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Original Research

Marketing Strategies of Micro, Small, and Medium Manufacturing Enterprises: Theory-Practice Nexus in Selected Towns of Western Ethiopia

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Abstract	Article Information
<i>Micro, Small, and Medium Manufacturing Enterprises (MSMMEs) play a crucial role in industrial development and economic resilience in developing economies. However, they face persistent marketing challenges in rapidly changing environments. This study investigated the alignment between marketing strategy theory and practice among MSMMEs. Data were gathered from 234 managers and owner-managers through questionnaires and direct observation. The data were analyzed using the Statistical Package for Social Science (SPSS) version 24. The results reveal that most enterprises are market-oriented (77%), producing goods based on customer needs and demonstrating a strong understanding of marketing's strategic importance. Common marketing frameworks such as Porter's generic strategies, Ansoff's product-market growth strategies, the marketing mix, and market positioning were applied to a moderate extent, indicating a reasonable alignment between theoretical concepts and practical implementation. Market diversification and cost reduction emerged as the most commonly used strategies, with pricing decisions (70.5%) often driven by costs. While many enterprises (73%) recognize their unique selling propositions, survival rates tend to decline over time due to financial, market, and managerial limitations. Marketing communication remains primarily informal, relying on word-of-mouth (47%) and local advertising (40%). The study recommends adopting market-driven pricing, digital promotion, and improved marketing execution capabilities to enhance long-term competitiveness and sustainability.</i>	Article History: Received: 13-04-2026 Revised : 09-06-2026 Accepted : 09-09-2026 Keywords: Marketing Strategy, MSMMEs, Manufacturing Enterprises, Marketing Theory- Practice Nexus *Corresponding Author: Belay Kinati E-mail: belayknt@gmail.com

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INTRODUCTION

In today's rapidly changing and highly competitive markets, companies must base decisions on well-conceived, evidence-based strategies to thrive. Clearly defined strategies are vital for achieving objectives while optimizing scarce resources (Timothy S. Hatten, 2012). Marketing strategy, formulated early in business operations, clarifies an enterprise's goals and execution path (Timothy S. Hatten, 2012). Timothy S. Hatten, stated that marketing strategy directs limited resources toward high-potential opportunities, boosts customer satisfaction, and achieve sustainable advantage through integrated decisions on targeting, positioning, the marketing mix elements, and resource allocation. Dynamic capabilities, market orientation, and data-driven insights further amplify effectiveness amid volatility (Teece, 2018; Morgan et al., 2019; Wedel & Kannan, 2016).

Micro, small, and medium-sized enterprises (MSMEs) power national economies but face constraints worlds apart from large firms. Limited finances, expertise, and influence hinder adoption of advanced marketing strategy theory. MSMEs often default to informal, reactive tactics over structured planning, capping growth and edge (Eggers et al., 2020). In Ethiopia, added hurdles include uniform products, pricing problems, weak positioning, inadequate promotion, poor market linkages, and unclear brand identity (Mulu Gebreeyesus et al., 2018; Belay et al., 2015; Hailai et al., 2019), exacerbated by digital gaps and information barriers (World Bank, 2020; UNIDO, 2021).

Manufacturing MSMEs must deploy tailored strategies aligning product, price, distribution, and promotion to attract and hold customers (Kotler & Armstrong, 2011; Rosenbloom, 2013). Digital marketing, Customer Relationship Management, and innovative differentiation now define success (Chaffey & Ellis-Chadwick, 2019; Kumar et al., 2021). Amongst Ethiopia's industrialization push and inadequate evidence on theory-practice alignment, this study bridges a critical gap equipping MSMEs

for enduring competitiveness in developing economies.

Micro, small, and medium-sized enterprises (MSMEs) thrive in localized or national markets by identifying profitable paths to target customers and adapting to their evolving demands. This requires an outside-in perspective that aligns internal capabilities with shifting market realities and expectations (Teece, 2018; Kumar et al., 2021). In turbulent times, MSMEs that embed market intelligence into their decision-making can secure growth and build resilience against external shocks (Eggers et al., 2020; Morgan et al., 2019).

According to Porter (1985), enduring competitive advantage stems from unique, value-creating strategies that rivals cannot easily replicate, supported by assets that enhance efficiency and impact. The marketing mix such as product, price, place, promotion equips firms to respond to competition, delight customers, and improve performance (Chaffey & Ellis-Chadwick, 2019; Wedel & Kannan, 2016). Modern imperatives such as digital tools, and innovation help close the theory-practice gaps for resource-constrained MSMEs (Kumar et al., 2021; Morgan et al., 2019).

