DRIVERS OF MARKET ACCESSIBILITY OF MICRO AND SMALL ENTERPRISES’ IN KENYA (A CASE OF KAJIADO COUNTY)

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ABSTRACT

Micro and Small Enterprises (MSEs) have been having challenges accessing markets for their products. Entrepreneurs’ characteristics lead to the failure due to limited market accessibility which is inversely related, further, with smaller enterprises facing higher risks of limited accessibility than larger ones. Poor infrastructure especially for rural MSEs find that they are vulnerable to not accessing the market as the root cause of their stagnation. Most of these MSEs have not embraced ICT thus their market access is limited leading to a high mortality rate. Very limited studies have provided such research on MSEs in developing countries and even less in Kenya. The main purpose of this study was to establish drivers of market accessibility of MSEs products in Kenya. The study was guided by the following specific objectives: To find out the influence of entrepreneur characteristics on market accessibility of MSEs products in Kenya; To investigate the influence of infrastructure on market accessibility of MSEs products in Kenya; To examine the influence of information communication and technology on market accessibility of MSEs products in Kenya; To establish the effect of customer relationship management on market accessibility of MSEs products in Kenya. The study was built on the entrepreneurial theory, exchange relationships theory, market orientation theory and transactional theory. The target population of this study was 11000 MSEs, in Kajiado County. The primary data was gathered from the questionnaires of 75 respondents (entrepreneurs/ managers) of MSEs. The secondary data was obtained from published documents such as journals, periodicals, magazines and reports to supplement the primary data. A pilot study was conducted to pretest the validity and reliability of instruments for data collection. The data was analyzed by use of both qualitative and quantitative methods with the help of Statistical Package for Social Sciences (SPSS) version 21 and excel. The multiple regression analysis was used to establish the direction and strength of the relationship of the variables at 5% level of significance. The regression analysis show that infrastructure had the strongest positive (Pearson correlation...
coefficient = .779; p-value = .000< .05) influence on market accessibility of MSEs. In addition, entrepreneurial characteristics, ICT and customer relation management were positively correlated to market accessibility of MSEs with Pearson correlation coefficient of .677, .654 and .587 with p-values of .008<0.05, .010<0.05 and .019<0.05 respectively. The study established that infrastructure is the most significant factor. The study recommends for improvement in entrepreneurial skills through training and experience of running business. The level of education also helped most of the entrepreneurs to manage their businesses. Further, there is need to improve the key areas of infrastructure such as roads, water and electricity. The use of ICT especially on the social media network sites should be enhanced. The customer relation management is necessary for boosting market accessibility. They should have knowledge of local and foreign markets’ laws, norms and business practices that are important to access such markets. This study could not exhaust all the drivers of medium and small enterprises in Kenya. The study has contributed to the existing knowledge by establishing that entrepreneurial characteristic, customer relation management, infrastructure and ICT influence market accessibility of MSEs in the Kenyan context. A comparative study should be carried out to compare whether the findings also apply for MSEs in other areas in order to validate whether the findings can be generalized. This study used qualitative and quantitative techniques. An exploratory study would enrich findings because such a study would have a wide range of factors that influence market accessibility of MSEs addressed other than the ones identified in this study. Interaction effects should be investigated. The interaction effects may be re-examined at a later period because of the constant changes that take place in MSEs.

**Key Terms:** Enterprise, Marketing, Technology, Accessibility
Background of the Study

This chapter aims at providing sufficient information for better understanding of the study. It examines the global contest and then narrows down to the issues that the study will address. The chapter provides the background information, statement of the problem, research objectives and research questions that underpin the study, significance, scope and limitations of the study.

Micro and Small scale Enterprises are catalyst in the socio-economic development of any country. They are drivers for the achievement of national macroeconomic objective in term of employment generation at low investment cost and enhancement of apprenticeship training. They are generally thought to play a crucial role in driving economic growth in both developing and developed countries (Ahmad, 2009).

Micro and Small Enterprise has been defined differently by different authors. Munoz (2010) defines a micro-enterprise as a type of small business, often registered, having ten or fewer employees and requiring seed capital of not more than $35,000. The Micro and Small Enterprises Act of 2012 of Kenya provides clarity by defining an enterprise as any undertaking or business concern whether formal or informal which is engaged in production of goods or the provision of services, and differentiating between micro and small enterprises as follows: a micro enterprise refers to any firm, trade, service, industry or a business activity: whose annual turnover does not exceed KES 500,000; (b) which employs less than ten people; and whose total assets and financial investment shall be as determined by the Cabinet Secretary from time to time, and includes: the manufacturing sector, where the investment in plant and machinery or the registered capital of the enterprise does not exceed KES 10 million; the service sector and farming enterprises where the
investment in equipment or registered capital of the enterprise does not exceed KES 5 million (ADB, 2013).

