

**BUSINESS CHARACTERISTICS AND PERFORMANCE OF REGISTERED SECOND
-HAND CLOTHES SMEs IN GITHURAI MARKET, NAIROBI CITY COUNTY,
KENYA**

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DECLARATION

I declare that this project is my own original work and has not been presented for award of any degree in any University.

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This project has been submitted for the course examination with my approval as the university supervisor.

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DEDICATION

Effort has been put to see the project this far, therefore, I would like to dedicate it to my beloved family especially my beloved husband Mr. Lewis who played a critical role towards this project development, more so, to my kids, Tecla, Liam and Sonia who gave me a conducive environment for carrying out this research.

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ABBREVIATION AND ACRONYMS

GPM	-	Gross Profit Margin
KPI	-	Key Performance Indicators
NPM	-	Net Profit Margin
ROA	-	Return on Assets
SHC	-	Second Hand Clothes
SME	-	Small Medium Enterprises
RBT	-	Resource Based Theory
RDT	-	Resource Dependence Theory
ICT	-	Information and Communication Technology
ROI	-	Return On Investment
EU	-	European Union
SPSS	-	Social Package of Science Software
TCT	-	Technological Cycle Time
ANOVA	-	Analysis of Variance
GDP	-	Gross Domestic Product

OPERATIONAL DEFINITION OF TERMS

- Business Characteristics** - These are features that a business possesses in order to achieve its goal of performance. They define the position of the business by defining the present features of the business and predicting its future by putting the necessary strategies in place.
- Business Management Quality** - Refers to organization's plan to streamline management capacity. It enhances smooth running, order and accountability, putting in mind the future of the business and its success.
- Business Size** Refers to a method of categorizing a business depending on volume or scale turned out by the business and levels of sales realized by the business. The number of employees also defines the size of the business as either big or small
- Business Strategy** - Refers to a deliberate move to engage different activities intended to produce a mix that is unique in terms of value in business which are different from those of the other immediate competitor. It involves adding a unique presentation, high quality and value for money that would make customers go for the product or service.
- Business Performance** - Is a strategy that opts to meet the desired activities which are in compliance with the stakeholders' requirements

and ensures they are secured from future uncertainty.

- Business Technology** - This is the continuous dependence on information technology by business enterprises in order to conceptualize their business processes.
- Mobile Transactions** - These are exchanges that are financially related that are carried out over a cellphone network.
- Mobile Applications** - These are apps that are designed to run a mobile device and are used to facilitate in ease of mobile information access
- Profits** - These are the benefits encountered in a revenue after expenses have been deducted
- Second Hand Clothes** - Clothes that were previously owned by another person before buying them, locally known as “Mitumba” clothes.

ABSTRACT

Performance of businesses especially in second hand clothes has not been thriving as expected. This has been caused by both internal and external factors which are hindering their proper utilization hence causing operations dilemma. This led to the researcher to carry out a study on business characteristics and performance of registered second-hand clothes SME's in Githurai market in Nairobi City County. In an increasingly competitive business environment, business characteristics have a great contribution in fostering sustainability of second -hand clothes (SHC) locally known as mitumba under the category of small and medium enterprises (SMEs). This study was guided by specific objectives that included; to determine the effect of technology on business performance of second-hand clothes industry, effect of business size on performance of second-hand clothes industry, effect of business strategy on business performance in the second-hand clothes business as well as the effect of management quality on business performance in the second-hand clothes industry in Kenya. The research was guided by theoretical framework where theories such as Lifecycle Theory on the Growth of the Firm, Resource Dependence Theory and Resource- Based View Theory of the firm were used. The study used a descriptive research design that targeted 325 traders selling second hand clothes at Githurai market. Simple Random Sampling Technique enabled to select 180 respondents. Data was gathered by use of questionnaires that were sent to respondents via emails after a pilot study to minimize the close contact which was prohibited by outbreak of cobvid-19. Content validity was used to test the validity of the research instrument and the reliability test was carried out through Cronbach alpha whereby it was found out to be above the minimum threshold of 0.7. Data was analyzed through the help of SPSS version 26. After data analysis, it was found out that there was a positive significant effect of business size on performance with $p=.854$ which was above the minimum threshold of 0.7. The study also found out that there existed no significant effect of management quality on performance; in relation to business strategy, the study found out that there did not exist any relationship and finally there existed a positive significant relationship between technology and performance. The study recommended that in terms of business size the business owners should comprehensively engage in their current businesses as it showed that there was performance within their state of operations. The study also recommended that in relation to management quality, the business owners should consider acquiring training in order to have new managerial skills to utilize them in their businesses. The study also recommended that there should be application and utilization of different business strategies in order to overcome the experienced stagnation on performance using their current modes and finally the study recommended that based on usability of technology, there should be frequent monitoring of the technology in use so as to be updated and avoid any threat that may be caused by not being keen in their transactions.

CHAPTER ONE INTRODUCTION

1.1 Background of the study

Performance of registered secondhand clothes SME's in Kenya has been faced with many challenges especially when the market is saturated. This has resulted to many second -hand clothes SMEs to face off the market. This business as stated by Erick, (2005) has a long history in its operations especially in most of western countries where it was first exercised and brought competition in the market of the new clothes therefore leading to price competition. This in a global context has been caused by regulations based on mitumba clothes transactions (Hansen, 2000). This means that the importation of second- hand clothes in different parts of the world especially in Africa is contributed by the fact that the continent is strategically located and has different users who mostly prefer garments which are not expensive. This is also due to the high level of economic crisis which creates an opportunity for importers to utilize the available market to import low -cost clothes.

Globally, performance of second hands clothes has been studied and various inclusions have been derived from this context. Moon and Jin (2006) revealed that Koreans preferred fashionable garments compared to second hand clothes and this created a competitive edge of the mitumba clothes in Korea therefore rendering impossible for them to penetrate in that market. Nakkeeran, and Pugalandhi, (2010) asserted that the Indian textile industry was facing off from imported second hand clothes which challenged their locally manufactured clothes therefore signifying low performance of their own products. Mathews and Castro, (2014) noted that there was high competition of clothes between America and Asia that contributed to low economic growth in the two countries. Noon, (2011) ascertained that there was the need to change the consumerism of second -hand clothing in New Zealand based on the fact that many locals were not willing to use locally manufactured clothes which were termed to be expensive.

In regional perspective, Hansen and Field (2000) in their study on the cause of the failure of second- hand clothing in Zambia and Zimbabwe revealed that it was factored in by enforcement of SAPs programs which affected the uptake of the imported clothes. This reduced the level of uptake of second hand clothes in the so-called poor citizens of the two nations. They suffered a big blow

as they were not able to afford new clothes which were being manufactured locally. Majoni, (2015) noted that importation of second hand clothes in Zimbabwe led to winding up of local textiles and this led to establishment that imported second hand clothes were a threat to the economy of Zimbabwe at large. On his part, Moyo, (2012) revealed that there was economic thrive in Nigeria through depending on their own manufacturing firm's relation to clothes production as their policies had inhibited importation of second-hand clothes.

In the local context, Kinyanjui, Lugulu and McCormic (2004) noted that footwear and clothing penetration in relation to importation of their second hand were attributed to the fact that the policies on second hand clothing importation was enacted in the favor of the economic growth of the country which depends on viability of the market. Omolo, (2006) revealed that the future of locally manufactured clothes was at stake with imposing of flexible policies on importation of second -hand garment which killed the local textiles. This signified that the saturation of the local textiles and their extinction was through reluctancy of the policies on importation. On their part Rael and Beatrice, (2012) noted that the Kenya's textile industries were not performing due to increase in Mitumba clothes importation and this attributed to low uptake of locally manufactured clothes.

Imo and Maiyo, (2012) noted that the reason for thriving of second hands clothes market in Kenya was attributed by policies which were not inhibiting importation and this contributed to rise in performance of mitumba clothes in Kenya. On their part Brooks and Simon, (2012) revealed that there was a direct relationship between decline of African clothing industries and the importation of second-hand clothes in Kenya. It is therefore from this perspective that there is a direct relationship between business characteristics and performance of second-hand clothes which is mostly attributed by the local policies on importation of the mitumba clothes

1.1.1 Business performance

It is based on the adoption of different strategies applied in business activities which are suitable to meet the intended needs of its stakeholders (Deloitte & Touche, 1992). According to (Azapagic & Perdan 2000) and (Welford 2000), well performing businesses are considered to be of great value when it comes to the delivery of adequate characteristic which are desirable to the stakeholders. Business performance is also deemed to be the concept in which there is better management in relation to features within the entity in relation to financial obligations and

available opportunities that are entitled to the entity “which often rotate around the three factors namely: profits, people and planet.”(Azpargic & Perdan 2000) The commission continued to state that performance is smooth flow of the business with consideration of all aspects entitled to it in order to deliver as expected. There is always a concept of adaptability of an entity to have an increment in their value through best practice (Abbas & Robert, 2012).

Business performance is coupled with the concept that lead to growth of the business. Therefore, for the business to continue growing, it will need to adapt at each stage as the owners are expected to move with the evolving state within the specification of time as stated by (wells,2013). This therefore needs an urgency of self-evaluation and adaptability for the set strategies meant to be put under consideration with lifecycles. (Emmet&Mark 2008). Second hand clothes performance entails the increase and retention in the number of customers, self-diversification in terms of expansion associated to all factors in place that trigger performance and profitability of an entity.

In business, performance is attributed through the use of systems especially accounting in order to disseminate information to the small enterprises which are considered to be in dormancy state due to illiteracy level coupled with limited resources which can be used to have accounting information as well as the concept of management style of the owners (Elijah, 2014). The researcher on business development to financial growth highlighted that, SMEs have very limited information concerning market trends, customer preferences, information on the future of the businesses they operate which often catch them by surprise and hinder their continuation leading to closure. On the other hand, lack of preparedness for growth adversely affects business sustainability of SMEs (Doern, 2016). They start small but when the business starts growing, they lack the knowhow and strategies to catch up with the growth rate affecting its performance.

Performance of the business is measured by key performance Indicators (KPI) (Rodrigues, Pigosso & Mc Aloone, (2016). KPI is the state to which a value is attributed to its measures in order to understand how useful it can be for effectively meeting the business objectivity for an entity to be fully contented. The most commonly used indicators include; employee satisfaction survey which is a qualitative tool used to predict turnover, the asset value of the business measured using return on Assets (ROA), sales growth which is determined by the effective outcomes of total sales which is already achieved through utilization of resource with comparison to previous outcome whereby

its commonly measured through use of financial performance measures (Gerrishon, 2013). In addition, Comparative Expense Analysis and Net Profit Margin (NPM) would also be used to measure growth that contributes to performance.

Second hand clothe business is highly pronounced especially in the developing countries (Hansber, 2013). They are used clothes donated to the developing countries by global charitable organizations like Oxfam (Fitzwater, 2013). These organizations have collections points of the used clothes which are donated to these countries as a drop zone for the unwanted items. They include American citizens who are the greatest exporter (Noragratz, 2013). *Mitumba* business has grown steadily since 2001 in East Africa and is attributed to the high demand given that they are more affordable, better quality, easily available and improved economic growth enhancing the purchasing power (Katende, 2017). This study will adopt sustainability measures for SHC SMEs to comprise of profits, quantity of items sold, customer flow as well as diversity in terms of increment in branches opening.

