

MARKET ANALYSIS AND THE FEASIBILITY OF ESTABLISHING SMALL BUSINESSES

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Abstract

This study aims to explore the nature of relation and effect between market analysis and feasibility of establishing small businesses operating in the services sector in Jordan. Four independent variables were identified to market analysis: location, demand, price and competitors. The study population consisted of (163) cases and the researchers used a close ended 42-item questionnaire, with a (83.43%) reliability coefficient, as per the Chronbach Alfa equation for collecting the primary data of the study. Furthermore, two types of analysis were employed: simple regression analysis and stepwise multiple analysis. The study made a number of conclusions, most important of which is: there is a statistically significant relationship between the location, demand, price and competitors and the feasibility of establishing small businesses.

Keywords: Market Analysis, Feasibility Studies, Service Sector, Small Businesses, Jordan

1.0 Introduction

Market analysis of businesses is deemed as scientific tool to obtain relevant information about the realities of the proposed market. This will benefit the investor in showing the business feasibility to be studied and its preference over alternative investment opportunities, subsequently,

making the suitable decision, either by proceeding further to the next stage of the economical feasibility study, or putting off the idea of the business under study.

Market analysis is an extremely important step after completing identifying the investment opportunities, and the initial feasibility study thereof, so that it is possible to start the detailed economical feasibility study, in which the market analysis topic is the first stage, since it is the scientific base of the business establishment justification.

Regardless of the business to be established, a prior study must be conducted for it, because the investment work includes both large and small size businesses. Therefore, the deliberate preparation before starting expenditure, if not an inevitable necessity, it is at least, the best ways available to secure the optimal use of the economical resources, and increase the possibility of sound implementation chances. Without such good preparation and details of the business, sure money will be spent inefficiently or even in vain, meaning a heavy loss in countries already suffering from capital deficits such as Jordan.

And since small businesses also play their role, such as those of large businesses, in increasing the national product of the country, in terms of diversification of income resources, increasing the working forces rate, decreasing the unemployment rates, and providing a stimulation for technical and vocational education (Fayyad et al, 2002), this means it is essential to pay special care for data and information collection and analyze them before making the decision for implementing the same.

Accordingly, the investment decision made with scrutiny must be preceded by studies showing the existence of a sufficient market in which the product/s of the business may be absorbed. Most importantly, the proposed business must realize revenue proportional to the nature of the business and its risk degree contained.

Many specialized authors paid attention to the economical feasibility studies and market analysis. But the previous studies and research works concerning the market analysis were even scarcer than those concerning the economical feasibility studies in general. And since there are many issues that are still under questioning among the researchers regarding market analysis on the feasibility of establishing small businesses, so the research on this topic is considered an important contribution for the scientific research work. Thus, the purpose of the study is revealing the nature of the relationship and effect between the market analysis and feasibility of establishing small businesses operating in the services sectors in Jordan.

2.0 Literature Review

2.1 Market Analysis

The quality and accuracy of the collected data and information on the variables of market analysis of the proposed business leads to the safety and accuracy of decision making on either proceed further on establishing the business or otherwise abandon it. Thus, it is particularly important, as cited by some researchers, to carry out a market analysis before conducting any other studies on the various aspects of the proposed project (Abdul Hamid, 2000). On the other side, some other references are shown to not begin with market analysis as a first step or a priority. Rather, they consider starting with the study more important for the business, because the business nature is affected by the surrounding conditions (Abdul Atheem, 1995).

2.1.1 Location Analysis

The decision making process in the selection of the suitable location for investing in the small businesses became complicated, especially in the last few years, because of the speedy changes in the architectural trends and the motion of people into various areas (Hand et al, 1999). And despite of the complication of the location selection process for the small business, yet the selection process is deemed one of the most important decisions made in this regard. Upon which will depend the success or failure of the proposed business (Fayyad et al, 2002).

