

**S.1 CLASS (PLEASE COPY AND READ ALL THE NOTES BELOW.)**

**NOTE;** *You shall be checked for all the notes given to you by teachers and for any notes missing, you shall go home to copy before you are received.*

**CREATIVITY**

**Meaning.** creativity is the ability to come up with innovative solutions to customers' needs and to market them.

**Note.** Innovative solutions. These are new ideas generated to solve customers' needs such as developing new products, improving on the quality of the existing products etc.

**CREATIVE PROCESS/STEPS OF THE CREATIVE PROCESS.**

1. Preparation. This involves getting information, data and opinions which are analyzed in order to come up with a solution to a given problem.
2. Incubation. Allowing the mind to continue the process of preparation so as to relate with the concepts formed to come up with an idea.
3. Illumination. Developing a solution once associations are complete, such solution may come up through inspiration without actually focusing on the problem.
4. Verification. This involves evaluating the ideas to find solutions through testing ideas and its applicability to come up with the final solution.

**IMPORTANCE OF CREATIVITY**

- It enables entrepreneurs to develop new and original ideas as a beginning point.
- It enables entrepreneurs to solve daily problems in business.
- It helps entrepreneurs to promote products and services of the business.
- It increases entrepreneur's potential or chances of success through developing different products in the business.
- It helps an entrepreneur to generate large number of ideas through brain storming.
- Helps an entrepreneur in updating products and services.
- It enables the entrepreneur make use of the limited resources.

**CHARACTERISTICS OF CREATIVE PEOPLE**

- Originality. Creative people should be able to do something, that they are the first people to do.
- Independent thinking. They should be able to think for themselves.
- Flexibility. Creative people are flexible according to new changes and demands, learn current innovations and learning new skills.
- Growth and change. Should be able to search for change continuously. They learn to change for the best of the business so as to grow bigger.
- Innovative. They should have courage to try new things and use something old to modify it so as to come up with what is better.

- Sensitive. Creative people always become sensitive to what is taking place in the environment so that they do things according to the demands of the environment.
- Search for better ways of doing tasks. They should be able to focus on what they do and find new possibilities and ways of completing tasks.
- Ask questions. They always ask others to explain to them what they do not understand.

### **OBSTACLES/PROBLEMS THAT LIMIT CREATIVITY**

- Negativity. This is where one focuses on the negative aspect of an idea than positive outcomes of an idea hence limiting creativity.
- Fear of failure. People fear to be laughed at as losers in doing something, though failure may happen but it should not limit one from trying.
- Thinking that one is not creative. This means some people lack self-belief that they can do something, which limits creative thinking.
- Having no quality thinking time. People may not have adequate time to think creatively, this could be as a result of work commitment or stress, this limits creativity.
- Applying too much logic. Having too much analytical and calculative thinking without proper imagination may limit creativity.
- Making assumptions. Assuming that things are done in a certain way without getting proper information about it may limit creativity.
- Competition. Entrepreneurs aim at out competing their competitors and hence tend to do things according to their competitors instead of being creative.
- Fearing to look foolish. Doing things that do not conform to the known standards may present one as foolish which limits creativity.
- Avoiding ambiguity. Ignoring things that are not clear or complex so as to do simple things.

### **SOLUTIONS TO THE OBSTACLES OF CREATIVITY/ WAYS/ TECHNIQUES OF DEVELOPING CREATIVE ABILITY.**

- Thinking beyond the invisible frame work that surrounds the problem or situation.
- Recognizing when assumptions are being made and challenging them.
- Noting ideas that drop into the mind so as not to forget about them.
- Suspending judgements to encourage the process of creativity and avoid premature criticism.
- Tolerating ambiguity and occasionally live with doubts and un certainty.
- Making connections with points that are important, relevant or outside your expertise.
- Using analogy such as improving imaginative thinking to find solutions in existing products or organizations.
- Knowing when to leave the problem. Such as remain aware but out, until a solution comes up.
- Practicing fortunes such as finding valuable and agreeable things when particularly not seeking them.
- Transferring technology from one field to the other.

- Looking at problems as opportunities, every problem presents chance for one to be creative.
- Embracing diversity, trying to develop many ideas through diverse work force helps to develop creativity.

### **INNOVATION.**

**Meaning.** Innovation refers to the transformation of resources of an enterprise through people's creativity into new resources and wealth.