MSEs are considered one of the main driving forces in the economy due to their numeral contributions in terms of technological innovations, employment generation, export promotion to list a few (Subrahmanya et al, 2010). This view is supported by Day (2000) who suggests that the ability of an economy to adapt to change and to continue economic progress would seem to be weakened if there is not a continuing infusion into the total economic system, at a numerically high level, of new products developed, new markets and new jobs generated by small firms.

**Global Perspective of Micro and Small Enterprises**

The MSEs form more than 99% of all enterprises in the world (CMA, 2010). These business enterprises allow the marginalized and vulnerable groups to diversify their incomes, create new sources of economic growth and generate additional employment, especially in rural areas. It is clear that the global economy dependents on the success of the MSE sector. In OECD area over 95% of enterprises are MSEs, which account for 60%-70% of employment in most countries. In many African countries, MSEs accounts for about 90% of all enterprises and over 80% of new jobs in a given country (Reinecke 2002).

MSEs have been identified the world over as the stepping stones for industrialization. Robust economies like the United States of America and the United Kingdom trace their development from growth and development of their SMEs. Studies by Hatega (2007), Kauffmann (2005) attest that MSEs cover more than 95% of all firms in Sub-Saharan Africa and their importance cannot be overestimated. Micro and small Scale Enterprises are mostly found in the service sector of various economies which in most countries account for two-thirds of employment levels. In Kenya
the MSE sector contributes estimated 18% of the GDP as well as creating employment for 80% of the workforce population (Kithae, 2012).

**Regional Perspective of Micro and Small Enterprises**

Intra-regional exports of MSEs products from 2000 to 2009, value-added trade rose almost 20% in the EAC. Up to 90% of EAC residents are directly or indirectly dependent for their livelihoods on MSEs for example post-harvest loss from agricultural MSEs in Eastern Africa can reach 50% for fruits, vegetables, and root crops. This is due to management issues, such as inadequate processing methods or damage during marketing. Constraints to MSEs economic growth in East Africa include insufficient institutional capacity and a challenging business environment for local firms. Good trade performance and export of MSEs diversification are indicators of competitiveness and drivers of economic performance (WB, 2014).

In Kenya, MSEs play an important role in the social-economic development of the country and provide one of the most prolific sources of employment, income generation, poverty reduction and development of an industrial base. According to the Economic Survey published by Kenya’s National Bureau of Statistics (KNBS, 2014), the MSE sector contributed over 84.3% of new jobs created in the year 2013.

Despite role played by the sector, it continues to experience many binding constraints that have inhibited the realization of its potential and which affect their growth and profitability and hence, diminish their ability to contribute effectively to sustainable development. Recognizing the critical roles MSEs play in the Kenya economy, the Government through Kenya Vision 2030 envisages the strengthening of small enterprises to become the key industries of tomorrow by improving their productivity, innovation and marketing of their products (MPNDV, 2007). The official policy
framework of small enterprises in Kenya is contained in the Sessional Paper No 2 of 2005 on the Development of Micro and Small Enterprises for Wealth and Employment Creation for Poverty Reduction. This policy paper was intended to form the basis for enacting the MSE Act to institutionalize MSE Policy in Kenya. The MSE Act (2012) gives direction to among others, key issues such as: the legal and regulatory environment, markets and marketing, business linkages, the tax regime, skills and technology and financial services.

MSEs in Kenya are increasingly face competition not only from their peers but also from large corporations participating in niche markets once regarded as a preserve for small businesses (Ntakobajira, 2013). According to Amyx (2005), one of the most significant challenges is the negative perception towards MSEs. Potential clients perceive small businesses as lacking the ability to provide quality services and are unable to satisfy more than one critical project simultaneously. Often larger companies are selected and given business for their clout in the industry and name recognition alone (Bowen, Morara & Mureithi, 2009). Lack of planning, improper financing, lack of business information services, infrastructure and poor management have been cited as the main causes of failure of small enterprises (Longenecker, 2006). Regardless of the high failure rate by SMEs in Kenya, their enormous contribution to the entire economy cannot be overlooked (Mbogo, 2011).
Marketing of MSEs

