

**FACTORS INFLUENCING THE BUSINESS VIABILITY OF LOCAL  
APPAREL TRADE WITHIN A LIBERALISED MARKET:  
A CASE OF NAIROBI, KENYA**

**BY**

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the business*



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**DECLARATION**

This thesis is my original work and has not been presented for a degree in any other University

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**DEDICATION**

To my Mother, for her never – ending support.

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**ABSTRACT**

The purpose of this study was to find out the factors influencing the business viability of local apparel trade within a liberalised market in Nairobi, and to investigate how consumer preferences and buying practices have affected apparel trade. Data were collected using interview schedules and observation checklists. A random sample of 90 apparel traders was drawn from three market centres in Nairobi (Kenyatta market, Jericho market and the Central business district) for interview according to the types of apparel they sold. These types were new imported; second-hand; locally manufactured and custom-tailored apparel. Data were analysed by use of frequencies, percentages and Chi-square tests using the Statistical Package for Social Sciences software (SPSS®).

Results from the study showed that 57% of the apparel traders were female. Majority, (80%) were under the age of 40 years. All traders had received some level of formal education. Most (71%) apparel traders had 1-5 employees, an indication of small-sized businesses. More than half (64%) of the respondents owned their businesses. Notably, 57% had up to 5 years experience in selling apparel. The main types of apparel sold were New Imported (37%) and Custom-tailored (32%). Majority (89%) of the traders targeted women as their main clientele because they were considered the most willing buyers. In addition, they also stocked apparel for men and/or children in order to make more profit for their businesses.

Lack of customers, stiff competition and lack of government support were reported as major problems facing over 50% of the traders. For most traders, providing high quality merchandise was the main strategy used to solve their problems. Government

support by way of providing loans and making prices (license fees, taxes, custom charges) affordable were suggested as ways of creating a level trading ground for all traders. This would also increase the traders' business performance and viability. From the study, 40% of the respondents made up to Ksh. 40,000 per month during times of high sales.

Chi-square analysis showed that the traders' age, position held in business and source of fabric/ clothing significantly influenced the types of apparel sold by traders. Therefore, apparel traders could enhance these key factors to increase their competitive edge in the market.

From the analysis, it was evident that the type of apparel sold by traders was affected by consumer preferences for imported apparel because locally produced apparel did not meet consumers' needs in terms of quality and variety. The Ministry of Trade and Industry should formulate mechanisms that will enable apparel traders access information easily on existing trends and policies as they affect their businesses. Apparel producers and traders could use this information to improve the quality of local items. Lack of a level trading ground for all traders remained as the main deterrent to their success.

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**LIST OF SYMBOLS AND ABBREVIATIONS**

ILO:	International Labour Organisation
KEBS:	Kenya Bureau of Standards
CBD:	Central Business District
ADEC:	African Development and Economic Consultants Limited
EPZ:	Export Processing Zone
MUB:	Manufacturing Under Bond
COMESA:	Common Market for East and Southern African Countries
KICOMI:	Kisumu Textile Mills
RIVATEX:	Rift Valley Textile Mills
CBS:	Central Bureau of Statistics
US:	United States
USA:	United States of America
NCC:	Nairobi City Council
ICEG:	International Center for Economic Growth
GOK:	Government of Kenya

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background Information

As a basic need, apparel (also called clothing), serves to adorn and protect the body, and communicates information about an individual (Storm, 1987). Apparel needs of people have stimulated clothing production, which has become more specialised and varied. It has given rise to sectors such as fibre and fabric production, and apparel design, marketing and sales. As nations develop and their populations become more educated, conscious of their appearance, and aware of what the market offers in terms of apparel, their demands for the same have become more diverse and yet specific to each person. These demands have given rise to a more diversified industry according to the type of apparel produced, target clientele or consumers, size of apparel producing establishment, exclusiveness of designers and location of various establishments.

The apparel industry has also contributed significantly to global development. Dickerson (1995) observed that since the early 1900's these industries have been the world's leading employer in the manufacturing sector. In addition, Donnel, Sharp and Stamper (1986) observed that the apparel industry has been the single largest employer of women and minorities in the United States of America. Also, data on employment in African textile and clothing industries from the International Labour Organisation (ILO) indicated that in 1979, Egypt had the largest textile industry labour force of 291,000, while South Africa was the leading apparel sector employer with a workforce of 111,000 employees.

Protection of local industries from cheap fabric and apparel imports as a result of liberalisation allowed these industries to develop. This is clearly seen in the United States of America and Nigeria where these commodities were banned allowing for these industries to flourish (Werbelloff, 1987). Unlike the aforementioned countries, the Kenya Government undertook market liberalisation in 1993 with a view to increase the efficiency in trade for improved economic growth. While this allowed apparel manufacturers and traders to buy and sell their products to the international market, it also led to increased importation of both new and second-hand apparel into the Kenyan market. Liberalisation also diversified Kenyan consumer choice. This study was therefore undertaken to find out the factors influencing the business viability of local apparel trade within a liberalised market in Nairobi, Kenya.

## **1.2 Statement of the Problem**

In Kenya, the textile and apparel industry has been faced with problems that have negatively affected its development. These problems include a local market limited by low per capita incomes thus reducing the purchasing power of consumers. Also, shortages of local skilled personnel hence, the need for expatriates, and increased imported textiles and apparel that are sold at informal open markets were cited as major problems. The other negative factors that have impacted on apparel trade include reduced sales to Uganda and Tanzania since the collapse of the East African Economic Community in 1977, inadequate foreign exchange allowances, and market liberalisation to the disadvantage of local traders (Werbelloff, 1987).

As salespersons of apparel, traders should have knowledge of their merchandise and be able to promote their sales intelligently. This promotion will enhance career stability and profits for the business because the customers they attract will feel satisfied and come back for more products (Addison, Gillespie and Wingate, 1964). Research on imported apparel in the area of consumer preferences and selection (Nyang'or, 1994) indicated that traders of locally produced apparel are unable to meet consumer needs due to poor quality, thus are often out-competed by traders of imported apparel. Regardless of the type of apparel being traded, the ability of the trader to influence preferences of a consumer contributes significantly to his or her purchasing decisions.

With relatively higher taxes being imposed on locally produced items, imported apparel has become affordable to local consumers (CBS, 1995). Other factors such as an item's workmanship, and enhancing the wearer's appearance have also contributed to this trend (Otieno, 1990). As a result of market liberalisation and the directed consumer preferences towards imported apparel, local textile industries have experienced competition from these cheap foreign garments that have flooded the Kenyan market (Kipyegon, 1997). This has led to the closure of some of these industries such as Allied Industries Limited and Rift Valley Textile Mills (Rivatex) just to mention a few.

The existing trend of consumer preferences for imported items is clearly reflected in the noticeable increase in traders of imported apparel in Nairobi. The increased availability of this commodity and the stigma attached to locally produced apparel may lead to eventual collapse of the local apparel industry in Kenya. Thus, there is a need to implement strategies and/or policies for a level playing ground in the apparel industry for

the benefit of local traders. This study therefore sought to answer two pertinent questions: What are the factors determining the types of apparel sold by local traders within a liberalised market in Nairobi? Second, what are these traders doing to enhance the growth of the local clothing industry? These questions, and others, need clear affirmative answers if traders of local apparel are to capture consumer preferences and meet their clothing requirements.

### **1.3 Purpose of the Study**

The purpose of this study was to find out the factors influencing the business viability of local apparel trade within a liberalised market in Nairobi. The study also sought to investigate how consumer preferences and buying practices have affected the apparel trader.

### **1.4 Specific Objectives**

This study sought to achieve the following specific objectives:

1. To identify the socio-economic characteristics of selected apparel traders in Nairobi.
2. To identify the target clientele of various apparel traders in Nairobi.
3. To determine the trader's level of awareness of consumer preferences for selected apparel.
4. To identify problems experienced by apparel traders in Nairobi as they work within a liberalised market.
5. To investigate measures being undertaken by local apparel traders to be competitive in the liberalised market.

6. To establish the relationship between types of apparel sold by traders and socio-economic characteristics, problems experienced and business performance.

### **1.5 Research Questions**

1. To what extent do socio-economic factors (age, education, experience) contribute to the business viability of local apparel trade?
2. What are the reasons for choice of certain target clientele by selected apparel traders?
3. What strategies are local apparel traders employing to face the challenges in the industry as a result of market liberalization to improve their business performance?
4. Which factors contribute to increased sales, hence positive business performance?

### **1.6 Significance of the Study**

The findings of this research will shed light on how local traders are coping within the liberalised market. For instance, through the Ministry of Trade and Industry, vital information on existing trends in consumer preferences can be disseminated to designers and traders for effective business management to meet consumer requirement.

In addition, by identifying factors affecting trade of locally produced apparel, the information could assist the government through the Ministry of Trade and Industry in formulating measures and policies to improve the quality and quantity of local merchandise that is made available to consumers.

Through the Ministry of Education, these findings can be used to enrich the content of Home Economics as a subject in schools, colleges and universities. Hence, students aspiring to become apparel traders and/or designers will be able to overcome and flourish in this ubiquitous competitive area of employment. Also, by making the findings

of this study available in libraries such as at Kenyatta University, the information on current trends and factors affecting apparel trade of apparel in Nairobi can assist in creating new avenues for further research.

These findings will also be made available to the Kenya Bureau of Standards (KBS) that is responsible for developing national standards that ensure textile products in Kenya meet both local and international quality levels. By identifying existing flaws in apparel, KBS can find ways of improving its assessment of items made available to consumers, hence assist in evening the competition between local and imported apparel traders.

The findings of this research will also be made available to various consumer organisations such as the Consumer International Network. These organisations are responsible for protecting the interests of consumers by creating awareness about available products and the quality as well as price of goods so as to reduce exploitation by unscrupulous manufacturers. These organisations will assist in reversing consumers' stigma against locally produced apparel as designers and manufacturers of local products continue to improve quality to meet consumer needs.

### **1.7 Limitations of the Study**

The study was limited to a sample drawn from Nairobi, thus generalisations of the findings to other areas not covered by the study should be done with caution. The study was also limited to trade of specific apparel only (e.g. blouses, dresses, shirts, trousers, sweaters and underclothes). Therefore, generalisations to accessories like shoes and belts cannot be made. A large proportion of apparel traders in the Central Business District

(CBD), were reluctant to be interviewed but a little persuasion enabled them to participate in the study. Some apparel traders expected to be given money in exchange for the information they gave.

### **1.8 Assumptions of the Study**

The study assumed that all respondents were aware of the liberalised market in Kenya within which they are operating.

### **1.9 Definition of Terms**

**Apparel:** Is a garment constructed from fabric specifically to cover the body, and includes garments and accessories. This term is mostly used in industry.

**Apparel Trader:** A person who buys and sells apparel.

**Local apparel trader:** A person who buys and sells apparel in Kenya from either local or foreign sources.

**Customer** (also called clientele): Any individual or firm to whom a trader sells and with whom the trader maintains or hopes to maintain a continuing trade relationship.

**Target clientele:** An intentionally limited group of people who use the services of an apparel trader e.g women.

**Quota:** A trade barrier that limits the quantity of a particular product that can be brought into a country within a specified period of time e.g. in one year

**Collection or line:** Refers to 30-150 pieces or garments of different styles prepared by a designer or group of designers suited to a specific need such as Hot and Cold season. These garments maybe of the same colour or fabric.

**Visual merchandising:** Refers to everything visible that is done with, to and/or for apparel and their surroundings to help sell the items.

**Business activities:** The duties carried out by an apparel trader i.e acquire and sell merchandise as a means of livelihood. They determine the business performance of traders.

**Business viability:** An economic venture such as apparel trade being suitable, feasible, practical and possible to carryout.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This section reviews literature conducted in Kenya and other parts of the world on apparel trade. The following topics form the major components of the present literature; the apparel industry in Kenya, impact of market liberalisation in Kenya, factors affecting consumer selection and buying practices in Kenya, fashion merchandising, evaluating apparel quality, types of apparel traders, and outlets used by apparel traders.

#### **2.2 The Apparel Industry in Kenya**

The textile and apparel industry in Kenya started before the country attained political independence when there were seven textile mills owned by the private sector. After independence, however the government invested heavily in foreign-owned industries and bought shares in new ones as a way to reduce the country's dependence on production of primary raw materials and importation of manufactured and processed goods (importation substitution). As a result, Kenyans took up top management positions although these industries continued to rely on expatriates as technical managers. Kenyans of Asian origin owned most private firms as the industry drew most of its textile technical expertise from India. These industries have continued to use both locally sourced and imported raw materials and inputs. The main locally available fibres include cotton, wool and sisal, while the imported ones are mainly synthetics such as nylon, polyester, acrylic, jute, linen and some cotton. All auxiliary inputs (dyes, chemicals and resins etc) are imported (African Development and Economic Consultants [ADEC], 1998).

