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Research Article

ASSESSMENT OF PROMOTIONAL PRACTICES OF MICRO AND SMALL SCALE ENTERPRISES: SELECT STUDY OF BALE ROBE TOWN, ETHIOPIA

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ABSTRACT

In this paper an attempt is made to understand and analyze assessment of marketing practices of micro and small scale enterprises in Bale Robe Town, Ethiopia. Promotion is not just about advertising your businesses nor is it just about selling. Promotion is a methodology of communicating the value of a product or service to customers, for the purpose of selling that product of service Promotion is the other important mix element modern marketing cells for more than just developing a good product pricing it attractively and marketing it available to target customer company's must also communicate with current and prospective customer and what they communicate should not be left to chance. All of them are communication efforts must be blended in the consistent and coordinated communications program. Just as good communication is important in building and maintaining any kind of relationship it is crucial element in company's efforts to build customer relations a company total marketing communication mix also called its promotion mix.

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INTRODUCTION

Prelude

Marketing problem are the major problems of small scale enterprises as Greursen, (1996). Notes most of small scale enterprises have a very limited knowledge of the promotion concept. Also found that most managers/owners of small scale enterprises lack basic promotional skills. Small scale enterprises may face many marketing activities constraint. There are many promotional problems in Ethiopia, such as lack of awareness the important of promotion, shortage of allocating adequate budget, and the enterprises are not trust on promotion reward and have no any knowledge about promotional tools in one hand. On the other hand, most of developed countries absolutely depend on their life and all businesses activities. Even different countries or change it for each local market (NJ. Pientice, 1989).

Many companies today have regional marketing programs within national boundaries, localizing their products, advertising, promotion and sales efforts to satisfy the local consumers, needs and wants. In addition, in today competitive environment, any business activities should be performing as customers' expectation, first they identify customers' needs and wants through promotion. To have product and goodwill, small

scale enterprise would like to use promotional tools. Here, it does not mean that all type of enterprise are used similar type of promotional tools, but considering different parameter they can use promotional tools which are compatible with their business Alazar (2006).

Similarly, the Bale Robe town micro and small scale enterprises may subject to failures selling their products of services and create awareness thought use of promotional tools. As we know, consumers are not ready to purchase a product and service without provider make awareness and communicate using different promotional tools, particularly organization consumers. But sometimes personal consumer may purchase small quality for a short period of time, even, if enterprises would not advertise. Thus this researcher was aimed at assessing the promotional practices of micro and small scale enterprises in Bale Robe town.

REVIEW OF LITERATURE

Promotion is communication information between seller and potential buyer or others in the channel to influence attitudes and behavior. The marketing manager main promotion job is to tell target customers that the right products are available at the right place and at the right price (William, 2002). Promotion is designed in many ways it is basically persuasive

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communication the motivates people to buy whatever on organization is selling goods, service or ideas. Promotion may take the form of direct face to face communication or indirect communication through such medial as television, radio, magazines, newspaper, direct mail, billboards and other channels (ME SCON, 1987). Promotion has been defined as the coordination of all seller initiated efforts, to get up channels of information and persuasion in order to sale goods and service or promote an idea (George 2000 and Michael, 1992). Promotion is the upward reassignment of an individual in an organization hierarchy accompanied by increased responsibility enhanced and usually with increased income through not always so (Monappa 2001 and Saiyadian, 2000).

Promotion when occurs an employee is moved from one job to anther is higher in pay, responsibility and/ or organizational level. It is one of the most pleasant vests that happen to people in an organization. Generally it is given as recognition of persons past performance and future promise (werther, 1987 and Davis, 1984). Promotion is defined as a reward to encourage those employees who make a successful effort to increase their knowledge or skill and who maintain a high level or productivity. But if the job does not involve greater skill or responsibilities and higher payment, it should not be considered as a promotion (1998 and Myers 1990).

Statement of problem

There are many promotional problems in Ethiopia, such as lack of awareness and the important of promotion, shortage of allocating adequate budget, and the enterprises are not trust on promotion reward and have no any knowledge about promotional tools in one hand. On the other hand, most of developed countries absolutely depend on their life and all businesses activities. Even different countries or change it for each local market (NJ. Pientice, 1989.)

Objective

To understand and analyze promotional practices of micro and small scale enterprise in Bale Robe town, Ethiopia.

Background of the study area

Bale Robe is a town and separate zone in south East Ethiopia, the administrative center of the Bale zone of the south East nation's nationalities and peoples region. The distance of Bale Robe town is 430 meters from Addis Ababa; it was part of the former Bale Robe which included Robe zuria which completely surrounds it. Bale Robe town which have so many micro and small scale enterprises, has five sectors of micro and small scale enterprise namely; construction manufacture, urban agriculture, trade, and service.

