

**Analysis of Factors Determining Small Business Performance in Tanzania  
A Case of Wholesale Shops in Moshi Municipality**

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The study intends to analyse factors determining small business performance in Tanzania. The objectives of the study were to determine the effect of socio-economic characteristics of small business performance, to evaluate the performance in terms of profit of small business, to find out the relationship between customer value strategy and small business performance and to assess the influence of external environmental factors to the performance of small business in Moshi municipality. The primary data were collected through the use of survey technique whereby structured questionnaire was used as a tool for data collection. The study used quantitative data analysis techniques such as OLS regression, Spearman rho correlation coefficient, Likert scale and budgetary analysis. The findings revealed that factors that contribute significantly at  $p=0.000$  to the performance of small business are age of the owner, age of the business, current capital and number of employees. Another finding is that customer values strategy has the significant relationships with small business performance in terms of criterion for stacking, change of strategy, mix of strategy as well as reasons for mix of strategy. The study also found out that business cycle, government control and physical infrastructure have high influence level on performance of small business. On the other hand, taxation and capital marketing have moderate influence level on the performance of small business. The result revealed that small business in Moshi Municipality are performing well as they make profit and have positive RORI. This implies that small business performance is influenced by a number of factors according to findings. Thus, small entrepreneurs should have an attainable strategic plan.