Access to markets and marketing information remains a severe constraint to MSEs development and competitiveness in Kenya. Prescribed policies to address these challenges seem not to be effective (GoK, 2005). Overall aggregate demand is low; markets are saturated due to dumping and overproduction, and in most cases markets do not function well due to lack of information and high transaction costs. Most of the MSEs are ill-prepared to compete in globalised liberalized markets while fewer are capable of venturing into the export markets to tap into new market frontiers. This confines majority of MSEs to narrow local markets characterized by intense competition. Small capital base and limited technology also confine MSEs to poor quality products that cannot compete effectively in a globalised competitive market environment (KIPPRA, 2006). Limited access to markets remains a severe constraint to MSE growth and competitiveness in Kenya owing to a shrinking domestic market due to globalization (GOK, 2005; KIPPRA, 2006). Limited access to market information makes MSEs less aware of opportunities in the market. Overall aggregate demand for the sector’s products is low and markets are saturated due to overproduction and dumping of cheap imports. Markets do not function well due to insufficient information, high transaction costs and stiff competition for similar products. High transaction costs are due to market inefficiencies and information asymmetry. MSEs face difficulties in accessing markets due to limited market information, poor marketing capacity and poor market research leading to a discrepancy between the supply and demand (KIPPRA, 2006)

Statement of the Problem

Micro and Small Enterprises (MSEs) cut across all sectors of the economy, providing a prolific source of employment, income, government revenue and poverty reduction (UNCTAD, 2013). The sector comprises 98% of all businesses in Kenya, employs more than 4.6 million people (30%)
and accounts for 18.4% of the country’s GDP. Total capital employed in the sector is 38 billion (GoK, 2013). Since they dominate the business sector in Kenya, MSEs are an important factor in the context of poverty reduction as a source of income and employment especially for poor households (IMF, 2014).

According to Kamau and Munandu (2009) MSEs entrepreneur characteristics led to their failure due to limited market accessibility which is inversely related, further, with smaller enterprises facing higher risks of limited accessibility than larger ones. Chelule (2015) found that due to poor infrastructure especially for rural MSEs found they vulnerable not accessing the market the root cause of their stagnation. Oser (2012) established most MSEs have not embraced ICT thus limited to access to market their products thus high mortality rate. He suggested that up to 40% of the MSEs can survive if they embraced ICT in marketing their products. Too many MSEs producing undifferentiated products in Kenya are underrepresented in international trade & only contribute ¼ to 1/3 of exports and accounts for less than 10% (WB, 2014) Past statistics indicate that three out of five businesses fail within the first few months of operation due to market accessibility related also to poor customer relationship management (KNBS, 2007).

To this extent, there has been extensive amount of literary research devoted to the market accessibility of MSE products in Kenya (CMA, 2010; Munoz, 2010). The bulk of these research works tend to concentrate on MSEs in developed countries. Very limited studies have looked at market accessibility of MSEs products in developing countries and even less in Kenya (Mbugua et al 2013). Existing research work (RoK, 2012) points out that most many Kenyan MSEs have not fully integrated market accessibility system into their businesses. Furthermore these firms have not been able to develop technological competencies to acquire and apply knowledge. This
research focused on filling this gap. The aim was to identify drivers of market accessibility of products currently produced by MSEs located in Kajiado County.

**Objective of the Study**

The specific objectives of the study were to:

i. Establish the influence of entrepreneur’s characteristics on market accessibility of micro and small enterprises products in Kenya.

ii. Determine the effects of infrastructure on market accessibility of micro and small enterprises products in Kenya.

iii. Examine effects of information communication and technology on market accessibility of micro and small enterprises products in Kenya.

iv. Find out influence of customer relationship management on market accessibility of micro and small enterprises products in Kenya.

**Conceptual Framework**

Mugenda, (2008) defines conceptual framework as a concise description of the phenomenon under study accompanied by a graphical or visual depiction of the major variables of the study. Kombo and Tromp, (2009) defines it as a set of broad ideas and principles taken from relevant fields of inquiry and used to structure a subsequent presentation. It is a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. Bell, (2010) describes it as a diagrammatical representation that shows the relationship between dependent and independent variables. A conceptual framework assists a researcher to organize their thinking and complete an investigation successfully. It also explains the relationship among interlinked concepts and explains the possible connection between the variables (Kombo & Tromp, 2009). The conceptual framework comprises of the independent
variables also known as the exploratory variables and which are the presumed cause of changes in the dependent variable and the dependent variable also called the criterion or predictor variable which the researcher wishes to explain (Kothari, 2004). The following framework depicts the relationship between the independent and dependent variables based on four independent variables and a dependent variable as represented diagrammatically in figure 2.1. In this study, marketing of MSEs products is dependent on entrepreneurs’ characteristics, infrastructure, access to business information services and customer relation management.