### **TYPES OF INNOVATION.**

1. Business model innovation. This refers to changing the way business is being done in terms of capturing value. Such as a bar introducing in the activity of bucket nights in order to give back to its clients in terms of reduced price for large purchases.
2. Marketing innovation. This involves development of new methods of marketing with improvement in product design, packaging, pricing.
3. Organizational innovation. This involves creating or changing business structures, practices and models such as process and marketing.
4. Product innovation. This is where new and improved goods or products are introduced in the market. Such as a company introducing in new improved products on market.
5. Process innovation. This is when there is introduction of a new or improved production or delivery method. Such as developing new ways of delivering products to customers and sourcing raw materials.
6. Service innovation. This is where new services are introduced which may be improved.
7. Supply chain innovation. This is where innovations occur in the sourcing of inputs, products from suppliers as well delivery of products to customers.
8. Financial innovation. This involves development of new financial products in terms of risk taking, liquidity and credit.

### **BENEFITS/ADVANTAGES OF INNOVATION.**

- It improves product design and quality; this is in a way that it helps in locating new technology that is used in making new products.
- It assists a company in packaging and repositioning its products for global distribution and marketing.
- It helps in developing new channels of distribution and adds value to make the company's product stand out.
- It responds to customer's needs, this is through reviewing the company's objectives and comparing them with the needs of customers.
- It creates alliances with venture partners which enables the company to reposition its opportunity to match the interests of investors.
- It streamlines relationships with suppliers and customers in business because of better service deliveries.

- It helps to increase the productivity through introduction of new or better methods of production and this increases output of the business.
- It enables the business to attract new customers. Such as through innovation new products can be produced which can attract new customers hence increasing the market share.
- It leads to effectiveness and efficiency in production, this reduces wastage at different levels of production in the business.

### **CHARACTERISTICS /TRAITS OF INNOVATORS.**

- opportunity oriented. Innovators should always find out for opportunities and constantly think about new ways of doing things.
- Compelling vision. They should have the ability to formulate a vision for their organizations to people who can make them happen.
- Passionate about beliefs. Innovative people stick to what they believe in and what they want, they give it everything to be successful.
- Persistent extraordinary. No matter what happens they keep going, they do not allow obstacles to limit them from achieving what they want.
- Trend spotter. Innovative people are able to identify something new and get its social responsibility.
- Self-disciplined. They should be disciplined to achieve results. Should work hard and do the important work first.
- Inner directed. Innovators are not told what to do but have knowledge about what to do.
- Relates with positive people. Innovators associate themselves with people with positive minds towards creating something new.

### **SOURCES OF INNOVATION.**

- Unexpected occurrence. Unexpected failure or un expected success in business may lead to introduction of new ideas and information hence innovation.
- Incongruities. Here innovation comes as a result of the difference between what the company assumes and what is actually the reality, this triggers innovations in business.
- process needs. This is created to support other products or process in case the process is not effective enough.
- Industry and market changes. Changes in the market in terms of new needs by customers are opportunities for innovation in business.
- Demographic changes. This is concerned with changes in population size, age, education levels, forces the business to be innovative to match the changes.
- Changes in perception. This is to do with people's attitudes and beliefs about something. When people's perceptions change, it creates innovation in business.
- New technology or knowledge. Introduction of new technology enables business to be innovative so as to come up with new products to gain from new technology.

### **WAYS OF PROMOTING INNOVATION**

1. Implementing new rules. This involves trying new things such as introducing new products in the business so as to be more competitive.
2. Developing innovative strategies. This involves developing deliberate strategies and mechanisms to promote consistent innovation.
3. Avoiding barriers This involves removing things that would limit one from attaining innovation. Such as removing things that separate people and departments, firms and suppliers.
4. Being fast in implementing new ideas before they are forgotten.
5. Thinking like an entrepreneur. Making things happen and being persistent in what one does in case of failure, they use it to improve their innovation.
6. Thinking global. Thinking widely and linking up with other people internationally so as to get more ideas for innovation.
7. Doing well. This is through doing well for others, customers as well as suppliers which enables attainment of success leading to innovation.
8. Being a learner. This involves getting knowledge from other people so as to learn faster and better which helps one to introduce new products hence innovation

### **RISKS IN BUSINESS.**

#### **Definition.**

A risk is a situation where one is required to make a choice between two or more alternatives which may result into differing rewards for success or penalties for failure.

#### **OR**

A risk is a possibility of suffering harm, loss, or danger.