Persistent barriers continue to challenge MSMEs, including narrow product lines, pricing inefficiencies, limited competitive awareness, and weak promotional capacity (Ebitu, 2015; Pangemanan & Walukow, 2017). In Ethiopia, these challenges are augmented by weak market linkages, limited marketplace access, slow digital adoption, and underdeveloped brand visibility, all of which contribute to enterprise failure (Belay et al., 2015; Hailai et al., 2019; World Bank, 2020; UNIDO, 2021). Critically, empirical evidence on how Ethiopian manufacturing MSMEs design, implement, and adapt strategies in line with frameworks like Porter's generic strategies or Ansoff's growth matrix remains limited.

Ethiopia's Industrialization Agenda emphasizes manufacturing as a driver of economic transformation, job creation, and export growth; however, success depends not only on production but also on strategic marketing capabilities. This study investigates MSME marketing strategies

practice in Nekemte, Gida, Gimbi, Bako, and Shambu, highlighting gaps between theory and practice, offering actionable insights for policymakers and managers, and strengthening the sector's contribution to national development. Bridging these gaps advances learning on marketing in resource-constrained contexts while enhancing the resilience, performance, and competitiveness of Ethiopian MSMEs.

The main objective of the study was to investigate the relationship between marketing strategy theory and practice in micro, small, and medium manufacturing enterprises in selected towns of western Ethiopia.

Specific objectives were:

- 1) To assess the orientation of micro, small, and medium manufacturing enterprises in the selected towns.
- 2) To evaluate the level of marketing awareness among these enterprises.
- 3) To describe the marketing strategies employed by the enterprises.
- 4) To assess the alignment between the MSME enterprises' marketing practices and marketing strategy theory.

LITERATURE REVIEWED

Strategy involves understanding environmental dynamics, crafting a distinctive competitive position, and leveraging organizational resources to create superior value (Porter, 1991; Porter, 1985; Teece, 2018). While earlier perspectives conceptualize strategy as a deliberate plan for differentiation and positioning (Jain, 2004), contemporary research emphasizes the need for adaptive, capability-driven strategies that respond to technological change, market turbulence, and resource constraints particularly in micro, small, and medium-sized enterprises (MSMEs) (Morgan et al., 2019; Eggers et al., 2020; Kumar et al., 2021)

According to Al Ries and Jack Trout (1981), positioning is not merely about the product itself but about shaping customer perceptions relative to competitors. This perspective complements Michael E. Porter's (1985) argument that competitive advantage arises from delivering

unique value through cost leadership or differentiation. Together, these frameworks highlight that effective marketing strategy requires both internal alignment and external differentiation.

Marketing operationalizes strategy through the marketing mix, comprising product, price, place, and promotion, which act as critical levers for achieving competitive advantage (Kotler & Armstrong, 2012; Shankar & Chin, 2011; Kotler, 2015).

Product strategies create value by integrating core and supplementary features, quality perceptions, branding, packaging, positioning, and lifecycle management (Armstrong & Kotler, 2012; Koske, 2015; Kyckling, 2010). Product differentiation through innovation, cost efficiency, enhanced service, or feature augmentation strengthens customer satisfaction and reinforces long-term advantage. Yet evidence suggests that MSMEs often underutilize such strategies due to limited resources, managerial expertise, and market knowledge, constraining growth and performance (Kotler et al., 2009; Chaffey & Ellis-Chadwick, 2019).

Pricing strategies are equally critical, balancing internal objectives, cost structures, and the broader marketing mix with market demand, competition, and regulatory environments (Collins et al., 2006; Kotler, 2009). While large firms often adopt structured, multi-level pricing processes, small enterprises frequently rely on owner intuition, resulting in suboptimal pricing and lost value capture. Recent research highlights the importance of data-driven, flexible pricing approaches to augment MSME competitiveness under volatile market conditions (Wedel & Kannan, 2016; Kumar et al., 2021).

Promotion strategies encompass advertising, personal selling, sales promotion, and public relations serve to influence customer behavior and build long-term engagement. Modern marketing emphasizes digitally enabled, relationship-focused communication to address fragmented markets and changing consumer preferences (Kotler et al., 2005; Chaffey & Ellis-Chadwick, 2019). Yet MSMEs frequently lack the

capacity to deploy integrated promotion strategies, limiting brand equity and customer loyalty.