2.1.2 Demand Analysis

The demand analysis refers to the organized processes aiming at exploration of a certain variable behavior (demand) in future, based on a systematic study of the existing historical data. Demand, in itself, is an economical term indicating the volume or quantity of the commodities and/or services demanded within a certain period, at a certain price level, and from a certain market. The demand will be analyzed both in the past and future through the use of the mathematical methods so as to predict the actual demand on the commodity or service in future (Yousuf, 2002).

2.1.3 Price Analysis

Price is one of the important variables in the market analysis process, because prices affect the demand on the products and the way they are introduced into the markets. Prices also have their strong influence upon the production processes, such as methods or means of production, as well as other effects of prices. From consumer's point of view, price expresses the cost of getting the product; meanwhile, from investors' point of view it means the amount that could be gained from the consumer in return for the sale of a certain product (Yousuf, 2002).

2.1.4 Competition Analysis

Competition plays an important role in market analysis, and is deemed the party that offers similar or typical products of the proposed investment business of both the same current and anticipated consumer segments. Competition may be direct or indirect; when a certain project offers products that are alternatives of the small business products (Porter, 1990). View of the competition differs depending on the investment business and the scope of its activity, as well as efficiency of the investment (Al-Najjar & Al-Ali, 2006:). It may be seen as a positive and necessary thing for survival, continuity and growth; still it may be seen through a negative perspective. There are many variable in the issue of competition which should be taken care of when carrying out the market analysis process. In this concern, Porter (1990) identified five variables of competition as follows: 1) number of the direct competitors who produce the same products of the proposed business; 2) number of indirect competitors who produce alternative products other than those of the proposed business; 3) the strongest competitor in the market and the qualities characteristic to that competitor; 4) plan analysis of the competitors; and 5) defining the market share of the competitor, their potentials and abilities.

2.2 Previous Studies

Study by Aubery & Atkin (1996), titled: Related Elements to the Location of the Retail Sales business, aimed at defining the elements that should be taken into consideration in location analysis. They identified nine elements: analysis of the commercial area, competition, applied legislations in the area, location easy access, the geographic and engineering nature, coherence with the nature of businesses available in the same area, comfort, history of the area and how it was used in the past through other projects, and whether the working hours of the business are in harmony with the working hours of the other businesses available in the area. The study depended

on the analytic theoretical method for obtaining its information, and further concluded that the most important two elements of the abovementioned nine are: analysis of the commercial area and competition.

According to the study of Salman (1997), which measured the problems and impediments facing small business in Jordan which aimed at assessing the role of the small businesses in Jordan in the process for activating the economy in the country, as well as their role in attracting the unemployed persons, the study relied in illustrating the role of these businesses in the reports issued by the Public Censuses Department, which carried out surveys of some small businesses operating in Jordan in the private sector during the period (1989-1994). The study further tackled the problems and hindrances facing the small businesses, most important were: microfinance problems; work location selection; and difficulty in getting the right information at the right time, in order to take the right decision. The study further coined some results, such as: small business play a role in the Jordanian economy, since they create job opportunities for many of the unemployed people.

The study by Hand et al (1999) titled: Analysis of the Feasibility of the Locations of Retail Sales Projects, aimed at defining the techniques for estimating the profits of the project business location, using the general information available with the owners of these business, in order to take the decision for selecting the location. The researchers depended in getting the information for their study on the statistical surveys data available in that place. The study concluded many results such as: the decisions to select the location are not frequently taken. Still, undoubtedly, they are very important decision and related to the profitability. They advise the investor to give sufficient time for choosing the location, in addition to incurring financial losses as a result of the poor selection, and subsequently, the project failure. The researchers emphasized the importance of the competitors' analysis in the commercial area in which the business is expected to be established.

Woodruff (2001) conducted a study titled: The Systematic Access for Analyzing the Market Opportunities, aimed to illustrate the importance of the product demand analysis, being the cornerstone of the economic activity in defining and identifying the investment opportunities, in order to assist the investor make the final estimation of the profits. The researchers presented his study theoretically with some statistical entrances with making a field study. The study

concluded many results most important was: not to invest in an unprofitable market having no ability to purchase even if the product was desirable.