Research design

To carry out the study descriptive design would employed to describe the issues and come up with appropriate solution. And also descriptive research was used to describe the existing problem and opportunities of micro and small scale enterprise.

Target population

The target population of this study was 345 associations and 1764 members of the association which found in Bale Robe town of micro and small scale enterprises.

Sampling techniques and procedure

Stratified sampling would used for taking the sample from the population. It is simple method to acquire necessary information from heterogeneous group and it is also much advisable to minimize time and cost to collect appropriate and relevant information.

Method of Sample Selection

The sample unit of the study would draw from construction, manufacturing, urban agriculture, Trade, and service enterprise and they were divided in to heterogeneous group. This heterogeneous group has five managers in each sector. To take the sample represents all the population of the organization for the purpose of the study. This study was used (Kothari, 2004) formula.

$$N = z^2 (pq) N / e^2 (N-1) + z^2 pq$$

When n= total population

N=sample size

Z=confidence interval

P=probability of success

q=probability of failure

e=error (Kothari 2004)

Then, c=90 z=16

q=0.5

p=0.5

e=10%=0.1

$$(1.64)^2 (0.5 * 0.5) 1764 / 0.121764 - 1 + 1.642 0.5 * 0.5$$

$$= 1186.11 / 18.30$$

$$= 65$$

Sector	Calculate of	Sample
Construction	521/1764*65	19
Manufacture	115/1764*65	5
Urban agriculture	113/1764*65	4
Trade	386/1764*65	14
Service	629/1764*65	23
Total		65

Source: secondary data Bale Robe city trade and industry office.

Data type and source

The researcher employs both qualitative and quantitative data type. The qualitative would used for the data collected from organization and information obtained from the sample respondents. Quantitative data type would employees for describing and presenting data through primary data and secondary source. Primary data would collect through questionnaire and secondary would collect from organization document and reports.

Methods of data collection

The data is collect from both primary data and secondary sources. To collected primary data, a well structured questionnaire has been designed and administered. For the questionnaires both open and closed question would used. Open ended questions would help the respondents to explain their idea in unlimited ways and reasonable manner where as close ended questions would provide "yes or no" answers and alternative questions where as secondary source would collected from different sources like documents, books of enterprises other materials.

Method of data analysis and presentation

The gathered data would analyze and presented by using tabulation and percentage. It is interpreted appropriately based on the response of the respondents and is carried out relating the percentage of the respondents who provide the information.

Ethical consideration

In the first place the department of management primary would approve the researcher proposal. In addition the follow logical procedure in every stage of data collection procedure, then the subject of the study and respondents were introduced about the purpose of the study, and then inform consent from respondent and responsible of official of the organization. It would covered by the study were obtained to with the topic. The respondents name would be not revolved in the questionnaires and research report. Therefore, on the basis of those ethical principles effort would made to get the verbal consent of the respondent and confidentiality would assured and kept throughout the process of this research work.

Data presentation, Analysis and Interpretation

The researcher has distributed questionnaires as data collection tool. It has been explained in the methodology section of chapter three the data is gathered through distributing 65 questionnaires to select customers of robe town microfinance in robe town branch.

Table 1 Personal profiles of the respondents

Item	Description	No of respondents	Percentage
1	Sex		
	Female	17	33
	Male	35	67
	Total	52	100
2	Description	No of respondents	Percentage
	Age group		
	<18	2	4
	18-25	35	67
	26-30	10	19
	>30	5	10
	Total	52	100
	Description	No of respondents	Percentage
	Educational level		
	High school completed and below	26	50
Grade 12 completed	13	25	
Certificate holder	10	19	
Diploma and above	3	6	
Total	52	100	
3	Description	No of respondents	Percentage
	Marital status		
	Single	30	58
	Married	17	32
	Widowed	-	-
	Divorce	5	10
	Total	52	100

Source: Primary data

Table 2 The respondent's owner ship form of business

Description	No of respondents	Percentage
Won business	11	21
Partner ship	15	29
Corporation	-	-
Co-operative	26	50
Other	-	-
Total	52	100

Source: Primary data

Table 3 for how many years did you stay in the work

Description	No of respondents	Percentage
<1 years	16	30
1-3 years	26	50
4-6 years	6	12
Above 6 years	4	8
Total	52	100

Source: Primary data

Table 4 Showing to users directly for testing

Description	No of respondents	Percentage
By showing to users directly for testing	18	35
By media advertising	6	12
By assigning a sales person	28	53
Other		
Total	52	100

Source: Primary data

Table 5 The knowledge of respondents about the work and practice of promotion

Item	Description	No of respondents	Percentage
1.	Yes	20	38
	No	32	62
	Total	52	100
2.	Description	No of respondents	Percentage
	Increase customers	10	19
	Increase market share	16	31
	Increase profit	12	23
	Increase sales volume	14	27
Total	52	100	