### **TYPES OF RISKS.**

- Low risks. These are risks that yield low profits to the business.
- Moderate risks. These are risks that can be calculated or managed by the entrepreneur. it is possible to avoid such risks. Such as risk of fire, theft, burglary etc.
- High risks. These are risks whose chances of occurrence are very high and yet the entrepreneur has little or no control over them, such as; risk of smuggling, dodging government taxes.

### **EXAMPLES OF RISKS THAT AN ENTREPRENEUR MAY ENCOUNTER IN BUSINESS.**

- Risk of losing market due to changes in customers' tastes, demand and fashions.
- Risk of being out competed in the market due to changes in the level of competition.
- Risk of getting out of business due to changes in technology resulting into obsolescence of plants and machinery, techniques of production.
- Risk of failure to produce due to changes or shortage of raw materials, power, fuel.
- Risk of business failure due to deterioration in industrial relations leading to strikes, lock outs.
- Risk of faulty managerial decisions concerning the use of capital and other resources.
- Risk of fire out breaks.
- Risk of natural calamities such as floods, earth quakes. Theft of business property or cash.

**MEASURES/WAYS OF MANAGING/ MINIMISING RISKS.**

- Employing experienced personnel. This reduces on the risk of mismanagement that may come up due to taking poor managerial decisions.
- Training of employees on the use of new equipment and technology to keep the workers up to date with technological changes.
- Maintaining adequate security by employing security guards. This reduces theft of business properties. Installing fire extinguishers to minimize damage that may be due to fire outbreak.
- Insuring the business with insurance companies through obtaining appropriate insurance covers.
- Diversifying the product line or range to less risky line.
- Maintaining and up grading production technology and products to minimize the problems of changes in customers tastes and fashions.
- Monitoring and supervision of the business operations. This reduces risks resulting from negligence by workers.

**RISK ASSESSMENT**

This involves determining the potential success that will arise out of the risk not happening or potential loss arising out of the risk happening.

**FACTORS CONSIDERED WHEN CARRYING OUT RISK ASSESSMENT.**

- Availability of the market, such as whether the people in the area in need are willing and able to buy the products from the business.
- Experience and abilities such as whether the person involved in promoting and managing the business poses the required knowledge and experience.
- Viability of the idea such as whether the chosen business idea would be profitably done in the area, given the available resources, staff.
- Pricing policies and strategies. one should find out whether the proposed price at which the goods will be sold will be competitive in the prevailing situation in the market.
- Establish whether the business will generate enough cash inflows to cater for the planned cash outflows and if not, determine whether it will be in position to look for other resources to bridge the gap.
- Flexibility of the business. Whether the chosen business can be easily changed without having any disastrous effects on the resources invested.
- Honesty and reliability such as finding out whether the people whom the business is dealing with are honest and easily be relied on such as suppliers, employees, clients.

**TECHNOLOGY AND BUSINESS**

**Meaning of technology.**

Technology refers to the knowhow, design and intellectual input of doing things.

**TYPES OF TECHNOLOGY**

1. Indigenous technology. This is technology developed within a country and passed over the years from one generation to another, often with no development or improvement. Such as weaving mats, baskets in Uganda.
2. Advanced technology. This is one which has been developed from modern scientific principles. such as use of projectors.
3. Adapted technology. This is technology developed by one country or society and copied by another.
4. Transferred technology. This is technology developed from one country and exported to another country.
5. Intermediate technology. This is technology that strikes a balance between labor intensive and capital intensive technology.
6. capital intensive technology. This is technology that uses more of capital than labor.
7. Labor intensive technology. This is technology that uses more of labor than capital.
8. Appropriate technology. This is technology that suites the level of development of a country or firm. such as lab our intensive technology is appropriate for Uganda.

### **CHARACTERISTICS OF APPROPRIATE TECHNOLOGY.**

- Simple. For technology to be appropriate it should be easy to operate. such as the user of such technology should be able to apply it.
- Effectiveness. It should be effective in a sense that it should easily meet the objectives of the user.
- Availability /Accessibility. Appropriate technology should be easily accessible than one which may be preferred but not available.
- Flexibility. It should be flexible enough to adopt new changes in the business that may result from changing needs of customers.
- Durability. Appropriate technology should be long lasting so as to minimize costs of repairs and maintenance.
- Efficiency. The technology should be efficient in regard to utilization of locally available resources.
- Cost effectiveness. The cost of technology should be low in relations to the benefits and profits of the business with reasonable amount of profits.