Place strategies involve distribution channel management and supply chain integration to ensure product availability and value delivery. Coordination with upstream suppliers and downstream intermediaries is critical for customer satisfaction and market performance (Gorchels et al., 2004; Warnaby, 2004). Push and pull strategies provide distinct pathways to move products, but MSMEs often confront structural, financial, and operational barriers that constrain market reach. Emerging evidence points to digital distribution and e-commerce as viable avenues to overcome these limitations (Morgan et al., 2019; Wedel & Kannan, 2016).

Despite robust theoretical frameworks, a critical gap persists in understanding how MSMEs in developing economies holistically integrate marketing mix elements with competitive and growth strategies, such as Porter's generic strategies and Ansoff's product-market growth matrix. Existing literature often examines marketing components in isolation or focuses on large firms, leaving a scarcity of empirical evidence on the application of theory-informed, resource-conscious marketing strategies in MSMEs (Belay et al., 2015; Hailai et al., 2019; World Bank, 2020).

Addressing this gap, the present study investigates how Ethiopian manufacturing MSMEs operationalize marketing strategy in practice. By examining the integration of product, pricing, promotion, and distribution decisions with competitive and growth strategies, the research contributes theoretically by analyzing established frameworks in resource-constrained contexts and practically by providing actionable insights to enhance MSME competitiveness, resilience, and alignment with Ethiopia's Industrialization Agenda.

METHODOLOGY

Research Approach and Design

This study adopted a mixed-methods approach, emphasizing explorative descriptive methods to explore and identify marketing strategies employed by micro, small, and medium manufacturing enterprises (MSMEs). A cross-sectional

design was selected to capture a snapshot of current practices at a single point in time, aligning with the exploratory objectives and resource constraints (Creswell & Creswell, 2018).

Target Population

The target population consisted of 600 registered and licensed MSMEs operating in five selected towns, as reported by the respective Micro and Small Enterprise Development and Industry Linkage Bureaus/Offices (MSE development and industry linkage office report, 2022).

Sampling Techniques

Given the complete registry of enterprises with local Micro and Small Enterprise agencies, simple random sampling was employed to ensure every unit had an equal probability of selection, thereby minimizing selection bias and enhancing generalizability (Thompson, 2012).

Sample Size Determination

Sample size was calculated using Kothari's (2004) formula for finite populations:

$$n = \frac{z^2 pqN}{(e)^2 (N-1) + pqZ^2} \text{-----}(1)$$

Where

n = required sample size

N = population size (600)

Z = Z-value for 95% confidence level (1.96)

p = estimated population proportion (0.5, maximizing variability)

$q=1-p$ (0.5)

e = margin of error (0.05)

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5 \times 600}{(0.05)^2 \times (600-1) + 0.5 \times 0.5 \times (1.96)^2} = 234 \text{-----}(2)$$

This yielded $n=234$. Accounting for a 10% non-response rate, 16 additional questionnaires were distributed, resulting in a final sample of 250 owners/managers.

Data Sources and Collection Methods

Ethical approval was obtained via a cooperation letter from Wollega University to the Micro and Small Enterprise Offices. Participants received informed consent forms detailing the study's purpose, voluntary nature, confidentiality, and data use solely for research. No incentives were offered to avoid coercion.

Primary data were collected directly from owners/managers through self-administered questionnaires and non-participant observations. Secondary data were sourced from agency reports.

The questionnaires, structured around demographic characteristics, Porter's generic strategies, Ansoff's growth strategy, market positioning, and the 4Ps framework (product, price, promotion, place) items. These were translated from English into Afan Oromo and Amharic to ensure cultural and linguistic accessibility. Observations focused on product promotion strategies, including display practices, which were documented and analyzed thematically.

Following data collection, the reliability of the items was tested using Cronbach's alpha, while validity was assessed through content and construct validity.

Data Analysis and Presentation

Quantitative data were analyzed using SPSS (v.24) and Microsoft Excel, employing descriptive statistics (means, standard deviations, frequencies, percentages). Qualitative responses underwent thematic content analysis. Findings were presented via tables, charts, and narratives for comprehensive interpretation.

