

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

INSTITUTE OF TROPICS AND SUBTROPICS



**The Marketing Challenges of Ethiopian Traditional Cloths in the
International Market**

Student: Frehiwot Gobena

Supervisor: Petra Chaloupková, Ph.D.

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DIPLOMA THESIS ASSIGNMENT

Gobena Frehiwot Doda

International Economic Development

Thesis title

Marketing Challenges of Ethiopian Traditional Clothes in the International Market

Objectives of thesis

The purpose of this research is to identify some of the major marketing challenges of Ethiopian traditional cloths in the international market in general. First step will be describing marketing mix of Ethiopian traditional cloths and design SWOT analyses.

Methodology

Secondary data will be collected from scientific journals and available documents and databases. The primary data will be collected through focus group interviews and questionnaires.

This study intends to use both quantitative and qualitative methods. Mainly questionnaires will be distributed for Ethiopian traditional cloth designers, producers, and suppliers. After the questionnaires have been collected interviews will be conducted with selected key informers. The research will make use of document analysis methods in order to assess other research works and datas on the area of marketing Ethiopian traditional cloths.

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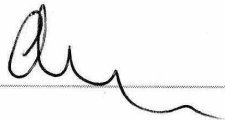
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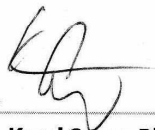
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The Diploma Thesis Supervisor

Chaloupková Petra, Ing., Ph.D.



doc. Ing. Karel Srnec, Ph.D.

Head of the Department



prof. Ing. Bohumil Havrland, CSc.

Director

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Abstract

This research identifies some of the major marketing challenges of Ethiopian traditional cloths in the international market. Particularly the study discusses the major challenges in accessing the international market and whether maintaining the traditional qualities of the Ethiopian traditional cloths is possible with more technology and knowledge to compete at the international stage. Moreover, the relationship between adequacy of capital and competence to compete at the international market has been assessed. The study identifies the current means of promoting the Ethiopian traditional cloths and it analyzes whether there are enough Information Communication Technology materials and promotion activities in place to win the international market. To fulfill these objectives interview, questionnaire, document analysis and media analysis tools were used. The data were collected from 74 customers, 55 producers and 24 sellers, designers and promoters from Ethiopia, Europe and the USA.

The study has identified that Ethiopian traditional cloths are not well promoted at the international market. Both sellers and producers use very limited ways of promotion techniques due to several reasons, which include lack of adequate training, capital, market orientation and business skill. Additionally, the limited internet access in Ethiopia has also affected the access to international market. This has also contributed to the lack of service quality in ordering ease and delivery. The supply chain management practice has its own drawback as well in accessing the international market due to the long supply chain and in benefiting producers. The inadequacies of capital of producers have limited them from investing in larger facilities and ensure qualities of their production. Such reasons have mainly challenged the marketability of Ethiopian traditional cloths in the international market.

Abstrakt

Práce popisuje některé z hlavních marketingových strategií tradičních etiopských oděvů na mezinárodním trhu. Studie se zabývá hlavně jejich vstupem na mezinárodní trh a tím, jestli jsou etiopské tradiční oděvy s použitím moderní technologie a poznatků a zároveň se zachováním tradičních kvalit schopny konkurovat na mezinárodní úrovni. Posuzovaná je taky souvislost mezi výší kapitálu a schopností konkurence na mezinárodním trhu. Průzkum trhu popisuje také současné prostředky využívané k propagaci tradičních etiopských oděvů. Cílem práce je analyzovat, jestli vzhledem k současným informačním technologiím, existuje dostatek materiálů a propagačních aktivit k dosažení úspěchu na mezinárodních trzích. Průzkum probáhal pomocí rozhovorů, dotazníků, analýz dokumentů a médií. Data byla posbírána od 74 zákazníků, 55 výrobců a 24 prodejců, návrhářů a agentů z Etiopie, Evropy a USA.

Studie zjistila, že tradiční etiopské oděvy nejsou na mezinárodním trhu dostatečně propagovány. Prodejci i výrobci používají propagační techniky ve velice omezené míře z několika důvodů, které zahrnují nedostatek vhodného školení, kapitálu, obchodních schopností a nedostatečnou orientaci na cílovou skupinu. Vstup na mezinárodní trh je také ovlivněn omezeným přístupem na internet v Etiopii. Z toho také vyplývá kvalita služeb, hlavně na usnadnění objednávek a dodávek. Praktiky řízení obchodního řetězce (supply chain managementu) mají své nevýhody v přístupu na mezinárodní trh jednak kvůli komplikované distribuční síti a jednak v odměňování výrobců. Ti jsou při rozšiřování možností výroby a zabezpečování kvality jejich produkce limitováni nedostatkem kapitálu. Toto jsou hlavní důvody, které ovlivňují prodejnost a obchodovatelnost tradičních etiopských oděvů na mezinárodním trhu.

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Acronyms

AGOA - African Growth and Opportunity Act

CSA - central statistics agency

CSCMP - the Council of Supply Chain Management Professionals

EC - Ethiopian calendar

ERTA - Ethiopia Radio and Television Agency

ETC - Ethiopian traditional cloths

ETV - Ethiopian Television

FDRE - Federal Democratic Republic of Ethiopia

ICT - Information Communication Technology

IT - Information Technology

MOFED - Ministry of Finance and Economic Development

SCM - Supply Chain Management

SNNPR - Southern Nations Nationalities and People's Region

USD - United States Dollar

USA - United States of America

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Chapter I

Introduction

1.1. Overview of Ethiopia

Ethiopia is found in the horn (eastern part) of Africa. According to the World Bank (2010) the population is estimated to be 82,949,541. It is a landlocked country and the majority of the population (nearly 80%) lives in the country side doing agriculture related activities. Coffee is the major cash crop in the country. The country also exports gold, flower, cattle, oil seeds, pulses, etc. The countries economy mainly depends on agriculture.

The country follows a federal system. The Federal Democratic Republic of Ethiopia was proclaimed under the Constitution adopted on 8 December 1994. It is made of a federation of nine semi-autonomous National Regional States delimited on the basis of language, with Addis Ababa as its capital. The Member States are: Tigray, Afar, Amhara, Oromia, Somali, Benshangul/Gumuz, Gambela, Harari and the State of the Southern Nations, Nationalities and Peoples Region (SNNPR).

Ethiopia gives due emphasis to the agricultural sector and follows an agricultural led policy which is assumed important for the industrial sector development. Though the country has great potential for cotton production, it used to produce less amount of cotton row material which was not enough for the textile sub-sector until the year 2011/2012 (EC, 2004).

Ethiopia has comparative advantage in the textile production sector, it has cheap and large labor force given its population of 78.4 million with 2.5% growth rate each year (CSA, 2009). The country's climate condition and resources favor cotton manufacturing. 85% of the population of the country lives in rural area and rely on agriculture for generating income for living. According to the 2004 investment guide to Ethiopia, agriculture contributes 46% to GDP, 63% to export and 85% to employment. The service

sector contributes 41.4% and industry contributes 12.6% of the country's GDP (Ibid, 2009)

According to ERTA (2012) in the year 2012 there are 87 higher and small scale textile industries in Ethiopia. In the coming two years this number is expected to grow by 15 as additional textile industries are under construction. The Communication Directorate Representative of the Ethiopian Textile Industry Development Institute, Mrs. Etaferaw Yesuf says that during the year 2010/2011 (2003 EC) there was a demand of 42 thousand ton where as there was only 32 thousand ton supply. Due to the mismatch of cotton demand and supply in the country during the same year the government prohibited cotton export to address the shortage of cotton in the country. But a year after there was higher production of cotton in the country than the needs of the textile factories. This was mainly achieved due to the directions set by the government which included encouraging textile factories to pay the right price for cotton producers and also encouraging more investment in the cotton production sector. During the year 2011/2012 (EC, 2004), though the need for cotton has increased due to the above mentioned reasons the supply has also increased. That is, the need during this year was 60 thousand tons while the country has produced 79 thousand tons of cotton. As a result, the government was considering lifting the ban of exporting cotton. The other favorable development of the textile industry in Ethiopia is the increase of foreign exchange the country gets from the sector. Currently, the country expects to gain 1 billion USD from the textile industry in the coming 3 years time (Ibid, 2012).

1.2. Background of the Study

The country is unique for its diversity. It is composed of more than 80 ethnic groups and about 50 indigenous languages are spoken in the country. Each of this has its own traditions and styles in dining, music and even dressing, which is the main focus of this study. Cotton is widely used in the country for dressing and making most of the traditional cloths. Some includes traditional dresses usually worn during holidays and special occasions both by ladies and gentlemen 'yehabesha libs', blankets 'gaby' and scarf 'netela'.

Figure 1 – Women’s Dress (‘yehabesha kemis’)



Figure 2 – Scarf (‘sharb’)



It is quite a tradition for ladies to buy cotton from the market and prepare the threads 'mag' at home and take it to the weavers 'shemane' for the final processing. Ethiopian traditional cloths are one of the most beautiful, attractive and comfortable cloths. They are mostly made by traditional weavers by traditional machine in a traditional way.

These traditional cotton made cloths are available almost in all Ethiopian households, whether they are in Ethiopia or abroad. These cloths are also used during cultural practices and religious rituals. Some include, it is a tradition to wear scarf 'netela' while going to church, during religious holidays like epiphany 'timket'. Ladies also use these cloths during funereal ceremonies.

Chapter II

Statement of the Problem and Objectives

2.1. Statement of the problem

Currently, the practice of using traditional cotton garments for house consumption has changed and both individuals and firms are producing various traditional cloths for marketing purposes. Moreover, famous designers are also coming to the business and it is quite common to see Ethiopian traditional cloths both in the local and international market. These days, it is also possible to purchase the products online and various fashion shows are being organized every year. But given its long traditions and wide appreciation of the Ethiopian traditional cloths both by Ethiopians and foreigners alike, it is still not widely available except in few European and American cities.

Therefore, this study intends to explore the major reasons behind this market failure of the Ethiopian traditional cloths, while it has a long history and tradition. There are different propositions suggested as a cause for this market failure. Some of these hypotheses include, the shortage of cotton supply due to lack of new technologies and capital, which are also an issue in the production of the traditional cloths. This includes that the traditional cloths are made with labor intensive and time taking, traditional fashion.