Hamami (2003) conducted a study titled: Feasibility Study of the Tourist business : Case Study of Building a Five-Star Hotel in Aleppo, which aimed at the concentration on the necessity for carrying out feasibility studies of the proposed business. The study further aimed at assessing the existing businesses and designing the same in a manner that allows investing the available resources in an optimal manner, and approaching the ideal productivity. And, subsequently, achieving the envisaged target of every country: realization of the total development. The study further approached many results such as: it is quite necessary to establish the investment business after making their relevant feasibility studies, since this contributes in pushing forward both the economical and social development.

Al-Wadi (2005) conducted a study titled: Small businesses: Their Essence and Challenges, with a particular indication to their role in the development in Jordan, aimed at diagnosing the challenges facing the small businesses which are lying in them, and springing from the characteristics imposed by the definition of these businesses. Such diagnosis is made by coining a methodology or entrance that could be dependable in the diagnosis process, which might be a substitute of the partial diagnosis and attention in the challenges aspect, in the absence of the configuring of the other challenges facing the small business. The study relied in achieving these objectives on the theoretical construct, revision, contemplation, analysis and contriving. The study made a number of results, most important was: Small businesses are gaining increasing interest at the level of the developed and developing countries, being among the importance choices in both the economical and social development, but orientations to develop these projects in the Arab Countries are still in cradle stage.

2.2.1 Distinctive Feature of the Current Study

The current study is different from the previous studies in that it concentrated on the study of the market analysis of the small business operating in the services sector, in particular. Meanwhile, the other studies focused on the study of the feasibility in general, or on analyzing a single variable of the market analysis variables as well as different sectors.

2.3 Study Model and Hypotheses

The current study is based on the following main hypothesis:

- There are no statistically significant effects at the level ($\alpha \leq 0.05$) between market analysis and establishment of the small business operating in the services sector. This main hypothesis is sub-divided into the following sub-hypotheses:
- There is no statistically significant effect at the level ($\alpha \leq 0.05$) between the location analysis and the feasibility of establishing small business operating in the services sector.
- There is no statistically significant effect at the level ($\alpha \leq 0.05$) between demand analysis and the feasibility of establishing small business operating in the services sector.
- There is no statistically significant effect at the level ($\alpha \leq 0.05$) between price analysis and the feasibility of establishing small business projects operating in the services sector.
- There is no statistically significant effect at the level ($\alpha \leq 0.05$) between competitors' analysis and the feasibility of establishing small business operating in the services sector.

