tools are all used to make the comparison. The findings revealed that high-performing salespeople aren't just focused on the local market; they're also expanding their sales outside of their states. High-performing salespeople advertise their company frequently and use a variety of promotional methods. As a result, low-performing firms should make an effort to find and extend their sales outside of their states, publicize their enterprises more regularly, and not rely solely on personal networks for promotion.

Marketing orientation has been shown to have a favorable impact on a company's financial success and long-term viability, stressing product selection based on consumer needs. It was discovered that marketing orientation and its constituents have a positive link with small firm financial performance (Boohene et al, 2012).

In Lagos State, Nigeria, (Oyedijo et al, 2012) performed a survey of small business owners and senior marketing personnel. To determine the association between marketing techniques and organizational performance of small commercial companies, two constructs were used. The research presented a model for evaluating the influence of marketing activities on firm performance. The model is made up of three parts: marketing techniques, performance (outcomes), and the microenvironment of organizations, and it shows that different marketing orientations lead to varied degrees of performance. Marketing mix variables and product strategy concerns were identified as the most essential and influential factors in small business marketing practices in Nigeria, whereas advertising and marketing research appeared to be overlooked. The study discovered a substantial link between Nigerian SBE marketing tactics and organizational performance indicators.

According to a survey conducted in Asian countries by (Mokhtar, 2013), the most common business strategy used by small business owners to expand their businesses is growth strategy.

2.1.3. Concept of Marketing Effectiveness

The term "marketing effectiveness" originally appeared in the 1990s. Marketing effectiveness, according to Berry, L.L., and Parasuraman, A. (1991), requires managers to have adequate knowledge and distribute suitable resources to distinct markets. The original obligation of marketing effectiveness, according to Zhou, K.Z., Gao, G.Y., Yang, Z., and Zhou, N. (2005), is that managers must recognize the primacy of studying the market, distinguish the various opportunities, choose the best market to serve, and provide superior customer value to satisfy their needs and wants. Furthermore, according to Nwokah, N.G. (2006), businesses with high marketing effectiveness are those that are close to their customers, have a common set of values, and have an external market orientation. Those with strong marketing effectiveness do better than companies without, according to S. Benjamin, P.J. Hanges, D.B. Smith, and A.N. Salvaggio (2003). In today's competitive business world, marketing must be implemented for an organization to be successful in moving forward in its chosen market sector.

The marketing effectiveness concept has drawn increased attention among academic researchers and business practitioners over the years. Marketing activities are increasingly becoming a crucial part of the organizational context today. These actions unquestionably affect an organization's present and future outcomes (O'Sullivan et al. 2008; Solcansky, Simberova 2010). It is necessary to monitor and, more crucially, assess these activities since relatively high marketing expenditures can only be justified when marketing objective attainment is measured (i.e., when the impact of marketing instruments on consumer behavior and financial outcomes is quantified). The fact that only a thorough evaluation can lead an organization to further development of marketing activities suggests the significance of the effectiveness of marketing tools evaluation. As a result, the marketing organization's essential performance component of marketing tool efficacy is established.

The scientific community in Lithuania can be proud of a wide range of successful surveys, but studies to assess the efficacy of marketing or marketing instruments are rather uncommon (Langvinien et al., 2007; Kikis, 2009; "ostautien," Vaiiulnait, 2010). Such polls are well ahead for foreign scientists (Norburn et al., 1990; Ambler et al., 2001; Mavondo, 2004; Nwokah, Ahiauzu, 2008; Nwokah, Ahiauzu, 2009; Gao, 2010; Halim, 2010; Solcansky, Simberova, 2010). However, marketing science does not sufficiently and thoroughly expose the notion of marketing or the effectiveness of marketing tools.

Academic and managerial circles have given marketing effectiveness a lot of attention (Norburn et al., 1990; Ambler et al., 2001; Mavondo, 2004; Nwokah, Ahiauzu, 2008; Nwokah, Ahiauzu, 2009; Gao, 2010; Halim, 2010; Solcansky, Simberova, 2010; ostautien, Vaiiulnait, 2010). Various ideas on marketing effectiveness are prevalent in marketing literature.

2.1.4. Definitions of Marketing Effectiveness

T. Ambler et al. (2001) The extent to which marketing actions have helped the company to achieve its business goals.

F. T. Mavondo (2004) The ability of the organisation to meet short-term goals that might positively impact financial performance such as increasing market share, increasing sales, improving gross margin, successful new product introduction.

N. G. Nwokah, A. I. Ahiauzu (2008) The extent to which an organization acquires market share over competitors, advertising and promotional share of the market.

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N. G. Nwokah, A. I. Ahiauzu (2009) Function of improving how marketers go to market with the goal of optimizing their marketing spend to achieve even better results for both the short- and long-term objectives.

Y. Gao (2010) Doing the right thing. Comparisons of performance to the goals formulated from market strategy.

R. Pramanik, G. Prakash (2010) Ration among difference between consumers price and producers price, and marketing cost.

M. Solcansky, I. Simberova (2010) The quality with which managers go on the market to optimize their spending in order to achieve good results in short-term and long-term period. Optimizing quality of spending to achieve the desired results in a period of time.

D. Žostautienė, L. Vaičiulėnaitė (2010) The process where value is created using organization's resources for marketing activities and creation of competitive advantage.

The analysis of definitions of marketing effectiveness enables techniques based on the following variables to be put front and center: attaining corporate objectives, market share, ratio between consumers' and producers' prices, marketing cost, expenditure optimization, and value creation process. It can be assumed that no common definition of marketing effectiveness has been reached based on the definitions provided above. In addition, none of them can adequately describe the concept of marketing efficacy. According to Muchiri, Pintelon (2006), Navickas, Sujeta (2006), and Salehirad, Sowlati (2006), marketing effectiveness should be described as the relationship between return on marketing and marketing expense.

It is important to evaluate the characteristics of marketing effectiveness in order to comprehend its nature. In 2009, N. G. Nwokah and A. I. Ahiauzu identified four fundamental dimensions that govern marketing performance (Figure 1).

Figure 1: Dimensions of marketing effectiveness

DIMENSIONS OF MARKETING EFFECTIVENESS

Corporate	Competitive	Customers	Exogenous factors
Each company operates within certain bounds. These are determined by their size, their budget and their ability to make organizational change	Each company in a category operates within a similar framework. In an ideal world, marketers would have perfect information on how they act as well as how their competitors act. In many industries, competitive marketing information is hard to come by	Understanding and taking advantage of how customers make purchasing decisions can help marketers improve their marketing effectiveness. Groups of consumers act in similar ways leading to the need to segment them. Based on these segments, they make choices based on how they value the attributes of a product and the brand, in return for price paid for the product	There are many factors outside of our immediate control that can impact the effectiveness of marketing activities. These can include the weather, interest rates, government regulations, and many others

Source: Nwokah, Ahiazu, 2009

Knowing how these aspects affect the company's customers can help with the creation of programs that can even take advantage of these factors or reduce the risk of these factors if they arise during marketing campaigns (Nwokah, Ahiauzu, 2009). The aforementioned factors must to be taken into account when determining how effective a marketing campaign is.

The rationale of marketing effectiveness causes the requirement to identify its elements which are summarized in table 1.

Table 1: Elements of marketing effectiveness

Authors	Components
P. Kotler (1977)	Customer philosophy, integrated marketing organization, adequate marketing information, strategic orientation, operational efficiency.
P. Connor, C. Tynan (1999)	Customer philosophy, organisational marketing proficiency, strategic perspective, information processing capability.
K. Appiah-Adu et al. (2001)	Customer philosophy, integrated marketing organization, adequate marketing information, strategic orientation, operational efficiency.

M. O. Azabagaoglu et al. (2006)	Customer philosophy, integrated marketing organization, adequate marketing information, strategic orientation, operational efficiency.
N. G. Nwokah, A. I. Ahiauzu (2009)	Customer philosophy, integrated marketing efforts, marketing information, strategic orientation, operations efficiency.

In three out of five publications, references to P. Kotler's marketing effectiveness were made (1977). While N. G. Nwokah and A. I. Ahiauzu (2009) referred with a slight modification "integrated marketing organization" is named as "integrated marketing efforts" and "adequate marketing information" is simply entitled as "marketing information" they still agreed with P. Kotler's (1977) position. The construct of marketing effectiveness was thus built on P. Kotler's (1977) conceptualization. The validity and reliability of this measure, the specifics of its development, and whether or not it was created for companies that produce goods or provide services have not been reported, according to C. Webster (1995). This probably lowers the value of P. Kotler's work (1977). The absence of organizational sensitivity, the sixth aspect, was first noted by P. Connor and C. Tynan (1999). These six elements were reduced to four as a result.

2.1.5. Measures of Marketing Effectiveness

Any business must have a strong marketing. Marketing effectiveness audit is used to determine whether or not a company understands and practices marketing, and if so, how well. The audit is a tool for assessing marketing effectiveness across five primary areas; the resulting score indicates where the company ranks on a scale ranging from no marketing effectiveness to exceptional effectiveness.

Researchers have done empirical studies on marketing effectiveness, such as Nwokah, N.G. (2006) Marketing Effectiveness and Business Performance, which was published in the journal Marketing Science. M.S. Sultan, M.S. Sultan, M.S. Sultan, M (2012) The Role of Marketing Information Systems in Jordanian Share-Holding Medicines Production Companies' Marketing Decision-Making, J.Y. Tay and L. Tay (2007) Appiah-Adu, K., Fyall, A., and Singh, S. (2001) Marketing Effectiveness and Business Performance in the Financial Services Industry and Appiah-Adu, K., Fyall, A., and Singh, S. (2001) Market Orientation and the Property Development Business in Singapore.

According to them, marketing effectiveness has four dimensions: corporate, competitive, customer, and exogenous influences. Customer philosophy, integrated marketing organization, proper marketing intelligence, strategic orientation, and operational efficiency were all mentioned by Kotler in his study.

According to Kotler, marketing effectiveness in 1977 is not that straightforward. Instead than being the outcome of efficient management, good results may be the result of a division being in the right place at the right moment. Improvements in market planning may be able to take decent results and turn them into exceptional ones. At the same time, another division might have poor results in spite of the best strategic marketing planning. Replacing the current marketing leaders may exacerbate the problem.