Source: Primary data

Table 6 The respondents knowledge about others organizations promotional tools

Description	No of respondents	Percentage
Yes	42	81
No	10	19
Total	52	100

Source: Primary data

Table 7 Respondent's response about the similarity of difference between their products and other well known enterprises that they are promoting products

Item	Description	No of respondents	Percentage
1	Similarity		
	Similar	42	81
	Not similar	10	19
	Total	52	100
2	If similar did you promoted your product?		
	Yes	8	15
	No	44	85
	Total	52	100
3	If similar in what way did you sell?		
	By radio	25	48
	By television	20	38
	By help of sales person	7	14
	Total	52	100

Source: Primary data

From the distributed questionnaires, only 52 were returned because some respondents has not enough time to fill the questionnaire for this reason some questionnaire are not returned. This represents a response rate of 89% in which it is adequate to arrive at the desired and expected achievements of study.

Table.8 If your answer is no for the above question, then what are the reasons for not promotes their products?

85% of respondents of micro and small scale enterprises are said that they don't promote their product because of lack of finance and capital. Hence it is concluded that all of the enterprises are not promoting their products.

Table 9 The increase of respondent's product sales after promotion

Description	No of respondents	Percentage
Very increase	6	12
Increase	38	73
No change	8	15
Decrease	-	-
Very decrease	-	-
Total	52	100

Source: Primary data

Table 10 Response of respondent's interest regarding to promote their products in the future

Description	No of respondents	Percentage
Yes	46	88
No	6	12
Total	52	100

Source: Primary data

Table 11 Respondents response about the way of promoting their products

Description	No of respondents	Percentage
By radio	18	35
By television	14	27
By participating good will	13	25
By other	7	13
Total	52	100

Source: Primary data

Table 12 Type of promotional activity the enterprise follows

Description	No of respondents	Percentage
Advertising	12	23
Personnel selling	26	50
Public relation	3	6
Sales promotion	11	21
Total	52	100

Source: Primary data

CONCLUSIONS AND RECOMMENDATIONS

In this part of the paper, it can see an appropriate conclusions and the possible recommendation to the enterprises as a researcher point of view based on the respondents' suggestive idea. Promotion is the methodology of communicating the value of product or service to customers, for the purpose of selling that product or service.

Conclusions

Micro and small scale enterprise faces some problems to promote their product and attain their desired goals. Due to these problems the researchers addressed the following conclusion;

- With regard to the age of respondents the majority the respondents are single and they are at the age of working.
- With regard to promotional tools the enterprises use sales person/personal selling.
- From the data analysis the majority of micro and small scale enterprise does not promote their product. The reason that the lack of finance and capital.
- There is a low level of knowledge about promotional activity.
- From the data analysis most of the respondents have not awareness about the practice of promotion.
- From the analysis the researcher recognize that the majority 26(50%) of the workers in micro and small scale enterprise in robe town stay in works between 1-3 years. This is because the government five year transformation plan.
- This implies that majority of the respondents are sell their product through assigned sales personnel.
- This implies that most of small scale enterprise members know about the organizations that they promote their products.
- Based on the analysis, the researcher understand that as the majority respondents in micro and small scale enterprise wants to promote their product through radio and television in near future.
- So that the researcher understands that after promotion the volume of the sales of enterprises was increased.
- From this result the it can conclude that the enterprises follow personal selling promotional activity this help them to interact directly with final customers.
- Some respondents said that budget is the most factors which affects the promotion activity because of without budget any organization or enterprise cannot survive. As I understanding from the respondent's response budget is the main function on promotion activity but there is a short of finance in the enterprises. Others also said the promotion type and nature of competition also affect the promotional activity. So, that the government organization and non-governmental organization should be support the enterprises by finance as much as possible.

Recommendations

Finally, forwarded the following possible recommendations which are believed to constructive and as being valuable to micro and small scale enterprise to overcome the problems of promotion. Based on conclusion the following recommendation is forwarded.

- The result of study shows that Bale Robe enterprises are use only sales person/personal selling/. Therefore the enterprises must change their promotion attention from

personal selling into media advertisement in order to reach all customers and to attract customer.

- Promotional support services like training, advices, access to credit, market place and access to market etc. must be given to micro and small scale enterprise to promote their product. Since adequate finance is an important part for the success for micro and small scale enterprise. All the organization should give due to attention and support the enterprise.
- The enterprise should enhance their level of knowledge regarding to promotion activities.
- The result of study shows that the majority of respondents replied that, their product is similar with other organizations that promote their products. Therefore they must be differentiating their products from other well known organizations products in order to attract their customer.
- Bale Robe town micro and small scale enterprise should understand the practice of promotion in their sector. But, by the case of finance they do not promote their products.

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