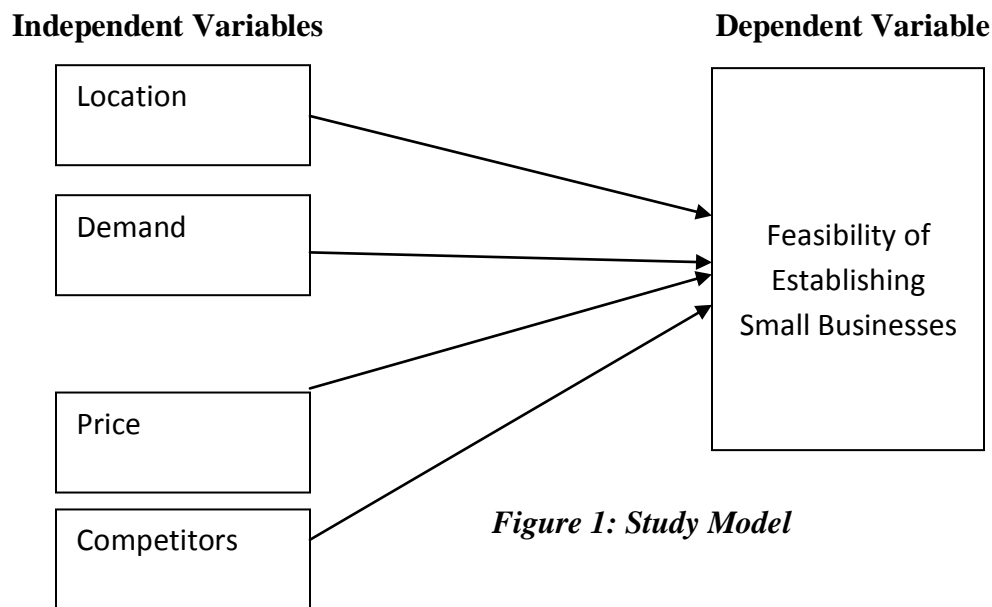


Figure 1: Study Model

2.4 Methodology

The study applied the descriptive method due to that fact that it avails the required data and facts on the study problem, subject matter of the research, in addition to explaining the same and identifying their indications (Zikmund, 2000).

2.4.1 Study Population and Sample

The study population comprised all the small businesses operating in the private sector services including: tourist and travel, basic stage education, and medical centers in Amman, totaling (492). The study sample consisted of (163) cases representing (33%) of the study population. Due to the irrelevance of the number in each of the three areas comprising the study population (492), a random strata sample was chosen. Table (1) shows the distribution of the study sample over the study population.

Table (1) Distribution of the Study Sample

No.	Study Population	Number	Representation Rate	Sample
1	Tourism and Travel Institutions *	241	33.3%	80
2	Special Education Institutions, Basic Stage **	201	33.3%	66
3	Health Centers ***		33.3%	
	Total	492	100%	163

* Ministry of Tourism

** Special Education Directorate- Ministry of Education

*** Health Affairs Bureau- Ministry of Health

2.4.2 Development Stages of the Measurement Instrument

After defining the study problem, its questions, and hypotheses, the main question representing the study problem had been transformed into a number of sub-questions, each sub-question is also connected with a number of other sub-questions regarding the main sub-question theme. The questionnaire, in its final form, contained the following parts: 1) introduction stimulating the study sample individuals to respond to the questions, with explanation on the manner of responding, and assuring them that the data obtained shall be used only for the scientific research objectives; 2) study sample characteristics, such as nature of the business projects, their locations and number of workers; 3) independent variables representing the location, demand, price and competitors; and 4) the dependent variable, which measures the indications reflecting the feasibility of establishing small businesses.

2.4.3 Selection of the Questionnaire Scale

Likert 5-point scale was chosen because it is one of the most commonly used scales for measuring views, due to its ease and balance of its degrees. The respondents indicate the degree of their approval on each of the statements of the proposed attitude scale (Zikmund, 2000). The responses were translated as follows: Strongly Affecting: (5) degrees; Affecting: (4) degrees; Not Sure: (3) degrees; Does Not Affect: (2) degrees; Not Affecting At All: (1) degree.

2.4.4 Tests of the Measurement Instrument (the Questionnaire)

Instrument Validity: Validity of the instrument means that it contains items relevant to the study variables, and it measures them accurately and clearly. To make sure of this, the questionnaire had been shown to a number of professionals, and their comments and notes were taken into consideration to more explain some of the questionnaire items in a manner consistent with the variables measurement. It is worth mentioning here that the researchers made a pilot study on the questionnaire items to reassure that the wording of the questionnaire is understood and easy as far as possible and suitable for the different cultural levels of the study samples. In the beginning, (15) questionnaires were randomly distributed over the study sample, in order to paraphrase any question not clear to the respondents.

Instrument Reliability: Chronbach's Alfa internal consistency coefficient was used to make sure of the reliability of the measurement instrument. Results of Table (2) show that Alfa value of all the questionnaire items had gained the highest percentage (70%). Although there are no standardized rules concerning the suitable values of Alfa coefficient, it is well established that if the value of Alfa coefficient is higher than 60%, then it is deemed a suitable average of the field research (Al-Sairafi, 2002), which is an assurance that the study tool did not have wrong data if the same study was repeated.