The other major hypothesis is the lack of promotion in the international market due to access and shortage of information communication technologies (ICT). Moreover, most of the people, who are engaged in the production of traditional cloths, lack education in order to promote their products using available ICT materials. This has also contributed to the lack of marketing knowledge to a significant extent.

2.2. Objectives of the Study

The purpose of this research is to identify some of the major marketing challenges of Ethiopian traditional cloths in the international market in general. Particularly, the study tries to answer the following questions:

- First, the study seeks to find out the major challenges in accessing the international market.
- Then the study tries to answer the question whether maintaining the traditional qualities of the product is possible with more technology and knowledge to compete at the international stage.
- Next, the study answers if there is already adequate capital in the sector to be competent at the international stage.
- Finally, it explores to find out the current means of promoting the product and it analyzes whether there are enough ICT materials and promotion activities in place to win the international market.

Chapter III

Methodology

This chapter describes the research methodology used through the study. It defines the study area, sampling technique used, tools of data collection, data analysis method used and limitation of the study.

3.1. Research Methodology

This survey is aimed at describing the current ways of producing, pricing, placing /distributing and promoting the Ethiopian traditional cloths at the international market. Since the paper focuses on the particular subject 'Ethiopian traditional cloths' that focuses on the above mentioned issues, it does not stop at describing the existing processes but tries to interpret them. Finally, by making use of the data collected it seeks to evaluate the practice.

The study intends to use both quantitative and qualitative methods. Structured questionnaires were distributed for Ethiopian traditional cloth designers, producers, customers and suppliers. Interviews and focus group discussion were conducted with selected key informers. The research makes use of media analysis and document analysis methods in order to assess other research works and data on the area of marketing Ethiopian traditional cloths.

Gay & Airasian (2000) have described a set of basic steps, which should guide descriptive research. The basic ones are identifying a topic or problem, selecting appropriate sample, collecting valid and reliable data, and analyze and report conclusions. As it is indicated above, the problem was identified and under this section the various important components of the methodology applied is described.

3.2. Study Area and Sampling

In order to study the marketing challenges of Ethiopian traditional cloths, significant number of data is achieved both from Ethiopia and Ethiopians living in Europe and USA. Washington DC and Denver Colorado were selected from the USA due to the fact that the highest number of Ethiopian residents and convenience respectively. When it comes to Europe the majority of data is collected during the Ethiopian Sport and Cultural Festival in Nuremberg, Germany and from Switzerland. Particularly the Ethiopian Sport and Cultural Festival in Nuremberg, Germany was a great opportunity to meet Ethiopians living all over Europe and get a representative sample. The researcher has also visited Geneva, Switzerland due to the fact that there is significant number of Ethiopian residents there and the city is known for its international culture, mainly due to the many international organizations based there and almost half of the city's populations represent the international community. The collection of data from Ethiopian residing abroad was important due to the fact that the study is focused on the international market and most of the sellers and promoters reside out of the country. When it comes to the producers, the majority of the data is collected from Ethiopia. Several producers, who attended the Ethiopian sport and cultural festival in Nuremberg, were interviewed and took part in the focused group discussions.

Most of Ethiopian traditional cloth producers who have contact with the sellers in abroad reside in Addis Ababa, the capital city of Ethiopia. The researcher used purposive sampling technique to include as many as possible producers in Ethiopia. The researcher collected data from all of the suppliers, promoters and producers, who had a stand at the Ethiopian sport and cultural festival in Nuremberg, Germany. Moreover, questionnaires, interviews and focused group discussion techniques were used with selected consumers, who were in attendance at the cultural festival and buying various products from one of the stands at the festival.

3.3. Tools of Data Collection

The research employs both quantitative and qualitative methods. For this reason, 95 questionnaires were distributed for producers, promoters and sellers and 79 of them were returned. Moreover, 100 questionnaires were distributed to customers and 74 were returned. First, the questionnaires were sent to all producers, promoters and suppliers via email and in person and the majority of them have responded. Most of the questionnaires for customers were distributed and collected in person during the Ethiopian Sport and Cultural Festival held in Nuremberg, Germany and the remaining were also distributed in person in Geneva, Switzerland, the USA particularly in Denver Colorado and Washington DC. More over the researcher used telephone interviews.

Semi structured interviews were conducted with 15 selected key informants from producers, promoters and sellers. Moreover, three focused group discussions were conducted in a mixed group of producers, promoters and suppliers during an Ethiopian Sport and Cultural Festival held in Nuremberg, Germany. The size of the focused groups ranges from 3-5. Semi structured interviews were also used to interview 32 customers living in the USA and Europe.

The researcher used media analysis mainly the information from Ethiopian Radio and Television Agency /ERTA/ and document analysis methods in order to assess other research works and data on the area of marketing Ethiopian traditional cloths. Secondary data and other research works were also used while analyzing documents.

3.4. Methods of Data Analysis

The data collected were analyzed using both quantitative and qualitative methods. The analysis makes use of the four marketing mix variables. The data were grouped according to the four P's: product, price, promotion and place. The data achieved using questionnaire, interview and focused group discussion were analyzed using triangulation methods. Moreover, available documents were analyzed. Responses given by producers, promoters, sellers and customers were compared by making use of the theoretical framework.

3.5. Significance of the Study

Ethiopian traditional cloths are one of the most attractive and unique cloths. Though these traditional cotton made cloths are available almost in all Ethiopian households, they are not widely available in the international market. Therefore, this study tries to identify the major marketing challenges of the Ethiopian traditional cloths. The data has been collected from producers, promoters, sellers and customers residing in Ethiopia, USA and Europe. Accordingly, the study comes up with the major challenges producers' face in accessing the international market. Moreover, it answers the question whether maintaining the traditional qualities of the product is possible with more technology and knowledge to compete at the international stage. Finally it concludes by exploring the current means of promoting the product like the use of ICT and others to win the international market.

The research is significant in identifying the major challenges of the Ethiopian traditional clothes in accessing the international market and suggesting possible solutions. This is important to create access to market in the first place. Moreover, it will suggest areas where improvements could be made to increase quality and productivity. The study benefits a significant number of the population due to the fact that the sector benefits a significant number of the population starting from the farmers, who produce the cotton. It is believed that suppliers, wavers and designers will make use of the research.

Moreover, the study explores the promotion mechanisms adopted to introduce the Ethiopian traditional cloth to the international market. Here the research will benefit both promoters and those who work in the area by suggesting ways to promote the product in a more efficient way. Though the project mainly focuses on identifying marketing challenges of Ethiopian traditional cloths, it is also worth to mention its significance for the Ethiopian farmers and the production of cotton in the country. These cloths directly use cotton produced by Ethiopian farmers. Therefore, there is no question that the project benefits various sector of the society in many ways.

It is believed that the output can have an important effect on the marketing of Ethiopian traditional cloths. Identifying the challenges or problems is a very important step in order to identify the possible solutions. For this reason, the researcher plans to carry out her dissertation studies in identifying efficient ways of accessing the international market. Therefore, the output of this study will be an important basis to study further and suggest certain models of winning the international market.

The research plays an important role due to the lack of research in the area. Basically the researcher is interested in the topic due to the fact that she has had marketing experience of Ethiopian traditional cloths. Moreover, she is trained to be a modern cloth designer with Ethiopian traditional fabric and she felt the importance of conducting a scientific research in order to understand the marketing challenges of Ethiopian traditional cloths in the international market. Building on her past experience and her current studies she is preparing to continue on her post graduate studies on the same topic. She strongly believes that the study will benefit in understanding the marketing challenges related to Ethiopian traditional cloths as well as in creating access to the international market.

3.6. Limitation of the Study

The marketing Challenges of Ethiopian Traditional Cloths in the International Market cannot thoroughly be addressed only with this work. This research is therefore limited to cotton made traditional cloths. This excludes textile industries which are mainly producing modern garments.

Chapter IV

Theoretical Framework

Under this section the major theoretical considerations are summarized and literatures relevant to the topic are reviewed.

4.1. The Concept of Marketing Mix

Kotler and Keller (2006) identified product, price, place /distribution/, and promotion /marketing communication/ as a planned mix of controllable elements of marketing. These elements are adjusted until the right combination is found that serve the need and wants of the targeted customers, while generating optimum income to the business. The marketing mix controllable variables must be carefully managed and must meet the needs of the defined customers to be profitable. The marketers need to determine carefully the dosage of the mixture of the elements till they get the right combination that satisfies their customer needs, wants and their own profitability needs. Companies use this tool in order to fulfill their marketing aims.

4.1.1. The Concept of 4 Ps /Product, Price, Promotion and Place/

In marketing a product is one of an important element of marketing mix that can be goods, services or a mixture of both, and can be offered to a market to satisfy needs and wants of the customers. It can be goods, services, events, experience, persons, places, properties organizations, information, ideas, etc. In this study the product refers to the Ethiopian traditional cloths and the service represents Ethiopian traditional cloth selling and repairing process.

Goods can be differentiated from similar goods and other goods in quality, features, durability, form /physical structure of the product/, reliability, reparability, style, etc. And services can be differentiated in differences in ordering ease, delivery, maintenance and repair. According to Kotler and Keller (2006) product differentiation is the process of distinguishing a product or offering from competitors product as well as a firms own product offerings, to make it more attractive to a particular target market. It is a process

of describing the differences between products or services. This is done in order to demonstrate the unique aspects of a firm's product and create a sense of value. Accordingly the Ethiopian traditional cloths can be differentiated in various ways from other products using differences in quality, features, durability, form /physical structure of the product/, reliability, reparability, style, etc. The Ethiopian traditional cloths differentiation can also include services like differences in ordering ease, delivery, maintenance and repair. In general, product differentiation gives the product or service a boundary over competitor products. It gives information about unique aspects of the product and generates value for the product in the eyes of the buyers' /customers/, which should be any manufacturer's ultimate goal.

Price is the other marketing mix element, which is a charged amount of money that customers have to spend to buy goods and services. It is the value, payment or compensation of the product given by one party to another in return for goods and services. It is the only one to produce revenue while others marketing mix elements are producing costs.