Of the 350 garment making units in Kenya, the highest concentration is found in the urban areas. The industry utilizes locally available raw materials and the products earn the country valuable foreign exchange. The industry is organised into formal and informal sectors, and faces a number of internal and external problems (ADEC, 1998). The problems include duty exemptions, illegal imports, low quality of raw cotton, high costs of production, consumer preferences for imported products (Nyang'or 1994, Otieno 1990 and Werbeloff, 1987), and lack of planning (ADEC, 1998).

Before the 1993 import liberalisation, the textile industry in Kenya was effectively protected. As a result, local apparel manufacturers concentrated on the domestic market and paid little attention to product quality and pricing. On the other hand, liberalisation had increased the importation of textiles, apparel fabric and ready-made garments such as secondhand clothes from the Far East. Thus, the manufacturers had to compete with these imports in the domestic market resulting in some enterprises being threatened with closure (ADEC, 1998). Although import substitution was encouraged, penetration to export markets was not very successful. This is because Kenyan firms that were making good profit in the heavily protected domestic market shunned away from the more competitive and risky export markets. Among the few firms that developed some export trade were the Manufacturing Under Bond (MUB) and Export Processing Zone (EPZ) garment factories. The products of these firms are exported mainly to the USA, the United Kingdom and to a small extent to the Common Market for East and Southern African (COMESA) countries.

The apparel industry also experienced the quota system imposed by America on imports of shorts and shirts that led to a fall in exports of Kenya's textile products. For

example, there was a fall of 88% in shirt exports in 1993 and 1994. This fall affected other products not allocated quota such as pillowcases and many of the export-oriented firms under MUB, and EPZ closed down or started operating at low capacities (ADEC, 1998). Performance of local apparel firms remained subdued in 1998 despite the government stepping in to implement tariff restrictions on imported garments in 1999. This was due to the inability of the textile industry to compete with lowly priced imports, depressed local market demand, and a combination of infrastructural constraints as noted by CBS (1999, 2000). Some growth was, however, observed in the production of trousers that rose by 10.7% from 39.4 thousand dozens in 1997 to 43.6 thousand dozens in 1998. At the same time, output of vests and underwear rose by 59.9% (CBS, 1999). With the recent lifting of the punitive quota imposed on Kenyan textiles by the United States, growth in exports of Kenyan textiles is expected although this remains to be seen (Bundotich, Daily Nation, May 2000). Thus, it seems that cheap imported apparel has had a negative effect on locally produced apparel countrywide to an extent that traders are forced to select the most suitable apparel to sell. The study sought to clarify why traders choose to sell specific types of apparel over others.

### **2.3 Impact of Market Liberalisation in Kenya**

Lipsey (1989) defines a market as an area over which buyers and sellers negotiate the exchange of a well-defined commodity such as apparel. Liberalisation refers to supporting or allowing some change by removing limits to freedom (Longman Dictionary, 1987). Thus, market liberalisation refers to when a country allows increased export and import of commodities out of and into the country for the purpose of enhancing its

people's participation in international trade. Market liberalisation commonly occurs in a country with a free market economy where decisions of individual household and firms (as distinct from the central authorities) exert a major influence over allocation of resources (Lipsey, 1989).

International trade is the exchange of goods and services produced in one country for goods and services produced in another. International trade exists due to differences in natural resources worldwide, thus countries acquire what they do not have from other countries in the process. As countries make the best of their natural resources and work skills, industries develop specialised ability to produce goods of high quality. Such specialisation often enables a country to produce goods cheaply, and importation of such goods internationally would be less cost-effective.

A country may allow for either import liberalisation, export liberalisation or both depending on its needs. In 1993, the Kenya government undertook import liberalisation (ADEC, 1998), by allowing both local and international traders to bring into the country goods and services as a way of improving economic efficiency. As a result, trade policies such as acquiring business licenses free of charge (Laws of Kenya) and acquiring merchandise from various sources were put in place. With regard to the apparel industry, this liberalisation enormously increased the importation of textiles, especially apparel fabric from the Far East and ready-made garments classified as second-hand clothes commonly known as "mitumba". These items were cheaper than locally produced apparel, thus redirecting consumer preferences (Nyang'or, 1994), and causing local producers to experience low sales and financial difficulties that resulted in close-down of firms such as

the Allied Industries Limited, Kisumu Cotton Mills (Kicomi) and Heritage Woollen Mills (Barasa, Daily Nation, February 2001).

In addition to this downward trend, the United States in 1994 imposed an export quota on Kenya's textiles and garments since these products were considered disruptive of their market (ADEC, 1998). This diverted American importers to look for new sources of textile products, as noted by CBS (1995). In order to alleviate these problems, the government in its 7th National Development Plan (1994-1996) proposed policies for future development of the industry that included:

1. Continued government disinvestments with a view of completely withdraw from the industry. This policy came as welcome news since most textile mills that were being mismanaged were parastatals.
2. Developments of Manufacturing Under Bond (MUB'S) and Export Processing Zone (EPZ'S) for enhanced growth of the industry.
3. Upgrading of technical skills through revitalisation of the Kenya Textile Training Institute.
4. Promoting established small and medium garment making factories to produce high quality and affordable garments in the rural areas.
5. Ensuring payment of duty on imported ready-made garments meet the required Kenyan standard as Kenya was becoming a dumping site of cheap clothes due to uncontrolled importation of finished products.

In addition, the ADEC (1998) reiterated that market development policies be put in place. For instance, given the limited domestic market in which local manufacturers have to compete with imports, it has becomes imperative to develop strong export

promotion programmes. Such programmes would include vigorous gathering of diverse commercial and technical intelligence via the internet and commercial attachées in Kenyan missions abroad. Since dependence on one large external market can be risky, the Government of Kenya (1996) recognized the need to get into more regional and international trade arrangements. While import liberalisation can be beneficial to consumers by forcing producers to put more emphasis on quality and pricing, caution maybe required in order to avoid local market flooding with imports that may stifle local production. Only dynamic and rational policies can address such a caution. There is also need to address how the government, through market liberalisation, could set up new trends in competition among apparel traders. What directions would these trends take considering the recent lifting of the quota imposed on Kenyan textiles by the United States? (Bundotich, Daily Nation, May 2000).

#### **2.4 Consumer Apparel Selection and Buying Practices in Kenya**

A consumer is a person who buys and uses goods and services. According to the United States (US) Office of Education (1973), the apparel trader must acknowledge the dominant role of consumers in determining trends in the supply and demand of apparel. A fact recognised by all successful fashion industries is that people do not actually demand new products and designs of which they have little or no knowledge; neither do they demand change (Dickerson et. al, 1997). In addition, individual and collective power of consumers is exercised in the selections they make, on one hand, and in refusal to buy, on the other. It is by acceptance or rejection that consumers often influence the goods presented and the methods of presentation (Dickerson et. al., 1997).

Ultimately, fashion is determined by consumers, and the apparel industry simply proposes styles which if accepted by consumers make fashion for different groups of people. It is important that apparel traders understand consumer characteristics and their significance to the fashion industry. For example, it was found that Kenyan adolescents and adults make a majority of household decisions on clothing for themselves and others (Otieno, 1990). These decisions are usually affected by physiological, psychological and socio-economic factors that determine their satisfaction with apparel. Physiological factors influencing consumer decisions on clothing include the look, construction and finishing of an item, colour and design of the fabric, fitting characteristics, the purpose for which the item is bought, and its fabric finishes. An item in which one looks beautiful, the cost of the item, an acceptable style and prestige were sighted as psychological factors influencing consumers' clothing decisions. Among the socio-economic factors were the amount of money available, the number of dependants in a household, age, status in society, and types of social activities all significantly influenced clothing decisions by consumers. In addition, Otieno (1990) pointed out that among the factors that caused dissatisfaction with apparel selection and buying in the Kenya market were availability of clothing information, experience with previous items bought, availability of label information, consumer protection service and quality of items in the market.

As consumer products, apparel fashions have the most distinct lifecycles. They go through the stages of invention and introduction, fashion leadership, increasing social visibility, conformity within and across social groups, social saturation and decline (Solomon, 1985). For instance, Nyang'or (1994) indicated that working female consumers prefer and have become dependent on imported apparel, negatively affecting

locally produced apparel. Existing researches emphasize the significance of consumer clothing preferences in determining trends in apparel trade and industrial performance. It was necessary to address the role of apparel traders in meeting the clothing needs of consumers while making a profit at the same time. This study focused on these issues.

## **2.5 Fashion Merchandising**

Merchandise refers to goods and services for sale (Oxford Dictionary, 1987). Fashion merchandising, therefore, refers to selling goods that are accepted by a large group of people at a particular time. To be successful, apparel traders need to develop explicit merchandising techniques to ensure sale of their goods. There is nothing static about the progress of merchandise available today (Addison et. al, 1964). In addition, the rapid development and change means that retailers must be alert to carry the new products and know the benefits to be derived from their use.

Apparel traders are salespersons of their goods. According to the US Office of Education (1973), successful performance in fashion merchandising demands an outgoing and pleasant personality, interest in fashion, ability to relate to people, and the profit motive to textile and apparel products and services on the part of the trader. The trader acts as a distributor of apparel to consumers, and to perform this function requires knowledge in the areas of marketing concept for the firm, merchandise selling points, and modes of sales promotion.

### **2.5.1 Marketing Concept**

According to Dickerson et al. (1997), marketing identifies the customer and determines what products to offer that customer, and how to do so while meeting the

financial return objectives of the company. The US Office of Education (1973) puts forth the production-oriented approach (also called 'Caveat Emptor'), which informs and makes available to the consumer merchandise already produced as stipulated by the manufacturer. Consumers then select from what is available whether they like it or not. The consumer-oriented approach (also called 'Consumer is King') makes available merchandise that meets consumer needs. The consumer can select what they prefer. This is the current perspective adopted by many apparel traders. As noted by Mackay McDonald, President of VF Corporation in liaison with Sara Lee (a leading apparel manufacturer in the United States):

As consumers become more assertive in the market  
determining fashion trends apparel traders need to  
be more customer-focused in order to stay in business.

### ***2.5.2 Merchandise Selling Point***

Merchandising is the process through which products are designed, developed, and promoted to points of sale (Dickerson et al., 1997). Addison et. al., (1964) refers to selling points that a sales person stresses in the belief that they will help a customer decide that the merchandise in question will satisfy his/her need. If the customer accepts the fact as contributing to the satisfaction of his/her need, this fact becomes a buying point for the customer. Useful selling points include: suitability of the merchandise for a particular purpose, its durability, versatility, distinctive and attractive style, its fashionability, comfort, price, care demands and satisfaction of customer's pride of ownership or possession.

### ***2.5.3 Modes of Sales Promotion***

Sales operations implement marketing and merchandising activities by selling the line to retail customers according to marketing plans (Dickerson et al., 1997). Sales promotion refers to the impersonal activities and techniques that are designed to sell fashion merchandise profitably (US Office of Education, 1973). Promotion of fashion sale involves the business of arousing the consumer's buying impulses of the latest styles. The most common mode of sales promotion is through visual merchandising, which includes display, print, broadcast or film advertising, publicity, store layout and store decoration (Troxell and Stone, 1981). Sales promotion must be ongoing if fashion goods are to be sold while they are still desirable.

Displays, which are non-personal presentation of merchandise or ideas (US Office of Education, 1973), are important to apparel traders because they serve as visual aids for selling merchandise and/or building customer goodwill. A fashion display serves to highlight a trend, tell a fashion story or demonstrate how apparel fashions should be accessorised or worn (Troxell et al., 1981). Apparel traders make use of window displays that can be viewed as consumers pass by the outlet. Window displays are used to set a mood of a season such as Christmas, reminding customers that it is a gift-giving season and the store is the place to buy the gift. Window displays can also be used to dramatise a new colour or a new look or season of the year, arousing interest and stimulating customers to refresh their wardrobes. Interior displays are also used to increase chances of converting browsing activities of customers that have entered into buying impulses. This display often repeats the theme expressed in the windows. Interior displays can be presented at a counter, wall, ledge, aisle, island found at the centre of the store or

showcase where a specific item is displayed at a particular part of the store. A display is only effective in sales promotion if it is distinct and can be spotted immediately on entering the store.