Table (2) Chronbach's Alfa Reliability Coefficient

No.	Variables	Reliability Coefficient
1	Market Analysis:	93%
1-1	Location Analysis	83%

1-2	Demand Analysis	89%
1-3	Price Analysis	83%
1-4	Competitors Analysis	83%
2	Feasibility of Establishing Small Business Projects	92%
	Overall Reliability Coefficient of the Questionnaire	83%

It is quite clear that the values of Chronbach's Alfa indicate that the reliability coefficients of all the study variables are high and suitable for the current study purposes.

2.4.5 Statistical Methods Utilized

After classifying the data and entering into the computer, the researchers used the descriptive method in the analyses. In this concern, the statistical package of social sciences (SPSS) for windows version 17 to analyze the questionnaire data and obtain outcomes including: frequencies, percentages, means, and standard deviations (SD's) on all the questionnaire questions, in order to identify the agreement degree of the study sample individuals on the different questions of the questionnaire. Furthermore, the following methods were employed:

- Simple Linear Regression Analysis: used to test the relation between an independent variable with another dependent one;
- Stepwise Multiple Linear Regression Analysis: used to test the relation between a dependent variable with two or more independent variables

2.5 Results

2.5.1 Description of the Study Sample Characteristics

This part of the study sample characteristics was dealt with in terms of the category of the business, its location, nature of its works, and number of its workers. Table (3) illustrates these characteristics.

Table (3) Characteristics of the Study Sample

No.	Variable	Category	Frequency	Percentage (%)
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1	Business Classification	Tourism and Travel Firms	80	49%
		Educational Institutions	66	40%
		Health Centers	17	11%
2	Nature of the Business	Tourism and Travel Services	80	49%
		Educational Services- Basic Stage	66	40%
		Health Services	17	11%
3	Number of workers in the Business	Less than 4	51	31.7%
		From 4-10	69	42.9%
		11 and more	41	25.5%

Table (3) demonstrates that, in terms of business classification, (49%) of the total businesses are of tourism and travel companies; (40%) are of the educational institutions in the primary stage, and (11%) are of the health centers institutions. As for the business nature, (49%) are of tourism and travel services sector; (40%) are of the institutions operating within the education sector- primary stage, and (11%) representing the institutions working in the health centers services sector. Finally as for the number of workers in the firm, (42.9%) are firms with 4-10 workers; (31.7%) are working in businesses with less than 4 workers, and (25.5%) are of business with more than 11 workers.

2.5.2 The Descriptive Analysis of the Study Variables

A descriptive analysis was made to the independent variables and the dependent variable to define the importance degree of each of the factors of the respondents, as shown in Table (4).

Table (4) Means and Standard Deviations

No.	Study Variables	Mean	SD
1	Factors affecting selecting the location	4.16	0.85
2	Factors affecting estimating the demand	3.99	0.89
3	Factors affecting determining the price	4.02	0.92
4	Factors affecting analyzing the competitors	3.90	0.99
5	Feasibility of establishing the business	4.25	0.73

Table (4) indicates the responses by the study sample concerning the study variables. In the first rank came the dependent variable (Feasibility of establishing the business) with (4.25) mean and (0.73) SD and ranked first in terms of importance. Second to it in importance was location which is one of the independent variables with (4.16) mean and (0.85) SD. By contrast, the competition analysis factors were the last in terms of importance by the respondents, with (3.90) mean and (0.99) SD. However, based on the responses of the study sample, as shown in the table items, it was clear that all of them positively reflect, with high degrees, indicators of measuring the feasibility of establishing businesses. This is because the mean of each is higher than the presumptive mean representing the study referential, i.e. (3). This further tells that measuring these indicators positively expresses the feasibility of establishing small business operating in the services sector.

2.5.3 Testing the Study Hypotheses

The researchers, in this domain, tested the main study hypotheses and the other sub-hypotheses branching from the main one, using the simple regression method, in order to find the relationship between the market analysis, its variables, and feasibility of establishing small business projects operating the services sector.