1.1.2 Business Characteristics

Business characteristics refer to the features or attributes a business possesses for purposes of realizing the set objectives by properly organizing the resources needed to be successful. According to (Haney, 2016) business characteristics involve activities which are channeled towards wealth generation through normal transactions of the business which are the key determinants of operations of an existing business. Among the various types of business features that influence business performance are mostly identified by the role played by business strategy, technology used in production, size of business and the management quality systems put in place to organize the flow of resources required (Claudio, 2007). Therefore, this study adopted four types of business characteristics; business strategy, business technology, management quality and business size.

Porter (1996) who is well known for his key definition on what a strategy is indicated that it is a deliberate move of operating differently with different products which are having characteristics that are different to that of the competitor or competitors through value added of the current commodity to expose the competitive market to saturation through introducing of new line of products which are not easily adopted by the competitor. According to Kinyua (2018),

business strategy will involve business planning and looking into the future to enhance the going concern. Similarly, pricing is another important aspect since it determines the profitability of the business. With the strategies in place the business will be able to synchronize them for a fruitful result bringing about business growth and sustainability.

Business technology according to Bradley (2013) refers to knowledge put into practical use to solve problems by generating new strategies that will help to solve existing problems experienced by the business. It includes knowledge, systems; computer-based systems such as the internet used in business to advertise market and deliver goods, make payments and also follow up on customers easily. According to Bosibori, (2000), SMEs technology helps the business to do business using mobile applications to advertise, sell, customer follow-up and make payments using the mobile money transfers like M-pesa. Similarly, technology helps to create websites for ease of access of potential customers to reach the seller.

In any performance of a business, quality management is key in running business management successfully. Many businesses lack managerial training and experience and therefore establish managerial strategies that work through trial and error (Chenuos, Stephen, Tanui & Thomas, 2014). From their point of view, strategic business plans which help in the growth of a business are met through the utilization of managerial techniques complimented by operational techniques. Consequently, business managers are not able to adequately handle most of the managerial challenges facing enterprises and thus causing their downfall (Jane, 2014). Use of second-hand clothes will integrate business development skills therefore enhancing accrued benefits associated with development. (Chenuos *et al.*, 2014). This will bring the importance of skill acquisition through training. Fortunately, from the demeanors associated by establishing and enacting of Vision 2030, it stipulates the dire need for raising productivity through jobs attributed by ownership as well as revenues from public and enhancing of distribution whereby it can only be achieved through public training which enhances skills.

Business size has been used in both entrepreneurship and management studies to depict the entity development. Researchers have relied on the number of employees, branches in operation and the level of diversification (Dobbs & Hamilton, 2007). The employment level is the key parameter that is used to categorize the expansivity of any business. This is due to the fact that some companies have the capability to employ as many employees as they can which can range to

extremely high margins (Dobbs & Hamilton 2007). Focusing on the business size, diversity and increment in employee level is termed as they key features which indicate that the business is increasing in size which leads to growth and sustainability. (Dobbs & Hamilton 2007).

The four characteristics when applied in an enterprise will aid in the creation and value enhancement to the source enterprise developers. In considering the case of SHC SMEs, there is need for a system logistics to ensure timely supply, safe storage, customer records, accounting records and customers follow up. These are important activities that guarantee sales and generation of business revenue leading to the growth of the enterprise.

1.1.3 Second Hand Clothes SMEs in Githurai Market

Second hand clothes SME business is highly pronounced especially in the developing countries (Hansber 2013). SHC are used clothes donated to the developing countries (Fitzwater, 2013) by global charity organization like Oxfam whereby their clothes are already widespread across many countries due to the fact that they are already out of use hence being disposed anyhow especially with consideration of American countries (Noragratz, 2013). Mitumba business has grown steadily since 2001 in East Africa and is attributed to the high demand given that they are more affordable, better quality, easily available and improved economic growth (Katende, 2017).

Second hand clothes business SMEs in Githurai are characteristically defined by a number of things including, a few number of employees, small structure, small business size, reliance on owner assets, sole business ownership and limited operational area. These characteristics are an advantage and a disadvantage depending on what characteristic is in consideration (Chemengich, at, al,2013). The few employees should complete all necessary tasks required in order to meet the set desired needs. This dependence on employees establishes strong relationships with their customers, and is able to suit clients' needs. Small structure helps filling niche markets with products, but obtaining finances for the business can be a challenge. This contributes to quite a number of small and medium enterprises to depend on what they owe in terms of assets which are as a result of how well they are in terms of managing their funds.

Growth of the secondhand market reduces demand for new clothes which are circulated in the existing market saturating the available opportunities of sales. The *Mitumba* clothes represent a thriving market of operations as it helps to sustain the move of the economy without considering

what ought to be invented in near future. This is mostly attributed to their ease to having them at a friendly cost and with minimal struggle (Kosgei, 2015). They also provide an easy way of operationalization due to the fact that they cannot be copied compared to other clothes as they are in their own unique way. In Kenya, the middle and the low earners prefer embracing the second hand clothes as they only need simple moves to get them at a friendly cost. In Githurai, having wholesale and retail selling of second hand clothes, makes it easy for retailers to purchase easily and conveniently without the issues of distance and the costs thereof. It has also resulted to competition amongst them.

Githurai Market is a 24- hour economy market; the suburb is situated 20km from the Nairobi city center along Thika Road. There are three major banks, Equity, Cooperative and the Post Bank and a number of microfinance Sacco's. There is very aggressive business between the small-scale businesses, second hand clothes business being one of them. In Githurai market, a few SHC dealers have temporary shelters where they do their businesses every day, however there are those who have movable sheds whereas others display their items on the ground near the busy streets, and still others hawk around the market.

1.2 Problem Statement

Performance of second -hand clothes sector has been thriving in the country resulting to increased profit and return on investment income (Jansson, 2017). This therefore signifies that there is increased economic growth attributed to second hand clothes sector hence significant to the development of a country's economic growth (Hausman, 2010) With such attributes, they are demonstrative characteristic of performance that is well captioned in their operations. Worldwide this has not been the case as they have not been well considered and therefore their internal and external characteristic of performance development is compromised. This has led to their being stranded in terms of growth in size and high failure rate which has relatively been articulated by high percentage of inability to succeed in the market (Nilsson, Modig, & Hed Vall, 2017).

Mwangi (2014) did a study on factors that influence SME's performance in Kenya, found out that SME's are not capable of experiencing their next round of existence because of lack of proper management and poor technology. The efficiency which attributes to profit gain by SME's especially those in clothing industry has also been affected by issues of business size as well as

poor application of technology in innovation as stated by (Coleman, 2000) which was also echoed by (Eliud, 2013) who also stated that poor technology inhibits strategy which hinders enhanced growth and sustainability of the business. However, business characteristics that influence their performance have not been considered in various studies which shows that there is absence of understanding on how various characteristic posed by SME's do influence their performance in relation to second hand clothes.

Cynthia (2017) carried out a study on challenges affecting performance of second hands clothing where she concluded that finance contributed a lot to the performance of SMEs. Bernadette, (2012) noted that training had a positive impact on SME's but stated that that can only work with literate's business operators. Faith, (2017) on the research based on the effect of proper infrastructure and the effect it has on prospering of operations of SME's in the sector found out that raising infrastructure is not deemed as a major contributor to its success.

Samson, (2015) in his study on factors influencing performance of second hands clothing sector reveled that in a turbulent business environment, businesses experience higher chances of uncertainties exposed by the management which are considered to be via-active which in real sense requires that the management should pro-risk to handle the occurrence that is immense in rendering services at dormant state. This therefore calls for the entrepreneurs in any sector to be more vigilant and eager to drive their businesses with ease based on how they handle externalities. (Samson, 2015). Rose and Shoham (2002) stressed that turbulence in business prompts in identifying pro-market in relation to ensuring there is an advanced market strategy that is competitive.

Boin and Eten (2013) distinguished between precursor resilience, in which developing problems are contained to avoid major backfires which may lower the operations morale by not executing more activities due to frequent frustrations. This approach resonates with Denyers, (2017) who contended that incessant enhancement of available systems dissimilar approach to deal with provocations that businesses are always facing.

Business size, strategy, management skills quality and technology are characteristics clearly unveiled when issues of turbulence, resilience and uncertainty come into place. Previous researches have been done but they have not covered the mentioned business characteristics satisfactorily and therefore this study will seek to determine the characteristics possessed by a

business for performance purpose as a result of engagement in second hand clothes business as scale of SME's.

1:3 General Objectives

To investigate the effect of business characteristics on performance of secondhand clothes enterprises in Githurai market Nairobi.

1.3:1 Specific Objectives of the study

- i. To analyze the effect of business size on business performance of second-hand clothes industry in Githurai Market.
- ii. To examine the effect of management quality on performance of second-hand clothes industry in Githurai Market.
- iii. To find out how business strategy affects business performance in the second-hand clothes business in Githurai Market.
- iv. To determine the effect of business technology on business performance in the second-hand clothes business in Githurai Market.

1.4 Research Questions

- i. What is the effect of business size on business performance of second -hand clothes industry in Githurai Market?
- ii. What is the effect of management quality on the performance of second- hand clothes business in Githurai Market?
- iii. Does business strategy really affect performance of second- hand clothes business in Githurai Market?
- iv. How does business technology affect performance in the second- hand clothes business in Githurai Market?

1.5 Significance of the Study

The findings of this study will be of great importance to different stakeholders including future researchers who will benefit from the finding of this study by increasing knowledge of running the business effectively through discovering of sustainable practices using business

characteristics and come up with ideas of improving the performance of the businesses involving disposal of clothes and especially second-hand clothes.

The second-hand clothes retailers will benefit from this research project since it will highlight the effects of business characteristics on performance such as how adopting new technology, business size growth that leads to increased sales, management quality enhancing employee retention and better ways of running the business, adoption of new strategies as well as defining ways of overcoming the challenges. The people running the second-hand clothes business will also benefit from the knowledge since they will be able to acquire the new knowledge and new strategies to effectively run and sustain the business, learn resilience tactics and also the ability to bounce back in hard economic times.

The study will enable different students pursuing strategic management courses to understand clearly the effect of different business characteristics on performance of mitumba clothes factoring in the aspect of marketability of Mitumba clothes in Kenya. In this it will help to understand the adoption of new means which retailers are using to run their businesses in a more comprehensive way. It will also be used as reference by other researchers.

The Kenya state corporations such as ministry of industrialization will also benefit from this study as they will open and light up the challenges faced by the second hand clothes for the government to look out for ways in which the challenges can be eliminated in the process and enhance betterment of the business in order to have a continuity in economic growth.