In Kotler's, 1977 view, the marketing effectiveness of a company, division, or product line depends largely on a combination of five activities:

1. Customer philosophy. Does management acknowledge the primacy of the marketplace and of customer needs and wants in shaping company plans and operations?

2. Integrated marketing organization. Is the organization staffed so that it will be able to carry out marketing analysis, planning, and implementation and control?

3. Adequate marketing information. Does management receive the kind and quality of information needed to conduct effective marketing?

4. Strategic orientation. Does marketing management generate innovative strategies and plans for long-run growth and profitability?

5. Operational efficiency. Are marketing plans implemented in a cost-effective manner, and are the results monitored for rapid corrective action?

I.   Customer Philosophy

The first requirement for effective marketing is that key executives recognize the importance of researching the market, identifying the various opportunities, deciding which segments of the market to serve, and preparing to provide superior value to the chosen customers in terms of their needs and wants. Although this criterion appears to be basic, many CEOs are unaware of it.

Some executives are focused on the product. They believe that the key is to create an excellent product and then sell it. Some of them are focused on technology. They are enthralled by the challenge of new technology and pay little regard to the market's size and needs. Others are focused on sales. They believe that with enough sales effort, anything can be sold.

If a company starts with the marketplace when it is designing the organization's structure, plans, and controls, it is well on the way to effective marketing.

II.   Integrated Organization

The company's or division's organizational structure must reflect a marketing philosophy. A high-level marketing executive must combine and control the major marketing functions. Various marketing positions must be created to meet the needs of key market segments, geographic areas, and product lines. Marketing management must be skilled at collaborating with other departments and obtaining their trust and cooperation. Finally, because new products are at the heart of the company's future, the organization must reflect a well-defined structure for developing, assessing, testing, and launching them.

III.   Adequate Information

Effective marketing necessitates executives having sufficient data to plan and allocate resources appropriately to various markets, products, territory, and marketing technologies. If management has recent research of customers' opinions, preferences, and buying habits, this is a telltale sign of information quality. Many marketing executives base their decisions primarily on what they learnt as sales managers in a specific business 20 years ago. "We already know the market," they say, therefore they don't want to spend money on market research. They don't put much effort into monitoring direct and indirect competitors.

Another indicator is the availability of accurate data on the sales potential and profitability of various market segments, consumers, territories, items, channels, and order sizes. The controller must collaborate closely with marketing and create a flexible accounting system that reports profit by line item. Finally, skilled marketers want data in order to assess the effectiveness of their marketing efforts.

IV.   Strategy and Operations

Management's ability to build a lucrative plan out of its philosophy, organization, and information resources is also a factor in marketing efficacy. To begin, a structured system for annual and long-term marketing planning is required. Second, the system should lead to a clear, innovative, and data-driven core plan. Third, management should anticipate the need for ad hoc activities that may be necessitated by market changes.

Last but not least, marketing plans are useless unless they are implemented effectively at all levels of the firm. Employees at all levels of the business must prioritize the interests of consumers. Marketing management must have sufficient resources to do the task. It also needs tools that allow it to respond rapidly and intelligently to on-the-fly changes.

The amount to which the organization reflects the five primary features of a marketing orientation determines marketing effectiveness. Examining the success of marketing might help you identify areas where you can improve your marketing. Marketing effectiveness can be measured by having marketing and other managers complete a checklist that reflects the five marketing orientations (Kotler, 1977).

2.2.   Empirical Review

2.2.1   Marketing Concept and Market Orientation

The adoption of the marketing concept is the basis for good performance, according to the marketing literature. The publications of McKitterick and Keith "officially launched the marketing notion" (Sin et al., 2003, p. 912). It establishes a distinctive organizational culture or business philosophy that centers the client in the firm's strategy and operational considerations. Although the marketing notion is at the heart of the literature on marketing, very little work has been done to develop a reliable measurement scale and empirically evaluate the construct (Pulendran et al., 2003, p. 477). According to Sin et al. (2003), Kohli and Jaworski (1990) refined the three "pillars" of the marketing concept into specific features (manifestation) of what they refer to as "market orientation" in order to address the operational issue with the marketing concept. Although Guo (2002) considers market orientation to be the activities involved in the application of the marketing idea, the marketing concept is typically characterized as a philosophy or way of thinking that directs the allocation of resources and the design of strategies for a business.

2.2.2 Market Orientation and Business Performance

Over the past ten years, there has been a wealth of research on the connection between market orientation and business performance. According to the research's analytical focus, the substantial output can be conceptually separated into two streams (Pulendran et al., 2003, p. 477). The relationship between market orientation and business performance is examined in the first major research stream. Initially, "research undertaken in this field has usually supported the assumption that market-oriented organizations generate better outcomes than do less market-oriented ones" (Pulendran et al., 2003, p. 477). Researchers working in this field have lately started to investigate the market orientation-business performance relationship's boundary conditions.

The study stream certainly has essential value for this field because the market orientation-business performance relationship is central to the traditional pedagogy of marketing management (Pulendran et al., 2003). While the link between market orientation and corporate performance has rightfully garnered a lot of attention, a second line of research has sought to more precisely define the traits that can set market-oriented businesses apart from the ordinary. According to Pulendran et al. (2003, p. 477), the original Jaworski and Kohli (1993) study identified several organizational traits (top management emphasis, low interdepartmental conflict and high connectedness, and control systems that reward employees for customer-oriented behaviors) that may serve as precursors to a market orientation.

Evidently, the proven effects of market orientation on organizational performance, particularly profitability, have prompted more extensive and in-depth research projects targeted at examining and elaborating the problems that are likely to influence its implementation (Slater and Narver, 2000; Nwankwo et al., 2004, p. 123). The setting in which market orientation is implemented is clearly discernible in this line of inquiry.

Relationship between market orientation and business performance: Evidence from earlier studies on the relationship between market orientation and business performance has demonstrated a positive association between the two constructs. The main conclusions of Sinet et al. (2003) suggest that the earlier framework proposed in US-based work do generalize to Hong Kong and Mainland China; for instance, market orientation has a significant and positive impact on the performance of organizations operating in Mainland China and Hong Kong. Their findings lend more credence to the idea that a firm's market orientation is positively correlated with business performance, regardless of the cultural setting or degree of economic development. According to Va'zquez et al.

(2002, p. 1039), companies' performance are positively and significantly impacted when they adopt the market orientation paradigm.

The non-profit outcomes of the activity conducted are directly and positively impacted by an increase in the market orientation. This will assist in meeting the beneficiaries of the organizations' actual requirements as well as the expectations that resource contributors have raised via their contributions. They came to the further conclusion that market orientation helps the foundation itself succeed in fulfilling its objective both directly and indirectly.

2.2.3   Measuring Marketing Effectiveness

In particular for SMEs, Bonoma and Clark's (1988) assertion that evaluating marketing effectiveness is obstinately resistant to definition and application is still valid. The article examines a variety of marketing effectiveness measures and comes to the conclusion that there is no one "magic solution." It states that many metrics lack relevance or even applicability for small businesses by looking at how these indicators are used in actual SME applications. As a result, SMEs may manage their marketing without sufficient strategy or control and instead rely on anecdotes and myths. In response, a practitioner agenda is put forth that operates under the presumption that any measurement method is preferable to none.

2.2.4   Customer Philosophy as a Measure of Marketing Effectiveness

The study assessed marketing effectiveness as a dependent variable. To measure the effectiveness of marketing customer philosophy was one of the measurements. It was measured using four items and those are The management promotes communication through word of mouth, customer orientation and placement of importance on business image, The management recognizes that to design or provide products/services is vital to serve needs and wants of customer and create diverse strategies for the diverse market segments, In planning its organization, management takes note of its customers, suppliers, competitors, and its working environment and Management recognizes the dominance of the market situation and customers' needs and wants to shape their plans and processes. From the above four measures of customer philosophy, the study reveals that the company uses word of mouth communication, customer orientation and placement of importance on business image appear to contribute more as an indicator of customer philosophy as a measure of marketing effectiveness with a standard deviation of 1.100 and mean value of 3.46 which was the

highest of all four. The research also shows that the company's management lacks in recognizing the dominance of the market situation and customers' needs and wants to shape their plans and processes as an indicator of customer philosophy as a measure of marketing effectiveness with a standard deviation of 0.734 and mean value of 2.18 which was the lowest of all.

2.2.5 Adequate Marketing Information as a Measure of Marketing Effectiveness

To measure the effectiveness of marketing Adequate Marketing Information was also one of the measurements. It was measured using three items and those are a lot of effort is spent on measuring the cost-effectiveness of diverse marketing expenditures, the management knows the potential of sales and profitability of the diverse segments of the market and quality information is received by management to conduct effective marketing. From the above three measures of Adequate Marketing Information, the study reveals that the company's management understands the potential of sales and profitability of the diverse segments of the market appear to contribute more as an indicator of Adequate Marketing Information as a measure of marketing effectiveness with a standard deviation of 0.141 and mean value of 4.96 which was the highest of all three. The research also shows that not a lot of effort is spent on measuring the cost-effectiveness of diverse marketing expenditures in the company as an indicator of Adequate Marketing Information as a measure of marketing effectiveness with a standard deviation of 0.000 and mean value of 4.00 which was the lowest of all three.

2.3. Conceptual Framework

The conceptual framework shows the relationship between the independent variables and dependent variable. The general idea of Kotler's marketing effectiveness checklist is that there is a relationship between the five major attributes of a marketing orientation and marketing effectiveness. The dependent variable in this study is the Marketing Effectiveness. The independent variables are Customer oriented philosophy, integrated marketing organization, Adequate marketing information, Strategic orientation and Operational efficiency. Those five independent variables have three sub-categories that aids in measuring both variables.