2.5.3.1 Sub-Hypothesis One

There is no statistically significant effect at the level ($\alpha \leq 0.05$) between the analyses of the location and feasibility of establishing small business operating in the services sector.

In order to test this hypothesis, the researchers used the simple linear regression analysis to find out the relationship between the variable of location analysis and feasibility study of establishing small businesses, as shown in Table (5). The results of the statistical analyses showed a statistically significant, positive correlation between the location analysis and the feasibility of establishing the small business. The correlation coefficient (R) was (0.706) at the level ($\alpha \leq 0.05$), with (0.457) determination coefficient (R^2), meaning that (0.457) of the changes in the feasibility of establishing small business result from the change in the location analysis variables. The effect degree (β) value was (2.296), meaning that the increase by one unit in the variables of the location analysis leads into an increase in the feasibility of establishing small business by (2.296) value.

The significance of this relation is further emphasized by the F computed value (83.945), which is higher than the tabulated amounting (3.9), once more confirming the acceptance invalidity of the sub-hypothesis One. Accordingly, the null hypothesis is rejected, and the alternative hypothesis is accepted stating that: *there is statistically significant effect at the level ($\alpha \leq 0.05$) between the analyses of the location and feasibility of establishing small businesses operating in the services sector.*

Table (5) Regression Analysis

Independent Variable	Dependent Variable	R	R ²	F Computed	F Tabulated	β	Sig.
Location	Feasibility	0.706	0.457	83.945	3.9	2.296	0.000
Demand	Feasibility	0.432	0.204	28.537	3.9	3.160	0.000
Price	Feasibility	0.680	0.335	78.55	3.9	2.35	0.000
Competitors	Feasibility	0.501	0.251	53.906	3.9	2.62	0.000

- Correlation will be of statistical significance at the level ($\alpha \leq 0.05$).

2.5.3.2 Sub-Hypothesis Two

There is no statistically significant effect at the level ($\alpha \leq 0.05$) between the analyses of the demand and feasibility of establishing small businesses operating in the services sector.

The statistical analysis results in table (5) indicated that there is a positive, statistically significant correlation between the demand analysis and the feasibility of establishing small businesses. The correlation coefficient in this concern amounted (0.432) at the level ($\alpha \leq 0.05$) with a determination coefficient amounting (0.204), meaning that (0.204) of the changes in the feasibility of establishing the small businesses result from the change in the demand analysis variables. The effect degree value was (3.160), meaning that the increase by one unit in the variables of the demand analysis leads into an increase in the feasibility of establishing the small businesses by (3.160) value. The significance of this relation is further emphasized by the F computed value (28.537), which is higher than the tabulated amounting (3.9), once more confirming the acceptance invalidity of the sub-hypothesis Two. Accordingly, the null hypothesis is rejected, and the alternative hypothesis is accepted stating that: *there is statistically*

significant effect at the level ($\alpha \leq 0.05$) between the analyses of the demand and feasibility of establishing small businesses operating in the services sector.

2.5.3.3 Sub-Hypothesis Three

There is no statistically significant effect at the level ($\alpha \leq 0.05$) between the analyses of the price and feasibility of establishing small businesses operating in the services sector.

Table (5) demonstrates the relationship between the price and the feasibility of establishing small business projects analyses. The statistical analysis results indicated that there is a positive, statistically significant correlation between the price analysis and the feasibility of establishing small businesses. The correlation coefficient in this concern amounted (0.680) at the level ($\alpha \leq 0.05$) with a determination coefficient amounting (0.335), meaning that (0.335) of the changes in the feasibility of establishing the small businesses result from the change in the price analysis variables. The effect degree value was (2.35), meaning that the increase by one unit in the variables of the price analysis leads into an increase in the feasibility of establishing the small businesses by (2.35) value. The significance of this relation is further emphasized by the F computed value (78.55), which is higher than the tabulated amounting (3.9), once more confirming the acceptance invalidity of the sub-hypothesis Three. Accordingly, the null hypothesis is rejected, and the alternative hypothesis is accepted stating that: *there is statistically significant effect at the level ($\alpha \leq 0.05$) between the analyses of the price and feasibility of establishing small businesses operating in the services sector.*

2.5.3.4 Sub-Hypothesis Four

There is no statistically significant effect at the level ($\alpha \leq 0.05$) between the analyses of the competitors and feasibility of establishing small businesses operating in the services sector.