Marketing communication is a means by which firms directly or indirectly attempt to inform, influence, convince, and remind consumers about their products and brands they sell. Marketing communications represent the voice of the brand and are a means by which it can establish a dialogue and build relationships with consumers. Marketing communications perform many functions for consumers. Consumers can be told or shown how and why a product is used, by what kind of person, and where and when. Consumers can be given information about who makes the product and what the company and brand stand for, and consumers can be given an incentive or reward for trial or usage. Marketing communications allow companies to link their brands to other people, places, events, brands, experiences, feelings, and things. For firms it is useful to create strong brand equity in order to establish reliable stream of income, increase their profits through increased market share and premium pricing for less promotional costs, and to sell their brand name at a given price. Firms use marketing communication mix to build strong brand equity. There are six marketing communication mixes. These are

advertising, sales promotion, events and experiences, public relations and publicity, direct marketing, and personal selling.

In marketing place is also known as channel, distribution, or intermediary. It is the mechanism through which goods and/or services are moved from the manufacturer /service provider/ to the user or consumer. Marketer use distribution channels to show, sell, or deliver the physical product or services to the consumers or users. This distribution channel includes wholesalers, retailers, agents, facilitators, etc. Marketers also use service channel to carry out transactions with potential buyers. Distribution channel is a way that connects the marketer to the targeted buyer. A marketing channel overcomes the time, place, and possession gaps that separate goods and services from those who need or want them. Consumer marketing channel is divided in to, zero level channel, one level channel, two level channel, and three level channel. Zero-level channel which is also called a direct-marketing channel involves manufacturer selling directly to the final customer. The major examples are door-to-door sales, mail order, telemarketing, Internet selling, manufacturer-owned stores, etc. A one-level channel involves one selling intermediary, such as a retailer. A two-level channel contains two intermediaries; these are typically a wholesaler and a retailer. A three-level channel contains three intermediaries. These are wholesalers, retailer and jobbers. Ethiopian traditional cloth /ETC/ product channel can be categorized partly under one level channel and partly under two level channels. Unlike the domestic market when it comes to the international market few of ETC producers directly sell their product to their customers.

4.1.2. Importance of Marketing Communication/Promotion

While researching the importance of marketing communication in the clothing industry, Završnik and Mumel (2007) identified that a properly used marketing communication mix is a factor for success in the clothing industry. Marketing communication is an important tool in marketing, which firms directly or indirectly attempt to inform, influence, convince, and remind consumers about their products and brands they sell.

Marketing communication has several roles and tasks to achieve. Fill (2006:27) states that “the primary role is to engage audiences to encourage understanding and meaning

through the communication of relationship specific knowledge". Additionally Fill (2006) says that marketing communication is a management process through which an organization develops, presents and evaluates a series of messages to identified audiences by making use of various communication tools. This in turn will have increasing role where organizations play in the marketing process and the impact that organizational factors can have on the minds of consumers. In general, the importance of marketing communication is to support the marketing plan and targeted audiences understanding and believes in the marketers' advantage over the competition. It helps business to create and insert the brand image in the mind of the targeted customer and capture the market. These days the significance of marketing communication is growing fast due to various reasons. One major reason is the fact that there are lots of product competitions in the current environment than it was in the past. This increase of choices for consumers means that both the producers and sellers need to promote their brand or product in a more convincing way. That is, as more and more products are seen as a result differentiating brands which are similar to the inherent quality of the product have become harder and harder. Marketing communication can give the necessary information to create point of difference, otherwise which would not be possible.

According to Kotler and Keller (2006) marketing communication comprises all the promotion elements which are advertising, sale promotion, experience and events, public relations and publicity, direct marketing, and personal selling which is important to the companies to communicate with the targeted customers in different approaches. Marketing communication allows business to give information, to convince, to encourage, motivate and remind targeted consumers by using the above mentioned promotion elements. Consumers can be given information on how and why the product is used, how it is made, from what ingredients it is made of, by whom, where and when it is made, and they can be told what the company and the brand stand for. In addition they can also be given motivation or reward for trial or usage. Business in the market and entering the market can use all marketing communication elements.

Advertising is one of marketing communication mix, which is a paid form of non-personal presentation or promotion of ideas, goods and services by identified sponsors. It can bring different responses from the target audience. It may persuade a person to try a new product. It educates or reminds a consumer about specific product, creates a positive association for the brand, and improves brand recognition. For many firms advertising is the most dominant element of marketing communication mix. Advertising can have informative, persuasive, reminding and reinforcement purposes.

In the current market environment the use of advertising is a very important prerequisite to win a market. Asserting this fact, Sutherland (2009) says that just because something is available does not mean we will necessarily consider buying it. When there are more alternatives there are greater problems to the advertiser or person who wants to sell the product. For this reason Kotler and Keller (2006) states that in developing advertising program firms should identifying the market needs and target customers motives and make the five major decisions which are commonly referred as advertising campaign 5Ms. They are mission (what the advertising objectives are), money (how much can be spent), message (what message should be sent), media (what media should be used) and measurement (how should the results be sent).

Sales promotion is any activity that offers incentives for a limited time period to stimulate quicker or greater purchase of a particular product or service by consumers. In this method firms use different tactics to attract target market which is consumer directed tactics such as samples, coupons, cash refund offers, price offs, premiums, prizes, free trials, etc and trade directed tactics such as price offs, allowances, free goods, sale contests, trade shows, specialty advertising etc. Before using sale promotion firms should establish their objectives, select tools, develop program, make a pretest, implement and control and evaluate the result. Mullin (2010) states that in the UK sales promotion are favored by companies over all other forms of marketing indicated by a comparison of a spend on sales promotions against other forms of promotion.

Events and experience is one way of marketing communication, which are company-sponsored activities and programs designed to create daily or special brand-related interaction. It broadens and deepens a company's relationship with the target market. It increases brand awareness, expresses commitment to community, permits promotional opportunities, create experiences and evoke feelings, entertain key clients or reward employees, enhance corporate image etc. Firms should establish their objectives; choose event opportunities, design program, implement and control, and measure effectiveness.

Public relations and publicity, a variety of programs designed to promote or protect a company's image or its individual products. The communication can be through speeches, seminars, annual reports, charitable donations, lobbying, company magazine etc. public relations and publicity mostly used to create reliability, individual impact, and to establish long term positive effect. In this communication main target groups are internal like employees, distributors' members, management and external groups like media, customers, and partners. Mostly it is used to launch new product, to reposition the matured product, to build interest in a product category, influencing specific target groups, to defend products that have encountered public problems, build the corporate image favorable on products.

Direct marketing can be conducted by using mail, telephone, fax, e-mail, or Internet communication directly with customers. In direct marketing communication firms use consumer's direct channels like direct mail, catalogs, telemarketing, TV shopping, web sites, mobile devices, electronic shopping, E-mail, etc, to reach and deliver goods and services to customers without using marketing middlemen. Especially the emergence of internet even has changed the marketing process to a higher level. Many take it for granted that the Internet is an interactive tool by nature. The major difference from the other technologies is that it is designed for interactivity, Wunderman (1994).

Personal selling is a person to person process by which the seller learns about the prospective buyers wants and seeks to satisfy them by offering suitable goods and or

services and making a sell. Personal selling has several advantages over other forms of marketing communication because it involves face to face communication with a potential customer. Personal selling messages are usually more persuasive than the tools of the mass media /advertising and publicity/. In many cases the nature of the product is essential to present it in a personal way or not. Compared to other marketing communication personal selling is expensive in terms of money spent. Some advantages of personal selling include face to face setting, where prospects are more likely to feel obliged to pay attention to the salespersons message. Since the sells person communicates with only one potential customer at a time he or she can modify the message to suit the customer's specific need. Communication flows in both directions. The customer gives feedback in the form of questions, laugh, or through positive or negative body language. This enables the salesperson to establish whether a particular sales approach is working. If it is not working the sales person can immediately change to a different approach. Here a salesperson can communicate a greater amount of complex information. Products can be demonstrated and visual aid can be used to get the sells message across. And relationship would be built. The disadvantages of personal selling includes, the salesperson can communicate with a relatively small number of potential customers per day. In addition to this if the salesperson has trained poorly, he/ she can do more harm than good for the organizations marketing effort.

4.2. Supply Chain Management

According to Chen and Paulraj (2004) supply chain management (SCM) is the management of set of connections interacted in businesses in the provision of products (goods and services) required by targeted customers. Supply chain management involves all movement and storage of raw materials, inventory, from the beginning of production process till end point of final product consumption. Supply chain management is also defined in different ways. Some of the definitions are as follows. Mentzer et al (2001) defines SCM as a managing of network of supply chains directly connected by one or more up and down flow of products, finances and information from the origin to targeted market. Supply chain management incorporates all activities, processes, flow of material,

finance, information and relationships from the origin to the end chain. Endalew (2010) indicated in his thesis, the Council of Supply Chain Management Professionals (CSCMP), SCM involves the planning and organizing of tasks included in sourcing, procurement, conversion and logistics management. It also involves team working and collaboration with partners in the channel. This can involve intermediaries, suppliers, service givers and targeted customers. Supply chain management incorporates demand and supply management inside and outside the companies. It takes in to consideration the efficient and effective interconnection of suppliers, manufacturers, whole sellers, retailers and final customers.

Inter connected supply chain business process includes cooperative work among suppliers and buyers, joint product development, shared information and common system. According to Moberg et al (2002) operating an interconnected supply chain needs an interrupting information flow. Moreover, Lambert et al (2005) describe various supply chain processes. Some include customer relationship management, product development and commercialization, physical distribution and cooperation with supply chain partners.

According to Ramaseshan et al (2006), customer relationship management concerns the relationship between customers and the organization. Customers get information from the services. It gives customers real time information on product availability and scheduling through the companies production and distribution process. To build good customer relationship successful organizations determine mutual satisfying goals for the organization and customers; and maintain good relationship among customers.

In order to reduce time to market suppliers and customers should be integrated into the product development process. According to Ounnar et al (2007) managers of the product development and commercialization process should cooperate with customers' relationship management to identify customer desired needs, select materials and suppliers in conjunction with procurement and develop production technology in manufacturing flow to produce and inter to the best supply chain flow for the product.

The other supply chain process analyzed is physical distribution. Physical distribution is about movement of product (goods and services) to customers. The customer is the final destination of marketing channel in physical distribution process. The availability of goods and services are the important part of the marketing effort of each channel partners. Through distribution process, the time and space of customers service becomes an integral part of marketing. It links the marketing channel and its customers.