1.6 Study Scope

This study concentrated on business characteristics and performance of second -hand clothes in Githurai 45 area. It therefore constrained itself in registered second-hand clothes SME's who already have operational stores where they transact their businesses. The main objective was to articulate how different business characteristics influence the performance of their businesses whereby the study used questionnaires to collect relevance information relating to the study concept from the respondents. The study was carried out within one year from 2020 to 2021 though eruption of Covid-19 disrupted operations whereby minimal operations were taking place in the area of data collection.

1.7 Study Limitation

The main aim of this study was based on evaluating effect of business characteristics on performance of second-hand clothes SME's in Githurai market. In line with this study evaluation, there were many limitations such as illiteracy level of the respondents which led to delayed delivery of questionnaires and response since for one to respond they must be literates. This limited the respondents since some were willing to respond but could not, some were able to respond though. There was lack of permanent business premises whereby many of the dealers mostly did not have permanent premises which was likely to limit the responses. They keep changing from one place to another which resulted to difficulties in locating them. There was also the issue of withholding of some questionnaires by different respondents but the researcher overcame this through the study used email questionnaire. This was through encouraging them to fill in the questionnaires with ease and with simplicity within shortest time possible.

1.8 Organization of the Study

This study in chapter one focused on background of the study, statement of the problem, objectives of the study, research questions, significance of the study, scope of the study, and limitations of the study as well as organization of the study.

In chapter two the study focused on literature, theoretical review, empirical review, summary, research gaps and finally the conceptual framework.

In chapter three, it is covering concerns to do with research methodology, research design, target population, sample size and sampling techniques, data collection and instrumentation, data collection procedure, data analysis and presentation and finally ethical consideration. The tools and techniques further helped to check on validity and reliability.

In chapter four the study dealt with data analysis and in chapter five, it entailed summary of findings, conclusions, recommendations, limitations of the study and finally areas for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, literature review is the main key consideration. This was coupled with relevant theories in the section of theoretical review and literature review itself in relation to past reviews basing on the current study related with aspect of characteristics and their contribution to the study. They include; business strategy, business technology, management quality and business size on sustainability of second- hand clothes. The study considered evaluation of global perspective streaming down to regional and local review on past studies and their complementary findings with gaps identified form those researches.

2.2 Theoretical Review

In this research, the researcher considered looking at theories which were of great significance to this study based on their alignment to the study concept based on effect of their associations with what they were all about and associated them to the current study. The theories were Life Cycle Theory of the growth of the firm, Resource Dependency Theory and Resource Based Theory of the firm.

2.2.1 Resource Based Theory of the Firm

This theory was developed by Penrose in 1959 which was about the rate of continuous rate of the firm through ensuring that there are associated benefits from the firm resource utilization coupled with age limit as well as how the available resources are executed. It was thereby entrusted to be as packs of firms'-controlled resource that were associated with benefits which are within or outside the firm constrained operations area and therefore termed as having different offers (Barney & Clark, 2007). Wernerfelt (1984) noted that there is always an essence of new strategies that have to be put in place for a successful outcome which are expected to offer superior value to existing and incoming customers in the market.

Barney (1991) noted that resources are supposed to have certain perspectives if competitiveness has to be enhanced. This meant that in an enterprise there has to be adequate resources which are entitled to increase the value chain of the entity. On the other hand, the resources to be used are not expected to be easily accessible for purposes of having to stand a better chance competitively if there are competitors in the same market for a considerable period of time. The material used or

the resources are not expected to be easily replaceable with others. If not unique in form they will easily be reaped to the standards of the competitors and this will pose a threat to an entity that seems to be at par with valued resources of unique type. This therefore means that through implementation of the above features of components of valued resources of an entity, they will be able to achieve the competitive advantage (Barney, 1991).

Based on this theory of resource based (RBT), the firm intended performance is basically constrained on the importance of the application of available resource utilization to be at an advanced stage. Poor or absence of strategic management of small enterprises is what causes them to be in a loop of operations as to compare to large firms as they are in a diverse state of incapacity to perform (Way, 2002). According to Way (2002) and West head, Ucbasaran and Wright (2009) depicted that Small business requires a lot of capital and these are caused by limited labour which is inversely proportional to large firms which have adequate labour exploitation of the resources as stated by Wiklund and Shepherd (2003) who noted also that the issue of advancement in knowledge base affects operations of small businesses.

This theory supports the four independent variables since they are all types of resources necessary for growth and sustainability of second- hand clothes SMEs. This is because resources are sufficient in implementing strategies, growth of business which is the increase in size, management quality by reorganizing the human and other resources to perform better, as well as technology implementation with adoption of new strategies to run the business.

2.2.2 Resource Dependence Theory (RDT)

Pfeffer and Salancik (1978) developed the theory which is about the organization's external control. This theory therefore was in the idea of the resource being the reason for the success of an entity. This was grouped into success of a business which was stipulated as resource availability that enabled the flow of work in progress which was the cause for power base. Bearing in mind that the theory is all about resource as a factor contributing to success, it is therefore meant for an organization to control those resources which symbolizes meaningful strategies to be put in place to enable the success of the business in terms of resource access and utilization. This therefore opens up an argument based on the facts that for an organization to be justified as competent enough, it has to utilize its resources accordingly which are basically from the sourced production in its operations (Environment) (Pfeffer & Salancik, 2003).

Resource based Theory has been echoed for instance by Mwai, Kiplagat and Gichoya (2012) while investigating this theory with its association to ICT, established that there is the essence of outsourcing services of ICT like in Kenyan University. The conclusion was that RDT is one of the factors that illuminated and added to the problems with outsourcing of information in Libraries and especially information and communication technology. The reason is that outsourcing needs guidance with very clear policies that are very clearly articulated to all the persons involved or the stakeholders.

Businesses are presumed that they are operated in order to meet the key aspects which are in relation to work base such as having full mantle on the resource which reduces chances of over-dependency with ascertainment of meeting the set obligation. While on the other aspect it is stipulated with circulated move engulfed to governmental involvement to scribe the operations of the entity so as to ensure there is frequency which is being influenced by the upper hand of the state. Managers of the business should have strategies in order to plan for the business and hence lowering the business risk (Teece, 2010).

The success of the organizations is therefore embossed to the management who understands the operations of the business enterprise as even their overall performance is determined by the utilizations of managerial knowhow on dire needs of the customer (Mellahi & Wilkinson, 2004). This therefore brings out the aspect of business clients being the dependable value asset for the business opportune resource. To keep up with the customer demands, new strategies and improving of technology has to be incorporated. The study finds out that this theory will help in supporting the variables business strategy and business technology to facilitate customer sustenance as the main resource that determines sustainability of the business as a whole.

2.2.3 The Life Cycle Theory of the Growth of the Firm

The theory was proposed by Mueller (1972). According to Mueller (1972), small firms are disadvantaged compared to large one due to the aspect of capital constrains and this leads to poor visibility in terms of opportunities of investments hence insufficiency when it comes to the issue of exploiting external sources of raw materials. A simultaneous continuity of an entity helps in undergoing its overall lifecycle stages. Investments of a firm are therefore rendered incapacitated due to the concept to which decline stage is at par in all circumstances as the investment

opportunity are under diminishing level full of risks in investment. This can be achieved at a continuous state of distributing earnings to shareholders consequently ploughing back to the business within the proper management concepts. A life cycle can be used to comprehend the theorem perspective applied in planning and future prediction of an outcome.

Paschen (2017) on contribution towards this theory confirmed that essence of embracing life cycle context when it comes to the issue of funding SME to induce their growth. Crowd funding proved to be most effective when at different stages in the business stage of lifecycle, a very practical advice is offered or a reliable strategy to ensure that every stage reaps its maximum benefits. These very best practices are able to support the business to growth and maturity enhancing sustainability. The findings were clearly demonstrating the effectiveness of crowdfunding and the importance of the lifecycle theory of the firm at each stage taking note of the best practices and strategies necessary for its sustenance.

This was enshrined through various context whereby exposition of opportunities that tend to induce profitability of the enterprises are in pursuit of their growth. On other hand a firm may be faced with challenges of incompleteness of their operationalization which tends to hinder their growth thereby forcing the entity to outsource capital to fund them in their activities. This causes the management of the enterprise to be very vigilant so as to ensure the business is not affected by externalities.

Mueller, (1972) continues to add that within a short time, similar businesses begin to enter the market, taking over and improving what was originally for the pioneer business. More competitors continue to emerge and no new markets exist, therefore the growth slows down. The firm has to come up with new inventions to stay afloat (Teece, 2010). Nevertheless, as the growth continues, information processing goes down and guarding against risks by managers slows down. These issues consequently result to limiting growth and innovation of the firm and it cannot find profitable opportunities from the current state of the business. (Teece, 2010).

In the long run, the business being on the verge of becoming unprofitable, for a business that is a value-maximizing, it would liquidate its assets and give back the proceeds to its shareholders (Goldsmith, Flynn & Kim, 2010). Nonetheless, this may not always be an option for managers since they are only interested in business expansion for personal benefits and the distribution of

earnings to shareholders will deviate from the optimal policy. Moreover, price sensitivity and price consciousness enhance second hand clothes operators to maximize profit (Goldsmith *et al.*, 2010).

From the theoretical point of view, there arises critiques associated to the previous findings of the theory whereby researchers such as (Merce 1993) argues that with applicability of this theory, there is essence of not meeting the intended validity on performance. The life cycle theory thereby allows the divergent effect analysis in whichever measures it's used with consideration of the growth level of the business. The variation in ROI are deemed to influence the growth cycle and the generated sales volume combined with availability of market share coupled with increased employment rate cited from (Mueller,1976). The study finds that the contributions of this theory are useful in supporting the independent variable business strategy. In each and every stage of the business growth, there is need to be at par with the changes and align itself to remain competitive. Therefore, new strategies enable the business to remain afloat cited from Knight, (1921) and Schumpeter (1934).

2.3 Empirical Review

This is the area in which review of literature is considered of importance in comparing what has previously been done and what the current study sought to fulfill from the gaps exposed. This will be in accordance to previous study findings on the influence and effects of sustainability features of *Mitumba* clothes on SME's in the expositing market. The review addressed the variables of the study including size of the business, management quality of the business, business strategy, and business technology.

2.3.1 Business Size and performance

Fernández and Olaso (2018) examined the impact of the size of the business on the performance of SMEs based in EU. The study sampled out those firms that were using global reporting technique initiatives and adopted content analysis in their presentation. It was clearly established by the results that a firm and its size has some impact on performance of the business in a positive way. It continued to establish that large firms are quick and able to come up with business models and venture in innovations that assured growth and performance.

Bourlakis et al. (2016) while studying on how firm size enhanced sustainable performance in food supply in relation to Greek SME'S adopted questionnaires to collect data in a bid to appreciate

how firm size affects performance of SMEs in food supply chains. Business size serves as imperative in the performance of businesses. It is normally used in entrepreneurial and management studies to refer to categorization of business depending on the volume of sales, customer association with the business enterprise as well as how diversified they are in terms of opening new branches. The business size is an important aspect or characteristic which is related to the norms of operations in an organization in which sustainable practices have to be adopted in an organization.