Figure 2: Conceptual Framework; Relationship between the five Marketing Orientation and Marketing Effectiveness

Customer-Oriented Philosophy		Marketing Effectiveness
Integrated Marketing Organization		
Adequate Marketing Information		
Strategic Orientation		
Operational Efficiency		

Dependent Variable

Independent Variables
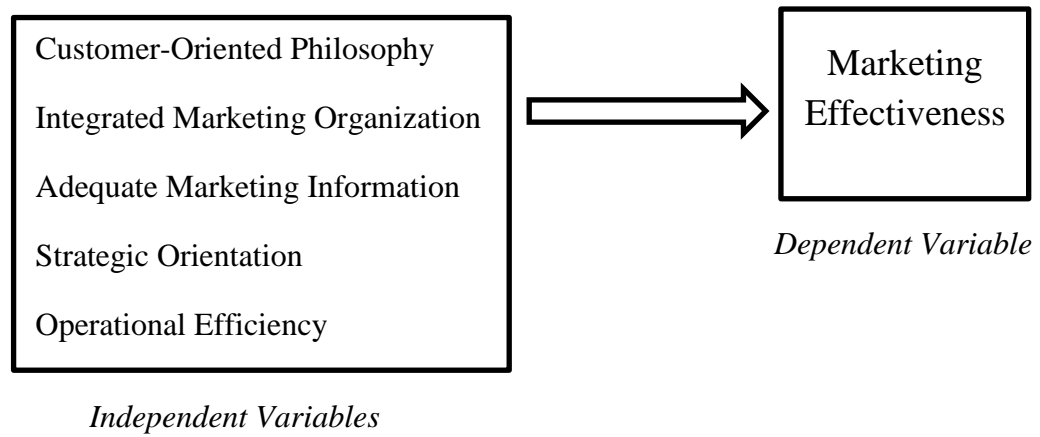
Source: Kotler, 1977

CHAPTER THREE

RESEARCH METHODOLOGY

Chapter Overview

This chapter discusses in detailed explanation of the research approach and design, the target population, sampling techniques and sample size, the data type and source, data collection instrument, data analyzing techniques, reliability and validity, pilot test and also the ethical considerations are presented. The survey instruments (questionnaires) will be adapted from existing close-ended questions.

3.1 Research Design

A descriptive research design is adopted in this study. This is due to the fact that descriptive research involves describing the features of the population or phenomenon under investigation. This methodology places a greater emphasis on the "what" of the research topic rather than the "why" of the research topic. In the past, the case of marketing effectiveness and MSEs in Ethiopia has not been properly researched. There isn't enough data or research on this subject. The goal of this study is to better understand the marketing effectiveness of MSEs, hence descriptive research was performed to better comprehend the existing problem and develop conclusions.

3.2 Research Approach

Research methods refer to all of the procedures utilized by the researcher to investigate his or her research problem (Kothari, 2004). As a result, data was collected using a quantitative manner using a face-to-face administered survey questionnaire. The primary research approach was used in this study. One of the key research methods was chosen, which is the survey approach using a questionnaire.

3.3 Target Population

The study's population consists of manufacturing-related MSEs in Gullele's sub-city. Manufacturing is represented by 1233 MSEs according to Gullele sub-city Job, Enterprise and Industry Development Office. Those businesses are spread across 40 distinct locations. The enterprises of Gullele sub-city provided the sample size for this investigation.

3.4 Sampling Technique

For the purpose of this study, stratified sampling technique was used. The populations of the study are categorized in to different subgroups (different strata) based on their subsectors. Subsectors meaning, there are different enterprises which are producing different products in the manufacturing sector such as Garment Industry, Leather Products, Aluminum Works, Steel or Metal Works and Wood Works, Plastic Products Production, Detergent Fabrication, Dry Food Products Processing and Artifacts Production. Then after that, simple random sampling is conducted.

3.5 Sample Size

The optimal sample size in a study is determined by the characteristics of the population and the study's goal, according to Catherine Dawson (2009). Although there are no hard and fast standards, the sample size is usually determined by the population being sampled. The total population of the study is 1233 enterprises which include Garment Industry (796), Leather Products (72), Aluminum Works, Steel or Metal Works and Wood Works (147), Plastic Products Production (2), Detergent Fabrication (4), Dry Food Products Processing (181) and Artifacts Production (31). The sample size chosen here is representative of the manufacturing industries while also being large enough to provide precision and confidence in the research findings.

In order to determine sample size Yemane (1967) finite and large population sample size formula with 95% confidence level is employed. The formula used to obtain this sample size is presented below.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n= Number of sample taken

N= Population size

e = sampling error /level of precision.

Accordingly, the target population results, the following samples.

$$n = \frac{1233}{1 + 1233(0.05)^2} = 302$$

As to the sample size determination, from among different methods, the one which has developed by Carvalho (1984), ac cited by Zelalem (2005) was used. The method is presented in table below.

Table 2: Sample Size Determination

Population Size	Sample Size		
	Low	Medium	High
51-90	5	13	20
91-150	8	20	32
151-280	13	32	50
281-500	20	50	80
501-1200	32	80	125
1201-3200	50	125	200
3201-10000	80	200	315
10001-35000	125	315	500
35001-150000	200	500	800

Source: Zelalem, Issues and Challenges of Rural Water Scheme, (2005)

Using the preceding table as a guide, the sample size for this study was calculated as follows. Some sectors are blended together to make the sample size determination meet the sample size determination method described by Carvalho (1984). These are the industries of Leather Products, Plastic Products Manufacturing, Detergent Fabrication, and Artifacts Manufacturing.

Table 3: Sample Size According to Sector

Sector	Number of SMEs	Sample size
Garment Industry	796	145
Aluminum Works, Steel or Metal Works and Wood Works	147	55
Dry Food Products Processing	181	60
Leather Products, Plastic Products Production, Detergent Fabrication and Artifacts Production	109	42

3.6 Data Type and Source

The research used primary data. The information was gathered through questionnaire which was distributed to the selected sample of the participants of Manufacturing sector, Micro and Small

enterprises (MSEs) in Gullele sub city. This helps the research in a way that the information obtained was more consistent with the research questions and objectives.

3.7 Data Collection Instrument

The main tool utilized to collect data from the MSEs Manufacturing sector in Gullele sub-city was a questionnaire. The researcher gave the same questionnaires to a total of 302 people who were randomly selected as study respondents, regardless of their position or location of employment. Six general demographic questions and 15 marketing effectiveness determining questions were sent to all participants.

Closed-ended questions were utilized in the survey. It was a self-administered questionnaire. Furthermore, due to the respondents' low educational level, the questionnaire was translated into Amharic for most members of the MSEs in Gullele sub-city, and English for a few of the participants who comprehended the language.

In general, the study followed a quantitative method, with data collected via a face-to-face survey questionnaire. As a result, the data was primarily obtained, and primary data is the study's data source.

3.8 Data analyzing Techniques

The respondents' marketing effectiveness was measured using Philip Kotler's marketing effectiveness rating method on SPSS, and the scoring method of the questionnaire presented by Philip Kotler to rate marketing effectiveness was first to collect the information as it bears on the 15 questions. The correct response is then validated for each question. Check answer 1 for a score of 0 points, 1 point if you check answer 2 and answer 3 is worth 2 points.

The scores are totaled together, yielding a total between 0 and 30. The following scale depicts the marketing effectiveness equivalent: 0-5 None, 6-10 Poor, 11-15 Fair, 16-20 Good, 21-25 Very good and 26-30 Superior (Kotler, 1977).

3.9 Reliability and Validity

Validity and Reliability are the two most important and fundamental features in the evaluation of any measurement instrument or tool for a good research. Validity concerns what an instrument measures and how well it does so (Haradhan, 2017). Reliability concerns the extent to which a

measurement of a phenomenon provides stable and consist result (Carmines & Zeller, 1979). Every researcher needs to ensure that its research is valid and reliable. This can be done by using appropriate standards and measurable criteria on the methodology and data analysis.

In this research standardized questionnaire is used and it has been used in other researches previously. The questionnaire was developed by Professor Philip Kotler in the late 1970s. Astonishingly, the assessment works today, despite the onset of Big Data, social media, and digital marketing. The fundamentals of marketing have not changed significantly.

3.9.1 Pilot Test

A pilot test was conducted on 10% of the sample size, or 30 firms, to further assess the questionnaire's reliability and validity. The sample size covered varied manufacturing sectors, age, gender, education status, and geographical areas. This exam was required because the questionnaire was originally developed in English and then translated into Amharic to make it clear and understandable to the research participants. As a result, it was critical to ensure that the respondents understood the questionnaire and that the information provided to them was clear.

3.10   Ethical Consideration

The sampling method ensures that there is no personal relationship with the participants of the research. All of the participants of this research were participated voluntarily. They were informed of all the information that is related with the research. The purpose of the research was told and they have the right to decline or participate. Their personal information was not asked on the questioner and any information they choose to inform about themselves was confidential. The participants were not asked to mention about their ethnicity, their political and religious viewpoints. They were not asked about their private concerns as well.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

Chapter Overview

This section of the chapter is devoted to the analysis of the sample population based on the data collected from the respondents, as well as the description of the significant findings. All of the information is gathered through self-administered questionnaires. Using a probability sampling approach and stratified sampling technique, 302 people were chosen as sample respondents. The data collected from the respondents is summarized using SPSS version 20, and the respondents' marketing effectiveness is assessed using Philip Kotler's marketing effectiveness evaluation method in SPSS. The data is subsequently evaluated using the descriptive analysis approach, which includes tables and graphs, as well as thorough explanations. Finally, correlation analysis and the linear regression approach were used to demonstrate the link between the dependent and independent variables.

4.1. Demographic profile of Respondent

This section outlines the findings on the demographic characteristics of the sample respondents, which includes gender of the respondent, age, education level, experience, enterprise level and number of workers.