The cooperation or collaboration could be among manufacturers and suppliers, manufacturers and customers, etc. Cooperation enables partners to gain together a better understanding of future goods and services demanded and employ more realistic program for the satisfaction of that demand. It also enables the manufacturer to develop goods and services in a better manner and with reduced time frame. In addition to these collaborative manufacturing scheduling with suppliers can avoid the unavailability of raw materials and results increased improved order fulfillment and enhanced capacity utilization of the producers.

4.2.1. Supply Chain Management Practice in Ethiopia

Compared to other countries Ethiopia has not been an important player in the international trade. Foreign goods enter the country in large quantity and the country is not using its full potential. According to Loop (2003) Ethiopia used only 0.01% from AGOA (African Growth and Opportunity Act), which gives substantial opportunities for sub-Saharan countries in exporting textile product to USA without tariff.

Though there are improvements in the infrastructure including road density and power supply, the lack of adequate internet and other communication facilities make supply chain management difficult. As a result of insufficient infrastructure increased transportation cost creates market barrier. Producers face this challenge while they want to sell their products in the national market. This on the other hand makes it difficult to satisfy customers. Poor supply chain management seen in low market orientation and low

business know how resulting problems and difficulties in managing supply chain. The other drawback is the lack of usage of supply chain management principles to interact the resources. Mostly, the supply chain from manufacturers to end users is a long process. To disseminate information like price, quality and also act like guarantors of the two parties, most of the time brokers are needed in the buying and selling process. This long supply chain is time consuming and makes the buying and selling process costly in terms of time and money.

In 2002 Ethiopian government drafted “the sustainable development and poverty reduction program”. This is mainly aimed at tackling most of the challenges mentioned above. The program identified poverty reduction and sustainable development strategy by means of “agricultural development led industrialization” which can involve the supply chain of agriculture with industry. From the eight government policies one of it is “rapid export growth through production of high value agricultural products and increased support to export oriented manufacturing sectors particularly intensified processing of high quality skin/leather and textile garment” (FDRE_MOFED 2002). These indicate the government’s commitment to develop the country’s economy. For instance, for the past ten years the government has been investing on development of infrastructure throughout the country, which includes constructing roads, hydroelectric power, telecom, educational organizations like universities, colleges etc. According to MoFED (2008) in 2009 the government budgeted 63% of the total budget for economic development, 27% for social development and 10% for general development. The economic performance for the past ten years has been promising. Between the year 1998/99 and 2007/08 except the year 2002/03 the real GDP growth rate has been in average more than 8%. In the year 2009, the country registered real GDP growth rate of 11%. The MoFED (2008) states that the service sector shown outweighed growth than agricultural and industrial sector by registering an average annual growth rate of 9 percent while agricultural and industrial sector registered an average growth rate of 6.2 percent and 8.3 percent per annum respectively in the same period. This development and poverty reduction program is highly significant in reducing the supply chain problem in the future.

4.2.2. Ethiopian Traditional Cloth Supply Chain Management

Ethiopian traditional cloth is manufactured by hand in traditional way from cotton fiber. This fiber is produced from cotton row material then through the process of spinning it is converted in to yarn which is used for manufacturing of woven fabric. Once the fabrics are finished they would be used to make different style of clothing, bags, and shoes sold to the locale market and exported to abroad. The conversion of raw material cotton and getting the final product to the final customers involves many parties. The supply chain starts from collecting the woven small products from different partners then the second step is producing the main fabric which is used to make different clothing, shoes, bags, etc. The third step involves the distribution of the fabric to different Ethiopian traditional cloth producers. Finally the product would be sold in the local market directly by the producers or through retailers and brokers. The product is sent to customers residing outside of the country mostly by their agents and relatives.

4.3. The Importance of Information Technology in Marketing Communication

In the past, single way of promotion /marketing communication/ with mass media, radio, network television, national magazine etc., worked very well in the era of mass marketing while the companies transmitted information, introduced their new products, reminded their customers, and so one through these tools. These days, the way of marketing communication has changed very dramatically. Companies needed much effort to find ways to communicate their customers efficiently. Under these circumstance two way /direct marketing/ become a significant and important way of marketing communication. For this reason information technology /IT/ gives the direct marketers chance to build two way channels of communication that allows relationship establishment and real time connection with the targeted customers. For example, online promotion offers many advantages like target ability, individualization, etc. Supporting this Zeff and Aronson (1997) say that web advertisements can target particular market segments, minimizing wastage of promotional costs. That is we can use the internet and even telephone to target

a market. Moreover, when speaking of individualization Hanson (2000) emphasizes how online promotional strategy can target the individual who is accessing the information if data on them has been collected. That is, tracking and profiling a customer helps customize their online experience to their particular preferences. This could include customizing offerings and services by using database information on the number of visitors to web sites and visit frequency.

Business as a new marketing medium use internet together with other media like television, radio and print. The Internet Advertising Bureau (1997) noted four reasons why online promotion is strategically important. They are: television watchers are moving to the internet, the internet is the fastest growing medium in history, net demographics are a marketers dream, and web ad banners build brand awareness and may create awareness relatively better than print or television advertising.

Online promotions have many advantages over off line promotion for instance if we see delivery process in online promotion products can be delivered worldwide 360 days a year, 7 days a week and 24 hours a day. The delivery process is not limited to the availability of media because the consumers can directly access the promotion information as they want to. Moreover, as indicated above the online promotion gives a better facility to address individuals directly, target a particular market segments, and decrease unnecessary promotional costs. Online promotion is also more flexible and interactive. The campaigns can be implemented quicker with a better price. And it is also possible to engage consumers, if they choose to be a part of promotion process. These all indicate why the online advertisement should be considered strategically with in overall marketing strategy of business.

The Internet gives today's companies a new set of capabilities. They can communicate new information and operate sales channel, promote their businesses and products worldwide. On the other hand companies can also collect fuller and richer information about markets, customers, prospects, and competitors. They can also conduct fresh marketing research using the Internet to arrange for focus groups, send out

questionnaires, and gather primary data in several other ways. Companies can also facilitate and speed up internal communication among their employees by using the Internet.

Chapter V

Results and Discussions

5.1. Results

Under this section respondents' profile is presented followed by the summary of the results.

5.1.1. Respondents Profile

Totally, 95 questionnaires were distributed for producers, promoters and sellers and 79 of them were returned. Moreover, 100 questionnaires were distributed to customers and 74 were returned. The respondents were selected from Europe (Nuremberg, Germany and Geneva, Switzerland.) and USA (Denver Colorado and Washington DC) and Producers, promoters, seller and customers were selected for the study. Semi structured interviews were conducted with 15 selected key informants from producers, promoters and sellers. Moreover, three focused group discussions were conducted in a mixed 3 group of producers, promoters and suppliers during the 9th Ethiopians in Europe Sport and Cultural Festival held in Nuremberg, Germany from July 28 - 30, 2011. Semi structured interviews were also interviewed 32 customers living in the USA and Europe.

The data collected during festival hosted in Nuremberg, Germany is categorized as Europe because participants came from all over Europe to promote and sell their products. Moreover, Geneva is mentioned separately because the researcher spent some time in this city due to the city's international nature with large number of foreigners living there from all over the world including Ethiopia.

Educational Background of the Respondents

The sellers and producers were asked to state their educational background. Accordingly, table 1 summarizes the responses.

¹Table 1 – Educational Background of the Respondents

Educational Background	Producers		Sellers	
	Number	Percentage	Number	Percentage
University degree	-	-	1	4.2
Diploma	-	-	4	16.7
12 th complete	2	3.6	17	70.8
10+	3	5.5	2	8.3
10 th complete	3	5.5	-	-
8 th complete	7	12.7	-	-
Without educational background	40	72.7	-	-
Total	55	100	24	100

Table 1 shows that the majority 72.7% of the producers are without educational background. 5.5% of them are 10+ , who went for additional technical trainings in various skills like wood work, metal work, tailoring, etc., 5.5% of them are 10th complete, 12.7% of them are 8th grade complete, 3.6% of them completed grade 12, and

¹ According to Ethiopian educational system university degree is awarded after 3 years of university education. Diploma is awarded after two years of college education. 12th complete (12 years) means completion of secondary education according to the previous education system. Currently 10th (10 years) complete means completion of secondary education. Students need to go for two years of university preparatory program before joining undergraduate studies. 10+ shows a student went for technical training after completion of secondary education. And 8th complete (8 years) shows a completion of junior secondary school.

no one of the respondents have college diploma or university degree. Based on the data shown in the table it is possible to conclude that the majority of Ethiopian traditional cloth producers have no proper educational background.

The majority (70.8%) of seller respondents are 12th grade complete. 16.7% of the sellers have diploma level of education in various fields. 8.3% of them are grade 10 complete and only one of the sellers (4.2%) has university degree.

Work Experience

Respondents were asked how long they have been producing and supplying Ethiopian traditional cloth to both Ethiopian and for foreign customers.

Table 2 - Work Experience of Producers and Sellers

Work Experience Duration	Producers		Sellers	
	Number	Percentage	Number	Percentage
Less than 5 years	2	3.6	13	54.2
5-10 years	6	10.9	5	20.8
11-16 years	5	9.1	3	12.5
17-22 years	22	40	2	8.3
More than 23 years	20	36.4	1	4.2
Total	55	100	24	100

The above table shows that 36.4% of the producers have been producing for more than 23 years. 40% of them have work experience between 17-22 years. Only two respondents (3.6%) have less than 5 years experience. We understand from the table that more than 76.4% of the respondents have 17 years or more experience in producing the garment.

Since all of the sellers reside out of the country, we understand from the results that their experience in the business is relatively short as the majority 54.2% of the sellers have less than 5 years experience in supplying the product. In general, those having 10 or less years of experience account for 75% of the respondents. Only one respondent from the USA replied that she has been supplying the product for more than 23 years.

Employees

Since the process of making Ethiopian traditional cloths is labor intensive, the researcher asked to know the number of employees under each of the respondents. Accordingly the producers responded the number of employees they have. The following table summarizes the responses.

Table 3 - Number of Employees under one Producer

Number of employees working under one producer	Number of ETC producers	Percentage
0	1	1.8
1 – 4	5	9.1
5 – 8	34	61.8
9 -12	10	18.2
13 -16	4	7.3
More than 17	1	1.8
Total	55	100

The result summarized in table 3 shows that 61.8% of the producers have from 5 – 8 employees. 18.2% of producers have between 9-12 employees. From this we understand that 80% of the respondents employ from 5-12 employees.