RESULTS AND DISCUSSIONS

Response Rate

A total of 250 questionnaires were distributed to owners, managers, and owner-managers of micro, small, and medium manufacturing enterprises. Out of these, 234 questionnaires were properly completed and used for data analysis, resulting in a response rate of 93.6%.

Reliability and Validity

Content validity was established using established frameworks (Ansoff Matrix, Porter's Generic Strategies, Marketing Mix, and positioning models) while construct validity was supported by adequate representation of theoretical dimensions.

The reliability of all constructs was assessed using Cronbach's alpha, with values exceeding the recommended threshold of 0.70, confirming the scales' internal consistency as revealed in the below table 1.

Table 1

Reliability Analysis (Consistency of Measures)

Construct	No. of Items	Cronbach's Alpha (α)	Reliability Level
Ansoff Growth Strategies	4	0.78	Good
Porter's Generic Strategies	3	0.76	Acceptable
Marketing Mix Strategies	4	0.82	Good
Market Positioning	3	0.70	Acceptable (Borderline)

Source: Survey 2022

To determine the distribution of micro, small, and medium manufacturing enterprises in the study, data on the number of employees were collected. Based on this data, 61.5% of the respondents were classified as micro enterprises, 36.3% as small enterprises, and the remaining 2.2% as medium enterprises, as shown in the table 2. The findings indicate that the vast majority (97.8%) of respondents belonged to micro and small manufacturing enterprises which needs support to grow to a medium size.

Table 2

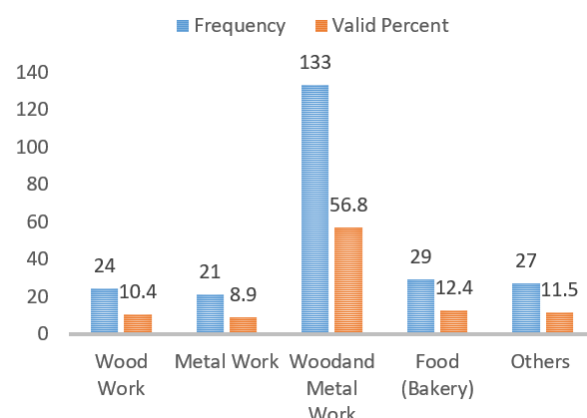
Employment Rate by MSMEs

		Frequency	Valid Percent	Cumulative Percent
Valid	< 5	144	61.5	61.5
	6-30	85	36.3	97.8
	31-100	5	2.2	100.0
Total	234	100.0		

Source: Survey 2022

Micro, small, and medium enterprises operate in various sectors. This study specifically focused on the manufacturing sector, which includes woodwork, metalwork, combined wood and metal work, food processing (such as bakeries), and other manufacturing enterprises. As illustrated in the figure above, enterprises involved in both

wood and metal work made up the largest portion of participants totaling 56.8% of the sample (figure 1). This reveal dominance of wood and metal work in the MSME manufacturing sector.



Source: Survey 2022

Figure 1: Enterprises Participated in the Study

Regarding the duration of engagement in their enterprises, the data indicates that over two-thirds (70.1%) of respondents had less than four years of experience in their current business, 19.2% had 4 to 9 years, and 10.7% had 10 to 14 years of experience (Table 3). As shown in table 3, the number of surviving enterprises decreases with increasing years of operation, which may be attributed to factors such as financial constraints, market challenges, and poor management, among others .

Table 3

Micro, Small & Medium Enterprises by Age

		Cou nt	Valid Percent	Cumulative Percent
Valid	<4 years	164	70.1	70.1
	4-9 years	45	19.2	89.3
	10-14 years	25	10.7	100.0
	Total	234	100.0	

Source: Survey 2022

To evaluate the awareness of enterprises regarding awareness of the importance of marketing strategy for business growth, respondents were asked: “To what extent do micro, small, and medium manufacturing enterprise operators or managers

understand the importance of marketing for the growth of their enterprise?” As illustrated in the table above, almost all respondents (97.9%) demonstrated a high level of understanding of the role of marketing strategy in enterprise growth (table 4). These findings align with marketing strategy theory, where awareness of strategic imperatives (e.g., Porter's differentiation or Kotler's market orientation) thrives, yet MSME implementation lags due to resource constraints and a persistent theory-practice gap (Eggers et al., 2020; Morgan et al., 2019).