Table 4: Demographic profile of Respondent

		Frequency	Percent
Gender	Male	132	43.7
	Female	170	56.3
	Total	302	100.0
Age	18-29	108	35.8
	30-49	149	49.3
	50-69	43	14.2
	>69	2	.7
	Total	302	100.0
Education Level	<= Secondary School	127	42.1
	Certificate or Diploma	116	38.4
	Bachelor Degree	53	17.5
	>=Masters	6	2.0
	Total	302	100.0
	1-3	81	26.8

Job Experience	4-6	90	29.8
	7-10	98	32.5
	>10	33	10.9
	Total	302	100.0
Enterprise Level	Micro	262	86.8
	Small	40	13.2
	Total	302	100.0
No. of Workers	1-10	226	74.8
	11-20	39	12.9
	21-30	16	5.3
	>30	21	7.0
	Total	302	100.0

Source: Own survey data

According to the results obtained, among the 302 Distributed Questionnaire 43.7% of the respondent were Male and the rest of 56.3% were Female as shown above. The female number of the respondents was a little more than half of the total respondents. The age of the sample respondents was 18-29, 35.8%, from 30-49, 49.3%, between 50-69, 14.2% and least age group more than 69 years were 0.7%. The age of the sample respondent was dominated by the age range comprising 30-49 which were 49.3% of the total respondents. As shown in the above table, the respondent's education level was measured by four items, less than or equal to secondary school, certificate or diploma, bachelor degree and masters level or more. Among the distributed questionnaires 42.1% were less than or equal to secondary school, 38.4% were certificate or diploma, 17.5% were bachelor degree and 2% were masters level or more as shown above. Generally, the education levels of the respondents were dominated by enterprises that have certificate or diploma by 38.4%. The experience of the respondent in the business presented in the above table through the use of four ranges, 1-3years, 4-6years, 7-10years and more than 10years. Among the distributed questionnaires 26.8% were 1-3years, 29.8% were 4-6years, 32.5% were 7-10years and 10.9% were more than 10years. Here, the working experiences of the respondents were dominated by enterprises that have working experience of 7-10 by 32.5%. The enterprise level of the respondent showed in the above table through the use of two levels which are micro and small enterprises. Among the distributed questionnaires 86.8% were micro enterprises and 13.2% were small enterprises. The micro enterprises are dominant by 86.8% of the total number of respondents. The number of workers the enterprises have are categorized in four ranges which are 1-10 employees, 11-20 employees, 21-30 employees and more than 30 employees. Among the distributed questionnaires; enterprises that have 1-10 employees were 74.8%, 11-20 employees were 12.9%, 21-30 employees were 5.3 and more

than 30 employees were 7%. Enterprises that have 1-10 employees or workers are dominant by 74.8% of the total number of respondents.

4.2. Descriptive Statistics: Measure the Effectiveness of Marketing of the MSEs in Gullele sub-city

Under this section, frequencies and descriptive statistics of the findings of the variables which were identified to establish the marketing effectiveness of MSEs in Gullele sub city are presented.

There are 5 different categories that are used to identify the marketing effectiveness. Within those categories there are 3 questions or subcategories each. This research tried to measure the effectiveness of the five orientation of marketing effectiveness and finally measure the marketing effectiveness for the sake of presenting the findings.

4.2.1. Descriptive Statistics of the level of Customer Philosophy

The first category of marketing effectiveness is customer philosophy. It's also the first research question of the present study and was intended to examine the effectiveness of the customer philosophy in order to analyze the marketing effectiveness. As mentioned above, this category is measured by 3 questions. Customer Philosophy Q1, Customer Philosophy Q2 and Customer Philosophy Q3 (See Appendices A).

Table 5: The Level of Customer Philosophy Effectiveness (N=302)

Customer Philosophy	Responses						Mean	Std Dev.
	0 Points		1 Points		2 Points			
	F	%	F	%	F	%		
Does management recognize the importance of designing the company to serve the needs and wants of chosen markets?	126	41.7	112	37.1	64	21.2	.79	.767
Does management develop different offerings and marketing plans for different segments of the market?	76	25.2	197	65.2	29	9.6	.84	.570
Does management take a whole marketing system view (suppliers, channels,	130	43.0	145	48.0	27	8.9	.66	.636

competitors, customers, and environment) in planning its business?

Grand Mean & Standard Deviation	2.30	1.323

Source: Own survey data

The entire total mean of the customer philosophy M = 2.30 with SD = 1.323, from 302 study participants 154 scored below average and 28 respondents scored above average of the entire customer philosophy scale (see Table 11). The result indicated that the least mean score is the Customer Philosophy Q3 (Does management take a whole marketing system view in planning its business?) which is M = 0.66 with SD = 0.636 and the highest mean score is the Customer Philosophy Q2 (Does management develop different offerings and marketing plans for different segments of the market?) which is M = 0.84 and SD = 0.570. On the other hand, the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

❖ How effective is the MSEs in Gullele sub-city customer philosophy?

To answer the above research, question a frequency table is used. From 302 study participants 40 (13.2%) scored 0 point, 31 (10.3%) scored 1 point, 83 (27.5%) scored 2 point, 120 (39.7%) scored 3 point, 6 (2.0%) scored 4 point, 19 (6.3%) scored 5 point and 3 (1.0%) scored 6. The result indicated that the results are dispersed and many of the participants Customer Philosophy has medium or fair effectiveness and needs more work and effort.

Table 6: The points gathered on Customer Philosophy

Points	Frequency	Percent
0	40	13.2
1	31	10.3
2	83	27.5
3	120	39.7
4	6	2.0
5	19	6.3
6	3	1.0
Total	302	100.0

Source: Own survey data

4.2.2. Descriptive Statistics of the level of integrated marketing organization

The second category of marketing effectiveness is integrated marketing organization. It's the second research question of the present study and was intended to examine the effectiveness of the integrated marketing organization in order to analyze the marketing effectiveness. As mentioned

above, this category is measured by 3 questions. Integrated marketing organization Q4, integrated marketing organization Q5 and integrated marketing organization Q6 (See Appendices A).

Table 7: The Level of Integrated Marketing Organization Effectiveness (N=302)

Integrated Marketing Organization	Responses						Mean	Std Dev.
	0 Points		1 Points		2 Points			
	F	%	F	%	F	%		
Is there high-level marketing integration and control of the major marketing functions?	74	24.5	187	61.9	41	13.6	.89	.608
Does marketing management work well with management in research, manufacturing, purchasing, physical distribution, and finance?	131	43.4	129	42.7	42	13.9	.71	.698
How well-organized is the new product/service development process?	158	52.3	110	36.4	34	11.3	.59	.685
Grand Mean & Standard Deviation							2.19	1.533

Source: Own survey data

The entire total mean of the integrated marketing organization M =2.19 with SD = 1.533, from 302 study participants 169 scored below average and 62 respondents scored above average of the entire customer philosophy scale (see Table 13). The result indicated that the least mean score is the integrated marketing organization Q6 (How well-organized is the new product/service development process?) which is M = 0.59 with SD = 0.685 and the highest mean score is the integrated marketing organization Q4 (Is there high-level marketing integration and control of the major marketing functions?) which is M = 0.89 and SD = 0.608. On the other hand, the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

❖ How effective is the MSEs in Gullele sub-city integrated marketing organization?

To answer the above research, question a frequency table is used. From 302 study participants 43 (14.2%) scored 0 point, 79 (26.2%) scored 1 point, 47 (15.6%) scored 2 point, 71 (23.5%) scored 3 point, 45 (14.9%) scored 4 point, 8 (2.6%) scored 5 point and 9 (3.0%) scored 6. The result indicated that the points are normally dispersed and participants that scored 1 point have the higher frequency followed by participants that scored 3 points. Here shows that the Integrated Marketing Organization of MSEs in Gullele sub-city is poor and needs a lot of effort.

Table 8: The points gathered on Integrated Marketing Organization

Points	Frequency	Percent
0	43	14.2
1	79	26.2
2	47	15.6
3	71	23.5
4	45	14.9
5	8	2.6
6	9	3.0
Total	302	100.0

Source: Own survey data

4.2.3. Descriptive Statistics of the level of adequate marketing information

The third category of marketing effectiveness is adequate marketing information. It's also the third research question of the present study and was intended to examine the effectiveness of the adequate marketing information in order to analyze the marketing effectiveness. As mentioned above, this category is measured by 3 questions. Adequate marketing information Q7, adequate marketing information Q8 and adequate marketing information Q9 (See Appendices A).

Table 9: The Level of adequate marketing information effectiveness (N=302)

Adequate Marketing Information	Responses						Mean	Std Dev.
	0 Points		1 Points		2 Points			
	F	%	F	%	F	%		
When was the latest marketing research studies of customers, buying influences, channels, and competitors conducted?	115	38.1	172	57.0	15	5.0	.67	.567
How well does management know the sales potential and profitability of different market segments, customers, territories, products, channels, and order sizes?	31	10.3	243	80.5	28	9.3	.99	.443
What effort is expended to measure the costeffectiveness of different marketing expenditures?	96	31.8	169	56.0	37	12.3	.80	.635
Grand Mean & Standard Deviation							2.46	1.213

Source: Own survey data

The entire total mean of the adequate marketing information M = 2.46 with SD = 1.213, from 302 study participants 132 scored below average and 43 respondents scored above average of the entire adequate marketing information scale (see Table 15). The result indicated that the least mean score

is the adequate marketing information Q7 (When were the latest marketing research studies of customers, buying influences, channels, and competitors conducted?) which is M = 0.67 with SD = 0.567 and the highest mean score is the adequate marketing information Q8 (How well does management know the sales potential and profitability of different market segments, customers, territories, products, channels, and order sizes?) which is M = 0.99 and SD = 0.443. On the other hand, the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

❖ How effective is the MSEs in Gullele sub-city adequate marketing information?

To answer the above research, question a frequency table is used. From 302 study participants 15 (5.0%) scored 0 point, 59 (19.5%) scored 1 point, 58 (19.2%) scored 2 point, 127 (42.1%) scored 3 point, 32 (10.6%) scored 4 point, 6 (2.0%) scored 5 point and 5 (1.7%) scored 6. The result indicated that the points are semi dispersed and participants that scored 3 point have the higher frequency and participants that scored 1 is second followed by participants that scored 2 points. Here shows that the Adequate Marketing Information of MSEs in Gullele sub-city is fair and needs effort.

Table 10: The points gathered on Adequate Marketing Information

Points	Frequency	Percent
0	15	5.0
1	59	19.5
2	58	19.2
3	127	42.1
4	32	10.6
5	6	2.0
6	5	1.7
Total	302	100.0

❖ *Source: Own survey data*

4.2.4. Descriptive Statistics of the level of strategic orientation

The fourth category of marketing effectiveness is strategic orientation. It's also the fourth research question of the present study and was intended to examine the effectiveness of the strategic orientation in order to analyze the marketing effectiveness. As mentioned above, this category is measured by 3 questions. Strategic orientation Q10, strategic orientation Q11 and strategic orientation Q12 (See Appendices A).