### **USES OF TECHNOLOGY IN BUSINESS.**

1. Improves productivity. Advanced technology increases the level of output per production unit.
2. Enhances lab our knowledge and skill development. This helps workers to complete a given task in the shortest time possible.
3. Increases the level of profits in the business. This is because, sales increases as a result of improved technology, this guarantees increased profit margin.
4. Enhances customer satisfaction. This is because it creates efficiency in service delivery, this leads to satisfaction.
5. Increases resource utilization. Resources that would remain idle are able to be exploited which leads to increased output in business.

6. Minimizes resource wastage. Advancement in technology means provision of sophisticated means of accountability in the enterprise hence minimizing resource wastage.
7. Enhances competition. Technological advancement enables the enterprise to stay ahead of competition since the business can come up with quality products and better production strategies.
8. Promotes sales of the business through use of various sales promotion techniques which helps in attracting more customers into business.
9. Reduces operational costs of the business through use of automatic ways of production which minimizes labour costs.

### **FACTORS CONSIDERED WHEN SELECTING TECHNOLOGY TO USE IN BUSINESS.**

- Initial cost of technology. One prefers technology of low cost to minimize costs in production than technology of high cost which reduces profits.
- Ease of maintenance and repair. Technology that is easy to maintain and repair is preferred by businesses than one that is difficult and costly to maintain.
- Availability of skilled man power. Businesses with skilled labour employ advanced technology while for semi-skilled and unskilled labour, low technology is used.
- Simplicity and ease to use the technology. One uses technology that is easy and simple for workers to operate than one which is complicated to use.
- Ability to use the other inputs. Technology that uses co-operant factors like other inputs, is preferred by entrepreneurs than one that cannot use other inputs easily.
- Government policy in regard to technology. Businesses employ technology that is favored and promoted by the government as compared to the one that is not favored by the government policy.
- Availability of spare parts. One chooses technology whose spare parts are readily available for easy maintenance than one whose spare parts are not easily accessible.
- Productivity and efficiency of technology. One chooses technology that leads to high productivity so as to increase business revenue than technology whose productivity is low.
- Flexibility of technology. Entrepreneurs prefer technology that is flexible enough to match changes in business than technology that is not easily adjusted to suit the needs of the business.
- Availability of technology. Technology that is easily accessible by the business is preferred to one that may be liked but not available.
- Power consumption. Technology that consumes little power is preferred since this minimizes power bills in the business than technology that uses a lot of power.
- Source of technology. Entrepreneurs prefer suppliers who are known and reputable than suppliers who are not known and lack good reputation.
- Impact on the environment. Technology with less negative impact on the environment is preferred to technology which may have adverse impact on the environment.

### **BUSINESS IDEAS.**

A business idea refers to the response of a person or an organization to solving an identified problem or meeting identified needs in the environment.



**REASONS /RATIONALE FOR GENERATING BUSINESS IDEAS.**

- To have an idea. A good business idea is necessary for business success since it helps to start a business and too be competitive.
- To respond to natural threats and scarcities. Businesses may lose economic and natural living bases such as water, fuel, among others. So ideas help to adapt to changes in the natural environment.
- To stay ahead of competition. Better and new business ideas help to adapt to changes in the natural environment.
- To respond to the product lifecycle. As old products get outdated hence need for new ideas and new products using technology.
- To respond to market needs. A business can be more successful through providing new products in the market since new products maintain old customers.
- To change fashions and requirements. Fashions and tastes of customer's change from time to time hence new business ideas help respond to such changes.
- To give help to specific groups of people. For instance, the elderly, those with disability such new business ideas help to come up with ways of responding to needs of such groups.
- To exploit technology. Technology is a major tool in today's competitive market. The rate of change influences firms to be innovative. This enables firms to come up with new product so as to be competitive in the market.
- To spread risks and allow for failures. The entrepreneur can spread risks by developing new business ideas so as to have variety of products in the market.

**BENEFITS OF GENERATING BUSINESS IDEAS.**

- It enables the business to respond to natural threats and scarcities.
- It enables the business to stay ahead of competition. Better and new business ideas inform of products and services help challenge.
- It enables the business to respond to the product life cycle.
- It enables the business to respond to market needs.
- It enables the business to change fashions and requirements.
- It enables businesses to give help to specific groups of people such as the elderly, those with disability.
- It enables the business to exploit technology.
- It enables the business to spread risks and allow for failures.

**TYPES OF BUSINESS IDEAS.**

- Dairy farming
- Horticulture
- Construction
- Manufacturing
- Tailoring
- Repair and maintenance.