![Conceptual Framework](image-url)

**Independent variables**

**Figure 1**: Conceptual Framework
Entrepreneur’s characteristics
There are significant relationships between entrepreneur’s characteristics: education, age, work experience and the firm ability to develop new products. Most entrepreneurs are typically having low level of education or skills. This constrains their ability to obtain the relevant information and understand the regulations in their business environment to market their products. These factors were chosen because various researchers had found a significant relationship between the factors and the growth of MSEs (Storey et al., 2003). According to Krueger (1993), a higher education level helps the entrepreneur to have better knowledge and skills which contribute to the success of their venture in the available markets for their new products.

With regards to age, a study by Reynolds et al. (2000) found that individuals ranging from 25 to 44 years old were the most successful entrepreneurs. Another study in India by Sinha (1996) revealed that successful entrepreneur was relatively younger in age compared to the old ones. In another study by Kristiansen, Furuholnt & Wahid (2003) on Internet cafe entrepreneurs in Indonesia, a significant correlation was found between age of the entrepreneur and performance of the SMEs. The SMEs that were operated by entrepreneurs who were twenty five years old and above were more successful than the younger ones. In respect of business management experience, Kolvereid (1996) found that business that were run entrepreneurs with prior entrepreneurial experience scored significantly higher performance levels than those without such experience.

The characteristics of the entrepreneurs have also been associated with performance as determined by the market accessibility. Lun and Quaddus (2011) show that large firms perform better than small ones because entrepreneurs easily adopt new technology (electronic commerce for instance). Specifically, they find that the electronic commerce is more likely to be adopted by entrepreneurs of large firms and results in to sales growth. In the same line, Barringer et al (2005) investigate the
main characteristics of rapid growth firms compared to their slow-growth counterparts in United States. They find that the rapid-growth firms have a strong commitment to growth, are more involved in inter-organizational relationships and utilize a growth-oriented mission statement to a greater extent.

**Infrastructure**

Infrastructure is a challenge for SMEs who are hard put to accumulate capital hence can do little on their own to support infrastructure and technology development. This calls for the adoption of the collective efficiency paradigm in the planning and development of infrastructure in LDCs. Infrastructure offers supportive structure for the growth of other sectors raises growth of enterprises and reduces income inequity as it enhances market accessibility (Lopez, 2004).

Kenya has attempted to improve the enabling environment for market accessibility of MSEs products by expanding and upgrading the infrastructural facilities, providing and improving water, electric power, sewers and sanitation, telecommunication facilities and roads (Gok, 2013) Also, the country has refocused research activities towards industry needs, as opposed to pure academic research programmes. Fostering a strong indigenous industrial entrepreneurial capacity is the focus of the ministry of trade and industry. Economic and financial and regulatory policies supporting micro and small enterprises have been put into place. The lessons learned with regard to the development of enabling environments for MSEs are the importance of providing a stable political environment, refrain from market interventions, improve human resources and focus on establishing reliable markets. There is need for the accountability policies need to be implemented at a higher speed. The maintenance and monitoring of a reliable energy supply, especially of electricity, and of other infrastructure items must receive an even higher focus in the country to foster market accessibility of MSEs products (GoK, 2014)
**Information Communication and Technology (ICT)**

ICT is defined as an array of primarily digital technologies designed to collect, organize, analyze, store, process and communicate information. (Ritchie & Bridley, 2005) As a broad concept ICT includes; Information systems, information technology and digitization. ICT can be categorized into old that include telephones, radio, television, films, audio and video cassettes and new ICT that include, computers, mobile phones, faxes, point of sale systems, global positioning systems, Informational geographical systems, satellites, networked environments and Internet (Lashgarara et al., 2011).

ICT offers enterprises a wide range of possibilities for improving competitiveness and market access that include; providing mechanisms for accessing new market opportunities, facilitating product innovations, accelerating market transactions and intensifying the use of information, knowledge and communication in processes (Fulantelli & Allegra, 2003). ICT is also closely linked to knowledge, communication and human intelligence enabling new types of innovation in management, organization and business models. Enterprises can benefit from ICT in terms of reduced transaction costs, inventory controls, quality controls, access to wider market space and global networking (Fulantelli & Allegra, 2003).
ICT provides information channels that facilitate the decoupling of information from its physical repository to permit access and transmission (KIPPRA, 2006). Application of ICT can be a catalyst for enterprise competitiveness by improving access to information, increasing trade in commodities and services and in achieving efficiency gains in resource allocation (Fulantelli & Allegra, 2003). In Kenya where transaction costs are very high as a result of logistics, ICT can contribute to market efficiency as well as in the reduction of transaction and coordination costs within and across organizations.