Having a relevant marketing concept, merchandise selling points and using effective modes of sales promotion should enable a trader sell apparel. The study aimed to find out how effectively apparel traders used fashion merchandising techniques to attract consumers to purchase their merchandise.

## **2.6 Evaluating Apparel Quality**

The manufacturer's desire to make apparel, the trader's desire to sell the same profitably and the consumer's willingness to invest in that product will depend on quality evaluation results of the apparel. Therefore, a high mark for quality evaluation would mean extensive interest in the product by the manufacturer, trader and consumer.

However, the opposite would mean otherwise. Thus, Oakland's (1989) suggestion, that quality is simply meeting the requirements is the truth. To be able to meet the consumers' requirements is vital to both manufacturers and traders. Quality has to be managed, and involves everyone in the process and can be applied throughout production and sale of apparel.

Manufacturers determine apparel quality through its production. This involves the manufacturer deciding on the line (also called a collection), viewing the line by buyers, placing orders and finally purchasing the fabric. Donnel, Sharp and Stamper (1986) summarise the basic steps of garment manufacturing as:

- a) Receiving and checking stock yardage;

- b) Making and grading the production pattern;
- c) Making the marker;
- d) Spreading the fabric;
- e) Bundling the cut pieces according to the item, group or selection;
- f) Making tickets for each garment;
- g) Constructing the garment;
- h) Pressing the garment;
- i) Completing finishing details;
- j) Inspecting the garment for any errors;
- k) Pooling, packing and shipping orders.

After production, the garment is costed to reflect the materials and trimmings used and the labour inputs. Apparel costs may sometimes reflect the quality of apparel.

Traders usually observe apparel in terms of its workmanship, finishing, care labeling, size, fashionability and cost as put forth by the manufacturer to determine its quality, thus ability to sell. Consumers also evaluate apparel quality in terms of its suitability, versatility, durability, comfort, fashionability, fitting qualities and price to determine whether these buying points satisfy their needs to facilitate decision-making in purchasing the apparel (Addison et. al 1964).

Evaluation of apparel quality determines how the apparel will be disseminated from the manufacturer to the trader and consumer. Consumer preferences for the imported over locally produced apparel (Nyang'or, 1994) suggest that manufacturers, traders, and consumers do agree on the quality of imported apparel but disagree on the quality of locally produced ones. There is need therefore, to understand how evaluations made on

quality of apparel available in Kenya affected their availability and the role of the apparel trader in acquiring and selling desired apparel to the consumer.

## 2.7 Types of Apparel Traders

Apparel traders are mainly categorised according to the type of apparel they sell (Dickerson et al. 1997). These categories include:

1. Haute Couture: Refers to the designers and manufacturing houses of fashionable clothes that are made on order by individual customers. They operate in residential buildings known as fashion houses. In many cases, the head designer is also the owner of the firm that also carries the designer's name such as Christian Dior, and Hugo Boss. Haute couture garments are usually very costly and designs are created exclusively for the customer.
2. European Ready - To - Wear fashion centres: Talented designers are involved in the production of fine quality products that are innovatively styled. These designers may specialise in the production of specific products such as lingerie, underwear and sportswear.
3. Low Wage Countries: These are involved in large-scale production of textiles and textile products at much cheaper costs than those existing in the domestic markets. These types of traders are common in Japan and targeted for USA retailers. According to Tottora (1992), these retailers steadily increase the quality of imported apparel and household textiles causing domestic industries to suffer severe economic losses.

The aforementioned types of traders are based mainly in Europe and the USA but have branch outlets in other parts of the world such as Kenya. In Nairobi, these apparel traders would be categorised as follows:

1. Custom Tailors: These traders make garments according to personal measurements of a client. Some well-known custom tailors in Nairobi include KikoRomeo, Reuben Omollo and Sally Karago. These tailors may make specific items for a group of clients such as women's wear or may be general tailors. They may design by themselves or may copy designs from catalogues or fashion magazines, or as desired by the client.
2. New Imported Apparel Traders: These are involved in the sale of new ready-to-wear garments imported into the country from the Far Eastern countries such as Dubai. A group of traders may share a premise located within a commercial centre.
3. Second-Hand Apparel Traders: These are involved in the sale of used garments. In Kenya, the garments are imported mainly from Europe and America. These garments are usually cheaper than new ones. Traders can be located in a premise within a commercial centre or may have stalls at open markets.
4. Locally Manufactured Apparel Traders: These traders are involved in the sale of apparel manufactured in Kenya by local companies such as KenKnit. They may sell apparel exclusively or with other products such as in the case of supermarkets. They are usually located in premises within a commercial centre, or may have stalls at open-air markets.

In this study, the researcher intended to find out how the aforementioned types of apparel traders function and affect each other within Nairobi.

## 2.8 Outlets Used by Apparel Traders

As a market for goods, outlets are the points at which apparel traders reach the consumer (Allen, 1990). In Nairobi, the types of outlets used by apparel traders include:

1. Department Stores: These stores offer items of a wide variety such as clothing, home furnishing, accessories and jewellery (e.g. Little Red, Abdul Fazal and Njiris). The stores are more concerned with middle or upper class consumers. Items in these stores are usually highly priced since they employ a variety of expensive advertising and promotional strategies on displays and reaching their customers through salesmen.
2. Speciality Stores: These stores deal in exclusive merchandise such as sportswear. The image they present is appealing to their middle and upper class customers. They are usually fashion leaders given the current fashions (e.g Nairobi Sports House and Kenya Uniforms).
3. Chain Stores: These are centrally organised and run in the same way at all its branches. These are often conscious of fashionability and try to reach people through attractive displays, mail order forms and send out catalogues (e.g. Deacons, Y- Fashions).
4. Discount Stores: These stores sell general merchandise, and mostly sell cheaper versions of what is available in higher market segments. The target of these stores is the mass market (e.g Gikomba, Nakuru Mattresses). There are however, several versions of these outlets.

In Nairobi, these traders maybe located in the following areas:

- a) A single apparel trader in an exclusive premise (e.g KikoRomeo, Tinga Tinga).
- b) A group of apparel traders sharing a premise (e.g Mombasa Rest House, Garissa Lodge)

- c) A group of apparel traders with stalls at a business centre (e.g Village market).
- d) A group of apparel traders with stalls or ground space at designated market centres (e.g Jericho market, Kenyatta market).
- e) An apparel trader in a premise selling other additional items (e.g Uchumi supermarket, Tusker Mattresses).

In this study, the way the type of outlet influenced the choice of commodity a trader sells as well as the choice a consumer bought were addressed.

## CHAPTER THREE

### METHODOLOGY

#### 3.1 Introduction

This chapter covers the research design, study area, target population, sample selection, research instruments used, measurement of variables, procedures for data collection, and data analysis.

#### 3.2 Research Design

This study was carried out using a survey design in which data were collected from a sampled population to determine their current status with respect to various variables. A survey deals with phenomena, as it exists in nature. Using this design, the researcher attempted to study social conditions, relationships and behaviour of selected apparel traders. The existing status in terms of individual perceptions, attitudes, behaviour and values were described (Mugenda and Mugenda, 1999). These characteristics were in line with the purpose of this study that focused on assessing the business viability of local apparel trade within a liberalised market in Nairobi. Therefore, this research design was thought to be suitable to this study.

The advantages of this design were that more extensive and elaborate information could be collected, thus facilitating a more realistic data analysis as well as efficient use of the researcher's resources. The design also allowed for collection of both quantitative and qualitative data at the same time (Borg, Gall and Gall, 1996). Qualitative data provided detailed information about the phenomenon being studied thus enabling the researcher to establish patterns, trends and relationships. Quantitative data, on the other hand allowed

the researcher to meaningfully describe the distribution of variables using standard statistical procedures (Borg et al. 1996) such as means, frequency distributions and measures of variability.

### **3.3 Study Area**

This study was carried out in Nairobi. Nairobi was been selected because being the Capital City of Kenya and a centre of numerous business activities. Nairobi is also a central market for a variety of apparel for Kenya's cosmopolitan population. There are several market centres where a majority of apparel traders of different types of apparel are found. The traders' different backgrounds and attitudes on apparel trade within a liberalised market gave the desired information required for the study.

### **3.4 Population**

The target population consisted of all apparel traders in Nairobi. The accessible population of New Imported apparel traders, second-hand apparel traders, locally manufactured apparel traders and custom tailors were drawn from designated market centres in Nairobi as approved by the Nairobi City Council. The apparel traders in these areas varied in their cultural background, age, educational level, socio-economic status and business circumstances (rent, business location, type of merchandise).

The sampling frame consisted of 583 apparel traders. Out of this, a sample of 90 respondents was selected using stratified random sampling, purposive sampling and simple random sampling methods. Considering the fact that an interview schedule and an observation checklist were used to collect data, the sample size (90) was manageable

given the time and funds available. The sample size also represented 15% of the main apparel outlets in Nairobi's Central Business District and its environs.

### **3.5 Sample Selection**

In Nairobi, a majority of apparel traders are located at designated market centres in the Central Business District and its environs (Jericho market, Kenyatta market, Uhuru market, Burma market, Kariobangi South market, Kariokor market and the Central Business District). Nairobi City Council set these centres aside as business areas. Apparel traders have setup either shops, stalls or have ground space(s) in these areas where they sell their merchandise. A sample was selected as follows:

#### ***3.5.1 Stratified random sampling***

This method involves selecting subjects in such a way that existing sub-groups in the population are reproduced in the sample to be used in the study. Traders of apparel were stratified according to the type of apparel sold as follows;

- a) New imported apparel traders
- b) Second-hand apparel traders
- c) Locally produced apparel traders
- d) Custom tailors

A preliminary survey of the above categories indicated that, out of the total population of apparel traders, 40% were custom tailors, 30% were new imported apparel traders, 18% were second-hand apparel traders, and 12% were locally produced apparel traders.

### 3.5.2 Purposive sampling

This technique allows the researcher to use cases that have the required information with respect to the objectives of the study. It was used to select market centres in which there were at least 100 apparel traders as well as market centres in which at least 3 categories of apparel traders could be found in Nairobi. Such market centres were;

- a) Jericho market
- b) Kenyatta market
- c) Central Business District

The sample was proportionately selected to reflect the categories of apparel traders.

Table 1 shows the distribution of the sample size (15%):

**Table 1: The distribution of apparel traders in Nairobi.**

Location	Types of Apparel Traders			
	New Imported	Second Hand	Locally Produced	Designers/ Custom Tailors
Jericho Market	27	13	29	86
Kenyatta Market	60	46	25	92
C.B.D	102	21	31	51
Total (583)	189	80	85	229
Sample Size 15%(90)	29	14	13	34

### ***3.5.3 Simple random sampling***

This method was used to obtain respondents in each category of apparel traders at the selected market centres. Simple random sampling was chosen because it gave every member of the population an equal chance of being selected in order to obtain a representative sample. A number was given to every respondent. The numbers of apparel traders according to market centre and apparel category were placed in a container. By picking any number at random, the required number of respondents of each category at each market centre was included in the sample.

## **3.6 Research Instruments**

Data was collected using two instruments:

### *Interview schedule (Appendix I)*

The interview schedule consisted of open-ended and closed-ended questions based on the objectives of the study. The interview schedule was divided into sections A, B and C. Section A addressed socio-economic factors of the respondents while section B addressed details about the respondent's business. Section C addressed the respondent's merchandising techniques.

The interview schedule enabled the researcher to obtain clear and in-depth information using probing and prompting. The instrument was administered in English. As some traders could have been semi-literate or illiterate, the interview schedule allowed the researcher to adopt a suitable language for use in obtaining information considering that the apparel traders could have been unable to handle a questionnaire.

### *Observation checklist (Appendix II)*

An observation checklist was also developed to measure the apparel trader's merchandising techniques. The observation checklist was used to record information on the visual merchandising techniques used by the respondents. These techniques contributed to the measures they took to be competitive as stated in objective 5.

### **3.7 Pre-Testing the Instruments**

To check for bias and flaws, the instruments were pre-tested on 12 respondents, 3 from each category of apparel traders who qualified to be in the sample but were not included in the final sample. Bias and flaws could have occurred if the research instruments were neither reliable nor valid. Reliability occurs when the research instruments used yield consistent results after repeated trials (Mugenda and Mugenda, 1999). In addition, validity refers to the accuracy and meaningfulness of inferences, which are based on the research results. Any bias and flaws in the interview schedule and observation checklist were modified for more clarity and accuracy.