Customers of Ethiopian Traditional Cloths

Both producers and sellers were asked about their customers. That is, whether their customers are Ethiopians or foreigners. The following table summarizes the responses of producers and sellers.

Table 4 - Customers of Ethiopian Traditional Cloths

Customers of ETC	Producers		Sellers	
	Number	Percentage	Number	Percentage
Only Ethiopians	19	34.5	7	29.2
Only Foreigners	-	-	-	-
Ethiopians and Foreigners	36	65.5	17	70.8
Total	55	100	24	100

As we can see from the table, 34.5% of the producers said that they have only Ethiopian customers. This is mainly because some of the producers don't have their own shops where they display their products. On the other hand, the majority (65.5%) of the producers indicated that they have both Ethiopian and foreign customers. This is mainly due to the fact that almost all the foreigners visiting Ethiopia tend to visit one of these shops and buy Ethiopian traditional cloths.

When it comes to the sellers the majority (70.8%) have indicated that they have both Ethiopian and foreign customers. And only 29.2% of the respondents have said that they have only Ethiopian customers. It was also possible to see that most of the sellers having only Ethiopian customers supply their products using acquaintances. They are mostly new in the business and use only social contacts instead of displaying the products in shops. In general, it is possible to conclude that the main customers of the majorities of sellers and producers are both Ethiopians and foreigners.

Means of Communication between Sellers and Producers

The respondents were asked what method they use in order to communicate each other regarding the product style, quantity, quality, time of delivery, etc. and how they communicate to exchange the necessary information through the buying and producing process.

Table 5 - Means of Communication between Sellers and Producers

Means of Communication	Producers		Sellers		Average	
	Number	Percentage	Number	Percentage	Number	Percentage
Telephone	51	92.7	24	100	37.5	94.9
Internet (email)	4	7.3	8	33.3	6	15.2
Postal mail	15	27.3	10	41.7	12.5	31.6
Directly in person	23	41.8	12	50	17.5	44.3
Messengers/Agents	40	72.7	19	79.2	29.5	74.7
Total	55	100	24	100	39.5	100

In the above table messengers or agents refer to those individuals, who travel to Ethiopia for different reasons and are asked by sellers to bring some products on their way. They are relatives or friends of the sellers in most of the cases. According to the respondents most of them said that they communicate among each other using telephone (94.9%) and messengers or agents (74.7%). Out of the total respondents only few (15.2%) stated that they use internet or email communication. This is mainly resulted due to the low access of internet producers have in Ethiopia. The result also shows that fewer number of producers and sellers use postal mail (31.6%).

Means of Product Supply

Both sellers and producers were asked how they import and export the product respectively. Accordingly, the following table summarized their responses.

Table 6 - Means of Product Supply

Means of Product Supply	Producers		Sellers		Average	
	Number	Percentage	Number	Percentage	Number	Percentage
Post office	16	29.1	15	62.5	15.5	39.2
Directly selling to customers	35	63.6	-	-	-	-
Messengers/Agents	53	96.4	22	91.7	37.5	94.9
Total	55	100.0	24	100.0	39.5	100.0

The table shows that the respondents use more than one means of importing and exporting Ethiopian traditional cloths. Here it is important to note that messengers or agents represent all people including relatives and friends of those sellers, who reside out of Ethiopia and seek the assistance of such people to supply them with Ethiopian traditional cloths. These middle men usually transport the product along with their luggage or help send the product using postal packages. 39.2% of the product is sent using post office. This does not mean that the producers, themselves send the product by post all the time. But the messengers or agents use the post office when they cannot find a person traveling to the destination.

96.4% of the producers said they send the product to the customers via messengers/agents. As stated above this also includes relatives and friends of sellers, who are based in Ethiopia and those who travel to Ethiopia on timely basis usually for a different reason. Again the majority (91.7%) of the sellers have also confirmed the same fact. 63.6% of the producers said that their customers buy the product directly from them. That is, they do not need to send the product abroad. Here the customers are those Ethiopians and foreigners visiting the producers' shops.

Promotion Methods

Both producers and sellers were asked about their promotion methods of the Ethiopian traditional cloths. Moreover, interviews were conducted with three promoters during the

festival in Germany. The methods used to promote the products are summarized in the table below.

Table 7 - Promotion Methods

Promotion Methods	Producers		Sellers		Average	
	Number	Percentage	Number	Percentage	Number	Percentage
Displays at various events, like trade shows and cultural events	18	32.7	22	91.7	20	50.6
Displays at the place where they produce and sell ETC	55	100.0	20	83.3	37.5	94.9
Direct marketing/ email/	-	-	-	-	-	-
Magazine/News Paper	7	12.7	-	-	-	-
Internet Advertising	2	3.6	7	29.2	4.5	11.4
TV or Radio Advertising	3	5.5	5	20.8	4	10.1
Flyers and Business Cards	9	16.4	23	95.8	16	40.5
Sales promotion	-	-	-	-	-	-
Personal sale (directly in person)	15	27.3	17	70.8	16	40.5
Sponsorship	-	-	-	-	-	-
Organizing fashion shows	4	7.3	8	33.3	6	15.2
Catalog (ETC photo)	19	34.5	15	62.5	17	43
Total	55	100	24	100	39.5	100

As it is shown in the above table, 100% of the producers said that they promote their products by displaying them at the place where they produce and sell Ethiopian traditional cloths. 43% of the total respondents said they use catalog which contains Ethiopian traditional cloths' pictures to promote and sell the product. 32.7% of the producers said they make use of various events, like trade shows and cultural events to introduce their products. Whereas, 91.7% of the sellers stated that they display the Ethiopian traditional cloths at various events, like trade shows and cultural events. The sellers also expressed that they not only take part but also they organize various events, like trade shows and cultural programs. This includes displaying their products using fashion shows in such events.

The responses of both producers and sellers shows that on average 11.4% of them use internet advertising, and 10.1% of them use TV/Radio to promote their product. On average about 40.5% of the total respondents use flyers and business cards as a means of promoting Ethiopian traditional cloths. Neither the producers nor sellers use sale promotion, sponsorship and direct marketing/ email/ methods to promote Ethiopian traditional cloths. From the responses we understand that Ethiopian traditional cloths' sellers and producers use very limited ways of promotion techniques. Focusing only on the traditional ways of promoting the products, i.e. by waiting until customers come to visit their shops, more active methods of promotion are used rarely. Therefore, promotion by use of a mixture of marketing communication mix is more beneficial to introduce Ethiopian traditional cloths to the international market.

Since three of the promoters interviewed during the festival were also engaged in selling the Ethiopian traditional cloths their questionnaire replies were included together with the sellers. They were also included among fifteen of the key informants the researcher interviewed. Accordingly, in addition to the promotion methods mentioned above, they stress the importance of organizing fashion shows more often in order to promote Ethiopian traditional cloths.

Cotton Supply

In order to see producers get enough supply of cotton as they needed, the respondents were asked whether they are getting enough cotton supply or have shortage of cotton supply. In addition they were asked the reason why they are facing cotton supply shortage. Accordingly, above 90.9% of the respondents said that there is cotton supply shortage. The major reasons mentioned for this include the mismatch of current cotton demand and supply. Some of the other reasons for why there is cotton supply shortage in the market include preference of cotton supply to large scale textile industries, infrastructure problems mainly transportation and low amount of cotton production.

Respondents were also asked to explain the seasonality of cotton product which they use as the major raw material for production of Ethiopian traditional cloths and the price of cotton in different seasons, i.e. whether cotton has different prices in various seasons. Accordingly, 100% of the respondents said cotton is a seasonal product and it is cheaper in winter and more expensive in summer time. The main rainy season when cotton is expensive is during July and August. The imbalance of cotton prices throughout the year has its own effect in productivity of Ethiopian traditional cloths.

Here it is worth to emphasize the fact that the country has great potential for cotton production. It used to produce less amount of cotton raw material which was not enough for the textile sub-sector until the year 2011/2012 (2004 Ethiopian Calendar)². Due to this shortage of the cotton supply the country banned export of cotton and introduced various measures to increase productivity. For instance, during the year 2010/2011 (2003 Ethiopian Calendar) there was a demand of 42 thousand ton where as there was only 32 thousand ton supply. Due to the mismatch of cotton demand and supply in the country during the same year the government prohibited cotton export to address the shortage of cotton in the country. In comparison a year after there was higher production of cotton in the country than the needs of the textile factories, ERTA (2012). This was mainly

² Ethiopian calendar is based on the older Alexandrian or Coptic calendar, which in turn derives from the Egyptian calendar. There is a seven- to eight-year gap between the Ethiopian and Gregorian calendars.

achieved due to the directions set by the government which included encouraging textile factories to pay the right price for cotton producers and also encouraging more investment in the cotton production sector.

Profitability of Ethiopian Traditional Cloths

The respondents were asked about their profit. That is, whether they get the expected profit and if the business could be sustainable or promising. And those who are not satisfied with the profit were asked to explain the reason why they are not getting enough profit. The following table summarizes their responses.

Table 8 - Profitability of Ethiopian Traditional Cloths

Profitability of ETC	Producers		Sellers		Average	
	Number	Percentage	Number	Percentage	Number	Percentage
It is profitable and promising.	40	72.7	17	70.8	28.5	71.7
It is not profitable at all.	0	0.0	0	0.0	0	0.0
It is not bad but promising for the future.	15	27.3	7	29.2	11	28.2
Total	55	100	24	100	39.5	100.0

Table 8 shows that the majority (71.7%) of the respondents said that producing Ethiopian traditional cloths and selling it is profitable. The remaining 28.2% of the respondents said Ethiopian traditional cloths' production and selling is not bad but much more promising for the future. Those who said it is not bad but promising for the future were asked why it is not satisfactory at this point. The major reasons were lack of capital and lack of promotion. Especially, the lack of capacity to employ enough laborers as the product is labor intensive has significantly affected the productivity of the producers. They think with better capital, it could be possible to be more productive and profitable as producing

and selling Ethiopian traditional cloths is a promising business. From this we can deduce that Ethiopian traditional cloths producers are not getting enough profit due to the fact that they have no enough capital to invest in large production facilities. The lack of capital to invest in the promotion of the product and the difficulties to target customers available all over the world is also mentioned as a major challenge in promoting the product.