The size of a business determines its growth which stipulates that when it is small, its growth is low which means its economic development is low. This was revealed by Veronica (2013) when through a study on how size affects the performance of businesses. The study used descriptive design with the help of a questionnaire whereby the findings revealed that small businesses experiences challenges of operations and this poses an economic challenge to them. It was also noted that when a business is small it has reduced collateral as they have low ability to finance its operations. This causes financial institution to lower its capacity of assisting such a business as it depicted of its low level of operations. this more also in her findings was affirmed through a state that small sized businesses have low level of assets and this implies that creditors consider it as having higher chances of default rate when they are granted financial assistance.

Gomes and Kneippa (2014) in the study on how management enhances performance of different sizes of companies. Inferential statistics was used whereby a regression model was used from secondary data percepts and in their findings revealed that large sized firms have a higher chance of survival due to high pool of resources and this enhances their performance in overall terms. They continued to state that the large firms have an aggregate management which supervises its operations form diverse skills and this implies that they are equated to specific operations base and their performance is purported to be at higher level this reveals that performance is directly proportion to the size of an entity and this is based on the strategies used in such large sized enterprises.

A study by Gomes et, al. (2015) in their study on how management is enhanced for sustainability with key analysis of practical small sized businesses, they used questionnaires distributed to different businesses and in their findings they noted that managers of large corporates are more

optimistic about the performance of their businesses and this motivates them to work with vigor to ensure the performance are of high standards. This was also revealed by Buysse and Verbeke, (2003) on their study on how performance of businesses is determined by the kind of management it has and they similarly used questionnaires in their data collection and they found out that management is key especially to large firms which are indebted to high profiling management. This was also affirmed that management of these large entities are so optimistic to meet the best level of operations in relation to environmental analysis and therefore ensures that the needs of the firm are highly met through higher level of effort put in place to enhance high performance.

2.3.2 Management Quality and Performance

Mishra and Napier (2015) in their study based on how quality management has influenced enterprise sustainability adopted content analysis and reviewed extant empirical literature and other secondary data in form of reports. The findings indicated that quality management is significantly important in enhancing operational efficiency and eventually attaining enterprise performance.

Abbas (2020) studied the effect of management size on quality performance of SME's in Pakistan and found out that management quality significantly and positively impacts the social, economic and environmental sustainability of SMEs in Pakistan. Data was collected from SMEs in Pakistan using questionnaires. Specifically, the top management in the firms responded to the questionnaires. The study recommended that SMEs need to effectively develop sustainability model to ensure they survive through economic hardships. However, this cannot be realized without an experienced and skilled management. This points to the need for SMEs to hire competent management to run corporate operations

Focusing on SMEs in Limuru town in Kenya, Kamunge, Njeru, Tirimba (2014) examined the contributors that shape the performance and sustainability in regard to SMEs in the town of Limuru. The study collected data using questionnaires administered to small businesses operating in Limuru town. The findings indicated that managerial skills significantly influence the performance and sustainability of the small enterprises in Limuru, Kenya. Data collection was analyzed using quantitative regression analysis in SPSS.

Joan (2016) studied on factors that influence SME's performance in Kenya with a case of petroleum dealers that is independent in Nairobi. The study was all about establishing how factors related to production such as capital and available resource coupled with skills portrayed by management impact on SME's. The study adopted research design. Seventy-four (74) of the businesses involved in petroleum in Nairobi were used to represent the sample size. The study used a sample of 50 which was thereby used via application of a primary data collection instrumentation which were questionnaires that were structured and delivered to the respondents. Structured questionnaires were used for purposes of Primary data and thereby delivering them to the respondents by hand delivery. The results clarified that major variables used like resources and capital, marketing skills as well as management skills have an effect on SMEs and connected to their performance. More revelation from the study was the leading to a foreseen aspect that capital and resources have a great influence and the reason for the entrepreneurs having an attachment and great emphasis on capital and resources availability. Similarly, the study findings were also able to prove the ease for SMEs to be able to get capital resources especially financial, although financial institutions like banks mostly preferred using of retained earnings. Similarly, on marketing, the respondents mostly put across how they emphasized marketing activities and especially in regards to the location of the business, product variety and the price of the item.

According to Bernadette (2013), management quality is greatly affected by lack of proper training of these business owners. In other occasions, poor coordination on the training offered has led to a waste of skills for lack of engaging the skills in their daily activities whereas these skills can be used to help the growth, expansion and performance of the business.

Ebru (2014) studied on factors determining innovations for SME's whereby a questionnaire was developed and was used to analyze criteria. (Bayarcelik *et al.* 2015) indicated that substantive conclusions are as a result of how we perceive performance level of an individual which indicates the levels in which they are able to make an inclusion from different levels associated to how well one can be able to come up with a betterment idea. This can be as a result of how skills are computed to the level of engagement with resources inbuilt to self-skills associated with pooling of a resource such as available technology, management skills of the entity, as well as total mass entangled to that resource put in place form the researcher's point of view, all these studies are of importance in understanding management quality and sustainability of an enterprise.

2.3.3 Business Strategy and performance

Ukko, Nasiri, Saunila and Rantala (2019) carried a study on how business strategy influences sustainability of SME's in USA. Their main focus was to evaluate whether business processes, organization strategy and structure have an influence on sustainability. The finding indicated that lack of clear business strategy can jeopardize enterprise stability and eventually performance.

Porter (1996) aspect of strategy drive is considered as a deliberate shift which is enhanced by activities variation in order to remain relevant in a more comprehensive means which are different from that of the competitor in the business field by introducing a very competent product in the market that will be of value compared to the existing one. It is also deciding the direction of the business and how to get there (Ritika, 2013) or integrating forces which are geared towards achieving a competitive edge of the business operations. This is mostly achieved through proper management that ensures there is success and business sustainability (Bridget, 2014).

Joanne (2016) did a study on factors influencing SME's performance in Kenya whereby her findings indicated that SMEs are of value to the best of knowledge centered by owning the enterprise therefore the desired need to have adequate time and considerable effort ensuring and cultivating good relations with clients for ensuring they are retained in the business and consequently leads to growth because of the repeat buying and referrals.. This was as result of the methodology she used a descriptive study, a data sample of 50 was used. Structured questionnaires were used and were hand delivered.

Ogweno (2016) in his study on influence of importation of second-hand clothes on the performance of textiles manufacturing firms in Nairobi used structured questionnaires in data collection with a sample size 29 textiles manufacturing firms operating in Nairobi. The study findings asserted that consumers of second-hand clothes are highly driven by different features of what they purchase such as price, quality, brand and preference, he continued to state that clients tend to go to the show-room of second -hand clothes as compared to those who go for the new ones. This was in his study based on how integration of various marketing strategies are adopted in different market. However, the current study seeks to find out how strategy affect business performance in the second -hand clothes business in Kenya.

Nanjala (2012) studied on gender differences analysis on entrepreneurship relating to self-efficacy aspects on SME's in Kenya. The case study was Githurai trading Centre whereby it emphasized on proceedings depending on how different is the performance between male and female owned enterprises, the analysis of the research pointed out the gender difference on entrepreneurial skills applied in as far as self-motivation among small traders in Githurai market was concerned. Descriptive statistics and chi-Square statistical analysis methods was used for analysis.

The results showed that male gender explicit entrepreneurial capability as compared female gender thereby sense of efficacy postulated .These findings showed that differences coming up in entrepreneur's abilities to perform reflect on the differences in gender entrepreneurial self-efficacy and bring out the reason behind differences in performance when comparing male and female businesses, it was noted that male owned businesses are able to obtain profitable business outcomes as they also recorded better margins in growth compared to their fellow female colleagues, also echoed by Mueller (2011).

The study found out that Women entrepreneurs are motivated to do business but they are disadvantaged since they carry more burdens than their male counterparts. The women have to take care of the children and get home early in the evening to avoid endangering their lives in the unsecure Githurai slum dwelling places where they have cheap and affordable housing facilities. The safer places near the highway are expensive for low income earners, unlike men who are able to do business up to late night. Business in Githurai market is at its best in the evenings and late into the night. The study did not consider management quality which is an essential factor since women with good planning on how well to manage the businesses they are able to compete effectively with their male counterparts.

2.3.4 Business Technology and performance

Ombongi and Long (2018) in their study based on factors affecting financial performance of SMEs in Kenya, revealed that performance is influenced by various factors and performance of SMEs in Kenya and specifically in the manufacturing sector. The study collected data using structured questionnaires administered to 150 SMEs in Kenya. The study findings clarified that technological innovation impacts positively on performance. The study recommends SMEs to align with technological changes to remain relevant in the market. This was in line with Nabintu

(2013) who projected a positive implication of technology on performance and sustainability regarding enterprises around Nairobi, Kenya.

Business technology has proved to be an essential characteristic for growth and performance of any business. It is referred as the knowledge put into practical use to solve problems or come up with new ideas to help solve problems, and it includes knowledge, systems and computer-based systems such as internet used in business. To remain competitive, businesses have to constantly be aware of the changing environments and constantly respond to the conditions surrounding them through use of a competitiveness strategy implementation to avoid challenges obsessed by the surroundings (Mueller, 2011). Technology has a critical impact in businesses and it does not affirm the group category of the business (Joel, 2013). However, there is scarcity of information on the deployment of IT capabilities as a source of competitiveness. Many businesses invest heavily on IT which may not necessarily pay off while others drag in as far as coping with the changing technology is concerned.

Mutisya (2012) in his study confirmed that when there is advancement in terms of technology, clients tend to change their needs, use of aggressive marketing as well as presence of innovativeness, there has been increase in business performances as well as growth being experienced in the last two decades. This was basically within a case of textile manufacturing firms in Kenya. On his part, Kotler (2008) affirmed that innovation is the key when it comes to issue of business increment in generating revenue. This was similarly echoed by Alberti & Pizzurno (2013) and Kamamoe (2014) who constrained their studies on the aspect of how businesses innovations enhance competitiveness in their operations.

Paul (2013) in his study on the use of information and communications technology in marketing financial products: case study of agricultural finance corporation asserted that use of Information communication tools such as ERP enabled the business entity to succeed in the corporate world as it helped SME's to secure viable platforms to manage their business operations. This was after using a questionnaire in data collection whereby a sample of 82 staffs of AFC who had computers connected to internet were used. On their part, Thulani, Tofara and Langton (2010) with their research on ICT application in businesses, argued that its adoption helps the SME's to achieve their set goals. Technology advancement has led to various concepts some of them being very influential in business performance such as social media usability as many customers are of late

tending to go online to do their shopping on various items including second hands clothes (Irene, 2013). Adoukonou (2019) revealed the importance of ICT whereby he stated that it has helped business to generate various aides of profit making with minimal customer interaction. This has been facilitated through expertise in technology who have aligned platforms to act as showrooms in an online platform.