### **3.8 Data Collection Procedures**

The researcher personally held interviews with apparel traders. Permission was sought from the trader following an explanation as to why the research was being undertaken. Interviews were arranged to take place in each respondent's business premise so that other observations could be made during, and immediately after the interview.

### 3.9 Measurement of Variables

#### 1. *Educational Status:*

This was measured by asking the respondents to state the highest level of education they had attained.

#### 2. *Occupation:*

The respondents stated the position they hold in the business e.g owner/ director/ manager, assistant manager.

#### 3. *Geographical location:*

This was determined by recording the market centre in which the respondents' businesses were located.

#### 4. *Quality of apparel:*

This was measured by asking the respondents to state;

- a) Factors they considered when selecting apparel to sell.
- b) Factors that consumers looked for when selecting apparel.
- c) Behaviour of consumers when selecting apparel.
- d) Whether consumers asked for and bought specific items (e.g shirts, sweaters, trousers etc).

#### 5. *Merchandising techniques possessed by apparel traders:*

This was measured by asking the respondents;

- a) The duration they had worked in the business.
- b) How they convinced consumers to buy an item especially during low seasons or when consumers seemed reluctant to buy.

- c) Through making observations of the business premise against a checklist of the visual merchandising techniques used (e.g. window displays).

#### 6. *Business Performance:*

This was measured by asking the respondents the amount of money received when a majority of customers made purchases from them and comparing these figures among the types of apparel sold by traders. The respondents were also asked about their future business plans.

### **3.10 Data Analysis**

The data was analysed quantitatively and qualitatively to address the objectives. Quantitative data was analysed using the Statistical Package for Social Sciences (SPSS®) computer software. Frequencies and percentage tables were used to present the results. Chi-square was used to establish whether socio-economic characteristics, problems experienced and business performance determined the types of apparel sold by traders.

Results from the checklist were used to describe sales promotion techniques used by the respondents, elaborate findings from the interviews and explain unexpected phenomena. Qualitative data was analysed using the SPSS Text Editor to assign codes to various categories and themes that arose from the data collected. Relationships between these categories, themes and patterns were established. The information obtained assisted in answering the research questions.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

#### 4.1 Introduction

This chapter presents the findings of the factors influencing the business viability of local apparel trade, and how consumer preferences and buying practices affect apparel trade within a liberalised market in Nairobi. The study was conducted at three market centres (Kenyatta market, Central Business District [CBD], and Jericho market) located in different parts of Nairobi. There were a total of 583 apparel traders in these market centres, out of which a sample of 90 traders (or 15% of the total population) was interviewed (i.e. 34 traders from Kenyatta market, 30 from the CBD, and 26 from Jericho market). Four categories of apparel traders were distinguished: traders of New Imported apparel, Second-hand apparel, Locally Manufactured apparel, and Custom-tailored apparel. The focus of the study was on the socio-economic characteristics of the apparel traders, their target clientele, consumer preferences and sales promotional techniques used by the apparel traders. These results are presented in the following sections:

1. Socio-economic characteristics of the apparel traders.
2. Characteristics of apparel businesses.
3. Apparel traders' level of awareness.
4. Problems experienced by apparel traders.
5. Measures taken by apparel traders to be competitive.
6. Assessment of apparel business performance.
7. Factors influencing the types of apparel sold by the traders

## 4.2 Socio-economic characteristics of the apparel traders

### 4.2.1 Gender of the Respondents

The survey revealed that there were more female apparel traders (57%) than male apparel traders (43%) in Nairobi (Table 2). In support of this, Donnel, Sharp and Stamper (1986) observed that the apparel industry has been the largest single employer of women and minorities.

**Table 2: Frequency distribution of respondents according to gender**

Gender	Frequency	%
Male	39	43.3
Female	51	56.7
Total	90	100.0

### 4.2.2 Age of the Respondents

The study showed that an overwhelming majority (89%) of the apparel traders, were under the age 40 years, while none of the traders were above the age of 55 years. The results are presented in Table 3. This could be attributed to the fact that most Kenyans complete their secondary education by the age of 20 years, hence engage themselves in gainful employment. Also, these trends indicate a growing appreciation for clothing by Kenyans making this a potential line of business for many people searching for employment.

**Table 3: Frequency distribution of respondents according to age**

Age (years)	Frequency	%
20-25	35	38.9
26-30	17	18.9
31-35	20	22.2
36-40	8	8.9
41-45	4	4.4
46-50	5	5.6
51-55	1	1.1
Total	90	100

#### ***4.2.3 Level of education of the respondents***

The study also sought to find out the level of education of the apparel traders since this would impact on the way these traders carried out their business. Although all traders interviewed had attained some formal education (Table 4), the majority had attained secondary level (55.6%), and post secondary level/ college level (26.7%) education. This could be attributed to the fact that most of the respondents went through school when education was emphasized for all Kenyans and fully supported by the government. Only a few respondents had dropped out at primary level (10%) or had attained university level education (7.8%). Most of those who only had primary or some secondary level education learnt the trade on the job as apprentices. The usefulness of education was evident in the way traders kept their business records and communicated with customers.

**Table 4: Frequency distribution of respondents according to education level**

Level of education	Frequency	%
Primary	9	10.0
Secondary	50	55.6
College	24	26.7
University	7	7.8
Total	90	100.0

#### ***4.2.4 Positions held by respondents in their businesses***

Table 5 shows that majority (65%) of the apparel traders owned their businesses, while 35% were employed by the business owners as assistant managers. The assistant managers had the sole responsibility of running the businesses while their employers only provided the necessary capital as advised by the assistant managers. The assistant managers were therefore better placed to answer questions about their businesses.

**Table 5: Frequency distribution showing the respondents' position in business**

Position/ Designation	Frequency	%
Owner/ manager/ director	58	64.5
Assistant manager	32	35.5
Total	90	100.0

#### ***4.2.5 Respondents' experience selling apparel***

Experience selling apparel in this study refers to the time span during which one has been selling apparel within and without their present place of work. Table 6 shows

that most (57%) of the apparel traders had up to 5 years of experience while 43% had sold apparel for more than 6 years. This could be attributed to the fact that having observed market trends since the onset of market liberalisation, such as increase in diverse merchandise and consumer preferences, apparel traders were confident their businesses would flourish. According to Horn (1975) knowledge helps dissipate fear of the new and the unknown freeing people from inhibitions rooted in customs.

**Table 6: Frequency distribution of respondents according to their experience in selling apparel.**

Experience (years)	Frequency	%
1-5	51	56.7
6-10	21	23.3
11-15	10	11.1
16-20	3	3.3
21-25	2	2.2
26-30	2	2.2
31-35	-	-
36-40	1	1.1
Total	90	100.0

### 4.3 Characteristics of the Apparel Businesses

#### 4.3.1 Target clientele

Target clientele in this study refers to the main customers the apparel traders wanted to sell to. An overwhelming majority (89%) of the traders interviewed had women as their target clientele compared to only 39% men, 30% children and only 12% infants (Table 7). With new designs for women clothing being introduced into the market

quite often, women strive to acquire them at the same pace. As a result, women become very potential customers for apparel traders.

**Table 7: Respondents' target clientele.**

Clientele	Frequency	%
Men	35	38.9
Women	80	88.9
Children	27	30.3
Infant/babies	11	12.4

\* Multiple responses were allowed

The results on Table 8 show that according to most (30%) apparel traders, women always needed clothes, thus they were sure their merchandise would be bought. Frisbee (1985) observed that women today have more clothes than men and working women have more than those not working. Also, 21% of the traders emphasized the fact that women were always willing buyers of their merchandise since they enjoyed dressing up. It was evident that several of the apparel traders that had women as their target clientele also included children and/ or infants/ babies as their target clientele too. Those traders who targeted men reasoned that men were high earners and preferred new items. Some of these traders sold women's wear as well, and were targeting mainly tourists.

Most traders, however, had more than one type of clientele since this would enable them to exploit multiple categories of customers more easily and efficiently. Only a few traders had only one target clientele, mainly because they had specialised in specific categories of clothing thus did not include other categories in their stocks. The apparel traders therefore stocked merchandise that would meet the needs of their target clientele

(i.e men's wear, women's wear, infants' wear). Apparently when traders received other clientele in addition to their regular clientele, some realised increased sales. This was considered a boost to the business.

**Table 8: Frequency distribution showing respondents' reasons for selected target clientele.**

Reasons for selected target clientele	Frequency	%
Women always need clothes	26	30.2
Women are willing buyers	18	20.9
Women enjoy dressing up	9	10.5
Several categories of clients can be exploited easily	15	17.4
Most of my clients are men	1	1.2
Men are earners themselves	4	4.7
Most tourists are adults/ teenagers	3	3.5
Men prefer new items	2	2.3
Specialisation of the business	8	9.3

\* Multiple responses were allowed

#### **4.3.2 Number of employees per business**

The study also sought to find out the number of employees in the various business establishments dealing in apparel since this gives an indication of the size of the business. The results indicated that a large proportion of the traders had less than 5 (71%) employees or none (20%). Only 8% had 6-15 employees as shown in Table 9. This indicated that the apparel businesses were small such that the owner or assistant manager could effectively attend to their clients. Only when the designers/ custom tailors had several orders did they hire part-time tailors to assist. In support, the US Office of education (1973) reiterated that the current trends in apparel business are that there is a dominance of small producers, product specialisation, contracting system and style piracy.

**Table 9: Frequency distribution showing respondents' employees in their businesses.**

Employees per business	Frequency	%
1-5	64	71.1
6-10	7	7.8
11-15	1	1.1
None	18	20.0
Total	90	100.0

#### **4.3.3 Duration of respondents' businesses**

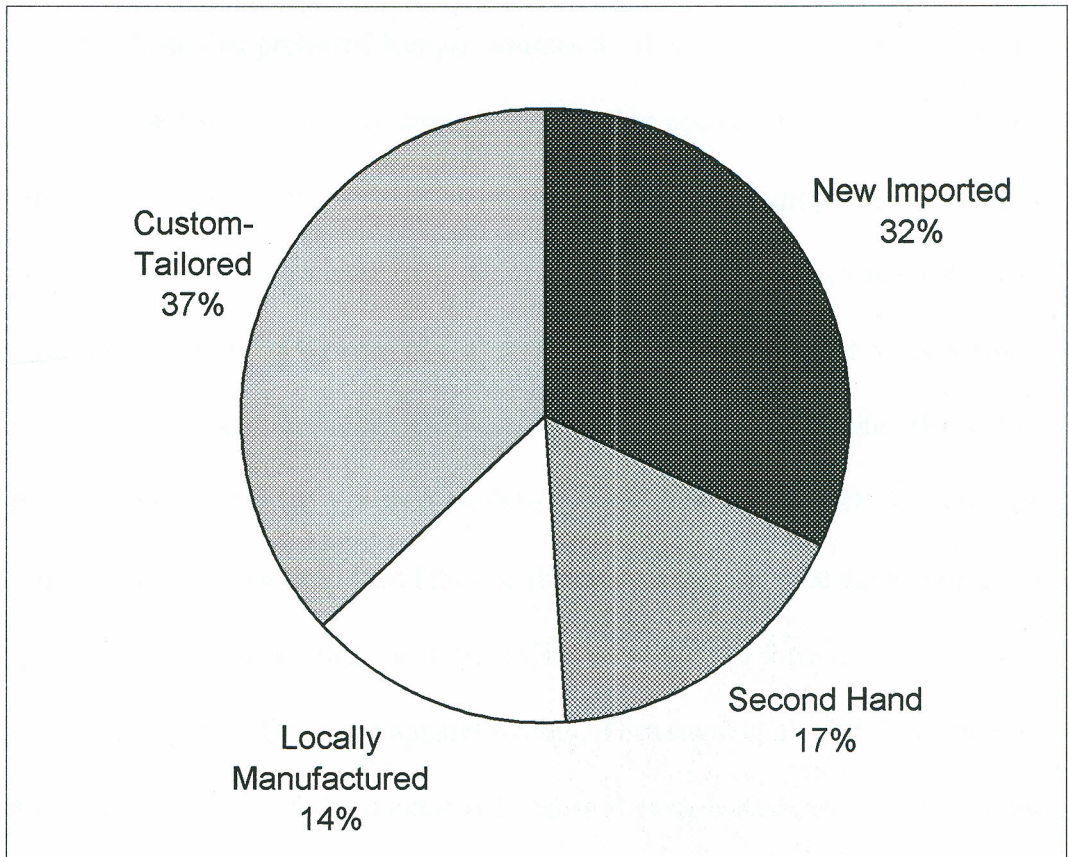
Duration in this study referred to the time span during which the businesses have existed. The results indicated that about 49% of apparel traders interviewed have had their businesses for less than five years, and 36% have been in business for 6-10 years (Table 10). Very few (15%) of the respondents' businesses had existed for over 11 years. These trends could be attributed to the recent developments in Kenya such as the voluntary/ involuntary early retirement from employment in the public and private sectors. With very slim chances of getting new jobs, these traders could have used their retirement benefits (golden handshake, pension) to open up small businesses.