Product and Service Differentiation

Customers were asked about the uniqueness, attractiveness, quality, durability, reparability, and stylishness of Ethiopian traditional cloths compared to other cloths.

Table 9 - Product and Service Differentiation

Ethiopian Traditional Cloths	Number of Customers who Agree	Percentage
Unique and attractive	74	100.0
Good Quality	48	64.9
Durable	40	54.1
Reparability	50	67.6
Stylish	70	94.6
Easy to order	29	39.2
On time delivery	33	44.6
Total	74	100.0

The customers have replied these questions in comparison with other similar products that they use. That is, in relation to cloths they like to wear. Accordingly, 100% of the customers have said that the product is unique in nature and it is stylish (94.6%). Coming to the service easiness to order and timely delivery fewer number of customers said it is easy to order (39.2%) and is can be delivered on time (44.6%). The major reasons for this are the lack of using IT communication tools. Moreover, the more traditional way of

supplying the product makes it difficult to receive the ordered item on time. Here the lack of capacity of producers to finish their orders on time is also another reason identified for the delay. On the question whether they get enough maintenance and repair service, almost all of the respondents said they do not have the need for such service as they use Ethiopian traditional cloths mostly during certain occasions.

Customers' Satisfaction

Customers were asked about how they are satisfied with Ethiopian traditional cloths products. Especially if they are satisfied with the price they paid for the product, etc.

Table 10 - Customers' Satisfaction

Customers' Satisfaction	Number of ETC Customers	Percentage
Satisfied	55	74.3
Not satisfied	19	25.7
Total	74	100

In comparison to other cloths they use 74.3% of the respondents said that they are satisfied for the price they paid for Ethiopian traditional cloths. Most of the customers indicated that they like the Ethiopian traditional cloths due to its unique look. The major reasons mentioned by those customers who are not satisfied (25.7%) include that due to the nature of the garment, it can easily be damaged and it is sometimes difficult to use it on daily basis. Others are discouraged due to the fact that there are not enough choices to make as there are only few places where they can choose and make the order.

5.2. Discussions

The purpose of this research is to identify some of the major marketing challenges of Ethiopian traditional cloths in the international market. Accordingly, this section discusses some of the major findings of the research in line with the marketing challenges of ETC in the international market.

5.2.1. Accessing the International Market

The result shows that there are major challenges of Ethiopian traditional cloths in accessing the international market. These include the use of less marketing communication tools or less promotion in general. There is no significant attempt to use marketing communication as a tool of communications to create a satisfactory inclination towards Ethiopian traditional cloths. As a result, both producers and sellers lacked to create or insert the image of Ethiopian traditional cloths in the mind of the targeted customer and capture the market. This is mainly due to the fact that the majority of Ethiopian traditional cloths sellers and producers just show their product the place where they sell and produce (Table 7). This limits passing information about the product because unless customers visited their shop or production facility, they will not get any information about the product. This limits the marketability of the product. As Ethiopian traditional cloths are unique and new for foreigners they need to be introduced well. Even these days the significance of marketing communication is growing fast for different reasons. Mainly due to the number of options that customers have they need to be told or shown how unique the Ethiopian traditional cloths are.

According to Kotler and Keller (2006) marketing communication comprises all the promotion elements which is important to the companies to communicate with the targeted customers in different approaches. Marketing communication can also give the necessary information to create point of difference. From all the pool of promotion elements the majority of Ethiopian traditional cloths producers and sellers give information only to the customers who visited them. This resulted in the lack of usage of various media outlets like television, radio, magazine, newspaper, etc... to communicate

about their product. This negligence of using these media outlets made the promotion /introducing the product/ process difficult mainly to international customers. Moreover, the usage of internet advertising and other electronic media like TV and radio advertising, which in general have better global reach in promoting such products, is used by the very few (11.4% and 10.1% respectively) of the producers and sellers. The result also indicated that neither the producers nor the sellers use sale promotion, sponsorship and direct marketing /email/ methods to promote Ethiopian traditional cloths.

In addition to the promotion methods discussed above, the key informants stress the importance of organizing fashion shows more often in order to promote Ethiopian traditional cloths. The current experience shows that Ethiopian traditional cloths have promising future if such fashion shows using renowned models are presented in potential international cities. One good example here is what is being done by supermodel / actress and former World Health Organization's Goodwill Ambassador for Maternal, Newborn and Child Health, Liya Kebede. She discovered that traditional weavers in her native country of Ethiopia were losing their jobs due to a decline in local demand for their goods and wanted to do something about it. Recognizing the beauty, quality and historic significance of their work, Liya started Lemlem Ethiopian traditional cloths store in 2007. She is both active in promoting and selling the product using the electronic media mainly internet.

The other important factor in accessing the international market is the experience in supply chain management of Ethiopian traditional cloths. The supply chain starts from collecting the woven small products from different partners then the second step is producing the main fabric which is used to make different clothing, shoes, bags, etc. The third step involves the distribution of the fabric to different Ethiopian traditional cloth producers. Finally the product would be sold in the local market directly by the producers or through retailers and brokers. The product is sent to customers residing outside of the country mostly by their agents and relatives. Endalew (2010) indicated that Supply Chain Management involves the planning and organizing of tasks and also involves team working and collaboration with partners in the channel. This can involve intermediaries, suppliers, service givers and targeted customers. Supply chain management incorporates

demand and supply management inside and outside the companies. It takes in to consideration the efficient and effective interconnection of suppliers, manufacturers, whole sellers, retailers and final customers. Here the cooperation or collaboration could be among producers and sellers, producers and customers, etc. Cooperation enables partners to gain together a better understanding of future goods and services demanded and employ more realistic program for the satisfaction of that demand. It also enables the producer to develop goods and services in a better manner and with reduced time frame. Such collaborations can avoid the unavailability of raw materials and results increased improved order fulfillment and enhanced capacity utilization of the producers.

Though there are improvements in the infrastructure including road density and power supply, the lack of adequate internet and other communication facilities make supply chain management difficult in producing and selling Ethiopian traditional cloths. As a result of insufficient infrastructure increased transportation cost creates market barrier. Producers face this challenge while they want to sell their products in the national market. This on the other hand makes it difficult to satisfy customers. Poor supply chain management seen in low market orientation and low business know how resulting problems and difficulties in managing supply chain. The other drawback is the lack of usage of supply chain management principles to interact the resources. Mostly, the supply chain from producers to end users is a long process. This long supply chain is time consuming and makes the buying and selling process costly in terms of time and money. One good example for this is the lack of enough benefits for the producers as well as cotton suppliers due to such long chains.

While discussing about the supply chain management practice of Ethiopian traditional cloths, it is important to discuss the roles played by messengers or agents, who represent all people including relatives and friends of those sellers, who reside out of Ethiopia and seek the assistance of such people to supply them with Ethiopian traditional cloths. These middle men usually transport the product along with their luggage or help send the product using postal packages. Table 6 shows that on average 94.9% of the producers and sellers use messengers/agents as a means to transport the goods. Messengers/agents of

those sellers residing abroad include relatives and friends of sellers, who are based in Ethiopia and those who travel to Ethiopia on timely basis usually for a different reason. This makes the supply chain of the Ethiopian traditional cloths inconsistent due to the fact that the people, who act as messengers or agents, change quite often. Moreover, depending on other individuals, who usually travel for a different reason creates inconsistency in the supply of Ethiopian traditional cloths, especially when the sellers don't get someone travelling to Ethiopia. Here the major reason given by the sellers residing out of Ethiopia is unless they don't use such a system they can't travel solely for this purpose and also create a supply chain mechanism due to the limited number of customers they have.

5.2.2. Qualities of the Product and Services

This study tries to answer the question whether maintaining Ethiopian traditional cloths is possible with more technology and knowledge to compete at the international stage. As indicated in the literature, goods can be differentiated from similar goods and other goods in quality, features, durability, form /physical structure of the product/, reliability, reparability, style, etc. And services can be differentiated in differences in ordering ease, delivery, maintenance and repair. According to these criteria it was attempted to see if Ethiopian traditional cloths will benefit from more technology and knowledge to compete at the international stage especially due to the unique/traditional nature of the product.

Here it is also good to consider the Ethiopian traditional cloths supply chain management experience. As it was mentioned in the previous section poor supply chain management seen in low market orientation and low business know how results in problems and difficulties in managing supply chain. This on the other hand makes it difficult to satisfy customers. Therefore, the low level of educational background (Table 1) exhibited by mainly producers as well as sellers have significant effect on the qualities of the product and services.

Additionally, improved technology has significant contribution to the quality of the product. Here one good example to discuss is the attempt being made by VEBA³ and others. According to the company's website, VEBA's mission is to develop the textile industry tradition, provide high-technology textile products and services based on close cooperation with significant clients and other partners. Currently, the company is partnering with Ethiopians, who order the garment in large amount with individual design specifications. What makes the product different is the fact that it is made in a traditional weaving, which is much more labor intensive in Ethiopia. Especially, to increase the supply and maintain similar quality the attempts made to modernize the traditional ways of making the Ethiopian traditional cloths is vital. Here technology transfer and the use of modern machineries by maintaining the unique nature of Ethiopian traditional cloths will also address some of the major concerns such as lack of uniformity of Ethiopian traditional cloths especially in size and other defects, which mainly resulted due to time pressure.

In comparison to the other cloths they buy, most of the Ethiopian traditional cloths customers (Table 10) indicated that they like the Ethiopian traditional cloths due to its unique look. The major reasons mentioned by those customers who are not satisfied include that due to the nature of the garment, it can easily be damaged and it is sometimes difficult to use it on daily basis. Others are discouraged due to the fact that there are not enough choices to make as there are only few places where they can choose and make the order. This result has significance to the quality of product and services. Mainly, it is pointed out that customers like the product because it is unique. But the product is not widely available in a way it can be used for all occasions. Though, there are attempts to make Ethiopian traditional cloths in various forms it is still not enough and also widely available. The service quality has mainly a lot to do with the limitation of choices as well as ordering ease, delivery, maintenance and repair.

³ VEBA, textilní závody a.s. is a traditional Czech producer of cotton Jacquard fabrics. It ranks among the most important cotton Jacquard fabric manufacturers in Europe. The company concentrates on the production of home and clothing textile goods. Nearly 90% of VEBA's production is exported, mainly to Africa and Europe.