2.4 Summary and Research Gaps

In summary, second hand clothes SMEs needs to be offered with skills to enable them run the business knowledgeable. The lack of education that offer customer relations by the operators of the business is the main barrier affecting operations of business whereby, they have a problem retaining their customers since they hardly relate well with them. The high cost of running the business is another challenge that forces these people to close down the businesses. Also lack of business premise or poor structure vulnerable to destruction and fires is a major blow to the business (standard media, 2014).

Table 2. 1: Summary of Literature Review and Research Gaps.

Author	Research topic	Research findings	Research gaps	Focus of current study
Mutisya (2012)	Influence of second-hand clothes on the textile manufacturing firms in Kenya	It was found out that advancements in technology related strategies, constant changes in customer tastes and needs, relentless marketing and increased innovations are the factors with the greatest impact on the performance of SME sector in Kenya going back to the last two decades	This study failed to generally consider how application of technology in business has enabled them to perform	The current study considered how application technology has enhanced performance of second hands clothes in general
Nanjala (2012)	Analysis of gender difference on	The study found out that Women	This study used chi-	This study focused on

	entrepreneurial self-efficacy in Kenya on (SMEs).	entrepreneurs are motivated to do business but they are disadvantaged since they carry more burdens than their male counterparts	square and descriptive statistics from a questionnaire which gives variance in response on findings based on what age of the women is used	women in entrepreneurial environment who have advanced experience in using different business strategy are performing. This will use descriptive statistics only
Joan (2016)	Factors that influences SME's performance in Kenya	The study found out that SME's apply their knowledge when they own businesses	The study used descriptive study with structured questionnaires of a sample of 50 which was very minimal number of samples	This study focused on specific factors which influences SME's in relation to second hand clothes sector whereby a calculated sample of 80 will be used to have a response of 142 to adhere to Mugenda and Mugenda 2012
Ombogi and Long (2018)	Factors affecting financial performance of SMEs in Kenya,	The study findings were that technology innovations impacts positively on performance	The study used structured questionnaires to 150 SME's in Kenya whereby we are not told where they were being distributed to and his number is too small.	This study considered how technology innovation has influenced performance of second - hand clothes SME's in Githurai specifically with a calculated

				sample from the population
Paul (2013)	The use of information and communications technology in marketing financial products: case study of agricultural finance corporation	The study findings revealed that use of certain tools such as ERP helped the businesses to positively perform in corporate world	The study used a specific corporation which is not part of SME's and the instrument that was used in data collection was not fit for such a study of corporation	This study considered SME's who have a limited number of employees and the revenue generated from them is calculated and it will specifically deal with second hand clothes SME's in Githurai market
Ongweno (2016)	Influence of importation of second-hands clothes on the performance of textiles manufacturing firms in Nairobi	The study found out the study that consumers of second-hand clothes are highly driven by different features of what they purchase such as price, quality, brand and preference, he continued to state that clients tend to go to the show-room of second - hand clothes as compared to those who go for the new ones	The study has only talked of using census whereby it does not inform who were the individuals from these firms that were issued with the questionnaires	This study used management of the registered second-hand clothes SME's in Githurai who are the custodian of the overall management

Source: Researcher, (2021)

2.5 Conceptual Framework

This refers to diagrammatical presentation of the interrelationship between the study variables under study so as to understand what affects the other and what might be the causal agent responsible for existence of that particular relationship.

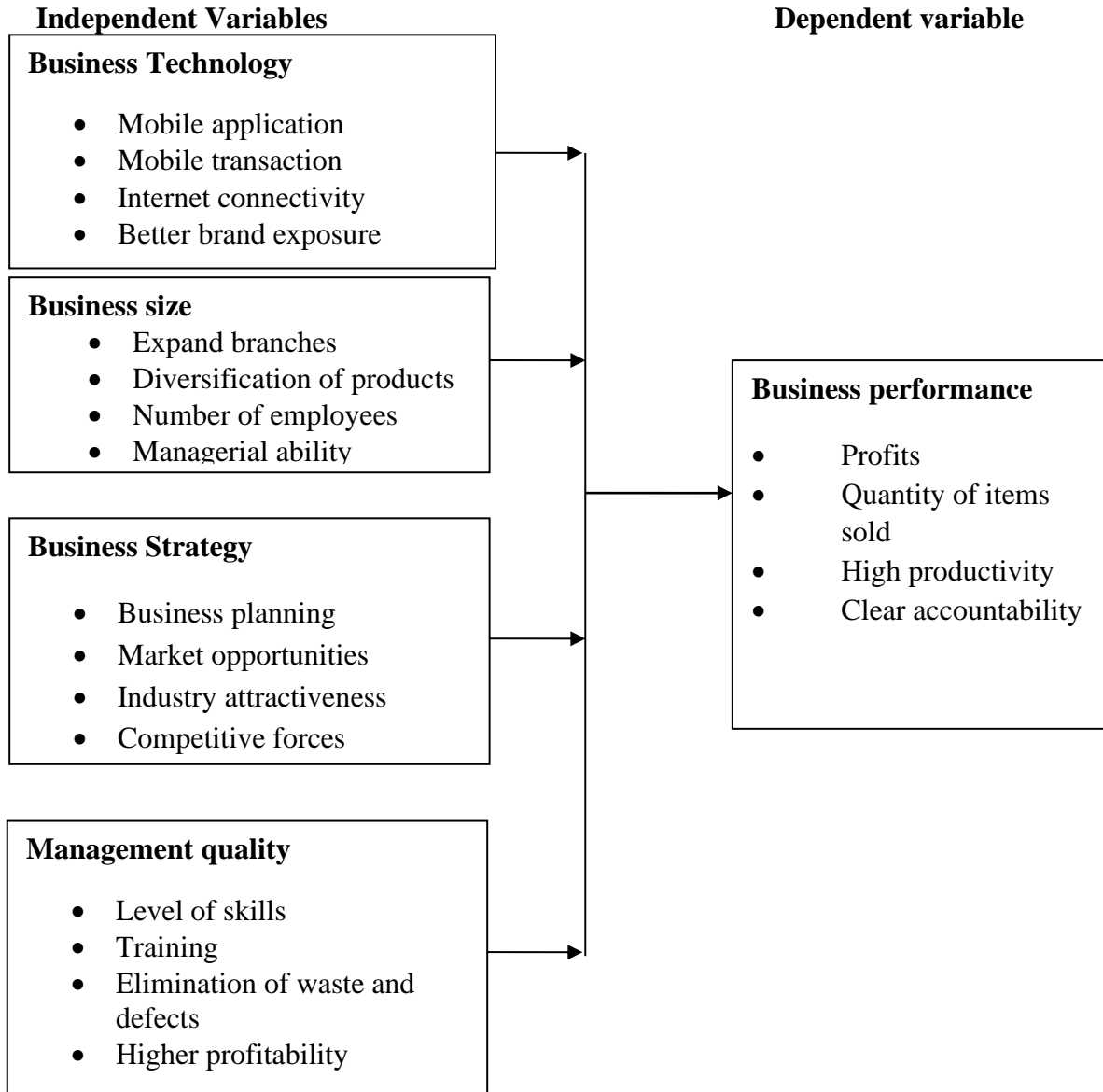


Figure 2. 1: Conceptual Framework

Source: Researcher, (2021)

The Figure 2.1 expounds on the interconnection of the independent and dependent variables of the study. The study proposes that the independent variables will have a significant effect on the sustainability of the SMEs handling SHCs in Githurai market.

The figure conceptualized above shows that business technology was measured in terms of mobile technology being used by the traders, how often they transacted using mobile, how were their businesses connected to internet as well as how they used technology in brand exposures. In relation to business size, it was measured through, branch expansion, diversification of products, number of employees as well as managerial ability. In terms of business strategy, it was measured through business planning, market opportunities, industry attractiveness as well as competitive force usability. Management quality on the other hand was measured through the level of skills used by the traders, training attained, elimination of waste and defects from their operations as well as how they were making high profit margins. Finally concerning business performance, it was measured through profit gained, quantity of items sold, their high level of productivity as well as through having clear accountability.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlines the methodology best suited to proceed with the research study. It further examined the data source and what type it is, the population targeted is also described and the samplings techniques to come up with the sample size. It further described how data collection was carried out, scrutinized as well as how it was presented.

3.2 Research Design

Research design is the simple laid down plan that lays down an overview of the various actions important to accomplish the research project. The research study used descriptive research design to study. Cooper and Schindler (2003) came up with the idea that a descriptive study mostly concerns examining the what, where and how of a particular phenomenon. The reason for the researcher to use descriptive design was because it helped to utilize a part of preliminary and explanatory investigations to enable analysts to assemble data and condense, exhibit and decipher information with the end goal of study.

3.3 Target Population

The system which its features cannot be intertwined as they are commonly observable is what is known as a population. (Mugenda & Mugenda, 2003). This study targeted SHC SMEs that are located at Githurai market. This study target population was those business enterprises (SME's) who already had trading license and certificates of operations. According to the records in the City County, there are 325 registered SHC SMEs with licenses in Githurai. This is based on the fact that they have an annual sales volume of 100-300, the value of assets is between 1-10 and they have a number of employees ranging from 1-3. In each business the researcher targeted the person who owns the business or the one who takes the role of managing the business where it was applicable. The below table represents the population that was targeted.

Table 3. 1: Target Population

Categories of respondents	Population	Percentage
Small scale	215	66.2
Medium scale	110	33.8
Total	325	100

Survey Data (2021)

3.4 Sample size and sampling technique

A Sample is a small part of the population that is targeted (Mugenda & Mugenda 2003). Sampling technique on the other hand represents the method that is used to substantiate groups used in a study. In this study, stratified proportionate sampling technique was used. its usability was in dire need to categorize the target population into manageable categories into small and medium scales. (Babbie 2004) accorded that with stratified proportionate as a technique of sampling comes up with estimates from the total or general population parameters with better predictability and adds to a more and a better representation of a sample from a particular population under investigation. Use of stratas or stratification is used for purposes of reduction of standard error through giving some control over variance. Yamane formula (1967) was used to determine the sample size.

$$n = \frac{N}{1+N(e)^2}$$

Where;

n is the sample size,

N is the Population size (325)

e is the margin error / level of precision 5percent (assumed at ±5 percent)

Hence; n=180

From the formulated formulae above, the sample thereafter was attained through use of stratified sampling. The strata are drawn from the two categories used by the county government in classifying SMEs namely small scale and medium scale. The distribution of respondents per strata as presented in table 3.2.

Table 3. 2: Sampling Size

Strata	Population size	Sample size
Small scale	215	120
Medium scale	110	60
Total	325	180

Survey Data, (20121)

3.5 Data Collection Instrumentation

For ease of comprehension of business characteristic with respect to sustainability, this study used the case of Githurai 45 small business operators who are second hand Mitumba clothes were issued with structured questionnaires. This was carried out through the help of a pilot study in the area in order to understand more of their operational areas as well as to seek clarity on business permit validation and certification of operation. The researcher issued the questionnaire to respondents whose businesses were registered which meant that they were literate when it comes to business operationalization and their performance. The type of questionnaires was therefore afterwards delivered to the already marked business enterprises ownership in order to entice for response which was articulated through the help of data analytical letter from the ministry of education 2019 (NACOSTI)

3.5.1 Validity of the Research Instrument

In research, validity is defined as the accuracy level where reasonable inferences are made based on the results. It further expedites how accurate the collected data represents the particular area that is under investigation (Ghauri and Gronhaug, 2005). This study utilized the content validity which is referred to as the degree to which elements of an assessment instrument are relevant to a representative of the targeted construct for a particular assessment purpose (Lane et al., 2016). The researcher tested content validity by presenting the questionnaire to the supervisor to check whether it measures what it was intended to measure.