Table (5) demonstrates the relationship between the competitors and the feasibility of establishing small businesses. The statistical analysis results indicated that there is a positive, statistically significant correlation between the competitors' analysis and the feasibility of establishing small businesses. The correlation coefficient in this concern amounted (0.501) at the level ($\alpha \leq 0.05$) with a determination coefficient amounting (0.251), meaning that (0.251) of the changes in the feasibility of establishing the small businesses result from the change in the competitors analysis variables. The effect degree value was (2.62), meaning that the increase by

one unit in the variables of the competitors analysis leads into an increase in the feasibility of establishing the small businesses by (2.62) value. The significance of this relation is further emphasized by the F computed value (53.906), which is higher than the tabulated amounting (3.9), once more confirming the acceptance invalidity of the sub-hypothesis four. Accordingly, the null hypothesis is rejected, and the alternative hypothesis is accepted stating that: *there is statistically significant effect at the level ($\alpha \leq 0.05$) between the analyses of the competitors and feasibility of establishing small businesses operating in the services sector.*

For the purpose of defining the relative importance of each of the market analysis variables, the stepwise multiple regressions was performed as shown in Table (6).

Table (6) Stepwise Multiple regression analysis

Independent Variables	(R)	(R²)	(R²) Change	F Change	Sig.
Location	0.676	0.457	0.023	6.798	0.000
Price	0.659	0.434	0.064	17.882	0.000
Demand	0.609	0.371	0.371	94.172	0.000

- Correlation will be of statistical significance at the level ($\alpha \leq 0.05$)

Table (6) shows that location was the highest among the market analysis variables in terms of relative importance, with (0.676) correlation coefficient at the level ($\alpha \leq 0.05$) with a variable determination coefficient (R square) amounting (0.457), meaning that the location analysis contributes by (0.457) in illustrating the business feasibility.

It is further noticed that the price variable came in the second rank in terms of importance concerning the feasibility of establishing businesses with (0.659) correlation coefficient, at the level ($\alpha \leq 0.05$) with a variable definition coefficient (R square) amounting (0.434), meaning that the price analysis contributes by (0.434) in illustrating the project feasibility.

Finally, the demand variable came third in terms of importance, with (0.609) correlation coefficient, at the level ($\alpha \leq 0.05$) with a variable definition coefficient (R square) amounting (0.371), meaning that the demand analysis contributes by (0.371) in illustrating the business feasibility.

From the above, researchers conclude that the main variables affecting the feasibility of establishing small business projects operating in the services sector are: location, price, and demand respectively.

2.6 Conclusion

Based on the above findings of the study the researchers made the following conclusions which are derived from the theoretical background of the study:

- Wise decisions to establish small businesses largely depend on the quality of the collected information during the analysis of the market. The study showed that the lower the quality of the market analysis related, collected information is, the more the possibility of making unwise decisions, and subsequently, infeasible business.