5.2.3. Adequate Capital

Next, the study answers if there is adequate capital in the sector to be competent at the international stage. One of the major reasons put forward as a challenge for the Ethiopian traditional cloths at the international stage is the lack of adequate capital of producers. Since the majority of the producers are engaged in making Ethiopian traditional cloths as a follow up of the family practice for their day to day consumption, they lack saving to invest in modern ways of producing the product. Though Ethiopian traditional cloths have a long history and tradition large scale of investment in the sector is limited.

One good example that shows the importance of saving and adequate capital is the exceptional performance of designer Shitaye Kinf⁴. Just like many others she grew up in a family, who runs a traditional clothes shop which makes it easy for Shitaye to get in to the business. But unlike many of her friends, she took the initiative to start something big. She requested the government to provide her with a place for production of Ethiopian traditional cloths. Accordingly, her request was granted and she benefited from the support provided to small scale enterprises. After securing the place where she will produce Ethiopian traditional cloths, she began her business with 70,000 ETB (4,000 USD) investment. Addis Credit Enterprise gave her 25,000 ETB while the remaining 45,000 ETB was her own saving. She has also enjoyed the trainings provided in the areas of management and leadership, entrepreneurship, and increasing productivity. She was always invited to take part in all the trade bazaars to link her with the market. Her company now is engaged in weaving, coloring, designing, tailoring and embroidering. She also speaks of benefiting from using modern technologies by maintaining the unique nature of Ethiopian traditional cloths. She currently has about 40 employees including a marketing manager and she partners with many Ethiopian traditional cloth producers due to the high demand of the cloths both in Ethiopia, US and Europe. In less than 10 years

⁴ Shitaye Kinf is the owner of Yoas Tibeb. Yoas Tibeb was established in 2003. She masters the art of designing after years of rehearsal and professional training. Yoas Tibeb has the objective of promoting typical Ethiopian traditional cloths, scarves, table cloth and placements cushion covers curtains, bed covers, bags, wine holders and clothes which are hand woven and are tailored in a modern way to the rest of the world.

time her capital reached to 3 million ETB. And currently she is preparing to establish a factory, which can hire 450 employees with an estimated capital of 35 million birr.

The result (Table 8) has also indicated that producing Ethiopian traditional cloths and selling it is profitable and much more promising for the future. The lack of adequate capital and promotion makes it harder for most of the Ethiopian traditional producers to enter to the international market. Especially, the lack of capacity to employ enough laborers as the product is labor intensive has significantly affected the productivity of the producers. They think with better capital, it could be possible to be more productive and profitable as producing and selling Ethiopian traditional cloths is a promising business and they sometimes cannot cop up with the demand.

The lack of adequate capital has also its effect on competing with bigger textile industries in purchasing cotton. This is mainly due to the mismatch of current cotton demand and supply. From time to time the cotton supply shortage significantly affects Ethiopian traditional cloths producers due to the market's preference of cotton supply to large scale textile industries. In the same token the seasonality of cotton production and the variability of the price in different seasons is also another contributing factor. This is mainly due to the fact that Ethiopian traditional cloths producers have neither enough capital to buy and store cotton nor they have the facility or place to store cotton in larger amounts. During the process of the research after the necessary data was collected ERTA (2012) reported that Ethiopia used to produce less amount of cotton row material which was not enough for the textile sub-sector until the year 2011/2012 (2004 Ethiopian Calendar)⁵. Due to this shortage of the cotton supply the country banned export of cotton and introduced various measures to increase productivity. For instance, during the year 2010/2011 (2003 Ethiopian Calendar) there was a demand of 42 thousand ton where as there was only 32 thousand ton supply. Due to the mismatch of cotton demand and supply in the country during the same year the government prohibited cotton export to address the shortage of cotton in the country. In comparison a year after there was higher production of cotton in the country than the needs of the textile factories, ERTA (2012).

⁵ Ethiopian calendar is based on the older Alexandrian or Coptic calendar, which in turn derives from the Egyptian calendar. There is a seven- to eight-year gap between the Ethiopian and Gregorian calendars.

This was mainly achieved due to the directions set by the government which included encouraging textile factories to pay the right price for cotton producers and also encouraging more investment in the cotton production sector. If this cotton production is sustained, the cotton shortage issue can easily be solved.

5.2.4. Promotion of Ethiopian Traditional Cloths

This section discusses the current means of promoting Ethiopian traditional cloths. Kotler and Keller (2006) indicate that marketing communication is important to support the marketing plan and targeted audiences understanding and believe in the marketers' advantage over the competition. It helps business to create and insert the brand image in the mind of the targeted customer and capture the market. Marketing communication comprises all the promotion elements which are advertising, sale promotion, experience and events, public relations and publicity, direct marketing, and personal selling which is important to the companies to communicate with the targeted customers in different approaches. These days the significance of marketing communication is growing fast for different reasons. As more and more products are seen as a result differentiating brands which are similar to the inherent quality of the product have become harder and harder. Marketing communication can give the necessary information to create point of difference.

Nevertheless it has been seen in the result that majority of Ethiopian traditional cloths producers and sellers promote their product by displaying it at the place where they produce and sell. That means they show their products physically and with the aid of catalogue to those customers visiting them. They do not go to their customers through different marketing communication means like, advertising, direct marketing, personal sale, events and experiences and public relations and publicity. Most of Ethiopian traditional cloth producers and sellers do not use marketing communication like television advertising, radio, magazine, newspaper etc., which can address many people. This implies that Ethiopian traditional cloth producers and sellers still promote their product in a traditional way which limits their access to the international market and in the local market as well. Though this fact is true for the majority of Ethiopian traditional cloths producers and sellers, it is true that there are some exceptional entrepreneurs, who

make use of marketing communication tools like internet to expand their market. Yoas Tibeb and Lemelem are best examples for this.

5.2.5. ICT Use

Under this section ICT usage is discussed. That is, whether there are enough ICT materials and promotion activities in place to win the international market. In the past, single way of promotion /marketing communication/ with mass media, radio, network television, national magazine etc., worked very well in the era of mass marketing while the companies transmitted information, introduced their new products, reminded their customers, and so on through these tools. These days, the way of marketing communication has changed very dramatically. Companies needed much effort to find ways to communicate their customers efficiently. Under these circumstance two way /direct marketing/ become a significant and important way of marketing communication. For this reason information technology /IT/ gives the direct marketers chance to build two way channels of communication that allows relationship establishment and real time connection with the targeted customers.

Currently, businesses as a new marketing medium use internet together with other media like television, radio and print. This is mainly important due to the fact that television watchers are moving to the internet and the internet is the fastest growing medium in history. But the research finding showed that Ethiopian traditional cloth producers and sellers, particularly the producers do not use ICT (internet) to exchange information between producers and sellers and to promote their product, this might be the result of poor educational background and limited access to internet in Ethiopia. Though the sellers have better access to the internet and their educational background is better the internet usage for promotion is very limited. The results obtained from the customers show that the service easiness to order and timely delivery is impaired by the lack of using IT communication tools. The result (Table 5) on the means of communication between sellers and producers shows that the major communication takes place using telephone where as very few use internet or email communication.

Chapter VI

Conclusion and Recommendation

6.1. Conclusion

Ethiopian traditional cloths' sellers and producers use very limited ways of promotion techniques, which help them access the international market. Though there are few attempts by renowned individuals, such practices are not well replicated to promote the product at large. The supply chain management practice of Ethiopian traditional cloths has also its own drawback in accessing the international market. Here the low market orientation and low business know how of Ethiopian traditional cloths' producers and sellers have resulted in problems and difficulties in managing the supply chain. Contrary to the supply chain management principles, the supply chain from producers to end users is a long process. This long supply chain is time consuming and makes the buying and selling process costly in terms of time and money. One good example for this is the lack of enough benefits for the producers as well as cotton suppliers due to such long chains.

It is possible to maintain the Ethiopian traditional cloths' qualities of both the product and services with additional technology and knowledge to compete at the international stage. Though, there are attempts to make Ethiopian traditional cloths in various forms it is still not enough and also widely available. The service quality has mainly a lot to do with the limitation of choices as well as ordering ease, delivery, maintenance and repair.

Ethiopian traditional cloths' producers are not getting enough profit due to the fact that they have no enough capital to invest in large production facilities. The lack of capital to invest in the promotion of the product and the difficulties to target customers available all over the world is also a major challenge in promoting the product. The imbalance or seasonality of cotton prices throughout the year has its own effect in productivity of Ethiopian traditional cloths.

The use of less marketing communication tools including ICT have contributed to the drawback in accessing the international market, which in turn resulted in low level of income. Ethiopian traditional cloths are less promoted in general. It has been seen that Ethiopian traditional cloths producers and sellers promote their product by displaying it at the place where they produce and sell. This is mainly due to the lack of adequate capital and in some of the cases awareness in marketing communication tools. Moreover, the limited usage of information technology /IT/ gives the direct marketers chance to build two way channels of communication that allows relationship establishment and real time connection with the targeted customers.

6.2. Recommendation

It was singled out that the use of fashion shows at various cultural events has significant effect in promoting the Ethiopian traditional cloths. Therefore, in order to access the international market by promoting the use of a mixture of marketing communication mix is more beneficial to introduce Ethiopian traditional cloths to the international market. Moreover, improving the supply chain management practice of Ethiopian traditional cloths is also another important consideration. Here clearly defining the roles played by messengers or agents and others involved in the process is important. Implementing the supply chain management principles and decreasing the long chain from producers to end users will benefit the producers and that of cotton suppliers. This is mainly helpful because producers can compete with larger textile companies to pay a competitive price and get the necessary amount of cotton they need.

In order to maintain Ethiopian traditional cloths' product and service qualities by using more technology and knowledge, there needs to be training focused in the field. Here the launching of Bahir Dar Institute of Textile, Garment and Fashion Design at the end of 2010 is exemplary. But since the institution is mainly focused in feeding into the human resource needs of those modern textile industries being built in the country, additional focus in focusing in ways to improve the Ethiopian traditional cloths product and services

is vital. Moreover, institutions of this kind need to be highly connected with Ethiopian traditional cloths producers, who are spread in the country by providing various kinds of in-service trainings so that they can compete at the international stage.