3.5.2 Reliability of Research Instrumentation

Reliability is the measure of the level of degree of what is expected in a research with available instrumentation yielding consistent results after consecutive trials (Mugenda & Mugenda (2012). In research, the presence of reliability is influenced by the fact that the researcher addresses random errors, which are from the deviation from a true measurement. According to Berg (1998), the use of consistent and systematic line of questions for even unanticipated responses is particularly important for reliability and for possible replication of the study. This study utilized Cronbach's alpha in testing reliability which is a measure of internal consistency, that is, how closely related a set of items are as a group whereby a reliability coefficient of .70 or higher was considered acceptable, Taber (2018). The table below represents the reliability test

Table 3.3: Reliability Results

Variable	Number of Items	Cronbach's Alpha	Recommendation
Business technology	4	.725	Reliable
Business size	3	.821	Reliable
Business strategy	3	.973	Reliable
Management quality	3	.758	Reliable
Business performance	4	.724	Reliable
Overall score		.8002	Reliable

Source: Research Data (2021)

The findings in Table 3.3 showed that, business technology had a reliability of ($\alpha=0.725$), business size ($\alpha=0.821$), business strategy ($\alpha=0.973$), management quality ($\alpha=0.758$) and business performance ($\alpha=0.724$). It was also noted that all the variables in the instrument had an alpha of more than 07. This therefore has an overall score reliability of 0.8002 which is above the recommended reliability threshold of .70 which agreed to Tatham (2006) which thereby leads to conclusion that the instrument was reliable.

3.6 Data Collection Procedure

The researcher was able to administer the questionnaires to the individuals with sampled population of the study. There was need for being careful and also being in control of the whole process ensuring that all the questionnaires that had been selectively distributed to the respondents were to the respondents, the study able to maintain a register of questionnaires, that is the ones that were sent, and the ones that were later received. The questionnaires were administered using emails because of the Covid 19 pandemic that struck the world around the time data collection was done.

3.7 Data Analysis and Presentation

After receiving the filled questionnaire, they were edited first for ensuring total completeness in addition to consistency of the information in the data. Afterwards, Quantitative data that had been collected was systematically examined by use of descriptive statistics using SPSS (Version 26) and then presented through percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs and pie charts and in prose-form. This was done by tallying up responses, computing the percentages of variations in response as well as describing and interpreting the data in line with the study objectives and assumptions through use of SPSS (Version 26) to communicate research findings. Content analysis was used to test data that is qualitative in nature or aspect of the data collected from the open- ended questions. This study used the following model;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where;

Y= Business Sustainability

B₀ - constant coefficient

X₁ – Business size

X₂– Management quality

X₃– Business strategy

X₄– Business technology

β₁, β₂, and β₃ = regression coefficients

ε_i – error term (extraneous variables)

3.8 Ethical Considerations

The study was expected to maintain all standards of ethical presentation in all aspects of its flow of information whereby there was consideration of data collection respondent's high standards of integrity. This was in terms of confidentiality of their information. This included their overall performance not being displayed for others to pimp to so as to avoid unhealthy competition in their field. Pertaining the level of information credibility, the source to where it was sourced from was acknowledged via information consent referencing. This was also facilitated by a letter from the ministry of higher education that is National Commission of Science, Technology and innovation that ensured that this research met the threshold of required ethical standards.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This being the fourth chapter of the project mostly addressed the data in line with the outlined objectives of the project to obtain the required results and are displayed in form of tables, figures, bar graphs and charts. In addition, the contents of the chapter are as follows introduction, quantitative and qualitative data analysis in descriptive perspective. The analysis was based on the response attained from the respondents based on the study case on business characteristics contribution to the performance of second-hand clothes enterprises in Githurai market Nairobi.

4.1.1 Response Rate

Table 4.1 below shows the number of questionnaires that came back from the respondents and those that failed to come back from the respondents as shown in the table below

Table 4. 1: Response Rate

Category	Frequency	Percentage
Responded	142	79
Non-response	38	21
Total	180	100

Source: Survey Data (2021)

Table 4.1 From a total of 180 questionnaires distributed through emails ,142 of them got responses which was an equivalent to 79% while 38 of the distributed questionnaires were not responded back which was equivalent to 21% of the respondents. This is an indication that most of the respondents who were able to give back the questionnaires comprised the highest percentage and the same figure was used to present the data. The response of the respondents was based on the fact that there may

have been engagements and others even moved because of the Covid 19 pandemic and not able to give back the responses. (Mugenda & Mugenda 2012) stated and pointed out, that a response lying in the range of between 50-60% is moderate and acceptable for data analysis while above 60% is excellent for research analysis.

4.2 Biographic Data

4.2.1 Gender of the Respondents

The responses in respect to the gender of the respondent is shown in Table 4.2 below

Table 4. 2: Gender

Category	Frequency	Percentage
Male	48	34
Female	94	66
Total	142	100

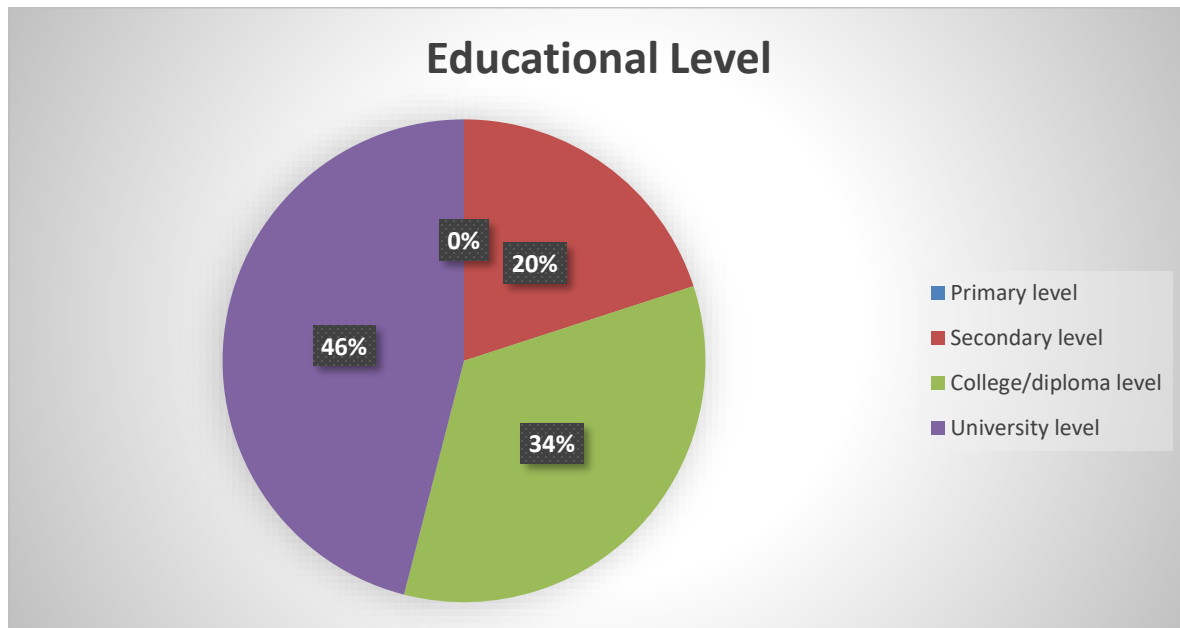
Source: Survey Data (2021)

The Table 4.2 above shows that 34% of those that responded were male gender, while 66% of the people who responded were female. It is an indication that most of the respondents comprised of female. Regarding the presentation of the data, the conclusion made was that the study had a fair gender representation. This response was echoing the constitution of Kenya by 2010 whereby there must be a one third of the gender representation. From this pointy of view the researcher therefore articulated the necessary gender presentation base.

4.2.2 Level of Education

The figure below represents the attained education level in which the respondents were affirmed to when it comes to dealing with business context.

Figure 4. 1: Educational level



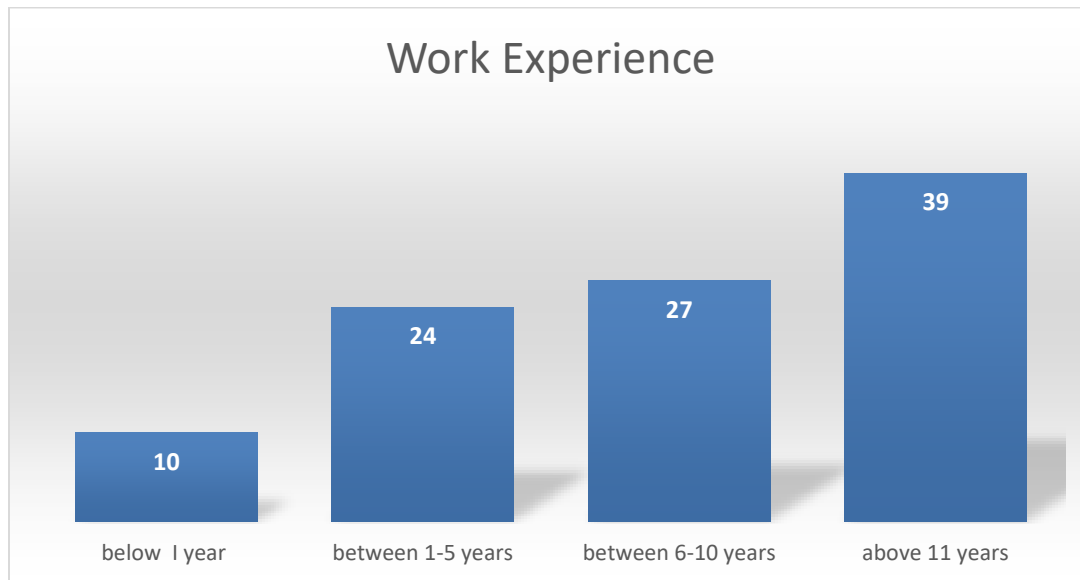
Source; Survey Data (2021)

The Figure 4.1 above was a representation of the respondents based on their level of education whereby from the analysis, it was found out that 46% (66) of the respondents had university level of education, 34% (48) had college/ diploma level of education while as the remaining 20% (28) had secondary level of education. Based on the respondent's level of education variance, the researcher from the literature point of view signified the findings of (Katende 2017) that stated that education is paramount when it comes to doing business, it's therefore of importance to note that people with higher levels in education do better as they have higher experience when it comes to operationalizations in the business sector.

4.2.3 Work Experience

The chart below represents the findings from the analysis based on respondent's engagement in their business in terms of timeliness and experience attained.