**Table 10: Frequency distribution showing duration of respondents' businesses.**

Duration (years)	Frequency	%
1-5	44	48.9
6-10	32	35.6
11-15	7	7.8
16-20	3	3.3
21-25	1	1.1
26-30	2	2.2
> 30	1	1.1
Total	90	100.0

#### 4.3.4 Type of Clothing Sold

In this study the type of clothing referred to its mode of production and/ or source. Figure 1 shows that 37% of the respondents sold Custom-tailored apparel that they made themselves and 32% of the traders sold New Imported apparel. The large proportion of these traders could be an indication that consumers considered both New Imported and Custom-tailored clothing as high quality items. Only 17% sold Second-hand apparel and 14% sold Locally Manufactured apparel mostly uniforms for schools or work.



**Figure 1: The distribution of types of apparel sold by respondents**

Most traders preferred fabric/ clothing from foreign sources (76%) than to local (Kenyan) sources (24%). The main reasons why most traders preferred foreign fabric/ clothing included (Table 11): most customers preferred imported apparel (29%), imported apparel is of high quality (23%); large variety to choose from (17%), cheap (9%), and is easily available (6%). Other reasons given by traders for preferring foreign apparel included the fact that local sources had been depleted forcing traders to look for alternative sources of merchandise (5%) and the merchandise sold quickly (2%). A few respondents mentioned that foreign items were up to date with current fashions.

Of those that preferred Kenyan sources for their fabric/ clothing, 56% of them said it was because these items were cheaper than foreign ones (Table 12). Kenyan fabric/ clothing were easily available for 24% of the respondents. Eight percent said Kenyan items were unique while another 8% said these were items that tourists wanted to buy. Only 4% said that using Kenyan fabric/ clothing created employment for Kenyans. Most traders obtained the merchandise they sold by themselves (52%), while others (48%) got their merchandise through a second party (employer, agent/ supplier). In some cases, customers would bring their own fabric to the custom-tailors to be made into garments.

Regardless of whether the merchandise was obtained from local or foreign sources, the items brought profits to the apparel traders. Dickerson et al. (1997) identified this as the ultimate goal of the fashion industry because if these businesses did not succeed in being profitable then the fashion lines would not continue. A trader would not sell merchandise that did not realise any profits. However the challenge to the local industries is to match imported merchandise in terms of quality and variety as these attract local consumers to purchase imported apparel.

**Table 11: Frequency distribution of respondents' reasons for preference of foreign products.**

Reasons	Frequency	%
Customer preference	19	29.2
Employer's choice	2	3.1
Local sources depleted	3	4.6
Cheaper	6	9.2
Variety	11	16.9
Quality	15	23.1
Unique	1	1.5
Sell quickly	3	4.6
Easy available	4	6.2
Up to date	1	1.5

\* Multiple responses were allowed

**Table 12: Frequency distribution of respondents' reasons for preference of Kenyan products.**

Reasons	Frequency	%
Unique items	2	8.0
Create employment	1	4.0
Cheaper	14	56.0
Easily available	6	24.0
For tourists	2	8.0

\* Multiple responses were allowed

#### 4.4 Apparel traders' level of awareness

##### 4.4.1 Apparel traders' level of awareness of consumer preferences

The present study also tried to determine the traders' awareness of the factors customers considered when selecting specific apparel to buy. Generally, most traders in Nairobi (77%) agreed that majority of customers looked for good stitching/ workmanship

in the garments they selected since these garments were durable (Table 13). The other major factors that influenced customer selection included the right size (57%), right style (57%) and right colour (50%). Interestingly, only 43% and 29% of the traders said that customers were concerned with a suitable price and fabric, respectively. Only a mere 8% cared whether the clothing was a new arrival, mainly in keeping with new fashions. The knowledge of consumer preferences when selecting apparel to buy assisted the trader in providing the right merchandise. Also, by pointing out these aspects to customers traders were able to sell their merchandise because the customer's buying points become the apparel trader's selling points (Addison, Gillespie and Wingate, 1964).

**Table 13: Factors customers consider when selecting apparel to buy.**

Factors	Frequency	%
Good stitching	69	76.7
Right size	51	56.7
Right colour	45	50.0
Right price	39	43.3
Suitable style	51	56.7
Suitable fabric	26	28.9
New arrivals	7	7.8

\* Multiple responses were allowed

#### *4.4.2 Traders' level of awareness of specifications asked by customers*

In terms of what customers often asked for, an overwhelming majority (93%) of the respondents agreed that customers often asked for specific items to buy, probably because most customers had already decided on the type of garment they would like to buy before visiting the shop. As shown in Table 14 most customers asked for either specific type of clothing (e.g. shirt, blouse, skirt or trouser [84%]), specific fabric (e.g.

cotton or polyester [60%]), specific colour (57%) or size (21%). The low number of customers asking for specific size could be due to the fact that once they had found a garment they liked, they would simply fit various sizes until they got the one that fitted them best. This can form the focus for future business strategies.

**Table 14: Specifications customers ask for when selecting apparel to buy.**

Specifications	Frequency	%
Specific size	19	21.2
Specific colour	51	56.7
Specific type	76	84.4
Specific fabric	54	60.0

\* Multiple responses were allowed

#### ***4.4.3 Techniques apparel traders used to convince reluctant clientele***

In order to convince reluctant customers to buy items, most traders tried various techniques to sell their merchandise. For example, majority of the traders tried to explain the positive aspects of the garment to the customer such as durability and ease of care (71%) and its suitability to the customer in terms of enhancing their appearance (52%). Additionally, a good number of the traders (40%) lowered the prices to convince reluctant customers to buy, while 37% provided alternative colours to these customers. Other techniques used by the traders to enhance marketability of their items included providing alternative styles (33%) to reluctant customers as a way of convincing them to buy a garment especially when business was low. Less than 10% of the respondents either introduced products available as these items were already on display, or asked the customer why they were buying an item or explained the item's value for money in order

to convince the customer to buy the garment (Table 15). As expected, 64% of the traders were sometimes successful in getting the reluctant customers to buy, while 36% were always successful in getting reluctant customers to buy after convincing them. The findings of a survey on National Micro and Small enterprises by CBS, International Center for Economic Growth {ICEG} and K-Rep Holdings Limited (1999), identified 'lack of knowledge of what consumers want' as a major problem for traders. However, the findings of this study clearly suggested that most of the apparel traders were well aware of their customers' apparel needs. One said:

*“Talking to customers helps them appreciate a garment in a way they probably had not thought of, hence buy an item.”*

**Table 15: Techniques used by apparel traders to convince reluctant clientele.**

Techniques	Frequency	%
Explain item's positive aspects	64	71.1
Explain its suitability to customer	47	52.2
Provide alternative colours	33	36.7
Provide alternative styles	30	33.3
Lower the prices	36	40.0
Introduce products available	7	7.8
Ask for reason of purchase	3	3.3
Explain item's value for money	3	3.3

\* Multiple responses were allowed

## 4.5 Problems experienced by apparel traders

### 4.5.1 Lack of government support

The study revealed that 89% of the apparel traders in Nairobi said the government did not support their businesses in any way. 11% of the traders identified license provision as the way in which the government supported their businesses. Apparently by law the government allows traders to operate their businesses through issuing licenses.

Interestingly, 41% of the traders did not need government support, 46% thought they were better off being on their own, 18% were self employed, 18% were responsible for their own businesses, while 15% thought the government could not do anything anyway as shown in Table 16. This could be attributed to the fact that a number of government supported textile and apparel firms (Rivatex, Kisumu Cotton Mills) have closed down (CBS, 2000). Also, with employees in these industries being retrenched (CBS, 1999) apparel traders became wary of government support to their businesses. The other 59% of the respondents, however, thought they needed some kind of government support for the businesses' to succeed. This could be attributed to the fact that most traders lacked knowledge on other lending institutions or could not afford bank loans.

**Table 16: Respondents' reasons for not needing government support.**

Reasons	Frequency	%
Better to be on my own	15	45.5
I am responsible for my own business	6	18.2
Been on my own ever since	1	3.0
Government cannot do anything	5	15.2
Am self employed	6	18.2

\* Multiple responses were allowed

#### 4.5.2 Other problems experienced by apparel traders

An overwhelming majority (91%) of the respondents experienced various problems while conducting business, as compared to only 9% that did not experience any problems at all. The major problems faced by most apparel traders were those associated with lack of customers especially during low season (62%), and too many competitors selling the same items in the same place (60%) thus reducing the amount of clients one trader could receive (Table 17). As a result of market liberalisation, apparel traders have access to a variety and yet, similar merchandise as their sources (Dubai, Europe and America) are similar too. Additionally, harassment by the Nairobi City Council officials was cited as a major problem by about 24% of the traders.

**Table 17: Respondents' problems.**

Problems	Frequency	%
Lack of customers	56	62.2
Too many competitors of same items	54	60.0
Harassment from tax/license officers	22	24.4
Stubborn customers	3	3.3
High rent	6	6.7
Credit customers delay to pay	2	2.2
Lack of money to run business	7	7.8
Elec., water rationing	11	12.2
Con-men, shop lifters, thieves	4	4.4
Delay in delivery by agent	1	1.1

\* Multiple responses were allowed

The other major problems were irregular electricity and water supply, lack of money and high rent for their premises. For example, most respondents paid as high as Ksh.3,500/= per month in Jericho market and Ksh. 5,000/= in Kenyatta market to stall

owners who in turn paid the Nairobi City Council only Ksh.200/= as service charge monthly. The story was no better in the Central Business District where most traders with stands within a business premise paid a daily charge of Ksh. 350/=. In addition to these high rents, the goodwill required by premise owners was sometimes not affordable to most apparel traders. Other problems common to most traders included con-men who gave fake currency notes, thieves and shoplifters, stubborn customers, delayed payments by credit customers, and delays in deliveries by his agent. A survey carried out by CBS et al. (1999) also identified the aforementioned problems facing traders.

### ***4.5.3 Solutions to problems experienced.***

#### **4.5.3.1 Suggestions to possible ways of government support**

Of the traders who wanted government support 28% needed loans. This could be attributed to the fact that many traders may have lacked the collateral required to get credit, thus needed alternative loans that could be acquired without collateral. The traders may also have lacked information on the availability and source of loans from commercial institutions. The traders also suggested that prices be made affordable by reducing license fees, taxes and customs charges (28%). These suggestions would enable the apparel traders meet their operating costs and at the same time reap profits since they would have more capital. Other suggestions by these apparel traders included government support in making apparel from the Export Processing Zones and Manufacturing Under Bond available locally instead of local traders having to import them at higher cost (Table 18). Though these high quality products are very appealing to the local market, making them available locally would deviate from the objectives of these industries. The apparel traders

need to be educated on the role of EPZs and MUBs. This would be an excellent opportunity for the department of Textiles, Clothing and Design and the department of Family and Consumer studies (Kenyatta University) to seek funds for workshops, to train graduates who desire to join university. Local producers can be encouraged to provide items of similar high quality or better still, come up with a similar local processing zone.

**Table 18: Respondents' suggestions on possible ways of government support.**

Ways of possible government support	Frequency	%
Make items from Export Processing Zones locally available	3	3.3
Reduce custom charges	9	10.0
Make prices affordable for traders	16	17.7
Give loans	25	27.8
Provide education	4	4.4
Tax "mitumba" importers	2	2.2
Discourage import of substandard goods	1	1.1
Stop illegal imports into Kenya	2	2.2
Stop all exhibitions an markets that do not pay tax	3	3.3
Stop NCC harassment	2	2.2

\* Multiple responses were allowed

Additionally, the government could support provision of education especially in the area of marketing, and stop exhibitions and markets that do not pay tax so as to create a level ground for all traders. Interestingly, only 2% of the respondents said the government should tax "mitumba" importers, discourage import of substandard goods and illegal goods, and that the Nairobi City Council should stop harassing them as ways of supporting their businesses. The government of Kenya in Sessional Paper No. 2 of 1992 on Small Scale and Jua Kali Enterprises (SSJKE) had reiterated their support of small

businesses through developing them, creating easy access to credit and harmonising licensing procedures. However, the findings of this study indicated that these proposals have not been fully realised as apparel traders have made similar suggestions to the government. It is clear that apparel traders need to look for other sources of funding if their businesses are to prosper.