**SOURCES OF BUSINESS IDEAS.**

- Newspapers. The idea can be got by reading newspapers especially the adverts, placed on newspapers.

- Magazines. Ideas can be generated by reading articles in magazines especially articles describing different businesses.
- Hobbies/Interests. These are what individuals enjoy most in form of activities, for example if one enjoys sports, he/she can start a sports gadget selling shop.
- Trade shows and exhibitions. This involves attending trade shows, here one can get relevant information about the products that he/she can use to start up a business.
- Surveys. A business idea can be got by carrying out market research on what are the needs and wants of the customers.
- Vocational training /personal skills and experience. A business idea can be developed from training and skills gained from training schools.
- Brain storming. This is a creative problem solving technique, this leads to generation of many ideas and the best is taken as an idea.
- Customers' complaints and dissatisfaction. Complaints on the side of customers about a product of a particular business may encourage one to set up a rival firm to satisfy customer needs.
- Franchise. This happens when the manufacturer of a given product or service gives exclusive rights for distribution to independent retailers, hence one may venture into distribution of such goods or services.

#### **FACTORS THAT AFFECT /DETERMINE CHOICE OF BUSINESS IDEAS.**

- One's skills. The business idea chosen is one that is in line with one's skill for easy implementation compared to business idea which is not related to one's skills.
- One's interest. Business idea chosen should be related to one's hobbies, the activities of the business should relate to one's interest of work than business whose activities does not appeal one's interest.
- Personal commitment. Business ideas that encourage individual to sacrifice more time so as to help the business grow are preferred as opposed to ideas that do not encourage individual's commitment.
- Market consideration. Business ideas whose products or services have prospects for sufficient market are chosen as compared to ideas whose products have limited market.
- Amount of personal capital one can raise. One chooses an idea that can easily be implemented with available resources than ideas that cannot easily be implemented using resources available.

#### **BUSINESS OPPORTUNITIES**

**Definition.** Business opportunity refers to an attractive investment idea or position that provides the possibility of a monetary return for the person taking the risk.

**OR**

A business opportunity is an attractive idea that provides the possibility of a return for the investor or the person taking the risk.

#### **CHARACTERISTICS/FEATURES/QUALITIES OF A GOOD BUSINESS OPPORTUNITY.**

- Sizeable market gap. The people or institutions willing to buy products of the business should be sizeable enough.
- Good income potential. It's important to choose a business which will give enough income to support it self and the entrepreneur in the required reasonable life style.
- Low or moderate startup capital. A good business opportunity should be one that requires low capital investment.
- Properly timed. A good business should be timely in relation to response to the unsatisfied needs or wants of customers.
- Good growth potential. The business should be one which has chance to survive for a long time while generating enough income to the owner.
- Reasonable ease of entry into the market. One should choose a business that enables him to start easily or enter easily into the business.
- Related to one's skills and experience. One should select a business he/she has the skills and experience necessary to run business smoothly.
- Reasonable return on investment. It is important that the business chosen is one which generates reasonable profits to the investor.

### **TYPES OF BUSINESS OPPORTUNITIES.**

- Retail type of business. Retail business sell goods to final consumers in affordable quantities.
- Wholesale type of business. Whole sale business involves buying goods from in large quantities from producers and sell them to retailers.
- Franchise. This is when one buys the right to sell to sell another company's goods or services.
- Products or service type of business. One can choose to deal in products or tangible goods. Product type of business is when one sells tangible goods such as a bar, while service is type of business that sells services such as hair salons.
- Store type of business. This is a type of business done by people who deal in physical goods by storing them in form of ware houses.
- Industry type of business. This is when decides to establish a firm and start to manufacture goods such as cheers, crown beverages.

### **MARKET SURVEY/MARKET RESEARCH**

#### **Meaning of market survey.**

This refers to the systematic gathering, recording and analyzing of data about problems relating to the marketing of goods and services.

### **REASONS /OBJECTIVES/PURPOSE/AIMS OF CARRYING OUT MARKET RESEARCH.**

- To find out type and nature of the products preferred by the customers at a given time.
- To determine the quantity /volume of products to be put on the market. This is because market research helps to reveal the amount demanded by the customers.
- To determine the SWOT of the competitors so as to base on the weakness of the competitors to overcome them.