Table 4

Marketing Importance Knowledge

		Count	Valid Percent	Cumulative Percent
Valid	great extent	138	58.9	58.9
	very great extent	91	38.9	97.9
	Neutral	5	2.1	100.0
	Total	234	100.0	

Source: Survey 2022

The main focus of this topic is to comprehend the orientation of enterprises. There are various orientations that guide enterprises, including product, production, selling, market, and societal orientations. While all orientations could be beneficial the most widely accepted approach currently is market orientation. This is because market orientation emphasizes identifying market needs, which is crucial to a company's existence and success. Therefore, the extent to which micro, small, and medium manufacturing enterprise operators identify the needs and wants of their product buyers was examined, and their responses were presented in the table above. As depicted in the data in table above, seventy-seven percent of respondents indicated that they follow a market orientation philosophy and produce products based on buyers' requirements and needs. From this, it can be inferred that more than half of the business

operators in manufacturing adopt a marketing philosophy and produce product tailored to market specifications and demands.

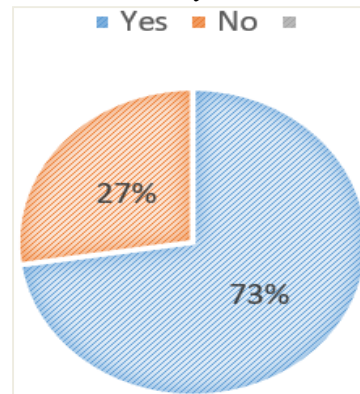
Table 6*Market Needs Identification*

	Count	Valid Percent	Cumulative Percent
Valid Low extent	21	9	9
Moderate extent	33	14	23
Great extent	64	27.4	50.4
Very great extent	116	49.6	100.0
Total	234	100.0	

Source: Survey 2022

These findings align with Unique Selling Proposition (USP) theory (Ries & Trout, 1981), which suggests that distinctive buyer benefits such as superior value, cost advantages, or unique attributes allow firms to create defendable market positions. The 72.6% awareness rate signals strong theoretical alignment; firms that grasp the importance of a USP mirror the differentiation strategies described by Porter (1985).

However, as observed with market orientation, awareness does not equate to execution. This high level of recognition (72.6%) exceeds the actual communication and leveraging of these advantages a common MSME drawback where informal tactics often mute competitive edges (Kotler & Keller, 2016). Ultimately, while theoretical insight is abundant, strategic operationalization through branding, promotion, and positioning is the key to unlocking sustained competitive advantage.



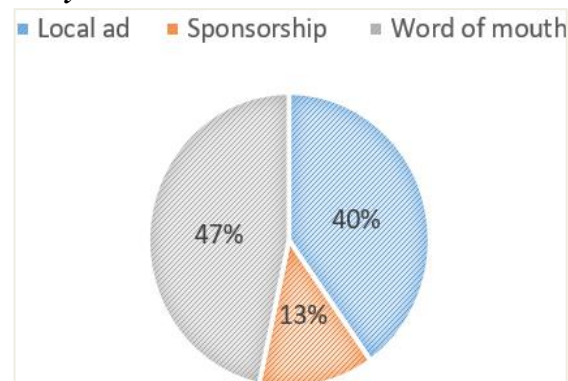
Source: Survey 2022

Figure 2: Unique Selling Proposition

These findings support relationship marketing theory, which emphasizes trust-based, informal communication particularly word-of-mouth (WOM) as an effective, low-cost strategy for MSMEs (Gummesson, 1999). The dominance of WOM (46.6%) and local advertising (40.2%) as shown in figure 3, reflects reliance on high-trust networks due to resource constraints, consistent with guerrilla marketing principles that prioritize organic reach over costly mass promotion (Kotler & Armstrong, 2012).

However, heavy dependence on WOM also highlights strategic limitations. Without controlled messaging and scalability, firms risk weak positioning and slower growth (Ries & Trout, 1981). Compared to integrated communication models, this approach remains fragmented and less competitive in digital environments.

Overall, the findings reveal an execution gap while MSMEs recognize promotional tools, they lack the strategic integration needed to transition from informal tactics to more scalable and competitive marketing systems.



Source: Survey 2022

Figure 3: Marketing Communication Tools

These findings reveal a dominant reliance on cost-plus pricing (70.5%), reflecting a traditional internal-oriented approach (Kotler & Armstrong, 2012). This strategy prioritizes cost recovery over value creation a common survival tactic for resource-constrained MSMEs operating under economic uncertainty (Nagle & Müller, 2018).