Table 11: The Level of strategic Operational Efficiency (N=302)

Strategic Orientation	Responses						Mean	Std Dev.
	0 Points		1 Points		2 Points			
	F	%	F	%	F	%		
What is the extent of formal marketing planning?	130	43.0	94	31.1	78	25.8	.83	.813
What is the quality of the current marketing strategy?	41	13.6	182	60.3	79	26.2	1.13	.619
What is the extent of contingency thinking and planning?	161	53.3	114	37.7	27	8.9	.56	.653
Grand Mean & Standard Deviation							2.51	1.660

Source: Own survey data

The entire total mean of the strategic orientation M = 2.51 with SD = 1.660, from 302 study participants 176 scored below average and 88 respondents scored above average of the entire strategic orientation scale (see Table 17). The result indicated that the least mean score is the strategic orientation Q12 (What is the extent of contingency thinking and planning?) which is M = 0.56 with SD = 0.653 and the highest mean score is the strategic orientation Q11 (What is the quality of the current marketing strategy?) which is M = 1.13 and SD = 0.619. On the other hand, the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

❖ How effective is the MSEs in Gullele sub-city strategic orientation?

To answer the above research, question a frequency table is used. From 302 study participants 12 (4.0%) scored 0 point, 108 (35.8%) scored 1 point, 56 (18.5%) scored 2 point, 38 (12.6%) scored 3 point, 17 (5.6%) scored 4 point, 70 (23.2%) scored 5 point and 1 (0.3%) scored 6. The result indicated that the points are dispersed and participants that scored 1 point have the higher frequency and participants that scored 5 is second followed by participants that scored 2 points. Here shows that the Strategic Orientation of MSEs in Gullele sub-city is mostly poor and needs effort but there are some participants that follow a good strategic orientation.

Table 12: The points gathered on Strategic Orientation

Points	Frequency	Percent
0	12	4.0
1	108	35.8
2	56	18.5
3	38	12.6
4	17	5.6
5	70	23.2
6	1	.3
Total	302	100.0

❖ *Source: Own survey data*

4.2.5. Descriptive Statistics of the level of operational efficiency

The fifth category of marketing effectiveness is operational efficiency. It's also the fifth research questions of the present study and was intended to examine the effectiveness of the operational efficiency in order to analyze the marketing effectiveness. As mentioned above, this category is measured by 3 questions. Operational efficiency Q13, operational efficiency Q14 and operational efficiency Q15 (See Appendices A).

Table 13: The Level of Operational Efficiency effectiveness (N=302)

Operational Efficiency	Responses						Mean	Std Dev.
	0 Points		1 Points		2 Points			
	F	%	F	%	F	%		
How well is the marketing thinking at the top communicated and implemented down the line?	123	40.7	150	49.7	29	9.6	.69	.639
Is management doing an effective job with the marketing resources?	96	31.8	188	62.3	18	6.0	.74	.558
Does management show a good capacity to react quickly and effectively to on-the-spot developments?	81	26.8	171	56.6	50	16.6	.90	.653
Grand Mean & Standard Deviation							2.33	1.530

Source: Own survey data

The entire total mean of the operational efficiency M = 2.33 with SD = 1.530, from 302 study participants 140 scored below average and 47 respondents scored above average of the entire customer philosophy scale (see Table 19). The result indicated that the least mean score is the operational efficiency Q13 (How well is the marketing thinking at the top communicated and implemented down the line?) which is M = 0.69 with SD = 0.639 and the highest mean score is the

operational efficiency Q15 (Does management show a good capacity to react quickly and effectively to on-the-spot developments?) which is M = 0.90 and SD = 0.653. On the other hand, the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

❖ How effective is the MSEs in Gullele sub-city operational efficiency?

To answer the above research, question a frequency table is used. From 302 study participants 46 (15.2%) scored 0 point, 55 (18.2%) scored 1 point, 39 (12.9%) scored 2 point, 115 (38.1%) scored 3 point, 15 (5.0%) scored 4 point, 27 (8.9%) scored 5 point and 5 (1.7%) scored 6. The result indicated that the points are normally dispersed and participants that scored 3 point have the higher frequency. Here shows that the Operational Efficiency of MSEs in Gullele sub-city is mostly fair and needs some effort.

Table 14: The points gathered on Operational Efficiency

Points	Frequency	Percent
0	46	15.2
1	55	18.2
2	39	12.9
3	115	38.1
4	15	5.0
5	27	8.9
6	5	1.7
Total	302	100.0

❖ *Source: Own survey data*

4.2.6. Descriptive Statistics of the Levels of Marketing Effectiveness

The final research question and the research objective of the present study were to measure the effectiveness of marketing of the micro and small enterprises in Gullele sub-city. Depending on that; the mean and standard deviation of the five orientations are presented below.

Table 15: Descriptive statistics Results of Marketing Effectiveness (N= 302)

Marketing Effectiveness Sub Scales	Descriptive Statistics	
	Mean	Std. Deviation
1. Customer Philosophy	2.30	1.323
2. Integrated Marketing Organization	2.19	1.533
3. Adequate Marketing Information	2.46	1.213
4. Strategic Orientation	2.51	1.660
5. Operational Efficiency	2.33	1.530
Total Marketing Effectiveness	11.78	5.688

Source: Own survey data

The research questions of the present study were intended to examine the effectiveness of marketing of the micro and small enterprises in Gullele sub-city. The entire total mean score of Marketing Effectiveness, M = 11.78 with SD = 5.688, from 302 study participants 46 scored none and 2 respondents scored superior mean of the entire marketing effectiveness scale (see table 21). The result indicated that the least mean score is the integrated marketing organization which is M = 2.19 with SD = 1.533 and the highest mean score is the strategic orientation sub scale which is M = 2.51 and SD = 1.660. On the other hand, the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

❖ How effective is the MSEs in Gullele sub-city marketing?

The aforementioned research question is the primary research question and the study's goal. Philip Kotler's marketing effectiveness rating and score technique is used to assess the marketing effectiveness of MSEs in Gullele sub-city. The 15-question questionnaire proposed by Philip Kotler to assess marketing performance was gathered, and the scores of each paper were totaled up. The scores are then totaled together for a total of somewhere between 0 and 30. The following scale depicts the marketing effectiveness equivalent: 0 to 5 None, 6 to 10 Poor, 11 to 15 Fair, 16 to 20 Good, 21 to 25 Very Good, and 26 to 30 Superior.

Based on the above scoring and measuring method of marketing effectiveness, 46 (15.2%) of the 302 study participants are between 0 and 5, indicating that their marketing effectiveness is None, 85 (28.1%) are between 6 and 10, indicating that their marketing effectiveness is Poor, and 118 (39.1%) are between 11 and 15, indicating that their marketing effectiveness is Fair. 24 (7.9%) participants are between 16 and 20, indicating that marketing effectiveness is Good, 27 (8.9%) participants are between 21 and 25, indicating that marketing effectiveness is Very good, and 2 (0.7%) participants are between 26 and 30, indicating that marketing effectiveness is Superior. The results showed that the scores were distributed; with participants between 11-15 have the highest frequency. As a result, the marketing effectiveness of MSEs in the Gullele sub-city is fair. Furthermore, the frequency of the scores is higher towards the top, implying that marketing efficacy is weak to non-existent. This indicates that MSEs in the Gullele sub-city need to improve their marketing skills and experiment with new techniques to relieve the problem.

Table 16: Marketing Effectiveness of MSEs in Gullele sub-city (N= 302)

Scores	Frequency	Percent
0-5 none	46	15.2
6-10 poor	85	28.1
11-15 fair	118	39.1
16-20 good	24	7.9
21-25 very good	27	8.9
26-30 superior	2	.7

Source: Own survey data

Figure 3: Marketing Effectiveness of MSEs in Gullele sub-city (N= 302)
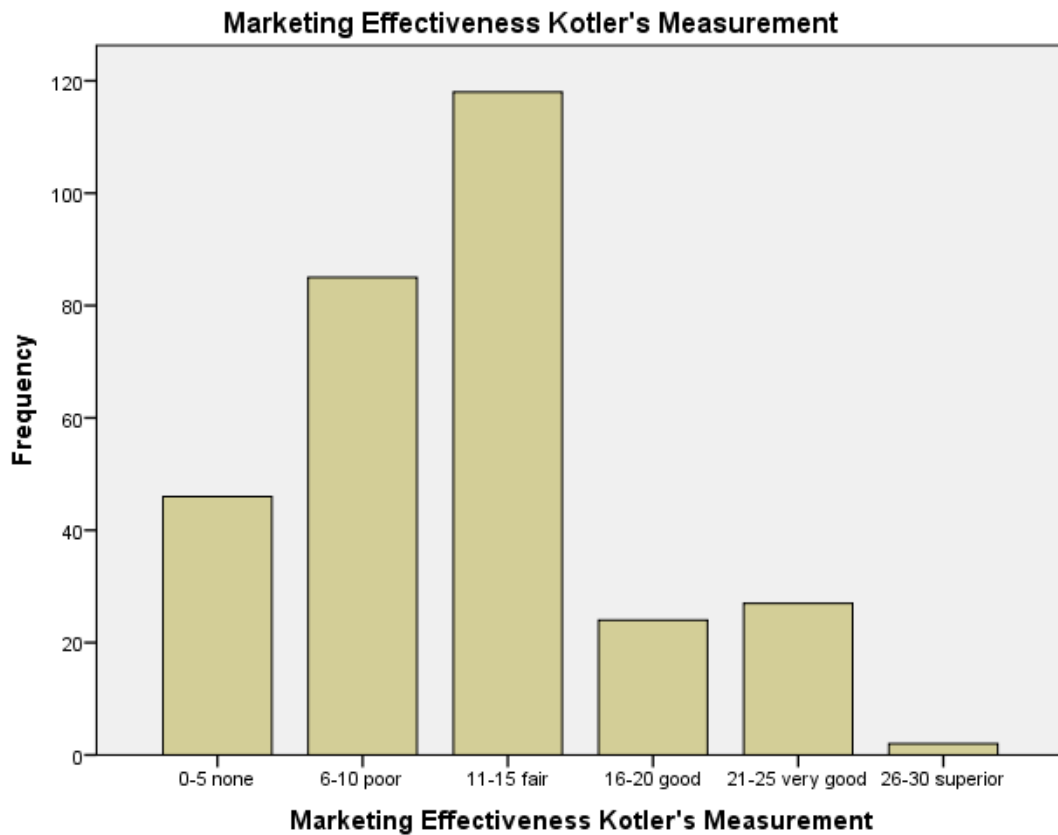
Source: Own survey data

4.3. Discussion of the Results

With a mean score of 2.30, the survey indicated that the effectiveness of MSEs' customer-oriented mindset in Gullele sub-city is medium to fairly successful and requires more work. Despite the fact that the majority of the participant's customer-oriented philosophy firms are fair, about half of the participant's customer-oriented philosophy enterprises are poor or below average. Only a few businesses have a strong or effective customer philosophy. With the lowest mean score of 0.66, the

results suggested that most business management systems do not include the entire marketing system (suppliers, channels, competitors, customers, and environment) while planning their business. On the other hand, with a mean score of 0.84, the most enterprise management system develops diverse offerings and marketing plans for different sectors of the market.