ICT transforms traditional firm transactions and creates new market places by altering the process by which transactions take place, creating new products and services and by creating new markets in time, space and information that did not previously exist (Hanna, 2010). The power of ICT enables business networking within and between enterprises and geographical regions to grow. This in turn provides a platform for the exchange of experiences, options and opportunities for mutual cooperation and technology transfer (GOK, 2006). Firm’s marketing networks also helps organizations to access disseminate, and incorporate best practices). Investment in ICT in the business sector makes firms more productive, more competitive, network ready and able to exploit new trading opportunities such as E-commerce.

Marketing is important success function for SMEs that is facilitated by market access. Information plays a key role in market access and is the main core of any marketing system. Market access in developing countries is a major challenge to small businesses due to market imperfections that can be attributed to lack of market information, lack of linkages between the actors in the supply chain, distortions or absence of input and output markets, high transaction cost and high presence of trade intermediaries. Different strategies exist for improving market access of which the use of ICT is one. Strategies that enhance market access greatly impacts on the performance of small enterprises
(Shepherd, 2007). Potential benefits of ICT to SMEs include enhancing efficiency, reducing costs and broadening the market both locally and globally, empowering SMEs to participate in the knowledge economy by facilitating connectivity; helping to create and deliver products and services on a global scale and providing access to new markets (Chyau, 2005).

ICT can significantly impact the market–oriented dimensions of products and services (Ritchie & Bridley, 2005). Market–oriented ICT include websites which display the goods, services and information of a firm on the world wide-web (WWW). It can also integrate the e-commerce functionality, such as offering the ability to place orders. The www is a powerful platform for expanding and reaching new markets for SMEs while the Internet is critical in enhancing a firm's market reach and operational efficiency. ICT offers SMEs flexibility in trading by enabling 24 hours of trading, borderless market space and leverage SMEs to compete against larger enterprises on the same platform. In addition, ICT facilitates remote access to knowledge, suppliers and a borderless environment, offering SMEs the ability to deliver products and services on a different platform that is easily accessible. ICT can be used to reduce barriers of entry into different market segments exposing SMEs to a wider customer base (Lloyd & Kroeze, 2008).

Mutula & Van Brakel (2006) noted that ICTs, especially the internet, have a significant impact on the operations of SMEs by facilitating their access to global markets, enabling them to sell to international customers, and to compete favorably with large corporations. Strategic use of ICTs is viewed as near solutions to firm’s problems e.g. ICT has the potential to reduce the impacts of distance, reduce transaction costs, be used in information gathering and dissemination, inventory control, and quality control. ICT can enable SMEs to participate in the regional and international markets which are strategic for competitiveness, growth and further development (Ramsey et. al., 2003). Access to global markets offers a host of business opportunities, such as new niche markets;
possibilities to exploit economies of scale, the upgrading of technological capability; and ways of spreading risks (OECD, 2000). Internet based technologies provide small firms the opportunity to effectively overcome the limitations of size and compete and/or in larger markets with bigger sized establishments. There is some evidence to suggest that the Internet has increased international opportunities for SMEs (Hanna, 2010).

Market prices act as coordinating signals for producers and consumers, where sources of information are limited basic ICT could play a major role in creating efficient markets, improving producer practices and speeding innovation, through the provision of information on market prices (Hanna, 2010). ICT causes fast accessibility to the market, increases selection power, improves communication, facilitates identification of markets, improves marketing and reduces business transaction costs.

**Customer Relation Management**

The competition among enterprises means that organizations strive towards exceeding the customer’s expectations. As a match between product features and customer expectations and needs, quality of design is a market, or externally oriented aspect of quality (Meirovich, 2006). Quality, therefore, can be defined as satisfying or exceeding customer requirements and expectations and hence, to some extent, it is the customer who ultimately judges the quality of a product (Shen et al., 2000). Customer input and feedback is a critical activity throughout development, both to ensure that the product is right and also to speed development toward a correctly defined target in the market. In the traditional sales cycle, CRM forms a data driven understructure that powers an overall customer life cycle. Based on historical transactions, the insights into what a customer may need next, or when a particular customer may be ready for an
up sell, offers are generated based on past transactional data and the larger purchase or use patterns that exist across the entire customer base (Evans & McKee, 2010).