#### 4.5.3.2 Strategies used by apparel traders to solve problems they experienced in their businesses.

Different apparel traders had started self-initiatives to solve some of the problems facing them. Some of the strategies cited by most traders included improving the quality of garments they provide to their clients, thus attracting more customers to their shops (36% of the respondents) and maintaining regular customers who have been buying from them for a long time (23%). Some traders introduced unique items different from those of their competitors since customers often looked for new and different clothing (Table 19). Other traders went to offices or used friends to look for customers as a way of promoting their goods. Kerosene lamps and charcoal irons were used because of the irregular electricity supply. Paying licenses and other taxes in time, or negotiating for rescheduling of deadlines with tax officers, and simply avoiding the NCC officers when they came to their shops helped avoid their harassment. Lowering profits so as to make the prices of their merchandise affordable to several customers and keeping contact with their old customers assisted some traders.

When the shop was full of customers traders sought assistance from their fellow traders to avoid being conned or stolen from. If no assistance were available then the apparel trader would serve one customer as the others waited. Surprisingly, 4% of the

respondents said they would just wait for better times as they had no way of solving any problems they experienced while conducting their businesses. Harmonising prices of similar items among fellow traders and ordering for merchandise on time so as to avoid any delays also solved some problems. Other traders selling different merchandise (clothing accessories, upholstery, soft-furnishings) also employed similar self-initiatives to solve their problems. Traders selling merchandise in offices and public places are a common sight.

**Table 19: Frequencies showing the strategies used by apparel traders to solve problems facing their businesses.**

Strategies	Frequency	%
Negotiating with City Council	6	6.7
Maintain own clients	21	23.3
Look for customers	7	7.8
Promoting own items	7	7.8
Providing high quality items	32	35.6
Extensive marketing	1	1.1
Keep contact with old clients	4	4.5
Just waiting	4	4.4
Agree with colleagues on selling prices	1	1.1
Selecting unique items	11	12.4
Pay City Council on time	6	6.7
Work hard	9	10.0
Lower profit	6	6.7
Use lamps, charcoal irons	9	10.0
Avoid tax officers	5	5.6
Seek assistance from colleagues	4	4.4
Make orders on time	1	4.0

\* Multiple responses were allowed

## 4.6 Measures taken by apparel traders to become competitive

### 4.6.1 Budgeting and restocking ahead of time

Overall, 69% of the apparel traders budgeted on time, usually 1 – 6 weeks ahead of time (88% of those who budget, [Table 20]). They budgeted on time because 53% of the respondents wanted to maintain the required stock for the business so as to meet their customers' demands (16% of the respondents). Other apparel traders wanted to monitor the performance of their stock and even plan better (9%) while for 6%, budgeting made purchasing easier (Table 21). Other reasons included being able to allocate money so as to meet their business and personal needs (6%), to avoid inconveniencing their customers when they came in asking for specific merchandise (4%), in order to plan for high seasons and to avoid overstocking (3%). Though traders engaged in short term planning, budgeting /restocking ahead of time prepared apparel traders to face unforeseen eventualities that could affect their businesses.

**Table 20: Frequency distribution of respondents according to duration of budgeting before purchasing.**

Duration (weeks)	Frequency	%
1-3	36	53.7
4-6	23	34.3
7-9	3	4.5
10-12	5	7.5
Total	67	100.0

**Table 21: Respondents' reasons for budgeting ahead of time.**

Reasons	Frequency	%
Plan for high season	2	2.9
Meet customer demands	11	16.2
Easier purchase	4	5.9
Avoid overstocking	2	2.9
Maintain required stock	36	52.9
Allocate money	4	5.9
Monitor performance	6	8.8
Avoid inconvenience to customer	3	4.4
Total	68	100.0

#### ***4.6.2 Reasons for not budgeting on time***

For the 31% of the total respondents who never budgeted at all, the main reasons for this was that they preferred to buy items when demanded by the customers instead of tying down money in stock that did not clear quickly (62% [Table 22]). Others had to take what their suppliers provided (14%). The present poor economy did not allow them to know what to expect thus, the traders did not want to take any risks (14%). In addition, low sales usually made their stocks to last long (10%). This is inconsistent with normal business practice, therefore in event of any crisis (theft, lack of capital) could easily lead to the business' closure. These traders clearly lacked proper training in their line of business. Additionally, the traders may have difficulty getting loans, because they may not have any proof of collateral.

**Table 22: Respondents' reasons for not budgeting ahead of time.**

Reasons	Frequency	%
Take what suppliers provide	3	14.3
Buy on demand	13	61.9
Poor economy, can't plan	3	14.3
Low sales, stock lasts	2	9.5
<b>Total</b>	<b>21</b>	<b>100.0</b>

#### ***4.6.3 Choice of apparel to sell***

Among the factors considered by apparel traders when selecting the type of apparel to sell, 81% of the respondents said their target clientele were very important, and they often selected clothing that would appeal to their target clientele (Table 23). The location of the business was also important when selecting the type of items to sell (69%). The location had to be easily accessible to customers, secure, affordable, of good reputation and having the clientele the trader was interested in. Also, 63% of the respondents considered popular fashion when they selected apparel to sell as this appealed to most of their clientele. Also important in selecting apparel to sell was the money available (53%) since this often limited what they could buy. Interestingly, only 18% considered the quality of apparel when selecting items to sell. Less than 20% of the respondents considered desirable design features and orders made by their clients when selecting items to sell. These were mainly tailors and designers. It was evident that when choosing apparel to sell, the traders were guided by factors customers considered when selecting items to buy as discussed earlier in this chapter.

**Table 23: Factors respondents considered when selecting items to sell.**

Factors	Frequency	%
Money available	48	53.3
Target clientele	73	81.1
Popular fashion	59	63.3
Quality	16	17.8
Location of the business	62	68.9
Desirable design features	8	8.9
Orders made by clients	11	12.4

\* Multiple responses were allowed

#### *4.6.4 Factors necessary for an apparel trader to prosper*

Table 24 shows that according to most apparel traders (66%), a good business location was important to both the trader and customer. Other important factors important for prosperity in apparel trade included relevant education (58%), work experience (53%), pleasant personality (52%), readiness to take the challenge (33%), and available capital (22%). In addition, having clientele for your merchandise (7%), and being a good salesperson (6%) were necessary for a trader to prosper. Only 2% of the respondents felt a prosperous apparel trader should not start a business now due to the poor performance of Kenya's economy. This indicated that apparel traders were aware of important factors necessary for them to prosper. What remained was for them to adopt more of these factors to increase their business performance.

**Table 24: Factors respondents suggested as necessary for prosperity in this business.**

Factors	Frequency	%
Relevant education	52	57.8
Good business location	59	65.6
Work experience	48	53.3
Pleasant personality	47	52.2
Readiness to take the challenge	30	33.3
Having clientele for your items	7	7.8
Capital	20	22.2
Being a suitable salesperson	6	6.7
Not starting business now	2	2.2

\* Multiple responses were allowed

#### **4.6.5 Visual merchandising techniques**

The study established that visual merchandising techniques were important in turning a customer's browsing into purchase of an item (Table 25). The survey revealed that interior displays were the most used form of visual merchandising techniques (90% of the respondents). These respondents mostly used interior displays by way of hanging clothes on the walls (90%), as well as displaying some merchandise on a counter/ table positioned close or next to the shop's entrance (53.3%), while some (38.9%) had shelves/ rails in the shops for displaying their merchandise (Table 25). Only 10% of the respondents displayed items along the aisle. Six percent had items displayed at the centre (island) of the shop. Four percent of the traders had a showcase display of their most stunning merchandise. Though displaying merchandise in the aisle or having a showcase are very effective visual merchandising techniques, they are costly and require some skill hence very few traders could use these techniques. Four percent of the respondents used the ceiling to display their merchandise.

**Table 25: Respondents' use of visual merchandising techniques in their businesses.**

Merchandising techniques	Frequency	%
Window displays	27	30.0
<input type="checkbox"/> Hanging clothes	27	30.0
<input type="checkbox"/> Using mannequins	13	14.4
<input type="checkbox"/> Window painting	8	8.9
Interior displays	81	90.0
<input type="checkbox"/> Counter/ table	48	53.3
<input type="checkbox"/> Wall	81	90.0
<input type="checkbox"/> Shelves/ rail	35	38.9
<input type="checkbox"/> Aisle	9	10.0
<input type="checkbox"/> Island (centre)	5	5.6
<input type="checkbox"/> Showcase	4	4.4
<input type="checkbox"/> Ceiling	4	4.4
Door display	74	82.2
<input type="checkbox"/> Premise sign	35	38.9
<input type="checkbox"/> Hanging clothes	35	61.1

\* Multiple responses were allowed

It was also observed that a large proportion (82.2%) of the apparel traders used door displays as a form of visual merchandising in their business premises. This was probably to attract clients passing by to come into the shop. Sixty-one percent of the respondents hung clothes on the door for browsing customers to see and maybe buy. On the other hand, 38.9% of the apparel traders had a premise sign on, above or close to the doorway. This assisted potential clients in locating various business premises with ease.

Window displays were also common among 30% of the respondents. All these respondents hung their merchandise on windows for display. However, 14.4% of the respondents used mannequins to display their apparel. Also window painting was done (8.9%), especially during Easter and Christmas. Notably, only the shops with adequate window space used this visual merchandising technique.

#### 4.6.6 Future plans of the apparel traders

When asked about their future plans 48% of the respondents said they wanted to expand their businesses (Table 26). Others wanted to open their own businesses (22%), as they were employees at their present places of work. Some (8%) of the apparel traders planned to increase their existing stock while another 8% would take it easy and wait for better times. Taking it easy could imply that the apparel traders were content to maintain the status quo of their businesses. Four percent of the respondents planned to diversify their products to include cosmetics, shoes and handbags that their clients needed. Only 2% each of the respondents did not want to expand but rather reduce their business, while others planned to change their businesses to probably a supermarket. Still others wanted to work even harder so as to reap the same if not more benefits from their businesses. 1% of the respondents however planned to have a fashion show, rise to a design house, or increase advertising of their business.

**Table 26: Frequency distribution showing respondents' future business plans.**

Future Plans	Frequency	%
Diversify products	4	4.4
Open own business	20	22.2
Increase stock	7	7.8
Have a fashion show	1	1.1
Rise to a design house	1	1.1
Increase advertising	1	1.1
Expand business	43	47.8
Reduction, no expansion	2	2.2
Change business, supermarket	2	2.2
Work hard	2	2.2
Take it easy	7	7.8
Total	90	100.0

These results showed the apparel traders being optimistic and hopeful, which further indicated that the apparel industry has a bright future. None of the traders recognised the need for relevant education to their success of their businesses; they did not mention the need to acquire training in apparel design and merchandising.

#### ***4.6.7 Respondents' attitudes towards their occupation.***

Almost all apparel traders (94%) enjoyed their present occupation since they found pleasure in seeing a customer satisfied after purchasing an item (32%), their occupation was a source of income (23%), Table 27. This further emphasizes the profit motive which propels one to undertake apparel trade (Dickerson et al., 1997). Some simply enjoyed communicating with people (14%), had pride of ownership (10%), or liked designing clothes (5%). A few others (less than 3%) enjoyed their occupation because they felt it had a lot of potential and was challenging, or felt that they had job security (Table 27). Those who did not enjoy their occupation said it was because of depressed market conditions or was not their career as one said,

*“This is not my career, I just need some money for my sustenance as I lookout for a job that is related to my training.”*

**Table 27: Frequency distribution of respondents' reasons for their attitudes towards their occupation.**

Reasons	Frequency	%
Because of depressed market conditions	4	4.5
Pleasure in customer satisfaction after buying an item	28	31.8
Enjoy designing original items	4	4.5
A lot of potential	2	2.3
Job security	1	1.1
Like clothes	5	5.7
Challenging	2	2.3
Enjoy communicating with people	12	13.6
Source of income	20	22.7
Pride of ownership	9	10.2
Not his career	1	1.1
<b>Total</b>	<b>90</b>	<b>100.0</b>

#### **4.7 Assessment of apparel business performance**

##### **4.7.1 Times of high sales**

Apparel traders were asked when their businesses received a majority of customers so as to determine their business performance. From Table 28, an overwhelming majority of the apparel traders interviewed received over 60% of their customers between October – December, with majority being in December (93%) and November (72%). The festive seasons of Christmas and the New Year were put forth by the respondents as reasons for businesses receiving a majority of customers during the last 3 months of the year. Also, there were more tourists in the country from July to the end of the year resulting in more business. This could be attributed to fact that clients had a little more money to spend as the year drew to an end.