The decrease in the level of the investors' perception of the importance of the feasibility of the small business lead into slipping into risks and entering in businesses of no feasibility or returns. The study findings indicated that the perception of the investors of the importance of the feasibility study and application, as well as following its findings,

- will recess, to a wide extent, risks that may face the investors, as well as clarify the future vision of the business.
- The increase of competition and the small businesses makes following the scientific method of establishing businesses the best way to choose the optimal available alternative, proportional to the relevant conditions at the time. Businesses need making a market analysis, whether they were of small, medium and large sizes.
- There is no field studies readily available in Jordan concerned in the problems or reasons of the failure of the small business failure. Most of the few related studies available are addressing the effects of the macroeconomics on such businesses, or the financing problems they face. This is in spite of the fact that the available studies in this area are almost agree on that the difficulties faced by the small businesses in Jordan are the same as those in the developing countries. Furthermore, the factuality of many of the results of the previous foreign studies with that of the Arab markets, as every market has its social and economic properties that are characteristic that market.
- The poorer the interest in the market analysis and its variables, the more the potentiality of the business stumbling or liquidating just after a short while of inception, and

subsequently its infeasibility. In this concern, the different studies indicated the great importance of the market and its variables analysis as a means of the business continuity and increase of its success opportunities.

- The emphasis on the importance of the market analysis stems from the fact that the widest aspect of the business success results from the accuracy of the market analysis and the future prediction set out.
- The focus on the market analysis is not a sole end in itself. Rather, it is a way to open prospective for field studies and scientific research that emphasize the reasons of the businesses feasibility.

2.6.1 Conclusions Derived from the Statistical Analysis

The following conclusions are made on the basis of the statistical analysis of the study:

- Market analysis to establish small businesses operating in the services sector leads into establishing feasible businesses. The study indicated the agreement of the sample views on the importance of the market analysis in the investment decision making. Of course, this does not mean that the study sample applied this concept in practice upon making the investment decision. The researchers, however, realized through the field study that there are convictions by the study sample to carry out the market analysis without application of the same in many cases.
- Location analysis for establishing small businesses operating in the services sector leads to establish fruitful businesses. The study revealed the agreement of the sample views on the importance of the location analysis in making the investment decision. Further, the views of the sample agreed on that the location analysis is the most important factor in increasing the success opportunities of these businesses.
- The demand analysis for services provided by small service businesses lead to establish feasible businesses that are capable of continuity.
- The price analysis in the light of the severe competition is an important factor in the success of the services businesses. The researchers found that the price factor leads to acquire the competitive advantage in the small businesses operating the services sector.
- The competitors' analysis and the study of the nature and parameters of their businesses as well as their strengths extent are all deemed an important factor in market analysis, in

order to reach feasible businesses. This is because the competitors play an important role in the failure or success of the competitive businesses. On the other hand, the competitors analysis, and knowing the strengths extent of the competitiveness on a certain service define many of the parameters that should be taken into consideration regarding the nature of service, in terms of price and quality. Subsequently, this contributes in defining the shortcomings of the service and working toward providing an integrated service to gain preference in the market.

2.7.1 Recommendations

Based on the findings of the study theoretical background, as well as the results of the data statistical analysis, the researchers could point out the following recommendations:

- Investors should pay special attention to the collection of the required and accurate data about the targeted market and analyze the same before making the decision on establishing the business. In the area of preference between more than one proposed businesses, it is supposed to study the alternate opportunity cost of each and every business separately.
- It is essential that investors must recognize the reasons of the business feasibility, to avoid waste of capital and seek the advice of the professionals and experts in market analysis.
- It is not advised to ignore market analysis, and rely on expectation and intuition.
- Use of the market analysis as a means and indicator in predicting the proposed business feasibility, still taking into account the other reasons of the feasibility, such as the capital size and experience in the area.
- Deliberate accuracy should be made in conducting the market analysis and continuous follow-up before, during and after establishment of the business, in the event the decision was made to start the proposed business.
- Shaping a clear idea in advance about the dealings and confrontations with the competitors as per a studied plan.

2.7.2 Recommendations for Future Studies

The researchers suggest conducting the following studies:

- A study to test the effect of capital size on the feasibility of establishing small businesses in a sector similar to that of the current study.
- A study to know the nature of the relationship between experience, academic qualification, and personal characteristics of the investor on the feasibility of establishing small businesses in the service or trade sector.
- A similar study on industrial or commercial sectors in Jordan.

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