As the customer is now becoming an integral part of the sales process, CRM is being adapted to support this new role of the customer to access a new market. This provides a highly valuable window of insight into what your customers are really thinking, and what they are likely to do next. This has led to CRM is an approach to business that formally recognizes the role of the customer as a key in understanding and managing conversations around the brand, product and service in the market (Evans and McKee, 2010). Employees are also agents of change in CRM. Recruiting employees who understand social media is essential to a business. They are the drivers of conversations between the organization and the customers. All businesses need to capitalize on having employees can tap into the potential that Internet technologies have to offer in the market (Evans and McKee, 2010). Having access to talented new employees who will improve the productivity and efficiency of the business is important in the adoption of social media tools any business in any new market (Simon, 2012)
Market Accessibility of MSEs

The market accessibility of MSEs is conceptually related to the phenomenon of internationalization, which, as Singh, Pathak and Naz (2010) noted, is a broad term used by different scholars to connote “exporting, trade, cross-border clustering, crossborder collaboration, alliances/subsidiaries, branches and joint ventures that extend beyond the home country environment”. Note also that exporting is at the lower end of the spectrum of internationalization in terms of the time and resources necessary, which reflects the idea that MSEs are subject to greater resource constraints than large firms (Hessels and Terjesen, 2010; and Hollenstein, 2005) and therefore the choice of entry mode is a process of cost-benefit analysis (Sharma and Erramilli, 2004).

Limited access to markets remains a severe constraint to MSE growth and competitiveness in Kenya owing to a shrinking domestic market due to globalization (GOK, 2005; KIPPRA, 2006). Limited access to market information makes MSEs less aware of opportunities in the market. SMEs also face difficulties accessing markets due to limited market information, poor marketing capacity and poor market research leading to a discrepancy between the supply and demand. (KIPPRA, 2006)

Methodology

This study adopted descriptive research design. According to the records available at Ministry of Industrialization and Enterprise Development the registered MSEs in Kenya are estimated to be 11,000 registered MSEs in Kajiado County (KCC, 2013). The study will focus only the entrepreneurs of Micro and Small Enterprises involved in development of new products
The study relied mainly on primary data and used questionnaire as the research instrument. Data collected was analyzed using both quantitative and qualitative methods with the help of (SPSS) version 22 and excel. Data processing was carried out through editing, coding and classification. Content analysis was employed to analyze the qualitative data whereas statistical methods, regression and correlation analysis was utilized to analyze the quantitative data. In order to analyze the relationship between the independent variables and the dependent variable the study used multiple regression analysis at 5% level of significance. The Multiple Regression model that aided the analysis of the variable relationships was as follows:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon, \]

Where; \( Y= \) Market Accessibility of MSEs (dependent variable); \( \beta_0= \) constant (coefficient of intercept); \( X_1= \) Entrepreneur characteristics (independent variable); \( X_2= \) Infrastructure (independent variable); \( X_3= \) Information communication and Technology (independent variable); \( X_4= \) Customer relation management (independent variable); \( \varepsilon = \) Error term; \( \beta_1...\beta_4= \) regression coefficient of four variables.

To test the level of significance of each independent variable against dependent variable the study used the model summary ANOVA and Coefficient Regression. According to the model summary Table, \( R \) is the correlation coefficient which shows the relationship between the independent variables and dependent variable. It is notable that there existed a relationship between the independent variables and dependent variable as shown by \( R \) value The coefficient of determination \( (R^2) \) explained the extent to which changes in the dependent variable was explained by the change in the independent variables or the percentage of variation in the dependent variable and the four independent variables that was studied to explain market accessibility of MSEs as
represented by the $R^2$. This therefore means that other factors not studied in this study contributed to a certain percentage. Further, the study revealed the significance value as thus the model was statistically significant in predicting how independent variables and dependent variable. The overall model was significant in the ANOVA table. Finally, the study ran the procedure of obtaining the regression coefficients, and the results show relationships between market accessibility of MSEs and the four variables. The findings were presented using tables, charts and graphs to facilitate comparison and for easy inference.

**Multiple Regression Analysis**

The study went further to establish the relationship of the variables by adopting multiple regression analysis. According to Table 1 on the model summary table provides information about the regression line’s ability to account for the total variation in the dependent variable. Table 1 illustrates that the strength of the relationship between market accessibility of MSE products and independent variables. From the table it is notable that there exists a strong positive relationship between the independent variables and dependent variable as shown by $R$ value (0.987). The coefficient of determination ($R^2$) explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable and the four independent variables that were studied explain 80.50% of the market accessibility of MSEs' products as represented by the $R^2$. This therefore means that other factors not studied in this study contribute 19.50% to the market accessibility of MSE products. This infers that these variables are very significant therefore need to be considered in any effort to enhance market accessibility of MSEs' products in the study area.
Table 1: Model Summary

<table>
<thead>
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<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
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<td>1</td>
<td>.897(^a)</td>
<td>.805</td>
<td>.025</td>
<td>.048</td>
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</tbody>
</table>

a. Dependent Variable: Market accessibility of MSEs' products

b. Predictors: (Constant), Entrepreneurial characteristics, infrastructure, ICT, customer relation management