**Table 28: Distribution of months of the year when businesses received many customers.**

Months	Frequency	%
January	11	12.2
February	11	12.2
March	8	8.9
April	29	32.2
May	7	7.8
June	10	11.1
July	24	26.7
August	44	48.9
September	32	35.6
October	58	64.4
November	65	72.2
December	84	93.3

\* Multiple responses were allowed

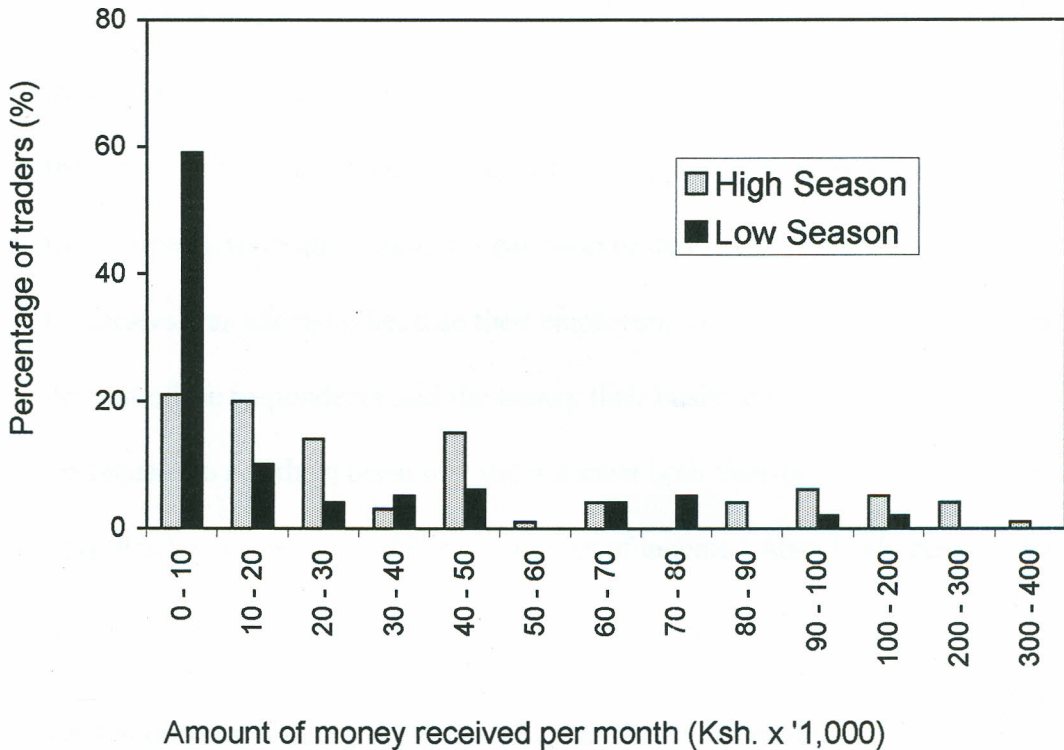
Some of the respondents (49%) received several customers in August while 32% received the same in April. Twenty-six percent of the apparel traders received several customers in July. This was attributed to there being plenty of functions such as weddings, parties that required people to have new clothing. During the school vacations in Easter and July some traders received a majority of customers as parents bought their children some clothes. Twelve percent each of the respondents received many customers in January and February as a result of the new school year. Eleven percent of those interviewed received many customers in June. However, 9% of the respondents received a majority of customers in March. The lowest recording was in May when only 8% of the apparel traders interviewed received some customers.

#### **4.7.2 Business turn-over**

During the months when business sales were high, 20% of the apparel traders that were interviewed said their businesses made between Ksh. 0-10,000 monthly (Figure 2). Another 20% of the respondents said their businesses received between Ksh.10,001-20,000 per month when they were busy. Fifteen percent of the respondents made about Ksh. 40,001-50,000 per month when they received a majority of customers. Fourteen percent of those that were interviewed said their businesses made between Ksh. 20,001-30,000 monthly when they were busy. Of those that made between Ksh.90,001-100,000 monthly comprised 6% of the respondents. Five percent of the respondents made between Ksh.100,001-200,000 per month when they were busy. Five percent of the apparel traders that were interviewed made between Ksh.60,001-70,000 per month and Ksh. 80,001-90,000 monthly. Of those that made between Ksh.30,001-40,000 per month comprised 3% of the respondents. The highest amount recorded was Ksh. 300,001-400,000 per month that was made by 3% of the respondents.

During the months when business sales were low and apparel traders were receiving few customers, 57% of those interviewed said their businesses made below Ksh.10,000 per month (Figure 2). Ten percent of the respondents said their businesses made between Ksh. 10,001-20,000 monthly when business was low. Those that made between Ksh.40,001-50,000 monthly comprised 6% of the respondents. Five percent of those that were interviewed said they made between Ksh. 30,001-40,000 and Ksh.70,001-80,000 each when they did not receive many customers. Four percent of the respondents made between Ksh.20,001-30,000 and Ksh.60,001-70,000 monthly when business was low. Seven percent of the respondents made between Ksh. 90,001-100,000 monthly.

Also 2% of the respondents made between Ksh. 100,001-200,000 monthly when they did not receive a majority of customers.



**Figure 2: Average monthly amount of money made per month by apparel businesses during high and low seasons**

The money received per month (Ksh.0-20,000) during both high and low business seasons by most (over 45%) respondents were high. According to CBS et al.(1999) there was a general assumption that small businesses were very low and that the potential of earning a living, for investment and growth were weak. In 1999, a small business generated an average income (plus own remuneration) of Ksh. 6,008 per month when the legal monthly salary for a general labourer amounted to Ksh. 2,363 (CBS et al., 1999).

Therefore, the entrepreneurs' income was 2.5 times higher than minimum wage. Even the minimum wage (Ksh. 6,496) paid by small business entrepreneurs to their hired workers was 2.7 times higher than the minimum legal salary.

A large proportion of the apparel traders (76%) interviewed said the money their businesses received in a year was adequate to run their businesses. This was because the money the business received met both their personal and business needs. Considering their earnings were quite high, this can be expected. Also, the money received by the businesses was adequate because their employers were able to pay them. Twenty-four percent of the respondents said the money their businesses received in a year was inadequate to run them because it did not meet both their personal and business needs thus they had to look for additional sources of income. Also, lately business had not been good so they were not making a lot of money.

#### **4.8 Factors influencing the types of apparel sold by traders**

This section addresses the objective of the study that seeks to establish whether socio-economic characteristics, problems experienced and business performance influenced the type of apparel sold by traders. This objective was achieved using Chi-square to test the null hypotheses that the types of apparel sold are independent of the trader's number of employees, age, sex, level of education, position/ designation, experience, length of service, source of fabric/clothing, problems experienced, and business performance. For the purpose of Chi-square various categories (age, number of employees, level of education, experience, length of service, business performance, types of apparel sold) were collapsed. This provided meaningful results for the study.

Apparently, location, duration of business, number of employees, sex, level of education of the traders, length of service, experience in selling apparel, problems experienced in the trade such as lack of customers and competition from other apparel traders did not influence ( $p > 0.05$ ) the type of apparel sold (Table 29). The same applied to business performance. The key factors that influenced the type of apparel sold ( $p < 0.05$ ) included the age of the trader, position/ designation and source of fabric/clothing. These factors are discussed in the following sub-sections.

**Table 29: Chi-square results showing the relationship of various factors on the type of apparel sold by traders.**

Factors influencing types of apparel sold by traders	Df	X <sup>2</sup>	p-value
Location of the business	6	11.2	0.082
Duration of business	3	0.8	0.854
Number of employees per business	1	0.5	0.500
Sex	3	7.1	0.069
Age	3	8.6	0.036
Level of education	3	0.1	0.989
Position/designation of apparel trader	1	17.0	0.000
Length of service of the apparel trader in present business	3	6.4	0.093
Experience in selling apparel	3	5.5	0.140
Source of fabric/clothing	1	22.9	0.000
Lack of customers	3	4.3	0.234
Too many competitors selling similar items	3	3.8	0.287
Harassment from license/ tax officers	3	1.9	0.610
Amount of money made by business during high sales	2	3.2	0.205

#### **4.8.1 Influence of age of the traders**

According to Solomon (1989), fashion is strongly influenced by three factors; social norms, individual expressions and technology. Thus, an individual's age would

determine the extent to which the aforementioned factors would influence their choice of apparel. It was therefore necessary to establish whether age influenced the types of apparel sold by traders. The Chi-square results in Table 30 indicated that age of the apparel traders influenced the type of apparel the traders chose to sell ( $X^2 = 8.6, p < 0,05$ ). It is clearly evident from these results that a higher percentage of younger apparel traders (20-30 years) sold New Imported apparel (69.0%), Custom-tailored/ designer apparel (15.5%) and Secondhand apparel (80.0%). Other age brackets showed most traders selling Custom-tailored/ designer apparel. This could be attributed to the fact that the traders chose to sell apparel that they and their customers could identify with, which in this case were foreign items.

**Table 30: Chi-square results showing the relationship between the types of apparel sold and age of the respondents.**

Age (yrs)	Types of Apparel sold by traders				Total
	New Imported	Second Hand	Locally Produced	Custom-tailored	
20-30	20 (69.0%)	12 (80.0%)	5 (38.5%)	15 (45.5%)	52 (57.8%)
Above 30	9 (31.0%)	3 (20.0%)	8 (61.5%)	18 (54.5%)	38 (42.2%)
<b>Total</b>	<b>29 (100.0%)</b>	<b>15 (100.0%)</b>	<b>13 (100.0%)</b>	<b>33 (100.0%)</b>	<b>90 (100.0%)</b>

$X^2=8.6, df=3, p<0.05, N=90$

#### **4.8.2 Influence of position held by respondent in business**

The current trends in the apparel business are that there is a dominance of small producers, product specialisation, contracting system and style piracy (US Office of Education, 1973). Thus, there was need to determine whether the trader's position influenced the types of apparel they sold. From the results (Table 31), it was evident that the position held by the trader in business influenced the types of apparel sold. All traders

held the position of manager or assistant manager in their businesses. Thus, they were able to make crucial business decisions about the types of apparel to sell depending on the business' performance in terms of customer satisfaction and sales made.

**Table 31: Chi-square results showing the relationship between types of apparel sold and trader's position in business.**

Position	Types of Apparel sold by traders		Total
	Imported	Locally made	
Manager	19 (43.2%)	39 (84.8%)	58 (64.4%)
Ass.manager	25 (56.8%)	7 (15.2%)	32 (35.6%)
Total	44 (100.0%)	46 (100.0%)	90 (100.0%)

$X^2=17.0$ ,  $df=1$ ,  $p<0.05$ ,  $N=90$

#### **4.8.3 Influence of sources of fabric/ clothing**

According to the study, that fabric/ clothing from foreign sources were of high quality and most preferred by clientele as compared to fabric/ clothing from Kenyan sources. It was therefore necessary to determine whether the types of apparel sold by traders were influenced by these sources. A Chi-square of 22.9 with  $p<0.05$  indicated that the source of fabric/ clothing is associated with the types of apparel sold by traders (Table 32). Most Imported and Locally made apparel traders (97.7%, 54.3%) preferred foreign sources for their merchandise compared to 2.3% and 45.7% of the Locally made apparel traders that preferred Kenyan sources for their fabric/ clothing. The study revealed that

most of the traders who preferred Kenyan items either sold uniforms for school and work or sold tourist items.

**Table 32: Chi-square results showing the relationship between types of apparel sold and sources of fabric/ clothing.**

Types of Apparel sold by traders			
Source	Imported	Locally made	Total
Kenyan	1(2.3%)	21 (45.7%)	22 (24.4%)
Foreign	43 (97.7%)	25 (54.3%)	68 (75.6%)
Total	44(100.0%)	46(100.0%)	90 (100.0%)

$X^2=22.9$ ,  $df=1$ ,  $p<0.05$ ,  $N=90$

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Though the apparel industry is considered the world's leading manufacturing employer, the industry in Kenya has been overshadowed by imported apparel since the onset of market liberalisation. This study therefore sought to determine the factors influencing the types of apparel sold by local traders. Also, the study sought to find out what the traders were doing to enhance the growth of the local industry. This section therefore presents a summary of the study covering the purpose, objectives, methodology, and the major findings and conclusions of the research.

