Human resources Some foreign employers, particularly from the United States and Europe, believed that the gaps between expatriate and local employees in work culture, management style, and communication were difficult to bridge.

Limited competition Many Ethiopian industries were still developing, so firms with greater marketing resources or superior products could capture market share more easily.

Fragmented distribution channels There were no international retailers and very few retail chains with a significant footprint; small independent outlets and kiosks remained the largest channel.

Cross-cultural adaptation and customer relations Entering Ethiopia required an understanding of local customs, norms, and expectations.

Foreign businesses had four ways of entering the Ethiopian market.

Local agent or importer Non-Ethiopian businesses were barred from wholesale trade and retailing, except for locally produced goods.

Licensing arrangement Foreign businesses could license their brand, technology, or products to local partner sor designate a local franchisee.

Joint venture Multinational corporations could maintain greater control while benefiting from the advantages offered by a local partner.

Opportunities for Three Potential Entrants

CareCo, manufactured personal-care products. Several of its brands enjoyed global recognition. Historically, the company would enter a market through an independent local distributor.

ShoeCo, a footwear manufacturer, had experienced modest success in exporting shoes to Ethiopia through a third-party distributor, and its management team believed it was time to move more aggresively.

MedCo, manufactured and sold generic pharmaceuticals and over-the-counter medications in select markets in the Middle East and North Africa.