With a mean score of 2.19, the study indicated that the effectiveness of MSEs' integrated marketing organizations in Gullele sub-city is weak or non-effective, indicating that more work and effort is required. Only a few businesses have an integrated marketing organization that is good or effective. With a mean score of 0.59, the results suggested that most businesses do not have a well-organized new product/service development process. On the other hand, with a mean score of 0.89, most businesses have high-level marketing integration and control of the primary marketing operations.

With a mean score of 2.46, the study indicated that the effectiveness of adequate marketing information of MSEs in Gullele sub-city is fairly successful and requires some work and effort. While the majority of the participant's adequate marketing information is adequate, many of the participant's adequate marketing information is bad or below average. Only a small percentage of businesses have good or effective marketing information. With the lowest mean score of 0.67, the result suggested that most businesses do not have the most recent marketing research studies on customers, buying influences, channels, and competitors. On the other hand, with the highest mean score of 0.99, most businesses are well-versed in the sales potential and profitability of various market groups, clients, territories, goods, channels, and order sizes.

The study discovered that the strategy orientation of MSEs in Gullele sub-city is largely ineffective or ineffective and requires effort, but that some participants had a good strategic orientation with a mean value of 2.51. With the lowest mean score of 0.56, the results suggested that most businesses do not have any contingency thinking or preparation. Most businesses, on the other hand, are aware of their present marketing strategy, which is traditional, with a mean score of 1.13.

The study discovered that the operational efficiency of MSEs in Gullele sub-city is mainly fair or ineffective and requires some effort, however many participants have a poor operational efficiency with a mean value of 2.33. According to the findings, most businesses' marketing strategy is not conveyed and executed down the line, especially among the workers with the lowest mean score of 0.69. On the other hand, with a mean score of 0.90, most businesses react swiftly and successfully to on-the-spot events.

Customer philosophy, integrated marketing organization, adequate marketing information, strategic orientation and operational efficiency all have a significant beneficial association, according to the study. As a result, as one orientation improves, the other improves as well, assisting in making marketing more effective.

Generally, the Marketing Effectiveness of Micro and Small Enterprises of Gullele Sub-City have a fairly effective marketing strategy, according to the research, with a mean score of 11.78. However, many businesses have a poor marketing system, indicating that MSMEs in Gullele sub-city need to improve their marketing skills and attempt other techniques to ease the problem. The results also showed that the majority of businesses' integrated marketing organizations require improvement, with a mean score of 2.19. Few businesses, on the other hand, have an excellent strategy and need to sustain and grow it, with a mean score of 2.51.

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSIONS & RECOMMENDATION

Chapter Overview

The goal of this study was to assess the marketing performance of micro and small businesses in Addis Ababa's Gullele Sub-City. This chapter contains a summary, conclusion, and suggestions based on the study's objectives.

5.1 Summary

The purpose of this study was to assess the marketing performance of micro and small businesses in Addis Ababa's gullele sub-city. The study tried to elucidate the relationship between the five orientations in order to further investigate the relationship.

In the gullele sub-city, the questionnaire was delivered to 302 respondents from manufacturing enterprises.

- ✓ The Reliability of the questionnaire is further tested using a pilot test consisting of 30 participants and they were given six general and 15 marketing effectiveness measurement questions. This was necessary to predict the reliability of the research questionnaires so that it could allow identify the stability, consistency and also enhance the accuracy of the assessment of the data instrument used in this research. The Cronbach's alpha of the reliability test is .912 which is in acceptable level as a result (see Appendix C).

- ✓ The result of the demographic analysis of respondents indicated that from the total respondent 43.7% of the respondents were male and the rest 56.3% were female. The largest age group of the respondents is 30-49 which 49.3%. The majority of respondents are under educated; 42.1% are secondary school or less educated while 38.4% have certificate or diploma from TVET and other short courses. Since the research was initially planning to see if marketing is one of the reasons that most enterprises don't have enough asset or potential to stand on their feet and leave the working premises once their time (contract) is up, the majority respondents have between 7-10 years of experience in the sector which is 32.5%, 86.8% are micro enterprises and 74.8% have 1-10 number of workers.

- ✓ The result of descriptive statistic shows the very relevant data in the study. The entire total mean of the customer philosophy M = 2.30 with SD = 1.323, from 302 study participants 154 scored below average and 28 respondents scored above average of the entire customer philosophy scale and the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

- ✓ The entire total mean of the integrated marketing organization M = 2.19 with SD = 1.533, from 302 study participants 169 scored below average and 62 respondents scored above average of the entire customer philosophy scale and the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

- ✓ The entire total mean of the adequate marketing information M = 2.46 with SD = 1.213, from 302 study participants 132 scored below average and 43 respondents scored above average of the entire adequate marketing information scale and the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

- ✓ The entire total mean of the strategic orientation M = 2.51 with SD = 1.660, from 302 study participants 176 scored below average and 88 respondents scored above average of the entire strategic orientation scale and the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

- ✓ The entire total mean of the operational efficiency M = 2.33 with SD = 1.530, from 302 study participants 140 scored below average and 47 respondents scored above average of the entire customer philosophy scale and the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution.

- ✓ The entire total mean score of Marketing Effectiveness is M = 11.78 with SD = 5.688, from 302 study participants 46 scored none and 2 respondents scored superior mean of the entire marketing effectiveness scale. The result indicated that the least mean score is the integrated marketing organization which is M = 2.19 with SD = 1.533 and the highest mean score is the strategic orientation sub scale which is M = 2.51 and SD = 1.660. On the other hand, the SD told that the study participant's responses are normally dispersed from the mean scale, which is a normal distribution. 118 (39.1%) individuals scored between 11 and 15, indicating that marketing effectiveness is fair.

5.2 Conclusion

The MSEs who have never taken a marketing course are mostly unfamiliar with marketing plan conception and implementation. The majority of micro and small enterprises use marketing methods without even realizing it. According to Kotler, marketing effectiveness in 1977 is not that straightforward. Instead than being the outcome of efficient management, good results may be the result of a division being in the right place at the right moment. Improvements in market planning may be able to take decent results and turn them into exceptional ones. At the same time, another division might have poor results in spite of the best strategic marketing planning.

Relying on the available literature on the subject and their appropriateness to the research question at hand, marketing effectiveness (dependent variable) and its criteria (independent variable) were identified. The criteria or the orientations included are customer philosophy, integrated marketing organization, adequate marketing information, strategic orientation and operational efficiency. The findings of this research shows that the total mean of the customer philosophy is M = 2.30, the total mean of the integrated marketing organization is M = 2.19, the total mean of the adequate marketing information is M = 2.46, the total mean of the strategic orientation is M = 2.51, the total mean of the operational efficiency M = 2.33 and finally the total mean score of Marketing Effectiveness is M = 11.78.

Based on the findings of the study, the marketing effectiveness of MSEs in Gullele Sub-city is fairly effective. But it also shows that 46 (15.2%) of the 302 study participants marketing effectiveness is None, 85 (28.1%) have Poor effectiveness, and 118 (39.1%) have Fair effectiveness, 24 (7.9%) participants have Good marketing effectiveness, 27 (8.9%) participants showed a Very good marketing effectiveness and 2 (0.7%) participants have Superior marketing effectiveness. The results showed that the marketing effectiveness of MSEs in the Gullele sub-city is fair but the frequency of the scores is higher towards the top, implying that marketing efficacy is weak to non-existent. This indicates that MSEs in the Gullele sub-city need to improve their marketing skills and experiment with new techniques to relieve the problem.

5.3 Recommendation

The marketing of manufacturing enterprises of MSEs in Gulele Sub-City was found to be fairly effective when measured against the marketing orientation criteria identified for the study. However, there are many enterprises that have a poor marketing and are straggling to make ends mate. In order

for the marketing effectiveness to further improve the marketing implementation as well as the effectiveness, the study recommends that:

- ✓ This study found that the majority of respondents are under educated; 42.1% are secondary school or less educated while 38.4% have certificate or diploma from TVET and other short courses. This hinders their knowledge of different marketing tools and most of them use traditional marketing; thus it is advisable to create awareness whereby the managers of MSEs are empowered to direct staff members.

- ✓ The effectiveness of MSEs' customer-oriented mindset in Gullele sub-city is medium to fairly successful and requires more work. Despite the fact that the majority of the participant's customer-oriented philosophy firms are fair, about half of the participant's customer-oriented philosophy are poor or below average. Only a few businesses have a strong or effective customer philosophy. The enterprises need to incorporate a wider application of including marketing system (suppliers, channels, competitors, customers, and environment) while planning their business.

- ✓ The effectiveness of MSEs' integrated marketing organizations in Gullele sub-city is weak or non-effective, indicating that more work and effort is required. Only a few businesses have an integrated marketing organization that is good or effective. Most enterprises do not have a well-organized new product/service development process so improving that can help them grow their business.

- ✓ The effectiveness of adequate marketing information of MSEs in Gullele sub-city is fairly successful and requires some work and effort. While the majority of the participant's adequate marketing information is adequate, many of the participant's don't have adequate marketing information. Only a small percentage of businesses have good or effective marketing information. The enterprises need to have more recent marketing research studies on customers, buying influences, channels, and competitors.

- ✓ The study discovered that the strategy orientation of MSEs in Gullele sub-city is largely ineffective and requires effort, but that some participants had a good strategic orientation. What the research learned from this study is that almost all the enterprises don't have any contingency thinking or preparation and without that they can't ensure their future success. Also the operational efficiency of MSEs in Gullele sub-city is mainly fair or sustainable but requires some effort, however many participants have a poor operational efficiency.

According to the findings, most enterprises marketing strategy is not conveyed and executed down the line, especially among the workers.