Figure 4. 2: Work Experience



The figure 4.2 above was based on the respondents work experience in their respective areas of operations when it comes to issue of second- hand clothes business operations. From the analysis, it was found out that 10% (14) of the respondents had below One year experience in their area of jurisdiction in operational wise, 24% (34) had between 1-5 years' work experience, 27% (38) had operational experience of 6-10 years while the remaining 39% (56) had work experience of above 11 years. This representation was based on affirmative action taken by the business personnel to have a continuous engagement with the second- hand clothing in the sector and they were already adoptive to the systems of customers pulling.

4.3 Descriptive Statistics

Descriptive statistics is based on the aspect of the type of study based on methodology used. This therefore implies that the study variables are presented descriptively as the current study was on use of a questionnaire which was primary data concept. From this perspective, it therefore signified that independent variables which included business size was measured through expansion of

branches, diversification and number of employees was discussed. On the other hand, concerning management quality it was measured through level of skills as well as training. Business technology used was measured through use of mobile application, mobile transaction as well as website publicizing and marketing and finally on the aspect of business strategy used, it was measured through business planning, pricing as well as marketing aspect. These were in relation to study by Veronicah, Bernadette, Ritika & Joel (2013) based on different measures of variables under study.

4.3.1 Business Size

Business size in this study was based on different parameters which are also called measures of the variable under study and they included expansion in terms of branches, having other business within the same business as well as the employees knowing the goal of the business-like growth in size as presented in the table below

Table 4. 3: Business Size

Descriptive Statistics			
	N	Mean	Std. Deviation
The business has other branches	142	4.0563	.90526
We have other businesses within the main business	142	4.5775	3.40072
Employees know the goal of the business-like growth in size	142	4.2113	1.05744
Aggregate	142	4.2819	1.7878

Source: Analytical Data (2021)

The Table 4.3 above shows how business size affects business performance of second -hand clothes industry in Kenya on the basis of the business having other branches with a mean of 4.0563, the respondents had other businesses within the main business with mean of 4.5775 and finally employees know the goal of the business-like growth in size a mean of 4.2113. These findings were in line with those of Gomes and Kneippa (2014) who studied on effect of business size on performance which showed that the size of a business determined its performance. This was also in line with findings of Okpukpara (2009) based on the economic growth of a business which was factored in through increase in membership which signified increase in size. From this perspective, it is therefore important to understand that business size matters when it comes to issue of performance.

4.3.2 Management Quality

The below representation was based on the respondent’s point of view concerning the effect of management quality and this was analyzed in accordance to their response based on 1-5-point scale as shown in table below.

Table 4. 4: Management Quality

	N	Mean	Std. Deviation
Business has employed skilled personnel	142	4.0211	3.58181
The business has trained managers	142	3.9718	1.14819
The business offers training on management to its employees	142	3.8873	1.19751
Aggregate	142	3.9601	1.9758

Source: Analytical Data (2021)

The table 4.4 above was in relation to management quality based on different questions that were asked and the response that was arrived at. Different questions were asked and the response was in statistical form based on inferential statistic through use of means and standard deviation. In relation to whether business has employed skilled personnel, the study found out that it had a mean of 4.0211, on the issue of whether the business has trained managers the study found out that it had a mean of 3.9718 and finally on issue of whether the business offers training on management to its employees had a mean of 3.8873.

This study findings relates to those of Joan (2016) who studied on factors that causes performance of small-scale businesses and it was found out that management skills play a crucial factor when it comes to the issue of sustainability of their undertakings may it be either through business wise of any other operation. Similarly, it was echoing the findings of Mwangi (2014) and Bernadette (2013) who were on the opinion of what cause poor performance which they stated that it was due to poor management who may have low skills of evaluation and decision making. This was also based on the fact that the respondents argued that poor motivation in their work station is one of the key challenges that they usually face and this implies that when the clients are not willing to buy second -hand clothes, they feel as if the business in not performing as they would expect it to in the long run. They continued to state that there should be the essence of personal dedication and service delivery to their clients in order to enhance management quality which is caused by failure of their businesses to meet the target.

From this response based on findings, it is clear that management quality is based on skills exercised and the overall factor within self in order to enhance performance of the business and deliver promptly.

4.3.3: Business Strategy

The response based on respondents' point of view concerning effect of business strategy affects business performance in the second-hand clothes business in Kenya which was presented in form of a likert scale as shown in the table below.

Table 4. 5: Business Strategy

	N	Mean	Std. Deviation
Employee satisfaction influence business performance.	142	3.8380	1.25838
The customers focus satisfaction influence business performance	142	3.7394	1.34576
The business turnover affect business performance	142	4.0845	1.06187
Aggregate	142	3.8876	1.22200

Source: Analytical Data (2021)

The table 4.5 above represented the response based on how business strategy affected performance of the second -hand clothes SME's in Githurai. Based on the issue of whether employee satisfaction influence business performance had a mean of 3.8380, based on the issue of whether the customers focus satisfaction influence business performance had a mean of 3.7394 and finally whether the business turnover affect business performance had a mean of 4.0845. These study findings relates to those Bridgit (2014) on the right strategies to be applied in businesses such as push strategy in ensuring that their presence of vaporosity in terms of performance in their operations. It was also based on the findings of Isaboke and Shem (2018) on different strategies such as cost leadership and differentiation which can be reciprocated on the benefits associated to

customization of their second-hands clothes to pull resources together with different concepts. This more also implied that through their response, there were areas of operations that needed more time to evaluate on basis of supervisory context so that they were aligned to their objective of enhancing performance.

4.3.4: Business Technology

The representation below was based on the response arrived at based on the respondent’s point of view in relation to effects of business technology on business performance in the second- hand clothes business in Kenya and was analyzed based on 1-5- point scale as shown in table 4.6

Table 4. 6: Business Technology

Descriptive Statistics

	N	Mean	Std. Deviation
We do marketing using technology like internet	142	3.8732	1.17817
Mobile technology has increased customer awareness	142	4.1268	1.15384
We advertise our clothes using mobile online applications	142	4.3028	3.61241
We contact our customers through mobile phones	142	3.9507	1.10657
Aggregate	142	4.06338	1.76275

Source: Survey data (2021)

From the analysis on table 4.6 above, it was on the context of business technology on business performance in the second hand clothes business in Kenya and based on whether the respondents do marketing using technology like internet, it had a mean of 3.8732, on other hand based on the issue of whether mobile technology has increased customer awareness had a mean of 4.1268,

concerning the issue of whether respondents advertise their clothes using mobile online applications had a mean of 4.3028 and finally on the issue of whether the respondents contact their customers through mobile phones had a mean of 3.9507. This study finding relates to those of Joel (2013) on the role played by the use of technology in a business context which was indicated that its very critical when using technology in enhancing performance of any kind of business. Similarly, Pizzurno (2013) asserted that innovativeness of the design in marketing second-hand clothes is attributed to the advanced technology application and this therefore calls for going online to make sales through use of social media. Adoukonou (2019) on his part stated that through use of technology, there is cost reduction which signifies smooth operationalizations on benefits of responsiveness to service delivery of an entity which is quality enhancement.

4.3.5 Business Performance

The table presented below show the response from the respondents based on likert point of scale in relation to business performance in the second- hand clothes business.

Table 4. 7: Business Performance

Descriptive Statistics			
	N	Mean	Std. Deviation
We have experienced increase in profits	142	4.0845	.99995
Increased quantity of goods demanded has been rising	142	4.2606	.98700
The customers have been on the increase	142	4.2817	.78430
We have increased number of branches	142	4.4225	.74685
Valid N (listwise)	142	4.2623	.8795

Source: Analytical Data (2021)

The above response was based on the perception of the respondents based on issue of business performance. With reference to the questions that sought to be responded upon such as if the respondents had experienced increase in profits found out that it had a mean of 4.0845, on the other hand it was found out that when it comes to the issue of increased quantity of goods demanded has been rising had a mean of 4.2606, more also based on whether the customers have been on the increase had a mean of 4.2817 and finally in relation to the study question that sought to understand whether the respondents have increased number of branches, found out that it had a mean of 4.4225. this was escalated through the fact that there were poor skills penetration within the businesses enterprises that caused them not to be sustainable enough and this brought many issues especially in the line of embracing customers taste and preference but through the acrimony of different tastes of the clients, it hindered their feasibility analysis. The most immediate thing that the respondents thought it needed to be easily applied to curb the issue of insanity in business performance concept was through fair competition. This finding shows that business performance was caused by different factors and this implies that there was dire need to put all the effort associated to operations especially in the second- hand clothes industry.

4.4 Regression Analysis

In order to find out the existing relationship between business characteristics and the performance of second hands clothes, the study used a multiple linear regression through the SPSS version 26 to generate the data and the findings were presented as shown in the table below.

Table 4. 8: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.908 ^a	.824	.808	.01882

a. Predictors: (Constant), business size, management quality, business strategy, business technology.

The study findings indicated in the table 4.10 above were based on the analysis of the model whereby it was found out that the coefficient of determinant based on Pearson concept of R being .908 signified that there was a strong relationship that is positive between business characteristics and performance. On the other hand, R² was explained to be .824 equivalent to 82.4% variance in the dependent variable which in this case was business performance. Business characteristics explain 82.4% is outside the mode of change in performance.

4.4.1 Analysis of Variance

The research carried out an ANOVA in order to test for the best fit of the data. This was done through a comprehensive regression model in order to meet the purpose of the study and the results were presented as shown in the table 4.10 below.

Table 4. 9: ANOVA

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.073	4	.018	47.349	.003 ^b
	Residual	.015	137	.002		
	Total	.088	141			

a. Dependent Variable: Performance

b. Predictors: (Constant), business size, management quality, business

strategy, business technology

The results presented in the table 4.11 above the probability value was found to be 0.006 with a significant level of $p=.003$ which implied that this implied that the regression model was significant in predicting the existing relationship between business characteristic and the performance aspect of second hands clothes enterprises in Githurai Market, Nairobi city.

4.4.2 Model Coefficients

The researcher tested for the model coefficient in order to understand more on the variables co-integration that were under study. This was therefore presented in the table 4.12 as shown below.

Table 4. 10: Model Coefficients

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.006	.004		1.463	.151
	Business size	-.001	.003	-.013	-.196	.845
	Management quality	-.069	.005	-1.228	-12.789	.000
	Business strategy	.006	.001	.646	5.825	.000
	Business technology	1.5093	.000	.012	.164	.871

a. Dependent Variable: Performance

The regression model presented above was based on the study integration that was conducted by the researcher in order to explicit examine the relationship amongst the study variables in independent and dependent variable concept. It therefore signified that amongst the variables, there existed a relationship as derived by the equation below;

The study conducted a regression model to examine the relationship that exists between business characteristics and performance. The regression model equation representing the relationship is

$$Y = 0.006 - .001X_1 - .069X_2 + 0.006X_3 + 1.5093X_4 + \epsilon$$

Whereby

Y= business performance

X₁= business size

X₂= management quality

X₃=business strategy

X₄= business technology

4.5 Model Explanation

4.5.1 Business Size

From the representation of the equation above the study sought to establish whether business size influenced performance and this was shown to be in significant level of p=.845 which signifies an in significant level as it is above the 95% significant level. This means that SME's in Githurai market have been positively affected by their sizes as they are performing better in terms of their operation based on selling of second- hand clothes. This study therefore conforms to study findings of Okupukpara (2009) which indicate that there was insignificant relationship in business size due to different concept of what size is all about and the performance of the business based on entrepreneurial skills implementation. It also relates to those of Bourlakis et.al.(2016) who confirmed that the size of a business is imperative to its performance and this is mostly attributed to the kind of operations its undertaking. Gomes and Kneippa (2014) more so affirmed this study findings through their study findings concerning how management of large companies is far

reaching better due to increased pool of sharing responsibilities which meant that the size of business motivates the level of management to be implied to it.