Even if most of the Ethiopian traditional cloths' producers come to the business due to family practice and they have experience from early in their life, they are not aware of accessing ways of the international market. Moreover, increasing the supply and maintaining similar qualities of the product is another important area of improvement, which could be solved both through trainings and inviting adequate capital to the sector. Here efforts made to modernize the traditional ways of making the Ethiopian traditional cloths by some models and entrepreneurs need to be replicated and promoted significantly.

The introduction of Ethiopian traditional cloths which can be used in all occasions need to be widely available in the international market as well. In Ethiopia the Ethiopian traditional cloths market is significantly increasing due to the introduction of such all occasion Ethiopian traditional cloths. These cloths will have significance in introducing the Ethiopian garment in a modern fashion if they are widely available in the international market. These will also solve the problems related to the limitation of choices in ordering the Ethiopian traditional cloths.

Since the use of IT is undoubtedly beneficial both to promote and sell Ethiopian traditional cloths, creating such information portal, where various producers and sellers can use as a means to communicate with their customers is highly important. This helps in minimizing promotional costs since the majority of the producers operate with inadequate capital to spare for promotion. Moreover, these will create ordering ease and improve delivery.

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Yoas Tibeb: <http://yoastibeb.com/>

8. Appendixes

Appendix I: Ethiopian Traditional Cloths

Figure 3 – Big Scarf ‘netela’



Figure 4 - Women in Traditional Clothes, Timket Celebration



Figure 5 – Blanket ('gaby')



Appendix II: Questionnaire for Ethiopian Traditional Cloths Producers

Dear Madam or Sir,

I am a student of International Economic Development in the Czech University of Life Sciences. I am currently conducting a research on the *Marketing Challenges of Ethiopian Traditional Clothes in the International Market*. This questionnaire is prepared to see how Ethiopian traditional clothes are promoted in the international market and identify some of the major challenges associated with promotion and access to the international market. Therefore, your honest answers for these questions are important to realize this objective. I would like to thank you in advance for taking your time to fill in this questionnaire.

With regards,

Frehiwot Gobena

It is possible to choose more than one answer.

1. Age
 - a. Under 18
 - b. Between 19 and 35
 - c. Between 36 and 55
 - d. More than 55
2. Your educational background
 - a. 12 complete
 - b. 10 complete
 - c. 10+
 - d. If you have different educational background, please write here.....
3. For how long have you been producing and supplying traditional cloths?
.....
4. How many employees do you have?
5. Your customers are mainly...
 - a. Ethiopians and foreigners with Ethiopia origin
 - b. Ethiopians and foreigners
 - c. Only Foreigners
 - d. Export Agents
6. How do you communicate with your customers?
 - a. Via telephone
 - b. Via email

- c. Via postal mail
 - d. If different, please write here.....
7. If you have customers abroad, how do you send them the product?
- a. via post office
 - b. Foreign customers buy directly from here, we don't need to send
 - c. Via their agents
 - d. Via their relatives
 - e. If other, please write here.....
8. Do you promote your products?
- a. Yes
 - b. No
9. If your answer for number 8 is yes, how do you promote your products?
- a. Displays at various events/ trade shows/
 - b. Newspaper
 - c. Internet
 - d. Television
 - e. Flyers
 - f. Sale promotion
 - g. Direct mail
 - h. Personal sale (directly in person)
 - i. By sponsoring some products
 - j. By organizing fashion shows
10. Do you use electricity for production of the cloth?
- a. Yes
 - b. No
11. If no why? Because.....
- a. We don't have this technology (the machine doesn't need electricity)
 - b. Using electricity is very expensive
 - c. If other, please write here
12. Is cotton product seasonal?
- a. Yes
 - b. No
13. If your answer for No 12 is yes, which season is cheaper and which one is expensive? Please write here.....
14. Do you have cotton supply shortage?
- a. Yes
 - b. No
15. If your answer is Yes for No 14, what is the reason? Because
- a. Cotton production is low.
 - b. Transportation problem

- c. The product is seasonal.
 - d. If other, please write here.....
16. Do you think you are getting enough profit?
- a. Yes
 - b. No
17. If your answer for number 16 is No, what is the cause?
- a. Lack of promotion
 - b. Lack of capital
 - c. Lack of capacity (i.e. the production needs a lot of people)
 - d. If other, please write here.....
18. Do you think you are satisfying your customers in quality and quantity?
- a. Yes
 - b. No
19. If your answer for no. 18 is no, what is your reason?
- a. We use old technology to produce the product; as a result it is impossible to produce the required amount on time.
 - b. We don't have enough capital to improve the quality and quantity of the product. In order to do this we need more laborers, it is expensive to employ enough laborers.
 - c. Due to rush to finish orders on time, sometimes the quality of the product is compromised.
 - d. If other, please write here
20. Have you ever had complaint from your customers?
- a. Yes
 - b. No
21. If your answer is yes for the above question. The complaints are mainly focused on:
- a. finishing orders on time
 - b. quantity
 - c. quality
 - d. lack of communication
 - e. lack of transportation and distance from customers
22. If you have any suggestions to improve Ethiopian traditional cloths' access to the international market please write here.....
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Thank you.

Appendix III: Questionnaire for Ethiopian Traditional Cloths Sellers

Dear Madam or Sir,

I am a student of International Economic Development in the Czech University of Life Sciences. I am currently conducting a research on the *Marketing Challenges of Ethiopian Traditional Clothes in the International Market*. This questionnaire is prepared to see how Ethiopian traditional clothes are promoted in the international market and identify some of the major challenges associated with promotion and access to the international market. Therefore, your honest answers for these questions are important to realize this objective. I would like to thank you in advance for taking your time to fill this questionnaire.

With regards,

Frehiwot Gobena

It is possible to choose more than one answer.

1. Your educational background?
 - a. High school complete
 - b. College diploma
 - c. University degree
 - d. If other, please write here _____
2. How do you bring the products from Ethiopia to your shop?
 - a. We go to Ethiopia and directly bring it by ourselves.
 - b. We have agents in Ethiopia. They send us by post office.
 - c. Following our orders the producers directly send us by post office.
 - d. If other, please write here _____
3. Do you have enough capital?
 - a. Yes
 - b. No
4. Do you get the products in the right amount you order?
 - a. Yes
 - b. No
5. If your answer for no. 4 is No, what is the cause?
 - a. The producers lack the capacity to satisfy your needs.
 - b. There is communication problem mainly because there is limited internet access in Ethiopia and we need to call them. As it is costly to call home from abroad, we can't call them frequently as we want.
 - c. There are problems related to transporting the products from Ethiopia.

- d. If other, please write here _____
6. Do you get quality products as you want?
 - a. Yes
 - b. No
 7. If your answer for no. 6 is No, what is the reason?
 - a. Producers don't use modern machineries.
 - b. The nature of the garment is very soft. And it can easily be damaged.
 - c. The producers don't take enough care as the clients are out of the country.
 - d. In order to satisfy customers quantity needs, sometimes producers make the product very quickly, without giving due consideration to the quality of the product.
 8. How do you view the price of the product and the cost of transportation?
 - a. The product cost is fair but the transportation is costly.
 - b. The transportation cost is fair but the product is costly.
 - c. Both costs are fair in relation to their ultimate market price.
 - d. The ultimate market price can easily be adjusted depending on the product and transportation cost.
 9. What do you use to promote your products? Which method you use to promote your product.
 - a. Displays at various events/ trade show/
 - b. Newspaper
 - c. Internet
 - d. Television
 - e. Flyers
 - f. sale promotion
 - g. direct mail
 - h. personal sale
 - i. by sponsoring some products
 10. Who are your major buyers?
 - a. Ethiopians
 - b. Everybody (Ethiopians and foreigners)
 11. How do you communicate with the producers?
 - a. Via internet (email)
 - b. Via telephone
 - c. Via mail
 - d. If other, please write here _____
 12. Do you have any problem regarding information communication technology /ICT/ in communicating with the producers?
 - a. Yes
 - b. No

13. If your answer for number 12 is No, what is the reason?

14. Have you ever faced major delays due to communication problem?

- a. Yes
- b. No

15. If your answer for number 14 is No, what is the major reason?

16. Do you think Ethiopian traditional cloth is cheap compared to other cloths?

- a. Yes
- b. No

17. In what range is the price of your product in comparison with other cloths in the place where you live?

Thank you.

Appendix IV: Questionnaire for Ethiopian Traditional Cloths Customers

Dear Madam or Sir,

I am a student of International Economic Development in the Czech University of Life Sciences. I am currently conducting a research on the *Marketing Challenges of Ethiopian Traditional Clothes in the International Market*. This questionnaire is prepared to see how Ethiopian traditional clothes are promoted in the international market and identify some of the major challenges associated with promotion and access to the international market. Therefore, your honest answers for these questions are important to realize this objective. I would like to thank you in advance for taking your time to fill this questionnaire.

With regards,

Frehiwot Gobena

It is possible to choose more than one answer.

1. How do you see Ethiopian traditional cloths compared to other cloths?
 - a. Unique and attractive
 - b. Good Quality
 - c. Durable
 - d. Repairable
 - e. Stylish
 - f. Easy to order
 - g. Delivered on time

2. Do you get Ethiopian traditional cloths per your order on time and the right quality?
 - a. Yes
 - b. No

3. If your answer for number 2 is No, what are the major reasons?

4. Are you satisfied with Ethiopian traditional cloth quality and price?
 - a. Satisfied
 - b. Not satisfied

5. If your answer for number 4 is not satisfied, what are the major reasons?

6. Can you easily order Ethiopian traditional cloths at any time you want?

- a. Yes
- b. No

7. If your answer for number 6 is No, what are the major reasons?

8. How do you see the quality of Ethiopian traditional cloths compared to other cloths?

- a. Satisfactory
- b. Unsatisfactory
- c. I have no idea
- d. Not bad
- e. Not good.

9. Is there a store of Ethiopian traditional cloths at the place where you live?

- a. Yes
- b. No

10. Do you like Ethiopian traditional cloths?

- a. Yes
- b. No

11. If your answer for number 10 is yes, would you please write the major reasons why you like Ethiopian traditional cloths?

12. If your answer for number 10 is no, would you please write the major reasons why you do not like Ethiopian traditional cloths?

13. How did you hear about Ethiopian traditional cloths?

- a. From TV advertisement
- b. From radio advertisement
- c. From different magazine advertisement
- d. From friends
- e. From fashion shows held in particular Ethiopian events
- f. From Ethiopian traditional cloth sellers

Thank you.