✓ Generally, the Marketing Effectiveness of MSEs in Gullele Sub-City has a fairly effective marketing strategy, according to the research. However, many businesses have a poor marketing system, indicating that MSEs in Gullele sub-city need to improve their marketing skills and attempt other techniques to ease the problem. Especially their integrated marketing organizations require improvement.

The study measured the effectiveness of marketing of the MSEs in Gulele Sub City with reference to specific marketing orientations, namely customer philosophy, integrated marketing organization, adequate marketing information, strategic orientation and operational efficiency without considering other factors which would influence the success of MSEs other than factors investigated in this study. Some of the areas which were not investigated include their knowledge of marketing and strategies of the government used on MSEs. The study did not consider the MSEs relation with digital marketing and the marketing tool generally. Also, the study did not investigate the other sectors of MSEs, namely the service providers, traders, urban agriculture and construction sectors.

This study therefore recommends other studies to look into and investigate MSEs relationship with digital marketing and the marketing tool. It is also recommended to undertake a study on the influence socio-economic factors and governmental policy issues may have on the success of MSEs. Besides, it is recommended for interested researchers to replicate the instruments of this study in the other sectors mentioned above and also in other sub-cities of Addis Ababa. The researcher would also like to recommend the use of other conventional tools of measuring marketing effectiveness. It is further recommended if these methods are replicated in Gulele Sub City, once the project is completed after 1 to 2 years, as it would be possible to measure the achievement of new enterprises in relation with marketing.

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Appendixes

Appendix A: Questionnaire for Respondents (English)

Dear Participants

Dear Participants, This is to request for your participation in filling the attached questionnaire on the research entitled "Measuring the Marketing Effectiveness of MSEs: the case of Gulele Sub City". The purpose of the research is to find out how effective the marketing that is implemented by the MSEs with a view to come up with findings that could be used to identify the points of weakness and strength. The information collected will be confidentially handled, and used solely for the purpose of this research.

General Directive

- ❖ Don't write your name.
- ❖ The questions are classified in to five parts and each part has three questions.
- ❖ There are three choices under each question, select only one of the choices.

Part One

General Information

Please put a "√" mark on the box you selected.

1. Gender   Male   ☐   Female   ☐
2. Age

   ☐   18-29   ☐   30-49

   ☐   50-69   ☐   Above 69

3. Education Level

   ☐   High School and below   ☐   First Degree

   ☐   Certificate/ Diploma   ☐   Second Degree and Above

4. Work Experience on the Enterprise

	1-3 Years		7-10 Years
☐		☐	

	4-6 Years		10 Years and above
☐		☐	

5. Type of Enterprise

	Micro		Small
☐		☐	

6. Number of Employees in the Enterprise

☐ 1-10

☐ 11-20

☐ 21-30

☐ Above 30

Part Two

CUSTOMER PHILOSOPHY

1. Does management recognize the importance of designing the company to serve the needs and wants of chosen markets?

☐ Management primarily thinks in terms of selling current and new products to whoever will buy them.

☐ Management thinks in terms of serving a wide range of markets and needs with equal effectiveness.

☐ Management thinks in terms of serving the needs and wants of well-defined markets chosen for their long-run growth and profit potential for the company.

2. Does management develop different offerings and marketing plans for different segments of the market?

☐ No.

☐ Somewhat.

☐ To a good extent

3. Does management take a whole marketing system view (suppliers, channels, competitors, customers, and environment) in planning its business?

☐ No. Management concentrates on selling and servicing its immediate customers.

☐ Somewhat. Management takes a long view of its channels although the bulk of its effort goes to selling and servicing the immediate customers.

☐ Yes. Management takes a whole marketing systems view recognizing the threats and opportunities created for the company by changes in any part of the system.

INTEGRATED MARKETING ORGANIZATION

4. Is there high-level marketing integration and control of the major marketing functions?

☐ No. Sales and other marketing functions are not integrated at the top and there is some unproductive conflict.

☐ Somewhat. There is formal integration and control of the major marketing functions but less than satisfactory coordination and cooperation.

☐ Yes. The major marketing functions are effectively integrated.

5. Does marketing management work well with management in research, manufacturing, purchasing, physical distribution, and finance?

☐ No. There are complaints that marketing is unreasonable in the demands and costs it places on other departments.

☐ Somewhat. The relations are amicable although each department pretty much acts to serve its own power interests.

☐ Yes. The departments cooperate effectively and resolve issues in the best interest of the company as a whole.

6. How well-organized is the new product/service development process?

☐ The system is ill-defined and poorly handled.

☐ The system formally exists but lacks sophistication.

☐ The system is well-structured and professionally staffed.

ADEQUATE MARKETING INFORMATION

7. When were the latest marketing research studies of customers, buying influences, channels, and competitors conducted?

   ☐ Several years ago.

   ☐ A few years ago.

   ☐ Recently.

8. How well does management know the sales potential and profitability of different market segments, customers, territories, products, channels, and order sizes?

   ☐ Not at all.

   ☐ Somewhat.

   ☐ Very well.

9. What effort is expended to measure the cost effectiveness of different marketing expenditures?

   ☐ Little or no effort.

   ☐ Some effort.

   ☐ Substantial effort.

STRATEGIC ORIENTATION

10. What is the extent of formal marketing planning?

    ☐ Management does little or no formal marketing planning.

    ☐ Management develops an annual marketing plan.

    ☐ Management develops a detailed annual marketing plan and a careful long-range plan that is updated annually.

11. What is the quality of the current marketing strategy?

    ☐ The current strategy is not clear.

    ☐ The current strategy is clear and represents a continuation of traditional strategy.

    ☐ The current strategy is clear, innovative, data-based, and well-reasoned.

12. What is the extent of contingency thinking and planning?

    ☐ Management does little or no contingency thinking.

    ☐ Management does some contingency thinking although little formal contingency planning.

☐ Management formally identifies the most important contingencies and develops contingency plans.

OPERATIONAL EFFICIENCY

13. How well is the marketing thinking at the top communicated and implemented down the line?

☐ Poorly.

☐ Fairly.

☐ Successfully.

14. Is management doing an effective job with the marketing resources?

☐ No. The marketing resources are inadequate for the job to be done.

☐ Somewhat. The marketing resources are adequate but they are not employed optimally.

☐ Yes. The marketing resources are adequate and are deployed efficiently.

15. Does management show a good capacity to react quickly and effectively to on-the-spot developments?

☐ No. Sales and market information is not very current and management reaction time is slow.

☐ Somewhat. Management receives fairly up-to-date sales and market information; management reaction time varies.

☐ Yes. Management has installed systems yielding highly current information and fast reaction time.

THANK YOU FOR YOUR PARTICIPATION

Appendix B: Questionnaire for Respondents (Amharic)

ውድ ተሳታፌዎች፤

በመጀመሪያ "Measuring the Marketing Effectiveness of MSEs: the case of Gullele Sub-City" በሚል ርዕስ በሚደረገው የምርምር ጽሁፍ የተዘጋጀውን መጠይቅ ለመሙላት ፈቃደኛ በመሆንዎ ከልብ አመሰግናለሁ፡፡ የዚህ ጥናት ዋና ዓሊማ በጉለሌ ክፍለ ከተማ ውስጥ በሚገኙ ጥቃቅንና አነስተኛ ማኑፋክቸሪንግ ኢንተርፕራይዞች የግብይት ውጤታማነት ለመገምገምና ድክመቶችን እና ጠንካራ ቦታዎችን ለመለየት ነው፡፡ በዚህ መጠይቅ የሚሰበሰው መረጃ ለዚህ ጥናት ብቻ ጥቅም ላይ የሚውልና ለሌሎች ሶስተኛ ወገን መረጃው የማይተላለፍ መሆኑን አውቀው እያንዳንዱን የመጠይቁን ክፍሎች በአግባቡ በማንበብ መልስ እንዲሰጡ በአክብሮት እንጠይቃለን፡፡ እባክዎን ለእያንዳንዱ ጥያቄ በተቀመጠው ክፍት ቦታ ውስጥ የእርስዎን ምርጫ የ(✓) ምልክት በማድረግ ያሳውቁ፡፡

አጠቃላይ መመሪያ

- ❖ ስም መፃፍ አያስፈልግም፡፡

- ❖ ጥያቄዎቹ በአምስት ክፍል የተከፈሉ ሲሆን በእያንዳንዱ ውስጥ ሃስት ጥያቄዎች ይገኛሉ፡፡

- ❖ በእነዚህ ጥያቄዎች ስር ሃስት ምርጫዎች የተቀመጡ ሲሆን አንዱን ብቻ ይምረጡ፡፡

ክፍል አንድ

የአጠቃላይ መረጃ ጥያቄዎች

እባክዎ እርሶ የመረጡት ላይ ምልክት ያድርጉ፤

1. ፆታ   ☐ ወንድ   ☐ ሴት

2. ዕድሜ

       ☐ ከ18-29   ☐ ከ30-49

54

☐ ከ50-69   ☐ ከ69 ዓመት በላይ

3. የትምህርት ደረጃ

☐ ሁለተኛ ደረጃ እና ከዛ በታች   ☐ የመጀመሪያ ዲግሪ

☐ ሰርተፊኬት/ዲፕሎማ   ☐ የሁለተኛ ዲግሪ እና ከዛ በላይ

4. በኢንተርፕራይዙ ውስጥ ያሉት የስራ ልምድ

☐   ከ1-3 ዓመት   ☐   ከ7-10 ዓመት

☐   ከ4-6 ዓመት   ☐   ከ10 ዓመትበላይ

5. የኢንተርፕራይዙ ዓይነት

☐   ጥቃቅን   ☐   አነስተኛ

6. በኢንተርፕራይዙ ውስጥ ምን ያህል ሰራተኞች አሉ?

☐   ከ1-10

☐   ከ11-20

☐   ከ21-30

☐   ከ30 በላይ

ክፍል ሁለት

የግብይት ውጤታማነት መገምገሚያ ጥያቄዎች

❖ ለእያንዳንዱ ጥያቄ አንድ መልስ ያረጋግጡ::

የደንበኛ ፍልስፍና

1. አስተዳደሩ ፍላጎቶችን ለማሟላት እና ተፈላጊ የሆኑ የተመረጡ ገበያዎችን ለማገልገል ኩባንያውን የመንደፍ ጠቃሚነቱን ይገነዘባል?