4.5.2 Management Quality

This study considered looking at effect of management quality on performance of second-hand clothes in Githurai whereby from the analysis of the model, it showed that significant level which is below the 95% significant level of $p=.000$ which meant there was positive relationship between management quality and business performance and therefore the hypothesis is rejected. It therefore implies that when there is a decrease in a unit of management quality, there is an increase in sustainability level of the business. These findings were in relation to those of Joan (2016) based on management quality whereby she attributed the fact that when management is not performing as intended, there is a consideration of reducing their number and absorb less manpower with quality output. It also relates to those of Bernadette (2013) who found out that management quality can be affirmed through proper training of business owners. Joan (2016) revealed that skilled management enhances the performance of enterprises which more also relates to this study findings.

4.5.3 Business Strategy

In relation to objective three, the study considered looking at how business strategy had affected business performance in the second-hand clothes in Githurai, from the analysis it showed there is an increase of business strategy by 0.006 and this has a significant level of $p=.000$ which is below the accepted significance level of 95%. In this, it signifies that whenever there is an improvement of diversification of the strategy that is being used by the business personnel in Githurai 45 market on second hands clothes, there is the aspect of improvement performance that leads to performance enhancement. From literature point of view, Bridgit (2014) based on the concept of proper

management on how it influences the aspect of performance through delivering the services promptly to an entity perspective.

4.5.4 Business Technology

In terms of determining how business technology has affected business performance of second-hand clothes in Githurai market in line with study objective four revealed that there was significant relationship as p value was $=.871$. This was based on a concept interval of 5% significance level whereby the criteria used for comparing whether their existence an insignificant level between predictor variables in the model through the corresponding probability value and $\alpha=0.05$. The presentation above depicted that business technology was statistically significant as the value of $p=.871$ was reliable hence the hypothesis presented a positive relationship between technology and the performance These findings were in consistent to those of Joel (2013) who investigated on the concept technology concept used by businesses. Mueller (2011) also revealed that technology influences the performance of business therefore this related to the current study findings. Mutisya(2012)in his study found out there was positive relationship between technology in marketing of business and their performance and this correlated to the current study findings.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter was based on summarizing the study findings from the analysis as per the study variables. It also looked at the conclusions and recommendations that were attained from the presentation which was carried out in descriptive research with the application of regression analysis. It therefore implied that this chapter considered looking at the summary of the findings, conclusions, recommendations, limitations of the study as well as areas for further researches.

5.2 Summary of Findings

The first objective of this study aimed at analyzing the effect of business size on performance of second-hand clothes industry in Githurai. After data analysis it was found out that business size had positive but insignificant level at $p=.854$ which was above the threshold of $.0.05$. This signified that increase in business size in terms of its operations that were carried by SME's led to an increment in performance. This when factored in revealed that the size of a second-hand clothes industry in Githurai showed a high growth rate. The significance level also revealed that the size of a business accords to its operations which results to improvement on performance of the businesses.

The second objective of the study was based on analyzing the effect of management quality on performance of second-hand clothes industry Githurai whereby after data analysis it was found out that there existed no relationship between management quality and performance of second hands clothes industry and this was attributed to the fact that the value of $p=.000$ had no significance

relationship. This implied that the management was not key in business evaluation as long as the owners were able to meet the set standards of operations.

The third objective of the study was on finding out how business strategy affects the performance of second-hand clothes businesses in Githurai and the study after data analysis found out that there was no significant relationship between business strategy and performance as this was based on the significant level of $p=.000$. this meant that through use of different business strategies in running the secondhand clothes businesses in Githurai did not affect the performance therefore signifying that their business personnel who were in operation were well adopted to their ways of doing businesses.

The fourth objective of the study was based on determining the effect of business technology on performance of second-hand clothes businesses in Githurai and after data analysis the study found out that there existed a significant positive relationship whereby the p value was at 0.871 which showed a reliability context above the threshold of .7. this meant that whenever the technology was applied to second hand clothes business in Githurai either through mobile transaction, it led to improved performance.

5.3 Conclusions

From the study findings it was established that, business size, business strategy, management quality and business technology affected the performance of Second-hand clothes SME's in Githurai Market. On business size, the study concluded that, having other different branches increases the size of the business which increases the pool of resources hence performance. This is more also contributed by the fact that even the employees are able to understand the objective of the business which is based on growth. This means that with different branches and having

different business within the main business as well as having employees who knows the overall goal of the business influences its performance. On management quality, the study concluded that having skilled employees plays a significant role in assessing the quality of work being done. This is facilitated by having well trained managers who are well equipped when it comes to supervision of the business. The performance of the business is contributed by having well equipped personnel especially in management who are advanced in skills to supervise. On business strategy, the study concluded that focusing on customers of the business enhances its performance which is attributed by having employees who are well satisfied with their work. This means that there is low employees' turnover hence performance is enhanced. Based on business technology, the study concluded that use of internet increases the performance of the business which is mostly based on use of mobile technology to advertise the products to enhance customers awareness. Use business technology especially through the use of mobile phones in contacting the customers about their experience as well as to enquire about products offered more also increases the performance of the business.

5.4 Recommendations

In view of the conclusions, the study recommends that in order for the SME's to experience high performance in terms of their sizes, they need to showcase their management styles with their current small businesses so that they advance in skills of managing large one. This implies that the sizes of their current businesses are performing through their application of tactics so that they remain competitive. Therefore, there should be steady improvement on their current sizes of businesses before they consider increasing their sizes.

The study recommends that the management of these second hands clothes should embrace different tactics of management so that there will be performance improvement. This is based on

their current state whereby they have shown no relationship between the quality of management and performance and therefore there is dire need to adjust their level of management. This will go a higher notch of applying different skills in managing their current businesses which will be key in improving the overall performance.

In relation to business strategy, the study recommends that for SME's to performance effectively, they need to embrace porter five forces so that they are able to understand each level of their business in terms of how each strategy is being applied. This will help in ensuring that there is elimination of unhealthy competition and use diversification of their products and this will enable them to improve their performance. The study also recommends the use of segmentation in their market to ensure that they are updated on which is the best means of operations to increase their clients pool.

The study based on effect of business technology and performance recommends that the business personnel in Githurai should be willing to change with any shift in technology and this should consider the threats posed by it. The study recommends that whenever they apply the new technology in their operations, they should remember to secure their information to avoid external attack and information phishing which might lead to their businesses being under attack and information siphoned without their knowledge.

5.5 Areas for Further Study

This study looked at business characteristics on performance of registered second hands clothes SME's in Githurai market. It will be considered exhaustively if a concurrent study is carried out especially during this time of pandemic to elucidate any change on performance and which is the best element of business characteristic being used. More so, the researcher recommends that there

should be frequent studies on determining how different business characteristic are hindering performance of Second-hand clothes in different markets in Kenya. This would consider using secondary data in order to avoid scenario of respondents unwilling to respond to questionnaires and also avoid respondent's victimization.

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APPENDICES

Appendix I: Introduction Letter

Njoka Risper Wanjiru
Kenya University
P.O. Box
NAIROBI.

RE: Request to fill in the Questionnaire

Dear Respondent,

I am a graduate student at Kenya University, carrying out research on **Business characteristics and sustainability of second- hand clothes SMEs in Githurai Market**. This will be in order to fulfil the partial requirement for the requirement award of degree program of Kenya university in terms of Master of Business administration.

You have been randomly selected among many to participate in this study. It is estimated that it will take less than twenty (20) minutes of your time to complete the questionnaire. Please respond as honestly and objectively as possible. Your participation is very essential for the accomplishment of this study and it will be highly appreciated. I guarantee that the information that you will provide will be treated with the utmost confidentiality and will be used only for academic purposes.

This is an academic research and confidentiality is strictly emphasized, your name will not appear anywhere in the report. Kindly spare some time to complete the questionnaire attached.

Thanks

Yours faithfully,

Njoka Risper Wanjiru

Appendix II: Research Questionnaire

Section A: GENERAL INFORMATION

Gender:

Male

Female

What is your educational level ?

Primary

Secondary

College/diploma

Bachelor degree

For how long have been in SHC business operation?

a) <1 yr	
b) 1-5 yrs	
c) 6-10 years	
d) > 11 years	

SECTION B: RESEARCH VARIABLES:

In this section most of the questions, you will be required to use the likert scale of 1-5 in order to answer the questions as stated below. Kindly you are requested to tick accordingly. The scale will be as follows: 5 = strongly agree, 4 agree, 3= neutral, 2=disagree and 1=strongly disagree

SECTION B: BUSINESS SIZE

Rate the following indicators of business size according to your business and how it has influenced sustainability of the business.

Business size	1	2	3	4	5
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The business has other branches					
We have other businesses within the main business					
Employees know the goal of the business like growth in size					

SECTION C: MANAGEMENT QUALITY

Rate the following indicators of management quality according to your business and how it has influenced sustainability of your business.

Management Quality	1	2	3	4	5
Business has employed skilled personnel					
The business has trained managers					
The business offers training on management to its employees					

SECTION D: BUSINESS STRATEGY

Rate the following indicators of business strategy according to your business and how it has influenced sustainability of your business.

Business Strategy	1	2	3	4	5
Employee satisfaction influence business sustainability.					
The customers focus satisfaction influence business sustainability.					
The business turnover affect business sustainability					

SECTION E: BUSINESS TECHNOLOGY

Rate the following indicators of business technology according to your business and how it has influenced business sustainability.

Business technology	1	2	3	4	5
We do marketing using technology like internet					
Mobile technology has increased customer awareness					
We advertise our clothes using mobile online applications					

We contact our customers through mobile phones					
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During the stated Period 2014-2018, what was the level of performance of your business in figures as stated years indicated?

Ratings in financial	2014	2015	2016	2017	2018
Turnover					
Profit					
Total Expenses					

SECTION F: BUSINESS SUSTAINABILITY

Rate the following indicators of business sustainability in your business.

Business Sustainability	1	2	3	4	5
We have experienced increase in profits					
Increased quantity of goods demanded has been rising					
The customers have been on the increase					
We have increased number of branches					

Ratings in financial	2014	2015	2016	2017	2018
Turnover					
Profit					
Total Expenses					