Further, the study adopted the Analysis of variance (ANOVA) which is a collection of statistical models used to analyze the differences among group means and their associated procedures (such as "variation" among and between groups) Analysis of Variance (ANOVA) to make simultaneous comparisons between two or more means; thus, testing whether a significant relation exists between variables (dependent and independent variables). This was to help in bringing out the significance of the regression model. The ANOVA results presented in Table 2 shows that the regression model has a margin of error of \(p = 0.005\) pointing the significance of the model. Further, the study revealed that the significance value is 0.005 which is less that 0.05 thus the model is statistically significance in predicting how Entrepreneurial characteristics, infrastructure, ICT, customer relation management influence market accessibility of MSEs' products. The F critical at 5% level of significance was 12.654. Since F calculated (32.880) is greater than the F critical (value = 12.654), this shows that the overall model was significant.
Table 2: ANOVA

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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<td>Regression</td>
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<td>4</td>
<td>3.219</td>
<td>32.880</td>
<td>0.005b</td>
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<tr>
<td>Residual</td>
<td>6.854</td>
<td>70</td>
<td>.0979</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>19.730</td>
<td>74</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Market accessibility of MSEs products

b. Predictors: (Constant), Entrepreneurial characteristics, infrastructure, ICT, customer relation management

c. Critical value = 12.654

Multiple regression analysis was conducted as to determine the relationship between market accessibility of MSEs' Products and the four variables. As per the SPSS generated table below, the model equation would be \( Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \) becomes: \( Y = 11.111 + 0.677X_1 + 0.779X_2 + 0.654X_3 + 0.587X_4 \). According to the regression equation established, taking all factors into account (Entrepreneurial characteristics, infrastructure, ICT, customer relation management) constant at zero market accessibility of MSE products was 11.111. Further, the data findings analyzed also shows that taking all other independent variables at zero, a unit increase in Entrepreneurial characteristics will lead to a 0.677 increase in market accessibility of MSEs products.; a unit increase in infrastructure will lead to a 0.779 increase in market accessibility of MSEs products, a unit increase in ICT will lead to 0.654 increase in market accessibility of MSEs products and a unit increase in customer relation management will lead to 0.587 increase in market accessibility of MSEs products. This infers that infrastructure contributed most to market accessibility of MSE products. At 5% level of significance, entrepreneurial characteristics had a
0.008 level of significance; infrastructure showed a 0.000 level of significance, ICT showed a 0.010 level of significance and customer relation management showed a 0.019 level of significance hence the most significant factor was infrastructure.

Table 3: Regression Coefficients Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>P-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>11.111</td>
<td>.334</td>
<td>6.615</td>
<td>.000</td>
</tr>
<tr>
<td>Entrepreneurial</td>
<td>.677</td>
<td>.602</td>
<td>7.098</td>
<td>.008</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>.779</td>
<td>.554</td>
<td>8.888</td>
<td>.000</td>
</tr>
<tr>
<td>ICT</td>
<td>.654</td>
<td>.446</td>
<td>5.876</td>
<td>.010</td>
</tr>
<tr>
<td>Customer relation</td>
<td>.587</td>
<td>.443</td>
<td>3.654</td>
<td>.019</td>
</tr>
</tbody>
</table>

As per the SPSS generated in Table 3, the model equation would be \( Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \) becomes: \( Y = 11.111 + 0.677X_1 + 0.779X_2 + 0.654X_3 + 0.587X_4 \). Market accessibility of MSE Products = 11.111 + 0.677*Entrepreneurial characteristics + 0.779*Infrastructure + 0.654*ICT + 0.587*Customer relation management
5.2 Summary of the Study Findings

The present study targeted owner-managers of various micro and small enterprises in Kajiado County, Kenya. A total of 100 owner-managers of various categories of MSEs were sampled. The summary of the study findings presented herein followed the study objectives formulated in chapter one of the study.

5.2.1. Entrepreneurial Characteristics

The study found out that majority of the respondents started the business when 30-39 years of age, more start-ups and that the presence of alleged early career individuals is an essential determinant of the level of business start-ups and -there is a significant relationship between the entrepreneur age at the start-up and the growth of MSEs. Those respondents that had experience running business for over 6 years prior to starting their MSEs and had vast experience of running business before they stared running the current enterprises. This implies that duration and experience of entrepreneur helps him or her to have better knowledge and skills which contribute to the success of their new venture (business). Further, level of education helped most of the respondents to manage the business. Education provides entrepreneurs with a greater capacity to learn about new production processes and product designs, offer specific technical knowledge conducive to firm expansion, and increase owners’ flexibility. The study established that most of the employees in MSEs were trained in the MSEs while working there through concrete and specific demonstrations and they indicated that they had previous entrepreneurship experience gained for running businesses.