This internal focus stands in sharp contrast to market-based pricing paradigms, which have a significantly lower adoption rate of 22.7% (Table 7). While academic theory positions value-based and demand-oriented models as superior for securing competitive advantage potentially yielding 15–20% higher margins (Hinterhuber, 2004) most enterprises in the study have yet to transition to these profit-maximizing strategies.

This creates a theoretical tension suggestive of production orientation pitfalls (Narver & Slater, 1990), where an inward focus on inputs undermines customer intelligence. While this aligns with Porter's (1985) cost leadership framework, the absence of differentiation risks a slide into commoditization. Ultimately, the study confirms a critical execution gap while managers are aware of pricing factors, they lack the systematic market scanning and benchmarking tools necessary to shift from reactive to dynamic, strategic pricing.

Table 7

Price Setting Basis

Pricing Methods	Cou nt	Valid Percent	Cumulative Percent
Market demand	53	22.7	22.7
Cost of input	165	70.5	93.2
Competitor price	16	6.8	100.0
Total	234	100.0	

Source: Survey 2022

These findings indicate a moderate and selective adoption of key frameworks of Ansoff's growth matrix and Porter's generic strategies consistent with contingency theory, where resource-constrained MSMEs favor low-risk, practical approaches (Ansoff, 1957; Porter, 1985).

Market diversification emerges as the dominant strategy, reflecting efforts to spread risk and respond to saturated local markets, though such moves may face execution challenges without sufficient capabilities (Hitt et al., 1998). Cost reduction slightly outweighs differentiation, aligning with cost leadership logic; however, the absence of strong commitment to any single strategy suggests a risk of being "stuck in the middle," which can weaken competitive advantage (Dess & Davis, 1984).

Overall, the findings highlight a clear theory-practice gap, MSMEs demonstrate awareness of strategic frameworks but apply them partially and inconsistently, underscoring the need for greater strategic integration and capability development to achieve sustained competitiveness.

Table 8*Level of Marketing Strategies used*

Strategies/Question items	N	Mean	Std. D
Ansoff Growth Strategies			
Extent to which a market penetration strategy was used.	234	3.77	.423
Extent to which product development strategy was used	234	3.86	.636
Extent to which existing products provided for new market	234	3.77	.423
Extent to which enterprise offer new products for a new market	234	4.02	.765
Grand mean	234	3.86	0.562
Porter's Generic Strategies			
Extent to which MSME focuses on attracting customers through the unique features of its products.	234	3.77	.423
Extent to which MSMEs reduce product costs as much as possible or seeks to achieve a large market share while maintaining prices at an average level.	234	4.02	.512
Extent to which MSMEs concentrate on a narrow market segment, aiming to serve this segment more effectively than its larger competitors.	234	3.78	.719
Grand mean		3.86	0.551

Source: Survey 2022

These findings affirm the marketing mix (4Ps) theory (Kotler & Armstrong, 2012), where promotion and place serve as primary customer-facing levers to drive demand and accessibility especially potent for resource-constrained MSMEs prioritizing immediate reach over product or price sophistication. Promotion dominance (mean=4.18, SD=0.626) aligns with communication theory (Schramm, 1954) and AIDA model (Attention-Interest-Desire-Action), where high-impact tactics like WOM/local ads generate buzz at low cost. Distribution emphasis (mean=4.02, SD=0.765)

resonances channel management theory (Stern & El-Ansary, 1992), as efficient place strategies overcome geographic barriers crucial for localized MSMEs but risks inefficiency without supply chain integration. There is moderate-to-great overall use (no element <4.0) signals tactical maturity, yet imbalance (promotion/place > product/price) reflects survival focus over holistic strategy (Van Waterschoot & Van den Bulte, 1992). This reinforces the execution gap in the 4Ps awareness thrives; coordinated deployment unlocks Porter-level advantage.

Table 9*Marketing mix strategies employed to attract and retain customers*

Marketing Mix Strategies	N	Mean	Std. D
Extent enterprise design product to enhance buyers' want satisfaction	234	3.52	.689
Extent enterprise charge a fair price for the products	234	3.93	.624
Extent firm concerned with thinking about where and how to deliver products	234	4.02	.765
Extent firm use promotion technique to create a positive image of the product or enterprise in the minds of potential buyers	234	4.18	.626

Table 9 Continues

Grand mean		3.91	0.676
Valid N (list wise)	234		

Source: Survey 2022

These findings embody penetration pricing strategy from marketing mix theory (Kotler & Armstrong, 2012), where low initial prices for new products accelerate market entry, stimulate trial, and build share ideal for MSMEs combating entry barriers.