#### 5.1 Purpose and Objectives of the Study

The purpose of this study was to find out the factors influencing the business viability of local apparel trade within a liberalised market in Nairobi, and investigate how consumer preferences and buying practices affected apparel trade. The specific objectives were:

1. To identify the socio-economic characteristics of selected apparel traders in Nairobi.
2. To identify the target clientele of various apparel traders in Nairobi.
3. To determine the trader's level of awareness of consumer preferences for selected apparel.
4. To identify problems experienced by apparel traders in Nairobi.
5. To investigate measures being undertaken by local apparel traders to be competitive in the liberalised market.

6. To establish the relationship between types of apparel sold by traders and socio-economic characteristics, problems experienced and business performance.

## **5.2 Methodology**

A random sample of 90 respondents (representing 15% of the total population of apparel traders in Nairobi) was drawn from 3 market centres (Kenyatta market, Jericho market, Central Business District). The respondents were categorised according to the type of apparel they sold i.e. New Imported, Secondhand, Locally manufactured, and Custom-tailored/ designer apparel traders.

The results were presented using frequencies and percentages obtained using the Statistical Package for Social Sciences software (SPSS®). Chi-square was used to establish whether socio-economic factors, problems experienced and business performance significantly influenced the types of apparel sold by traders.

## **5.3 Major Findings**

The findings of this study provide information on the socio-economic characteristics of apparel traders, problems experienced, strategies used by the traders to solve their problems and possible suggestions of ways the government and other institutions are likely to strengthen the industry.

As regards the socio-economic characteristics, the study revealed that traders sold 4 main types of apparel i.e New Imported apparel, Second-hand apparel, Locally Manufactured apparel and Custom-tailored apparel. There were more female traders (57%) than male traders (43%). Most apparel traders were under the age of 40 years. All the traders had received some formal education with the highest level being university.

Interestingly, 89% of the respondents had women as their target clientele because women were always willing buyers. Also, 57% of the traders had 1-5 years experience in selling apparel and 76% preferred fabric/ clothing from foreign sources to meet their customers' demands.

The apparel traders were aware of such factors as good workmanship, right size, right style, and right price that customers considered when selecting garments to buy. Thus, the traders tried to buy merchandise accordingly. The apparel traders also reported having experienced problems. These included lack of customers, several competitors selling similar items and limited capital. Some traders also lacked government support for their businesses.

In addition to such strategies as providing high quality apparel and using visual merchandising techniques to attract customers, the traders strongly suggested that government support would increase their business viability. The government could provide them with loans and make prices of licenses, taxes and custom charges affordable. Notably, 9% of the respondents did not experience any problems while 41% did not need government support.

Most apparel traders had high sales from October-December as a result of the Christmas and New Year seasons ahead of which prompted customers to spend more. Most traders' businesses made up to Ksh. 40,000 per month during times of high sales. Despite differences in money made among the traders, 76% reported that the money they made was adequate to meet their personal and business needs.

The Chi-square analysis revealed a strong influence ( $P < 0.05$ ) of specific traders' socio-economic characteristics (age, position, source of fabric/ clothing) on the types of apparel they chose to sell. The traders strove to provide to their customers' satisfaction.

The information collected through this study is important to apparel traders in Kenya, fabric/ clothing producers, curriculum developers, consumer organisations and related government ministries.

#### 5.4 Conclusions

Based on the findings of the study, the following conclusions have been made:

1. Though all apparel traders had received some formal education, it appeared that their age, position in business and source of merchandise significantly influenced the types of apparel they sold.
2. Although apparel trades faced such challenges as lack of customers and stiff competition, they did not allow these challenges to compromise their business performance. Instead, the traders sought solutions to them.
3. Knowledge of such issues as selecting merchandise that appealed to clientele, being a good salesperson, using eye-catching techniques of visual merchandising to display apparel, planning for the future and enjoying one's occupation was prevalent among most traders. These factors contributed to increased sales hence positive business performance.
4. The apparel traders felt they lacked a level trading ground where they could all flourish since they suggested that government support by way of providing loans and making prices (license fees, taxes, custom charges) affordable would improve their businesses.

5. With most apparel traders being in dire need of extra funds through loans, it appeared that they lacked expertise on ways of harnessing their earnings to increase their profits. This is in view of the fact that their earnings were way above those of general labourers and yet the traders could not access the much needed extra funds.
6. By suggesting that apparel from EPZs and MUBs be made locally available instead of traders having to import them at higher prices, the traders did not appear to understand the role of these industries. Products from these industries are solely for export.

### **5.5 Recommendations**

Therefore, based on the findings of the study, the following recommendations were made:

1. Local fabric/ clothing producers and other related organisations need to address themselves to the socio-economic factors influencing local apparel traders to prefer foreign to local fabric/ clothing sources. Attention should be given to the implications of these factors on local fabric/ clothing production and marketing if the local industry is to meet consumer needs satisfactorily.
2. Adoption of suggestions made by the traders on ways of increasing their business viability by the Ministry of Trade and Industry and Kenya Bureau of Standards, such as providing loans to traders, making prices of license fee, taxes and custom charges affordable, and discourage importation of substandard and illegal apparel into Kenya.

3. The Ministry of Trade and Industry and the Kenya Bureau of Standards should formulate mechanisms that will enable apparel traders access information easily on existing trends and policies to improve the quality of local items.
4. There is need for various consumer organisations responsible for protecting consumers' interests to launch a vigilant campaign on the need to promote local apparel.
5. The role of various sectors in the apparel industry such as the Export Processing Zone, Kenya Bureau of Standards and Ministry of Trade and Industry should be included in the Home Economics curriculum at all educational levels. This will provide learners with adequate knowledge on the functioning of the apparel industry, should they pursue it.

### **5.6 Suggestions for further research**

1. Further research can be carried out in other towns and in rural areas to produce comparative data.
2. There is need for studies to be carried out on the availability and sources of credit for small business entrepreneurs from various commercial institutions.
3. There is need for studies to be carried out on the availability of training facilities for these traders in apparel merchandising.

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## APPENDICES

### Appendix I:

#### INTERVIEW SCHEDULE

To the Respondent;

In the study to assess the business viability of local apparel trade within a liberalised market in Nairobi, your views as a trader of this commodity play an important part in determining trends in apparel trade. Thank you.

#### SECTION A: Socio-economic Status

1. a) Name of business / Owner-----
- b) Address -----
- c) Location of the business -----Centre/market
- d) Duration of business -----years/months
- e) Number of employees -----

2. Details of respondent:

Name	Sex M/F	Age (years)	Highest level of Education	Position/ Designation	Length of service

3. For how long have you been selling apparel? -----months/years.

4. Which is the MAIN source of your clothing/fabric?

i) -----Kenyan (go to a)

ii) -----Foreign (go to b)

a) Why do you prefer Kenyan products? -----

b) Why do you prefer Foreign products? -----

5. Type of clothing sold:

- a) New imported -----
- b) Secondhand -----
- c) Locally produced -----
- d) Custom made/Designer apparel -----

6. Which of the following categories of clothing do you sell?

- a) -----Infants' wear
- b) -----Children's wear
- c) -----Men's wear
- d) -----Women's wear
- e) -----Maternity

7. Do you obtain the fabric/ clothing you sell for yourself ?

- a).....No ( go to 8 and continue)
- b).....Yes (go to 9)

8. Who obtains the fabric/ clothing for your business?

- a).....an agent
- b).....your employer
- c).....your family/ relative
- d).....your co-operative/ business group

**SECTION B: Details about the business:**

9. Do you plan and budget for your shopping/ restocking ahead of time? ----No ----Yes

- a) If No, why not? -----
- b) If Yes:
  - i) How much ahead? ----- weeks/months/years.
  - iii) Why is planning ahead and planning important? -----

10. i) What factors do you consider when selecting the type of apparel to sell?

- a) .....money available
- b) .....target clientele
- b) .....popular clothes at the time of purchasing/restocking
- c) .....location of the business (go to ii)
- d) .....other.

ii). Reasons for choosing this location -----

11. Who is/are your target clientele?.....men, women, children, infants/babies etc.

Why? -----

12 Do you receive any other clientele apart from your target clientele?

- a).....No (go to 15)
- b).....Yes (go to 13 and continue)

13. Do they affect your business?

- a).....No (go to 15)
- b).....Yes (go to 14 and continue).

14. If yes, how do they affect your business? -----

15. During which months of the year do you receive a majority of customers?

...Jan,...Feb,...Mar,...Apr,...May,...Jun,...Jul,...Aug,...Sep,...Oct,...Nov, ....Dec.

Why? -----

16. On average, how much money does the business receive per month during:

- a) The months marked in question 15?.....Below Ksh 10,000
- ..... Ksh.10,001-20,000
- ..... Ksh.20,001-30,000
- ..... Ksh.30,001-40,000
- ..... Ksh.40,001-50,000
- ..... Ksh.50,001-60,000
- ..... Ksh.60,001-70,000
- ..... Ksh.70,001-80,000
- ..... Ksh.80,001-90,000

..... Ksh.90,001-100,000  
 ..... Ksh.100,001-200,000  
 ..... Ksh.200,001-300,000  
 ..... Ksh.300,001-400,000

- b) The months NOT marked in question 15?..... Below Ksh 10,000  
 ..... Ksh.10,001-20,000  
 ..... Ksh.20,001-30,000  
 ..... Ksh.30,001-40,000  
 ..... Ksh.40,001-50,000  
 ..... Ksh.50,001-60,000  
 ..... Ksh.60,001-70,000  
 ..... Ksh.70,001-80,000  
 ..... Ksh.80,001-90,000  
 ..... Ksh.90,001-100,000  
 ..... Ksh.100,001-200,000  
 ..... Ksh.200,001-300,000  
 ..... Ksh.300,001-400,000

17 a) Is the income your business receives in a year adequate to sustain it?

No ----- Yes -----

b)Why? -----

### SECTION C: Trader's merchandising techniques:

18. a) What do you do to attract customers during the months NOT marked in question 15?

- i).....Give discounts  
 ii).....Sell commodities in bulk  
 iii).....Give additional presents for items bought  
 iv).....Other

b) Do these strategies work? i).....No

ii).....Yes

iii).....Sometimes.

19. What do consumers look for in garments when selecting a garment to buy?

a).....good stitching( workmanship).

b).....right size

- c).....right colour
- d).....right price
- e).....suitable style
- f).....other

20. Do you have customers coming in to ask for specific items?

- a) .....No (go to 22)
- b) .....Yes

21. What do they ask for?

- a).....specific size
- b).....specific colour
- c).....specific type e.g. blouse, trouser, sweater etc.
- d).....specific fabric e.g. cotton
- e).....other

22. Sometimes clientele visit your business premise and are reluctant to buy an item, what do you do to convince them to buy?

- a).....Explain the item's positive aspects.
- b).....Explain its suitability to the customer
- c).....Provide alternative colours
- d).....Provide alternative sizes
- e).....Lower the prices
- f).....Other

23. How often are you successful in getting these clientele to buy?

- a).....Always
- b).....Sometimes
- c).....Never

24. a) Does the government support your business? i).....No (go to c)  
 ii).....Yes (go to b)

b) How does the government support you as an apparel trader? -----

c) Do you need additional government support as an apparel trader?

i).....No

ii).....Yes.

If no, why not? -----

If yes, what kind? -----

25. Do you experience any problems when conducting your business during this era of market liberalisation?

i).....No, ii).....Yes

If yes, what kind?

a).....lack of customers

b).....too many competitors of the same type of apparel

c).....harassment from tax officers

d).....other

25. How do you overcome these problems? -----

26. What factors do you consider necessary for an apparel trader to prosper in this business?

a).....good education

b).....good business location

c).....work experience

d).....pleasant personality

d) ..... well groomed appearance

e) .....other (specify)

28. Do you enjoy your occupation? i).....No, ii).....Yes

Why?.....

29. What future plans do you have for your business to ensure survival?

.....

## Appendix II

### OBSERVATION CHECKLIST

This instrument will be used to find out the visual merchandising techniques used by apparel traders in their business premise. Use a tick (√) to indicate displays used and a cross (x) to indicate displays not used

Area of visual merchandising	Used	Not used
(1) Window displays		
Hanging clothes		
Clothes on mannequins		
Window painting		
(2) Interior display at		
Counter		
Wall		
Shelves		
Aisle		
Island(at the centre)		
Showcase(at a particular part of the store)		
Ceiling		
(3) Door display		
Premise sign		
Hanging clothes		
Other		