5.2.2. Infrastructure
From the study findings the respondents indicate the key areas they felt needed to be improved in order to enhance market accessibility of their products as the roads, water electricity. This infers that there was poor infrastructure thus affecting accessibility of products to the market. The location of their businesses for easy access to markets products was in town areas. This infers majority of the MSEs have been located in the towns so as to easily access the market for their products as there is improved infrastructure. The MSE s number of branches organization had depends on the available infrastructure and the better the infrastructure the more the MSEs grow as the market accessibility of products is improved. The kind of business sector the MSEs were being involved in as supported by the available infrastructure included food sector, textile and garment, wood and furniture, metal works, leather goods and articles and the healthcare and beauty products. This infers that with a well-established infrastructure, the MSE sector can easily flourish.
Summary of the Study

From the descriptive analysis, the study results revealed that majority of the respondents indicated the social media network sites they used for marketing their products face book, twitter, Instagram, my site, Google +, YouTube, Skype, LinkedIn and My Space. This indicates that the entrepreneurs were trying to use the available social networks to ensure there is market accessibility of their products. The study established that the business intension to use the social media network sites in relation to market accessibility of their products as for building and land acquisition, to recruit sales representatives and to develop new product and service. This indicates social media networks played an important role on enhancement of market accessibility of MSEs Products. The MSEs that were not able to access the markets in relation to ICT was due to lack of ICT training, transaction costs, distance to the ICT networks, rules and procedures associated with public financial management and lack of knowledge about marketing through ICT sites. Further, the respondents’ indicated that they were satisfied with accessing the market through ICT services available for Micro and Small Enterprises in the study area.

From the descriptive analysis, the respondents stated that they consulted for advice regarding marketing of products was from family or friends, current/ former colleagues, to a small extent professional expert (bankers, lawyer) and to a great extent their customers and creditors. This infers that family or friends and current or former colleagues play a significant role on advising the entrepreneurs of MSEs on marketing of their products. They also stated that they had close cooperation for marketing their products through their customers, suppliers, media, and friends among others. The market for the newly developed products were sold locally (city/county), nationally that is to other parts of the country, within East Africa and to a small extent respondents cited to have crossed borders to sell their products internationally. This implies that the local
market plays a significant role for MSEs Products. This can be explained by the fact that these enterprises lack of knowledge of foreign markets’ laws, norms and business practices that are important in developing products for those markets. Furthermore, their smallness and resources means there is little/no access to or recognition of international information and opportunities.

**Conclusions of the study**

The study found out that there is a significant relationship between the entrepreneur age at the start-up and the market accessibility of MSEs. The vast experience of running a business before they stared running the current enterprises is very crucial as it helps him or her to have better knowledge and skills which contribute to the success of their new venture (business). The level of education also helped most of the respondents to manage the business.

The key areas that need to be improved in order to enhance market accessibility of the MSEs are the roads, water and electricity. The location of their businesses is important also for easy access to better markets like in town areas. The MSE's number of branches organization had depends on the available infrastructure and the better the infrastructure the more the MSEs grow as the market accessibility is improved.

The use of ICT especially the social media network sites such as face book, twitter, Instagram, mysite, Google +, YouTube, Skype, LinkedIn and MySpace facilitates market accessibility of the MSEs. It can be used for facilitating building and land acquisition, to recruit sales representatives and to develop new product and service. The study found out that ICT training, transaction costs, distance to the ICT networks, rules and procedures associated with public financial management and lack of knowledge about marketing through ICT sites as major challenges affecting use of ICT in accessing markets for the MSEs.
The study established that customer relation management is necessary for boosting market accessibility. The study found out that close cooperation for marketing their products through their customers, suppliers, media, and friends among others is necessary. The lack of knowledge of foreign markets’ laws, norms and business practices that are important in developing products for those markets in relation to customer management affected market accessibility. Furthermore, their smallness and resources means there is little/no access to or recognition of international information and opportunities to enhance customer relation.

**Recommendations of the study**

The study recommends for improvement in entrepreneurial skills through training and experience of running business as it helps entrepreneurs to acquire knowledge and skills which contribute to the success of their new venture enterprises. The level of education also helps most of the entrepreneurs to manage their business. Further, there is need to the key areas of infrastructure such as roads, water electricity. The location of their businesses is important for easy access to markets products like in town areas as the establishment of the MSEs depends on the available infrastructure and the better the infrastructure The use of ICT especially on the social media network sites should be enhanced for improving the market accessibility of the MSEs and there is need to offer training for the MSEs on ICT. The customer relation management is necessary for boosting market accessibility especially the customers, suppliers, media, friends among others is necessary. They should have knowledge of foreign markets’ laws, norms and business practices that are important to access the markets.
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