☐ ማኔጅመንት በዋነኝነት የሚያስበው የአሁን እና አዲስ ምርቶች ለማንም ለሚገዛቸው በመሸጥ ረገድ ነው።

☐ ማኔጅመንቱ በእኩል ውጤታማነት ሰፊ ገበያዎችን እና ፍላጎቶችን ከማገልገል አንፃር ያስባል።

☐ አስተዳደሩ ለረጅም ጊዜ እድገታቸው እና ለኩባንያው ትርፋማ እምቅ ችሎታ የተመረጡ በደንብ የተገለጹ ገበያዎች ፍላጎቶችን እና ፍላጎቶችን ከማገልገል አንፃር ያስባል።

2. አስተዳደሩ ለተለያዩ የገበያ ክፍሎች የተለያዩ አቅርቦቶችን እና የግብይት እቅዶችን ያዘጋጃል?

☐ አይ።

☐ በመጠኑ።

☐ በጥሩ መጠን።

3. ማኔጅመንቱ ሥራውን ለማቀድ አጠቃላይ የግብይት ሥርዓትን (አቅራቢዎች፣ ቻናሎች፣ ተወዳዳሪዎች፣ ደንበኞች እና አካባቢን) ይመለከታል?

☐ አይ. አስተዳደር የቅርብ ደንበኞቹን በመሸጥ እና በማገልገል ላይ ያተኩራል።

☐ በመጠኑ። ምንም እንኳን አብዛኛው ጥረቱ የቅርብ ደንበኞቹን በመሸጥ እና በማገልገል ላይ ቢሆንም ማኔጅመንት ቻናሎቹን ረጅም እይታ ይወስዳል።

☐ አዎ. ማኔጅመንት በማንኛውም የስርአቱ ክፍል ለውጦች ለኩባንያው የተፈጠሩትን ስጋቶች እና እድሎች በመገንዘብ አጠቃላይ የግብይት ስርዓት እይታን ይወስዳል።

የተቀናጀ የግብይት ድርጅት

4. የከፍተኛ ደረጃ የግብይት ውህደት እና ዋና ዋና የግብይት ተግባራት ቁጥጥር አለ?

☐ አይደለም የሽያጭ እና ሌሎች የግብይት ተግባራት ከላይ ያልተዋሃዱ እና አንዳንድ ውጤታማ ያልሆኑ ግጭቶች አሉ።

☐ በመጠኑ። ዋና ዋና የግብይት ተግባራት መደበኛ ውህደት እና ቁጥጥር አለ ነገር ግን ከአጥጋቢ ቅንጅት እና ትብብር ያነሰ ነው።

☐ አዎ. ዋናዎቹ የግብይት ተግባራት ውጤታማ በሆነ መልኩ የተዋሃዱ ናቸው።

5. የግብይት አስተዳደር በምርምር፣ በማኑፋክቸሪንግ፣ በግገር፣ በአካላዊ ስርጭት እና በፋይናንስ ከአስተዳደር ጋር በጥሩ ሁኔታ ይሰራል?

☐ አይደለም፤ ግብይት በሌሎች ዲፓርትመንቶች ላይ በሚያስከፍለው ፍላጎቶች እና ወጪዎች ላይ ምክንያታዊ አይደለም የሚሉ ቅሬታዎች አሉ።

☐ በመጠኑ፤ ግንኙነቶቹ እርስ በርስ የሚጣጣሙ ናቸው፣ ምንም እንኳን እያንዳንዱ ክፍል የራሱን የስልጣን ፍላጎቶች ለማግለገል እና ለማስከበር ይሰራል።

☐ አዎ. ክፍሎቹ ውጤታማ በሆነ መልኩ ይተባባራሉ እና በአጠቃላይ የኩባንያውን ጥሩ ጥቅም በጠበቀ መልኩ ጉዳዮችን ይፈታሉ።

6. አዲሱ የምርት/አገልግሎት ልማት ሂደት ምን ያህል በሚገባ የተደራጀ ነው?

☐ ስርዓቱ በደንብ ያልተገለጸ እና በአግባቡ ያልተያዘ ነው።

☐ ስርዓቱ በመደበኛነት አለ ፤ ግን ውስብስብነት የለውም።

☐ ስርዓቱ በሚገባ የተዋቀረ እና በሙያተኛ የሰው ሃይል የተሞላ ነው።

በቁ የግብይት መረጃ

7. የደንበኞች፤ የግገር ተጻእኖዎች፤ ስርጦች እና ተፎካሪዎች የቅርብ ጊዜዎቹ የግብይት ምርምር ጥናቶች መቼ ተካሂደዋል?

☐ ከበርካታ አመታት በፊት።

☐ ከጥቂት ዓመታት በፊት።

☐ ሰሞኑን።

8. አስተዳደሩ የተለያዩ የገበያ ክፍሎች፤ ደንበኞች፤ ግዛቶች፤ ምርቶች፤ ስርጦች እና የትዕዛዝ መጠኖች የሽያጭ አቅም እና ትርፋማነት ምን ያህል ያውቃል?

☐ በጭራሽ።

☐ በመጠኑ።

☐ በጣም ጥሩ።

9. የተለያዩ የግብይት ወጪዎችን ወጪ ቆጣቢነት ለመለካት ምን ዓይነት ጥረት ይደረጋል?

☐ ትንሽ ወይም ምንም ጥረት የለም።

☐ የተወሰነ ጥረት።

☐ ክፍተኛ ጥረት።

ስልታዊ አቅጣጫ

10.መደበኛ የግብይት እቅድ ምን ያህል ነው?

☐ አስተዳደር ትንሽ ወይም ምንም መደበኛ የግብይት እቅድ አያደርግም።

☐ አስተዳደር አመታዊ የግብይት እቅድ ያወጣል።

☐ ማኔጅመንቱ ዝርዝር አመታዊ የግብይት እቅድ እና ጥንቃቄ የተሞላበት የረጅም ጊዜ እቅድ በየአመቱ የሚዘመን እቅድ ያወጣል።

11.አሁን ያለው የግብይት ስትራቴጂ ጥራት ምን ያህል ነው?

☐ አሁን ያለው ስልት ግልጽ አይደለም።

☐ አሁን ያለው ስልት ግልፅ ነው እና የባህላዊ ስትራቴጂ ቀጣይነትን ይወክላል።

☐ አሁን ያለው ስልት ግልጽ፣ ፈጠራ ያለው፣ በመረጃ ላይ የተመሰረተ እና በቂ ምክንያት ያለው ነው።

12.የአደጋ ጊዜ አስተሳሰብ እና እቅድ ምን ያህል ነው?

☐ አስተዳደር ትንሽ ወይም ምንም ድንገተኛ አስተሳሰብ አይሰራም።

☐ ማኔጅመንቱ ትንሽ መደበኛ የአደጋ ጊዜ እቅድ ቢሆንም የተወሰነ የአደጋ ጊዜ አስተሳሰብን ይሰራል።

☐ አስተዳደር በጣም አስፈላጊ የሆኑትን ድንገተኛ ሁኔታዎችን በመደበኛነት ይለያል እና የድንገተኛ ጊዜ እቅዶችን ያዘጋጃል።

የአሠራር ቅልጥፍና

13.ከላይ ያለው የግብይት አስተሳሰብ ምን ያህል በጥሩ ሁኔታ ተላልፏል እና በመስመሩ ላይ ይተገበራል?

☐ ደካማ።

☐ በበቂ ሁኔታ።

☐ በተሳካ ሁኔታ።

14.አስተዳደሩ ከግብይት ሀብቱ ጋር ውጤታማ ስራ እየሰራ ነው?

☐ አይደለም፣ የግብይት ሃብቶቹ ለሚሰራው ስራ በቂ አይደሉም።

☐ በመጠኑ። የግብይት ሀብቶቹ በቂ ናቸው ነገር ግን በተመቻቸ ሁኔታ አልተቀጠሩም።

☐ አዎ. የግብይት ሁብቶቹ በቂ ናቸው እና በብቃት ተዘርግተዋል::

15. በቦታው ላይ ለሚደረጉ እድገቶች ፈጣን እና ውጤታማ ምላሽ ለመስጠት አስተዳደሩ ጥሩ አቅም ያሳያል?

☐ አይደለም የሽያጭ እና የገቢያ መረጃ በጣም ወቅታዊ አይደለም እና የአስተዳደር ምላሽ ጊዜ ቀርፋፋ ነው::

☐ በመጠኑ:: አስተዳደር ትክክለኛ ወቅታዊ የሽያጭ እና የገቢያ መረጃ ይቀበላል; የአስተዳደር ምላሽ ጊዜ ይለያያል::

☐ አዎ. አስተዳደር ከፍተኛ ወቅታዊ መረጃ እና ፈጣን ምላሽ ጊዜ የሚሰጡ ስርዓቶችን ጭኗል::

መጠይቁን በመሙላት ስላደረጉልኝ ትብብር ከልብ አመሰግናለሁ::

Appendix C: Pilot Test Result

The pilot test involved 30 independent businesses from various locations (geographical areas), manufacturing sectors, ages, genders, and educational levels. The enterprises were given the Amharic version of the instrument. From the 30 participants, in terms of gender 14 (46.7%) was male and 16 (53.3%) was female. In terms of age 8 (26.7%) were between 18 and 29, 15 (50%) were between 30 and 49, 7 (23.3%) were between 50 and 69. In terms of education level 5 (16.7%) were secondary schooled or less, 16 (53.3%) were certificate or diploma and 9 (30%) were bachelor degree. In terms of job experience 11 (36.7%) were 1-3 years, 7 (23.3%) were 4-6 years, 7 (23.3%) were 7-10 years and 5 (16.7%) were >10 years. In terms of enterprise level 25 (83.3%) were micro enterprises and 5 (16.7%) were small enterprises. Finally, in terms of the number of workers they have was 22 (73.3%) had 1-10 workers, 4 (13.3%) had 11-20 workers and 4 (13.3%) had more than 30 workers.

The pilot test was conducted three times, each time with ten participants. This was done because after each pilot test, only minor changes to the final instrument were made. The study's final instrument had six items in the first section and fifteen in the second section (See Appendices A).

The Cronbach"s alpha was used to analyze the reliability of the questionnaire and the result was 0.912 which indicates that the data is in Acceptable level.

Table 17: Reliability test

Reliability Statistics	
Cronbach's Alpha	N of Items
.912	15