This aligns with Ansoff's market development (1957), pairing aggressive pricing to penetrate new segments, yielding rapid adoption (e.g., 20-30% share gains)

Table 10

The extent MSMEs used pricing strategies

Pricing strategies	N	Mean	Std. Dev
Extent enterprise practice charging high prices for the purpose of maximizing profit in the short run.	234	3.27	.737
Extent enterprise introduce a product at a low price that will quickly gain a large share of the market in order to discourage competition	234	3.93	.624
Extent enterprise is copying or following the prices set by competitors	234	2.95	.783
Valid N (list wise)	234		

Source: Survey 2022

As indicated in the table 11, MSMEs implemented market positioning to a moderate extent, highlighting the need to establish a strong

position in buyers' minds to remain competitive and sustain their businesses.

Table 11

Extent MSMEs use Market Positioning

Market Positioning	N	Mean	Std. Dev
Extent enterprises position product on unique features.	234	3.78	.719
Extent enterprises position product on its benefits for customers	234	3.60	.492
Extent enterprise position product against another product.	234	3.44	.499
Valid N (listwise)	234		

Source: Survey 2022

CONCLUSIONS

Micro, small, and medium-sized manufacturing enterprises (MSMEs) in the study area demonstrate active engagement with established marketing frameworks, including Porter's Generic Strategies, Ansoff's Growth Matrix, the Marketing Mix (4Ps), and market positioning. The results indicate a moderate level of application, with minimal gaps in basic theoretical awareness. Among these frameworks, market diversification and cost reduction are most frequently applied, reflecting pragmatic survival strategies driven by resource constraints.

The analysis highlights notable strengths in enterprise marketing practices. A strong market orientation is evident, with 77% of production guided by customer needs, showing that many enterprises have moved beyond purely production- or sales-focused approaches. Awareness of Unique Selling Propositions (USPs) is high (72.6%), signaling substantial potential for differentiation, while the emphasis on promotion and distribution underscores a clear focus on expanding customer reach and market presence.

Nevertheless, several critical limitations persist. Pricing practices remain largely traditional, dominated by cost-plus methods (70.5%), which restrict profitability and value capture. Informal communication channels, particularly word-of-mouth (46.6%) and local advertising (40.2%), limit scalability and long-term brand development. Sustainability challenges are also apparent, as financial, market, and managerial constraints contribute to declining enterprise survival over time.

In conclusion, while MSMEs display strong conceptual understanding of marketing theory, bridging execution gaps requires capacity-building measures such as specialized

training, adoption of digital tools, and stronger market linkages. Transforming theoretical awareness into operational mastery is essential for sustained competitiveness and for supporting the objectives of Ethiopia's Industrialization Agenda.

RECOMMENDATIONS

To sustain competitiveness, Ethiopian MSMEs must move beyond survival tactics and adopt strategic marketing approaches. Prioritizing differentiation and positioning through innovation, branding, and leveraging Unique Selling Propositions (USPs) can help them capture premium value and strengthen long-term market relevance.

Pricing strategies should shift from cost-plus models toward value-based pricing, aligning with customer willingness-to-pay and perceived benefits, thereby enhancing profitability and market responsiveness.

Promotion and outreach require modernization, moving beyond reliance on word-of-mouth to integrated digital channels, including social media, and e-commerce, to expand reach efficiently and cost-effectively.

Finally, execution capabilities must be strengthened. Training in market intelligence, strategic frameworks, and cross-functional coordination can convert theoretical knowledge into practical mastery, ensuring effective implementation, long-term survival, and alignment with Ethiopia's Industrialization Agenda.

Abbreviations

MSMEs	Micro, Small, and Medium
USPs	Enterprises
WOM	Unique Selling Propositions
	Word-of-Mouth

CRedit authorship contribution statement

Belay Kinati (PhD): Conceptualization, data

collection and analysis, reviewing and writing.

Mosisa Deresa (PhD): Data collection, methodology, and editing.

Abiyu Jiru (MBA): Data collection, resources, project administration.

Declaration of competing interest

The authors declare that there is no conflict of interest.

Data availability

Data will be made available on request

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