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- To assess the viability and feasibility of the business whether the business is profitable or not.
- To find out the different market trends.
- To find out the needs of customers such as what customers say about the product and what they want the product to be like.
- To find out the effectiveness of advertising and sales promotions such as whether the advertising method used is creating an impact in form of more sales or not.
- To identify the changes in the environment which may affect the business sales or profits in the future such as customers taste and preference.
- To assess the level of current demand for the products in the market such as whether it is highly demanded or not.
- To determine the effectiveness of the price charged in the market by the business such as whether it is attracting the buyers or not. To assess the level of competition and suggest ways of beating off competition in the market.
- To establish who the target market is.
- To find out the effectiveness of the distribution channel used. Whether it is yielding more sales for the business.
- To determine the market share. The entrepreneur knows how many customers are loyal to his products in the market through carrying market research.

### **METHODS USED WHEN CARRYING OUT MARKET SURVEY/TOOLS OF MARKET SURVEY.**

1. Observation method. This involves using naked eyes to see certain the buying patterns of customers for the different products. You base on the observations made and you draw conclusions.
2. Interviewing method. This involves face to face interactions between the researcher and the respondents about the problem. It involves asking questions and getting answers.
3. Questionnaire method. This involves formulating questions and giving the respondents to answer such that the researcher can get the information.
4. Sampling method. Here the researcher chooses an area which represents the whole market and gets findings from the samples.
5. Surfing or use of the internet. Here information is got from the different websites from the internet.
6. SWOT analysis. This involves getting information about the business strength, weakness, opportunity and threats of the business from the business.
7. Experimenting. This is a method where the researcher comes up with conclusions which can be proved or tested with experiment.

### **CIRCUMSTANCES UNDER WHICH MARKET RESEARCH MAY BE DONE.**

- When there is need to establish who the target market is.
- When there is need to determine the market share of the business.
- When there is need to increase sales of the business. Market survey can avail information about the needs of customers hence the entrepreneur sells the commodity according to the customer's needs.

- In case of assessing the level of competition on market for the business.
- When determining the effectiveness of the distribution channels such as whether the channels used is creating a positive effect on the sales of the business or not.
- When there is need to establish the effectiveness of the price charged in the market. such as the price charged is attracting more buyers or not.
- When there is need to establish the needs of customers. When finding out what they actually want the product to be like.
- When there is need to find out the effectiveness of advertising and sales promotion. such as whether the method used for advertising is creating more sales or not making an impact.
- When there is need to find out the changes in the environment which may affect business sales or profits in the future. such as changes in customers taste and preference.
- When assessing the level of current demand for the products in the market.

### **BENEFITS OF CONDUCTING MARKET RESEARCH**

- Helps an entrepreneur to find out who his/her customers are.
- It helps an entrepreneur to make decisions as to whether or not to expand the business.
- It helps entrepreneurs to identify the existing gaps that exist in the market that he /she is trying to penetrate.
- Enables entrepreneurs to get information about the potential customers.
- Helps entrepreneurs to get information about the potential customers.
- Helps the entrepreneur to identify the size of the market they want to serve.
- It helps entrepreneurs to identify the customers wants.
- Helps the entrepreneur to identify the effectiveness of advertising and sales promotion.

### **SOURCES OF INFORMATION WHEN CARRYING OUT MARKET RESEARCH.**

1. Visiting shops where goods are being sold to the customers.
2. Visiting factories where production of goods is being done from.
3. Observation, such as observing operations and buying patterns in the market.
4. Interviewing real and potential customers.
5. Issuing questionnaires to different to different individuals like customers.
6. From employees, because they work directly with customers, they are aware of their complaints and comments.
7. Competitors such as monitoring their operations in order to determine their strength and weakness.
8. Looking at company records and files such as sales records and receipt book.

### **CHALLENGES FACED WHEN CONDUCTING MARKET RESEARCH.**

1. Language barrier. Different people speak different languages. This makes it hard for the researcher to find out information from respondents who may not know a similar language.
2. Inadequate skills to handle data. Many researchers do not have the skills to assess and interpret the data collected and hence leading to wrong information.

3. Changes in demographic factors like population, age and sex. This affects the effectiveness of collection of information.
4. Inadequate funds. Sometimes research is expensive to finance. This limits small firms from doing research.
5. Political instability in some market areas. This makes it hard to find out information about customers in such areas.
6. Inadequate communication facilities. This makes accessibility to some areas of the country difficult due to poor network
7. Lack of proper co-operation between the public and the researcher. Some consumers may not give information due to suspicion.
8. Competitors who may sabotage collection of data. This hinders getting of information from customers.

**END**